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QUARTERLY STATEMENT

As of March 31, 2011

of the Condition and Affairs of the

National Interstate Insurance Company

NAIC Group Code.....84, 84 (Current Period) (Prior Period) | NAIC Company Code..... 32620 | Employer's ID Number..... 34-1607395

Organized under the Laws of Ohio | State of Domicile or Port of Entry Ohio | Country of Domicile US

Incorporated/Organized..... February 10, 1989 | Commenced Business..... March 28, 1989

Statutory Home Office	3250 Interstate Drive..... Richfield ..... OH ..... 44286 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	3250 Interstate Drive..... Richfield ..... OH ..... 44286 (Street and Number) (City or Town, State and Zip Code)	800-929-1500 (Area Code) (Telephone Number)
Mail Address	3250 Interstate Drive..... Richfield ..... OH ..... 44286 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	3250 Interstate Drive..... Richfield ..... OH ..... 44286 (Street and Number) (City or Town, State and Zip Code)	800-929-1500 (Area Code) (Telephone Number)
Internet Web Site Address	www.nationalinterstate.com	
Statutory Statement Contact	Julie Ann McGraw (Name)	330-659-8900 -1272 (Area Code) (Telephone Number) (Extension)
	julie.mcgraw@natl.com (E-Mail Address)	330-659-8904 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. David Warner Michelson	President & Chief Executive Officer	2. Arthur Jeffrey Gonzales	VP/Secretary/General Counsel
3. Julie Ann McGraw	VP, CFO & Treasurer	4. Terry Eugene Phillips	Senior Vice President

OTHER

Gary Norman Monda	Vice President	James Allan Parks	Vice President
Anthony Joseph Mercurio	Vice President	John Lloyd Woods	Vice President
Terri Kaye Johnson	Vice President	Bradford Lee Scofield	Vice President
Robert Adrian Bernatchez	Vice President		

DIRECTORS OR TRUSTEES

Alan Robert Spachman	Gary Norman Monda	David Warner Michelson	Michelle Ann Silvestro
Terry Eugene Phillips	Ronald George Steiger Jr.	Edward Jeffrey Masch	James Allan Parks
Anthony Joseph Mercurio	Terri Kaye Johnson	Bradford Lee Scofield	Julie Ann McGraw
John Lloyd Woods	Arthur Jeffrey Gonzales	Pamela Lee McDermid	Robert Adrian Bernatchez

State of........ Ohio
County of..... Summit

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

(Signature)	(Signature)	(Signature)
David Warner Michelson	Arthur Jeffrey Gonzales	Julie Ann McGraw
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	VP/Secretary/General Counsel	VP, CFO & Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 29th day of April 2011

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 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	425,176,557		425,176,557	410,583,469
2. Stocks:				
2.1 Preferred stocks	7,942,160		7,942,160	7,652,732
2.2 Common stocks	178,657,770		178,657,770	172,059,591
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)	15,772,354		15,772,354	15,887,822
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....(14,420,063)), cash equivalents ($..........0) and short-term investments ($.....15,506,955)	1,086,892		1,086,892	7,353,082
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets	13,990,462		13,990,462	13,832,721
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	642,626,195	0	642,626,195	627,369,417
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	3,825,090		3,825,090	3,495,588
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,318,019	760,463	7,557,556	13,354,505
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	101,057,693	164,758	100,892,935	88,454,948
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
161. Amounts recoverable from reinsurers	5,204,911		5,204,911	5,031,367
16.2 Funds held by or deposited with reinsured companies	408,249		408,249	1,162,596
16.3 Other amounts receivable under reinsurance contracts	352,673		352,673	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	7,441,195		7,441,195	4,653,731
18.2 Net deferred tax asset	24,272,426	239,675	24,032,751	19,105,446
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	1,182,390		1,182,390	851,149
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	173,636,650		173,636,650	17,011,664
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	5,362,787	679,182	4,683,605	19,072,801
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	973,688,279	1,844,078	971,844,201	799,563,212
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	973,688,279	1,844,078	971,844,201	799,563,212

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Receivable from insureds for deductible payments	666,425	41,828	624,597	824,812
2502. Prepaid expenses	612,284	612,284	0	
2503. Miscellaneous receivable	161,294		161,294	523,007
2598. Summary of remaining write-ins for Line 25 from overflow page	3,922,786	25,071	3,897,715	17,724,981
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	5,362,787	679,182	4,683,605	19,072,801

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....25,561,727)	275,820,574	148,644,616
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	65,264,769	46,600,049
4.	Commissions payable, contingent commissions and other similar charges	7,935,413	7,953,789
5.	Other expenses (excluding taxes, licenses and fees)	7,217,781	10,820,252
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	3,939,015	4,698,593
7.1	Current federal and foreign income taxes (including $..........0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....111,072,171 and including warranty reserves of $..........0)	110,497,786	106,142,942
10.	Advance premium	1,076,005	959,753
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	13,345,220	9,479,588
13.	Funds held by company under reinsurance treaties	179,573,292	166,330,288
14.	Amounts withheld or retained by company for account of others	14,620,390	14,059,123
15.	Remittances and items not allocated	1,473,265	1,784,183
16.	Provision for reinsurance	1,547,531	1,322,257
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	7,854,077	7,038,476
20.	Derivatives		
21.	Payable for securities	1,054,705	
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $..........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	32,407	82,444
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	691,252,230	525,916,352
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	691,252,230	525,916,352
29.	Aggregate write-ins for special surplus funds	3,158,791	622,241
30.	Common capital stock	3,000,000	3,000,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	32,108,779	32,108,779
35.	Unassigned funds (surplus)	242,324,401	237,915,840
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36)	280,591,971	273,646,860
38.	Totals	971,844,201	799,563,212

DETAILS OF WRITE-INS

2501.	Unearned rental income	32,407	82,444
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	32,407	82,444
2901.	Implementation of SSAP 10R	3,158,791	622,241
2902.	Receivable for balance sheet guarantee		
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	3,158,791	622,241
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....103,390,096)	87,586,979	80,008,512	337,414,898
1.2 Assumed (written $.....70,801,837)	32,817,760	5,033,282	23,948,588
1.3 Ceded (written $.....109,646,986)	60,215,078	34,206,811	143,261,906
1.4 Net (written $.....64,544,948)	60,189,660	50,834,983	218,101,579
DEDUCTIONS:			
2. Losses incurred (current accident year $.....31,079,014):			
2.1 Direct	48,271,241	42,499,261	183,390,044
2.2 Assumed	25,164,429	2,346,530	14,595,691
2.3 Ceded	38,999,873	23,606,391	88,188,730
2.4 Net	34,435,797	21,239,400	109,797,005
3. Loss adjustment expenses incurred	5,117,801	4,949,998	22,444,747
4. Other underwriting expenses incurred	19,592,502	18,464,898	72,658,789
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	59,146,100	44,654,297	204,900,541
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	1,043,560	6,180,686	13,201,038
INVESTMENT INCOME			
9. Net investment income earned	3,792,454	4,824,340	17,893,886
10. Net realized capital gains (losses) less capital gains tax of $.....330,038	612,927	299,572	1,740,597
11. Net investment gain (loss) (Lines 9 + 10)	4,405,381	5,123,912	19,634,483
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $..........0 amount charged off $..........0)	0		
13. Finance and service charges not included in premiums	129,038	118,714	507,691
14. Aggregate write-ins for miscellaneous income	(604,313)	(637,855)	(2,692,552)
15. Total other income (Lines 12 through 14)	(475,275)	(519,141)	(2,184,861)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	4,973,667	10,785,457	30,650,660
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)	4,973,667	10,785,457	30,650,660
19. Federal and foreign income taxes incurred	6,132,498	3,724,929	10,793,157
20. Net income (Line 18 minus Line 19) (to Line 22)	(1,158,831)	7,060,528	19,857,504
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	273,646,860	238,390,295	238,390,295
22. Net income (from Line 20)	(1,158,831)	7,060,528	19,857,504
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....101,381		2,006,896	12,372,269
25. Change in net unrealized foreign exchange capital gain (loss)	1,222,210		
26. Change in net deferred income tax	7,144,376	703,561	2,162,999
27. Change in nonadmitted assets	(2,573,920)	1,021,851	2,952,019
28. Change in provision for reinsurance	(225,274)	(82,054)	(1,192,037)
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			0
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	2,536,550	(85,442)	(896,188)
38. Change in surplus as regards policyholders (Lines 22 through 37)	6,945,112	10,625,340	35,256,565
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	280,591,971	249,015,635	273,646,860

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other	294,336	218,193	1,047,731
1402. Interest on funds held	(898,649)	(856,048)	(3,740,283)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(604,313)	(637,855)	(2,692,552)
3701. Implementation of SSAP 10R	2,536,550	(85,442)	(896,188)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	2,536,550	(85,442)	(896,188)

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	61,931,970	53,669,931	217,649,772
2. Net investment income	4,483,233	5,124,204	21,332,860
3. Miscellaneous income	(475,275)	(519,141)	(2,184,861)
4. Total (Lines 1 through 3)	65,939,928	58,274,994	236,797,772
5. Benefit and loss related payments	(92,968,290)	19,223,251	86,583,890
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	10,426,008	20,433,947	84,443,307
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....330,038 tax on capital gains (losses)	9,250,000	(0)	13,101,741
10. Total (Lines 5 through 9)	(73,292,282)	39,657,198	184,128,938
11. Net cash from operations (Line 4 minus Line 10)	139,232,210	18,617,796	52,668,834
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	47,067,079	95,318,925	337,502,894
12.2 Stocks	2,467,562	506,399	4,112,165
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	1,054,705		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	50,589,347	95,825,324	341,615,059
13. Cost of investments acquired (long-term only):			
13.1 Bonds	62,113,815	110,562,470	269,106,742
13.2 Stocks	5,821,501	395,500	122,392,508
13.3 Mortgage loans			
13.4 Real estate		77,769	138,706
13.5 Other invested assets			
13.6 Miscellaneous applications		355,374	
13.7 Total investments acquired (Lines 13.1 to 13.6)	67,935,316	111,391,113	391,637,956
14. Net increase (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(17,345,969)	(15,565,789)	(50,022,897)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			0
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)	(128,152,432)	(740,277)	2,593,303
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(128,152,432)	(740,277)	2,593,303
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(6,266,190)	2,311,729	5,239,240
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	7,353,082	2,113,842	2,113,842
19.2 End of period (Line 18 plus Line 19.1)	1,086,892	4,425,572	7,353,082

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

20.0001			

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. The accompanying financial statements of National Interstate Insurance Company (Company) have been prepared on the basis of accounting practices prescribed or permitted by the State of Ohio Department of Insurance. The Ohio Department of Insurance requires insurance companies domiciled in the state of Ohio 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 Ohio Department of Insurance. There are no deviations prescribed or permitted by the Ohio Department of Insurance utilized in the Company's financial statements.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

D. Loan-Backed Securities

1. The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.

2. The Company does not have any loan-backed securities with an other-than-temporary impairment for which it has the intent to sell or the inability or lack of intent to retain the investment in the security.

