



QUARTERLY STATEMENT

AS OF MARCH 31, 2009

OF THE CONDITION AND AFFAIRS OF THE

Transportation Liability Insurance Co, A RRG

NAIC Group Code 0000, NAIC Company Code 11979, Employer's ID Number 20-0965457

Organized under the Laws of South Carolina, State of Domicile or Port of Entry South Carolina

Country of Domicile US

Incorporated/Organized January 27, 2004, Commenced Business May 6, 2004

Statutory Home Office 1327 Ashley River Road, Building C, Suite 200, Charleston, South Carolina 29407

Main Administrative Office 8300 N. Hayden Road, Suite A100, Scottsdale, Arizona 85258, 480-948-4351

Mail Address 8300 N. Hayden Road, Suite A100, Scottsdale, Arizona 85258

Primary Location of Books and Records 8300 N. Hayden Road, Suite A100, Scottsdale, Arizona 85258, 480-948-4351

Internet Website Address N/A

Statutory Statement Contact Todd Stewart, toddsf@fitzgibbonsco.com, 480-948-4351, 480-443-5924

OFFICERS

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State of Arizona, County of Maricopa } SS

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

Michael J. FitzGibbons, Special Deputy Rehabilitator

Subscribed and sworn to before me this 15th day of May, 2009

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

## ASSETS

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	December 31 Prior Year Net Admitted Assets
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances)				
4.2 Properties held for the production of income (less \$ ..... encumbrances)				
4.3 Properties held for sale (less \$ ..... encumbrances)				
5. Cash (\$ ..... 625,910 ), cash equivalents (\$ ..... ) and short-term investments (\$ ..... )	625,910		625,910	1,332,683
6. Contract loans (including \$ ..... premium notes)				
7. Other invested assets	450,000	450,000		
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 to Line 9)	1,075,910	450,000	625,910	1,332,683
11. Title plants less \$ ..... charged off (for Title insurers only)				
12. Investment income due and accrued				
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	56,012		56,012	381,396
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	42,790		42,790	255,105
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	18,948		18,948	119,750
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ ..... )				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ ..... ) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	24,177		24,177	24,177
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	1,217,837	450,000	767,837	2,113,111
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Totals (Line 24 and Line 25)	1,217,837	450,000	767,837	2,113,111
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. Prepaid Expenses				
2302. Deferred Acquisition Costs				
2303. Deductible Recoverables	24,177		24,177	24,177
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	24,177		24,177	24,177

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....	1,751,595	2,316,793
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....	231,031	275,536
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	31,626	31,626
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	5,000	5,000
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ .....		
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....		3,112
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....		
15. Remittances and items not allocated .....		
16. Provision for reinsurance .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Payable for securities .....		
21. Liability for amounts held under uninsured plans .....		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities .....	39,211	91,156
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23) .....	2,058,463	2,723,223
25. Protected cell liabilities .....		
26. Total liabilities (Line 24 and Line 25) .....	2,058,463	2,723,223
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....	200,000	200,000
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....	1,000,000	1,000,000
32. Gross paid in and contributed surplus .....	1,442,370	1,442,370
33. Unassigned funds (surplus) .....	(3,932,996)	(3,252,482)
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....		
34.2 ..... shares preferred (value included in Line 29 \$ .....		
35. Surplus as regards policyholders (Line 27 through Line 33, less Line 34) .....	(1,290,626)	(610,112)
36. Totals .....	767,837	2,113,111
<b>DETAILS OF WRITE-INS</b>		
2301. Deferred Ceding Commission .....		51,945
2302. Interest Payable .....	39,211	39,211
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	39,211	91,156
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above) .....		
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above) .....		

