



ANNUAL STATEMENT

For the Year Ended December 31, 2011

of the Condition and Affairs of the

COLONY SPECIALTY INSURANCE COMPANY

NAIC Group Code.....457, 457	NAIC Company Code..... 36927	Employer's ID Number..... 34-1266871
(Current Period) (Prior Period)		
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	804-560-2000
	(Street and Number) (City or Town, State and Zip Code)	(Area Code) (Telephone Number)
Mail Address	P.O. Box 469012..... San Antoino TX 78246-9012	
	(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	804-560-3089
	(Street and Number) (City or Town, State and Zip Code)	(Area Code) (Telephone Number)
Internet Web Site Address	www.colonyins.com	
Statutory Statement Contact	Christian Naomi Bishop	804-560-3089
	(Name)	(Area Code) (Telephone Number) (Extension)
	colonyfinancialreporting@colonyins.com	804-560-4820
	(E-Mail Address)	(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..... Virginia
County of..... Chesterfield

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 21st day of February 2012

a. Is this an original filing?

Yes [X] No []

b. If no

1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	34,022,683		34,022,683	64,287,727
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	7,285,454		7,285,454	15,522,758
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
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 (\$.....742,628, Sch. E-Part 1), cash equivalents (\$.....(0), Sch. E-Part 2) and short-term investments (\$.....21,244,182, Sch. DA).....	21,986,808		21,986,808	41,328,844
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	63,294,945	0	63,294,945	121,139,329
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	284,177		284,177	626,328
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	1,546,099	122,556	1,423,543	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.....	343,184		343,184	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.....			0	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.....	5,708,347		5,708,347	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 to 25).....	71,176,752	122,556	71,054,195	123,609,241
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	71,176,752	122,556	71,054,195	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 Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....		
4. Commissions payable, contingent commissions and other similar charges.....	30,072	52,457
5. Other expenses (excluding taxes, licenses and fees).....		
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	87,518	87,779
7.1 Current federal and foreign income taxes (including \$.....3,472,390 on realized capital gains (losses)).....	3,719,272	
7.2 Net deferred tax liability.....	77,509	5,519,216
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....9,821,046 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	635,543	(261,856)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	40,766,558	36,762,354
14. Amounts withheld or retained by company for account of others.....	582	2,825
15. Remittances and items not allocated.....		
16. Provision for reinsurance (Schedule F, Part 7).....	119,790	498
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	436,556	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).....	45,873,400	45,473,028
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	45,873,400	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).....	13,678,095	66,633,513
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) (Page 4, Line 39).....	25,180,795	78,136,213
38. TOTALS (Page 2, Line 28, Col. 3).....	71,054,195	123,609,241

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

UNDERWRITING INCOME		1	2
		Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....		
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7).....		
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		
5.	Aggregate write-ins for underwriting deductions.....	0	0
6.	Total underwriting deductions (Lines 2 through 5).....	0	0
7.	Net income of protected cells.....		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	0	0
INVESTMENT INCOME			
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....	2,403,238	2,619,317
10.	Net realized capital gains (losses) less capital gains tax of \$.....7,212,163 (Exhibit of Capital Gains (Losses)).....	13,402,897	670,983
11.	Net investment gain (loss) (Lines 9 + 10).....	15,806,135	3,290,300
OTHER INCOME			
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....(780) amount charged off \$.....0).....	(780)	5,246
13.	Finance and service charges not included in premiums.....		
14.	Aggregate write-ins for miscellaneous income.....	(226,129)	(194,058)
15.	Total other income (Lines 12 through 14).....	(226,909)	(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).....	15,579,226	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).....	15,579,226	3,101,488
19.	Federal and foreign income taxes incurred.....	546,725	549,355
20.	Net income (Line 18 minus Line 19) (to Line 22).....	15,032,501	2,552,133
CAPITAL AND SURPLUS ACCOUNT			
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	78,136,212	74,003,800
22.	Net income (from Line 20).....	15,032,501	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 \$.....(5,391,305).....	(10,012,424)	1,125,036
25.	Change in net unrealized foreign exchange capital gain (loss).....		
26.	Change in net deferred income tax.....	50,402	(41,133)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	(105,042)	(3,126)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(119,292)	(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
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.....	(57,801,562)	
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37.	Aggregate write-ins for gains and losses in surplus.....	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(52,955,417)	4,132,412
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	25,180,795	78,136,212

DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598.	Summary of remaining write-ins for Line 5 from overflow page.....	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0
1401.	Intercompany interest expense.....	(226,129)
1402.		(194,058)
1403.		
1498.	Summary of remaining write-ins for Line 14 from overflow page.....	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(226,129)
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(194,058)
3701.		
3702.		
3703.		
3798.	Summary of remaining write-ins for Line 37 from overflow page.....	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0

COLONY SPECIALTY INSURANCE COMPANY
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	728,646	911,696
2. Net investment income.....	3,215,358	3,070,896
3. Miscellaneous income.....	(226,909)	(188,812)
4. Total (Lines 1 through 3).....	3,717,095	3,793,780
5. Benefit and loss related payments.....	(17,311)	(585,648)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	22,646	(89,351)
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....3,739,773 tax on capital gains (losses).....	3,927,769	1,844,320
10. Total (Lines 5 through 9).....	3,933,104	1,169,321
11. Net cash from operations (Line 4 minus Line 10).....	(216,009)	2,624,459
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	74,989,243	83,943,474
12.2 Stocks.....	20,572,410	
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.....	2,382	16,469
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	95,564,034	83,959,943
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	45,148,620	66,773,921
13.2 Stocks.....	7,171,704	
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).....	52,320,324	66,773,921
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	43,243,710	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
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	57,801,562	
16.6 Other cash provided (applied).....	(4,568,175)	7,491,373
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(62,369,737)	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).....	(19,342,036)	27,801,854
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	41,328,845	13,526,991
19.2 End of year (Line 18 plus Line 19.1).....	21,986,809	41,328,845

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

20.0001		
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Pt. 1-Premiums Earned
NONE

Pt. 1A-Recapitulation of All Premiums
NONE

COLONY SPECIALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire.....	122,676			82,823	39,853	0
2.	Allied lines.....	118,021			(106,969)	224,990	(0)
3.	Farmowners multiple peril.....						0
4.	Homeowners multiple peril.....						0
5.	Commercial multiple peril.....	981,306			836,962	144,344	0
6.	Mortgage guaranty.....						0
8.	Ocean marine.....						0
9.	Inland marine.....	25,489			19,783	5,706	0
10.	Financial guaranty.....						0
11.1	Medical professional liability - occurrence.....						0
11.2	Medical professional liability - claims-made.....	32,346			32,287	59	0
12.	Earthquake.....						0
13.	Group accident and health.....						0
14.	Credit accident and health (group and individual).....						0
15.	Other accident and health.....						0
16.	Workers' compensation.....	7,074,068			7,074,068		0
17.1	Other liability - occurrence.....	1,819,346			1,128,075	691,271	0
17.2	Other liability - claims-made.....	11,628,619			10,998,106	630,513	0
17.3	Excess workers' compensation.....						0
18.1	Products liability - occurrence.....	501,724			332,658	169,066	0
18.2	Products liability - claims-made.....	51,011			25,953	25,058	0
19.1, 19.2	Private passenger auto liability.....						0
19.3, 19.4	Commercial auto liability.....	467,365			445,693	21,672	0
21.	Auto physical damage.....	189,253			168,769	20,484	0
22.	Aircraft (all perils).....						0
23.	Fidelity.....						0
24.	Surety.....						0
26.	Burglary and theft.....						0
27.	Boiler and machinery.....						0
28.	Credit.....						0
29.	International.....						0
30.	Warranty.....						0
31.	Reinsurance - nonproportional assumed property.....	XXX					0
32.	Reinsurance - nonproportional assumed liability.....	XXX					0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35.	TOTALS.....	23,011,224	0	0	21,038,207	1,973,017	0

