

**QUARTERLY STATEMENT**

**OF THE**

**HomeWise Preferred Insurance  
Company**

**Of**

**Tampa**

**in the state of FL**

**to the Insurance Department**

**of the State of**

**For the Period Ended**

**June 30, 2008**

**2008**



# QUARTERLY STATEMENT

As of June 30, 2008  
of the Condition and Affairs of the

## HomeWise Preferred Insurance Company

NAIC Group Code.....4111, 4111 (Current Period) (Prior Period)	NAIC Company Code..... 12582	Employer's ID Number..... 20-4791515
Organized under the Laws of Florida	State of Domicile or Port of Entry Florida	Country of Domicile US
Incorporated/Organized..... May 31, 2006	Commenced Business..... May 31, 2006	
Statutory Home Office	18302 Highwoods Preserve Pkwy., Suite 110..... Tampa ..... FL ..... 33647 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	18302 Highwoods Preserve Pkwy., Suite 110..... Tampa ..... FL ..... 33647 <i>(Street and Number) (City or Town, State and Zip Code)</i>	813-202-8600 <i>(Area Code) (Telephone Number)</i>
Mail Address	PMB 306, 19046 Bruce B Downs Blvd..... Tampa ..... FL ..... 33647 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	18302 Highwoods Preserve Pkwy., Suite 110..... Tampa ..... FL ..... 33647 <i>(Street and Number) (City or Town, State and Zip Code)</i>	813-202-8600 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	www.homewiseinsurance.com	
Statutory Statement Contact	Jennifer L Gravelle <i>(Name)</i> jennifer.gravelle@homewiseinsurance.com <i>(E-Mail Address)</i>	813-202-8609 <i>(Area Code) (Telephone Number) (Extension)</i> 813-202-8586 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. Dale S Hammond	President	2. Timothy L Journy #	Treasurer
3. Diane E Falcone	Secretary	4.	
<b>OTHER</b>			
H. Peyton Hurst	Vice President	William I Sparkes	Vice President
Stephen C Backman	Vice President	Dorothy A Brink	Vice President
Martha E Joiner	General Manager	Stephen M Sandford	Vice President

### DIRECTORS OR TRUSTEES

Jamiel Akhtar	Todd Hart	Dale Hammond	William Rose
Daniel Case			

State of..... Florida  
County of..... Hillsborough

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

_____ (Signature) Dale S Hammond 1. (Printed Name) President (Title)	_____ (Signature) Timothy L Journy 2. (Printed Name) Treasurer (Title)	_____ (Signature) Diane E Falcone 3. (Printed Name) Secretary (Title)
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Subscribed and sworn to before me This _____ day of _____	a. Is this an original filing? Yes [ X ] No [ ] b. If no: 1. State the amendment number _____ 2. Date filed _____ 3. Number of pages attached _____
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**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....			.0	
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....(1,428,187)), cash equivalents (\$.....50,891,964 and short-term investments (\$.....0).....	49,463,777		49,463,777	43,033,032
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Other invested assets.....			.0	
8. Receivables for securities.....			.0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	49,463,777	0	49,463,777	43,033,032
11. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
12. Investment income due and accrued.....	10,517		10,517	12,113
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	9,344,605		9,344,605	6,018,739
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	12,333,417		12,333,417	4,077,955
13.3 Accrued retrospective premiums.....			.0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	27,191,099		27,191,099	1,611,125
14.2 Funds held by or deposited with reinsured companies.....			.0	
14.3 Other amounts receivable under reinsurance contracts.....			.0	
15. Amounts receivable relating to uninsured plans.....			.0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	38,833		38,833	
16.2 Net deferred tax asset.....	2,926,843	599,427	2,327,416	549,881
17. Guaranty funds receivable or on deposit.....			.0	
18. Electronic data processing equipment and software.....			.0	21,255
19. Furniture and equipment, including health care delivery assets (\$.....0).....	37,184	12,925	24,259	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
21. Receivables from parent, subsidiaries and affiliates.....	9,988,136		9,988,136	
22. Health care (\$.....0) and other amounts receivable.....			.0	
23. Aggregate write-ins for other than invested assets.....	2,607,996	158,203	2,449,793	864,932
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	113,942,407	770,555	113,171,852	56,189,032
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
26. TOTALS (Lines 24 and 25).....	113,942,407	770,555	113,171,852	56,189,032

