

QUARTERLY STATEMENT

OF THE

**MAJESTIC INSURANCE COMPANY
IN CONSERVATION**

OF

SAN FRANCISCO

IN THE STATE OF

CALIFORNIA

TO THE

INSURANCE DEPARTMENT

OF THE STATE OF

CALIFORNIA

FOR THE QUARTER ENDED
JUNE 30, 2011

2011



QUARTERLY STATEMENT

AS OF JUNE 30, 2011

OF THE CONDITION AND AFFAIRS OF THE

MAJESTIC INSURANCE CO.- IN CONSERVATION

NAIC Group Code 0000 0000 NAIC Company Code 42269 Employer's ID Number 953653107
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated/Organized March 17, 1980 Commenced Business March 22, 1980

Statutory Home Office 101 California St., 22nd Floor, San Francisco, California 94111
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 101 California St., 22nd Floor, San Francisco, California 94111 (415)362-7000
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 101 California St., 22nd Floor, San Francisco, California 94111
(Street and Number or P. O. Box, City or Town, State and Zip Code)

Primary Location of Books and Records 101 California St., 22nd Floor, San Francisco, California 94111 (415)362-7000
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.majesticinsurance.com

Statutory Statement Contact Grace Pan, Ms (415)362-7000
(Name) (Area Code) (Telephone Number) (Extension)
gpan@majesticinsurance.com (415)247-7295
(E-Mail Address) (Fax Number)

OFFICERS

(Not Applicable)

OTHER OFFICERS

(Not Applicable)

DIRECTORS OR TRUSTEES

Not Applicable

State of California } SS
 County of San Francisco



State of California County of San Francisco
 Subscribed and sworn to (or affirmed)
 before me on this 28 day of July, 2011, by
David E. Wilson
 proved to me on the basis of satisfactory evidence
 to be the person(s) who appeared before me.
 Signature Tracie Day
 (Seal)

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.

David E. Wilson
 David E. Wilson
 Special Deputy Insurance Commissioner

Subscribed and sworn to before me this 2011
 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 _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	
1. Bonds	14,429,751		14,429,751	257,749,646
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ (256,624)), cash equivalents (\$ 25,000) and short-term investments (\$ 4,343,103)	4,111,479		4,111,479	15,186,658
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 to Line 11)	18,541,230		18,541,230	272,936,304
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	123,713		123,713	2,553,604
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				2,628,198
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				581,365
15.3 Accrued retrospective premiums				2,013,354
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	271		271	5,764,920
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	28,677,527	28,677,527		
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	7,889,656	6,011,970	1,877,686	8,894,705
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	55,232,397	34,689,497	20,542,900	295,372,450
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	55,232,397	34,689,497	20,542,900	295,372,450
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1001 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Miscellaneous Receivable	413,460	413,460		
2502. Advance Policy Surcharges Paid	7,476,196	5,598,510	1,877,686	7,196,685
2503. Assessment Receivable				1,698,020
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	7,889,656	6,011,970	1,877,686	8,894,705

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)		131,122,718
2. Reinsurance payable on paid losses and loss adjustment expenses		8,720
3. Loss adjustment expenses		25,335,911
4. Commissions payable, contingent commissions and other similar charges		1,197,950
5. Other expenses (excluding taxes, licenses and fees)		5,260,102
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,475,826	2,169,055
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)		7,419,953
10. Advance premium		139,838
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		5,784,901
13. Funds held by company under reinsurance treaties		55,954,843
14. Amounts withheld or retained by company for account of others	434,322	929,518
15. Remittances and items not allocated		
16. Provision for reinsurance		829,497
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	306,660	543,976
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	2,525,429	733,864
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25)	5,742,237	237,430,846
27. Protected cell liabilities		
28. Total liabilities (Line 26 and Line 27)	5,742,237	237,430,846
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	46,950,000	46,950,000
35. Unassigned funds (surplus)	(35,149,337)	7,991,604
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Line 29 through Line 35, less Line 36)	14,800,663	57,941,604
38. Totals	20,542,900	295,372,450
DETAILS OF WRITE-INS		
2501. Accrued Retro Premium Payable		354,726
2502. Payable Under AmtTrust Agreement	2,525,429	
2503. Escheatable Funds		379,138
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	2,525,429	733,864
2901. Excess of statutory reserves (Schedule P)		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 30,958,026)	31,231,019	51,576,942	94,938,466
1.2 Assumed (written \$ 8,644,772)	4,046,336	493,937	2,685,717
1.3 Ceded (written \$ 6,600,047)	7,382,171	30,193,928	50,609,885
1.4 Net (written \$ 33,002,751)	27,895,184	21,876,951	47,014,298
DEDUCTIONS:			
2. Losses incurred current accident year \$:			
2.1 Direct	16,678,712	35,749,112	71,471,583
2.2 Assumed	2,298,721	434,394	1,753,209
2.3 Ceded	904,999	21,258,671	39,224,746
2.4 Net	18,072,434	14,924,835	34,000,044
3. Loss adjustment expenses incurred	7,180,145	7,555,869	13,978,990
4. Other underwriting expenses incurred	22,472,190	13,984,493	30,118,549
5. Aggregate write-ins for underwriting deductions	28,500,000		
6. Total underwriting deductions (Line 2 through Line 5)	76,224,769	36,465,197	78,097,583
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(48,329,585)	(14,588,246)	(31,083,285)
INVESTMENT INCOME			
9. Net investment income earned	2,476,866	3,735,414	6,820,191
10. Net realized capital gains (losses) less capital gains tax of \$ 2,118,081	3,933,578	1,290,838	3,260,111
11. Net investment gain (loss) (Line 9 plus Line 10)	6,410,444	5,026,252	10,080,302
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 1,656,091)	(1,656,091)	(761,577)	(1,527,783)
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	237,752	(13,882)	15,321
15. Total other income (Line 12 through Line 14)	(1,418,339)	(775,459)	(1,512,462)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	(43,337,480)	(10,337,453)	(22,515,445)
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)	(43,337,480)	(10,337,453)	(22,515,445)
19. Federal and foreign income taxes incurred	(2,118,081)		(1,755,444)
20. Net income (Line 18 minus Line 19) (to Line 22)	(41,219,399)	(10,337,453)	(20,760,001)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	57,941,604	75,674,441	75,674,441
22. Net income (from Line 20)	(41,219,399)	(10,337,453)	(20,760,001)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	4,765,526	2,712,121	6,402,052
27. Change in nonadmitted assets	(7,483,565)	(197,129)	(4,117,251)
28. Change in provision for reinsurance	829,497	1,159,711	934,363
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			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders	(33,000)		(192,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Line 22 through Line 37)	(43,140,941)	(6,662,750)	(17,732,837)
39. Surplus as regards policyholders, as of statement date (Line 21 plus Line 38)	14,800,663	69,011,691	57,941,604
DETAILS OF WRITE-INS			
0501. Additional Payment on Novated Loss Reserve	28,500,000		
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)	28,500,000		
1401. Miscellaneous Income	237,752	(13,882)	15,321
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	237,752	(13,882)	15,321
3701. Aggregate Write-ins for Gains and Losses in Surplus (gross of tax)			
3702. Excess Reserve over Statutory Reserve			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	21,608,234	24,207,085	52,361,649
2. Net investment income	4,906,757	4,457,543	8,500,361
3. Miscellaneous income	(1,418,339)	(774,758)	(1,512,462)
4. Total (Line 1 through Line 3)	25,096,652	27,889,870	59,349,548
5. Benefit and loss related payments	143,430,503	22,368,266	46,068,278
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	84,686,196	23,162,534	55,737,567
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	2,712,244	212,440	(4,959,712)
10. Total (Line 5 through Line 9)	230,828,943	45,743,240	96,846,133
11. Net cash from operations (Line 4 minus Line 10)	(205,732,291)	(17,853,370)	(37,496,585)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	264,124,934	99,935,489	275,865,781
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	(9,567,286)	(54,826,307)	71,944
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	254,557,648	45,109,182	275,937,725
13. Cost of investments acquired (long-term only):			
13.1 Bonds	9,898,427	45,501,898	254,898,027
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets		16,079	47,527
13.6 Miscellaneous applications			
13.7 Total investments acquired (Line 13.1 through Line 13.6)	9,898,427	45,517,977	254,945,554
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	244,659,221	(408,795)	20,992,171
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	33,000		192,000
16.6 Other cash provided (applied)	(49,969,106)	8,507,224	(16,081)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(50,002,106)	8,507,224	(208,081)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(11,075,176)	(9,754,941)	(16,712,495)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	15,186,654	31,899,149	31,899,149
19.2 End of period (Line 18 plus Line 19.1)	4,111,478	22,144,208	15,186,654

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

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

On April 21, 2011, an Order appointing Conservator and Restraining Orders (“Conservation Order”) was entered by the Superior Court of the State of California with respect to Majestic Insurance Company, a California Corporation. The California Department of Insurance (CDI) conducted an examination of Majestic for the period January 1, 2005 through December 31, 2010. CDI found Majestic’s recorded loss and loss adjustment expense reserves to be deficient by approximately \$40.9 million. Also, due to the increase in reserves, a premium deficiency reserve was required in the amount of \$5.5 million. After these examination adjustments, Majestic’s Risk-Based Capital (RBC) fell within the Mandatory Control Level RBC. The CDI Examination determined that Majestic was operating in a hazardous financial condition in accordance with California Insurance Code Section (CICS) 1011(d). These findings were incorporated into the Commissioner’s application for the Conservation Order.

The Commissioner of Insurance was appointed as Conservator of Majestic and directed to conduct the business of Majestic. The Conservator is authorized, in his discretion, to operate the business of Majestic, or so much of the business as he deems appropriate, and to pay or defer payment of some or all proper claims, expenses, liabilities and obligations of Majestic, in whole or in part, accruing prior or subsequent to his appointment. The Conservator continued to operate Majestic’s business in substantially the manner the company was operating prior to conservation, solely for the purpose of preserving Majestic’s business assets and going-concern value in order to facilitate a Plan of Rehabilitation for Majestic (the “Plan”).

Immediately after the entry of the Conservation Order, the Conservator filed a motion seeking court approval of the Plan. Court approval of the Plan was granted on June 2, 2011 and the transactions contemplated by the Plan closed on July 1, 2011. The Plan provided for the assumption of 100% of Majestic’s workers’ compensation claim liabilities by an A-rated insurance company affiliate of AmTrust North America, Inc. (“AmTrust”) via a Loss Portfolio Transfer and Quota Share Reinsurance Agreement (the “Reinsurance Agreement”). Under the Reinsurance Agreement, AmTrust (through an insurance company affiliate, Technology Insurance Company) has assumed the majority of Majestic’s assets and liabilities relating to its workers’ compensation business. Majestic’s in-force policies and expired policies with reported claims have been novated to Technology Insurance Company. The Reinsurance Agreement also provides that all reinsurance contracts providing coverage for the business written by Majestic shall inure to the benefit of AmTrust.

The accompanying financial statements reflect the financial effect of the Reinsurance Agreement, resulting with Majestic having no insurance related liabilities as of June 30, 2011. There does remain a contingent liability at June 30, 2011 relating to a “True-up” settlement that will take place in the 3rd quarter. The Conservator continues to investigate and seek supporting documentation for remaining general ledger balances. Such investigations may lead to material changes to the balance sheet as presented in this filing. The Conservator will disclose the results of his investigation in subsequent quarterly filings as this information becomes available and can be substantiated.

A. Accounting Practices

No change

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

No change

C. Accounting Policies

No change

Note 2 – Accounting Changes and Correction of Errors

A. Accounting Changes Other Than Codification and Correction of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable

B. Statutory Mergers

Not applicable

C. Writedowns for Impairment of Investments in Affiliates

NOTES TO FINANCIAL STATEMENTS

Not Applicable

Note 4 – Discontinued Operations

Not Applicable

Note 5 – Investments

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

The Company uses the trade date for applying the retrospective adjustment method if is applicable. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable

F. Write downs for Impairments of Real Estate, Real Estate sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

G. Low Income Housing Tax Credits

Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable

B. Writedowns for Impairment of Joint Ventures, Partnerships and LLCs.

Not applicable

Note 7 – Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans).