DETAILS OF WRITE-INS

3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page..	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]
If yes: 1. The amount of such installment premiums \$.0.
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire.....				0			0	
2.	Allied lines.....	2,079		2,079	0			0	
3.	Farmowners multiple peril.....				0			0	
4.	Homeowners multiple peril.....				0			0	
5.	Commercial multiple peril.....	543,275		543,275	0			0	
6.	Mortgage guaranty.....				0			0	
8.	Ocean marine.....				0			0	
9.	Inland marine.....	8,000		8,000	0			0	
10.	Financial guaranty.....				0			0	
11.1	Medical professional liability - occurrence.....				0			0	
11.2	Medical professional liability - claims-made.....				0			0	
12.	Earthquake.....				0			0	
13.	Group accident and health.....				0			0	
14.	Credit accident and health (group and individual).....				0			0	
15.	Other accident and health.....				0			0	
16.	Workers' compensation.....	1,478,554		1,478,554	0			0	
17.1	Other liability - occurrence.....	396,735		396,735	0			0	
17.2	Other liability - claims-made.....	5,111,148		5,111,148	0			0	
17.3	Excess workers' compensation.....				0			0	
18.1	Products liability - occurrence.....	11,132		11,132	0			0	
18.2	Products liability - claims-made.....				0			0	
19.1, 19.2	Private passenger auto liability.....				0			0	
19.3, 19.4	Commercial auto liability.....	355,269		355,269	0			0	
21.	Auto physical damage.....	45,924		45,924	0			0	
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			0			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0			0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
35.	TOTALS.....	7,952,115	0	7,952,115	0	0	0	0	
DETAILS OF WRITE-INS									
3401.	.....				0			0	
3402.	.....				0			0	
3403.	.....				0			0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire.....	200,000		200,000	0	11,535		11,535	0	
2.	Allied lines.....	14,501		14,501	0	40,882		40,882	0	
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....				0				0	
5.	Commercial multiple peril.....	800,938		800,938	0	799,435		799,435	0	
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....				0				0	
9.	Inland marine.....				0	10,910		10,910	0	
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....				0	977		977	0	
11.2	Medical professional liability - claims-made.....				0	36,676		36,676	0	
12.	Earthquake.....				0				0	
13.	Group accident and health.....				0				(a) 0	
14.	Credit accident and health (group and individual).....				0				0	
15.	Other accident and health.....				0				(a) 0	
16.	Workers' compensation.....	2,486,308		2,486,308	0	3,896,348		3,896,348	0	
17.1	Other liability - occurrence.....	183,899		183,899	0	4,384,156		4,384,156	0	
17.2	Other liability - claims-made.....	4,173,175		4,173,175	0	12,314,564		12,314,564	0	
17.3	Excess workers' compensation.....				0				0	
18.1	Products liability - occurrence.....	195,509		195,509	0	2,373,359		2,373,359	0	
18.2	Products liability - claims-made.....	3,501		3,501	0	42,286		42,286	0	
19.1, 19.2	Private passenger auto liability.....				0				0	
19.3, 19.4	Commercial auto liability.....	861,917		861,917	0	668,299		668,299	0	
21.	Auto physical damage.....	7,002		7,002	0	9,829		9,829	0	
22.	Aircraft (all perils).....				0				0	
23.	Fidelity.....				0				0	
24.	Surety.....				0				0	
26.	Burglary and theft.....				0	352		352	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			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX	5,811	5,811	0	XXX	217,095	217,095	0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35.	TOTALS.....	8,926,749	5,811	8,932,560	0	24,589,606	217,095	24,806,701	0	0
DETAILS OF WRITE-INS										
3401.	.....				0				0	
3402.	.....				0				0	
3403.	.....				0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

(a) Including \$.0 for present value of life indemnity claims.

COLONY SPECIALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	4,139,880			4,139,880
1.2 Reinsurance assumed.....	75,055			75,055
1.3 Reinsurance ceded.....	4,214,935			4,214,935
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	0	0	0	0
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		3,029,400		3,029,400
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....		3,029,400		3,029,400
2.4 Contingent - direct.....		30,070		30,070
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....		30,070		30,070
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	0	0	0
3. Allowances to manager and agents.....				0
4. Advertising.....				0
5. Boards, bureaus and associations.....				0
6. Surveys and underwriting reports.....				0
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....				0
8.2 Payroll taxes.....				0
9. Employee relations and welfare.....				0
10. Insurance.....				0
11. Directors' fees.....				0
12. Travel and travel items.....				0
13. Rent and rent items.....				0
14. Equipment.....				0
15. Cost or depreciation of EDP equipment and software.....				0
16. Printing and stationery.....				0
17. Postage, telephone and telegraph, exchange and express.....				0
18. Legal and auditing.....			195,900	195,900
19. Totals (Lines 3 to 18).....	0	0	195,900	195,900
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....				0
20.2 Insurance department licenses and fees.....				0
20.3 Gross guaranty association assessments.....				0
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	0	0	0
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	0	220,759	220,759
25. Total expenses incurred.....	0	0	416,659	(a) 416,659
26. Less unpaid expenses - current year.....		117,590		117,590
27. Add unpaid expenses - prior year.....		140,237		140,237
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	0	22,647	416,659	439,306

DETAILS OF WRITE-INS

2401. Miscellaneous Expense - Corporate Charges.....			220,759	220,759
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	0	0	220,759	220,759

(a) Includes management fees of \$.....718,464 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds.....	(a).....319,601	.....296,040
1.1	Bonds exempt from U.S. tax.....	(a).....1,065,510	.....886,967
1.2	Other bonds (unaffiliated).....	(a).....1,717,540	.....1,572,618
1.3	Bonds of affiliates.....	(a).....	.....
2.1	Preferred stocks (unaffiliated).....	(b).....	.....
2.11	Preferred stocks of affiliates.....	(b).....	.....
2.2	Common stocks (unaffiliated).....	.....32,145	.....45,270
2.21	Common stocks of affiliates.....	.....	.....
3.	Mortgage loans.....	(c).....	.....
4.	Real estate.....	(d).....	.....
5.	Contract loans.....	.....	.....
6.	Cash, cash equivalents and short-term investments.....	(e).....26,749	.....27,882
7.	Derivative instruments.....	(f).....	.....
8.	Other invested assets.....	.....	.....
9.	Aggregate write-ins for investment income.....	.....0	.....0
10.	Total gross investment income.....	.....3,161,544	.....2,828,777
11.	Investment expenses.....		(g).....416,659
12.	Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13.	Interest expense.....		(h).....
14.	Depreciation on real estate and other invested assets.....		(i).....0
15.	Aggregate write-ins for deductions from investment income.....		.....8,880
16.	Total deductions (Lines 11 through 15).....		.....425,539
17.	Net investment income (Line 10 minus Line 16).....		.....2,403,238

DETAILS OF WRITE-INS

0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501.	Miscellaneous investment expense.....		.....8,880
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....8,880

- (a) Includes \$.....184,253 accrual of discount less \$.....654,222 amortization of premium and less \$.....313,386 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....16,528 accrual of discount less \$.....46,484 amortization of premium and less \$.....28,275 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds.....(16,692)	.....	.....(16,692)	.....	.....
1.1	Bonds exempt from U.S. tax.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated).....62,239	.....	.....62,239	.....	.....
1.3	Bonds of affiliates.....	.....	.....0	.....	.....
2.1	Preferred stocks (unaffiliated).....	.....	.....0	.....	.....
2.11	Preferred stocks of affiliates.....	.....	.....0	.....	.....
2.2	Common stocks (unaffiliated).....20,567,131	.....	.....20,567,131	.....(15,403,729)	.....
2.21	Common stocks of affiliates.....	.....	.....0	.....	.....
3.	Mortgage loans.....	.....	.....0	.....	.....
4.	Real estate.....	.....	.....0	.....	.....
5.	Contract loans.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments.....2,382	.....	.....2,382	.....	.....
7.	Derivative instruments.....	.....	.....0	.....	.....
8.	Other invested assets.....	.....	.....0	.....	.....
9.	Aggregate write-ins for capital gains (losses).....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses).....20,615,060	.....0	.....20,615,060	.....(15,403,729)	.....0

DETAILS OF WRITE-INS

0901.	.....	.....	.....0	.....	.....
0902.	.....	.....	.....0	.....	.....
0903.	.....	.....	.....0	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page....	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0

COLONY SPECIALTY INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.....0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.....0
2.2 Common stocks.....			.....0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.....0
3.2 Other than first liens.....			.....0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.....0
4.2 Properties held for the production of income.....			.....0
4.3 Properties held for sale.....			.....0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.....0
6. Contract loans.....			.....0
7. Derivatives (Schedule DB).....			.....0
8. Other invested assets (Schedule BA).....			.....0
9. Receivables for securities.....			.....0
10. Securities lending reinvested collateral assets (Schedule DL).....			.....0
11. Aggregate write-ins for invested assets.....	.....0	.....0	.....0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.....0	.....0	.....0
13. Title plants (for Title insurers only).....			.....0
14. Investment income due and accrued.....			.....0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	.....122,556	.....17,514	.....(105,042)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.....0
15.3 Accrued retrospective premiums.....			.....0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.....0
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.....			.....0
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
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0
23. Receivables from parent, subsidiaries and affiliates.....			.....0
24. Health care and other amounts receivable.....			.....0
25. Aggregate write-ins for other than invested assets.....	.....0	.....0	.....0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....122,556	.....17,514	.....(105,042)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....122,556	.....17,514	.....(105,042)

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
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0
2501. ....			.....0
2502. ....			.....0
2503. ....			.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....0	.....0	.....0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Colony Specialty Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Department of Insurance in the State of Ohio.

The Ohio Department of Insurance 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' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The accompanying financial statements contain no differences as a result of practices prescribed or permitted by Ohio that differ from NAIC SAP.

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

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

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business, and are based on reports received from ceding companies for reinsurance assumed.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

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

In addition, the Company uses the following accounting policies:

1. Short-term Investments are stated at amortized cost using the interest method or lower of amortized cost or market under NAIC valuation standards.
2. Investments in bonds are stated at amortized cost using the interest method or lower of amortized cost or market under NAIC valuation standards.
3. Common stocks are stated at fair value
4. The Company has no investments in preferred stocks.
5. The Company has no investments in mortgage loans.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. All loan-backed securities that are of high investment grade are valued using the retrospective adjustment method. All other loan-backed securities are valued using the prospective adjustment method.
7. The Company has no investments in subsidiary, controlled, or affiliated entities.
8. The Company has no investments in joint ventures, partnerships, or limited liability companies.
9. The Company has no investments in derivatives.
10. The Company does not consider investment income as a factor in premium deficiency calculations.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are routinely reviewed, and any adjustments are reflected in the period determined.
12. The Company's capitalization policy has not changed from that followed in the prior year.

