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**ENDORSED
 FILED**
 Superior Court of California
 County of San Francisco

APR 21 2011

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Attorneys for Applicant Dave Jones,
 Insurance Commissioner of the State of California
 in his Capacity as Conservator of Majestic Insurance
 Company

**EXEMPT from filing fees per Govt.
 Code § 6103**

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 CITY AND COUNTY OF SAN FRANCISCO**

DAVE JONES, INSURANCE
 COMMISSIONER OF THE STATE OF
 CALIFORNIA,

Applicant,

v.

MAJESTIC INSURANCE COMPANY, and
 DOES 1-50, inclusive,

Respondents.

Case No. CPF-11-511261

**DECLARATION OF AL BOTTALICO
 IN SUPPORT OF INSURANCE
 COMMISSIONER DAVE JONES'
 MOTION FOR ORDER APPROVING
 REHABILITATION PLAN FOR
 MAJESTIC INSURANCE COMPANY**

**Date: June 2, 2011
 Time: 9:30 a.m.
 Dept: 301
 Judge: Hon. Peter J. Busch**

1 I, AL BOTTALICO, hereby declare and state as follows:

2 1. I am the Division Chief of the Field Examination Division of the California
3 Department of Insurance ("CDI").

4 2. I have held the position of Division Chief of the Field Examination Division since
5 September 2004. In this position, I am the chief examiner of the CDI with overall responsibility
6 for the financial oversight of California domestic insurers, including the periodic examination of
7 the financial condition and affairs of such insurers. I have been employed by the CDI and
8 involved in examining the financial condition and affairs of California domestic insurers since
9 October 1977. I received my Bachelors degree in accounting in 1977 and I have been licensed
10 continuously as a Certified Public Accountant since 1982. I am also a Certified Financial
11 Examiner, certified by the Society of Financial Examiners ("SOFE").

12 3. The CDI officially commenced its most recent examination of Majestic Insurance
13 Company ("Majestic"), a California domestic insurer, on November 17, 2008. Due to the
14 financial problems found to exist at Majestic, the examination "as of" date was initially extended
15 to December 31, 2009, and then extended again to December 31, 2010. The examiner in charge
16 of the examination of Majestic was Gordon M. Curtis. Mr. Curtis along with the entire CDI
17 Majestic examination team including Chief Actuary Ronald Dahlquist, worked under my
18 oversight.

19 4. The CDI's official report of the above-described examination of Majestic was
20 completed in April 2011 and contains the conclusions of the CDI concerning the condition of the
21 Majestic. A true and correct copy of this examination report, entitled Report of the Examination
22 of the Majestic Insurance Company as of December 31, 2010, ("Examination Report") is attached
23 hereto as Exhibit A. A true and correct copy of the Annual Statement of the Condition and
24 Affairs of Majestic Insurance Company for the year ended December 31, 2010, prepared by the
25 management of Majestic and filed with the CDI on or around March 1, 2011, is attached hereto as
26 Exhibit B.

27 5. My approval of the Examination Report is required before its finalization and
28 issuance. I have approved the Examination Report and I authorized Mr. Curtis to sign it on behalf

1 of the CDI. I concur in all of its findings and conclusions, including the examination adjustment
2 for the deficiencies in the loss and loss adjustment reserves and the premium deficiency reserve,
3 as discussed on pages 2-4 of the Examination Report. I also concur in the conclusion that
4 Majestic is operating in a hazardous financial condition under Section 1011(d) of the California
5 Insurance Code, as discussed in the Examination Report at page 5, which has necessitated that
6 Majestic be taken into court-supervised conservation.

7 I declare under penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct.

9 Executed this 2th day of April, 2011.

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11 By: 

12 Al Bottalico
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EXHIBIT A

Exhibit A

REPORT OF EXAMINATION
OF THE
MAJESTIC INSURANCE COMPANY
AS OF
DECEMBER 31, 2010

Participating State
and Zone:

California

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San Francisco, California
April 8, 2011

Honorable Joseph Torti, III
Chairman of the NAIC Financial
Condition Subcommittee
Superintendent of Business Regulation
Division of Insurance
Cranston, Rhode Island

Honorable James J. Wrynn
Secretary, Zone I-Northeastern
Superintendent of Insurance
New York State Insurance Department
New York, New York

Honorable Linda S. Hall
Secretary, Zone IV-Western
Director of Insurance
Alaska Division of Insurance
Anchorage, Alaska

Honorable Dave Jones
Insurance Commissioner
California Department of Insurance
Sacramento, California

Dear Chairman and Commissioners:

Pursuant to your instructions, an examination was made of the

MAJESTIC INSURANCE COMPANY

(hereinafter also referred to as the Company) at its home office located at 101 California St., 22nd Floor, San Francisco, California 94111.

SCOPE OF EXAMINATION

The previous examination of the Company was made as of December 31, 2004. This examination covers the period from January 1, 2005 through December 31, 2010. The examination was conducted in accordance with the National Association of Insurance Commissioners' Financial

Condition Examiners' Handbook. The Handbook requires the planning and performance of the examination to evaluate the Company's financial condition, to identify prospective risks, and to obtain information about the Company, including corporate governance, identification and assessment of inherent risks, and the evaluation of the system controls and procedures used to mitigate those risks. The examination also included an assessment of the principles used and the significant estimates made by management, as well as an evaluation of the overall financial statement presentation, and management's compliance with Statutory Accounting Principles and Annual Statement instructions. All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

In addition to those items specifically commented upon in this report, other phases of the Company's operations were reviewed including the following areas that require no further comment: corporate records; fidelity bonds and other insurance; pensions, stock ownership and insurance plans; growth of company; and sales and advertising.

SUMMARY OF SIGNIFICANT FINDINGS

Hazardous Financial Condition

The California Department of Insurance (CDI) finds that the Company is operating in a hazardous financial condition in accordance with California Insurance Code Section (CICS) 1011(d). Accordingly, pursuant to the Commissioner's authority under CICS 1011, it is recommended a conservation order be issued against Majestic Insurance Company ("Company") at the earliest possible date, as further transactions of business could be hazardous to the Company's policyholders, or creditors. This recommendation is supported by the following facts:

- (1) The Company's loss and loss adjustment expense reserves were determined 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, the Company's Risk-Based Capital (RBC) falls within the Mandatory Control Level RBC per

CICS 739.6(b)(2).

- (2) The Company's surplus is declining at a rate of approximately \$1.5 million per month due to continued underwriting losses.
- (3) The Company's net cash from operations was **negative** \$37.5 million for 2010, compared to **negative** \$18.7 million for 2009.
- (4) The Company had unencumbered invested assets of approximately \$37.2 million at December 31, 2010.
- (5) The Company's expense ratio was 60% of premiums earned for 2010, compared to 38% for 2009.
- (6) The New York State Workers' Compensation Board (NY WCB) filed a lawsuit against the Company and its holding company, including individual officers, for damages in excess of \$400 million. Any proposed settlement with the NY WCB could negatively affect the financial condition of the Company.
- (7) There are three pending lawsuits in California against the Company and its holding company, including individual officers, for damages in excess of \$34 million.
- (8) The Company's inforce premium has dropped from \$150 million at December 31, 2009 to approximately \$84 million at December 31, 2010.
- (9) On March 28, 2011, the rating agency A.M. Best downgraded the financial strength rating of the Company from B++ (Good) to B (Fair), which will further impact the Company's ability to write new business or retain existing business going forward.

Examination Adjustments and Risk-Based Capital

As a result of this examination, surplus as regards policyholders has been reduced by \$46.4 million. Adjustments of \$40.9 million were due to net increases in the Company's losses and loss adjustment expense reserves for accident years 2010 and prior. Also, due to the increase in reserves, a premium deficiency reserve was required in the amount of \$5.5 million pursuant to the requirements of Statements of Statutory Accounting Principles No. 53, paragraph 15. The examination decrease to surplus impacted the Company's Risk-Based Capital (RBC) level as follows:

Risk-based Capital Levels	2010
Total Adjusted Capital per Company	57,941,604
Examination Adjustments	46,414,371
Total Adjusted Capital per Exam	11,527,233
Authorized Control level RBC per Company	18,842,438
RBC Ratio	61.2%

After the examination adjustments, the Company's RBC falls within the Mandatory Control Level RBC per California Insurance Code Section (CICS) Section 739.6(b)(2).

Loss Experience

The following is a summary of the Company's loss and expense experience for the last three years:

Description	Year/Amounts (000 omitted)		
	2010	2009	2008
Net premiums earned	47,014	70,397	93,337
Net losses and loss expenses incurred	47,979	73,886	68,543
Net other underwriting expense	30,119	27,169	30,195
Net (loss) from underwriting	(31,083)	(30,658)	(5,401)
Net investment income	6,820	8,217	8,400
Net income (loss)	(20,760)	(13,298)	3,379
Loss Ratio	102%	104%	73%
Expense Ratio	60%	38%	33%
Combined Ratio	162%	142%	106%

The Company reported a combined ratio of 162% in 2010, compared to 142% in 2009. The net premiums earned in 2010 were approximately 33% lower than in 2009. The Company's expense ratio was 60% of premiums earned for 2010, compared to 38% for 2009. Management's failure to reduce operating expenses, resulted in an unacceptable expense ratio. The 162% combined ratio of the Company raises significant concerns about management's ability to establish, monitor or hold their employees accountable to a sustainable business plan. These results along with the reserve deficiency identified in this report lead the California Department of Insurance (CDI) to find that the Company is operating in a hazardous financial condition in accordance with California Insurance Code Section (CICS) 1011(d).

Cash Flow Trend

As summarized below, the Company has experienced significant negative cash flow from operations over the past two years. The negative cash flow combined with only \$37.2 million in unencumbered invested assets places the Company in hazardous financial condition.

<u>Cash from Operations</u>	<u>2010</u>	<u>2009</u>
Net Premiums Collected	\$ 52,361,649	\$ 67,906,960
Net Investment Income	8,500,361	10,502,750
Miscellaneous Income	<u>(1,512,462)</u>	<u>(1,907,305)</u>
Total Cash In	<u>\$ 59,349,548</u>	<u>\$76,502,405</u>
Benefit and Loss Payments	46,068,278	51,837,915
Commissions and Expenses Paid	55,737,567	41,905,939
Federal Income Tax Paid / (Recovered)	<u>(4,959,712)</u>	<u>1,478,621</u>
Total Cash Out	<u>96,846,133</u>	<u>95,222,475</u>
Net Cash From Operations	<u><u>\$(37,496,585)</u></u>	<u><u>\$(18,720,070)</u></u>

Statutory Deposits

At December 31, 2010, the Company had either statutory or restricted deposits totaling approximately \$235.7 million. Such deposits are encumbered, primarily as security to ensure the Company's obligations to its policyholders, claimants and certain obligations under various lease terms. Total invested assets at December 31, 2010 totaled \$272.9 million, leaving approximately \$37.2 million in unencumbered invested assets.

Proposed Merger of Bayside Capital Partners LLC and Majestic Capital, Ltd.

On September 21, 2010, the Company's ultimate parent, Majestic Capital, Ltd., (formerly CRM Holdings, Ltd.), a Bermuda company, entered into an Agreement and Plan of Merger and Amalgamation (Merger Agreement) with Bayside Capital Partners LLC (Bayside Capital). The Merger Agreement provided that Bayside Capital would be merged and amalgamated with Majestic Capital, Ltd. (Majestic Capital), with the resulting entity becoming a wholly-owned subsidiary of Bayside Capital (Merger). Bayside Capital is a holding company, the principal members of which are Lancer Financial Group, Inc. (Lancer Financial), David and Timothy Delaney, and individuals who are, in some cases, shareholders of Lancer Financial.

On March 21, 2011 Majestic Capital announced that Bayside Capital terminated the Merger Agreement. In its termination notice, Bayside Capital cited a material deterioration in Majestic Capital's surplus, an inability to secure regulatory approval for the merger, and a failure to satisfy the closing condition with respect to termination of Majestic Capital's lease for office space in Poughkeepsie, N.Y., on terms acceptable to Bayside Capital.

Litigation Involving the Company and the Contractors Access Program of California

On December 20, 2010, Bickmore Risk Services, as conservator of Contractors Access Program of California (CAP), filed a complaint in Superior Court for the State of California, County of San Francisco naming as defendants Majestic Capital, Ltd. (formerly CRM Holdings, Ltd.), Majestic Insurance Company (Company), Twin Bridges Bermuda LTD (Twin Bridges), and certain current and former officers and affiliates. The complaint seeks rescission of the excess insurance policies issued by the Company and restitution of premiums paid to the Company for the excess insurance policies. Specifically to the Company, CAP seeks a return of all premium paid on the 2005-2009 policies and that those policies be declared rescinded with the release of the Company and Twin Bridges from all liabilities from those policies. CAP alleges that it expended over \$22 million for excess insurance, purchased from the Company and Twin Bridges during the years of 2005 through 2009, in which no claims had been paid. Additionally, CAP alleges that Majestic Capital, Ltd. caused CAP to pay \$6.5 million of insurance premiums to the Company

On February 28, 2011, CAP amended its complaint and no longer sought an order of rescission and restitution against the Company, but instead alleged that the Company and other defendants made negligent misrepresentations to CAP that it relied on to its detriment and seeks damages of not less than \$38,005,200. This matter may result in a material adverse effect on the Company's finances.

There are two additional lawsuits naming the Company as a defendant involving the members of Contractors Access Program. The complaint and damages sought are as follows:

- (1) On October 28, 2010, California Plastering, et al., former members of the Contractors Access Program of California, filed suit against Pridemark-Everest Insurance Services, Inc., et al.. Damages are alleged to be in the range of \$10 million to \$30 million.
- (2) On January 27, 2011, Tanner Construction, Inc., et al., former members of the Contractors Access Program of California filed, suit against Majestic Capital, Ltd. (formerly CRM Holdings, Ltd.), et al. The plaintiffs are seeking damages in excess of \$30 million.

Litigation Involving the Company and New York Self-Insured Groups

In March 2008, Majestic Capital, Ltd. (formerly CRM Holdings, Ltd.) was advised that the New York State Office of the Attorney General (NY Attorney General) had commenced an investigation of Majestic Capital, Ltd. (Majestic Capital) and had issued a subpoena for documents related to Majestic Capital's administration of the Healthcare Industry Trust of New York (HITNY). Subsequent inquiries and requests for documents by the NY Attorney General indicated a focus on the Majestic Capital's initial public offering in December 2005, and in August 2009, Majestic Capital was advised that the NY Attorney General would seek testimony of six current or former directors and officers of the Company and Majestic Capital. Thereafter, in December 2009, Majestic Capital received a "Notice of Imminent Enforcement Action" from the NY Attorney General, in which the NY Attorney General informed Majestic Capital that the NY Attorney General was intending to file civil claims against Majestic Capital, certain of its subsidiaries including the Company and certain directors and officers, to seek redress of allegedly unlawful practices unless an acceptable settlement could be reached. The NY Attorney General alleges that Majestic Capital and the other named parties engaged in fraudulent practices in connection with Majestic Capital's administration and marketing of workers' compensation group self-insurance trusts in New York and in connection with Majestic Capital's initial public offering completed in December 2005. These practices are alleged to have violated New York's Executive Law and Martin Act, and the NY Attorney General informed Majestic Capital that it would seek injunctive relief, restitution, damages, penalties and costs.

In December 2009, the New York State Workers' Compensation Board (NY WCB) commenced a lawsuit on its own behalf and in its capacity as successor in interest to seven of the eight workers' compensation self-insured groups in New York previously managed by Majestic Capital naming the Company as a defendant. The NY WCB's lawsuit, filed in the Supreme Court of the State of New York, Albany County, alleges that Majestic Capital and its subsidiaries and certain directors and officers breached fiduciary duties owed to the self-insured groups, breached contracts between Majestic Capital and the self-insured groups, breached duties of good faith and fair dealing owed to the self-insured groups, engaged in fraudulent activities in administering the self-insured groups, engaged in deceptive business practices and advertising, and were unjustly enriched. In March 2010, the NY WCB amended its complaint to include the Elite Contractors Trust of New York, the eighth workers' compensation self-insured group previously administered by Majestic Capital, as a plaintiff. The amended complaint alleges that the NY WCB and the self-insured groups have suffered damages in an amount that is not currently ascertainable, but which the NY WCB believes exceeds \$472 million.

On September 30, 2010, Majestic Capital and the NY Attorney General and the NY WCB (collectively referred to as State of New York) entered into a memorandum of understanding outlining a proposed settlement with the State of New York described below on the following terms and conditions:

- (1) Escrow Severance Funds: Majestic Capital will pay \$4.1 million to the State of New York of which the funds are currently being held in escrow as potential severance payments to former CEOs of Majestic Capital.
- (2) Cash contribution from Majestic Capital: Majestic Capital will contribute \$4.6 million to the State of New York.
- (3) Errors & Omissions Insurance Policy: Majestic Capital's errors and omissions insurance carrier will contribute \$2.5 million.
- (4) Contribution of Shares: Current directors and current/former officers will assign to the State

of New York, proceeds received from the sale of an aggregate of \$1.2 million in common shares of Majestic Capital.

- (5) Commutation of Specific Excess Policies: The Company will commute \$2,754,351, on an undiscounted basis, the loss reserves currently held on excess insurance policies it issued to four of the self-insured groups previously managed by Compensation Risk Managers, LLC (CRM).
- (6) Waiver of Disclaimers for Late Notice of Claim: The Company will forego its rights to disclaim coverage and/or impose penalties for late notice for certain claims arising under certain excess insurance policies it issued to the self-insured groups previously managed by CRM.
- (7) Adjustment to Aggregate Insurance Policies: The Company will adjust the attachment points and increase policy limits on certain aggregate insurance policies it issued to certain self-insured groups previously managed by CRM.

The completion of the settlement is subject to the following conditions:

- (1) Approval by the California Department of Insurance (CDI) and the Bermuda Monetary Authority.
- (2) Negotiation and execution of one or more definitive settlement agreements.
- (3) Releases granted in favor of Majestic Capital and its subsidiaries and affiliates by the State of New York, the self-insured groups previously managed by Majestic Capital, all members of the self-insured groups previously managed by Majestic Capital and any other related parties.

If completed, the proposed settlement would resolve the claims by the State of New York and the litigation covered. As of the report date, the CDI has not approved the Proposed Settlement Agreement. The New York litigation is requesting in excess of \$400 million in damages.

COMPANY HISTORY

The Company was incorporated on March 17, 1980 under the laws of the State of California. It commenced business in April 1982 as the Great Western Insurance Company. It was acquired by Embarcadero Insurance Holding, Inc. (EIHI), a California corporation, and its present name adopted on July 1, 1986. On November 13, 2006, EIHI was 100% purchased through a Stock Purchase Agreement by CRM Holdings, Ltd. (CRMH) and its wholly-owned subsidiary, CRM USA Holdings, Inc. (CRM USA). The transaction was approved by the California Department of Insurance (CDI) on November 3, 2006 and completed on November 14, 2006.

The Company has 50,000 shares of \$75 par value common stock authorized and 40,000 shares issued and outstanding. Paid-in capital of \$49,950,000 consists of \$3,000,000 of common stock plus \$46,950,000 in contributed capital. On June 26, 2008, the Company received an additional surplus contribution of \$34,500,000 from its parent. The funds were provided to EIHI through a capital contribution from its then parent, CRM USA. The contribution was recorded as gross paid-in and contributed surplus.

During the period under examination, the Company paid ordinary dividends totaling \$5,450,000 to its sole shareholder. The Company has reported these dividends to the California Department of Insurance (CDI) pursuant to California Insurance Code Section (CICS) 1215.4 (f).

MANAGEMENT AND CONTROL

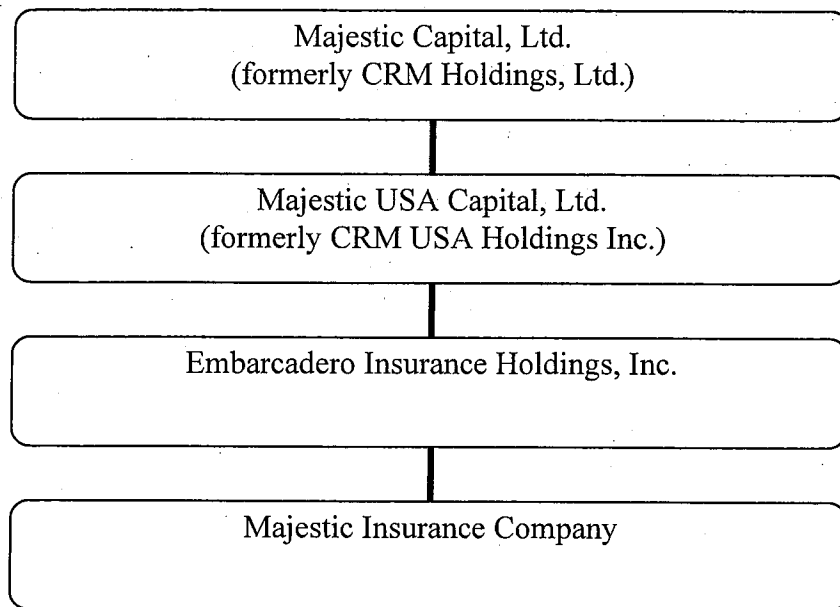
The Company is a member of an insurance holding company system. It is a wholly-owned subsidiary of Embarcadero Insurance Holdings, Inc. (EIHI), a California corporation.

CRM Holdings, Ltd. (CRMH) is a publically-held Bermuda domestic exempted holding company incorporated on September 7, 2005. On May 5, 2010, CRMH held its 2010 Annual General Meeting

of Shareholders, at which the shareholders voted on and approved changing the name of CRM Holdings, Ltd. to Majestic Capital, Ltd. (Majestic Capital). In addition, the name of CRM USA Holdings Inc. was changed to Majestic USA Capital, Inc. Majestic Capital, Ltd. is traded on the NASDAQ stock market under the symbol "MAJC".

On May 12, 2010, Majestic Capital received a letter from The NASDAQ Stock Market stating that its common shares had failed to comply with the \$1.00 minimum bid price required for continued listing on the NASDAQ Global Select Market. In response, Majestic Capital obtained approval from the NASDAQ Stock Market to transfer its stock listing from the NASDAQ Global Select Market to the NASDAQ Capital Market, effective at the opening of the market on May 21, 2010. In connection with the transfer, Majestic Capital was granted an additional 180 days from May 10, 2010, or until November 8, 2010, to demonstrate compliance with the \$1.00 bid price requirement of the NASDAQ Capital Market. On November 2, 2010, Majestic Capital's Board of Directors implemented a 1-for-10 reverse share split, effective at the close of business on November 4, 2010. As a result of the reverse share split, Majestic Capital's common shares initiated trading on the NASDAQ Capital Market effective November 5, 2010 under the symbol "MAJCD" and continued trading under that symbol for a period of 20 days. Thereafter, it resumed trading under the Company's original symbol of "MAJC." The primary purpose of the reverse share split was to increase the per share price of Majestic Capital's shares in order to comply with the \$1.00 bid price requirement of the NASDAQ Capital Market.

The following chart depicts the interrelationship of the companies within the holding company system at December 31, 2010:



Members of the board of directors, who are elected annually, manage the business and affairs of the Company. Following are members of the board and principal officers of the Company serving at December 31, 2010:

Directors

<u>Name and Residence</u>	<u>Principal Business Affiliations</u>
Daniel Gregory Hickey, Sr. Rhinebeck, New York	President Hickey-Finn & Company, Inc.
Chester J. Walczyk Hamburg, New York	Executive Vice President and COO Majestic Insurance Company
Kevin J. McGrath Mill Valley, California	General Counsel and Secretary Majestic Insurance Company

The Company's bylaws indicate that the number of directors should be five. It is recommended that the Company adhere to its bylaws by filling the board vacancies that has remained vacant for over five years.

Officers

<u>Name</u>	<u>Title</u>
James J. Scardino	Chief Executive Officer
Joseph F. Taylor	Chief Financial Officer ⁽¹⁾
Kevin J. McGrath	General Counsel and Secretary
Chester J. Walczyk	Executive Vice President and Chief Operations Officer
Louis J. Viglotti	Executive Vice President and Asst. Secretary
Chung Hwei Pan	Senior Vice President and Controller
Donald R. Bellinger	Senior Vice Presidents of Claims
John V. Hernandez	Senior Vice President of Marketing
Thomas J. Spendley	Senior Vice President of Underwriting (East)
Nora S. Greathouse	Senior Vice President of Underwriting (West)
Michael W. Bourne	Senior Vice President of Financial Planning and Analysis
Richard D. Ackermann	Vice President and Chief Information Officer
John R. Hoesterman	Senior Vice President of Loss Control
Cynthia A. McKinney	Senior Vice President of Human Resource

⁽¹⁾ On August 5, 2010, Joseph F. Taylor resigned effective August 2, 2010. James J. Scardino, the Company's current Chief Executive Officer, will continue serving as the Company's Chief Financial Officer on an interim basis.

Management Agreements

Broker Agreement (CRM): Effective January 1, 2007, the Company entered into a Broker Agreement with its affiliate, Compensation Risk Managers, LLC (CRM). Pursuant to this agreement, CRM performs brokerage services for which it received compensation from the Company in the form of commissions. The California Department of Insurance (CDI) approved this agreement on March 5,

2007. This agreement was inactive during 2009. The Company paid commissions of \$0 and \$141,722 under this agreement during 2009 and 2008, respectively.

Broker Agreement (CRM of CA): Effective January 1, 2007, the Company entered into a Broker Agreement with its affiliate, Compensation Risk Managers of California, LLC (CRM of CA). Pursuant to this agreement, CRM of CA performs brokerage services for which it received compensation from the Company in the form of commissions. The CDI approved this agreement on March 5, 2007. The Company paid commissions of \$99,064 and \$430,026 under this agreement during 2010 and 2009, respectively.

Claims and Loss Control Services Agreement: On April 1, 2007 the Company entered into a Claims and Loss Control Services Agreement with CRM. Pursuant to this agreement, CRM provided claims administration and loss control services for the Company in New York and New Jersey. The CDI approved this agreement on July 25, 2007. This agreement was terminated effective October 1, 2008. During 2008, the Company paid \$97,279 to CRM for these services.

Medical Cost Containment Services Agreement: On August 1, 2007, the Company entered into a Medical Cost Containment Services Agreement with an affiliate, Eimar, LLC (Eimar). Pursuant to this agreement, Eimar provides medical bill re-pricing, PPO network access and other medical cost containment services to the Company. The CDI approved this agreement on July 19, 2007. Eimar discontinued its operation in 2008, and this contract was cancelled on October 1, 2008. During 2008, the Company paid \$1,786,215 to Eimar for these services.

Tax Allocation Agreement: Effective September 1, 2007, the Company entered into a Tax Allocation Agreement with Majestic USA Capital, Inc. (formerly CRM USA Holdings, Ltd.) and its subsidiaries (collectively, Majestic USA Capital,). Pursuant to this agreement, the Company and Majestic USA Capital report and pay federal, state and local income taxes on a consolidated basis as members of an affiliated group in accordance with the Internal Revenue Code and IRS regulations. The CDI approved this agreement on September 3, 2007. In 2010, the Company received tax refunds totaling \$5,172,152 through its parent company relating to the prior years' Net Operating Loss Carryback.

Administrative Services Agreement: Effective January 1, 2008, the Company entered into an Administrative Services Agreement with Majestic USA Capital (formerly CRM USA Holdings, Ltd.) and its subsidiaries. Pursuant to this agreement, Majestic USA Capital performs or arranges various administrative services for the Company, including, but not limited to, information systems, actuarial, claims adjustment, loss control, accounting and financial, and executive management services. The CDI approved this agreement on October 29, 2007. The Company paid \$3,631,518 and \$3,653,001 to Majestic USA Capital for these services during 2010 and 2009, respectively.

The following exceptions were noted regarding this agreement. As such, these exceptions are violations of the provisions in the agreement approved by the CDI:

- (1) The Company and Majestic USA Capital did not settle intercompany balances due to/from affiliates in accordance with the agreement. It was noted that the Company paid Majestic USA Capital in advance for some months in 2009, an indication that Majestic USA Capital and/or its affiliates are experiencing cash flow problems. From January to September, 2009, the Company made \$2,050,000 in advance payments to Majestic USA Capital. It was also noted that Majestic USA Capital repaid these advances prior to December 31, 2009.
- (2) Instances were noted where the Company remitted payment to Majestic USA Capital prior to closing. This practice is also an indication that Majestic USA Capital and/or its affiliates are experiencing cash flow problems.
- (3) Majestic USA Capital made several entries to its general ledger, although not material, subsequent to allocating expenses to its affiliates. During 2009, these late entries resulted in an additional \$136,025 of expenses to be allocated. Majestic Capital employees stated that the majority of this amount, approximately \$104,000, was due to late entries relating to the allocation of rent. The portion of this allocation due from the Company was approximately \$70,500. Additionally, during 2008, such late entries resulted in an additional \$115,497 of expenses to be allocated.

- (4) It was noted that some expenses were recorded on an accrual basis, resulting in the prepayment of such expenses by the Company.

It is recommended the Company implement and enforce controls to ensure that intercompany balances due to/from affiliates are settled in accordance with the Administrative Services Agreement that was approved by the CDI.

TERRITORY AND PLAN OF OPERATION

At December 31, 2010 the Company was licensed to write business in the following states: Alaska, Arizona, California, Florida, Hawaii, Idaho, Illinois, Montana, Nevada, New York, New Jersey, New Mexico, Oregon, Texas, Utah, Virginia, and Washington. Approximately 96% of the Company's 2010 premiums were written in California (76%), New York (10%) and New Jersey (10%). The Company's business is produced through approximately 340 brokerage firms, both national and regional as well as on a direct basis. The Company has three offices in California and one office in New York.

In January, 2011, the Company notified the New York State Department of Insurance and the New Jersey Division of Banking and Insurance that it intends to withdraw from the workers' compensation insurance market in those states. As such, policies issued in these states will not be renewed beginning in April, 2011.

The Company has provided workers' compensation insurance under the U.S. Longshoreman and Harbor Workers (USL&H) Compensation Act and California State Act coverage since its inception. Due to increasing losses on its USL&H business, the Company sold the renewal rights to its USL&H book of business to an unaffiliated company in 2007, effectively eliminating this offering from its portfolio of products. In 2007, the Company began writing excess workers' compensation for selected individual self-insureds and third-party self-insured groups that were administered by the Company's affiliate, Compensation Risk Managers, LLC (CRM). As of September 8, 2008, CRM

no longer administers self-insured groups in New York due to its voluntary termination of these groups.

REINSURANCE

Assumed

Other than the Company's share in workers' compensation residual market participation, the Company has had no assumed premium written during the period covered by this examination, and maintains no liability for assumed losses or loss adjustment expenses as of December 31, 2010.

Ceded

The Company's excess of loss reinsurance program provides for reinsurance in excess of the Company's basic retention of \$600,000 per occurrence, per claimant as of December 31, 2010.

The following schedule lists principal Excess of Loss Reinsurance Agreements in force as of the examination date:

Lines of Business and Type of Agreement	Reinsurer(s)	Limits
<u>Workers' Compensation:</u> First Workers' Compensation Excess of Loss (includes Longshore and Harbor Workers' coverage and Maritime Coverage)	Hannover Ruckversicherungs-Aktiengesellschaft 45.00% Catlin Synd 2003 24.00% Axis US 19.00% Dorinco 5.00% Synd # 566/QBE 7.00%	\$1.4million excess of \$600,000 each and every loss occurrence, each and every claimant
Second Workers' Compensation Excess of Loss (includes Longshore and Harbor Workers' coverage and Maritime Coverage)	Hannover Ruckversicherungs-Aktiengesellschaft 40.00% Barbicon Synd No 1955 10.00% Brit Synd 2987 15.00% Liberty Synd Mgmt 4472 10.00% Synd# 566/QBE 8.00% Various authorized reinsurers 17.00%	\$3 million excess of \$2 million, each and every loss occurrence, each and every claimant
<u>Workers' Compensation:</u> First Catastrophe Excess of Loss (includes Longshore and Harbor Workers' coverage and Maritime Coverage)	Hannover Ruckversicherungs-Aktiengesellschaft 10.00% Endurance Specialty Insurance Ltd 19.00% IOA RE, Inc/Behalf Flagstone 10.00% Munich Reinsurance of America 20.00% Catlin Synd 2003 20.00% Odyssey Re 7.50% Various authorized reinsurers 13.50%	\$5 million excess of \$5 million, each occurrence, each and every claimant
Second Catastrophe Excess of Loss (includes Longshore and Harbor Workers' coverage and Maritime Coverage)	Hannover Ruckversicherungs-Aktiengesellschaft 10.00% Tokio Millenium Reinsurance Ltd 10.00% Munich Reinsurance of America 13.25% Endurance Specialty Insurance Ltd 11.00% Axis specialty Ltd 15.00% Catlin Synd 2003 13.25% IOA RE, Inc/Behalf Flagstone 10.00% Various authorized reinsurers 17.50%	\$10 million excess of \$10 million, each occurrence, each and every claimant
Third Catastrophe Excess of Loss (includes Longshore and Harbor Workers' coverage and Maritime Coverage)	Tokio Millenium 15.00% Endurance Specialty Insurance Ltd 12.50% Axis Specialty Ltd 17.50% Catlin Insurance Company Ltd 10.00% Munich Reinsurance of America 10.00% Liberty Synd Mgmt 4472 10.00% Synd #2987/ BRT 10.00% Various authorized reinsurers 15.00%	\$30 million excess of \$20 million, each and every loss occurrence, each and every claimant

ACCOUNTS AND RECORDS

Information Systems Controls

During the course of the examination, a review was made of the Company's general controls over its information systems. As a result of this review, weaknesses were noted in areas including Management and Organizational controls, Logical and Physical Security, Changes to Applications, System and Program Development, Contingency Planning, E-Commerce and Network controls. The weaknesses noted were presented to the Company, along with recommendations to strengthen its controls. The Company should evaluate the recommendations and make appropriate changes to strengthen its information system controls.

FINANCIAL STATEMENTS

The financial statements prepared for this examination report include:

Statement of Financial Condition as of December 31, 2010

Underwriting and Investment Exhibit for the Year Ended December 31, 2010

Reconciliation of Surplus as Regards Policyholders from December 31, 2004
through December 31, 2010

Reconciliation of Examination Changes as of December 31, 2010

Statement of Financial Condition
as of December 31, 2010

<u>Assets</u>	<u>Ledger and Nonledger Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>	<u>Notes</u>
Bonds	\$257,749,646	\$	\$ 257,749,646	
Cash and short-term investments	15,186,658		15,186,658	
Investment income due and accrued	2,553,604		2,553,604	
Uncollected premiums and agents' balances in course of collection	4,134,862	1,506,664	2,628,198	
Deferred premiums, agents' balances and installments booked but deferred and not yet due	798,062	216,697	581,365	
Accrued retrospective premiums	2,124,818	111,464	2,013,354	
Amounts recoverable from reinsurers	5,764,920		5,764,920	
Net deferred tax asset	19,081,676	19,081,676	0	
Furniture and Equipment	1,433,187	1,433,187	0	
Aggregate write-ins for other than invested assets	<u>10,257,452</u>	<u>1,362,747</u>	<u>8,894,705</u>	
Total assets	<u>\$319,084,885</u>	<u>\$23,712,435</u>	<u>\$ 295,372,450</u>	
<u>Liabilities, Surplus and Other Funds</u>				
Losses			\$167,306,000	(1)
Reinsurance payable on paid loss and loss adjustment expenses			8,720	
Loss adjustment expenses			30,021,000	(1)
Commissions payable			1,197,950	
Other expenses			5,260,102	
Taxes, licenses and fees			2,169,055	
Unearned premiums			7,419,953	
Advance premium			139,838	
Ceded reinsurance premiums payable			5,784,901	
Funds held by company under reinsurance treaties			55,954,843	
Amounts withheld or retained by company for account of others			929,518	
Provision for reinsurance			829,497	
Payable to parent, subsidiaries and affiliates			543,976	
Aggregate write-ins for liabilities			<u>6,279,864</u>	(1)
Total liabilities			283,845,217	
Common capital stock		\$ 3,000,000		
Gross paid-in and contributed surplus		46,950,000		
Unassigned funds (surplus)		<u>(38,422,767)</u>		
Surplus as regards policyholders			<u>11,527,233</u>	
Total liabilities, surplus and other funds			<u>\$295,372,450</u>	

Underwriting and Investment Exhibit
for the Year Ended December 31, 2010

Statement of Income

Underwriting Income

Premiums earned		\$ 47,014,298
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Deductions:

Losses incurred	\$ 70,183,326	
Loss adjustment expenses incurred	18,664,079	
Other underwriting expenses incurred	30,118,549	
Aggregate write-ins for underwriting deductions	<u>5,546,000</u>	

Total underwriting deductions		<u>124,511,954</u>
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Net underwriting gain or (loss)		(77,497,656)
---------------------------------	--	--------------

Investment Income

Net investment income earned	\$ 6,820,191	
Net realized capital gains	<u>3,260,111</u>	

Net investment gain		10,080,302
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Other Income

Net loss from agents' or premium balances charged off	\$ (1,527,783)	
Aggregate write-ins for miscellaneous income	<u>15,321</u>	

Total other income		<u>(1,512,462)</u>
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Net income before federal income taxes		(68,929,816)
--	--	--------------

Federal income tax incurred		<u>(1,755,444)</u>
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Net income (loss)		<u>\$ (67,174,372)</u>
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Capital and Surplus Account

Surplus as regards policyholders, December 31, 2009		\$75,674,441
--	--	--------------

Net income	\$(67,174,372)	
Change in net deferred income tax	6,402,052	
Change in nonadmitted assets	(4,117,251)	
Change in provision for reinsurance	934,363	
Dividends to stockholders	<u>(192,000)</u>	

Change in surplus as regards policyholders for the year		<u>(64,147,208)</u>
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Surplus as regards policyholders, December 31, 2010		<u>\$ 11,527,233</u>
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Reconciliation of Surplus as Regards Policyholders
from December 31, 2004 through December 31, 2010

Surplus as regards policyholders,
 December 31, 2004 per Examination

\$ 32,579,837

	<u>Gain in Surplus</u>	<u>Loss in Surplus</u>
Net income	\$	\$ 45,466,885
Net unrealized capital gains		1,348,491
Change in net deferred income tax	10,464,355	
Change in nonadmitted assets		20,330,081
Change in provision for reinsurance		529,502
Surplus adjustments: Paid-in	39,500,000	
Dividends to stockholders		5,642,000
Aggregate write-ins for gains and losses in surplus	<u>2,300,000</u>	
Total gains and losses	<u>\$ 52,264,355</u>	<u>\$ 73,316,959</u>

Net decrease in surplus as regards policyholders

(21,052,604)

Surplus as regards policyholders,
 December 31, 2010, per Examination

\$ 11,527,233

Reconciliation of Examination Changes
as of December 31, 2010

<u>Liabilities</u>	<u>Per Company</u>	<u>Per Examination</u>	<u>Surplus Increase (Decrease)</u>	<u>Notes</u>
Losses	\$ 131,122,718	\$167,306,000	\$(36,183,282)	(1)
Loss adjustment expenses	25,335,911	30,021,000	(4,685,089)	(1)
Aggregate write-ins for liabilities	733,864	6,279,864	(5,546,000)	(1)
Net decrease to surplus			(46,414,371)	
Surplus as regards policyholders, December 31, 2010, per Company			<u>57,941,604</u>	
Surplus as regards policyholders, December 31, 2010, per Examination			<u>\$ 11,527,233</u>	

COMMENTS ON FINANCIAL STATEMENT ITEMS

(1) Losses and Loss Adjustment Expenses

A Casualty Actuary with the California Department of Insurance (CDI) performed an analysis of the Company's loss and loss adjustment expense reserves. The Actuary concluded that the reserves reported by the Company were deficient by approximately \$40.9 million at December 31, 2010. Also, due to the increase in reserves, a premium deficiency reserve was required in the amount of \$5.5 million pursuant to Statement of Statutory Accounting Principles (SSAP) No. 53, paragraph 15. The following schedule compares the examination estimates with the amounts reported by the Company.

Estimated Reserves per Examination vs. the Company's Recorded Reserves

Account	Per Company	Per Exam	Reserve Deficiency
Losses	\$ 131,122,718	\$ 167,306,000	\$ 36,183,282
Loss Adjustment Expenses	\$ 25,335,911	\$ 30,021,000	\$ 4,685,089
Premium Deficiency Reserve	\$ 0	\$ 5,546,000	\$ 5,546,000
Totals	\$ 156,458,629	\$ 202,873,000	\$46,414,371

In its review of claims, the Company's Internal Audit department noted that there is a likelihood of duplicate claims payments. It is recommended the Company implement controls over the claims payment function to ensure that duplicate payments are not being made.

