



# QUARTERLY STATEMENT

As of September 30, 2011  
of the Condition and Affairs of the

## EXCALIBUR REINSURANCE CORPORATION

NAIC Group Code..... , (Current Period) (Prior Period)	NAIC Company Code..... 39675	Employer's ID Number..... 23-2153760
Organized under the Laws of Pennsylvania Incorporated/Organized..... December 1, 1980	State of Domicile or Port of Entry Pennsylvania Commenced Business..... April 29, 1981	Country of Domicile US
Statutory Home Office	1735 Market Street..... Philadelphia ..... PA ..... 19103 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	1735 Market Street..... Philadelphia ..... PA ..... 19103 <i>(Street and Number) (City or Town, State and Zip Code)</i>	215-665-5000 <i>(Area Code) (Telephone Number)</i>
Mail Address	1735 Market Street..... Philadelphia ..... PA ..... 19103 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	1735 Market Street..... Philadelphia ..... PA ..... 19103 <i>(Street and Number) (City or Town, State and Zip Code)</i>	215-665-5000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.armour-risk.com	
Statutory Statement Contact	Robert James Beal <i>(Name)</i> rbeal@armour-risk.com <i>(E-Mail Address)</i>	215-665-5000-4124 <i>(Area Code) (Telephone Number) (Extension)</i> 866-264-5863 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
Katherine Helen Barker	President	Timothy Joseph Mahon	VP, Controller
Wendy Williams	Secretary	Stuart Adam Wrenn	SVP & Chief Actuary

### OTHER

Robert James Beal	Assistant Secretary	Doreen Pauline Elizabeth Richards	Treasurer
-------------------	---------------------	-----------------------------------	-----------

### DIRECTORS OR TRUSTEES

Katherine Helen Barker	Susan Gail Beath	Stephen Jay Greenberg	Brad Scott Huntington
Frederick Joseph Kohm, Jr.	Sarah Hayes Lawhorne	John Caldicott Williams	

State of..... Pennsylvania  
County of..... Philadelphia

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

_____ (Signature) Katherine Helen Barker _____ (Printed Name) President _____ (Title)	_____ (Signature) Timothy Joseph Mahon _____ (Printed Name) VP, Controller _____ (Title)	_____ (Signature) Wendy Williams _____ (Printed Name) Secretary _____ (Title)
--	---	--

Subscribed and sworn to before me  
This 11th day of November, 2011

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

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	30,182,433		30,182,433	32,535,337
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	1,000		1,000	1,000
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....942,944), cash equivalents (\$.....0) and short-term investments (\$.....3,893,729).....	4,836,673		4,836,673	26,482,768
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	19
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	35,020,106	0	35,020,106	59,019,124
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	327,001		327,001	273,626
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,820,732	67,769	4,752,963	5,286,567
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....	3,633,887		3,633,887	3,417,111
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	8,087,579		8,087,579	11,270,404
16.2 Funds held by or deposited with reinsured companies.....	1,723,065		1,723,065	13,388,169
16.3 Other amounts receivable under reinsurance contracts.....	16,424,566		16,424,566	17,328,552
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	237,955
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	71,303,195	0	71,303,195	66,745,258
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	141,340,131	67,769	141,272,362	176,966,766
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	141,340,131	67,769	141,272,362	176,966,766

## DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Contracts recorded using deposit accounting method.....	42,385,402		42,385,402	38,665,707
2502. Support agreements.....	28,917,793		28,917,793	28,079,551
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	71,303,195	0	71,303,195	66,745,258

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....0).....	71,806,118	76,811,931
2. Reinsurance payable on paid losses and loss adjustment expenses.....	6,665,329	7,892,808
3. Loss adjustment expenses.....	8,469,092	10,336,509
4. Commissions payable, contingent commissions and other similar charges.....	1,508,669	2,267,918
5. Other expenses (excluding taxes, licenses and fees).....	2,388,676	4,529,837
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	26,300	25,000
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0).....		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,929,918	1,644,330
13. Funds held by company under reinsurance treaties.....	1,403,666	29,757,432
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	2,185,041	2,736,910
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	436,663	
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	42,469,681	38,907,554
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	139,289,153	174,910,229
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	139,289,153	174,910,229
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	5,000,000	5,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	5,100,000	5,100,000
34. Gross paid in and contributed surplus.....	103,267,988	103,267,988
35. Unassigned funds (surplus).....	(111,384,779)	(111,311,451)
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	1,983,209	2,056,537
38. Totals.....	141,272,362	176,966,766