2. Accounting Changes and Corrections of Errors

The accompanying financial statements do not contain any adjustments for changes in accounting methods or corrections of errors in the current period.

3. Business Combinations and Goodwill

The Company was not a participant in a business combination.

4. Discontinued Operations

The Company has no operations that have been discontinued.

5. Investments

- A. The Company has not invested in mortgage loans or mezzanine real estate loans.
- B. The Company has not invested in restructured debt.
- C. The Company has not invested in reverse mortgages.

NOTES TO FINANCIAL STATEMENTS

- D. Loan-Backed Securities
1. Prepayment assumptions for loan-backed securities are obtained by the Company's third-party accounting provider, from industry standard external data providers.

2. The Company did not have any securities with a recognized other-than-temporary impairment loss in the twelve months ended December 31, 2011.

3. The Company did not hold any securities at 12/31/2011 with a recognized other-than-temporary impairment.

4. Loan-backed securities in an unrealized loss position at December 31, 2011 for less than 1 year:

Unrealized Loss:

Fair Value of Securities with Unrealized Loss

\$ (1,217)

\$ 651,139

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 were no other-than-temporary impairments during the twelve months ended December 31, 2011.

E. The Company has had no repurchase agreements or security lending transactions.

F. The Company has not invested in real estate.

G. The Company does not have any investments in low-income housing tax credits.

6. Joint Ventures, Partnerships and limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies.

7. Investment Income

The Company has not excluded any investment income due and accrued from the financial statements.

8. Derivative Instruments

The Company has no derivative financial instruments.

9. Income Taxes

1. The components of the net deferred tax asset/(liability) were as follows:

	12/31/2011		
	Ordinary	Capital	Total
Gross deferred tax assets	42,895	59,862	102,757
Deferred tax liabilities	25,480	154,786	180,266
Net deferred tax asset/(liability)	17,415	(94,924)	(77,509)
Deferred tax assets non-admitted			0
Net admitted deferred tax asset/(liability)	17,415	(94,924)	(77,509)
	12/31/2010		
	Ordinary	Capital	Total
Gross deferred tax assets	6,130		6,130
Deferred tax liabilities	39,117	5,486,229	5,525,346
Net deferred tax asset/(liability)	(32,987)	(5,486,229)	(5,519,216)
Deferred tax assets non-admitted			0
Net admitted deferred tax asset/(liability)	(32,987)	(5,486,229)	(5,519,216)
	Change		
	Ordinary	Capital	Total
Gross deferred tax assets	36,765	59,862	96,627
Deferred tax liabilities	(13,637)	(5,331,443)	(5,345,080)
Net deferred tax asset/(liability)	50,402	5,391,305	5,441,707
Deferred tax assets non-admitted	0	0	0
Net admitted deferred tax asset/(liability)	50,402	5,391,305	5,441,707

NOTES TO FINANCIAL STATEMENTS

2. The Company has elected to admit deferred tax assets pursuant to paragraph 10(e) of SSAP 10R, Income Taxes-A Temporary Replacement of SSAP 10. The current period election does not differ from that of the prior period.
3. Application of paragraph 10(e) of SSAP 10R produced no difference in gross deferred tax asset than that under SSAP 10.
4. The calculation of the admissibility of gross deferred tax assets under SSAP 10R by paragraph was as follows:

		12/31/2011		
		Ordinary	Capital	Total
Paragraph				
10.a.	10.e.i	42,895	59,862	102,757
10.b.	10.e.ii			0
10.b.i.	10.e.ii.a			0
10.b.ii.	10.e.ii.b			0
10.c.	10.e.iii			0
Totals		42,895	59,862	102,757
TAC				25,180,795
ACL				1,508,684

		12/31/2010		
		Ordinary	Capital	Total
Paragraph				
10.a.	10.e.i	6,130		6,130
10.b.	10.e.ii			0
10.b.i.	10.e.ii.a			0
10.b.ii.	10.e.ii.b			0
10.c.	10.e.iii			0
Totals		6,130	0	6,130
TAC				78,145,734
ACL				2,523,747

5. Tax Planning Strategies

	Ordinary	Capital	Total
Adjusted Gross DTA's	0%	58%	58%
(% of Total Adjusted Gross DTA's)			
Net Admitted Adjusted Gross DTA's	0%	58%	58%
(% of Total Net Admitted Adjusted Gross DTA's)			

6. SSAP 10R Risk Based Capital Test

	SSAP 10 R a,b,c	SSAP 10 R e	Difference
Admitted deferred tax assets	102,757	102,757	0
Admitted assets	71,054,193	71,054,193	0
Statutory surplus	25,180,795	25,180,795	0
Total adjusted capital in RBC	25,180,795	25,180,795	0
ACL RBC	1,508,684	1,508,684	0
Applicable % for application of SSAP 10R	1669.06%	1669.06%	

The Company has no deferred tax liabilities that it has not recognized.

The Company’s current and deferred income taxes consisted of the following major components:

Current Income Tax

	12/31/2011	12/31/2010	Change
Federal Income Tax on Current Year Earnings	463,419	576,354	(112,935)
Current Year Adjustment of Prior Years' Tax	83,306	(26,999)	110,305
Federal Income Tax on Net Capital Gains	7,212,163	361,299	6,850,864
	7,758,888	910,654	6,848,234

NOTES TO FINANCIAL STATEMENTS

Deferred Tax Assets/(Liabilities)

	12/31/2011	12/31/2010	Change
Deferred Tax Assets			
Ordinary:			
Non-admitted assets	42,895	6,130	36,765
Deferred tax assets non-admitted	0	0	0
Admitted ordinary deferred tax assets	42,895	6,130	36,765
Capital:			
Unrealized losses	59,862	0	59,862
Deferred tax assets non-admitted	0	0	0
Admitted capital deferred tax assets	59,862	0	59,862
Total admitted deferred tax assets	102,757	6,130	96,627
Deferred Tax Liabilities			
Ordinary:			
MBS 481(a) election	2	12,322	(12,320)
Accumulated bond discount	25,478	26,795	(1,317)
Ordinary deferred tax liabilities	25,480	39,117	(13,637)
Capital:			
Unrealized gains	101,522	5,432,965	(5,331,443)
Deferred intercompany gain	53,264	53,264	0
Capital deferred tax liabilities	154,786	5,486,229	(5,331,443)
Total deferred tax liabilities	180,266	5,525,346	(5,345,080)
Net admitted deferred tax asset/(liability)	(77,509)	(5,519,216)	5,441,707

The Company has no investment tax credits or benefits from operating loss carry forwards.

The reconciliation of the Company's Federal income tax to the actual effective tax rate was as follows:

	2011	Effective Tax Rate
Provision at statutory rate	7,976,986	35.00%
Tax exempt investment income	(263,872)	-1.16%
Dividends received deduction	(1,813)	-0.01%
Non-admitted assets	(36,765)	-0.16%
Current year adjustment of prior years' tax	33,950	0.15%
Total	7,708,486	33.82%
Federal Income Tax on Current Year Earnings	546,725	2.40%
Federal Income Tax on Net Capital Gains	7,212,163	31.64%
Change in deferred income taxes	(50,402)	-0.22%
Statutory Income tax	7,708,486	33.82%

The Company has no operating loss or tax credit carry forwards available for tax purposes.

The Company has \$512,775 and \$576,355 from ordinary taxes paid, from 2011 and 2010, respectively that it may use to offset future net losses.

The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

The Company files a consolidated federal income tax return with Argo Group U.S., Inc. and its subsidiaries. A listing of each entity that is included in the return is found in Schedule Y of this Annual Statement.

The Company has a written agreement that provides for the allocation of federal income taxes on approximately the same basis as through the Company was filing a separate return. Estimated tax payments are settled with the Company's ultimate parent, Argo Group U.S., Inc., at the time such estimates are payable to the Internal Revenue Service. Final settlement between the Company and its parent is made within thirty days of the filing of the tax return.

10. Information Concerning Parent, Subsidiaries and Affiliates

NOTES TO FINANCIAL STATEMENTS

A. Nature of Relationships

The Company is a wholly owned subsidiary of Colony Insurance Company

B. Transactions with Affiliates Greater than ½% of Admitted Assets

In December 2011, the Company made a payment of \$57,801,562 as an extraordinary dividend to its parent company, Colony Insurance Company, in the form of securities and cash. The extraordinary dividend was approved by the Department of Insurance of the State of Ohio.

C. Change in Terms of Intercompany Arrangements

There have been no changes in any arrangement between the Company and any affiliated party.

