

ANNUAL STATEMENT
OF THE
QBE SPECIALTY INSURANCE COMPANY

2007

OF
Bismarck
IN THE STATE OF
North Dakota
TO THE
INSURANCE DEPARTMENT
OF THE
STATE OF
FOR THE YEAR ENDED
DECEMBER 31, 2007

PROPERTY AND CASUALTY

2007



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2007
OF THE CONDITION AND AFFAIRS OF THE
QBE SPECIALTY INSURANCE COMPANY

NAIC Group Code 0796, 0796 NAIC Company Code 11515 Employer's ID Number 55-0789681
Organized under the Laws of North Dakota, State of Domicile or Port of Entry North Dakota
Country of Domicile United States of America
Incorporated/Organized 08/05/2002 Commenced Business 09/05/2002
Statutory Home Office 314 East Thayer Avenue, Bismarck, ND 58501
Main Administrative Office 88 Pine Street, 16th Fl., Wall St. Plaza, New York, NY 10005-1801, 212-422-1212
Mail Address 88 Pine Street, 16th Fl., Wall St. Plaza, New York, NY 10005-1801
Primary Location of Books and Records 88 Pine Street, 16th Fl., Wall St. Plaza, New York, NY 10005-1801, 212-894-7547
Internet Website Address www.qbe.com
Statutory Statement Contact Scott Andrew Pryor, 212-894-7547
scott.pryor@qbeamericas.com, 212-894-7647

OFFICERS

Timothy Michael Kenny, Chief Executive Officer; Christopher Colin Fish, Chief Financial Officer; Susan Rivera, President; Peter Thomas Maloney, General Counsel & Corp. Secretary

OTHER OFFICERS

Bruce David Carlino, Senior Vice President; James Justin Fiore, Chief Operating Officer; John Carmine LaCava, Chief Administrative Officer; Ming-I Huang, Chief Risk Officer; Ian George Davey, Senior Vice President; Nancy Lynn Kelly, Senior Vice President; Marc Sanford Willner, Senior Vice President; Celso Miguel Moreira, Senior Vice President

DIRECTORS OR TRUSTEES

Vincent Mclenaghan, James Justin Fiore, Christopher Colin Fish, Timothy Michael Kenny; John Carmine LaCava, Alan Jeffrey Levin, Francis Michael O'Halloran, Anthony Robert Przybyszewski; Susan Rivera, Laura Kirkpatrick Hinson

State of NY

County of NY ss

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.

Susan Rivera, President

Christopher Colin Fish, Chief Financial Officer

Peter Thomas Maloney, General Counsel & Corp. Secretary

Subscribed and sworn to before me this 25th day of February, 2008

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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	11,764,866		11,764,866	10,815,327
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	4,958,412		4,958,412	3,391,849
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 (\$18,560,841 , Schedule E, Part 1), cash equivalents (\$, Schedule E, Part 2) and short-term investments (\$109,949 , Schedule DA).....	18,670,790		18,670,790	23,888,128
6. Contract loans, (including \$premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	35,394,068		35,394,068	38,095,304
11. Title plants less \$ charged off (for Title insurers only).....				
12. Investment income due and accrued	743,323		743,323	656,919
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	5,644,082		5,644,082	4,727,679
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premium).....	739,067		739,067	3,642,066
13.3 Accrued retrospective premium.....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	1,124,352		1,124,352	789,778
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	16,888		16,888	118,793
16.2 Net deferred tax asset	524,853	164,775	360,078	239,142
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software.....	358,803	358,803		
19. Furniture and equipment, including health care delivery assets (\$)	293,235	293,235		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	874,907		874,907	
22. Health care (\$) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	17,923	17,923		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	45,731,502	834,736	44,896,766	48,269,681
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	45,731,502	834,736	44,896,766	48,269,681
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)				
2301. Prepaid Expenses.....	17,923	17,923		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	17,923	17,923		

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	5,785,047	4,969,548
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	1,241,556	1,386,829
4. Commissions payable, contingent commissions and other similar charges	303,150	210,702
5. Other expenses (excluding taxes, licenses and fees)	230,589	309,984
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
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 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 11,119,835 and including warranty reserves of \$)	2,606,347	3,011,238
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	6,324,838	8,605,451
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	274,982	946,837
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)	64,000	
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	12,468	1,335,367
20. Payable for securities		
21. Liability for amounts held under uninsured plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities		8,190
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	16,842,977	20,784,146
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	16,842,977	20,784,146
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	3,500,000	3,500,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	22,250,000	22,250,000
33. Unassigned funds (surplus)	2,303,789	1,735,535
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		
34.2 shares preferred (value included in Line 29 \$)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	28,053,789	27,485,535
36. Totals (Page 2, Line 26, Col. 3)	44,896,766	48,269,681
DETAILS OF WRITE-INS		
2301. Future contracts - variation margin payable		8,190
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		8,190
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	5,334,031	6,969,967
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 34, Column 7)	2,293,555	2,927,397
3. Loss expenses incurred (Part 3, Line 25, Column 1)	493,966	828,884
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,844,739	2,361,979
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	4,632,260	6,118,260
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	701,771	851,707
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,517,750	1,436,816
10. Net realized capital gains (losses) less capital gains tax of \$ (4,338) (Exhibit of Capital Gains (Losses))	(8,059)	(155,093)
11. Net investment gain (loss) (Lines 9 + 10)	1,509,691	1,281,723
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Lines 12 through 14)		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,211,462	2,133,430
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)	2,211,462	2,133,430
19. Federal and foreign income taxes incurred	905,975	723,573
20. Net income (Line 18 minus Line 19) (to Line 22)	1,305,487	1,409,857
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	27,485,535	26,089,314
22. Net income (from Line 20)	1,305,487	1,409,857
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 115,495	214,498	201,771
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	401,210	(70,937)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	(288,942)	(144,470)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(64,000)	
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	(1,000,000)	
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, 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 (Lines 22 through 37)	568,254	1,396,221
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	28,053,789	27,485,535
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	4,662,245	8,712,718
2. Net investment income	1,403,259	1,015,129
3. Miscellaneous income		
4. Total (Lines 1 through 3)	6,065,504	9,727,847
5. Benefit and loss related payments	1,812,630	2,277,919
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,470,925	3,093,348
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$(4,338) tax on capital gains (losses).....	799,734	781,332
10. Total (Lines 5 through 9)	5,083,289	6,152,599
11. Net cash from operations (Line 4 minus Line 10)	982,215	3,575,248
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	6,017,175	33,899,227
12.2 Stocks	4,322,313	3,181,680
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	33,988	57,601
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	10,373,476	37,138,508
13. Cost of investments acquired (long-term only):		
13.1 Bonds	6,938,193	27,430,923
13.2 Stocks	5,503,734	6,313,860
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	101,962	181,813
13.7 Total investments acquired (Lines 13.1 to 13.6)	12,543,889	33,926,596
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)	(2,170,413)	3,211,912
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	1,000,000	
16.6 Other cash provided (applied).....	(3,029,140)	(2,122,943)
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(4,029,140)	(2,122,943)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(5,217,338)	4,664,217
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	23,888,128	19,223,911
19.2 End of year (Line 18 plus Line 19.1)	18,670,790	23,888,128

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Lines of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	164,047	317,270	225,286	256,031
2.	Allied lines	169,953	86,963	61,141	195,775
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril	1,896,159	1,090,492	1,069,267	1,917,384
6.	Mortgage guaranty				
8.	Ocean marine				
9.	Inland marine	130,890	42,947	27,936	145,901
10.	Financial guaranty				
11.1	Medical malpractice - occurrence				
11.2	Medical malpractice - claims-made				
12.	Earthquake	1,528	280	559	1,249
13.	Group accident and health	794,524			794,524
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation				
17.1	Other liability - occurrence	1,731,103	1,421,323	1,195,243	1,957,183
17.2	Other liability - claims-made				
18.1	Products liability - occurrence				
18.2	Products liability - claims-made				
19.1,19.2	Private passenger auto liability				
19.3,19.4	Commercial auto liability				
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety				
26.	Burglary and theft				
27.	Boiler and machinery				
28.	Credit	40,936	51,963	26,915	65,984
29.	International				
30.	Reinsurance - Nonproportional Assumed Property				
31.	Reinsurance - Nonproportional Assumed Liability				
32.	Reinsurance - Nonproportional Assumed Financial Lines				
33.	Aggregate write-ins for other lines of business				
34.	TOTALS	4,929,140	3,011,238	2,606,347	5,334,031
DETAILS OF WRITE-INS					
3301.	.....			
3302.	.....			
3303.	.....			
3398.	Summary of remaining write-ins for Line 33 from overflow page				
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)				

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 Cols. 1 + 2 + 3 + 4
1.	Fire	225,286				225,286
2.	Allied lines	61,141				61,141
3.	Farmowners multiple peril					
4.	Homeowners multiple peril					
5.	Commercial multiple peril	1,069,267				1,069,267
6.	Mortgage guaranty					
8.	Ocean marine					
9.	Inland marine	27,936				27,936
10.	Financial guaranty					
11.1	Medical malpractice - occurrence					
11.2	Medical malpractice - claims-made					
12.	Earthquake	559				559
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	1,195,243				1,195,243
17.2	Other liability - claims-made					
18.1	Products liability - occurrence					
18.2	Products liability - claims-made					
19.1,19.2	Private passenger auto liability					
19.3,19.4	Commercial auto liability					
21.	Auto physical damage					
22.	Aircraft (all perils)					
23.	Fidelity					
24.	Surety					
26.	Burglary and theft					
27.	Boiler and machinery					
28.	Credit	26,915				26,915
29.	International					
30.	Reinsurance - Nonproportional Assumed Property					
31.	Reinsurance - Nonproportional Assumed Liability					
32.	Reinsurance - Nonproportional Assumed Financial Lines					
33.	Aggregate write-ins for other lines of business					
34.	TOTALS	2,606,347				2,606,347
35.	Accrued retrospective premiums based on experience					
36.	Earned but unbilled premiums					
37.	Balance (Sum of Line 34 through 36)					2,606,347
DETAILS OF WRITE-INS						
3301.	.....				
3302.	.....				
3303.	.....				
3398.	Summary of remaining write-ins for Line 33 from overflow page					
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)					

(a) State here basis of computation used in each case . Pro-rata based on life of contract, net of reinsurance.....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	1,321,492			1,118,130	39,315	164,047
2. Allied lines	873,586			679,797	23,836	169,953
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril	9,316,614			6,139,240	1,281,215	1,896,159
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	693,746			556,671	6,185	130,890
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake	7,640			6,112		1,528
13. Group accident and health	3,972,646			3,178,122		794,524
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	9,970,038			8,237,933	1,002	1,731,103
17.2 Other liability - claims-made						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1,19.2 Private passenger auto liability						
19.3,19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit	385,000			344,064		40,936
29. International						
30. Reinsurance - Nonproportional Assumed Property	XXX					
31. Reinsurance - Nonproportional Assumed Liability	XXX					
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					
33. Aggregate write-ins for other lines of business						
34. TOTALS	26,540,762			20,260,069	1,351,553	4,929,140
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write- ins for Line 33 from overflow page						
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)						

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

If yes: 1. The amount of such installment premiums \$

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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	442,129		353,703	88,426	71,469	95,680	64,215	25.1
2. Allied lines					12,755	40,854	(28,099)	(14.4)
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril	2,654,911		2,420,167	234,744	2,119,356	2,156,854	197,246	10.3
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	112,356		89,885	22,471	9,883	3,598	28,756	19.7
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake					5,234		5,234	419.1
13. Group accident and health	2,234,425		1,787,540	446,885	381,141	182,942	645,084	81.2
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	4,038,041		3,352,511	685,530	3,167,617	2,464,373	1,388,774	71.0
17.2 Other liability - claims-made								
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1,19.2 Private passenger auto liability								
19.3,19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit					17,592	25,247	(7,655)	(11.6)
29. International								
30. Reinsurance - Nonproportional Assumed Property	XXX							
31. Reinsurance - Nonproportional Assumed Liability	XXX							
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX							
33. Aggregate write-ins for other lines of business								
34. TOTALS	9,481,862		8,003,806	1,478,056	5,785,047	4,969,548	2,293,555	43.0
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page								
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)								

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

**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 (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	85,044		67,274	17,770	300,471		246,772	71,469	18,514
2. Allied lines					70,437		57,682	12,755	4,861
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril	3,963,032		3,174,881	788,151	7,284,941		5,953,736	2,119,356	510,624
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine					50,519		40,636	9,883	3,544
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims-made									
12. Earthquake					26,033		20,799	5,234	961
13. Group accident and health	1,117,812		894,250	223,562	787,821		630,242	(a) 381,141	41,733
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence	6,954,980		5,570,936	1,384,044	9,323,276		7,539,703	3,167,617	656,778
17.2 Other liability - claims-made									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit					166,519		148,927	17,592	4,541
29. International									
30. Reinsurance - Nonproportional Assumed Property	XXX				XXX				
31. Reinsurance - Nonproportional Assumed Liability	XXX				XXX				
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX				XXX				
33. Aggregate write-ins for other lines of business									
34. TOTALS	12,120,868		9,707,341	2,413,527	18,010,017		14,638,497	5,785,047	1,241,556
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	1,766,961			1,766,961
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	1,287,303			1,287,303
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	479,658			479,658
2. Commission and brokerage:				
2.1 Direct, excluding contingent		6,353,995		6,353,995
2.2 Reinsurance assumed, excluding contingent		5,192,513		5,192,513
2.3 Reinsurance ceded, excluding contingent		1,538,211		1,538,211
2.4 Contingent-direct				
2.5 Contingent-reinsurance assumed				
2.6 Contingent-reinsurance ceded		1,302,285		1,302,285
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		1,397,408		1,397,408
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations	428	12,063	2,902	15,393
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	2,397	67,577	16,254	86,228
8.2 Payroll taxes	220	6,202	1,492	7,914
9. Employee relations and welfare	195	5,497	1,322	7,014
10. Insurance	14	400	96	510
11. Directors' fees		1		1
12. Travel and travel items	49	1,381	332	1,762
13. Rent and rent items	460	12,971	3,120	16,551
14. Equipment	3,933	110,915	26,681	141,529
15. Cost or depreciation of EDP equipment and software	3,269	92,186	22,175	117,630
16. Printing and stationery	909	25,621	6,163	32,693
17. Postage, telephone and telegraph, exchange and express	187	5,268	1,265	6,720
18. Legal and auditing	2,247	63,354	15,240	80,841
19. Totals (Lines 3 to 18)	14,308	403,436	97,042	514,786
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$				
20.2 Insurance department licenses and fees		24,450	(1,434)	23,016
20.3 Gross guaranty association assessments		14,793		14,793
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		39,243	(1,434)	37,809
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		4,652		4,652
25. Total expenses incurred	493,966	1,844,739	95,608 (a)	2,434,313
26. Less unpaid expenses - current year	1,241,556	523,631	10,108	1,775,295
27. Add unpaid expenses - prior year	1,386,829	520,687	30,557	1,938,073
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	639,239	1,841,795	116,057	2,597,091
DETAILS OF WRITE-INS				
2401. Miscellaneous expenses		4,652		4,652
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		4,652		4,652

(a) Includes management fees of \$ 149,524 to affiliates and \$ to non-affiliates.



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code **0796**

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2007

NAIC Company Code **11515**

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	1,321,492	1,656,452		785,229	442,129	251,537	304,694	40,381	1,232	63,852	679,901	
2.1 Allied lines	873,586	912,775		434,080		(112,786)	66,925		(22,558)	14,552	376,383	
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)	4,326,808	6,386,915		2,254,545	1,922,565	183,657	5,969,151	231,505	(48,476)	1,067,878	1,750,376	
5.2 Commercial multiple peril (liability portion)	4,989,806	2,928,377		3,484,468	732,345	353,346	5,709,626	459,629	638,999	1,344,496	1,453,946	
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine	693,746	768,754		263,968	112,356	133,830	81,283	15,104	22,038	24,402	315,248	
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake	7,640	6,254		2,839		361	632		265	386	2,402	
13. Group accident and health (b)	3,972,646	3,972,646			2,234,426	3,201,228	1,905,629		84,589	167,115	875,835	
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & 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 & H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17. Other liability	9,970,038	11,116,120		6,274,847	4,038,041	7,096,421	15,926,424	2,391,622	2,306,449	3,026,475	2,384,615	
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	385,000	678,370		226,206		(100,741)	166,520		(19,500)	35,322	53,500	
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)	26,540,762	28,426,663		13,726,182	9,481,862	11,006,853	30,130,884	3,138,241	2,963,038	5,744,478	7,892,206	
DETAILS OF WRITE-INS												
3301.												
3302.												
3303.												
3398.	Summary of remaining write-ins for Line 33 from overflow page											
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)											

(a) Finance and service charges not included in Lines 1 to 34 \$

(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

20.GT

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31, prior year.....
2. Increase (decrease) by adjustment:
 - 2.1 Totals, Part 1, Column 11.....
 - 2.2 Totals, Part 3, Column 8.....
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances, Column 7, and net of credit permanent improvements (Column 9).....
4. Cost of additions and permanent improvements:
 - 4.1 Totals, Part 1, Column 14.....
 - 4.2 Totals, Part 3, Column 10.....
5. Total profit (loss) on sales, Part 3, Column 15.....
6. Increase (decrease) by foreign exchange adjustment:
 - 6.1 Totals, Part 1, Column 12.....
 - 6.2 Totals, Part 3, Column 9.....
7. Amounts received on sales, Part 3, Column 12 and Part 1, Column 13.....
8. Book/adjusted carrying value at end of current period.....
9. Total valuation allowance.....
10. Subtotal (Lines 8 plus 9).....
11. Total nonadmitted amounts.....
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column).....

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest of mortgage owned, December 31, prior year.....
2. Amount loaned during year:
 - 2.1 Actual cost at time of acquisitions.....
 - 2.2 Additional investment made after acquisitions.....
3. Accrual of discount and mortgage interest points and commitment fees.....
4. Increase (decrease) by adjustment.....
5. Total profit (loss) on sale.....
6. Amounts paid on account or in full during the year.....
7. Amortization of premium.....
8. Increase (decrease) by foreign exchange adjustment.....
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....
10. Total valuation allowance.....
11. Subtotal (Lines 9 plus 10).....
12. Total nonadmitted amounts.....
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column).....