## DETAILS OF WRITE-INS

2501. Contracts recorded using deposit accounting method.....	42,385,402	38,665,707
2502. Accrued return retrospective premium.....	69,709	195,262
2503. Payable to former affiliate.....		38,514
2598. Summary of remaining write-ins for Line 25 from overflow page.....	14,570	8,071
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	42,469,681	38,907,554
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

# EXCALIBUR REINSURANCE CORPORATION

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....0).....			
1.2 Assumed..... (written \$.....(6,902)).....	335,427	(4,164,329)	(4,367,984)
1.3 Ceded..... (written \$.....462,987).....	462,988	167,948	434,167
1.4 Net..... (written \$.....(469,889)).....	(127,561)	(4,332,277)	(4,802,151)
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	410	(75,000)	(40,000)
2.2 Assumed.....	(9,885,143)	16,071,295	(18,609,001)
2.3 Ceded.....	5,388,887	25,309,371	(26,333,116)
2.4 Net.....	(15,273,620)	(9,313,076)	7,684,115
3. Loss adjustment expenses incurred.....	2,204,282	2,549,722	7,551,579
4. Other underwriting expenses incurred.....	13,473,948	5,930,201	(4,939,330)
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	404,610	(833,153)	10,296,364
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(532,171)	(3,499,124)	(15,098,515)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	679,568	1,568,590	1,872,683
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....	53,264	577,719	583,571
11. Net investment gain (loss) (Lines 9 + 10).....	732,832	2,146,309	2,456,254
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	(1,014,843)	(4,039,246)	(1,602,238)
15. Total other income (Lines 12 through 14).....	(1,014,843)	(4,039,246)	(1,602,238)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(814,182)	(5,392,061)	(14,244,499)
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).....	(814,182)	(5,392,061)	(14,244,499)
19. Federal and foreign income taxes incurred.....			
20. Net income (Line 18 minus Line 19) (to Line 22).....	(814,182)	(5,392,061)	(14,244,499)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	2,056,537	5,597,606	5,597,606
22. Net income (from Line 20).....	(814,182)	(5,392,061)	(14,244,499)
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	(91)	(21,597)	10,039
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....			
27. Change in nonadmitted assets.....	189,076	(8,958)	(9,946)
28. Change in provision for reinsurance.....	551,869	1,910,692	10,703,337
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.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	(73,328)	(3,511,924)	(3,541,069)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	1,983,209	2,085,682	2,056,537
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Support agreements.....	838,242	1,001,525	5,283,551
1402. Net interest on funds held contracts.....	(1,722,224)	(5,041,732)	(6,713,721)
1403. Other (expense) revenue.....	(130,861)	961	(172,068)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(1,014,843)	(4,039,246)	(1,602,238)
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

# EXCALIBUR REINSURANCE CORPORATION

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	296,154	(3,816,055)	(5,592,876)
2. Net investment income.....	784,750	1,615,344	2,335,762
3. Miscellaneous income.....	(114,131)	(4,039,246)	(160,579)
4. Total (Lines 1 through 3).....	966,773	(6,239,957)	(3,417,693)
5. Benefit and loss related payments.....	16,152,977	23,752,887	28,302,621
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	9,224,481	16,479,283	20,026,943
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....			
10. Total (Lines 5 through 9).....	25,377,458	40,232,170	48,329,564
11. Net cash from operations (Line 4 minus Line 10).....	(24,410,685)	(46,472,127)	(51,747,257)
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	8,745,284	26,986,459	37,886,237
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....		14,000,000	14,000,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			138
12.7 Miscellaneous proceeds.....	19	12,612	14,802
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	8,745,303	40,999,071	51,901,177
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	6,487,650	26,043,377	26,413,105
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	6,487,650	26,043,377	26,413,105
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	2,257,653	14,955,694	25,488,072
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	506,937	(6,289,017)	(468,222)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	506,937	(6,289,017)	(468,222)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(21,646,095)	(37,805,450)	(26,727,407)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	26,482,768	53,210,175	53,210,175
19.2 End of period (Line 18 plus Line 19.1).....	4,836,673	15,404,725	26,482,768