D. Amounts Due to/(from) Related Parties

Affiliate	2011 Due to/(from)	2010 Due to/(from)
Colony Management Services, Inc.	(385,014)	(267)
Colony National Insurance Company	(2)	(435,508)
Colony Insurance Company	5,691,928	(2,823,759)
Argo Re, Ltd.	(51,539)	(50,211)
Trident Insurance Services, LLC	11,410	11,410
Argonaut Mid-west Insurance Company	5,008	

E. Guarantees or Undertakings for the Benefit of a Related Party

The Company has no guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party.

F. Intercompany Management, Service and Cost-sharing Agreements

Under a service agreement between the Company and Colony Insurance Company, Colony National Insurance Company, Argonaut Insurance Company, and Argonaut Midwest Insurance Company, Colony Insurance Company serves as the paying agent for claims payments. Claims paid by Colony Insurance Company on behalf of the Company are reimbursed in the month following.

Colony Management Services, Inc., and Argo Group U.S., Inc. each provide the Company with various services under management services contracts with the Company. Fees are allocated to the Company on a basis approximating the cost of providing the services.

G. Nature of the Control Relationship

The Company is a wholly-owned subsidiary of Colony Insurance Company. Additional details regarding the relationship between the Company and all related parties are included in Schedule Y of this Annual Statement.

H. Downstream Ownership of an Upstream Entity

The Company does not hold any investments in any affiliated entity.

I. Investments in Subsidiaries, Controlled, or Affiliate Entities

The Company does not hold any investments in any affiliated entity.

J. Impaired Investments in Subsidiary, Controlled, or Affiliated Entities

The Company does not hold any investments in any affiliated entity.

K. Investments in Foreign Insurance Subsidiaries

The Company does not hold any investments in any affiliated entity.

L. Downstream Holding Company Valued Using Look-Through Method

The Company does not hold any investments in any affiliated entity.

11. Debt

The Company does not have any debt.

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

NOTES TO FINANCIAL STATEMENTS

The Company has no employees, and therefore, has no benefit plans. Human services are provided via contract as detailed in Note 10F of these Notes.

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

- 1. The Company has 1,400 shares of \$2,500 par common stock authorized, issued, and outstanding.
- 2. The Company has no preferred stock authorized, issued, or outstanding.
- 3. Without prior approval from the Ohio Department of Insurance, dividends to shareholders are limited by the laws of the State of Ohio to \$15,114,960 for 2012, an amount that is based on restrictions relating to net income and statutory surplus.
- 4. In December 2011, the Company made a payment of \$57,801,562 as an extraordinary dividend to its parent company, Colony Insurance Company, in the form of securities and cash. The extraordinary dividend was approved by the Department of Insurance of the State of Ohio. The Company did not pay dividends in 2010.
- 5. Within the limitations of 3 of this Note, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.
- 6. There were no restrictions placed on the Company's surplus.
- 7. The Company is a stock corporation, and therefore, has no advances to surplus.
- 8. The Company has no stock that is being held for any special purpose.
- 9. The Company has no special surplus funds.
- 10. The portion of unassigned funds (surplus) represented by cumulative pre-tax unrealized gains is \$119,029.
- 11. The Company has not issued any Surplus Notes.
- 12. The Company has not been impacted as a result of restatements due to prior quasi-reorganizations.
- 13. The Company has not been party to any quasi-reorganization during the past ten years.

14. Contingencies

- A. Contingent Commitments
The Company did not have any contingent commitments at December 31, 2011.
- B. Assessments
At December 31, 2011, based on information available from the states in which the Company is licensed to write business, there were no material unpaid assessments. The Company did not accrue a liability for guaranty fund or other assessments.
- C. Gain Contingencies
The Company does not currently have any gain contingencies.
- D. Extra Contractual Obligation and Bad Faith Losses
During 2011, the Company made no payments for extra contractual obligation or bad faith claims stemming from lawsuits.
- E. Product Warranties
The Company is not a guarantor for any product warranty.
- F. All Other Contingencies
Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company.

The Company did not recognize any other-than-temporary impairments during 2011.

15. Leases

The Company does not currently hold any leases.

16. Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company does not have any financial instruments of this nature.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales

The Company has not had any transactions of this nature.
- B. Transfer and Servicing of Financial Assets

The Company has not had any transactions of this nature.
- C. Wash Sales

The Company had no wash sales as defined in paragraph 9, of SSAP No. 91R, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, involving transactions for securities with a NAIC designation of 3 or below, or unrated during 2011.

18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company does not have any plans of this nature.

NOTES TO FINANCIAL STATEMENTS

19. Direct Premium Written by Managing General Agents or Third Party Administrators

The Company does not have any managing general agents or third party administrators as defined by Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*.

20. Fair Value Measurement

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:

1.

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.
2.

Level 2–Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
3.

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.

1.

The following table provides information as of December 31, 2011 about the Company’s financial assets measured at fair value:

FAIR VALUE MEASUREMENTS AT REPORTING DATE

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				7,285,454
Unaffiliated Common Stocks	7,285,454			7,285,454
Total Assets at Fair Value	7,285,454	0	0	

2.

The following table provides information as of December 31, 2011 about the Company’s Level 3 financial assets:

Fair Value Measurements Using Unobservable Inputs

Unaffiliated common stocks:	
Balance at January 1, 2011	15,522,758
Transfers into Level 3	0
Transfers out of Level 3	0
Total gains/(losses) realized and included in earnings	20,567,131
Total gains/(losses) unrealized and included in surplus	(15,522,758)
Total purchases	0
Total sales	(20,567,131)
Total issuances	0
Total settlements	0
Balance at December 31, 2011	0
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 reporting date	
	0

3.

The Company had no transfers between levels.
4.

For Level 2 investments, the Company’s third-party accounting provider 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.

21. Other Items

A. Extraordinary Items

There are no extraordinary items contained within the accompanying financial statements.

B. Troubled Debt Restructuring

The Company has no debt.

C. Other Disclosures

NOTES TO FINANCIAL STATEMENTS

Assets in the amount of \$6,240,180 and \$5,633,569 at December 31, 2011 and 2010, respectively, were on deposit with government authorities or trustees as required by law.

D. Uncollectible Premiums Receivable

At December 31, 2011 and 2010, the Company had admitted assets of \$1,423,543 and \$1,377,346, respectively, in premiums receivable due from agents. The company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premiums receivable as of December 31, 2011 are not expected to exceed the non-admitted amounts totaling \$122,556, and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

E. Business Interruptions Insurance Recoveries

The Company has not received any business interruption recoveries.

F. State Transferable and Non-transferable Tax Credits

The Company does not have any state tax credits, transferable or not.

G. Subprime-mortgage Related Risk Exposure

The Company has no sub-prime mortgage risk exposure.

22. Events Subsequent

There were no events occurring subsequent to the end of the current year through the date of this filing meriting disclosure.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

At December 31, 2011, the Company had the following unsecured aggregate reinsurance recoverable for losses and loss adjustment expenses, paid and unpaid, including IBNR, and unearned premium that exceeded 3% of the Company's policyholders' surplus.

Federal ID Number	NAIC Company Code	Name of Reinsurer	Amount
25-1620138	35505	ROCKWOOD CASUALTY	10,053,127
13-4924125	10227	MUNICH REINSURANCE AMERICA	2,048,368
06-0237820	20699	ACE PROP & CAS INS CO	1,090,567

B. Reinsurance Recoverables in Dispute

The Company has no reinsurance recoverable in dispute with any one reinsurer exceeding 5% of policyholders' surplus or any reinsurance recoverable in dispute that in the aggregate exceeds 10% of policyholders' surplus.

C. Reinsurance Assumed and Ceded

	Assumed		Ceded		Net	
	Unearned	Commissions	Unearned	Commissions	Unearned	Commissions
Affiliates			9,046,024	242,346	(9,046,024)	(242,346)
All other			775,021	103,838	(775,021)	(103,838)
Total	0	0	9,821,046	346,184	(9,821,046)	(346,184)

Direct unearned premium reserve - \$9,821,046

Amounts accrued at December 31, 2011 for contingent commission was \$30,070 on a direct basis which was ceded to an affiliate.

D. Uncollectible Reinsurance

The Company did not write off any reinsurance recoverables during the year.

E. Commutation of Ceded Reinsurance

The Company did not commute any of its ceded reinsurance agreements during the year.

F. Retroactive Reinsurance

NOTES TO FINANCIAL STATEMENTS

The Company did not have any retroactive reinsurance contracts.

G. Reinsurance Accounted for as a Deposit

The Company did not have any reinsurance accounted for as a deposit.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

The Company did not have any reinsurance contracts of this nature.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have any contracts of this nature.

25. Changes in Incurred Losses and Loss Adjustment Expenses

As a result of the 100% quota share agreement that the Company has in place, there has been no change in incurred loss and loss adjustment expenses.

26. Intercompany Pooling Arrangements

The Company is not a party to an intercompany pooling arrangement.

27. Structured Settlements

The Company has not purchased any structured settlements.

28. Health Care Receivables

The Company has no health care receivables.

29. Participating Policies

The Company does not issue participating contracts.

30. Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve on January 25, 2012. As a result of the analysis, which did not include anticipated investment income, the Company determined that a premium deficiency reserve was not warranted.

31. High Deductibles

The Company has not recorded any reserve credit for high deductibles.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company has not discounted any of its reserve liabilities.