B. Amount Nonadmitted

Not applicable

Note 8 – Derivative Instruments

Not Applicable

Note 9 – Income Taxes

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs):

The Company recognizes deferred tax assets ((DTA's")) and liabilities ("DTL's") for the future tax consequences related to differences between the financial statement carrying amounts of existing assets and liabilities and permitted tax basis amounts. The Amount of net DTA's that may be reported in the financial statements is subject to admissibility tests established by Statutory Accounting Principles (SAP) and relates to

NOTES TO FINANCIAL STATEMENTS

the Company's ability to realize the future benefit resulting from the net DTA. Amounts in excess of the statutory limitations are treated as non-admitted assets and charged directly to Policyholders' Surplus. Based upon the guidance provided by SAP, limitations on business strategy assumptions that may be realized in the future as stand alone tax payer and as a member of a consolidated group filing Federal Income Taxes under a Tax Sharing Agreement, the Company could not satisfactorily conclude that any amount of the DTA could be recovered in the time frames established by SAP and has therefore recognized the entire net DTA of \$28,677,527 as a Statutory Valuation Allowance and no admitted DTA was recognized as of June 30, 2011.

	As of June 30 2011			As of Dec. 31, 2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross Deferred tax assets:						
Discounting of unpaid losses and LAE	\$ -		\$ -	\$ 6,071,274	\$ -	\$ 6,071,274
Change in unearned premium reserve	-		-	2,078,386		2,078,386
Nonadmitted assets	155,744		155,744	1,635,664		1,635,664
Compensation, benefit and other accruals	12,339		12,339	379,131		379,131
Net operating loss ("NOL") carry-forward	28,357,355		28,357,355	9,797,388		9,797,388
Others	48,813		48,813	301,575		301,575
Investments	154,688	155	154,843	-	-	-
Gross deferred tax assets	28,728,939	155	28,729,094	20,263,418	-	20,263,418
Statutory valuation allowance ("VA")	28,677,527	155	28,677,682	19,081,676	-	19,081,676
Adjusted gross deferred tax assets	51,412	-	51,412	1,181,742	-	1,181,742
Nonadmitted	-		-	-		-
Admitted deferred tax assets	51,412	-	51,412	1,181,742	-	1,181,742
Deferred tax liabilities:			-			-
Investments		-	-		-	-
IRC 481 adjustment	-		-	87,054		87,054
Accrued premium acquisition expense	-		-	1,039,150		1,039,150
Bond market discount	11,207		11,207	27,682		27,682
Fixed assets	40,205		40,205	27,856		27,856
Deferred tax liabilities:	51,412	-	51,412	1,181,742	-	1,181,742
Net deferred tax asset admitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

B. Unrecognized DTLs

Not Applicable

C. Current Tax and Change in Deferred Tax

The Company realized net taxable loss from underwriting operations and net investment income during the six month period ended June 30, 2011, of \$22,870,305, a charge to operations net of realized investment gains relating to the AmTrust transaction of \$21483,808 and an extra-ordinary charge of \$8,674,632 relating to a lease default settlement. See Note 20-A. Current income taxes incurred consist of the following major components:

NOTES TO FINANCIAL STATEMENTS

	As of June 30 2011	As of Dec. 31, 2010
Federal income tax expense (benefit) on ordinary income	(18,416,234)	\$ (10,006,224)
Federal income taxes (benefit) on net capital gains	2,892,389	1,755,444
Federal income taxes (benefit) on Extraordinary Item	(3,036,121)	
Prior year under (over) accrual		(61,399)
Current income tax incurred prior to NOL adjustment	(18,559,966)	(8,312,179)
Change to NOL tax carry forward benefit	18,559,966	8,312,179
Federal Income tax (benefit) expense (allowed by tax carryback) \$	-	\$ -
Curent year income tax (benefit) expense before NOL	(18,559,966)	(8,250,780)
Prior year return over/under accrual	-	(61,399)
Change to NOL tax carry forward benefit	18,559,966	8,312,179
Federal Income tax (benefit) expense (allowed by tax carryback) \$	-	\$ -

	As of June 30 2011	As of Dec. 31, 2010
Federal income tax expense (benefit) on ordinary income	\$ (21,452,355)	\$ (10,067,623)
Federal income taxes (benefit) on net capital gains	2,892,389	1,755,444
Current income tax incurred prior to NOL adjustment	(18,559,966)	(8,312,179)
Change to NOL tax carry forward benefit	18,559,966	8,312,179
Federal Income tax (benefit) expense (allowed by tax carryback) \$	-	\$ -

The change in net deferred income taxes is comprised of the following: (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement).

	As of June 30 2011			As of Dec. 31, 2010			
	Ordinary	Capital	Total	Ordinary	Capital	Total	Change
Gross deferred tax assets before NOL & VA	\$ 371,584	\$ 155	\$ 371,739	\$ 10,466,030	\$ -	\$ 10,466,030	\$ (10,094,291)
NOL carry forward	28,357,355		28,357,355	9,797,388		9,797,388	18,559,967
Adjusted gross deferred tax assets before VA	28,728,939	155	28,729,094	20,263,418	-	20,263,418	8,465,676
Gross deferred tax liabilities	51,412	-	51,412	1,181,742	-	1,181,742	(1,130,330)
Net deferred tax assets (liabilities) before	\$ 28,677,527	\$ 155	\$ 28,677,682	\$ 19,081,676	\$ -	\$ 19,081,676	\$ 9,596,006
Tax on change in unrealized gains							
Tax on change on deferred tax on operations							(8,963,961)
Tax on change on NOL carryforward on operations							18,559,967
Gross deferred tax change on operations							\$ 9,596,006

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate.

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:

NOTES TO FINANCIAL STATEMENTS

	As of June 30 2011			As of Dec. 31, 2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross Deferred tax assets:						
Discounting of unpaid losses and LAE	\$ -		\$ -	\$ 6,071,274	\$ -	\$ 6,071,274
Change in unearned premium reserve	-		-	2,078,386		2,078,386
Nonadmitted assets	155,744		155,744	1,635,664		1,635,664
Compensation, benefit and other accruals	12,339		12,339	379,131		379,131
Net operating loss ("NOL") carry-forward	28,357,355		28,357,355	9,797,388		9,797,388
Others	48,813		48,813	301,575		301,575
Investments	154,688	155	154,843	-	-	-
Gross deferred tax assets	28,728,939	155	28,729,094	20,263,418	-	20,263,418
Statutory valuation allowance ("VA")	28,677,527	155	28,677,682	19,081,676	-	19,081,676
Adjusted gross deferred tax assets	51,412	-	51,412	1,181,742	-	1,181,742
Nonadmitted	-		-	-		-
Admitted deferred tax assets	51,412	-	51,412	1,181,742	-	1,181,742
Deferred tax liabilities:			-			-
Investments		-	-		-	-
IRC 481 adjustment	-		-	87,054		87,054
Accrued premium acquisition expense	-		-	1,039,150		1,039,150
Bond market discount	11,207		11,207	27,682		27,682
Fixed assets	40,205		40,205	27,856		27,856
Deferred tax liabilities:	51,412	-	51,412	1,181,742	-	1,181,742
Net deferred tax asset admitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

The Company incurred a tax basis net operating loss ("NOL") of \$53,028,475 during the six month period ended June 30, 2011. The Company also has available NOL carryforwards from prior years of \$29,180,110.

Prior to 2009, the Internal Revenue Code limited the carryback of current year NOL to the three prior years. The Code was changed in 2009 and an entity may carryback net operating losses five years. This permitted the Company to recover taxes paid the IRS prior to acquisition of EIH by Majestic Capital Ltd ("Capital") formerly CRM Holdings Ltd and Majestic USA Capital, Inc. ("MUSAC") formerly CRM USA Holdings, Inc. A certain amount of taxes paid by the Company since the acquisition were off set by the net tax benefit the combined group received from the NOL's of certain affiliates and the tax sharing agreement between CRM USA and affiliated companies limited the amount NOL carryback afforded Majestic. Following is a summary of the NOL carryback benefits recorded as of March 31, 2011 and the amount of NOL available for offset against future taxable income.

Income/Loss Years	Prior Year Taxable Income	Affiliated losses Applied to Income	Net Operating Losses Carrybacks	Federal Income Tax Benefit
2005	\$ 2,359,499	\$ -	\$ 2,359,499	\$ 802,230
2006	5,167,216	-	5,167,216	1,773,803
2007	17,752,165	(9,341,589)	6,328,381	2,214,933
2008	6,328,381	(6,328,381)	0	
Total Federal Tax NOL Carryback Benefit	\$ 31,607,261	\$ (15,669,970)	\$ 13,855,096	\$ 4,790,966
Losses Carried to CRM Consolidated - Indirect	\$ -	\$ -	\$ 293,494	\$ 99,788
2009 Net Operating Losses			(18,752,834)	(6,375,964)
2010 Net Operating Losses			(24,575,866)	(8,657,960)
2011 Net Operating Losses			(53,028,475)	(18,559,969)
			NOL Carry forwards Available 12/31/2010	\$ (82,208,585) \$ (28,703,139)
OL Carry forwards expiring on or before 12/31/2029	\$ (4,604,244)			
OL Carry forwards expiring on or before 12/31/2030	(24,575,866)			
OL Carry forwards expiring on or before 12/31/2030	(53,028,475)			
	\$ (82,208,585)			

F. Consolidated Federal Income Tax Return

(1) The Company's federal income tax return is consolidated with the following entity:

Embarcadero Insurance Holdings, Inc and MUSAC.

(2) The Company participates in a Tax Allocation Agreement with MUSAC and its subsidiaries. (collectively "MUSAC"). Pursuant to this agreement the Company and MUSAC will report and pay federal, state and local income taxes on a consolidated basis. Each subsidiary will pay to MUSAC their pro rata share of the consolidated tax liability based upon the subsidiary's contribution to taxable income. The Company's obligation to pay any obligation under the Tax Allocation Agreement is subject to the provision of the Plan, and may be deferred in the discretion of the Conservator in order to ensure equity among and proper

NOTES TO FINANCIAL STATEMENTS

treatment of the Company's creditors. The Company and any of its affiliates may recoup federal taxes paid in prior years in the event of future net losses, or net losses carried forward to future net income subject to federal income taxes.

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

The Company is a wholly owned subsidiary of Embarcadero Insurance Holdings, Inc. (EIH); a California domiciled insurance company. On November 13, 2006, EIH was 100% purchased through a Stock Purchase Agreement by CRM Holdings, Ltd. ("CRMH") and its wholly owned subsidiary, CRM USA Holdings, Inc. The transaction was approved by the California Department of Insurance on November 3, 2006 and completed on November 14, 2006. Subsequent to the consummation of the acquisition, EIH became a wholly-owned subsidiary of CRM USA Holding, Inc. On May 6, 2010, CRM Holdings, Ltd. changed its name to Majestic Capital Ltd. ("Capital"). At the same time CRM USA Holdings, Inc. a wholly owned subsidiary, changed its name to Majestic USA Capital, Inc ("MUSAC").

As described in Note 1, the Company is under the control of and its business is being conducted by the California Insurance Commissioner, acting in his capacity as statutory conservator under the Conservation Order.

On April 29, 2011, Capital and its subsidiaries exclusive of Majestic, filed petitions for relief (collectively, the "Filing") under Chapter 11 of the United States Bankruptcy Code. This Filing had no effect on the Plan or the agreement between Majestic and AmTrust.

B. Detail of Transactions Greater than 1/2% of Admitted Assets

All assets, liabilities and future benefits relating to reinsurance contracts with affiliates have been transferred to Amtrust/ Technology Insurance Company as of June 1, 2011. See Note 1.

C. Change in Terms of Intercompany Arrangements

No change subsequent to last report date.

D. Amounts Due to or From Related Parties

Amounts due (To) From Affiliates June 30, 2011	
Affiliate	Amount
Twin Bridges	(\$239,262)
CRMH	
CRM USA	(67,035)
Net Due Affiliates	(306,297)

The amount due Twin Bridges represents interest accrued on the funds withheld under the reinsurance agreements through May 31, 2011 The Company owes CRM USA \$67,035 thousand under the "Administrative Services Agreement" (See Note 10-F below).

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Agreements

On November 6, 2007, the Company entered into an Administrative Services Agreement with MUSAC, effective January 1, 2008, pursuant to which MUSAC will perform or arrange various administrative services for the Company, including but not limited to, information systems, claims adjusting, loss control, and accounting and financial and executive management services. The Company incurred expenses of \$956,131 during the first six months of 2011 compared to \$1,986,261 for the respective period in 2010 under this agreement.

These agreements, as well as all other executory contracts to which the Company is a party, are subject to assumption or rejection at the discretion of the Conservator pursuant to the Conservation Order.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by its Parent.