During the examiner's review of claims, it was noted that the Company did not record the adjustor's recommended reserves for a claim on an excess policy issued to a NY Trust. One claim in the sample contained an incurred loss of \$754,209, of which the Company is responsible for \$254,209. However, the amount entered on the claims system was \$154,209, which was \$100,000 below the recommended reserve. The examiners discussed this error with the VP of Claims, who agreed that it was an input error, and has been corrected. It is recommended the Company implement controls to

ensure that reserves for excess workers' compensation claims are accurate and that reconciliations be performed of the reserves carried by the third party administrators to those carried by Majestic.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

Current Report of Examination

Management and Control (Page 14): It is recommended that the Company adhere to its bylaws by filling the board vacancy that has remained vacant for over five years.

Management and Control - Management Agreements (Page 17): It is recommended the Company implement and enforce controls to ensure that intercompany balances due to/from affiliates are settled in accordance with the Administrative Services Agreement that was approved by the California Department of Insurance.

Accounts and Records - Information Systems Controls (Page 20): It is recommended the Company evaluate our recommendations and make appropriate changes to strengthen its controls over its information systems.

Comments on Financial Statement Items - Losses and Loss Adjustment Expenses (Page 25): It is recommended the Company implement controls over the claims payment function to ensure that duplicate payments are not being made. It is recommended the Company implement controls to ensure that reserves for excess workers' compensation claims are accurate and that reconciliations be performed of the reserves carried by the third party administrators to those carried by the Company.

Previous Report of Examination

Management and Control (Page 4): It was recommended that the Company adhere to its bylaws by filling the board vacancy that has remained vacant for over five years. The Company has not complied with the recommendation.

Management and Control – Management Arrangements (Page 5): It was recommended that the Company ascertain that all of its inter-company agreements have been submitted to the Financial Analysis Division of the California Department of Insurance for approval pursuant to California Insurance Code Section 1215.5 (b)(4). The Company has complied with the recommendation.

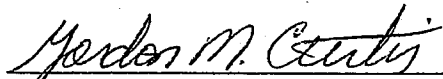
Accounts and Records - Information Systems Controls (Page 10): It was recommended the Company evaluate our recommendations and make appropriate changes to strengthen its controls over its information systems. Additional recommendations were made during the current examination.

Comments on Financial Statement Items - Provision for Reinsurance (Page 16): It was recommended the Company implement procedures to ensure that the provision for reinsurance is accurately calculated. The Company has complied with the recommendation; however additional recommendations relating to this account were made during the current examination.

ACKNOWLEDGMENT

Acknowledgment is made of the cooperation and assistance extended by the Company's officers and employees during the course of this examination.

Respectfully submitted,

A handwritten signature in cursive script, reading "Gordon M. Curtis", is written over a horizontal line.

Gordon M. Curtis, CFE CISA
Examiner-In-Charge
California Department of Insurance

EXHIBIT B

Exhibit B



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2010
OF THE CONDITION AND AFFAIRS OF THE

MAJESTIC INS CO

NAIC Group Code 0000 0000 NAIC Company Code 42269 Employer's ID Number 95-3653107
(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
(Street and Number, City or Town, State and Zip Code)
(415)362-7000
(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

James Joseph Scardino (CEO)
Kevin John McGrath (S.V.P. General Counsel/Secretary)

OTHER OFFICERS

Chester Joseph Walczyk (Exec.V.P./COO)
Louis John Viglotti (Exec.V.P./Asst. Sec.)
Chung Hwei Pan (S.V.P. Controller)
Donald Ray Bellinger (S.V.P. Claims)
John Vargas Hernandez (S.V.P. Marketing)
Thomas John Spendley (S.V.P. Underwriting)
Michael William Bourne (S.V.P. Fin Planning & Analysis)
Nora Sevilla Greathouse (S.V.P. Underwriting)
Richard Dean Ackermann (V.P./C.I.O.)
John R. Hoesterman (S.V.P. Loss Control)
Cynthia A. McKinney# (S.V.P. Human Resource)

DIRECTORS OR TRUSTEES

Daniel Gregory Hickey, Sr
Kevin John McGrath
Chester Joseph Walczyk

State of California } SS
County of San Francisco

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.

James Joseph Scardino
CEO/Acting CEO

Kevin John McGrath
S.V.P. General Counsel/Secretary

Subscribed and sworn to before me this
day of March, 2011

a. Is this an original filing? Yes () No (X)
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	257,749,646		257,749,646	275,423,672
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
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 (\$ 8,589,458 , Schedule E - Part 1), cash equivalents (\$ 93,352 , Schedule E - Part 2) and short-term investments (\$ 6,503,849 , Schedule DA)	15,186,658		15,186,658	31,899,149
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				71,944
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	272,936,304		272,936,304	307,394,765
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	2,553,604		2,553,604	2,509,554
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,134,862	1,506,664	2,628,198	3,979,058
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ (1,846,887) earned but unbilled premiums)	798,062	216,697	581,365	1,178,984
15.3 Accrued retrospective premiums	2,124,818	111,464	2,013,354	2,601,801
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	5,764,920		5,764,920	6,636,020
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				4,959,712
18.2 Net deferred tax asset	19,081,676	19,081,676		
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)	1,433,187	1,433,187		
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	10,257,452	1,362,747	8,894,705	1,911,549
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	319,084,885	23,712,435	295,372,450	331,171,443
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	319,084,885	23,712,435	295,372,450	331,171,443
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Miscellaneous Receivable	1,362,747	1,362,747		
2502. Advance Policy Surcharges Paid	7,196,685		7,196,685	
2503. Assessment Receivable	1,698,020		1,698,020	1,911,549
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)	10,257,452	1,362,747	8,894,705	1,911,549

BALANCE SHEET FOR THE YEAR 2010 OF THE MAJESTIC INSURANCE CO. LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	131,122,718	144,062,052
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	8,720	
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	25,335,911	26,213,197
4. Commissions payable, contingent commissions and other similar charges	1,197,950	2,514,350
5. Other expenses (excluding taxes, licenses and fees)	5,260,102	4,679,379
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,169,055	12,583,625
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 (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 2,202,359 and including warranty reserves of \$)	7,419,953	4,577,462
10. Advance premium	139,838	1,734,111
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	5,784,901	4,575,450
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	55,954,843	50,442,209
14. Amounts withheld or retained by company for account of others	929,518	1,286,116
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)	829,497	1,763,861
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	543,976	228,163
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	733,864	837,030
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25)	237,430,846	255,497,005
27. Protected cell liabilities		
28. Total liabilities (Line 26 and Line 27)	237,430,846	255,497,005
29. Aggregate write-ins for special surplus funds		2,300,000
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)	7,991,604	23,424,438
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 to Line 35, less Line 36) (Page 4, Line 39)	57,941,604	75,674,438
38. Totals (Page 2, Line 28, Column 3)	295,372,450	331,171,443
DETAILS OF WRITE-INS		
2501. Accrued Retro Premium Payable	354,726	376,389
2502. Excess of Statutory Reserves over Statement reserves		
2503. Escheatable Funds	379,138	460,641
2599. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	733,864	837,030
2901. Excess of statutory reserves (Schedule P)		2,300,000
2902.		
2903.		
2999. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)		2,300,000
3201.		
3202.		
3203.		
3299. 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

UNDERWRITING INCOME		1	2
		Current Year	Prior Year
1. Premiums earned (Part 1, Line 35, Column 4)		47,014,298	70,396,568
DEDUCTIONS			
2. Losses incurred (Part 2, Line 35, Column 7)		34,000,044	59,487,529
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		13,978,990	14,398,544
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)		30,118,549	27,168,710
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Line 2 through Line 5)		78,097,583	101,054,783
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)		(31,083,285)	(30,658,215)
INVESTMENT INCOME			
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		6,820,191	8,217,232
10. Net realized capital gains (losses) less capital gains tax of \$ 1,755,444 (Exhibit of Capital Gains (Losses))		3,260,111	4,068,744
11. Net investment gain (loss) (Line 9 plus Line 10)		10,080,302	12,285,976
OTHER INCOME			
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$, amount charged off \$ 1,273,469)		(1,527,783)	(1,922,521)
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income		15,321	15,215
15. Total other income (Line 12 through Line 14)		(1,512,462)	(1,907,306)
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)		(22,515,445)	(20,279,545)
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)		(22,515,445)	(20,279,545)
19. Federal and foreign income taxes incurred		(1,755,444)	(6,981,829)
20. Net income (Line 18 minus Line 19) (to Line 22)		(20,760,001)	(13,297,716)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)		75,674,441	101,597,584
22. Net income (from Line 20)		(20,760,001)	(13,297,716)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$			17,875
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax		6,402,052	2,422,636
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)		(4,117,251)	(10,578,347)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		934,363	(1,487,591)
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		(192,000)	(3,000,000)
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1)			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37)		(17,732,837)	(25,923,143)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)		57,941,604	75,674,441
DETAILS OF WRITE-INS			
0501.			
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)			
1401. Miscellaneous Income		15,321	15,215
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)		15,321	15,215
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
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	52,361,649	67,906,960
2. Net investment income	8,500,361	10,502,750
3. Miscellaneous income	(1,512,462)	(1,907,305)
4. Total (Line 1 through Line 3)	59,349,548	76,502,405
5. Benefit and loss related payments	46,068,278	51,837,915
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	55,737,567	41,905,939
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(4,959,712)	1,478,621
10. Total (Line 5 through Line 9)	96,846,133	95,222,475
11. Net cash from operations (Line 4 minus Line 10)	(37,496,585)	(18,720,070)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	275,865,781	248,877,334
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	71,944	(38,375)
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	275,937,725	248,838,959
13. Cost of investments acquired (long-term only):		
13.1 Bonds	254,898,027	233,256,958
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	47,527	63,229
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	254,945,554	233,320,187
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	20,992,171	15,518,772
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	192,000	3,000,000
16.6 Other cash provided (applied)	(16,081)	18,248,016
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(208,081)	15,248,016
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)	(16,712,495)	12,046,718
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of period	31,899,149	19,852,431
19.2 End of year (Line 18 plus Line 19.1)	15,186,654	31,899,149

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		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
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 (group and individual)				
15. Other accident and health				
16. Workers' compensation	50,281,292	4,230,769	7,496,749	47,015,312
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				
32. Reinsurance - Nonproportional Assumed Liability				
33. Reinsurance - Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business		(1,020)		(1,020)
35. TOTALS	50,281,292	4,229,749	7,496,749	47,014,292
DETAILS OF WRITE-INS				
3401. Misc Adjustment for special excess premium		(1,020)		(1,020)
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 above)		(1,020)		(1,020)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
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 (group and individual)					
15. Other accident and health					
16. Workers' compensation	7,419,953		1,846,888	(1,770,092)	7,496,749
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					
32. Reinsurance - Nonproportional Assumed Liability					
33. Reinsurance - Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	7,419,953		1,846,888	(1,770,092)	7,496,749
36. Accrued retrospective premiums based on experience					1,770,092
37. Earned but unbilled premiums					(1,846,888)
38. Balance (Sum of Line 35 through Line 37)					7,419,953
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 above)					

(a) State here basis of computation used in each case.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
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 (group and individual)						
15. Other accident and health						
16. Workers' compensation	91,508,649		6,602,480	3,648,561	44,181,276	50,281,292
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	X X X					
32. Reinsurance - Nonproportional Assumed Liability	X X X					
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	91,508,649		6,602,480	3,648,561	44,181,276	50,281,292
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 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes (X) No ()

If yes: 1. The amount of such installment premiums \$. . . 29,302,601

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$. . . 28,399,104

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 6)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 plus 5 minus 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)				
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
7. Ocean marine								
8. Inland marine								
9. Financial guaranty								
10. Medical professional liability - occurrence								
11.1 Medical professional liability - claims-made								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	77,230,807	466,653	30,778,091	46,999,379	131,122,718	144,062,063	34,000,044	800.4
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								
20. Auto physical damage								
21. Aircraft (all perils)								
22. Fidelity								
23. Surety								
24. Burglary and theft								
25. Boiler and machinery								
26. Credit								
27. International								
28. Warranty								
29. Reinsurance-Nonproportional Assumed Property								
30. Reinsurance-Nonproportional Assumed Liability								
31. Reinsurance-Nonproportional Assumed Financial Lines								
32. Aggregate write-ins for other lines of business								
33. XXX								
34. XXX								
35. TOTALS	77,230,807	466,653	30,778,091	46,999,379	131,122,718	144,062,063	34,000,044	800.6
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3404. Summary of remaining write-ins for Line 34 (non overflow page)								
3405. Totals (Line 3401 through Line 3403 plus Line 3404) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO
UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses					Incurred But Not Reported		8 Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
7. Ocean marine									
8. Inland marine									
9. Financial guaranty									
10. Medical 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 (group and individual)									
15. Other accident and health									
16. Workers compensation									
17.1 Other liability - occurrence	158,997,426	1,479,581	73,347,925	87,119,082	117,253,704	2,106,990	75,357,058	131,122,718	25,335,911
17.2 Other liability - claims-made									
17.3 Excess Workers Compensation									
18. Products liability - occurrence									
18.1 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability									
19.3, 19.4 Commercial auto liability									
20. Auto physical damage									
21. Aircraft (all perils)									
22. Fidelity									
23. Surety									
24. Burglary and theft									
25. Boiler and machinery									
26. Credit									
27. International									
28. Warranty									
29. Reinsurance- Nonproportional Assumed Property	XXX				XXX				
30. Reinsurance- Nonproportional Assumed Liability	XXX				XXX				
31. Reinsurance- Nonproportional Assumed Financial Lines	XXX				XXX				
32. Aggregate write-ins for other lines of business									
33. TOTALS	158,997,426	1,479,581	73,347,925	87,119,082	117,253,704	2,106,990	75,357,058	131,122,718	25,335,911
34. DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3488. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3488) (Line 34 above)									

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	11,878,377			11,878,377
1.2 Reinsurance assumed	151,718			151,718
1.3 Reinsurance ceded	5,661,936			5,661,936
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	6,368,159			6,368,159
2. Commission and brokerage:				
2.1 Direct excluding contingent		9,449,177		9,449,177
2.2 Reinsurance assumed excluding contingent		420,743		420,743
2.3 Reinsurance ceded excluding contingent	(131,427)	9,045,565		8,914,138
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded		202,168		202,168
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)	131,427	622,187		753,614
3. Allowances to manager and agents	39,427	(109,042)		(69,615)
4. Advertising		133,659		133,659
5. Boards, bureaus and associations	55,463	980,925		1,036,388
6. Surveys and underwriting reports		1,101		1,101
7. Audit of assureds' records		751,782		751,782
8. Salary and related items:				
8.1 Salaries	4,799,012	10,427,076		15,226,088
8.2 Payroll taxes	282	983,102		983,384
9. Employee relations and welfare	1,247,599	1,327,169		2,574,768
10. Insurance	450	364,590		365,040
11. Directors' fees		20,000		20,000
12. Travel and travel items	43,725	461,269		504,994
13. Rent and rent items	840,795	2,203,238		3,044,033
14. Equipment	204,807	2,904,663		3,109,470
15. Cost or depreciation of EDP equipment and software	11,753	357,988		369,741
16. Printing and stationery	48,320	269,655		317,975
17. Postage, telephone and telegraph, exchange and express	204,746	395,974		600,720
18. Legal and auditing	225,020	4,214,909	975,809	5,415,738
19. Totals (Line 3 through Line 18)	7,721,399	25,688,058	975,809	34,385,266
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		2,324,735		2,324,735
20.2 Insurance department licenses and fees	2,880	1,187,032		1,189,912
20.3 Gross guaranty association assessments	(30,066)	223,123		193,057
20.4 All other (excluding federal and foreign income and real estate)	1,080	(43,466)		(42,386)
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)	(26,106)	3,691,424		3,665,318
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	(215,888)	116,880		(99,008)
25. Total expenses incurred	13,978,991	30,118,549	975,809	(a) 45,073,349
26. Less unpaid expenses - current year	25,335,911	8,627,107		33,963,018
27. Add unpaid expenses - prior year	26,213,197	19,777,354		45,990,551
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	14,856,277	41,268,796	975,809	57,100,882
DETAILS OF WRITE-INS				
2401. General Office Expense		26,597		26,597
2402. Contributions		90,283		90,283
2403. Special Service Income	(215,888)			(215,888)
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	(215,888)	116,880		(99,008)

(a) Includes management fees of \$ 2,494,722 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 2,228,975	2,124,247
1.1 Bonds exempt from U.S. tax	(a) 407,118	309,577
1.2 Other bonds (unaffiliated)	(a) 7,200,323	7,446,652
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 16,320	16,310
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	9,852,736	9,896,786
11. Investment expenses		(g) 975,809
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 2,100,786
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		3,076,595
17. Net investment income (Line 10 minus Line 16)		6,820,191
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
<p>(a) Includes \$ 49,464 accrual of discount less \$ 1,776,228 amortization of premium and less \$ 2,510,280 paid for accrued interest on purchases.</p> <p>(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.</p> <p>(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.</p> <p>(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.</p> <p>(e) Includes \$ 5,856 accrual of discount less \$ amortization of premium and less \$ 2,366 paid for accrued interest on purchases.</p> <p>(f) Includes \$ accrual of discount less \$ amortization of premium.</p> <p>(g) Includes \$ 975,809 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.</p> <p>(h) Includes \$ interest on surplus notes and \$ interest on capital notes.</p> <p>(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.</p>		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	805,297		805,297		
1.1 Bonds exempt from U.S. tax	380,892		380,892		
1.2 Other bonds (unaffiliated)	3,829,364		3,829,364		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	2		2		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	5,015,555		5,015,555		
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col.2 - Col.1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives			
8. Other invested assets (Schedule BA)			
9. Receivable 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)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,506,664	1,574,696	68,032
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	216,697	448,676	231,979
15.3 Accrued retrospective premiums	111,464	177,151	65,687
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
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	19,081,676	12,679,624	(6,402,052)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	1,433,187	1,775,562	342,375
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivable from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	1,362,746	2,939,475	1,576,729
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	23,712,434	19,595,184	(4,117,250)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	23,712,434	19,595,184	(4,117,250)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. Misc. Prepaid	1,155,094	2,391,181	1,236,087
2502. Other Receivables	206,130	542,112	335,982
2503. Other Advances	1,523	6,182	4,659
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)	1,362,746	2,939,475	1,576,729

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Majestic Insurance Company (Company) have been prepared on the basis of accounting practices prescribed or permitted by the California Insurance Department ("the California DOI").

The California DOI recognizes only statutory accounting practices prescribed or permitted by the State of California for determining and reporting the financial condition and results of operations of an insurance company and for purposes of determining its solvency under the California Insurance Code (CIC). The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* (NAIC SAP version effective January 1, 2001) and any subsequent amendments has been adopted as a component of prescribed or permitted practices by the State of California. However, the State of California did not repeal all the sections of the Insurance Code that were in conflict or that did not conform to the NAIC Accounting Practices and Procedures Manual.

Prior to January 1, 2008, the California DOI had certain statutory prescribed accounting practices that differ from those found in NAIC SAP; specifically the liability for the excess of statutory over statement reserves (Schedule P Penalty), which is prescribed by Section 11558 of the California Insurance Code. Under Section 11558, the minimum reserve requirement prescribed by the commissioner in regulation promulgated pursuant to Section 923.5 for outstanding losses and loss expenses for each of the most recent three years for coverage included in the lines of business described in the annual statement as workers' compensation shall be not less than 65% of earned premium during each year less the amount already paid for losses and expenses incidental thereto incurred during such year. Effective January 1, 2008, California DOI eliminated the minimum reserve requirement for workers' compensation line, under CICS 11558.

During 2008, the NAIC Accounting Practice and Procedure Manual was changed, requiring property casualty insurers to report excess workers' compensation insurance on a new line 17.3 (Excess Workers Compensation) and not on line 16 (Workers' Compensation). This change also required excess workers' compensation insurance to be reported in Part 1H of Schedule P. California Insurance Code Section 11558 would require that the minimum incurred loss be reported on losses reported in Part 1H that would be equal to 60% of earned premium. This would require the Company to report a Schedule P reserve deficiency of approximately \$378,000 and \$558,000 as a charge to Policyholders' Surplus for the years 2010 and 2009, respectively. California Insurance commissioner granted the Company permission to continue to report the excess workers' compensation insurance on Line 16 and Part D of Schedule P for the years ending December 31, 2010 and 2009. The Company has not recorded any reserve deficiencies in the current year for excess workers' compensation business. The aforementioned requirement for minimum reserve would be eliminated effective January 1, 2011 by California Assembly Bill 2002.

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

Expenses incurred are reduced for ceding allowances for underwriting expenses received or receivable.

Net investment income earned consists primarily of interest earned on fixed income securities less investment related expenses.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.
2. Investment grade bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
3. The Company owned no common stocks as of December 31, 2010 and 2009.
4. As of December 31, 2010 and 2009, the Company did not own any preferred stocks.
5. The Company does not own any first lien mortgage loans on real estate.
6. Investment grade loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
7. The Company does not own any investments in joint ventures and partnerships.
8. The Company does not use any derivative, written or purchased options.
9. The Company does anticipate investment income as a factor in premium deficiency calculations. For the purpose of premium deficiency testing at December 31, 2010, imputed interest at a 3.37% rate was included in the calculation. This rate is the current average 2010 annual yield of the investment portfolio. There is no premium deficiency reserve required at December 31, 2010.
10. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
11. Reserves for losses and loss adjustment expenses are related to insured events that occurred before the balance sheet date. Liabilities for this reserve are determined by numerous variables including: individual case reserves for reported losses, estimates of unreported losses using historical and statistical information as well as other factors. Anticipated recoveries from: salvage, subrogation and reinsurance are deducted from liabilities for unpaid losses and loss adjustment expenses. The methods for making estimates and for establishing the resulting reserves are continually reviewed and updated, and any resulting adjustments are reflected in current financial reporting. Estimates are subject to the impact of changes in economic and social conditions. Given the inherent variability of reserve estimates, the actual reserves could differ significantly from the amounts provided. While the ultimate amount of losses and related expenses are dependent on future developments,

NOTES TO FINANCIAL STATEMENTS

management and its independent actuary are of the opinion that the reserves for losses and loss adjustment expenses are adequate to cover probable losses and expenses.

12. The Company made no change to its capitalization policy and predefined thresholds from the prior period.

Note 2 – Accounting Changes and Correction of Errors

- A. Accounting Changes Other than Codification and Correction of Errors

Not applicable

- B. Accounting Changes as a Result of the Initial Implementation of Codification January 1, 2001.

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by California Insurance Department. The State of California requires insurance companies domiciled in the State of California to prepare their statutory financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual*, subject to any deviation prescribed or permitted by the California Insurance Department. Many changes were made to this manual effective January 1, 2001 as a result of the NAIC "Codification Project".

During the current period, no additional adjustments due to codification implementation were made.

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method

Not Applicable

- B. Statutory Mergers

Not Applicable

- C. Impairment Loss

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

NOTES TO FINANCIAL STATEMENTS

Not Applicable

D. Loan-Backed Securities

Not Applicable

E. Repurchase Agreements

Not Applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

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

Not Applicable

B. Write-downs for Impairments

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.

B. Amounts Non-admitted

Not Applicable

Note 8 – Derivative Instruments

Not Applicable

Note 9 – Income Taxes

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

Description	As of Dec. 31, 2010	As of Dec. 31, 2009
Gross deferred tax assets	\$ 20,263,418	\$ 13,094,938
Gross deferred tax liabilities	(1,181,741)	(415,314)
Net deferred tax asset	19,081,676	12,679,624
Nonadmitted deferred tax assets	(19,081,676)	(12,679,624)
Admitted deferred tax asset	-	-
Increase (decrease) in nonadmitted deferred tax assets	\$ 6,402,052	\$ 8,502,372

B. Unrecognized DTLs

Not Applicable

C. Current Tax and Change in Deferred Tax

NOTES TO FINANCIAL STATEMENTS

Current income taxes incurred consist of the following major components:

Description	As of Dec. 31, 2010	As of Dec. 31, 2009
Federal income tax on operations	\$ (9,674,840)	\$ (8,898,239)
Tax on realized gain	1,424,060	2,190,863
Prior year underaccrual (overaccrual)	(61,399)	321,311
Current income taxes incurred before net operation loss adjustment	(8,312,179)	(6,386,065)
Current change to NOL tax carry forward benefit	8,312,179	1,595,099
Current income taxes incurred (allowed by tax carryback)	\$ (0)	\$ (4,790,966)

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 the Company's ability to realize the future benefit resulting from the net DTA. Amount 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 established a Statutory Valuation Allowance of \$6,725,801 in addition the Company recognized \$12,355,875 as a non-admitted DTA asset.

Description	As of Dec. 31, 2010	As of Dec. 31, 2009
DTAs resulting from book/tax difference in:		
Unpaid losses and LAE	\$ 6,071,274	\$ 6,487,032
Unearned premium reserve	2,078,386	1,703,669
S&S		
Accrued retro premium	39,012	62,003
NOL Carryforward	9,797,388	1,595,099
Other	2,277,357	3,247,135
Gross deferred tax assets	20,263,418	13,094,938
Valuation Allowance	0	0
Nonadmitted deferred tax assets	(19,081,676)	(12,679,624)
Admitted deferred tax assets	1,181,741	415,314
DTLs resulting from book/tax differences in:		
Unearned premium acquisition exp	(1,039,150)	(243,526)
Other	(142,592)	(171,788)
Gross deferred tax liabilities	(1,181,741)	(415,314)
Net admitted deferred tax asset	\$ -	\$ 0

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

NOTES TO FINANCIAL STATEMENTS

Description	As of Dec. 31, 2010	As of Dec. 31, 2009	Change
Total deferred tax assets	\$ 20,263,418	\$ 13,094,938	\$ 7,168,480
Total deferred tax liabilities	(1,181,741)	(415,314)	(766,428)
Net deferred tax assets (liabilities)	\$ 19,081,676	\$ 12,679,624	\$ 6,402,052
Change in net deferred income tax			\$ 6,402,052

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 income taxes. The significant items causing this difference are as follows:

Description	As of Dec. 31, 2010	Tax Effect	Effective Tax Rate
Income (Loss) before taxes	\$ (20,760,000)	\$ (7,266,000)	35.00%
Tax exempt income deduction	(456,596)	(159,809)	-0.77%
Non-deductible expenses	374,829	131,190	0.63%
Book over tax reserve	(1,187,880)	(415,758)	-2.00%
Unearned premium (net of Sec481 PAC adj)	1,070,621	374,717	1.80%
Accrued vacation	282,296	98,804	0.48%
Other	(3,072,353)	(1,075,323)	-5.18%
Taxable income before net operation loss adjustments	(23,749,083)	(8,312,179)	-40.04%
Federal Income Tax Expense (Benefit) Incurred On Operations		\$ (9,050,063)	-43.59%
Tax On Realized Gains		1,755,444	8.46%
Change in net deferred income taxes before NOL Tax benefit		(1,017,561)	-4.90%
Total statutory income taxes expenses		\$ (8,312,179)	-40.04%
Current Provision for Statutory Income Taxes		-	0%

E Operating Loss and Tax Credit Carryforwards

The Company incurred a tax basis net operating loss ("NOL") of \$23,749,083 and \$18,706,015 for the years ended December 31, 2010 and 2009, respectively. In regard to the 2009 NOL, the Company realized a net tax benefit of \$4,790,966 relating to the recapture of federal income taxes paid in prior years. 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 CRM. A certain amount of taxes paid by Majestic since its acquisition by CRM USA were off set by the net tax benefit the combined group received from the NOL's of certain affiliates due to the tax sharing agreement between CRM USA and affiliated companies. Following is a summary of the NOL carryback benefit and the amount of NOL available for offset against future taxable income.

NOTES TO FINANCIAL STATEMENTS

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			(23,749,082)	(8,312,179)
Total Net Operating Losses	\$ -	\$ -	\$ (42,208,422)	\$ (14,588,354)
			NOL Carryforwards Available 12/31/2010	\$ (28,353,326) \$ (9,797,388)

F. Consolidated Federal Income Tax Return

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

Majestic USA Capital Inc. (formerly CRM USA Holdings, Inc, please see Note 10 -A) and its subsidiaries.

(2) The Company participates in a Tax Allocation Agreement with Majestic USA Capital Inc and its subsidiaries. (Collectively "MUSAC"), which set forth the manner in which the total combined federal income tax is allocated to each entity that is a party to the consolidation. 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 and any of its affiliates may recoup federal taxes paid in prior years in the event of future net losses which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. The amount of carryback or carryforward benefit any member of the group may receive is limited by the amount of the consolidated federal taxes paid or to be paid and no member may receive an NOL tax benefit greater than the stand alone tax provision,

Under such tax allocation agreement, the Company received \$5,172,152 tax refunds through its parent company relating to the prior years' Net Operating Loss Carryback in 2010.

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. ("MUSAC"). 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 MUSAC. 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").

NOTES TO FINANCIAL STATEMENTS

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

On January 1, 2007, the Company entered into a quota share reinsurance agreement with its affiliate, Twin Bridges. Under the terms of the agreement, the Company cedes 90% of its excess workers compensation and employers liability premium brokered by Compensation Risk Managers LLC in New York and Compensation Risk Managers of California, LLC to Twin Bridges. The Company receives a 15% commission credit for all ceded premiums under this agreement. This agreement was approved by the California DOI on December 29, 2006. The Company recorded total premiums ceded under this agreement on direct business underwritten by the Company in 2010 and 2009, of \$688,304 and \$3,977,874, respectively. Under the Funds Held clause of the treaty, the Company has recorded a Liability for funds held in the amount of \$19,215,121 and \$20,294,245 as of December 31, 2010 and 2009, respectively.

On January 1, 2008, the Company entered into a 40% Quota Share Reinsurance agreement with Twin Bridges, Ltd. (Bermuda), an affiliate. Under the terms of the agreement, the Company ceded 40% of direct written premiums after deducting premiums paid for reinsurance in excess of the Company's retention limit. This treaty applied only to the primary workers' compensation coverage underwritten by the Company and did not include excess workers' compensation and employers liability coverage provided by the Company. On April 1, 2008, the treaty was amended to a 5% quota share treaty and all unearned premiums in excess of 5% of the subject unearned premiums was returned to the Company. Twin Bridges will remain liable for 40% of all incurred losses retained by the Company and subject to the quota share treaty from January 1, 2008 through March 31, 2008. Subsequent to March 31, 2008, Twin Bridges will be liable for 5% of subject losses. Total written premium ceded under this agreement was \$2,941,205 and \$6,410,255 for the years ended December 31, 2010 and 2009, respectively. Total losses and LAE recovered under the agreement during the same period was \$3,245,330 and \$7,431,690, respectively. The Contract includes a funds withheld provision to secure the payment of ceded loss and LAE reserves and the ceded unearned premiums. The Company has recorded funds withheld under this agreement in the amount of \$9,977,236 and \$12,005,657 as of December 31, 2010 and 2009, respectively.

In Connection with the renewal of the Company's excess of loss reinsurance program effective August 1, 2007, the Company began placing, with the exception of policies sold in New York and Florida, 50% of reinsurance on the first layer of the Excess of Loss Reinsurance Contract (\$250,000 X \$500,000) with Twin Bridges. In addition, pursuant to another Interests and Liabilities Agreement, Twin Bridges began assuming 100% of the liabilities under this layer (\$250,000 X \$500,000) for policies sold in New York and Florida. This contract was renewed with revision on July 1, 2008. Effective July 1, 2008, Twin Bridges assumed 10% of the 1st layer of excess of loss reinsurance (\$1,500,000 X \$500,000) for all of the Company's business with no exception. Upon renewal of this contract on July 1, 2009, Twin Bridges assumed 2.75% of the 2nd excess layer of loss reinsurance (\$3,000,000 X \$2,000,000) for all workers compensation business underwritten by the Company through June 30, 2010. The Company has recorded funds withheld under this agreement in the amount of \$2,788,875 and \$2,681,801 as of December 31, 2010 and 2009, respectively.

Ceded earned premiums include a direct credit for earned but unbilled premiums (EBUB) due at December 31, 2010 and 2009. Written premiums are recorded for these policies when they are billed.

Other detailed transactions with former and current parent and affiliates are separately presented in Schedule Y – Part 2.

C. Change in Terms of Inter-company Arrangements

There were no changes to the inter-company management and service arrangements in 2009. See Note 10 F.

NOTES TO FINANCIAL STATEMENTS

D. Amounts Due to or From Related Parties

There were liabilities due to Majestic Capital (formerly CRM Holding), Ltd. in the amount of \$52,454 and \$1,954 for Restricted Employee stock grants at December 31, 2010 and 2009, respectively. The Company also recorded liabilities of \$513,440 and \$131,061 due to MUSAC for the outstanding management fee charges and reimbursement for expenses paid on behalf of Majestic by CRM Holdings at December 31, 2010 and 2009, respectively. A liability of \$90,000 and \$108,000 for interest earned on funds held was due to Twin Bridges at December 31, 2010 and 2009, respectively. Majestic also recorded a receivable of 111,918, as December 31, 2010, for allocated expenses due from CRM California.

The terms of the inter-company management and service arrangements require that inter-company balances (excluding reinsurance cession related transactions) be settled within 30 days. Amount due from reinsurance transaction with affiliate is discussed in Note 10- B to Financial Statements. The settlement terms for the reinsurance transactions are stipulated by the reinsurance contracts.

E. Guarantees or Contingencies for Related Parties

Not Applicable

F. Management, Service Contracts, Cost Sharing Agreements

On January 1, 2007 the Company entered into a Broker agreement with its affiliates, Compensation Risk Managers, LLC ("CRM") and Compensation Risk Managers of California, LLC ("CRM of CA"). Under the terms of this agreement, CRM and CRM of CA will provide brokerage services to the Company and will be compensated based upon the volume of excess workers compensation premiums they produce. The California DOI approved this agreement on March 5, 2007.

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, accounting and financial and executive management services. The California DOI approved this agreement on October 29, 2007. The Company paid \$3,631,518 and \$3,653,001 for the services provided under this contract for the years ended December 31, 2010 and 2009, respectively.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Parent.

H. Amount Deducted for Investment in Upstream Company

Not Applicable

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

Not Applicable

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

Not Applicable

Note 11 – Debt

NOTES TO FINANCIAL STATEMENTS

A. Capital Notes

Not applicable

B. All Other Debt

Not applicable

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plans

Not applicable

B. Defined Contribution Plans

The Company sponsors a defined contribution retirement plan through its parent, Majestic Capital (formerly CRMH), covering substantially all employees of the Company. 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. The Company match is funded quarterly 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 \$299,491 and \$610,906 for 2010 and 2009, 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 Capital's Board of Directors and its stockholders in March 2007, key employees of Majestic are awarded shares of Capital's common stock, par value \$0.01 per share with restricted ownership rights. The stocks granted to employees will vest over three years from the date of the grant. The fair value of restricted stock awards is based on the closing price of Capital's common stock on the grant date and is recognized as compensation expense over the vesting period of the awards.

Capital also provides an Employee Stock Purchase Plan to allow the Company's employees to purchase Capital's stock at a cost below market value through payroll deduction.

Following is a summary of non-vested shares under the restricted stock plan as of December 31, 2010 and 2009 and changes during the respective years.

NOTES TO FINANCIAL STATEMENTS

	Shares	Weighted Average Per Share Value
Balance December 31, 2008	70,896	\$ 7.83
Granted	0	-
Shares Vested	(36,706)	8.09
Forfeited	(4,690)	7.65
Transferred from affiliated Co.		
Balance December 31, 2009	29,500	\$ 7.55
Granted	0	-
Shares Vested	(47,122)	6.89
Forfeited	2,217	7.24
Transferred from affiliated Co.	29,720	5.66
Balance December 31, 2010	14,315	\$ 5.73

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.

Total Policyholders' Surplus as of December 31, 2010 was \$57,941,604 compared to beginning surplus as of December 31, 2009 of \$75,674,438.

B. Dividend Rate of Preferred Stock

Not applicable

C. D. and E. Dividend Restrictions

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 make dividend distributions without prior approval of the Insurance Commissioner up to a maximum of the greater of its statutory net income for the preceding year or 10% of insurer's policyholders' surplus at the end of the preceding year less dividends made within the preceding twelve months. Accordingly, the maximum dividend payout to shareholders that could have been made without prior approval of the California Insurance Department during the year ended December 31, 2010 was \$7,567,444. The Company made shareholder dividends of \$100,000 and \$92,000 on or about September 28, 2010 and November 17, 2010, respectively. The maximum dividends that may be made subsequent to December 31, 2010 are: \$5,602,160 until September 28, 2011, and \$5,702,160 from September 28, 2011 until November 17, 2011.

In addition to the above statutory restrictions, the Company has made an agreement with the California Department of Insurance (the "Department") which provides, among other things, that the Company will not make distributions (including dividends) without the prior approval of the Insurance Commissioner or his designees. This is in connection with the Department's examination

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of the Company for the years 2005 through 2009. This agreement will remain in effect until the Department notifies the Company that the agreement is terminated.

Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders

F. There were no restrictions placed on the Company's surplus, including for whom the 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 portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Cumulative Increase	Current Year
Aggregate write-ins for gain or loss	(5,289,315)	-
Change in deferred taxes	14,361,914	6,402,052
Excess reserve over statutory reserve	-	-
Nonadmitted assets	(23,712,434)	(4,117,251)
Dividend to stockholder	(7,142,000)	(192,000)
Provision for reinsurance	(829,498)	934,363

The non-admitted assets include the non-admitted deferred tax assets (see note 9) and excludes non admitted invested assets, if there is any. The cumulative change displayed above excludes any cumulative effect of changes in accounting principles due to the adoption of Codification effective January 1, 2001. See Note 2B.

K. Surplus Notes

Not applicable

L and M. Quasi Reorganizations

Not applicable

Note 14 – Contingencies

A. Contingent Commitments

In the course of the claim settlement process, the Company has settled various claims through structured settlement agreements with certain claimants. The Company has incurred cumulative annuity premium costs of \$10,215,537, representing the present value of future payments over the

NOTES TO FINANCIAL STATEMENTS

term of the various claims. The expected cost to settle these claims was \$34,027,536. As of December 31, 2010, the Company has a contingent liability balance of \$29,452,902 should the issuers of these annuities fail to perform under the terms of the annuities.

Following is a list of insurers with total annuity balances due greater than 1% of Policyholders'

Surplus

Life Insurance Company and Location	Value of Annuities Purchased as of December 31, 2010
American General Life Insurance Co., Amarillo, TX	\$ 13,766,928
Genworth Life (formerly GE Capital), Lynchburg, Va	5,685,217
Liberty Life Assurance Company of Boston, Dover NH	2,848,364
Aegon financial Services Group, Louisville, KY	921,128
Metropolitan Life Insurance Co. Lexington, KY	791,505
	\$ 24,013,142

B. Guaranty Fund and Other Assessments

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 December 31, 2010, the Company had recorded assessments paid to insurance departments in excess of billed policyholder surcharges of \$7,196,685 which consists of \$3,860,846 and \$3,335,839 derived from State of NY and CA, respectively. This excess assessment amount is presented as a write in asset with the caption "Advance Policy Surcharges".

At the end of December 31, 2010, the Company had receivables for assessments billed to policyholders of \$1,698,020 and liabilities of relating to assessments due various insurance funds in the amount of \$797,980, as compared to respective amounts of \$1,911,549 and \$10,108,173 at December 31, 2009. The decrease in the liabilities was primarily due to the payment of New York assessments during 2010 and the decrease in direct written premium decline of \$62 million or 66.8% in year 2010 when compared to the 2009 premium volume. These assets and liabilities represent management's best estimates based on the current rates received from the states, federal and other regulatory agencies in which the Company writes business and are subject to change from year to year as determined by the various funds.

C. Gain Contingencies

Not applicable

D. All Other Contingencies

On October 28, 2010, eleven former employer members of the Contractors Access Program of California (CAP) filed the above-entitled action in Orange County Superior Court. The named defendants include various CRM entities and Majestic Insurance Company. The complaint seeks

NOTES TO FINANCIAL STATEMENTS

restitution and damages in excess of \$30 million allegedly caused by mismanagement and other misconduct of the defendants with respect to CAP, a self-insured group which formerly was administered by Compensation Risk Managers of California, LLC. CAP has been placed in conservation by the California Department of Industrial Relations. The only allegations of the complaint that specifically involve Majestic are that it wrote excess insurance for CAP which was overpriced and did not provide coverage as represented to CAP's members. In these respects, Majestic is alleged to have aided and abetted CRM's misconduct and committed unfair business practices. Majestic has filed a motion to dismiss the action (called a demurrer) on the ground that the complaint does not state a legally valid cause of action against Majestic. The demurrer is set for hearing by the court on February 10, 2011.

