



QUARTERLY STATEMENT

As of September 30, 2011
of the Condition and Affairs of the

COLONY SPECIALTY INSURANCE COMPANY

NAIC Group Code.....457, 457 (Current Period) (Prior Period)	NAIC Company Code..... 36927	Employer's ID Number..... 34-1266871
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... December 20, 1978	Commenced Business..... April 16, 1979	
Statutory Home Office	52 East Gay Street..... Columbus OH 43215 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	8720 Stony Point Pkwy, Suite 300..... Richmond VA 23235 (Street and Number) (City or Town, State and Zip Code)	804-560-2000 (Area Code) (Telephone Number)
Mail Address	P.O. Box 85122..... Richmond VA 23285-5122 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	8720 Stony Point Pkwy, Suite 300..... Richmond VA 23235 (Street and Number) (City or Town, State and Zip Code)	804-560-2866 (Area Code) (Telephone Number)
Internet Web Site Address	www.colonyins.com	
Statutory Statement Contact	Deborah Pace Thorsvik (Name) colonyfinancialreporting@colonyins.com (E-Mail Address)	804-560-2866 (Area Code) (Telephone Number) (Extension) 804-560-4820 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Louis David Levinson	President	2. Melinda Joy Thompson	Treasurer
3. Craig Stephen Comeaux	Secretary	4.	
OTHER			
Samuel Collins Anderson	Senior Vice President	Gail Theresa Kimpfler	Senior Vice President
Lynn Kelly Geurin	Vice President	Daniel Gerard Platt	Vice President
Mary Moczygemba Stulting	Vice President	Barbara Lou Sutherland	Vice President

DIRECTORS OR TRUSTEES

Michael Evin Arledge	Craig Stephen Comeaux	Samuel Collins Anderson	Louis David Levinson
Barbara Lou Sutherland			

State of.....
County of.....

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)
Louis David Levinson	Melinda Joy Thompson	Craig Stephen Comeaux
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me This 7th day of October, 2011	a. Is this an original filing? b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [X] No []
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COLONY SPECIALTY INSURANCE COMPANY
ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds.....	84,089,199		84,089,199	64,287,727
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	10,359,019		10,359,019	15,522,758
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).....			0	
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 (\$.....1,020,298), cash equivalents (\$.....219,995) and short-term investments (\$.....21,642,088).....	22,882,381		22,882,381	41,328,844
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
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).....	117,330,599	0	117,330,599	121,139,329
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	984,001		984,001	626,328
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,359,157	14,179	1,344,978	1,359,832
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	199,183		199,183	360,495
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	781,422		781,422	111,847
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			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	
23. Receivables from parent, subsidiaries and affiliates.....	531,610		531,610	11,410
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	121,185,972	14,179	121,171,793	123,609,241
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	121,185,972	14,179	121,171,793	123,609,241

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.			0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

COLONY SPECIALTY INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$0).....		
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....		
4. Commissions payable, contingent commissions and other similar charges.....	27,458	52,457
5. Other expenses (excluding taxes, licenses and fees).....		
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	74,899	87,779
7.1 Current federal and foreign income taxes (including \$0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....	2,658,309	5,519,216
8. Borrowed money \$0 and interest thereon \$0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$10,711,723 and including warranty reserves of \$0).....		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(233,432)	(261,856)
13. Funds held by company under reinsurance treaties.....	37,887,661	36,762,354
14. Amounts withheld or retained by company for account of others.....	2,018	2,825
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	498	498
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	348,459	3,309,755
20. Derivatives.....		
21. Payable for securities.....		
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.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	40,765,870	45,473,028
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	40,765,870	45,473,028
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,500,000	3,500,000
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.....	8,002,700	8,002,700
35. Unassigned funds (surplus).....	68,903,223	66,633,512
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).....	80,405,923	78,136,212
38. Totals.....	121,171,793	123,609,240

DETAILS OF WRITE-INS		
2501.		
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).....	0	0
2901.		
2902.		
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).....	0	0
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

COLONY SPECIALTY INSURANCE COMPANY
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 \$17,862,418).....	16,538,992	17,163,238	2,637,682
1.2 Assumed..... (written \$0).....			
1.3 Ceded..... (written \$17,862,418).....	16,538,992	17,163,238	2,637,682
1.4 Net..... (written \$0).....	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$0):			
2.1 Direct.....	10,025,276	6,236,232	2,637,682
2.2 Assumed.....			
2.3 Ceded.....	10,025,276	6,236,232	2,637,682
2.4 Net.....	0	0	0
3. Loss adjustment expenses incurred.....			
4. Other underwriting expenses incurred.....			
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	0	0	0
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	0	0	0
INVESTMENT INCOME			
9. Net investment income earned.....	1,783,346	2,056,153	2,619,317
10. Net realized capital gains (losses) less capital gains tax of \$3,419,735.....	6,353,013	541,880	670,983
11. Net investment gain (loss) (Lines 9 + 10).....	8,136,359	2,598,033	3,290,300
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$0 amount charged off \$730).....	(730)	4,196	5,246
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	(174,589)	(143,837)	(194,058)
15. Total other income (Lines 12 through 14).....	(175,319)	(139,641)	(188,812)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	7,961,040	2,458,392	3,101,488
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).....	7,961,040	2,458,392	3,101,488
19. Federal and foreign income taxes incurred.....	406,688	455,266	549,355
20. Net income (Line 18 minus Line 19) (to Line 22).....	7,554,352	2,003,126	2,552,133
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	78,136,212	74,003,800	74,003,800
22. Net income (from Line 20).....	7,554,352	2,003,126	2,552,133
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$2,852,109.....	(5,296,774)	(672,061)	1,125,036
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	8,798	(14,504)	(41,133)
27. Change in nonadmitted assets.....	3,335	(3,309)	(3,126)
28. Change in provision for reinsurance.....			(498)
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.....		500,000	500,000
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
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.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	2,269,711	1,813,252	4,132,412
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	80,405,923	75,817,052	78,136,212
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. Intercompany interest expense.....	(174,589)	(143,837)	(194,058)
1402.			
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).....	(174,589)	(143,837)	(194,058)
3701.			
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).....	0	0	0