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ .....		1,704,952	793,969
1.2 Assumed (written \$ .....			
1.3 Ceded (written \$ .....	(3,112)	859,133	
1.4 Net (written \$ .....	3,112	845,819	793,969
DEDUCTIONS:			
2. Losses incurred (current accident year \$ .....			
2.1 Direct .....	35,525	3,299,062	1,110,055
2.2 Assumed .....			
2.3 Ceded .....	(144,887)	1,764,401	
2.4 Net .....	180,412	1,534,661	1,110,055
3. Loss adjustment expenses incurred .....	275,671	599,475	614,217
4. Other underwriting expenses incurred .....	114,579	712,319	879,756
5. Aggregate write-ins for underwriting deductions .....			
6. Total underwriting deductions (Line 2 through Line 5) .....	570,662	2,846,455	2,604,028
7. Net income of protected cells .....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	(567,550)	(2,000,636)	(1,810,059)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned .....	5,919	56,575	64,168
10. Net realized capital gains (losses) less capital gains tax of \$ .....			
11. Net investment gain (loss) (Line 9 plus Line 10) .....	5,919	56,575	64,168
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ .....			
amount charged off \$ .....			
13. Finance and service charges not included in premiums .....			
14. Aggregate write-ins for miscellaneous income .....	500		60,521
15. Total other income (Line 12 through Line 14) .....	500		60,521
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15) .....	(561,131)	(1,944,061)	(1,685,370)
17. Dividends to policyholders .....			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) .....	(561,131)	(1,944,061)	(1,685,370)
19. Federal and foreign income taxes incurred .....		393,381	390,843
20. Net income (Line 18 minus Line 19) (to Line 22) .....	(561,131)	(2,337,442)	(2,076,213)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year .....	(610,112)	829,274	829,274
22. Net income (from Line 20) .....	(561,131)	(2,337,442)	(2,076,213)
23. Net transfers (to) from Protected Cell accounts .....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....			
25. Change in net unrealized foreign exchange capital gain (loss) .....			
26. Change in net deferred income tax .....			44,056
27. Change in nonadmitted assets .....		550,000	550,000
28. Change in provision for reinsurance .....			
29. Change in surplus notes .....			
30. Surplus (contributed to) withdrawn from protected cells .....			
31. Cumulative effect of changes in accounting principles .....			
32. Capital changes:			
32.1 Paid in .....			
32.2 Transferred from surplus (Stock Dividend) .....			
32.3 Transferred to surplus .....			
33. Surplus adjustments:			
33.1 Paid in .....		86,825	42,771
33.2 Transferred to capital (Stock Dividend) .....			
33.3 Transferred from capital .....			
34. Net remittances from or (to) Home Office .....			
35. Dividends to stockholders .....			
36. Change in treasury stock .....			
37. Aggregate write-ins for gains and losses in surplus .....	(119,381)		
38. Change in surplus as regards policyholders (Line 22 through Line 37) .....	(680,512)	(1,700,617)	(1,439,386)
39. Surplus as regards policyholders, as of statement date (Line 21 plus Line 38) .....	(1,290,624)	(871,343)	(610,112)
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page .....			
0599. TOTALS (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) .....			
1401. Interest Expense .....			(40,985)
1402. Ceded Commissions .....			101,506
1403. Misc Income .....	500		
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....	500		60,521
3701. Prior Period Adjustment - Check Amount .....	3,347		
3702. Pror Period Adjustment - Reinsurance Recoverable .....	(122,728)		
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page .....			
3799. TOTALS (Line 3701 through Line 3703 plus Line 3798) (Line 37 above) .....	(119,381)		

**CASH FLOW**

	1	2
	Current Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	325,384	404,701
2. Net investment income .....	5,919	64,168
3. Miscellaneous income .....	500	550,000
4. Total (Line 1 through Line 3) .....	331,803	1,018,869
5. Benefit and loss related payments .....	656,023	2,452,154
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	434,755	1,234,746
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	(100,802)	12,747
10. Total (Line 5 through Line 9) .....	989,976	3,699,647
11. Net cash from operations (Line 4 minus Line 10) .....	(658,173)	(2,680,778)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....		
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7 Miscellaneous proceeds .....		
12.8 Total investment proceeds (Line 12.1 through Line 12.7) .....		
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....		
13.2 Stocks .....		
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....		
13.7 Total investments acquired (Line 13.1 through Line 13.6) .....		
14. Net increase or (decrease) in contract loans and premium notes .....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....		
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....		
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	(48,598)	
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(48,598)	
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17) .....	(706,771)	(2,680,778)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	1,332,683	4,013,461
19.2 End of period (Line 18 plus Line 19.1) .....	625,912	1,332,683

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

20.0001 .....		
20.0002 .....		
20.0003 .....		
20.0004 .....		
20.0005 .....		
20.0006 .....		
20.0007 .....		
20.0008 .....		
20.0009 .....		
20.0010 .....		