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....
2. Cost of acquisitions during year:
 - 2.1 Actual cost at time of acquisitions.....
 - 2.2 Additional investment made after acquisitions.....
3. Accrual of discount.....
4. Increase (decrease) by adjustment.....
5. Total profit (loss) on sale.....
6. Amounts paid on account or in full during the year.....
7. Amortization of premium.....
8. Increase (decrease) by foreign exchange adjustment.....
9. Book/adjusted carrying value of long-term invested assets at end of current period.....
10. Total valuation allowance.....
11. Subtotal (Lines 9 plus 10).....
12. Total nonadmitted amounts.....
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....

NONE

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 2. Canada 3. Other Countries	8,264,641 8,274,708	8,231,429	9,085,000
	4. Totals	8,264,641	8,231,429	9,085,000
States, Territories and Possessions (Direct and guaranteed)	5. United States 6. Canada 7. Other Countries			
	8. Totals			
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 10. Canada 11. Other Countries			
	12. Totals			
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States 14. Canada 15. Other Countries			
	16. Totals			
Public Utilities (unaffiliated)	17. United States 18. Canada 19. Other Countries			
	20. Totals			
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 22. Canada 23. Other Countries	3,500,226 3,497,667	3,500,525	3,500,000
	24. Totals	3,500,226	3,500,525	3,500,000
Parent, Subsidiaries and Affiliates	25. Totals			
	26. Total Bonds	11,764,866	11,731,954	12,585,000
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 28. Canada 29. Other Countries			
	30. Totals			
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 32. Canada 33. Other Countries			
	34. Totals			
Industrial and Miscellaneous (unaffiliated)	35. United States 36. Canada 37. Other Countries			
	38. Totals			
Parent, Subsidiaries and Affiliates	39. Totals			
	40. Total Preferred Stocks			
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 42. Canada 43. Other Countries			
	44. Totals			
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 46. Canada 47. Other Countries	364,435 364,435	363,935	
	48. Totals	364,435	363,935	
Industrial and Miscellaneous (unaffiliated)	49. United States 50. Canada 51. Other Countries	4,593,977 4,593,977	3,954,067	
	52. Totals	4,593,977	3,954,067	
Parent, Subsidiaries and Affiliates	53. Totals			
	54. Total Common Stocks	4,958,412	4,318,002	
	55. Total Stocks	4,958,412	4,318,002	
	56. Total Bonds and Stocks	16,723,278	16,049,956	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	14,207,183	7. Amortization of premium.....	553
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	12,441,927	8. Foreign Exchange Adjustment:	
3. Accrual of discount.....	28,636	8.1 Column 15, Part 1.....	
4. Increase (decrease) by adjustment:.....		8.2 Column 19, Part 2, Sec. 1.....	
4.1 Columns 12 - 14, Part 1.....		8.3 Column 16, Part 2, Sec. 2.....	
4.2 Columns 15 - 17, Part 2, Sec. 1.....		8.4 Column 15, Part 4.....	
4.3 Column 15, Part 2, Sec. 2.....	502,630	9. Book/adjusted carrying value at end of current period.....	16,723,278
4.4 Columns 11 - 13, Part 4.....	(180,823)	10. Total valuation allowance.....	
5. Total gain (loss), Column 19, Part 4.....	63,769	11. Subtotal (Lines 9 plus 10).....	16,723,278
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4.....	10,339,491	12. Total nonadmitted amounts.....	
		13. Statement value of bonds and stocks, current period.....	16,723,278

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	3,539,248	4,835,342				8,374,590	70.5	13,102,206	76.6	8,374,590	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	3,539,248	4,835,342				8,374,590	70.5	13,102,206	76.6	8,374,590	
2. All Other Governments, Schedules D & DA (Group 2)											
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. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals											

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	2,500,000	1,000,226				3,500,226	29.5	4,000,401	23.4	1,000,226	2,500,000
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals	2,500,000	1,000,226				3,500,226	29.5	4,000,401	23.4	1,000,226	2,500,000
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
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, Schedules D & DA (Group 9)											
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											

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	6,039,248	5,835,567				11,874,816	100.0	XXX	XXX	9,374,816	2,500,000
10.2 Class 2								XXX	XXX		
10.3 Class 3								XXX	XXX		
10.4 Class 4								XXX	XXX		
10.5 Class 5						(c)		XXX	XXX		
10.6 Class 6						(c)		XXX	XXX		
10.7 Totals	6,039,248	5,835,567				(b) 11,874,816	100.0	XXX	XXX	9,374,816	2,500,000
10.8 Line 10.7 as a % of Col. 6	50.9	49.1				100.0	XXX	XXX	XXX	78.9	21.1
11. Total Bonds Prior Year											
11.1 Class 1	10,110,718	6,991,889				XXX	XXX	17,102,607	100.0	17,102,607	
11.2 Class 2						XXX	XXX				
11.3 Class 3						XXX	XXX				
11.4 Class 4						XXX	XXX				
11.5 Class 5						XXX	XXX	(c)			
11.6 Class 6						XXX	XXX	(c)			
11.7 Totals	10,110,718	6,991,889				XXX	XXX	(b) 17,102,607	100.0	17,102,607	
11.8 Line 11.7 as a % of Col. 8	59.1	40.9				XXX	XXX	100.0	XXX	100.0	
12. Total Publicly Traded Bonds											
12.1 Class 1	3,539,248	5,835,567				9,374,816	78.9	17,102,607	100.0	9,374,816	XXX
12.2 Class 2											XXX
12.3 Class 3											XXX
12.4 Class 4											XXX
12.5 Class 5											XXX
12.6 Class 6											XXX
12.7 Totals	3,539,248	5,835,567				9,374,816	78.9	17,102,607	100.0	9,374,816	XXX
12.8 Line 12.7 as a % of Col. 6	37.8	62.2				100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	29.8	49.1				78.9	XXX	XXX	XXX	78.9	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	2,500,000					2,500,000	21.1			XXX	2,500,000
13.2 Class 2										XXX	
13.3 Class 3										XXX	
13.4 Class 4										XXX	
13.5 Class 5										XXX	
13.6 Class 6										XXX	
13.7 Totals	2,500,000					2,500,000	21.1			XXX	2,500,000
13.8 Line 13.7 as a % of Col. 6	100.0					100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	21.1					21.1	XXX	XXX	XXX	XXX	21.1

(a) Includes \$ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ 2,500,000 current year, \$ 2,500,000 prior year of bonds with Z designations and \$ 2,500,000 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
 (c) Includes \$ current year, \$ prior year of bonds with 5* designations and \$ current year, \$ prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations	3,539,248	4,835,342				8,374,590	70.5	13,102,206	76.6	8,374,590	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 Totals	3,539,248	4,835,342				8,374,590	70.5	13,102,206	76.6	8,374,590	
2. All Other Governments, Schedules D & DA (Group 2)											
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. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations											
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											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations											
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											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations											
5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
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											

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Based Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined											
6.6 Other											
6.7 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	2,500,000	1,000,226				3,500,226	29.5	4,000,401	23.4	1,000,226	2,500,000
7.2 Single Class Mortgage-Backed/Asset-Based Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
7.3 Defined											
7.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined											
7.6 Other											
7.7 Totals	2,500,000	1,000,226				3,500,226	29.5	4,000,401	23.4	1,000,226	2,500,000
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations											
8.7 Totals											
9. Parents, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Based 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 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	6,039,248	5,835,567				11,874,816	100.0	XXX	XXX	9,374,816	2,500,000
10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES								XXX	XXX		
10.3 Defined								XXX	XXX		
10.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES								XXX	XXX		
10.5 Defined								XXX	XXX		
10.6 Other								XXX	XXX		
10.7 Totals	6,039,248	5,835,567				11,874,816	100.0	XXX	XXX	9,374,816	2,500,000
10.8 Line 10.7 as a % of Col. 6	50.9	49.1				100.0	XXX	XXX	XXX	78.9	21.1
11. Total Bonds Prior Year											
11.1 Issuer Obligations	10,110,718	6,991,889				XXX	XXX	17,102,607	100.0	17,102,607	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						XXX	XXX				
11.3 Defined						XXX	XXX				
11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES						XXX	XXX				
11.5 Defined						XXX	XXX				
11.6 Other						XXX	XXX				
11.7 Totals	10,110,718	6,991,889				XXX	XXX	17,102,607	100.0	17,102,607	
11.8 Line 11.7 as a % of Col. 8	59.1	40.9				XXX	XXX	100.0	XXX	100.0	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	3,539,248	5,835,567				9,374,816	78.9	17,102,607	100.0	9,374,816	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											XXX
12.3 Defined											XXX
12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											XXX
12.5 Defined											XXX
12.6 Other											XXX
12.7 Totals	3,539,248	5,835,567				9,374,816	78.9	17,102,607	100.0	9,374,816	XXX
12.8 Line 12.7 as a % of Col. 6	37.8	62.2				100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	29.8	49.1				78.9	XXX	XXX	XXX	78.9	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	2,500,000					2,500,000	21.1		22.1	XXX	2,500,000
13.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES										XXX	
13.3 Defined										XXX	
13.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES										XXX	
13.5 Defined										XXX	
13.6 Other										XXX	
13.7 Totals	2,500,000					2,500,000	21.1		22.1	XXX	2,500,000
13.8 Line 13.7 as a % of Col. 6	100.0					100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	21.1					21.1	XXX	XXX	XXX	XXX	21.1

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE DA - PART 2 - 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, prior year	6,287,280	6,287,280			
2. Cost of short-term investments acquired	22,724,726	22,724,726			
3. Increase (decrease) by adjustment	23,450	23,450			
4. Increase (decrease) by foreign exchange adjustment					
5. Total profit (loss) on disposal of short-term investments	10,538	10,538			
6. Consideration received on disposal of short-term investments	28,936,044	28,936,044			
7. Book/adjusted carrying value, current year	109,949	109,949			
8. Total valuation allowance					
9. Subtotal (Lines 7 plus 8)	109,949	109,949			
10. Total nonadmitted amounts					
11. Statement value (Lines 9 minus 10)	109,949	109,949			
12. Income collected during year	179,625	179,625			
13. Income earned during year	156,368	156,368			

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

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Owned

1. Book value, December 31, prior year (Line 8, prior year)	(1)
2. Cost/Option Premium (Section 2, Column 7)	
3. Increase/(Decrease) by Adjustment (Section 1, Column 12)+(Section 3, Column 13)	
4. Gain/(Loss) on Termination:	
4.1 Recognized (Section 3, Column 14)	1
4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)	1
5. Consideration Received on Terminations (Section 3, Column 12)	
6. Used to Adjust Basis on Open Contracts (Section 1, Column 13)	
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:	
7.1 Recognized	
7.2 Used to Adjust Basis of Hedged Item	
8. Book value, December 31, current year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)	

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Written

1. Book value, December 31, prior year (Line 8, prior year)	
2. Consideration received (Section 2, Column 7)	
3. Increase/(Decrease) by Adjustment (Section 1, Column 12)+(Section 3, Column 13)	
4. Gain/(Loss) on Termination:	
4.1 Recognized (Section 3, Column 14)	
4.2 Used to Adjust Basis (Section 3, Column 15)	
5. Consideration Paid on Terminations (Section 3, Column 12)	
6. Used to Adjust Basis on Open Contracts (Section 1, Column 13)	
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:	
7.1 Recognized	
7.2 Used to Adjust Basis	
8. Book value, December 31, current year	

NONE

SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS

1. Book value, December 31, prior year (Section 4, Line 8, prior year)	.....
2. Cost or (Consideration Received) (Section 2, Column 7)	.....
3. Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)	.....
4. Gain/(Loss) on Termination:	
4.1 Recognized (Section 3, Column 14)	.....
4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)	.....
5. Consideration Received (or Paid) on Terminations (Section 3, Column 12)	.....
6. Used to Adjust Basis of Hedged Item on Open Contracts (Section 1, Column 13)	.....
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:	
7.1 Recognized	.....
7.2 Used to Adjust Basis of Hedged Item	.....
8. Book value, December 31, current year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)	.....

NONE

SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS

Futures Contracts and Insurance Futures Contracts

1. Book value, December 31, prior year (Section 4, Line 8, prior year)	.....
2. Change in total Variation Margin on Open Contracts (Difference between years - Section 1, Column 6)	.....	8,190
3.1 Change in Variation Margin on Open Contracts Used to Adjust Basis of Hedged Item (Section 1, Column 11)	.....
3.2 Change in Variation Margin on Open Contracts Recognized (Difference between years - Section 1, Column 10)	.....	8,190
4.1 Variation Margin on Contracts Terminated During the Year (Section 3, Column 6)	.....	(84,283)
4.2 Less:		
4.21 Gain/(Loss) Recognized in Current Year (Section 3, Column 11)	.....	(84,283)
4.22 Gain/(Loss) Used to Adjust Basis of Hedge (Section 3, Column 12)	.....	(84,283)
4.3 Subtotal (Line 4.1 minus Line 4.2)	.....
5.1 Net additions to Cash Deposits (Section 2, Column 7)	.....
5.2 Less: Net Reductions to Cash Deposits (Section 3, Column 9)	.....
6. Subtotal (Lines 1 - 2 + 3.1 + 3.2 - 4.3 + 5.2)	.....
7. Disposition of Gain/(Loss) on Contracts Terminated in Prior Year:		
7.1 Recognized	.....
7.2 Used to Adjust Basis of Hedged Item	.....
8. Book value, December 31, Current Year (Lines 6 + 7.1 + 7.2)	.....

SCHEDULE DB - PART E - VERIFICATION BETWEEN YEARS

Statement Value and Fair Value of Open Contracts

		Statement Value
1. Part A, Section 1, Column 10	.....
2. Part B, Section 1, Column 10	.....
3. Part C, Section 1, Column 10	.....
4. Part D, Section 1, Column 9 - 12	.....
5. Lines (1) - (2) + (3) + (4)	.....
6. Part E, Section 1, Column 4	.....
7. Part E, Section 1, Column 5	.....
8. Lines (5) - (6) - (7)	.....
		Fair Value
9. Part A, Section 1, Column 11	.....
10. Part B, Section 1, Column 11	.....
11. Part C, Section 1, Column 11	.....
12. Part D, Section 1, Column 9	.....
13. Lines (9) - (10) + (11) + (12)	.....
14. Part E, Section 1, Column 7	.....
15. Part E, Section 1, Column 8	.....
16. Lines (13) - (14) - (15)	.....

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule F - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE F - PART 3

Ceded 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 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	7 Reinsurance Recoverable On										8 Reinsurance Payable		18 Net Amount Recoverable From Reinsurers [16 + 17]	19 Funds Held By Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
0199999 - Authorized - Affiliates - U.S. Intercompany Pooling																			
23-1641984	10219	QBE REINSURANCE CORPORATION	PA		19,868	1,022	65	9,681	1,687	14,033	2,836	10,419	1,178	40,921	5,092		35,829	264	
0299999 - Authorized - Affiliates - U.S. Non-Pool																			
					19,868	1,022	65	9,681	1,687	14,033	2,836	10,419	1,178	40,921	5,092		35,829	264	
0499999 - Total - Authorized - Affiliates																			
					19,868	1,022	65	9,681	1,687	14,033	2,836	10,419	1,178	40,921	5,092		35,829	264	
06-1430254	10348	ARCH REINS CO.	NE		225			3	1	73	14	49		140	112		28		
47-0574325	32603	BERKLEY INS CO.	DE		1							18		18	9		9		
22-2005057	26921	EVEREST REINS CO.	DE		17							59		59	15		44		
05-0316605	21482	FACTORY MUTUAL INS CO.	RI			35	2	10		109	21			177			177		
13-3046577	39306	FIDELITY AND DEPOSIT CO OF MARYLAND	MD		271			2	7	21	4		57	208	104		104	11	
13-2997499	38776	FOLKSAMERICA REINS CO.	NY		(82)					3	1			4			4		
95-1479095	22322	GREENWICH INS CO.	DE							63	12			75			75		
13-4924125	10227	MUNICH RE AMERICA	DE		37							43		43	21		22		
47-0355979	20087	NATIONAL INDEMNITY CO.	NE		69									107			(107)		
47-0698507	23680	ODYSSEY AMERICA REINS CORP.	CT		13									15			(15)		
13-5616275	19453	TRANSATLANTIC REINS CO.	NY		8									3			(3)		
0599998 - Other U.S. Unaffil Insurers (Under \$100,000)																			
0599999 - Authorized - Other U.S. Unaffiliated Insurers																			
					559	35	2	15	8	269	52	286	57	724	386		338	11	
AA-1120337	00000	ASPEN INS UK LTD.	GB												25		(25)		
AA-1126033	00000	LLOYD'S SYNDICATE NUMBER 33	GB		80			1		20	4	13		38	32		6		
AA-1126190	00000	LLOYD'S SYNDICATE NUMBER 190	GB												46		(46)		
AA-1126780	00000	LLOYD'S SYNDICATE NUMBER 780	GB												2		(2)		
AA-1127243	00000	LLOYD'S SYNDICATE NUMBER 1243	GB												5		(5)		
AA-1127400	00000	LLOYD'S SYNDICATE NUMBER 1400	GB		2														
AA-1128001	00000	LLOYD'S SYNDICATE NUMBER 2001	GB		6										13		(13)		
AA-1120071	00000	LLOYD'S SYNDICATE NUMBER 2007	GB												5		(5)		
AA-1128010	00000	LLOYD'S SYNDICATE NUMBER 2010	GB		5										4		(4)		
AA-1128623	00000	LLOYD'S SYNDICATE NUMBER 2623	GB		2										2		(2)		
AA-1128791	00000	LLOYD'S SYNDICATE NUMBER 2791	GB		56			1		14	3	10		28	20		8		
AA-1128987	00000	LLOYD'S SYNDICATE NUMBER 2987	GB		13										23		(23)		
AA-1126004	00000	LLOYD'S SYNDICATE NUMBER 4444	GB		60			1		20	4	13		38	27		11		
AA-1126006	00000	LLOYD'S SYNDICATE NUMBER 4472	GB		414			6	1	134	24	86		251	207		44		
0899998 - Authorized - Other Non-U.S. Insurers (Under \$100,000)																			
0899999 - Authorized - Other Non-U.S. Insurers																			
					638			9	1	188	35	122		355	411		(56)		
0999999 - Total - Authorized																			
					21,065	1,057	67	9,705	1,696	14,490	2,923	10,827	1,235	42,000	5,889		36,111	275	
AA-1121235	00000	EQUATOR REINSURANCES LIMITED	BM		54							68		68	42		26		
AA-1930031	00000	QBE INSURANCE (AUSTRALIA) LIMITED	AU		338					107	20	199		326	288		38		
1299999 - Unauthorized - Affiliates - Other (Non-U.S.)																			
					392					107	20	267		394	330		64		
1399999 - Total - Unauthorized - Affiliates																			
					392					107	20	267		394	330		64		
1499998 - Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																			
AA-3190874	00000	AML IN BERMUDA LTD.	BM		6										6		(6)		
AA-3190873	00000	ARIEL REINS	BM		3														
AA-1320012	00000	AXA CORPORATE SOLUTIONS ASSURANCE	FR		(67)					3				3	3				
AA-3194139	00000	AXIS SPECIALTY LTD.	BM		31										31		(31)		
AA-1120242	00000	BRIT INS LTD.	GB		6														
AA-3194122	00000	DAVINCI REINS	BM		1														
AA-3190060	00000	HANNOVER RE BERMUDA	BM		5														
AA-3190886	00000	HARBOR POINTE RE LTD.	BM		3														
AA-3190875	00000	HISSOX INS CO (BERMUDA) LTD.	BM		16										2		(2)		
AA-3194129	00000	MONTPELIER REINS LTD.	BM		(16)					1				1	1				
AA-3194174	00000	PLATINUM U/W BERMUDA	BM		15														
AA-1120583	00000	TOKIO MARINE GLOBAL LTD.	GB		145			2		37	7	26		72	63		9		
AA-1341000	00000	WUERTTEMBERGISCHE	D1		2														
AA-3190757	00000	XL REINS LTD.	BM		5														
1799998 - Unauthorized - Other Non-U.S. Insurers (Under \$100,000)																			
1799999 - Unauthorized - Other Non-U.S. Insurers																			
					155			2		41	7	26		76	106		(30)		
1899999 - Total - Unauthorized																			
					547			2		148	27	293		470	436		34		
1999999 - Total - Authorized and Unauthorized																			
					21,612	1,057	67	9,707	1,696	14,638	2,950	11,120	1,235	42,470	6,325		36,145	275	
2099999 - Total - Protected Cells																			
9999999 Totals																			
					21,612	1,057	67	9,707	1,696	14,638	2,950	11,120	1,235	42,470	6,325		36,145	275	