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

NOTES TO FINANCIAL STATEMENTS

Not Applicable

J. Writedown for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not Applicable

K. Foreign subsidiary Valued Using CARVM

Not Applicable

L. Downstream Holding Company Valued Using Look-Through Method

Not Applicable

Note 11 – Debt

A. Capital Notes

Not applicable

B. All Other Debt

Not applicable

Note 12 – Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

A. Defined Benefit Plans

Not applicable

B. Defined Contribution Plans

Substantially all of the Company's employees are eligible to participate in a defined contribution retirement plan through the plans sponsor, MUSAC. Employees may contribute up to certain limits prescribed by the Internal Revenue Service. A portion of these contributions is matched by the Company up to 6% of the employee's salary as of 12/31/2009. Effective 1/1/2010, the Company match was reduced to 4% of the employee's salary. Effective 4/19/2010, the Company match was further reduced to 2% of the employee's salary. The Company match is funded every two weeks and allocated to the Company based on employee contributions. Employees become vested with respect to the Company's contribution ratably over three years. The Company's share of this savings plan expense was \$64,411 and \$181,453 for the first six months of 2011 and 2010, respectively. The Company has no legal obligation for benefits under this plan.

C. Multi-employer Plans

Not applicable

D. Consolidated/Holding Company Plans

Under a restricted stock plan approved by MUSAC's Board of Directors and its stockholders in March 2007, key employees of the Company are awarded shares of Capital's common stock, par value \$0.01 per share with restricted ownership rights. The stocks granted to the employees will vest over three years after the grant date. The fair value of restricted stock awards is measured based on the closing price of Majestic's common stock on the grant date and is recognized as compensation expense over the vesting period of the awards.

As of June, 2011, due to the absence of a market for Capital's common stock, the Company has not recorded any liabilities related to this plan.

E. Post-employment Benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation has been accrued.

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

A. Outstanding Shares

The Company has 50,000 shares of \$75 par value common stock authorized and 40,000 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

NOTES TO FINANCIAL STATEMENTS

B. Dividend Rate of Preferred Stock

Not applicable

C. Dividend Restrictions & D. Amount of Ordinary Dividends that May Be Paid

Dividends on common stock are paid as declared by the Board of Directors of the Company. Under the California Insurance Code, in a given year the Company may pay ordinary dividends without the prior approval of the Insurance Commissioner up to an amount which is the greater of its statutory net income for the preceding year or 10% of its policyholders' surplus at the at the end of the preceding year, less dividends made within the preceding twelve months.

Due to the Company being placed in conservation it is anticipated that there will be no dividends paid until such time as deemed appropriate by the California DOI.

E. Restrictions on Profits

Within the limitations of (C) above, there were no additional restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to stockholders but all dividend payments would be subject to the will of the administrator of the Majestic Insurance Company in Liquidation estate.

F. Restrictions on Surplus

Within the limitations of (C) above, there were no additional restrictions placed on the portion of the Company's surplus including for whom surplus is being held.

G. Mutual Surplus Advances

Not applicable

H. Company Stock Held for Special Purposes

Not applicable

I. Changes in Special Surplus Funds

Not applicable

J. Changes in Unassigned Funds

The following table presents the changes in components of unassigned surplus other than results incurred from underwriting or investment activities subsequent to the adoption of the Codification of the Statutory Accounting Principles excluding any increase or decrease directly related to the adoption of the Codification as of January 1, 2001.

Description	Cumulative Increase	Current Year
Aggregate write-ins for gain or loss	(5,289,315)	-
Change in deferred taxes	23,957,765	9,595,851
Statutory valuation reserve	(23,957,765)	(9,595,851)
Nonadmitted assets	(2,931,240)	3,080,729
Dividend to stockholder	(7,175,000)	(33,000)
Provision for reinsurance	(829,498)	(829,498)

The non-admitted assets include the non-admitted deferred tax assets (see Note 9) and exclude non-admitted invested assets, if there is any.

K. Surplus Notes

Not applicable

L. and M. Quasi Reorganizations

Not applicable

Note 14 – Contingencies

A. Contingent Commitments

None

B. Guaranty Fund and Other Assessments

NOTES TO FINANCIAL STATEMENTS

The Company is subject to various assessments by the states and/or federal agencies (funds) in which it writes business. These assessments are for the general welfare and protection of workers compensation policyholders. The assessments may be based on the workers compensation premiums written by the Company in a calendar year or the outstanding loss reserves as of a year end date and assessment rates established by the various state or federal agencies. The Company is permitted by the insurance departments to pass certain assessments through to the policyholders. These assessments are billed to the policyholder with premiums as they become due. The accrual for all assessments occurs at the time the premiums are written or losses incurred. Because assessments are generally paid before the policy surcharges are collected, the payment of the assessment may result in a receivable from policyholders that will be taken on future policy surcharges to be collected. As of June 1, 2011, the Company had recorded assessments paid to insurance departments in excess of billed policyholder surcharges of \$7,476,196. The Company has recorded This excess assessment amount is presented as a write in asset with the caption "Advance Policy Surcharges" and recorded \$5,598,510 as a non-admitted asset.

The following amounts assessed against Majestic by governmental authorities were unpaid as of June 30, 2011 due to the conservation of Majestic.

Second Installment Payment of California DIR Assessments for 2011. By letter to the California Department of Insurance dated April 6, 2011, Majestic requested relief from payment of the second installment of the DIR assessments for 2011 due April 1, 2011 in the amount of \$1,772,965. This request was made on the ground that Majestic would cease writing business due to the impending conservation proceeding involving Majestic and that its liability for 2011 would be offset by an overpayments for 2010 and 2011. The DIR advised Majestic that this request was granted.

Prepayment of California Gross Premiums Tax for 2011. By letter to the California Department of Insurance dated May 16, 2011, Majestic requested relief from a quarterly prepayment of gross premiums tax which was due June 1, 2011 in the amount of \$405,728. The request was made under Revenue & Taxation code Section 12260, which allows such relief where the insurer establishes that it has ceased to transact insurance in this state. By letter dated May 19, 2011, the Department granted this request.

Prepayment of New Jersey Premium Tax for 2011. By letter to the New Jersey Department of Treasury, Division of Taxation dated May 17, 2011, Majestic requested relief from a prepayment of premium tax due June 1, 2011 in the amount of \$41,207.89. On May 26, 2011, the Division of Taxation issued a Revised Billing Notice stating that no amount was due on June 1, 2011.

New York State Workers' Compensation Board Assessment for 2010. Majestic received a notice of assessment from the New York State Workers' Compensation Board (NY WCB) due April 11, 2011 in the amount of \$2,579,374. This amount was assessed for the calendar year 2010 under New York Workers' Compensation Law Section 15.8, Special Disability Fund. This assessment was based on 2009 premium but should be reconciled to 2011 premium which will be lower than 2009, resulting in an anticipated refund.

New York State Workers' Compensation Board Request for Excess Funds. In February 2010, Majestic received a written request from the WCB for payment of \$704,037 representing the amount of policyholder surcharges collected by Majestic Insurance to offset the WCB's assessments for 2007, which amount may increase significantly depending on the effect of payment guidelines recently issued by the WCB. This request was based upon the WCB's interpretation of Chapter 56-B, New York Laws of 2009, which provides that an insurance carrier which paid an amount assessed by the WCB for any year that was less than the surcharges collected from policyholders in that year must pay the excess funds held as of January 1, 2009 to the WCB. Majestic has requested reconsideration of the additional payment amount sought by the WCB.

New York Special Funds Conservation Committee Assessment. By letter from the New York Compensation Insurance Rating Board dated June 22, 2011, Majestic was notified that its share of the assessment covering expenses of the Special Fund Conservation Committee for 2011 was \$67,562.10, of which an installment of \$33,781.05 was due for the second six months of 2011. By letter to the SFCC dated July 11, 2011, Majestic requested relief from payment of that installment. The matter is pending.

Workers' Compensation Insurance Rating Bureau of California Assessment. On April 1, 2011, the Workers' Compensation Insurance Rating Bureau of California issued an invoice to Majestic for its 2nd Quarter, 2011 Assessment in the amount of \$96,445. By letter dated to the WCIRB April 29, 2011, Majestic requested relief from payment of that assessment in light of the conservation proceeding involving Majestic. The matter is pending.

The Company does not believe it has any assessments which have not been properly accounted for and recorded.

C. Gain Contingencies

Not applicable

D. All Other Contingencies

NOTES TO FINANCIAL STATEMENTS

Pursuant to the Conservation Order, continued prosecution of the lawsuits described in this Note 14, and the filing of any other claims, lawsuits or actions against the Company outside of the conservation proceedings pending in the San Francisco Superior Court related to the Company ("Conservation Court") is enjoined. Alternative remedies for the assertion of any and all such claims is provided for under the Conservator's Rehabilitation Plan.

On November 2, 2009, an action entitled Healthcare Industry Trust of New York, et al. v. Compensation Risk Managers, LLC, et al., was filed in the New York Supreme Court, Albany County. The complaint names 40 or more defendants, including Majestic Insurance Company, and seeks damages in excess of \$91 million resulting from the closure of the Healthcare Industry Trust of New York, a group self-insurer formerly managed by Majestic's affiliate, Compensation Risk Managers, LLC ("CRM"). The only allegation of misconduct by Majestic is that it charged excessive premiums for excess worker's compensation insurance, causing unjust enrichment of Majestic in an unknown amount. The complaint also alleges that Majestic is the alter ego of CRM and related defendants, so that Majestic should be held liable for their obligations. Majestic denies all liability in connection with this matter.

On or about December 9, 2009, an action entitled The New York State Workers' Compensation Board, etc. v. Compensation Risk Managers, LLC, et al., was filed in the New York Supreme Court, Albany County. The complaint names fifteen defendants, including Majestic Insurance Company, and seeks damages of \$405 million plus interest, attorney's fees and punitive damages resulting from the closure of several group self-insurance trusts formerly managed by CRM. This is supported by unspecific allegations that Majestic and other defendants made misrepresentations, committed deceptive business practices in violation of Section 349 of the New York General Business law, and engaged in false advertising in violation of Section 350 of the General Business Law. There are no specific allegations of misconduct on the part of Majestic. Majestic denies all liability in connection with this matter.

On October 28, 2010, an action entitled California Plastering, Inc., et al. v. Pridemark-Everest Insurance Services, Inc. was filed in the Orange County, California Superior Court. The plaintiffs are eleven former member employers of the Contractors Access Program of California ("CAP"), a workers' compensation group self-insurer formerly administered by Compensation Risk Managers of California, LLC ("CRM CA"). The complaint names nine defendants, including Majestic Insurance Company, and seeks damages in excess of \$30 million, restitution and other relief as the result of the defendants' alleged mismanagement and wrongful conduct with respect to CAP. Majestic is alleged to have aided and abetted the misconduct of the other defendants and committed unfair business practices. Majestic denies all liability in connection with this matter.

On December 20, 2010, Bickmore Risk Services, as the conservator of CAP, filed an action entitled Contractors Access Program of California v. Majestic Capital, Ltd., et al. alleging mismanagement of CAP by CRM and related entities. The complaint named several defendants including various CRM entities and Majestic Insurance Company. The allegations involving Majestic included a contention that the excess insurance policies written by Majestic for CAP were not priced at competitive rates and an alter ego and/or agency theory of liability. The complaint sought damages of not less than \$34 million. Majestic denies all liability in connection with this matter.

On January 27, 2011, four employer members of CAP filed an action entitled Mark Tanner Construction, Inc., et al. v. Majestic Capital, Ltd., et al. seeking recovery of damages in excess of \$25 million allegedly caused by misconduct of the defendants in the management of CAP. The defendants include Majestic Insurance Company. Majestic denies all liability in connection with this matter.

Majestic filed an action entitled Majestic Insurance Company v. J.R. Pierce Plumbing seeking recovery of unpaid premiums of approximately \$63,000 from Pierce, a former policyholder. On March 4, 2011, Pierce filed a cross-complaint against Majestic for breach of contract, breach of the covenant of good faith and fair dealing and unfair or deceptive business practices. The cross-complaint alleges that Majestic set unnecessarily high reserves for claims under the insurance policies issued to Pierce and other policyholders, improperly delayed acting on claims and engaged in other practices which increased the cost of the insurance. Pierce seeks damages according to proof, punitive damages, attorneys' fees, injunctive relief and restitution or disgorgement on behalf of all persons injured by Majestic's allegedly unlawful practices. Majestic denies all liability in connection with this matter.

Lawsuits arise against the Company in the normal course of business and are commented upon in this report if considered material or may be detrimental to the policyholders. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company is contingently liable under certain structured settlement agreements (see Note 26A).

Note 15 – Leases

A. Lessee Leasing Arrangements

No current long term lease obligations.

B. Lessor Leasing Arrangements

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk

A. Financial Instruments with Off-Balance Sheet Risk

Not applicable

B. Financial Instruments with Concentrations of Credit Risk

Not applicable

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

Not applicable

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

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare of Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

Note 19 – Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators

The company had no premiums written through managing general agents or third party administrators.