**NOTES TO FINANCIAL STATEMENTS**

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## A. Accounting Practices

The accompanying financial statements of Transportation Liability Insurance Co, A RRG have been prepared in conformity with NAIC quarterly statement instructions and accounting practices prescribed by the State of South Carolina. The State of South Carolina prescribes that risk retention groups report financial results based upon Generally Accepted Accounting Principles (GAAP) with the exception that certain letters of credit are admitted as an asset and included in capital and surplus. The amounts presented reflect GAAP values, but due to the statutory design of the annual statement, may differ in some instances in balance sheet or income statement presentation and classification from GAAP reporting.

The effect on capital and surplus and net income of using prescribed South Carolina practices that differ from NAIC statutory accounting practices are as follows:

Description	March 31, 2009	December 31, 2008
Net Income (Loss), South Carolina permitted basis	\$ (561,131)	\$ (2,076,212)
Deferred Tax Expense	0	494,055
Deferred Commissions income	0	(51,945)
Deferred Policy Acquisition Costs	0	473,782
Net Income (Loss), NAIC SAP basis	\$ (561,131)	\$ (1,160,320)
Policyholders' surplus, South Carolina permitted basis	\$ (1,290,624)	\$ (610,113)
Deferred policy acquisition costs	0	0
Deferred ceding commission	0	(115,989)
Deferred tax asset	0	0
Policyholders' surplus, NAIC SAP basis	\$ (1,290,624)	\$ (726,102)

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

No significant change.

## C. Accounting Policies

Premiums are earned over the terms of the related policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. These reserves are computed by pro rata methods for direct business. In accordance with GAAP, some expenses incurred in connection with acquiring new insurance business, such as commissions, are deferred and earned using the same pro rata methods. (It should be noted that the company is now in runoff and all premiums have been earned). Net investment income earned consists primarily of interest and dividends. Net realized capital gains (losses) are recognized on an individual 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 fair value.
2. Bonds are stated at market value.
3. Not applicable.
4. Common Stocks are stated at fair market value.
5. Not applicable.
6. Prepayment assumptions for mortgage backed securities were obtained from the investment manager. Significant changes in estimated cash flows from the original purchase assumption are accounted for using the retrospective method.
7. Not applicable.
8. Not applicable.
9. Not applicable.
10. The Company does not anticipate investment income as a factor in premium deficiency calculations.

## NOTES TO FINANCIAL STATEMENTS

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11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports, and an amount, based on historical data and past experience, for losses incurred but not reported. Such liabilities are based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess or less than the amount provided. The methods for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

12. Not applicable.

13. Not applicable as the Company does not write major medical insurance with prescription drug coverage.

### 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

#### A. Accounting Changes Other than Codification and Correction of Errors

1. Reinsurance recoverable was overstated \$122,728 at 12/31/08. A correction appears in the 3/31/09 financials as a prior period adjustment.
2. A check was entered for the wrong amount in 4Q09. This is also corrected as a prior period adjustment.

### 3. BUSINESS COMBINATIONS AND GOODWILL

#### A. Statutory purchase method

No significant change.

#### B. Statutory mergers

No significant change.

#### C. Impairment Loss

No significant change.

### 4. DISCONTINUED OPERATIONS

No significant change.

### 5. INVESTMENTS

#### A. Mortgage loans

No significant change.

#### B. Trouble Debt Restructuring for Creditors

No significant change.

#### C. Reverse Mortgages

No significant change.

#### D. Loan-Backed Securities

No significant change.

#### E. Repurchase Agreement

No significant change.

#### F. Real Estate Impairments and Retail Land Sales

No significant change.

#### G. Low Income Housing Tax Credit

Not applicable.