COLONY SPECIALTY INSURANCE COMPANY
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.....	46,613	(2,219,605)	911,696
2. Net investment income.....	1,783,500	2,232,988	3,070,896
3. Miscellaneous income.....	(175,319)	(139,641)	(188,812)
4. Total (Lines 1 through 3).....	1,654,794	(126,258)	3,793,780
5. Benefit and loss related payments.....	(161,312)	(597,062)	(585,648)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	37,879	(70,727)	(89,351)
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$..... 4,054,114 tax on capital gains (losses).....	4,496,000	891,000	1,844,320
10. Total (Lines 5 through 9).....	4,372,567	223,211	1,169,321
11. Net cash from operations (Line 4 minus Line 10).....	(2,717,773)	(349,469)	2,624,459
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	20,547,204	76,003,694	83,943,474
12.2 Stocks.....	9,645,277		
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.....		7,637	16,469
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	30,192,481	76,011,331	83,959,943
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	40,743,858	66,227,552	66,773,921
13.2 Stocks.....	2,820,172		
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	43,564,030	66,227,552	66,773,921
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).....	(13,371,550)	9,783,779	17,186,022
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.....		500,000	500,000
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).....	(2,357,141)	8,562,452	7,491,373
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(2,357,141)	9,062,452	7,991,373
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).....	(18,446,464)	18,496,762	27,801,854
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	41,328,845	13,526,991	13,526,991
19.2 End of period (Line 18 plus Line 19.1).....	22,882,381	32,023,753	41,328,845

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The financial statements of Colony Specialty Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (Insurance Department). The Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners’ Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The financial statements contain no differences as a result of practices prescribed or permitted by Ohio that differ from NAIC SAP.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

- D. Loan-backed securities
- (1) Prepayment assumptions for loan-backed securities were obtained from an industry standard external data provider.
- (2) The Company did not have any securities with a recognized other-than-temporary impairment loss for the nine months ended September 30, 2011.
- (3) Not applicable.
- (4) Loan-backed securities in an unrealized loss position at September 30, 2011 for less than 1 year:

Fair value:	\$ 4,004,925
Amortized Cost:	\$ 4,021,648
Statement Value:	\$ 4,021,648
Unrealized Loss:	\$ (16,723)

The Company did not have any loan-backed securities in an unrealized loss position at September 30, 2011 for more than 1 year.

- (5) The Company evaluates its investments for impairment. In accordance with policy, the determination that a security has incurred an other-than-temporary decline in fair value and the associated amount of any loss recognition requires the judgment by the Company's management and a continual review of its investments. Investments in an unrealized loss position are reviewed on a quarterly basis to determine whether a decline in fair value below the amortized cost basis is other-than-temporary. In general, the process for identifying other-than-temporary declines in fair value involves the consideration of a number of factors, including but not limited to, whether the issuer has been downgraded to below investment-grade, the length of time in which there has been a significant decline in value, the liquidity, business prospects, and overall financial condition of the issuer, the nature and performance of the collateral or other credit support backing the security, the significance of the decline in value, and whether the Company has the intent to sell the debt security or may be required to sell the debt security before its anticipated recovery. If consideration of the factors above results in a conclusion that the decline in fair value is other-than-temporary, the cost basis of the security is written down to fair value and the write down is recorded as a realized loss. For loan-backed securities, the aforementioned factors were evaluated at the end of each quarter and it was determined that there was no other-than-temporary impairment for the nine months ended September 30, 2011.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes

- A. The components of net deferred tax assets at September 30, 2011 and December 31, 2010 were as follows:

NOTES TO FINANCIAL STATEMENTS

	09/30/2011 Ordinary	09/30/2011 Capital	09/30/2011 Total	12/31/2010
Gross Deferred Tax Assets	\$ 4,963	\$ 191,055	\$ 196,018	\$ 6,130
Gross Deferred Tax Liabilities	(29,152)	(2,825,175)	(2,854,327)	(5,525,346)
Net Deferred Tax Asset/(Liability)	(24,189)	(2,634,120)	(2,658,309)	(5,519,216)
Deferred Tax Assets Non-admitted			-	-
Net Admitted Deferred Tax Liability			(2,658,309)	(5,519,216)
(Increase)/Decrease in Non-admitted Deferred Tax Asset			\$ -	\$ -

B. Deferred tax liabilities not recognized:

The Company had no unrecognized deferred tax liabilities.