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

NOTE: 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
	<u>Name of Reinsurer</u>	<u>Commission Rate</u>	<u>Ceded Premium</u>
1.	FIDELITY AND DEPOSIT CO OF MARYLAND.....	37.000	271
2.	ARCH REINS CO.....	35.000	124
3.	TOKIO MARINE GLOBAL LTD.....	35.000	65
4.	LLOYD'S SYNDICATE NUMBER 4472.....	35.000	225
5.	LLOYD'S SYNDICATE NUMBER 33.....	31.000	80

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

	1	2	3	4
	<u>Name of Reinsurer</u>	<u>Total Recoverables</u>	<u>Ceded Premiums</u>	<u>Affiliated</u>
1.	QBE REINSURANCE CORPORATION.....	40,921	19,868	Yes [X] No []
2.	QBE INSURANCE (AUSTRALIA) LIMITED.....	326	338	Yes [X] No []
3.	LLOYD'S SYNDICATE NUMBER 4472.....	251	414	Yes [] No [X]
4.	FIDELITY AND DEPOSIT CO OF MARYLAND.....	208	271	Yes [] No [X]
5.	FACTORY MUTUAL INS CO.....	177		Yes [] No [X]

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE F - PART 4

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses							12 Percentage Overdue Col. 10/Col. 11	13 Percentage more Than 120 Days Overdue Col. 9 / Col. 11
				5 Current	Overdue					11 Total Due Cols. 5 + 10		
					6 1 to 29 Days	7 30 - 90 Days	8 91 - 120 Days	9 Over 120 Days	10 Total Overdue Cols. 6 + 7 + 8 + 9			
0199999 - Authorized - Affiliates - U.S. Intercompany Pooling												
23-1641984	10219	QBE REINSURANCE CORPORATION	PA	1,087						1,087		
0299999 - Authorized - Affiliates - U.S. Non-Pool				1,087						1,087		
0399999 - Authorized - Affiliates - Other (Non-U.S.)												
0499999 - Total - Authorized - Affiliates				1,087						1,087		
05-0316605	21482	FACTORY MUTUAL INS CO	RI	37						37		
0599999 - Authorized - Other U.S. Unaffiliated Insurers				37						37		
0699999 - Authorized - Pools - Mandatory Pools												
0799999 - Authorized - Pools - Voluntary Pools												
0899999 - Authorized - Other Non-U.S. Insurers												
0999999 - Total - Authorized				1,124						1,124		
1099999 - Unauthorized - Affiliates - U.S. Intercompany Pooling												
1199999 - Unauthorized - Affiliates - U.S. Non-Pool												
1299999 - Unauthorized - Affiliates - Other (Non-U.S.)												
1399999 - Total - Unauthorized - Affiliates												
1499999 - Unauthorized - Other U.S. Unaffiliated Insurers												
1599999 - Unauthorized - Pools - Mandatory Pools												
1699999 - Unauthorized - Pools - Voluntary Pools												
1799999 - Unauthorized - Other Non-U.S. Insurers												
1899999 - Total - Unauthorized												
1999999 - Total - Authorized and Unauthorized				1,124						1,124		
2099999 - Total - Protected Cells												
9999999 Totals				1,124						1,124		

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE F - PART 5

Provision for Unauthorized 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
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable all Items Schedule F Part 3, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Sum of Cols. 6 thru 10 but not in excess of Col. 5	Subtotal Col. 5 minus Col. 11	Recoverable Paid Losses & LAE Expenses Over 90 Days Past Due not in Dispute	20% of Amount in Col. 13	Smaller of Col. 11 or Col. 14	Smaller of Col. 11 or 20% of Amount in Dispute Included in Col. 5	Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Cols. 12 + 15 + 16
AA-1121235	00000	EQUATOR REINSURANCES LIMITED	BM	.68			.42			.42	.26					.26
AA-1930031	00000	QBE INSURANCE (AUSTRALIA) LIMITED	AU	.326			.288			.288	.38					.38
0399999 - Affiliates - Other (Non-U.S.)				394			330			330	64					64
0499999 - Total - Affiliates				394			330			330	64					64
AA-3190874	00000	AMLIN BERMUDA LTD.	BM				.6									
AA-1320012	00000	AXA CORPORATE SOLUTIONS ASSURANCE	FR	.3			.3			.3						
AA-3194139	00000	AXIS SPECIALTY LTD.	BM				.31									
AA-3190875	00000	HISOX INS CO (BERMUDA) LTD.	BM				.2									
AA-3194129	00000	MONTPELIER REINS LTD.	BM	.1			.1			.1						
AA-1120583	00000	TOKIO MARINE GLOBAL LTD.	GB	.72		.48	.63			.72						
0899999 - Other Non-U.S. Insurers				76		.48	106			76						
0999999 - Total - Affiliates and Others				470		.48	436			406	64					64
1099999 - Total - Protected Cells																
9999999 Totals				470		.48	436			406	64					64

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 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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	Col. 4 divided by (Cols. 5 + 6)	Amounts in Col. 4 for Companies Reporting less than 20% in Col. 7	Amounts in Dispute Excluded from Col. 4 for Companies Reporting less than 20% in Col. 7	20% of Amount in Col. 9	Amount Reported in Col. 8 x 20% + Col. 10
05-0316605	21482	FACTORY MUTUAL INS CO		37,000						
23-1641984	10219	QBE REINSURANCE CORPORATION		1,087,000						
9999999 Totals				1,124,000		XXX				

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

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SCHEDULE F - PART 8

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<u>ASSETS</u> (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	35,394,068		35,394,068
2. Premiums and considerations (Line 13)	6,383,149		6,383,149
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 14.1)	1,124,352	(1,124,352)	
4. Funds held by or deposited with reinsured companies (Line 14.2)			
5. Other assets	1,995,196		1,995,196
6. Net amount recoverable from reinsurers		34,572,910	34,572,910
7. Protected cell assets (Line 25)			
8. Totals (Line 26)	44,896,766	33,448,558	78,345,324
<u>LIABILITIES</u> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3)	7,026,603	28,992,543	36,019,146
10. Taxes, expenses, and other obligations (Lines 4 through 8)	533,739		533,739
11. Unearned premiums (Line 9)	2,606,347	11,119,835	13,726,182
12. Advance Premiums (Line 10)			
13. Dividends declared and unpaid (Line 11.1 and 11.2)			
14. Ceded reinsurance premiums payable (net of ceded commissions) (Line 12)	6,324,838	(6,324,838)	
15. Funds held by company under reinsurance treaties (Line 13)	274,982	(274,982)	
16. Amounts withheld or retained by company for account of others (Line 14)			
17. Provision for reinsurance (Line 16)	64,000	(64,000)	
18. Other liabilities	12,468		12,468
19. Total liabilities excluding protected cell business (Line 24)	16,842,977	33,448,558	50,291,535
20. Protected cell liabilities (Line 25)			
21. Surplus as regards policyholders (Line 35)	28,053,789	X X X	28,053,789
22. Totals (Line 36)	44,896,766	33,448,558	78,345,324

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:

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT

	Total		Group Accident and Health		Credit Accident and Health (Group and Individual)		Collectively Renewable		Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS																		
1. Premiums written	794,524	XXX	794,524	XXX		XXX		XXX		XXX		XXX		XXX		XXX		XXX
2. Premiums earned	794,524	XXX	794,524	XXX		XXX		XXX		XXX		XXX		XXX		XXX		XXX
3. Incurred claims	645,084	81.2	645,084	81.2														
4. Cost containment expenses																		
5. Incurred claims and cost containment expenses (Lines 3 and 4)	645,084	81.2	645,084	81.2														
6. Increase in contract reserves																		
7. Commissions (a)	186,000	23.4	186,000	23.4														
8. Other general insurance expenses	56,276	7.1	56,276	7.1														
9. Taxes, licenses and fees																		
10. Total other expenses incurred	242,276	30.5	242,276	30.5														
11. Aggregate write-ins for deductions																		
12. Gain from underwriting before dividends or refunds	(92,836)	(11.7)	(92,836)	(11.7)														
13. Dividends or refunds																		
14. Gain from underwriting after dividends or refunds	(92,836)	(11.7)	(92,836)	(11.7)														
DETAILS OF WRITE-INS																		
1101.																		
1102.																		
1103.																		
1198. Summary of remaining write-ins for Line 11 from overflow page																		
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)																		

(a) Includes \$ reported as "Contract, membership and other fees retained by agents."

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (continued)

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts			
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
PART 2 - RESERVES AND LIABILITIES								
A. Premium Reserves:								
1. Unearned premiums								
2. Advance premiums								
3. Reserve for rate credits								
4. Total premium reserves, current year								
5. Total premium reserves, prior year								
6. Increase in total premium reserves								
B. Contract Reserves:								
1. Additional reserves								
2. Reserve for future contingent benefits								
3. Total contract reserves, current year								
4. Total contract reserves, prior year								
5. Increase in contract reserves								
C. Claim Reserves and Liabilities:								
1. Total current year	381,141	381,141						
2. Total prior year	182,943	182,943						
3. Increase	198,198	198,198						

PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES	
1. Claims paid during the year:	
1.1 On claims incurred prior to current year	200,987
1.2 On claims incurred during current year	245,898
2. Claim reserves and liabilities, December 31, current year:	
2.1 On claims incurred prior to current year	74,765
2.2 On claims incurred during current year	306,376
3. Test:	
3.1 Line 1.1 and 2.1	275,752
3.2 Claim reserves and liabilities, December 31, prior year	182,943
3.3 Line 3.1 minus Line 3.2	92,809

PART 4 - REINSURANCE	
A. Reinsurance Assumed:	
1. Premiums written	
2. Premiums earned	
3. Incurred claims	
4. Commissions	
B. Reinsurance Ceded:	
1. Premiums written	3,178,122
2. Premiums earned	3,178,122
3. Incurred claims	2,560,982
4. Commissions	690,000

SCHEDULE H - PART 5 - HEALTH CLAIMS

	1 Medical	2 Dental	3 Other	4 Total
A. Direct:				
1. Incurred Claims.....	3,201,228			3,201,228
2. Beginning claim reserves and liabilities.....	938,828			938,828
3. Ending claim reserves and liabilities.....	1,905,629			1,905,629
4. Claims paid.....	2,234,427			2,234,427
B. Assumed Reinsurance:				
5. Incurred Claims.....				
6. Beginning claim reserves and liabilities.....				
7. Ending claim reserves and liabilities.....				
8. Claims paid.....				
C. Ceded Reinsurance:				
9. Incurred Claims.....	2,560,982			2,560,982
10. Beginning claim reserves and liabilities.....	755,885			755,885
11. Ending claim reserves and liabilities.....	1,524,488			1,524,488
12. Claims paid.....	1,792,379			1,792,379
D. Net:				
13. Incurred Claims.....	640,246			640,246
14. Beginning claim reserves and liabilities.....	182,943			182,943
15. Ending claim reserves and liabilities.....	381,141			381,141
16. Claims paid.....	442,048			442,048
E. Net Incurred Claims and Containment Expenses:				
17. Incurred claims and containment expenses.....	645,084			645,084
18. Beginning reserves and liabilities.....	202,758			202,758
19. Ending reserves and liabilities.....	400,957			400,957
20. Paid claims and cost containment expenses.....	446,885			446,885

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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 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. 1998												XXX
3. 1999												XXX
4. 2000												XXX
5. 2001												XXX
6. 2002												XXX
7. 2003	55	44	11	0	0	(0)	1	0			(1)	XXX
8. 2004	22,007	17,620	4,387	6,104	4,621	1,194	971	50		10	1,757	XXX
9. 2005	35,827	28,701	7,125	7,780	6,616	3,262	2,597	35		24	1,864	XXX
10. 2006	40,689	33,719	6,970	7,102	5,678	1,426	1,143	21		75	1,728	XXX
11. 2007	28,428	23,094	5,334	1,791	1,313	444	385	8		3	545	XXX
12. Totals	XXX	XXX	XXX	22,778	18,229	6,326	5,096	114		111	5,893	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	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.													XXX
2.													XXX
3.													XXX
4.													XXX
5.													XXX
6.													XXX
7.	(0)	(0)				0		0			(0)		XXX
8.	1,480	1,214	1,148	797	159	127	243	201	11		702		XXX
9.	3,909	3,246	3,965	2,981	760	608	755	613	33		1,973		XXX
10.	4,010	3,126	5,535	4,686	598	479	1,109	902	42		2,102		XXX
11.	2,722	2,123	7,363	6,175	600	481	1,520	1,235	57		2,249		XXX
12. Totals	12,121	9,708	18,010	14,638	2,116	1,696	3,628	2,950	144		7,026		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		
2.											
3.											
4.											
5.											
6.											
7.	(0)	1	(1)	(0.1)	1.5	(6.5)				(0)	0
8.	10,389	7,930	2,459	47.2	45.0	56.1				617	85
9.	20,499	16,662	3,837	57.2	58.1	53.8				1,647	327
10.	19,843	16,014	3,830	48.8	47.5	54.9				1,733	368
11.	14,505	11,712	2,794	51.0	50.7	52.4				1,788	461
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	5,785	1,242

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.