CRM had been notified of a potential lawsuit by the conservator of CAP. On December 20, 2010, Bickmore Risk Services, as the conservator of CAP, filed the above-entitled action alleging mismanagement of CAP by CRM and related entities. The complaint names several defendants including various CRM entities and Majestic Insurance Company. The allegations involving Majestic include 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 seeks damages of not less than \$34 million. The Fourth Cause of Action seeks rescission of Majestic's excess policies accompanied by reassumption of liability for claims by CAP and return of premiums by Majestic. Majestic accepted service of the complaint on January 10, 2011 and has not yet filed its response to the complaint with the court. The matter is at a preliminary stage.

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 a letter dated September 9, 2010, an attorney for Innovative Structures, Inc., a former policyholder, claimed that three installment payments of premium that were made by the policyholder during the 90 day period prior to its bankruptcy filing were preference payments which Majestic is required to disgorge under Section 547 of the U.S. Bankruptcy Code. The total amount of such payments was alleged to be \$38,754. By letter to the policyholder's attorney dated September 23, 2010, we replied that this amount included \$14,674 represented by a check which was returned by the policyholder's bank for insufficient funds. We further replied that the remaining payments of \$24,080 were a contemporaneous exchange for new value and payments made in the ordinary course of the debtor's business, and so were not preferences within the meaning of Bankruptcy Code Section 547. By letter dated October 26, 2010, the debtor's attorney offered to settle the preference claim for \$27,127 and stated that litigation to recover the full amount of the alleged preference would be filed if

NOTES TO FINANCIAL STATEMENTS

Majestic did not accept the settlement offer by November 1, 2010. The attorney's October 26 letter was accompanied by a draft Complaint to Avoid Preferential Transfer. Majestic did not accept the settlement offer and to date has not been served with the complaint.

On November 3, 2010, REACH Air Medical Services, LLC ("REACH") filed this action in Sonoma County Superior Court seeking recovery of additional reimbursement for air ambulance services from a large number of insurance carriers and self-insurers. REACH alleges that federal law preempts fee the Official Medical Fee Schedule applicable to such services under California law. REACH seeks additional reimbursement from Majestic totaling \$31,808.84 for air ambulance services it rendered to two injured employees. The case is at a preliminary stage. Majestic intends to file a motion to dismiss (demurrer) to the complaint on the ground that this matter is subject to the exclusive jurisdiction of the Workers' Compensation Appeals Board under the exclusive remedy doctrine applicable to workers' compensation claims in California, and so the complaint does not state a valid cause of action for relief in Superior Court.

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

Note 15 – Leases

A. Lessee Leasing Arrangements

1. The Company leases office facilities and equipment under various noncancelable operating leases that expire through the year 2017. Rental expense for 2010 and 2009 was approximately \$5,669,988 and \$3,935,394, which included expenses of \$1,178,569 and \$909,137, respectively, for lease obligations incurred by a lease under the name of parent company, MUSAC. Future minimum lease obligations of Majestic are as follows:

As of December 31	2010
2011	3,975,931
2012	3,436,987
2013	2,426,456
2014	1,360,506
2015	910,930
2016	962,250
Thereafter	801,875
Total	\$13,874,935

2. Certain rental commitments have renewal options extending through the year 2017. Some of these renewals are subject to adjustments in future periods.

B. Lessor Leasing Arrangements

Not applicable

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

NOTES TO FINANCIAL STATEMENTS

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 writes no business through managing general agents. TPA's are used for claims handling in some jurisdictions but produce no premium. No general agent has premium equal or greater than 5% of surplus.

Note 20 – Fair Value Measurement

Under the framework established in the SSAP 100, fair value of the Company's assets and liabilities are to be measured on either a recurring or nonrecurring basis in periods subsequent to initial recognition. The fair value guidance establishes three-level hierarchy to segregating fair value using quoted prices in active markets for identical assets of liabilities (Level 1), market data obtained from sources independent of the reporting entity, other "observable inputs", (Level 2) and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances, "unobservable inputs" (Level 3) and requires that the most observable inputs be used when available.

The company used an outside asset advisor, Gen Re- New England Asset Management ("GR-NEAM"), to manage and account for its invested assets. Fair value measurements for fixed income and equity securities are based on values either published by the NAIC's Security Valuation Office (SVO) or from an independent pricing service vendor. Under certain circumstances, if neither a SVO price nor vendor price is available, a price may be obtained from a broker. Short term securities and cash equivalents are valued at amortized cost.

NOTES TO FINANCIAL STATEMENTS

When published prices from the SVO are not available, GR-NEAM relies predominately on independent pricing service vendors that have been evaluated and approved by our internal pricing policy committee. Generally, pricing service vendors use a pricing methodology involving the market approach, including pricing models, which use prices and relevant market information regarding a particular security or securities with similar characteristics to establish a valuation.

For Statutory accounting, certain investments are carried at fair value, while others may periodically be carried at fair value based on certain factors such as the NAIC's lower of cost or market rule or an impairment. Assets recorded at fair value are categorized based on an evaluation of the various inputs used to measure the fair value. Supporting documentation received from pricing vendors detailing the inputs, models and processes used in the vendor's evaluation process is used by GR-NEAM to determine the appropriate fair value hierarchy. Documentation from each pricing vendor is reviewed and monitored periodically to ensure they are consistent with GR-NEAM's pricing policy procedures. Market Information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

The effect of such measurements to the Company's invested assets is evaluated on a recurring basis and disclosed in the following table as of December 31, 2010:

(in \$,000)	Fair Value Measurements				Statement	Book	Statement
Description	Level 1	Level 2	Level 3	Fair Value	Value	Value	to Book
Available-for-sale investments:							
Fixed-income securities :							
Governments	\$ 29,111	\$ 38,479	\$ -	\$ 67,590	\$ 66,777	\$ 66,777	\$ -
Industrial & Misc		106,814		106,814	106,052	106,052	-
Political Subdivisions		21,863		21,863	21,503	21,503	-
Special Revenue & Special Assess		55,977		55,977	56,384	56,384	-
States Territories & Possessions		6,981		6,981	7,033	7,033	-
Fixed-income securities :	29,111	230,114	-	259,226	257,750	257,750	-
Short Term Investment	6,504			6,504	6,504		
Cash & Cash Equivalents	8,683			8,683	8,683		
Total	\$ 44,298	\$ 230,114	\$ -	\$ 274,412	\$ 272,936	\$ 257,750	\$ -

There were no securities being transferred between Level 1 and Level 2 during 2010.

Note 21 – Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Assets in the amount of \$196,399,947 and \$183,609,363 at December 31, 2010 and 2009, respectively, were on deposit with various state authorities or trustees as required by law. In addition, there were \$38,433,997 and \$26,684,610 pledged, on the respective dates for various other purposes. The additional amounts as of December 31, 2010, included a deposit of \$17,544,829 for the benefit of the U S Department of Labor for workers' compensation claims underwritten under the Longshore and Harbor Workers' Compensation Acts, \$9,055,395 as security against a long term lease

NOTES TO FINANCIAL STATEMENTS

agreement related to operating system software and \$7,608,945 as a deposit against an assumed reinsurance trust agreement.

D. Uncollectible Premiums Receivable

At December 31, 2010 and 2009, the Company had \$5,222,917 and \$7,759,843, respectively, of admitted premiums receivable due from policyholders and agents. The Company also had nonadmitted premium receivables of \$1,834,825 and \$2,200,523, at the respective dates, for premiums over ninety days past due and under collateralized receivables for premiums due under policies written with retroactive premium clauses. The Company routinely assesses the collectability of these receivables and it is management's opinion that expected losses on uncollected premiums will not exceed the current amount recorded as nonadmitted assets.

E. Business Interruption Insurance Recoveries

Not applicable.

F. Sub-primary Exposure

Not applicable.

Note 22 – Events Subsequent

None to report

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company has unsecured aggregate amounts due for incurred losses and unearned premium with the following reinsurers in excess of 3% of the Company's policyholders' surplus at December 31, 2010.

Name of Reinsurer	Net Recoverables	Secured Amount	Unsecured Amount
Max Bermuda LTD.	\$ 39,485,295	\$ 39,485,295	-
Hannover Ruckversicherungs	33,153,906	21,000,000	12,153,906
Twin Bridges	31,776,034	31,981,231	-
ASPEN (Bermuda)	14,935,491	14,935,491	-
AXIS Specialty LTD.	14,914,474	14,914,474	-
Lloyds-Synd#2003 Through Catlin	9,693,379	9,693,379	-
Dorinco Reinsurance Co.	4,822,891		4,822,891
AXIS US	3,125,780		3,125,780

B. Reinsurance Recoverables in Dispute

The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus for an individual reinsurer or 10% of policyholders' surplus in aggregate. No reinsurance recoverables were in dispute as of December 31, 2010.

C. Reinsurance Assumed and Ceded

The Company entered into a quota share reinsurance contract effective April 1, 2010 with insurance subsidiaries of AmTrust Financial Services, Inc. (AmTrust). Under this Contract, the Company

NOTES TO FINANCIAL STATEMENTS

assumes 90% of the first \$500,000 of loss per occurrence on business in the states of Arizona, California, Nevada and Oregon which is originated by the Company and written by AmTrust. Premiums on the covered business may not exceed \$40 million in any calendar year. AmTrust receives a ceding commission of 7.0% on the Company's share of premiums. The Company also reimburses AmTrust for the Company's share of producer commissions, taxes and other premium-based expenses. The Company performs management services on the covered business, including marketing, underwriting, claims handling and loss control. The Company's obligations to AmTrust are secured by funds held in a reinsurance trust account. This Contract may be terminated by the parties effective on December 31, 2011 or at any subsequent year-end or earlier by AmTrust upon the occurrence of certain events. As of December 31, 2010, the Company recorded assumed written premium of \$6,010,621 from AmTrust & its affiliates.

In addition to those reinsurance transactions with affiliates mentioned in the above Note 10 -B, the Company has reinsurance with other non-affiliated reinsurers. The Company has historically maintained an excess of loss treaty with a loss retention limit of \$500,000 on a per occurrence basis on the primary workers' compensation coverage provided to various policyholders for the period from January 1, 2007 to June 30, 2010. Effective July 1, 2010, the loss retention limit was increased to \$600,000. Relative to this retention limit the Company reduced its excess of loss reinsurance on a per occurrence from \$70 million to \$50 million. Prior to January 1, 2007, the Company's retention limit was \$600,000.

On July 1, 2009, the Company obtained an 80% participation in a 43% Quota share treaty with two unaffiliated non admitted reinsurers. Under the terms of this treaty the Company cedes 34.4% of net premiums written after deducting the premiums ceded to the excess of loss treaties. The reinsurers' will have a 34.4% participation in all losses retained by the Company. This treaty has a funds-held clause and under the terms of the contract, unauthorized reinsurers are responsible for providing collateral against the net reinsurance assets recorded by the Company relative to the treaty. The treaty has a sliding commission rate with a 27.5% maximum commission and a 22.0% minimum rate. The maximum commission applies if the loss ratio does not exceed 69.5% and decreases with each 1% increase to a loss ratio of 76.5% or higher. The treaty also requires the Company to pay a 4% interest credit towards the funds held balance under contract. This treaty was cancelled as of June 30, 2010, on a run off basis and the reinsurers will participate in all earned premiums and losses relating to policies in force as of June 30, 2010, according to the contract terms.

The Company also, as of July 1, 2009, entered into a 15% quota share treaty with an unaffiliated non-admitted reinsurer. The Contract terminates on June 30, 2010. This treaty excludes all policies written in the State of New York and applies to all other net premiums after deducting the premiums ceded under the excess of loss reinsurance agreements. The maximum deduction from the net direct premiums for the excess of loss treaty is limited to a maximum rate of 9.4755% of net direct premiums. The treaty provides for a 25.75% ceding commission credit to Majestic. This treaty was also cancelled as of June 30, 2010, on a run off basis and the reinsurers will participate in all earned premiums and losses relating to policies in force as of June 30, 2010, according to the contract terms.

On July 1, 2008, the Company entered into a 40% Quota Share Reinsurance agreement with Max Bermuda Ltd. ("Max"), an unaffiliated non-admitted reinsurer. As defined in the agreement, the Company cedes 40% of net direct earned premiums after deducting premiums ceded under the excess of loss. The Reinsurer will have a 40% participation in all losses incurred and retained by the Company subsequent to July 1, 2008. This treaty includes a 30% ceding commission to reimburse the Company for acquisition and certain administrative costs. This treaty was cancelled on a cut-off basis as of June 30, 2009.

On January 1, 2007, the Company began providing excess workers' compensation coverage to self-insured groups managed by CRM and CRM CA (the "Groups"). Pursuant to a quota share agreement, Twin Bridges reinsures 90% of the coverage provided by the Company to the Groups net of the liability ceded to unaffiliated reinsurers and receives 90% of the premiums collected by

NOTES TO FINANCIAL STATEMENTS

Majestic net of premiums paid to unaffiliated reinsurers for coverage inuring to the benefit of Twin Bridges. Under this agreement Twin Bridges reinsures 90% of loss and loss adjusting expense incurred in excess of the groups retention up to a per occurrence/per policy limit of \$2 million. Losses in excess of \$2 million to \$100 million are reinsured by nonaffiliated reinsurers under the Company's existing excess of loss reinsurance agreements described above. The Company receives a 15% ceding commission on all premiums ceded to Twin Bridges under the terms of the quota share agreement. The California DOI approved this transaction on June 25, 2007.

Following is a summary of all ceded reinsurance transactions for the years ended December 31, 2010 and 2009.

Summary of Reinsurance (000 Omitted)						
2010						
	Non-affiliated Reinsurer		Affiliated Reinsurer			
	Primary WC	Excess WC	Primary WC	Excess WC	Total	
Outstanding As of December 31,						
Ceded Unearned Premiums	\$ 2,202	\$ -	\$ -	\$ -	\$ 2,202	
Loss and Loss Expenses Recoverable	126,006	8,980	12,575	19,201	166,761	
Reinsurance Premiums Payable	4,963	82	1,341	(601)	5,785	
Collateral Held Pending Recoveries	23,974	-	12,766	19,215	55,955	
Transactions for Twelve Months Ended December, 31						
Ceded Written Premiums	\$ 44,114	\$ 68	\$ 2,960	\$ 688	\$ 47,830	
Ceded Earned Premiums	46,314	91	3,346	859	50,610	
Ceded Loss & ALAE Recoveries	43,344	(1,328)	3,353	(614)	44,755	
Ceding Commissions	8,014	-	902	129	9,046	
Net (Gain) Loss From Reinsurance	\$ (5,044)	\$ 1,419	\$ (910)	\$ 1,344	\$ (3,191)	

2009						
	Non-affiliated Reinsurer		Affiliated Reinsurer			
	Primary WC	Excess WC	Primary WC	Excess WC	Total	
Outstanding As of December 31						
Ceded Unearned Premiums	\$ 5,550	\$ -	\$ 471	\$ -	\$ 6,021	
Loss and Loss Expenses Recoverable	112,195	10,307	14,341	20,055	156,898	
Reinsurance Premiums Payable	3,890	200	(434)	919	4,575	
Collateral Held Pending Recoveries	15,461	-	14,687	20,294	50,442	
Transactions for Twelve Months Ended December, 31						
Ceded Written Premiums	\$ 71,316	\$ 1,119	\$ 6,573	\$ 3,978	\$ 82,986	
Ceded Earned Premiums	73,774	1,254	6,593	3,480	85,101	
Ceded Loss & ALAE Recoveries	72,814	5,724	7,830	125	86,493	
Ceding Commissions	13,482	-	1,986	449	15,918	
Net (Gain) Loss From Reinsurance	\$ (12,522)	\$ (4,470)	\$ (3,223)	\$ 2,905	\$ (17,310)	

1. Commission on Unearned Premiums

There was \$2,202,361 of ceded unearned premium reserve with \$277,921 of commission equity, which offset by \$3,916,762 of assumed unearned premium reserve with \$274,173 of commission equity at December 31, 2010.

2. Additional or Return Commission Accruals

No additional reinsurance return commissions.

3. Risks Attributed To Protected Cells.

Not applicable.

D. Uncollectible Reinsurance

NOTES TO FINANCIAL STATEMENTS

The Company did not write off any uncollectible reinsurance in 2010.

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Re-determination

A. Method Used to Estimate

The Company sells workers compensation policies for which the original premium may be adjusted based on the actual loss experience during the term of the coverage (Retrospective Rated Contracts). These contracts are written with minimum and maximum premium limits. The Company reviews the loss experience of all active retrospective contracts throughout the year on an individual basis. The Company reviews the reported losses as to the outstanding case reserves, paid losses and ALAE and may make adjustments to the loss experience based upon expected future development of known losses or the expectation that additional losses will be reported. The Company will accrue a receivable if the loss experience is unfavorable or a liability for a premium refund, if there has been favorable loss experience.

B. Method Used to Record

The Company records the retrospective premium accruals as adjustments directly to earned premiums. The retrospective adjustment is recorded either as, written premium at the time the premium adjustment is billed to the customer, or the premium adjustment refund is paid. Accrued return premiums are recorded as liabilities and additional premiums are recorded as assets.

C. Amount and Percent of Net Retrospective Premiums

Due to the favorable loss development on the open contract years, the Company recorded net retrospective return premiums of \$1,228,053 or 2.6% of total net earned premiums in 2010 compared to \$463,406 or .7% in 2009.

D. Calculation of Nonadmitted Accrued Retrospective Premiums

For any retrospective premiums due from policyholders which are not collateralized or which may be offset by some liability, other than outstanding loss claims, due the policyholder, the Company is required by the California Department of Insurance to record a charge to policyholders' surplus equal to 10% of the unsecured amount of the receivable from non-affiliated policyholders. Amounts unsecured and due from affiliates are subject to a 5% surplus penalty. There were no net retrospective premiums due from affiliates at December 31, 2010. Following is a summary of retrospective premiums due.

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Admitted and Nonadmitted Accrued Retros	Amount As Of December 31	
	2010	2009
Total accrued retrospective Premiums due	\$2,124,818	\$2,778,952
Amount not collateralized by Letter of Credits	1,114,640	1,771,510
Nonadmitted amount	111,464	177,151
Admitted retrospective premiums due	\$2,013,354	\$2,601,801

The above amounts are net of retro premium liabilities of \$354,726 and \$376,389 as of December 31, 2010 and 2009, respectively.

Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses

The Company reported incurred losses and loss adjusting expense of \$47,979,034 in 2010, compared to \$73,886,073 in 2009. The incurred loss and loss adjustment expense for the 2010 accident year was \$45,256,000, reflecting a current loss ratio of 96.2%. The Company experienced adverse development on prior year losses of \$2,725,000. The following table summarizes the incurred losses on a current and prior accident year's basis for the years ended December 31, 2010 and 2009.

Calendar Year 2010		(000 Omitted)	
	Calendar Year Loss & LAE	Accident Year Losses	
	2010	2010	2009 & Prior
Losses Incurred	\$ 33,968	\$ 34,546	\$ (578)
Loss Expense Incurred	14,011	10,708	3,303
Total Incurred Loss & LAE	\$ 47,979	\$ 45,254	\$ 2,725

Calendar Year 2009		(000 Omitted)	
	Calendar Year Loss & LAE	Accident Year Losses	
	2009	2009	2008 & Prior
Losses Incurred	\$ 59,337	\$ 52,598	\$ 6,739
Loss Expense Incurred	14,549	15,222	(673)
Total Incurred Loss & LAE	\$ 73,886	\$ 67,820	\$ 6,066

Note 26 – Intercompany Pooling Arrangements

Not applicable

Note 27 – Structural Settlements

A. Reserves Released Due to Purchase of Annuities

The Company has purchased \$10,215,537 of annuities from life insurers under which the claimants are payees (see Note 14A). These annuities have been used to reduce unpaid losses in the amount of \$34,027,536 as of December 31, 2010. The Company has a contingent liability of \$29,452,902 as of

NOTES TO FINANCIAL STATEMENTS

December 31, 2010, related to future annuity payments should the issuers fail to perform under the terms of the annuity contracts.

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

Life Insurance Company and Location	Value of Annuities Purchased as of December 31, 2010
American General Life Insurance Co., Amarillo, TX	\$ 13,766,928
Genworth Life (formerly GE Capital), Lynchburg, Va	5,685,217
Liberty Life Assurance Company of Boston, Dover NH	2,848,364
Aegon financial Services Group, Louisville, KY	921,128
Metropolitan Life Insurance Co. Lexington, KY	791,505
	\$ 24,013,142

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating Accident and Health Policies

Not Applicable

Note 30 – Premium Deficiency Reserves

Not Applicable

Note 31 – High Deductibles

As of December 31, 2010, the amount of reserve credit recorded for high deductibles on unpaid claims was \$445,657 and the amount billed and recoverable on paid claims was \$202,070 during the year ended December 31, 2010.

Note 32 – 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 33 – 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:

NOTES TO FINANCIAL STATEMENTS

Not applicable

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

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 34 – Subscriber Savings Accounts

Not applicable

Note 35– Multiple Peril Crop

Not Applicable

Note 36– Financial Guaranty Insurance

Not Applicable

NOTES TO FINANCIAL STATEMENTS

(Electronic Filing Only)

4. Discontinued Operations

5. The amounts related to Discontinued Operations and the effect on the Company's Balance Sheet and Summary of Operations is as follows:

Balance sheet

Assets

a. Line 5	Cash	\$	
b. Line 28	Totals	\$	

Liabilities, Surplus and Other Funds

c. Line 26	Total Liabilities	\$	
d. Line 37	Surplus	\$	
e. Line 39	Total	\$	

Summary of Operations

f. Line 1	Premiums	\$	
g. Line 6	Total underwriting deductions	\$	
h. Line 8	Net underwriting gain or loss	\$	
i. Line 18	Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	\$	
j. Line 19	Federal and foreign income taxes incurred	\$	
k. Line 20	Net Income	\$	

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

	Current Year	Prior Year
4. As of year end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	\$	\$
a. Total interest due on mortgages with interest more than 180 days past due	\$	\$
5. Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$	\$
6. Current year impaired loans with a related allowance for credit losses	\$	\$
a. Related allowance for credit losses	\$	\$
7. Impaired Mortgage loans without an allowance for credit losses	\$	\$
8. Average recorded investment in impaired loans	\$	\$
9. Interest income recognized during the period the loans were impaired	\$	\$
10. Amount of interest income recognized on a cash basis during the period the loans were impaired	\$	\$
11. Allowance for credit losses:		
a. Balance at beginning of period	\$	\$
b. Additions charged to operations	\$	\$
c. Direct write-downs charged against the allowar	\$	\$
d. Recoveries of amounts previously charged off	\$	\$
e. Balance at end of period	\$	\$

B. Debt Restructuring

For restructured debt in which the company is a creditor

	Current Year	Prior Year
1. The total recorded investment in restructured loan	\$	\$
2. The realized capital losses related to these loans	\$	\$
3. Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings	\$	\$

C. Reverse Mortgages

3. At December 31, the asset value of the group of reverse mortgages were reduced by the actuarial reserve of	\$	
4. As a result of the re-estimate of the cash flows, the company recorded an unrealized loss of	\$	

D. Loan-Backed Securities

2. All securities within the scope of this statement with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:

	1 Amortized Cost Basis Before Other-than- Temporary Impairment	2 Other-than- Temporary Impairment Recognized in Loss	3 Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to sell			
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
c. Total 1st Quarter			
OTTI recognized 2nd Quarter			
d. Intent to sell			
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
f. Total 2nd Quarter			
OTTI recognized 3rd Quarter			
g. Intent to sell			
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
i. Total 3rd Quarter			
OTTI recognized 4th Quarter			
j. Intent to sell			
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
l. Total 4th Quarter			
m. Annual Aggregate Total	XXX		XXX

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

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$
2. 12 Months or Longer	\$

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

1. Less than 12 Months	\$
2. 12 Months or Longer	\$

NOTES TO FINANCIAL STATEMENTS (Electronic Filing Only)

5. Investments

E. Repurchase Agreements and/or Securities Lending Transactions

3. Collateral Received

a. Aggregate Amount Cash Collateral (Received)

1. Repurchase Agreement

- a. Open
- b. 30 Days or Less
- c. 31 to 60 Days
- d. 61 to 90 Days
- e. Greater Than 90 Days
- f. Sub-Total
- g. Securities Received
- h. Total Collateral Received

1
Fair Value

\$
\$
\$
\$
\$
\$
\$
\$

2. Securities Lending

- a. Open
- b. 30 Days or Less
- c. 31 to 60 Days
- d. 61 to 90 Days
- e. Greater Than 90 Days
- f. Sub-Total
- g. Securities Received
- h. Total Collateral Received

\$
\$
\$
\$
\$
\$
\$
\$

3. Dollar Repurchase Agreement

- a. Open
- b. 30 Days or Less
- c. 31 to 60 Days
- d. 61 to 90 Days
- e. Greater Than 90 Days
- f. Sub-Total
- g. Securities Received
- h. Total Collateral Received

\$
\$
\$
\$
\$
\$
\$
\$

- b. The aggregate fair value of all securities acquired (reinvested collateral)

NONE

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

1. Repurchase Agreement

- a. Open
- b. 30 Days or Less
- c. 31 to 60 Days
- d. 61 to 90 Days
- e. 91 to 120 Days
- f. 121 to 180 Days
- g. 181 to 365 Days
- h. 1 to 2 Years
- i. 2-3 Years
- j. Greater Than 3 Years
- k. Sub-Total
- l. Securities Received
- m. Total Collateral Received

1
Amortized Cost2
Fair Value

\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$

2. Securities Lending

- a. Open
- b. 30 Days or Less
- c. 31 to 60 Days
- d. 61 to 90 Days
- e. 91 to 120 Days
- f. 121 to 180 Days
- g. 181 to 365 Days
- h. 1 to 2 Years
- i. 2-3 Years
- j. Greater Than 3 Years
- k. Sub-Total
- l. Securities Received
- m. Total Collateral Received

\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$

3. Dollar Repurchase Agreement

- a. Open
- b. 30 Days or Less
- c. 31 to 60 Days
- d. 61 to 90 Days
- e. 91 to 120 Days
- f. 121 to 180 Days
- g. 1 to 2 Years
- h. 2-3 Years
- i. Greater Than 3 Years
- j. Greater Than 90 Days
- k. Sub-Total
- l. Securities Received
- m. Total Collateral Received

\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$
\$	\$

NOTES TO FINANCIAL STATEMENTS

(Electronic Filing Only)

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	12/31/2010			12/31/2009			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
1.									
a. Gross Deferred Tax Assets	20,263,418		20,263,418	12,784,633	310,305	13,094,938	7,478,785	(310,305)	7,168,480
b. Statutory Valuation Allowance Adjustment					310,305	310,305		(310,305)	(310,305)
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	20,263,418		20,263,418	12,784,633		12,784,633	7,478,785		7,478,785
d. Deferred Tax Liabilities	1,181,741		1,181,741	415,314		415,314	766,427		766,427
e. Subtotal (Net Deferred Tax Assets) (1c - 1d)	19,081,677		19,081,677	12,369,319		12,369,319	6,712,358		6,712,358
f. Deferred Tax Assets Nonadmitted	19,081,677		19,081,677	12,369,319		12,369,319	6,712,358		6,712,358
g. Net Admitted Deferred Tax Assets (1e - 1f)									
4.									
Admission Calculation Components									
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:									
a. SSAP No. 10R, Paragraph 10.a.									
b. SSAP No. 10R, Paragraph 10.b. (the lesser of Paragraph 10.b.i. and 10.b.ii. below)	5,544,060		5,544,060	5,598,500	310,305	5,908,805	(54,440)	(310,305)	(364,745)
c. SSAP No. 10R, Paragraph 10.b.i.	5,544,060		5,544,060	5,598,500	310,305	5,908,805	(54,440)	(310,305)	(364,745)
d. SSAP No. 10R, Paragraph 10.b.ii.	XXX	XXX	6,289,808	XXX	XXX	8,965,622	XXX	XXX	
e. SSAP No. 10R, Paragraph 10.c.	1,181,741		1,181,741	415,314		415,314	766,427		766,427
f. Total (4a + 4b + 4e)	6,725,801		6,725,801	6,013,814	310,305	6,324,119	711,987	(310,305)	401,682
Admission Calculation Components									
SSAP No. 10R, Paragraph 10.e.:									
g. SSAP No. 10R, Paragraph 10.e.i.									
h. SSAP No. 10R, Paragraph 10.e.ii. (the lesser paragraph of 10.e.ii.a. 10.e.ii.b. below)	1,181,741		1,181,741	415,314		415,314	766,427		766,427
i. SSAP No. 10R, Paragraph 10.e.ii.a.	1,181,741		1,181,741	415,314		415,314	766,427		766,427
j. SSAP No. 10R, Paragraph 10.e.ii.b.	XXX	XXX	9,434,711	XXX	XXX	13,448,336	XXX	XXX	
k. SSAP No. 10R, Paragraph 10.ce.iii.									
l. Total (4g + 4h + 4k)	1,181,741		1,181,741	415,314		415,314	766,427		766,427
Used in SSAP No. 10R, Paragraph 10.d.									
m. Total Adjusted Capital	XXX	XXX		XXX	XXX		XXX	XXX	
n. Authorized Control Level	XXX	XXX		XXX	XXX		XXX	XXX	
5.									
SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:									
a. Admitted Deferred Tax Assets									
b. Admitted Assets	XXX	XXX		XXX	XXX		XXX	XXX	
c. Statutory Surplus	XXX	XXX		XXX	XXX		XXX	XXX	
d. Total Adjusted Capital from DTAs	XXX	XXX		XXX	XXX		XXX	XXX	
Increases due to SSAP No. 10R, Paragraph 10.e.									
e. Admitted Deferred Tax Assets									
f. Admitted Assets									
g. Statutory Surplus									

NOTES TO FINANCIAL STATEMENTS

(Electronic Filing Only)

9. Income Taxes

C. Current income taxes incurred consist of the following major components:

	1	2	3
	12/31/2010	12/31/2009	(Col 1-2) Change
1. Current Income Tax			
a. Federal	(9,050,063)	(6,981,829)	(2,068,234)
b. Foreign			
c. Subtotal	(9,050,063)	(6,981,829)	(2,068,234)
d. Federal income tax on net capital gains	1,755,444	2,190,863	(435,419)
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and foreign income taxes incurred	(7,294,619)	(4,790,966)	(2,503,653)
2. Deferred Tax Assets:			
a. Ordinary			
1. Discounting of unpaid losses	6,071,274	6,487,032	(415,758)
2. Unearned premium reserve	2,078,386	1,703,669	374,717
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets	501,615	621,447	(119,832)
8. Compensation and benefits accrual	379,131	312,269	66,862
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward	9,797,388	1,595,099	8,202,289
12. Tax credit carry-forward			
13. Other (including items < 5% of total ordinary tax assets)	1,435,623	2,065,118	(629,495)
99. Subtotal	20,263,417	12,784,634	7,478,783
b. Statutory valuation allowance adjustment			
c. Nonadmitted	19,081,676	12,369,319	6,712,357
d. Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	1,181,741	415,315	766,426
e. Capital:			
1. Investments		310,305	(310,305)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items < 5% of total capital tax assets)			
99. Subtotal		310,305	(310,305)
f. Statutory valuation allowance adjustment		310,305	(310,305)
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99 - 2f - 2g)			
i. Admitted deferred tax assets (2d + 2h)	1,181,741	415,315	766,426
3. Deferred Tax Liabilities:			
a. Ordinary			
1. Investments			
2. Fixed assets	3,433		3,433
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items < 5% of total ordinary tax liabilities)	1,126,203	417,635	708,568
99. Subtotal	1,129,636	417,635	712,001
b. Capital:			
1. Investments			
2. Real estate	52,104	(2,320)	54,424
3. Other (including items < 5% of total capital tax liabilities)			
99. Subtotal	52,104	(2,320)	54,424
c. Deferred tax liabilities (3a99 + 3b99)	1,181,740	415,315	766,425
4. Net deferred tax assets/liabilities (2i - 3c)	1		1

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

E. Indicate the amount of any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the reporting entity's or any related party's assets or liabilities:

\$

11. Debt

B. FHLB (Federal Home Loan Bank) Agreements

Current Year

Prior Year

2. FHLB stock purchased/owned as part of the agreement

\$

\$

3. Collateral pledged to the FHLB

\$

\$

4. Borrowing capacity currently available

\$

\$

5. Agreement assets and liabilities

General Account:

Assets

\$

\$

Liabilities

\$

\$

Separate Account:

Assets

\$

\$

Liabilities

\$

\$

NOTES TO FINANCIAL STATEMENTS (Continued) (Electronic Filing Only)

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

A. Defined Benefit Plan

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, of said year.

	Pension Benefits		Other Benefits	
	Current Year	Prior Year	Current Year	Prior Year
1. Change in benefit obligation				
a. Benefit obligation at beginning of year	\$	\$	\$	\$
b. Service cost	\$	\$	\$	\$
c. Interest cost	\$	\$	\$	\$
d. Contribution by plan participants	\$	\$	\$	\$
e. Actuarial gain (loss)	\$	\$	\$	\$
f. Foreign currency exchange rate changes	\$	\$	\$	\$
g. Benefits paid	\$	\$	\$	\$
h. Plan amendments	\$	\$	\$	\$
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$	\$	\$	\$
j. Benefit obligation at end of year	\$	\$	\$	\$
2. Change in plan assets				
a. Value of plan assets at beginning of year	\$	\$	\$	\$
b. Actual return on plan assets	\$	\$	\$	\$
c. Foreign currency exchange rate changes	\$	\$	\$	\$
d. Employer contribution	\$	\$	\$	\$
e. Plan participants' contributions	\$	\$	\$	\$
f. Benefits paid	\$	\$	\$	\$
g. Business combinations, divestitures and settlements	\$	\$	\$	\$
h. Fair value of plan assets at end of year	\$	\$	\$	\$
3. Funded status				
a. Unamortized prior service cost	\$	\$	\$	\$
b. Unrecognized net gain or (loss)	\$	\$	\$	\$
c. Remaining net obligation or net asset at initial date of application	\$	\$	\$	\$
d. Prepaid assets or accrued liabilities	\$	\$	\$	\$
e. Intangible asset	\$	\$	\$	\$
4. Accumulated benefit obligation for vested employees and partially vested employees to the extent vested	\$	\$	\$	\$
5. Benefit obligation for non-vested employees				
a. Projected pension obligation	\$	\$	\$	\$
b. Accumulated benefit obligation	\$	\$	\$	\$
6. Components of net periodic benefit cost				
a. Service cost	\$	\$	\$	\$
b. Interest cost	\$	\$	\$	\$
c. Expected return on plan assets	\$	\$	\$	\$
d. Amortization of unrecognized transition obligation or transition asset	\$	\$	\$	\$
e. Amount of recognized gains and losses	\$	\$	\$	\$
f. Amount of prior service cost recognized	\$	\$	\$	\$
g. Amount of gain or loss recognized due to a settlement or curtailment	\$	\$	\$	\$
h. Total net periodic benefit cost	\$	\$	\$	\$

	Current Year	Prior Year
8. Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31:		
a. Weighted average discount rate
b. Expected long-term rate of return on plan assets
c. Rate of compensation increase
Weighted average assumptions used to determine projected benefit obligations as of Dec. 31:		
d. Weighted average discount rate
e. Rate of compensation increase

11. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans.

A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$	\$
b. Effect on postretirement benefit obligation	\$	\$

12. The defined benefit pension plan asset allocation as of the measurement date were as follows:

	Current Year	Prior Year	Target Allocation
a. Debt Securities % % % to
b. Equity Securities % % % to
c. Real Estate % % % to
d. Other % % % to
e. Total	100.0 %	100.0 %	

13. The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

Years	Amount
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6. Thereafter Total	\$

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

10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses:

\$

14. Contingencies

A. Contingent Commitments

1. Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, a Replacement of SSAP No. 88 and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

1. Claims related ECO and bad faith losses paid during the reporting period \$

2. Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

- A) 0-25 Claims
- B) 26-50 Claims
- C) 51-100 Claims
- D) 101-500 Claims
- E) More than 500 Claims

3. Indicate whether claim count information is disclosed per claim or per claimant.

- F) Per Claim
- G) Per Claimant

F

NOTES TO FINANCIAL STATEMENTS (Continued) **(Electronic Filing Only)**

15. Leases

- A. Disclose the following items related to lessee leasing arrangements (refer to SSAP No. 22, Leases):
 2. For leases having initial or remaining noncancellable lease terms in excess of one year:
 a. At January 1, of said year, the minimum aggregate rental commitments are as follows: (whole dollars)

<u>Year Ending December 31</u>	<u>Operating Leases</u>
1. 2011	\$ 3,975,931
2. 2012	\$ 3,436,987
3. 2013	\$ 2,426,456
4. 2014	\$ 1,360,506
5. 2015	\$ 2,675,055
6. Total	\$ 13,874,935

- B. When leasing is a significant part of the lessor's business activities in terms of revenue, net income, or assets, disclose the following information with respect to leases:

1. Lessor Leases:

- c. Future minimum lease payment receivables under noncancellable leasing arrangements as of December 31, of said year are as follows:
 (whole dollars)

<u>Year Ending December 31</u>	<u>Operating Leases</u>
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6. Total	\$

2. Leveraged Leases:

- b. The Company's investment in leveraged leases relates to equipment used primarily in the transportation industries. The component of net income from leveraged leases at December 31, of said year were as shown below:

	<u>Current Year</u>	<u>Prior Year</u>
(whole dollars)		
1. Income from leveraged leases before income tax including investment tax credit	\$	\$
2. Less current income tax	\$	\$
3. Net income from leveraged leases	\$	\$

- c. The components of the investment in leveraged leases at December 31, of said year were as shown below:

	<u>Current Year</u>	<u>Prior Year</u>
(whole dollars)		
1. Lease contracts receivable (net of principal and interest on non-recourse financing)	\$	\$
2. Estimated residual value of leased assets	\$	\$
3. Unearned and deferred income	\$	\$
4. Investment in leveraged leases	\$	\$
5. Deferred income taxes related to leveraged leases	\$	\$
6. Net investment in leveraged leases	\$	\$

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk.

For financial instruments with off-balance risk, an insurer shall disclose in the financial statements the following information by class of financial instrument:

1. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk:

	<u>Assets</u>		<u>Liabilities</u>	
	<u>Current Year</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Prior Year</u>
a. Swaps	\$	\$	\$	\$
b. Futures	\$	\$	\$	\$
c. Options	\$	\$	\$	\$
d. Total	\$	\$	\$	\$

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

C. Wash Sales

2. The details by NAIC designation 3 or below of securities sold during the current reporting period and reacquired within 30 days of the sale date are:

<u>Bonds:</u>	<u>Number of Transactions</u>	<u>Book Value of Securities Sold</u>	<u>Cost of Securities Repurchased</u>	<u>Gain/(Loss)</u>
a. NAIC 3	\$	\$	\$	\$
b. NAIC 4	\$	\$	\$	\$
c. NAIC 5	\$	\$	\$	\$
d. NAIC 6	\$	\$	\$	\$
<u>Preferred Stock:</u>				
e. NAIC P/RP3	\$	\$	\$	\$
f. NAIC P/RP4	\$	\$	\$	\$
g. NAIC P/RP5	\$	\$	\$	\$
h. NAIC P/RP6	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS (Continued)
(Electronic Filing Only)

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

A. ASO Plans:

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during said year:

- a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses
b. Total net other income or expenses (including interest paid to or received from plans)
c. Net gain or (loss) from operations
d. Total claim payment volume

1	2	3
ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
\$	\$	\$
\$	\$	\$
\$	\$	\$
\$	\$	\$

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during said year:

- a. Gross reimbursement for medical cost incurred
b. Gross administrative fees accrued
c. Other income or expenses (including interest paid to or received from plans)
d. Gross expenses incurred (claims and administrative)
e. Total net gain or loss from operations

1	2	3
ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
\$	\$	\$
\$	\$	\$
\$	\$	\$
\$	\$	\$
\$	\$	\$

21. Other Items

G. Subprime Mortgage Related Risk Exposure:

2. Direct exposure through investments in subprime mortgage loans

- a. Mortgages in the process of foreclosure
b. Mortgages in good standing
c. Mortgages with restructure terms
d. Total

(1)	(2)	(3)	(4)	(5)
Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other Than Temporary Impairment Losses Recognized	Default Rate
\$	\$	\$	\$	%
\$	\$	\$	\$	%
\$	\$	\$	\$	%
\$	\$	\$	\$	%

3. Direct exposure through other investments

- a. Residential mortgage-backed securities
b. Commercial mortgage-backed securities
c. Collateralized debt obligations
d. Structured securities
e. Equity investment in SCAs *
f. Other assets
g. Total

Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
\$	\$	\$	\$
\$	\$	\$	\$
\$	\$	\$	\$
\$	\$	\$	\$
\$	\$	\$	\$
\$	\$	\$	\$
\$	\$	\$	\$

* Equity investments in subsidiary, controlled or affiliated entities with significant subprime mortgage related risk exposure.