**DETAILS OF WRITE-INS**

0901.....			.0	
0902.....			.0	
0903.....			.0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. EMPA Fees Receivable.....	59,628		59,628	32,228
2302. Installment Fees Receivable.....	364,775		364,775	104,744
2303. FHCF Assessments.....	950,724		950,724	321,400
2398. Summary of remaining write-ins for Line 23 from overflow page.....	1,232,869	158,203	1,074,666	406,560
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	2,607,996	158,203	2,449,793	864,932

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....19,428,520).....	21,908,764	1,558,747
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	3,502,250	394,963
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	563,830	342,179
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,128,516	1,006,292
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		472,688
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....93,822,969 and including warranty reserves of \$.....0).....	8,951,431	16,849,495
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	42,695,263	12,864,335
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	8,642,896	5,401,496
20. Payable for securities.....		
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	0	181,833
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	87,392,950	39,072,028
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	87,392,950	39,072,028
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	1,500,000	1,000,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	25,500,000	18,000,000
33. Unassigned funds (surplus).....	(1,221,098)	(1,882,996)
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	25,778,902	17,117,004
36. TOTALS.....	113,171,852	56,189,032

## DETAILS OF WRITE-INS

2301. Surcharges Payable to Dept of Revenue.....		
2302. Citizens Emergency Assessments Payable.....		181,833
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	181,833
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001. Change in Deferred Taxes.....		
3002. Change in non-admitted assets.....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....103,108,925).....	44,044,652	5,573,964	22,822,433
1.2 Assumed..... (written \$.....18,291,498).....	45,099,787		9,240,849
1.3 Ceded..... (written \$.....109,344,200).....	69,419,530	4,125,261	25,153,049
1.4 Net..... (written \$.....12,056,223).....	19,724,909	1,448,703	6,910,233
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....5,701,316):			
2.1 Direct.....	18,462,396	1,597,939	5,495,880
2.2 Assumed.....	13,772,475		2,837,149
2.3 Ceded.....	24,176,153	1,198,454	6,260,621
2.4 Net.....	8,058,718	399,485	2,072,408
3. Loss adjustment expenses incurred.....	3,559,166	42,653	574,481
4. Other underwriting expenses incurred.....	10,202,902	1,491,719	6,385,466
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	21,820,786	1,933,857	9,032,355
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(2,095,877)	(485,154)	(2,122,122)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	331,371	272,006	631,314
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....			
11. Net investment gain (loss) (Lines 9 + 10).....	331,371	272,006	631,314
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....	260,031	10,452	104,537
14. Aggregate write-ins for miscellaneous income.....	0	0	0
15. Total other income (Lines 12 through 14).....	260,031	10,452	104,537
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(1,504,475)	(202,696)	(1,386,271)
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(1,504,475)	(202,696)	(1,386,271)
19. Federal and foreign income taxes incurred.....	(511,521)	(81,746)	491,223
20. Net income (Line 18 minus Line 19) (to Line 22).....	(992,954)	(120,950)	(1,877,494)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	17,117,005	9,667,251	9,667,251
22. Net income (from Line 20).....	(992,954)	(120,950)	(1,877,494)
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	1,777,535	5,617	974,767
27. Change in nonadmitted assets.....	(122,684)	(129,708)	(647,519)
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....	500,000	900,000	900,000
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....	7,500,000	(900,000)	8,100,000
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	8,661,897	(245,041)	7,449,754
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	25,778,902	9,422,210	17,117,005
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

**CASH FLOW**

	1 Current Year to Date	2 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	30,076,445	26,607,848
2. Net investment income.....	332,967	627,242
3. Miscellaneous income.....	260,031	104,537
4. Total (Lines 1 through 3).....	30,669,443	27,339,627
5. Benefit and loss related payments.....	13,288,675	2,148,933
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	10,310,906	5,299,622
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		40,377
10. Total (Lines 5 through 9).....	23,599,581	7,488,932
11. Net cash from operations (Line 4 minus Line 10).....	7,069,862	19,850,695
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....		
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		304,798
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	304,798
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	0	304,798
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	8,000,000	9,000,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(8,639,117)	4,141,180
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(639,117)	13,141,180
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	6,430,745	33,296,673
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	43,033,032	9,736,359
19.2 End of period (Line 18 plus Line 19.1).....	49,463,777	43,033,032

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

20.0001 .....		
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## **NOTES TO FINANCIAL STATEMENTS**

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### **Note 1 - Summary of Significant Accounting Policies**

No significant change.