C. Current Tax and Change in Deferred Tax

The provision for incurred taxes on earnings as of September 30, 2011 and December 31, 2010 was:

	9/30/2011	12/31/2010
Federal Income Tax on Current Year Earnings	\$ 405,841	\$ 658,813
Current Year Adjustment of Prior Years' Tax	847	(26,999)
Federal Income Tax on Net Capital Gains	3,419,735	361,299
Federal Income Taxes Incurred	\$ 3,826,423	\$ 993,113

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

	9/30/2011	12/31/2010
Deferred tax assets:		
Non-admitted assets	\$4,963	\$6,130
Unrealized losses on equity securities	191,055	-
Total deferred tax assets	196,018	6,130
Non-admitted deferred tax assets	-	-
Admitted deferred tax assets	196,018	6,130
Deferred tax liabilities:		
Net unrealized gains on equity securities	2,771,911	5,432,965
Accumulated bond discounts	26,070	26,795
MBS Section 481 (a) adjustment	3,082	12,322
Unrealized intercompany gain	53,264	53,264
Total deferred tax liabilities	2,854,327	5,525,346
Net deferred tax liability	\$(2,658,309)	\$(5,519,216)

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

	9/30/2011	12/31/2010	Change
Total gross deferred tax assets	\$ 196,018	\$ 6,130	\$ 189,888
Total gross deferred tax liabilities	(2,854,327)	(5,525,346)	(2,671,019)
Net deferred tax liability	(2,658,309)	(5,519,216)	(2,860,907)
Deferred tax on change in net unrealized capital gains			(2,852,109)
Change in net deferred income tax			\$ 8,797

NOTES TO FINANCIAL STATEMENTS

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

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	9/30/2011	Effective tax rate
Provision computed at statutory rate	\$ 3,976,972	35.00%
Tax exempt interest income	(200,493)	(1.76)
Non-admitted assets	1,167	0.01
Other	48,777	(0.43)
Total	<u>\$ 3,826,423</u>	<u>32.82%</u>
Federal and foreign income taxes incurred	\$ 397,891	3.41%
Realized capital gains tax	3,419,735	29.33
Change in net deferred income taxes	8,797	0.08
Total statutory income taxes	<u>\$ 3,826,423</u>	<u>32.82%</u>

E. Operating Loss and Tax Credit Carry-forwards

No change

F. Consolidated Federal Income Tax Return

No change

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

No significant change.

Note 11 - Debt

Not applicable.

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

Not applicable.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

Not applicable.

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

Not applicable.

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

The Company has nothing to report.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

Note 20 - Fair Value

A. The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a three-level hierarchy shown below. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values using methodologies and models with unobservable inputs (Level 3). An asset's classification is based on the lowest level input that is significant to its measurement. The levels of the fair value hierarchy are as follows:

- Level 1—Values are quoted prices (unadjusted) in active markets for identical assets that can be accessed at the reporting date. Actively traded, as defined by the Company, is a security that has traded in the past seven days. The Company receives one quote per instrument for Level 1 inputs.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The Company receives one quote per instrument for Level 2 inputs.
- Level 3—Unobservable inputs reflecting the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The Company receives fair value prices from an independent pricing service and its third-party investment managers. These prices are determined using observable market information such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things.

- (1) The following table provides information as of September 30, 2011 about the Company's financial assets measured at fair value:

	Level 1	Level 2	Level 3	Total
Assets at Fair Value:				
Bonds at lower of cost or fair value	\$ -	\$4,332,703	\$ -	\$ 4,332,703
Unaffiliated common stocks	\$ 2,439,360	\$ -	\$ 7,919,659	\$10,359,019
Total Assets at Fair Value	\$ 2,439,360	\$4,332,703	\$ 7,919,659	\$14,691,722

- (2) The following table provides information as of September 30, 2011 about the Company's Level 3 financial assets:

Fair Value Measurements Using Unobservable Inputs		
Unaffiliated common stocks:		
Beginning balance, January 1, 2011		\$15,522,758
Transfers into Level 3		-
Transfers out of Level 3		-
Total gains/(losses) realized included in earnings		9,642,601
Total gains (losses) unrealized included in surplus		(7,603,099)
Total purchases		-
Total sales		(9,642,601)
Total issuances		-
Total settlements		-
Ending balance, September 30, 2011		\$ 7,919,659
Amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at the reporting date		-

- (3) The Company had no transfers between Levels for the nine months ended September 30, 2011.
- (4) For Level 2 investments, the Company's third-party administrator receives prices from independent pricing services and custodians and derives a "best price". These prices are determined using observable market information such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things. For Level 3 investments, the Company uses a quoted market price and adjusts the price using unobservable inputs for its investment in an equity security due to certain restrictions as to the ability to sell the security.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

Not applicable.

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

Not applicable.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

Not applicable.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 - Financial Guaranty Insurance

Not applicable.

COLONY SPECIALTY 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:

.....

3.

Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y-Part 1 - Organizational chart.

Yes [☐]

No [☒ X]

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	2	3
Name of Entity	NAIC Company Code	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?
If yes, attach an explanation.

Yes [☐]

No [☐]

N/A [☒ X]

6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008.....

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.

12/31/2008.....

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).

10/30/2009.....

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 [☐]

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

Yes [☒ X]

No [☐]

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]

COLONY SPECIALTY INSURANCE COMPANY
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: \$.....347,059

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 [] No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$0	\$0
14.22 Preferred Stock.....	\$0	\$0
14.23 Common Stock.....	\$0	\$0
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).....	\$0	\$0
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
US Bank Institutional Trust & Custody	2204 Lakeshore Drive, Suite 302, Birmingham, AL 35209

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
107105	Blackrock Financial Management	40 E. 52nd Street, New York, NY 10022
106584	Fayez Sarofim & Company	P.O. Box 297426, Houston, TX 77297

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:

COLONY SPECIALTY INSURANCE COMPANY
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?
If yes, attach an explanation.