If a subsidiary company has investments in subprime mortgages, enter the percentage these comprise of the companies invested assets.

%

23. Reinsurance

C. Reinsurance Assumed and Ceded

1.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	1 Premium Reserve	2 Commission Equity	3 Premium Reserve	4 Commission Equity	5 Premium Reserve	6 Commission Equity
a. Affiliates	\$	\$	\$	\$	\$	\$
b. All Other	\$ 3,916,762	\$ 274,173	\$ 2,202,361	\$ 277,922	\$ 1,714,401	\$ (3,748)
c. TOTAL	\$ 3,916,762	\$ 274,173	\$ 2,202,361	\$ 277,922	\$ 1,714,401	\$ (3,748)
d. Direct Unearned Premium Reserve	\$					

* Line c of Column 3 plus Line d must equal Page 3, Line 9, first inside amount.

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

REINSURANCE

- a. Contingent Commission
b. Sliding Scale Adjustments
c. Other Profit Commission Arrangements
d. TOTAL

1 Direct	2 Assumed	3 Ceded	4 Net
\$	\$	\$	\$
\$	\$	\$	\$
\$	\$	\$	\$
\$	\$	\$	\$

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

D. Calculation of nonadmitted retrospective premium.

1. For Ten Percent (10%) Method of Determining Nonadmitted Retrospective Premium

- a. Total accrued retro premium
b. Unsecured amount
c. Less: Nonadmitted amount (10%)
d. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted
e. Admitted amount Line (a) - Line (c) - Line (d)

\$ 2,124,818
\$ 1,114,640
\$ 111,464
\$

2. For Quality Rating Method of Determining Nonadmitted Retrospective Premium

	1 Insured's Current Quality Rating	2 Total Amount	3 Unsecured Balances	4 %	5 Amount Column (3) x Column (4)	6 Admitted Amount Column (2) - Column (5)
a.	1	\$	\$	1%	\$	\$
b.	2	\$	\$	2%	\$	\$
c.	3	\$	\$	5%	\$	\$
d.	4	\$	\$	10%	\$	\$
e.	5	\$	\$	20%	\$	\$
f.	6	\$	\$	100%	\$	\$

- g. Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted
h. Total Line (a) through
Line (f) minus Line (g)

\$

27. Structured Settlements

- A. Loss Reserves Eliminated by Annuities
Unrecorded Loss Contingencies

\$ 34,027,536
\$ 29,452,901

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves

\$

2. Date of the most recent evaluation of this liability

12/31/2010

3. Was anticipated investment income utilized in the calculation?

Yes (X) No ()

NOTES TO FINANCIAL STATEMENTS (Electronic Filing Only)

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

A. Tabular Discount

Schedule P Lines of Business		Tabular Discount Included in Schedule P, Part 1*	
		1 Case	2 IBNR
1. Homeowners/Farmowners.....			
2. Private Passenger Auto Liability/Medical.....			
3. Commercial Auto/Truck Liability/Medical.....			
4. Workers' Compensation.....			
5. Commercial Multiple Peril.....			
6. Medical Professional Liability - occurrence.....			
7. Medical Professional Liability - claims-made.....			
8. Special Liability.....			
9. Other Liability - occurrence.....			
10. Other Liability - claims-made.....			
11. Special Property.....			
12. Auto Physical Damage.....			
13. Fidelity, Surety.....			
14. Other (including Credit, Accident and Health).....			
15. International.....			
16. Reinsurance Nonproportional Assumed Property.....			
17. Reinsurance Nonproportional Assumed Liability.....			
18. Reinsurance Nonproportional Assumed Financial Lines.....			
19. Products Liability - occurrence.....			
20. Products Liability - claims-made.....			
21. Financial Guaranty/Mortgage Guaranty.....			
22. Warranty.....			
23. Total.....			

NONE

*Must exclude medical loss reserves and all loss adjustment expense reserves.

B. Non-Tabular Discount

Schedule P Lines of Business		Nontabular Discount**			
		1 Case	2 IBNR	3 Defense and Cost Containment Expense	4 Adjusting and Other Expense
1. Homeowners/Farmowners.....					
2. Private Passenger Auto Liability/Medical.....					
3. Commercial Auto/Truck Liability/Medical.....					
4. Workers' Compensation.....					
5. Commercial Multiple Peril.....					
6. Medical Professional Liability - occurrence.....					
7. Medical Professional Liability - claims-made.....					
8. Special Liability.....					
9. Other Liability - occurrence.....					
10. Other Liability - claims-made.....					
11. Special Property.....					
12. Auto Physical Damage.....					
13. Fidelity, Surety.....					
14. Other (including Credit, Accident and Health).....					
15. International.....					
16. Reinsurance Nonproportional Assumed Property.....					
17. Reinsurance Nonproportional Assumed Liability.....					
18. Reinsurance Nonproportional Assumed Financial Lines.....					
19. Products Liability - occurrence.....					
20. Products Liability - claims-made.....					
21. Financial Guaranty/Mortgage Guaranty.....					
22. Warranty.....					
23. Total.....					

**Should include medical loss reserves and all loss adjustment expense reserves, whether reported as tabular or nontabular in Schedule P.

NOTES TO FINANCIAL STATEMENTS
(Electronic Filing Only)

33. Asbestos/Environmental Reserves

A. For asbestos-related losses (including coverage dispute costs) for each of the five most current calendar years, provide the following:

	1	2	3	4	5
	2006	2007	2008	2009	2010
1. Direct Basis:					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$.....	\$.....	\$.....	\$.....	\$.....
b. Incurred losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
c. Calendar year payments for losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE): Note: Line d = Line a + Line b - Line c	\$.....	\$.....	\$.....	\$.....	\$.....
2. Assumed Reinsurance Basis:					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$.....	\$.....	\$.....	\$.....	\$.....
b. Incurred losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
c. Calendar year payments for losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE): Note: Line d = Line a + Line b - Line c	\$.....	\$.....	\$.....	\$.....	\$.....
3. Net of Ceded Reinsurance Basis:					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$.....	\$.....	\$.....	\$.....	\$.....
b. Incurred losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
c. Calendar year payments for losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE): Note: Line d = Line a + Line b - Line c	\$.....	\$.....	\$.....	\$.....	\$.....

B. State the amount of the ending reserves for Bulk plus IBNR included in A (Loss and LAE):

1. Direct Basis:	\$.....
2. Assumed Reinsurance Basis:	\$.....
3. Net of Ceded Reinsurance Basis:	\$.....

C. State the amount of the ending reserves for loss adjustment (Case, Bulk plus IBNR):

1. Direct Basis:	\$.....
2. Assumed Reinsurance Basis:	\$.....
3. Net of Ceded Reinsurance Basis:	\$.....

NONE

D. For environmental losses (including coverage dispute costs) for each of the five most current calendar years, provide the following:

	1	2	3	4	
	2006	2007	2008	2009	2010
1. Direct Basis:					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$.....	\$.....	\$.....	\$.....	\$.....
b. Incurred losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
c. Calendar year payments for losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE): Note: Line d = Line a + Line b - Line c	\$.....	\$.....	\$.....	\$.....	\$.....
2. Assumed Reinsurance Basis:					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$.....	\$.....	\$.....	\$.....	\$.....
b. Incurred losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
c. Calendar year payments for losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE): Note: Line d = Line a + Line b - Line c	\$.....	\$.....	\$.....	\$.....	\$.....
3. Net of Ceded Reinsurance Basis:					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$.....	\$.....	\$.....	\$.....	\$.....
b. Incurred losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
c. Calendar year payments for losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE): Note: Line d = Line a + Line b - Line c	\$.....	\$.....	\$.....	\$.....	\$.....

E. State the amount of the ending reserves for Bulk plus IBNR included in D (Loss and LAE):

1. Direct Basis:	\$.....
2. Assumed Reinsurance Basis:	\$.....
3. Net of Ceded Reinsurance Basis:	\$.....

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk plus IBNR):

1. Direct Basis:	\$.....
2. Assumed Reinsurance Basis:	\$.....
3. Net of Ceded Reinsurance Basis:	\$.....

36. Financial Guaranty Insurance

A.

1. Financial guarantee insurance contracts where premiums are received as installment payments over the period of the contract, rather than at inception:

b. Schedule of premiums (undiscounted) expected to be collected under all installment contracts:

1.
 - a. 1st Quarter 2011
 - b. 2nd Quarter 2011
 - c. 3rd Quarter 2011
 - d. 4th Quarter 2011
 - e. Year 2012
 - f. Year 2013
 - g. Year 2014
 - h. Year 2015


- a. 2016 through 2020
- b. 2021 through 2025
- c. 2026 through 2030
- d. 2031 through 2035
- e. 2036 through 2040
- f. 2041 through 2045
- g. 2046 through 2050
- h. 2051 through 2055
- i. 2056 through 2060
- j. 2061 through 2065
- k. 2066 through 2070
- l. 2071 through 2075
- m. 2076 through 2080
- n. 2081 through 2085
- o. 2086 through 2090
- p. 2091 through 2095
- q. 2096 through 2100
- r. 2101 through 2105
- s. 2106 through 2110
- t. 2111 through 2115
- u. 2116 through 2120
- v. 2121 through 2125
- w. 2126 through 2130
- x. 2131 through 2135
- y. 2136 through 2140

[illegible]

(NOTE: Use as many five year increments as needed, a through y)

c. Roll forward of the expected future premiums (undiscounted), including:

1. Expected future premiums - Beginning of Year
2. Less - Premium payments received for existing installment contracts
3. Add - Expected premium payments for new installment contracts
4. Adjustments to the expected future premium payments
5. Expected future premiums - End of Year



**NOTES TO FINANCIAL STATEMENTS
(Electronic Filing Only)**

36. Financial Guaranty Insurance

A.

2. Non-installment contracts for which premium revenue recognition has been accelerated:

b. Schedule of the future expected earned premium revenue on non-installment contracts as of the latest date of the statement of financial position:

1.		
a.	1st Quarter 2011	\$
b.	2nd Quarter 2011	\$
c.	3rd Quarter 2011	\$
d.	4th Quarter 2011	\$
e.	Year 2012	\$
f.	Year 2013	\$
g.	Year 2014	\$
h.	Year 2015	\$
2.		
a.	2016 through 2020	\$
b.	2021 through 2025	\$
c.	2026 through 2030	\$
d.	2031 through 2035	\$
e.	2036 through 2040	\$
f.	2041 through 2045	\$
g.	2046 through 2050	\$
h.	2051 through 2055	\$
i.	2056 through 2060	\$
j.	2061 through 2065	\$
k.	2066 through 2070	\$
l.	2071 through 2075	\$
m.	2076 through 2080	\$
n.	2081 through 2085	\$
o.	2086 through 2090	\$
p.	2091 through 2095	\$
q.	2096 through 2100	\$
r.	2101 through 2105	\$
s.	2106 through 2110	\$
t.	2111 through 2115	\$
u.	2116 through 2120	\$
v.	2121 through 2125	\$
w.	2126 through 2130	\$
x.	2131 through 2135	\$
y.	2136 through 2140	\$

NONE

(NOTE: Use as many five year increments as needed, a through y)

c. Roll forward of the expected future premiums (undiscounted), including:

3. Claim liability:

b. Significant components of the change in the claim liability for the period

Components	Amount
1. Accretion of the discount	\$
2. Changes in timing	\$
3. New reserves for defaults of insured contracts	\$
4. Change in deficiency reserves	\$
5. Change in incurred but not reported claims	\$
6. Total	\$

B. Schedule of insured financial obligations at the end of the period:

	Surveillance Categories				
	A	B	C	D	TOTAL
1. Number of policies
2. Remaining weighted-average contract period (in years)	XXX
3. Insured contractual payments outstanding:					
3a. Principal	\$	\$	\$	\$	\$
3b. Interest	\$	\$	\$	\$	\$
3c. Total	\$	\$	\$	\$	\$
4. Gross claim liability	\$	\$	\$	\$	\$
Less:					
5a. Gross potential recoveries	\$	\$	\$	\$	\$
5b. Discount, net	\$	\$	\$	\$	\$
6. Net claim liability	\$	\$	\$	\$	\$
7. Unearned premium revenue	\$	\$	\$	\$	\$
8. Reinsurance recoverables	\$	\$	\$	\$	\$

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC CO
NOTES TO FINANCIAL STATEMENTS - ITEM 1A

1	2	3	4
State Prescribed Practices	Current	Prior	State of Domicile
01A01 - Net Income, state basis	(20,760,001)	(13,297,717)	
01A04 - Net Income, NAIC SAP	(20,760,001)	(13,297,717)	
01A05 - Statutory Surplus basis	57,941,604	75,674,438	
01A08 - Statutory Surplus, NAIC SAP	57,941,604	75,674,438	

NOTES TO FINANCIAL STATEMENTS - ITEM 5A02

1	2	3
Percent Reduced	Investment Excluding Accrued Interest	Number of Mortgages

05A0299 - The Company reduced interest rates of outstanding mortgage loans.

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 5D03

1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 13.11

	1	2	3	4	5	6	7	8
Description of Assets, Holder of Note and Other	Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note	Principal and/or Interest Paid Current Year	Total Principal and/or Interest Paid	Unapproved Principal and/or Interest	Date of Maturity

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 13.12

1	2	3
Year (Starting with Current Year)	Change in Year Surplus	Change in Gross Paid-in and Contributed Surplus

NONE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ()
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No () N/A ()
- 1.3 State Regulating? California
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 3.2 State the as of date of 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. 12/31/2004
- 3.3 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). 01/30/2006
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes () No () N/A (X)
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes () No () N/A (X)
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes () No (X)
- 4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes () No (X)
- 4.22 renewals? Yes () No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 5.2 If yes, provide name of the 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
.....
.....
.....
.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes () No (X)
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes (X) No ()
- 7.2 If yes, 100.0 %
- 7.21 State the percentage of foreign control:
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
BERMUDA	Corporation
.....
.....
.....

GENERAL INTERROGATORIES

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 the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young
Suite 1600, 560 Mission Street, San Francisco, CA 94105-2907

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes () No (X)

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Model Regulation, or substantially similar state law or regulation?

Yes () No (X)

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes () No (X)

10.6 If the response to 10.5 is yes, provide information related to this exemption:

10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes (X) No ()

10.8 If the response to 10.7 is no, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
John A. Dawson
200 Clarendon St., Boston, MA 02116

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes () No (X)

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located?

Yes () No (X)

13.3 Have there been any changes made to any of the trust indentures during the year?

Yes () No (X)

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes (X) No ()

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended?

Yes () No (X)

14.21 If the response to 14.2 is Yes, provide information related to amendment(s).

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

Yes () No (X)

14.31 If the response to 14.3 is Yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

15. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes (X) No ()
16. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ()
17. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes (X) No ()

FINANCIAL

18. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes () No (X)
- 19.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | |
|---|----------|
| 19.11 To directors or other officers | \$ |
| 19.12 To stockholders not officers | \$ |
| 19.13 Trustees, supreme or grand (Fraternal only) | \$ |
- 19.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | |
|---|----------|
| 19.21 To directors or other officers | \$ |
| 19.22 To stockholders not officers | \$ |
| 19.23 Trustees, supreme or grand (Fraternal only) | \$ |
- 20.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes () No (X)
- 20.2 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------|----------|
| 20.21 Rented from others | \$ |
| 20.22 Borrowed from others | \$ |
| 20.23 Leased from others | \$ |
| 20.24 Other | \$ |
- 21.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes () No (X)
- 21.2 If answer is yes:
- | | |
|--|----------|
| 21.21 Amount paid as losses or risk adjustment | \$ |
| 21.22 Amount paid as expenses | \$ |
| 21.23 Other amounts paid | \$ |
- 22.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes () No (X)
- 22.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes () No (X)
- 23.2 If no, give full and complete information relating thereto:
The company is required to put up certain deposits to collateralize its insurance business and for the benefit of its policyh
.....
- 23.3 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)
.....
- 23.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes () No () N/A (X)
- 23.5 If answer to 23.4 is YES, report amount of collateral for conforming programs. \$
- 23.6 If answer to 23.4 is NO, report amount of collateral for other programs. \$
- 23.7 Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes () No () N/A (X)
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes () No () N/A (X)
- 23.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes () No () N/A (X)

GENERAL INTERROGATORIES

INVESTMENT

24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3)

Yes () No (X)

24.2 If yes, state the amount thereof at December 31 of the current year:

24.21 Subject to repurchase agreements	\$
24.22 Subject to reverse repurchase agreements	\$
24.23 Subject to dollar repurchase agreements	\$
24.24 Subject to reverse dollar repurchase agreements	\$
24.25 Pledged as collateral	\$ 38,433,997
24.26 Placed under option agreements	\$
24.27 Letter stock or securities restricted as to sale	\$
24.28 On deposit with state or other regulatory body	\$ 196,399,947
24.29 Other	\$

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes () No (X)

25.2 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 () N/A (X)

26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes () No (X)

26.2 If yes, state the amount thereof at December 31 of the current year.

\$

27. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes (X) No ()

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

1 Name of Custodian(s)	2 Custodian's Address
COMERICA BANK	P.O. BOX 75000 DETROIT, MI 48275-4195
STATE STREET BANK	801 PENNSYLVANIA AVE., KANSAS CITY, MO 64105

27.02 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)

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?

Yes () No (X)

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
105900	GEN RE-NEW ENGLAND ASSET	76 BATTERSON PARK ROAD, FARMINGTON, CT 06032

GENERAL INTERROGATORIES

28.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes () No (X)

28.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
Line 28, 2998 from Overflow page		
Line 28, 2999 TOTAL (9999999)		

28.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

29. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1 Bonds	\$ 257,749,646	\$ 259,225,596	\$ 1,475,950
29.2 Preferred stocks	\$	\$	\$
29.3 Totals	\$ 257,749,646	\$ 259,225,596	\$ 1,475,950

29.4 Describe the sources or methods utilized in determining the fair values:

SVO unit prices were used to determine fair value, if the prices were available. Otherwise, the fair values were obtained from Merrill Lynch Indices, Interactive Data Corp, Reuters, S&P, Bloomberg or if not available, provided by brokers.

30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes (X) No ()

30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes (X) No ()

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

31.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed?

Yes (X) No ()

31.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

32.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$ 891,167

32.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
WCRI	\$ 550,535
	\$
	\$
	\$

33.1 Amount of payments for legal expenses, if any? \$ 57,159

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Locke Lord Bissell & Liddell	\$ 26,010
Andre Hassid	\$ 80,079
Allstate Insurance -settlement legal exp	\$ (125,000)
	\$

34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)

1.2 If yes, indicate premium earned on U.S. business only. \$

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding:
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$
1.62 Total incurred claims \$
1.63 Number of covered lives

All years prior to most current three years:

1.64 Total premium earned \$
1.65 Total incurred claims \$
1.66 Number of covered lives

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$
1.72 Total incurred claims \$
1.73 Number of covered lives

All years prior to most current three years:

1.74 Total premium earned \$
1.75 Total incurred claims \$
1.76 Number of covered lives

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	\$	\$
2.2 Premium Denominator	\$	\$
2.3 Premium Ratio (Line 2.1/Line 2.2)	\$	\$
2.4 Reserve Numerator	\$	\$
2.5 Reserve Denominator	\$	\$
2.6 Reserve Ratio (Line 2.4/Line 2.5)	\$	\$

3.1 Does the reporting entity issue both participating and non-participating policies? Yes () No (X)

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$
3.22 Non-participating policies \$

4. For Mutual reporting entities and Reciprocal Exchange only:

4.1 Does the reporting entity issue assessable policies? Yes () No (X)

4.2 Does the reporting entity issue non-assessable policies? Yes () No (X)

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$

5. For Reciprocal Exchanges only:

5.1 Does the exchange appoint local agents? Yes () No (X)

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes () No () N/A (X)
5.22 As a direct expense of the exchange Yes () No () N/A (X)

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes () No (X)

5.5 If yes, give full information.
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The Company maintains a retention level of \$600k. Reinsurance in excess of the retention is currently up to \$50 million.
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
Estimates of ultimate losses are based upon actuarial projections based upon prior year loss development and payment patterns. The Company uses both internal and external actuarial services and all exposures are WC.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
To protect itself from excessive loss origin from the Cat exposures, the Company purchases excess of loss and catastrophic reinsurance. The Company has reinsured \$45M in excess of \$5M under three catastrophe reinsurance agreements.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ()
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
.....
.....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes () No (X)
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes () No (X)
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes () No (X)
- 8.2 If yes, give full information.
.....
.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes () No (X)
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes (X) No ()
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes () No (X)
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes () No (X)
Yes () No (X)
Yes () No (X)

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes ☒ No ☐ N/A ☐
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes ☐ No ☒
- 11.2 If yes, give full information.

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|---------------------|
| 12.11 Unpaid losses | \$ 11,525,720 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ 920,286 |
- 12.2 Of the amount on Line 15.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$ 2,336,170
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes ☐ No ☒ N/A ☐
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|--------|
| 12.41 From |% |
| 12.42 To |% |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes ☐ No ☒
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------------|----------|
| 12.61 Letters of credit | \$ |
| 12.62 Collateral and other funds | \$ |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes ☐ No ☒
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes ☐ No ☒
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes ☐ No ☒
- 14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes ☐ No ☒
- 14.5 If the answer to 14.4 is no, please explain:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes ☐ No ☒
- 15.2 If yes, give full information.

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

16.1 Does the reporting entity write any warranty business?

Yes () No (X)

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$	\$	\$	\$	\$
16.12 Products	\$	\$	\$	\$	\$
16.13 Automobile	\$	\$	\$	\$	\$
16.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5?

Yes () No (X)

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5.
Provide the following information for this exemption:

- 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5
- 17.12 Unfunded portion of Interrogatory 17.11
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11
- 17.14 Case reserves portion of Interrogatory 17.11
- 17.15 Incurred but not reported portion of Interrogatory 17.11
- 17.16 Unearned premium portion of Interrogatory 17.11
- 17.17 Contingent commission portion of Interrogatory 17.11

\$
\$
\$
\$
\$
\$
\$

Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.

- 17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5
- 17.19 Unfunded portion of Interrogatory 17.18
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18
- 17.21 Case reserves portion of Interrogatory 17.18
- 17.22 Incurred but not reported portion of Interrogatory 17.18
- 17.23 Unearned premium portion of Interrogatory 17.18
- 17.24 Contingent commission portion of Interrogatory 17.18

\$
\$
\$
\$
\$
\$
\$

18.1 Do you act as a custodian for health savings accounts?

Yes () No (X)

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

\$

18.3 Do you act as an administrator for health savings accounts?

Yes () No (X)

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

\$

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2010	2 2009	3 2008	4 2007	5 2006
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	98,111,129	155,650,253	171,686,018	165,902,975	67,067,864
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6. Total (Line 35)	98,111,129	155,650,253	171,686,018	165,902,975	67,067,864
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	50,261,292	72,664,071	92,520,778	93,513,273	59,633,445
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
11. Nonproportional reinsurance lines (Line 31, 32 and 33)					
12. Total (Line 35)	50,261,292	72,664,071	92,520,778	93,513,273	59,633,445
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(31,083,285)	(30,658,215)	(5,401,385)	9,530,849	1,610,951
14. Net investment gain (loss) (Line 11)	10,080,302	12,285,976	10,605,489	7,722,339	7,613,510
15. Total other income (Line 15)	(1,512,462)	(1,907,306)	(1,165,506)	(222,271)	(396,144)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(1,755,444)	(6,981,829)	659,581	5,996,407	752,072
18. Net income (Line 20)	(20,760,001)	(13,297,716)	3,379,017	11,034,510	8,076,245
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	295,372,450	331,171,443	329,420,588	258,525,142	184,931,580
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	2,628,198	3,979,058	5,137,464	1,755,807	438,800
20.2 Deferred and not yet due (Line 15.2)	581,365	1,178,984	1,195,455	(62,261)	(1,276,715)
20.3 Accrued retrospective premiums (Line 15.3)	2,013,354	2,601,801	2,701,334	4,095,537	4,810,340
21. Total liabilities excluding protected cell business (Page 3, Line 26)	237,430,846	255,497,005	227,823,006	195,349,500	131,720,411
22. Losses (Page 3, Line 1)	131,122,718	144,062,052	132,426,207	113,225,167	93,877,369
23. Loss adjustment expenses (Page 3, Line 3)	25,335,911	26,213,197	24,405,710	19,711,796	18,384,528
24. Unearned premiums (Page 3, Line 9)	7,419,853	4,577,462	6,290,227	6,521,618	4,131,112
25. Capital paid up (Page 3, Line 30 and Line 31)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	57,941,604	75,674,438	101,597,582	63,175,642	53,211,170
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(37,496,585)	(18,720,070)	19,149,552	54,238,930	8,611,739
Risk-Based Capital Analysis					
28. Total adjusted capital	57,941,604	75,674,438	101,597,582	63,175,642	53,211,170
29. Authorized control level risk-based capital	18,842,438	16,558,261	15,392,645	10,444,133	8,631,010
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	94.4	89.6	93.5	80.0	85.9
31. Stocks (Line 2.1 and Line 2.2)				9.3	7.1
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
33. Real estate (Lines 4.1, 4.2 and 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	5.6	10.4	6.5	10.7	6.6
35. Contract loans (Line 6)					
36. Derivatives (Line 7)		XXX	XXX	XXX	XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)		XXX	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
45. Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 through Line 47					
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)					

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2010	2 2009	3 2008	4 2007	5 2006
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)		17,875	(787,107)	(177,025)	(499,737)
51. Dividends to stockholders (Line 35)	(192,000)	(3,000,000)			(1,100,000)
52. Change in surplus as regards policyholders for the year (Line 38)	(17,732,837)	(25,923,143)	38,421,940	9,964,474	9,842,852
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	77,717,470	72,265,016	48,005,960	32,125,590	34,124,216
54. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
57. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
58. Total (Line 35)	77,717,470	72,265,016	48,005,960	32,125,590	34,124,216
Net Losses Paid (Page 9, Part 2, Column 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	46,939,379	47,851,684	36,845,987	27,422,050	27,031,718
60. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
63. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
64. Total (Line 35)	46,939,379	47,851,684	36,845,987	27,422,050	27,031,718
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	72.3	84.5	60.0	51.1	53.0
67. Loss expenses incurred (Line 3)	29.7	20.5	13.4	9.9	12.4
68. Other underwriting expenses incurred (Line 4)	64.1	38.6	32.4	28.6	32.1
69. Net underwriting gain (loss) (Line 8)	(66.1)	(43.6)	(5.8)	10.4	2.5
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	62.9	40.0	33.9	29.3	34.9
71. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	102.1	105.0	73.4	61.0	65.4
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	86.8	96.0	91.1	148.0	112.1
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	1,829	11,084	(2,069)	(1,336)	(5,568)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Column 1 x 100.0)	2.4	10.9	(3.3)	(2.5)	(12.8)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	11,619	(137)	(9,347)	89	2,067
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Column 2 x 100.0)	11.4	(0.2)	(17.6)	0.2	5.6

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? If no, please explain:

Yes () No ()



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF ALASKA DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-habitat portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII (except from state taxes or fees)												
15.7 All other A and H (b)												
15.8 Federal employees health benefit program premium (b)												
16. Workers' compensation	2,597	(53,563)			6,700	343,200	807,065	17,009	77,591	89,710		(2,595)
17.1 Other liability - occurrence												
17.2 Other liability - damage												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Trolley												
24. Supply												
25. Burglary and theft												
26. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business	2,597	(53,563)			6,700	343,200	807,065	17,009	77,591	89,710		(2,595)
35. TOTALS (a)												
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 above)												

(a) Finance and service charges not included in Line 1 to Line 35
(b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products

NAIC Company Code: 42269
NAIC Group Code: 0000

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF ARIZONA DURING THE YEAR 2010

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1. Allied lines												
2.2. Multiple peril crop												
2.3. Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1. Commercial multiple peril (non-liability portion)												
5.2. Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1. Collectively renewable A and H (b)												
15.2. Non-cancelable A and H (b)												
15.3. Guaranteed renewable A and H (b)												
15.4. Non-renewable for stated reasons only (b)												
15.5. Other accident only												
15.6. Medicare Title XVIII exempt from state taxes or fees												
15.7. All other A and H (b)												
15.8. Federal employees health benefits program premium (b)												
16. Workers compensation	2,840,915	3,125,598		113,223	2,042,971	2,043,304	4,481,047	221,822	260,019	439,733	230,986	157,561
17.1. Other liability - occurrences												
17.2. Other liability - claims-made												
18. Excess workers compensation												
19. Products liability												
19.1. Private passenger auto no-fault (personal injury protection)												
19.2. Other private passenger auto liability												
19.3. Commercial auto no-fault (personal injury protection)												
19.4. Other commercial auto liability												
21.1. Private passenger auto physical damage												
21.2. Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business	2,840,915	3,125,598		113,223	2,042,971	2,043,304	4,481,047	221,822	260,019	439,733	230,986	157,561
35. TOTALS (a)												
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Line 3403 through Line 3403 plus Line 3498) (Line 34 above)												

(a) Finance and service charges not included in Line 1 to Line 35 \$
(b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF CALIFORNIA DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation	69,060,062	70,551,288		3,205,281	51,409,185	39,500,216	182,137,519	7,465,306	7,714,586	18,912,185	6,757,901	2,874,552
17.1 Other liability - occurrence												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft												
26. Riot and machinery												
27. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business	69,060,062	70,551,288		3,205,281	51,409,185	39,500,216	182,137,519	7,465,306	7,714,586	18,912,185	6,757,901	2,874,552
35. TOTALS (a)												
DETAILS OF WRITE-INS												
3401												
3402												
3403												
3488	Summary of remaining write-ins for Line 34 (from overflow page)											
3489	Totals (Line 3401 through Line 3403 plus Line 3488) (Line 34 above)											

(a) Finance and service charges not included in Line 1 to Line 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

(a) Finance and service charges not included in Line 1 to Line 35 \$..... and number of persons insured under indemnity only products

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products

NAIC Company Code: 42269
NAIC Group Code: 0000

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF HAWAII DURING THE YEAR 2010

4 2 2 6 9 2 0 1 0 4 3 0 1 2 1 0 0

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVII, except from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation		(314)			457,890	202,145	2,424,951	17,669	21,806	196,628	(13)	(13)
17.1 Other liability - occurrence												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business					457,890	202,145	2,424,951	17,669	21,806	196,628	(13)	(13)
35. TOTALS (e)		(314)			457,890	202,145	2,424,951	17,669	21,806	196,628	(13)	(13)
DETAILS OF WRITE-INS												
3401. Finance and service charges not included in Line 1 to Line 35 \$												
3402. For health business on indicated lines report Number of persons insured under PPO managed care products												
3403. and number of persons insured under indemnity only products												
3408. Summary of remaining write-ins for Line 34 from overflow page												
3409. Totals (Line 3401 through Line 3403 plus Line 3408) (Line 34 above)												

(a) Finance and service charges not included in Line 1 to Line 35 \$

(b) For health business on indicated lines report Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

NAIC Company Code: 42269
NAIC Group Code: 0000

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF IDAHO DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers compensation												
17.1 Other liability - occurrence												
17.2 Other liability - damage												
17.3 Excess workers compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)												2,500
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
3408. Summary of remaining write-ins for Line 34 from overflow page												
3409. Totals (Line 3401 through Line 3403 plus Line 3408) (Line 34 above)												

(a) Finance and service charges not included in Line 1 to Line 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

NAIC Company Code: 42269
NAIC Group Code: 0000

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF ILLINOIS DURING THE YEAR 2010

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken			3 Dividends Paid or Certified to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned											
1. Fire													
2.1 Allied lines													
2.2 Multiple peril crop													
2.3 Federal flood													
3. Farmowners multiple peril													
4. Homeowners multiple peril													
5.1 Commercial multiple peril (non-liability portion)													
5.2 Commercial multiple peril (liability portion)													
6. Mortgage guaranty													
8. Ocean marine													
9. Inland marine													
10. Financial guaranty													
11. Medical professional liability													
12. Earthquake													
13. Group accident and health (b)													
14. Credit A and H (group and individual)													
15.1 Collectively renewable A and H (b)													
15.2 Non-cancelable A and H (b)													
15.3 Guaranteed renewable A and H (b)													
15.4 Non-renewable for stated reasons only (b)													
15.5 Other accident only													
15.6 Medicare Title XVIII exempt from state taxes or fees													
15.7 All other A and H (b)													
15.8 Federal employees health benefits program premium (b)													
16. Workers' compensation													
17.1 Other liability - occurrence													
17.2 Other liability - claims-made													
17.3 Excess workers' compensation													
18. Products liability													
19.1 Private passenger auto no-fault (personal injury protection)													
19.2 Other private passenger auto liability													
19.3 Commercial auto no-fault (personal injury protection)													
19.4 Other commercial auto liability													
21.1 Private passenger auto physical damage													
21.2 Commercial auto physical damage													
22. Aircraft (all perils)													
23. Fidelity													
24. Surety													
25. Burglary and theft													
26. Boiler and machinery													
28. Credit													
29. Warranty													
34. Aggregate write-ins for other lines of business													
35. TOTALS (a)													1,438
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 above)													

(a) Finance and service charges not included in Line 1 to Line 35

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF MONTANA DURING THE YEAR 2010

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrence												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)												
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 above)											

(a) Finance and service charges not included in Line 1 to Line 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

NONE



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF NEVADA DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII (exempt from state taxes or fees)												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrence	450,361	500,281		58,105	159,648	(240,270)	723,088	25,828	(32,412)	78,692	44,092	77,537
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business	450,361	500,281		58,105	159,648	(240,270)	723,088	25,828	(32,412)	78,692	44,092	77,537
35. TOTALS (a)												
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 3498) (Line 34 above)												

(a) Finance and service charges not included in Line 1 to Line 35 \$.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF NEW JERSEY DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVII, exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation	9,572,866	10,370,361		1,692,468	9,629,600	11,364,988	23,052,650	1,529,217	2,087,541	3,053,039	859,828	405,276
17.1 Other liability - occurrences												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (e)	9,572,866	10,370,361		1,692,468	9,629,600	11,364,988	23,052,650	1,529,217	2,087,541	3,053,039	859,828	405,276
DETAILS OF WRITE-INS												
3401												
3402												
3403												
3408	Summary of remaining write-ins for Line 34 from overflow page											
3409	Totals (Line 3401 through Line 3403 plus Line 3408) (Line 34 above)											

(a) Finance and service charges not included in Line 1 to Line 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products

NAIC Company Code: 42269
NAIC Group Code: 0000

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF NEW MEXICO DURING THE YEAR 2010

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrence												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)												
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
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3406.												
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**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF NEW YORK DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (a)												
14. Credit A and H (group and individual)												
15.1 Collectively Renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed Renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XI (b)												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers compensation												
17.1 Other liability - occurrence												
17.2 Other liability - damage made												
17.3 Excess workers compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	9,417,520	9,789,241		629,928	12,174,349	15,974,934	56,838,045	1,533,816	1,457,669	3,700,587	921,481	237,304
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
3408.												
3409.												
3498.												
3499.												

(a) Finance and service charges not included in Line 1 to Line 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF TEXAS DURING THE YEAR 2010

[illegible]

(a) Finance and service charges not included in Line 1 to Line 35 \$

b) For health business on indicated lines report: Number of persons insured under PPO managed care products.

and number of persons insured under indemnity only products

NAC Company Code: 42269
NAC Group Code: 0000

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF UTAH DURING THE YEAR 2010



Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrence												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)												525
DETAILS OF WRITE-INS												
3401												
3402												
3403												
3408												
3409												
3499												
TOTALS (b)												525

(a) Finance and service charges not included in Line 1 to Line 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

NAIC Company Code: 42269
NAIC Group Code: 0000

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF VIRGINIA DURING THE YEAR 2010

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrences												
17.2 Other liability - claims made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Viability												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)												578
DETAILS OF WRITE-INS												
345.1												
346.1												
349.1												
349.2												
349.3												
349.4												
349.5												
349.6												
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(a) Finance and service charges not included in Line 1 to Line 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

9 780130 269239

9 780130 269239

and number of persons insured under indemnity only products.

NAIC Company Code: 42269
NAIC Group Code: 0000

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)
BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2010

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation	91,500,649	94,536,466		5,705,551	77,230,806	71,471,583	276,241,130	11,099,234	12,051,807	26,893,813	8,848,115	3,691,424
17.1 Other liability - occurrence												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business	91,500,649	94,536,466		5,705,551	77,230,806	71,471,583	276,241,130	11,099,234	12,051,807	26,893,813	8,848,115	3,691,424
35. TOTALS (a)												
DETAILS OF WRITE-INS												
3401												
3402												
3403												
3489	Summary of remaining write-ins for Line 34 from overflow page											
3489	Totals (Line 3401 through Line 3403 plus Line 3489) (Line 34 above)											

(a) Finance and service charges not included in Line 1 to Line 35

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE F - PART 1

Assumed Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	5	Reinsurance On		8	9	10	11	12	13	14	15
Federal ID Number	NAIC Company Code	Name of Reinsured	Domiciliary Jurisdiction	Assumed Premium	6	7	Column 6 plus Column 7	Contingent Commissions Payable	Assumed Premiums Receivable	Unearned Premium	Funds Held By or Deposited With Reinsured Companies	Letters of Credit Posted	Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit	Amount of Assets Pledged or Collateral Held in Trust
Other U.S. Unaffiliated Insurers														
75-602048	1879	Security National Insurance Company	TX	5,864	9	310	319		2,350	3,858				7,609
85-0165733	25011	Wesco Insurance Company	DE	146		7	7			59				
0699999		Subtotal - Other U.S. Unaffiliated Insurers		6,010	9	317	326		2,350	3,917				7,609
Pools, Associations or Other Similar Facilities - Voluntary Pools														
AA-9992118	0000	National Workers' Compensation Pool	FL	592		1,193	1,193							715
0799999		Subtotal - Pools, Associations or Other Similar Facilities - Voluntary Pools		592		1,193	1,193							715
0699999		Subtotal - Pools and Associations		592		1,193	1,193							715
9999999		TOTAL - Schedule F, Part 1		6,602	9	1,510	1,519		2,350	3,917				8,324

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	Reinsurance Premiums Ceded	Paid Losses	Paid LAE	Known Case Loss Reserves	Known Case LAE Reserves	IBNR Loss Reserves	IBNR LAE Reserves	Unearned Premiums	Contingent Commissions	Column 7 through Column 14 Totals	Ceded Balances Payable	Other Amounts Due to Reinsurers	Net Amount Recoverable From Reinsurers Columns 15- (16 + 17)	Funds Held by Company Under Reinsurance Treaties
Authorized - Other U.S. Unaffiliated Insurers																		
13-024275	10227	MUNICH REINS AMER INC (AMERICAN RE-INSUR)	DE		100	23		100		75	9	23		260	28		232	
51-0634765	20270	AXIS US	NY		1,245	41		310		2,374	285	116		3,126	124		3,002	
06-0949141	33197	COLOGNE REINSURANCE CO. OF AMERICA	CT			4		7						13			13	
06-0303370	62308	CONNECTICUT GENERAL LIFE INSURANCE CO	CT											7			7	
36-2114545	20443	CONTINENTAL CASUALTY COMPANY	IL											1,066			1,066	
38-2145888	33469	DORINCO REINSURANCE COMPANY	MI		432	28		535		91	11	41		4,823	179		4,644	
13-2997693	38776	WHITE MOUNTAINS REINS CO OF AMER (FOLSA)	NY			11		2,015		2,558	247			356			356	
13-2673100	22039	GENERAL RE	DE			72		866		45	5			1,284			1,284	
22-2311816	39217	PRAETORIAN (ICH - RUNOFF)	PA			13		353		540	66			392			392	
23-1641984	10219	OIE RE CORP (Former STONEY RE CORP)	PA			16		104		18	2			120			120	
13-0242125	10227	MUNICH RE AMERICA	DE		47										58		(58)	
25-0687550	19445	NATIONAL UNION FIRE INS CO OF PITTSBURG	PA			12		13		5	1			12			12	
13-3133390	42307	NAVIGATORS INSURANCE COMPANY	NY			4								23			23	
47-0698507	23580	ODYSSEY RE	CT		15							3		3			3	
13-3031176	38536	PARTNER REINSURANCE CO OF THE USA	NY			5		414		120	15			554			554	
75-1442707	30058	SCOR REINSURANCE COMPANY	NY			5		276		6	1			238			238	
47-0574325	32603	BERKLEY INS CO (SINET STAR REINSURANCE	DE		2			69		24	3			98			98	
13-2781282	25970	CLEARWATER INSURANCE COMPANY (ODYSSEY RE	DE			6		15		6	1			28			28	
13-3029255	39322	GENERAL SECURITY NATL INS CO (SOREHA WOR	NY			9		21		2				32			32	
41-0406690	24767	ST. PAUL FIRE & MARINE INS CO	MN			93		641		492	60			1,286			1,286	
13-5616275	19453	TRANSATLANTIC REINSURANCE CO	NY		43					6		10						
13-2997469	38776	FOLSA AMERICA REINSURANCE COLUSE RE	NY			15		291		24	3			16			16	
0598999	Subtotal - Authorized - Other U.S. Unaffiliated Insurers				1,882	430		6,454		6,264	709	193		14,069	405		13,664	

NOTE: A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000.