Note 20 – Other Items

A. Extraordinary Items

Relative to the imminent bankruptcy filing of Majestic Capital, LTD and Majestic USA Capital, Inc. as set forth in a press release dated March 21, 2011, the lessor on various operating leases engaged in by the Company determined that the lease agreements were in material uncured default. The lessor subsequently declared the subject leases in default and the entire indebtedness under all lease schedules became immediately due and payable and sought to recover the Casualty Loss Value of the property.

On April 1, 2011, the lessor drew down the letters of credits that were issued as collateral under the lease terms on the event of default. The aggregate value of the letters of credit was \$8,000,000 and allegedly represented the Casualty Loss Value of the property as determined by addendum to the lease. The Company at that time considered the draw as termination of the lease and recognized the \$8 million as impaired assets as of June 30, 2011 and recorded an extraordinary charge to net income as of that date. However, the Conservator is investigating the legality of the actions of the lessor, and the recognition of impairment and the recording of an extraordinary charge is without prejudice to the Conservator's available remedies against the lessor.

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

No significant Items

D. Uncollectible Premiums Receivable

NOTES TO FINANCIAL STATEMENTS

No significant change.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable Tax Credits

Not applicable

G. Subprime Mortgage Related Risk Exposure

Not applicable

Note 21 – Events Subsequent

No significant Items

Note 22 – Reinsurance

A. Unsecured Reinsurance Recoverables

No significant change

B. Reinsurance Recoverables in Dispute

No significant change

C. Reinsurance Assumed and Ceded and Protected Cells

As of June 1, 2011, all reinsurance agreements and the associated rights and obligations have been assigned to AmTrust under the reinsurance/novation agreement referred to in note 1.

1. Commission on Unearned Premiums

2. Additional or Return Commission Accruals

No change

3. Risks Attributed To Protected Cells.

Not applicable.

D. Uncollectible Reinsurance

The Company did not incur any uncollectible reinsurance costs in the six months ending June 30, 2010.

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable.

Note 23 – Retrospectively Rated Contracts and Contracts Subject to Re-determination

A. Method Used to Estimate

Not Applicable

B. Method Used to Record

Not Applicable

NOTES TO FINANCIAL STATEMENTS

C. Amount and Percent of Net Retrospective Premiums

No significant change

D. Calculation of Nonadmitted Accrued Retrospective Premiums

No significant change

Note 24 – Changes in Incurred Losses and Loss Adjustment Expenses

The Company recorded net incurred loss and loss adjusting expense of \$25,565,717 in the first six months of 2011 compared to \$22,480,704 for the same period in 2010. The Current incurred losses include \$28,500,000 of additional INBR required to be recorded under the Amtrust agreement. This adjustment related to prior year reserve deficiencies. The net loss ratio as presented in the statutory “Statement of Income” was 102.43% compared to 102.76% for the same period of the prior year.

Note 25 – Intercompany Pooling Arrangements

Not applicable

Note 26 – Structural Settlements

A. Reserves Released due to Purchase of Annuities

The company has no contingent liability under any structured settlement agreements.

B. Annuity Insurers with Balances due Greater than 1% of Policyholders’ Surplus

No significant change

Note 27 – Health Care Receivables

Not applicable

Note 28 – Participating Policies

Not applicable

Note 29 – Premium Deficiency Reserves

Not applicable

Note 30 – High Deductibles

Not applicable

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

A. Tabular Discounts

The Company does not discount unpaid losses or loss adjustment expenses.

B. Non-Tabular Discounts

Not applicable

C. Changes in Discount Assumptions

Not applicable

Note 32 – Asbestos and Environmental Reserves

A. Asbestos Reserves

There are no material amounts of losses applicable to Asbestos claims.

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Losses and LAE Included in A above:

Not applicable

C. Ending Reserves for Asbestos Claims for Loss Adjustment Expenses Included in A above (Case, Bulk and IBNR):

NOTES TO FINANCIAL STATEMENTS

Not applicable

D. Environmental

The Company does not underwrite environmental coverage.

E. Ending Reserves for Environmental Claims for Bulk and IBNR Losses and LAE Included in D above:

Not applicable

F. Ending Reserves for Environmental Claims for Loss Adjustment Expenses Included in D above (Case, Bulk and IBNR)

Not applicable

Note 33 – Subscriber Savings Accounts

Not applicable

Note 34 – Multiple Peril Crop

Not Applicable

NOTES TO FINANCIAL STATEMENTS - ITEM 1A

1	2	3	4
State Prescribed Practices	State of Domicile	Current	Prior
01A01 - Net Income, state basis (Page 4, Line 35, Columns 1 and 3)	CA	(41,219,399)	(20,760,001)
01A04 - Net Income, NAIC SAP (Line 1 - Line 2 - Line 3)	CA	(41,219,399)	(20,760,001)
01A05 - Surplus, state basis (Page 3, Line 37, Columns 1 and 2)	CA	14,800,663	57,941,504
01A08 - Surplus, NAIC SAP (Line 5 - Line 6 - Line 7)	CA	14,800,663	57,941,504

GENERAL INTERROGATORIES

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 () N/A (X)
- If **yes**, attach an explanation.
- 6.1

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

12/31/2010
- 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.

12/31/2010
- 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).

04/08/2011
- 6.4

By what department or departments?

CALIFORNIA DEPARTMENT OF INSURANCE
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes () No (X) 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes () No (X)
- 7.2

If **yes**, give full information
- 8.1

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

Yes () No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

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

Yes () No (X)
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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

GENERAL INTERROGATORIES (continued)

- 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?
(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.

Yes (X) No ()
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended?

Yes () No (X)
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes () No (X)
- 9.31

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

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes () No (X)
- 10.2

If yes, indicate the 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:

\$
13.

Amount of real estate and mortgages held in short-term investments:

\$
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes () No (X)
- 14.2

If yes, please complete the following:

	1 Prior Year-End Book/ Adjusted Carrying Value	2 Current Quarter Book/ Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26)	\$	\$
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above	\$	\$
- 15.1

Has the reporting entity entered into any hedging transactions reported on schedule DB?

Yes () No (X)
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement

Yes () No ()

GENERAL INTERROGATORIES (continued)

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

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
COMERICA BANK	PO BOX 75000, DETROIT, MI 48275-4195
STATE STREET BANK	801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105

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, brokers/dealers or individuals acting on behalf of brokers/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
105900	GEN RE-NEW ENGLAND ASSET	75 BATTERSON PARK RD , FARMINGTON, CT 06032

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:

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY AND CASUALTY INTERROGATORIES

1.

If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.

Yes () No () N/A (X)

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?
If yes, attach an explanation.

Yes () No (X)

3.1

Have any of the reporting entity's primary reinsurance contracts been cancelled?

Yes () No (X)

3.2

If yes, give full and complete information thereto
.....
.....
.....

4.1

Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero?

Yes () No (X)

4.2

If yes, complete the Discount Schedule

5.

Operating Percentages:

5.1

A&H loss percent

..... %

5.2

A&H cost containment percent

..... %

5.3

A&H expense percent excluding cost containment expenses

..... %

6.1

Do you act as a custodian for health savings accounts?

Yes () No (X)

6.2

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

\$

6.3

Do you act as an administrator for health savings accounts?

Yes () No (X)

6.4

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

\$

Page 9
Schedule F - Ceded Reinsurance
NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1	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 L				722		831,588
3. Arizona	AZ L	1,180,672	1,797,080	771,533	1,036,289		3,846,756
4. Arkansas	AR N						
5. California	CA L	23,209,297	38,154,002	20,533,476	24,317,787		188,599,062
6. Colorado	CO N						
7. Connecticut	CT N						
8. Delaware	DE N						
9. District of Columbia	DC N						
10. Florida	FL L	59,137	261,114	51,112	160,295		1,660,109
11. Georgia	GA N						
12. Hawaii	HI L			48,910	382,789		2,331,894
13. Idaho	ID L						
14. Illinois	IL L						
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 L						
28. Nebraska	NE N						
29. Nevada	NV L	13,985	233,093	46,169	121,874		1,057,539
30. New Hampshire	NH N						
31. New Jersey	NJ L	2,932,799	5,187,549	3,797,066	4,919,128		23,519,482
32. New Mexico	NM L						
33. New York	NY L	3,551,709	5,367,777	5,573,711	6,084,257		54,754,561
34. North Carolina	NC N						
35. North Dakota	ND N						
36. Ohio	OH N						
37. Oklahoma	OK N						
38. Oregon	OR L	10,426	16,668	39,613	64,285		1,571,863
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						
45. Utah	UT L						
46. Vermont	VT N						
47. Virginia	VA L						
48. Washington	WA L			124,285	573,544		2,114,621
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. U. S. Virgin Islands	VI N						
56. Northern Mariana Islands	MP N						
57. Canada	CN N						
58. Aggregate Other Alien	OT XXX						
59. Totals	(a) 17	30,958,025	51,017,283	30,985,877	37,660,970		280,267,475
DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898 Summary of remaining write-ins for Line 58 from overflow page	XXX						
5899 TOTALS (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)	XXX						

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

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

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

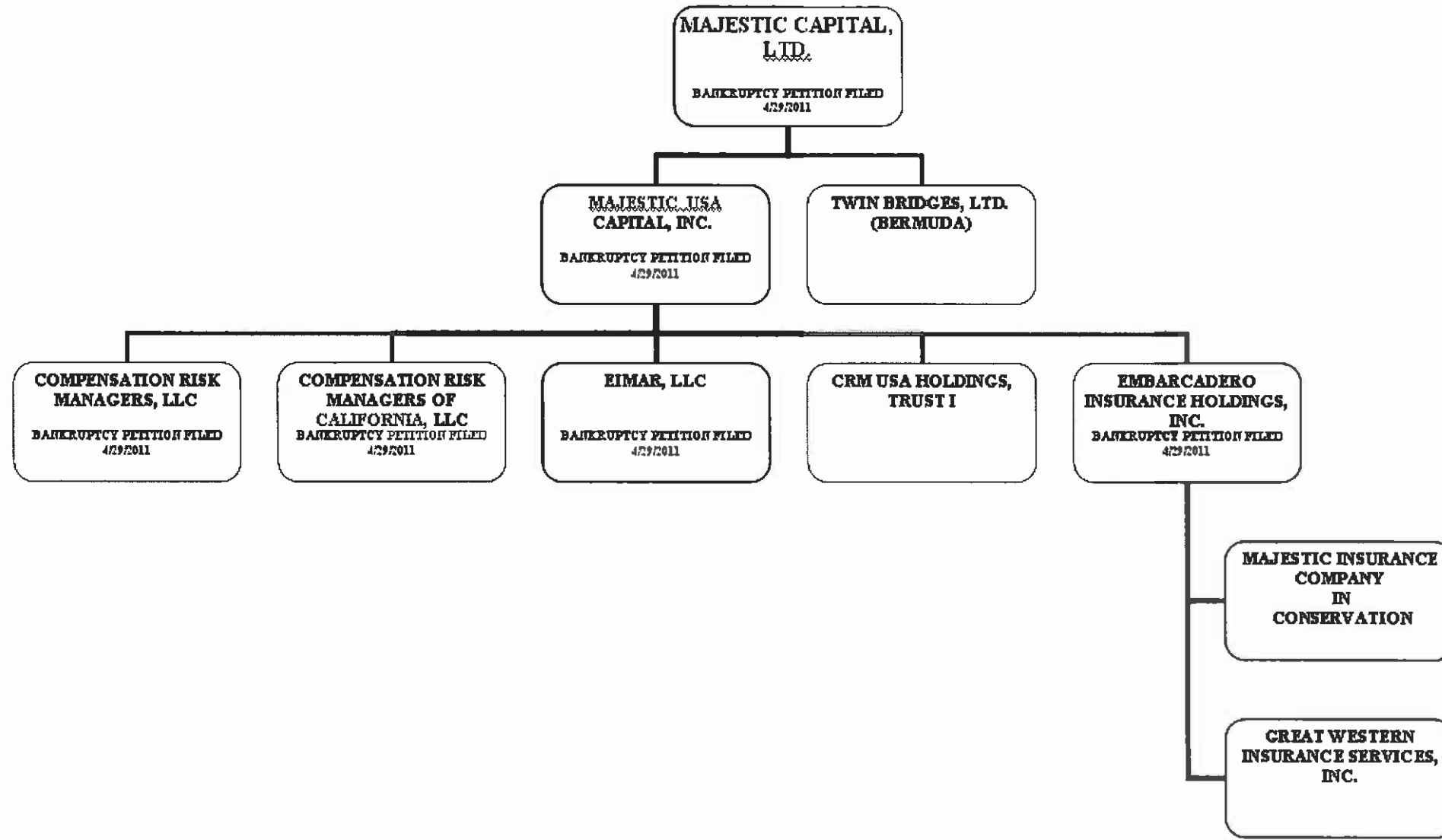
All entity members of a Holding Company Group that have acquired and/or disposed of any domestic entity (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL LISTING