Yes [] No [] N/A [X]

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?
If yes, attach an explanation.

Yes [] No [X]

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			
Line of Business	Maximum Interest	Disc. Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....0
Total.....	XXX...	XXX.....	0	0	0	0	0	0	0	0

5.

Operating Percentages:

5.1

A&H loss percent

0.0 %

5.2

A&H cost containment percent

0.0 %

5.3

A&H expense percent excluding cost containment expenses

0.0 %

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

COLONY SPECIALTY INSURANCE COMPANY
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)
------------------------------	------------------------------	----------------------------	-----------------------------------	---

NONE

COLONY SPECIALTY INSURANCE COMPANY

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.....	853,249	658,528	49,151	132,000	1,279,916	917,881
2.	Alaska.....AK	L.....	.....	.....	.....	.....	.....	.....
3.	Arizona.....AZ	L.....	.....	.....	.....	.....	.....	.....
4.	Arkansas.....AR	L.....	107,600	44,781	.....	.....	.....25,260	32
5.	California.....CA	L.....	.....	.....	.....	.....	.....	.....
6.	Colorado.....CO	L.....	786,763	454,512	59,390	28,696	1,021,258	213,613
7.	Connecticut.....CT	L.....	.....	.....	.....	.....	.....	.....
8.	Delaware.....DE	L.....	.....	.....	.....	.....	.....	.....
9.	District of Columbia.....DC	L.....	188,993	114,758	.....	.....2,476	57	.....
10.	Florida.....FL	L.....	1,698,814	1,401,267	741,928	267,846	2,775,858	4,507,363
11.	Georgia.....GA	L.....	439,304	328,105	116,733	1,353	176,898	66,848
12.	Hawaii.....HI	L.....	.....	.....	.....	.....	.....	.....
13.	Idaho.....ID	L.....	141,391	84,669	.....	.....2,616	.....	.....
14.	Illinois.....IL	L.....	5,725	(1,118)	.....	.....	.....	.....
15.	Indiana.....IN	L.....	668,415	532,360	(6,144)	12,958	84,296	346,920
16.	Iowa.....IA	L.....	.....	.....	.....	.....	.....	.....
17.	Kansas.....KS	L.....	.....	.....	.....	.....	.....	.....
18.	Kentucky.....KY	L.....	.....	.....	.....	.....	.....	.....
19.	Louisiana.....LA	L.....	.....	.....	.....	.....	.....	.....
20.	Maine.....ME	L.....	.....	.....	.....	.....	.....	.....
21.	Maryland.....MD	L.....	435,989	581,816	7,563	38,744	2,893,115	1,410,885
22.	Massachusetts.....MA	L.....	.....	.....	.....	.....	.....	.....
23.	Michigan.....MI	L.....	.....	.....	.....	.....	.....	.....
24.	Minnesota.....MN	L.....	.....	.....	.....	.....	.....	.....
25.	Mississippi.....MS	L.....	187,452	96,805	.....	.....	.....101,079	106,791
26.	Missouri.....MO	L.....	.....	.....	.....	.....	.....	.....
27.	Montana.....MT	L.....	173,641	111,690	.....	.....	.....4,312,694	106,753
28.	Nebraska.....NE	L.....	.....	.....	.....	.....	.....	.....
29.	Nevada.....NV	L.....	1,229,686	764,086	425,891	111,846	1,933,310	1,557,297
30.	New Hampshire.....NH	L.....	.....	.....	.....	.....	.....	.....
31.	New Jersey.....NJ	L.....	.....	.....	.....	.....	.....	.....
32.	New Mexico.....NM	L.....	.....	.....	.....	.....	.....	.....
33.	New York.....NY	L.....	.....	.....	.....	.....	.....	.....
34.	North Carolina.....NC	L.....	553,752	438,867	165,741	196,550	2,267,771	3,364,417
35.	North Dakota.....ND	L.....	.....	.....	.....	.....	.....	.....
36.	Ohio.....OH	L.....	1,415,213	1,122,217	95,918	73,235	3,071,307	894,582
37.	Oklahoma.....OK	L.....	.....	.....	.....	.....	.....	.....
38.	Oregon.....OR	L.....	902,288	705,961	392,843	157,808	879,430	43,817
39.	Pennsylvania.....PA	L.....	2,238,963	3,965,707	812,835	869,417	7,964,350	11,466,061
40.	Rhode Island.....RI	L.....	.....	.....	.....	.....	.....	.....
41.	South Carolina.....SC	L.....	279,154	141,512	706,540	42,402	371,948	1,533,958
42.	South Dakota.....SD	L.....	45,147	30,383	.....	.....	.....20	.....
43.	Tennessee.....TN	L.....	417,949	302,007	603,148	.....	.....232,449	533,750
44.	Texas.....TX	L.....	.....	.....	.....	.....	.....	.....
45.	Utah.....UT	L.....	254,537	170,511	.....	.....	.....68,426	40,049
46.	Vermont.....VT	L.....	.....	.....	.....	.....	.....	.....
47.	Virginia.....VA	E.....	4,858,426	4,979,526	1,253,856	1,150,063	3,419,855	6,557,795
48.	Washington.....WA	L.....	(17,757)	7,161	.....	.....	.....	.....
49.	West Virginia.....WV	L.....	.....	.....	.....	.....	.....	.....
50.	Wisconsin.....WI	L.....	(2,275)	.....	.....	.....	.....	.....
51.	Wyoming.....WY	L.....	.....	.....	.....	.....	.....	.....
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).....50	17,862,419	17,036,111	5,425,393	3,088,010	32,879,297	33,668,812

