



## PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

# QUARTERLY STATEMENT

**AS OF MARCH 31, 2011**  
**OF THE CONDITION AND AFFAIRS OF THE**

# TRUSTGARD INSURANCE COMPANY

NAIC Group Code	00267 (Current Period)	00267 (Prior Period)	NAIC Company Code	40118	Employer's ID Number	41-1405571
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	07/01/1981		Commenced Business	11/10/1981		
Statutory Home Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		Columbus, OH 43206-1014 (Area Code) (Telephone Number)	
Main Administrative Office	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		614-445-2900	
Mail Address	671 South High Street, P.O. Box 1218 (Street and Number or P.O. Box)		Columbus, OH 43216-1218 (City or Town, State and Zip Code)		Columbus, OH 43216-1218 (City or Town, State and Zip Code)	
Primary Location of Books and Records	671 South High Street (Street and Number)		Columbus, OH 43206-1014 (City or Town, State and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann (Name)		614-445-2900 (Area Code) (Telephone Number) (Extension)			
	ackermannnd@grangeinsurance.com (E-mail Address)		614-542-3017 (Fax Number)			

## OFFICERS

**OFFICERS**

<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
THOMAS HOWARD WELCH	PRESIDENT & CEO	DAVID TRUFANT ROARK	VP & SECRETARY
JOHN PAUL McCAFFREY	VP & CEO		

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## OTHER OFFICERS

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## OTHER OFFICERS

## **DIRECTORS OR TRUSTEES**

DOUGLAS PAUL BUTH      GLENN EUGENE CORLETT      ELWOOD GORDON GEE      ROBERT ENLOW HOYT #  
ROBERT JOHN O'BRIEN      MICHAEL VERNE PARROTT      MARY MARNETTE PERRY      MELVIN GEORGE PYE JR  
THOMAS SIMRALL STEWART      PHILIP WAYNE STICHTER      THOMAS HOWARD WELCH      DAVID CHARLES WETMORE

State of ..... Ohio .....

County of Franklin ss

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

THOMAS HOWARD WELCH  
PRESIDENT & CEO

DAVID TRUFANT ROARK  
VP & SECRETARY

JOHN PAUL MCCAFFREY  
VP & CFO

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

Teresa J. Burchwell, Notary Public  
April 28, 2012

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	72,253,087		72,253,087	67,080,424
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	2,000		2,000	2,000
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....0 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....761,502 ) .....	761,502		761,502	633,636
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....	.1,806		1,806	0
10. Securities lending reinvested collateral assets .....	2,795,030		2,795,030	2,459,400
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	75,813,425	.0	75,813,425	70,175,460
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	826,404		826,404	705,253
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	6,732,129	.44,299	6,687,830	6,805,959
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....(16,391) earned but unbilled premiums) .....	(16,945)	(554)	(16,391)	(8,888)
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	1,345,973		1,345,973	1,410,602
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....			0	898,156
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	.23,969	.0	23,969	14,517
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	84,724,955	43,745	84,681,210	80,001,059
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	84,724,955	43,745	84,681,210	80,001,059
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Equities in Pools.....	.23,969		23,969	14,517
2502. ....			0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	23,969	0	23,969	14,517