1	2	3	4	5	6
NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	FEI Number	Name of Company
0000	MAJESTIC INSURANCE COMPANY	42269	CA	95-3653107	MAJESTIC INSURANCE COMPANY

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 - ORGANIZATIONAL CHART



PART 1 - LOSS EXPERIENCE

Line 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				
2	Allied lines				
3	Farmowners multiple peril				
4	Homeowners multiple peril				
5	Commercial multiple peril				
6	Mortgage guaranty				
8	Ocean marine				
9	Inland marine				
10	Financial guaranty				
11.1	Medical professional liability-occurrence				
11.2	Medical professional liability-claims made				
12	Earthquake				
13	Group accident and health				
14	Credit accident and health				
15	Other accident and health				
16	Workers' compensation	31,231,019	16,678,712	53.4	69.3
17.1	Other liability-occurrence				
17.2	Other liability-claims made				
17.3	Excess Workers' Compensation				
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	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				
35	TOTALS	31,231,019	16,678,712	53.4	
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498	Summary of remaining write-ins for Line 34 from overflow page				
3499	Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year to Date
1	Fire			
2	Allied lines			
3	Farmowners multiple peril			
4	Homeowners multiple peril			
5	Commercial multiple peril			
6	Mortgage guaranty			
8	Ocean marine			
9	Inland marine			
10	Financial guaranty			
11.1	Medical professional liability-occurrence			
11.2	Medical professional liability-claims made			
12	Earthquake			
13	Group accident and health			
14	Credit accident and health			
15	Other accident and health			
16	Workers' compensation	12,185,725	30,958,026	28,547,836
17.1	Other liability-occurrence			
17.2	Other liability-claims made			
17.3	Excess Workers' Compensation			
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			
35	TOTALS	12,185,725	30,958,026	28,547,836
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498	Summary of remaining write-ins for Line 34 from overflow page			
3499	Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)			

STATEMENT AS OF JUNE 30, 2011 OF THE MAJESTIC INSURANCE CO.- IN CONSERVATION

PART 3 (000 Omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
	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 (Column 1 plus Column 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Column 4 plus Column 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 (Column 7 plus Column 8 plus Column 9)	Prior Year- End Known Case Loss and LAE Reserves Developed (Savings) / Deficiency (Column 4 plus Column 7 minus Column 1)	Prior-Year-End IBNR Loss and LAE Reserves Developed (Savings) / Deficiency (Column 5 plus Column 8 plus Column 9 minus Column 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings) / Deficiency (Column 11 plus Column 12)
1. 2008 + Prior	59,151	27,632	86,783	59,151	27,632	86,783							
2. 2009	21,941	12,934	34,875	21,941	12,473	34,414						(461)	(461)
3. Subtotals 2009 + prior	81,092	40,566	121,658	81,092	40,105	121,197						(461)	(461)
4. 2010	15,449	19,354	34,803	15,449	18,854	34,303						(500)	(500)
5. Subtotals 2010 + prior	96,541	59,920	156,461	96,541	58,959	155,500						(961)	(961)
6. 2011	X X X	X X X	X X X	X X X	26,214	26,214	X X X				X X X	X X X	X X X
7. Totals	96,541	59,920	156,461	96,541	85,173	181,714						(961)	(961)
8. Prior Year- End Surplus As Regards Policy- holders											Column 11, Line 7 As % of Column 1, Line 7	Column 12, Line 7 As % of Column 2, Line 7	Column 13, Line 7 As % of Column 3, Line 7
											1. %	2. (1.6)%	3. (0.6)%
													Column 13, Line 7 Line 8
													4. %

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.

Responses

1. Will the Trusted Surplus Statement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

BARCODE:

Document Identifier 490:



2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?

NO

EXPLANATION:

BARCODE:

Document Identifier 456:



3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

BARCODE:

Document Identifier 365:



4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

BARCODE:

Document Identifier 505:



SCHEDULE A - VERIFICATION

Real Estate

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

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	257,749,647	275,423,672
2. Cost of bonds and stocks acquired	9,898,427	186,803,506
3. Accrual of discount	10,632	49,464
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	6,051,659	5,015,553
6. Deduct consideration for bonds and stocks disposed of	258,073,275	207,766,320
7. Deduct amortization of premium	1,207,339	1,776,228
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 (Line 1 plus Line 2 plus Line 3 plus Line 4 plus		
Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)	14,429,751	257,749,647
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	14,429,751	257,749,647

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	237,416,929	4,162,137	226,106,811	(1,912,681)	237,416,929	13,559,574		262,205,647
2. Class 2 (a)	1,794,721			(924,544)	1,794,721	870,177		2,047,848
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	239,211,650	4,162,137	226,106,811	(2,837,225)	239,211,650	14,429,751		264,253,495
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	239,211,650	4,162,137	226,106,811	(2,837,225)	239,211,650	14,429,751		264,253,495

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
99999 Totals	4,348,212	X X X	4,348,212	27	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year	6,503,849	23,453,840
2. Cost of short-term investments acquired	44,842,067	65,351,267
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	46,997,704	82,301,258
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 (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	4,348,212	6,503,849
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	4,348,212	6,503,849

Page SI04

Schedule DB, Part A, Verification
NONE

Schedule DB, Part B, Verification
NONE

Page SI05

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open
NONE

Page SI06

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open
NONE

Page SI07

Schedule DB, Verification
NONE

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	93,352	93,207
2. Cost of cash equivalents acquired	7,699,504	92,093,516
3. Accrual of discount	203	5,856
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	32	2
6. Deduct consideration received on disposals	7,768,091	92,099,229
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 (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	25,000	93,352
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	25,000	93,352

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Disposed
NONE

Page E02

Schedule B, Part 2, Mortgage Loans Acquired
NONE

Schedule B, Part 3, Mortgage Loans Disposed
NONE

Page E03

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed
NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
31398A-T4-4	FANNIE MAE		06/15/2011	PARIBAS CORPORATION		408,092	400,000.00	2,833	1
05999999	Subtotal - Bonds - U.S. Governments					408,092	400,000.00	2,833	
Bonds - Industrial and Miscellaneous (Unaffiliated)									
585055-AU-0	MEDTRONIC INC		04/01/2011	PARIBAS CORPORATION		1,781,028	1,800,000.00	2,756	1FE
66889H-AC-2	NOVARTIS CAPITAL CORP		05/11/2011	PARIBAS CORPORATION		1,973,017	1,900,000.00	3,367	1FE
38999999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					3,754,045	3,700,000.00	6,123	
83999997	Subtotal - Bonds - Part 3					4,162,137	4,100,000.00	8,957	
83999999	Subtotal - Bonds					4,162,137	4,100,000.00	8,957	
99999999	TOTALS					4,162,137		8,957	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

SCHEDULE D - PART 4

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

1 CUSIP Identifi- cation	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designa- tion or Market Indi- cator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amorti- zation) / Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Governments																					
3133MN-VV-0	FEDERAL HOME LOAN BANK		07/01/2011	TECHNOLOGY INSURANCE CO		999,780	950,000.00	990,943	959,901		(2,936)		(2,936)		958,600		41,180	41,180	34,292	05/15/2012	
3134AA-HF-4	FEDERAL HOME LOAN MORTGAGE CORPORATIO		07/01/2011	TECHNOLOGY INSURANCE CO		797,229	785,000.00	804,154	790,042		(2,920)		(2,920)		786,273		10,956	10,956	34,300	09/15/2011	
3134AA-SA-3	FEDERAL HOME LOAN MORTGAGE CORPORATIO		07/01/2011	TECHNOLOGY INSURANCE CO		639,672	600,000.00	623,362	610,013		(1,989)		(1,989)		608,023		31,649	31,649	25,950	01/15/2013	
3137EA-AB-5	FEDERAL HOME LOAN MORTGAGE CORPORATIO		05/06/2011	VARIOUS		1,400,000	1,400,000.00	1,402,671	1,400,238		(238)		(238)		1,400,000				35,875	04/18/2011	
3137EA-CG-2	FREDDIE MAC		04/18/2011	JEFFERIES & COMPANY INC.		3,546,516	3,500,000.00	3,452,417	3,467,730		4,719		4,719		3,472,449		74,067	74,067	37,431	01/09/2013	
31398A-HZ-8	FANNIE MAE		07/01/2011	TECHNOLOGY INSURANCE CO		558,642	525,000.00	531,372	527,560		(515)		(515)		527,012		31,630	31,630	15,378	11/19/2012	
3620AA-GN-2	GOVERNMENT NATL MTG ASSOC #723905		04/15/2011	VARIOUS		4,287	4,287.00	4,488	4,479		(192)		(192)		4,287				9,328	06/01/2040	
3620AG-P3-3	GOVERNMENT NATL MTG ASSOC #729542		04/18/2011	VARIOUS		2,542,373	2,446,195.00	2,554,702	2,556,486		(1,784)		(1,784)		2,528,506		13,867	13,867	42,494	06/01/2040	
3620AU-UY-8	GOVERNMENT NATL MTG ASSOC #740499		04/18/2011	VARIOUS		2,574,389	2,476,985.00	2,586,395	2,587,642		(1,247)		(1,247)		2,560,332		14,057	14,057	43,030	07/01/2040	
3620AV-PL-0	GOVERNMENT NATL MTG ASSOC #741227		04/18/2011	VARIOUS		2,501,867	2,407,203.00	2,513,634	2,518,400		(4,766)		(4,766)		2,488,203		13,664	13,664	41,818	06/01/2040	
3620CQ-SR-5	GOVERNMENT NATL MTG ASSOC #745256		04/15/2011	VARIOUS		2,806	2,806.00	2,938	2,951		(144)		(144)		2,806				8,135	06/01/2040	
3620C3-BH-4	GOVERNMENT NATL MTG ASSOC #747140		04/18/2011	VARIOUS		2,575,116	2,477,700.00	2,588,517	2,588,809		(292)		(292)		2,561,072		14,044	14,044	43,041	07/01/2040	
3620C3-TH-5	GOVERNMENT NATL MTG ASSOC #747652		04/18/2011	VARIOUS		2,499,266	2,405,014.00	2,511,864	2,515,153		(3,289)		(3,289)		2,485,939		13,327	13,327	41,760	07/01/2040	
36241K-V6-2	GOVERNMENT NATL MTG ASSOCIATION #7824		07/01/2011	VARIOUS		89,040	89,040.00	92,546	89,192		(152)		(152)		89,040				1,788	09/01/2037	
36241K-V6-2	GOVERNMENT NATL MTG ASSOCIATION #7824		07/01/2011	VARIOUS		2,514,497	2,318,945.00	2,410,254		(4,540)		(4,540)		2,405,468		109,030	109,030	49,137	09/01/2037		
36241K-V7-0	GOVERNMENT NATL MTG ASSOCIATION #7824		07/01/2011	VARIOUS		56,909	56,909.00	59,150	57,054		(145)		(145)		56,909				1,141	03/01/2038	
36241K-V7-0	GOVERNMENT NATL MTG ASSOCIATION #7824		07/01/2011	VARIOUS		2,404,823	2,217,992.00	2,305,325		(5,837)		(5,837)		2,302,180		102,643	102,643	47,327	03/01/2038		
36294R-UP-2	GOVERNMENT NATL MTG ASSOC #657690		04/15/2011	VARIOUS		3,256	3,256.00	3,409	3,405		(149)		(149)		3,256				9,143	06/01/2040	
36296P-J4-4	GOVERNMENT NATL MTG ASSOC #696983		04/15/2011	VARIOUS		3,455	3,455.00	3,617	3,611		(156)		(156)		3,455				9,328	06/01/2040	
912827-7B-2	UNITED STATES TREASURY NOTES		07/01/2011	TECHNOLOGY INSURANCE CO		252,549	250,000.00	251,084	250,181		(22)		(22)		250,061		2,488	2,488	10,946	08/15/2011	
912827-7L-0	UNITED STATES TREASURY NOTES		07/01/2011	TECHNOLOGY INSURANCE CO		1,640,850	1,588,000.00	1,623,955	1,593,624		(1,941)		(1,941)		1,593,900		46,950	46,950	67,792	02/15/2012	
912828-FW-5	UNITED STATES TREASURY NOTES		07/01/2011	TECHNOLOGY INSURANCE CO		611,180	600,000.00	601,992	600,397		(198)		(198)		600,200		10,980	10,980	18,550	01/31/2011	
912828-GA-2	UNITED STATES TREASURY NOTES		07/01/2011	TECHNOLOGY INSURANCE CO		153,264	150,000.00	157,307	151,752		177		177		150,962		2,302	2,302	2,766	01/13/2011	
912828-GC-8	UNITED STATES TREASURY NOTES		07/01/2011	TECHNOLOGY INSURANCE CO		307,805	300,000.00	299,215	299,828		71		71		299,899		7,906	7,906	6,976	12/31/2011	
912828-GQ-7	UNITED STATES TREASURY NOTES		07/01/2011	VARIOUS		500,830	480,000.00	478,088	479,449		121		121		479,570		21,260	21,260	10,144	04/30/2012	
912828-GQ-7	UNITED STATES TREASURY NOTES		07/01/2011	VARIOUS		228,594	220,000.00	219,123	219,747		77		77		219,825		8,769	8,769	11,568	04/30/2012	
912828-GW-4	UNITED STATES TREASURY NOTES		07/01/2011	TECHNOLOGY INSURANCE CO		787,529	750,000.00	747,773	749,275		197		197		749,472		38,057	38,057	100	06/30/2012	
912828-KG-4	UNITED STATES TREASURY NOTE		07/01/2011	TECHNOLOGY INSURANCE CO		23,217,418	23,000,000.00	23,036,327	23,014,869		(5,094)		(5,094)		23,009,775		207,643	207,643	250,938	03/15/2012	
0599999 - Subtotal - Bonds - U.S. Governments						53,413,942	52,007,787.00	52,856,622	48,041,788		(33,184)		(33,184)		52,597,474		816,469	816,469	910,476		
Bonds - U.S. States, Territories and Possessions																					
13063B-FQ-0	CALIFORNIA ST		07/01/2011	TECHNOLOGY INSURANCE CO		1,099,260	1,000,000.00	1,007,310	1,006,595		(378)		(378)		1,006,217		93,043	93,043	47,917	03/01/2017	
13063B-FU-1	CALIFORNIA ST		07/01/2011	VARIOUS		1,122,950	1,000,000.00	1,091,450	1,090,088		(2,226)		(2,226)		1,059,100		63,850	63,850	51,667	03/01/2019	
13063B-HZ-9	CALIFORNIA ST		07/01/2011	VARIOUS		2,285,360	2,200,000.00	2,209,912		(88)			(88)		2,202,310		83,050	83,050	50,892	11/01/2015	
20772G-4X-3	CONNECTICUT ST		07/01/2011	TECHNOLOGY INSURANCE CO		1,777,056	1,600,000.00	1,622,080	1,620,754		(535)		(535)		1,620,218		156,838	156,838	13,433	12/01/2022	
649791-CL-2	NEW YORK ST		07/01/2011	VARIOUS		3,324,100	3,250,000.00	3,209,733	3,211,983		739		739		3,190,395		133,705	133,705	120,250	03/01/2021	
882721-B5-1	TEXAS ST		04/21/2011	WELLS FARGO FINANCIAL		114,292	100,000.00	106,007	103,720		(240)		(240)		103,480		10,812	10,812	3,694	08/01/2015	
1799999 - Subtotal - Bonds - U.S. States, Territories and Possessions						9,723,018	9,150,000.00	9,246,492	7,033,140		(2,728)		(2,728)		9,181,720		541,298	541,298	287,653		
Bonds - U.S. Political Subdivisions of States																					
033160-Z4-7	ANCHORAGE ALASKA		07/01/2011	TECHNOLOGY INSURANCE CO		109,227	100,000.00	107,680	101,524		(243)		(243)		102,618		6,609	6,609	2,500	07/01/2013	
036213-S4-9	ANOKA CNTY MINN		07/01/2011	TECHNOLOGY INSURANCE CO		587,855	540,000.00	540,000	540,000						540,000		47,855	47,855	21,830	02/01/2018	
09088R-LH-7	BIRMINGHAM ALA		07/01/2011	TECHNOLOGY INSURANCE CO		361,487	350,000.00	384,195	358,765		(1,824)		(1,824)		356,298		5,189	5,189	16,579	11/01/2011	
344442-JN-9	FOND DU LAC CNTY WIS		07/01/2011	TECHNOLOGY INSURANCE CO		2,445,600	2,400,000.00	2,434,512	2,417,909		(6,345)		(6,345)		2,411,564		34,036	34,036	60,000	09/01/2012	
439881-HY-2	HOPKINS MINN INDPT SCH DIST NO		07/01/2011	VARIOUS		2,839,391	2,730,000.00	2,748,646	2,747,381		(394)		(394)		2,741,739		97,652	97,652	111,361	02/01/2020	
495044-PC-7	KING CNTY WASH SCH DIST NO 401		04/20/2011	WELLS FARGO FINANCIAL		78,673	75,000.00	80,990	76,018		(224)		(224)		75,793		2,880	2,880	1,661	06/01/2012	
64966E-3M-7	NEW YORK N Y		07/01/2011	TECHNOLOGY INSURANCE CO		2,823,515	2,630,000.00	2,749,902	2,719,532		(9,853)		(9,853)		2,709,679		113,836	113,836	109,693	08/01/2014	
64966H-MQ-0	NEW YORK N Y		07/01/2011	TECHNOLOGY INSURANCE CO		1,547,246	1,475,000.00	1,475,000	1,475,000						1,475,000		72,246	72,246	37,579	01/01/2015	
662523-WY-1	NORTH SLOPE BORO ALASKA		07/01/2011	TECHNOLOGY INSURANCE CO		870,344	800,000.00	800,000	800,000						800,000		70,344	70,344	114	06/30/2020	