3. The were no securities with an other-than-temporary ("OTTI") impairment recognized in 2011.

4. The following table shows all loan-backed securities with an unrealized loss:

Less than 12 months		12 months or more	
Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
$ 36,050,169	$ (455,010)	$ 10,688,419	$ (1,883,530)

5. Based on cash flow projections received from external sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at March 31, 2011. The Company has the intent to hold such securities until they recover in value or mature.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No significant change.

Note 14 - Contingencies

E. Other Contingencies

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

Note 15 - Leases

No significant change.

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

No significant change.

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

C. Wash Sales.

Not applicable.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

No significant change.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No significant change.

Note 20 - Fair Value

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Level 1, 2 and 3

Under fair value accounting, the Company must determine the appropriate level in the fair value hierarchy for each fair value measurement. The fair value hierarchy prioritizes the inputs, which refer broadly to assumptions market participants would use in pricing an asset or liability, into three levels. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair values for our investment portfolio are reviewed by company personnel using data from nationally recognized pricing services as well as non-binding broker quotes.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical securities that the reporting entity has the ability to access at the measurement date.

NOTES TO FINANCIAL STATEMENTS

Level 2 inputs are inputs other than quoted prices (unadjusted) in active markets for identical securities that are observable for the security, either directly or indirectly. Level 2 inputs include quoted prices for similar securities in active markets, quoted prices for identical or similar securities that are not active and observable inputs other than quoted prices, such as interest rate and yield curves.

Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides information as of March 31, 2011 about the Company's investments measured at fair value.

Description	Level 1	Level 2	Level 3	Total
Bonds				
State and Local Government	$ -	$ -	$ 457,152	$ 457,152
Industrial and Misc	-	2,290,121	-	2,290,121
Residential Mortgage Backed Securities	-	2,482,346	-	2,482,346
Total Bonds	$ -	$ 4,772,467	$ 457,152	$ 5,229,619
Preferred Stock				
Industrial and Misc	$ -	$ 8	$ 2,422,800	$ 2,422,808
Total Preferred Stocks	$ -	$ 8	$ 2,422,800	$ 2,422,808
Common Stock				
Industrial and Misc	$ 3,396,331	$ 14	$ -	$ 3,396,345
Mutual Funds	15,451,813	-	-	15,451,813
Total Common Stocks	$ 18,848,144	$ 14	$ -	$ 18,848,158
Totals	$ 18,848,144	$ 4,772,489	$ 2,879,952	$ 26,500,585

The following table provides information as of December 31, 2010 about the Company's investments measured at fair value.

Description	Level 1	Level 2	Level 3	Total
Bonds				
State and Local Government	$ -	$ -	$ 462,858	$ 462,858
Industrial and Misc	-	3,703,848	-	3,703,848
Residential Mortgage Backed Securities	-	2,513,264	-	2,513,264
Total Bonds	$ -	$ 6,217,112	$ 462,858	$ 6,679,970
Preferred Stock				
Industrial and Misc	$ -	$ 1,027,929	$ 2,429,350	$ 3,457,279
Total Preferred Stocks	$ -	$ 1,027,929	$ 2,429,350	$ 3,457,279
Common Stock				
Industrial and Misc	$ 3,396,979	$ 22,000	$ -	$ 3,418,979
Mutual Funds	11,877,708	-	-	11,877,708
Total Common Stocks	$ 15,274,687	$ 22,000	$ -	$ 15,296,687
Totals	$ 15,274,687	$ 7,267,041	$ 2,892,208	$ 25,433,936

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below. There were no significant transfers between Level 1 and Level 2 during the period ended March 31, 2011.

NOTES TO FINANCIAL STATEMENTS

2. Rollforward of Level 3 Items

The following table presents a reconciliation of the beginning and ending balances for investments measured at fair value using level 3 inputs for the period ended March 31, 2011.

	State and Local Government	Industrial and Misc Preferred Stocks
Beginning balance at January 1, 2011	$ 462,858	$ 2,429,350
Transfers into Level 3	-	-
Transfers out of Level 3 (a)	-	-
Total gains or (losses):		
Included in earnings	-	-
Included in other comprehensive income	(5,706)	(6,550)
Purchases and issuances	-	-
Sales, settlements and redemptions	-	-
Ending balance at March 31, 2011	$ 457,152	$ 2,422,800

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. The Company's policy is to recognize transfers in and transfers out as of the end of the reporting period.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The pricing services use a variety of observable inputs to estimate the fair value of fixed maturities that do not trade on a daily basis. These inputs include, but are not limited to, recent reported trades, benchmark yields, issuer spreads, bids or offers, reference data and measures of volatility. Included in the pricing of mortgage-backed securities are estimates of the rate of future prepayments and defaults of principal over the remaining life of the underlying collateral. Inputs from brokers and independent financial institutions include, but are not limited to, yields or spreads of comparable investments which have recent trading activity, credit quality, duration, credit enhancements, collateral value and estimated cash flows based on inputs including delinquency rates, estimated defaults and losses, and estimates of the rate of future prepayments. Valuation techniques utilized by pricing services and values obtained from brokers and independent financial institutions are reviewed by company personnel who are familiar with the securities being priced and the markets in which they trade to ensure that the fair value determination is representative of an exit price, as defined by accounting standards.

Level 2 primarily consists of financial instruments whose fair value is based on quoted prices in markets that are not active and includes preferred stock, certain publicly traded unaffiliated common stocks, corporate obligations, and mortgage backed securities that are not actively traded. Level 3 consists of financial instruments that are not traded in an active market, whose fair value is estimated by management based on inputs from independent financial institutions, which include non-binding broker quotes, for which the Company believes reflects fair value, but are unable to verify inputs to the valuation methodology. The Company obtained one quote or price per instrument from our brokers and pricing services and did not adjust any quotes or prices that were obtained. Management reviews these broker quotes using information such as the market prices of similar investments. The Company primarily uses the market approach valuation technique for all investments.

5. Derivative Fair Values

Not applicable.

B. This Disclosure Removed by NAIC December, 2010.

C. Other Fair Value Disclosures

Not applicable.

D. Reasons Not Practical to Estimate Fair Values

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were $195,244,665. As of March 31, 2011, $33,648,271 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $308,838,697. The increase in outstanding losses and LAE as compared to prior year is a result of the Company and affiliates entering into an inter-company pooling arrangement with Vanliner Insurance Company effective January 1, 2011. The impact to prior year reserves was an increase of $147,028,070 for assuming the initial reserves effective with the implementation of the new pooling agreement. There has been $214,233 unfavorable prior year development since December 31, 2010. The increase in incurred claims and claims adjustment expenses are generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

Effective January 1, 2011, the Company entered into an amended pooling agreement with its insurance subsidiaries, National Interstate Insurance Company of Hawaii (NIIC-HI), Triumphe Casualty Company (TCC) and Vanliner Insurance Company (VIC). The settlement of the opening pooled balance sheet will require a transfer of investments from VIC to the Company in payment for net liabilities assumed of approximately $143 million. The following summarizes the participation percentages:

Name of Insurer	NAIC Code	% Participation
Triumphe Casualty Company	41106	2%
National Interstate Insurance Company of Hawaii	11051	2%
Vanliner Insurance Company	21172	26%
National Interstate Insurance Company (Lead)	32620	70%

Prior to the pooling of business, each participating company makes cessions, primarily excess of loss arrangements, to various other affiliated and non-affiliated reinsurers under terms of other reinsurance agreements. Each participant records its own Provision for Reinsurance based on its pre-pooling reinsurance activity. These liabilities are not shared with the other pooled participants. In the event that a reinsurance balance becomes uncollectible, the uncollectible balance will be shared by the pooled members in accordance to the pooling participation schedule. As of March 31, 2011 the Company, the lead participant for pooling had a $6.8 million Funds Held payable to TCC and a $5.8 million payable to NIIC-HI.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

No significant change.

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

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

Note 36 - Financial Guaranty Insurance

B. Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [X] No [ ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [X] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change: ....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010.......................

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. 12/31/2005.......................

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/18/2006.......................

6.4 By what department or departments?

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

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

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

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

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

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

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $.....................3,829,695

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: $...................................0

13. Amount of real estate and mortgages held in short-term investments: $...................................0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No [ ]

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	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 156,762,904	$ 159,809,612
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 156,762,904	$ 159,809,612
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

16. Excluding items in Schedule E-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
Key Bank	PO Box 6717 Cleveland, OH 44101

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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 & 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 [X] No [ ] N/A [ ]

   If yes, attach an explanation.