33. Asbestos and Environmental Reserves

A. Asbestos Reserves

The Company has exposure to asbestos claims arising from the sale of general liability insurance written on an occurrence basis. The Company has identified the policies that had potential liability for asbestos claims. These policies had terms of up to five years (the latest of which expired in 1989). In addition, these policies covered relatively small manufacturers or distributors who sold limited use products; therefore, the asbestos related claim liabilities cannot be projected by traditional loss reserving techniques. Case reserves (and the cost of related litigation) have been established when sufficient information has been developed to indicate the involvement of a specific insurance policy. In addition, incurred but not reported reserves have been established to cover additional exposure on both known and unasserted claims. The Company's asbestos related losses (including the cost of related litigation) for each of the five most recent calendar years are as follows:

	Gross of Reinsurance				
	2007	2008	2009	2010	2011
Beginning Reserve	1,022,059	1,143,673	936,602	1,172,905	1,213,824
Incurred Losses & LAE	394,097	325,335	921,080	892,456	541,288
Current Year Payments for Losses & LAE	272,483	532,406	684,777	851,537	212,368
Ending Reserve	1,143,673	936,602	1,172,905	1,213,824	1,542,742
	Net of Reinsurance				
	2007	2008	2009	2010	2011
Beginning Reserve	153,308	171,551	140,490	0	0
Incurred Losses & LAE	59,116	48,800	0	0	0

NOTES TO FINANCIAL STATEMENTS

Current Year Payments for Losses & LAE	40,873	79,861	140,490	0	0
Ending Reserve	171,551	140,490	0	0	0

- B. At December 31, 2011, the Company held IBNR reserves of \$1,193,093 on a gross basis and \$0 on a net basis.
- C. The Company held \$877,084 on a gross basis and \$0 on a net basis for future loss adjustment expenses (including the cost of related litigation) at December 31, 2011.
- D. Environmental Reserves

The Company does not write policies that cover environmental exposures other than policies written to specifically cover those exposures.

34. Subscriber Savings Accounts

This is not applicable to the Company as it is not a reciprocal.

35. Multiple Peril Crop Insurance

The Company does not write multi-peril crop insurance.

36. Financial Guaranty Insurance

The Company does not write financial guaranty insurance.

COLONY SPECIALTY INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒X

No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒X

No ☐

N/A ☐

1.3

State regulating?

Ohio

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:

12/31/2008

3.1

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

12/31/2008

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.
This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2008

3.3

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

10/30/2009

3.4

By what department or departments?

Ohio

3.5

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

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐

No ☐

N/A ☒X

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes ☐

No ☒X

4.11

sales of new business?

Yes ☐

No ☒X

4.12

renewals?

Yes ☐

No ☒X

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes ☐

No ☒X

4.21

sales of new business?

Yes ☐

No ☒X

4.22

renewals?

Yes ☐

No ☒X

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐

No ☒X

5.2

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐

No ☒X

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☒X

No ☐

7.2

If yes,

7.21

State the percentage of foreign control

.....100.000 %

7.22

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

1	2
Nationality	Type of Entity
Bermuda	Insurance Holding Company

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐

No ☒X

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐

No ☒X

8.4

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP, 1800 Frost Bank Tower, 100 West Houston Street, San Antonio, TX 78205

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes ☐

No ☒X

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes ☐

No ☒X

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes ☒X

No ☐

N/A ☐

10.6

If the answer to 10.5 is no or n/a, please explain.

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Ronald J. Swanstrom, FCAS, MAAA, Senior Vice President & Chief Reserving Actuary, Argo Group U.S., Inc., 225 West Washington, 6th Floor, Chicago, IL 60606

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ☐

No ☒X

12.11

Name of real estate holding company

12.12

Number of parcels involved

.....

12.13

Total book/adjusted carrying value

.....

12.2

If yes, provide explanation.

COLONY SPECIALTY INSURANCE COMPANY
GENERAL INTERROGATORIES

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes []	No []
13.3	Have there been any changes made to any of the trust indentures during the year?	Yes []	No []
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes []	No [] N/A []
14.1	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.		

14.11 If the response to 14.1 is no, please explain:

14.2	Has the code of ethics for senior managers been amended?	Yes []	No [X]
14.21	If the response to 14.2 is yes, provide information related to amendment(s).		

14.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes []	No [X]
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).		

15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?	Yes []	No [X]
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.		

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?	Yes [X]	No []
17.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?	Yes [X]	No []
18.	Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?	Yes [X]	No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes []	No [X]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):		
20.11	To directors or other officers	\$.....	0
20.12	To stockholders not officers	\$.....	0
20.13	Trustees, supreme or grand (Fraternal only)	\$.....	0
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):		
20.21	To directors or other officers	\$.....	0
20.22	To stockholders not officers	\$.....	0
20.23	Trustees, supreme or grand (Fraternal only)	\$.....	0
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?	Yes []	No [X]
21.2	If yes, state the amount thereof at December 31 of the current year:		
21.21	Rented from others	.....
21.22	Borrowed from others	.....
21.23	Leased from others	.....
21.24	Other	.....
22.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?	Yes []	No [X]
22.2	If answer is yes:		
22.21	Amount paid as losses or risk adjustment	.....
22.22	Amount paid as expenses	.....
22.23	Other amounts paid	.....
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [X]	No []
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount.	\$.....	5,691,928

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)?	Yes [X]	No []
24.2	If no, give full and complete information relating thereto.		
24.3	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).		
24.4	Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes []	No [] N/A [X]
24.5	If answer to 24.4 is yes, report amount of collateral for conforming programs.	.....
24.6	If answer to 24.4 is no, report amount of collateral for other programs.	.....

COLONY SPECIALTY INSURANCE COMPANY

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.7

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [☐]

No [☐]

N/A [☒]
- 24.8

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [☐]

No [☐]

N/A [☒]
- 24.9

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [☐]

No [☐]

N/A [☒]
- 25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3)

Yes [☒]

No [☐]
- 25.2

If yes, state the amount thereof at December 31 of the current year:
- 25.21

Subject to repurchase agreements

\$.....0
- 25.22

Subject to reverse repurchase agreements

\$.....0
- 25.23

Subject to dollar repurchase agreements

\$.....0
- 25.24

Subject to reverse dollar repurchase agreements

\$.....0
- 25.25

Pledged as collateral

\$.....0
- 25.26

Placed under option agreements

\$.....0
- 25.27

Letter stock or securities restricted as to sale

\$.....0
- 25.28

On deposit with state or other regulatory body

\$.....6,240,181
- 25.29

Other

\$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [☐]

No [☒]
- 26.2

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

Yes [☐]

No [☐]

N/A [☒]

- 27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [☐]

No [☒]
- 27.2

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

.....
28.

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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [☒]

No [☐]

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

1 Name of Custodian(s)	2 Custodian's Address
US Bank Institutional Trust & Custody	2204 Lakeshore Drive, Suite 302, Birmingham, AL 35209

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

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

- 28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [☐]

No [☒]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
107105	Blackrock Financial Management	40 E. 52nd Street, New York, NY 10022
106584	Fayez Sarofim & Company	P.O. Box 297426, Houston, TX 77297

- 29.1

Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [☐]

No [☒]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
29.2999. TOTAL		0

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

30.

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	.....55,266,863	.....56,552,492	.....1,285,629
30.2 Preferred stocks.....	.....	.....	.....0
30.3 Totals.....	.....55,266,863	.....56,552,492	.....1,285,629

30.4 Describe the sources or methods utilized in determining the fair values:

Clearwater Analytics "Best" Prices

- 31.1

Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [☐]

No [☒]
- 31.2

If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [☐]

No [☐]
- 31.3

If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

- 32.1

Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [☒]

No [☐]
- 32.2

If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? \$.....0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

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

1 Name	2 Amount Paid

NONE

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [☐]

No [X]

1.2

If yes, indicate premium earned on U.S. business only.

1.3

What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31

Reason for excluding:

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

1.62

Total incurred claims

1.63

Number of covered lives

All years prior to most current three years:

1.64

Total premium earned

1.65

Total incurred claims

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

1.72

Total incurred claims

1.73

Number of covered lives

All years prior to most current three years:

1.74

Total premium earned

1.75

Total incurred claims

1.76

Number of covered lives

2.

Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....0	\$.....0
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....0	\$.....0
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [☐]

No [X]

3.2

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

3.21

Participating policies

3.22

Non-participating policies

4.

FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1

Does the reporting entity issue assessable policies?

Yes [☐]

No [☐]

4.2

Does the reporting entity issue non-assessable policies?

Yes [☐]

No [☐]

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

.....%

4.4

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

5.

FOR RECIPROCAL EXCHANGES ONLY:

5.1

Does the exchange appoint local agents?

Yes [☐]

No [☐]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes [☐]

No [☐]

N/A [☐]

5.22

As a direct expense of the exchange

Yes [☐]

No [☐]

N/A [☐]

5.3

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

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [☐]

No [☐]

5.5

If yes, give full information:

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

Worker's Compensation policies issued by the Company are reinsured under a 100% quota share agreement with an affiliate, Rockwood Casualty Insurance Company, which has catastrophe reinsurance in place.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

An evaluation of catastrophe exposure is performed both internally and externally utilizing RMS modeling. The greatest concentration of property catastrophe exposure (wind) is in the South Eastern United States.

