Report of Statutory Examination
As of December 31, 2008

of

Housing Authority Property Insurance, A Mutual Company
NAIC Company Code 10069
NAIC Group Code 4359

by the

Vermont Department of Banking, Insurance, Securities
and Health Care Administration
Division of Insurance

IT IS HEREBY CERTIFIED that the annexed copy of the Statutory Examination Report on **HOUSING AUTHORITY PROPERTY INSURANCE, A MUTUAL COMPANY** as of December 31, 2008 has been compared with the original on file in the Department and that it is a correct and complete transcript of said original.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the official seal of this Department at the City of Montpelier this 21 day of APRIL, 2010.

Kenneth L. McGuckin
Chief Examiner

The attached report of examination made of the condition and affairs as of December 31, 2008 of:

Housing Authority Property Insurance, A Mutual Company

Burlington, Vermont

was recently completed by duly qualified examiners of the State of Vermont, Department of Banking, Insurance, Securities and Health Care Administration.

Due consideration has been given to the comments of the examiners regarding the operations of Housing Authority Property Insurance, A Mutual Company and its financial condition, as reflected in this report. This report is hereby, as of this date, approved, adopted, filed and made an official record of this Department.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the official seal of this Department at the City of Montpelier this 22 day of April, 2010.

Paulette J. Thabault, Commissioner

TABLE OF CONTENTS

Scope of Examination ... 3
Summary of Significant Findings ... 3
Subsequent Events ... 4
Company History ... 4
- General ... 4
- Equity ... 4
- Dividends ... 5
- Surplus Notes ... 6

Corporate Records ... 7
Management and Control ... 7
- Board of Directors ... 7
- Standing Committees ... 8
- Officers ... 9
- Affiliated Companies ... 10
- Organization Chart ... 11
- Cost-sharing Agreements ... 12

Fidelity Bond ... 12
Pension and Other Postretirement Plans ... 12
Territory and Plan of Operations ... 13
Growth of the Company ... 14
Loss Experience ... 14
Reinsurance ... 15
Accounts and Records ... 16
Statutory Deposits ... 16
Financial Statements ... 16
- Statutory Statement of Assets, Liabilities and Surplus ... 17
- Statutory Statement of Operations ... 18
- Statutory Statement of Changes in Surplus ... 18

Comments and Recommendations ... 19
Conclusion ... 19

Housing Authority Property Insurance, A Mutual Company
Statutory Examination Report
As of December 31, 2008

February 26, 2010

Honorable Alfred W. Gross
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Commissioner
Virginia State Corporation Commission
Bureau of Insurance
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Honorable Paulette Thabault
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Director
Arizona Department of Insurance
2910 North 44th Street
Phoenix, Arizona 85018

Honorable Mary Jo Hudson
Secretary, NAIC Midwestern Zone
Director
Ohio Department of Insurance
50 West Town Street
Columbus, Ohio 43215

Dear Commissioners and Directors:

Pursuant to your instructions and in compliance with statutory requirements, an examination has been made for the examination period ended December 31, 2008 of the financial condition, business affairs, transactions, and accounts and records of:

Housing Authority Property Insurance, A Mutual Company

Statutory Home Office Location

148 College Street, Burlington, Vermont 05401

The following examination report is respectfully submitted.

Scope of Examination

The National Association of Insurance Commissioners (NAIC) favors the association examination system, which allows a representative number of states to adequately plan and devote resources to the financial examinations of multi-state licensed insurers. We have performed our association examination of Housing Authority Property Insurance, A Mutual Company (HAPI or Company) as of December 31, 2008. HAPI, its affiliate Housing Authority Risk Retention Group, Inc. (HARRG), and its jointly owned subsidiary Housing Enterprise Insurance Company, Inc. (HEIC), are collectively referred to as the Housing Authority Insurance Group (Group). The prior examination of HAPI was conducted as of December 31, 2006. The current examination covered the period January 1, 2007 through December 31, 2008. As necessary, the examination team reviewed transactions occurring subsequent to December 31, 2008, but prior to the date of this report (i.e. the completion date of the examination).

We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook (FCEH). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and annual statement instructions, and, when applicable, to domestic state regulations. All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

Summary of Significant Findings

No significant findings were noted during this examination or in the prior examination report.

Subsequent Events

Examination procedures included consideration of events occurring subsequent to the examination date. No items of significance were noted during our review.