   Effective January 1, 2011, the pooling agreement was amended and restated to include Vanliner Insurance Company. The Company's participation percentage has changed from 96 percent to 70 percent.

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 canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

   5.1 A&H loss percent 51.9 %

   5.2 A&H cost containment percent 12.8 %

   5.3 A&H expense percent excluding cost containment expenses 39.1 %

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

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

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

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
Affiliates				
21172	86-0114294	Vanliner Ins Co	MO	YES

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, Etc.	Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama AL	L	557,327	1,795,613	483,928	528,336	5,959,671	4,571,121
2. Alaska AK	L	483,584	313,199	748,751	135,393	2,051,969	1,638,841
3. Arizona AZ	L	2,496,740	767,084	312,099	1,528,102	5,287,022	3,990,463
4. Arkansas AR	L	127,139	122,113	217,192	22,536	722,750	614,736
5. California CA	L	12,419,657	13,642,790	5,313,066	6,553,881	66,452,774	68,594,432
6. Colorado CO	L	660,908	600,034	174,781	137,898	2,642,544	1,927,242
7. Connecticut CT	L	3,597,384	2,298,954	621,331	452,349	9,353,513	7,930,054
8. Delaware DE	L	69,516	124,196	581,314	372,690	13,212,636	8,558,913
9. District of Columbia DC	L	-			192	9,801	16,471
10. Florida FL	L	5,562,153	4,289,642	2,249,468	1,345,672	14,414,320	16,043,819
11. Georgia GA	L	1,267,727	1,240,937	322,461	898,141	4,097,023	8,747,582
12. Hawaii HI	L	2,881,724	3,818,310	1,274,471	1,486,736	18,755,071	22,221,171
13. Idaho ID	L	596,151	156,688	256,008	132,921	1,629,320	852,777
14. Illinois IL	L	3,609,212	3,592,969	553,815	945,669	11,565,415	8,080,963
15. Indiana IN	L	1,694,503	1,583,830	803,219	195,110	5,779,068	5,047,380
16. Iowa IA	L	84,492	577,718	357,992	175,799	4,380,194	2,141,853
17. Kansas KS	L	2,345,397	1,521,509	152,054	227,510	3,513,212	3,133,691
18. Kentucky KY	L	969,604	736,785	139,184	232,815	1,270,811	1,280,039
19. Louisiana LA	L	481,627	328,784	408,338	1,181,571	3,810,794	3,120,994
20. Maine ME	L	103,324	98,057	84,697	18,042	579,714	513,494
21. Maryland MD	L	1,062,956	899,549	465,984	406,631	3,855,499	4,251,651
22. Massachusetts MA	L	1,852,860	1,738,955	1,808,134	1,159,150	15,597,214	12,041,219
23. Michigan MI	L	3,376	3,478	(125)	(2,334)	12,447	39,369
24. Minnesota MN	L	813,566	810,815	423,216	322,990	4,328,469	9,785,650
25. Mississippi MS	L	171,373	105,112	280,168	186,869	2,789,296	2,418,702
26. Missouri MO	L	1,700,649	1,926,191	760,858	493,488	6,699,718	5,878,130
27. Montana MT	L	1,137,790	1,267,314	1,047,761	943,693	5,340,217	4,335,102
28. Nebraska NE	L	1,884,490	1,813,350	323,650	236,208	3,461,811	4,100,056
29. Nevada NV	L	611,162	602,969	286,909	462,190	3,673,060	2,996,642
30. New Hampshire NH	L	78,040	39,367	1,259,207	162,695	3,047,623	3,099,630
31. New Jersey NJ	L	19,325	18,778	24,656	51,591	437,911	899,148
32. New Mexico NM	L	359,335	256,940	49,161	130,640	636,576	538,899
33. New York NY	L	14,621,535	13,987,227	1,960,652	960,886	23,692,612	20,858,507
34. North Carolina NC	L	9,231,075	8,658,023	2,311,955	2,232,556	23,298,942	23,391,437
35. North Dakota ND	L	405,269	264,071	27,912	113,294	1,819,961	249,848
36. Ohio OH	L	4,865,050	4,640,309	1,475,991	1,884,114	12,413,504	10,503,616
37. Oklahoma OK	L	2,057,822	1,691,510	463,102	1,169,940	3,308,211	4,128,373
38. Oregon OR	L	380,154	360,168	254,175	237,712	1,688,302	1,015,878
39. Pennsylvania PA	L	3,789,516	3,290,342	1,531,946	1,126,287	16,658,408	14,739,108
40. Rhode Island RI	L	117,914	191,559	48,347	55,936	705,094	636,562
41. South Carolina SC	L	255,611	249,250	233,469	699,723	1,625,800	2,545,995
42. South Dakota SD	L	332,583	454,509	828,768	234,205	741,232	552,149
43. Tennessee TN	L	1,886,920	1,772,674	979,308	342,832	5,579,025	4,999,870
44. Texas TX	L	6,044,517	7,471,362	10,534,674	3,587,447	39,566,497	32,051,734
45. Utah UT	L	2,136,947	1,762,341	179,655	157,936	3,213,393	2,664,821
46. Vermont VT	L	503,132	611,446	64,659	66,329	1,180,693	1,114,493
47. Virginia VA	L	2,939,776	2,497,842	191,245	660,530	5,095,744	5,756,369
48. Washington WA	L	1,676,514	875,786	105,653	425,593	1,792,632	1,989,873
49. West Virginia WV	L	52,672	(110,681)	15,000	17,718	370,968	840,588
50. Wisconsin WI	L	2,248,120	1,500,645	268,659	260,205	7,899,501	5,516,420
51. Wyoming WY	L	141,878	20,849	961	6,705	498,433	560,630
52. American Samoa AS	N						
53. Guam GU	N						
54. Puerto Rico PR	N						
55. US Virgin Islands VI	N						
56. Northern Mariana Islands MP	N						
57. Canada CN	N						
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59. Totals	(a) 51	103,390,096	97,281,262	43,259,879	35,365,122	376,516,415	353,526,505

DETAILS OF WRITE-INS

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART

NONE

PART 1 - LOSS EXPERIENCE

	Current Year to Date			4
Lines of Business	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	Prior Year to Date Direct Loss Percentage
1. Fire	-		0.0	
2. Allied lines	490,578	86,147	17.6	21.4
3. Farmowners multiple peril	-		0.0	
4. Homeowners multiple peril	-		0.0	
5. Commercial multiple peril	225,402	13,732	6.1	264.0
6. Mortgage guaranty	-		0.0	
8. Ocean marine	-	(43,723)	0.0	125.5
9. Inland marine	1,238,580	1,276,353	103.0	55.1
10. Financial guaranty	-		0.0	
11.1. Medical professional liability - occurrence	-		0.0	
11.2. Medical professional liability - claims-made	-		0.0	
12. Earthquake	-		0.0	
13. Group accident and health	-		0.0	
14. Credit accident and health	-		0.0	
15. Other accident and health	110,959	37,345	33.7	86.6
16. Workers' compensation	16,026,350	9,600,340	59.9	61.0
17.1 Other liability-occurrence	4,501,372	2,258,025	50.2	11.6
17.2 Other liability-claims made	450,045	641,722	142.6	49.7
17.3 Excess workers' compensation	-		0.0	
18.1 Products liability-occurrence	-		0.0	
18.2 Products liability-claims made	-		0.0	
19.1, 19.2 Private passenger auto liability	1,298,396	594,732	45.8	44.2
19.3, 19.4 Commercial auto liability	47,809,349	24,105,855	50.4	58.7
21. Auto physical damage	15,423,635	9,700,712	62.9	39.3
22. Aircraft (all perils)	-		0.0	
23. Fidelity	-		0.0	
24. Surety	10,913		0.0	
26. Burglary and theft	-		0.0	
27. Boiler and machinery	1,400		0.0	
28. Credit	-		0.0	
29. International	-		0.0	
30. Warranty	-		0.0	
31. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	
35. Totals	87,586,979	48,271,240	55.1	53.1
DETAILS OF WRITE-INS				
3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34)	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	-	-	
2. Allied lines	585,127	585,127	443,778
3. Farmowners multiple peril	-	-	
4. Homeowners multiple peril	-	-	
5. Commercial multiple peril	233,278	233,278	245,966
6. Mortgage guaranty	-	-	
8. Ocean marine	-	-	(148)
9. Inland marine	1,779,269	1,779,269	1,191,316
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	18,739,345	18,739,345	14,419,092
17.1 Other liability-occurrence	5,978,696	5,978,696	4,704,105
17.2 Other liability-claims made	653,487	653,487	392,283
17.3 Excess workers' compensation	-	-	
18.1 Products liability-occurrence	-	-	
18.2 Products liability-claims made	-	-	
19.1 19.2 Private passenger auto liability	1,316,518	1,316,518	1,573,812
19.3 19.4 Commercial auto liability	56,572,901	56,572,901	56,161,546
21. Auto physical damage	17,520,981	17,520,981	18,146,712
22. Aircraft (all perils)	-	-	
23. Fidelity	-	-	
24. Surety	5,026	5,026	2,800
26. Burglary and theft	-	-	
27. Boiler and machinery	5,473	5,473	
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	0	0	0
35. Totals	103,390,101	103,390,101	97,281,262
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + Prior	57,584	61,978	119,562	10,827	11	10,838	48,902	40	59,330	108,272	2,145	(2,597)	(452)
2. 2009	30,116	57,740	87,856	5,503	55	5,558	27,524	217	52,577	80,318	2,911	(4,891)	(1,980)
3. Subtotals 2009 + Prior	87,700	119,718	207,418	16,330	66	16,396	76,426	257	111,907	188,590	5,056	(7,488)	(2,432)
4. 2010	39,947	94,907	134,854	16,112	1,141	17,253	33,760	1,492	84,997	120,249	9,925	(7,277)	2,648
5. Subtotals 2010 + Prior	127,647	214,625	342,272	32,442	1,207	33,649	110,186	1,749	196,904	308,839	14,981	(14,765)	216
6. 2011	XXX	XXX	XXX	XXX	7,119	7,119	XXX	8,226	23,992	32,218	XXX	XXX	XXX
7. Totals	127,647	214,625	342,272	32,442	8,326	40,768	110,186	9,975	220,896	341,057	14,981	(14,765)	216
8. Prior Year-End's Surplus As Regards Policyholders	273,647												

Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
1. 11.7 %	2. (6.9)%	3. 0.1 %

Col. 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.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1.
2.
3.
4.