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 2,102,086 )	13,732,019	14,146,196
2. Reinsurance payable on paid losses and loss adjustment expenses		(27)
3. Loss adjustment expenses	4,008,944	4,263,628
4. Commissions payable, contingent commissions and other similar charges	281,700	424,982
5. Other expenses (excluding taxes, licenses and fees)	747,688	948,343
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	537,384	454,305
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	493,190	1,874,700
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 56,969,957 and including warranty reserves of \$ )	14,023,051	14,207,684
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	38,880	26,622
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	5,648,844	0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending	2,795,030	2,459,400
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	42,306,730	38,805,833
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	42,306,730	38,805,833
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,500,000	2,500,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	4,657,724	4,657,724
35. Unassigned funds (surplus)	35,216,756	34,037,502
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )	0	0
36.2 shares preferred (value included in Line 31 \$ )	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	42,374,480	41,195,226
38. Totals (Page 2, Line 28, Col. 3)	84,681,210	80,001,059
<b>DETAILS OF WRITE-INS</b>		
2501.		0
2502.		0
2503.		0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 40,213,757 )	42,029,964	48,176,046	187,024,970
1.2 Assumed (written \$ 9,086,912 )	9,271,194	9,773,906	39,298,227
1.3 Ceded (written \$ 40,219,902 )	42,035,760	48,190,638	187,108,112
1.4 Net (written \$ 9,080,767 )	9,265,398	9,759,314	39,215,085
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 5,087,834 ):			
2.1 Direct	23,867,343	29,707,166	124,708,820
2.2 Assumed	5,285,294	5,550,031	24,043,054
2.3 Ceded	23,873,075	29,718,528	124,775,253
2.4 Net	5,279,562	5,538,669	23,976,621
3. Loss adjustment expenses incurred	964,771	1,056,573	4,160,164
4. Other underwriting expenses incurred	2,990,175	3,143,902	12,451,963
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	9,234,508	9,739,144	40,588,748
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	30,890	20,170	(1,373,663)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	557,764	559,414	2,121,652
10. Net realized capital gains (losses) less capital gains tax of \$ 0	0	6,118	(211,750)
11. Net investment gain (loss) (Lines 9 + 10)	557,764	565,532	1,909,902
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 346 amount charged off \$ 81,314 )	(80,968)	(90,673)	(357,494)
13. Finance and service charges not included in premiums	1,228,067	1,709,623	6,208,518
14. Aggregate write-ins for miscellaneous income	44,364	71,449	236,321
15. Total other income (Lines 12 through 14)	1,191,463	1,690,399	6,087,345
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,780,117	2,276,101	6,623,584
17. Dividends to policyholders	31,545	33,665	113,247
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)	1,748,572	2,242,436	6,510,337
19. Federal and foreign income taxes incurred	493,190	723,822	1,988,720
20. Net income (Line 18 minus Line 19)(to Line 22)	1,255,382	1,518,614	4,521,617
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	41,195,226	36,677,700	36,677,700
22. Net income (from Line 20)	1,255,382	1,518,614	4,521,617
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (6,536)	(12,139)	20,770	84,260
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(106,335)	(50,636)	(82,414)
27. Change in nonadmitted assets	42,346	40,669	(5,937)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,179,254	1,529,417	4,517,526
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	42,374,480	38,207,117	41,195,226
<b>DETAILS OF WRITE-INS</b>			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	44,364	71,449	236,321
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	44,364	71,449	236,321
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	9,213,575	9,866,226	39,109,802
2. Net investment income.....	427,221	395,882	2,115,815
3. Miscellaneous income.....	1,191,463	1,690,399	6,087,345
4. Total (Lines 1 to 3).....	10,832,259	11,952,507	47,312,962
5. Benefit and loss related payments.....	5,693,712	5,613,883	23,814,784
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	4,470,488	4,422,797	16,522,777
8. Dividends paid to policyholders.....	19,287	23,341	116,573
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	1,874,700	2,038,194	2,038,195
10. Total (Lines 5 through 9).....	12,058,187	12,098,215	42,492,329
11. Net cash from operations (Line 4 minus Line 10).....	(1,225,928)	(145,708)	4,820,633
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	1,601,047	2,588,036	20,333,336
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,601,047	2,588,036	20,333,336
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	6,782,992	4,127,229	27,132,923
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	1,806	1,806	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	6,784,798	4,129,035	27,132,923
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(5,183,751)	(1,540,999)	(6,799,587)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	6,537,545	500,500	908,173
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	6,537,545	500,500	908,173
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	127,866	(1,186,207)	(1,070,781)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	633,636	1,704,417	1,704,417
19.2 End of period (Line 18 plus Line 19.1).....	761,502	518,210	633,636

**STATEMENT AS OF MARCH 31, 2011 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

A. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. The State of Ohio requires that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. The Company does not employ accounting practices that depart from the NAIC Accounting Practices and Procedures Manual.

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

NO CHANGE

**3. BUSINESS COMBINATIONS AND GOODWILL**

NONE

**4. DISCONTINUED OPERATIONS**

NO CHANGE

**5. INVESTMENTS**

**D. LOAN-BACKED SECURITIES**

1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.

2) NONE

3)

(1) CUSIP	(2) OTTI	(3) Book/Adjusted Carrying Value Amortized Cost Before Current Period	(4) Recognized Other-Than- Temporary Impairment for the Current Period	(5) Amortized Cost After Other- Than Temporary Impairment	(6) Fair Value at end of Current Period	(7) Date of Financial Statement – End of Period
NONE						

4) As impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains:

a.