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

COLONY SPECIALTY INSURANCE COMPANY
PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	65,636	159,956	243.7	25.5
2. Allied lines.....	223,672	79,242	35.4	22.9
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....	697,263	829,052	118.9	45.3
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	28,102	8,238	29.3	39.9
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....		(1,039)	0.0	
11.2. Medical professional liability - claims-made.....	12,321	1,682	13.6	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....	3,823,214	2,356,827	61.6	3.0
17.1. Other liability-occurrence.....	1,517,920	334,190	22.0	31.2
17.2. Other liability-claims made.....	9,094,918	6,835,543	75.2	48.6
17.3. Excess workers' compensation.....			0.0	
18.1. Products liability-occurrence.....	536,310	(563,178)	(105.0)	(24.1)
18.2. Products liability-claims made.....	14,028	(103,561)	(738.3)	61.3
19.1, 19.2. Private passenger auto liability.....			0.0	
19.3, 19.4. Commercial auto liability.....	384,243	59,840	15.6	54.2
21. Auto physical damage.....	141,366	33,837	23.9	31.6
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....		(5,352)	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	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.....	16,538,992	10,025,276	60.6	36.3
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.....	(9,718)	122,558	708
2. Allied lines.....	25,301	123,824	589,422
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	191,033	892,488	951,305
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	275	22,943	57,767
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....	6,860	32,346	
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	2,384,840	5,229,186	2,839,070
17.1. Other liability-occurrence.....	468,935	1,364,644	1,925,247
17.2. Other liability-claims made.....	2,697,468	9,095,224	9,249,086
17.3. Excess workers' compensation.....			
18.1. Products liability-occurrence.....	139,846	475,685	786,881
18.2. Products liability-claims made.....	50,000	51,011	5,600
19.1 19.2. Private passenger auto liability.....			
19.3 19.4. Commercial auto liability.....	118,156	320,889	465,697
21. Auto physical damage.....	37,529	131,620	165,328
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	6,110,525	17,862,418	17,036,111
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

	1	2	3	4	5	6	7	8	9	10	11	12	13									
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)									
1. 2008 + Prior.....			0			0				0	0	0	0									
2. 2009.....			0			0				0	0	0	0									
3. Subtotals 2009 + Prior.....	0	0	0	0	0	0	0	0	0	0	0	0	0									
4. 2010.....			0			0				0	0	0	0									
5. Subtotals 2010 + Prior.....	0	0	0	0	0	0	0	0	0	0	0	0	0									
6. 2011.....	XXX.....	XXX.....	XXX.....	XXX.....		0	XXX.....			0	XXX.....	XXX.....	XXX.....									
7. Totals.....	0	0	0	0	0	0	0	0	0	0	0	0	0									
8. Prior Year-End's Surplus As Regards Policyholders	78,136										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. ....0.0 %	2. ....0.0 %	3. ....0.0 %
																				Col. 13, Line 7 Line 8		
																				4. ....0.0 %		

Q13

COLONY SPECIALTY 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 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?	YES
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:



COLONY SPECIALTY INSURANCE COMPANY
Overflow Page for Write-Ins

NONE

COLONY SPECIALTY INSURANCE COMPANY
SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, 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. 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.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	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	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, 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 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).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	79,810,484	94,667,156
2. Cost of bonds and stocks acquired.....	43,564,030	66,773,921
3. Accrual of discount.....	123,007	138,610
4. Unrealized valuation increase (decrease).....	(8,148,883)	1,730,824
5. Total gain (loss) on disposals.....	9,772,892	1,015,813
6. Deduct consideration for bonds and stocks disposed of.....	30,192,481	83,943,474
7. Deduct amortization of premium.....	480,834	572,366
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).....	94,448,216	79,810,484
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	94,448,216	79,810,484

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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	93,591,044	92,142,093	92,337,626	(89,943)	84,061,519	93,591,044	93,305,568	97,049,105
2. Class 2 (a).....	7,483,098			299,541	8,223,455	7,483,098	7,782,639	7,034,175
3. Class 3 (a).....	5,938,671		588,440	(487,157)	4,243,255	5,938,671	4,863,074	
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	107,012,813	92,142,093	92,926,066	(277,559)	96,528,229	107,012,813	105,951,281	104,083,280
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	107,012,813	92,142,093	92,926,066	(277,559)	96,528,229	107,012,813	105,951,281	104,083,280

(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 \$.....3,973,514; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

COLONY SPECIALTY INSURANCE COMPANY
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.....	21,642,086	XXX.....	21,657,566	21,283	20,950

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.....	23,246,328	13,526,247
2. Cost of short-term investments acquired.....	188,482,491	138,553,134
3. Accrual of discount.....	10,296	3,110
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	1,664	11,161
6. Deduct consideration received on disposals.....	190,070,178	128,847,324
7. Deduct amortization of premium.....	28,513	.....
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).....	21,642,088	23,246,328
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	21,642,088	23,246,328