Bar Code:

* 3 2 6 2 0 2 0 1 1 4 9 0 0 0 0 0 1 *

* 3 2 6 2 0 2 0 1 1 4 5 5 0 0 0 0 1 *

* 3 2 6 2 0 2 0 1 1 3 6 5 0 0 0 0 1 *

* 3 2 6 2 0 2 0 1 1 5 0 5 0 0 0 0 1 *

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Commission receivable	1,635,911	25,071	1,610,841	1,045,377
2505. Amounts refundable on purchase price of Vanliner			0	14,255,969
2506. Receivable for balance sheet guarantee	2,286,874		2,286,874	2,423,635
2597. Summary of remaining write-ins for Line 25	3,922,786	25,071	3,897,715	17,724,981

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	15,887,822	16,208,112
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		138,706
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/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	115,468	458,996
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	15,772,354	15,887,822
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	15,772,354	15,887,822

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
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 mortgage interest points and commitment fees		
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 (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	13,832,721	12,972,009
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)	157,741	860,712
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 (Lines 1+2+3+4+5+6-7-8+9-10)	13,990,462	13,832,721
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	13,990,462	13,832,721

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	590,295,792	525,914,906
2. Cost of bonds and stocks acquired	67,935,316	391,499,250
3. Accrual of discount	101,193	555,305
4. Unrealized valuation increase (decrease)	3,041,868	13,927,245
5. Total gain (loss) on disposals	942,965	3,199,244
6. Deduct consideration for bonds and stocks disposed of	49,534,642	341,615,059
7. Deduct amortization of premium	1,006,005	2,846,186
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		338,912
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	611,776,487	590,295,792
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	611,776,487	590,295,792

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	374,184,286	57,298,417	57,384,525	1,038,576	375,136,753			374,184,286
2. Class 2 (a)	36,216,299	6,593,638		(611,062)	42,198,875			36,216,299
3. Class 3 (a)	5,389,383	839,714	722,709	321,444	5,827,832			5,389,383
4. Class 4 (a)	13,402,867	5,513,943	1,287,028	(546,946)	17,082,835			13,402,867
5. Class 5 (a)	209,630			247,879	457,509			209,630
6. Class 6 (a)	1,336,332		24,865	(47,593)	1,263,874			1,336,332
7. Total Bonds	430,738,796	70,245,710	59,419,128	402,299	441,967,677	0	0	430,738,796
PREFERRED STOCK								
8. Class 1	1,398,990			139	1,399,129			1,398,990
9. Class 2	3,214,562			17,768	3,232,330			3,214,562
10. Class 3	185,000			2,600	187,600			185,000
11. Class 4		262,754			262,754			
12. Class 5	13,371				13,371			13,371
13. Class 6	2,840,810			6,166	2,846,976			2,840,810
14. Total Preferred Stock	7,652,732	262,754	0	26,674	7,942,160	0	0	7,652,732
15. Total Bonds and Preferred Stock	438,391,528	70,508,464	59,419,128	428,972	449,909,836	0	0	438,391,529

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $..........0; NAIC 2 $..........0; NAIC 3 $..........0; NAIC 4 $..........0; NAIC 5 $..........0; NAIC 6 $..........0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	15,506,955	XXX	15,506,955	385	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	20,155,328	9,985,194
2. Cost of short-term investments acquired	8,131,896	118,662,322
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	12,780,268	108,489,366
7. Deduct amortization of premium		2,822
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 (Lines 1+2+3+4+5-6-7+8-9)	15,506,955	20,155,328
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	15,506,955	20,155,328

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

Sch. E-Verification
NONE

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

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	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
3128X8 QF 2	FREDDIE MAC AGENCY		01/31/2011	CLARKE (G.X.) & CO.		401,476	400,000	5,996	1
3128X8 QP 0	FREDDIE MAC AGENCY		02/25/2011	MORGAN STANLEY		10,675,861	10,655,000	151,020	1
3128X8 TZ 5	FREDDIE MAC AGENCY		02/28/2011	MORGAN STANLEY		521,302	520,000	5,056	1
31331J 7G 2	FEDERAL FARM CREDIT BANK AGENCY		03/31/2011	CLARKE (G.X.) & CO.		1,807,272	1,800,000	12,443	1
31331V V8 6	FEDERAL FARM CREDIT BANK AGENCY		01/31/2011	CANTOR		3,071,244	2,650,000	58,406	1
313370 SZ 2	FEDERAL HOME LOAN BANK AGENCY		03/29/2011	MORGAN STANLEY		2,390,933	2,500,000	3,438	1
3133X8 AS 1	FEDERAL HOME LOAN BANK AGENCY		02/18/2011	STIFEL NICOLAUS & CO.		384,682	350,000	349	1
3133XH VS 8	FEDERAL HOME LOAN BANK AGENCY		02/25/2011	CANTOR		1,640,404	1,465,000	15,464	1
3133XL F8 1	FEDERAL HOME LOAN BANK AGENCY		03/29/2011	CLARKE (G.X.) & CO.		172,760	150,000	2,602	1
3133XM CL 3	FEDERAL HOME LOAN BANK AGENCY		02/28/2011	CLARKE (G.X.) & CO.		523,383	470,000	10,820	1
3133XP CT 9	FEDERAL HOME LOAN BANK AGENCY		02/28/2011	CANTOR		1,070,050	1,000,000	19,951	1
3136FP MH 7	FANNIE MAE AGENCY		03/29/2011	CLARKE (G.X.) & CO.		198,694	205,000	14	1
0599999.	Total - Bonds - U.S. Government					22,858,059	22,165,000	285,557	XXX
Bonds - U.S. Special Revenue and Special Assessment									
218855 AB 0	CORINTH N Y INDL DEV AGY MUNICIPAL		03/17/2011	ANCORA ADVISORS LLC		2,016,000	2,000,000	16,292	2FE
3137A6 DT 6	FREDDIE MAC CMO		02/24/2011	CANTOR		3,918,206	3,780,000	11,340	1
3137A6 FB 3	FREDDIE MAC CMO		02/24/2011	ANCORA ADVISORS LLC		1,360,938	1,300,000	4,388	1
31398S TN 3	FANNIE MAE CMO		03/18/2011	ANCORA ADVISORS LLC		5,131,250	5,000,000	12,222	1
31412Q SE 0	FANNIE MAE FNMA		01/28/2011	CANTOR		3,677,836	3,555,746	11,852	1
31417Y GK 7	FANNIE MAE FNMA		01/25/2011	ANCORA ADVISORS LLC		2,402,965	2,325,919	6,978	1
373506 AV 6	GEORGIA ST ENVIRONMENTAL MUNICIPAL		03/25/2011	MORGAN KEEGAN		2,227,185	2,250,000		1FE
64468C BP 8	NEW HAMPSHIRE STATE BUSINESS MUNICIPAL		02/23/2011	ANCORA ADVISORS LLC		2,072,480	2,000,000	14,250	2FE
677525 TK 3	OHIO ST AIR QUALITY DEV AUTH MUNICIPAL		03/22/2011	ANCORA ADVISORS LLC		2,069,160	2,000,000	17,100	2FE
875301 DX 8	TAMPA-HILLSBOROUGH CNTY FLA REV		02/11/2011	CONVERSION SPLIT		568,963	545,000		1FE
875301 EF 6	TAMPA-HILLSBOROUGH CNTY FLA REV		02/11/2011	CONVERSION SPLIT		475,005	455,000		1FE
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments					25,919,988	25,211,665	94,422	XXX
Bonds - Industrial and Miscellaneous									
00430X AD 9	ACCELLENT INC FTWHI HI-YIELD		01/24/2011	CREDIT SUISSE		314,250	300,000	12,283	4FE
014477 AL 7	ALERIS INTL INC FTWHI HI-YIELD		03/21/2011	VARIOUS		234,398	232,000	1,726	4FE
05367A AD 5	AVIATION CAPITAL GRP FTW CORPORATE		03/31/2011	VARIOUS		60,064	60,000		2FE
06985P AB 6	BASIC ENERGY FTWHI HI-YIELD		02/04/2011	BANC/AMERICA		40,300	40,000	903	4FE
06985P AG 5	BASIC ENERGY FTWHI HI-YIELD		03/21/2011	VARIOUS		194,888	190,000	966	4FE
088611 AA 6	BI-LO LLC FTWHI HI-YIELD		01/31/2011	CITIGROUP GLOBAL MRKTS		130,900	130,000		4FE
095699 AA 2	BLUE MERGER SUB INC FTWHI HI-YIELD		03/08/2011	VARIOUS		374,170	368,000	398	4FE
131347 BY 1	CALPINE CORP FTWHI HI-YIELD		03/21/2011	VARIOUS		163,575	160,000	1,991	4FE
13959R AA 2	CAPELLA HEALTHCARE FTW HI HI-YIELD		02/23/2011	BANC/AMERICA		186,840	173,000	2,534	4FE
153527 AG 1	CENTRAL GARDEN & PET FTWHI HI-YIELD		02/04/2011	PRINCE RIDGE		193,788	185,000	6,699	4FE
154051 BH 8	CENTRAL MAINE POWER CO CORPORATE		01/13/2011	MESIROW FIN., INC.		232,359	215,000	1,634	1FE
165167 BS 5	CHESAPEAKE ENERGY FTWHI HI-YIELD		02/25/2011	CREDIT SUISSE		175,890	164,000	503	3FE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