1	2	3
Name of Reinsurer	Commission Rate	Ceded Premium
1) TWIN BRIDGES, LTD	38.000	2,941
2) MAX BERMUDA, LTD	25.750	9,686
3) AXIS SPECIALTY, LTD	22.000	12,455
4) ASPEN (BERMUDA)	22.000	12,455
5) TWIN BRIDGES, LTD	15.000	688

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

1	2	3	4
Name of Reinsurer	Total Recoverables	Ceded Premium	Affiliated
1) MAX BERMUDA, LTD	39,485	9,722	Yes () No (X)
2) HANNOVER RUONVERSICHERUNGS	33,154	3,701	Yes () No (X)
3) TWIN BRIDGES, LTD	31,776	3,649	Yes (X) No ()
4) ASPEN BERMUDA	14,935	12,546	Yes () No (X)
5) AXIS US	14,914	12,531	Yes () No (X)

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	Reinsurance Premiums Ceded	Paid Losses	Paid LAE	Known Case Loss Reserves	Known Case LAE Reserves	IBNR Loss Reserves	IBNR LAE Reserves	Unearned Premiums	Contingent Commissions	Column 7 through Column 14 Totals	Ceded Balances Payable	Other Amounts Due to Reinsurers	Net Amount Recoverable From Reinsurers Columns 15-17	Funds Held by Company Under Reinsurance Treaties
Authorized - Other Non-U.S. Insurers																		
AA-130060		HANNOVER Re-Bermuda	BM		3,701	320	19	10,515	292	19,665	1,773	369		33,153	1,405	8	31,748	(8)
AA-134025		HANNOVER RUCKVERSICHERUNGS (HANNOVER) RK	DE		41	6		354		304	52	4		920	37		883	
AA-1120337		ASPEN INS UK	UK															
AA-139430		ENDURANCE SPECIALTY INSURANCE LTD, Bermuda	UK															
AA-1126227		LLOYDS - SYND #180 Advent Syndicate	UK		64	8		51		25		7		83	14		69	
AA-1126227		LLOYDS - SYND #1227 ST PAUL SYNDICATE M	UK			43		118		12				137			137	
AA-1126227		LLOYDS - SYND #043 DP MANN LTD	UK			3		1,038		610	35			1,726			1,726	
AA-1126227		LLOYDS - SYND #0991 AE GRANT (UW) AGENTS	UK			16		492		12	8			386			386	
AA-1126227		LLOYDS - SYND #1084 Chaucer Syndicates	UK					254		66				2			2	
AA-1126227		LLOYDS - SYND #1084 Chaucer Syndicates #1	UK		23									2			2	
AA-1126227		LLOYDS - SYND #1141 ANGERSTEN UNDERWRI	UK			7		234		23	3			267			267	
AA-1126227		LLOYDS - SYND #2000 M.J. HARRINGTON	UK			12		248		137	17			414			414	
AA-1126227		LLOYDS - SYND #650 ATRIUM UNDERWRITERS	UK		127	15		368		25	21			414			414	
AA-1126227		LLOYDS - SYND #1007 (SVB)	UK			12		180		10	1			203			203	
AA-1126227		LLOYDS - SYND #1095 (PTZ)	UK			1		6						6			6	
AA-1126227		LLOYDS - SYND #2227 (CMP)	UK															
AA-1126227		LLOYDS - SYND #556 (QBE)	UK		273			204		261	31			352			286	
AA-1126227		LLOYDS - SYND #1855 Barbican Syndicate	UK		23			16		244	28			476			404	
AA-1126227		LLOYDS - SYND #1200 HMA HERITAGE	UK							6	1			23			23	
AA-1126227		LLOYDS - SYND #205 ALSO MANAGING AGENCY	UK															
AA-1126227		LLOYDS - SYND #4472 LIBERTY SYNDICATE	UK		272	6		424		1,092	35			37			37	
AA-1126227		LLOYDS - SYND #1277 SAM/NEACOCK	UK		69			31		15				1,566			1,472	
AA-1126227		LLOYDS - SYND #2803 Through Collin	UK		1,588	99		1,407		7,298	720			9,694			8,675	
AA-1126227		LLOYDS - SYND #2807 Bnt Syndicates	UK		365			306		400	9			745			644	
AA-1126227		LLOYDS OF LONDON UNDERWRITERS	UK							483				492			492	
AA-1126227		NORTHERN ASSURANCE CO. LTD, N06 AG	UK							4				4			4	
AA-150113		RELIASTAR LIFE INSURANCE CO.	CN					23						23			23	
AA-1126220		LLOYDS SYN #2000 - WELLINGTON/CATLIN UK	UK		5,654	549	19	16,086	292	32,197	2,709	730		53,302	2,890		50,412	
0699999		Subtotal - Authorized - Other Non-U.S. Insurers			8,736	979	19	23,260	292	38,481	3,418	923		67,371	3,295		64,076	
Unauthorized - Subtotal - Authorized																		
Unauthorized - Affiliates - Other (Non-U.S.)																		
AA-1194202		TWIN BRIDGE	BM		3,649	871	98	16,372	806	12,845	784			31,776	740		31,036	31,981
1399999		Subtotal - Unauthorized - Affiliates - Other (Non-U.S.)			3,649	871	98	16,372	806	12,845	784			31,776	740		31,036	31,981
1399999		Subtotal - Unauthorized - Affiliates			3,649	871	98	16,372	806	12,845	784			31,776	740		31,036	31,981
Unauthorized - Other Non-U.S. Insurers																		
AA-139438		ASPEN (BERMUDA)	BM		12,546			7,331	978	5,497	671	460		14,937	284		14,653	12,052
AA-119701		ANDER INSURANCE CO. LTD	UK											2			2	
AA-119701		ATLAS ASSURANCE CO. LTD, T A/C	UK											1			1	
AA-132003		AXA Re Paris	FR											320			320	
AA-139438		AXS SPECIALTY LTD (Bermuda)	BM											14,914			14,914	
AA-1126227		BISPHOGATE INSURANCE PCT A/C	UK		12,530			7,331	978	5,496	670	439		273			14,641	12,052
AA-1126227		COMMERCIAL UNION ASSURANCE CO. PLC	UK											1			1	
AA-1126227		CORNHILL INSURANCE CO. (UK) LTD	UK											3			3	
AA-1126227		DUNDEE INSURANCE CO. (UK) LTD	UK											1			1	
AA-1126227		ENDURANCE SPECIALTY INSURANCE LTD	BM											24			24	
AA-1126227		ENGLISH & AMERICAN INSURANCE CO. LTD	UK		220									77			77	
AA-1126227		FUJITSU INS CO LTD (JAPANESE MARINE)	UK											2			2	
AA-1126227		FUJITSU INS CO LTD (JAPANESE MARINE)	UK											1			1	

(continues)

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Reinsurance Payable		18	19
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	Reinsurance Premiums Ceded	Paid Losses	Paid LAE	Known Case Loss Reserves	Known Case LAE Reserves	IBNR Loss Reserves	IBNR LAE Reserves	Unearned Premiums	Contingent Commissions	Column 7 through Column 14 Totals	Ceded Balances Payable	Other Amounts Due to Reinsurers	Net Amount Recoverable From Reinsurers Columns 15- (16 + 17)	Funds Held by Company Under Reinsurance Treaties
Unauthorized - Other Non-U.S. Insurers (continued)																		
AA-1120737		HANSA RE & MARINE INSURANCE CO. (UK) LTD.	UK							1				1			1	
AA-1120368		INDENITY MARINE ASSURANCE CO. LTD.	UK							2				2			2	
AA-1120810		AGE EUROPEAN GRP LTD (INSURANCE CO OF N	UK							2				2			2	
AA-3190877		IDA RE/Fidélité	BM												41		(41)	
AA-1460006		IDA RE/Fidélité Reassurance Socié S.A. (LAREUN	CH		140							9		9	11		(2)	
AA-1120255		LA REUNION FRANCAIS SOCIÉTÉ S.A. (LAREUN	FR							2				2			2	
AA-1122000		LLOYDS - SYND #1066 (KRB)	UK			12		28						40			40	
AA-1122000		LLOYDS - SYND #1143 (JMN)	UK			2		5						7			7	
AA-1122000		LLOYDS - SYND #1192 (JP MANN)	UK			4		9						13			13	
AA-1122000		LLOYDS - SYND #1028 (NAC)	UK			2		4						6			6	
AA-1120855		AXA GLOBAL RISKS (UK) LTD (LONDON & HULL	UK							3				3			3	
AA-3190829		MAX BERLUDAL LTD/MAX RE LTD. (Bermuda)	BM		9,723	3,345	430	18,988	2,301	12,660	1,431	330		39,485	916		38,569	
AA-1120980		MINSTER INSURANCE CO. LTD.	UK							3				3			3	
AA-1121075		NIPPON INS CO OF EUROPE LTD (NIPPON FIRE	UK							1				1			1	
AA-1121108		NORWICH UNION FIRE INSURANCE SOCIETY LTD	UK							3				3			3	
AA-1120377		OCEAN MARINE INSURANCE CO. LTD.	UK							7	1			8			8	
AA-1121135		ORION INSURANCE CO. PLC T.A.C.	UK							4				4			4	
AA-1121165		PEARL ASSURANCE P.L.C.	UK							1				1			1	
AA-1121175		PHOENIX ASSURANCE P.L.C. Ltd.	UK							3				3			3	
AA-1121715		PREHURST ACCIDENT REINSURANCE GROUP	NJ					13		5				5			5	
AA-9985050		PRINCIPAL ASSURANCE CO. LTD.	UK							1				1			1	
AA-1121225		PRUDENTIAL ASSURANCE CO. LTD.	UK							5				5			5	
AA-1121310		SCOTTISH LION INSURANCE CO. LTD.	UK			1								1			1	
AA-1121310		SIRIUS INSURANCE (UK) LTD.	UK							1				1			1	
AA-1121310		SWANSON CO. LTD (SWANSON UK INSURANCE	UK							1				1			1	
AA-1121510		SOVEREIGN MARINE & GENERAL INS CO. LTD.	UK							1				1			1	
AA-9985074		SPECIAL RISK REINSURANCE FACILITY 1	MA					5						5			5	
AA-9985103		SPECIAL RISK REINSURANCE FACILITY 2	MA					5						5			5	
AA-1121366		SPHERE DRINK INSURANCE P.L.C. NO2 A.C.	UK							2				2			2	
AA-1120512		GE SPECIALTY INS (UK) LTD (THREEDNEEDLE	UK							3	1			4			4	
AA-3190838		TOKYO MILLENNIUM (Bermuda)	BM	226								17		17	110		(93)	
AA-3190870		VALDUS RE (Bermuda)	BM	60											38		(38)	
AA-1420148		VESTA (UK) INSURANCE CO. LTD.	UK						1					1			1	
AA-1120221		YORKSHIRE INSURANCE CO. LTD. L.A.C. (GEN	UK							4				4			4	
Unauthorized - Other Non-U.S. Insurers																		
8899999 - Subtotal - Unauthorized				35,445	3,365	430	33,719	4,258	24,034	2,775	1,279			69,861	1,750		68,111	24,104
1999999 - Subtotal - Authorized and Unauthorized				39,094	4,237	528	50,091	5,064	36,879	3,559	1,279			101,637	2,490		99,147	56,085
9999999 - TOTAL - Schedule F, Part 3				47,830	5,216	547	73,351	5,356	75,360	6,977	2,202			169,008	5,785		163,223	56,085
9999999 - TOTAL - Schedule F, Part 3				47,830	5,216	547	73,351	5,356	75,360	6,977	2,202			169,008	5,785		163,223	56,085

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE F - PART 4

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	5					6	7	8	9	10	11	12	13
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses											Percentage more Than 120 Days Overdue Column 9 divided by Column 11	
				Current	Overdue				Total Due Column 5 plus Column 10							
					1 to 29 Days	30 - 90 Days	91 - 120 Days	Over 120 Days		Total Overdue Columns 6 + 7 + 8 + 9						
Other U.S. Unaffiliated Insurers																
Authorized -	13-492425	10271	MUNICH REINS AMER INC (AMERICAN RE-INSUR.)	DE	23									23		
	51-0434766	20370	AXIS US	NY	41									41		
	06-0949141	33197	COLOGNE REINSURANCE CO. OF AMERICA	CT	4									4		
	36-2114545	20443	CONTINENTAL CASUALTY COMPANY	IL	29									29		
	38-2145898	33469	DORNING REINSURANCE COMPANY	MI	24	12	18	2	8	40				64	62,500	12,500
	13-2997499	38776	WHITE MOUNTAINS REINS CO OF AMER (FOLKSA)	NY	11									11		
	13-2673100	22083	GENERAL RE	DE	21	19	32			51				72	70,833	
	22-231816	39217	PRAETORIAN/ICH - RUNOFF	PA	19									19		
	23-1641984	10219	OBE RE CORP - (Former STONEY RE CORP)	PA	16									16		
	75-1444207	30058	SCOR REINSURANCE COMPANY	NY	5									5		
	47-0514325	32803	BERKLEY INS CO (SIGNET STAR REINSURANCE)	DE	2									2		
	13-2781282	25070	CLEARWATER INSURANCE COMPANY (ODYSSEY RE)	DE	6									6		
	13-3029255	39322	GENERAL SECURITY NATL INS CO (SOREMA NOR)	NY	9									9		
	41-0406800	24767	ST. PAUL FIRE & MARINE INS CO	MN	14	9	20	9	41	79				93	84,946	44,086
	13-2997499	38776	FOLKSAMERICA REINSURANCE CO/USF RE	NY	15									15		
	25-0687550	19445	NATIONAL UNION FIRE INS CO OF PITTSBURG	PA	12									12		
	13-3138390	42307	NAVIGATORS INSURANCE COMPANY	NY	5									5		
	13-3031176	38636	PARTNER REINSURANCE CO OF THE USA	NY	5									5		
	0599989	Subtotal - Authorized - Other U.S. Unaffiliated Insurers			261	40	70	11	49	170				431	39,443	11,369
Authorized - Other Non-U.S. Insurers																
Authorized -	AA-1120337		ASPEN INS UK	UK	6									6		
	AA-1340125		HANNOVER RUCKVERSICHERUNGS	DE	129	83	88	8	26	205				334	61,377	7,784
	AA-1126277		LOYDS - SYND # 027 ST PAUL SYNDICATE M.	UK	8									8		
	AA-1126435		LOYDS - SYND # 035 DE MANU LTD	UK	43									43		
	AA-1126991		LOYDS - SYND # 089 AE GRANT (U/W AGENC.	UK	3									3		
	AA-1127096		LOYDS - SYND # 098 CHAUCER SYNDICATES	UK	16									16		
	AA-1127141		LOYDS - SYND # 141 LANGERSTEN UNDERWRI	UK	7									7		
	AA-1128000		LOYDS - SYND # 200 M. J. HARRINGTON	UK	12									12		
	AA-1126570		LOYDS - SYND # 057 ATRILUM UNDERWRITERS	UK	15									15		
	AA-1127007		LOYDS - SYND # 107 (S/G)	UK	12									12		
	AA-1127095		LOYDS - SYND # 108 (P/L)	UK	1									1		
	AA-1126205		LOYDS - SYND # 205 JACO MANAGING AGENCY	UK	1									1		
	AA-1126006		LOYDS - SYND # 472 LIBERTY SYNDICATE UK	UK	6									6		
	AA-1126003		LOYDS - SYND # 203 Through Catlin	UK	49	22	25	1	2	50				99	50,505	2,020
	AA-1126987		LOYDS - SYND # 287 Brit Syndicates	UK												
	AA-1122000		LOYDS UNDERWRITERS PER SIGNING SCHEDULE	UK												
	0599989	Subtotal - Authorized - Other Non-U.S. Insurers			308	105	113	9	28	255				563	45,293	4,973
	0599989	Subtotal - Authorized			569	145	183	20	77	425				994	42,757	7,747
Unauthorized - Affiliates - Other (Non-U.S.)																
Unauthorized -	AAA-3194202		TWIN BRIDGE	BM	2	972	2			974				976	99,795	
	1239995	Subtotal - Unauthorized - Affiliates - Other (Non-U.S.)			2	972	2			974				976	99,795	
Unauthorized - Other Non-U.S. Insurers																
Unauthorized -	AA-3198029		MAX BERMUDA LTD (MAX RE LTD - Bermuda)	BM	1,379	1,171	1,226			2,397				3,776	63,480	
	AA-1122000		LOYDS - SYND #106 (KRB)	UK	12									12		
	AA-1122000		LOYDS - SYND #143 (JWN)	UK	2									2		

(continues)

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE F - PART 4

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						12	13	
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	5	Overdue					11 Total Due Column 5 plus Column 10	Percentage Overdue Column 10 divided by Column 11	Percentage more Than 120 Days Overdue Column 9 divided by Column 11
				Current	6	7	8	9	10 Total Overdue Columns 6 + 7 + 8 + 9			
					1 to 29 Days	30 - 90 Days	91 - 120 Days	Over 120 Days				
Unauthorized - Other Non-U.S. Insurers (continued)												
AA-1122000		LLOYDS - SYND #1192 (DP MANN)	UK	4						4		
AA-1122000		LLOYDS - SYND #0269 (MHC)	UK	2						2		
1799999		Subtotal - Unauthorized - Other Non-U.S. Insurers		1,399	1,171	1,226			2,397	3,795	63.145	
1899999		Subtotal - Unauthorized		1,401	2,143	1,228			3,371	4,772	70.841	
1999999		Subtotal - Authorized and Unauthorized		1,970	2,288	1,411	20	77	3,795	5,765	65.834	1.335
9999999		TOTAL - Schedule F, Part 4		1,970	2,288	1,411	20	77	3,795	5,765	65.834	1.335

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)

1. Amounts in dispute totaling \$ are included in Column 5.
2. Amounts in dispute totaling \$ are excluded from Column 13.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE F - PART 5

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurable all items Schedule F Part 3, Column 15	6 Funds Held By Company Under Reinsurance Treaties	7 Letters of Credit	8 Ceded Balances Payable	9 Miscellaneous Balances	10 Other Allowed Offset Items	11 Sum of Columns 6 through 10 but not in excess of Column 5	12 Subtotal Column 5 minus Column 11	13 Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	14 20% of Amount in Column 13	15 Smaller of Column 11 or Column 14	16 Smaller of Column 11 or 20% of Amount in Dispute Included in Column 5	17 Total Provision for Unauthorized Reinsurance Smaller of Column 5 or Columns 12 + 15 + 16
Other Non-U.S. Insurers (continued)																
AA-112386		SPHERE DRAKE INSURANCE PLC, NO 2 A/c	UK	2							2					2
AA-112387		ACE EUROPEAN GRP LTD	UK	2							2					2
AA-112388		GE SPECIALTY INS (UK) LTD (THREADNEEDLE)	UK	4							4					4
AA-112389		TOKIO MILENNIUM (Bermuda)	BM	17			110			17						
AA-319838		VALIDUS RE (Bermuda)	BM				38									
AA-319870		VESTA (UK) INSURANCE CO. LTD	UK	1							1					1
AA-420148		YORKSHIRE INSURANCE CO. LTD, L A/c (GEN)	UK	5							5					5
AA-1122021		YORKSHIRE INSURANCE CO. LTD, L A/c (GEN)	UK													
0899999		Other Non-U.S. Insurers		69,860	24,104	5,830	1,758		38,979	89,384	476					476
0999999		Subtotal Affiliates and Others		101,636	56,085	5,830	2,498		38,979	101,160	476					476
9999999		TOTAL - Schedule F, Part 5		101,636	56,085	5,830	2,498		38,979	101,160	476					476

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO
SCHEDULE F - PART 6

Provision for Overdue Authorized Reinsurance as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11
Federal ID Number	NAIC Company Code	Name of Reinsurer	Reinsurance Recoverable on Paid Losses and LAE More Than 90 Days Overdue (a)	Total Reinsurance Recoverable on Paid Losses and Paid LAE (b)	Amounts Received Prior 90 Days	Column 4 divided by Column 5 plus Column 6	Amounts in Column 4 for Companies Reporting less than 20% in Column 7	Amounts in Dispute Excluded from Column 4 Reporting less than 20% in Column 7	20% of Amount in Column 9	Amount Reported in Column 8 x 20% plus Column 10
13-402475	10277	MUNICH REINS AMER INC.		23,474	27,088					
AA-319468		ASPEL (BERMUDA)		1,439,428	1,439,428					
AA-112037		ASPEL INS UK		6,351	11,924					
51-04766	20370	AXIS US		41,349	31,848					
AA-319469		AXIS SPECIALTY LTD (Bermuda)		3,747	1,439,428					
06-094941	33187	COLONIE REINSURANCE CO OF AMERICA		29,074	28					
35-214535	20443	CONTINENTAL CASUALTY COMPANY		63,617	52,489					
38-214588	32498	DORNBACH REINSURANCE COMPANY		10,901	2,629					
13-2057489	38776	EMERSON REINSURANCE CO OF AMERICA	11,880	72,006			11,880			2,376
13-267180	32039	EMERSON REINSURANCE CO OF AMERICA		18,835						
22-231816	38217	PRATERMAN CH - RUNOFF		2,454						
23-164084	10279	GRE RE CORP (Former STANLEY RE CORP)		15,775	114					
AA-319475		HANOVER RUCKVERSICHERUNG (HANNOVER RK)		393,472	422,940					
AA-112037		LOYD'S - SYND#4027 ST PAUL SYNDICATE MGM	37,546	7,973	2,556		4,925			7,509
AA-112643		LOYD'S - SYND#4043 DP MANN LTD	23,799	42,591	22,139		35,766			
AA-112651		LOYD'S - SYND#591 AE GRANT LTD		3,043	1,207					
AA-112741		LOYD'S - SYND#1141 ANGERSTEIN UNDERWRIT		16,431	6,651					
AA-112670		LOYD'S - SYND#2000 M. J. HARRINGTON		7,164	2,294					
AA-112707		LOYD'S - SYND#570 ATRIUM UNDERWRITERS L		11,775	12,378					
AA-112200		LOYD'S - SYND#1067 (SVB)		15,150	10,473					
AA-112200		LOYD'S - SYND#1068 (KRB)		12,176	1,554					
AA-112200		LOYD'S - SYND#1143 (JWN)		1,842	76					
AA-112200		LOYD'S - SYND#1182 (DP MANN)		4,049	9					
AA-112200		LOYD'S - SYND#1026 (NHC)		1,500	8					
AA-112705		LOYD'S - SYND#1055 (PTZ)		605						
AA-112827		LOYD'S - SYND#2227 (CMP)		163	47					
AA-112723		LOYD'S - SYND#1223 OBE UNDERWRITING AGEN		179	20					
AA-112605		LOYD'S - SYND#026 JAGO MANAGING AGENCY		657	657					
AA-112803		LOYD'S - SYND#4472 LIBERTY SYNDICATE		6,224	11,685					
AA-112803		LOYD'S - SYND#2037 through Carlin	468	98,866	66,589	0.283	468			94
AA-112897		LOYD'S - SYND#2887 PER SIGNING SCHEDULE								
AA-112897		LOYD'S - SYND#2887 SYNDICATES								
AA-319829	19445	MAX RE LTD - Bermuda		3,776,075	3,766,223					
25-089750	42307	NATIONAL UNION FIRE INS CO OF PITTSBURG		11,518						
13-133390	38638	NAVIGATORS INSURANCE COMPANY		4,540	184					
13-303176	30058	PARTNER REINSURANCE CO OF THE USA		5,267	468					
75-144207	32603	SCOR REINSURANCE COMPANY		5,227	3,387					
47-0574325	32603	BERKLEY INS CO (SIGNET STAR REINSURANCE)		2,385	638					
13-2781282	25070	CLEARWATER INSURANCE COMPANY (ODYSSEY RE		6,027	215					
AA-3194202	39322	TWIN BRIDGE	54	969,849	1,289,935	0.002	54			11
13-3029255	24767	GENERAL SECURITY NATL INS		9,454	62					
41-0406590	38776	ST. PAUL FIRE & MARINE INS CO		147,411	2,642					
13-2907499		FOLKSAMERICA REINSURANCE		14,581	8,790,929		49,948			9,990
9999999	TOTALS		73,746	5,764,918						

(a) From Schedule F - Part 4 Columns 8 plus 9, total authorized, less \$
(b) From Schedule F - Part 3 Columns 7 plus 8, total authorized, less \$

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE F - PART 7

Provision for Overdue Reinsurance as of December 31, Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Reinsurance Recoverable All Items	5 Funds Held By Company Under Reinsurance Treaties	6 Letters of Credit	7 Ceded Balances Payable	8 Other Miscellaneous Balances	9 Other Allowed Offset Items	10 Sum of Column 5 through Column 9 but not in Excess of Column 4	11 Column 4 minus Column 10	12 Greater of Column 11 or Schedule F - Part 4 Column 8 plus Column 9
AA-128435 9999999 - TOTALS		LLOYD - SYD #0435 (FDY) DP MANN LTD	1,725,537 1,725,537							1,725,537 1,725,537	1,725,537 1,725,537

1. Total	1,725,537
2. Line 1x, 20	945,107
3. Schedule F - Part 6 Column 11	9,979
4. Provision for Overdue Authorized Reinsurance (Line 2 plus Line 3)	355,086
5. Provision for Unauthorized Reinsurance (Schedule F - Part 5, Column 17 x 1000)	474,411
6. Provision for Reinsurance (sum Line 4 plus Line 5) (Enter this amount on Page 3, Line 16)	829,497

SCHEDULE F - PART 8

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1	2	3
	As Reported (Net of Ceded)	Restatement Adjustments	Restated (Gross of Ceded)
ASSETS (Page 2, Column 3)			
1. Cash and invested assets (Line 12)	272,936,304		272,936,304
2. Premiums and considerations (Line 15)	5,222,917	(407,430)	4,815,487
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)	5,764,920	(5,764,920)	
4. Funds held by or deposited with reinsured companies (Line 16.2)			
5. Other assets	11,448,309		11,448,309
6. Net amount recoverable from reinsurers		106,430,258	106,430,258
7. Protected cell assets (Line 27)			
8. Totals (Line 28)	295,372,450	100,257,908	395,630,358
LIABILITIES (Page 3)			
9. Losses and loss adjustment expenses (Line 1 through Line 3)	156,467,349	161,040,940	317,508,289
10. Taxes, expenses, and other obligations (Line 4 through Line 8)	8,627,107		8,627,107
11. Unearned premiums (Line 9)	7,419,953	2,202,359	9,622,312
12. Advance premiums (Line 10)	139,838		139,838
13. Dividends declared and unpaid (Line 11.1 and Line 11.2)			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)	5,784,901	(6,201,051)	(416,150)
15. Funds held by company under reinsurance treaties (Line 13)	55,954,843	(55,954,843)	
16. Amounts withheld or retained by company for account of others (Line 14)	929,518		929,518
17. Provision for reinsurance (Line 16)	829,497	(829,497)	
18. Other liabilities	1,277,840		1,277,840
19. Total liabilities excluding protected cell business (Line 26)	237,430,846	100,257,908	337,688,754
20. Protected cell liabilities (Line 27)			
21. Surplus as regards policyholders (Line 37)	57,941,604	X X X	57,941,604
22. Totals (Line 38)	295,372,450	100,257,908	395,630,358

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements?

Yes () No (X)

If yes, give full explanation:

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SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	1,922	912	247	12	140		3	1,385	XXX
2. 2001	71,021	24,068	46,953	54,209	17,471	7,285	2,113	4,076	1,353	828	44,633	XXX
3. 2002	81,587	20,349	61,238	49,087	10,847	6,573	1,314	3,371	1,044	566	45,826	XXX
4. 2003	97,638	37,000	60,638	43,009	12,708	6,219	1,930	2,670	653	698	36,607	XXX
5. 2004	104,414	31,361	73,053	27,331	4,610	3,294	494	4,877	79	311	30,319	XXX
6. 2005	112,516	36,412	76,104	22,846	1,887	2,714	201	3,320	326	351	28,466	XXX
7. 2006	88,318	21,508	66,810	27,616	1,949	3,531	92	3,886	(3)	131	32,995	XXX
8. 2007	112,649	31,653	80,996	37,483	492	4,247		5,466		343	46,704	XXX
9. 2008	164,725	71,388	93,337	67,069	23,771	7,646	2,693	7,234	3,437	489	52,048	XXX
10. 2009	155,498	85,101	70,397	48,895	24,373	5,375	2,601	7,351	1,384	258	33,263	XXX
11. 2010	97,624	50,610	47,014	11,973	6,029	1,225	615	4,008	110	4	10,452	XXX
12. Totals	XXX	XXX	XXX	391,440	105,049	48,356	12,065	46,399	8,383	3,982	360,698	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	9,106	5,971	5,657	1,723	522	22	674	209	594		208	8,628	XXX
2.	3,625	2,738	1,741	726	199	53	218	89	195		65	2,372	XXX
3.	2,645	1,482	1,930	666	190	38	244	81	201		78	2,943	XXX
4.	5,041	1,948	1,460	916	335	107	176	110	322		47	4,253	XXX
5.	6,565	2,871	2,017	1,017	242	36	208	83	236		52	5,261	XXX
6.	7,684	2,211	1,298	708	301	23	125	69	357		32	6,754	XXX
7.	11,738	5,339	6,388	4,028	532	13	264	106	473		53	9,909	XXX
8.	14,860	4,009	11,677	8,417	1,120		607	260	935		189	16,513	XXX
9.	32,090	13,038	22,889	16,819	3,475	1,220	2,213	1,458	2,018		530	30,150	XXX
10.	41,089	21,486	30,331	21,198	4,662	2,324	3,397	2,249	2,653		698	34,875	XXX
11.	26,025	12,255	33,972	19,139	3,196	1,517	4,144	2,268	2,645		803	34,803	XXX
12.	160,468	73,348	119,360	75,357	14,774	5,353	12,270	6,982	10,629		2,755	156,461	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	7,069	1,559
2.	71,548	24,543	47,005	100.7	102.0	100.1				1,902	470
3.	64,241	15,472	48,769	78.7	76.0	79.6				2,427	516
4.	59,232	18,372	40,860	60.7	49.7	67.4				3,637	616
5.	44,770	9,190	35,580	42.9	29.3	48.7				4,694	567
6.	38,645	5,425	33,220	34.3	14.9	43.7				6,063	691
7.	54,428	11,524	42,904	61.6	53.6	64.2				8,759	1,150
8.	76,395	13,178	63,217	67.8	41.6	78.0				14,111	2,402
9.	144,634	62,436	82,198	87.8	87.5	88.1				25,122	5,028
10.	143,753	75,615	68,138	92.4	88.9	96.8				28,736	6,139
11.	87,188	41,933	45,255	89.3	82.9	96.3				28,603	6,200
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	131,123	25,338

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior	48,635	50,832	53,228	55,567	54,612	57,776	53,622	53,167	52,880	53,241	361	74
2. 2001	32,457	35,759	42,178	43,264	44,072	44,741	44,629	44,644	44,245	44,087	(158)	(557)
3. 2002	XXX	39,868	44,639	45,930	47,977	47,758	47,085	46,904	46,795	46,241	(554)	(663)
4. 2003	XXX	XXX	35,490	38,470	39,530	40,220	39,956	39,092	39,095	38,521	(574)	(571)
5. 2004	XXX	XXX	XXX	37,135	31,482	30,547	32,680	30,444	31,142	30,547	(595)	103
6. 2005	XXX	XXX	XXX	XXX	38,814	31,611	32,909	30,077	31,888	29,868	(2,020)	(209)
7. 2006	XXX	XXX	XXX	XXX	XXX	42,828	39,929	38,471	38,481	38,542	61	71
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	48,929	54,871	55,076	56,816	1,740	1,945
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64,957	74,107	76,383	2,276	11,426
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,225	59,517	1,292	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,712	XXX	XXX
12. Totals											1,829	11,619

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	18,747	28,406	34,149	38,152	40,297	41,764	43,039	43,962	45,207	XXX	XXX
2. 2001	7,743	19,330	28,454	33,874	37,324	39,204	40,537	41,217	41,642	41,910	XXX	XXX
3. 2002	XXX	7,830	20,660	30,449	36,029	39,837	41,235	42,648	43,168	43,489	XXX	XXX
4. 2003	XXX	XXX	6,978	16,765	23,997	28,660	30,882	32,893	33,944	34,590	XXX	XXX
5. 2004	XXX	XXX	XXX	4,609	12,373	18,071	21,384	23,366	24,702	25,522	XXX	XXX
6. 2005	XXX	XXX	XXX	XXX	5,428	11,873	16,466	19,451	21,717	23,472	XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX	5,860	14,740	20,661	25,870	29,106	XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	7,523	21,151	33,285	41,238	XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,246	32,860	48,251	XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,283	27,295	XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,554	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior	5,597	2,641	3,290	3,307	3,902	3,768	5,582	5,321	4,744	4,399
2. 2001	9,691	1,299	1,754	1,530	1,871	1,863	1,599	1,654	1,304	1,144
3. 2002	XXX	16,645	4,320	1,503	2,861	2,797	2,692	1,919	1,816	1,427
4. 2003	XXX	XXX	14,589	4,070	3,673	3,405	2,438	1,765	1,445	610
5. 2004	XXX	XXX	XXX	19,563	6,274	3,588	6,087	2,917	2,305	1,125
6. 2005	XXX	XXX	XXX	XXX	19,714	7,098	8,112	3,537	2,638	646
7. 2006	XXX	XXX	XXX	XXX	XXX	21,988	13,326	7,148	3,386	2,518
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	21,605	12,128	4,174	3,607
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,556	10,280	6,825
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,464	10,281
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,708

SCHEDULE P - PART 1D - WORKERS' COMPENSATION

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12	
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11		Number of Claims Reported - Direct and Assumed
				4	5	6	7	8	9				
1. Prior	XXX	XXX	XXX	1,922	912	247	12	140		3	1,385	XXX	
2. 2001	71,015	24,068	46,947	54,209	17,471	7,285	2,113	4,076	1,353	828	44,633	3,772	
3. 2002	81,587	20,349	61,238	49,087	10,847	6,573	1,314	3,371	1,044	566	45,826	3,388	
4. 2003	97,638	37,000	60,638	43,009	12,708	6,219	1,930	2,670	653	698	36,607	3,400	
5. 2004	104,414	31,361	73,053	27,331	4,610	3,294	494	4,877	79	311	30,319	2,731	
6. 2005	112,516	36,412	76,104	22,846	1,887	2,714	201	3,320	326	351	26,466	3,023	
7. 2006	88,318	21,508	66,810	27,616	1,949	3,531	92	3,886	(3)	131	32,995	3,451	
8. 2007	112,649	31,653	80,996	37,483	492	4,247		5,466		343	46,704	4,922	
9. 2008	164,725	71,388	93,337	67,069	23,771	7,646	2,693	7,234	3,437	489	52,048	7,106	
10. 2009	155,498	85,101	70,397	48,895	24,373	5,375	2,601	7,351	1,384	258	33,263	6,648	
11. 2010	97,624	50,610	47,014	11,973	6,029	1,225	615	4,008	110	4	10,452	3,956	
12. Totals	XXX	XXX	XXX	391,440	105,049	48,356	12,065	46,399	8,383	3,982	360,698	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	9,106	5,971	5,657	1,723	522	22	674	209	594		208	8,628	132
2.	3,625	2,738	1,741	726	199	53	218	89	195		65	2,372	40
3.	2,645	1,482	1,930	666	190	38	244	81	201		78	2,943	40
4.	5,041	1,948	1,460	916	335	107	176	110	322		47	4,253	67
5.	6,565	2,871	2,017	1,017	242	36	208	83	236		52	5,261	144
6.	7,684	2,211	1,298	708	301	23	125	69	357		32	6,754	197
7.	11,738	5,339	6,388	4,028	532	13	264	106	473		53	9,909	252
8.	14,860	4,009	11,677	8,417	1,120		607	260	935		189	16,513	342
9.	32,090	13,038	22,889	16,819	3,475	1,220	2,213	1,458	2,018		530	30,150	747
10.	41,089	21,486	30,331	21,198	4,662	2,324	3,397	2,249	2,653		698	34,875	1,020
11.	26,025	12,255	33,972	19,139	3,196	1,517	4,144	2,268	2,645		803	34,803	1,405
12.	180,468	73,348	119,360	75,357	14,774	5,353	12,270	6,982	10,629		2,755	156,461	4,386

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter-Company Pooling Participation Percentage	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	7,069	1,559
2.	71,548	24,543	47,005	100.8	102.0	100.1				1,902	470
3.	64,241	15,472	48,769	78.7	76.0	79.6				2,427	516
4.	59,232	18,372	40,860	60.7	49.7	67.4				3,637	616
5.	44,770	9,190	35,580	42.9	29.3	48.7				4,694	567
6.	38,645	5,425	33,220	34.3	14.9	43.7				6,063	691
7.	54,428	11,524	42,904	61.6	53.6	64.2				8,759	1,150
8.	76,395	13,178	63,217	67.8	41.6	78.0				14,111	2,402
9.	144,634	62,436	82,198	87.8	87.5	88.1				25,122	5,028
10.	143,753	75,615	68,138	92.4	88.9	96.8				28,736	6,139
11.	87,188	41,933	45,255	89.3	82.9	96.3				28,603	6,200
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	131,123	25,338

**SCHEDULE P - PART 1H - SECTION 1
OTHER LIABILITY - OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001	6		6									
3. 2002												
4. 2003												
5. 2004												
6. 2005												
7. 2006												
8. 2007												
9. 2008												
10. 2009												
11. 2010												
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct & Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.													
12.													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO
SCHEDULE P - PART 2A - HOMEOWNERS/FARM OWNERS

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2B
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2C
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

SCHEDULE P - PART 2D - WORKERS' COMPENSATION

1. Prior	48,635	50,827	53,124	55,662	54,497	56,686	52,532	52,077	51,790	52,151	361	74
2. 2001	32,457	35,759	42,178	43,264	44,072	44,741	44,629	44,644	44,245	44,087	(158)	(557)
3. 2002	XXX	39,868	44,639	45,930	47,977	47,758	47,085	46,904	46,795	46,241	(554)	(663)
4. 2003	XXX	XXX	35,490	38,470	39,530	40,220	39,956	39,092	39,095	38,521	(574)	(571)
5. 2004	XXX	XXX	XXX	37,135	31,482	30,547	32,680	30,444	31,142	30,547	(595)	103
6. 2005	XXX	XXX	XXX	XXX	38,814	31,611	32,909	30,077	31,888	29,868	(2,020)	(209)
7. 2006	XXX	XXX	XXX	XXX	XXX	42,828	39,929	38,471	38,481	38,542	61	71
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	48,929	54,871	55,076	56,816	1,740	1,945
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64,957	74,107	76,383	2,276	11,426
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,225	59,517	1,292	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,712	XXX	XXX
12. Totals											1,829	11,619

SCHEDULE P - PART 2E - COMMERCIAL MULTIPLE PERIL

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2F - SECTION 1 -
MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2F - SECTION 2 -
MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT
(ALL PERILS), BOILER AND MACHINERY)**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE

1. Prior			5	104	(75)	115	1,090	1,090	1,090	1,090	1,090	
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX							
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO
SCHEDULE P - PART 3A - HOMEOWNERS/FARM OWNERS

Years in Which Losses Were Incurred	CUMULATIVE PAID-NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010		
1. Prior	0 0 0											
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						XXX			

**SCHEDULE P - PART 3B
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior	0 0 0											
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						XXX			

**SCHEDULE P - PART 3C
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior	0 0 0											
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						XXX			