### 6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

**NOTES TO FINANCIAL STATEMENTS**

## A. Detail for those greater than 10% of admitted assets.

No significant change.

## B. Write-downs for impairments

No significant change.

## 7. INVESTMENT INCOME

## A. Accrued Investment Income

No significant change.

## B. Amounts Non-admitted

No significant change.

## 8. DERIVATIVE INSTRUMENTS

No significant change.

## 9. INCOME TAXES

## A. Components of Net Deferred Tax Asset (Liability)

Description	March 31, 2009	December 31, 2008
Gross deferred tax asset	\$ 0	\$ 0
Gross deferred tax liability	0	0
Net deferred tax asset (liability)	0	0
Nonadmitted deferred tax asset	0	0
Admitted deferred tax asset (liability)	\$ 0	\$ 0

## B. Unrecognized Deferred Tax Liabilities

Not applicable

## C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components.

Description	YTD 2009	2008
Federal Income Taxes on Operations	\$ 0	\$ 0
Deferred Tax Expense/benefit	0	390,843
Prior year underaccrual (overaccrual)	0	0
Current income taxes incurred	\$0	\$ 390,843

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	YTD 2009	2008
<b>DEFERRED TAX ASSETS</b>		
Unpaid loss & LAE	\$ 0	\$ 0
Unearned premium reserve	0	0
Organizational Costs	0	0
NOL Carryforward	0	0
Gross DTA's	0	0
<b>DEFERRED TAX LIABILITIES</b>		
DPAC	0	0
Gross DTL's	0	0
Net Deferred Tax Asset	\$ 0	\$ 0

**NOTES TO FINANCIAL STATEMENTS**

The change in net deferred income taxes is comprised of the following:

	March 31, 2009	December 31, 2008	Change
Total gross deferred tax assets	\$ 0	\$ 0	0
Total gross deferred tax liabilities	0	0	0
Net deferred tax asset	\$ 0	\$ 0	0

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

The significant book to tax adjustments were as follows:

Description	Amount	Effective rate
Provision Computed at GAAP Rate	\$ 0	0.0%
Amortization of Organizational Costs	0	0.0%
Other	0	0.0%
Total GAAP income taxes	\$ 0	0.0%

**E. Operating Loss and Tax Credit Carry-forwards**

1. The company generated \$509,489 of operating loss carry-forward in 2008, which is available to offset against future taxable income.

2. The following is income tax expense for 2006 and 2005 that is available for recoupment in the event of future losses.

Year	Amount
2006	\$ 11,178
2005	\$ 89,496

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

**F. Consolidated Federal Income Tax Return**

Not applicable

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES****A. Nature of Relationships**

No significant change.

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

No significant change.

**C. Change in Terms of Intercompany Arrangements**

No significant change.

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

No significant change.

**E. Guarantees or Contingencies for Related Parties**

No significant change.

**F. Management, Service Contracts, Cost Sharing Arrangements**

No significant change.

**G. Nature of Relationships that Could Affect Operations**

No significant change.

## NOTES TO FINANCIAL STATEMENTS

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H. Amount Deducted for Investment in Upstream Company

No significant change.

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

No significant change.

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

No significant change.

K. Foreign Insurance Subsidiary Valued Using CARVM

Not applicable.

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable.

11. DEBT

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Plan

No significant change.

B. Defined Contribution Plan

No significant change.

C. Multiemployer Plans

No significant change.

D. Consolidated/Holding Company Plans

No significant change.

E. Post-employment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Post-retirement Benefits

Not applicable.

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

A. Outstanding Shares

No significant change.

B. Dividend Rate of Preferred Stock

No significant change.

C., D. E. and F. Dividend Restrictions

No significant change.

G. Mutual Surplus Advances

No significant change.

H. Company Stock Held for Special Purposes

## NOTES TO FINANCIAL STATEMENTS

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No significant change.

I. Changes in Special Surplus Funds

No significant change.

J. Changes in Unassigned Funds

No significant change.

K. Surplus Notes

No significant change.

L. and L. Quasi Reorganizations

No significant change.

M. Dividend Payments

No significant change.