Company History

General

HAPI is a non-profit, tax-exempt, licensed mutual insurance company owned by its members, Public Housing Authorities (PHAs). The Company was formed as a mutual insurer under the sponsorship interests of PHAs located throughout the United States, who are also members of Housing Authority Insurance, Inc., a non-profit corporation duly organized under the laws of the State of Connecticut. HAPI was originally licensed in the State of Vermont in 1988 as a non-profit Industrial Insured Captive Insurance Company and commenced writing business on August 1, 1988. Effective in 1989, HAPI received approval from the State of Vermont to change its status to that of a non-profit Association Captive Insurance Company. During 1995, the Company received approval from the State of Vermont to transact insurance business as a Vermont licensed property and casualty insurance company under Title 8 §3301 of the Vermont Statutes Annotated. During 1998, the Company received approval from the State of Vermont to return to a non-profit Association Captive Insurance Company. Effective in 2003, HAPI converted its charter in the State of Vermont back to a licensed mutual insurer. HAPI was licensed in 45 states as of December 31, 2008 and acted as a direct writer and reinsurer for property, inland marine, boiler and machinery, automobile liability and physical damage, fidelity and crime, and liability coverages. .

Equity

HAPI is owned by its Members, each of whom makes an initial capital contribution upon membership. The Company maintains two types of Members, Class "A" Members and Class "B" Members. Class "A" Members make initial surplus contributions based on a percentage of first year's premium and Class "B" Members make initial surplus contributions in the amount of $100 in the first year. Class "A" Members receive premium, policyholder and equity dividends and have one vote per $1,000 in allocated surplus. Class "B" Members receive premium and policyholder dividends and also have one vote per $1,000 in allocated surplus. In addition, 50% of Class "B" policyholder dividends are allocated directly to surplus in the form of recapitalization dividends, which can be accumulated to achieve Class "A" status. The membership agreement requires each member to remain a member for a minimum three-year period. If a member withdraws at the conclusion of the initial three year period, other than as a result of certain specified events, it may either: (1) withdraw its initial capital contribution together with any additional capital contributions with such withdrawal to be completed at the discretion of the Board of Directors not later than five years from the date of notice of withdrawal or (2) maintain its capital contribution(s) with the Company, share in all allocations to and from such capital account with distributions to be at the earliest of the following three circumstances: the close of all claims from the policy years in which the Member participated, the discretion of the Board of Directors, or in the event of the liquidation of the Company. There are Members that have withdrawn their membership in HAPI, but have not formally requested a distribution of their surplus accounts. The amount of surplus relating to these members amounted to approximately $1,915,000 as of December 31, 2008. Should these Members request a distribution of their surplus accounts, the Company will return the amount in accordance with the provisions of the membership agreement and the policy on member withdrawal as described above, and will classify the amount as a liability within the statement of admitted assets, liabilities and capital and surplus. There are no Member equity refunds payable as of December 31, 2008.

Dividends

The Company provides its Members with policyholder and premium dividends in the form of cash and recapitalization and equity dividends in the form of redistributions of surplus. Both types of dividends are calculated based upon the individual underwriting experience of each Member and other factors.

- Policyholder Dividends – Distributed upon renewal and payment of insurance coverage.
- Premium Dividends - Distributed upon renewal and payment of insurance coverage

The following table summarizes policyholder and premium dividend info for the year ending December 31, 2008:

Date	Policyholder Dividend	Premium Dividend	Total
Declared June 5, 2008	$ 1,458,333	$ 2,478,184	$ 3,936,517
Declared December 5, 2008	2,916,667	-	2,916,667
			$ 6,853,184
Payable December 31, 2008	$ 4,172,951	$ 2,254,778	$ 6,427,729

- Recapitalization Dividends - Credited to Member contributed surplus accounts upon renewal and payment of insurance coverage.
  - During 2008, the Company allocated $771,276 to Class "B" Member contributed surplus accounts in the form of recapitalization dividends.
- Equity Dividends – Allocated to Class "A" Member surplus accounts from unassigned funds.
  - On December 5, 2008, the Company declared $1million in equity dividends. As of December 31, 2008 there were $8,361,300 in cumulative equity dividends allocated to Members.