### **Note 2 - Accounting Changes and Corrections of Errors**

No significant change.

### **Note 3 - Business Combinations and Goodwill**

No significant change.

### **Note 4 - Discontinued Operations**

No significant change.

### **Note 5 - Investments**

No significant change.

### **Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

### **Note 7 - Investment Income**

No significant change.

### **Note 8 - Derivative Instruments**

No significant change.

### **Note 9 - Income Taxes**

No significant change.

### **Note 10 - Information Concerning Parent, Subsidiaries and Affiliates**

The Company received \$4,000,000 in capital contributions from its parent company HomeWise Holdings Inc. in March of 2008. Another contribution from the parent of \$4,000,000 was also received in June of 2008.

### **Note 11 - Debt**

No significant change.

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

No significant change.

### **Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No significant change.

### **Note 14 - Contingencies**

No significant change.

### **Note 15 - Leases**

No significant change.

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## **NOTES TO FINANCIAL STATEMENTS**

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

No significant change.

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

There were no sales, transfers, or servicing of financial assets or extinguishments of liabilities this quarter.

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

No significant change.

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

No significant change.

**Note 20 - Other Items**

No significant change.

**Note 21 - Events Subsequent**

No significant change.

**Note 22 - Reinsurance**

On May 31, 2008, Homewise Preferred Insurance Company's (the Company) quota share reinsurance agreement with Harlequin Insurance (Bermuda) SAC Limited expired. The Company entered into a new Quota Share Agreement on June 1, 2008 with Swiss Reinsurance America Corporation (Swiss RE). Under the terms of the new agreement the Company agrees to cede 75% of its subject written premium to Swiss RE.

The Company also entered into new XOL and RPP agreements with the reinsurers listed in Schedule F. This new agreement is effective from June 1, 2008 to May 31, 2009.

**Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No significant change.

**Note 24 - Change in Incurred Losses and Loss Adjustment Expenses**

No significant change.

**Note 25 - Intercompany Pooling Arrangements**

No significant change.

**Note 26 - Structured Settlements**

No significant change.

**Note 27 - Health Care Receivables**

No significant change.

**Note 28 - Participating Policies**

No significant change.

**Note 29 - Premium Deficiency Reserves**

No significant change.

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## **NOTES TO FINANCIAL STATEMENTS**

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**Note 30 - High Deductibles**

No significant change.

**Note 31 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

No significant change.

**Note 32 - Asbestos/Environmental Reserves**

No significant change.

**Note 33 - Subscriber Savings Accounts**

No significant change.

**Note 34 - Multiple Peril Crop Insurance**

No significant change.

## GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]
- 2.2 If yes, date of change: .....
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]  
If yes, complete the Schedule Y-Part 1 - Organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 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] N/A [ ]  
If yes, attach an explanation.
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- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....
- 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. 12/31/2006.....
- 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). 06/24/2008.....
- 6.4 By what department or departments?

Florida Office of Insurance Regulation

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- 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 [X] No [ ] N/A [ ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [X] N/A [ ]
- 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:
- 
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- 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.
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- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

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

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

- 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]

# GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

## PART 1 - COMMON INTERROGATORIES

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 [ ] No [X]

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

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

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

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

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III. Conducting Examinations, G-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ ] No [X]

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

1 Name of Custodian(s)	2 Custodian Address

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

17.2 If no, list exceptions:

---

**HomeWise Preferred Insurance Company**  
**GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [ ] N/A [X]  
 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 liabilities tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....
Total.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....

## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (YES or NO)
<b>U.S. Insurers</b>				
25364.....	13-1675535.....	Swiss Rein America Corp.....	New York, United States.....	YES.....
26921.....	22-2005057.....	Everest Reins Co.....	Deleware, United States.....	YES.....
<b>All Other Insurers</b>				
.....	AA-3190877.....	Flagstone Reins Ltd.....	Bermuda.....	NO.....
.....	AA-3190875.....	Hiscox Ins Co (Bermuda) Ltd.....	Bermuda.....	NO.....
.....	AA-3190829.....	Max Bermuda Ltd.....	Bermuda.....	NO.....
.....	AA-1464104.....	Allianz Risk Transfer.....	Switzerland.....	NO.....
.....	AA-3190870.....	Validus Reins Ltd.....	Bermuda.....	NO.....
.....	AA-3190770.....	Ace Tempest Reins Co Ltd.....	Bermuda.....	NO.....
.....	AA-3190804.....	Lehman Re Ltd.....	Bermuda.....	NO.....
.....	AA-3194161.....	Catlin Ins Co Ltd.....	Bermuda.....	NO.....
.....	.....	Actua Re Ltd.....	Bermuda.....	NO.....
.....	AA-3190906.....	Aeolus Re Ltd.....	Bermuda.....	NO.....
.....	AA-3190936.....	D.E. Shaw Re (Bermuda) Ltd.....	Bermuda.....	NO.....
.....	AA-3190838.....	Tokio Millennium Re Ltd.....	Bermuda.....	NO.....

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	N						
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	N						
5. California.....CA	N						
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	L	100,544,202	20,361,944	6,642,030	190,514	7,366,349	1,431,572
11. Georgia.....GA	N						
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	N						
15. Indiana.....IN	N						
16. Iowa.....IA	N						
17. Kansas.....KS	N						
18. Kentucky.....KY	N						
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	N						
22. Massachusetts.....MA	N						
23. Michigan.....MI	N						
24. Minnesota.....MN	N						
25. Mississippi.....MS	N						
26. Missouri.....MO	N						
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	N						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	N						
37. Oklahoma.....OK	N						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	N						
42. South Dakota.....SD	N						
43. Tennessee.....TN	N						
44. Texas.....TX	L	2,564,723		112,987		200,237	
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	N						
48. Washington.....WA	N						
49. West Virginia.....WV	N						
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a) 2	103,108,925	20,361,944	6,755,017	190,514	7,566,586	1,431,572