### 14. CONTINGENCIES

A. Contingent commitments

No significant change.

B. Guaranty fund and other assessments

No significant change.

C. Gain contingencies

No significant change.

D. Extra contractual obligation and bad faith losses

No significant change.

E. All other contingencies

Lawsuits may arise against the Company in the normal course of business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company.

### 15. LEASES

A. Lessee leasing arrangements

No significant change.

B. Lessor leasing arrangements

No significant change.

### 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

A. Face or Contract Amounts

Not applicable.

B. Nature and Terms

Not applicable.

C. Exposure to Credit Related Losses

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

---

D. Collateral Policy

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A. Transfers of receivables reported as sales

No significant change.

B. Transfers and servicing of financial assets

No significant change.

C. Wash sales

The financial results of the Company are reported on a GAAP basis, in accordance the requirements of the State of South Carolina. Accordingly, the change in accounting treatment of wash sales due to implementation of the codification effective January 1, 2001 has not been adopted by the Company.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A & H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A. Administrative services only (ASO) plans

No significant change.

B. Administrative services contract (ASC) plans

No significant change.

C. Medicare or similarly structured cost based reimbursement contracts

No significant change.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

No significant change.

20. OTHER ITEMS

A. Extraordinary Items

No significant change.

B. Troubled debt restructuring for debtors

No significant change.

C. Other Disclosures

On March 11, 2009, the Company's majority shareholder, K-Men Trucking and Transportation, Inc., recognized the Company's capital impairment and adopted a resolution consenting to the rehabilitation of the Company.

On March 16, 2009 the Court of Common Pleas in and for the State of South Carolina Richland County (the Court) entered the:

“Consent Order Commencing Rehabilitation Proceedings and Granting an Injunction and Automatic Stay of Proceedings” (Order).

The Order, among other things, authorized the rehabilitation of the Company and appointed the Director of Insurance for the State of South Carolina, as Rehabilitator. The Rehabilitator has all the powers of the directors and officers of the Company, the Rehabilitator has taken possession and control of the Company's assets and is presently administering them in that the Rehabilitator is vested with all title to all property, contracts, right of action and all books and records of the Company. Under the injunction, among other things, the Company is enjoined from transacting further business except as directed by the Rehabilitator, transferring of its assets or property or instituting or further prosecuting any actions or proceedings. The Company remains exposed to an application for Liquidation

**NOTES TO FINANCIAL STATEMENTS**

## D. Uncollectible Premiums Receivable

No significant change.

## E. Business Interruption Insurance Recoveries

No significant change.

## F. State Transferable Tax Credits

No significant change.

## G. Hybrid securities

No significant change.

## H. Subprime Mortgage Related Exposure

No significant change.

## I. Federal Home Loan Bank Agreements

Not applicable.

## 21. EVENTS SUBSEQUENT

A. There were no events occurring subsequent to March 31, 2009 through the date of this filing meriting disclosure.

## 22. REINSURANCE

## A. Unsecured Reinsurance Recoverables

The following table summarizes unsecured reinsurance for losses, paid and unpaid, including IBNR, loss adjustment expenses and unearned premium with any reinsurer, authorized or unauthorized that exceeds 3% of policyholder surplus.

NAIC Code #	Federal EIN	Name of Reinsurer	Amount
22012	38-0855585	GMAC Re	\$1,414,215

## B. Reinsurance Recoverables in Dispute

No significant change.

## C. Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commissions equity at March 31, 2009.

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
Affiliates						
All Other			\$0	\$0	\$0	\$0
Totals			\$0	\$0	\$0	\$0
Direct Unearned Premium Reserve \$0						

## D. Uncollectible Reinsurance

No significant change.

## E. Commutation of Ceded Reinsurance

No significant change.

## F. Retroactive Reinsurance

No significant change.

**NOTES TO FINANCIAL STATEMENTS****G. Reinsurance Accounted for as a Deposit**

No significant change.

**23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION****A. Method Used to Estimate**

No significant change.

**B. Method Used to Record**

No significant change.

**C. Amount and Percent of Net Retrospective Premiums**

No significant change.