SCHEDULE P - PART 3D - WORKERS' COMPENSATION

1. Prior	0 0 0	17,655	27,316	33,059	37,062	39,207	40,674	41,949	42,872	44,117	29	2
2. 2001	7,743	19,330	28,454	33,874	37,324	39,204	40,537	41,217	41,642	41,910	3,374	335
3. 2002	XXX	7,830	20,660	30,449	36,029	39,837	41,235	42,648	43,168	43,499	3,075	359
4. 2003	XXX	6,978	16,765	23,997	28,660	30,882	32,893	33,944	34,590	34,590	2,999	273
5. 2004	XXX	XXX	4,609	12,373	18,071	21,384	23,366	24,702	25,522	25,522	2,326	334
6. 2005	XXX	XXX	XXX	5,428	11,873	16,466	19,451	21,717	23,472	23,472	2,507	261
7. 2006	XXX	XXX	XXX	XXX	5,860	14,740	20,661	25,870	29,106	29,106	2,899	319
8. 2007	XXX	XXX	XXX	XXX	XXX	7,523	21,151	33,285	41,238	41,238	4,144	300
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	11,246	32,860	48,251	48,251	5,652	436
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,283	27,295	27,295	5,229	706
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,554	6,554	2,273	399

SCHEDULE P - PART 3E - COMMERCIAL MULTIPLE PERIL

1. Prior	0 0 0											
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						XXX			

SCHEDULE P - PART 3F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010		
1. Prior	000											
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						XXX			

SCHEDULE P - PART 3F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE

1. Prior	000											
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						XXX			

SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

1. Prior	000										XXX	XXX
2. 2001											XXX	XXX
3. 2002	XXX										XXX	XXX
4. 2003	XXX	XXX									XXX	XXX
5. 2004	XXX	XXX	XXX								XXX	XXX
6. 2005	XXX	XXX	XXX								XXX	XXX
7. 2006	XXX	XXX	XXX								XXX	XXX
8. 2007	XXX	XXX	XXX								XXX	XXX
9. 2008	XXX	XXX	XXX								XXX	XXX
10. 2009	XXX	XXX	XXX								XXX	XXX
11. 2010	XXX	XXX	XXX						XXX		XXX	XXX

SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE

1. Prior	000	1,092	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	329	
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX							
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE

1. Prior	000											
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									
11. 2010	XXX	XXX	XXX						XXX			

**SCHEDULE P - PART 4A
HOMEOWNERS/FARMOWNERS**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4B
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						X		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4C
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						X		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4D
WORKERS' COMPENSATION**

1. Prior	5,501	2,616	3,257	3,283	3,878	3,768	5,582	5,321	4,744	4,399
2. 2001	9,691	1,299	1,754	1,530	1,871	1,863	1,599	1,654	1,304	1,144
3. 2002	XXX	16,645	4,320	1,503	2,861	2,797	2,692	1,919	1,816	1,427
4. 2003	XXX	XXX	14,589	4,070	3,673	3,405	2,438	1,765	1,445	610
5. 2004	XXX	XXX	XXX	19,563	6,274	3,588	6,087	2,917	2,305	1,125
6. 2005	XXX	XXX	XXX	XXX	19,714	7,098	8,112	3,537	2,638	646
7. 2006	XXX	XXX	XXX	XXX	XXX	21,988	13,326	7,148	3,386	2,518
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	21,605	12,126	4,174	3,607
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,556	10,280	6,825
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,464	10,281
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,708

**SCHEDULE P - PART 4E
COMMERCIAL MULTIPLE PERIL**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						X		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4F - SECTION 1
MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4F - SECTION 2
MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						X		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4G - SPECIAL LIABILITY
(OCEAN MARINE, AIRCRAFT (ALL PERILS),
BOILER AND MACHINERY)**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						X		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4H - SECTION 1
OTHER LIABILITY - OCCURRENCE**

1. Prior	96	25	33	24	24					
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4H - SECTION 2
OTHER LIABILITY - CLAIMS-MADE**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						X		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P - PART 5D - WORKERS' COMPENSATION

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	1,795	445	259	190	101	75	38	33	27	29
2. 2001	1,635	2,694	2,946	3,122	3,223	3,286	3,327	3,352	3,358	3,374
3. 2002	XXX	1,444	2,440	2,719	2,884	2,992	3,029	3,046	3,061	3,075
4. 2003	XXX	XXX	1,557	2,432	2,699	2,862	2,919	2,960	2,983	2,999
5. 2004	XXX	XXX	XXX	1,262	1,949	2,126	2,220	2,206	2,223	2,326
6. 2005	XXX	XXX	XXX	XXX	1,451	2,138	2,283	2,342	2,406	2,507
7. 2006	XXX	XXX	XXX	XXX	XXX	1,625	2,435	2,572	2,776	2,899
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	2,087	3,522	3,932	4,144
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,125	5,232	5,652
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,314	5,229
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,273

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	1,130	723	483	317	253	198	189	162	145	132
2. 2001	1,493	655	444	278	180	120	82	61	54	40
3. 2002	XXX	1,461	626	364	214	110	76	64	50	40
4. 2003	XXX	XXX	1,293	587	333	178	131	95	78	67
5. 2004	XXX	XXX	XXX	918	373	210	122	88	160	144
6. 2005	XXX	XXX	XXX	XXX	874	340	206	147	236	198
7. 2006	XXX	XXX	XXX	XXX	XXX	994	383	274	310	252
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	1,751	614	490	342
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,515	1,157	747
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,504	1,020
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,405

SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	450	68	39	31	36	24	36	12	8	18
2. 2001	3,406	3,695	3,734	3,752	3,758	3,765	3,768	3,772	3,772	3,773
3. 2002	XXX	3,123	3,326	3,352	3,370	3,376	3,379	3,382	3,384	3,388
4. 2003	XXX	XXX	3,127	3,337	3,362	3,373	3,386	3,391	3,397	3,400
5. 2004	XXX	XXX	XXX	2,394	2,574	2,582	2,597	2,601	2,703	2,731
6. 2005	XXX	XXX	XXX	XXX	2,627	2,789	2,807	2,816	2,980	3,023
7. 2006	XXX	XXX	XXX	XXX	XXX	2,908	3,116	3,140	3,401	3,451
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	4,259	4,564	4,865	4,922
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,245	7,013	7,106
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,172	6,648
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,956

SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	332	329	329	329	329	329	329	329	329	329
2. 2001	XXX									
3. 2002	XXX	XXX								
4. 2003	XXX	XXX	XXX							
5. 2004	XXX	XXX	XXX	XXX						
6. 2005	XXX	XXX	XXX	XXX	XXX					
7. 2006	XXX	XXX	XXX	XXX	XXX	XXX				
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO
SCHEDULE P - PART 6C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX	XXX								
6. 2005	XXX	XXX	XXX	XXX							
7. 2006	XXX	XXX	XXX	XXX	XXX						
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX	XXX								
6. 2005	XXX	XXX	XXX	XXX							
7. 2006	XXX	XXX	XXX	XXX	XXX						
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SCHEDULE P - PART 6D - WORKERS' COMPENSATION

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
1. Prior	(3,230)	480	3,945	(244)	3,614	(258)	7	(20)			
2. 2001	74,292	79,897	81,733	75,523	72,084	71,577	71,068	70,963	70,963	70,959	(4)
3. 2002	XXX	75,528	73,923	77,622	80,333	80,345	80,041	80,008	80,008	80,017	9
4. 2003	XXX	XXX	100,489	97,443	91,925	92,374	9,277	92,443	92,443	91,998	(445)
5. 2004	XXX	XXX	XXX	91,057	89,102	88,133	100,659	100,330	100,330	100,282	(48)
6. 2005	XXX	XXX	XXX	XXX	92,297	89,970	114,757	114,945	114,945	115,464	519
7. 2006	XXX	XXX	XXX	XXX	XXX	74,974	90,471	90,375	90,375	91,560	1,185
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	115,505	115,437	115,310	116,082	772
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	165,523	165,187	162,011	(3,176)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	155,961	155,902	(59)
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	98,871	98,871
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	97,624
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
1. Prior				14	5,046	84	53	(64)			
2. 2001	24,125	24,125	24,125	24,125	24,125	24,125	24,125	24,125	24,116	24,116	
3. 2002	XXX	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,272	18,274	2
4. 2003	XXX	XXX	36,729	36,729	36,729	36,729	36,729	36,729	36,683	36,509	(174)
5. 2004	XXX	XXX	XXX	20,161	20,161	20,161	20,161	20,161	20,199	20,187	(12)
6. 2005	XXX	XXX	XXX	13,638	13,638	13,638	13,638	13,638	13,682	13,735	53
7. 2006	XXX	XXX	XXX	XXX	XXX	7,241	7,241	7,241	7,276	7,407	131
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	31,772	31,772	31,807	31,856	49
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,432	71,328	69,949	(1,379)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	85,114	85,009	(105)
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,045	52,045
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,610
13. Earned Premiums (Sc P-Pt 1)											XXX

STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC CO
SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior				151	(302)	464	(307)	6	6	6	
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX	XXX								
6. 2005	XXX	XXX	XXX	XXX							
7. 2006	XXX	XXX	XXX	XXX	XXX						
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX									
12. Total	XXX	XXX									
13. Earned Premiums (Sc P-Pt 1)											XXX

SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior								12	6		
2. 2001								6	6		
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX	XXX								
6. 2005	XXX	XXX	XXX	XXX							
7. 2006	XXX	XXX	XXX	XXX	XXX						
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX									
12. Total	XXX	XXX									
13. Earned Premiums (Sc P-Pt 1)											XXX

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC CO
SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX XXX	XXX	
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX XXX	XXX	
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX

SCHEDULE P - PART 6M - INTERNATIONAL

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX XXX	XXX	
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX XXX	XXX	
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX

SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.

1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost?

Yes () No (X)

If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:

1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)?

\$

1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65?

Yes () No ()

1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve?

Yes () No ()

1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2?

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

1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred	DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
	1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601 Prior		
1.602 2001		
1.603 2002		
1.604 2003		
1.605 2004		
1.606 2005		
1.607 2006		
1.608 2007		
1.609 2008		
1.610 2009		
1.611 2010		
1.612 TOTALS		

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement?

Yes (X) No ()

3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement?

Yes (X) No ()

4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10?

Yes () No (X)

If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Column 32 and Column 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for:
(in thousands of dollars)

5.1 Fidelity
5.2 Surety

\$
\$

6. Claim count information is reported per claim or per claimant. (Indicate which).

per Claim

If not the same in all years, explain in Interrogatory 7.

7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses?

Yes () No (X)

7.2 An extended statement may be attached:

.....
.....
.....

FEDERAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1	Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
			2	3						
			Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama	AL	N								
2. Alaska	AK	L	2,597	(53,563)		6,700	343,200	807,095		
3. Arizona	AZ	L	2,840,915	3,125,598		2,042,971	2,043,304	4,481,047		
4. Arkansas	AR	N								
5. California	CA	L	69,060,062	70,551,288		51,409,185	39,500,216	182,137,519		
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. Dist. Columbia	DC	N								
10. Florida	FL	L	318,847	413,131		354,313	(186,134)	1,267,699		
11. Georgia	GA	N								
12. Hawaii	HI	L		(314)		457,890	202,145	2,424,951		
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	450,361	500,281		158,848	(240,270)	723,088		
30. New Hampshire	NH	N								
31. New Jersey	NJ	L	9,572,886	10,370,361		9,629,600	11,364,988	23,052,650		
32. New Mexico	NM	L								
33. New York	NY	L	9,417,520	9,789,241		12,174,349	15,974,934	56,838,045		
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	L	(45,032)	411,657		107,426	1,214,490	2,564,192		
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	(109,507)	(169,214)		889,524	1,254,710	1,944,844		
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	91,508,649	94,938,466		77,230,806	71,471,583	276,241,130		
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.

Explanation of basis of allocation of premiums by states, etc.

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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

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

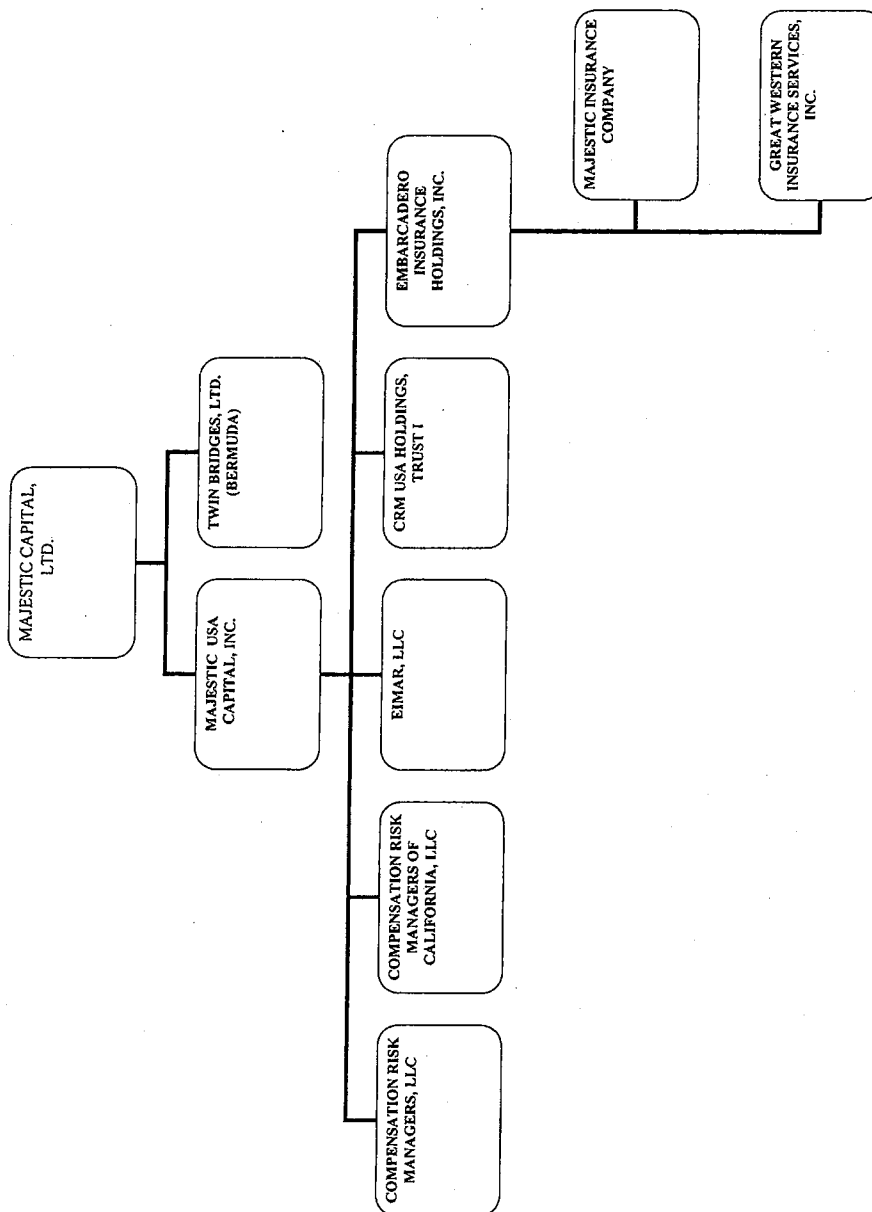
All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL LISTING

Electronic Filing Only

1 NAIC Group Code	2 Group Name	3 NAIC Company Code	4 State of Domicile	5 FEI Number	6 Name of Company
0000	MAJESTIC INSURANCE COMPANY	4289	CA	95-9553107	MAJESTIC INSURANCE COMPANY

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO
 SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
 PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements		Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
		CRM-Holdings, Ltd.					158,972				158,972	
		CRM USA Holdings, Inc.					1,018,448				1,018,448	
		Twin Bridges, Ltd.					1,078,723	(90,339)			987,784	945,076
		Compensation Risk Managers, LLC					1,078,723				987,784	
		Compensation Risk Managers of California					1,078,723				987,784	
		EMAR, LLC					98,590				98,590	
		CRM USA Holdings, Trust I										
		Embarcadero Insurance Holdings, Inc.	192,000				(2,346,642)				(2,154,642)	
42269	95-3653107	Great Western Insurance Services, Inc.										
9999999		Majestic Insurance Company	(192,000)				(7,965)	90,339			(103,626)	(945,076)
		CONTROL TOTALS										

If the nature of the transactions reported in Part 2 requires explanation, report such in the following explanatory note:

.....

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

	MARCH FILING	RESPONSES
1. Will an actuarial opinion be filed by March 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 440:		
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 460:		
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 390:		
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 390:		
APRIL FILING		
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 270:		
6. Will Management's Discussion and Analysis be filed by April 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 350:		
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 285:		
MAY FILING		
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 201:		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (Continued)

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

JUNE FILING

9. Will an audited financial report be filed by June 1?

YES

EXPLANATION:

BARCODE:

Document Identifier 220:

10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?

YES

EXPLANATION:

BARCODE:

Document Identifier 221:

AUGUST FILING

11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?

YES

EXPLANATION:

BARCODE:

Document Identifier 222

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.

MARCH FILING

12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 420:



13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 240:



14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 360:



15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 455:



16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 490:



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC COMPANY
SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES
(Continued)

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.

MARCH FILING

RESPONSES

17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:
Document Identifier 385:



18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?

YES

EXPLANATION:

BARCODE:
Document Identifier 401:

19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:
Document Identifier 365:



20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?

YES

EXPLANATION:

BARCODE:
Document Identifier 441:

21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?

YES

EXPLANATION:

BARCODE:
Document Identifier 399:

22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?

NO

EXPLANATION:

COMPANY HAS NO EXCEPTIONS TO THE REINSURANCE ATTESTATION SUPPLEMENT

BARCODE:
Document Identifier 400:



23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:
Document Identifier 500:



APRIL FILING

24. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:
Document Identifier 230:



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (Continued)

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.

APRIL FILING

RESPONSES

25. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 306:



26. Will the Accident and Health Policy Experience Exhibit be filed by April 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 210:



27. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 216:



28. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?

NO

EXPLANATION:

WE DO NOT TRANSACT THAT TYPE OF BUSINESS

BARCODE:

Document Identifier 217:



AUGUST FILING

29. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?

YES

EXPLANATION:

BARCODE:

Document Identifier 223:

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	28,587,529	10.474	28,587,529	10.474
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies	9,570,914	3.507	9,570,914	3.507
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	7,033,139	2.577	7,033,139	2.577
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	21,503,113	7.878	21,503,113	7.878
1.43 Revenue and assessment obligations	53,899,800	19.748	53,899,800	19.748
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	28,618,441	10.485	28,618,441	10.485
1.512 Issued or guaranteed by FNMA and FHLMC	2,484,650	0.910	2,484,650	0.910
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	81,934,669	30.020	81,934,669	30.020
2.2 Unaffiliated non-U.S. securities (including Canada)	24,117,391	8.836	24,117,391	8.836
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$ of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	15,186,658	5.564	15,186,658	5.564
9. Other invested assets				
10. Total invested assets	272,936,304	100.000	272,936,304	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13		
3.2 Totals, Part 3, Column 11		
4. Total gain (loss) on disposals, Part 3, Column 18		
5. Deduct amounts received on disposals, Part 3, Column 18		
6. Total foreign exchange change in book/adjusted c		
6.1 Totals, Part 1, Column 15		
6.2 Totals, Part 3, Column 13		
7. Deduct current year's other than temporary impair.....		
7.1 Totals, Part 1, Column 12		
7.2 Totals, Part 3, Column 10		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11		
8.2 Totals, Part 3, Column 9		
9. Book/adjusted carrying value at the end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 plus Line 6 minus Line 7 minus Line 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7)		
2.2 Additional investment made after acquisition (Part 2, Column 8)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12		
3.2 Totals, Part 3, Column 11		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9		
5.2 Totals, Part 3, Column 8		
6. Total gain (loss) on disposals, Part 3, Column 18		
7. Deduct amounts received on disposals, Part 3, Column 18		
8. Deduct amortization of premium and mortgage int		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1 Totals, Part 1, Column 13		
9.2 Totals, Part 3, Column 13		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 11		
10.2 Totals, Part 3, Column 10		
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 of mortgages owned at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Capitalized deferred interest and other		
3.1 Totals, Part 1, Column 16		
3.2 Totals, Part 3, Column 12		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13		
5.2 Totals, Part 3, Column 9		
6. Total gain (loss) on disposals, Part 3, Column 19		
7. Deduct amounts received on disposals, Part 3, Column 19		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17		
9.2 Totals, Part 3, Column 14		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15		
10.2 Totals, Part 3, Column 11		
11. Book/adjusted carrying value at the 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)		

NONE

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year	275,423,672
2. Cost of bonds and stocks acquired, Part 3, Column 7	186,803,506
3. Accrual of discount	49,464
4. Unrealized valuation increase (decrease):	
4.1 Part 1, Column 12	
4.2 Part 2, Section 1, Column 15	
4.3 Part 2, Section 2, Column 13	
4.4 Part 4, Column 11	
5. Total gain (loss) on disposals, Part 4, Column 19	5,015,553
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7	207,766,320
7. Deduct amortization of premium	1,776,228
8. Total foreign exchange change in book/adjusted carrying value:	
8.1 Part 1, Column 15	
8.2 Part 2, Section 1, Column 19	
8.3 Part 2, Section 2, Column 16	
8.4 Part 4, Column 15	
9. Deduct current year's other than temporary impairment recognized:	
9.1 Part 1, Column 14	
9.2 Part 2, Section 1, Column 17	
9.3 Part 2, Section 2, Column 14	
9.4 Part 4, Column 13	
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)	257,749,647
11. Deduct total nonadmitted amounts	
12. Statement value at end of current period (Line 10 minus Line 11)	257,749,647

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	66,776,884	67,590,306	66,969,223	65,573,719
	2. Canada				
	3. Other Countries				
	4. Totals	66,776,884	67,590,306	66,969,223	65,573,719
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	7,033,139	6,980,844	7,036,580	6,950,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	21,503,114	21,863,114	21,658,823	21,150,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	56,384,449	55,977,071	56,606,802	55,300,621
Industrial and Miscellaneous, Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States	81,934,668	82,623,945	82,897,413	78,320,641
	9. Canada	2,320,275	2,448,140	2,359,980	2,000,000
	10. Other Countries	21,797,117	21,742,176	21,974,341	20,815,000
	11. Totals	106,052,060	106,814,261	107,231,734	101,135,641
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	257,749,646	259,225,596	259,503,162	250,109,981
PREFERRED STOCKS Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks				
COMMON STOCKS Industrial and Miscellaneous (unaffiliated)	20. United States				
	21. Canada				
	22. Other Countries				
	23. Totals				
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks				
	26. Total Stocks				
	27. Total Bonds and Stocks	257,749,646	259,225,596	259,503,162	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1	18,518,767	46,906,473	3,994,528	1,413,527	74,111	70,907,406	26.8	100,995,126	33.7	70,907,406	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	18,518,767	46,906,473	3,994,528	1,413,527	74,111	70,907,406	26.8	100,995,126	33.7	70,907,406	
2. All Other Governments											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 Class 1		103,720	2,096,683	4,623,736		7,033,139	2.7	8,883,754	3.0	7,033,139	
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals		103,720	2,096,683	4,623,736		7,033,139	2.7	8,883,754	3.0	7,033,139	
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1	625,275	6,988,198	9,266,551	4,623,069		21,503,113	8.1	15,624,462	5.2	21,503,114	
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals	625,275	6,988,198	9,266,551	4,623,069		21,503,113	8.1	15,624,462	5.2	21,503,114	
5. U.S. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed											
5.1 Class 1	772,239	11,997,721	26,757,794	15,953,390	23,237	55,504,381	21.0	78,152,137	26.1	55,504,381	
5.2 Class 2	367,369	512,700				880,069	0.3	1,242,566	0.4	880,069	
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals	1,139,608	12,510,421	26,757,794	15,953,390	23,237	56,384,450	21.3	79,394,703	26.5	56,384,450	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (Unaffiliated)											
6.1 Class 1	18,617,881	66,814,862	21,918,207			107,350,950	40.6	91,377,132	30.8	99,815,426	7,535,534
6.2 Class 2	1,167,779					1,167,779	0.4	2,287,334	0.8	1,167,779	
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6								125,000			
6.7 Totals	19,785,660	66,814,862	21,918,207			108,518,739	41.1	94,389,466	31.6	100,983,205	7,535,534
7. Credit Tenant Loans											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals											
8. Hybrid Securities											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality Rating per the NAC Designation											
	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total from Column 6 Prior Year	% From Column 6 Prior Year	Total Publicly Traded	Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	38,534,172	132,750,974	64,053,763	26,822,742	97,348	262,298,999	99.2	XXX	XXX	254,763,466	7,535,534
10.2 Class 2	1,535,148	512,700				2,047,848	0.8	XXX	XXX	2,047,848	
10.3 Class 3	(d)	(d)				(c)		XXX	XXX		
10.4 Class 4	(d)	(d)				(c)		XXX	XXX		
10.5 Class 5	(d)	(d)				(c)		XXX	XXX		
10.6 Class 6	(d)	(d)				(c)		XXX	XXX		
10.7 Totals	40,069,320	133,303,674	64,053,763	26,822,742	97,348	264,346,847	100.0	XXX	XXX	256,811,314	7,535,534
10.8 Line 10.7 as a % of Column 6	15.2	50.4	24.2	10.1		100.0		XXX	XXX	97.1	2.9
11. Total Bonds Prior Year											
11.1 Class 1	74,007,888	115,885,042	69,148,580	36,191,989	9,083	XXX	XXX	295,222,611	98.8	292,340,482	2,882,129
11.2 Class 2	350,345	2,586,132	611,423			XXX	XXX	3,529,901	1.2	3,529,901	
11.3 Class 3						XXX	XXX				
11.4 Class 4						XXX	XXX				
11.5 Class 5						XXX	XXX				
11.6 Class 6	125,000					XXX	XXX	(c)		125,000	
11.7 Totals	74,483,243	118,433,174	69,760,003	36,191,989	9,083	XXX	XXX	298,877,512	100.0	295,995,383	2,882,129
11.8 Line 11.7 as a % of Column 6	24.9	39.6	23.3	12.1		100.0		100.0	XXX	99.0	1.0
12. Total Publicly Traded Bonds											
12.1 Class 1	38,534,172	125,255,441	64,053,764	26,822,742	97,348	254,763,467	96.4	292,340,482	97.8	254,763,466	XXX
12.2 Class 2	1,535,148	512,700				2,047,848	0.8	3,529,901	1.2	2,047,848	XXX
12.3 Class 3											XXX
12.4 Class 4											XXX
12.5 Class 5											XXX
12.6 Class 6								125,000			XXX
12.7 Totals	40,069,320	125,768,141	64,053,764	26,822,742	97,348	256,811,315	97.1	295,995,383	99.0	256,811,314	XXX
12.8 Line 12.7 as a % of Column 6	15.6	49.0	24.9	10.4		100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	15.2	47.6	24.2	10.1		97.1	XXX	XXX	XXX	97.1	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	7,535,534					7,535,534	2.9	2,882,129	1.0	XXX	7,535,534
13.2 Class 2										XXX	XXX
13.3 Class 3										XXX	XXX
13.4 Class 4										XXX	XXX
13.5 Class 5										XXX	XXX
13.6 Class 6										XXX	XXX
13.7 Totals	7,535,534					7,535,534	2.9	2,882,129	1.0	XXX	7,535,534
13.8 Line 13.7 as a % of Column 6	100.0	2.9				100.0	XXX	XXX	XXX	100.0	2.9
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10						2.9	XXX	XXX	XXX	XXX	2.9

(a) Includes \$	7,535,534	freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.	
(b) Includes \$	current year	prior year of bonds with Z designations and \$	14,514,867 current year
(c) Includes \$	current year	Valuation Office (SVO) at the date of the statement.	72" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
(d) Includes \$	current year	prior year of bonds with 5' designations and \$	current year
(e) Includes \$	current year	insurer's certification that the issuer is current in all principal and interest payments.	53" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
(f) Includes \$	current year	includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation	NAIC 1 \$ 6,597,201 NAIC 2 \$ 6,597,201 NAIC 3 \$ NAIC 4 \$ NAIC 5 \$ NAIC 6 \$

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	10,318,843	31,970,322				42,289,955	16.0	91,226,128	30.5	42,289,955	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	8,200,124	14,995,151	3,994,526	1,413,527	74,111	28,618,441	10.8	9,359,999	3.1	28,618,441	
1.7 Totals	18,518,767	46,965,473	3,994,526	1,413,527	74,111	70,907,406	26.8	100,586,127	33.6	70,907,406	
2. All Other Governments											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined											
2.6 Other											
2.7 Totals											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations		103,720	2,096,893	4,832,736		7,033,139	2.7	8,883,754	3.0	7,033,139	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined											
3.6 Other											
3.7 Totals		103,720	2,096,893	4,832,736		7,033,139	2.7	8,883,754	3.0	7,033,139	
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations	625,275	6,968,198	9,286,351	4,623,069		21,503,113	8.1	15,624,462	5.2	21,503,114	
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined											
4.6 Other											
4.7 Totals	625,275	6,968,198	9,286,351	4,623,069		21,503,113	8.1	15,624,462	5.2	21,503,114	
5. U.S. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed											
5.1 Issuer Obligations	827,955	11,245,097	26,138,736	15,693,012		53,699,800	20.4	40,171,638	13.4	53,699,800	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	316,553	1,265,324	619,058	280,378	23,237	2,484,650	0.9	39,223,065	13.1	2,484,649	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined											
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined											
5.6 Other											
5.7 Totals	1,139,608	12,510,421	26,757,794	15,973,390	23,237	56,384,450	21.3	79,394,703	26.5	56,384,448	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	15,678,902	60,073,205	12,534,485			88,286,602	33.4	85,004,302	28.4	80,751,068	7,535,534
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined	4,105,767	6,741,657	9,383,713			20,232,137	7.7	9,385,164	3.1	20,232,137	
6.6 Other											
6.7 Totals	19,785,589	66,814,862	21,918,208			108,518,739	41.1	94,389,466	31.5	100,983,205	7,535,534
7. Credit Tenant Loans											
7.1 Issuer Obligations											
7.2 Single Class Mortgage-Backed Securities											
7.7 Totals											
8. Hybrid Securities											
8.1 Issuer Obligations											
8.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
8.3 Defined											
8.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
8.5 Defined											
8.6 Other											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	27,445,775	110,560,542	50,056,465	25,148,837		213,011,619	80.6	XXX	XXX	205,476,066	7,535,534
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	6,516,777	16,201,475	4,613,586	1,673,905	97,348	31,103,091	11.8	XXX	XXX	31,103,090	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined								XXX	XXX		
10.4 Other								XXX	XXX		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:								XXX	XXX		
10.5 Defined	4,106,767	6,741,657	9,383,713			20,232,137	7.7	XXX	XXX	20,232,137	
10.6 Other								XXX	XXX		
10.7 Totals	40,069,319	133,303,674	64,053,764	26,822,742	97,348	254,346,847	100.0	XXX	XXX	256,811,313	7,535,534
10.8 Line 10.7 as a % of Column 6	15.2	50.4	24.2	10.1		100.0	XXX	XXX	XXX	97.1	2.9
11. Total Bonds Prior Year											
11.1 Issuer Obligations	56,251,634	88,200,326	62,694,797	33,963,526		XXX	XXX	240,910,284	80.6	238,028,155	2,882,129
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	15,743,367	23,335,906	7,265,206	2,228,472	9,093	XXX	XXX	48,582,064	16.3	48,582,064	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						XXX	XXX				
11.4 Other						XXX	XXX				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:						XXX	XXX				
11.5 Defined	2,468,221	6,886,943				XXX	XXX	9,385,164	3.1	9,385,164	
11.6 Other						XXX	XXX				
11.7 Totals	74,483,242	118,433,175	69,760,003	36,191,998	9,093	XXX	XXX	298,877,512	100.0	295,995,363	2,882,129
11.8 Line 11.7 as a % of Column 8	24.9	39.6	23.3	12.1		XXX	XXX	100.0	XXX	99.0	1.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations											
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	27,445,775	102,825,008	50,056,465	25,148,837		205,476,086	77.7	238,028,155	79.6	205,476,066	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:	6,516,777	16,201,475	4,613,586	1,673,905	97,348	31,103,091	11.8	48,582,064	16.3	31,103,090	XXX
12.3 Defined											XXX
12.4 Other											XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											XXX
12.5 Defined	4,106,767	6,741,657	9,383,713			20,232,137	7.7	9,385,164	3.1	20,232,137	XXX
12.6 Other											XXX
12.7 Totals	40,069,320	125,768,140	64,053,764	26,822,742	97,348	256,811,314	97.1	295,995,363	99.0	256,811,313	XXX
12.8 Line 12.7 as a % of Column 6	15.6	49.0	24.9	10.4		100.0	XXX	XXX	XXX	97.1	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	15.2	47.6	24.2	10.1		97.1	XXX	XXX	XXX	97.1	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations											
13.2 Single Class Mortgage-Backed/Asset-Backed Securities		7,535,534				7,535,534	2.9	2,882,129	1.0	XXX	7,535,534
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined										XXX	
13.4 Other										XXX	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:										XXX	
13.5 Defined										XXX	
13.6 Other										XXX	
13.7 Totals		7,535,534				7,535,534	2.9	2,882,129	1.0	XXX	7,535,534
13.8 Line 13.7 as a % of Column 6		100.0				100.0	XXX	XXX	XXX	XXX	XXX
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10		2.9				2.9	XXX	XXX	XXX	XXX	2.9

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	23,453,840	23,453,840			
2. Cost of short-term investments acquired	65,351,267	65,351,267			
3. Accrual of discount					
4. Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals					
6. Deduct consideration received on disposals	82,301,258	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 the end of current period (Lines 1 plus 2 plus 3 plus 4 plus 5 minus 6 minus 7 plus 8 minus 9)	6,503,849	6,503,849			
11. Deduct total nonadmitted amounts					
12. Statement value of end of current period (Line 10 minus Line 11)	6,503,849	6,503,849			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment.

SCHEDULE E - VERIFICATION BETWEEN YEARS

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year	93,207	93,207	
2. Cost of cash equivalents acquired	92,093,516	92,093,516	
3. Accrual of discount	5,856	5,856	
4. Unrealized valuation increase (decrease)			
5. Total gain (loss) on disposals	2	2	
6. Deduct consideration received on disposals	92,099,229	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)	93,352	93,352	
11. Deduct total nonadmitted amounts			
12. Statement value at end of current period	93,352	93,352	

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3 Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value					Interest				Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity
U.S. Governments - Issuer Obligations																					
31304A-WA	FEDERAL HOME LOAN BANK	SD				983,463	107.155	1,017,982	950,000	959,301	(6,824)	(6,824)			5.750	4.500	MM	5,980	54,525	09/17/2007	05/15/2012
31304A-WB	FEDERAL HOME LOAN MORTGAGE CORPORATION	SD				1,025,976	103.645	1,010,545	975,000	980,228	(7,195)	(7,195)			5.500	4.670	MM	15,790	53,525	05/25/2006	09/15/2011
31304A-WC	FEDERAL HOME LOAN MORTGAGE CORPORATION	SD				623,862	107.566	646,356	600,000	610,013	(4,643)	(4,643)			4.500	3.640	JJ	12,450	27,000	01/09/2008	07/15/2013
31304A-WD	FEDERAL HOME LOAN MORTGAGE CORPORATION	SD				1,539,303	100.189	1,552,935	1,550,000	1,549,870	2,718	(784)			4.750	4.900	JJ	33,336	71,525	01/24/2006	07/18/2011
31304A-WE	FEDERAL HOME LOAN MORTGAGE CORPORATION	SD				1,402,671	101.429	1,420,017	1,400,000	1,400,238	1,420	(784)			5.125	5.060	AA	14,548	71,750	12/13/2006	04/18/2011
31304A-WF	FEDERAL HOME LOAN MORTGAGE CORPORATION	SD				3,452,418	101.283	3,544,940	3,500,000	3,467,729	15,312	(1,438)			1.375	1.840	JJ	22,953	29,009	01/06/2010	07/15/2013
31304A-WG	FEDERAL HOME LOAN MORTGAGE CORPORATION	SD				607,283	107.600	646,606	600,000	602,505	6,606	(1,438)			4.750	4.470	MM	3,325	28,300	11/14/2007	11/15/2012
31304A-WH	FEDERAL HOME LOAN MORTGAGE CORPORATION	SD				753,252	102.554	772,155	750,000	750,543	1,553	(1,438)			5.000	4.880	FA	14,184	37,300	07/19/2007	08/15/2011
31304A-WI	UNITED STATES TREASURY NOTES	SD				1,883,365	105.028	1,953,521	1,860,000	1,868,143	(15,507)	(15,507)			4.625	4.500	AA	7,069	50,075	12/12/2007	02/15/2012
31304A-WJ	UNITED STATES TREASURY NOTES	SD				601,992	103.597	621,402	600,000	600,397	(1,405)	(1,405)			4.500	4.500	AA	3,420	27,750	02/13/2007	11/03/2011
31304A-WK	UNITED STATES TREASURY NOTES	SD				239,215	104.250	247,750	240,000	239,628	750	(1,405)			4.500	4.500	AA	3,699	21,000	02/13/2007	11/03/2011
31304A-WL	UNITED STATES TREASURY NOTES	SD				478,088	105.524	506,515	480,000	479,449	566	(1,405)			4.500	4.500	AA	3,699	21,000	02/13/2007	11/03/2011
31304A-WM	UNITED STATES TREASURY NOTES	SD				219,124	105.524	232,153	220,000	219,747	150	(1,405)			4.500	4.500	AA	3,699	21,000	02/13/2007	11/03/2011
31304A-WN	UNITED STATES TREASURY NOTES	SD				747,773	106.621	789,658	750,000	749,275	683	(1,405)			4.500	4.500	AA	3,699	21,000	02/13/2007	11/03/2011
31304A-WO	UNITED STATES TREASURY NOTE	SD				23,036,327	101.262	23,290,250	23,000,000	23,014,869	(12,268)	(12,268)			1.375	1.320	MS	94,351	346,250	03/26/2009	03/15/2012
019999	U.S. Governments - Issuer Obligations	SD				38,282,376		38,946,616	38,135,000	38,153,443	(73,169)	(73,169)						281,461	937,527		
U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities																					
36204A-WA	GOVERNMENT NATL MTG ASSOC #72305	SD				2,602,337	103.940	2,583,775	2,485,815	2,596,584	(16,420)	(16,420)			4.500	3.800	MM	9,322	37,287	07/20/2010	06/01/2040
36204A-WB	GOVERNMENT NATL MTG ASSOC #72305	SD				2,589,421	103.940	2,570,950	2,472,476	2,583,774	(16,420)	(16,420)			4.500	2.900	MM	9,276	37,102	07/20/2010	06/01/2040
36204A-WC	GOVERNMENT NATL MTG ASSOC #72305	SD				2,603,027	103.940	2,584,459	2,485,474	2,597,133	(16,420)	(16,420)			4.500	3.000	MM	9,324	37,287	07/20/2010	06/01/2040
36204A-WD	GOVERNMENT NATL MTG ASSOC #72305	SD				2,603,027	103.940	2,584,459	2,485,474	2,597,133	(16,420)	(16,420)			4.500	3.200	MM	9,327	37,308	07/20/2010	06/01/2040
36204A-WE	GOVERNMENT NATL MTG ASSOC #72305	SD				2,603,027	103.940	2,584,459	2,485,474	2,597,133	(16,420)	(16,420)			4.500	2.700	MM	9,325	37,300	07/20/2010	06/01/2040
36204A-WF	GOVERNMENT NATL MTG ASSOC #72305	SD				2,603,027	103.940	2,584,459	2,485,474	2,597,133	(16,420)	(16,420)			4.500	2.900	MM	9,325	37,307	07/20/2010	06/01/2040
36204A-WG	GOVERNMENT NATL MTG ASSOC #72305	SD				2,599,143	103.940	2,581,195	2,483,337	2,583,509	(16,420)	(16,420)			4.500	2.700	MM	9,313	37,250	07/20/2010	06/01/2040
36204A-WH	GOVERNMENT NATL MTG ASSOC #72305	SD				78,333	106.362	80,212	75,414	78,091	618	(1,405)			5.000	3.270	MM	314	4,072	11/05/2009	06/01/2037
36204A-WI	GOVERNMENT NATL MTG ASSOC #72305	SD				2,592,155	106.362	2,652,659	2,604,167	2,602,704	(16,420)	(16,420)			5.000	3.270	MM	10,362	134,680	11/05/2009	06/01/2037
36204A-WJ	GOVERNMENT NATL MTG ASSOC #72305	SD				165,059	106.362	169,200	164,000	164,454	454	(1,405)			5.000	3.240	MM	742	9,645	11/05/2009	06/01/2037
36204A-WK	GOVERNMENT NATL MTG ASSOC #72305	SD				2,418,882	106.362	2,477,240	2,411,008	2,411,008	(16,420)	(16,420)			5.000	3.240	MM	9,687	125,069	11/05/2009	06/01/2037
36204A-WL	GOVERNMENT NATL MTG ASSOC #72305	SD				2,584,611	103.940	2,584,611	2,485,885	2,587,446	(16,420)	(16,420)			4.500	2.800	MM	9,326	37,303	07/20/2010	06/01/2040
36204A-WM	GOVERNMENT NATL MTG ASSOC #72305	SD				2,603,482	103.940	2,584,611	2,485,885	2,588,532	(16,420)	(16,420)			4.500	3.040	MM	9,326	37,304	07/20/2010	06/01/2040
36204A-WN	GOVERNMENT NATL MTG ASSOC #72305	SD				28,686,847		28,641,681	27,438,719	28,616,414	(16,420)	(16,420)						105,010	605,922		
019999	U.S. Governments - Issuer Obligations	SD				66,569,223		67,590,305	65,573,719	66,776,884	(168,866)	(168,866)						386,470	1,547,449		
U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
36308A-WA	CALIFORNIA ST	SD				1,007,310	102.238	1,022,280	1,000,000	1,005,955	(715)	(715)			5.750	5.620	MS	19,167	23,598	03/25/2010	03/01/2017
36308A-WB	CALIFORNIA ST	SD				1,081,450	101.230	1,072,350	1,000,000	1,000,088	(1,362)	(1,362)			6.200	4.850	MS	20,667	11,082/2010	03/01/2019	
36308A-WC	CONNECTICUT ST	SD				1,522,080	99.400	1,512,616	1,600,000	1,620,754	(1,391)	(1,391)			5.200	4.590	JD	13,433	71,615	12/15/2009	12/01/2022
36308A-WD	NEW YORK ST	SD				3,295,733	97.000	3,155,460	3,250,000	3,211,953	2,250	(1,391)			4.400	4.590	MS	48,100	68,542	03/19/2010	03/01/2021
36308A-WE	TEXAS ST	SD				106,007	114.158	106,000	100,000	101,720	(724)	(724)			5.000	4.100	FA	2,083	5,000	08/10/2007	08/01/2015
019999	U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations	SD				7,036,580		6,900,044	6,950,000	7,033,135	(1,941)	(1,941)						103,450	169,115		