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	10 NAIC Designation or Market Indicator (a)
171871 AN 6	CINCINNATI BELL FTWHI HI-YIELD		03/25/2011	JP MORGAN		15,840	16,000	622	4FE
203372 AH 0	COMMSCOPE INC FTWHI HI-YIELD		02/25/2011	VARIOUS		385,725	370,000	3,039	4FE
217203 AE 8	COPANO ENERGY HI-YIELD		03/22/2011	JP MORGAN		150,000	150,000		4FE
225310 AE 1	CREDIT ACCEPTANC FTWHI HI-YIELD		02/28/2011	CREDIT SUISSE		109,180	103,000	835	4FE
226373 AA 6	CRESTWOOD MIDSTREAM PART FTW-HI		03/25/2011	UBS FINANCIAL SERVICES		115,000	115,000		4FE
226566 AM 9	CRICKET COMM FTWHI HI-YIELD		03/16/2011	JP MORGAN		172,125	180,000	4,728	4FE
28660G AG 1	ELIZABETH ARDEN INC FTWHI HI-YIELD		01/13/2011	JP MORGAN		10,000	10,000		4FE
29379V AN 3	ENTERPRISE PROD OPER FTWH FLOAT HI-YIELD		03/28/2011	BARCLAYS CAPITAL		39,800	40,000	933	3FE
29444U AJ 5	EQUINIX INC FTWHI HI-YIELD		01/12/2011	CITIGROUP GLOBAL MRKTS		22,391	21,000	649	3FE
302051 AP 2	EXIDE TECHNOLOGIES HI-YIELD		01/13/2011	DEUTSCHE BANK SECURITES		29,000	29,000		4FE
374689 AC 1	GIBRALTAR INDUSTRIES INC HI-YIELD		03/08/2011	PRINCE RIDGE		218,360	212,000	4,711	4FE
398433 AE 2	GRIFFON CORP FTWHI HI-YIELD		03/15/2011	DEUTSCHE BANK SECURITES		75,043	75,000	10	3FE
45768V AD 0	INSIGHT COMMUNICATIONS FTWHI HI-YIELD		03/21/2011	CREDIT SUISSE		166,125	150,000	2,695	4FE
459200 GJ 4	IBM CORP CORPORATE		01/27/2011	STIFEL NICOLAUS & CO		1,527,036	1,325,000	28,741	1FE
47759Y AA 7	JMC STEEL GROUP FTW-HI HI-YIELD		03/16/2011	JP MORGAN		236,945	236,000	252	4FE
488360 AF 5	KEMET CORP FTWHI HI-YIELD		03/25/2011	BANC/AMERICA		113,500	100,000	4,346	4FE
494368 BB 8	KIMBERLY-CLARK CORP CORPORATE		02/23/2011	ANCORA ADVISORS LLC		3,109,148	2,680,000	12,311	1FE
500605 AE 0	KOPPERS FTWHI HI-YIELD		02/25/2011	BANC/AMERICA		48,938	45,000	896	4FE
573334 AB 5	MARTIN MIDSTREAM PTNR FTW HI HI-YIELD		03/28/2011	WELLS FARGO		53,375	50,000	2,219	4FE
59001A AN 2	MERITAGE HOMES CORP FTWHI HI-YIELD		03/29/2011	WELLS FARGO		29,000	29,000	956	4FE
591709 AK 6	METROPCS FTWHI HI-YIELD		03/16/2011	JP MORGAN		211,628	201,000	869	4FE
628782 AG 9	NBTY INC FTWHI HI-YIELD		01/24/2011	BANC/AMERICA		377,125	350,000	10,150	4FE
67021B AE 9	NII CAPITAL CORP FTWHI HI-YIELD		03/28/2011	GOLDMAN SACHS & CO		288,423	283,000	49	4FE
681904 AM 0	OMNICARE INC FTWHI HI-YIELD		03/21/2011	BANC/AMERICA		107,250	100,000	2,433	3FE
681936 AW 0	OMEGA HEALTHCARE FTWHI HI-YIELD		01/25/2011	RAYMOND JAMES		99,750	100,000	2,138	3FE
70109H AH 8	PARKER-HANNIFIN CORP CORPORATE		03/28/2011	CANTOR		1,677,570	1,500,000	31,167	1FE
745867 AP 6	PULTE GROUP INC FTWHI HI-YIELD		02/25/2011	GOLDMAN SACHS & CO		20,000	25,000	474	3FE
87612B AG 7	TARGA RESOURCES PTNRS FTWHI HI-YIELD		01/19/2011	DEUTSCHE BANK SECURITES		100,000	100,000		4FE
92552V AC 4	VIASAT INC FTWHI HI-YIELD		02/24/2011	JP MORGAN		78,840	73,000	2,735	4FE
92839U AE 7	VISTEON CORP FTW-HI HI-YIELD		03/31/2011	BANC/AMERICA		90,000	90,000		4FE
952355 AG 0	WEST CORP FTWHI HI-YIELD		02/14/2011	BANC/AMERICA		101,413	95,000	728	4FE
97381W AJ 3	WINDSTREAM FTWHI HI-YIELD		02/02/2011	BANC/AMERICA		99,590	92,000	1,932	3FE
97381W AQ 7	WINDSTREAM FTWHI HI-YIELD		03/02/2011	CITIGROUP GLOBAL MRKTS		200,000	200,000		3FE
552704 AA 6	MEG ENERGY CORP FTWHI HI-YIELD	I	03/18/2011	VARIOUS		62,428	62,000	34	4FE
302203 AA 2	EXPRO FINANCE FTWHI HI-YIELD	R	03/07/2011	VARIOUS		115,765	115,000	2,288	4FE
45824T AD 7	INTELSAT JACKSON HLDG HI-YIELD	R	03/22/2011	BARCLAYS CAPITAL		230,000	230,000		4FE
639365 AE 5	NAVIOS MARITIME HOLDINGS FTWHI HI-YIELD	R	01/13/2011	BANC/AMERICA		172,103	171,000		4FE
71645W AR 2	PETROBRAS INTL FIN FTW CORPORATE	R	03/30/2011	CITIGROUP GLOBAL MRKTS		375,934	375,000	3,751	2FE
3899999.	Total - Bonds - Industrial & Miscellaneous					13,335,767	12,315,000	156,327	XXX
8399997.	Total - Bonds - Part 3					62,113,815	59,691,665	536,305	XXX