(continues)

(a) For all common stock bearing the NAIC market indicator 'U' provide the number of such issues

STATEMENT AS OF JUNE 30, 2011 OF THE MAJESTIC INSURANCE CO. - IN CONSERVATION

SCHEDULE D - PART 4

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

CUSIP Identifi- cation	Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designa- tion or Market Indi- cator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amorti- zation) / Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
Bonds - U.S. Political Subdivisions of States (continued)																						
686053-DF-3	OREGON SCH BRDS ASSN		07/01/2011	TECHNOLOGY INSURANCE CO		4,400,800	4,000,000.00	4,220,200	4,199,171		(9,450)		(9,450)		4,189,720		211,080	211,080	580	06/30/2018		
779240-HL-7	ROUND ROCK TEX INDPT SCH DIST		07/01/2011	VARIOUS		1,020,050	1,000,000.00	1,000,000	1,000,000						988,180		31,870	31,870	16,022	08/01/2016		
797646-NA-0	SAN FRANCISCO CALIF CITY &		07/01/2011	TECHNOLOGY INSURANCE CO		4,803,292	4,615,000.00	4,623,815	4,623,089		(195)		(195)		4,622,893		180,399	180,399	10,666	06/15/2023		
943198-CG-4	WAUPACA CNTY WIS		07/01/2011	TECHNOLOGY INSURANCE CO		132,209	125,000.00	135,125	127,661		(685)		(685)		127,242		4,967	4,967	6,016	08/01/2012		
2499999 - Subtotal - Bonds - U.S. Political Subdivisions of States						22,019,689	20,840,000.00	21,300,065	21,186,050		(29,213)		(29,213)		21,140,726		878,963	878,963	394,601			
Bonds - U.S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																						
04144R-AF-6	ARLINGTON CNTY VA INDL DEV AUT		07/01/2011	TECHNOLOGY INSURANCE CO		535,260	510,000.00	506,481	506,780		105		105		506,885		28,375	28,375	1,133	12/15/2020		
31283K-QJ-0	FEDERAL HOME LN MTG CORP #G11357		07/01/2011	PAYDOWN		5,190	5,190.00	5,578	5,232		(42)		(42)		5,190				(142)	11/01/2016		
31283K-ZP-6	FEDERAL HOME LN MTG CORP #G11650		04/18/2011	VARIOUS		75,036	70,406.00	74,916	74,866		(346)		(346)		74,519		517	517	1,364	03/01/2019		
3128MM-KB-8	FEDERAL HOME LN MTG CORP #G18289		07/01/2011	PAYDOWN		6,403	6,403.00	6,653	6,422		(19)		(19)		6,403				(166)	04/01/2023		
31294K-LB-6	FEDERAL HOME LN MTG CORP #E01251		07/01/2011	PAYDOWN		5,375	5,375.00	5,777	5,416		(41)		(41)		5,375				(155)	03/01/2017		
31400E-W2-2	FEDERAL NATIONAL MTG ASSOC #85665		07/01/2011	PAYDOWN		9,206	9,206.00	9,790	9,266		(61)		(61)		9,206				(117)	07/01/2017		
31419H-G3-0	FEDERAL NATIONAL MTG ASSOC #AE6517		04/18/2011	VARIOUS		1,964,857	1,986,618.00	2,051,091	2,053,786		(2,695)		(2,695)		1,956,678		8,179	8,179	30,847	08/01/2040		
342815-GA-9	FLORIDA MUN LN COUNCIL REV		04/26/2011	PROEQUITIES, INC.		123,000	120,000.00	129,646	121,923		(333)		(333)		121,591		1,409	1,409	2,967	11/01/2012		
386475-BU-0	GRAND STRAND SC WTR & SWR AUTH		06/01/2011	SINKING FUND REDEMPTION		355,000	355,000.00	391,870	355,056		(56)		(56)		355,000				11,316	06/01/2012		
452024-GL-0	ILLINOIS MUN ELEC AGY PWR SUPP		07/01/2011	TECHNOLOGY INSURANCE CO		1,114,299	1,065,000.00	1,065,000	1,065,000						1,065,000		49,299	49,299	47,641	02/01/2015		
452024-HA-3	ILLINOIS MUN ELEC AGY PWR SUPP		07/01/2011	VARIOUS		1,119,638	1,115,000.00	1,115,000	1,115,000						1,088,374		31,264	31,264	27,997	02/01/2016		
454624-DD-6	INDIANA BD BK REV		04/20/2011	VARIOUS		1,899,695	1,750,000.00	1,928,429	1,939,746		(11,317)		(11,317)		1,867,933		31,762	31,762	66,113	01/15/2015		
472719-AP-8	JEFFERSON COUNTY COLO &		07/01/2011	VARIOUS		2,082,520	2,000,000.00	2,105,700	2,101,824		(6,277)		(6,277)		2,044,260		38,260	38,260	5,500	12/01/2014		
472719-AQ-6	JEFFERSON COUNTY COLO &		07/01/2011	TECHNOLOGY INSURANCE CO		132,408	125,000.00	125,000	125,000						125,000		7,408	7,408	2,734	12/01/2015		
490303-HW-7	KENT CNTY MICH BLDG AUTH		07/01/2011	TECHNOLOGY INSURANCE CO		1,658,846	1,570,000.00	1,570,000	1,570,000						1,570,000		88,846	88,846	6,123	12/01/2018		
49151E-4H-3	KENTUCKY ST PPTY & BLDGS COMMN		07/01/2011	VARIOUS		2,123,760	2,000,000.00	2,160,460	2,156,048		(7,635)		(7,635)		2,072,020		51,740	51,740	54,360	11/01/2015		
59164G-CP-5	METRO WASTEWTR RECLAMATION DIS		07/01/2011	TECHNOLOGY INSURANCE CO		641,820	600,000.00	600,000	600,000						600,000		41,820	41,820	23,481	04/01/2021		
644693-KS-1	NEW HAMPSHIRE ST TPK SYS REV		07/01/2011	TECHNOLOGY INSURANCE CO		1,913,598	1,800,000.00	1,800,000	1,800,000						1,800,000		113,598	113,598	63,324	11/01/2022		
64971M-DD-1	NEW YORK N Y CITY TRANSITIONAL		07/01/2011	TECHNOLOGY INSURANCE CO		4,393,857	3,900,000.00	4,125,576	4,090,193		(10,519)		(10,519)		4,079,673		314,184	314,184	186,258	08/01/2017		
649902-ZL-0	NEW YORK ST DORM AUTH ST PERS		04/21/2011	VARIOUS		622,962	600,000.00	617,231	617,531		(300)		(300)		616,308		6,654	6,654	18,470	03/15/2022		
662903-KY-8	NORTH TEX MUN WTR DIST TEX WTR		07/01/2011	TECHNOLOGY INSURANCE CO		1,325,581	1,265,000.00	1,265,000	1,265,000						1,265,000		60,581	60,581	53,372	09/01/2021		
662903-KZ-5	NORTH TEX MUN WTR DIST TEX WTR		07/01/2011	TECHNOLOGY INSURANCE CO		1,537,942	1,480,000.00	1,480,000	1,480,000						1,480,000		57,942	57,942	64,664	09/01/2022		
677520-S5-3	OHIO ST TAXABLE -DEV ASSISTANCE-SER C		07/01/2011	TECHNOLOGY INSURANCE CO		33,695	32,000.00	32,000	32,000						32,000		1,695	1,695	1,339	01/01/2024		
67755A-SA-7	OHIO ST BLDG AUTH		07/01/2011	TECHNOLOGY INSURANCE CO		152,553	150,000.00	162,540	162,667		(1,476)		(1,476)		150,926		1,627	1,627	6,188	01/01/2011		
679087-FG-6	OKLAHOMA ST CAP IMPT AUTH ST		05/02/2011	VARIOUS		1,644,315	1,500,000.00	1,617,050	1,620,060		(3,009)		(3,009)		1,616,820		27,495	27,495	63,840	07/01/2019		
73358W-AG-9	PORT AUTH N Y & N J		07/01/2011	TECHNOLOGY INSURANCE CO		331,386	300,000.00	310,986	309,739		(368)		(368)		309,371		22,015	22,015	1,328	12/01/2019		
783186-ND-7	RUTGERS ST UNIV N J		07/01/2011	VARIOUS		1,013,060	1,000,000.00	1,000,000	1,000,000						971,540		41,520	41,520	23,285	05/01/2019		
785681-GH-2	SALT LAKE CNTY UTAH MUN BLDG A		07/01/2011	TECHNOLOGY INSURANCE CO		1,057,160	1,000,000.00	1,000,000	1,000,000						1,000,000		57,160	57,160	3,900	12/01/2019		
796253-V4-1	SAN ANTONIO TX ELEC & GAS REV		07/01/2011	VARIOUS		92,686	90,000.00	91,787	90,235		(68)		(68)		90,167		2,519	2,519	3,313	02/01/2012		
796253-V4-1	SAN ANTONIO TX ELEC & GAS REV		07/01/2011	VARIOUS		72,202	70,000.00	74,396	70,182		(69)		(69)		70,609		1,593	1,593	3,208	02/01/2012		
79642B-HN-6	SAN ANTONIO TEX WTR REV		07/01/2011	TECHNOLOGY INSURANCE CO		1,457,761	1,395,000.00	1,395,000	1,395,000						1,395,000		62,761	62,761	41,537	05/15/2020		
79642B-HP-1	SAN ANTONIO TEX WTR REV		07/01/2011	TECHNOLOGY INSURANCE CO		1,568,970	1,500,000.00	1,500,000	1,500,000						1,500,000		68,970	68,970	46,641	05/15/2021		
79642B-HS-5	SAN ANTONIO TEX WTR REV		04/20/2011	MORGAN STANLEY & CO		1,493,984	1,425,000.00	1,425,000	1,425,000						1,425,000		68,984	68,984	34,242	05/15/2024		
880557-H5-5	TENNESSEE ST SCH BD AUTH		04/20/2011	VARIOUS		1,618,755	1,500,000.00	1,642,744	1,651,103		(8,358)		(8,358)		1,590,300		28,455	28,455	32,521	05/01/2015		
896033-MK-0	TRIBOROUGH BRDG & TUNL AUTH N		07/01/2011	VARIOUS		100,390	100,000.00	102,630	100,945		(114)		(114)		100,361		29	29	2,625	01/01/2013		
898796-E5-2	TUCSON ARIZ WTR REV		05/03/2011	UBS WARBURG		94,365	90,000.00	105,107	95,470		(514)		(514)		94,956		(591)	(591)	4,194	07/01/2014		
914026-FG-9	UNIVERSITY ALA GEN REV		07/01/2011	TECHNOLOGY INSURANCE CO		950,094	900,000.00	900,000	900,000						900,000		50,094	50,094	18,540	07/01/2017		
91417K-NA-5	UNIVERSITY COLO ENTERPRISE SYS		07/01/2011	TECHNOLOGY INSURANCE CO		1,039,720	1,000,000.00	1,000,000	1,000,000						1,000,000		39,720	39,720	4,149	06/01/2021		
91425M-BY-2	UNIVERSITY OF DELAWARE REV		05/01/2011	VARIOUS		1,140,420	1,145,000.00	1,145,000	1,145,000						1,090,658		49,762	49,762	14,086	11/01/2016		
91425M-CA-3	UNIVERSITY OF DELAWARE REV		04/26/2011	VARIOUS		1,040,016	1,025,000.00	1,025,000	1,025,000						970,778		69,238	69,238	16,622	11/01/2018		
914440-KY-7	UNIVERSITY MASS BLDG AUTH PROJ		07/01/2011	REDUCTION IN BASIS ADJ				96,854													11/01/2021	
914440-KY-7	UNIVERSITY MASS BLDG AUTH PROJ		07/01/2011	VARIOUS		2,284,951	2,388,000.00	2,364,814	1,652,968		145		145		2,252,661		32,289	32,289	43,750	11/01/2021		
(continues)																						

