Quarterly Statement

OF THE CONDITION AND AFFAIRS OF THE

Contractors Bonding and Insurance Company

NAIC Group Code 0783 (Current Period), 0783 (Prior Period) NAIC Company Code 37206 Employer's ID Number 91-1082952

Organized under the Laws of Washington, State of Domicile or Port of Entry Washington

Country of Domicile United States

Incorporated/Organized 09/24/1979 Commenced Business 10/09/1979

Statutory Home Office 3101 Western Avenue, Suite 300 (Street and Number), Seattle, WA, US 98121 (City or Town, State, Country and Zip Code)

Main Administrative Office 9025 N. Lindbergh Drive (Street and Number) Peoria, IL, US 61615 (City or Town, State, Country and Zip Code) 309-692-1000 (Area Code) (Telephone Number)

Mail Address 9025 N. Lindbergh Drive (Street and Number or P.O. Box), Peoria, IL, US 61615 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9025 N. Lindbergh Drive (Street and Number) Peoria, IL, US 61615 (City or Town, State, Country and Zip Code) 309-692-1000 (Area Code) (Telephone Number)

Internet Web Site Address www.rlicorp.com

Statutory Statement Contact Todd Wayne Bryant (Name) 309-692-1000-5468 (Area Code) (Telephone Number) (Extension)

todd.bryant@rlicorp.com (E-Mail Address) 309-689-2079 (Fax Number)

OFFICERS

Name	Title	Name	Title
Robert Michael Ogle	V.P., Treasurer	Jean Marie Stephenson	A.V.P., Corporate Secretary
Michael Joseph Stone	President & COO		

OTHER OFFICERS

Jonathan Edward Michael	Chairman and CEO	Thomas Lynn Brown	V.P., CFO, Assistant Treasurer
Roy Conlin Die	Senior V.P., Surety	Craig William Kliethermes	E.V.P., Operations
Daniel O'Connor Kennedy	V.P., General Counsel	Donald John Driscoll	V.P., Claim
Seth Anthony Davis	V.P., Internal Audit	David Charles Sandoz	V.P., Misc. Surety
Jeffrey Dean Fick	V.P., Human Resources	Todd Wayne Bryant	V.P., Controller
Murali Natarajan	V.P., IT	Aaron Paul Diefenthaler	V.P., Chief Investment Officer
Jennifer Leigh Klobnak	V.P., Risk Services		

DIRECTORS OR TRUSTEES

Jonathan Edward Michael	Michael Joseph Stone	Thomas Lynn Brown	Craig William Kliethermes
Jeffrey Dean Fick	Donald John Driscoll	Todd Wayne Bryant	

State of Illinois

County of Peoria ss

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

Thomas Lynn Brown
V.P., CFO, Assistant Treasurer

Jean Marie Stephenson
A.V.P., Corporate Secretary

a. Is this an original filing? Yes [X] No [ ]

b. If no:
1. State the amendment number 0
2. Date filed
3. Number of pages attached 0

Subscribed and sworn to before me this 30th day of April, 2014

Joni L. Brooks, Accounting Technician
September 16, 2015

"OFFICIAL SEAL"
JONI L BROOKS
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES 09/16/15

1. Bonds	182,069,636	0	182,069,636	179,152,265
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	
4. Real estate:				
4.1 Properties occupied by the company (less $ 0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less $ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less $ 0 encumbrances)	0	0	0	0
5. Cash ($ (126,121)), cash equivalents ($ 0) and short-term investments ($ 0)	(126,121)	0	(126,121)	1,578,499
6. Contract loans (including $ 0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	181,943,515	0	181,943,515	180,730,764
13. Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,806,647	0	1,806,647	1,715,782
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,461,600	267,496	3,194,104	3,001,108
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	7,642,243	105,214	7,537,029	6,909,813
15.3 Accrued retrospective premiums	0	0	0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	612,081	0	612,081	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	3,326,526	318,513	3,008,013	2,956,499
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	510,872	510,872	0	0
21. Furniture and equipment, including health care delivery assets ($ 0)	107,669	107,669	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	889,763	0	889,763	124,012
24. Health care ($ 0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other-than-invested assets	262,169	49,545	212,624	96,480
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	200,563,085	1,359,309	199,203,776	195,534,458
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	200,563,085	1,359,309	199,203,776	195,534,458
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Other Miscellaneous Assets	262,169	49,545	212,624	96,480
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	262,169	49,545	212,624	96,480

3. Loss adjustment expenses	10,498,345	10,068,827
4. Commissions payable, contingent commissions and other similar charges	139,402	321,989
5. Other expenses (excluding taxes, licenses and fees)	90,407	98,970
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	77,271	114,325
7.1 Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))	366,269	300,613
7.2 Net deferred tax liability	0	0
8. Borrowed money $ 0 and interest thereon $ 0	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of $ 310,319 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)	28,158,500	27,511,482
10. Advance premium	775,870	566,995
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	108,468	181,564
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	8,861,714	8,982,497
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including $ 0 certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes $ 0 and interest thereon $ 0	0	0
25. Aggregate write-ins for liabilities	0	40,043
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	86,520,696	84,042,835
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	86,520,696	84,042,835
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	2,510,250	2,510,250
35. Unassigned funds (surplus)	107,172,830	105,981,373
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 $ 0)	0	0
36.2 0 shares preferred (value included in Line 31 $ 0)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	112,683,080	111,491,623
38. Totals (Page 2, Line 28, Col. 3)	199,203,776	195,534,458
DETAILS OF WRITE-INS		
2501. Claim recoveries due to reinsurers	0	40,043
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	40,043
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0

1.1 Direct (written $ 14,264,244)	[illegible]	[illegible]	[illegible]
1.2 Assumed (written $ 0)	0	0	0
1.3 Ceded (written $ 1,000,893)	1,022,017	1,462,346	5,870,824
1.4 Net (written $ 13,263,351)	12,616,330	12,082,537	49,192,548
DEDUCTIONS:			
2. Losses incurred (current accident year $ 5,124,541):			
2.1 Direct	3,550,784	2,401,227	5,007,368
2.2 Assumed	0	0	
2.3 Ceded	16,725	387,373	(1,307,8[illegible]
2.4 Net	3,534,059	2,013,854	6,315,180
3. Loss adjustment expenses incurred	1,501,346	1,434,702	4,511,795
4. Other underwriting expenses incurred	7,319,387	7,124,466	28,630,085
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	12,354,792	10,573,022	39,457,060
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	261,538	1,509,515	9,735,488
INVESTMENT INCOME			
9. Net investment income earned	1,096,340	911,060	3,853,953
10. Net realized capital gains (losses) less capital gains tax of $ 6,613	12,280	24,763	(52,028)
11. Net investment gain (loss) (Lines 9 + 10)	1,108,620	935,823	3,801,925
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 0 amount charged off $ 17,796)	(17,796)	34,616	(43,010)
13. Finance and service charges not included in premiums	119,663	0	473,566
14. Aggregate write-ins for miscellaneous income	151	40,803	(33,451)
15. Total other income (Lines 12 through 14)	102,018	75,419	397,105
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,472,176	2,520,757	13,934,518
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,472,176	2,520,757	13,934,518
19. Federal and foreign income taxes incurred	391,483	706,175	3,915,255
20. Net income (Line 18 minus Line 19)(to Line 22)	1,080,693	1,814,582	10,019,263
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	111,491,623	101,431,933	101,431,933
22. Net income (from Line 20)	1,080,693	1,814,582	10,019,263
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ 0	0	0	(10,40
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	40,176	(94,387)	(453,672)
27. Change in nonadmitted assets	70,588	216,707	504,507
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,191,457	1,936,902	10,059,690
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	112,683,080	103,368,835	111,491,623
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Gain (loss) on sale of assets	(399)	(357)	(35,195)
1402. Miscellaneous Income	550	41,160	1,744
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	151	40,803	(33,45
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

2. Net investment income	1,590,038	1,401,349	6,112,153
3. Miscellaneous income	102,018	75,419	397,105
4. Total (Lines 1 to 3)	14,277,624	11,374,790	53,671,345
5. Benefit and loss related payments	2,597,263	2,545,904	8,318,974
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	8,619,419	8,718,634	33,624,468
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of $ 6,613 tax on capital gains (losses)	332,439	0	4,002,400
10. Total (Lines 5 through 9)	11,549,121	11,264,538	45,945,842
11. Net cash from operations (Line 4 minus Line 10)	2,728,503	110,252	7,725,503
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,235,935	7,673,826	40,136,293
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	400,000	400,000
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,235,935	8,073,826	40,536,293
13. Cost of investments acquired (long-term only):			
13.1 Bonds	4,718,976	27,674,644	67,244,606
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	4,718,976	27,674,644	67,244,606
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(3,483,041)	(19,600,818)	(26,708,313)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	(950,082)	2,602,673	2,350,739
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(950,082)	2,602,673	2,350,739
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,704,620)	(16,887,893)	(16,632,071)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	1,578,499	18,210,570	18,210,570
19.2 End of period (Line 18 plus Line 19.1)	(126,121)	1,322,677	1,578,499

The financial statements of Contractors Bonding and Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Washington State Office of the Insurance Commissioner (the Office).

The Office recognizes only statutory accounting practices prescribed or permitted by the state of Washington for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under the Washington 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 Washington. The state has not adopted a prescribed accounting practices that differ from those found in NAIC SAP.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Washington is shown below:

	State of Domicile	2014	2013
NET INCOME			
(1) Company state basis	Washington	$ 1,080,693	$ 10,019,263
(2) State prescribed practices that increase/ (decrease) NAIC SAP:	Washington	-	-
(3) State permitted practices that increase/ (decrease) NAIC SAP:	Washington	-	-
(4) NAIC SAP (1-2-3=4)	Washington	$ 1,080,693	$ 10,019,263
SURPLUS			
(5) Company state basis	Washington	$ 112,683,080	$ 111,491,623
(6) State prescribed practices that increase/ (decrease) NAIC SAP:	Washington	-	-
(7) State permitted practices that increase/ (decrease) NAIC SAP:	Washington	-	-
(8) NAIC SAP (5-6-7=8)	Washington	$ 112,683,080	$ 111,491,623

b.-c. The Company has no material changes to report.

2. Accounting Changes and Correction of Errors

The Company has no material changes to report.

3. Business Combinations and Goodwill

The Company has no material changes to report.

4. Discontinued Operations

The Company has no material changes to report.

5. Investments

a.-c. The Company has no material changes to report.

d. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from an external pricing source.

(2)-(3) The Company has no recognized other-than-temporary impairment regarding loan-backed securities.

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

a. The aggregate amount of unrealized losses:

1. Less than 12 Months $ 755,503

2. 12 Months or Longer $ 462,523

b. The aggregate related fair value of securities with unrealized losses:

3. Less than 12 Months $14,676,560

4. 12 Months or Longer $ 7,736,577

(5) The Company has 14 mortgage-backed/loan-backed or structured securities that are in a loss position as of March 31, 201. The Company does not consider these securities to be other-than-temporarily impaired as the unrealized losses can be primarily attributed to rising interest rates during 2013, and are not credit specific issues. All securities continue to pay the expected coupon payments under the contractual terms of the securities. Additionally, the Company does not intend to sell these securities and has the ability to hold them until recovery.

e. The Company has none to report.

f.-h. The Company has no material changes to report.

7. **Investment Income**

The Company has no material changes to report.

8. **Derivative Instruments**

The Company has no material changes to report.

9. **Income Taxes**

The Company has no material changes to report.

10. **Information Concerning Parent, Subsidiaries and Affiliates**

a.-c. The Company has no material changes to report.

d. The Company reported $889,763 and $124,012 as net amounts due from affiliates at March 31, 2014 and December 31, 2013, respectively. Any intercompany balance resulting from services performed or costs allocated in accordance with the terms of the intercompany services agreement shall be settled within 30 calendar days following the end of the calendar quarter in which such intercompany balance was created.

e.-l. The Company has no material changes to report.

11. **Debt**

a. The Company has no material changes to report.

b. The Company has none to report.

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

a. The Company has none to report.

b.-i. The Company has no material changes to report.

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

The Company has no material changes to report.

14. **Contingencies**

The Company has no material changes to report.

15. **Leases**

The Company has no material changes to report.

16. **Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

The Company has no material changes to report.

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

a. The Company has no material changes to report.

b.-c. The Company has none to report.

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

The Company has no material changes to report.

19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The Company has no material changes to report.

20. **Fair Value Measurements**

The Company has none to report.

21. **Other Items**

a.-f. The Company has no material changes to report.

g. The Company has none to report.

h. The Company has no material changes to report.

i. The Company has none to report.

22. **Events Subsequent**

The Company has no material changes to report.

NAIC CO. #	FEIN #	COMPANY NAME	GROUP AFFILIATION	AMOUNT
10227	13-4924125	Munich Re America	Munich Re American Corp Group	5,327,000
				$ 5,327,000

b. The Company has no material changes to report.

c. Reinsurance Assumed and Ceded

(1)

	ASSUMED REINSURANCE		CEDED REINSURANCE		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$ -	$ -	$ -	$ -	$ -	$ -
b. All Other	$ -	$ -	$ 310,319	$ 72,511	$ (310,319)	$ (72,511)
c. TOTAL	$ -	$ -	$ 310,319	$ 72,511	$ (310,319)	$ (72,511)
d. Direct Unearned Premium Reserve			$ 28,468,819			

Line (c) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements is accrued as follows:

REINSURANCE

	Direct	Assumed	Ceded	Net
a. Contingent Commission	$ 94,740	$ -	$ -	$ 94,740
b. Sliding Scale Adjustments	$ -	$ -	$ -	$ -
c. Other Profit Commission Arrangements	$ -	$ -	$ -	$ -
d. TOTAL	$ 94,740	$ -	$ -	$ 94,740

(3) The Company has no risks attributable to protected cells.

d.-i. The Company has no material changes to report.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company has no material changes to report.

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2013 were $45,924,357. As of March 31, 2014, $2,600,103 was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $42,077,611 as a result of re-estimation of unpaid claims and claims adjustment expenses. Therefore, there has been a $1,246,643 favorable prior-year development since last year-end.

The reserving process has remained consistent for the last few years. An in-depth actuarial analysis of reserves is performed each year during the second, third and fourth quarters. A review of loss emergence from prior quarters is performed each year during the first quarter. As such, the first quarter 2014 reserve adjustment is based on actual losses reported during the first quarter of 2014. The analysis used generally accepted actuarial methodology and was completed on a product basis. This review consisted of an evaluation of loss trends and reserve risks associated with individual products.

Nearly all of the business in this Company is written in the surety or commercial multi-peril lines of business. The majority of the favorable development came from the commercial multi-peril – liability line, particularly accident years 2011-2012, and the surety line, primarily accident years 2009 and 2012. The commercial multi-peril – liability line experienced unfavorable development during accident year 2013. Otherwise no line of business experienced significant unfavorable development for any accident year.

The Company does not write any retrospectively rated business.

26. Intercompany Pooling Arrangements

The Company has no material changes to report.

27. Structured Settlements

The Company has no material changes to report.

28. Health Care Receivables

The Company has no material changes to report.

29. Participating Policies

The Company has no material changes to report.

30. Premium Deficiency Reserves

The Company has no material changes to report.

33. **Asbestos/Environmental Reserves**

The Company has no material changes to report.

34. **Subscriber Savings Accounts**

The Company has no material changes to report.

35. **Multiple Peril Crop Insurance**

The Company has no material changes to report.

Applicant Name: Contractors Bonding and Insurance Company

NAIC No. 37206
FEIN: 91-1082952

Item 15. Annual Statement with Attachments:

Please see the accompanying bound Annual Statements of Contractors Bonding and Insurance Company for 2011, 2012, and 2013. In addition, because CBIC is a part of a holding company system, please see the accompanying bound Combined Annual Statement of the RLI Insurance Company Group.

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

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

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

2.2 If yes, date of change:

3.1 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 [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

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

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

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

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

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released 12/31/2007

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/19/2009

6.4 By what department or departments?

State of Washington Insurance Department

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

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

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

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

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

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

.....

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

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

.....

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

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

.....

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... $ 889,763

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

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

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... $ 0

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$	$
14.22 Preferred Stock	$	$
14.23 Common Stock	$	$
14.24 Short-Term Investments	$	$
14.25 Mortgage Loans on Real Estate	$	$
14.26 All Other	$	$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$	$

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

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

If no, attach a description with this statement.

16.3 Total payable for securities lending reported on the liability page $ 0

17. 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 [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase Bank NA	227 West Monroe Street, Chicago, IL 60603

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

18.2 If no, list exceptions:

If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]

If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]

3.2 If yes, give full and complete information thereto.

.....

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

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1 Line of Business	2 Maximum Interest	3 Discount Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
		TOTAL	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent ..... 0.0 %

5.2 A&H cost containment percent ..... 0.0 %

5.3 A&H expense percent excluding cost containment expenses ..... 0.0 %

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

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

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

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

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
	PROPERTY/CASUALTY – AFFILIATES				
	PROPERTY/CASUALTY – U.S. INSURERS				
	PROPERTY/CASUALTY – POOLS AND ASSOCIATIONS				
	PROPERTY/CASUALTY – ALL OTHER INSURERS				
AA-1464104	ALLIANZ RISK TRANSFER	CHE	Unauthorized		

States, etc.		Status	To Date	To Date	To Date	To Date	To Date	To Date
1. Alabama	AL	L	8,784	1,632	300	4,983	20,139	26,083
2. Alaska	AK	L	168,621	223,574	763	9,346	295,596	238,085
3. Arizona	AZ	L	2,295,865	2,330,132	247,631	289,221	5,843,067	5,885,048
4. Arkansas	AR	L	8,685	11,066	0	0	11,505	11,534
5. California	CA	L	1,309,801	1,290,770	529,661	495,493	7,528,698	9,220,691
6. Colorado	CO	L	119,391	115,990	0	0	156,160	123,081
7. Connecticut	CT	L	22,850	25,529	0	0	18,264	20,111
8. Delaware	DE	L	4,223	718	0	0	1,864	2,216
9. Dist. Columbia	DC	L	28,045	150	0	0	1,586	502
10. Florida	FL	L	390,001	394,232	(16,050)	(9,938)	461,249	377,336
11. Georgia	GA	L	34,997	23,506	0	(783)	20,097	28,114
12. Hawaii	HI	L	27,152	3,577	0	0	5,605	5,538
13. Idaho	ID	L	117,698	88,905	117,023	53,226	317,712	385,944
14. Illinois	IL	L	55,050	60,862	5,000	0	86,033	79,792
15. Indiana	IN	L	18,537	2,874	0	0	24,931	20,077
16. Iowa	IA	L	1,100	(5,021)	0	0	4,628	2,501
17. Kansas	KS	L	27,959	27,081	0	1,200	26,838	17,513
18. Kentucky	KY	L	2,975	33	0	0	11,397	11,759
19. Louisiana	LA	L	373	473	0	0	2,096	5,511
20. Maine	ME	L	0	11,927	0	0	8,983	2,719
21. Maryland	MD	L	2,236	1,492	0	0	21,999	26,012
22. Massachusetts	MA	L	49,986	66,727	(2,000)	(4,000)	135,854	110,652
23. Michigan	MI	L	17,331	30,932	0	0	34,870	30,418
24. Minnesota	MN	L	2,259	1,804	0	0	7,464	6,785
25. Mississippi	MS	L	(100)	12,293	0	0	6,174	7,774
26. Missouri	MO	L	73,767	62,345	0	(500)	138,230	135,338
27. Montana	MT	L	879,735	882,655	1,158,206	147,477	1,866,641	2,158,410
28. Nebraska	NE	L	600	16,610	0	0	6,718	5,157
29. Nevada	NV	L	599,900	607,158	80,754	241,490	2,876,992	2,956,024
30. New Hampshire	NH	L	250	250	0	0	2,893	2,033
31. New Jersey	NJ	L	5,864	35,071	0	0	34,542	26,099
32. New Mexico	NM	L	486,954	364,456	116,783	38,362	729,716	749,193
33. New York	NY	L	56,156	7,786	0	0	131,463	75,429
34. No. Carolina	NC	L	140,193	149,493	5,223	(8,000)	152,128	123,248
35. No. Dakota	ND	L	86,286	87,275	867	0	5,475	1,644
36. Ohio	OH	L	(5,208)	4,996	0	0	38,337	43,964
37. Oklahoma	OK	L	26,662	7,940	0	0	15,740	11,319
38. Oregon	OR	L	2,177,972	2,186,961	236,388	189,673	6,079,740	6,440,729
39. Pennsylvania	PA	L	47,313	11,967	0	0	39,778	35,425
40. Rhode Island	RI	L	102	1,792	0	0	3,051	1,505
41. So. Carolina	SC	L	46,044	72,774	0	0	55,574	46,641
42. So. Dakota	SD	L	0	0	0	0	5,210	5,050
43. Tennessee	TN	L	11,081	12,142	0	0	27,670	16,471
44. Texas	TX	L	276,248	270,713	59,720	46,322	267,770	231,757
45. Utah	UT	L	4,904	6,958	0	0	10,388	7,365
46. Vermont	VT	L	0	1,500	0	0	1,138	1,383
47. Virginia	VA	L	32,356	18,013	0	0	32,289	39,528
48. Washington	WA	L	4,501,253	4,748,813	(88,185)	1,168,527	15,747,454	15,989,377
49. West Virginia	WV	L	514	1,256	0	0	2,532	2,713
50. Wisconsin	WI	L	3,516	408	0	0	3,765	5,063
51. Wyoming	WY	L	97,963	88,883	18,447	30,836	228,130	188,199
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals		(a) 51	14,264,244	14,369,473	2,470,531	2,692,935	43,556,173	45,944,860
DETAILS OF WRITE-INS								
58001.		XXX	0	0	0	0	0	0
58002.		XXX	0	0	0	0	0	0
3003.		XXX	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0

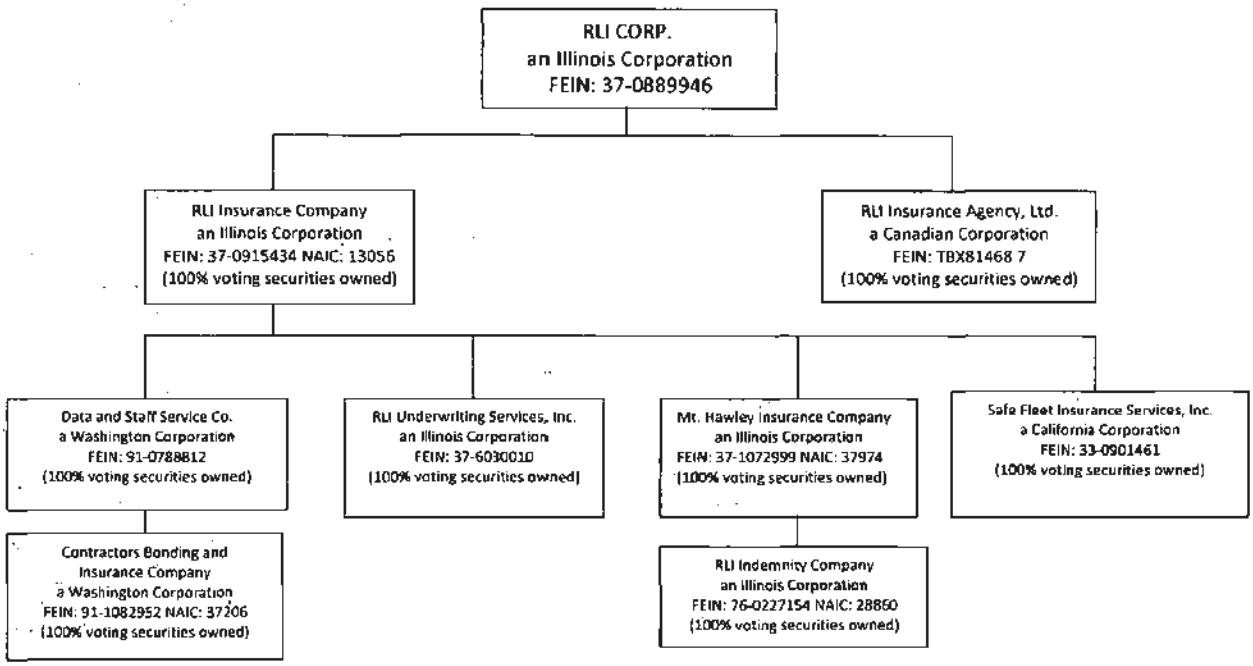
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

STATEMENT AS OF MARCH 31, 2014 OF THE CONTRACTORS BONDING AND INSURANCE COMPANY

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

PART 1- ORGANIZATIONAL CHART



SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Name of Parent Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	
p	37206	91-1082952				Contractors Bonding and Insurance Company	WA	RE	Data and Staff Service Co.	Ownership	100.0	R
	00000	91-0788812				Data and Staff Service Co.	WA	UDP	RLI Insurance Company	Ownership	100.0	R
	00000	37-6030010				RLI Underwriting Services	IL	IA	RLI Insurance Company	Ownership	100.0	R
	00000	33-0901461				Safe Fleet Insurance Services, Inc.	CA	IA	RLI Insurance Company	Ownership	100.0	R
p	28860	76-0227154				RLI Indemnity Company	IL	IA	Mt. Hawley Insurance Company	Ownership	100.0	R
p	37974	37-1072999				Mt. Hawley Insurance Company	IL	IA	RLI Insurance Company	Ownership	100.0	R
	00000					RLI Insurance Agency, Ltd.	CAN	IA	RLI Corp.	Ownership	100.0	
p	13056	37-0915434				RLI Insurance Company	IL	UIP	RLI Corp.	Ownership	100.0	
	00000	37-0889946		0000084246	NYSE	RLI Corp.	IL	UIP			0.0	

Explanation

2.	Allied lines	537	(73)	(13.6)	129.6
3.	Farmowners multiple peril	0	0	0.0	0.0
4.	Homeowners multiple peril	0	0	0.0	0.0
5.	Commercial multiple peril	8,594,318	3,608,706	42.0	16.9
6.	Mortgage guaranty	0	0	0.0	0.0
8.	Ocean marine	0	0	0.0	0.0
9.	Inland marine	488	239	49.0	0.0
10.	Financial guaranty	0	0	0.0	0.0
11.1	Medical professional liability -occurrence	0	0	0.0	0.0
11.2	Medical professional liability -claims made	0	0	0.0	0.0
12.	Earthquake	0	0	0.0	0.0
13.	Group accident and health	0	0	0.0	0.0
14.	Credit accident and health	0	0	0.0	0.0
15.	Other accident and health	0	0	0.0	0.0
16.	Workers' compensation	0	0	0.0	0.0
17.1	Other liability occurrence	89,124	88,801	99.6	44.0
17.2	Other liability-claims made	0	0	0.0	0.0
17.3	Excess Workers' Compensation	0	0	0.0	0.0
18.1	Products liability-occurrence	72,186	(9,496)	(13.2)	114.2
18.2	Products liability-claims made	0	0	0.0	0.0
19.1,19.2	Private passenger auto liability	0	0	0.0	0.0
19.3,19.4	Commercial auto liability	346,151	6,896	2.0	214.9
21.	Auto physical damage	110,082	79,106	71.9	31.6
22.	Aircraft (all perils)	0	0	0.0	0.0
23.	Fidelity	63,704	5,737	9.0	0.0
24.	Surety	4,361,200	(229,152)	(5.3)	4.7
26.	Burglary and theft	0	0	0.0	0.0
27.	Boiler and machinery	0	0	0.0	0.0
28.	Credit	0	0	0.0	0.0
29.	International	0	0	0.0	0.0
30.	Warranty	0	0	0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	13,638,347	3,550,784	26.0	17.7
	DETAILS OF WRITE-INS				
3401.		0	0	0.0	0.0
3402.		0	0	0.0	0.0
3403.		0	0	0.0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	1,540	1,540	1,567
2.	Allied lines	1,446	1,446	1,469
3.	Farmowners multiple peril	0	0	0
4.	Homeowners multiple peril	0	0	0
5.	Commercial multiple peril	9,382,242	9,382,242	9,102,884
6.	Mortgage guaranty	0	0	0
8.	Ocean marine	0	0	0
9.	Inland marine	1,313	1,313	0
10.	Financial guaranty	0	0	0
11.1	Medical professional liability-occurrence	0	0	0
11.2	Medical professional liability-claims made	0	0	0
12.	Earthquake	0	0	0
13.	Group accident and health	0	0	0
14.	Credit accident and health	0	0	0
15.	Other accident and health	0	0	0
16.	Workers' compensation	0	0	0
17.1	Other liability occurrence	112,668	112,668	115,297
17.2	Other liability-claims made	0	0	0
17.3	Excess Workers' Compensation	0	0	0
18.1	Products liability-occurrence	95,447	95,447	88,455
18.2	Products liability-claims made	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0
19.3,19.4	Commercial auto liability	398,483	398,483	378,578
21.	Auto physical damage	128,175	128,175	118,551
22.	Aircraft (all perils)	0	0	0
23.	Fidelity	126,332	126,332	130,595
24.	Surety	4,016,598	4,016,598	4,432,077
26.	Burglary and theft	0	0	0
27.	Boiler and machinery	0	0	0
28.	Credit	0	0	0
29.	International	0	0	0
30.	Warranty	0	0	0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	14,264,244	14,264,244	14,369,473
	DETAILS OF WRITE-INS			
3401.		0	0	0
3402.		0	0	0
3403.		0	0	0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12
	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year IBNR Loss LAE Rese Develop (Saving: Deficien (Cols. 5 + : minus Co
	7,009	10,882	17,891	985	4	989	6,858	22	9,373	16,253	834	
	2,729	7,981	10,710	299	9	308	2,950	28	6,614	9,592	519	
2 +	9,739	18,863	28,602	1,284	13	1,297	9,808	50	15,987	25,844	1,353	
	3,892	13,431	17,323	1,255	48	1,303	2,752	191	13,290	16,233	115	
3 +	13,630	32,294	45,924	2,539	61	2,600	12,560	241	29,276	42,078	1,469	
	XXX	XXX	XXX	XXX	417	417	XXX	1,501	4,364	5,865	XXX	XXX
	13,630	32,294	45,924	2,539	478	3,017	12,560	1,742	33,640	47,943	1,469	
3 dicy-	111,492										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Li As % of C Line 7
											1. 10.8	2.

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

Explanation:

1.

2.

3.

4.

Bar Code:

1. 3 7 2 0 6 2 0 1 4 4 9 0 0 0 0 0 1

2. 3 7 2 0 6 2 0 1 4 4 5 5 0 0 0 0 1

3. 3 7 2 0 6 2 0 1 4 3 6 5 0 0 0 0 1

4. 3 7 2 0 6 2 0 1 4 5 0 5 0 0 0 0 1

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

NONE

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	179,152,265	154,602,923
2. Cost of bonds and stocks acquired	4,718,976	67,244,606
3. Accrual of discount	4,358	9,194
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	18,893	(80,043)
6. Deduct consideration for bonds and stocks disposed of	1,235,935	40,136,293
7. Deduct amortization of premium	588,921	2,488,122
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	182,069,636	179,152,265
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	182,069,636	179,152,265

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter
	169,807,723	4,718,976	1,217,042	(564,627)	172,745,030	0	0
	9,344,542	0	0	(19,936)	9,324,606	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	179,152,265	4,718,976	1,217,042	(584,563)	182,069,636	0	0
D STOCK							
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
ed Stock	0	0	0	0	0	0	0
& Preferred Stock	179,152,265	4,718,976	1,217,042	(584,563)	182,069,636	0	0

rrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $ 0 ; NAIC 2 $ 0 ;
0 , NAIC 4 $ 0 ; NAIC 5 $ 0 ; NAIC 6 $ 0

NONE

	Book/adjusted Carrying Value	Fair Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	0	XXX	0	0	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of short-term investments acquired	0	2,000,015
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	0	2,000,015
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

STATEMENT AS OF MARCH 31, 2014 OF The Contractors Bonding and Insurance Company

SCHEDULE D - PART 3

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

2	3	4	5	6	7	8	9
Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and
ments							
GRR 2014-24 KC		01/28/2014	KGS ALPHA CAPITAL		1,995,938	2,000,000	
s - U.S. Governments					1,995,938	2,000,000	
Subdivisions of States, Territories and Possessions							
UMATILLA CNTY OR SCH DIST #16		01/30/2014	PIPER JAFFREY & CO		1,134,740	1,000,000	
s - U.S. Political Subdivisions of States, Territories and Possessions					1,134,740	1,000,000	
Revenue							
TRUSSVILLE ALA		01/31/2014	KEY BANK		767,088	680,000	
s - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					767,088	680,000	
d Miscellaneous (Unaffiliated)							
KAISER FOUNDATION HOSPIT		02/25/2014	SOUTHWEST SECURITIES		821,210	830,000	
s - Industrial and Miscellaneous (Unaffiliated)					821,210	830,000	
tals - Bonds - Part 3					4,718,976	4,510,000	
tals - Bonds					4,718,976	4,510,000	
					4,718,976	XXX	

ock bearing the NAIC market indicator "U" provide: the number of such issues 0

SCHEDULE D - PART 4

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

	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	
	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest/ Div Re Dur
ion																		
		03/01/2014	KBS PAYDOWN		11,361	11,361	11,574	11,362	0	(2)	0	(2)	0	11,361	0	0	0	
		03/01/2014	KBS PAYDOWN		12,374	12,374	12,978	12,379	0	(5)	0	(5)	0	12,374	0	0	0	
		03/25/2014	VARIOUS		12,713	12,713	13,921	12,724	0	(11)	0	(11)	0	12,713	0	0	0	
overnments					36,448	36,448	38,473	36,455	0	(18)	0	(18)	0	36,448	0	0	0	
ue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																		
		03/01/2014	KBS PAYDOWN		40,467	40,467	43,300	40,506	0	(40)	0	(40)	0	40,467	0	0	0	
		03/01/2014	KBS PAYDOWN		41,373	41,373	41,340	41,372	0	0	0	0	0	41,373	0	0	0	
		03/01/2014	KBS PAYDOWN		48,384	48,384	51,166	48,426	0	(42)	0	(42)	0	48,384	0	0	0	
		03/01/2014	KBS PAYDOWN		35,349	35,349	36,918	35,368	0	(19)	0	(19)	0	35,349	0	0	0	
		03/01/2014	KBS PAYDOWN		10	10	9	10	0	0	0	0	0	10	0	0	0	
		03/01/2014	KBS PAYDOWN		19,344	19,344	20,203	19,355	0	(11)	0	(11)	0	19,344	0	0	0	
pecial Revenue and Special Assessment and all Non-Guaranteed l Agencies and Authorities of Governments and Their Political					184,927	184,927	192,936	185,037	0	(112)	0	(112)	0	184,927	0	0	0	
ellaneous (Unaffiliated)																		
		07/25/2014	SOUTHWEST SECURITIES		1,014,560	1,000,000	995,310	995,588	0	79	0	79	0	995,667	0	18,893	18,893	
ial and Miscellaneous (Unaffiliated)					1,014,560	1,000,000	995,310	995,588	0	79	0	79	0	995,667	0	18,893	18,893	
ds - Part 4					1,235,935	1,221,375	1,226,719	1,217,090	0	(51)	0	(51)	0	1,217,042	0	18,893	18,893	
ds					1,235,935	1,221,375	1,226,719	1,217,090	0	(51)	0	(51)	0	1,217,042	0	18,893	18,893	
					1,235,935	XXX	1,226,719	1,217,090	0	(51)	0	(51)	0	1,217,042	0	18,893	18,893	

ring the NAIC market indicator "U" provide: the number of such issues .....0.

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

Depository	Code	Rate of Interest	Received During Current Quarter	Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
JPMorgan Chase Bank (c) Chicago, Illinois			0	0	(944,838)	(1,479,720)	(1,240,351)	XXX
JPMorgan Worldwide Securities Chicago, Illinois			0	0	3,099,524	693,030	1,109,691	XXX
								XXX
0199998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX	0	0	4,539	4,539	4,539	XXX
0199999 Total Open Depositories	XXX	XXX	0	0	2,159,225	(782,151)	(126,121)	XXX
0399999 Total Cash on Deposit	XXX	XXX	0	0	2,159,225	(782,151)	(126,121)	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	0	0	2,159,225	(782,151)	(126,121)	XXX

STATEMENT AS OF MARCH 31, 2014 OF THE Contractors Bonding and Insurance Company

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued
h Equivalents					0	0

NONE

OF THE CONDITION AND AFFAIRS OF THE

Contractors Bonding and Insurance Company

NAIC Group Code 0783 (Current Period), 0783 (Prior Period) NAIC Company Code 37206 Employer's ID Number 91-1082952

Organized under the Laws of Washington, State of Domicile or Port of Entry Washington

Country of Domicile United States

Incorporated/Organized 09/24/1979 Commenced Business 10/09/1979

Statutory Home Office 3101 Western Avenue, Suite 300 (Street and Number), Seattle, WA, US 98121 (City or Town, State, Country and Zip Code)

Main Administrative Office 9025 N. Lindbergh Drive (Street and Number) Peoria, IL, US 61615 (City or Town, State, Country and Zip Code) 309-692-1000 (Area Code) (Telephone Number)

Mail Address 9025 N. Lindbergh Drive (Street and Number or P.O. Box), Peoria, IL, US 61615 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9025 N. Lindbergh Drive (Street and Number) Peoria, IL, US 61615 (City or Town, State, Country and Zip Code) 309-692-1000 (Area Code) (Telephone Number)

Internet Web Site Address www.rlicorp.com

Statutory Statement Contact Todd Wayne Bryant (Name) 309-692-1000-5468 (Area Code) (Telephone Number) (Extension)

todd.bryant@rlicorp.com (E-Mail Address) 309-689-2079 (Fax Number)

OFFICERS

Name	Title	Name	Title
Robert Michael Ogle	V.P., Treasurer	Jean Marie Stephenson	A.V.P., Corporate Secretary
Michael Joseph Stone	President & COO		

OTHER OFFICERS

Jonathan Edward Michael	Chairman & CEO	Thomas Lynn Brown	V.P., CFO, Assistant Treasurer
Roy Conlin Die	Senior V.P., Surety	Craig William Kliethermes	E.V.P., Operations
Daniel O'Connor Kennedy	V.P., General Counsel	Donald John Driscoll	V.P., Claim
Seth Anthony Davis	V.P., Internal Audit	David Charles Sandoz	V.P., Misc. Surety
Jeffrey Dean Fick	V.P., Human Resources	Todd Wayne Bryant	V.P., Controller
Murali Natarajan	V.P., IT	Aaron Paul Diefenthaler	V.P., Chief Investment Officer
Jennifer Leigh Klobnak #	Sr. V.P., Risk Services	Christoper David Randall #	V.P., Risk Services

DIRECTORS OR TRUSTEES

Jonathan Edward Michael	Michael Joseph Stone	Thomas Lynn Brown	Craig William Kliethermes
Jeffrey Dean Fick	Donald John Driscoll	Todd Wayne Bryant	

State of Illinois

County of Peoria ss

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

Thomas Lynn Brown
V.P., CFO, Assistant Treasurer

Jean Marie Stephenson
A.V.P., Corporate Secretary

a. Is this an original filing? Yes [X] No [ ]

b. If no:
1. State the amendment number 0
2. Date filed
3. Number of pages attached 0

Subscribed and sworn to before me this 31st day of July, 2014

Joni L. Brooks, Accounting Technician
September 16, 2015

"OFFICIAL SEAL"
JONI L BROOKS
MY COMMISSION EXPIRES 09/16/15

1. Bonds	181,098,353	0	181,098,353	179,152,265
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	
4. Real estate:				
4.1 Properties occupied by the company (less $ 0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less $ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less $ 0 encumbrances)	0	0	0	0
5. Cash ($ (606,883)), cash equivalents ($ 0) and short-term investments ($ 0)	(606,883)	0	(606,883)	1,578,499
6. Contract loans (including $ 0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	180,491,470	0	180,491,470	180,730,764
13. Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,638,991	0	1,638,991	1,715,782
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,057,955	340,071	3,717,884	3,001,108
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	8,401,934	43,651	8,358,283	6,909,813
15.3 Accrued retrospective premiums	0	0	0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	654,876	0	654,876	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	3,356,472	278,709	3,077,763	2,956,499
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	549,011	480,168	68,843	0
21. Furniture and equipment, including health care delivery assets ($ 0)	7,067	7,067	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	492,985	0	492,985	124,012
24. Health care ($ 0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other-than-invested assets	561,604	57,687	503,917	96,480
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	200,212,365	1,207,353	199,005,012	195,534,458
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	200,212,365	1,207,353	199,005,012	195,534,458
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Other Miscellaneous Assets	561,604	57,687	503,917	96,480
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	561,604	57,687	503,917	96,480

3. Loss adjustment expenses	10,100,204	10,068,827
4. Commissions payable, contingent commissions and other similar charges	187,190	321,989
5. Other expenses (excluding taxes, licenses and fees)	70,801	98,970
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	58,134	114,325
7.1 Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))	487,088	300,613
7.2 Net deferred tax liability	0	0
8. Borrowed money $ 0 and interest thereon $ 0	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of $ 369,980 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)	30,541,576	27,511,482
10. Advance premium	631,060	566,995
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	119,066	181,564
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	8,777,803	8,982,497
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including $ 0 certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	65,000	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes $ 0 and interest thereon $ 0	0	0
25. Aggregate write-ins for liabilities	0	40,043
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	87,361,047	84,042,835
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	87,361,047	84,042,835
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	2,510,250	2,510,250
35. Unassigned funds (surplus)	106,133,715	105,981,373
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 $ 0)	0	0
36.2 0 shares preferred (value included in Line 31 $ 0)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	111,643,965	111,491,623
38. Totals (Page 2, Line 28, Col. 3)	199,005,012	195,534,458
DETAILS OF WRITE-INS		
2501. Claim recoveries due to reinsurers	0	40,043
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	40,043
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0

1.1 Direct (written $ [illegible])	[illegible]	[illegible]	[illegible]
1.2 Assumed (written $ 0)	0	0	0
1.3 Ceded (written $ 2,238,931)	2,200,393	2,854,573	5,870,824
1.4 Net (written $ 28,326,981)	25,296,887	24,400,063	49,192,548
DEDUCTIONS:			
2. Losses incurred (current accident year $ 12,303,858):			
2.1 Direct	8,875,891	2,745,998	5,007,368
2.2 Assumed	0	0	[illegible]
2.3 Ceded	2,626,968	(497,833)	(1,307,812)
2.4 Net	6,248,923	3,243,831	6,315,180
3. Loss adjustment expenses incurred	2,347,370	2,397,917	4,511,795
4. Other underwriting expenses incurred	14,953,642	14,763,362	28,630,085
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	23,549,935	20,405,110	39,457,060
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	1,746,952	3,994,953	9,735,488
INVESTMENT INCOME			
9. Net investment income earned	2,184,054	1,874,718	3,853,953
10. Net realized capital gains (losses) less capital gains tax of $ (32,326)	(60,033)	32,864	(52,028)
11. Net investment gain (loss) (Lines 9 + 10)	2,124,021	1,907,582	3,801,925
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 0 amount charged off $ (41,115))	(41,115)	64,656	(43,010)
13. Finance and service charges not included in premiums	244,067	160,572	473,566
14. Aggregate write-ins for miscellaneous income	(1,757)	(33,436)	(33,451)
15. Total other income (Lines 12 through 14)	201,195	191,792	397,105
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	4,072,168	6,094,327	13,934,518
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	4,072,168	6,094,327	13,934,518
19. Federal and foreign income taxes incurred	1,212,491	1,816,621	3,915,255
20. Net income (Line 18 minus Line 19)(to Line 22)	2,859,677	4,277,706	10,019,263
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	111,491,623	101,431,933	101,431,933
22. Net income (from Line 20)	2,859,677	4,277,706	10,019,263
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $	0	0	(10,408)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	70,122	(101,602)	(453,672)
27. Change in nonadmitted assets	222,543	337,034	504,507
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	(3,000,000)	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	152,342	4,513,138	10,059,690
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	111,643,965	105,945,071	111,491,623
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Gain (loss) on sale of assets	(2,325)	(35,195)	(35,195)
1402. Miscellaneous Income	568	1,759	1,744
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(1,757)	(33,436)	(33,451
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

2. Net investment income	3,405,026	3,124,983	6,112,153
3. Miscellaneous income	201,195	191,792	397,105
4. Total (Lines 1 to 3)	29,765,164	25,816,222	53,671,345
5. Benefit and loss related payments	6,476,247	4,248,517	8,318,974
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	17,488,794	17,628,533	33,624,468
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of $ ..... tax on capital gains (losses)	993,689	1,417,249	4,002,400
10. Total (Lines 5 through 9)	24,958,730	23,294,299	45,945,842
11. Net cash from operations (Line 4 minus Line 10)	4,806,434	2,521,923	7,725,503
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	16,926,686	34,003,922	40,136,293
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	400,000	400,000
12.8 Total investment proceeds (Lines 12.1 to 12.7)	16,926,686	34,403,922	40,536,293
13. Cost of investments acquired (long-term only):			
13.1 Bonds	20,109,314	55,761,075	67,244,606
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	20,109,314	55,761,075	67,244,606
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(3,182,628)	(21,357,153)	(26,708,313)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	3,000,000	0	0
16.6 Other cash provided (applied)	(809,188)	2,480,615	2,350,739
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(3,809,188)	2,480,615	2,350,739
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,185,382)	(16,354,615)	(16,632,071)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	1,578,499	18,210,570	18,210,570
19.2 End of period (Line 18 plus Line 19.1)	(606,883)	1,855,955	1,578,499

The financial statements of Contractors Bonding and Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Washington State Office of the Insurance Commissioner (the Office).

The Office recognizes only statutory accounting practices prescribed or permitted by the state of Washington for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under the Washington 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 Washington. The state has not adopted any prescribed accounting practices that differ from those found in NAIC SAP.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Washington is shown below:

	State of Domicile	2014	2013
NET INCOME			
(1) Company state basis	Washington	$ 2,859,677	$ 10,019,263
(2) State prescribed practices that increase/ (decrease) NAIC SAP:	Washington	-	-
(3) State permitted practices that increase/ (decrease) NAIC SAP:	Washington	-	-
(4) NAIC SAP (1-2-3=4)	Washington	$ 2,859,677	$ 10,019,263
SURPLUS			
(5) Company state basis	Washington	$ 111,643,965	$ 111,491,623
(6) State prescribed practices that increase/ (decrease) NAIC SAP:	Washington	-	-
(7) State permitted practices that increase/ (decrease) NAIC SAP:	Washington	-	-
(8) NAIC SAP (5-6-7=8)	Washington	$ 111,643,965	$ 111,491,623

b.-c. The Company has no material changes to report.

2. Accounting Changes and Correction of Errors

The Company has no material changes to report.

3. Business Combinations and Goodwill

The Company has no material changes to report.

4. Discontinued Operations

The Company has no material changes to report.

5. Investments

a.-c. The Company has no material changes to report.

d. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from an external pricing source.

(2)-(3) The Company has no recognized other-than-temporary impairment regarding loan-backed securities.

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

a. The aggregate amount of unrealized losses:

1. Less than 12 Months $ 79,157

2. 12 Months or Longer $ 914,684

b. The aggregate related fair value of securities with unrealized losses:

3. Less than 12 Months $11,143,460

4. 12 Months or Longer $18,581,069

(5) The Company has 17 mortgage-backed/loan-backed or structured securities that are in a loss position as of June 30, 2014. The Company does not consider these securities to be other-than-temporarily impaired as the unrealized losses can be primarily attributed to rising interest rates from the middle of 2013, and are not credit specific issues. All securities continue to pay the expected coupon payments under the contractual terms of the securities. Additionally, the Company does not intend to sell these securities and has the ability to hold them until recovery.

e. The Company has none to report.

f.-h. The Company has no material changes to report.

7. **Investment Income**

The Company has no material changes to report.

8. **Derivative Instruments**

The Company has no material changes to report.

9. **Income Taxes**

The Company has no material changes to report.

10. **Information Concerning Parent, Subsidiaries and Affiliates**

a.-c. The Company has no material changes to report.

d. The Company reported $427,985 and $124,012 as net amounts due from affiliates at June 30, 2014 and December 31, 2013, respectively. Any intercompany balance resulting from services performed or costs allocated in accordance with the terms of the intercompany services agreement shall be settled within 30 calendar days following the end of the calendar quarter in which such intercompany balance was created.

e.-l. The Company has no material changes to report.

11. **Debt**

a. The Company has no material changes to report.

b. The Company has none to report.

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

a. The Company has none to report.

b.-i. The Company has no material changes to report.

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

The Company has no material changes to report.

14. **Contingencies**

The Company has no material changes to report.

15. **Leases**

The Company has no material changes to report.

16. **Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

The Company has no material changes to report.

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

a. The Company has no material changes to report.

b.-c. The Company has none to report.

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

The Company has no material changes to report.

19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The Company has no material changes to report.

20. **Fair Value Measurements**

The Company has none to report.

21. **Other Items**

a.-f. The Company has no material changes to report.

g. The Company has none to report.

h. The Company has no material changes to report.

i. The Company has none to report.

22. **Events Subsequent**

The Company has no material changes to report.

NAIC CO. #	FEIN #	COMPANY NAME	GROUP AFFILIATION	AMOUNT
10227	13-4924125	Munich Re America	Munich Re American Corp Group	5,598,000
				$ 5,598,000

b. The Company has no material changes to report.

c. Reinsurance Assumed and Ceded

(1)

	ASSUMED REINSURANCE		CEDED REINSURANCE		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$ -	$ -	$ -	$ -	$ -	$ -
b. All Other	$ -	$ -	$ 369,980	$ 84,841	$ (369,980)	$ (84,841)
c. TOTAL	$ -	$ -	$ 369,980	$ 84,841	$ (369,980)	$ (84,841)

d. Direct Unearned Premium Reserve $ 30,911,556

Line (c) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

(2). The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements is accrued as follows:

REINSURANCE

	Direct	Assumed	Ceded	Net
a. Contingent Commission	$ 149,790	$ -	$ 81,339	$ 68,451
b. Sliding Scale Adjustments	$ -	$ -	$ -	$ -
c. Other Profit Commission Arrangements	$ -	$ -	$ -	$ -
d. TOTAL	$ 149,790	$ -	$ -	$ 68,451

(3) The Company has no risks attributable to protected cells.

d.-i. The Company has no material changes to report.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company has no material changes to report.

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2013 were $45,924,357. As of June 30, 2014, $4,795,127 was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $34,815,906 as a result of re-estimation of unpaid claims and claims adjustment expenses. Therefore, there has been $6,313,324 of favorable prior-year development since last year-end.

The reserving process has remained consistent for the last few years. An in-depth actuarial analysis of reserves is performed each year during the second, third and fourth quarters. In addition, a review of loss emergence is performed quarterly each year. As such, the second quarter 2014 reserve adjustment was completed using data as of the fourth quarter 2013 with an adjustment for actual losses reported through the first six months of 2014. The analysis used generally accepted actuarial methodology and was completed on a product basis. This review consisted of an evaluation of loss trends and reserve risks associated with individual products.

Nearly all of the business in the Company is written in the surety or commercial multi-peril lines of business. The majority of the favorable development came from the commercial multi-peril – liability line, particularly accident years 2011-2013, and the surety line, primarily accident years 2009, 2010, 2012 and 2013. The commercial multi-peril – property line experienced unfavorable development for accident years 2010-2012 but was offset by favorable development in 2013. Otherwise no line of business experienced significant unfavorable development for any accident year.

The Company does not write any retrospectively rated business.

26. Intercompany Pooling Arrangements

The Company has no material changes to report.

27. Structured Settlements

The Company has no material changes to report.

28. Health Care Receivables

The Company has no material changes to report.

29. Participating Policies

The Company has no material changes to report.

30. Premium Deficiency Reserves

33. Asbestos/Environmental Reserves

The Company has no material changes to report.

34. Subscriber Savings Accounts

The Company has no material changes to report.

35. Multiple Peril Crop Insurance

The Company has no material changes to report.

36. Financial Guaranty Insurance

a. The Company has no material changes to report.

b. The Company has none to report.

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

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

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

2.2 If yes, date of change:

3.1 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 [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

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

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

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

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

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/12/2014

6.4 By what department or departments?

State of Washington Insurance Department

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

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

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

8.3 Is the company affiliated with one or more banks, thritts or securities firms? Yes [ ] No [X]

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

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

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

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

.....

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

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

.....

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

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

.....

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... $ 492,985

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

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

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... $ 0

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$	$
14.22 Preferred Stock	$	$
14.23 Common Stock	$	$
14.24 Short-Term Investments	$	$
14.25 Mortgage Loans on Real Estate	$	$
14.26 All Other	$	$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$	$

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

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

If no, attach a description with this statement.

16.3 Total payable for securities lending reported on the liability page $ 0

17. 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 [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase Bank NA	227 West Monroe Street; Chicago IL 60603

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

18.2 If no, list exceptions:

If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]

If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]

3.2 If yes, give full and complete information thereto.

.....

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

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1 Line of Business	2 Maximum Interest	3 Discount Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
		TOTAL	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent ..... 0.0 %

5.2 A&H cost containment percent ..... 0.0 %

5.3 A&H expense percent excluding cost containment expenses ..... 0.0 %

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

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

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

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

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
	PROPERTY/CASUALTY - AFFILIATES				
	PROPERTY/CASUALTY - U.S. INSURERS				
	PROPERTY/CASUALTY - POOLS AND ASSOCIATIONS				
	PROPERTY/CASUALTY - ALL OTHER INSURERS				
AA-1464104	ALLIANZ RISK TRANSFER	CHE	Unauthorized		

States, etc.		Status	To Date	To Date	To Date	To Date	To Date	To Date
1. Alabama	AL	L	9,394	21,539	300	4,983	18,096	26,150
2. Alaska	AK	L	418,467	525,663	(22,037)	9,146	265,687	235,421
3. Arizona	AZ	L	4,902,451	4,521,689	1,102,288	461,713	5,726,235	5,937,676
4. Arkansas	AR	L	29,667	19,583	0	0	10,350	18,905
5. California	CA	L	2,965,059	2,969,632	590,551	545,788	7,517,321	8,893,315
6. Colorado	CO	L	333,651	321,907	0	(10,746)	131,392	121,706
7. Connecticut	CT	L	38,812	39,752	0	0	16,421	19,886
8. Delaware	DE	L	4,723	1,218	0	0	1,678	2,192
9. Dist. Columbia	DC	L	32,303	5,199	0	0	1,427	497
10. Florida	FL	L	784,277	773,045	(28,100)	(17,938)	414,670	373,121
11. Georgia	GA	L	73,546	61,893	0	(1,799)	18,074	27,800
12. Hawaii	HI	L	46,607	5,988	0	0	5,049	5,476
13. Idaho	ID	L	293,604	261,112	179,283	54,517	265,930	379,187
14. Illinois	IL	L	125,571	208,260	5,000	0	77,360	77,572
15. Indiana	IN	L	36,897	38,094	0	0	22,530	19,855
16. Iowa	IA	L	3,750	(3,020)	0	0	4,164	2,473
17. Kansas	KS	L	38,310	47,115	0	1,200	24,132	17,318
18. Kentucky	KY	L	10,719	6,304	0	0	10,250	11,627
19. Louisiana	LA	L	1,914	1,864	0	0	1,883	5,449
20. Maine	ME	L	3,544	17,547	0	0	8,078	2,689
21. Maryland	MD	L	3,239	12,866	0	0	19,780	25,723
22. Massachusetts	MA	L	159,109	262,636	(3,000)	(6,000)	122,112	109,411
23. Michigan	MI	L	28,993	59,499	0	0	31,399	30,078
24. Minnesota	MN	L	2,466	5,833	0	0	6,742	6,709
25. Mississippi	MS	L	1,950	14,568	0	0	5,549	7,687
26. Missouri	MO	L	388,723	229,282	0	(500)	124,288	133,825
27. Montana	MT	L	1,870,242	1,908,362	2,290,525	754,431	3,169,915	2,028,893
28. Nebraska	NE	L	3,463	19,138	0	0	6,040	55,099
29. Nevada	NV	L	1,447,313	1,339,383	305,295	400,539	2,854,120	2,855,440
30. New Hampshire	NH	L	4,813	2,486	0	0	2,601	2,005
31. New Jersey	NJ	L	28,149	59,086	0	0	31,163	25,808
32. New Mexico	NM	L	842,685	692,739	486,266	44,663	839,636	744,426
33. New York	NY	L	95,259	16,002	0	0	128,372	75,145
34. No. Carolina	NC	L	279,976	231,152	1,223	(10,500)	136,802	121,871
35. No. Dakota	ND	L	126,422	98,247	867	0	20,839	1,624
36. Ohio	OH	L	199	18,251	0	0	28,185	43,474
37. Oklahoma	OK	L	42,847	28,913	0	0	14,148	11,196
38. Oregon	OR	L	4,595,662	4,425,022	1,525,070	527,045	6,181,367	6,131,744
39. Pennsylvania	PA	L	61,286	36,703	0	0	35,810	35,029
40. Rhode Island	RI	L	102	2,027	0	0	2,752	1,488
41. So. Carolina	SC	L	196,447	114,019	0	0	49,958	46,121
42. So. Dakota	SD	L	1,852	3,023	0	0	4,683	4,994
43. Tennessee	TN	L	22,029	49,929	0	0	49,978	16,276
44. Texas	TX	L	734,655	435,589	186,053	81,880	246,741	217,431
45. Utah	UT	L	9,303	9,309	0	0	9,353	7,283
46. Vermont	VT	L	0	1,100	0	0	1,025	1,368
47. Virginia	VA	L	66,769	42,292	0	0	29,024	39,087
48. Washington	WA	L	9,204,617	9,532,181	274,262	1,611,769	15,455,437	15,298,602
49. West Virginia	WV	L	944	1,179	0	0	2,286	2,683
50. Wisconsin	WI	L	5,016	2,639	0	0	3,389	5,006
51. Wyoming	WY	L	188,116	172,022	37,850	35,554	265,891	232,980
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals		(a) 51	30,565,912	29,669,861	6,931,696	4,485,745	44,420,112	44,496,821
DETAILS OF WRITE-INS								
58001.		XXX	0	0	0	0	0	0
58002.		XXX	0	0	0	0	0	0
58003.		XXX	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0

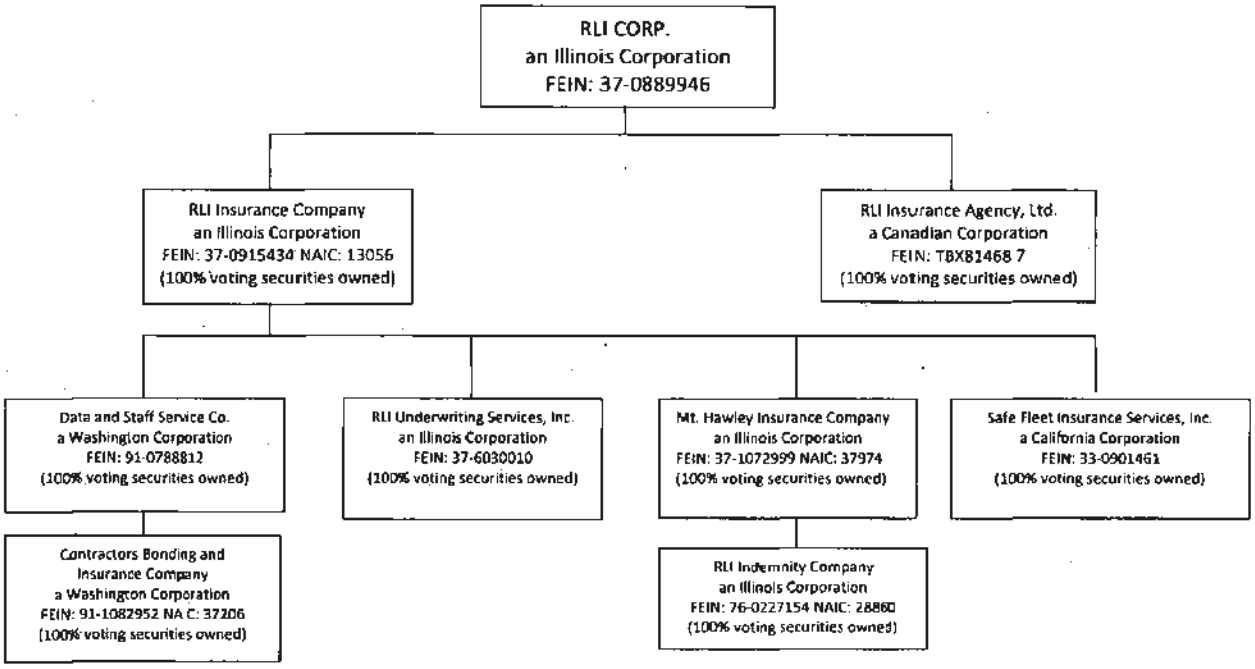
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (O) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

STATEMENT AS OF JUNE 30, 2014 OF THE CONTRACTORS BONDING AND INSURANCE COMPANY

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

PART 1- ORGANIZATIONAL CHART



SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Name of Parent Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	
p	37206	91-1082952				Contractors Bonding and Insurance Company	WA	RE	Data and Staff Service Co	Ownership	100.0	R
	00000	91-0788812				Data and Staff Service Co	WA	UDP	RLI Insurance Company	Ownership	100.0	R
	00000	37-6030010				RLI Underwriting Services	IL	IA	RLI Insurance Company	Ownership	100.0	R
	00000	33-0901461				Safe Fleet Insurance Services, Inc	CA	IA	RLI Insurance Company	Ownership	100.0	R
p	28860	76-0227154				RLI Indemnity Company	IL	IA	Mt. Hawley Insurance Company	Ownership	100.0	R
p	37974	37-1072999				Mt. Hawley Insurance Company	IL	IA	RLI Insurance Company	Ownership	100.0	R
	00000					RLI Insurance Agency, Ltd.	CAN	IA	RLI Corp.	Ownership	100.0	
p	13056	37-0915434				RLI Insurance Company	IL	UIP	RLI Corp	Ownership	100.0	
	00000	37-0889946		0000084246	NYSE	RLI Corp	IL	UIP			0.0	

Explanation

2.	Allied lines	1,057	(2)	(0.2)	199.7
3.	Farmowners multiple peril	0	0	0.0	0.0
4.	Homeowners multiple peril	0	0	0.0	0.0
5.	Commercial multiple peril	17,401,863	9,266,497	53.3	7.6
6.	Mortgage guaranty	0	0	0.0	0.0
8.	Ocean marine	0	0	0.0	0.0
9.	Inland marine	1,913	656	34.3	0.0
10.	Financial guaranty	0	0	0.0	0.0
11.1	Medical professional liability -occurrence	0	0	0.0	0.0
11.2	Medical professional liability -claims made	0	0	0.0	0.0
12.	Earthquake	0	0	0.0	0.0
13.	Group accident and health	0	0	0.0	0.0
14.	Credit accident and health	0	0	0.0	0.0
15.	Other accident and health	0	0	0.0	0.0
16.	Workers' compensation	0	0	0.0	0.0
17.1	Other liability occurrence	190,817	87,910	46.1	(4.5)
17.2	Other liability-claims made	1,525	755	49.5	0.0
17.3	Excess Workers' Compensation	0	0	0.0	0.0
18.1	Products liability-occurrence	158,724	(19,496)	(12.3)	26.5
18.2	Products liability-claims made	0	0	0.0	0.0
19.1,19.2	Private passenger auto liability	0	0	0.0	0.0
19.3,19.4	Commercial auto liability	702,665	233,951	33.3	0.0
21.	Auto physical damage	224,468	166,309	74.1	15.1
22.	Aircraft (all perils)	0	0	0.0	0.0
23.	Fidelity	130,996	11,826	9.0	0.0
24.	Surety	8,682,113	(872,701)	(10.1)	3.4
26.	Burglary and theft	0	0	0.0	0.0
27.	Boiler and machinery	0	0	0.0	0.0
28.	Credit	0	0	0.0	0.0
29.	International	0	0	0.0	0.0
30.	Warranty	0	0	0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	27,497,280	8,875,891	32.3	10.1
	DETAILS OF WRITE-INS				
3401.		0	0	0.0	0.0
3402.		0	0	0.0	0.0
3403.		0	0	0.0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	1,075	2,615	2,233
2.	Allied lines	751	2,197	2,151
3.	Farmowners multiple peril	0	0	0
4.	Homeowners multiple peril	0	0	0
5.	Commercial multiple peril	10,084,872	19,467,114	18,477,164
6.	Mortgage guaranty	0	0	0
8.	Ocean marine	0	0	0
9.	Inland marine	4,900	6,213	0
10.	Financial guaranty	0	0	0
11.1	Medical professional liability-occurrence	0	0	0
11.2	Medical professional liability-claims made	0	0	0
12.	Earthquake	0	0	0
13.	Group accident and health	0	0	0
14.	Credit accident and health	0	0	0
15.	Other accident and health	0	0	0
16.	Workers' compensation	0	0	0
17.1	Other liability occurrence	216,018	328,686	179,926
17.2	Other liability-claims made	15,344	15,344	0
17.3	Excess Workers' Compensation	0	0	0
18.1	Products liability-occurrence	181,761	277,208	132,073
18.2	Products liability-claims made	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0
19.3,19.4	Commercial auto liability	425,518	824,001	711,747
21.	Auto physical damage	134,038	262,213	220,812
22.	Aircraft (all perils)	0	0	0
23.	Fidelity	87,777	214,109	222,383
24.	Surety	5,149,614	9,166,212	9,721,372
26.	Burglary and theft	0	0	0
27.	Boiler and machinery	0	0	0
28.	Credit	0	0	0
29.	International	0	0	0
30.	Warranty	0	0	0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	16,301,668	30,565,912	29,669,861
	DETAILS OF WRITE-INS			
3401.		0	0	0
3402.		0	0	0
3403.		0	0	0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0

STATEMENT AS OF JUNE 30, 2014 OF THE Contractors Bonding and Insurance Company

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12
	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year IBNR Lose LAE Rese Develop (Saving Deficien (Cols. 5 + minus Co
	7,009	10,882	17,891	1,845	15	1,860	6,004	233	7,622	13,860	840	
	2,729	7,981	10,710	895	30	926	2,787	127	5,169	8,082	953	
2 +	9,739	18,863	28,602	2,740	45	2,785	8,791	360	12,791	21,942	1,793	
	3,892	13,431	17,323	1,885	124	2,010	1,798	336	10,740	12,874	(209)	
3 +	13,630	32,294	45,924	4,626	169	4,795	10,588	696	23,531	34,816	1,584	
	XXX	XXX	XXX	XXX	3,302	3,302	XXX	3,671	7,937	11,607	XXX	XXX
	13,630	32,294	45,924	4,626	3,472	8,097	10,588	4,367	31,468	46,423	1,584	
d											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, L As % of C Line 7
licy-	111,492										1. 11.6	2.

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

Explanation:

1.

2.

3.

4.

Bar Code:

1. 3 7 2 0 6 2 0 1 4 4 9 0 0 0 0 0 2

2. 3 7 2 0 6 2 0 1 4 4 5 5 0 0 0 0 2

3. 3 7 2 0 6 2 0 1 4 3 6 5 0 0 0 0 2

4. 3 7 2 0 6 2 0 1 4 5 0 5 0 0 0 0 2

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

NONE

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	179,152,265	154,602,923
2. Cost of bonds and stocks acquired	22,202,459	67,244,606
3. Accrual of discount	8,794	9,194
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	(92,359)	(80,043)
6. Deduct consideration for bonds and stocks disposed of	19,019,831	40,136,293
7. Deduct amortization of premium	1,152,975	2,488,122
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	181,098,353	179,152,265
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	181,098,353	179,152,265

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter
	172,745,030	16,955,258	17,895,149	(538,154)	172,745,030	171,266,985	0
	9,324,606	528,225	0	(21,463)	9,324,606	9,831,368	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	182,069,636	17,483,483	17,895,149	(559,617)	182,069,636	181,098,353	0
) STOCK							
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
ed Stock	0	0	0	0	0	0	0
s Preferred Stock	182,069,636	17,483,483	17,895,149	(559,617)	182,069,636	181,098,353	0

rrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $ ....0 ; NAIC 2 $ ....0 ;
....0 ; NAIC 4 $ ....0 ; NAIC 5 $ ....0 ; NAIC 6 $ 0

NONE

	Book/adjusted Carrying Value	Fair Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999		XXX			

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of short-term investments acquired	0	2,000,015
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	0	2,000,015
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

STATEMENT AS OF JUNE 30, 2014 OF THE Contractors Bonding and Insurance Company

SCHEDULE D - PART 3

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

2	3	4	5	6	7	8	9
Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and
ments							
GNMA REMIC TRUST		05/07/2014	KGS ALPHA CAPITAL		4,161,875	4,000,000	
GNMA REMIC TRUST		05/07/2014	KGS ALPHA CAPITAL		1,110,703	1,050,000	
s - U.S. Governments					5,272,578	5,050,000	
Territories and Possessions							
MASSACHUSETTS STATE		05/14/2014	RAYMOND JAMES		1,946,730	1,500,000	
PENNSYLVANIA STATE		05/12/2014	MERRILL LYNCH		2,340,060	2,000,000	
s - U.S. States, Territories and Possessions					4,286,790	3,500,000	
Revenue							
ENERGY NORTHWEST WAS		06/03/2014	EXCHANGE OF SECURITIES		659,341	630,000	
ENERGY NORTHWEST WAS		06/03/2014	EXCHANGE OF SECURITIES		1,433,805	1,370,000	
NEW YORK ST DORM AUTH		05/12/2014	RBC US		1,264,620	1,000,000	
REGL TRANSPRTN DIST CO SALES TAX REVENUE		05/12/2014	MERRILL LYNCH		910,155	750,000	
s - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions -					4,267,921	3,750,000	
d Miscellaneous (Unaffiliated)							
HEWLETT-PACKARD CO		05/14/2014	SOUTHWEST SECURITIES		528,225	500,000	
LB-UBS CMBS 2005-C7		04/24/2014	MORGAN STANLEY SMITH BARNEY		3,127,969	3,000,000	
s - Industrial and Miscellaneous (Unaffiliated)					3,656,194	3,500,000	
tals - Bonds - Part 3					17,483,483	15,800,000	
tals - Bonds					17,483,483	15,800,000	
					17,483,483	XXX	

ock bearing the NAIC market indicator "U" provide: the number of such issues 0

SCHEDULE D - PART 4

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

3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19
Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
	06/01/2014	RBS PAYDOWN		11,046	11,046	11,253	11,052	0	(6)	0	(6)	0	11,046	0	0	0
	06/01/2014	RBS PAYDOWN		12,487	12,487	13,075	12,487	0	(20)	0	(20)	0	12,487	0	0	0
	06/25/2014	VARIOUS		12,849	12,849	14,070	12,893	0	(44)	0	(44)	0	12,849	0	0	0
overnments				36,382	36,382	38,398	36,432	0	(70)	0	(70)	0	36,382	0	0	0
ies and Possessions																
	06/07/2014	JANNEY MONTGOMERY SC		1,188,060	1,000,000	1,245,560	1,199,326	0	(10,883)	0	(10,883)	0	1,188,443	0	(2,383)	(2,383)
tates, Territories and Possessions				1,188,060	1,000,000	1,245,560	1,199,326	0	(10,883)	0	(10,883)	0	1,188,443	0	(2,383)	(2,383)
visions of States, Territories and Possessions																
	05/07/2014	FIFTH THIRD SECURITIES INC		1,191,210	1,000,000	1,253,270	1,205,977	0	(14,281)	0	(14,281)	0	1,194,696	0	(3,486)	(3,486)
SER E	05/12/2014	JANNEY MONTGOMERY SC		1,734,360	1,500,000	1,839,920	1,766,834	0	(11,135)	0	(11,135)	0	1,755,700	0	(21,340)	(21,340)
olitical Subdivisions of States, Territories and Possessions				2,925,570	2,500,000	3,093,190	2,972,811	0	(22,416)	0	(22,416)	0	2,950,396	0	(24,826)	(24,826)
ue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																
T NASH																
	06/03/2014	EXCHANGE OF SECURITIES		2,093,145	2,000,000	2,205,660	2,111,474	0	(18,329)	0	(18,329)	0	2,093,145	0	0	0
	06/01/2014	RBS PAYDOWN		40,497	40,497	43,300	40,622	0	(155)	0	(155)	0	40,497	0	0	0
	06/01/2014	RBS PAYDOWN		59,617	59,617	59,570	59,615	0	1	0	1	0	59,617	0	0	0
	06/01/2014	RBS PAYDOWN		39,902	39,902	42,197	40,027	0	(125)	0	(125)	0	39,902	0	0	0
	06/01/2014	RBS PAYDOWN		38,793	38,793	40,514	38,873	0	(80)	0	(80)	0	38,793	0	0	0
	06/01/2014	RBS PAYDOWN		10	10	10	10	0	0	0	0	0	10	0	0	0
	06/01/2014	RBS PAYDOWN		19,309	19,309	20,166	19,351	0	(42)	0	(42)	0	19,309	0	0	0
SES REV	04/25/2014	FIFTH THIRD SECURITIES INC		1,187,950	1,000,000	1,223,530	1,184,010	0	(8,817)	0	(8,817)	0	1,175,193	0	12,757	12,757
Y RAPI																
	05/12/2014	PBC US		2,276,240	2,000,000	2,380,620	2,357,249	0	(14,129)	0	(14,129)	0	2,343,119	0	(64,879)	(64,879)
SRC DIST	05/07/2014	JANNEY MONTGOMERY SC		589,825	500,000	615,645	595,557	0	(5,364)	0	(5,364)	0	590,193	0	(368)	(368)
& SRA																
	05/12/2014	REY BANK		1,175,620	1,000,000	1,236,830	1,209,578	0	(9,320)	0	(9,320)	0	1,200,258	0	(24,639)	(24,639)
pecial Revenue and Special Assessment and all Non-Guaranteed of Agencies and Authorities of Governments and Their Political				7,522,868	6,698,098	7,857,262	7,656,366	0	(56,360)	0	(56,360)	0	7,600,007	0	(77,119)	(77,119)
ellaneous (Unaffiliated)																
LLC	04/25/2014	PIPER JAFFREY & CO		1,841,456	1,618,000	1,981,991	1,842,248	0	(13,885)	0	(13,885)	0	1,828,364	0	13,233	13,233
NC	05/07/2014	FIFTH THIRD SECURITIES INC		2,234,800	2,000,000	2,288,240	2,235,840	0	(10,790)	0	(10,790)	0	2,225,050	0	(20,250)	(20,250)
VESTMENT F	05/14/2014	SOUTHWEST SECURITIES		2,056,720	2,000,000	2,086,000	2,069,879	0	(3,252)	0	(3,252)	0	2,066,627	0	93	93
ial and Miscellaneous (Unaffiliated)				6,113,016	5,618,000	6,286,231	6,147,967	0	(28,027)	0	(28,027)	0	6,119,941	0	(6,924)	(6,924)
ds - Part 4				17,783,896	15,852,480	18,499,341	18,012,902	0	(117,756)	0	(117,756)	0	17,895,149	0	(111,252)	(111,252)
ds				17,783,896	15,852,480	18,499,341	18,012,902	0	(117,756)	0	(117,756)	0	17,895,149	0	(111,252)	(111,252)
				17,783,896	XXX	18,499,341	18,012,902	0	(117,756)	0	(117,756)	0	17,895,149	0	(111,252)	(111,252)

ering the NAIC market indicator "U" provide: the number of such issues ..... 0.

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

Depository	Code	Rate of Interest	Received During Current Quarter	Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
JPMorgan Chase Bank (c) Chicago, Illinois					(1,130,172)	(1,218,709)	(1,964,305)	XXX
JPMorgan Worldwide Securities Chicago, Illinois					2,494,401	2,739,750	1,352,883	XXX
								XXX
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX			4,539	4,539	4,539	XXX
0199999 Total Open Depositories	XXX	XXX	0	0	1,368,768	1,525,580	(606,883)	XXX
0399999 Total Cash on Deposit	XXX	XXX	0	0	1,368,768	1,525,580	(606,883)	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	0	0	1,368,768	1,525,580	(606,883)	XXX

STATEMENT AS OF JUNE 30, 2014 OF THE Contractors Bonding and Insurance Company

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued
h Equivalents					0	0

NONE