Surplus Notes

Effective November 1, 2001, the Company issued a $3 million surplus note to its affiliate, HARRG, with a maturity date of November 1, 2021. The note is subordinated to HAPI's policyholders, to claimant and beneficiary claims and to all other classes of creditors. The note does have liquidation preference to the interest and equity of the owners of HAPI. On February 21, 2003, the Company issued a $2 million surplus note to HARRG with similar terms as the surplus note described above and a maturity date of February 21, 2023. HAPI utilized the proceeds to make an additional $2 million capital contribution to HEIC. Payment of interest and repayment of principal by HAPI require prior approval of the Vermont Department of Banking, Insurance, Securities and Health Care Administration, Division of Insurance (Department). The surplus notes were repaid on June 6, 2008.

Corporate Records

The Company's main administrative office is located in Cheshire, CT. The Company maintains its corporate records at this location. The minutes for the meetings of the Board of Directors, and committees thereof, were reviewed and were found to be in compliance with the Company's Bylaws and Vermont Statutes.

Management and Control

Board of Directors

The By-laws of the Company state that there shall be a Board of Directors of not less than three or more than twenty-one persons, the exact number to be fixed from time to time by the Members. One Director shall be a resident of the State of Vermont. The Board of Directors may elect three Directors who are not the representative of a Member. Such outside directors shall serve for a term of one year and may be re-elected to subsequent one-year terms. Except for the Vermont resident Director and the outside Directors, each Director must be the representative of a Member of the Company. The annual meeting of the Board of Directors shall be held immediately following and in the same place as the annual meeting of the Members. Regular meetings of the Board of Directors may be held at such places and at such times as the Directors may determine. At least one meeting of Directors shall be held within the State of Vermont each year. Except as otherwise specifically required by law, the Articles of Association, or the By-laws, a quorum of the Board of Directors shall consist of four Directors. The following Directors had been elected as of December 31, 2008:

Name	Residence	Principal Business Affiliation
Barry Romano	New York	Albany Housing Authority
Edwin Lowndes	Missouri	Housing Authority of Kansas City
Eric Brown	Maryland	Housing Authority of the City of Annapolis
James DiPaolo	Colorado	Denver Housing Authority
Douglas Dzema	New Jersey	Perth Amboy Housing Authority
Lee Eastman	Alabama	Housing Authority of the City of Auburn
Stephen Falek	Wisconsin	Milwaukee Housing Authority
Terri Hamilton Brown	Ohio	Outside Director
John Johnson	Oklahoma	Oklahoma City Housing Authority
Dan Labrie	Connecticut	CEO, HAIG
Richard Press	Massachussetts	Outside Director
L. Glen Redding	Oklahoma	Stillwater Housing Authority
Joseph Shuldiner	New York	The Municipal Housing Authority for the City of Yonkers
Gary Wasson	Virginia	Danville Redevelopment and Housing Authority
J. Len Williams	Georgia	Columbus Housing Authority
Linnie Willis	Ohio	Lucas Metropolitan Housing Authority
Russell Young	Vermont	Outside Director

Standing Committees

The Corporation shall have the following Director Chaired Standing Committees with not fewer than three members, at least two of whom shall be Directors. Members of the Standing Committees shall serve a term of one year commencing on the first day of January in the year following the year in which they are appointed.

- Claims Committee
- Underwriting Committee
- Risk Management Committee
- Finance Committee
- Learning Technologies Committee
- Governance Committee
- Supervisory/ Executive Compensation Committee
- Audit Committee

Officers

The By-laws of the Company state that the Officers shall include a Chair, a Vice Chair, a President, one or more Vice Presidents, a Treasurer, a Secretary and such other Officers, including one or more Assistant Treasurers, and Assistant Secretaries as the Board of Directors may determine. The following Officers were elected as of December 31, 2008:

Title	**Name**
Chairman of the Board	Barry Romano
Vice Chairman	Edwin Lowndes
President	Dan Labrie
Vice President	Dominic Mazzoccoli
Vice President	Edmund Malaspina
Vice President	William Lewellyn
Vice President	David Sagers
Vice President	Robert Sullivan
Secretary	Leslie Whitlock
Assistant Secretary	Brian Braley
Treasurer	Mark Wilson
Assistant Treasurer	Janine Lehr

Affiliated Companies

The Group is designed to be a one-stop source for insurance coverage, risk control, training, financial and support services. The Housing Authority Insurance Group includes the Company, HARRG, HEIC, and the following service providers:

Entity	**Description**
Housing Investment Group, Inc. (HIG)	Investment holding company, 100% owned jointly by the Company and HARRG
Housing Insurance Services, Inc. (HIS)	Insurance agency services
Satellite Telecommunications, Inc. (STI)	Owns the web-based telecommunications equipment used by HTI
Housing Authority Insurance, Inc. (HAI)	Membership association and program development
Housing Telecommunications, Inc. (HTI)	Risk management training and education programs

In June 1995, the Company and HARRG, jointly formed HIG to serve as a for profit holding company to govern the related businesses to which the Company and HARRG have an ownership interest. The Company's ownership interest was 48% for the year ended December 31, 2008. The investment in HIG is valued at the Company's proportionate ownership percentage of net worth based upon accounting principles generally accepted in the United States of America adjusted to a statutory basis of accounting.

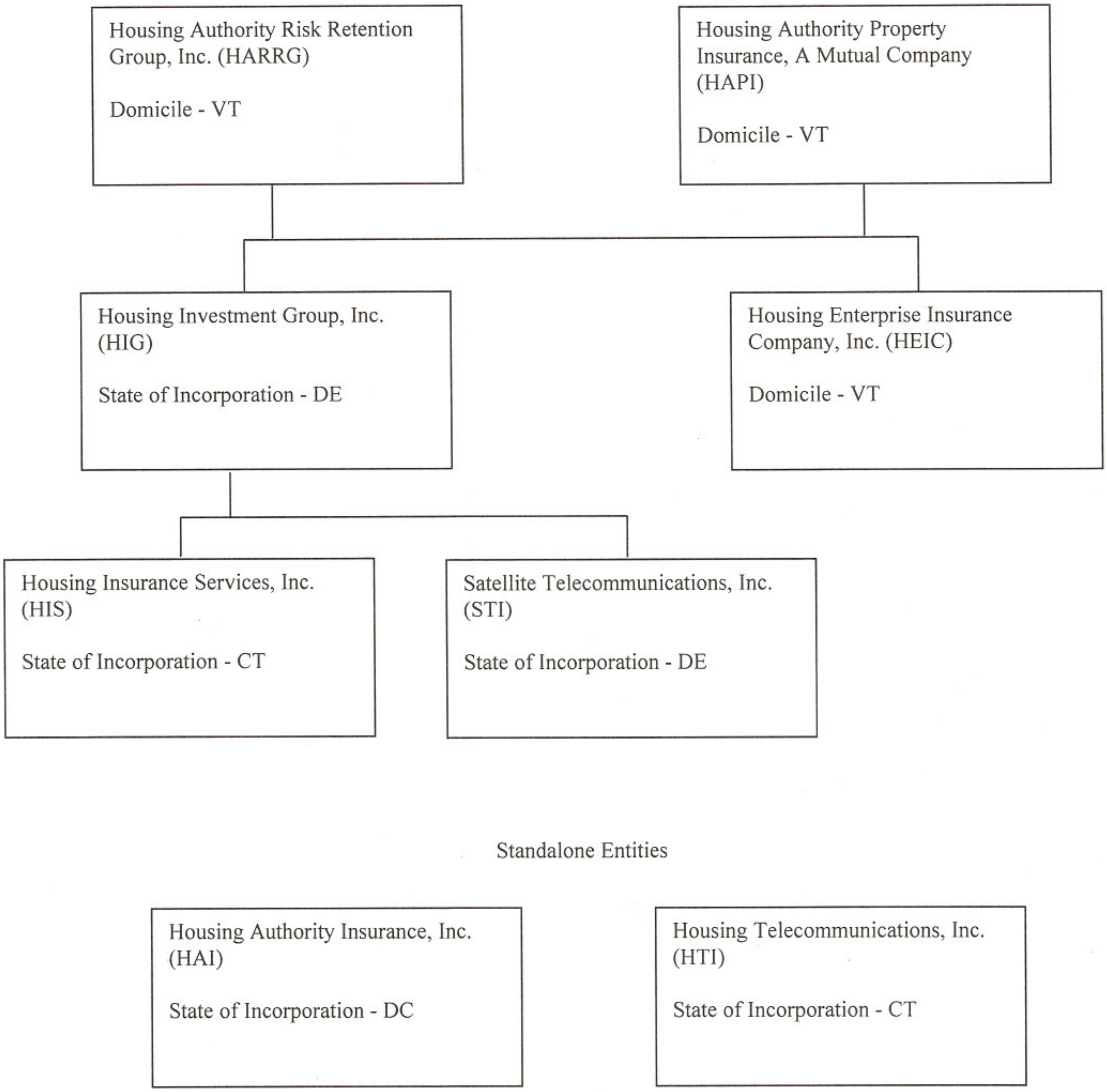
In 2001, the Company purchased 200 shares of voting common stock in HEIC for $2,000,000. The Company purchased an additional 200 shares in February 2003 for $2,000,000, 100 shares in 2006 for $1,000,000 and 500 shares for $5,000,000 in 2007. HEIC also issued 1000 shares of common stock for $10,000,000 to HARRG. The Company's ownership interest in HEIC at December 31, 2008 was 50%. On August 26, 2008, the Company received a $500,000 cash dividend from HEIC.