SCHEDULE D - PART 4

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

1 CUSIP Identifi- cation	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designa- tion or Market Indica- tor (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amorti- zation) / Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions (continued)																					
914716-VH-5	UNIVERSITY N C CHARLOTTE REV		07/01/2011	VARIOUS		946,042	935,000.00	935,000	935,000						925,379		20,663	20,663	14,900	04/01/2015	
914716-VJ-1	UNIVERSITY N C CHARLOTTE REV		07/01/2011	TECHNOLOGY INSURANCE CO		976,923	950,000.00	950,000	950,000						950,000		26,923	26,923	18,702	04/01/2016	
914716-VK-8	UNIVERSITY N C CHARLOTTE REV		07/01/2011	TECHNOLOGY INSURANCE CO		1,002,815	970,000.00	970,000	970,000						970,000		32,815	32,815	21,630	04/01/2017	
927781-TH-7	VIRGINIA COLLEGE BLDG AUTH VA		07/01/2011	TECHNOLOGY INSURANCE CO		4,371,568	4,150,000.00	4,192,994	4,189,744		(1,487)		(1,487)		4,188,257		183,311	183,311	180,698	02/01/2021	
940093-Z3-4	WASHINGTON ST UNIV REVS		07/01/2011	TECHNOLOGY INSURANCE CO		1,496,779	1,440,000.00	1,440,000	1,440,000						1,440,000		56,779	56,779	57,058	10/01/2021	
958697-HN-7	WESTERN MINN MUN PWR AGY MINN		07/01/2011	VARIOUS		1,797,865	1,750,000.00	1,750,000	1,750,000						1,696,345		101,520	101,520	23,060	01/01/2016	
958697-HN-7	WESTERN MINN MUN PWR AGY MINN		07/01/2011	VARIOUS		340,665	325,000.00	325,000	325,000						315,036		25,629	25,629	2,101	01/01/2016	
977123-YR-3	WISCONSIN ST TRANSN REV		07/01/2011	TECHNOLOGY INSURANCE CO		2,182,680	2,000,000.00	2,000,000	2,000,000						2,000,000		182,680	182,680	44,370	07/01/2018	
98348P-AL-3	WYOMING ST LN & INVT BRD CAP		07/01/2011	TECHNOLOGY INSURANCE CO		106,030	100,000.00	106,680	101,843		(426)		(426)		101,645		4,385	4,385	3,750	10/01/2012	
3199999 - Subtotal - Bonds - U.S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						54,054,103	51,569,198.00	52,799,780	51,891,045		(55,280)		(55,280)		51,862,224		2,191,878	2,191,878	1,398,659		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
002824-AS-9	ABBOTT LABORATORIES		05/15/2011	MATURITY		1,000,000	1,000,000.00	1,006,954	1,000,688		(688)		(688)		1,000,000				28,000	05/15/2011	
02580H-AC-0	FDIC GTD TLGP AMERICAN EXPRESS BK FSB		07/01/2011	TECHNOLOGY INSURANCE CO		1,014,628	1,000,000.00	999,210	999,744		113		113		999,857		14,771	14,771	1,925	12/09/2011	
054937-AC-1	BB&T CORPORATION		07/01/2011	TECHNOLOGY INSURANCE CO		706,698	700,000.00	736,680	704,493		(3,205)		(3,205)		701,446		5,452	5,452	41,708	08/01/2011	
05531F-AF-0	BB&T CORPORATION		07/01/2011	VARIOUS		1,584,915	1,500,000.00	1,593,105	1,589,241		(3,900)		(3,900)		1,547,685		37,230	37,230	39,829	04/29/2016	
060506-AA-9	FDIC GTD TLGP BANK OF AMERICA CORP		07/01/2011	TECHNOLOGY INSURANCE CO		1,029,190	1,000,000.00	999,490	999,786		60		60		999,846		29,344	29,344	17,014	06/15/2012	
06051G-ED-7	BANK OF AMERICA CORP		07/01/2011	VARIOUS		2,050,020	2,000,000.00	2,012,460	2,011,906		(561)		(561)		2,003,200		46,820	46,820	63,928	09/01/2015	
097023-AY-1	BOEING CO		07/01/2011	TECHNOLOGY INSURANCE CO		2,674,950	2,500,000.00	2,553,625	2,541,997		(4,013)		(4,013)		2,537,984		136,966	136,966	76,806	02/15/2015	
10138M-AH-8	BOTTLING GROUP LLC		07/01/2011	TECHNOLOGY INSURANCE CO		2,604,487	2,250,000.00	2,620,103	2,516,844		(33,255)		(33,255)		2,483,589		120,898	120,898	124,231	03/15/2014	
13973X-AC-7	CAPITAL AUTO REC ASSET TR 2007-1 A4A		07/15/2011	PAYDOWN		339,919	339,919.00	350,754	343,785		(3,199)		(3,199)		339,919				6,254	09/15/2011	
172967-EH-0	CITIGROUP INC		07/01/2011	TECHNOLOGY INSURANCE CO		1,116,800	1,000,000.00	1,001,120	1,000,813		(42)		(42)		1,000,770		116,030	116,030	52,667	08/15/2017	
172967-FD-8	CITIGROUP INC		07/01/2011	TECHNOLOGY INSURANCE CO		1,072,870	1,000,000.00	1,051,360	1,048,643		(4,304)		(4,304)		1,044,339		28,531	28,531	29,292	05/19/2015	
191219-BT-0	COCA-COLA ENTERPRISES		07/01/2011	TECHNOLOGY INSURANCE CO		1,459,550	1,250,000.00	1,468,525	1,411,804		(20,385)		(20,385)		1,391,419		68,131	68,131	76,311	03/03/2014	
20825R-AB-7	CONOCOPHIL AU		07/01/2011	TECHNOLOGY INSURANCE CO		1,629,240	1,500,000.00	1,593,660	1,552,841		(9,276)		(9,276)		1,543,565		85,675	85,675	58,667	04/15/2013	
209111-EV-1	CONS EDISON CO OF NY		07/01/2011	TECHNOLOGY INSURANCE CO		2,791,957	2,250,000.00	2,656,755	2,613,188		(15,963)		(15,963)		2,597,225		194,732	194,732	13,360	12/01/2018	
22160K-AB-1	COSTCO WHOLESALE CORP		07/01/2011	TECHNOLOGY INSURANCE CO		1,038,792	1,000,000.00	1,008,874	1,002,452		(832)		(832)		1,001,620		37,172	37,172	42,106	03/15/2012	
254587-CC-8	DISNEY (THE WALT) COMPANY		07/01/2011	TECHNOLOGY INSURANCE CO		1,006,465	1,000,000.00	1,031,324	1,004,553		(3,519)		(3,519)		1,001,079		5,386	5,386	54,793	07/15/2011	
263534-BV-0	EI DU PONT DE NEMOURS		07/01/2011	TECHNOLOGY INSURANCE CO		185,451	166,000.00	176,461	172,682		(866)		(866)		171,817		13,634	13,634	9,373	01/15/2014	
25477G-GT-0	DISTRICT COLUMBIA INCOME TAX R		07/01/2011	TECHNOLOGY INSURANCE CO		1,214,488	1,100,000.00	1,135,629		(1,228)			(1,228)		1,134,402		80,086	80,086	(23,887)		
264399-EM-4	DUKE ENERGY CAROLINAS		07/01/2011	VARIOUS		1,304,606	1,150,000.00	1,296,959		(5,409)			(5,409)		1,281,721		22,885	22,885	45,713	10/01/2015	
29157T-AA-4	EMORY UNIVERSITY		07/01/2011	TECHNOLOGY INSURANCE CO		1,002,391	875,000.00	954,676	945,972		(2,826)		(2,826)		943,146		59,245	59,245	41,016	09/01/2019	
369550-AK-4	GENERAL DYNAMICS CORP		07/01/2011	TECHNOLOGY INSURANCE CO		1,123,426	1,050,000.00	1,109,777	1,090,333		(6,904)		(6,904)		1,083,428		39,998	39,998	28,015	05/15/2013	
36962G-4L-5	GENERAL ELEC CAP CORP		07/01/2011	VARIOUS		2,618,025	2,500,000.00	2,620,075	2,614,336		(6,058)		(6,058)		2,555,350		62,675	62,675	486	06/29/2015	
38141E-A7-4	GOLDMAN SACHS GROUP INC		07/01/2011	VARIOUS		2,030,640	2,000,000.00	2,025,640	2,023,990		(1,209)		(1,209)		2,014,740		15,900	15,900	68,450	08/01/2015	
438516-AY-2	HONEYWELL INTERNATIONAL		07/01/2011	TECHNOLOGY INSURANCE CO		1,934,184	1,795,000.00	1,872,185	1,851,097		(6,074)		(6,074)		1,843,887		90,297	90,297	61,055	02/15/2014	
452308-AF-6	ILLINOIS TOOL WORKS INC		07/01/2011	TECHNOLOGY INSURANCE CO		277,631	250,000.00	264,463	260,185		(1,237)		(1,237)		258,947		18,684	18,684	9,656	04/01/2014	
46625H-HP-8	JPMORGAN CHASE & CO		07/01/2011	VARIOUS		1,047,790	1,000,000.00	1,046,220	1,042,953		(2,525)		(2,525)		1,028,710		19,080	19,080	35,047	01/20/2015	
46625H-HR-4	JPMORGAN CHASE & CO		07/01/2011	VARIOUS		1,033,710	1,000,000.00	1,041,410	1,039,429		(2,093)		(2,093)		1,006,130		27,580	27,580	661	06/24/2015	
50179M-AE-1	LB-UBS COMM MTG TR 06 C6 A4		07/01/2011	VARIOUS		1,096,660	1,000,000.00	1,107,656	1,103,979		(4,763)		(4,763)		1,067,340		29,320	29,320	29,844	09/11/2016	
585055-AU-0	MEDTRONIC INC		07/01/2011	TECHNOLOGY INSURANCE CO		1,831,230	1,800,000.00	1,781,028		555			555		1,781,583		49,647	49,647	13,913	03/15/2016	
589331-AL-1	MERCK & CO INC		07/01/2011	TECHNOLOGY INSURANCE CO		633,381	620,000.00	623,639	620,753		(348)		(348)		620,386		12,995	12,995	19,948	11/15/2011	
617446-7N-3	MORGAN STANLEY		07/01/2011	TECHNOLOGY INSURANCE CO		1,553,220	1,500,000.00	1,523,280	1,522,187		(1,870)		(1,870)		1,520,318		32,902	32,902	55,833	07/24/2015	
61746S-BR-9	MORGAN STANLEY		07/01/2011	TECHNOLOGY INSURANCE CO		731,207	675,000.00	667,209	669,965		387		387		670,352		60,855	60,855	25,800	01/15/2015	
61750W-AX-1	MORGAN STANLEY CAP I 06 IQ12 A4		04/11/2011	VARIOUS		3,458,457	3,250,000.00	3,534,550	3,547,779		(13,229)		(13,229)		3,429,205		29,252	29,252	64,021	11/01/2016	
61757U-AB-6	FDIC GTD TLGP MORGAN STANLEY		07/01/2011	TECHNOLOGY INSURANCE CO		1,268,834	1,250,000.00	1,263,050	1,254,140		(1,867)		(1,867)		1,252,273		16,561	16,561	23,698	12/01/2011	
665772-CD-9	NORTHERN STATES PWR-MINN		07/01/2011	TECHNOLOGY INSURANCE CO		2,527,695	2,250,000.00	2,427,705	2,406,228		(7,891)		(7,891)		2,398,337		129,358	129,358	98,438	03/01/2018	
66989H-AC-2	NOVARTIS CAPITAL CORP																				