Statement for March 31, 2011 of the **National Interstate Insurance Company**

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

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	10 NAIC Designation or Market Indicator (a)
8399999.	Total - Bonds					62,113,815	59,691,665	536,305	XXX
Preferred Stocks - Industrial and Miscellaneous									
36186C 50 9	ALLY FINANCIAL INC PFD-REDEEM		01/20/2011	VARIOUS	11,181.000	262,754			RP4LFE
8499999.	Total - Preferred Stocks - Industrial & Miscellaneous					262,754	XXX	0	XXX
8999997.	Total - Preferred Stocks - Part 3					262,754	XXX	0	XXX
8999999.	Total - Preferred Stocks					262,754	XXX	0	XXX
Common Stocks - Parent, Subsidiaries and Affiliates									
92206# 10 5	VANLINER GROUP, INC.		03/31/2011	UNIGROUP, INC.		136,761	XXX		K
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					136,761	XXX	0	XXX
Common Stocks - Mutual Funds									
00206R 10 2	AT&T INC COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	7,300.000	206,397	XXX		L
002824 10 0	ABBOTT LABORATORIES COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	4,300.000	205,820	XXX		L
09348R 30 0	BLDRS EMER MKTS 50 ADR ETF COMMON STK.		03/24/2011	ANCORA ADVISORS LLC.	22,333.000	1,052,982	XXX		L
110122 10 8	BRISTOL-MYERS SQUIBB CO COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	7,900.000	206,637	XXX		L
233293 10 9	DPL INC COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	7,700.000	204,836	XXX		L
45409B 88 3	IQ GLOBAL RESOURCES ETF COMMON STK.		03/16/2011	ANCORA ADVISORS LLC.	1,299.000	39,762	XXX		L
458140 10 0	INTEL CORP COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	9,750.000	201,963	XXX		L
464287 46 5	ISHARES MSCI EAFE INDEX FUND		03/16/2011	ANCORA ADVISORS LLC.	716.000	39,666	XXX		L
464287 50 7	ISHARES S&P MIDCAP 400 COMMON STK.		03/24/2011	ANCORA ADVISORS LLC.	4,696.000	450,377	XXX		L
478160 10 4	JOHNSON & JOHNSON COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	3,500.000	207,571	XXX		L
494368 10 3	KIMBERLY-CLARK CORP COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	3,150.000	203,521	XXX		L
524660 10 7	LEGGETT & PLATT INC COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	8,500.000	203,008	XXX		L
532457 10 8	ELI LILLY & CO COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	6,000.000	205,951	XXX		L
539830 10 9	LOCKHEED MARTIN CORP COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	2,550.000	203,677	XXX		L
57060U 10 0	MARKET VECTORS GOLD COMMON STK.		03/24/2011	ANCORA ADVISORS LLC.	3,260.000	199,898	XXX		L
580135 10 1	MCDONALD'S CORP COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	2,750.000	207,847	XXX		L
73935X 10 4	POWERSHARES DYNAMIC MKT PORT.		03/16/2011	ANCORA ADVISORS LLC.	905.000	39,992	XXX		L
73935X 30 2	POWERSHARES HIGH YIELD EQUITY		03/16/2011	ANCORA ADVISORS LLC.	2,361.000	20,045	XXX		L
742718 10 9	PROCTOR & GAMBLE CO COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	3,300.000	201,250	XXX		L
761396 30 8	REVENUE SHARES SML CAP COMMON STK.		03/24/2011	ANCORA ADVISORS LLC.	8,934.000	301,967	XXX		L
81369Y 10 0	AMEX BASIC INDUSTRIES		03/24/2011	ANCORA ADVISORS LLC.	1,968.000	76,709	XXX		L
871829 10 7	SYSCO CORP COMMON STK.		03/25/2011	ANCORA ADVISORS LLC.	7,200.000	201,419	XXX		L
922908 55 3	VANGUARD REIT ETF COMMON STK.		03/24/2011	ANCORA ADVISORS LLC.	9,525.000	540,690	XXX		L
9299999.	Total - Common Stocks - Mutual Funds					5,421,986	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					5,558,747	XXX	0	XXX
9799999.	Total - Common Stocks					5,558,747	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					5,821,501	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					67,935,316	XXX	536,305	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value: 11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.	16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
Bonds - U.S. Government																					
3128X8 2V 3	FREDDIE MAC AGENCY		01/14/2011	CALL at 100.000		1,900,000	1,900,000	1,904,180	1,900,102		(102)		(102)		1,900,000			0	32,300	07/14/2011	1
3128X8 QF 2	FREDDIE MAC AGENCY		03/09/2011	CALL at 100.000		400,000	400,000	401,476			(1,476)		(1,476)		400,000			0	7,600	03/09/2016	1
3128X8 QP 0	FREDDIE MAC AGENCY		03/18/2011	CALL at 100.000		10,655,000	10,655,000	10,675,861			(20,861)		(20,861)		10,655,000			0	173,144	03/18/2014	1
3128X9 F8 8	FREDDIE MAC AGENCY		02/24/2011	CALL at 100.000		575,000	575,000	576,294	575,238		(238)		(238)		575,000			0	10,781	02/24/2017	1
3133F4 MQ 1	FREDDIE MAC AGENCY		01/15/2011	CALL at 100.000		1,000,000	1,000,000	992,500	993,153		28		28		993,181		6,819	6,819	20,000	01/15/2019	1
3133F4 PN 5	FREDDIE MAC AGENCY		03/15/2011	CALL at 100.000		5,780,000	5,780,000	5,745,320	5,750,124		1,211		1,211		5,751,335		28,665	28,665	86,700	09/15/2015	1
3136F9 7F 4	FANNIE MAE AGENCY		02/18/2011	CALL at 100.000		1,910,000	1,910,000	1,908,281	1,908,896		44		44		1,908,940		1,060	1,060	28,650	02/18/2014	1
3136FH EV 3	FANNIE MAE AGENCY		03/23/2011	CALL at 100.000		460,000	460,000	465,170	460,647		(647)		(647)		460,000			0	5,463	03/23/2012	1
3136FJ 4X 6	FANNIE MAE AGENCY		02/16/2011	CALL at 100.000		1,245,000	1,245,000	1,254,873	1,247,676		(2,676)		(2,676)		1,245,000			0	13,228	08/16/2013	1
3136FJ 5C 1	FANNIE MAE AGENCY		02/18/2011	CALL at 100.000		70,000	70,000	70,391	70,236		(236)		(236)		70,000			0	1,068	08/18/2015	1
3136FM CH 5	FANNIE MAE AGENCY		02/25/2011	CALL at 100.000		916,000	916,000	925,874	919,652		(3,652)		(3,652)		916,000			0	13,832	08/25/2015	1
31398A D3 3	FANNIE MAE AGENCY		01/25/2011	CALL at 100.000		2,800,000	2,800,000	2,819,880	2,803,290		(3,290)		(3,290)		2,800,000			0	29,750	01/25/2013	1
31398A H7 0	FANNIE MAE AGENCY		03/15/2011	CALL at 100.000		790,000	790,000	795,270	792,364		(2,364)		(2,364)		790,000			0	7,110	03/15/2013	1
31398A UX 8	FANNIE MAE AGENCY		01/28/2011	CALL at 100.000		1,440,000	1,440,000	1,439,424	1,439,604		9		9		1,439,614		386	386	18,900	01/28/2014	1
31398A Z6 2	FANNIE MAE AGENCY		02/09/2011	CALL at 100.000		233,000	233,000	233,000	233,000				0		233,000			0	1,515	08/09/2013	1
0599999.	Total - Bonds - U.S. Government					30,174,000	30,174,000	30,207,793	19,093,983	0	(34,250)	0	(34,250)	0	30,137,069	0	36,931	36,931	450,039	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
040665 AK 7	ARIZ ST UNIV NANO TECH MUNI TAX		03/12/2011	CALL at 100.000		115,000	115,000	114,845	114,886				0		114,886		114	114	2,904	03/01/2014	1FE
052414 KA 6	AUSTIN TX ELEC UTIL SYS MUNICIPAL		02/10/2011	ANCORA ADVISORS LLC		1,164,620	1,000,000	1,125,640	1,093,818		(1,734)		(1,734)		1,092,084		72,536	72,536	15,000	11/15/2016	1FE
3128M1 CK 3	FREDDIE MAC FHLMC		03/01/2011	MBS PAYDOWN		85,465	85,465	86,667	85,515		(50)		(50)		85,465			0	738	05/01/2021	1
3128MB DN 4	FREDDIE MAC FHLMC		03/01/2011	MBS PAYDOWN		64,994	64,994	66,213	65,032		(38)		(38)		64,994			0	570	04/01/2022	1
31294L 6V 0	FREDDIE MAC FHLMC		03/01/2011	MBS PAYDOWN		268,763	268,763	281,697	269,297		(533)		(533)		268,763			0	1,794	11/01/2021	1
3133XC T6 0	FEDERAL HOME LOAN BANK AGENC CMO		03/18/2011	MBS PAYDOWN		35,439	35,439	35,301	35,349		89		89		35,439			0	290	08/18/2015	1
3133XE 5D 7	FEDERAL HOME LOAN BANK CMO		03/28/2011	MBS PAYDOWN		54,784	54,784	55,040	54,791		(7)		(7)		54,784			0	451	12/28/2012	1
31371L RK 7	FANNIE MAE FNMA		03/01/2011	MBS PAYDOWN		105,994	105,994	109,803	106,205		(211)		(211)		105,994			0	676	02/01/2014	1
3137A1 X9 9	FREDDIE MAC CMO		03/15/2011	MBS PAYDOWN		159,816	159,816	165,260	159,902		(86)		(86)		159,816			0	950	06/01/2020	1
3137A2 PF 2	FREDDIE MAC CMO		03/15/2011	MBS PAYDOWN		130,829	130,829	132,546	130,857		(29)		(29)		130,829			0	627	10/01/2020	1
3137A6 DT 6	FREDDIE MAC CMO		03/15/2011	MBS PAYDOWN		51,737	51,737	53,628					0		51,737			0	172	03/01/2021	1
3137A6 FB 3	FREDDIE MAC CMO		03/15/2011	MBS PAYDOWN		3,851	3,851	4,032					0		3,851			0	14	07/01/2025	1
31393D ZX 2	FANNIE MAE CMO		03/01/2011	MBS PAYDOWN		140,482	140,482	142,765	140,627		(144)		(144)		140,482			0	776	01/01/2013	1
31393G W5 9	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		99,667	99,667	100,383	99,686		(20)		(20)		99,667			0	828	04/01/2014	1
31393P LN 2	FREDDIE MAC CMO		03/15/2011	MBS PAYDOWN		330,609	330,609	337,014	331,709		(1,100)		(1,100)		330,609			0	2,563	11/01/2011	1
31393W W8 8	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		31,029	31,029	30,205	31,010		18		18		31,029			0	231	12/01/2018	1
31393Y 6K 6	FANNIE MAE CMO		03/01/2011	MBS PAYDOWN		91,370	91,370	89,600	91,076		294		294		91,370			0	668	04/01/2013	1
31394D H6 0	FANNIE MAE CMO		03/01/2011	MBS PAYDOWN		130,691	130,691	131,814	130,709		(17)		(17)		130,691			0	1,120	12/01/2012	1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31394D S9 2	FANNIE MAE CMO		03/01/2011	MBS PAYDOWN		80,060	80,060	80,836	80,074		(14)		(14)		80,060			0	733	01/01/2013	1
31394G ST 1	FREDDIE MAC CMO		03/15/2011	MBS PAYDOWN		533,394	533,394	553,230	535,170		(1,775)		(1,775)		533,394			0	4,421	09/01/2012	1
31394K 2V 5	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		92,983	92,983	95,032	93,034		(50)		(50)		92,983			0	489	04/01/2023	1
31394M ZK 9	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		18,008	18,008	18,176	18,012		(3)		(3)		18,008			0	180	04/01/2014	1
31394N GP 7	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		346,819	346,819	353,268	347,055		(235)		(235)		346,819			0	2,656	02/01/2013	1