**D. Calculation of Nonadmitted Accrued Retrospective Premiums**

No significant change.

**24. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

- A. The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years are shown in the chart below. Increases and/or decreases occur as the result of settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses.

Lines of Business (000's omitted)	Calendar Year Losses & LAE Incurred From I/S	2009 Loss Year Losses & LAE Incurred Sch. P – Part 1	Total Shortage (Redundancy )	Loss and DCC Shortage (Redundancy) Sch. P – Part 2
Other Liability	\$456	\$0	\$456	\$ 456

**25. INTERCOMPANY POOLING ARRANGEMENTS**

Not applicable.

**26. STRUCTURED SETTLEMENTS****A. Reserves Released due to Purchase of Annuities**

No significant change.

**B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus**

No significant change.

**27. HEALTH CARE RECEIVABLES****A. Pharmacy rebates billed, received and accrued for twelve quarters**

No significant change.

**B. Risk sharing receivables billed, received and accrued for three years**

No significant change.

**28. PARTICIPATING ACCIDENT AND HEALTH POLICIES**

No significant change.

**29. PREMIUM DEFICIENCY RESERVES**

No significant change.

**NOTES TO FINANCIAL STATEMENTS**

---

30. HIGH DEDUCTIBLES

No significant change.

31. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES AND UNPAID LOSS ADJUSTMENT EXPENSES

A. Tabular discounts

No significant change.

B. Non-tabular discounts

No significant change.

C. Changes in discount assumptions

No significant change.

32. ASBESTOS AND ENVIRONMENTAL RESERVES

A. Asbestos Reserves

No significant change.

B. Asbestos IBNR and bulk reserve, gross and net

No significant change.

C. Asbestos LAE reserve, gross and net

No significant change.

D. Environmental reserves

No significant change.

E. Environmental IBNR and bulk reserve, gross and net

No significant change.

F. Environmental LAE reserve, gross and net

No significant change.

33. SUBSCRIBER SAVINGS ACCOUNTS

No significant change.

34. MULTIPLE PERIL CROP

No significant change.

**GENERAL INTERROGATORIES**

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

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

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

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes (X) No ( ) N/A ( )  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/07/2008
- 6.4 By what department or departments?  
.....  
South Carolina Department of Insurance
- 6.5 Have any financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes ( ) No (X) N/A ( )
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes ( ) No ( ) N/A (X)
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes ( ) No (X)
- 7.2 If yes, give full information  
.....  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes ( ) No (X)
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

**GENERAL INTERROGATORIES (continued)**

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes ( ) No (X)  
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:  
 The company expect the highest ethical conduct from senior officers, but has not adopted a formal code of ethics and this is not required by state of domicile

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

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....  
 .....

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....  
 .....

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes (X) No ( )

10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$ ..... 450,000

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes ( ) No (X)

11.2 If yes, give full and complete information relating thereto:  
 .....  
 .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ .....

13. Amount of real estate and mortgages held in short-term investments: \$ .....

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes ( ) No (X)

14.2 If yes, please complete the following:

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

- 15.1 Has the reporting entity entered into any hedging transactions reported on schedule DB? Yes ( ) No (X)

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ( ) No ( )

If no, attach a description with this statement.

**GENERAL INTERROGATORIES (continued)**

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

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

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

1 Name of Custodian (s)	2 Custodian Address
.....	.....
.....	.....
.....	.....

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

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

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

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

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

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

1 Central Registration Depository	2 Name (s)	3 Address
.....	.....	.....
.....	.....	.....
.....	.....	.....

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

17.2 If no, list exceptions:

.....  
.....

**GENERAL INTERROGATORIES (continued)**

PART 2

PROPERTY AND CASUALTY INTERROGATORIES

- 1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes ( ) No ( ) N/A (X)  
If yes, attach an explanation.
  
- 2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes ( ) No (X)  
If yes, attach an explanation.
  
- 3.1 Have any of the reporting entity's primary reinsurance contracts been cancelled? Yes ( ) No (X)
  
- 3.2 If yes, give full and complete information thereto  
.....  
.....  
.....
  
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes ( ) No (X)
  
- 4.2 If yes, complete the Discount Schedule.