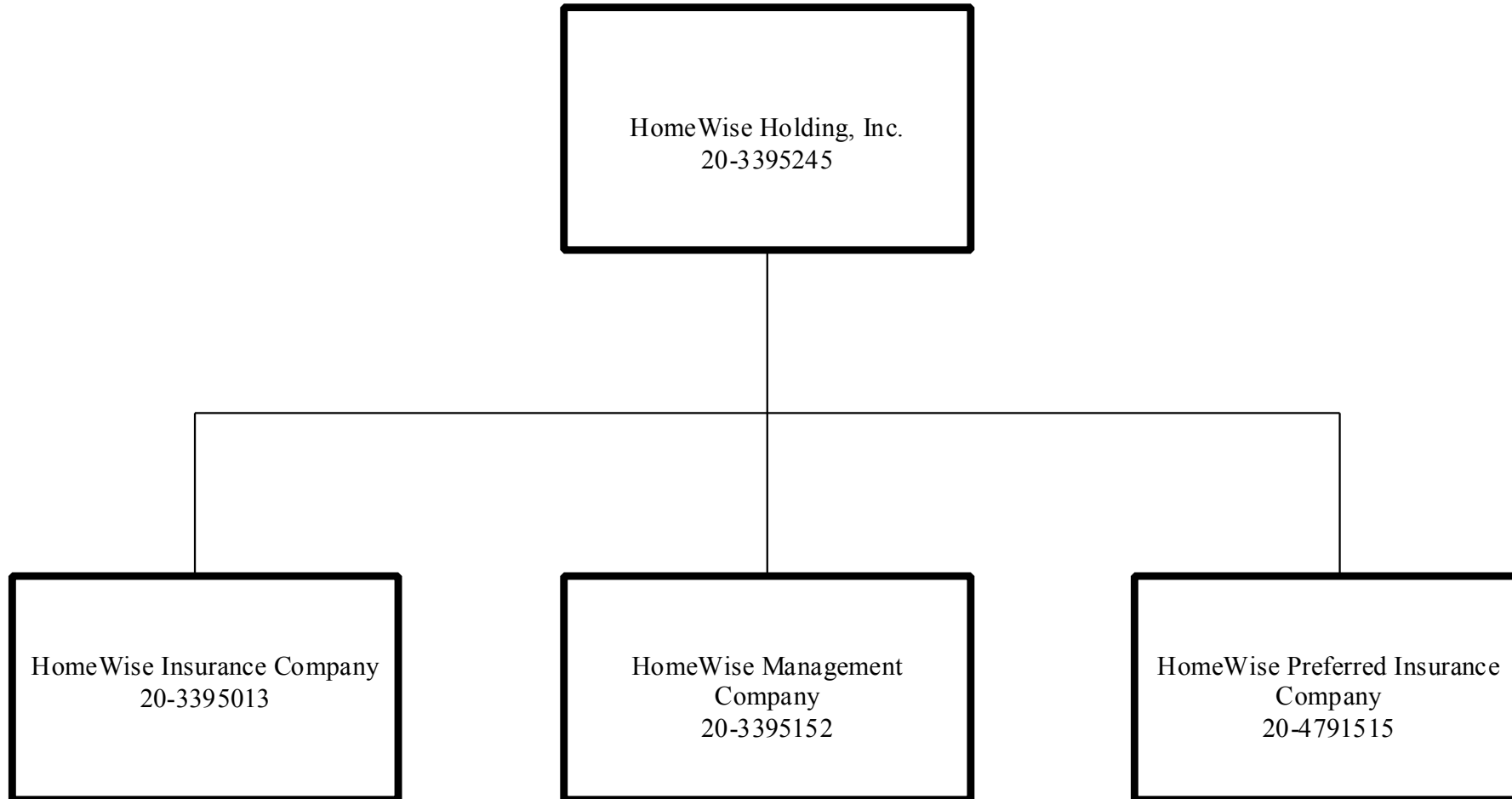
**DETAILS OF WRITE-INS**

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

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

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

## PART 1 - ORGANIZATIONAL CHART



Q11

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	230,294	86,495	37.6	
2. Allied lines.....	551,229	136,760	24.8	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....	43,239,908	18,224,048	42.1	28.7
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....			0.0	
11.2. Medical malpractice-claims made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	23,220	15,093	65.0	
17.2 Other liability-claims made.....			0.0	
18.1 Products liability-occurrence.....			0.0	
18.2 Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	44,044,651	18,462,396	41.9	28.7
<b>DETAILS OF WRITE-INS</b>				
3401. ....			0.0	
3402. ....			0.0	
3403. ....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....	795,603	1,043,690	
2. Allied lines.....	2,932,121	3,875,892	
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....	57,462,512	98,024,937	20,361,944
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....			
11.2. Medical malpractice-claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....	123,844	164,406	
17.2. Other liability-claims made.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2 Private passenger auto liability.....			
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	61,314,080	103,108,925	20,361,944
<b>DETAILS OF WRITE-INS</b>			
3401. ....			
3402. ....			
3403. ....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2008 Loss and LAE Payments on Claims Reported as of Prior Year-End	2008 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2008 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2005 + Prior.....			.....0			.....0				.....0	.....0	.....0	.....0
2. 2006.....		.....9	.....9			.....0			.....9	.....9	.....0	.....0	.....0
3. Subtotals 2006 + Prior.....	.....0	.....9	.....9	.....0	.....0	.....0	.....0	.....0	.....9	.....9	.....0	.....0	.....0
4. 2007.....	.....658	.....1,286	.....1,944	.....710	.....(21)	.....689	.....952	.....720	.....2,080	.....3,752	.....1,004	.....1,493	.....2,497
5. Subtotals 2007 + Prior.....	.....658	.....1,295	.....1,953	.....710	.....(21)	.....689	.....952	.....720	.....2,089	.....3,761	.....1,004	.....1,493	.....2,497
6. 2008.....	.....XXX	.....XXX	.....XXX	.....XXX	.....(12,529)	.....(12,529)	.....XXX	.....7,190	.....14,459	.....21,649	.....XXX	.....XXX	.....XXX
7. Totals.....	.....658	.....1,295	.....1,953	.....710	.....(12,550)	.....(11,840)	.....952	.....7,910	.....16,548	.....25,410	.....1,004	.....1,493	.....2,497
8. Prior Year-End's Surplus As Regards Policyholders	.....17,117										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....152.6 %	2. ....115.3 %	3. ....127.9 %
													Col. 13, Line 7 Line 8
													4. ....14.6 %