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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	2	3	4	5	6	7	8	9	10	11	12
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	One Year	Two Year
1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX	4	1	8		(1)	(1)	(9)
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	2,308	2,538	2,449	2,398	(51)	(140)
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,535	3,912	3,769	(143)	234
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,420	3,767	347	XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,729	XXX	XXX
											12. Totals	
											151	85

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior	000										XXX	XXX
2. 1998											XXX	XXX
3. 1999	XXX										XXX	XXX
4. 2000	XXX	XXX									XXX	XXX
5. 2001	XXX	XXX	XXX								XXX	XXX
6. 2002	XXX	XXX	XXX	XXX							XXX	XXX
7. 2003	XXX	XXX	XXX	XXX	XXX				0	(1)	XXX	XXX
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	162	852	1,449	1,707	XXX	XXX
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	515	1,711	1,829	XXX	XXX
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	516	1,707	XXX	XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	537	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	2	3	4	5	6	7	8	9	10
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX	4	1	3		
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	1,930	1,397	719	394
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,237	1,293	1,125
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,171	1,057
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,473

Schedule P - Part 1A - Home/Farm

NONE

Schedule P - Part 1B - Private Passenger

NONE

SCHEDULE P - PART 1C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

(\$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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 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. 1998												
3. 1999												
4. 2000												
5. 2001												
6. 2002												
7. 2003												
8. 2004	1,232	971	261	(0)	(0)							(0)
9. 2005	(1,220)	(975)	(245)	0	0							0
10. 2006	(12)	(11)	(1)									
11. 2007												
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	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.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.									(0)			(0)	
12.									(0)			(0)	

	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		
2.											
3.											
4.											
5.											
6.											
7.											
8.	(0)	(0)	(0)	(0.0)	(0.0)	(0.0)					
9.	0	0	0	(0.0)	(0.0)	(0.0)					
10.											
11.	(0)		(0)								(0)
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		(0)

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 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 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. 1998												
3. 1999												
4. 2000												
5. 2001												
6. 2002												
7. 2003												
8. 2004												
9. 2005												
10. 2006												
11. 2007												
12. Totals	XXX	XXX	XXX									XXX

NONE

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

NONE

	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
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

NONE

SCHEDULE P - PART 1E - COMMERCIAL MULTIPLE PERIL

(\$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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 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. 1998												
3. 1999												
4. 2000												
5. 2001												
6. 2002												
7. 2003	55	44	11			(0)	0	0			(0)	2
8. 2004	5,935	4,846	1,089	1,344	863	280	228	9			542	172
9. 2005	14,015	11,085	2,930	3,110	2,560	1,160	906	24		17	829	404
10. 2006	21,031	17,528	3,503	3,356	2,870	468	375	11		56	589	663
11. 2007	9,315	7,398	1,917	88	66	166	162	5			30	204
12. Totals	XXX	XXX	XXX	7,897	6,359	2,074	1,671	49		72	1,990	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	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.													
2.													
3.													
4.													
5.													
6.													
7.								0			0		1
8.	363	321	501	425	12	10	106	90	3		140		11
9.	931	818	1,189	984	282	230	241	198	9		421		34
10.	1,964	1,474	3,255	2,804	270	216	597	488	17		1,123		67
11.	705	563	2,340	1,740	389	312	514	415	29		946		114
12.	3,963	3,175	7,285	5,954	954	767	1,458	1,191	57		2,630		227

	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		
2.											
3.											
4.											
5.											
6.											
7.	0	0	(0)	0.5	0.7	(0.4)					0
8.	2,619	1,937	682	44.1	40.0	62.6				118	21
9.	6,946	5,695	1,250	49.6	51.4	42.7				317	104
10.	9,939	8,227	1,712	47.3	46.9	48.9				942	181
11.	4,234	3,258	976	45.5	44.0	50.9				741	205
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	2,119	511

Schedule P - Part 1F - Medical Mal Occur

NONE

Schedule P - Part 1F - Medical Mal Claim

NONE

SCHEDULE P - PART 1G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

(\$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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 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. 1998											XXX	
3. 1999											XXX	
4. 2000											XXX	
5. 2001											XXX	
6. 2002											XXX	
7. 2003											XXX	
8. 2004	35	27	7								XXX	
9. 2005	(35)	39	(74)								XXX	
10. 2006											XXX	
11. 2007											XXX	
12. Totals	XXX	XXX	XXX								XXX	

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

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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				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. 1998												
3. 1999												
4. 2000												
5. 2001												
6. 2002												
7. 2003				0	0	(0)	0					(0)
8. 2004	8,819	6,975	1,844	1,442	1,073	897	729	7		10	542	99
9. 2005	16,162	13,018	3,144	1,632	1,626	2,038	1,639	8		7	414	267
10. 2006	12,614	10,292	2,322	1,808	1,304	905	725	4		19	687	111
11. 2007	11,117	9,160	1,957	185	15	243	195	2		3	219	171
12. Totals	XXX	XXX	XXX	5,067	4,019	4,083	3,289	20		39	1,862	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	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.													
2.													
3.													
4.													
5.													
6.													
7.	(0)	(0)				0						(0)	
8.	1,116	893	647	371	146	117	137	111	8		562	32	
9.	2,802	2,282	2,750	1,976	472	381	509	411	24		1,507	93	
10.	1,814	1,452	2,026	1,678	327	263	468	378	20		884	77	
11.	1,223	944	3,901	3,515	182	146	785	638	23		871	90	
12.	6,955	5,571	9,323	7,540	1,128	908	1,899	1,537	75		3,824	292	

	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		
2.											
3.											
4.											
5.											
6.											
7.	(0)	0	(1)							(0)	(0)
8.	4,400	3,295	1,105	49.9	47.2	59.9				498	64
9.	10,235	8,314	1,921	63.3	63.9	61.1				1,294	213
10.	7,372	5,801	1,571	58.4	56.4	67.6				710	174
11.	6,544	5,454	1,090	58.9	59.5	55.7				665	206
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	3,168	657

SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE

(\$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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 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. 1998												
3. 1999												
4. 2000												
5. 2001												
6. 2002												
7. 2003												
8. 2004												
9. 2005												
10. 2006												
11. 2007												
12. Totals	XXX	XXX	XXX									XXX

NONE

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

NONE

	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
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

NONE

SCHEDULE P - PART 1I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	14	11	2	1				3	XXX
2. 2006	3,707	3,155	552	457	368	53	42	0			100	XXX
3. 2007	3,344	2,745	599	190	149	35	28	1			49	XXX
4. Totals	XXX	XXX	XXX	661	528	89	72	1			152	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	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.	70	56	26	21	6	(2)	6	4	0			28	4
2.		(0)	118	96		(0)	15	12	1			27	72
3.	15	12	303	249	29	23	48	39	1			72	47
4.	85	68	447	366	34	21	69	56	2			127	123

	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	19	9
2.	645	518	127	17.4	16.4	23.0				23	4
3.	621	500	121	18.6	18.2	20.2				58	15
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	99	28

Schedule P - Part 1J - Auto Physical

NONE

Schedule P - Part 1K - Fidelity/Surety

NONE

SCHEDULE P - PART 1L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

(\$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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 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	303	272						.31	XXX
2. 2006	3,349	2,755	593	1,482	1,135			5			.352	XXX
3. 2007	4,651	3,791	861	1,329	1,084			1			.247	XXX
4. Totals	XXX	XXX	XXX	3,114	2,491			6			.629	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	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.	107	90	.0	.0			.0	.0	1			.17	.1
2.	231	200	136	109			29	23	4			.68	.6
3.	780	604	818	670			174	142	4			.360	.5
4.	1,118	894	954	779			202	165	9			.445	.12

	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	.16	.1
2.	1,887	1,467	420	56.3	53.2	70.8				.58	10
3.	3,107	2,500	607	66.8	66.0	70.5				.324	36
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	.399	46

Schedule P - Part 1M - International

NONE

Schedule P - Part 1N - Reinsurance A

NONE

Schedule P - Part 1O - Reinsurance B

NONE

Schedule P - Part 1P - Reinsurance C

NONE

Schedule P - Part 1R - Prod Liab Occur

NONE

Schedule P - Part 1R - Prod Liab Claims

NONE

Schedule P - Part 1S-Fin./Mtg. Guaranty

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE P - PART 2A - HOMEOWNERS/FAROWNERS

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	11 One Year	12 Two Year
1. Prior												
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

NONE

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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	11 One Year	12 Two Year
1. Prior												
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

NONE

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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	11 One Year	12 Two Year
1. Prior												
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	158	.1	(0)	(0)		(1)
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0		
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals											(1)	

SCHEDULE P - PART 2D- WORKERS' COMPENSATION

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	11 One Year	12 Two Year
1. Prior												
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		.XXX	.XXX
12. Totals												

NONE

SCHEDULE P - PART 2E- COMMERCIAL MULTIPLE PERIL

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	11 One Year	12 Two Year
1. Prior												
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX	4		3		(0)	(0)	(3)
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	647	840	903	670	(233)	(170)
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	1,073	1,509	1,217	(291)	145
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	1,810	1,684	(126)	.XXX
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	943	.XXX	.XXX
12. Totals										(651)	(28)	

SCHEDULE P - PART 2F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	11 One Year	12 Two Year
1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
	12. Totals											

SCHEDULE P - PART 2F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE

1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
	12. Totals											

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

1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	4					
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
	12. Totals											

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

1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX					(1)	(1)	(1)
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	1,013	1,042	904	1,090	186	48
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,821	1,700	1,889	189	68
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,118	1,547	429	XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,065	XXX	XXX
	12. Totals										803	115

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

1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
	12. Totals											

SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	11 One Year	12 Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	133	220	145	(75)	12
2. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100	125	25	XXX
3. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	119	XXX	XXX
4. Totals											(50)	12

SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
3. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
4. Totals												

SCHEDULE P - PART 2K - FIDELITY, SURETY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
3. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
4. Totals												

SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	292	249	279	30	(13)
2. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	391	410	19	XXX
3. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	601	XXX	XXX
4. Totals											49	(13)

SCHEDULE P - PART 2M - INTERNATIONAL

1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

Schedule P - Part 2N

NONE

Schedule P - Part 2O

NONE

Schedule P - Part 2P

NONE

Schedule P - Part 2R - Prod Liab Occur

NONE

Schedule P - Part 2R - Prod Liab Claims

NONE

Schedule P - Part 2S

NONE

SCHEDULE P - PART 3A - HOMEOWNERS/FAROWNERS

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior	.000											
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		

NONE

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

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior	.000											
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		

NONE

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

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior	.000											
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			(0)	(0)		
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0		
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		

NONE

SCHEDULE P - PART 3D - WORKERS' COMPENSATION

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior	.000											
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX							
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX						
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		

NONE

SCHEDULE P - PART 3E - COMMERCIAL MULTIPLE PERIL

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior	.000											
2. 1998												
3. 1999	.XXX											
4. 2000	.XXX	.XXX										
5. 2001	.XXX	.XXX	.XXX									
6. 2002	.XXX	.XXX	.XXX	.XXX								
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX					(0)	.1	
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.20	.168	.533	.533	.59	.102
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.178	.796	.805	.196	.174
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.239	.578	.259	.337
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.26	.38	.52

SCHEDULE P - PART 3F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior	.000											
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		

SCHEDULE P - PART 3F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE

1. Prior	.000											
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		

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

1. Prior	.000										XXX	XXX
2. 1998											XXX	XXX
3. 1999	XXX										XXX	XXX
4. 2000	XXX	XXX									XXX	XXX
5. 2001	XXX	XXX	XXX								XXX	XXX
6. 2002	XXX	XXX	XXX	XXX							XXX	XXX
7. 2003	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

1. Prior	.000											
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX				.0	(0)		
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	7	79	279	536	27	40
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	66	330	406	46	128
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	72	683	22	12
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	217	12	69

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

1. Prior	.000											
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		

**SCHEDULE P - PART 3I - SPECIAL PROPERTY
(FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		
1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000	.114	.117	.XXX	.XXX
2. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.29	.100	.XXX	.XXX
3. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.48	.XXX	.XXX

SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000				
2. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
3. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			

NONE

SCHEDULE P - PART 3K - FIDELITY/SURETY

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000			.XXX	.XXX
2. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			.XXX	.XXX
3. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX

NONE

SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.000	.232	.263	.XXX	.XXX
2. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.176	.346	.XXX	.XXX
3. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.246	.XXX	.XXX

SCHEDULE P - PART 3M - INTERNATIONAL

1. Prior	.000										.XXX	.XXX
2. 1998											.XXX	.XXX
3. 1999	.XXX										.XXX	.XXX
4. 2000	.XXX	.XXX									.XXX	.XXX
5. 2001	.XXX	.XXX	.XXX								.XXX	.XXX
6. 2002	.XXX	.XXX	.XXX	.XXX							.XXX	.XXX
7. 2003	.XXX	.XXX	.XXX	.XXX	.XXX						.XXX	.XXX
8. 2004	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX					.XXX	.XXX
9. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				.XXX	.XXX
10. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			.XXX	.XXX
11. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX

NONE

Schedule P - Part 3N

NONE

Schedule P - Part 3O

NONE

Schedule P - Part 3P

NONE

Schedule P - Part 3R - Prod Liab Occur

NONE

Schedule P - Part 3R - Prod Liab Claims

NONE

Schedule P - Part 3S

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE P - PART 4A - HOMEOWNERS/FAROWNERS

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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

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

1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

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

1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	158	1		
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P - PART 4D - WORKERS' COMPENSATION

1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

SCHEDULE P - PART 4E - COMMERCIAL MULTIPLE PERIL

1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX	4		3		
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	525	620	310	92
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	394	453	247
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,225	561
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	698

SCHEDULE P - PART 4F - SECTION 1 - MEDICAL MALPRACTICE - 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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P - PART 4F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE

1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	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. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	931	728	406	302
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,491	750	872
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	772	438
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	533

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

1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4I - SPECIAL PROPERTY
(FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

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	2	3	4	5	5	7	8	9	10
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	120	82	6
2. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	60	25
3. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	63

SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P - PART 4K - FIDELITY/SURETY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	280	12	.0
2. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	113	33
3. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	179

SCHEDULE P - PART 4M - INTERNATIONAL

1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

Schedule P - Part 4N

NONE

Schedule P - Part 4O

NONE

Schedule P - Part 4P

NONE

Schedule P - Part 4R - Prod Liab Occur

NONE

Schedule P - Part 4R - Prod Liab Claims

NONE

Schedule P - Part 4S

NONE

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3

NONE

SCHEDULE P - PART 5E - COMMERCIAL MULTIPLE PERIL

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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					.1
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	7	28	57	59
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	67	193	196
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	254	259
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38

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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX				.1	.1
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	107	44	75	11
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	137	228	34
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	229	67
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	114

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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX				.1	.2
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	146	123	231	172
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	232	591	404
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	789	663
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	204

Schedule P - Part 5F- SN1A

NONE

Schedule P - Part 5F- SN2A

NONE

Schedule P - Part 5F- SN3A

NONE

Schedule P - Part 5F- SN1B

NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B

NONE

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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX		25	26	27
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36	38	46
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2	22
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12

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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	9	6	3	32
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	265	22	93
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	25	77
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	90

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
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Prior										
2. 1998										
3. 1999	XXX									
4. 2000	XXX	XXX								
5. 2001	XXX	XXX	XXX							
6. 2002	XXX	XXX	XXX	XXX						
7. 2003	XXX	XXX	XXX	XXX	XXX					
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	9	49	69	99
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	421	188	267
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39	111
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	171

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

NONE

Schedule P - Part 5R- SN1A

NONE

Schedule P - Part 5R- SN2A

NONE

Schedule P - Part 5R- SN3A

NONE

Schedule P - Part 5R- SN1B

NONE

Schedule P - Part 5R- SN2B

NONE

Schedule P - Part 5R- SN3B

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	
1. Prior											
2. 1998											
3. 1999	XXX										
4. 2000	XXX	XXX									
5. 2001	XXX	XXX	XXX								
6. 2002	XXX	XXX	XXX	XXX							
7. 2003	XXX	XXX	XXX	XXX	XXX						
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	1,232	1,232	1,232	1,232	
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(1,220)	(1,220)	(1,220)	
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(12)	(12)	
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sch P, Part 1)								1,232	(1,220)	(12)	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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	
1. Prior											
2. 1998											
3. 1999	XXX										
4. 2000	XXX	XXX									
5. 2001	XXX	XXX	XXX								
6. 2002	XXX	XXX	XXX	XXX							
7. 2003	XXX	XXX	XXX	XXX	XXX						
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	971	971	971	971	
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(975)	(975)	(975)	
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(11)	(11)	
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sch P, Part 1)								971	(975)	(11)	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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	
1. Prior											
2. 1998											
3. 1999	XXX										
4. 2000	XXX	XXX									
5. 2001	XXX	XXX	XXX								
6. 2002	XXX	XXX	XXX	XXX							
7. 2003	XXX	XXX	XXX	XXX	XXX						
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sch P, Part 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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	
1. Prior											
2. 1998											
3. 1999	XXX										
4. 2000	XXX	XXX									
5. 2001	XXX	XXX	XXX								
6. 2002	XXX	XXX	XXX	XXX							
7. 2003	XXX	XXX	XXX	XXX	XXX						
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sch P, Part 1)											XXX

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007		
1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	5,935	5,935	5,935	5,935		
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,015	14,015	14,015		
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,031	21,031		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,315	9,315	
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,315	
13. Earned Premiums (Sch P, Part 1)							55	5,935	14,015	21,031	9,315	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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007		
1. Prior												
2. 1998												
3. 1999	XXX											
4. 2000	XXX	XXX										
5. 2001	XXX	XXX	XXX									
6. 2002	XXX	XXX	XXX	XXX								
7. 2003	XXX	XXX	XXX	XXX	XXX							
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	4,846	4,846	4,846	4,846		
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,085	11,085	11,085		
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,528	17,528		
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,398	7,398	
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,398	
13. Earned Premiums (Sch P, Part 1)							44	4,846	11,085	17,528	7,398	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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	
1. Prior											
2. 1998											
3. 1999	XXX										
4. 2000	XXX	XXX									
5. 2001	XXX	XXX	XXX								
6. 2002	XXX	XXX	XXX	XXX							
7. 2003	XXX	XXX	XXX	XXX	XXX						
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	8,819	8,819	8,819	8,819	
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,162	16,162	16,162	
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,614	12,614	
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,117	11,117
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,117
13. Earned Premiums (Sch P, Part 1)							8,819	16,162	12,614	11,117	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 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	
1. Prior											
2. 1998											
3. 1999	XXX										
4. 2000	XXX	XXX									
5. 2001	XXX	XXX	XXX								
6. 2002	XXX	XXX	XXX	XXX							
7. 2003	XXX	XXX	XXX	XXX	XXX						
8. 2004	XXX	XXX	XXX	XXX	XXX	XXX	6,975	6,975	6,975	6,975	
9. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,018	13,018	13,018	
10. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,292	10,292	
11. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,160	9,160
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,160
13. Earned Premiums (Sch P, Part 1)							6,975	13,018	10,292	9,160	XXX

Schedule P - Part 6H - SN1B

NONE

Schedule P - Part 6H - SN2B

NONE

Schedule P - Part 6M - SN1

NONE

Schedule P - Part 6M - SN2

NONE

Schedule P - Part 6N - SN1

NONE

Schedule P - Part 6N - SN2

NONE

Schedule P - Part 6O - SN1

NONE

Schedule P - Part 6O - SN2

NONE

Schedule P - Part 6R - SN1A

NONE

Schedule P - Part 6R - SN2A

NONE

Schedule P - Part 6R - SN1B

NONE

Schedule P - Part 6R - SN2B

NONE

Schedule P - Part 7A - Section 1

NONE

Schedule P - Part 7A - Section 2

NONE

Schedule P - Part 7A - Section 3

NONE

Schedule P - Part 7A - Section 4

NONE

Schedule P - Part 7A - Section 5

NONE

Schedule P - Part 7B - Section 1

NONE

Schedule P - Part 7B - Section 2

NONE

Schedule P - Part 7B - Section 3

NONE

Schedule P - Part 7B - Section 4

NONE

Schedule P - Part 7B - Section 5

NONE

Schedule P - Part 7B - Section 6

NONE

Schedule P - Part 7B - Section 7

NONE

SCHEDULE P INTERROGATORIES

1. What is the extended loss and expense reserve - direct and assumed - for the following classes? An example of an extended loss and expense reserve is the actuarial reserve for the free-tail coverage arising upon death, disability or retirement in most medical malpractice policies. Such a liability is to be reported here even if it was not reported elsewhere in Schedule P, but otherwise reported as a liability item on Page 3. Show the full reserve amount, not just the change during the current year.