Aggregate Amount of Unrealized Losses:

1 Less than 12 Months	(18,753)
2 Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1 Less than 12 Months	2,223,448
2 Greater than 12 Months	0

According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on 9/30/09. The best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

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

NO CHANGE

**7. INVESTMENT INCOME**

NO CHANGE

**8. DERIVATIVE INSTRUMENTS**

NONE

**9. FEDERAL INCOME**

A. The components of the net deferred tax assets at March 31, 2011 and December 31, 2010 are as follows:

	3/31/2011	12/31/2010
Gross Deferred Tax Assets	\$ 1,415,791	\$ 1,518,935
Gross Deferred Tax Liabilities	69,816	73,162
Net Deferred Tax Asset (Liability)	1,345,975	1,445,773
Nonadmitted Deferred Tax Assets	-	35,170
Admitted Deferred Tax Asset	1,345,975	1,410,603
(Increase) Decrease in Deferred Tax Assets Nonadmitted	\$ 35,170	\$ (4,436)

B. The Company has no deferred tax liabilities that are not recognized

C. Current income taxes incurred consist of the following major components:

	3/31/2011	12/31/2010
Current Income Tax Expense	\$ 493,190	\$ 2,069,406
Tax on Capital Gains/(Losses)	-	(114,019)
Prior Year Under Accrual (Over Accrual)	-	(80,687)
Federal Income Taxes Incurred	\$ 493,190	\$ 1,874,700

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**

NO CHANGE

**STATEMENT AS OF MARCH 31, 2011 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**11. DEBT**

NONE

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTRETIREMENT BENEFIT PLANS**  
NO CHANGE

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS**  
NO CHANGE

**14. CONTINGENCIES**  
NO CHANGE

**15. LEASES**  
NO CHANGE

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.**  
NONE

**17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**  
NONE

**18. GAINS OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.**  
NONE

**19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS**  
NONE

**20. FAIR VALUE MEASUREMENTS**

**A.**

**1. Fair Value Measurements as of March 31, 2011:**

Description	Level 1	Level 2	Level 3	Total
<b>a. ASSETS AT FAIR VALUE</b>				
Perpetual Preferred Stock				
Industrial & Misc	0	0	0	0
Parent, Subs, & Affiliates	0	0	0	0
Total Perpetual Preferred Stock	0	0	0	0
Bonds				
US Governments	0	0	0	0
US States, Territories, & Possessions	0	0	0	0
US Political Subdivisions	0	334,950	0	334,950
US Special Rev & Assessment	0	0	0	0
Industrial & Misc	0	0	0	0
Parent, Subs, & Affiliates	0	0	0	0
Total Bonds	0	334,950	0	334,950
Common Stock				
Industrial & Misc	0	0	0	0
Parent, Subs, & Affiliates	0	0	0	0
Total Common Stock	0	0	0	0
Other Invested Assets	0	0	0	0
Total Other Invested	0	0	0	0
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>0</b>	<b>334,950</b>	<b>0</b>	<b>334,950</b>
<b>b. LIABILITIES AT FAIR VALUE</b>				
Derivative liabilities	0	0	0	0
Total Derivative Liabilities	0	0	0	0
<b>TOTAL LIABILITIES AT FAIR VALUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**2. Fair Value Measurements in Level 3 of the Fair Value:**

	Balance at 01/01/2011	Transfers in to Level 3	Transfers out Level 3	Total G/L included in Net Income	Total G/L included in Surplus	Purchases, Issuances, sales, & settlements	Balance at 03/31/2011
Common Stock	0	0	0	0	0	0	0
Other Invested Assets	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**3. The Company's policy is to recognize transfers in and out as of the end of the reporting period.**

As of March 31, 2011, the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows:

According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities

**STATEMENT AS OF MARCH 31, 2011 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of March 31, 2011, the Company held one issue with an NAIC-3 rating and reported at fair value provided by the SVO.

21. OTHER ITEMS  
NO CHANGE

22. EVENTS SUBSEQUENT  
NO CHANGE

23. REINSURANCE  
NO CHANGE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION  
NONE

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

LOSSES AND LAE	03/31/2011	2010
BALANCE JANUARY 1	24,624,637	23,856,525
LESS REINSURANCE RECOVERABLES	<u>6,214,811</u>	<u>5,585,380</u>
NET BALANCE JANUARY 1	<u>18,409,825</u>	<u>18,271,146</u>
INCURRED RELATED TO:		
CURRENT YEAR	6,340,991	29,748,486
PRIOR YEAR	<u>(96,659)</u>	<u>(1,611,703)</u>
TOTAL INCURRED	<u>6,244,333</u>	<u>28,136,784</u>
PAID RELATED TO:		
CURRENT YEAR	3,625,219	19,367,980
PRIOR YEAR	<u>3,287,974</u>	<u>8,630,124</u>
TOTAL PAID	<u>6,913,193</u>	<u>27,998,104</u>
NET BALANCE AT DECEMBER 31	17,740,963	18,409,825
PLUS REINSURANCE RECOVERABLES	<u>6,094,882</u>	<u>6,214,811</u>
BALANCE AT DECEMBER 31	<u>23,835,846</u>	<u>24,624,637</u>