Q13

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<b>Response</b>
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 Malpractice 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

**Explanation:**

**Bar Code:**



Statement for June 30, 2008 of the **HomeWise Preferred Insurance Company**  
**Overflow Page for Write-Ins**

**Additional Write-ins for Assets:**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2304. Citizens Emergency Assessment Receivable from Policyholders.....	1,045,748		1,045,748	353,067
2305. FIGA Assessment Receivable from Policyholders.....	28,918		28,918	28,918
2306. Miscellaneous Deposits.....	17,578	17,578	0	24,575
2307. Prepaid Expenses.....	140,625	140,625	0	
2397. Summary of remaining write-ins for Line 23.....	1,232,869	158,203	1,074,666	406,560

**Sch. A-Verification  
NONE**

**Sch. B-Verification  
NONE**

**Sch. BA-Verification  
NONE**

**Sch. D-Verification  
NONE**

**Sch. D-Part 1B  
NONE**

**Sch. DA-Part 1  
NONE**

**Sch. DA-Verification  
NONE**

**Sch. DB-Part F-Section 1  
NONE**

**Sch. DB-Part F-Section 2  
NONE**

## SCHEDULE E- VERIFICATION

### Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	42,165,484
2. Cost of cash equivalents acquired.....	50,891,964	5,271
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		42,170,755
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	50,891,964	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	50,891,964	0

**Sch. A-Part 2  
NONE**

**Sch. A-Part 3  
NONE**

**Sch. B-Part 2  
NONE**

**Sch. B-Part 3  
NONE**

**Sch. BA-Part 2  
NONE**

**Sch. BA-Part 3  
NONE**

**Sch. D-Part 3  
NONE**

**Sch. D-Part 4  
NONE**

**Sch. DB-Part A-Section 1  
NONE**

**Sch. DB-Part B-Section 1  
NONE**

**Sch. DB-Part C-Section 1  
NONE**

**Sch. DB-Part D-Section 1  
NONE**

## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
SunTrust Bank..... Tallahassee, FL.....					.....1,000	.....1,000	.....6,000	XXX
SunTrust Bank..... Tallahassee, FL.....					.....(1,531,281)	.....(1,952,567)	.....(2,896,332)	XXX
SunTrust Bank..... Tallahassee, FL.....					.....(95,371)	.....(61,172)	.....6,594	XXX
FL Treasury Cash Fund Deposit..... Tallahassee, FL.....	O.....	.....0.059	.....4,811	.....8,118	.....325,740	.....325,740	.....330,551	XXX
CD on Deposit with Texas DOI..... Tallahassee, FL.....	C.....	.....0.053	.....12,897	.....25,659	.....1,000,000	.....1,000,000	.....1,000,000	XXX
CD on Deposit with SC..... Columbia, SC.....	C.....	.....0.027			.....100,000	.....100,000	.....100,000	XXX
CD on Deposit with SC..... Columbia, SC.....	C.....	.....0.019	.....122	.....161	.....25,000	.....25,000	.....25,000	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....17,830	.....33,938	.....(174,912)	.....(561,999)	.....(1,428,187)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....17,830	.....33,938	.....(174,912)	.....(561,999)	.....(1,428,187)	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....17,830	.....33,938	.....(174,912)	.....(561,999)	.....(1,428,187)	XXX

## 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	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>Other Cash Equivalents</b>							
3133XLKU6 FHLB AGENCY NOTE.....		.....06/30/2008	.....1.300	.....07/01/2008	.....50,891,964	.....460,580	.....461,378
8699999. Total - Other Cash Equivalents.....					.....50,891,964	.....460,580	.....461,378
8799999. Total - Cash Equivalents.....					.....50,891,964	.....460,580	.....461,378

QE09