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

To protect the Company from excessive loss due to exposures comprising the PML, the Company purchases a property catastrophe reinsurance program.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes [X]

No [☐]

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes [X]

No [☐]

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.

.....1

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [X]

No [☐]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

8.1

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

Yes [☐]

No [☒ X]

8.2

If yes, give full information:

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

Yes [☐]

No [☒ X]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes [☐]

No [☒ X]

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [☐]

No [☒ X]

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [☐]

No [☒ X]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [☒ X]

No [☐]

N/A [☐]

11.1

Has this reporting entity guaranteed policies issued by any other reporting entity and now in force?

Yes [☐]

No [☒ X]

11.2

If yes, give full information:

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses
12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$.....0

\$.....0

12.2

Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds:

\$.....0

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [☐]

No [☒ X]

N/A [☐]

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From
12.42 To

.....%

.....%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [☐]

No [☒ X]

12.6

If yes, state the amount thereof at December 31 of current year:
12.61 Letters of credit
12.62 Collateral and other funds

.....

.....

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$.....0

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [☐]

No [☒ X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

.....3

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [X]

No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

Under a multi-cedant allocation contract, the associated reinstatement premiums and retentions are allocated to the company based on its share of the total subject premium or covered losses

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [X]

No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes []

No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes []

No [X]

15.2

If yes, give full information:

16.1

Does the reporting entity write any warranty business?

Yes []

No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5?
Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.
Provide the following information for this exemption:

Yes []

No [X]

17.11

Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.12

Unfunded portion of Interrogatory 17.11

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14

Case reserves portion of Interrogatory 17.11

17.15

Incurred but not reported portion of Interrogatory 17.11

17.16

Unearned premium portion of Interrogatory 17.11

17.17

Contingent commission portion of Interrogatory 17.11

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

17.18

Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.19

Unfunded portion of Interrogatory 17.18

17.20

Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21

Case reserves portion of Interrogatory 17.18

17.22

Incurred but not reported portion of Interrogatory 17.18

17.23

Unearned premium portion of Interrogatory 17.18

17.24

Contingent commission portion of Interrogatory 17.18

18.1

Do you act as a custodian for health savings account?

Yes []

No [X]

18.2

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

18.3

Do you act as an administrator for health savings accounts?

Yes []

No [X]

18.4

If yes, please provide the balance of the funds administered as of the reporting date.

FIVE-YEAR HISTORICAL DATA

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

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	21,574,479	19,939,425	(5,939,914)	41,239,648	63,171,279
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	455,439	877,701	(2,877,369)	6,202,377	8,659,013
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	981,306	1,014,127	(3,328,772)	7,317,521	8,758,007
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....			(59)	(6)	
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	23,011,224	21,831,253	(12,146,114)	54,759,540	80,588,299
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	0		(24,761,910)	30,444,615	51,682,113
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....			(4,670,162)	4,571,631	6,661,804
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....			(4,994,165)	5,886,566	7,823,035
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....			(59)	(6)	
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	0	0	(34,426,296)	40,902,806	66,166,952
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....				3,860,804	8,749,061
14. Net investment gain (loss) (Line 11).....	15,806,135	3,290,300	7,594,043	7,724,534	8,147,468
15. Total other income (Line 15).....	(226,909)	(188,812)	(3,136,194)	(50,204)	(20,848)
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	546,725	549,355	(6,378,640)	3,720,207	6,101,962
18. Net income (Line 20).....	15,032,501	2,552,133	10,836,489	7,814,927	10,773,719
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	71,054,195	123,609,242	112,377,298	225,591,567	214,392,324
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	1,423,543	1,359,832	2,581,446	3,989,805	5,221,270
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	45,873,400	45,473,030	38,373,498	162,347,649	160,210,498
22. Losses (Page 3, Line 1).....				76,323,009	78,056,989
23. Loss adjustment expenses (Page 3, Line 3).....				26,117,127	25,364,621
24. Unearned premiums (Page 3, Line 9).....				34,426,295	32,174,261
25. Capital paid up (Page 3, Lines 30 & 31).....	3,500,000	3,500,000	3,000,000	2,500,000	2,500,000
26. Surplus as regards policyholders (Page 3, Line 37).....	25,180,795	78,136,212	74,003,800	63,243,918	54,181,826
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(216,009)	2,624,458	(126,102,925)	11,706,450	28,419,859
Risk-Based Capital Analysis					
28. Total adjusted capital.....	25,180,795	78,136,212	74,003,800	63,243,918	54,181,826
29. Authorized control level risk-based capital.....	1,508,684	2,524,442	2,260,987	12,086,041	11,787,052
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	53.8	53.1	74.8	95.0	93.7
31. Stocks (Lines 2.1 & 2.2).....	11.5	12.8	12.7	3.2	3.6
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	34.7	34.1	12.5	1.8	2.7
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....			XXX	XXX	XXX
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