Years in which premiums were earned and losses were incurred		1 Medical Malpractice	2 Other Liability	3 Products Liability
1.01	Prior			
1.02	1998			
1.03	1999			
1.04	2000			
1.05	2001			
1.06	2002			
1.07	2003			
1.08	2004			
1.09	2005			
1.10	2006			
1.11	2007			
1.12	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? Answer: 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, Columns 32 and 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).....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.
.....

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	No	2,260,700	2,259,245	1,419,505	2,025,683	849,291		
2. Alaska	AK	No							
3. Arizona	AZ	No	467,361	552,049	3,593	10,733	83,211		
4. Arkansas	AR	No	112,312	104,268		14,693	15,954		
5. California	CA	No	8,083,644	5,866,987	702,899	368,087	1,633,821		
6. Colorado	CO	No	96,594	96,883	(117)	10,078	25,834		
7. Connecticut	CT	No	30,935	31,913		14,186	14,741		
8. Delaware	DE	No	(183,448)	(20,641)		(9,245)	993		
9. District of Columbia	DC	No							
10. Florida	FL	No	1,531,258	1,803,575	82,871	355,810	707,281		
11. Georgia	GA	No	159,585	177,238	(5,000)	(43,641)	200,689		
12. Hawaii	HI	No							
13. Idaho	ID	No							
14. Illinois	IL	No	2,450,846	2,721,594	1,330,474	1,691,004	3,170,699		
15. Indiana	IN	No	842,314	839,575	493,773	390,878	295,498		
16. Iowa	IA	No							
17. Kansas	KS	No							
18. Kentucky	KY	No	257,838	257,518	9,546	10,378	98,131		
19. Louisiana	LA	No							
20. Maine	ME	No							
21. Maryland	MD	No	(178,023)	(10,246)		(5,304)	6,276		
22. Massachusetts	MA	No	443,878	421,412		127,371	240,633		
23. Michigan	MI	No	(63,396)	(55,449)		(71,708)	79,063		
24. Minnesota	MN	No							
25. Mississippi	MS	No	(13)	(13)	4,174	(29,478)	24		
26. Missouri	MO	No	84,191	71,983		35,636	41,773		
27. Montana	MT	No							
28. Nebraska	NE	No							
29. Nevada	NV	No	385,313	371,240	46,176	41,177	90,787		
30. New Hampshire	NH	No							
31. New Jersey	NJ	No	776,283	1,785,505	547,929	882,983	2,124,432		
32. New Mexico	NM	No							
33. New York	NY	No	7,147,914	8,908,026	4,509,127	4,750,763	19,543,595		
34. North Carolina	NC	No	39,959	40,569	639	(7,500)	12,039		
35. North Dakota	ND	Yes							
36. Ohio	OH	No	388,820	361,971	274,090	201,495	193,720		
37. Oklahoma	OK	No				(226)	4		
38. Oregon	OR	No	363,547	672,928	2,953	(7,644)	109,613		
39. Pennsylvania	PA	No	57,296	170,182	28,273	116,878	281,123		
40. Rhode Island	RI	No							
41. South Carolina	SC	No	34,497	27,963	10,661	19,052	16,974		
42. South Dakota	SD	No							
43. Tennessee	TN	No							
44. Texas	TX	No	217,054	225,310		41,445	177,503		
45. Utah	UT	No				(1,710)	783		
46. Vermont	VT	No	525	525		278	278		
47. Virginia	VA	No	(136)	4,909		2,224	3,669		
48. Washington	WA	No	202,054	208,584		(14,491)	21,783		
49. West Virginia	WV	No							
50. Wisconsin	WI	No	531,060	531,060	20,296	86,968	90,669		
51. Wyoming	WY	No							
52. American Samoa	AS	No							
53. Guam	GU	No							
54. Puerto Rico	PR	No							
55. U.S. Virgin Islands	VI	No							
56. Northern Mariana Islands	MP	No							
57. Canada	CN	No							
58. Aggregate other alien	OT	XXX							
59. Totals	(a) 1		26,540,762	28,426,663	9,481,862	11,006,853	30,130,884		
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 (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX								

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

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

The Company is eligible to write excess and surplus lines insurance in the following states:

AL, AK, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, KS, KY, MA, MD, MI, MS, MO, MT, NE, NV, NJ, NY, NC, NM, OH, OK, OR, PA, SC, SD, TN, TX, UT, VA, VT, WA, WV, WI, WY

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE T – PART 2
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

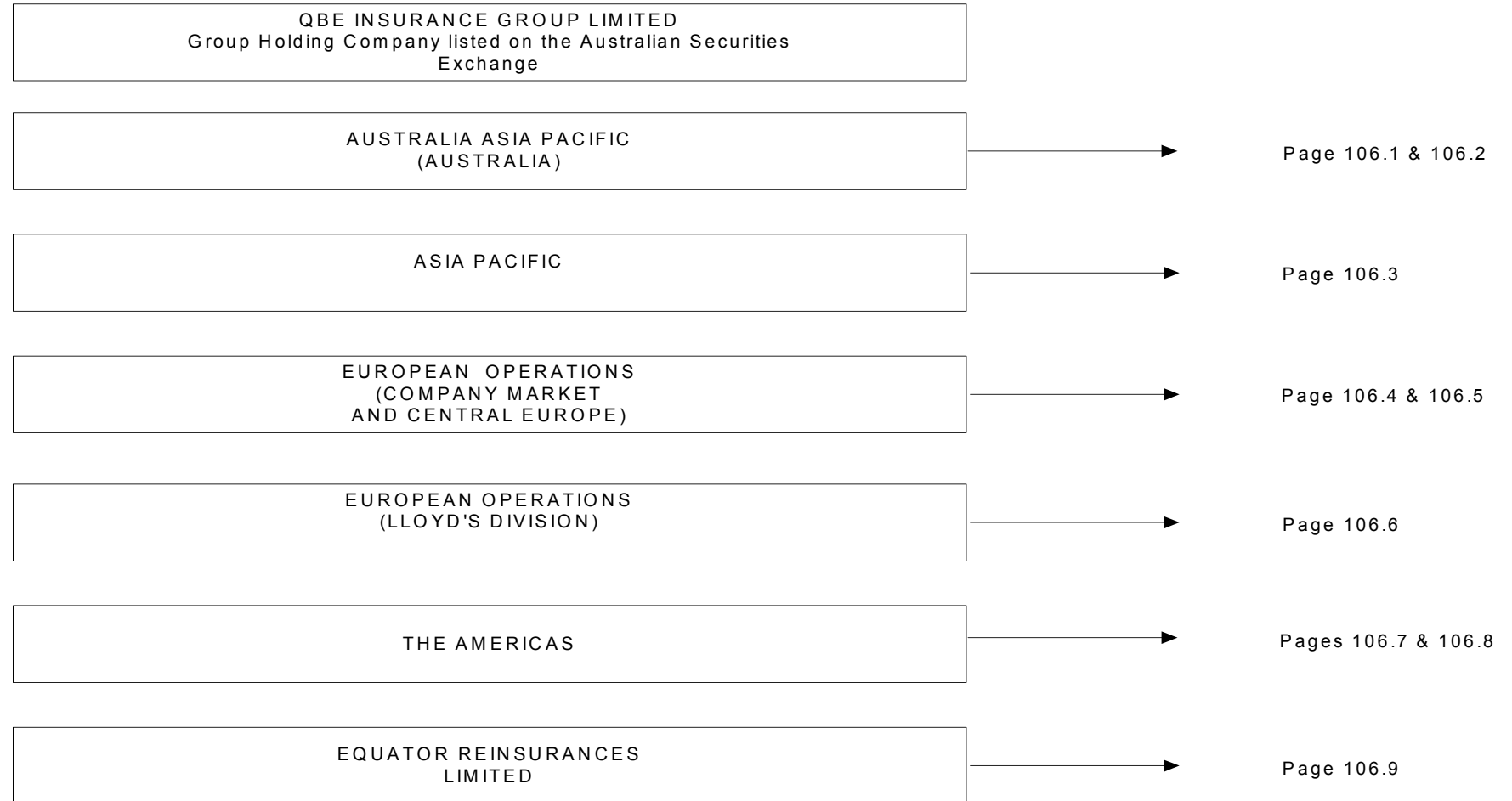
States, Etc.	Direct Business Only					Totals
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama AL						
2. Alaska AK						
3. Arizona AZ						
4. Arkansas AR						
5. California CA						
6. Colorado CO						
7. Connecticut CT						
8. Delaware DE						
9. District of Columbia DC						
10. Florida FL						
11. Georgia GA						
12. Hawaii HI						
13. Idaho ID						
14. Illinois IL						
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						
30. New Hampshire NH						
31. New Jersey NJ						
32. New Mexico NM						
33. New York NY						
34. North Carolina NC						
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
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						
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 Other Alien OT						
59. Totals						

NONE

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

PART 1 - ORGANIZATIONAL CHART

**GROUP AND REGIONAL STRUCTURE -
QBE INSURANCE GROUP LIMITED & ITS SUBSIDIARIES AND ASSOCIATES**

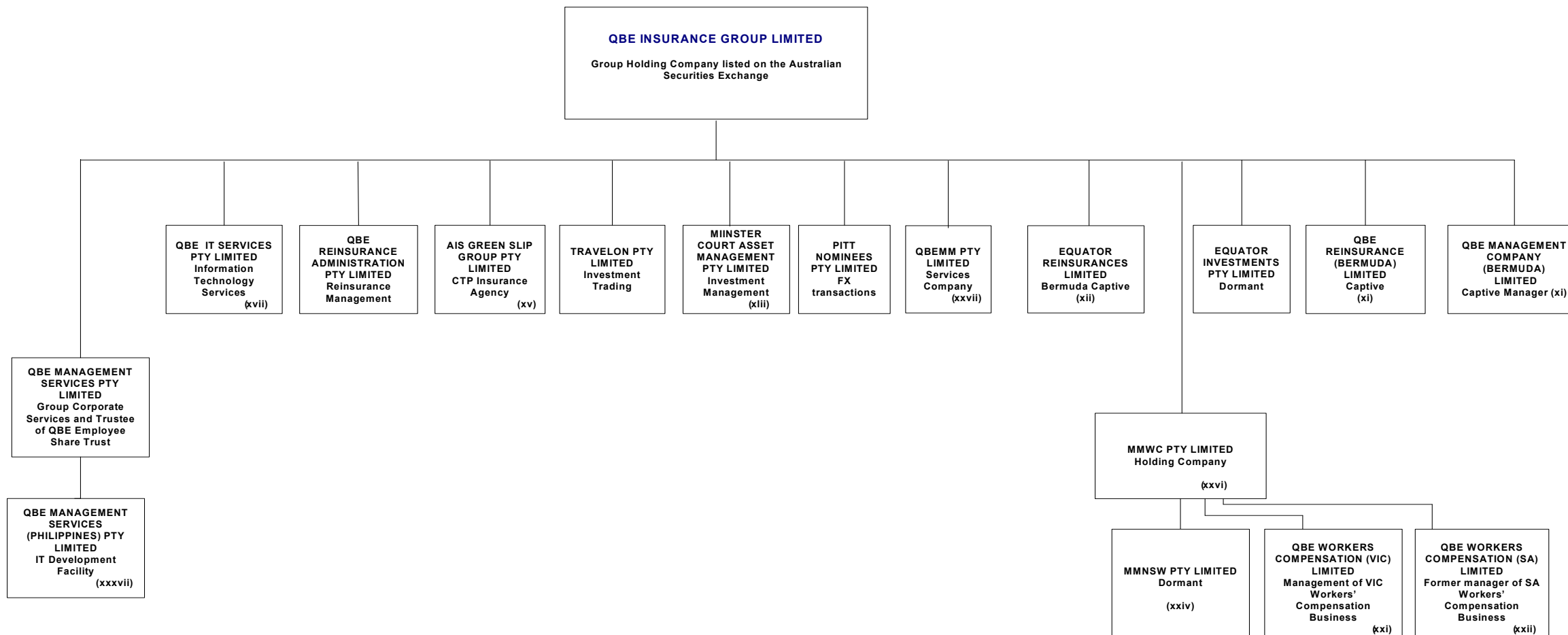


SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED
& ITS SUBSIDIARIES AND ASSOCIATES

- AUSTRALIA (continued on page 106.2)
- Note some minor companies are included in other divisions



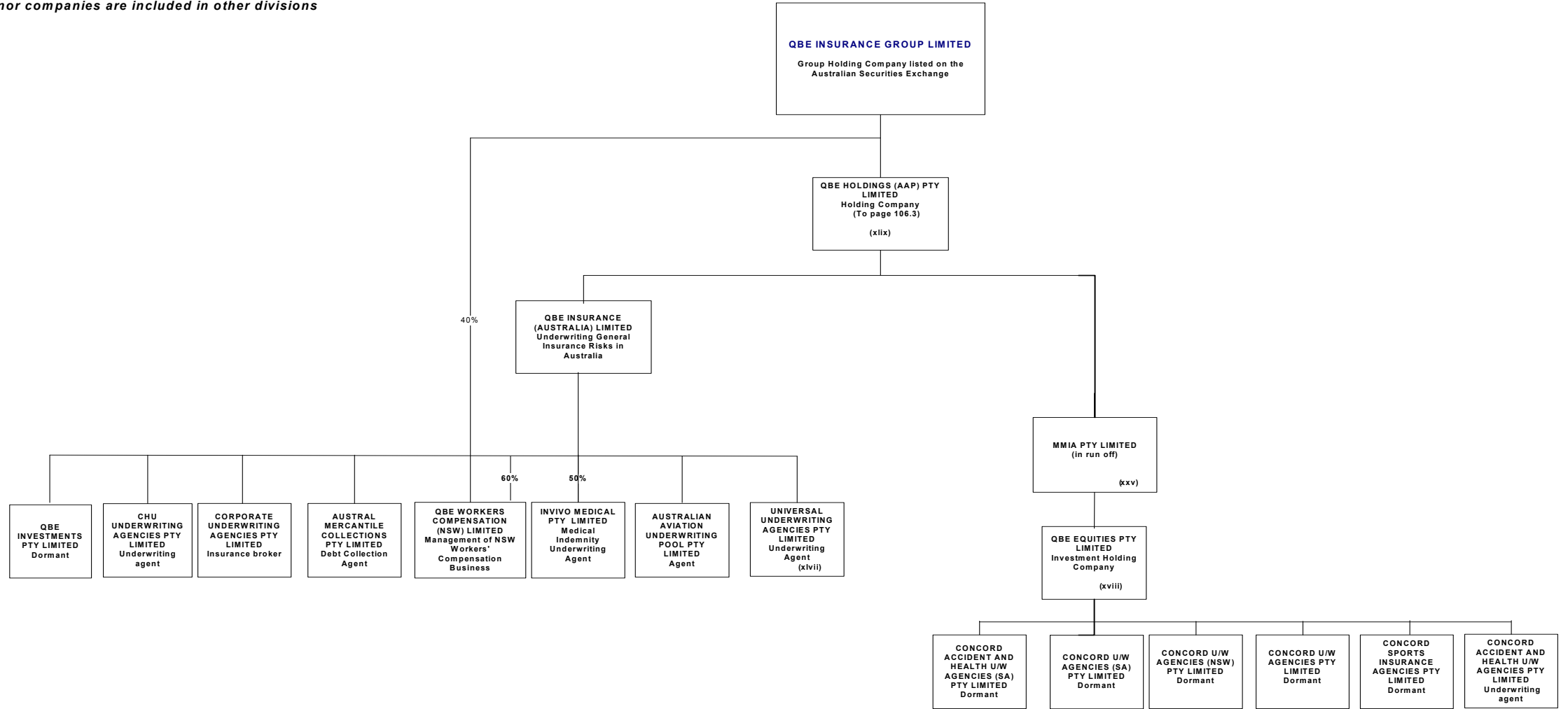
106.1

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

PART 1 - ORGANIZATIONAL CHART

GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED
& ITS SUBSIDIARIES AND ASSOCIATES

- AUSTRALIA (continued from page 106.1)
- Note some minor companies are included in other divisions