On August 26, 2008, the Company paid in $500,000 of contributed surplus in HEIC. On September 29, 2008, the Company paid in an additional $1,500,000 of contributed surplus.

Housing Authority Property Insurance, A Mutual Company
Statutory Examination Report
As of December 31, 2008

<u>Organization Chart</u>

The following organization chart displays the structure of the Group:



Cost-sharing Agreements

HAPI entered into an insurance services and cost-sharing agreement with HARRG. HARRG agrees to provide insurance management, claims handling, property loss control, engineering and property valuation services to the Company in return for a direct allocation of HARRG's salary and administrative expenses, which amounted to $3,111,959 for year ended December 31, 2008.

The Company pays HAI fees for the development of public and non-public housing insurance programs under a membership agreement. The Company paid fees to HAI of $462,644 for the year ended December 31, 2008.

The Company entered into an insurance management services agreement with HIS, whereby HIS performs insurance agency activities for the HAPI insurance programs. HIS is an affiliated entity through common management and ownership. Fees incurred under the agreement amounted to $4,898,916 for the year ended December 31, 2008.

In 2004, the Company entered into an agreement with HTI, an affiliated entity through common management, to support the delivery of risk management training to members. The Company paid fees to HTI of $171,831 for the year ended December 31, 2008.

Fidelity Bond

The Company has a fidelity bond issued by St. Paul Travelers with single loss limits of $5 million and a $10 million aggregate. This ensures all officers and employees whose duties and responsibilities require the carrying of such coverage are appropriately bonded. The bond exceeds the NAIC suggested minimum amount of coverage. The Company also has a computer crime policy in place with St. Paul Travelers.

Pension and Other Postretirement Plans

HAPI has no employees and is managed under agreement with HARRG and Towner Management Group of Burlington, Vermont. As such, there is no retirement plan, deferred compensation or other post retirement benefit plan. As part of the direct allocation of expenses from HARRG, HAPI recorded 2008 pension expenses of $70,579, 401k expense of $44,453, retiree health expense of $26,444, and incentive compensation expenses of $201,157.

Territory and Plan of Operations

HAPI was licensed in 45 states as of December 31, 2008 and acted as a direct writer and reinsurer for property, inland marine, boiler and machinery, automobile liability and physical damage, fidelity and crime, and liability coverages. All policies cover certified terrorism losses as defined under the Terrorism Risk Insurance Act of 2002 (TRIA) and subsequent extensions.

The Company has an aggregate excess of loss agreement in place with its affiliate, HARRG, wherein the Company assumes all losses in excess of HARRG's retention on an accident year basis for its Members' liability coverage. In connection with the aforementioned agreement, the Company entered into an aggregate excess of loss ceded reinsurance agreement with an unaffiliated reinsurer licensed in Vermont. The agreement provides reinsurance protection for all losses in excess of the Company's retention on an accident year basis.

From 2006 through 2008, the Company assumed $2,760,102 of premium from HARRG under an aggregate excess of loss reinsurance agreement (the HARRG AXL) that reinsures all losses in excess of HARRG's retention on an accident year basis. HARRG provides liability insurance coverage to member public housing authorities throughout the United States. HARRG's retention was $39,089,753 in 2008. Coverage provided by the Company above HARRG's retention is up to an aggregate limit of $4,321,015 for accident year 2008. Gross losses assumed from HARRG under this agreement amounted to $3,195,821 as of December 31, 2008. Unpaid losses due to HARRG amounted to $3,195,821 as of December 31, 2008.

In connection with the aforementioned treaty with HARRG under the HARRG AXL, the Company entered into an aggregate excess of loss reinsurance agreement (AXL) with two unaffiliated reinsurers in 2008. The Company ceded $1,813,053 of premiums in 2008. The agreement provides reinsurance protection for all losses in excess of the Company's retention on an accident year basis. The Company's retention was $28,382,954 in 2008. Coverage provided by the reinsurers above the Company's retention is up to an aggregate limit of $8,241,515 for accident year 2008. The Company ceded no losses to the reinsurers under this agreement in 2008.

This contract does not discharge the primary liability of the Company as insurer of those risks reinsured. The failure of the reinsurer to honor its obligations could result in significant losses to the Company. The Company evaluates the financial condition of potential reinsurers and continually monitors the financial condition of the present reinsurers, which have an A.M. Bet rating of A+ and A-. There can be no assurance that reinsurance will continue to be available to the Company to the same extent, and at the same cost as it has in the past.

Growth of the Company

The following tables summarize financial information for the examination period:

Balance Sheet (in 000's)	2008	2007
Total Assets	$153,489	$150,618
Total Liabilities	$ 64,774	$ 69,558
Surplus	$ 88,715	$ 81,060

Statement of Income (in 000's)	2008	2007
Net Underwriting Gain	$ 13,228	$ 13,647
Net Income	$ 12,372	$ 12,339

Writings (in 000's)	2008	2007
Direct Premiums Written	$ 28,177	$ 15,297
Assumed Premiums Written	$ 18,318	$ 25,630
Gross Premiums Written	$ 46,495	$ 40,927
Ceded Premiums Written	$ 7,443	$ 5,260
Net Premiums Written	$ 39,052	$ 35,667
Net Premiums Written to Surplus	44%	44%
Net Premiums Earned	$ 38,456	$ 35,311

Loss Experience

Loss Experience (in 000's)	2008	2007
Loss & LAE Reserves	$ 28,662	$ 31,295
Loss & LAE Reserves to Surplus	32%	39%
Losses & LAE Incurred	$ 15,936	$ 13,900
Net Loss Ratio	41%	39%

Reinsurance

HAPI assumes and cedes various layers of its insurance program with affiliated and non-affiliated entities. The chart on the following page summarizes the reinsurance program as of December 31, 2008.

Direct and Assumed	Retention	Ceded Reinsurance
Commercial Property and Inland Marine	**2008** First $500k **2007** First $500k	**2008** 100% of losses $500k xs $500k 100% of losses $99million xs $1million per occurrence any one event Catastrophe – stop loss coverage for aggregate losses in xs of $7.5million per event **2007** Second layer: $500k xs $500k Catastrophe - 100% of losses xs $7.5million per occurrence any one event
Boiler & Machinery	**2008** First $500k, each loss, each policy **2007** First $250k, each loss, each policy	**2008** 100% of all losses xs $500k **2007** 100% of all losses xs $250k
Commercial Auto Liability and Auto Physical Damage	**2008** Auto Liability - none Auto Physical Damage - 100% of $15million per occurrence **2007** Auto Liability - none Auto Physical Damage - 100% of $15million per occurrence	**2008** 100% of first $1million None **2007** 100% of first $1million None
Fidelity and Crime	10% of loss up to $25k per policy	100% xs $25k
HARRG's Liability Coverages: Aggregate xs of loss	**2008** 100% of ultimate net losses up to 70.29% of net earned premiums **2007** 100% of ultimate net losses up to 65.48% of net earned premiums	**2008** 100% of ultimate net losses of up to 20.41% of net earned premiums in xs of 70.29% of net earned premiums **2007** 100% of ultimate net losses of up to 20.41% of net earned premiums in xs of 65.48% of net earned premiums

Accounts and Records

Computer systems and programs are developed internally and utilized across the Group to perform major underwriting and accounting functions. All operating expenses are incurred by HARRG, who subsequently bills the affiliated companies according to the cost-sharing agreement discussed in the Cost-sharing Agreements section, above. The Company retains the services of Saslow Lufkin & Buggy, LLP to audit its records on an annual basis, both on a Statutory and a Generally Accepted Accounting Principles basis.

Statutory Deposits

The Company maintains deposits of qualified securities with Insurance Commissioners of various states. The following securities were on deposit for the benefit of policyholders.