COLONY SPECIALTY INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2011	2010	2009	2008	2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24).....	(10,012,424)	1,125,036	5,352,594	358,561	1,209,256
51. Dividends to stockholders (Line 35).....	(57,801,562)				
52. Change in surplus as regards policyholders for the year (Line 38).....	(52,955,417)	4,132,412	10,759,882	9,062,094	12,738,144
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	7,352,838	3,698,686	72,100,507	16,112,761	13,626,717
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	56,003	268,023	1,486,096	2,850,257	2,726,282
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	543,275	138,270	7,424,490	2,634,108	2,409,070
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....			1,685		(3,030)
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....			126,443	6,584	6,317
58. Total (Line 35).....	7,952,115	4,104,979	81,139,221	21,603,710	18,765,356
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....			67,991,502	10,989,455	9,187,386
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....			1,478,613	2,515,602	2,636,276
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....			6,776,354	2,372,290	2,340,899
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....			1,685		(3,030)
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....			74,855	6,584	(3,647)
64. Total (Line 35).....	0	0	76,323,009	15,883,931	14,157,884
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2).....				36.6	52.5
67. Loss expenses incurred (Line 3).....				18.8	3.3
68. Other underwriting expenses incurred (Line 4).....				34.6	31.1
69. Net underwriting gain (loss) (Line 8).....			100.0	10.0	13.1
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....			(9.1)	32.8	31.4
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....				55.4	55.8
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	0.0		(46.5)	64.7	122.1
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....				(5,583)	(5,696)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100).....				(10.3)	(13.7)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....			(5,582)	(9,007)	(10,512)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0).....			(10.3)	(21.7)	(33.3)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes[] No[]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....367.....	.....367.....	.....147.....	.....147.....	.....34.....	.....34.....	.....1.....	.....0.....	.....XXX.....
2. 2002.....	.....33,265.....	.....10,421.....	.....22,844.....	.....13,018.....	.....4,078.....	.....3,447.....	.....270.....	.....735.....	.....(2).....	.....13.....	.....12,854.....	.....XXX.....
3. 2003.....	.....54,619.....	.....11,630.....	.....42,989.....	.....18,763.....	.....3,728.....	.....4,887.....	.....427.....	.....1,323.....	.....(68).....	.....4.....	.....20,885.....	.....XXX.....
4. 2004.....	.....55,340.....	.....12,488.....	.....42,852.....	.....15,655.....	.....2,299.....	.....4,192.....	.....287.....	.....1,331.....	.....(191).....	.....	.....18,783.....	.....XXX.....
5. 2005.....	.....56,607.....	.....12,907.....	.....43,700.....	.....20,937.....	.....4,685.....	.....5,038.....	.....971.....	.....1,680.....	.....(423).....	.....387.....	.....22,422.....	.....XXX.....
6. 2006.....	.....79,344.....	.....14,250.....	.....65,094.....	.....34,981.....	.....4,534.....	.....7,822.....	.....757.....	.....1,437.....	.....(807).....	.....347.....	.....39,755.....	.....XXX.....
7. 2007.....	.....81,598.....	.....14,799.....	.....66,799.....	.....35,305.....	.....4,065.....	.....7,438.....	.....432.....	.....1,443.....	.....(1,340).....	.....46.....	.....41,029.....	.....XXX.....
8. 2008.....	.....52,869.....	.....14,218.....	.....38,651.....	.....21,388.....	.....2,296.....	.....6,270.....	.....946.....	.....1,011.....	.....(1,534).....	.....80.....	.....26,961.....	.....XXX.....
9. 2009.....	.....17,062.....	.....17,062.....	.....0.....	.....4,755.....	.....4,755.....	.....1,225.....	.....1,225.....	.....167.....	.....167.....	.....54.....	.....0.....	.....XXX.....
10. 2010.....	.....22,933.....	.....22,933.....	.....0.....	.....5,638.....	.....5,638.....	.....2,719.....	.....2,719.....	.....258.....	.....258.....	.....60.....	.....0.....	.....XXX.....
11. 2011.....	.....22,578.....	.....22,578.....	.....0.....	.....1,651.....	.....1,651.....	.....425.....	.....425.....	.....138.....	.....138.....	.....24.....	.....0.....	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....172,459.....	.....38,096.....	.....43,610.....	.....8,607.....	.....9,555.....	.....(3,768).....	.....1,016.....	.....182,690.....	.....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding- Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	.....865.....	.....865.....	.....2,182.....	.....2,182.....	.....236.....	.....236.....	.....390.....	.....390.....	.....818.....	.....818.....	.....	.....0.....	.....XXX.....
2. 2002.....	.....62.....	.....62.....	.....110.....	.....110.....	.....3.....	.....3.....	.....26.....	.....26.....	.....15.....	.....15.....	.....	.....0.....	.....XXX.....
3. 2003.....	.....39.....	.....39.....	.....152.....	.....152.....	.....8.....	.....8.....	.....30.....	.....30.....	.....0.....	.....0.....	.....	.....0.....	.....XXX.....
4. 2004.....	.....284.....	.....284.....	.....391.....	.....391.....	.....66.....	.....66.....	.....39.....	.....39.....	.....67.....	.....67.....	.....	.....0.....	.....XXX.....
5. 2005.....	.....129.....	.....129.....	.....525.....	.....525.....	.....26.....	.....26.....	.....121.....	.....121.....	.....248.....	.....248.....	.....	.....0.....	.....XXX.....
6. 2006.....	.....7.....	.....7.....	.....660.....	.....660.....	.....3.....	.....3.....	.....187.....	.....187.....	.....104.....	.....104.....	.....	.....0.....	.....XXX.....
7. 2007.....	.....65.....	.....65.....	.....783.....	.....783.....	.....17.....	.....17.....	.....223.....	.....223.....	.....70.....	.....70.....	.....	.....0.....	.....XXX.....
8. 2008.....	.....646.....	.....646.....	.....1,046.....	.....1,046.....	.....138.....	.....138.....	.....287.....	.....287.....	.....200.....	.....200.....	.....	.....0.....	.....XXX.....
9. 2009.....	.....1,137.....	.....1,137.....	.....2,900.....	.....2,900.....	.....283.....	.....283.....	.....672.....	.....672.....	.....327.....	.....327.....	.....	.....0.....	.....XXX.....
10. 2010.....	.....2,897.....	.....2,897.....	.....6,576.....	.....6,576.....	.....768.....	.....768.....	.....1,682.....	.....1,682.....	.....1,155.....	.....1,155.....	.....	.....0.....	.....XXX.....
11. 2011.....	.....2,802.....	.....2,802.....	.....9,265.....	.....9,265.....	.....1,027.....	.....1,027.....	.....1,906.....	.....1,906.....	.....2,389.....	.....2,389.....	.....	.....0.....	.....XXX.....
12. Totals...	.....8,933.....	.....8,933.....	.....24,590.....	.....24,590.....	.....2,577.....	.....2,577.....	.....5,562.....	.....5,562.....	.....5,394.....	.....5,394.....	.....0.....	.....0.....	.....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....0.....	.....0.....
2. 2002.	.....17,417.....	.....4,563.....	.....12,854.....	.....52.4.....	.....43.8.....	.....56.3.....	.....	.....	.....	.....0.....	.....0.....
3. 2003.	.....25,202.....	.....4,317.....	.....20,885.....	.....46.1.....	.....37.1.....	.....48.6.....	.....	.....	.....	.....0.....	.....0.....
4. 2004.	.....22,024.....	.....3,241.....	.....18,783.....	.....39.8.....	.....26.0.....	.....43.8.....	.....	.....	.....	.....0.....	.....0.....
5. 2005.	.....28,703.....	.....6,281.....	.....22,422.....	.....50.7.....	.....48.7.....	.....51.3.....	.....	.....	.....	.....0.....	.....0.....
6. 2006.	.....45,201.....	.....5,447.....	.....39,755.....	.....57.0.....	.....38.2.....	.....61.1.....	.....	.....	.....	.....0.....	.....0.....
7. 2007.	.....45,344.....	.....4,315.....	.....41,029.....	.....55.6.....	.....29.2.....	.....61.4.....	.....	.....	.....	.....0.....	.....0.....
8. 2008.	.....30,986.....	.....4,025.....	.....26,961.....	.....58.6.....	.....28.3.....	.....69.8.....	.....	.....	.....	.....0.....	.....0.....
9. 2009.	.....11,467.....	.....11,467.....	.....0.....	.....67.2.....	.....67.2.....	.....0.0.....	.....	.....	.....	.....0.....	.....0.....
10. 2010.	.....21,693.....	.....21,693.....	.....0.....	.....94.6.....	.....94.6.....	.....0.0.....	.....	.....	.....	.....0.....	.....0.....
11. 2011.	.....19,603.....	.....19,603.....	.....0.....	.....86.8.....	.....86.8.....	.....0.0.....	.....	.....	.....	.....0.....	.....0.....
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....XXX.....	.....0.....	.....0.....

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior.....	.....12,234	.....15,586	.....16,707	.....16,864	.....17,833	.....18,522	.....18,644	.....18,644	.....18,644	.....18,644	......0	......0
2. 2002.....	.....12,864	.....11,796	.....11,824	.....12,705	.....12,220	.....12,290	.....12,117	.....12,117	.....12,117	.....12,117	......0	......0
3. 2003.....	.....XXX	.....22,505	.....21,763	.....21,744	.....21,052	.....20,157	.....19,495	.....19,495	.....19,495	.....19,495	......0	......0
4. 2004.....	.....XXX	.....XXX	.....25,773	.....23,250	.....20,193	.....17,835	.....17,261	.....17,261	.....17,261	.....17,261	......0	......0
5. 2005.....	.....XXX	.....XXX	.....XXX	.....26,806	.....24,420	.....22,053	.....20,319	.....20,319	.....20,319	.....20,319	......0	......0
6. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....38,635	.....37,801	.....37,511	.....37,511	.....37,511	.....37,511	......0	......0
7. 2007.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....40,518	.....38,246	.....38,246	.....38,246	.....38,246	......0	......0
8. 2008.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....24,416	.....24,416	.....24,416	.....24,416	......0	......0
9. 2009.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX				......0	......0
10. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX			......0	.....XXX
11. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX		.....XXX	.....XXX
12. Totals.....											......0	......0

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior.....	.....000	.....5,480	.....9,780	.....11,948	.....13,634	.....14,898	.....15,599	.....18,644	.....18,644	.....18,644	.....XXX	.....XXX
2. 2002.....	.....1,809	.....3,953	.....6,168	.....8,177	.....9,350	.....9,968	.....10,444	.....12,115	.....12,115	.....12,117	.....XXX	.....XXX
3. 2003.....	.....XXX	.....3,416	.....7,185	.....10,113	.....12,992	.....14,705	.....15,796	.....19,494	.....19,494	.....19,495	.....XXX	.....XXX
4. 2004.....	.....XXX	.....XXX	.....3,439	.....6,016	.....7,485	.....9,882	.....12,084	.....17,260	.....17,260	.....17,261	.....XXX	.....XXX
5. 2005.....	.....XXX	.....XXX	.....XXX	.....2,741	.....4,009	.....7,103	.....10,455	.....20,319	.....20,319	.....20,319	.....XXX	.....XXX
6. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....4,734	.....9,492	.....13,902	.....37,511	.....37,511	.....37,511	.....XXX	.....XXX
7. 2007.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....4,319	.....9,059	.....38,248	.....38,248	.....38,246	.....XXX	.....XXX
8. 2008.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....3,415	.....24,418	.....24,418	.....24,416	.....XXX	.....XXX
9. 2009.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX				.....XXX	.....XXX
10. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX			.....XXX	.....XXX
11. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX		.....XXX	.....XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior.....	.....5,933	.....4,710	.....3,668	.....2,572	.....2,651	.....2,599	.....2,108			
2. 2002.....	.....8,806	.....5,407	.....3,135	.....2,892	.....1,959	.....1,749	.....1,396			
3. 2003.....	.....XXX	.....15,304	.....10,529	.....7,839	.....5,696	.....3,914	.....3,031			
4. 2004.....	.....XXX	.....XXX	.....19,219	.....13,554	.....9,295	.....5,711	.....3,674			
5. 2005.....	.....XXX	.....XXX	.....XXX	.....19,932	.....16,011	.....11,073	.....6,276			
6. 2006.....	.....XXX	.....XXX	.....XXX	.....XXX	.....27,877	.....22,735	.....18,114			
7. 2007.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....30,541	.....22,917			
8. 2008.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....16,181			
9. 2009.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX			
10. 2010.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX		
11. 2011.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	