**Page 9**

Schedule F - Ceded Reinsurance

**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

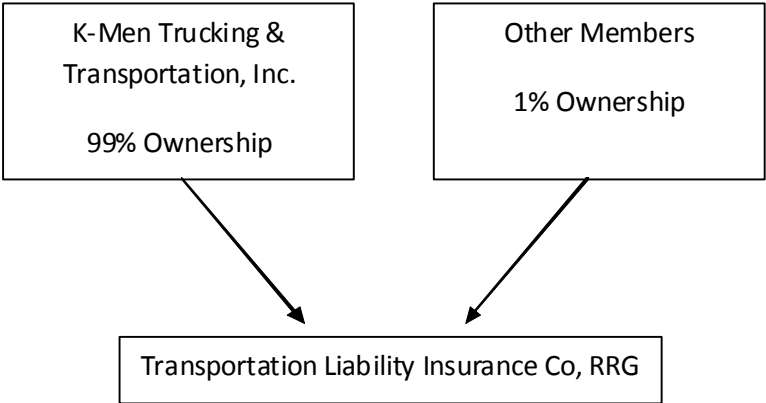
States, etc.	1		Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
	Active Status		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	R						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	R		(6,665)				
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	R						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N		(11,925)		640		5,000
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	R		(132,031)	855,819	368,961	3,098,019	4,485,157
32. New Mexico	NM	N						
33. New York	NY	N			1,044			
34. North Carolina	NC	R		(3,160)		10,134	25,000	23,959
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	R		(9,946)		8,918		20,046
40. Rhode Island	RI	N						
41. South Carolina	SC	L		(5,099)				
42. South Dakota	SD	N						
43. Tennessee	TN	R						
44. Texas	TX	R		(5,298)	11,000			4,000
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	R						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U. S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N						
58. Aggregate Other Alien	OT	XXX						
59. Totals	(a)	1		(174,124)	867,863	388,653	3,123,019	4,538,162
<b>DETAILS OF WRITE-INS</b>								
5801		XXX						
5802		XXX						
5803		XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX						
5899. TOTALS (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)		XXX						

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

---



**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability		35,525		240.4
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS		35,525		
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS			
<b>NONE</b>			
<b>DETAILS OF WRITE-INS</b>			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)			

STATEMENT AS OF MARCH 31, 2009 OF THE Transportation Liability Insurance Co, A RRG

**PART 3 (000 Omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Column 1 plus Column 2)	2009 Loss and LAE Payments on Claims Reported as of Prior Year-End	2009 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2009 Loss and LAE Payments (Column 4 plus Column 5)	Q. S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q. S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q. S. Date IBNR Loss and LAE Reserves	Total Q. S. Loss and LAE Reserves (Column 7 plus Column 8 plus Column 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings) / Deficiency (Column 4 plus Column 7 minus Column 1)	Prior-Year-End IBNR Loss and LAE Reserves Developed (Savings) / Deficiency (Column 5 plus Column 8 plus Column 9 minus Column 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings) / Deficiency (Column 11 plus Column 12)
1. 2006 + Prior	898	282	1,180	709		709	547		212	759	358	(70)	288
2. 2007	732	383	1,115	316		316	789		108	897	373	(275)	98
3. Subtotals 2007 + prior	1,630	665	2,295	1,025		1,025	1,336		320	1,656	731	(345)	386
4. 2008	159	138	297	41		41	212		114	326	94	(24)	70
5. Subtotals 2008 + prior	1,789	803	2,592	1,066		1,066	1,548		434	1,982	825	(369)	456
6. 2009	X X X	X X X	X X X	X X X			X X X				X X X	X X X	X X X
7. Totals	1,789	803	2,592	1,066		1,066	1,548		434	1,982	825	(369)	456
8. Prior Year-End's Surplus As Regards Policy-holders	(610,112)										Column 11, Line 7 As % of Column 1, Line 7	Column 12, Line 7 As % of Column 2, Line 7	Column 13, Line 7 As % of Column 3, Line 7
											1. .... 46.1 %	2. .... (46.0) %	3. .... 17.6 %
													Column 13, Line 7
													Line 8
													4. .... (0.1) %

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

**Responses**

1. Will the Trusted Surplus Statement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

.....