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

COLONY SPECIALTY INSURANCE COMPANY
SCHEDULE E- VERIFICATION
Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	16,549,229	
2. Cost of cash equivalents acquired.....	60,480,169	66,379,395
3. Accrual of discount.....	5,242	4,099
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	268	5,308
6. Deduct consideration received on disposals.....	76,814,909	49,839,573
7. Deduct amortization of premium.....	4	
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).....	219,995	16,549,229
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	219,995	16,549,229

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	2			3	4	5	6	7	8	9	10
CUSIP Identification	Description			Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government											
912828	PX	2	US TREASURY N/B.....		...07/15/2011	TRANSFER IN.....		4,280,192	4,030,000	65,376	1.....
912828	QF	0	US TREASURY N/B.....		...07/26/2011	BANC OF AMERICA SECURITIES LLC.....		822,253	800,000	3,826	1.....
912828	QR	4	US TREASURY N/B.....		...07/20/2011	VARIOUS.....		1,754,192	1,750,000	1,545	1.....
912828	QY	9	US TREASURY N/B.....		...08/22/2011	JP MORGAN SECURITIES INC.....		1,578,111	1,500,000	2,293	1.....
0599999.	Total - Bonds - U.S. Government.....							8,434,748	8,080,000	73,040	XXX.....
Bonds - U.S. Special Revenue and Special Assessment											
31416X	JR	2	FN AB2071.....		...09/23/2011	CREDIT SUISSE SECURITIES (USA).....		3,321,852	3,220,702	8,454	1.....
3138AT	GG	9	FN AJ1998.....		...09/27/2011	CREDIT SUISSE SECURITIES (USA).....		5,088,492	4,975,000	14,027	1.....
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments.....							8,410,344	8,195,702	22,481	XXX.....
Bonds - Industrial and Miscellaneous											
06406H	BX	6	BANK OF NEW YORK MELLON.....		...07/21/2011	Goldman Sachs.....		999,150	1,000,000		1FE.....
742718	DV	8	PROCTER & GAMBLE CO/THE.....		...08/10/2011	DEUTSCHE BANK SECURITIES, INC.....		247,990	250,000		1FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....							1,247,140	1,250,000	0	XXX.....
8399997.	Total - Bonds - Part 3.....							18,092,232	17,525,702	95,521	XXX.....
8399999.	Total - Bonds.....							18,092,232	17,525,702	95,521	XXX.....
Common Stocks - Industrial and Miscellaneous											
009126	20	2	AIR LIQUIDE-UNSPONSORED ADR.....	R.....	...08/24/2011	BARCLAYS CAPITAL INC./LE.....	3,000,000	77,115	XXX.....		L.....
009158	10	6	AIR PRODUCTS & CHEMICALS INC.....		...07/01/2011	ISI GROUP INC.....	1,000,000	95,310	XXX.....		L.....
09247X	10	1	BLACKROCK INC.....		...09/19/2011	Morgan Stanley.....	300,000	47,031	XXX.....		L.....
110448	10	7	BRITISH AMERICAN TOB-SP ADR.....	R.....	...07/01/2011	ISI GROUP INC.....	3,000,000	265,085	XXX.....		L.....
23636T	10	0	DANONE-SPONS ADR.....	R.....	...08/30/2011	MERRILL LYNCH PIERCE FENNER.....	7,500,000	100,886	XXX.....		L.....
25243Q	20	5	DIAGEO PLC-SPONSORED ADR.....	R.....	...07/01/2011	ISI GROUP INC.....	1,200,000	97,991	XXX.....		L.....
293792	10	7	ENTERPRISE PRODUCTS PARTNERS.....		...07/01/2011	ISI GROUP INC.....	4,500,000	195,078	XXX.....		L.....
35671D	85	7	FREEPORT-MCMORAN COPPER.....		...07/01/2011	ISI GROUP INC.....	2,000,000	105,980	XXX.....		L.....
641069	40	6	NESTLE SA-SPONS ADR FOR REG.....	R.....	...09/09/2011	JP MORGAN SECURITIES INC.....	900,000	50,937	XXX.....		L.....
670100	20	5	NOVO-NORDISK A/S-SPONS ADR.....	R.....	...09/09/2011	JP MORGAN SECURITIES INC.....	900,000	92,375	XXX.....		L.....
674599	10	5	OCCIDENTAL PETROLEUM CORP.....		...08/24/2011	ISI GROUP INC.....	4,000,000	373,451	XXX.....		L.....
718172	10	9	PHILIP MORRIS INTERNATIONAL.....		...09/09/2011	JP MORGAN SECURITIES INC.....	3,600,000	245,135	XXX.....		L.....
742718	10	9	PROCTER & GAMBLE CO/THE.....		...09/19/2011	VARIOUS.....	2,500,000	159,235	XXX.....		L.....
767204	10	0	RIO TINTO PLC-SPON ADR.....	R.....	...08/24/2011	VARIOUS.....	3,000,000	195,342	XXX.....		L.....
780259	20	6	ROYAL DUTCH SHELL PLC-ADR.....	R.....	...07/01/2011	ISI GROUP INC.....	3,500,000	248,290	XXX.....		L.....
85771P	10	2	STATOIL ASA-SPON ADR.....	R.....	...09/09/2011	VARIOUS.....	4,500,000	103,952	XXX.....		L.....
89151E	10	9	TOTAL SA-SPON ADR.....	R.....	...07/01/2011	ISI GROUP INC.....	3,500,000	201,670	XXX.....		L.....
96950F	10	4	WILLIAMS PARTNERS LP.....		...07/01/2011	ISI GROUP INC.....	3,000,000	162,633	XXX.....		L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....							2,817,496	XXX.....	0	XXX.....
9799997.	Total - Common Stocks - Part 3.....							2,817,496	XXX.....	0	XXX.....
9799999.	Total - Common Stocks.....							2,817,496	XXX.....	0	XXX.....
9899999.	Total - Preferred and Common Stocks.....							2,817,496	XXX.....	0	XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....							20,909,728	XXX.....	95,521	XXX.....