26. INTERCOMPANY POOLING AGREEMENTS  
NO CHANGE

27. STRUCTURED SETTLEMENTS  
NO CHANGE.

28. HEALTH CARE RECEIVABLES  
NONE

29. PARTICIPATING POLICIES  
NONE

30. PREMIUM DEFICIENCY RESERVES  
NO CHANGE

31. HIGH DEDUCTIBLES  
NONE

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES  
NONE

33. ASBESTOS/ENVIRONMENTAL RESERVES  
NONE

34. SUBSCRIBER SAVINGS ACCOUNTS  
NOT APPLICABLE

35. MULTIPLE PERIL CROP INSURANCE  
NONE

36. FINANCIAL GUARANTY INSURANCE  
NONE

37. CATASTROPHIC PLANNING  
NO CHANGE

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

**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 [ ] No [X]

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

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

2.2 If yes, date of change: ..... 01/01/3000

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 the 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] NA [ ]

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. ..... 12/31/2009

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. ..... 12/31/2009

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). ..... 10/25/2010

6.4 By what department or departments?

Ohio.....

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 [ ] NA [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]

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 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

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY****GENERAL INTERROGATORIES**

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]

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 [ ]  No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ ..... 0

**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 .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ ..... 2,000	\$ ..... 2,000
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

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

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

If no, attach a description with this statement.

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

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
JP Morgan Chase Bank, N.A.....	1111 Polaris Parkway, Columbus, OH 43240.....
Federal Home Loan Bank of Cincinnati.....	221 E. 4th St., 1000 Atrium 2, Cincinnati, OH 45202.....

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:

.....

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

# **GENERAL INTERROGATORIES**

## **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 [ ] No [X] NA [ ]  
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? .....

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 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:

## 5. Operating Percentages:

5.1 A&H loss percent..... %  
5.2 A&H cost containment percent .. %  
5.3 A&H expense percent excluding cost containment expenses..... %

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..... \$ \_\_\_\_\_  
6.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [X]  
6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$ \_\_\_\_\_

STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY

## **SCHEDULE F - CEDED REINSURANCE**

**Showing All New Reinsurers - Current Year to Date**

STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL. N.		0		0		0
2. Alaska	AK. N.		0		0		0
3. Arizona	AZ. N.		0		0		0
4. Arkansas	AR. N.		0		0		0
5. California	CA. L.		0		0		0
6. Colorado	CO. L.		0		0		0
7. Connecticut	CT. N.		0		0		0
8. Delaware	DE. N.		0		0		0
9. District of Columbia	DC. N.		0		0		0
10. Florida	FL. N.		0		0		0
11. Georgia	GA. L.	4,086,422	5,361,541	3,027,129	3,738,132	4,227,609	6,712,102
12. Hawaii	HI. N.		0		0		0
13. Idaho	ID. N.		0		0		0
14. Illinois	IL. L.	6,341,363	8,436,626	4,337,905	5,280,003	12,378,985	12,855,320
15. Indiana	IN. L.	5,900,332	5,804,555	2,806,590	2,354,045	4,874,734	4,606,758
16. Iowa	IA. L.		0		0		0
17. Kansas	KS. L.		0		0		0
18. Kentucky	KY. L.	3,677,523	4,841,080	3,874,000	3,137,058	5,244,232	6,430,260
19. Louisiana	LA. N.		0		0		0
20. Maine	ME. N.		0		0		0
21. Maryland	MD. N.		0		0		0
22. Massachusetts	MA. N.		0		0		0
23. Michigan	MI. N.		0		0		0
24. Minnesota	MN. L.		0		0		0
25. Mississippi	MS. N.		0		0		0
26. Missouri	MO. L.		0	(360)	(270)		0
27. Montana	MT. N.		0		0		0
28. Nebraska	NE. L.		0		0		0
29. Nevada	NV. N.		0		0		0
30. New Hampshire	NH. N.		0		0		0
31. New Jersey	NJ. N.		0		0		0
32. New Mexico	NM. N.		0		0		0
33. New York	NY. N.		0		0		0
34. North Carolina	NC. N.		0		0		0
35. North Dakota	ND. L.		0		0		0
36. Ohio	OH. L.	3,907,088	4,807,110	2,809,470	3,053,602	4,960,466	4,521,966
37. Oklahoma	OK. N.		0		0		0
38. Oregon	OR. L.		0		0		0
39. Pennsylvania	PA. L.	5,667,340	5,338,957	3,947,549	3,511,482	5,749,800	4,379,472
40. Rhode Island	RI. N.		0		0		0
41. South Carolina	SC. L.	1,328,948	1,789,814	641,991	1,174,589	2,617,664	2,832,908
42. South Dakota	SD. L.		0		0		0
43. Tennessee	TN. L.	6,875,521	7,571,950	4,387,652	5,842,110	7,424,245	7,762,533
44. Texas	TX. L.		0		0		0
45. Utah	UT. N.		0		0		0
46. Vermont	VT. N.		0		0		0
47. Virginia	VA. L.	2,429,220	3,409,177	1,761,220	2,084,697	4,145,337	5,257,873
48. Washington	WA. L.		0		0		0
49. West Virginia	WV. N.		0		0		0
50. Wisconsin	WI. L.		0		0		0
51. Wyoming	WY. N.		0		0		0
52. American Samoa	AS. N.		0		0		0
53. Guam	GU. N.		0		0		0
54. Puerto Rico	PR. N.		0		0		0
55. U.S. Virgin Islands	VI. N.		0		0		0
56. Northern Mariana Islands	MP. N.		0		0		0
57. Canada	CN. N.		0		0		0
58. Aggregate Other Alien	OT. XXX	0	0	0	0	0	0
59. Totals	(a) 21	40,213,757	47,360,810	27,593,146	30,175,448	51,623,072	55,359,192
<b>DETAILS OF WRITE-INS</b>							
5801.	XXX.		0		0		0
5802.	XXX.		0		0		0
5803.	XXX.		0		0		0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX.	0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled 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**

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	694,101	202,940	29.2	43.8
2. Allied lines	467,281	254,605	54.5	50.9
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	10,960,236	7,148,310	65.2	61.7
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	274,660	63,183	23.0	23.9
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake	174,579	.0	0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation	709,590	315,410	44.4	83.2
17.1 Other liability occurrence	331,259	(2,685)	(0.8)	5.0
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	17,104,750	9,144,740	53.5	64.0
19.3,19.4 Commercial auto liability	503,127	264,342	52.5	25.1
21. Auto physical damage	10,810,381	6,476,498	59.9	62.7
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	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	0.0
<b>TOTALS</b>	<b>42,029,964</b>	<b>23,867,343</b>	<b>56.8</b>	<b>61.7</b>
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	.0	0.0	0.0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
			4 Current Year to Date
1. Fire	.747,558	.747,558	601,613
2. Allied lines	.492,497	.492,497	403,773
3. Farmowners multiple peril	.0		0
4. Homeowners multiple peril	9,408,886	9,408,886	9,851,009
5. Commercial multiple peril	.0		0
6. Mortgage guaranty	.0		0
8. Ocean marine	.0		0
9. Inland marine	225,627	225,627	264,330
10. Financial guaranty	.0		0
11.1 Medical professional liability-occurrence	.0		0
11.2 Medical professional liability-claims made	.0		0
12. Earthquake	148,338	148,338	164,572
13. Group accident and health	.0		0
14. Credit accident and health	.0		0
15. Other accident and health	.0		0
16. Workers' compensation	1,007,337	1,007,337	561,766
17.1 Other liability occurrence	.259,015	.259,015	309,014
17.2 Other liability-claims made	.0		0
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	16,596,829	16,596,829	21,340,134
19.3,19.4 Commercial auto liability	.740,616	.740,616	495,794
21. Auto physical damage	10,587,054	10,587,054	13,368,805
22. Aircraft (all perils)	.0		0
23. Fidelity	.0		0
24. Surety	.0		0
26. Burglary and theft	.0		0
27. Boiler and machinery	.0		0
28. Credit	.0		0
29. International	.0		0
30. Warranty	.0		0
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
<b>TOTALS</b>	<b>40,213,757</b>	<b>40,213,757</b>	<b>47,360,810</b>
<b>DETAILS OF WRITE-INS</b>			
3401.		.0	0
3402.		.0	0
3403.		.0	0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