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1

Showing all Long-Term Bonds Owned December 31 of Current Year

CUSIP Identification	Description	Codes			Foreign	Bond CHAR	NAIC Designation	Actual Cost	Fair Value		Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value					Interest				Amount Received During Year	Acquired	Maturity																			
		3	4	5					8	9		12	13	14	15	16	17	18	19																							
179999 - Subtotal - U.S. States, Territories and Possessions (Direct and Guaranteed)																							(1,541)																			
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																																										
031602Z47	ANCHORAGE ALASKA	SD					IFE	105,651	103,461	109,461	101,524	(595)				5,000	4,350	JJ	2,500	5,000	06/11/2002	07/01/2013																				
032131S49	ANKARA CITY MINN	SD					IFE	540,000	536,204	573,502	540,000					4,410	4,410	FA	9,923	20,440	09/10/2009	02/01/2018																				
090881LH7	BIRMINGHAM ALA	SD					IFE	687,769	687,769	642,470	610,000					5,750	3,850	MAN	9,008	35,075	06/24/2004	05/01/2012																				
34442JN9	FOND DU LAC CITY WIS	SD					IFE	2,434,512	2,434,416	2,434,416	2,419,969	(14,812)				3,000	2,340	MS	24,000	56,789	10/28/2009	03/01/2012																				
43981HY2	HOPKINS MIN INDT SCH DIST NO	SD					IFE	2,748,646	2,748,646	2,748,646	2,741,381	(1,109)				4,450	4,350	FA	50,619	94,426	09/29/2009	02/01/2012																				
45044PC7	KING COUNTY WASH SCH DIST NO 401	SD					IFE	80,000	80,048	75,000	75,000					5,500	4,500	JD	344	4,125	05/22/2002	12/01/2013																				
648663M7	NEW YORK NY	SD					IFE	2,749,902	2,749,902	2,749,902	2,719,532	(23,038)				4,550	3,550	FA	48,880	119,865	08/31/2009	08/01/2015																				
648663M7	NEW YORK NY	SD					IFE	1,475,000	1,502,435	1,502,435	1,475,000					3,397	3,390	AO	12,526	48,157	09/30/2009	10/01/2015																				
66233WY1	NORTH SLOPE BORO ALASKA	SD					IFE	800,000	800,615	804,938	800,000					5,126	5,120	JD	114	47,556	10/21/2010	06/30/2016																				
66663DF3	OREGON SCH BROS ASSN	SD					IFE	4,220,200	4,220,200	4,309,760	4,199,171	(21,029)				5,223	4,430	JD	580	208,920	01/22/2010	06/30/2016																				
77940HL7	ROUND ROCK TEX INDT SCH DIST	SD					IFE	1,000,000	974,060	974,060	1,000,000					2,958	2,950	FA	1,233	173,986	03/19/2010	06/15/2023																				
79746NA0	SAN FRANCISCO CALIF CITY &	SD					IFE	4,623,815	4,623,815	4,623,815	4,623,889	(726)				5,200	5,190	JD	10,666	173,986	03/19/2010	06/15/2023																				
94308CG4	WALUPCA CITY WIS	SD					IFE	128,611	127,353	133,919	127,861	(1,580)				5,250	3,850	FA	2,724	6,563	02/27/2003	08/01/2013																				
98971JL4	WILLIAMSON COUNTY TN	SD					IFE	53,648	53,470	52,735	50,555	(404)				5,000	4,000	AO	625	2,500	07/18/2002	04/01/2013																				
188999 - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																							(74,630)																			
248999 - Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																							(74,630)																			
U.S. Special Revenue and Special Assessment Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																																										
0140AF6	ARLINGTON CITY VA INDL DEV AUT	SD					IFE	536,481	536,481	536,481	536,481	243				5,000	5,000	JD	1,133	25,500	08/04/2009	12/15/2020																				
20815CA9	FLORIDA MINN COUNCIL REV	SD					IFE	128,646	124,038	124,038	128,646	(991)				6,375	3,870	JD	1,000	6,000	11/09/2001	11/01/2012																				
38825BL0	GRAND STRAND SCH WTR & SWR AUTH	SD					IFE	816,656	816,656	754,000	754,000	(21,369)				4,880	4,880	FA	3,931	47,775	12/01/2005	06/01/2012																				
43202GL0	ILLINOIS MUNI ELEC AGY PWR SUPP	SD					IFE	1,065,000	1,065,000	1,065,000	1,065,000					4,284	4,280	FA	21,655	51,250	07/15/2009	02/01/2015																				
43202GL0	ILLINOIS MUNI ELEC AGY PWR SUPP	SD					IFE	1,115,000	1,088,716	1,088,716	1,115,000					4,840	2,030	JD	4,113	39,056	11/19/2010	02/01/2015																				
44624DL6	INDIANA BOND REV	SD					IFE	1,947,095	1,947,095	1,884,585	1,933,746	(7,339)				3,300	3,750	JD	5,500	33,000	11/02/2010	12/01/2015																				
47219A93	JEFFERSON COUNTY COLO &	SD					IFE	425,000	425,000	2,004,400	2,101,284	(3,876)				4,680	4,680	JD	6,123	74,905	11/10/2009	12/01/2015																				
48003M47	KENT CITY MICH BLDG AUTH	SD					IFE	1,570,000	1,570,000	1,595,355	1,570,000					4,077	2,350	MAN	13,590	34,265	08/12/2009	04/01/2021																				
48151EHL3	KENTON CITY KY BLDG COMM	SD					IFE	2,160,460	2,160,460	2,074,620	2,156,046	(4,412)				5,218	5,210	AO	7,827	87,070	11/18/2009	11/01/2022																				
48483CP3	METRO WASTEWTR RECLAMATION DIS	SD					IFE	600,000	600,000	600,000	600,000					5,277	5,270	MAN	15,831	203,190	07/09/2009	08/01/2017																				
48483CP3	METRO WASTEWTR RECLAMATION DIS	SD					IFE	1,800,000	1,800,000	1,813,356	1,800,000					5,210	4,350	FA	84,663	31,200	09/30/2009	03/15/2022																				
48483CP3	METRO WASTEWTR RECLAMATION DIS	SD					IFE	600,000	600,000	605,616	600,000					4,992	4,650	MS	5,879	20,802	09/30/2009	03/15/2022																				
48483CP3	METRO WASTEWTR RECLAMATION DIS	SD					IFE	1,265,000	1,265,000	1,265,000	1,265,000					5,063	5,060	MS	21,349	46,433	11/12/2009	09/01/2022																				
48483CP3	METRO WASTEWTR RECLAMATION DIS	SD					IFE	1,490,000	1,490,000	1,473,995	1,480,000					5,243	5,240	MS	25,865	56,255	11/12/2009	09/01/2022																				
48483CP3	METRO WASTEWTR RECLAMATION DIS	SD					IFE	1,490,000	1,490,000	1,497,458	1,480,000					5,590	5,590	AO	21,246	76,957	10/28/2009	10/01/2024																				
48483CP3	METRO WASTEWTR RECLAMATION DIS	SD					IFE	32,000	32,354	32,354	32,000					5,590	5,590	AO	446	1,617	10/28/2009	10/01/2024																				

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1

Showing all Long-Term Bonds Owned December 31 of Current Year

1	CUSIP Identification	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value					Interest				Dates	
			3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations (continued)																						
67554-3A7	OHIO ST BLDG AUTH	SD					172,724	103,792	155,688	150,000	152,667	(3,467)				5,500	3,080	AD	2,063	8,250	09/24/2004	10/01/2011
73389-FG6	OKLAHOMA ST CAP MPT AUTH ST	SD					1,621,605	102,115	1,311,740	1,500,000	1,620,060	(1,545)				5,040	3,920	JJ	37,800	11,082,200	11/08/2010	07/01/2019
73389-FG6	PORT AUTH IN TX & NJ	IFE					310,386	104,532	313,746	300,000	300,738	(1,545)				5,309	4,850	JD	1,327	15,327	07/01/2009	02/01/2019
73389-FG6	ROUTERS ST UNIV NJ	IFE					1,000,000	94,982	946,820	1,000,000	1,000,000	(855)				3,776	3,770	MM	4,405	11,042,200	05/01/2019	05/01/2019
73389-FG6	SALT LAKE CNTY UTAH MUN BLDG A	IFE					1,000,000	100,995	1,009,850	1,000,000	1,000,000	(207)				5,000	4,680	JD	3,900	43,160	12/01/2009	02/01/2012
73389-FG6	SAN ANTONIO TX ELEC & GAS REV	IFE					91,787	104,839	94,356	90,000	90,235	(161)				5,000	4,740	FA	1,975	4,500	12/12/2001	02/01/2012
73389-FG6	SAN ANTONIO TX ELEC & GAS REV	IFE					71,350	104,839	73,388	70,000	70,163	(161)				5,000	4,740	FA	1,975	4,500	12/12/2001	02/01/2012
73389-FG6	SAN ANTONIO TX WTR REV	IFE					1,395,000	99,993	1,394,763	1,395,000	1,395,000					4,743	4,740	MM	8,464	61,570	11/01/2009	05/15/2020
73389-FG6	SAN ANTONIO TX WTR REV	IFE					1,500,000	100,322	1,504,830	1,500,000	1,500,000					4,953	4,950	MM	9,463	69,138	11/01/2009	05/15/2020
73389-FG6	SAN ANTONIO TX WTR REV	IFE					1,425,000	100,180	1,427,565	1,425,000	1,425,000					5,373	5,370	MM	9,163	71,248	11/01/2009	05/15/2020
73389-FG6	TENNESSEE ST SCH BD AUTH	IFE					1,655,675	106,554	1,604,310	1,500,000	1,651,103	(5,572)				4,468	4,320	MM	11,150	102,720	05/01/2010	05/01/2015
73389-FG6	TIBBROUGH BRDG & TUNL AUTH N	IFE					108,827	100,361	100,361	100,000	100,945	(440)				5,250	4,740	JJ	2,625	5,250	02/27/2002	01/01/2015
73389-FG6	TULSON ARIZ WTR REV	IFE					105,107	112,349	101,114	90,000	95,470	(1,440)				5,130	3,630	JJ	2,475	4,950	06/27/2003	07/01/2014
73389-FG6	UNIVERSITY ALA GEN REV	IFE					900,000	102,245	920,205	900,000	900,000					4,130	4,130	JJ	16,540	26,823	10/15/2009	07/01/2017
73389-FG6	UNIVERSITY COLO ENTERPRISE SYS	IFE					1,000,000	101,191	1,011,910	1,000,000	1,000,000					4,979	4,970	JD	4,148	47,337	12/10/2009	06/01/2021
73389-FG6	UNIVERSITY OF DELAWARE REV	IFE					1,145,000	95,775	1,096,624	1,145,000	1,145,000					2,658	2,660	MM	5,649	4,439	11/01/2010	11/01/2016
73389-FG6	UNIVERSITY MASS BLDG AUTH PROJ	IFE					1,025,000	94,588	969,322	1,025,000	1,025,000	202				3,826	3,820	MM	3,826	11,022,200	04/01/2015	04/01/2016
73389-FG6	UNIVERSITY N C CHARLOTTE REV	IFE					2,875,814	94,278	2,734,062	2,900,000	2,876,016					2,745	2,740	AD	2,088	11,002,200	11/01/2010	11/01/2016
73389-FG6	UNIVERSITY N C CHARLOTTE REV	IFE					935,000	97,930	915,646	935,000	935,000					3,341	3,340	AD	3,341	11,002,200	04/01/2015	04/01/2016
73389-FG6	UNIVERSITY N C CHARLOTTE REV	IFE					970,000	96,863	939,571	970,000	970,000					3,111	3,110	AD	3,111	11,002,200	04/01/2015	04/01/2016
73389-FG6	WASHINGTON ST UNIV REV	IFE					4,192,984	102,115	4,237,814	4,192,984	4,192,984					4,750	4,750	AD	5,001	122,655	12/03/2009	02/01/2020
73389-FG6	WESTERN MINN MUN PWR AGY MINN	IFE					1,440,000	93,511	1,432,958	1,440,000	1,440,000					5,265	5,260	AD	18,019	63,386	11/13/2009	10/01/2021
73389-FG6	WESTERN MINN MUN PWR AGY MINN	IFE					1,750,000	97,673	1,709,278	1,750,000	1,750,000					3,620	3,620	JJ	5,103	11,177,200	07/01/2016	07/01/2016
73389-FG6	WESTERN MINN MUN PWR AGY MINN	IFE					325,000	97,673	317,437	325,000	325,000					3,620	3,620	JJ	948	16,500	02/27/2003	07/01/2016
73389-FG6	WISCONSIN ST TRANSN REV	IFE					342,325	102,585	307,695	300,000	302,919	(5,687)				3,300	3,300	JJ	4,370	66,354	09/15/2009	07/01/2016
73389-FG6	WISCONSIN ST TRANSN REV	IFE					2,000,000	101,152	2,023,040	2,000,000	2,000,000					4,437	4,430	JJ	1,250	5,000	11/15/2002	10/01/2011
73389-FG6	WYOMING ST LN & INV BRD CAP	IFE					198,924	107,472	107,472	100,000	101,844	(1,000)				5,000	3,650	AD	601,188	1,444,360	11/15/2002	10/01/2011
Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																						
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities																						
31283K-QJ-0	FEDERAL HOME LN MTG CORP RG1157	1					73,260	108,189	73,251	68,185	72,546	(2,514)				5,500	1,660	MM	312	3,749	11/05/2009	11/01/2016
31283K-QJ-6	FEDERAL HOME LN MTG CORP RG1157	1					83,743	105,846	84,090	78,701	80,557	(2,222)				5,000	1,840	MM	328	4,260	11/05/2009	03/01/2019
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					91,036	104,640	91,680	87,614	90,557	(1,063)				4,500	2,920	MM	329	3,943	11/05/2009	04/01/2023
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					78,345	108,189	78,871	72,901	71,577	(2,421)				5,000	2,020	MM	334	4,010	11/05/2009	03/01/2017
31419H-G3-0	FEDERAL NATIONAL MTG ASSOC #65517	1					98,338	107,160	99,063	92,443	97,433	(2,729)				5,000	1,940	MM	385	4,822	11/05/2009	07/01/2017
2559999- U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities							2,064,339	99,600	1,987,811	1,955,734	2,062,965	(1,529)				4,000	3,220	MM	6,553	10,165,200	08/01/2010	08/01/2010
Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																						
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities																						
31283K-QJ-0	FEDERAL HOME LN MTG CORP RG1157	1					73,260	108,189	73,251	68,185	72,546	(2,514)				5,500	1,660	MM	312	3,749	11/05/2009	11/01/2016
31283K-QJ-6	FEDERAL HOME LN MTG CORP RG1157	1					83,743	105,846	84,090	78,701	80,557	(2,222)				5,000	1,840	MM	328	4,260	11/05/2009	03/01/2019
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					91,036	104,640	91,680	87,614	90,557	(1,063)				4,500	2,920	MM	329	3,943	11/05/2009	04/01/2023
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					78,345	108,189	78,871	72,901	71,577	(2,421)				5,000	2,020	MM	334	4,010	11/05/2009	03/01/2017
31419H-G3-0	FEDERAL NATIONAL MTG ASSOC #65517	1					98,338	107,160	99,063	92,443	97,433	(2,729)				5,000	1,940	MM	385	4,822	11/05/2009	07/01/2017
2559999- U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities							2,064,339	99,600	1,987,811	1,955,734	2,062,965	(1,529)				4,000	3,220	MM	6,553	10,165,200	08/01/2010	08/01/2010
Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																						
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities																						
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31283K-QJ-6	FEDERAL HOME LN MTG CORP RG1157	1					83,743	105,846	84,090	78,701	80,557	(2,222)				5,000	1,840	MM	328	4,260	11/05/2009	03/01/2019
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					91,036	104,640	91,680	87,614	90,557	(1,063)				4,500	2,920	MM	329	3,943	11/05/2009	04/01/2023
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					78,345	108,189	78,871	72,901	71,577	(2,421)				5,000	2,020	MM	334	4,010	11/05/2009	03/01/2017
31419H-G3-0	FEDERAL NATIONAL MTG ASSOC #65517	1					98,338	107,160	99,063	92,443	97,433	(2,729)				5,000	1,940	MM	385	4,822	11/05/2009	07/01/2017
2559999- U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities							2,064,339	99,600	1,987,811	1,955,734	2,062,965	(1,529)				4,000	3,220	MM	6,553	10,165,200	08/01/2010	08/01/2010
Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																						
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities																						
31283K-QJ-0	FEDERAL HOME LN MTG CORP RG1157	1					73,260	108,189	73,251	68,185	72,546	(2,514)				5,500	1,660	MM	312	3,749	11/05/2009	11/01/2016
31283K-QJ-6	FEDERAL HOME LN MTG CORP RG1157	1					83,743	105,846	84,090	78,701	80,557	(2,222)				5,000	1,840	MM	328	4,260	11/05/2009	03/01/2019
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					91,036	104,640	91,680	87,614	90,557	(1,063)				4,500	2,920	MM	329	3,943	11/05/2009	04/01/2023
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					78,345	108,189	78,871	72,901	71,577	(2,421)				5,000	2,020	MM	334	4,010	11/05/2009	03/01/2017
31419H-G3-0	FEDERAL NATIONAL MTG ASSOC #65517	1					98,338	107,160	99,063	92,443	97,433	(2,729)				5,000	1,940	MM	385	4,822	11/05/2009	07/01/2017
2559999- U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities							2,064,339	99,600	1,987,811	1,955,734	2,062,965	(1,529)				4,000	3,220	MM	6,553	10,165,200	08/01/2010	08/01/2010
Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																						
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities																						
31283K-QJ-0	FEDERAL HOME LN MTG CORP RG1157	1					73,260	108,189	73,251	68,185	72,546	(2,514)				5,500	1,660	MM	312	3,749	11/05/2009	11/01/2016
31283K-QJ-6	FEDERAL HOME LN MTG CORP RG1157	1					83,743	105,846	84,090	78,701	80,557	(2,222)				5,000	1,840	MM	328	4,260	11/05/2009	03/01/2019
31283K-QJ-8	FEDERAL HOME LN MTG CORP RG1157	1					91,036	104,640	91,680	87,614	90,557	(1,063)				4,500	2,920	MM	329	3,943	11/05/2009	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1

Showing all Long-Term Bonds Owned December 31 of Current Year

1	2	3 Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value					Interest					20	21	22
		3	4	5			8	9			12	13	14	15	16	17	18	19					
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity			
319599 - Subtotal - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					609,529	1,471,597	
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																							
002824-AS-9	ABBOTT LABORATORIES	SD		1	IFE	1,006,354	101.942	1,019,422	1,000,000	1,000,688	(1,700)			5.00	5.40	MM	7,156	56,000	07/30/2007	05/15/2011			
0280H-AC-0	FIDC LTD TLP AMERICAN EXPRESS BK FBS	SD			IFE	999,210	102.542	1,025,420	1,000,000	999,744	265			3.50	3.70	JD	1,925	31,500	12/08/2008	12/08/2011			
0280H-AM-9	AMERICAN HOME PRODUCTS CORPORATION	SD		16	IFE	732,879	101.283	708,982	700,000	701,988	(9,458)			6.50	5.50	MS	14,325	48,650	06/25/2007	03/15/2011			
05437-AC-1	BBAT CORPORATION	SD			IFE	732,942	103.010	721,491	700,000	704,493	(3,388)			6.50	5.30	FA	18,988	45,500	09/19/2006	08/01/2011			
0531F-AF-0	BBAT CORPORATION	SD			IFE	1,593,065	103.213	1,548,210	1,500,000	1,589,241	(1,411)			3.50	2.70	AD	10,204	29,625	09/28/2010	04/29/2016			
0680B-AA-9	FIDC LTD TLP BANK OF AMERICA CORP	SD			IFE	999,490	103.571	1,035,710	1,000,000	999,786	(554)			3.125	3.10	JD	27,014	31,250	12/01/2008	06/15/2012			
0681G-ED-7	BANK OF AMERICA CORP	SD			IFE	2,012,460	103.138	1,982,720	2,000,000	2,011,906	(8,307)			3.70	3.30	MS	26,928	91,632	09/24/2010	09/01/2015			
09702-AF-1	BOEING CO	SD			IFE	2,553,525	104.877	2,621,925	2,500,000	2,514,997	(78,125)			3.50	3.00	FA	33,056	91,632	08/28/2009	02/15/2015			
19138H-AH-4	BOTTLING GROUP LLC	SD			IFE	2,620,103	105.880	2,807,322	2,500,000	2,516,844	(1,429)			6.50	5.30	FA	46,044	155,375	08/31/2009	03/15/2014			
13423-AM-1	CAMPBELL SOUP COMPANY	SD			IFE	1,044,760	100.715	1,007,135	1,000,000	1,011,674	(1,466)			6.75	5.40	FA	25,500	67,500	07/26/2007	02/15/2011			
1725R-AB-8	CISCO SYSTEMS INC	SD			IFE	994,068	100.655	1,006,556	1,000,000	999,788	(1,466)			5.25	5.40	FA	18,813	52,500	07/26/2007	02/22/2011			
17267-EH-0	CITIGROUP INC	SD			IFE	1,051,120	108.669	1,084,690	1,000,000	1,000,813	(97)			6.00	5.90	FA	22,667	60,000	08/09/2007	08/15/2015			
19126-AH-3	COCA COLA COMPANY	SD			IFE	1,051,360	104.709	1,047,090	1,000,000	1,048,643	(2,717)			4.75	5.90	MM	5,542	23,750	09/21/2010	06/15/2015			
19129-BT-0	COCA COLA ENTERPRISES	SD			IFE	707,880	101.050	707,352	700,000	708,479	(2,276)			5.75	5.40	MS	11,851	40,250	06/26/2007	03/15/2011			
2085R-AB-7	CONOCOPHIL AU	SD			IFE	1,498,525	116.572	1,457,162	1,250,000	1,411,804	(47,855)			7.375	3.00	MS	30,217	92,188	10/20/2009	03/03/2014			
20811-EV-1	CONS EDISON CO OF NY	SD			IFE	2,650,755	123.649	2,782,103	2,500,000	2,633,188	(21,679)			5.50	3.870	AD	17,417	82,500	01/27/2009	04/15/2013			
2160K-AB-1	COSTCO WHOLESALE CORP	SD			IFE	1,008,874	105.204	1,053,600	1,000,000	1,002,452	(37,155)			7.125	4.60	JD	13,359	160,313	10/21/2009	12/01/2018			
25487-CC-9	DISNEY (THE WALT) COMPANY	SD			IFE	1,030,010	102.805	1,038,638	1,000,000	1,004,553	(1,927)			5.50	5.00	MS	15,606	53,000	08/22/2007	03/15/2012			
26334-BV-0	EDU PONT DE MEMOURS	SD			IFE	1,030,010	111.162	(927,893)	(834,000)	(867,573)	(10,104)			5.700	4.80	JD	26,283	57,000	01/15/2008	07/15/2011			
29157-AA-4	EMORY UNIVERSITY	SD			IFE	1,063,020	111.622	1,111,622	1,000,000	1,040,256	(12,115)			5.875	4.40	JD	(22,593)	215,163	01/22/2009	01/15/2014			
39550-AA-4	GENERAL DYNAMICS CORP	SD			IFE	954,576	119.527	997,965	950,000	945,972	(6,570)			5.625	4.40	MS	16,406	(257,589)	01/22/2009	01/15/2014			
39552-AL-5	GENERAL ELEC CAP CORP	SD			IFE	1,109,777	107.478	1,178,529	1,050,000	1,090,333	(16,288)			4.250	2.570	MM	5,702	44,625	10/15/2009	05/15/2013			
3814-FA-7	GOLDMAN SACHS GROUP INC	SD			IFE	2,025,640	101.891	2,037,620	2,000,000	2,023,909	(1,630)			3.500	2.410	JD	3,450	43,983	09/29/2010	06/29/2015			
43076-AH-2	HOMER DEPOT INC	SD			IFE	247,430	100.732	251,831	250,000	249,889	(593)			3.700	3.410	FA	31,450	...	08/20/2010	08/01/12			
43516-AV-2	HONEYWELL INTERNATIONAL	SD			IFE	2,607,500	105.184	2,654,859	2,500,000	2,578,130	(23,662)			5.200	5.40	MS	4,333	13,000	06/09/2006	03/01/12			
4402E-AB-6	IBM INTL GROUP CAPITAL	SD			IFE	489,685	107.911	527,595	500,000	489,946	80			5.050	2.820	FA	36,597	96,875	09/28/2009	02/15/2014			
4520H-AF-6	ILLINOIS TOOL WORKS INC	SD			IFE	284,463	110.461	295,204	250,000	285,165	(2,883)			5.500	5.00	AD	4,840	25,250	10/17/2007	10/22/2012			
4620H-HP-8	JP MORGAN CHASE & CO	SD			IFE	1,046,220	103.468	1,058,880	1,000,000	1,042,933	(3,297)			3.700	3.800	AD	3,219	12,875	06/29/2009	04/01/2014			
4620H-HP-4	JP MORGAN CHASE & CO	SD			IFE	1,044,410	103.674	1,059,750	1,000,000	1,039,429	(1,961)			3.400	2.570	JD	16,547	17,000	09/29/2010	01/20/2015			
59333-AL-1	MERCK & CO INC	SD			IFE	671,933	103.603	696,088	600,000	610,791	(687)			5.125	4.900	MM	661	...	08/31/2010	06/24/2015			
61466-AN-3	MORGAN STANLEY	SD			IFE	1,529,280	103.577	1,507,770	1,500,000	1,522,883	(1,689)			4.000	3.600	JD	4,388	34,338	08/22/2007	11/24/2011			
61466-RR-3	MORGAN STANLEY	SD			IFE	1,529,280	103.577	1,507,770	1,500,000	1,522,883	(1,689)			5.375	5.350	AD	7,659	36,281	01/15/2008	10/15/2015			
61570-AB-5	FIDC LTD TLP MORGAN STANLEY	SD			IFE	1,250,560	102.608	1,282,512	1,250,000	1,254,140	(4,386)			3.250	2.880	JD	23,698	40,625	12/05/2008	12/01/2011			
63704-CD-3	NORTHERN STATES PHARM	SD			IFE	2,427,165	101.302	2,482,512	2,250,000	2,466,228	(18,341)			5.250	4.20	MS	39,375	118,125	10/22/2009	03/01/2018			
65046-BH-3	PNC FINANCIAL CORP	SD			IFE	2,112,440	103.384	2,067,900	2,000,000	2,066,521	(5,819)			3.625	2.250	FA	28,799	...	10/01/2010	02/08/2015			
7100H-DA-8	PRIZER INC	SD			IFE	2,420,313	112.415	2,529,338	2,250,000	2,385,415	(23,186)			5.350	3.780	MS	35,444	120,375	06/30/2009	03/15/2015			

(continues)

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book-Adjusted Carrying Value					Interest				22
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Dates
71195-AQS	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations (continued)																			
62807-B55	ROCHE-HLDS INC.	SD		1	FE	2,635,665	109,507	2,737,675	2,500,000	2,592,125		(28,925)			5.00	3.750 MS		41,667	125,000	06/09/2009
64602-AA7	SIMON PROPERTY GROUP LP	SD		1	FE	1,010,170	104,932	1,040,323	1,000,000	1,002,633		(2,249)			5.790	5.500 MN		9,583	57,500	07/30/2007
67129-AK3	FDC LTD TLGP SOVEREIGN BANK	SD		1	FE	299,715	102,272	306,816	300,000	298,902		51			2.790	2.780 JJ		3,758	8,250	12/15/2008
67129-AK3	SYSCO INTERNATIONAL CO.	SD		1	FE	998,350	106,399	1,063,990	1,000,000	998,350		(8,199)			4.200	4.200 FA		16,217	42,000	02/07/2008
67129-AK3	TARGET CORPORATION	SD		1	FE	1,000,345	100,164	1,001,648	1,000,000	1,000,323		(11,599)			6.350	5.490 JJ		28,563	63,500	07/30/2007
93142-BV4	WAL-MART STORES INC	SD		1	FE	964,555	100,416	1,029,990	1,000,000	1,007,032		(11,599)			6.375	5.190 FA		28,563	63,500	07/30/2007
94748-EU0	WELLS FARGO & COMPANY	SD		1	FE	1,042,460	104,167	1,044,167	1,000,000	998,753		(5,413)			4.125	5.170 FA		15,583	31,271	09/23/2007
97657-A00	WISCONSIN ENERGY CORP	SD		1	FE	2,123,620	103,684	2,073,880	2,000,000	2,117,123		(5,413)			3.625	2.180 AD		15,306	39,475	01/15/2008
98024-AA8	WYETH	SD		1	FE	961,388	97,373	971,572	915,000	917,880		(11,257)			6.900	5.200 AD		14,869	39,475	01/15/2008
98326-BY2	TRANS-CANADA PIPELINES	SD		1	FE	1,861,985	103,336	1,933,397	1,750,000	1,832,389		(52,079)			7.125	4.700 JJ		65,708	98,250	07/30/2009
04653-A02	ASTRAZENECA PLC	SD		1	FE	2,359,390	122,466	2,449,140	1,000,000	1,012,807		(12,653)			3.400	4.600 MS		15,900	54,000	12/07/2007
05550-BH4	BP CAPITAL MARKETS PLC	SD		1	FE	3,831,338	103,149	3,868,088	3,750,000	3,812,570		(12,653)			3.875	3.440 MS		44,805	145,313	08/06/2009
05571-G58	BNP PARIBAS	SD		1	FE	2,598,075	105,820	2,526,700	2,500,000	1,558,718		(12,653)			3.250	2.350 MS		20,625	19,500	09/30/2010
06793-BB4	BARCLAYS BANK PLC	SD		1	FE	1,060,310	102,114	1,031,159	1,000,000	1,057,269		(12,653)			3.900	2.470 AD		9,100	18,500	09/30/2010
22460-AE7	CREDIT SUISSE NEW YORK	SD		1	FE	2,107,200	102,439	2,048,600	2,000,000	2,016,563		(12,653)			3.900	2.280 MS		19,056	19,500	09/30/2010
25190-Q30	DEUTSCHE BANK AG LONDON	SD		1	FE	2,135,640	104,974	2,095,500	2,000,000	2,127,055		(12,653)			3.875	2.050 FA		28,632	69,240	09/24/2010
25290-A99	DIGECO CAPITAL PLC	SD		1	FE	2,634,225	102,510	2,562,750	2,500,000	2,627,988		(12,653)			7.375	4.510 JJ		76,516	165,938	04/29/2009
44390-AB0	HSBC BANK PLC	SD		1	FE	332,583	105,170	334,439	315,000	2,672,988		(12,653)			3.500	2.280 AD		729	43,750	10/04/2010
51897-AA7	LANDESBANK BADEN-WUERTTEMBERG NY	SD		1	FE	2,058,300	98,976	1,990,540	2,000,000	2,055,215		(12,653)			6.350	5.050 AD		5,001	28,003	03/07/2007
53947N-AA4	LLOYDS TSB BANK PLC	SD		1	FE	86,773,828	87,238,016	87,238,016	82,316,000	85,819,523		(63,608)			4.375	3.530 JJ		1,205,537	2,976,537	06/30/2010
3298999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																			
07380-AE0	Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities																			
07380-AE1	BEAR STEARNS COM MTS 2006-PW13 A4	SD		1	17	3,603,945	105,163	3,450,768	3,250,000	3,591,791		(12,154)			5.540	3.200 MON		15,004	30,008	10/19/2010
19703-AE7	CAPITAL AUTO REC ASSET TR 2007-1 AAA	SD		1	17	3,555,084	102,218	3,322,685	3,250,000	3,546,246		(12,154)			5.201	3.300 MON		14,086	28,172	10/19/2010
22382-AF6	DAMLER CHRYSLER AUTO TR 2007-1 AAA	SD		1	FE	919,313	900,644	899,235	899,315	899,315		(8,935)			5.010	2.080 MON		1,984	44,635	11/05/2009
34502-AF6	FORD CREDIT AUTO OWNER TR 08 C AAA	SD		1	FE	2,133,135	104,237	2,065,343	2,000,000	2,152,794		(8,935)			5.280	2.140 MON		9,107	142,545	11/05/2009
50179A-AE1	LEAS CR COMM AUTO TR 06 C6 M	SD		1	17	1,107,655	103,639	1,084,740	1,000,000	2,064,787		(8,935)			5.880	2.060 MON		4,587	103,200	11/05/2009
61790A-AE1	MORGAN STANLEY CAP 08 Q12 M	SD		1	17	3,157,500	101,465	3,255,793	3,250,000	3,147,719		(3,677)			5.372	3.140 MON		2,984	8,953	10/18/2010
92078-DT6	WACHOVIA BK COMM MTS TR 06 C23 M	SD		1	17	2,735,597	106,301	2,640,160	2,475,000	2,725,069		(11,528)			5.332	3.390 MON		14,441	28,882	10/22/2010
3698999	Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities																			
3698999	Subtotal - Industrial and Miscellaneous (Unaffiliated)					107,231,734		106,514,262	101,055,641	106,052,060		(846,397)						1,275,323	3,385,318	
7795999	Total Bonds - Subtotal - Issuer Obligations					207,875,317		208,652,395	201,455,000	206,414,419		(797,795)						2,366,768	6,351,550	
7895999	Total Bonds - Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities					31,175,938		31,056,955	29,634,340	31,103,060		(163,214)						113,351	637,159	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3			6	7	Fair Value		10	11	Change in Book-Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A. C. V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity
818998 - Total Bonds - Subtotal - Defined Multi-Class Commercial Mortgage-Backed Securities																					
						20,451,906		18,516,245	18,819,841	20,232,137		(210,738)						73,386	408,781		
839999 - Subtotal - Total Bonds																					
						259,503,162		259,225,596	250,103,981	257,746,546		(1,161,785)						2,553,594	7,397,490		

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks Acquired During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
317EA-CC-2	FREDDIE MAC		01/06/2010	BARCLAYS CAPITAL		3,452,418	3,500,000.00	4,579
3620AA-GN-2	GOVERNMENT NATL MTG ASSOC #72395		07/20/2010	BANK OF AMERICA		2,617,187	2,500,000.00	5,025
3620AG-PV-3	GOVERNMENT NATL MTG ASSOC #72394		07/20/2010	BANK OF AMERICA		2,617,188	2,500,000.00	5,025
3620AU-LY-8	GOVERNMENT NATL MTG ASSOC #40489		07/20/2010	BANK OF AMERICA		2,617,188	2,500,000.00	5,025
3620AV-PL-9	GOVERNMENT NATL MTG ASSOC #41227		07/20/2010	BANK OF AMERICA		2,617,188	2,500,000.00	5,025
3620CJ-BL-3	GOVERNMENT NATL MTG ASSOC #45235		07/20/2010	BANK OF AMERICA		2,617,188	2,500,000.00	5,025
3620CJ-BL-4	GOVERNMENT NATL MTG ASSOC #47140		07/20/2010	BANK OF AMERICA		2,617,188	2,500,000.00	5,025
3620CJ-TL-4	GOVERNMENT NATL MTG ASSOC #47162		07/20/2010	BANK OF AMERICA		2,617,188	2,500,000.00	5,025
3620HR-JF-2	GOVERNMENT NATL MTG ASSOC #57690		07/20/2010	BANK OF AMERICA		2,617,187	2,500,000.00	5,025
3620HR-JF-4	GOVERNMENT NATL MTG ASSOC #57690		07/20/2010	BANK OF AMERICA		2,617,188	2,500,000.00	5,025
039599 - Subtotal - Bonds - U.S. Governments						27,007,106	26,000,001.00	55,394
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)								
1303B-PQ-0	CALIFORNIA ST		03/25/2010	SALOMON SMITH BARNEY		1,007,310	1,000,000.00	11,022
1303B-FU-1	CALIFORNIA ST		11/02/2010	SALOMON SMITH BARNEY		1,091,450	1,000,000.00	5,912
64971-CL-2	NEW YORK ST		03/19/2010	MORGAN STANLEY & CO		3,209,733	3,250,000.00	16,834
179599 - Subtotal - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)						5,308,493	5,250,000.00	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)								
68653-JF-3	OREGON SCH BROS ASSN		01/12/2010	STERNE AGE & LEACH		4,220,200	4,000,000.00	8,705
719200-HL-7	ROUND ROCK TEX INDPT SCH DIST		12/01/2010	SIEBERT BRANFORD		1,000,000	1,000,000.00	
79766-NA-0	SAN FRANCISCO CALIF CITY &		03/19/2010	MERRILL LYNCH		4,523,815	4,515,000.00	8,705
249599 - Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						9,844,015	9,515,000.00	
Bonds - U.S. Special Revenue and Special Assessment Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								
3149H-G3-0	FEDERAL NATIONAL MTG ASSOC #A6S17		10/18/2010	JEFFERIES & COMPANY INC.		2,067,261	1,998,500.00	1,999
45024-HA-3	ILLINOIS MUN ELEC AGY PWR SUPP		11/19/2010	J.P. MORGAN SECURITIES INC.		1,115,000	1,115,000.00	
45624-DD-4	INDIANA BD BK REV		10/28/2010	MORGAN KEEGAN		1,947,085	1,715,000.00	25,175
472719-AP-8	JEFFERSON COUNTY COLO &		11/02/2010	KEY BANC CAPITAL MARKETS		2,105,700	2,000,000.00	25,233
49151E-AH-3	KENTUCKY ST PPTY & BLDGS COMM		11/04/2010	RBC DAN RAUSCHER INCORPORATED		2,180,460	2,000,000.00	1,612
679067-FG-6	OKLAHOMA ST CAP IMPT AUTH ST		11/04/2010	RBC DAN RAUSCHER INCORPORATED		1,621,685	1,300,000.00	1,612
78106-ND-7	RUTGERS ST UNIV N J		11/04/2010	MORGAN STANLEY & CO		1,061,000	1,000,000.00	
88657-HS-5	TENNESSEE ST SCH BD AUTH		10/27/2010	KEY BANC CAPITAL MARKETS		1,592,075	1,500,000.00	
91425M-BY-2	UNIVERSITY OF DELAWARE REV		11/10/2010	MORGAN STANLEY & CO		1,143,000	1,143,000.00	
91449-KY-7	UNIVERSITY MASS BLDG AUTH PROJ		11/02/2010	WELLS FARGO FINANCIAL		1,023,000	1,023,000.00	
914716-VH-5	UNIVERSITY N C CHARLOTTE REV		11/18/2010	MORGAN STANLEY & CO		2,873,814	2,800,000.00	
914716-VJ-1	UNIVERSITY N C CHARLOTTE REV		11/18/2010	MORGAN STANLEY & CO		935,000	935,000.00	
914716-VK-8	UNIVERSITY N C CHARLOTTE REV		11/18/2010	MORGAN STANLEY & CO		935,000	935,000.00	
95857-HN-7	WESTERN MUN MUN PWR AGY MINN		11/17/2010	SALOMON SMITH BARNEY		2,970,000	2,970,000.00	
319599 - Subtotal - Bonds - U.S. Special Revenue and Special Assessment Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						23,045,630	22,865,500.00	84,729
Bonds - Industrial and Miscellaneous (Unaffiliated)								
0531F-AF-9	BBAT CORPORATION		09/28/2010	MORGAN STANLEY & CO		1,593,165	1,500,000.00	25,017
0601G-ED-7	BANK OF AMERICA CORP		09/24/2010	JEFFERIES & COMPANY INC.		2,012,460	2,000,000.00	6,017
07388L-AE-0	BEAR STEARNS COM MTG 2006-PW13 A4		10/19/2010	CREDIT SUISSE FIRST BOSTON		3,663,945	3,250,000.00	10,593
173967-FD-8	CITIGROUP INC		07/19/2010	CREDIT SUISSE FIRST BOSTON		3,586,064	3,250,000.00	9,860
3862G-AL-5	GENERAL ELEC CAP CORP		09/21/2010	PARBAS CORPORATION		1,051,360	1,000,000.00	16,493
38141E-A1-4	GOLDMAN SACHS GROUP INC		09/29/2010	PARBAS CORPORATION		2,620,075	2,500,000.00	23,333
4625H-HP-8	JPMORGAN CHASE & CO		08/31/2010	GOLDMAN SACHS		2,025,940	2,000,000.00	5,550
(continues)						1,046,220	1,000,000.00	4,419

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - Industrial and Miscellaneous (Unaffiliated) (continued)								
46823H-HR-4	JPMORGAN CHASE & CO		09/29/2010	PARIBAS CORPORATION		1,041,410	1,000,000.00	9,444
50179M-AE-1	LB-UBS COMM MTG TR 06 C6 A4		10/16/2010	CANTOR FITZGERALD LLC		1,107,656	1,000,000.00	1,492
61746G-7N-3	MORGAN STANLEY		09/24/2010	JEFFRIES & COMPANY INC.		1,523,280	1,500,000.00	10,500
61750W-AX-1	MORGAN STANLEY CAP 1 06 1Q12 A4		10/22/2010	BARCLAYS CAPITAL		3,557,100	3,250,000.00	12,515
693476-BH-5	PNC FUNDING CORP		10/01/2010	UBS WARBURG		2,112,440	2,000,000.00	11,881
92976B-DT-6	WACHOVIA BK COMM MTG TR 06 C23 A4		10/20/2010	CANTOR FITZGERALD LLC		2,735,597	2,475,000.00	7,946
94974B-EU-0	WELLS FARGO & COMPANY		09/28/2010	FTN FINANCIAL SECURITIES CORP		2,123,620	2,000,000.00	36,451
06567L-G6-8	BNP PARIBAS	R	09/28/2010	UBS WARBURG		2,596,475	2,500,000.00	4,514
06739F-GF-2	BARCLAYS BANK PLC	R	10/15/2010	BARCLAYS CAPITAL		1,663,765	1,500,000.00	5,833
06739G-BB-4	BARCLAYS BANK PLC	R	09/30/2010	BARCLAYS CAPITAL		1,060,310	1,000,000.00	19,283
22546Q-AE-7	CREDIT SUISSE NEW YORK	R	09/29/2010	CREDIT SUISSE FIRST BOSTON		2,107,200	2,000,000.00	2,139
25154Q-Q3-0	DEUTSCHE BANK AG LONDON	R	09/24/2010	DEUTSCHE BANK		2,135,640	2,000,000.00	8,826
44329M-AB-0	HSBC BANK PLC	R	10/04/2010	HSBC SECURITIES USA INC.		2,634,225	2,500,000.00	24,863
53947M-AA-4	LLOYDS TSB BANK PLC	R	09/30/2010	DEUTSCHE BANK		2,058,180	2,000,000.00	20,174
38995999 - Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						45,968,807	43,229,000.00	277,954
63995997 - Subtotal - Bonds - Part 3						111,778,059	106,857,590.00	443,325
63995998 - Summary Item from Part 5 for Bonds						75,025,456	71,649,999.00	204,081
63995999 - Subtotal - Bonds						186,803,506	178,807,589.00	647,406
99995999 - TOTALS						186,803,506	178,807,589.00	647,406

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	11	12	13	14	15	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	
Bonds - U.S. Governments																				
3128XK4K-3	FREDDIE MAC	10/18/2010	MATURITY	300,000	300,000.00	298,782	298,785	298,785	215	215		215		300,000				15,000	10/18/2010	
3133XN-ES-6	FEDERAL HOME LOAN BANK	10/22/2010	MATURITY	1,000,000	1,000,000.00	1,028,880	1,012,091	1,012,091				(12,091)		1,000,000				43,750	10/22/2010	
3133XN-ES-6	FEDERAL HOME LOAN BANK	12/21/2010	BARCLAYS CAPITAL	1,063,172	1,000,000.00	1,049,355	1,042,106	1,042,106		(10,443)		(10,443)		1,001,562		37,510	37,510		42,984	10/21/2010
3133XN-ES-6	FEDERAL HOME LOAN BANK	10/20/2010	MATURITY	2,000,000	2,000,000.00	2,002,743	2,001,116	2,001,116		(1,116)		(1,116)		2,000,000				67,500	10/20/2010	
31344A-9B-7	FREDDIE MAC	07/12/2010	MATURITY	750,000	750,000.00	731,473	747,554	747,554		2,346		2,346		750,000				30,508	07/12/2010	
3135N4-GJ-6	FEDERAL NATIONAL MORTGAGE ASSOCIATION	11/15/2010	MATURITY	600,000	600,000.00	631,055	603,511	603,511		(3,511)		(3,511)		600,000				39,750	11/15/2010	
3135N4-GJ-6	FEDERAL NATIONAL MORTGAGE ASSOCIATION	12/15/2010	MATURITY	950,000	950,000.00	946,611	946,242	946,242		758		758		950,000				45,125	12/15/2010	
3200AC-GN-2	GOVERNMENT NATL MTG ASSOC #72395	07/09/2010	MATURITY	700,000	700,000.00	702,200	700,066	700,066		(88)		(88)		700,000				17,063	07/09/2010	
3200AC-GN-2	GOVERNMENT NATL MTG ASSOC #72542	12/01/2010	PAYDOWN	14,185	14,185.00	14,850	14,850	14,850		(665)		(665)		14,185				137	06/01/2040	
3200AL-JV-8	GOVERNMENT NATL MTG ASSOC #74049	12/01/2010	PAYDOWN	26,524	26,524.00	27,787	27,787	27,787		(1,263)		(1,263)		26,524				275	06/01/2040	
3200AL-JV-8	GOVERNMENT NATL MTG ASSOC #74127	12/01/2010	PAYDOWN	13,526	13,526.00	14,180	14,180	14,180		(654)		(654)		13,526				132	07/01/2040	
3200AL-JV-8	GOVERNMENT NATL MTG ASSOC #74256	12/01/2010	PAYDOWN	12,781	12,781.00	13,390	13,390	13,390		(609)		(609)		12,781				126	06/01/2040	
3200CC-BH-4	GOVERNMENT NATL MTG ASSOC #74140	12/01/2010	PAYDOWN	13,365	13,365.00	13,992	13,992	13,992		(627)		(627)		13,365				162	07/01/2040	
3200CC-BH-4	GOVERNMENT NATL MTG ASSOC #74140	12/01/2010	PAYDOWN	12,866	12,866.00	13,490	13,490	13,490		(624)		(624)		12,866				120	07/01/2040	
3200CC-BH-4	GOVERNMENT NATL MTG ASSOC #74140	12/01/2010	PAYDOWN	16,663	16,663.00	17,444	17,444	17,444		(781)		(781)		16,663				14,628	09/01/2037	
3202K1-K6-2	GOVERNMENT NATL MTG ASSOCIATION #762437	12/01/2010	PAYDOWN	848,341	848,341.00	881,745	851,147	851,147		(2,864)		(2,864)		848,341				16,743	03/01/2038	
3202K1-K6-2	GOVERNMENT NATL MTG ASSOCIATION #762438	12/01/2010	PAYDOWN	981,889	981,889.00	1,020,561	986,059	986,059		(3,169)		(3,169)		981,889				123	06/01/2038	
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	12/01/2010	PAYDOWN	13,135	13,135.00	13,750	13,750	13,750		(615)		(615)		13,135				9,969	01/15/2010	
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	07/15/2010	VARIOUS	2,200,877	2,093,322.00	2,181,983	2,181,983	2,181,983		(7,773)		(7,773)		2,174,220		46,857	46,857		64,490	06/01/2038
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	12/01/2010	PAYDOWN	13,062	13,062.00	13,706	13,706	13,706		(644)		(644)		13,062				120	06/01/2040	
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	01/15/2010	MATURITY	550,000	550,000.00	541,215	548,915	548,915		85		85		550,000				9,969	01/15/2010	
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	03/15/2010	MATURITY	1,060,000	1,060,000.00	1,093,363	1,093,653	1,093,653		347		347		1,060,000				21,200	03/15/2010	
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	04/15/2010	MATURITY	600,000	600,000.00	590,063	598,584	598,584		1,016		1,016		600,000				12,000	04/15/2010	
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	11/12/2010	GOLDMAN SACHS	1,137,184	1,000,000.00	1,030,742	1,030,742	1,030,742		(3,532)		(3,532)		1,027,359		115,815	115,815		53,125	08/15/2015
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	06/01/2010	VARIOUS	20,252,623	20,230,000.00	20,235,520	20,231,262	20,231,262		(1,121)		(1,121)		20,230,339		22,463	22,463		241,360	05/31/2010
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	11/12/2010	GOLDMAN SACHS	1,130,777	1,000,000.00	1,016,916	1,016,916	1,016,916		(1,366)		(1,366)		1,013,850		117,067	117,067		50,000	08/15/2018
3202K1-K6-2	GOVERNMENT NATL MTG ASSOC #657690	12/21/2010	GOLDMAN SACHS	1,234,949	1,200,000.00	1,230,754	1,230,754	1,230,754		(1,227)		(1,227)		1,231,572		13,377	13,377		20,967	03/15/2012
039999	Subtotal - Bonds - U.S. Governments			37,501,580	37,065,730.00	37,286,311	37,055,301	37,055,301		(43,586)		(43,586)		37,149,052		352,529	352,529		807,611	
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																				
2072G5-AK-3	CONNECTICUT ST.	11/02/2010	WELLS FARGO FINANCIAL	4,348,901	3,900,000.00	3,953,820	3,953,553	3,953,553		(2,583)		(2,583)		3,951,069		385,832	385,832		175,759	12/01/2022
2549A-WB-1	DISTRICT COLUMBIA	06/01/2010	MATURITY	200,000	200,000.00	223,844	221,514	221,514		(1,514)		(1,514)		200,000					5,500	06/01/2010
8370K-WB-1	SOUTH CAROLINA ST	01/13/2010	VARIOUS	200,000	200,000.00	223,844	223,244	223,244						202,000					5,750	01/13/2010
8822Z-JZ-5	TEXAS ST	11/01/2010	JP MORGAN SECURITIES INC.	2,285,180	2,000,000.00	2,000,000	2,000,000	2,000,000						2,000,000					100,543	10/01/2010
8822Z-KA-8	TEXAS ST	12/03/2010	SWS SECURITIES INC.	653,032	600,000.00	600,000	600,000	600,000						600,000					52,032	10/01/2023
179999	Subtotal - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)			7,827,113	7,100,000.00	7,207,508	7,157,166	7,157,166		(4,097)		(4,097)		7,153,069		674,044	674,044		375,362	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																				
43881-HY-2	HOPKINS MINN INDPT SCH DIST NO	07/09/2010	SUNTRUST CAPITAL MARKETS	1,022,300	1,000,000.00	1,005,850	1,005,773	1,005,773		(156)		(156)		1,005,617		16,313	16,313		32,633	12/01/2020
55701-HS-4	MADISON CNTY ILL CNTY UNIT SC	01/13/2010	SALOMON SMITH BARNEY	2,005,460	1,800,000.00	1,951,750	1,951,352	1,951,352		(440)		(440)		1,951,912		124,548	124,548		12,000	02/01/2017
02656-DA-1	MILWAUKEE WIS	02/15/2010	MATURITY	1,000,000	1,000,000.00	1,042,770	1,041,668	1,041,668		(1,102)		(1,102)		1,000,000					25,000	02/15/2010
249599	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)			4,023,360	3,800,000.00	3,957,580	3,950,733	3,950,733		(2,204)		(2,204)		3,948,529		140,861	140,861		69,633	
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																				
3128K-QJ-0	FEDERAL HOME LN MTG CORP #61557	12/01/2010	PAYDOWN	23,133	23,133.00	31,308	31,308	28,508		(316)		(316)		23,133					821	11/01/2016
3128K-ZW-6	FEDERAL HOME LN MTG CORP #61550	12/01/2010	PAYDOWN	30,827	30,827.00	32,841	32,841	31,151		(325)		(325)		30,827					494	03/01/2018
3128K-ZW-6	FEDERAL HOME LN MTG CORP #61550	07/15/2010	VARIOUS	1,015,397	1,040,362.00	1,060,073	1,060,073	1,060,073		(10,179)		(10,179)		1,049,894		16,502	16,502		40,281	11/01/2022
3128K-ZW-6	FEDERAL HOME LN MTG CORP #61550	12/01/2010	VARIOUS	1,126,485	1,071,594.00	1,115,571	1,115,571	1,115,571		(1,888)		(1,888)		1,113,689		12,816	12,816		30,132	04/01/2023

(continues)

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value				16	17	18	19	20	21
										11	12	13	14	15					
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation (Increase/Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V. (14+15)	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions (continued)																			
312MM-AR-3	FEDERAL HOME LN MTG CORP #61003	07/15/2010	VARIOUS	2,319,130	2,217,782.00	2,303,721	2,303,721	2,303,721	(18,233)	(18,233)		(18,233)		2,295,488		25,642	25,642	59,451	10/01/2022
312BK-EO-3	FEDERAL HOME LN MTG CORP #07343	07/15/2010	VARIOUS	2,087,836	2,013,301.00	2,091,946	2,091,946	2,091,946	(14,589)	(14,589)		(14,589)		2,077,357		20,879	20,879	51,882	12/01/2022
312BK-W6-9	FEDERAL HOME LN MTG CORP #07688	07/15/2010	VARIOUS	1,986,849	1,922,266.00	1,997,355	1,997,355	1,997,355	(17,421)	(17,421)		(17,421)		1,979,934		18,915	18,915	47,722	12/01/2022
312BK-W4-9	FEDERAL HOME LN MTG CORP #07848	07/15/2010	VARIOUS	4,031,639	3,893,656.00	4,005,427	4,005,427	4,005,427	(20,352)	(20,352)		(20,352)		3,985,075		42,764	42,764	102,786	12/01/2022
312PP-JF-1	FEDERAL HOME LN MTG CORP #10262	07/15/2010	VARIOUS	2,056,624	1,959,355.00	2,033,671	2,033,671	2,033,671	(2,343)	(2,343)		(2,343)		2,031,328		25,497	25,497	54,971	07/01/2024
312PP-AC-6	FEDERAL HOME LN MTG CORP #10291	07/15/2010	VARIOUS	2,054,759	1,959,047.00	2,033,309	2,033,309	2,033,309	(3,603)	(3,603)		(3,603)		2,029,707		25,052	25,052	54,914	07/01/2024
312PP-L6-6	FEDERAL HOME LN MTG CORP #10293	07/15/2010	VARIOUS	2,037,760	1,941,309.00	2,015,928	2,015,928	2,015,928	(3,152)	(3,152)		(3,152)		2,012,776		24,984	24,984	54,268	05/01/2023
312RK-L6-6	FEDERAL HOME LN MTG CORP #01251	12/01/2010	PAYDOWN	26,096	26,096.00	26,393	26,393	26,393	(296)	(296)		(296)		26,096				781	05/01/2017
313M-AR-1	FEDERAL NATIONAL MTG ASSOC #25200	08/16/2010	VARIOUS	293,933	277,227.00	285,507	285,507	285,507	(4,402)	(4,402)		(4,402)		281,105		2,828	2,828	9,712	08/01/2020
314OE-W2-2	FEDERAL NATIONAL MTG ASSOC #65605	12/01/2010	PAYDOWN	34,285	34,285.00	36,480	36,480	36,480	(4,531)	(4,531)		(4,531)		34,285				980	07/01/2017
314OD-DK-2	FEDERAL NATIONAL MTG ASSOC #65406	08/16/2010	VARIOUS	263,731	266,020.00	267,365	267,365	267,365	(4,633)	(4,633)		(4,633)		262,734		977	977	10,198	01/01/2019
314UG-N8-2	FEDERAL NATIONAL MTG ASSOC #68815	07/25/2010	VARIOUS	2,300,503	2,204,465.00	2,300,933	2,300,933	2,300,933	(6,433)	(6,433)		(6,433)		2,294,500		16,003	16,003	58,157	01/01/2020
314M-G6-8	FEDERAL NATIONAL MTG ASSOC #64921	07/15/2010	VARIOUS	1,932,600	1,847,355.00	1,919,519	1,919,519	1,919,519	(8,737)	(8,737)		(8,737)		1,910,782		21,818	21,818	50,361	12/01/2022
314M-A2-3	FEDERAL NATIONAL MTG ASSOC #67207	07/25/2010	VARIOUS	1,812,031	1,720,268.00	1,799,823	1,799,823	1,799,823	(6,743)	(6,743)		(6,743)		1,793,080		20,530	20,530	47,237	01/01/2022
314AS-62-1	FEDERAL NATIONAL MTG ASSOC #67598	07/25/2010	VARIOUS	2,208,035	2,117,268.00	2,199,953	2,199,953	2,199,953	(15,155)	(15,155)		(15,155)		2,184,798		23,237	23,237	55,044	01/01/2023
314M-AC-2	FEDERAL NATIONAL MTG ASSOC #67593	07/15/2010	VARIOUS	3,208,842	3,004,414.00	3,131,374	3,131,374	3,131,374	(24,760)	(24,760)		(24,760)		3,086,614		31,848	31,848	76,862	02/01/2023
314M-AC-3	FEDERAL NATIONAL MTG ASSOC #67595	07/25/2010	VARIOUS	1,944,596	1,854,154.00	1,939,583	1,939,583	1,939,583	(12,971)	(12,971)		(12,971)		1,926,611		20,588	20,588	48,797	05/01/2023
314M-AC-4	FEDERAL NATIONAL MTG ASSOC #67596	07/15/2010	VARIOUS	1,897,682	1,815,465.00	1,889,089	1,889,089	1,889,089	(10,291)	(10,291)		(10,291)		1,878,798		20,864	20,864	47,814	01/01/2023
314M-AC-5	FEDERAL NATIONAL MTG ASSOC #68305	07/25/2010	VARIOUS	2,050,076	1,956,545.00	2,044,465	2,044,465	2,044,465	(14,749)	(14,749)		(14,749)		2,029,717		21,353	21,353	50,634	02/01/2023
314M-AC-6	FEDERAL NATIONAL MTG ASSOC #68306	07/15/2010	VARIOUS	1,674,076	1,656,511.00	1,669,330	1,669,330	1,669,330	(11,778)	(11,778)		(11,778)		1,657,553		17,524	17,524	41,679	02/01/2022
314M-AC-7	FEDERAL NATIONAL MTG ASSOC #68517	12/01/2010	PAYDOWN	2,796	2,796.00	2,885	2,885	2,885	(1)	(1)		(1)		2,795				9	08/01/2040
38875-BU-0	GRAND STRAND SC WTR & SWP AUTH	06/01/2010	SINKING FUND REDEMPTION	340,000	340,000.00	318,312	340,118	340,118	(118)	(118)		(118)		340,000				10,837	06/01/2012
5840A-AZ-3	LITTLE ROCK ARK WASTE DISP REV	05/01/2010	MATURITY	600,000	600,000.00	593,233	592,759	592,759	(2,739)	(2,739)		(2,739)		900,000		20,250	20,250	130,435	05/01/2010
66082-BZ-6	MECKLENBURG CNTY INC PUB FACS	12/07/2010	HARDEN SECURITIES	2,281,297	2,055,000.00	2,307,416	2,306,842	2,306,842	(22,349)	(22,349)		(22,349)		2,284,492		(3,199)	(3,199)	39,222	03/01/2022
6607V-AY-7	MISSOURI JT MAIN ELEC UTIL COM	06/21/2010	MESROW FINANCIAL INC	881,284	812,000.00	826,358	826,358	826,358	1,045	1,045		1,045		826,358		35,456	35,456	114,718	01/01/2016
7339W-AG-9	OREGON ST DEPT ADMINISTRATIVE	07/09/2010	RBC BANK RAUSCHER INCORPORATED	2,829,916	2,715,000.00	2,891,470	2,888,902	2,888,902	(696)	(696)		(696)		2,889,597		193,329	193,329	153,329	09/01/2021
934BP-AL-3	PORT AUTH NY & NJ	06/24/2010	MESROW FINANCIAL INC	537,385	500,000.00	516,310	517,335	517,335	(752)	(752)		(752)		516,580		20,525	20,525	15,337	12/01/2019
319899-Subst	WYOMING ST LN & MVT BRD CAP	06/23/2010	STONE & YOUNGBERG LLC	151,401	160,000.00	194,081	194,481	194,481	(241,755)	(241,755)		(241,755)		183,649		11,752	11,752	6,575	10/01/2012
319899-Subst - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions														46,318,169		615,289	615,289	1,333,461	
Bonds - Industrial and Miscellaneous (Unaffiliated)																			
0815R-AP-1	AIR PRODUCTS (Unaffiliated)	03/05/2010	JEFFERIES & COMPANY INC.	991,840	1,000,000.00	999,280	999,301	999,301	11	11		11		999,312		(17,472)	(17,472)	24,184	08/15/2010
0375C-AA-4	AMERIPRISE FINANCIAL INC	11/15/2010	MATURITY	28,000	28,000.00	28,536	28,173	28,173	(363)	(363)		(363)		28,000				1,488	11/15/2010
0552N-CP-6	AMERIPRISE FINANCIAL INC	06/21/2010	STEELE-PANFILIOWIS	789,398	750,000.00	776,868	725,934	725,934	3,547	3,547		3,547		725,481		59,916	59,916	30,888	01/15/2013
08525-AD-6	BANK OF AMERICA CORPORATION	04/01/2010	VARIOUS	250,000	250,000.00	260,608	250,540	250,540	(740)	(740)		(740)		250,000		92,255	92,255	56,000	02/15/2010
07183-AC-7	BAYER INTERNATIONAL INC	11/15/2010	REC DOMINION SECURITIES INC	1,093,250	1,000,000.00	995,600	995,753	995,753	(241)	(241)		(241)		995,504		2,552	2,552	40,248	06/15/2011
1872X-AC-7	CAPITAL AUTO REC ASSET TR 2007-1 AAA	12/15/2010	PAYDOWN	1,169,085	1,144,437.00	1,144,437	1,144,437	1,144,437	(20,116)	(20,116)		(20,116)		1,124,321		2,552	2,552	4,297	01/15/2011
18171-AQ-7	CHASE ISSUANCE TR 2005-A7	07/15/2010	CHASE SECURITIES FIRST BOSTON	1,007,539	1,000,000.00	1,041,250	1,038,326	1,038,326	(24,032)	(24,032)		(24,032)		1,014,294		33,719	33,719	31,577	01/15/2011
18171-AQ-8	CHASE ISSUANCE TR 2005-A10	12/21/2010	CHASE SECURITIES FIRST BOSTON	1,006,602	1,000,000.00	1,035,313	1,029,554	1,029,554	(3,055)	(3,055)		(3,055)		1,026,500		87,664	87,664	17,172	01/15/2011
18171-AQ-9	CHASE ISSUANCE TR 2005-A10	12/21/2010	CHASE SECURITIES FIRST BOSTON	1,006,602	1,000,000.00	1,035,313	1,029,554	1,029,554	(3,055)	(3,055)		(3,055)		1,026,500		87,664	87,664	17,172	01/15/2011
2025E-AT-1	CONOCOPHILLIPS	11/05/2010	FINANCIAL SECURITIES CORP	300,275	300,000.00	305,489	304,559	304,559	(785)	(785)		(785)		303,774		88,439	88,439	15,469	05/08/2012
2338D-AF-2	DANIEL CHEVROLET AUTO TR 2007-1 AAA	12/01/2010	PAYDOWN	300,275	300,000.00	305,489	304,559	304,559	(785)	(785)		(785)		303,774		88,439	88,439	15,469	05/08/2012
2534U-BV-2	DOMINION SECURITIES INC	01/26/2010	FINANCIAL SECURITIES CORP	699,459	955,000.00	614,498	611,423	611,423	(1,404)	(1,404)		(1,404)		610,020		90,667	90,667	114,642	01/15/2014
2534U-BV-3	EDU FORT LEWIS INC	03/22/2010	SECURITY CALLED BY ISSUER AT 115.159	990,430	924,000.00	886,559	877,577	877,577	(6,115)	(6,115)		(6,115)		870,000		23,000	23,000	90,667	02/15/2012
4870A-AQ-0	INTL LEASE FINANCIAL CORP	10/27/2010	BANK OF AMERICA	679,000	700,000.00	701,481	700,601	700,601	(70)	(70)		(70)		700,601		182,205	182,205	76,353	08/01/2017
4848B-BB-8	KNEBEL CLAR	10/27/2010	MORGAN STANLEY & CO	1,294,390	1,000,000.00	1,029,990	1,029,386	1,029,386	(2,201)	(2,201)		(2,201)		1,027,185		90,000	90,000	90,000	11/30/2010
5257P-WA-0	LEHMAN BROTHERS HOLDINGS INC	10/01/2010	BARCLAYS CAPITAL	215,000	1,000,000.00	125,000	125,000	125,000						125,000					

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value				16	17	18	19	20	21
										11	12	13	14						
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12+13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
Bonds - Industrial and Miscellaneous (Unaffiliated) (continued)																			
58031-AP-2	MERCK & CO INC	10/27/2010	RBC DOMINION SECURITIES INC		3,874,850	3,500,000.00	3,557,540	3,553,371	(7,458)	(7,458)		(7,458)		3,545,945		328,905	328,905	117,055	06/15/2014
67659-BX-2	OCCIDENTAL PETROLEUM COR	10/26/2010	JP MORGAN SECURITIES INC.		3,069,385	2,750,000.00	2,798,813	2,759,853	(5,425)	(5,425)		(5,425)		2,781,428		277,957	277,957	103,354	08/01/2016
89376-AN-5	PNC FINANCIAL CORP	03/19/2010	MATURITY		475,000	475,000.00	470,739	474,864	156	156		156		475,000				10,588	03/19/2010
71081-DN-8	PRIZER INC	10/27/2010	BANK OF AMERICA		1,731,510	1,500,000.00	1,618,875	1,609,732	(16,157)	(16,157)		(16,157)		1,593,575		137,935	137,935	50,304	03/15/2015
74059-AN-6	PRAXAIR INC	10/27/2010	GOLDMAN SACHS		2,917,850	2,750,000.00	2,745,933	2,743,306	963	963		963		2,744,269		173,591	173,591	168,491	09/15/2015
72078-DQ-9	PROCTER & GAMBLE CO/THE	12/03/2010	PARGAS CORPORATION		264,280	250,000.00	248,430	249,460	83	83		83		249,543		14,747	14,747	0,062	09/01/2015
85077-AB-9	STATE STREET CORP	06/15/2010	MATURITY		500,000	500,000.00	574,920	507,572	(7,572)	(7,572)		(7,572)		500,000		278,666	278,666	190,336	06/15/2010
81907-BQ-1	UNITED TECHNOLOGIES CORP	10/26/2010	JEFFERIES & COMPANY INC.		3,061,475	2,500,000.00	2,815,900	2,805,890	(23,081)	(23,081)		(23,081)		2,782,809		9,282	9,282	5,000	03/21/2014
82593-AF-9	SHELL INTERNATIONAL FIN	04/22/2010	JP MORGAN SECURITIES INC.		264,640	250,000.00	255,410	255,882	(414)	(414)		(414)		255,368		(7,015)	(7,015)	77,042	09/22/2018
82593-AL-1	SHELL INTERNATIONAL FIN	04/22/2010	RBC DOMINION SECURITIES INC		3,004,740	3,000,000.00	3,012,300	3,012,066	(311)	(311)		(311)		3,011,755		189,950	189,950	44,886	04/15/2014
80715-AB-2	STATOLPHORO ASA	01/19/2010	CITIGROUP GLOBAL MARKETS		4,500,423	4,300,000.00	4,313,031	4,311,510	(147)	(147)		(147)		4,311,363		2,092,723	2,092,723	1,327,660	
368999 - Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					35,456,505	33,641,359.00	33,638,421	33,489,846	(126,064)	(126,064)		(126,064)		33,363,782		3,815,846	3,815,846	3,915,668	
639997 - Subtotal - Bonds - Part 4					131,748,447	126,352,748.00	128,743,466	128,151,173	(417,710)	(417,710)		(417,710)		127,872,601		1,039,706	1,039,706	899,428	
639998 - Summary Item from Part 5 for Bonds					76,017,873	71,649,959.00	75,025,456		(147,290)	(147,290)		(147,290)		74,878,165					
639999 - Subtotal - Bonds					207,766,320	198,002,747.00	203,768,942	203,151,173	(564,999)	(564,999)		(564,999)		202,750,767		5,015,553	5,015,553	4,813,096	
999999 - TOTALS					207,766,320		203,768,942	203,151,173	(564,999)	(564,999)		(564,999)		202,750,767		5,015,553	5,015,553	4,813,096	

SCHEDULE D - PART 5

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
CUSIP Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and C.	
Bonds - U.S. Governments																				
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA				2,590,000.000	2,617,387	2,654,048	2,613,832	(3,355)	(3,355)				50,216	50,216	23,103		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	10/12/2010	VARIOUS		2,590,000.000	2,617,388	2,654,033	2,613,695	(3,452)	(3,452)				50,338	50,338	23,102		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,226	2,615,076	(2,049)	(2,049)				24,088	24,088	16,551		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,388	2,653,263	2,615,076	(2,111)	(2,111)				24,192	24,192	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	07/20/2010	BANK OF AMERICA	09/21/2010	VARIOUS		2,590,000.000	2,617,387	2,653,261	2,615,086	(2,101)	(2,101)				24,195	24,195	16,550		5,655
70206ZSE-5	GOVERNMENT NATL MFG ASSOC #7020	0																		

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Date Acquired	6 Name of Vendor	7 Maturity Date	8 Book/Adjusted Carrying Value	9 Change in Book/Adjusted Carrying Value				13 Par Value	14 Actual Cost	Interest					21 Paid for Accrued Interest							
		3	4					9 Unrealized Valuation Increase/ (Decrease)	10 Current Year's (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Total Foreign Exchange Change in B./A.C.V.			15 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	16 Non-Admitted Due and Accrued	17 Rate of	18 Effective Rate of	19 When Paid		20 Amount Received During Year						
Exempt Money Market Mutual Funds																										
784924-30-0	SSGA US GOVERNMENT MM FUND			08/23/2010	DIRECT		4,130,522						4,130,522													
8898989	Subtotal - Exempt Money Market Mutual Funds						4,130,522						4,130,522													
Class One Money Market Mutual Funds																										
74028P-75-3	PRIME MONEY MARKET-RBC IS 1			10/15/2010	DIRECT		2,373,327						2,373,327	.67												
8898989	Subtotal - Class One Money Market Mutual Funds						2,373,327						2,373,327	.67												
9198989	TOTAL Short-Term Investments						6,503,849						6,503,849	.67												

SCHEDULE E - PART 1 - CASH

1		2	3	4	5	6	7
Depository							
Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
Open Depositories							
Wells Fargo Bank	San Francisco, CA					6,579,002	
State Street Bank	Kansas City, MO					30,389	
Bank of Hawaii	Honolulu, HI					49,834	
HSBC Bank	San Francisco, CA					176,136	
Comerica Bank	Detroit, MI					1,500,000	
Keybank	Brooklyn, OH					18,281	
Citibank	San Francisco, CA					235,815	
0199999 - TOTAL - Open Depositories						8,589,458	
0399999 - TOTAL Cash on Deposit						8,589,458	
0599999 - TOTAL Cash						8,589,458	

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	15,609,802	4. April	5,027,297	7. July	4,677,875	10. October	4,795,158
2. February	8,839,341	5. May	5,155,344	8. August	5,151,586	11. November	7,904,383
3. March	2,533,978	6. June	8,833,125	9. September	4,793,055	12. December	8,589,458

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
Other Cash Equivalents							
Wells Fargo Bank CD	SD	12/08/2010	0.200	03/08/2011	68,352	9	145
First National Bank of Alaska CD	SD	07/05/2010	0.200	01/05/2011	25,000	23	90
8599999 - Other Cash Equivalents					93,352	32	244
8599999 - TOTAL Cash Equivalents					93,352	32	244

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK	C WORKERS COMP.			25,000	25,000
3. Arizona	AZ	B WORKERS COMP.	3,728,472	3,853,863	260,832	273,072
4. Arkansas	AR					
5. California	CA	O WORKERS COMP, WORKERS COMP.	151,669,848	153,229,952	2,967,077	3,083,267
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL	B WORKERS COMP.			153,756	157,985
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID	B WORKERS COMP.			254,760	261,716
14. Illinois	IL	B WORKERS COMP.			50,555	52,735
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV	B WORKERS COMP.			300,000	310,164
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM	B WORKERS COMP.			100,103	103,646
33. New York	NY	B WORKERS COMP.	34,726,023	35,022,375		
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR	B WORKERS COMP.	1,951,068	1,992,206		
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA	B WORKERS COMP.			212,453	217,974
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U. S. Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Alien and Other	OT	X X X			38,433,997	38,260,290
59. Total	X X X	X X X	192,075,411	194,098,396	42,758,533	42,745,649
DETAILS OF WRITE-INS						
5801. Letter of Credit					30,110,446	29,787,222
5802. Reinsurance					7,608,945	7,761,629
5803. NCCI					714,606	711,439
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)	X X X	X X X			38,433,997	38,260,290



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

REINSURANCE ATTESTATION SUPPLEMENT

REINSURANCE ATTESTATION SUPPLEMENT

ATTESTATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER REGARDING REINSURANCE AGREEMENTS

With respect to all reinsurance contracts for which Majestic Insurance Company (The Company) has taken credit for in the Annual Statement for the period ended December 31, 2010, the undersigned attest to the following:

- (1) Consistent with SSAP No. 62-*Property and Casualty Reinsurance*, there are no separate written or oral agreements between the Company (or its affiliates) and the assuming reinsurer that would under any circumstances, reduce, mitigate or otherwise affect any actual or potential loss to parties under the reinsurance contract, other than inuring contracts that are explicitly defined in the reinsurance contract except as disclosed herein;
- (2) For each such reinsurance contract entered into, renewed, or amended on January 1, 1994, for which risk transfer is not reasonably considered to be self-evident, documentation concerning the economic intent of the transaction and the risk transfer analysis evidencing the proper accounting treatment, as required by SSAP No. 62-*Property Casualty Reinsurance*, is available for review;
- (3) The Company has complied with all the requirements set forth in SSAP No 62-*Property Casualty Reinsurance*; and
- (4) The Company has appropriate controls in place to monitor the use of reinsurance and adhere to the provisions of SSAP No. 62-*Property Casualty Reinsurance*.

Exceptions:

None

Signatures:


Chief Executive Officer


Chief Financial Officer



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE MAJESTIC INS CO

**REINSURANCE SUMMARY SUPPLEMENTAL FILING FOR
GENERAL INTERROGATORY 9 (PART 2)**

For The Year Ended December 31, 2010
To Be Filed by March 1

(A) Financial Impact			
	1	2	3
	As Reported	Interrogatory 9 Reinsurance Effect	Restated Without Interrogatory 9 Reinsurance
A01. Assets	295,372,450	(1,202,601)	294,169,849
A02. Liabilities	237,430,846	(2,147,677)	235,283,169
A03. Surplus as regards to policyholders	57,941,604	945,076	58,886,680
A04. Income before taxes	(22,515,445)	(427,240)	(22,942,685)

[illegible]

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

Statement of Actuarial Opinion
(Data to be Filed in Both Print and Data Capture Formats)

Exhibit A - SCOPE

Loss Reserves	
1. Reserve for Unpaid Losses (Liabilities, Surplus and Other Funds page, Column 1, Line 1)	131,122,718
2. Reserve for Unpaid Loss Adjustment Expenses (Liabilities, Surplus and Other Funds page, Column 1, Line 3)	25,335,911
3. Reserve of Unpaid Losses - Direct and Assumed (should equal Schedule P, Part 1, Totals from Columns 13 and 15, Line 12 * 1000)	279,828,000
4. Reserve for Unpaid Loss Adjustment Expenses - Direct and Assumed (should equal Schedule P, Part 1, Totals from Columns 17, 19 and 21, Line 12 * 1000)	37,673,000
5. The Page 3 write-in reserve, "Retroactive Reinsurance Reserve Assumed"	
6. Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion	
6.0001	
6.0002	
6.0003	
6.0004	
6.0005	
6.0006	
6.0007	
6.0008	
6.0009	
6.0010	
Premium Reserves	
7. Reserve for Direct and Assumed Unearned Premiums for Long Duration Contracts	
8. Reserve for Net Unearned Premiums for Long Duration Contracts	
9. Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion	
9.0001	
9.0002	
9.0003	
9.0004	
9.0005	
9.0006	
9.0007	
9.0008	
9.0009	
9.0010	

Exhibit B - DISCLOSURES

1. Name of the Appointed Actuary (Last, First, Middle, Title)	Dawson	John	A.	FACS, MAAA	
2. The Appointed Actuary's Relationship to the Company E - If an Employee C - If a Consultant					C
3. The Appointed Actuary is a Qualified Actuary based upon which qualification? F - If a Fellow of the Casualty Actuarial Society (FCAS) A - If an Associate of the Casualty Actuarial Society (ACAS) M - If not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter. O - For Other					F
4. Type of Opinion, as identified in the OPINION paragraph R - If Reasonable I - If Inadequate or Deficient Provision E - If Excessive or Redundant Provision Q - If Qualified. Use Q when part of the OPINION is Qualified. N - If No Opinion					R
5. Materiality Standard expressed in US dollars (Used to answer Question #6)					\$ 11,588,000
6. Is there a Significant Risk of Material Adverse Deviation?				Yes (X) No () N/A ()	
7. Statutory Surplus (Liabilities, Column 1, Line 37)					\$ 57,941,604
8. Anticipated net salvage and subrogation included as reduction to loss reserves as reported in Schedule P (should equal Part 1 Summary, Column 23, Line 12 * 1000)					\$ 2,755,000
9. Discount included as a reduction to loss reserves and loss expense reserves as reported in Schedule P 9.1 Nontabular Discount (Notes, Line 32B23, (Amounts 1, 2, 3 and 4)), Electronic Filing Columns 7, 8, 9 and 10 9.2 Tabular Discount (Notes, Line 32A23, (Amounts 1 and 2)), Electronic Filing Columns 7 and 8					\$
10. The net reserves for losses and expenses for the company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and expenses that are included in reserves shown on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines					\$ 2,331,000
11. The net reserves for losses and loss adjustment expenses that the company carries for the following liabilities included on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines 11.1 Asbestos, as disclosed in the Notes to Financial Statements (Notes, Line 33A03D, ending net asbestos reserves for current year), Electronic Filing Column 11 11.2 Environmental, as disclosed in the Notes to Financial Statements (Notes, Line 33D03D, ending net environmental reserves for current year), Electronic Filing Column 11					\$
12. The total claims made extended loss and expense reserve (Greater than or equal to Schedule P Interrogatories) 12.1 Amount reported as loss reserves 12.2 Amount reported as unearned premium reserves					\$
13. Other items on which the Appointed Actuary is providing Relevant Comment					
13.0001 In conjunction with CA DOI examination as of 12/31/2009, according to management,					
13.0002 the CA DOI has verbally indicated a potential adjustment to 12/31/2009 reserve that, if					
13.0003 made, may reduce the Company's reported statutory surplus to a level below the					
13.0004 Authorized Control Level of the NAIC's RBC formula and lead to various DOI actions,					
13.0005 including placing the Company in rehabilitation or receivership. This adds considerable					
13.0006 uncertainty to the estimate of unpaid claim liabilities and could result in actual loss					
13.0007 emergence deviating, perhaps significantly, from the recorded reserves.					
13.0008					
13.0009					
13.0010					

Exhibit A: Scope Lines 6 and 9 (continued)

Description	Amount
Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion	
n/a	
0699999 - Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion	
0999999 - Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion	

Exhibit B: Disclosures Line 13 (continued)

Description	Amount
-------------	--------

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