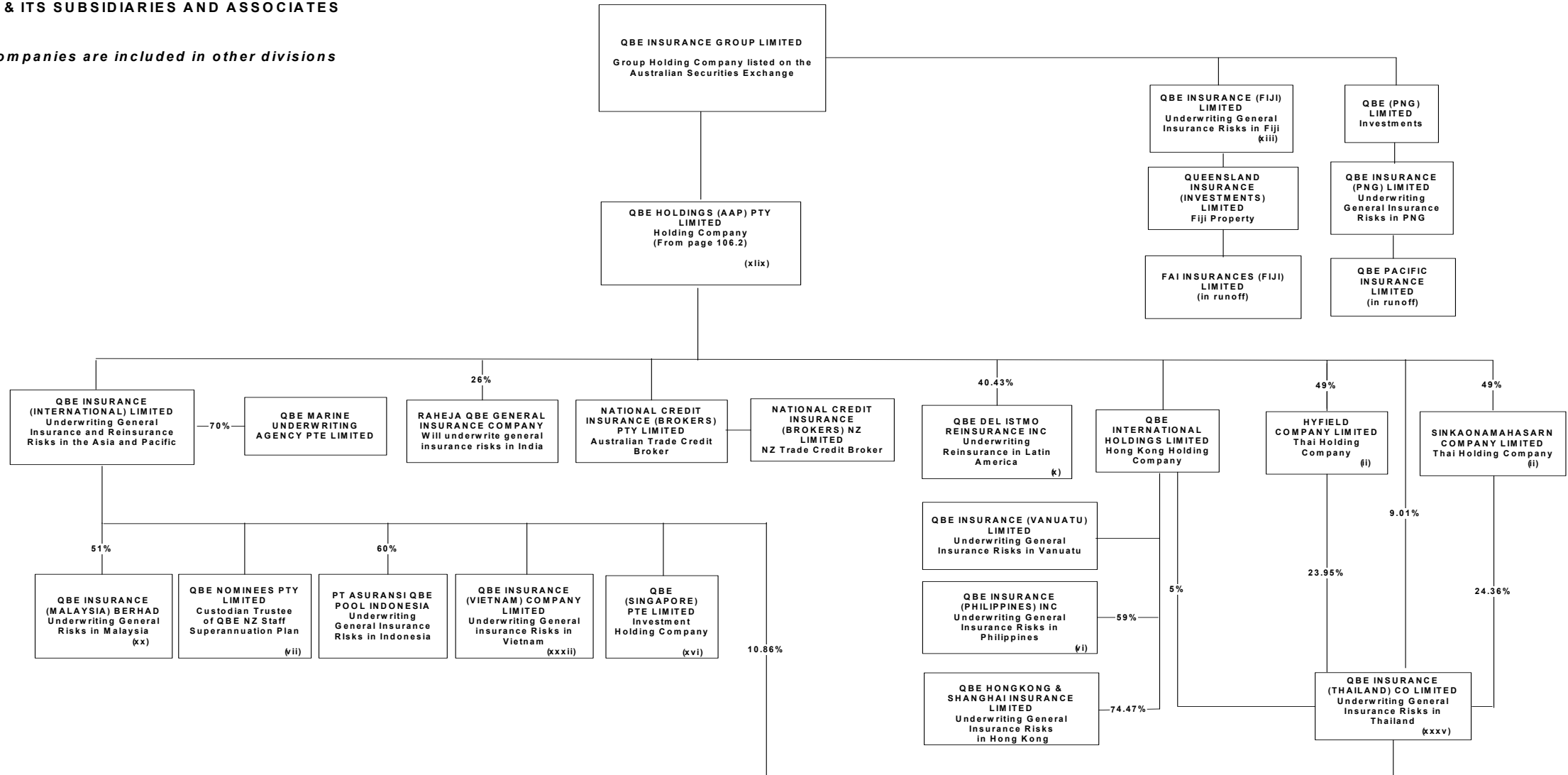
106.2

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

PART 1 - ORGANIZATIONAL CHART

GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED
& ITS SUBSIDIARIES AND ASSOCIATES

- ASIA PACIFIC
- Note some minor companies are included in other divisions



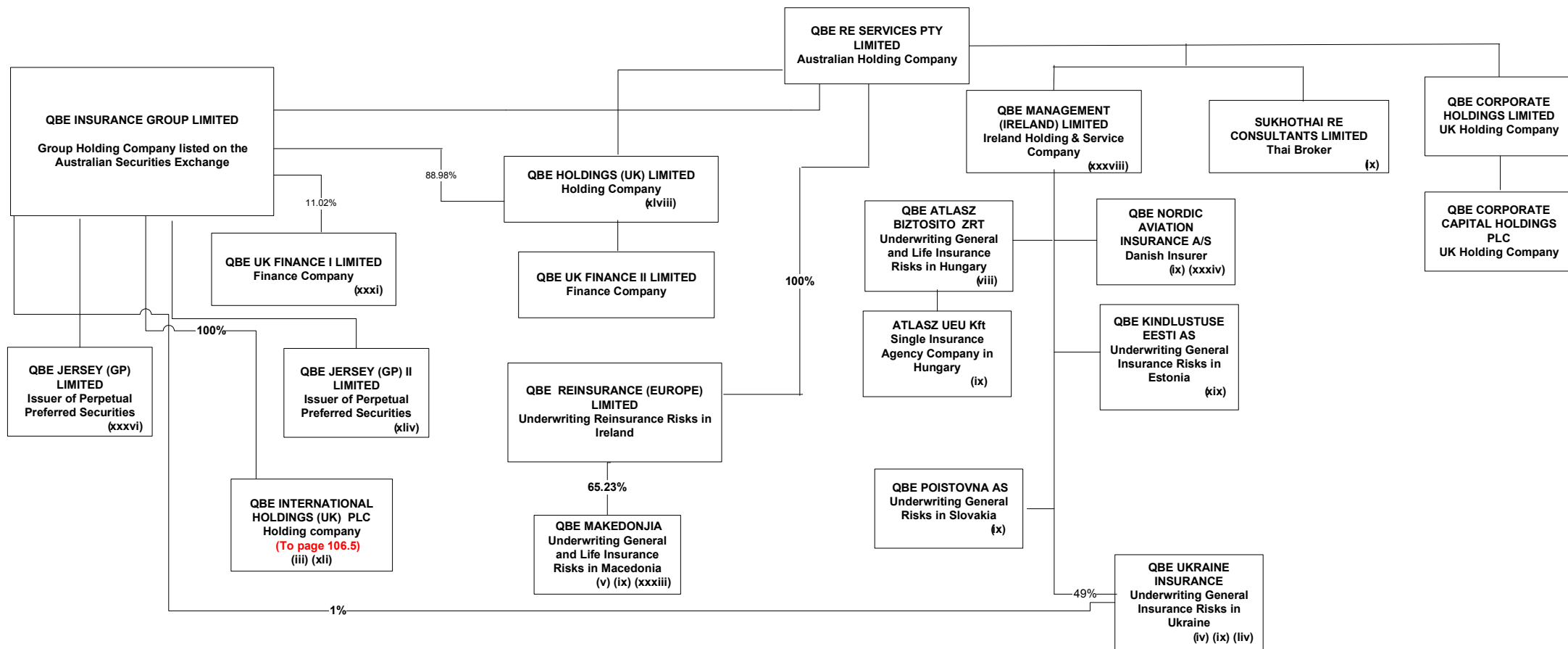
106.3

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

PART 1 - ORGANIZATIONAL CHART

GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED & ITS SUBSIDIARIES AND ASSOCIATES

- EUROPEAN OPERATIONS (COMPANY MARKET AND CENTRAL EUROPE) (continued on page 106.5)



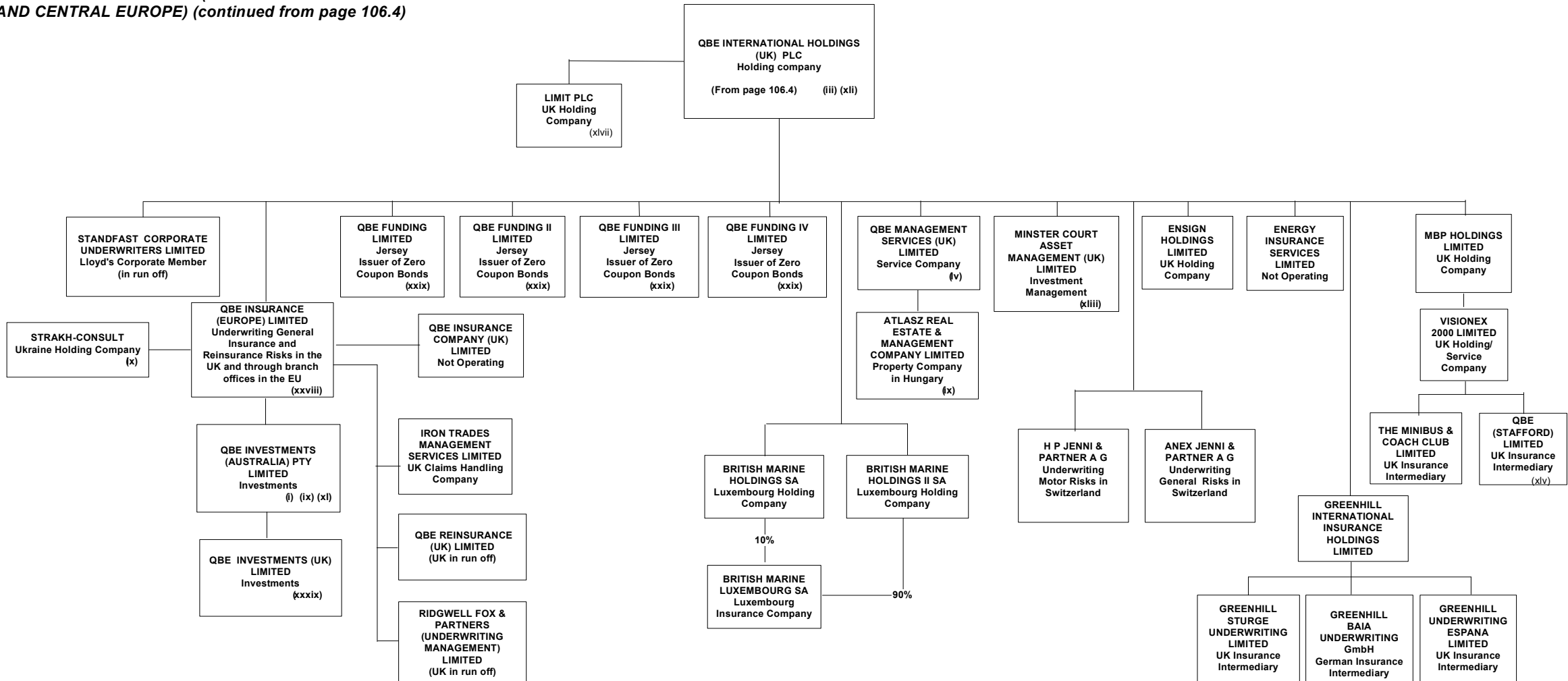
106.4

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

PART 1 - ORGANIZATIONAL CHART

GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED
& ITS SUBSIDIARIES AND ASSOCIATES

- EUROPEAN OPERATIONS (COMPANY MARKET
AND CENTRAL EUROPE) (continued from page 106.4)



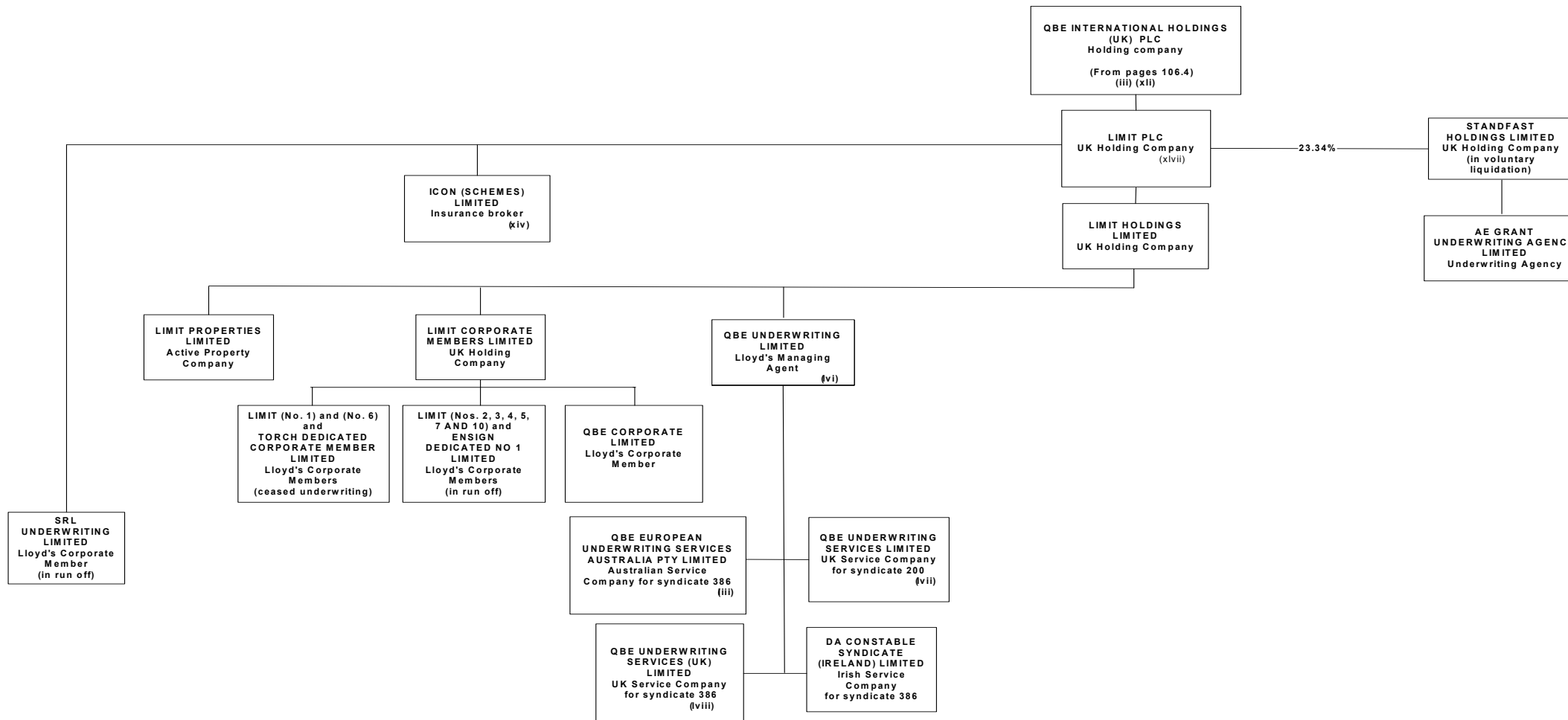
106.5

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

PART 1 - ORGANIZATIONAL CHART

GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED
& ITS SUBSIDIARIES AND ASSOCIATES

- EUROPEAN OPERATIONS (LLOYD'S DIVISION) (continued from pages 106.4 and 106.5)

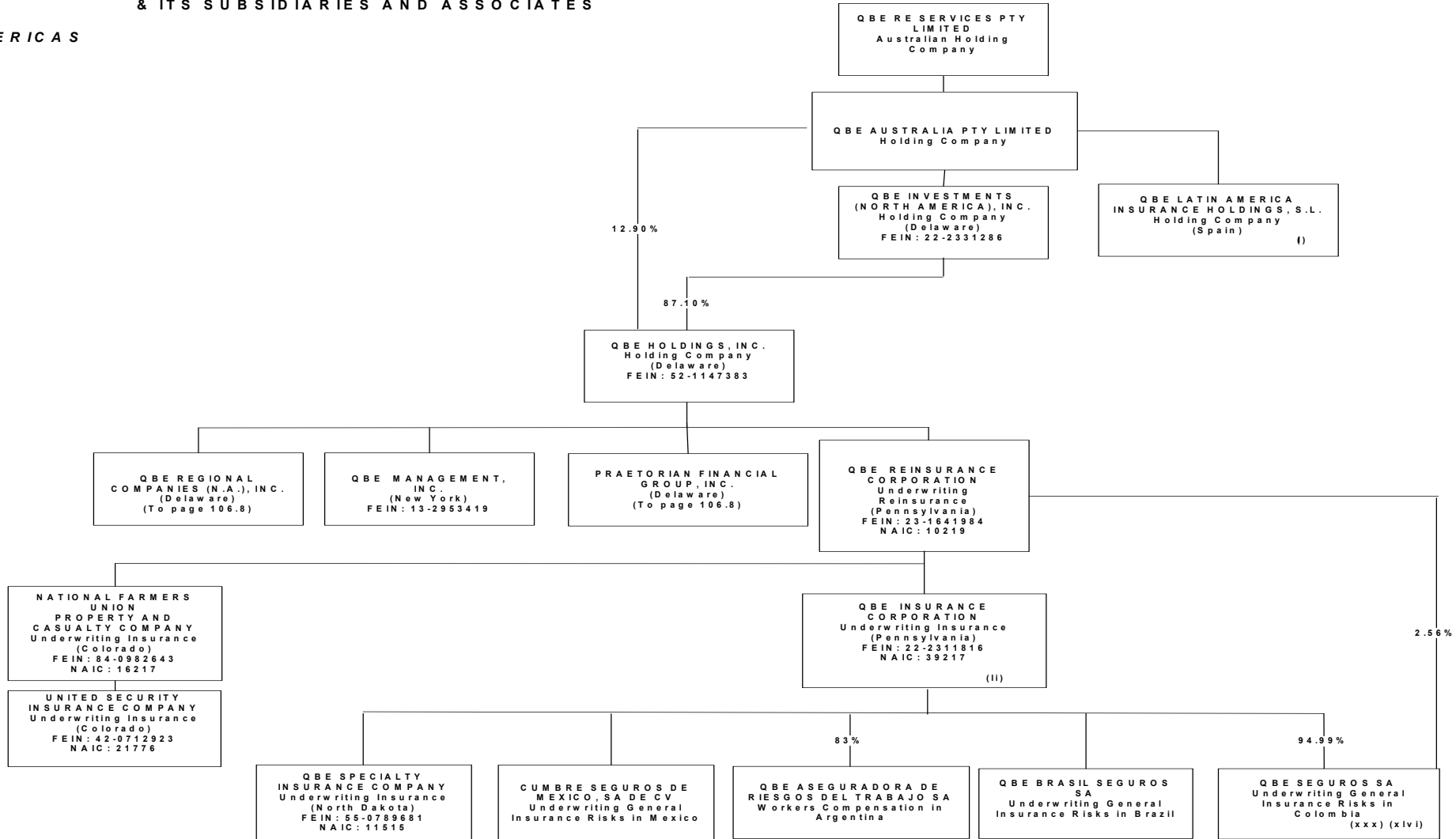


SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED
& ITS SUBSIDIARIES AND ASSOCIATES