### **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	2,466	1,653	4,120	467	39	506	2,136	.12	1,444	3,592	136	(158)	(22)
2. 2009	1,870	2,040	3,910	515	41	556	1,494	.17	1,822	3,333	139	(159)	(21)
3. Subtotals 2009 + prior	4,336	3,693	8,029	982	81	1,062	3,630	.29	3,267	6,925	275	(317)	(42)
4. 2010	4,915	5,466	10,381	1,877	349	2,226	3,597	.171	4,332	8,100	559	(613)	(55)
5. Subtotals 2010 + prior	9,251	9,159	18,410	2,858	430	3,288	7,227	.199	7,599	15,025	834	(930)	(97)
6. 2011	XXX	XXX	XXX	XXX	3,625	3,625	XXX	.1,408	1,308	2,716	XXX	XXX	XXX
7. Totals	9,251	9,159	18,410	2,858	4,055	6,913	7,227	1,607	8,907	17,741	834	(930)	(97)
Prior Year-End 8. Surplus As Regards Policy- holders	41,195										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.	9.0	2. (10.2)
											3. (0.5)	Col. 13, Line 7	Line 8
											4. (0.2)		

# STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY

## 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 on "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:**

1.  4 0 1 1 8 2 0 1 1 4 9 0 0 0 0 0 1
2.  4 0 1 1 8 2 0 1 1 4 5 5 0 0 0 0 0 1
3.  4 0 1 1 8 2 0 1 1 3 6 5 0 0 0 0 0 1
4.  4 0 1 1 8 2 0 1 1 5 0 5 0 0 0 0 0 1

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**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

**SCHEDULE A – VERIFICATION**

Real Estate		1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		0	0
2. Cost of acquired:			
2.1 Actual cost at time of acquisition		0	0
2.2 Additional investment made after acquisition		0	0
3. Current year change in encumbrances		0	0
4. Total gain (loss) on disposals		0	0
5. Deduct amounts received on disposals		0	0
6. Total foreign exchange change in book/adjusted carrying value		0	0
7. Deduct current year's other than temporary impairment recognized		0	0
8. Deduct current year's depreciation		0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		0	0
10. Deduct total nonadmitted amounts		0	0
11. Statement value at end of current period (Line 9 minus Line 10)		0	0

**SCHEDULE B – VERIFICATION**

Mortgage Loans		1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		0	0
2. Cost of acquired:			
2.1 Actual cost at time of acquisition		0	0
2.2 Additional investment made after acquisition		0	0
3. Capitalized deferred interest and other		0	0
4. Accrual of discount		0	0
5. Unrealized valuation increase (decrease)		0	0
6. Total gain (loss) on disposals		0	0
7. Deduct amounts received on disposals		0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0	0
10. Deduct current year's other than temporary impairment recognized		0	0
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		0	0
13. Subtotal (Line 11 plus Line 12)		0	0
14. Deduct total nonadmitted amounts		0	0
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		0	0
2. Cost of acquired:			
2.1 Actual cost at time of acquisition		0	0
2.2 Additional investment made after acquisition		0	0
3. Capitalized deferred interest and other		0	0
4. Accrual of discount		0	0
5. Unrealized valuation increase (decrease)		0	0
6. Total gain (loss) on disposals		0	0
7. Deduct amounts received on disposals		0	0
8. Deduct amortization of premium and depreciation		0	0
9. Total foreign exchange change in book/adjusted carrying value		0	0
10. Deduct current year's other than temporary impairment recognized		0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0	0
12. Deduct total nonadmitted amounts		0	0
13. Statement value at end of current period (Line 11 minus Line 12)		0	0

**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		67,082,424	60,531,088
2. Cost of bonds and stocks acquired		6,782,992	27,132,923
3. Accrual of discount		81,939	177,000
4. Unrealized valuation increase (decrease)		(18,675)	129,631
5. Total gain (loss) on disposals			(122,057)
6. Deduct consideration for bonds and stocks disposed of		1,601,047	20,333,336
7. Deduct amortization of premium		72,546	229,112
8. Total foreign exchange change in book/adjusted carrying value			0
9. Deduct current year's other than temporary impairment recognized			203,713
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9)		72,255,087	67,082,424
11. Deduct total nonadmitted amounts		0	0
12. Statement value at end of current period (Line 10 minus Line 11)		72,255,087	67,082,424

STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 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
<b>BONDS</b>								
1. Class 1 (a).....	58,147,127	9,481,238	4,460,878	27,631	63,195,118	0	0	58,147,127
2. Class 2 (a).....	9,566,933	539,450	250,000	(371,863)	9,484,520	0	0	9,566,933
3. Class 3 (a).....	0			334,950	334,950	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds.....	67,714,060	10,020,688	4,710,878	(9,282)	73,014,588	0	0	67,714,060
<b>PREFERRED STOCK</b>								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	67,714,060	10,020,688	4,710,878	(9,282)	73,014,588	0	0	67,714,060

(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 \$ .....761,502 ; NAIC 2 \$ ..... ;

NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

**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	761,502	XXX	761,502	21	0

**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.....	633,636	1,704,417
2. Cost of short-term investments acquired .....	3,237,696	4,287,612
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	3,109,830	5,358,393
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	761,502	633,636
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	761,502	633,636

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3  
**NONE**

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

## SCHEDULE D - PART 3

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

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

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**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD 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	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	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
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 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							
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																									
31371J-S8-8..	FNMA Pool 253543 7.000%	11/01/20..	Paydown..		1,932	1,932	1,913	1,917		15		15		1,932				0	.13	11/01/2020..	.1..				
3137A3-PN-3..	FHR 3762 GM 3.500%	08/15/28..	Paydown..		7,481	7,481	7,715	7,710		(229)		(229)		7,481				0	.43	07/15/2018..	.1..				
31392E-SX-9..	FNR 2002-59 5.500%	09/25/17..	Paydown..		8,492	8,492	8,643	8,526		(34)		(34)		8,492				0	.75	06/25/2017..	.1..				
31393A-GG-6..	FNR 2003-28 GA 4.000%	10/25/32..	Paydown..		13,922	13,922	13,844	13,876		.47		.47		13,922				0	.91	10/25/2032..	.1..				
31393B-QC-2..	FNR 2003-37 QD 5.000%	05/25/32..	Paydown..		65,933	65,933	65,562	65,673		.260		.260		65,933				0	.525	05/25/2032..	.1..				
31393N-M8-9..	FNR 2005-20 DB 5.000%	08/15/31..	Paydown..		86,869	86,869	83,842	85,888		.982		.982		86,869				0	.683	08/15/2031..	.1..				
31394C-VT-6..	FNR 2015-35..	03/25/35..	Paydown..		9,307	9,307	9,261	9,275		.33		.33		9,307				0	.77	03/25/2035..	.1..				
31394L-PM-8..	FHR 2698 BA 5.000%	11/15/32..	Paydown..		7,450	7,450	7,493	7,449		.1		.1		7,450				0	.57	01/25/2015..	.1..				
31394P-AC-7..	FHR 2731 DM 5.000%	08/15/29..	Paydown..		143,399	143,399	143,243	143,130		.269		.269		143,399				0	1,086	08/15/2029..	.1..				
31394T-DR-3..	FHR 2759 GC 5.000%	05/15/29..	Paydown..		248,780	248,780	250,762	248,606		.173		.173		248,780				0	1,980	06/15/2012..	.1..				
31395J-5E-2..	FHR 2881 AG 4.500%	08/15/34..	Paydown..		16,514	16,514	16,473	16,481		.34		.34		16,514				0	.127	08/15/2034..	.1..				
31398L-NU-8..	FNMA Pool 725424 5.500%	07/15/23..	Paydown..		66,568	66,568	69,862	69,592		(3,024)		(3,024)		66,568				0	.363	05/15/2016..	.1..				
31402C-4H-2..	FNMA Pool 744328 5.000%	04/01/34..	Paydown..		22,058	22,058	21,824	21,828		.231		.231		22,058				0	.188	04/01/2034..	.1..				
31403B-4M-2..	FNMA Pool 745516 5.500%	09/01/33..	Paydown..		33,833	33,833	32,495	32,528		.1,304		.1,304		33,833				0	.256	09/01/2033..	.1..				
31404D-GZ-6..	GNR 2003-41 BX 4.500%	05/01/36..	Paydown..		8,473	8,473	8,463	8,462		.11		.11		8,473				0	.74	05/01/2036..	.1..				
38373Q-PY-1..		05/20/33..	Paydown..		22,794	22,794	22,859	22,780		.15		.15		22,794				0	.160	01/20/2033..	.1..				
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>										763,806	763,806	764,253	763,719	0	87	0	87	0	763,806	0	0	5,798	XXX	XXX	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																									
097014-AD-6..	Boeing Capital Corp NC 6.100% 03/01/11..	03/01/2011..	Redemption	100,000..		500,000	500,000	495,215	499,890		.110		.110		.500,000				0	.15,250	03/01/2011..	1FE..			
31331F-AU-5..	Federal Express 1997-1 A PT Certificates..	01/18/2011..	Redemption	100,000..		42,662	42,662	42,977	42,838		(176)		(176)		42,662				0	.1,600	01/15/2018..	1FE..			
362341-AR-0..	GSAA Home Equity Trust 2005-7 AF5 4.61..	03/01/2011..	Paydown..		15,656	15,656	12,886	12,886		2,770		2,770		15,656				0	.116	05/25/2035..	12..				
86359D-KS-5..	Lehman XS Trust 2005-1 3A2B 4.800% 07..	03/01/2011..	Paydown..		28,924	28,924	25,330	25,330		3,594		3,594		28,924				0	.197	07/25/2035..	12..				
91324P-AP-7..	UnitedHealth Group Inc NC 5.250% 03/15/..	03/15/2011..	Maturity..		250,000	250,000	249,600	249,982		.18		.18		.250,000				0	.6,563	03/15/2011..	2FE..				
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>										837,242	837,242	826,008	830,926	0	6,316	0	6,316	0	837,242	0	0	23,725	XXX	XXX	
<b>8399997 - Subtotals - Bonds - Part 4</b>										1,601,047	1,601,047	1,590,261	1,594,645	0	6,402	0	6,402	0	1,601,047	0	0	29,523	XXX	XXX	
<b>8399999 - Subtotals - Bonds</b>										1,601,047	1,601,047	1,590,261	1,594,645	0	6,402	0	6,402	0	1,601,047	0	0	29,523	XXX	XXX	
9999999 Totals																									
										1,601,047	XXX	1,590,261	1,594,645	0	6,402	0	6,402	0	1,601,047	0	0	0	29,523	XXX	XXX