SCHEDULE D - PART 4

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

1 CUSIP Identifi- cation	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designa- tion or Market Indi- cator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - Industrial and Miscellaneous (Unaffiliated) (continued)																					
693476-BH-5	PNC FUNDING CORP		07/01/2011	VARIOUS		2,113,640	2,000,000.00	2,112,440	2,106,621		(6,215)		(6,215)		2,067,680		45,960	45,960	65,049	02/08/2015	
717081-DA-8	PFIZER INC.		07/01/2011	TECHNOLOGY INSURANCE CO		2,553,480	2,250,000.00	2,428,313	2,385,415		(12,487)		(12,487)		2,372,928		180,552	180,552	95,631	03/15/2015	
711196-AQ-5	ROCHE HLDGS INC		07/01/2011	VARIOUS		1,746,456	1,590,000.00	1,676,296	1,648,591		(7,327)		(7,327)		1,641,265		105,191	105,191	66,250	03/01/2014	
828807-BS-5	SIMON PROPERTY GROUP LP		07/01/2011	TECHNOLOGY INSURANCE CO		1,036,558	1,000,000.00	1,010,170	1,002,633		(978)		(978)		1,001,656		34,902	34,902	38,333	05/01/2012	
846042-AA-7	FDIC GTD TLGP SOVEREIGN BANK		07/01/2011	TECHNOLOGY INSURANCE CO		304,595	300,000.00	299,715	299,902		39		39		299,941		4,654	4,654	7,883	01/17/2012	
871829-AK-3	SYSCO INTERNATIONAL CO		07/01/2011	TECHNOLOGY INSURANCE CO		1,055,790	1,000,000.00	998,350	998,350						998,350		57,440	57,440	37,217	02/12/2013	
90333W-AA-6	US BANK NA		07/01/2011	TECHNOLOGY INSURANCE CO		1,009,305	1,000,000.00	1,042,480	1,007,032		(5,016)		(5,016)		1,002,016		7,289	7,289	58,438	08/01/2011	
92976B-DT-6	WACHOVIA BK COMM MTG TR 06 C23 A4		07/01/2011	VARIOUS		2,710,861	2,479,000.00	2,736,597	2,725,069		(15,133)		(15,133)		2,661,876		48,985	48,985	67,156	12/01/2015	
931142-BY-8	WAL-MART STORES INC		07/01/2011	VARIOUS		1,101,790	1,000,000.00	1,093,790			(3,268)		(3,268)		1,081,510		20,280	20,280		07/01/2015	
94974B-EU-0	WELLS FARGO & COMPANY		07/01/2011	VARIOUS		2,111,040	2,000,000.00	2,123,620	2,117,123		(6,520)		(6,520)		2,061,500		49,540	49,540	51,556	04/15/2015	
976657-AC-0	WISCONSIN ENERGY CORP		04/01/2011	MATURITY		915,000	915,000.00	961,388	917,880		(2,880)		(2,880)		915,000				29,738	04/01/2011	
983024-AA-8	WYETH		07/01/2011	TECHNOLOGY INSURANCE CO		1,354,062	1,250,000.00	1,344,275	1,308,849		(9,061)		(9,061)		1,298,046		56,016	56,016	54,618	03/15/2013	
893526-8Y-2	TRANS-CANADA PIPELINES	I	07/01/2011	TECHNOLOGY INSURANCE CO		2,487,000	2,000,000.00	2,359,980	2,320,275		(13,844)		(13,844)		2,306,431		180,569	180,569	136,958	01/15/2019	
046353-AC-2	ASTRAZENECA PLC	R	07/01/2011	TECHNOLOGY INSURANCE CO		1,061,720	1,000,000.00	1,033,330	1,012,807		(3,040)		(3,040)		1,009,767		51,953	51,953	42,900	09/15/2012	
05565Q-BH-0	BP CAPITAL MARKETS PLC	R	07/01/2011	TECHNOLOGY INSURANCE CO		3,961,500	3,750,000.00	3,831,338	3,812,570		(5,829)		(5,829)		3,806,741		154,759	154,759	117,461	03/10/2015	
05567L-G6-8	BNP PARIBAS	R	07/01/2011	VARIOUS		2,577,000	2,500,000.00	2,598,475	2,593,199		(5,292)		(5,292)		2,524,550		52,450	52,450	65,451	03/11/2015	
06739F-GF-2	BARCLAYS BANK PLC	R	07/01/2011	VARIOUS		1,619,625	1,500,000.00	1,663,785	1,658,778		(6,357)		(6,357)		1,590,270		29,355	29,355	58,125	09/22/2016	
06739G-BB-4	BARCLAYS BANK PLC	R	07/01/2011	VARIOUS		1,052,620	1,000,000.00	1,060,310	1,057,269		(3,184)		(3,184)		1,034,430		18,190	18,190	28,600	04/07/2015	
22546Q-AE-7	CREDIT SUISSE NEW YORK	R	07/01/2011	VARIOUS		2,086,780	2,000,000.00	2,107,200	2,101,663		(5,734)		(5,734)		2,042,400		44,380	44,380	54,056	03/23/2015	
2515A0-Q3-0	DEUTSCHE BANK AG LONDON	R	07/01/2011	VARIOUS		2,126,400	2,000,000.00	2,135,640	2,127,056		(8,445)		(8,445)		2,085,360		41,040	41,040	67,382	08/18/2014	
25243Y-AN-9	DIAGEO CAPITAL PLC	R	07/01/2011	TECHNOLOGY INSURANCE CO		2,596,410	2,250,000.00	2,518,875	2,430,675		(23,384)		(23,384)		2,407,290		189,120	189,120	159,484	01/15/2014	
44328M-AB-0	HSBC BANK PLC	R	07/01/2011	VARIOUS		2,588,725	2,500,000.00	2,634,225	2,627,988		(6,802)		(6,802)		2,532,450		56,275	56,275	729	06/28/2015	
51488Y-AA-7	LANDESBANK BADEN-WUERTEMBERG NY	F	07/01/2011	TECHNOLOGY INSURANCE CO		328,427	315,000.00	332,983	319,877		(1,594)		(1,594)		318,284		10,143	10,143	15,002	04/01/2012	
53947M-AA-4	LLOYDS TSB BANK PLC	R	07/01/2011	VARIOUS		2,066,440	2,000,000.00	2,058,180	2,055,235		(3,200)		(3,200)		2,037,040		29,400	29,400	84,826	01/12/2015	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					94,539,453	88,019,919.00	93,290,383	85,143,643		(324,721)		(324,721)		91,324,667		3,214,786	3,214,786	2,747,059		
8399997	Subtotal - Bonds - Part 4					233,750,205	221586904	229,493,342	213,295,666		(445,126)		(445,126)		226,106,811		7,643,394	7,643,394	5,738,448		
8399999	Subtotal - Bonds					233,750,205	221586904	229,493,342	213,295,666		(445,126)		(445,126)		226,106,811		7,643,394	7,643,394	5,738,448		
9999999	TOTALS					233,750,205		229,493,342	213,295,666		(445,126)		(445,126)		226,106,811		7,643,394	7,643,394	5,738,448		

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Schedule DB, Part A, Section 1
NONE

Financial or Economic Impact of the Hedge
NONE

Page E07

Schedule DB, Part B, Section 1
NONE

Schedule DB, Part B, Section 1, Broker Name
NONE

Schedule DB, Part B, Financial or Economic Impact of the Hedge
NONE

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Schedule DB, Part D
NONE

Page E09

Schedule DL, Part 1
NONE

Page E10

Schedule DL, Part 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository				Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	
Name	Location and Supplemental Information	Code	Rate of Interest			First Month	Second Month	Third Month	
Open Depositories									
State Street Bank	Kansas City, MO					5,635	5,626	19,157	
Wells Fargo Bank	San Francisco, CA					2,562,609	3,349,529	(186,773)	
Bank of HI	Honolulu, HI					99,337	91,876	76,006	
CitiBank	San Francisco, CA					2,235,503	3,193,280	2,809	
HSBC Bank	San Francisco, CA					1,371,134	266,542	(167,822)	
US Bank	Portland, OR					150,000			
0199999 - TOTAL - Open Depositories						6,424,218	6,906,853	(256,624)	
0399999 - TOTAL Cash on Deposit						6,424,218	6,906,853	(256,624)	
0599999 - TOTALS						6,424,218	6,906,853	(256,624)	

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due and Accrued	Amount Received During Year
Other Cash Equivalents							
First National Bank of Alaska		01/05/2011	0.200	07/05/2011	25,000	11	25
8599999 - Other Cash Equivalents					25,000	11	25
8699999 - Total Cash Equivalents					25,000	11	25

STATEMENT AS OF JUNE 30, 2011 OF THE MAJESTIC INSURANCE CO. - IN CONSERVATION

DIRECTOR AND OFFICER SUPPLEMENT

NAIC Group Code: 0000 NAIC Company Code: 42269

If the reporting entity writes any director and officer (D&O) business, please provide the following information:

1. Monoline Policies

NONE

	Direct Premium Earned	Direct Losses Incurred
\$	\$	\$

2. Commercial Multiple Peril (CMP) Packaged Policies

- 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy?

Yes () No ()
- 2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated?

Yes () No ()
- 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies.

2.31 Amount quantified

\$

2.32 Amount estimated using reasonable assumptions

\$
- 2.4 If the answer to 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies

\$