QE04

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)

(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	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		F o r e i g n	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 Desig- nation or Market Indicator (a)

Bonds - U.S. Government

3133XG	DD	3		08/19/2011	MATURITY.....		750,000	750,000	756,189	750,870	.....	.....(870)	.....	.....(870)	.....	.....750,000	.....	.....	.....0	40,313	08/19/2011	1.....
912828	QP	8		07/20/2011	JP MORGAN SECURITIES INC.		421,175	415,000	422,248			(101)		(101)		422,147		(972)	(972)	1,091	05/31/2016	1.....
912828	QR	4		07/21/2011	BARCLAYS CAPITAL INC FIXED INC		648,804	650,000	651,510			(4)		(4)		651,506		(2,701)	(2,701)	689	06/30/2016	1.....
36223N	UD	4		09/01/2011	REDEMPTION.....		222	222	231	230		(8)		(8)		222			0	12	12/15/2021	1.....
0599999.	Total - Bonds - U.S. Government.....						1,820,201	1,815,222	1,830,178	751,100	0	(984)	0	(984)	0	1,823,874	0	(3,673)	(3,673)	42,105	XXX...	XXX...

Bonds - U.S. Special Revenue and Special Assessment

312931	K6	4		09/01/2011	REDEMPTION.....		92,844	92,844	97,196	96,947		(4,103)		(4,103)		92,844		0	0	3,713	03/01/2039	1FE.....
3128M4	2P	7		09/01/2011	REDEMPTION.....		47,596	47,596	44,859	45,772		1,824		1,824		47,596			0	1,601	05/01/2036	1FE.....
3128M7	LM	6		09/01/2011	REDEMPTION.....		57,850	57,850	60,571	60,349		(2,499)		(2,499)		57,850			0	2,412	04/01/2039	1FE.....
3132GE	S3	5		09/01/2011	REDEMPTION.....		28,061	28,061	29,098			(1,037)		(1,037)		28,061		0	0	281	06/01/2041	1FE.....
31393K	LM	5		09/01/2011	REDEMPTION.....		33,867	33,867	32,359	33,422		445		445		33,867			0	903	07/15/2017	1FE.....
31394M	HR	4		09/01/2011	REDEMPTION.....		19,340	19,340	18,772	19,102		238		238		19,340		0	0	539	12/15/2022	1FE.....
31395T	K8	6		09/01/2011	REDEMPTION.....		106,426	106,426	111,747	109,428		(3,002)		(3,002)		106,426			0	3,586	08/15/2032	1FE.....
31402D	MP	2		09/01/2011	REDEMPTION.....		23,708	23,708	22,244	22,810		898		898		23,708			0	717	09/01/2034	1.....
31403D	GY	9		09/01/2011	REDEMPTION.....		62,142	62,142	58,132	59,455		2,688		2,688		62,142		0	0	2,087	05/01/2036	1.....
31407C	AE	7		09/01/2011	REDEMPTION.....		65,796	65,796	61,571	62,981		2,815		2,815		65,796		(0)	(0)	2,226	07/01/2035	1.....
31410P	QW	6		09/01/2011	REDEMPTION.....		50,058	50,058	47,888	48,632		1,426		1,426		50,058			0	1,647	07/01/2033	1.....
31393E	FX	2		09/01/2011	REDEMPTION.....		41,096	41,096	39,151	40,482		615		615		41,096			0	1,168	05/25/2022	1.....
38374K	RA	3		09/01/2011	REDEMPTION.....		36,584	36,584	35,558	36,270		314		314		36,584			0	1,103	01/20/2031	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....						665,368	665,368	659,146	635,649	0	622	0	622	0	665,368	0	0	0	21,983	XXX...	XXX...