31394R FP 9	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		242,053	242,053	249,541	242,473		(420)		(420)		242,053			0	2,014	02/01/2018	1
31394T VE 2	FREDDIE MAC CMO		01/01/2011	MBS PAYDOWN		262,729	262,729	264,125	262,905		(176)		(176)		262,729			0	1,204	03/01/2013	1
31395B J9 5	FANNIE MAE CMO		03/01/2011	MBS PAYDOWN		30,946	30,946	31,391	30,955		(9)		(9)		30,946			0	310	05/01/2014	1
31395C QA 2	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		469,363	469,363	476,660	469,770		(407)		(407)		469,363			0	3,723	11/01/2013	1
31395E CT 2	FREDDIE MAC CMO		01/15/2011	MBS PAYDOWN		361,532	361,532	362,887	361,532				0		361,532			0	1,416	01/01/2011	1
31395F FW 9	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		316,042	316,042	328,486	316,770		(728)		(728)		316,042			0	3,267	09/01/2014	1
31395J 4E 3	FREDDIE MAC CMO		03/15/2011	MBS PAYDOWN		96,998	96,998	100,181	97,276		(278)		(278)		96,998			0	723	12/01/2012	1
31395P FJ 6	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		374,026	374,026	387,234	376,014		(1,988)		(1,988)		374,026			0	2,841	08/01/2012	1
31395P QP 0	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		122,853	122,853	122,958	122,856		(3)		(3)		122,853			0	1,098	01/01/2019	1
31395P U6 7	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		65,325	65,325	66,438	65,374		(49)		(49)		65,325			0	817	06/01/2014	1
31396A 6H 2	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		93,964	93,964	95,403	94,034		(70)		(70)		93,964			0	716	12/01/2015	1
31396A AE 4	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		161,584	161,584	168,174	161,991		(407)		(407)		161,584			0	1,344	05/01/2012	1
31396G MY 4	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		291,105	291,105	293,471	291,133		(27)		(27)		291,105			0	2,450	02/01/2013	1
31396H AN 9	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		46,791	46,791	47,054	46,804		(13)		(13)		46,791			0	407	11/01/2015	1
31396J A3 9	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		188,469	188,469	191,768	189,500		(1,031)		(1,031)		188,469			0	1,710	05/01/2013	1
31396K PR 7	FANNIE MAE CMO		03/01/2011	MBS PAYDOWN		281,898	281,898	285,730	282,029		(131)		(131)		281,898			0	2,376	04/01/2013	1
31396L E3 0	FANNIE MAE CMO		03/01/2011	MBS PAYDOWN		32,196	32,196	32,352	32,196				0		32,196			0	322	10/01/2013	1
31396R H8 3	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		196,984	196,984	199,015	197,240		(257)		(257)		196,984			0	1,577	07/01/2013	1
31396T JV 6	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		166,119	166,119	166,586	166,119				0		166,119			0	1,468	12/01/2013	1
31396U DP 2	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		171,699	171,699	173,255	171,759		(60)		(60)		171,699			0	1,608	09/01/2013	1
31397A ED 1	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		18,271	18,271	18,289	18,271				0		18,271			0	170	11/01/2012	1
31397B NE 7	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		234,473	234,473	232,128	234,328		145		145		234,473			0	1,934	12/01/2014	1
31397C 3M 9	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		229,411	229,411	227,046	228,923		488		488		229,411			0	1,943	04/01/2014	1
31397F 2N 1	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		40,419	40,419	40,539	40,423		(4)		(4)		40,419			0	348	11/01/2018	1
31397G MB 3	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		271,015	271,015	274,318	271,167		(152)		(152)		271,015			0	2,222	09/01/2014	1
31397H YK 8	FREDDIE MAC FL RT CMO		03/15/2011	MBS PAYDOWN		33,671	33,671	33,545	33,665		6		6		33,671			0	25	07/15/2015	1
31397H ZP 6	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		447,425	447,425	451,619	447,425				0		447,425			0	5,121	03/01/2012	1
31398C TG 3	FREDDIE MAC CMO		03/01/2011	MBS PAYDOWN		128,499	128,499	132,214	128,634		(134)		(134)		128,499			0	778	04/01/2019	1
31398F JG 7	FANNIE MAE CMO		03/25/2011	MBS PAYDOWN		36,161	36,161	37,868	36,207		(45)		(45)		36,161			0	228	11/01/2017	1
31402D 7J 3	FANNIE MAE FNMA		03/01/2011	MBS PAYDOWN		215,200	215,200	221,253	215,435		(235)		(235)		215,200			0	1,401	01/01/2018	1
31403D JE 0	FANNIE MAE FNCI FNMA		03/01/2011	MBS PAYDOWN		87,202	87,202	87,542	87,210		(8)		(8)		87,202			0	636	08/01/2020	1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31403D KD 0	FANNIE MAE FNCI FNMA		03/01/2011	MBS PAYDOWN		55,785	55,785	56,291	55,798		(13)		(13)		55,785			0	444	01/01/2021	1
31412Q SE 0	FANNIE MAE FNMA		03/01/2011	MBS PAYDOWN		123,531	123,531	127,772			(37)		(37)		123,531			0	590	07/01/2024	1
31417Y GK 7	FANNIE MAE FNMA		03/01/2011	MBS PAYDOWN		73,211	73,211	75,636			(18)		(18)		73,211			0	337	04/01/2024	1
31417Y R2 5	FANNIE MAE FNMA		03/01/2011	MBS PAYDOWN		369,309	369,309	385,467	369,700		(391)		(391)		369,309			0	1,824	07/01/2020	1
31417Y SD 0	FANNIE MAE FNMA		03/01/2011	MBS PAYDOWN		79,096	79,096	81,990	79,162		(66)		(66)		79,096			0	382	07/01/2025	1
31417Y SK 4	FANNIE MAE FNMA		03/01/2011	MBS PAYDOWN		222,274	222,274	232,659	222,666		(392)		(392)		222,274			0	1,146	07/01/2020	1
31419D NW 7	FANNIE MAE FNMA		03/01/2011	MBS PAYDOWN		13,962	13,962	14,508	13,969		(7)		(7)		13,962			0	80	08/01/2025	1
38375Q EX 3	GINNIE MAE CMO		03/01/2011	MBS PAYDOWN		192,716	192,716	197,474	192,947		(231)		(231)		192,716			0	1,224	08/01/2013	1
38377M G4 2	GOVERNMENT NATL MORT ASSOC CMO		03/20/2011	MBS PAYDOWN		118,091	118,091	122,649	118,346		(255)		(255)		118,091			0	705	07/01/2013	1
442331 JV 7	HOUSTON TX REF - PUB IMP MUNICIPAL		02/10/2011	ANCORA ADVISORS LLC		1,199,110	1,100,000	1,184,106	1,157,694		(1,230)		(1,230)		1,156,464		42,647	42,647	25,056	03/01/2018	1FE
46246L VC 1	IOWA FIN AUTH SINGLE FAMILY R MUNICIPAL		01/01/2011	CALL at 100.000		5,000	5,000	4,963	4,993				0		4,993		7	7	100	01/01/2012	1FE
54627A CD 7	LOUISIANA HSG FIN AGY MUNICIPAL		02/01/2011	CALL at 100.000		30,000	30,000	31,980	31,954		(1,954)		(1,954)		30,000			0	214	12/01/2038	1FE
580818 CA 8	MC HENRY CNTY ILL MUNICIPAL		02/10/2011	ANCORA ADVISORS LLC		552,005	500,000	552,095	535,632		(695)		(695)		534,938		17,067	17,067	14,146	02/01/2018	1FE
677555 YF 5	OHIO ST ECONOMIC DEV REV MUNI TAX		03/01/2011	CALL at 100.000		100,000	100,000	100,072	100,000				0		100,000			0	2,892	09/01/2019	1FE
875301 CT 8	TAMPA-HILLSBOROUGH CNTY FLA REV		02/11/2011	CONVERSION SPLIT		1,043,968	1,000,000	1,079,810	1,044,982		(44,982)		(44,982)		1,000,000		43,968	43,968	25,000	07/01/2014	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					14,028,887	13,669,184	14,209,534	13,662,074	0	(61,912)	0	(61,912)	0	13,852,548	0	176,339	176,339	159,191	XXX	XXX
Bonds - Industrial and Miscellaneous																					
02005N AA 8	ALLY FINANCIAL INC HI-YIELD		03/15/2011	VARIOUS		50,370	46,000	45,593	45,608		4		4		45,612		4,758	4,758	2,751	09/15/2020	4FE
049302 AE 2	ATLAS ENERGY FTWHI HI-YIELD		03/21/2011	CALL at 130.378		286,832	220,000	244,000	240,614		(813)		(813)		239,801		47,031	47,031	17,042	08/01/2017	4FE
057741 AA 8	BALDOR ELECTRIC FTWHI HI-YIELD		02/25/2011	CALL at 111.853		111,853	100,000	102,000	101,711		(52)		(52)		101,659		10,194	10,194	4,552	02/15/2017	4FE
06985P AF 7	BASIC ENERGY FTWHI HI-YIELD		02/15/2011	BASIC ENERGY		208,980	180,000	193,050	190,279		(319)		(319)		189,960		19,020	19,020	11,276	08/01/2014	4FE
20338C AE 4	COMM & POWER FTWHI HI-YIELD		02/11/2011	COMM & PWR INDS INC		156,546	156,000	155,610	155,817		18		18		155,835		711	711	6,587	02/01/2012	4FE
217203 AB 4	COPANO ENERGY HI-YIELD		03/25/2011	JP MORGAN		187,920	180,000	177,300	177,720		88		88		177,808		10,112	10,112	8,491	03/01/2016	4FE
28660G AG 1	ELIZABETH ARDEN INC FTWHI HI-YIELD		03/18/2011	PRINCE RIDGE		10,450	10,000	10,000					0		10,000		450	450	127	03/15/2021	4FE
362257 AB 3	GSAA HOME EQUITY TRUST NONGOV MBS		03/25/2011	VARIOUS		125,964	125,964	125,964	125,964				0		125,964			0	88	11/25/2036	1Z*
362381 AA 3	GSAA HOME EQUITY TRUST NONGOV MBS		03/25/2011	VARIOUS		33,730	33,730	33,730	23,034	10,697			10,697		33,730			0	15	08/25/2036	1Z*
36298Y AA 8	GSAA HOME EQUITY TRUST NONGOV MBS		03/25/2011	VARIOUS		26,788	26,788	26,788	18,162	8,626			8,626		26,788			0	14	09/25/2036	1Z*
36966R WK 8	GENERAL ELEC CAP CORP CORPORATE		03/15/2011	MATURITY		166,000	166,000	161,231	165,722		278		278		166,000			0	3,694	03/15/2011	1FE
40052T AA 7	GRYPHON FUNDING LTD CORPORATE		03/05/2011	VARIOUS		72,458	72,458	35,607	72,458				0		72,458			0	31	09/23/2011	6
404119 BA 6	HCA INC FTWHI HI-YIELD		01/28/2011	DEUTSCHE BANK SECURITES		194,850	180,000	193,050	190,515		(206)		(206)		190,308		4,542	4,542	3,706	11/15/2016	3FE
459745 FX 8	INTL LEASE FINANCE CORP FTWHI HI-YIELD		02/01/2011	GOLDMAN SACHS & CO		128,250	114,000	112,103	112,259		19		19		112,278		15,972	15,972	3,851	03/15/2017	3FE
46629E AC 7	JP MORGAN ALT LOAN TRUST NONGOV MBS		03/25/2011	MBS PAYDOWN		13,608	13,608	13,608	9,313	4,295			4,295		13,608			0	5	09/25/2036	1Z*
52524N AA 5	LEHMAN BROS PL ST CMBS NONGOV MBS		03/15/2011	MBS PAYDOWN		10,773	10,773	10,773	10,773				0		10,773			0	15	06/15/2022	1Z*
52989L AE 9	LIBBEY GLASS INC FTWHI HI-YIELD		03/25/2011	CALL at 103.000		18,540	18,000	17,655	17,705		14		14		17,719		821	821	1,100	02/15/2015	4FE
570506 AH 8	MARKWEST ENGY FTWHI HI-YIELD		03/10/2011	MARKWEST ENER PTNRS LP		85,855	77,000	78,540	78,340		(39)		(39)		78,301		7,554	7,554	2,714	04/15/2018	3FE
576203 AH 6	MASSEY ENGY FTWHI HI-YIELD		02/23/2011	SEAPORT GROUP		2,048	2,000	1,985	1,989		1		1		1,989		58	58	28	12/15/2013	4FE