COLONY SPECIALTY INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	...L....	.....785,042	.....832,932	.....	.....48,200	.....753,943	.....1,540,972	.....	.....
2. Alaska.....AK	...L....	.....	.....	.....	.....	.....	.....	.....	.....
3. Arizona.....AZ	...L....	.....	.....	.....	.....	.....	.....	.....	.....
4. Arkansas.....AR	...L....	.....117,837	.....127,826	.....	.....3,170	.....3,194	.....24	.....	.....
5. California.....CA	...L....	.....	.....	.....	.....	.....	.....	.....	.....
6. Colorado.....CO	...L....	.....763,406	.....812,379	.....	.....48,333	.....1,333,344	.....1,645,611	.....	.....
7. Connecticut.....CT	...L....	.....	.....	.....	.....	.....	.....	.....	.....
8. Delaware.....DE	...L....	.....	.....	.....	.....	.....	.....	.....	.....
9. District of Columbia.....DC	...L....	.....157,210	.....143,818	.....	.....2,526	.....5,866	.....15,101	.....	.....
10. Florida.....FL	...L....	.....1,491,053	.....1,586,302	.....	.....806,276	.....8,274	.....2,989,200	.....	.....
11. Georgia.....GA	...L....	.....367,961	.....428,080	.....	.....137,500	.....744,645	.....661,844	.....	.....
12. Hawaii.....HI	...L....	.....	.....	.....	.....	.....	.....	.....	.....
13. Idaho.....ID	...L....	.....135,865	.....121,660	.....	.....	.....	.....	.....	.....
14. Illinois.....IL	...L....	.....14,029	.....8,288	.....	.....	.....	.....	.....	.....
15. Indiana.....IN	...L....	.....595,334	.....616,504	.....	.....(7,500)	.....(186,660)	.....79,018	.....	.....
16. Iowa.....IA	...L....	.....	.....	.....	.....	.....	.....	.....	.....
17. Kansas.....KS	...L....	.....	.....	.....	.....	.....	.....	.....	.....
18. Kentucky.....KY	...L....	.....	.....	.....	.....	.....	.....	.....	.....
19. Louisiana.....LA	...L....	.....	.....	.....	.....	.....	.....	.....	.....
20. Maine.....ME	...L....	.....	.....	.....	.....	.....	.....	.....	.....
21. Maryland.....MD	...L....	.....1,186,495	.....1,162,613	.....	.....130,043	.....1,690,112	.....2,995,092	.....	.....
22. Massachusetts.....MA	...L....	.....	.....	.....	.....	.....	.....	.....	.....
23. Michigan.....MI	...L....	.....	.....	.....	.....	.....	.....	.....	.....
24. Minnesota.....MN	...L....	.....	.....	.....	.....	.....	.....	.....	.....
25. Mississippi.....MS	...L....	.....171,652	.....170,710	.....	.....	.....(21,207)	.....39,533	.....	.....
26. Missouri.....MO	...L....	.....	.....	.....	.....	.....	.....	.....	.....
27. Montana.....MT	...L....	.....196,465	.....176,923	.....	.....1,250,000	.....629,019	.....79,065	.....	.....
28. Nebraska.....NE	...L....	.....	.....	.....	.....	.....	.....	.....	.....
29. Nevada.....NV	...L....	.....935,010	.....907,550	.....	.....456,409	.....1,079,060	.....1,518,468	.....	.....
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....	.....518,960	.....574,895	.....	.....345,924	.....339,401	.....1,771,546	.....	.....
35. North Dakota.....ND	...L....	.....	.....	.....	.....	.....	.....	.....	.....
36. Ohio.....OH	...L....	.....1,303,681	.....1,362,188	.....	.....218,320	.....1,872,714	.....2,430,290	.....	.....
37. Oklahoma.....OK	...L....	.....	.....	.....	.....	.....	.....	.....	.....
38. Oregon.....OR	...L....	.....731,999	.....760,310	.....	.....387,338	.....1,120,544	.....987,449	.....	.....
39. Pennsylvania.....PA	...L....	.....8,294,392	.....7,028,365	.....	.....1,750,308	.....4,781,246	.....8,163,027	.....	.....
40. Rhode Island.....RI	...L....	.....	.....	.....	.....	.....	.....	.....	.....
41. South Carolina.....SC	...L....	.....217,523	.....252,304	.....	.....630,316	.....(1,490,766)	.....210,272	.....	.....
42. South Dakota.....SD	...L....	.....72,743	.....70,892	.....	.....	.....24	.....24	.....	.....
43. Tennessee.....TN	...L....	.....377,636	.....394,824	.....	.....490,857	.....353,430	.....193,684	.....	.....
44. Texas.....TX	...L....	.....	.....	.....	.....	.....	.....	.....	.....
45. Utah.....UT	...L....	.....215,420	.....255,116	.....	.....7,800	.....(5,776)	.....39,623	.....	.....
46. Vermont.....VT	...L....	.....	.....	.....	.....	.....	.....	.....	.....
47. Virginia.....VA	...E....	.....4,375,679	.....4,786,193	.....	.....1,246,294	.....178,650	.....8,156,511	.....	.....
48. Washington.....WA	...L....	.....(12,559)	.....(1,772)	.....	.....	.....	.....	.....	.....
49. West Virginia.....WV	...L....	.....	.....	.....	.....	.....	.....	.....	.....
50. Wisconsin.....WI	...L....	.....(1,609)	.....(423)	.....	.....	.....	.....	.....	.....
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	.....0	.....0
59. Totals.....	(a)....50	.....23,011,224	.....22,578,477	.....0	.....7,952,114	.....13,189,057	.....33,516,354	.....0	.....0

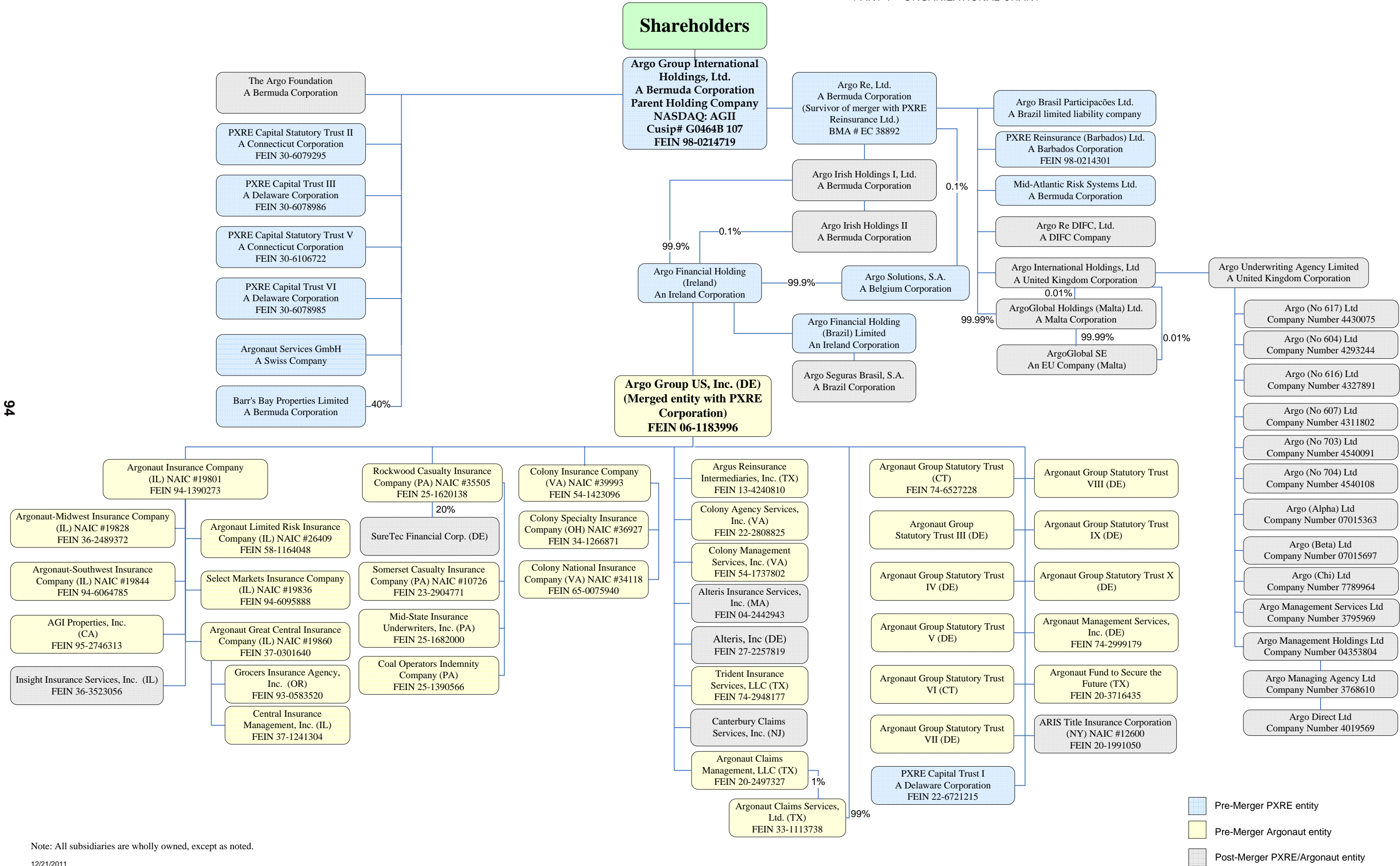
DETAILS OF WRITE-INS

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

(a) Insert the number of "L" responses except for Canada and Other Alien.
(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.
Explanation of Basis of Allocation of Premiums by States, etc.
Premiums are allocated to states based on location of risk.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

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Note: All subsidiaries are wholly owned, except as noted.

- Pre-Merger PXRE entity
- Pre-Merger Argonaut entity
- Post-Merger PXRE/Argonaut entity

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