Bonds - Industrial and Miscellaneous

12527G	AB	9		08/02/2011	Goldman Sachs.....		292,500	250,000	283,438			(1,034)		(1,034)		282,403		10,097	10,097	13,557	05/01/2020	3FE.....
350472	AC	0		08/18/2011	CALLS.....		303,624	300,000	306,750			(713)		(713)		306,037		(2,413)	(2,413)	11,902	08/01/2014	3FE.....
17314Q	AY	3		09/25/2011	REDEMPTION.....		199,382	199,382	175,456	178,314		21,068		21,068		199,382		0	0	2,170	10/25/2035	1Z*.....
059497	AX	5		07/26/2011	DEUTSCHE BANK SECURITIES, INC.		787,716	730,000	782,583			(4,376)		(4,376)		778,207		9,509	9,509	22,991	01/15/2049	1FE.....
12513Y	AF	7		07/15/2011	CREDIT SUISSE SECURITIES (USA)		313,069	295,000	305,970			(749)		(749)		305,222		7,847	7,847	7,370	12/11/2049	1FE.....
17311Q	BK	5		07/18/2011	CREDIT SUISSE SECURITIES (USA)		793,705	725,000	782,377			(3,825)		(3,825)		778,552		15,153	15,153	19,811	12/10/2049	1FE.....
20173Q	AE	1		07/20/2011	DEUTSCHE BANK SECURITIES, INC.		375,826	350,000	368,717			(1,304)		(1,304)		367,413		8,413	8,413	9,209	03/10/2039	1FE.....
36248F	AG	7		08/25/2011	VARIOUS.....		730,619	710,000	717,080			(37)		(37)		717,044		13,575	13,575	16,410	03/10/2044	1FE.....
06052F	AC	4		09/15/2011	REDEMPTION.....		170,816	170,816	170,814	170,816		1		1		170,816			0	2,423	09/15/2013	1FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....						3,967,257	3,730,198	3,893,185	349,130	0	9,030	0	9,030	0	3,905,075	0	62,181	62,181	105,844	XXX...	XXX...
83999997.	Total - Bonds - Part 4.....						6,452,826	6,210,788	6,382,509	1,735,879	0	8,668	0	8,668	0	6,394,317	0	58,509	58,509	169,933	XXX...	XXX...

QE05

SCHEDULE D - PART 4

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

1	2	3 F o r e i g n	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		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 Desig- nation or Market Indicator (a)

8399999.	Total - Bonds.....					6,452,826	6,210,788	6,382,509	1,735,879	0	8,668	0	8,668	0	6,394,317	0	58,509	58,509	169,933	XXX...	..XXX....
9999999.	Total - Bonds, Preferred and Common Stocks.....					6,452,826	XXX.....	6,382,509	1,735,879	0	8,668	0	8,668	0	6,394,317	0	58,509	58,509	169,933	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-Footer
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footer
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

COLONY SPECIALTY INSURANCE COMPANY
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	

Open Depositories

Citigroup.....	.....	.....	.....	.....	.....	.....	.....	XXX..
Wells Fargo Bank, NA.....	.....	.....	.....	.....	.....638,520	702,174	1,020,298	XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	0	0	638,520	702,174	1,020,298	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	0	0	638,520	702,174	1,020,298	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	0	0	638,520	702,174	1,020,298	XXX..

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
U.S. Government Issuer Obligations							
TREASURY BILL.....		07/25/2011	.....	.....10/20/2011	219,996	.....	.....
0199999. U.S. Government Issuer Obligations.....					219,996	0	0
0599999. Total - U.S. Government Bonds.....					219,996	0	0
Total							
7799999. Subtotals - Issuer Obligations.....					219,996	0	0
8399999. Subtotals - Bonds.....					219,996	0	0
8699999. Total - Cash Equivalents.....					219,996	0	0

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE



Designate the type of health care providers reported on this page.

SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

Other Health Care Facilities

		1	2	Direct Losses Paid		5	Direct Losses Unpaid		8
				3	4		6	7	
States, Etc.		Direct Premiums Written	Direct Premiums Earned	Amount	Number of Claims	Direct Losses Incurred	Amount Reported	Number of Claims	Direct Losses Incurred But Not Reported
1.	Alabama.....AL								
2.	Alaska.....AK								
3.	Arizona.....AZ								
4.	Arkansas.....AR								
5.	California.....CA								
6.	Colorado.....CO								
7.	Connecticut.....CT								
8.	Delaware.....DE								
9.	District of Columbia.....DC								
10.	Florida.....FL								
11.	Georgia.....GA								
12.	Hawaii.....HI								
13.	Idaho.....ID								
14.	Illinois.....IL								
15.	Indiana.....IN								
16.	Iowa.....IA								
17.	Kansas.....KS								
18.	Kentucky.....KY								
19.	Louisiana.....LA								
20.	Maine.....ME								
21.	Maryland.....MD								
22.	Massachusetts.....MA								
23.	Michigan.....MI								
24.	Minnesota.....MN								
25.	Mississippi.....MS								
26.	Missouri.....MO								
27.	Montana.....MT								
28.	Nebraska.....NE								
29.	Nevada.....NV								
30.	New Hampshire.....NH								
31.	New Jersey.....NJ								
32.	New Mexico.....NM								
33.	New York.....NY								
34.	North Carolina.....NC								
35.	North Dakota.....ND								
36.	Ohio.....OH								
37.	Oklahoma.....OK								
38.	Oregon.....OR								
39.	Pennsylvania.....PA								
40.	Rhode Island.....RI								
41.	South Carolina.....SC								
42.	South Dakota.....SD								
43.	Tennessee.....TN								
44.	Texas.....TX								
45.	Utah.....UT								
46.	Vermont.....VT								
47.	Virginia.....VA	32,346	12,321			642			642
48.	Washington.....WA								
49.	West Virginia.....WV								
50.	Wisconsin.....WI								
51.	Wyoming.....WY								
52.	American Samoa.....AS								
53.	Guam.....GU								
54.	Puerto Rico.....PR								
55.	US Virgin Islands.....VI								
56.	Northern Mariana Islands.....MP								
57.	Canada.....CN								
58.	Aggregate Other Alien.....OT	0	0	0	0	0	0	0	0
59.	Totals.....	32,346	12,321	0	0	642	0	0	642

DETAILS OF WRITE-INS

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

COLONY SPECIALTY INSURANCE COMPANY
Overflow Page for Write-Ins

NONE