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

20.0001 .....		
---------------	--	--

**NOTES TO FINANCIAL STATEMENTS****Note 1 - Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of Excalibur Reinsurance Corporation, formerly known as PMA Capital Insurance Company (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Pennsylvania Insurance Department.

The Pennsylvania Insurance Department recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Pennsylvania for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under Pennsylvania Insurance Law. The National Association of Insurance Commissioners' (the "NAIC") *NAIC Accounting Practices and Procedures Manual version effective March 1, 2011* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the Commonwealth of Pennsylvania. The Commonwealth has permitted certain accounting practices that differ from those found in NAIC SAP. Specifically, during 2009, the Company received permission from the Pennsylvania Insurance Department to use accounting treatments that differ from NAIC SAP in two areas. First, it received permission to discount its direct, assumed and ceded reserves. Second, it received permission to treat two indemnity agreements from its former parent company, PMA Capital Corporation ("PMA Capital"), as an admitted asset.

Reconciliation of net income and policyholders' surplus between the amounts reported in the accompanying financial statements (Pennsylvania Basis) and NAIC SAP follow:

Description	2011	2010
1. Net loss, Pennsylvania Basis	(814,182)	(14,244,499)
2. Discounting of reserves	(11,717,693)	(3,006,653)
3. Indemnity agreements	--	--
4. Net gain/loss, NAIC SAP Basis	(12,531,875)	(17,251,152)

Description	Sept 30, 2011	Dec. 31, 2010
1. Policyholders' surplus, Pennsylvania Basis	1,983,209	2,056,537
2. Discounting of reserves	(26,873,151)	(15,155,458)
3. Indemnity agreements	(28,917,793)	(28,079,551)
4. Policyholders' surplus, NAIC SAP Basis	(53,807,735)	(41,178,472)

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

Not applicable.

**Note 3 - Business Combinations and Goodwill**

Not applicable.

**Note 4 - Discontinued Operations**

Not applicable.

**Note 5 - Investments****D. Loan-backed securities**

- (1) Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from independent data sources, such as Bloomberg or our external investment manager.
- (2) The following table summarizes other-than-temporary impairments for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

	1 Amortized Cost Before Other-Than-Temp orary Impairment	2 Other-Than-Temp orary Impairment	3 Fair Value (1 - 2)
OTTI recognized 1 <sup>st</sup> Quarter			
a. Intent to sell			
b. Inability or lack of intent to retain in investment in the security for a period of time sufficient to recover the amortized cost basis			

**NOTES TO FINANCIAL STATEMENTS**

c. Total 1 <sup>st</sup> quarter			
OTTI recognized 2 <sup>nd</sup> Quarter			
a. Intent to sell			
b. Inability or lack of intent to retain in investment in the security for a period of time sufficient to recover the amortized cost basis			
c. Total 2 <sup>nd</sup> quarter			
OTTI recognized 3 <sup>rd</sup> Quarter	\$ 142,841	\$ 25,007	\$ 117,834
a. Intent to sell			
b. Inability or lack of intent to retain in investment in the security for a period of time sufficient to recover the amortized cost basis			
c. Total 3 <sup>rd</sup> quarter	\$ 142,841	\$ 25,007	\$ 117,834
OTTI recognized 4 <sup>th</sup> Quarter			
a. Intent to sell			
b. Inability or lack of intent to retain in investment in the security for a period of time sufficient to recover the amortized cost basis			
c. Total 4 <sup>th</sup> quarter			
Annual aggregate totals	\$ 142,841	\$ 25,007	\$ 117,834

- (2) The following table summarizes other-than-temporary impairments for loan-backed securities held at the end of the year recorded based on the fact that the present value of the projected cash flows expected to be collected was less than the amortized cost of the securities:

1	2	3	4	5	6	7
CUSIP	Amortized Cost Before Other-Than-Temporary Impairment	Present Value of Projected Cash Flows	Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at Time of Other-Than-Temporary Impairment	Date of Financial Statement Where Reported
07386HPE5	\$ 142,841	\$ 141,581	\$ 25,007	\$ 117,796	\$ 117,834	9/30/2011
Total	XXX	XXX	\$ 25,007	XXX	XXX	XXX

- (4) The following table summarizes unrealized losses on loan-backed securities by the length of time that the securities have continuously been in unrealized loss positions.

	Less than 12 months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Issuer Obligations	\$ 2,442,769	\$ (110,270)	–	–	\$ 2,442,769	\$ (110,270)
Residential MBS	159,932	(6,658)	276,205	(55,630)	436,137	(62,288)
Other loan-backed Securities	996,880	(3,052)	–	–	996,880	(3,052)
Totals	\$ 3,599,581	\$ (119,980)	\$ 276,205	\$ (55,630)	\$ 3,875,786	\$ (175,610)

- (5) In accordance with SSAP 43R, for each impaired security we calculate the prospective loss-adjusted cash flows using assumptions based on actual historical performance for prepayments, defaults, delinquencies and severity. If the discounted cash flow exceeds the current book value, it is determined that the impairment is not other-than-temporary.

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

Not applicable.

**Note 7 - Investment Income**

No significant change.

**Note 8 - Derivative Instruments**

Not applicable.

**Note 9 - Income Taxes**

No significant change.

**NOTES TO FINANCIAL STATEMENTS****Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

No significant change.

**Note 11 - Debt**

Not applicable.

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

No significant change.

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

No significant change.

**Note 14 - Contingencies**

No significant change.

**Note 15 - Leases**

No significant change.

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

Not applicable.

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

The Company did not sell and reacquire within 30 days of the sale any securities.

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

Not applicable.

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

Not applicable.

**Note 20 - Fair Value**

A. Inputs Used for Assets and Liabilities Measured at Fair Value on Recurring Basis

(1) Assets and Liabilities Measured at Fair Value on Recurring Basis: Levels 1, 2 and 3:

The Company has categorized its assets and liabilities that are measured at fair value on a recurring basis into the three-level fair value hierarchy as reflected in the following table. See item 3 below for a discussion of each of these three levels.

1 Description	2 Level 1	3 Level 2	4 Level 3	5 Total
Assets at Fair Value:				
Bonds - Industrial & Misc – RMBS		\$ 209,452		\$ 209,452
Common Stock – Industrial & Misc.			\$ 1,000	\$ 1,000
Total assets at Fair Value	\$ -	\$ 209,452	\$ 1,000	\$ 210,452

(2) Rollforward of Level 3 items:

	Balance at 01/01/2011	Transfers into level 3	Transfers out of level 3	Total Gains & (Losses) included in Net Income	Total Gains & (Losses) included in Surplus	Purchases, Issuances, Sales and Settlements	Balance at 09/30/2011
Common Stock							

**NOTES TO FINANCIAL STATEMENTS**

Industrial & Misc.	\$	1,000	-	-	-	-	\$	1,000
--------------------	----	-------	---	---	---	---	----	-------

**(3) Inputs and Techniques Used for Fair Value:**

Level 1 – Fair value measures are based on unadjusted quoted market prices in active markets for identical securities. The fair value of securities included in the Level 1 category was based on quoted prices that are readily and regularly available in an active market. The Company includes U.S. Treasury securities in the Level 1 category.

Level 2 – Fair value measures are based on observable inputs, such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly. The fair value of securities included in the Level 2 category was based on market values generated by external pricing models that vary by asset class and incorporate available trade, bid and other market information, as well as price quotes from other well-established independent market sources.

Level 3 – Fair value measures are based on inputs that are unobservable and significant to the overall fair value measurement, and may involve management judgment.

**Note 21 - Other Items**

No significant change.

**Note 22 - Events Subsequent**

No significant change.

**Note 23 - Reinsurance**

No significant change.

**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No significant change.

**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

The following chart presents the components of the Company's change in net loss and lae reserves (in \$000's).

<b>Beginning net loss and lae reserves, December 31, 2010</b>	<b>87,148</b>
<b>Plus net undiscounted loss reserve development, 2011, relating to prior years</b>	<b>(1,350)</b>
<b>Plus loss and lae reserve discount movement, 2011</b>	<b>(11,717)</b>
<b>Less net paid loss and lae, 2011</b>	<b>(6,194)</b>
<b>Ending net loss and lae reserves, September 30, 2011</b>	<b>80,275</b>

**Note 26 - Intercompany Pooling Arrangements**

Not applicable.

**Note 27 - Structured Settlements**

No significant change.

**Note 28 - Health Care Receivables**

Not applicable.

**Note 29 - Participating Policies**

Not applicable.

**Note 30 - Premium Deficiency Reserves**

Not applicable.

---

---

**NOTES TO FINANCIAL STATEMENTS**

---

---

**Note 31 - High Deductibles**

Not applicable.

**Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

No significant change.

**Note 33 - Asbestos/Environmental Reserves**

No significant change.

**Note 34 - Subscriber Savings Accounts**

Not applicable.

**Note 35 - Multiple Peril Crop Insurance**

Not applicable.

**Note 36 - Financial Guaranty Insurance**

Not applicable.

**EXCALIBUR REINSURANCE CORPORATION  
GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL**

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

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

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

2.2 If yes, date of change: .....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]  
If yes, complete the Schedule Y-Part 1 - Organizational chart.

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

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

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

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

\_\_\_\_\_

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007.....

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

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 3/10/2010.....

6.4 By what department or departments?  
Pennsylvania Insurance Department

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

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

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

7.2 If yes, give full information:  
During the quarter, Certificates of Authority were withdrawn in ten states (ID, IN, IA, KS, MI, MO, ND, RI, SD and VT).

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]

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

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

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

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

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

**EXCALIBUR REINSURANCE CORPORATION  
GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL**

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

\_\_\_\_\_

**FINANCIAL**

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

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

**INVESTMENT**

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

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

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

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

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

14.2 If yes, please complete the following:

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

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

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

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

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

1	2
Name of Custodian(s)	Custodian Address
PNC Bank NA	201 E Fifth Street, Cincinnati, OH 45202
The Bank of New York Mellon	One Wall Street, New York, NY 10286

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

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

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

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

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

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

1	2	3
Central Registration Depository	Name(s)	Address
105900	General Re New England Asset Management	70 Batterson Park Rd., Farmington, CT 06032

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

17.2 If no, list exceptions:  
\_\_\_\_\_  
\_\_\_\_\_

**EXCALIBUR REINSURANCE CORPORATION**  
**GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [ ] N/A [X]  
 If yes, attach an explanation.

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

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

- 3.2 If yes, give full and complete information thereto:

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

- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
All Lines	4.0	4.000 %	18,646	237	7,991	26,873	(430)	(19)	(486)	(934)
Total	XXX	XXX	18,646	237	7,991	26,873	(430)	(19)	(486)	(934)

5. Operating Percentages:

- 5.1 A&H loss percent 0.0 %
- 5.2 A&H cost containment percent 0.0 %
- 5.3 A&H expense percent excluding cost containment expenses 0.0 %
- 6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0
- 6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]
- 6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
------------------------------	------------------------------	------------------------	-------------------------------	---

**NONE**

**EXCALIBUR REINSURANCE CORPORATION**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....	AL	N		12,837	19,707	36,821	29,812
2. Alaska.....	AK	N					
3. Arizona.....	AZ	Q					
4. Arkansas.....	AR	N					
5. California.....	CA	L					
6. Colorado.....	CO	N					
7. Connecticut.....	CT	L					
8. Delaware.....	DE	L					
9. District of Columbia.....	DC	L					
10. Florida.....	FL	L					
11. Georgia.....	GA	N					
12. Hawaii.....	HI	N					
13. Idaho.....	ID	N					
14. Illinois.....	IL	N					
15. Indiana.....	IN	N					
16. Iowa.....	IA	N					
17. Kansas.....	KS	N					
18. Kentucky.....	KY	N					
19. Louisiana.....	LA	L					
20. Maine.....	ME	Q					
21. Maryland.....	MD	N					
22. Massachusetts.....	MA	N					
23. Michigan.....	MI	N					
24. Minnesota.....	MN	N					
25. Mississippi.....	MS	N					
26. Missouri.....	MO	N					
27. Montana.....	MT	N					
28. Nebraska.....	NE	L					
29. Nevada.....	NV	L					
30. New Hampshire.....	NH	N					
31. New Jersey.....	NJ	L					
32. New Mexico.....	NM	L					
33. New York.....	NY	L					
34. North Carolina.....	NC	L					
35. North Dakota.....	ND	N					
36. Ohio.....	OH	N					
37. Oklahoma.....	OK	L					
38. Oregon.....	OR	N					
39. Pennsylvania.....	PA	L					
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	N					
46. Vermont.....	VT	N					
47. Virginia.....	VA	N					
48. Washington.....	WA	N					
49. West Virginia.....	WV	N					
50. Wisconsin.....	WI	L					
51. Wyoming.....	WY	N					
52. American Samoa.....	AS	N					
53. Guam.....	GU	N					
54. Puerto Rico.....	PR	N					
55. US Virgin Islands.....	VI	N					
56. Northern Mariana Islands.....	MP	N					
57. Canada.....	CN	N					
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0
59. Totals.....	(a)	16	0	12,837	19,707	36,821	29,812

**DETAILS OF WRITE-INS**

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART

---

**NONE**

## EXCALIBUR REINSURANCE CORPORATION PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....		410	0.0	
17.1. Other liability-occurrence.....			0.0	
17.2. Other liability-claims made.....			0.0	
17.3. Excess workers' compensation.....			0.0	
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2. Private passenger auto liability.....			0.0	
19.3, 19.4. Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	0	410	0.0	
<b>DETAILS OF WRITE-INS</b>				
3401.....			0.0	
3402.....			0.0	
3403.....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

## PART 2 - DIRECT PREMIUMS WRITTEN

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

NONE

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + Prior.....	58,083	29,066	87,149	(6,195)		(6,195)	56,303		23,972	80,275	(7,975)	(5,094)	(13,069)
2. 2009.....			0			0				0	0	0	0
3. Subtotals 2009 + Prior.....	58,083	29,066	87,149	(6,195)	0	(6,195)	56,303	0	23,972	80,275	(7,975)	(5,094)	(13,069)
4. 2010.....			0			0				0	0	0	0
5. Subtotals 2010 + Prior.....	58,083	29,066	87,149	(6,195)	0	(6,195)	56,303	0	23,972	80,275	(7,975)	(5,094)	(13,069)
6. 2011.....	XXX	XXX	XXX	XXX		0	XXX			0	XXX	XXX	XXX
7. Totals.....	58,083	29,066	87,149	(6,195)	0	(6,195)	56,303	0	23,972	80,275	(7,975)	(5,094)	(13,069)
8. Prior Year-End's Surplus As Regards Policyholders	2,057										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....(13.7)%	2. ....(17.5)%	3. ....(15.0)%
													Col. 13, Line 7 Line 8
													4. ....(635.5)%

Q13

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**



**EXCALIBUR REINSURANCE CORPORATION**  
**Overflow Page for Write-Ins****Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
2504. Note payable.....	1,000	1,000
2505. Miscellaneous liabilities.....	13,570	7,071
2597. Summary of remaining write-ins for Line 25.....	14,570	8,071