- THE AMERICAS

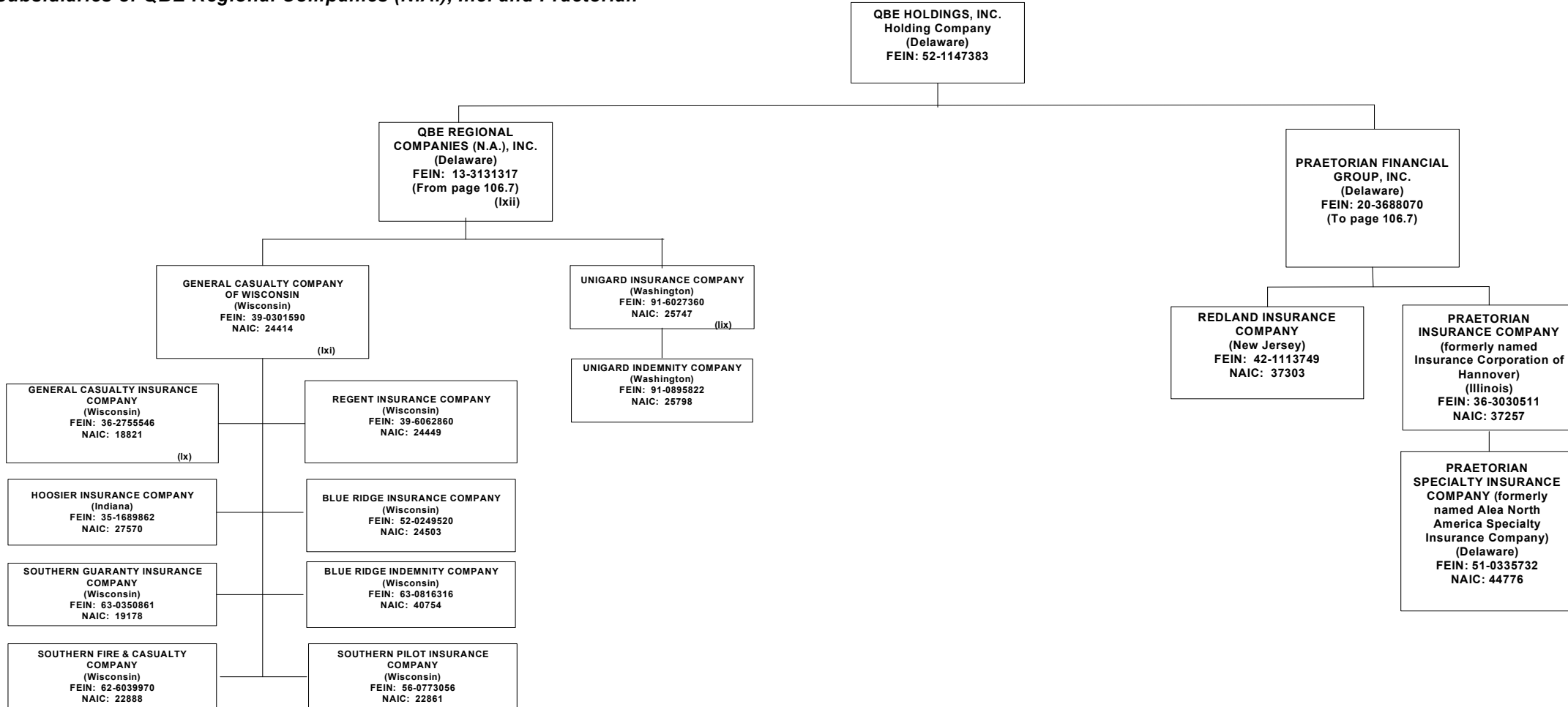


106.7

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

**GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED
 & ITS SUBSIDIARIES AND ASSOCIATES**

- THE AMERICAS (continued from page 106.7)
 Subsidiaries of QBE Regional Companies (N.A.), Inc. and Praetorian

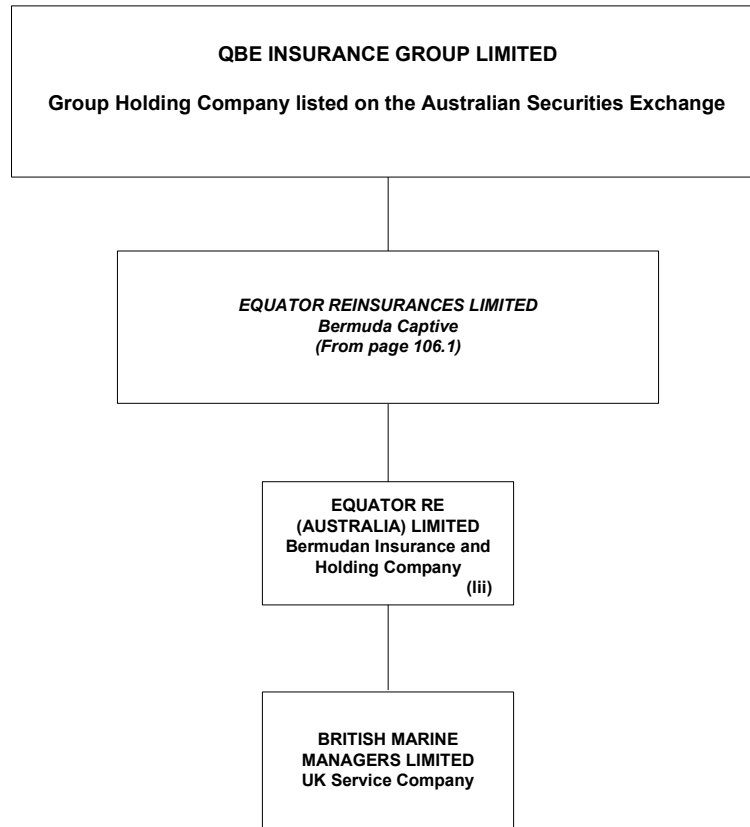


106.8

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED
& ITS SUBSIDIARIES AND ASSOCIATES

- EQUATOR REINSURANCES



106.9

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

PART 1 - ORGANIZATIONAL CHART

Notes to be read in conjunction with the QBE Group and Regional Structures (continued next page)

- (i) - Access shares held by QBE Insurance Group Limited
- (ii) - Unrelated Thai company (Born to Win Company Ltd) and its associates own 51% of shares.
- (iii) - Preference shares held by QBE UK Finance II Limited
- (iv) - Total Group holdings = 50%
- (v) - QBE has 73.5% of the voting rights with its shareholding
- (vi) - 59% held directly; 16% held by a Filipino law firm
- (vii) - Part of Australian operations. Plan closed Feb 06. Custodian trustee of the QBE NZ Staff Superannuation Plan.
- (viii) - Part of European Operations. Company changed name to QBE Atlasz Biztosito zartkor en m kod reszvenytarsasag (30 September 05)
- (ix) - Part of European Operations
- (x) - Part of the Americas - sub-group includes QBE Del Istmo Mexico (95%), QBE Rio Peru (80%), QBE Del Istmo Colombia (100%) and Seguros Carabobo SA Venezuela (15%).
- (xi) - Part of the Americas
- (xii) - Managed in Dublin as a separate division
- (xiii) - Formerly Queensland Insurance (Fiji) Limited (29 April 04)
- (xiv) - Formerly Tolson Messenger Limited (04)
- (xv) - Formerly Australian Aviation Insurance Group (Agency) Pty Ltd (1 July 04)
- (xvi) - Formerly Zurich Insurance (Singapore) Pte Ltd (14 April 05)
- (xvii) - Formerly Insure IT Services Pty Ltd (05 Nov 04)
- (xviii) - Acquired the balance of Concord Agency Companies in July 2006 other than Underwriting Marketing Services Pty Limited
- (xix) - Changed its name to QBE Kindlustuse Eesti AS on 20 April 05 – acquired 7 April 06
- (xx) - Formerly QBE-MBF Insurans Berhad (31 December 04)
- (xxi) - Formerly Mercantile Mutual WorkSure Limited (14 February 05)
- (xxii) - Formerly Mercantile Mutual Insurance (SA Workers Compensation) Limited (14 February 05)
- (xxiii) - Formerly Mercantile Equities Pty Limited (8 March 05)
- (xxiv) - Formerly Mercantile Mutual Insurance (NSW Workers Compensation) Pty Limited (8 March 05)
- (xxv) - Formerly Mercantile Mutual Insurance (Australia) Limited (15 April 05)
- (xxvi) - Formerly Mercantile Mutual Insurance (Workers Compensation) Limited (15 April 05)
- (xxvii) - Formerly QBE Mercantile Mutual Limited (5 May 05)
- (xxviii) - Formerly QBE International Insurance Limited (30 September 05)
- (xxix) - SPVs utilised in LYONs and SCS transactions through, respectively, QBE Funding Trust (LYONs), QBE Funding Trust II (LYONs II), QBE Funding Trust III (SCS aka LYONs III) and QBE Funding Trust IV (LYONs IV)
- (xxx) - Compania Central de Seguros de Vida SA, former subsidiary, was merged into Compania Central de Seguros SA effective 30 November 2005
- (xxxii) - Formerly Sandsale Limited (30 November 05)
- (xxxiii) - Sale of 50% interest in separate legal entity, BIDV-QBE Insurance Company occurred simultaneously with this acquisition. Previously Allianz General Insurance (Vietnam) Co. Ltd. Completed 1 Jan 06
- (xxxiv) - Formerly owned by QBE Insurance (Europe) Limited
- (xxxv) - Formerly Nordic Aviation Insurance A/S – completion occurred 30 March 06
- (xxxvi) - Born to Win Company Ltd holds 19.25% directly
- (xxxvii) - SPV utilised in Perpetual Preferred Securities issue through QBE Capital Funding LP
- (xxxviii) - QBE Management Services (Philippines) Pty Ltd incorporated in NSW (25 September 06)
- (xxxix) - Universal Management Limited changed its name to QBE Management (Ireland) Limited effective 3 October 06
- (xl) - QBE Workable Limited changed its name to QBE Investments (UK) Limited effective 20 December 06
- (xli) - Queensland Insurance (Australia) Pty Limited changed its name to QBE Investments (Australia) Pty Limited effective 5 January 07
- (xlii) - QBE Re Services Pty Ltd owns one ordinary share
- (xliii) - QBE Finance Pty Limited changed its name to Minster Court Asset Management Pty Ltd effective 2 February 07
- (xliv) - Minster Court Asset Management Limited changed its name to Minster Court Asset Management (UK) Limited effective 19 February 07
- (xlv) - SPV utilised in April 07 Perpetual Preferred Securities issue through QBE Capital Funding LP II
- (xlvi) - Minibus Plus Ltd changed its name to QBE (Stafford) Ltd on 9 July 07
- (xlvii) - Compania Central de Seguros changed its name to QBE Seguros SA on 31 March 07
- (xlviii) - Universal Underwriting Agencies Pty Limited acquired 31 August 07
- (xlviii) - QBE Holdings (UK) Limited now owns one ordinary share (effective 4 September 07)

Note: all shareholdings are 100% unless specified

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

PART 1 - ORGANIZATIONAL CHART

Notes to be read in conjunction with the QBE Group and Regional Structures (continued from previous page)

- (xlix) - QBE International (Investments) Pty Limited changed its name to QBE Holdings (AAP) Pty Limited effective 12 September 07
- (l) - QBE Latin America Insurance Holdings, S.L. capitalised on 21 September 07
- (li) - QBE Insurance Corporation (the Americas) purchased the entire issued share capital of Cumbre Seguros de Mexico, S.A. de C.V. effective 1 November 07
- (lii) - British Marine Holdings Limited changed its name to Equator Re (Australia) Limited effective 14 November 07
- (liii) - DA Constable Syndicate Pty Limited changed its name to QBE European Underwriting Services Australia Pty Limited effective 22 November 07
- (liv) - QBE - UGPB changed its name to QBE UKRAINE effective 23 November 07
- (lv) - QBE Management (UK) Limited changed its name to QBE Management Services (UK) Limited effective 31 December 07
- (lvi) - Limit Underwriting Limited changed its name to QBE Underwriting Limited effective 31 December 07
- (lvii) - Limit Technology and Commercial Underwriting Limited changed its name to QBE Underwriting Services Limited effective 31 December 07
- (lviii) - DA Constable Syndicate Limited changed its name to QBE Underwriting Services (UK) Limited effective 31 December 07
- (lix) - Unigard Pacific Insurance Company merged into Unigard Insurance Company effective 31 December 07
- (lx) - General Casualty Company of Illinois redomiciled to Wisconsin and changed its name to General Casualty Insurance Company effective 31 December 07
- (lxi) - Masswest Insurance Company merged into General Casualty Company of Wisconsin effective 31 December 07
- (lxii) - Unigard Inc., QBE US Investment Management Corp., Republic Financial Services, Inc. (NV), Republic Financial Services, Inc. (TX), and QBE North American Management, Inc. merged into QBE Regional Companies (N.A.), Inc. effective 31 December 2007

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

**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)
00000	AA-1121235	EQUATOR REINSURANCES LIMITED						171,974,609			171,974,609	(735,099,000)
16217	84-0982643	NATIONAL FARMERS UNION P&C COMPANY	(10,000,000)				(9,230,051)				(19,230,051)	495,000
39217	52-1147383	QBE HOLDINGS INC	(13,161,315)	1,980,470,000			16,779,771			500,000,000	2,484,088,456	
00000	AA-1930031	QBE INSURANCE (AUSTRALIA) LIMITED	64,623,741	(1,188,000,000)						(900,000,000)	(2,023,376,259)	(2,733,000)
39217	22-2311816	QBE INSURANCE CORPORATION	1,000,000	32,530,000			(24,857,760)	(81,576,000)			(72,903,760)	526,135,000
00000	AA-1120481	QBE INTERNATIONAL INSURANCE LIMITED										(83,000)
00000	AA-0000000	QBE MANAGEMENT SERVICES PTY LTD					1,563,697				1,563,697	
00000	AA-0000000	QBE REINSURANCE (BERMUDA) LIMITED										(20,202,000)
10219	23-1641984	QBE REINSURANCE CORPORATION	(20,000,000)				17,308,040	(56,404,000)			(59,095,960)	(396,999,000)
11515	55-0789681	QBE SPECIALTY INSURANCE COMPANY	(1,000,000)								(1,000,000)	40,137,000
00000	22-2331286	QBE INVESTMENT NORTH AMERICA INC	54,067,574	(900,000,000)						900,000,000	54,067,574	
00000	20-3688070	PRAETORIAN FINANCIAL GROUP, INC	3,000,000								3,000,000	
37303	42-1113749	REDLAND INSURANCE COMPANY	(3,000,000)	25,000,000					*		22,000,000	4,129,000
40754	63-0816316	BLUE RIDGE INDEMNITY COMPANY	(800,000)				(639,008)		*		(1,439,008)	
24503	52-0249520	BLUE RIDGE INSURANCE COMPANY	(2,960,000)				(1,553,385)		*		(4,513,385)	
18821	36-2755546	GENERAL CASUALTY INSURANCE COMPANY	(2,680,000)				(2,115,852)		*		(4,795,852)	
24414	39-0301590	GENERAL CASUALTY CO. OF WISCONSIN	493,613	(349,250)			12,275,068		*		12,419,431	75,000
27570	35-1689862	HOOSIER INSURANCE COMPANY	(1,960,000)				(578,987)		*		(2,538,987)	
37257	36-3030511	PRAETORIAN INSURANCE COMPANY		10,000,000				(22,401,351)	*		(12,401,351)	455,713,000
00000	13-3131317	QBE REGIONAL INSURANCE N.A. INC	(25,630,000)				32,310,266		*		6,680,266	
24449	39-6062860	REGENT INSURANCE COMPANY	(4,200,000)	349,250			(2,222,755)		*		(6,073,505)	
19178	63-0350861	SOUTHERN GUARANTY INSURANCE COMPANY					(2,519,097)		*		(2,519,097)	
22888	62-6039970	SOUTHERN FIRE AND CASUALTY COMPANY	(100,000)				(141,336)		*		(241,336)	
40762	63-0816320	SOUTHERN CASUALTY INSURANCE COMPANY	(6,158,613)				(94,375)		*		(6,252,988)	
22861	56-0773056	SOUTHERN PILOT INSURANCE COMPANY	(20,335,000)				(39,751)		*		(20,374,751)	
25798	91-0895822	UNIGARD INDEMNITY COMPANY	(1,200,000)				(1,091,471)		*		(2,291,471)	
25747	91-6027360	UNIGARD INSURANCE COMPANY	(10,000,000)				(36,403,014)		*		(46,403,014)	453,000
00000	13-4029424	WINTERTHUR INVEST. MGMT CORPORATION					1,250,000				1,250,000	
44776	51-0335732	PRAETORIAN SPECIALTY INSURANCE COMPANY		40,000,000				(11,593,258)			28,406,742	127,979,000
00000	00-0000000	QBE INTERNATIONAL HOLDINGS UK LIMITED								(500,000,000)	(500,000,000)	
9999999 Control Totals												

*General Casualty company of Wisconsin (GCW), Regent Insurance Company (Regent), General Casualty Insurance Company (GCI), Hoosier Insurance Company (Hoosier), Blue Ridge Insurance Company (BRIC), Blue Ridge Indemnity Company (BRIN), Unigard Insurance Company (UIC), Unigard Indemnity Company (UID), Southern Guaranty Insurance Company (SGIC), Southern Pilot Insurance Company (Pilot), and Southern Fire and Casualty Company (SFAC) participate in a pooling agreement, whereby the participation of GCW is 36%, Regent is 9%, GCI is 7%, Hoosier is 4%, BRIC is 6%, BRIN is 2%, SGIC is 11%, SFAC is 0%, Pilot is 0%, UIC is 22%, and UID is 3%.

Effective January 1, 2006 Praetorian Insurance Company (PIC) and Redland Insurance Company entered into a pooling arrangement, whereby the participation of PIC is 91% and Redland is 9%.

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY
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.....
2. Will the confidential Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	.....YES.....
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	.....YES.....
4. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	.....YES.....

APRIL FILING	
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?	.....YES.....
6. Will Management's Discussion and Analysis be filed by April 1?	.....YES.....
7. Will the Supplemental Investment Risk Interrogatories be filed by April 1?	.....YES.....

MAY FILING	
8. Will this company be included in a combined annual statement which is filed with the NAIC by May 1?	.....YES.....

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

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	
10. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	.....NO.....
11. Will the Financial Guaranty Insurance Exhibit be filed March 1?	.....NO.....
12. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	.....NO.....
13. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1?	.....NO.....
14. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
15. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?	.....NO.....
16. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?	.....NO.....
17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
18. Will the Actuarial Opinion Summary be filed with the state of domicile, if required by March 15 (or the date otherwise specified)?	.....YES.....
19. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	.....YES.....
20. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	.....YES.....
APRIL FILING	
21. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	.....YES.....
22. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	.....NO.....
23. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	.....YES.....

Explanation:

- 10.
- 11.
- 12.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

13.