BARCODE:

Document Identifier 490:

2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?

NO

EXPLANATION:

.....

BARCODE:

Document Identifier 455:

3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

YES

EXPLANATION:

.....

BARCODE:

Document Identifier 365:

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after ac		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/ad		
7. Deduct current year's other than temporar		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus		
Line 5 plus Line 6 minus Line 7 plus Line 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**NONE**

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after ac		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mort		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus		
Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)		
12. Total Valuation Allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

**NONE**

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	450,000	450,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus		
Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)	450,000	450,000
12. Deduct total nonadmitted amounts	450,000	450,000
13. Statement value at end of current period (Line 11 minus Line 12)		

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds an		
2. Cost of bonds and stocks acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed or		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus		
Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

**NONE**

**Page SI02**

Schedule D, Part 1B  
**NONE**

**Page SI03**

Schedule DA, Part 1  
**NONE**

Schedule DA, Verification  
**NONE**

**Page SI04**

Schedule DB, Pt. F, Section 1, Replicated (Synthetic) Assets Open  
**NONE**

**Page SI05**

Sch. DB, Pt. F, Sn. 2, Reconciliation Replicated (Syn.) Assets  
**NONE**

**Page SI06**

Schedule E, Verification (Cash Equivalents)  
**NONE**

**Page E01**

Sch. A, Pt. 2, Real Estate Acquired  
**NONE**

Sch. A, Pt. 3, Real Estate Disposed  
**NONE**

**Page E02**

Schedule B, Part 2, Mortgage Loans Acquired  
**NONE**

Schedule B, Part 3, Mortgage Loans Disposed  
**NONE**

**Page E03**

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired  
**NONE**

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed  
**NONE**

**Page E04**

Schedule D, Part 3, Long-Term Bonds and Stocks Acquired  
**NONE**

**Page E05**

Schedule D, Part 4, Long-Term Bonds and Stocks Disposed Of  
**NONE**

**Page E06**

Schedule DB, Part A, Section 1  
**NONE**

Schedule DB, Part B, Section 1  
**NONE**

**Page E07**

Schedule DB, Part C, Section 1

**NONE**

Schedule DB, Part D, Section 1

**NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Wachovia	New Jersey		0.950	261		176,694	176,773	176,861	
Wachovia	New Jersey					777,759	308,886	305,974	
Wachovia	New Jersey		0.250	52		38,384	139,182	139,723	
Wachovia	New Jersey		1.220	88		252,312	77,498	77,487	
Wachovia	New Jersey					(59,053)	(2,755)	(74,134)	
0199999 - TOTAL - Open Depositories				401		1,186,095	699,584	625,910	
0399999 - TOTAL Cash on Deposit				401		1,186,095	699,584	625,910	
0599999 - TOTALS				401		1,186,095	699,584	625,910	

**Page E09**

Schedule E, Part 2, Cash Equivalents

**NONE**



SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2009 OF THE Transportation Liability Insurance Co, A RRG

**MEDICARE PART D COVERAGE SUPPLEMENT**  
(Net of Reinsurance)

NAIC Group Code: 0000

NAIC Company Code: 11979

	1	2	3	4	5
	Individual Coverage		Group Coverage		Total Cash
	Insured	Uninsured	Insured	Uninsured	
1. Premiums Collected .....				XXX	XXX
2. Earned Premiums .....				XXX	XXX
3. Claims Paid .....				XXX	XXX
4. Claims Incurred .....				XXX	XXX
5. Reinsurance Coverage and Low Income (Claims Paid Net of Reimbursements App					
6. Aggregate Policy Reserves - Change ...				XXX	XXX
7. Expenses Paid .....				XXX	XXX
8. Expenses Incurred .....				XXX	XXX
9. Underwriting Gain or Loss .....				XXX	XXX
10. Cash Flow Result .....	XXX	XXX	XXX	XXX	

**NONE**

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ ..... due from CMS or \$ ..... due to CMS