Statement for March 31, 2011 of the **National Interstate Insurance Company**

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
67021B AD 1	NII CAPITAL CORP FTWHI HI-YIELD		03/28/2011	GOLDMAN SACHS & CO.		130,956	115,000	127,525	126,697	578	(589)		(11)		126,686		4,270	4,270	7,219	08/15/2016	4FE
78108A AA 2	RSC EQUIP FTWHI HI-YIELD		03/07/2011	DEUTSCHE BANK SECURITES		9,180	8,000	8,690	8,579		(21)		(21)		8,558		622	622	522	07/15/2017	4FE
828690 AA 5	SIMMONS BEDDING CO FTW HI HI-YIELD		01/31/2011	PRINCE RIDGE		31,393	29,000	30,855	30,554		(56)		(56)		30,498		895	895	1,794	07/15/2015	4FE
88522W AB 9	THORNBURG MTGE SEC TRUST		03/25/2011	MBS PAYDOWN		227,202	227,202	227,202	227,202				0		227,202			0	153	06/25/2037	1Z*
89170N AA 4	TOWER AUTO HLDGS/TA HLDG HI-YIELD		03/30/2011	CALL at 105.000		6,300	6,000	5,821	5,827		4		4		5,832		468	468	383	09/01/2017	4FE
918866 AR 5	VALASSIS COMM FTWHI HI-YIELD		01/28/2011	VALASSIS COMMUNICATIONS		42,845	41,000	39,565	39,824		17		17		39,842		3,003	3,003	1,381	03/01/2015	3FE
97381W AD 6	WINDSTREAM FTWHI HI-YIELD		03/30/2011	VARIOUS		191,240	180,000	184,950	183,935		(165)		(165)		183,770		7,470	7,470	9,139	08/01/2016	3FE
CD0000 00 5	JP MORGAN CHASE CORPORATE		01/05/2011	MATURITY		20,000	20,000	20,000	20,000				0		20,000			0	19	01/05/2011	1FE
639365 AB 1	NAVIOS MARITIME HOLDINGS FTWHI HI-YIELD	R	01/13/2011	BROADPOINT CAPITAL		177,661	169,000	175,495	175,170	53	(150)		(97)		175,072		2,589	2,589	1,516	12/15/2014	4FE
92769V AB 5	VIRGIN MEDIA FTWHI HI-YIELD	R	03/22/2011	CITIGROUP GLOBAL MRKTS		135,600	120,000	118,037	118,178		33		33		118,211		17,389	17,389	4,467	10/15/2019	3FE
3899999.	Total - Bonds - Industrial & Miscellaneous					2,864,193	2,647,525	2,676,728	2,673,949	24,249	(1,936)	0	22,313	0	2,706,262	0	157,931	157,931	92,680	XXX	XXX
8399997.	Total - Bonds - Part 4					47,067,079	46,490,708	47,094,055	35,430,006	24,249	(98,098)	0	(73,849)	0	46,695,879	0	371,201	371,201	701,910	XXX	XXX
8399999.	Total - Bonds					47,067,079	46,490,708	47,094,055	35,430,006	24,249	(98,098)	0	(73,849)	0	46,695,879	0	371,201	371,201	701,910	XXX	XXX
Common Stocks - Mutual Funds																					
464287 46 5	ISHARES MSCI EAFE INDEX FUND		03/24/2011	ANCORA ADVISORS LLC	7,337.000	439,051	XXX	616,528	427,160	(98,022)			(98,022)		329,138		109,913	109,913		XXX	L
464287 71 3	ISHARES DJ US TE		03/24/2011	ANCORA ADVISORS LLC	9,550.000	221,093	XXX	286,006	223,184	(65,800)			(65,800)		157,384		63,709	63,709		XXX	L
78462F 10 3	SPDR TRUST SER 1 COMMON STK		03/24/2011	ANCORA ADVISORS LLC	5,074.000	662,713	XXX	784,567	638,056	(180,178)			(180,178)		457,878		204,836	204,836	3,312	XXX	L
81369Y 20 9	HEALTH CARE SELECT		03/24/2011	ANCORA ADVISORS LLC	5,150.000	167,020	XXX	181,117	162,225	(25,493)			(25,493)		136,733		30,288	30,288	747	XXX	L
81369Y 30 8	AMEX CONSUMER STAPLES		03/24/2011	ANCORA ADVISORS LLC	25,008.000	742,473	XXX	650,868	732,984	(136,044)			(136,044)		596,941		145,532	145,532		XXX	L
81369Y 88 6	AMEX UTILITIES SELECT SPDR		03/24/2011	ANCORA ADVISORS LLC	7,500.000	235,212	XXX	299,916	235,050	(17,325)			(17,325)		217,725		17,487	17,487	2,269	XXX	L
9299999.	Total - Common Stocks - Mutual Funds					2,467,562	XXX	2,819,002	2,418,659	(522,861)	0	0	(522,861)	0	1,895,798	0	571,764	571,764	6,328	XXX	XXX
9799997	Total - Common Stocks - Part 4					2,467,562	XXX	2,819,002	2,418,659	(522,861)	0	0	(522,861)	0	1,895,798	0	571,764	571,764	6,328	XXX	XXX
9799999.	Total - Common Stocks					2,467,562	XXX	2,819,002	2,418,659	(522,861)	0	0	(522,861)	0	1,895,798	0	571,764	571,764	6,328	XXX	XXX
9899999.	Total - Preferred and Common Stocks					2,467,562	XXX	2,819,002	2,418,659	(522,861)	0	0	(522,861)	0	1,895,798	0	571,764	571,764	6,328	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					49,534,642	XXX	49,913,058	37,848,665	(498,612)	(98,098)	0	(596,710)	0	48,591,677	0	942,965	942,965	708,238	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:...............0.

Sch. DB-Pt A-Sn 1
NONE

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

Sch. DB-Pt B-Sn 1
NONE

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

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
			Rate	Amount of Interest	Amount of Interest Accrued	6	7	8	
Depository		Code	of Interest	Received During Current Quarter	at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
Key Bank	Cleveland, OH					708,189	984,964	728,245	XXX
Key Bank	Cleveland, OH					(4,918)	40,048	60,208	XXX
Key Bank	Cleveland, OH					2,204,839	2,708,779	1,603,054	XXX
Key Bank	Cleveland, OH					(15,302,151)	(15,550,335)	(17,101,586)	XXX
Key Bank	Cleveland, OH					(32,507)	16,371	(1,029)	XXX
First Hawaiian	Honolulu, HI		Variable	40		437,860	98,796	290,245	XXX
0199999. Total Open Depositories		XXX	XXX	40	0	(11,988,687)	(11,701,376)	(14,420,863)	XXX
0399999. Total Cash on Deposit		XXX	XXX	40	0	(11,988,687)	(11,701,376)	(14,420,863)	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	800	800	800	XXX
0599999. Total Cash		XXX	XXX	40	0	(11,987,887)	(11,700,576)	(14,420,063)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE