Medical Professional Mutual Insurance Company

Financial Statements and Related Material to Comply with Statutory Filing Requirements
December 31, 2008 and 2007

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Report of Independent Auditors

To the Board of Directors of
Medical Professional Mutual Insurance Company

We have audited the accompanying statutory statements of admitted assets, liabilities and accumulated surplus of Medical Professional Mutual Insurance Company (the "Company") as of December 31, 2008 and 2007, and the related statutory statements of income and accumulated surplus and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 2 to the financial statements, the Company prepares these financial statements using accounting practices prescribed or permitted by The Division of Insurance of The Commonwealth of Massachusetts, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America are material; they are described in Note 2.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2008 and 2007, or the results of its operations or its cash flows for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities and accumulated surplus of the Company as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended, on the basis of accounting described in Note 2.

Our audit was conducted for the purpose of forming an opinion on the basic statutory basis financial statements taken as a whole. The accompanying Supplemental Summary Investment Schedule, Supplemental Investment Risks Interrogatories, General Interrogatories, and Reinsurance Summary Supplemental Filing of the Company as of December 31, 2008 and for the year then ended are presented for purposes of additional analysis and are not a required part of the basic statutory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic statutory basis financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic statutory basis financial statements taken as a whole.

PricewaterhouseCoopers LLP

March 30, 2009

Medical Professional Mutual Insurance Company
Statements of Admitted Assets, Liabilities and Accumulated Surplus (Statutory Basis)
December 31, 2008 and 2007

(in thousands)	2008	2007
Admitted Assets		
Cash and investments		
Bonds, at carrying value	$ 1,837,744	$ 1,786,343
Common and preferred stocks, at carrying value	150,774	234,869
Cash and short-term investments	24,612	25,081
Other invested assets	4,041	4,041
Receivables for securities	46,718	-
Total cash and investments	2,063,889	2,050,334
Premiums receivable	99,685	103,286
Interest and dividends accrued	17,995	16,393
Receivable from subsidiaries and affiliates	2,022	6,944
Federal income tax recoverable	14,150	-
Net deferred tax asset	18,439	18,540
Electronic data processing equipment, net	541	571
Reinsurance recoverable on paid losses and loss adjustment expenses	2,165	2,994
Equity in pool	24,880	25,843
Other assets	2,341	3,506
Total admitted assets	$ 2,246,107	$ 2,228,411
Liabilities and Accumulated Surplus		
Liabilities		
Loss and loss adjustment expense reserves	$ 1,328,795	$ 1,359,314
Unearned premiums	167,564	168,241
Commissions payable and contingent commissions	2,628	2,643
Ceded reinsurance premiums payable, net of ceding commissions	20	60
Funds held by Company under reinsurance treaties	55,232	59,502
Reinsurance payable on paid losses and loss adjustment expenses	10,494	7,835
Policyholder dividends declared	3,063	1,229
Payable for securities purchased	51,122	960
Payable for securities lending agreements	2,807	-
Federal income tax payable	-	13,320
Other liabilities	12,277	12,492
Total liabilities	1,634,002	1,625,596
Accumulated surplus	612,105	602,815
Total liabilities and accumulated surplus	$ 2,246,107	$ 2,228,411

The accompanying notes are an integral part of the financial statements.

Medical Professional Mutual Insurance Company
Statements of Income and Accumulated Surplus
(Statutory Basis)
Years Ended December 31, 2008 and 2007

(in thousands)	2008	2007
Premiums written	$ 297,548	$ 316,336
Decrease in unearned premiums	467	6,503
Premiums earned	298,015	322,839
Loss and loss adjustment expenses	165,076	217,549
Commissions	17,112	19,889
Taxes, licenses and fees	7,713	8,076
Other underwriting expenses	26,516	22,574
	216,417	268,088
Underwriting gain	81,598	54,751
Net investment income (Note 3)	91,069	90,175
Net realized (losses) gains (Note 3)	(68,105)	12,331
Finance and service charge income	2,044	2,102
Other expense	(6,464)	(6,839)
Dividends to policyholders (Note 10)	(8,253)	(2,831)
Income before federal income taxes	91,889	149,689
Federal income tax expense (Note 4)	45,936	40,796
Net income	$ 45,953	$ 108,893
Accumulated surplus at beginning of year	$ 602,815	$ 504,690
Net income	45,953	108,893
Net unrealized capital losses (Note 3)	(21,821)	(6,781)
Increase (decrease) in net deferred income tax	14,992	(594)
Increase in nonadmitted assets (Note 7)	(29,833)	(3,392)
Increase in provision for reinsurance	(1)	(1)
Accumulated surplus at end of year	$ 612,105	$ 602,815

The accompanying notes are an integral part of the financial statements.

Medical Professional Mutual Insurance Company
Statements of Cash Flows
(Statutory Basis)
Years Ended December 31, 2008 and 2007

(in thousands)	2008	2007
Operating activities		
Premiums collected, net of reinsurance	$ 301,667	$ 319,970
Investment income, net	93,308	88,784
Miscellaneous expenses	(4,419)	(4,165)
Benefits and loss related payments	(136,980)	(130,351)
Commissions and expenses paid	(106,084)	(104,273)
Dividends paid to policyholders	(6,419)	(1,603)
Federal income taxes paid	(62,820)	(34,083)
Net cash provided by operating activities	78,253	134,279
Investing activities		
Proceeds from bonds sold, matured or repaid	409,420	573,261
Proceeds from stocks sold	247,582	209,481
Proceeds from other invested assets	139	174
Total investment proceeds	657,141	782,916
Cost of bonds acquired	(490,830)	(773,720)
Cost of stocks acquired	(245,815)	(190,008)
Total investments acquired	(736,645)	(963,728)
Net cash used in investing activities	(79,504)	(180,812)
Total other cash provided (applied)	782	(7,827)
Net decrease in cash and short-term investments	(469)	(54,360)
Cash and short-term investments, beginning of year	25,081	79,441
Cash and short-term investments, end of year	$ 24,612	$ 25,081

The accompanying notes are an integral part of the financial statements.

(in thousands)

1. Business

Medical Professional Mutual Insurance Company ("ProMutual" or the "Company") is the largest writer of medical malpractice insurance in The Commonwealth of Massachusetts. 100% of the direct premiums written in 2008 and 2007 were from risks located in The Commonwealth of Massachusetts. The Company has a 100% interest in ProMutual Group, Inc. and ProMutual Solutions Insurance Company. ProSelect Insurance Company ("ProSelect"), ProSelect National Insurance Company, Inc. ("ProSelect National") and ProMutual Insurance Agency, Inc. are wholly-owned subsidiaries of ProMutual Group, Inc. ProSelect is currently writing business in eight of the nine mid-Atlantic and New England states in which it is licensed. ProSelect National is licensed in twenty-seven states, but is not currently insuring risks.

2. Basis of Presentation and Significant Accounting Policies

Statutory Basis of Accounting

The financial statements of the Company have been prepared on a statutory basis of accounting in accordance with accounting practices prescribed or permitted by The Division of Insurance of The Commonwealth of Massachusetts.

Statutory accounting practices include a variety of publications of the National Association of Insurance Commissioners ("NAIC") as well as state laws, regulations and general administrative rules. Statutory accounting practices differ in some respects from accounting principles generally accepted in the United States of America (GAAP). Significant differences include:

(a) Statutory accounting requires that policy acquisition costs (principally commissions and premium taxes) be charged to operations when incurred, and ceding commission received on reinsurance agreements related to the acquisition costs of the business ceded be recorded as income when written. Under GAAP, these items would be deferred and then recognized ratably over the policy period.

(b) Under statutory accounting, certain assets designated as "nonadmitted assets" (principally premiums over three months past due, application software, prepaid expenses and office furniture and equipment) are charged directly to accumulated surplus. Under GAAP, the Company would maintain a reserve for doubtful accounts based upon estimated collectibility, recognize an asset on the balance sheet for prepaid expenses, office furniture and equipment and software which would be recognized at net depreciated cost.

(c) Ceded reinsurance balances relating to unpaid loss and loss adjustment expenses are presented as offsets to reserves; under GAAP, such amounts would be presented as reinsurance recoverable; moreover, under statutory accounting, a provision for reinsurance is established for unsecured recoverable balances from reinsurers that are not authorized which is not recognized under GAAP.

(d) Statutory accounting requires that certain debt securities be stated at amortized cost. Bonds with ratings of three or lower are stated at the lower of amortized cost or NAIC market value. Under GAAP, debt securities are classified as trading or available for sale, which are valued at fair value, or as held to maturity and valued at amortized cost.

(e) Under statutory accounting, classification of certain items on the statement of cash flows differs from GAAP. A reconciliation of indirect cash flows is not presented in the statutory basis cash flow statement, but would be required under GAAP.

(in thousands)

(f) Under statutory accounting, majority owned insurance and noninsurance subsidiaries are not consolidated. Under GAAP, such subsidiaries would be consolidated.

(g) The Company accounts for income taxes under the asset and liability method. Deferred federal income taxes are generally recognized when assets and liabilities have different values for financial statement carrying amounts and their respective tax bases. However, the realization on any resulting deferred tax asset is subject to certain criteria in accordance with SSAP 10, *Income Taxes*.

The following is a reconciliation of policyholders' surplus on a statutory basis to policyholders' surplus presented on a GAAP basis for the Company:

	2008	2007
Policyholders' surplus, statutory basis	$ 612,105	$ 602,815
Valuation adjustments on investments	(51,694)	13,183
Deferred policy acquisition costs	18,273	18,678
Deferred federal income taxes	82,027	30,179
Other, net	2,731	2,501
Nonadmitted assets	4,448	3,793
Provision for reinsurance	-	1
Policyholders' surplus, GAAP	$ 667,890	$ 671,150

The net income for the Company determined in accordance with GAAP for the years ended December 31, 2008 and 2007 was $54,860 and $108,913, respectively.

Use of Estimates in the Preparation of Financial Statements
The preparation of financial statements in conformity with statutory accounting practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements
Effective January 1, 2008, SFAS No. 157, *Fair Value Measurement* ("SFAS 157") was issued and must be adopted prospectively for fiscal years beginning after November 15, 2007. The Statement provides a revised definition of fair value and guidance on methods used to measure fair value. The Statement also expands financial statement disclosure requirements for fair value information. The Statement establishes a hierarchy that distinguishes between inputs based on market data from independent sources ("observable inputs") and a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable ("unobservable inputs"). The fair value hierarchy in SFAS 157 prioritizes inputs with three levels. Quoted prices in active markets have the highest priority (Level 1) followed by observable inputs other than quoted prices (Level 2) and unobservable inputs having the lowest priority (Level 3). Included in the Company's total cash and invested assets are certain investments carried at fair value on a recurring basis. Therefore, the disclosure principles required by SFAS 157 are included on these statutory basis financial statements. See Note 3 for further disclosure required pursuant to SFAS 157.

(in thousands)

Cash and Short-Term Investments
For financial statement purposes, the Company considers all cash and investments with maturities of less than one year at the time of their acquisition to be cash and short-term investments. Short-term investments, consisting primarily of money market funds, are stated at cost, which approximates fair value.

The Company invests its excess short-term funds in repurchase agreements with reputable third party financial institutions. Funds are debited from the Company's account on a nightly basis, earn a predetermined rate of interest, and are redeposited in full the following business day. The funds are fully collateralized, as required by the Company's policy, by bank-owned government agency securities.

Investments
The Company employs New England Asset Management, Inc., Wellington Management Co., L.L.P., Advent Capital Management, L.L.C., and NISA Investment Advisors L.L.C. ("NISA") to furnish investment management services. These investment fund managers, subject to the supervision of the Board of Directors, direct the investments of the Company in accordance with established investment objectives, policies and limitations. For their services under their respective contracts, NISA receives a contracted flat annual fee and all other fund managers receive a monthly management fee calculated based on market values. During 2008 and 2007, the Company incurred aggregate management fees of approximately $2,223 and $2,199, respectively.

Valuation of investments is determined in accordance with the requirements, methods and values adopted by the NAIC, which provide that bonds, so qualified, be carried at amortized cost, preferred stock, so qualified, be carried at cost, and other preferred and common stocks and other bonds at fair values established by the NAIC. The Company has elected to use the retrospective adjustment method on loan-backed securities. The Company uses the scientific method for amortizing its debt securities.

The Company values its investment in ProMutual Group, Inc. pursuant to the equity method using audited GAAP equity adjusted for statutory requirements, as is required under the rules promulgated by the NAIC.

Realized capital gains and losses on the sale of investments are included in net income and are determined on a specific identification basis. Where declines in securities' values are deemed other than temporary, the securities are reported at market value and the loss is reported as a component of net realized gains (losses). Unrealized capital gains and losses from the valuation of nonqualified bonds and equity investments at market are credited or charged directly to accumulated surplus.

The Company participates in a securities lending program to maximize investment income. Certain investment securities are exchanged for collateral, consisting of cash or U.S. Government securities, equal to at least 102% of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment securities fluctuates. The collateral is retained and invested by a custodian to generate additional investment income.

Reinsurance
In the normal course of business, the Company seeks to reduce the losses that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Amounts recoverable from reinsurers are estimated in a manner consistent with the associated claim liabilities.

(in thousands)

Premiums Earned and Unearned
Premiums are recorded as earned on a daily pro rata basis over the terms of the policies. Unearned premiums represent the portion of premiums written applicable to the unexpired terms of the policies in force. A statutory premium deficiency reserve relating to insurance contracts is recognized if the sum of the expected loss and loss adjustment expenses, dividends to policyholders, and maintenance costs exceed the related unearned premiums. The Company anticipates investment income in determining the need for a premium deficiency reserve.

Loss and Loss Adjustment Expense Reserves
Liabilities for losses and loss adjustment expenses represent the estimated ultimate net cost of all unpaid reported and unreported claims. These estimates are continuously reviewed and modified to reflect current conditions and any adjustments are reflected in current operating results. The Company anticipates salvage and subrogation in recording its loss and loss adjustment expense reserves. The Company does not discount its loss and loss adjustment expense reserves (Note 5).

Depreciation
The provision for depreciation on electronic data processing equipment is computed on the straight-line method over the assets' estimated useful lives of three years.

3. Investments

At December 31, 2008 and 2007, the amortized cost, NAIC market values and gross unrealized gains and losses of investments in securities are as follows:

	2008			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	NAIC Market Value
U.S. Treasury and obligations of U.S. Government and agencies	$ 190,286	$ 15,763	$ (2,449)	$ 203,599
Obligations of states and political subdivisions	729,844	8,200	(36,603)	701,440
Industrial and miscellaneous	316,026	3,719	(28,918)	290,828
Asset-backed securities	605,380	14,152	(34,072)	585,460
Total bonds	$ 1,841,536	$ 41,834	$ (102,042)	$ 1,781,327

	2008			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	NAIC Market Value
Preferred stock	$ 4,080	$ 252	$ (1,093)	$ 3,238
Common stock	101,760	13,349	(1,913)	113,196
Investment in subsidiary	37,500	-	(3,153)	34,347
Total stocks	$ 143,340	$ 13,601	$ (6,159)	$ 150,781

(in thousands)

At December 31, 2008 and 2007, the Company held investments in certain bonds with an NAIC rating of 3 or lower. This resulted in a $9,559 and $2,582 reduction to the investment balance at December 31, 2008 and 2007, respectively, which was reflected as an unrealized loss for statutory reporting purposes. Additionally $3,178 and $2,589 was recorded as unrealized gains on Treasury inflation-protected securities in 2008 and 2007, respectively.

Management believes that the gross unrealized losses reflected on ProMutual's fixed income portfolio as of December 31, 2008 were primarily the result of increases in market interest rates from the time of acquisition to the current period. These decreases in value are viewed as being temporary as ProMutual has the intent and ability to retain such investments for a period of time sufficient to allow for any anticipated recovery in market value. The majority of the debt securities that are in an unrealized loss position are highly rated by the Securities Valuation Office (SVO) of the NAIC and are therefore not required to be written down under NAIC guidelines. An unrealized loss on equity securities of $3,153 relates to a wholly owned subsidiary, for which management has the ability and intent to hold for sufficient recovery. Management also believes that the remaining gross unrealized losses recorded on ProMutual's domestic equity portfolio as of December 31, 2008 were primarily the result of routine fluctuations in market prices as opposed to the issuer's financial condition. Therefore, these decreases in value are also viewed as being temporary. In compliance with statutory regulations, the Company obtains its market prices and NAIC designations from the SVO of the NAIC. All statutory unrealized losses have a direct impact on the Company's policyholders' surplus.

December 31, 2008	**Under 12 Months**	**Over 12 Months**	**Totals**
Debt securities			
Number of positions	289	164	453
NAIC market value	$ 598,069	$ 254,432	$ 852,501
Amortized cost	655,083	299,460	954,543
Unrealized loss	$ (57,014)	$ (45,028)	$ (102,042)
Equity securities			
Number of positions	65	2	67
NAIC market value	$ 31,795	$ 34,635	$ 66,430
Cost	34,549	38,040	72,589
Unrealized loss	$ (2,754)	$ (3,405)	$ (6,159)
Total			
Number of positions	354	166	520
Carrying value	$ 629,864	$ 289,067	$ 918,931
Cost	689,632	337,500	1,027,132
Unrealized loss	$ (59,768)	$ (48,433)	$ (108,201)

(in thousands)

Securities carried at other than amortized cost were priced by the Securities Valuation Office of the National Association of Insurance Commissioners. Valuation techniques used to derive fair value of these securities are based on observable or unobservable inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

December 31, 2008	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Carrying Value
Industrial and miscellaneous	$ -	$ 30,935	$ -	$ 30,935
Asset-backed securities	-	2,374	-	2,374
Total bonds	$ -	$ 33,309	$ -	$ 33,309
Preferred stock	$ -	$ 3,231	$ -	$ 3,231
Common stock	113,196	-	-	113,196
Total equity securities	$ 113,196	$ 3,231	$ -	$ 116,427

Proceeds from the sale of investments during 2008 and 2007 were $600,690 and $651,130, respectively. Gross gains of $8,149 and $11,516 and gross losses of $15,936 and $7,314 were realized on sales of debt securities during 2008 and 2007, respectively. Gross gains of $15,168 and $29,872 and gross losses of $63,528 and $12,419 were realized on sales of equity securities during 2008 and 2007, respectively. The calculation of the gain or loss on the sale of marketable securities is based on specific identification at the time of sale. In addition, the Company realized losses of $22,684 and $1,038 in 2008 and 2007, respectively, due to other than temporary declines in securities' market value.

Net investment income for 2008 and 2007 consisted of the following:

	2008	2007
Interest and dividend income	$ 93,466	$ 92,532
Investment expenses	(2,397)	(2,357)
Net investment income	91,069	90,175
Net realized (losses) gains (less capital (losses) gains tax (benefit) expense of ($10,586) in 2008 and $8,460 in 2007)	(68,105)	12,331
Net investment gain	$ 22,964	$ 102,506

(in thousands)

The Company participates in a securities lending program where they loan certain investment securities in exchange for collateral, consisting of cash or U.S. Government securities, equal to at least 102% of the fair value of the investment securities on loan. As of December 31, 2008 and 2007, investment securities with a fair value of $189,766 and $309,624, respectively, were on loan. Investment income earned on securities lending transactions for 2008 and 2007 was $1,577 and $419, respectively. The Company incurred a collateral deficit of $2,762 and $0 during 2008 and 2007, respectively, and has recorded this as an unrealized loss in surplus, net of tax of $967 and $0, respectively.

4. Federal Income Taxes

The main components of the Company's deferred tax asset and deferred tax liability as of December 31, 2008 and 2007 are as follows:

	2008	2007
Total of gross deferred tax assets	$ 94,133	$ 75,840
Total of deferred tax liabilities	4,130	14,915
Net deferred tax asset	90,003	60,925
Deferred tax asset nonadmitted	71,564	42,385
Net admitted deferred tax asset	18,439	18,540
Increase in nonadmitted asset	$ 29,179	$ 3,267

The Company has no unrecognized deferred tax liabilities.

Current income taxes incurred consist of the following major components:

	2008	2007
Current income tax expense on operations	$ 45,678	$ 40,747
Realized capital (losses) gains tax (benefit) expense	(9,725)	8,460
Prior year (overaccrual) underaccrual	(604)	49
Total income tax expense	$ 35,349	$ 49,256

(in thousands)

Changes in the main components of the Company's deferred tax asset ("DTA") and deferred tax liability ("DTL") are as follows:

	2008	2007	Change
Deferred tax assets			
Loss and LAE reserves	$ 55,323	$ 58,093	$ (2,770)
Unrealized capital losses	4,610	1,248	3,362
Impairments on investment securities	8,316	1,085	7,231
Unearned premium	11,729	11,777	(48)
Deferred compensation plans	1,107	1,503	(396)
Loss carryforward	10,657	-	10,657
Nonadmitted assets	1,556	1,374	182
Other	835	760	75
Total DTA	94,133	75,840	18,293
Nonadmitted DTA	71,564	42,385	29,179
Admitted DTA	22,569	33,455	(10,886)
Deferred tax liabilities			
Unrealized capital gains	4,003	14,727	(10,724)
Other	127	188	(61)
Total DTL	4,130	14,915	(10,785)
Net admitted DTA	$ 18,439	$ 18,540	$ (101)

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

	2008	2007	Change
Total deferred tax assets	$ 94,133	$ 75,840	$ 18,293
Total deferred tax liabilities	4,130	14,915	(10,785)
Net deferred tax asset	$ 90,003	$ 60,925	29,078
Tax effect of unrealized gains (losses)			(14,086)
Change in net deferred income tax			$ 14,992

In accordance with SSAP 10, the Company has nonadmitted that portion of the deferred tax asset that is not expected to be realized in the next year.

(in thousands)

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes. The significant items causing this difference are as follows:

	2008	Effective Tax Rate
Provision computed at statutory rate	$ 28,456	35.0%
Tax-exempt income	(8,144)	10.0%
Dividends received deduction	(1,813)	(2.2%)
Other	1,858	2.3%
	$ 20,357	25.1%
Federal and foreign income taxes incurred	$ 35,349	43.5%
Change in net deferred income taxes	(14,992)	(18.4%)
Total statutory income taxes	$ 20,357	25.1%

At December 31, 2008, the Company had a capital loss carryforward originating in 2008 in the amount of $30,449, which will expire, if unused, in 2013.

The Company has $45,678 and $41,004 income taxes incurred in the current or prior years, respectively, that are available for recoupment in the event of future net losses.

The Company files a consolidated federal income tax return with its subsidiaries, which include ProSelect Insurance Company, ProSelect National Insurance Company, Inc., ProMutual Group, Inc., and ProMutual Insurance Agency, Inc.

The method of allocation between the Companies is subject to written agreement, approved by the Board of Directors. The consolidated tax liability is allocated to the Member Companies in accordance with Reg. Section 1.1502-33(d)(2)(ii) in conjunction with the method provided by Reg. Section 1.1552-1(a)(2) of the Internal Revenue Code whereby the tax is computed on an "as if separate return" basis. Intercompany tax balances are settled annually.

(in thousands)

5. Loss and Loss Adjustment Expense Reserves

The loss and loss adjustment expense reserves at December 31, 2008 and 2007 consisted of the following:

	2008	2007
Reported claims		
Losses	$ 525,246	$ 542,050
Loss adjustment expenses	116	305
	525,362	542,355
Claims incurred but not yet reported		
Losses	441,267	473,859
Loss adjustment expenses	362,166	343,100
	803,433	816,959
Loss and loss adjustment expense reserves	$ 1,328,795	$ 1,359,314

The activity in the liability for unpaid loss and loss adjustment expenses is summarized as follows:

	2008	2007
Balance at January 1	$ 1,359,314	$ 1,326,139
Payments made on claims existing at January 1	(190,791)	(180,279)
Decrease in liability on claims existing at January 1	(142,297)	(91,216)
Balance at December 31 on prior year claims	1,026,226	1,054,644
Estimated losses on new claims	307,373	308,764
Payments made on new claims	(4,804)	(4,094)
Balance at December 31 on current year claims	302,569	304,670
Total loss and loss adjustment expense reserves at December 31	$ 1,328,795	$ 1,359,314

These liabilities include estimates of expected trends in claim severity, frequency and other factors which could vary as the claims are ultimately settled. In establishing the reserve for losses and loss adjustment expenses, the Company has relied upon its independent actuaries to review the reasonableness of management's best estimates. These recommendations are based principally upon the historical experience of the Company in writing medical malpractice insurance. As a result of changes in estimates of insured events in prior years, the liability on claims existing at January 1, 2008 and 2007, respectively, decreased $142,297 and $91,216 for the years ended December 31, 2008 and 2007, respectively, primarily related to coverage years 2002 through 2007 predominantly in the physicians and surgeons line of business.

Claims in the medical malpractice line of insurance have traditionally been characterized by delayed discovery and reporting and, in many cases, the final payment of claims is dependent upon the outcome of litigation. As a result, the total of claims paid from the premiums earned in any policy year will not be known for many years.

(in thousands)

6. Leases

The Company occupies office facilities under an operating lease agreement which expires on February 29, 2016. Total rent expense was $1,561 and $1,564 for 2008 and 2007, respectively.

Minimum annual rental commitments as of December 31, 2008 under the operating lease are as follows:

Fiscal Year	
2009	$ 1,604
2010	1,651
2011	1,698
2012	1,746
2013	1,793
Thereafter	4,045

7. Nonadmitted Assets

Certain assets, designated as nonadmitted by The Division of Insurance of The Commonwealth of Massachusetts, were directly charged to accumulated surplus as follows:

	2008	**2007**
Premiums receivable over three months due	$ 78	$ 175
Funds held by reinsured companies	34	34
Nonadmitted deferred income tax	71,564	42,385
Equipment, furniture and application software	2,074	2,262
Accounts receivable	33	30
Notes receivable	978	-
Prepaid expenses and deposits	1,250	1,292
	$ 76,011	$ 46,178

8. EDP Equipment

EDP equipment at December 31, 2008 and 2007 consisted of the following:

	2008	**2007**
EDP equipment	$ 2,479	$ 2,167
Less: Accumulated depreciation	(1,938)	(1,596)
	$ 541	$ 571

Depreciation expense was $343 and $332 during 2008 and 2007, respectively.

(in thousands)

9. Employee Benefit Plans

The Company's employees are covered by a qualified defined contribution pension plan sponsored by the Company. A contribution was made in 2008 in the amount of $785 for 2007 that was based on each employee's age and average salary over the most recent five years to meet a target benefit. A contribution of approximately $915 will be made for 2008 in 2009.

The Company sponsors a 401k Employee Savings Plan. Substantially all employees of the Company are eligible to participate in the Company's Employee Savings Plan under which a portion of employee contributions are matched by the Company. The match by the Company was $757 and $722 in 2008 and 2007, respectively.

The Company's executives and members of the Board of Directors are also eligible to participate in a deferred compensation plan.

10. Dividends to Policyholders

On June 6, 2007, the Board of Directors voted to pay a dividend of $1,600 related to the experience of the dental line of business for calendar years 1986 through 1999 allocated to dentists based on their respective premiums earned by the Company during the period. The dividends were paid in September 2007.

On December 12, 2007, the Board of Directors voted to pay a dividend to physician and surgeon professional liability policyholders in The Commonwealth of Massachusetts on policies expiring between July 1, 2008 and June 30, 2009, in the amount of 5% of the premium paid by such policyholders. The amount accrued at December 31, 2008 was $1,613.

On June 4, 2008, the Board of Directors voted to pay a dividend of $3,200 related to the experience of the dental line of business for calendar years 1986 through 1999 as well as 2003 and 2004, allocated to dentists based on their respective premiums earned by the Company during the period. The dividends were paid in November 2008.

On December 10, 2008, the Board of Directors voted to pay a dividend to physician and surgeon professional liability policyholders in The Commonwealth of Massachusetts on policies expiring between July 1, 2009 and June 30, 2010, in the amount of 6% of the premium paid by such policyholders. The amount accrued at December 31, 2008 was $1,450.

11. Reinsurance

Reinsurance is obtained to reduce exposure to large claims. Such ceded reinsurance includes quota share and excess of loss contracts on all lines of insurance. These reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

The Company and ProSelect purchased excess of loss agreements in 2007 and 2008, providing coverage of 95% of $8 million in excess of $2 million and 100% of $3 million in excess of $2 million along with 100% of $5 million in excess of $5 million, respectively. The principal reinsurers for these contracts are Axa Re, Platinum Underwriters Reinsurance, Inc., Max Re Ltd., Transatlantic Reinsurance Company, Paris Re, Aspen UK and various Lloyds syndicates.

(in thousands)

The Company participates in the Massachusetts Medical Malpractice Reinsurance Plan (MMMRP), a residual market pool. The Company as well as other insurance companies, cede policies into the pool on a facultative basis. The MMMRP assesses each participant an amount based on the profitability of the pool and its respective market share by policy year.

As of December 31, 2008 and 2007, a provision for reinsurance has been established in the amounts of $0 and $1, respectively, for unsecured recoverables from unauthorized reinsurers.

Irrespective of the protection afforded against claim exposure by the above reinsurance agreements, the Company remains liable as the direct insurer to the insured.

The amounts by which unearned premiums, loss reserves, loss adjustment expense reserves, premiums earned and loss and loss adjustment expenses incurred have been decreased for amounts ceded to unaffiliated reinsurers are as follows:

	2008	2007
Unearned premiums	$ 666	$ 622
Loss reserves	72,043	93,569
Loss adjustment expense reserves	20,999	26,846
Premiums earned	1,362	4,639
Loss and loss adjustment expenses incurred	(11,351)	(8,920)
Commission equity	107	100

The effect of assumed reinsurance from unaffiliated insurers is as follows:

	2008	2007
Unearned premiums	$ -	$ -
Loss reserves	49,979	60,423
Loss adjustment expense reserves	13,483	16,569
Premiums earned	(2,818)	2,775
Loss and loss adjustment expenses incurred	(17,349)	(5,281)
Commission equity	-	-

On January 3, 2008, the Company, as plaintiff, was successful in an arbitration ruling in a reinsurance dispute. The Company recorded a surplus benefit of $6,460 for the rescission of the reinsurance contract.

The Company has a quota share reinsurance agreement with ProSelect. Under this agreement, the Company assumes 100% of the ProSelect net liabilities under all insurance business written. In turn, ProSelect pays the Company 100% of the premiums received on all direct insurance business written by ProSelect after deducting return premiums payable, reinsurance, and 100% of the net underwriting and claims expense. The terms of the agreement are automatically extended for additional one-year terms. This agreement may be terminated at any time a) by the mutual written consent of the parties or, b) by either party upon 60 days' prior written notice. The amounts assumed under this treaty are as follows:

(in thousands)

		2008		2007
Unearned premiums	$	88,021	$	88,374
Premiums earned		164,971		178,072
Loss reserves		372,541		401,350
Loss adjustment expense reserves		160,464		155,670
Loss and loss adjustment expenses incurred		57,316		96,345

12. Commitments and Contingencies

Various legal claims arise from time to time in the ordinary course of business. In the opinion of management, these claims should not result in judgments or settlements which, in the aggregate, would have a material effect on the Company's results of operations or financial condition.

13. Related Parties

Total admitted assets of the Company include net receivables from ProMutual Group, Inc., ProSelect, ProSelect National and ProMutual Insurance Agency, Inc. of $2,022 and $6,944 at December 31, 2008 and 2007, respectively. ProSelect had admitted assets of $76,135 and $80,211, and liabilities of $54,770 and $59,866 at December 31, 2008 and 2007, respectively. ProSelect National had admitted assets of $11,812 and $11,518, and liabilities of $112 and $67 at December 31, 2008 and 2007, respectively.

The Company has an Administration and Management Services Agreement (the "Agreement") with ProSelect. Under this agreement, ProMutual agrees to provide various services in connection with the underwriting and management of ProSelect. These include underwriting, policy issuance, billing and premium collection, claims handling, policy administration, actuarial, risk management, investment advisory and all general administrative services relating to the business of ProSelect. ProSelect and the Company further agree that, subject to certain limitations set forth in the Agreement, the Company shall be the sole and exclusive provider of these services and that ProSelect shall not accept applications for insurance except through the Company.

The terms of the agreement are automatically extended for additional one-year terms. The agreement may be terminated at any time (a) by the mutual written consent of the parties or (b) by either party on sixty days prior written notice. Management fees for these services are paid based on a formula calculated on a pro rata basis of the direct premium written, direct losses paid, change in direct case loss reserves and direct paid allocated loss adjustment expense, as set out in the Agreement. The management fee income was $17,350 and $15,698 for 2008 and 2007, respectively. The Company has a receivable from affiliates at year-end attributable to unsettled balances under this agreement.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	134,646,862	6.524	134,646,862	6.524
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	13,838,986	0.671	13,838,986	0.671
1.22 Issued by U.S. government sponsored agencies	47,567,431	2.305	47,567,431	2.305
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)	0	0.000	0	0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	317,689,827	15.392	317,689,827	15.392
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	0	0.000	0	0.000
1.43 Revenue and assessment obligations	412,153,621	19.969	412,153,621	19.969
1.44 Industrial development and similar obligations	0	0.000	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	95,060,844	4.606	95,060,844	4.606
1.512 Issued or guaranteed by FNMA and FHLMC	270,099,058	13.087	270,099,058	13.087
1.513 All other	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	45,267,892	2.193	45,267,892	2.193
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	194,952,399	9.446	194,952,399	9.446
1.523 All other	0	0.000	0	0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	306,466,711	14.849	306,466,711	14.849
2.2 Unaffiliated foreign securities	0	0.000	0	0.000
2.3 Affiliated securities	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds	0	0.000	0	0.000
3.2 Preferred stocks:				
3.21 Affiliated	0	0.000	0	0.000
3.22 Unaffiliated	3,230,565	0.157	3,230,565	0.157
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.000	0	0.000
3.32 Unaffiliated	113,196,422	5.484	113,196,422	5.484
3.4 Other equity securities:				
3.41 Affiliated	34,347,100	1.664	34,347,100	1.664
3.42 Unaffiliated	0	0.000	0	0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.000	0	0.000
3.52 Unaffiliated	0	0.000	0	0.000
4. Mortgage loans:				
4.1 Construction and land development	0	0.000	0	0.000
4.2 Agricultural	0	0.000	0	0.000
4.3 Single family residential properties	0	0.000	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0.000
4.5 Commercial loans	0	0.000	0	0.000
4.6 Mezzanine real estate loans	0	0.000	0	0.000
5. Real estate investments:				
5.1 Property occupied by the company	0	0.000	0	0.000
5.2 Property held for the production of income (including $ 0 of property acquired in satisfaction of debt)	0	0.000	0	0.000
5.3 Property held for sale (including $ 0 property acquired in satisfaction of debt)	0	0.000	0	0.000
6. Contract loans	0	0.000	0	0.000
7. Receivables for securities	46,717,673	2.264	46,717,673	2.264
8. Cash, cash equivalents and short-term investments	24,611,885	1.192	24,611,885	1.192
9. Other invested assets	4,086,785	0.198	4,086,785	0.198
10. Total invested assets	2,063,934,061	100.000	2,063,934,061	100.000

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SUPPLEMENTAL EXHIBIT FOR THE YEAR 2008 OF THE Medical Professional Mutual Insurance Company

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2008

(To Be Filed by April 1)

OF The Medical Professional Mutual Insurance Company

Address (City, State and Zip Code) Boston, MA 02110-1129

NAIC Group Code 1154 NAIC Company Code 10206 Employer's ID Number 04-2595783

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement $ 2,246,106,520

2. Ten largest exposures to a single issuer/borrower/investment.

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	CLARK CNTY NEV SCH DIST GO	BOND	$ 19,438,886	0.9 %
2.02	PENNSYLVANIA ST GO	BOND	$ 16,043,579	0.7 %
2.03	BEAR STEARNS CMBS 2005-PWR9	BOND	$ 15,063,273	0.7 %
2.04	LB-UBS CMBS 2005-C7	BOND	$ 13,960,239	0.6 %
2.05	CITIGROUP INC	BOND/ PREFERRED STOCK/ COMMON STOCK	$ 13,583,695	0.6 %
2.06	MISSOURI ST HWYS & TRANS COMMN REV	BOND	$ 12,639,110	0.6 %
2.07	HARRIS CNTY TEX REV	BOND	$ 12,594,398	0.6 %
2.08	OHIO ST GO	BOND	$ 11,725,449	0.5 %
2.09	SEATTLE WASH GO	BOND	$ 11,096,104	0.5 %
2.10	NORTH TEX THRWY AUTH REV	BOND	$ 10,954,349	0.5 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC-1	$ 1,711,844,799	76.2 %	3.07	P/RP-1	$ 1,776,788	0.1 %
3.02	NAIC-2	$ 119,934,337	5.3 %	3.08	P/RP-2	$ 826,698	0.0 %
3.03	NAIC-3	$ 20,872,701	0.9 %	3.09	P/RP-3	$ 571,368	0.0 %
3.04	NAIC-4	$ 9,051,280	0.4 %	3.10	P/RP-4	$ 0	0.0 %
3.05	NAIC-5	$ 1,552,232	0.1 %	3.11	P/RP-5	$ 0	0.0 %
3.06	NAIC-6	$ 1,833,188	0.1 %	3.12	P/RP-6	$ 55,711	0.0 %

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

4.02	Total admitted assets held in foreign investments	$ 18,852,035	0.8 %
4.03	Foreign-currency-denominated investments	$ 0	0.0 %
4.04	Insurance liabilities denominated in that same foreign currency	$ 0	0.0 %

If response to 4.01 above is yes, responses are not required for interrogatories 5 – 10.

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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:
6. Largest foreign investment exposures by country, categorized by NAIC sovereign rating:

	1	2
7. Aggregate unhedged foreign currency exposure	$	0.0 %

8. Aggregate unhedged foreign currency exposure categorized by the country's NAIC sovereign rating:

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign rating:

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? .... Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?........ Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets .... Yes [X] No [ ]

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? .... Yes [X] No [ ]

If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? .... Yes [X] No [ ]

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? .... Yes [X] No [ ]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? .... Yes [X] No [ ]

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? .... Yes [X] No [ ]

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	At Year-end			At End of Each Quarter		
				1st Quarter	2nd Quarter	3rd Quarter
	1	2		3	4	5
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	$ 189,766,341	8.4	%	$ 314,144,918	$ 274,413,595	$ 235,431,141
20.02 Repurchase agreements	$ 14,011,634	0.6	%	$ 18,109,250	$ 13,710,617	$ 21,017,574
20.03 Reverse repurchase agreements	$	0.0	%	$	$	$
20.04 Dollar repurchase agreements	$	0.0	%	$	$	$
20.05 Dollar reverse repurchase agreements	$	0.0	%	$	$	$

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

	Owned			Written		
	1	2		3	4	
21.01 Hedging	$	0.0	%	$	0.0	%
21.02 Income generation	$	0.0	%	$	0.0	%
21.03 Other	$	0.0	%	$	0.0	%

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year-end			At End of Each Quarter		
				1st Quarter	2nd Quarter	3rd Quarter
	1	2		3	4	5
22.01 Hedging	$	0.0	%	$	$	$
22.02 Income generation	$	0.0	%	$	$	$
22.03 Replications	$	0.0	%	$	$	$
22.04 Other	$	0.0	%	$	$	$

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	At Year-end			At End of Each Quarter		
				1st Qtr	2nd Qtr	3rd Qtr
	1	2		3	4	5
23.01 Hedging	$	0.0	%	$	$	$
23.02 Income generation	$	0.0	%	$	$	$
23.03 Replications	$	0.0	%	$	$	$
23.04 Other	$	0.0	%	$	$	$

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REINSURANCE SUMMARY SUPPLEMENTAL FILING FOR GENERAL INTERROGATORY 9 (Part 2)

(A) FINANCIAL IMPACT	1 As Reported	2 Interrogatory 9 Reinsurance Effect	3 Restated without Interrogatory 9 Reinsurance
A01. Assets	2,246,106,520	(63,674,523)	2,309,781,043
A02. Liabilities	1,634,001,426	(38,634,538)	1,672,635,964
A03. Surplus as Regards to Policyholders	612,105,094	(25,039,985)	637,145,079
A04. Income Before Taxes	91,888,415	(11,692,264)	103,580,679

(B) SUMMARY OF REINSURANCE CONTRACT TERMS	(C) MANAGEMENT'S OBJECTIVES
Calendar year 2000 through 2004 aggregate stop loss reinsurance coverage attaching at annual accident year loss and defense and cost containment expenses incurred ratios, subject to annual aggregate limits of subject premium. This contract is being reported pursuant to interrogatory 9.1 (c).	To reduce the cost of reinsurance and provide protection aganist the volatility from a single line of business.

D. If the response to General Interrogatory 9.4 (Part 2 Property & Casualty Interrogatories) is yes, explain below why the contracts are treated differently for GAAP and SAP.

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

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

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [X] No [ ]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling agreements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member, where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 30 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

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

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement Yes [ ] No [X]