State		Book/ Adjusted Carrying Value	Fair Value
AR		$ 169,593	$ 180,960
GA		30,981	34,133
LA		21,917	23,613
MA		613,658	753,483
NV		224,346	279,126
NH		619,619	682,655
NM		622,552	688,491
NC		371,771	409,593
OK		316,752	334,008
OR		291,650	362,864
VT		2,114,807	2,137,693
VA		227,995	270,312
	Total	$ 5,625,641	$ 6,156,931

Financial Statements

The following statements show the financial position of the Company as of December 31, 2008 in accordance with statutory accounting principles as defined by Vermont State Statutes and the NAIC Accounting Practices and Procedures Manual.

Housing Authority Property Insurance, A Mutual Company
Statutory Examination Report
As of December 31, 2008

Statutory Statement of Assets, Liabilities and Surplus
As of December 31, 2008

Assets

Cash and invested assets	
Bonds, at amortized cost	$ 98,334,632
Preferred stock	223,749
Common stock	1,849,729
Investments in affiliates	16,312,366
Cash and short-term investments	23,917,098
Receivables for securities	16,862
Total cash and invested assets	140,654,436
Premiums receivable	11,224,955
Deposited funds with reinsured companies	614,806
Reinsurance recoverables on paid losses	113,062
Accrued investment income	881,307
Total admitted assets	$ 153,488,566

Liabilities and Surplus

Liabilities	
Unpaid losses and loss adjustment expenses	$ 28,661,982
Reinsurance payable	3,767,105
Unearned premiums	17,727,190
Funds held under reinsurance treaties	3,810,839
Payable to affiliates	3,431,105
Accrued policyholder dividends	6,427,728
Taxes, licenses and fees	343,929
Accrued expenses and other liabilities	604,508
Total liabilities	64,774,386
Surplus	
Members' contributions	6,810,103
Unassigned funds	81,904,077
Total surplus	88,714,180
Total liabilities and surplus	$ 153,488,566

Statutory Statement of Operations
For 12-month period ending December 31, 2008

Underwriting income:	
Net premium earned	$ 38,455,659
Losses and expenses:	
Net losses and loss adjustment expenses incurred	15,936,402
Commissions and other underwriting expenses	9,291,337
Total losses and expenses	25,227,739
Net underwriting gain	13,227,920
Investment income:	
Net investment income	5,895,573
Net realized investment losses	(449,759)
Net investment gain	5,445,814
Other income	551,172
Income before policyholder dividends	19,224,906
Policyholder dividends	(6,853,184)
Net income	$ 12,371,722

Statutory Statement of Changes in Surplus
January 1, 2007 through December 31, 2008

	2008	2007
Surplus, beginning of year	$ 81,059,315	$ 67,406,566
Net Income	12,371,722	12,338,807
Change in net unrealized capital gains	423,776	1,377,163
Change in non-admitted assets	2,313	59,348
Change in provision for reinsurance	22,000	(22,000)
Change in surplus notes	(5,000,000)	-
Members' distributions	(88,811)	(23,049)
Equity dividends, net	(76,135)	(77,520)
Surplus, end of year	$ 88,714,180	$ 81,059,315

Comments and Recommendations

There are no comments or recommendations.

Conclusion

As a result of this examination, the financial condition of the Company as of December 31, 2008 and related increases and decreases since the prior exam was determined to be as follows:

	2008	2006	Increase (Decrease)
Admitted assets	$153,488,566	$138,790,525	$14,698,041
Liabilities	64,774,386	71,383,958	(6,609,572)
Surplus	$88,714,180	$67,406,567	$21,307,613

In addition to the undersigned, Dan Petterson, CFE, Examiner for the Department, also participated in this examination. We wish to express our appreciation to the officers and employees of the Company for the courteous cooperation extended during the course of the examination.

Respectfully submitted,

Kenneth L. McGuckin

Kenneth L. McGuckin, CFE
Chief Examiner
Vermont Department of Banking, Insurance, Securities,
and Health Care Administration

STATE OF VERMONT, COUNTY OF WASHINGTON
Kenneth L. McGuckin, being duly sworn, deposes and says that the foregoing report submitted by him is true to the best of his knowledge and belief.

Frederick M. Barrett

Notary Public

Subscribed and sworn to before me
this 21 day of April, 2010.

Frederick M. Barrett
Notary Public State of Vermont at Large
My Commission Expires February 10, 2011