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

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

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Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D

**NONE**

STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY

**SCHEDULE DL - PART 1**  
**SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 NAIC Designation/Market Indicator	4 Fair Value	5 Book/Adjusted Carrying Value	6 Maturity Dates
Bonds: Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					
000000-00-0.	MF Global Inc.	2Z	349,543	349,543	04/01/2011...
000000-00-0.	Cantor Fitzgerald & Co.	2Z	582,571	582,571	04/01/2011...
000000-00-0.	Societe Generale NY Branch	1FE	484,164	484,164	04/01/2011...
000000-00-0.	Mizuho Securities USA Inc.	1FE	116,514	116,514	04/01/2011...
000000-00-0.	ML Pierce Fenner & Smith Inc.	1FE	194,190	194,190	04/01/2011...
000000-00-0.	Citigroup Global Markets Inc.	1FE	970,952	970,952	04/01/2011...
83051A-JK-8.	Skandi New York	1FE	97,072	97,095	05/02/2011...
3299999 - Bonds: Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations			2,795,007	2,795,030	XXX
3899999 - Bonds: Subtotals - Industrial and Miscellaneous (Unaffiliated)			2,795,007	2,795,030	XXX
7799999 - Total Bonds - Subtotals - Issuer Obligations			2,795,007	2,795,030	XXX
8399999 - Total Bonds - Subtotals - Total Bonds			2,795,007	2,795,030	XXX
9999999 Totals			2,795,007	2,795,030	XXX

General Interrogatory:

1. Total activity for the year to date ..... Fair Value \$ ..... Book/Adjusted Carrying Value \$ ..... 2,795,030
2. Average balance for the year to date ..... Fair Value \$ ..... Book/Adjusted Carrying Value \$ ..... 2,665,409
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:  
 NAIC 1 \$ 1,862,916 ..... NAIC 2 \$ 932,114 ..... NAIC 3 \$ ..... NAIC 4 \$ ..... NAIC 5 \$ ..... NAIC 6 \$ .....

**STATEMENT AS OF MARCH 31, 2011 OF THE TRUSTGARD INSURANCE COMPANY**

# **SCHEDULE DL - PART 2**

## **SECURITIES LENDING COLLATERAL ASSETS**

**Reinvested Collateral Assets Owned Current Statement Date**

### General Interrogatory:

1. Total activity for the year to date.....	Fair Value \$ .....	Book/Adjusted Carrying Value \$ .....
2. Average balance for the year to date .....	Fair Value \$ .....	Book/Adjusted Carrying Value \$ .....
3. Grand Total Schedule DL Part 1 and Part 2.....	Fair Value \$ .....,795,007	Book/Adjusted Carrying Value \$ .....,795,030

Schedule E - Part 1  
**NONE**

Schedule E - Part 2  
**NONE**