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NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	*	F o r e i g n	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	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity
912828-EU-0	US TREASURY N/B	SD			1	3,290,689	100.1090	3,308,602	3,305,000	3,304,386		7,424			4.375	4.608	JJ	60,509	144,594	02/10/2006	01/31/2008
912828-EY-2	US TREASURY N/B	SD			1	124,473	100.2030	125,254	125,000	124,913		441			4.625	5.063	FA	1,954	2,891	02/23/2007	02/29/2008
912820-HF-7	US TREASURY STRIPS				1	3,624,634	85.5700	3,636,725	4,250,000	3,636,552		11,917				3.399	NONE			12/05/2007	08/15/2012
912820-HF-7	US TREASURY STRIPS	SD			1	1,083,127	85.5700	1,086,739	1,270,000	1,086,688		3,562				3.399	NONE			12/05/2007	08/15/2012
912833-DB-3	US TREASURY STRIPS	SD			1	108,506	86.9540	117,388	135,000	112,102		3,596				4.560	NONE			04/11/2007	02/15/2012
0199999 - Total Bonds - U.S. Government - Issuer Obligations						8,231,429	XXX	8,274,708	9,085,000	8,264,641		26,939			XXX	XXX	XXX	62,463	147,484	XXX	XXX
0399999 - Total - U.S. Government Bonds						8,231,429	XXX	8,274,708	9,085,000	8,264,641		26,939			XXX	XXX	XXX	62,463	147,484	XXX	XXX
064146-A*-4	BANK OF NORTH DAKOTA	SD			1Z	2,500,000	100.0000	2,500,000	2,500,000	2,500,000					4.700	4.700	MAR	96,633	117,500	03/04/2006	03/06/2008
92976F-BC-6	WACHOVIA BANK NA				1FE	1,000,525	99.7660	997,667	1,000,000	1,000,226		(176)			4.923	4.905	MJSD	1,240	54,059	03/29/2006	03/23/2009
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations						3,500,525	XXX	3,497,667	3,500,000	3,500,226		(176)			XXX	XXX	XXX	97,873	171,559	XXX	XXX
4599999 - Total - Industrial and Miscellaneous Bonds						3,500,525	XXX	3,497,667	3,500,000	3,500,226		(176)			XXX	XXX	XXX	97,873	171,559	XXX	XXX
5499999 - Total - Issuer Obligations						11,731,954	XXX	11,772,375	12,585,000	11,764,867		26,763			XXX	XXX	XXX	160,335	319,043	XXX	XXX
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities							XXX								XXX	XXX	XXX			XXX	XXX
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities							XXX								XXX	XXX	XXX			XXX	XXX
5799999 - Total - Other Multi-Class Residential Mortgage-Backed Securities							XXX								XXX	XXX	XXX			XXX	XXX
5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities							XXX								XXX	XXX	XXX			XXX	XXX
5999999 - Total - Other Multi-Class Commercial Mortgage-Backed Securities							XXX								XXX	XXX	XXX			XXX	XXX
6099999 Totals						11,731,954	XXX	11,772,375	12,585,000	11,764,866		26,763			XXX	XXX	XXX	160,335	319,043	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE D - PART 2 - SECTION 1

Showing ALL PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/ Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/ Adjusted Carrying Value				20 NAIC Desig- nation	21 Date Acquired	
		3 Code	4 Foreign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared But Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other Than Temporary Impairment Recognized	18 Total Change In B./A.C.V. (15 + 16 - 17)			19 Total Foreign Exchange Change In B./A.C.V.
NONE																				
5599999	Total - Preferred Stocks							XXX											XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

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
.912828-EY-2	US TREASURY N/B 02/29/2008 4.625		02/23/2007	CITIBANK		124,473	125,000	
.912820-HF-7	US TREASURY STRIPS 08/15/2012 0.000		12/05/2007	VARIOUS		4,707,761	5,520,000	
.912833-DB-3	US TREASURY STRIPS 02/15/2012 0.000		04/11/2007	BEAR STEARNS & CO.		108,506	135,000	
0399999	- Total - Bonds - U.S. Government					4,940,740	5,780,000	
6099997	- Total - Bonds - Part 3					4,940,740	5,780,000	
6099998	- Total - Bonds - Part 5					1,997,453	2,000,000	42,586
6099999	- Total - Bonds					6,938,193	7,780,000	42,586
6599998	- Total - Preferred Stocks - Part 5						XXX	
6599999	- Total - Preferred Stocks						XXX	
.064058-10-0	BANK OF NEW YORK MELLON CORP.		12/17/2007	VARIOUS	1,390,000	68,042		
.534187-10-9	LINCOLN NATIONAL CORP.		02/01/2007	ISI GROUP INC.	301,000	20,230		
.857477-10-3	STATE STREET CORP.		12/13/2007	VARIOUS	2,261,000	165,521		
.949746-10-1	WELLS FARGO & COMPANY		08/22/2007	VARIOUS	940,000	34,280		
6799999	- Total - Common Stocks - Banks, Trusts, Insurance					288,074	XXX	
.002824-10-0	ABBOTT LABORATORIES		08/08/2007	VARIOUS	1,840,000	101,082		
.00724F-10-1	ADOBE SYSTEMS INC.		02/07/2007	VARIOUS	739,000	28,649		
.02209S-10-3	ALTRIA GROUP INC.		11/12/2007	VARIOUS	865,000	68,891		
.03076C-10-6	AMERIPRISE FINANCIAL INC.		06/07/2007	VARIOUS	869,000	51,672		
.037411-10-5	APACHE CORP.		07/27/2007	VARIOUS	1,140,000	100,134		
.037833-10-0	APPLE INC.		10/23/2007	VARIOUS	512,000	50,798		
.04621X-10-8	ASSURANT INC.		11/20/2007	VARIOUS	1,580,000	85,403		
.071813-10-9	BAXTER INTERNATIONAL INC.		10/23/2007	VARIOUS	1,840,000	93,337		
.073302-10-1	BE AEROSPACE INC.		10/23/2007	VARIOUS	1,960,000	81,015		
.13342B-10-5	CAMERON INTERNATIONAL CORP.		07/26/2007	VARIOUS	1,020,000	75,668		
.17275R-10-2	CISCO SYSTEMS INC.		03/19/2007	VARIOUS	2,080,000	55,722		
.172967-10-1	CITIGROUP INC.		05/17/2007	VARIOUS	1,205,000	65,800		
.191216-10-0	COCA-COLA CO/THE		11/12/2007	VARIOUS	2,520,000	125,234		
.126650-10-0	CYS CAREMARK CORP.		11/07/2007	VARIOUS	2,070,000	73,336		
.291011-10-4	EMERSON ELECTRIC CO.		11/07/2007	LEHMAN BROTHERS	730,000	40,485		
.30231G-10-2	EXXON MOBIL CORP.		07/11/2007	VARIOUS	910,000	69,067		
.35671D-85-7	FREEPORT-MCMORAN COPPER		07/23/2007	VARIOUS	990,000	86,590		
.369300-10-8	GENERAL CABLE CORP.		11/06/2007	VARIOUS	960,000	69,925		
.369550-10-8	GENERAL DYNAMICS CORP.		11/06/2007	VARIOUS	1,170,000	105,750		
.369604-10-3	GENERAL ELECTRIC CO.		07/25/2007	VARIOUS	2,318,000	86,626		
.382388-10-6	GOODRICH CORP.		07/27/2007	VARIOUS	437,000	22,457		
.38259P-50-8	GOOGLE INC-CL A		10/23/2007	VARIOUS	135,000	77,127		
.415864-10-7	HARSCO CORP.		07/27/2007	VARIOUS	1,220,000	70,284		
.42809H-10-7	HESS CORP.		12/24/2007	RAYMOND JAMES	530,000	49,219		
.428236-10-3	HEWLETT-PACKARD CO.		02/01/2007	ISI GROUP INC.	649,000	27,667		
.458140-10-0	INTEL CORP.		07/11/2007	VARIOUS	3,540,000	81,092		
.500255-10-4	KOHL'S CORP.		09/24/2007	VARIOUS	1,440,000	83,126		
.580135-10-1	MCDONALDS CORP.		11/13/2007	VARIOUS	1,500,000	83,456		
.58405U-10-2	MEDCO HEALTH SOLUTIONS INC.		09/11/2007	VARIOUS	1,470,000	106,248		
.552715-10-4	MEMC ELECTRONIC MATERIALS		07/27/2007	VARIOUS	1,470,000	85,980		
.589331-10-7	MERCK & CO. INC.		11/12/2007	VARIOUS	2,840,000	147,812		
.594918-10-4	MICROSOFT CORP.		02/01/2007	ISI GROUP INC.	1,380,000	42,601		
.617446-44-8	MORGAN STANLEY		12/13/2007	VARIOUS	1,315,000	90,671		
.65248E-10-4	NEWS CORP-CL A		02/01/2007	ISI GROUP INC.	752,000	17,484		
.693506-10-7	PPG INDUSTRIES INC.		07/23/2007	VARIOUS	790,000	61,160		
.742718-10-9	PROCTER & GAMBLE CO.		11/13/2007	BEAR STEARNS & CO.	810,000	57,687		
.760975-10-2	RESEARCH IN MOTION		07/25/2007	VARIOUS	425,000	98,145		
.806857-10-8	SCHLUMBERGER LTD.		07/27/2007	VARIOUS	1,190,000	103,540		
.87612E-10-6	TARGET CORP.		09/24/2007	VARIOUS	700,000	44,986		
.913017-10-9	UNITED TECHNOLOGIES CORP.		04/20/2007	ISI GROUP INC.	401,000	27,204		
.903236-10-7	URS CORP.		02/08/2007	VARIOUS	621,000	27,033		
.81369Y-88-6	UTILITIES SELECT SECTOR SPDR		11/12/2007	RAYMOND JAMES	2,260,000	94,352		
.91913Y-10-0	VALERO ENERGY CORP.		12/24/2007	RAYMOND JAMES	700,000	48,787		
.92343V-10-4	VERIZON COMMUNICATIONS INC.		07/20/2007	VARIOUS	4,480,000	184,030		
.931142-10-3	WAL-MART STORES INC.		06/05/2007	JP MORGAN LONDON	1,410,000	71,655		

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B/A. C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B/A. C.V.						
855244-10-9	STARBUCKS CORP.		02/27/2007	VARIOUS	2,170,000	72,328		78,668	76,861	1,806			1,806		78,668		(6,339)	(6,339)		XXX
254687-10-6	THE WALT DISNEY CO.		04/24/2007	VARIOUS	1,660,000	58,063		55,447	56,888	(1,442)			(1,442)		55,447		2,616	2,616	453	XXX
913017-10-9	UNITED TECHNOLOGIES CORP.		12/10/2007	VARIOUS	210,000	15,758		13,612	13,129	483			483		13,612		2,146	2,146	201	XXX
903236-10-7	URS CORP.		12/10/2007	VARIOUS	800,000	41,515		34,372	34,280	92			92		34,372		7,143	7,143		XXX
931142-10-3	WAL-MART STORES INC.		09/04/2007	VARIOUS	110,000	4,788		5,590							5,590		(802)	(802)	24	XXX
983024-10-0	WYETH		09/11/2007	VARIOUS	1,073,000	52,241		50,738	54,637	(3,899)			(3,899)		50,738		1,503	1,503	637	XXX
6899999 - Common Stocks - Industrial and Miscellaneous						2,322,158	XXX	2,110,358	2,100,718	(158,309)			(158,309)		2,110,358		211,802	211,802	14,976	XXX
7299997 - Common Stocks - Part 4						2,612,495	XXX	2,405,044	2,400,200	(180,829)			(180,829)		2,405,044		207,452	207,452	19,729	XXX
7299998 - Common Stocks - Part 5						1,709,819	XXX	1,853,934	1,853,934						1,853,934		(144,115)	(144,115)	8,771	XXX
7299999 - Total - Common Stocks						4,322,315	XXX	4,258,980	4,254,135	(180,829)			(180,829)		4,258,980		63,335	63,335	28,495	XXX
7399999 - Total - Preferred and Common Stocks						4,322,315	XXX	4,258,980	4,254,135	(180,829)			(180,829)		4,258,980		63,335	63,335	28,495	XXX
7499999 Totals						10,339,491	XXX	10,253,925	10,269,552	(180,829)	1,324		(179,505)		10,275,722		63,769	63,769	208,658	XXX

E12.1

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
NONE									
1999999 Totals								XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$
2. Total amount of intangible assets nonadmitted: \$

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE DA - PART 1

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

1	Codes		4	5	6	7	Change In Book/Adjusted Carrying Value				12	13	Interest					20	
	2	3					8	9	10	11			14	15	16	17	18		19
Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	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.	Par Value	Actual Cost	Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	How Paid	Gross Amount Received	Paid for Accrued Interest
US TREASURY N/B	SD		.03/02/2007	BARCLAYS CAPITAL	.01/31/2008	109,949		.469			110,000	109,480	2,013		4.375	4.950		2,406	.439
0199999 - U.S. Governments - Issuer Obligations						109,949		.469			110,000	109,480	2,014		XXX	XXX	XXX	2,406	.439
0399999 - Total - U.S. Government Bonds						109,949		.469			110,000	109,480	2,014		XXX	XXX	XXX	2,406	.439
5499999 - Total - Issuer Obligations						109,949		.469			110,000	109,480	2,014		XXX	XXX	XXX	2,406	.439
5599999 - Total - Single Class Mortgaged-Backed/Asset-Backed Securities															XXX	XXX	XXX		
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities															XXX	XXX	XXX		
5799999 - Total - Other Multi-Class Residential Mortgage-Backed Securities															XXX	XXX	XXX		
5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities															XXX	XXX	XXX		
5999999 - Other Multi-Class Commercial Mortgage Backed/Asset-Backed Securities															XXX	XXX	XXX		
6099999 - Total - Bonds						109,949		.469			110,000	109,480	2,014		XXX	XXX	XXX	2,406	.439
8299999 Totals						109,949		.469			XXX	109,480	2,014		XXX	XXX	XXX	2,406	.439

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part D - Section 1

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE DB - PART D - SECTION 2

Showing all Futures Contracts and Insurance Futures Contracts Opened During Current Year

1 Description	2 Number of Contracts	3 Maturity Date	4 Original Value	5 Date of Opening Position	6 Exchange or Counterparty	7 Net Additions to Cash Deposits
S&P 500 Index.....	3	.03/16/2007	1,093,889	02/22/2007	MONUMENT	
S&P 500 Index.....	3	.06/15/2007	1,085,687	04/05/2007	MONT SEC	
S&P 500 Index.....	3	.06/15/2007	1,086,009	04/06/2007	MONUMENT	
S&P 500 Index.....	3	.06/15/2007	1,086,099	04/13/2007	MONUMENT	
S&P 500 Index.....	3	.06/15/2007	1,093,126	04/13/2007	MONUMENT	
0799999 - Subtotal - Short Futures -Other Derivative Transactions			5,444,810	XXX	XXX	
0899999 - Subtotal - Short Futures			5,444,810	XXX	XXX	
2599999 - Subtotal - Hedging Transactions				XXX	XXX	
2799999 - Subtotal - Other Derivative Transactions			5,444,810	XXX	XXX	
9999999 - Totals			5,444,810	XXX	XXX	

SCHEDULE DB - PART D - SECTION 3

Showing all Futures Contracts and Insurance Futures Contracts Terminated During Current Year

1 Description	2 Number of Contracts	3 Maturity Date	4 Original Value	5 Termination Value	6 Variation Margin	7 Date of Opening Position	8 Exchange or Counterparty	9 Net Reduction to Cash Deposits	10 Termination Date	Variation Margin Information		
										11 Gain/(Loss) Recognized	12 Gain/(Loss) Used to Adjust Basis of Hedged Item	13 Gain/(Loss) Deferred
S&P 500 Index.....	3	.03/16/2007	1,093,889	1,047,090	46,799	02/22/2007	MACQ.....		03/16/2007	46,799		
S&P 500 Index.....	4	.03/16/2007	1,425,150	1,431,267	(6,117)	12/13/2006	MONUMENT		01/04/2007	(6,117)		
S&P 500 Index.....	2	.03/16/2007	712,575	711,788	787	12/13/2006	MONT SEC		01/05/2007	787		
S&P 500 Index.....	2	.03/16/2007	712,575	713,118	(543)	12/13/2006	MONUMENT		01/05/2007	(543)		
S&P 500 Index.....	2	.03/16/2007	712,575	709,405	3,170	12/13/2006	MONUMENT		01/05/2007	3,170		
S&P 500 Index.....	3	.06/15/2007	1,085,687	1,119,825	(34,138)	04/05/2007	MONUMENT		06/15/2007	(34,138)		
S&P 500 Index.....	3	.06/15/2007	1,086,009	1,119,825	(33,816)	04/06/2007	MONUMENT		06/15/2007	(33,816)		
S&P 500 Index.....	3	.06/15/2007	1,086,099	1,119,825	(33,726)	04/13/2007	MONUMENT		06/15/2007	(33,726)		
S&P 500 Index.....	3	.06/15/2007	1,093,126	1,119,825	(26,699)	04/13/2007	MONUMENT		06/15/2007	(26,699)		
0799999 - Subtotal - Short Futures - Other Derivative Transactions			9,007,685	9,091,968	(84,283)	XXX	XXX		XXX	(84,283)		
0899999 - Subtotal - Short Futures			9,007,685	9,091,968	(84,283)	XXX	XXX		XXX	(84,283)		
2599999 - Subtotal - Hedging Transactions						XXX	XXX		XXX			
2799999 - Subtotal - Other Derivative Transactions			9,007,685	9,091,968	(84,283)	XXX	XXX		XXX	(84,283)		
9999999 - Totals			9,007,685	9,091,968	(84,283)	XXX	XXX		XXX	(84,283)		

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE DB - PART E - SECTION 1

Showing Counterparty Exposure for Derivative Instruments Open December 31 of Current Year

1 Description Counterparty or Exchange Traded	2 Master Agreement (Y or N)	3 Fair Value of Acceptable Collateral	Statement Value		6 Exposure Net of Collateral	Fair Value		9 Exposure Net of Collateral	10 Potential Exposure	11 Off-Balance Sheet Exposure
			4 Contracts Statement Value > 0	5 Contracts Statement Value < 0		7 Contracts Fair Value > 0	8 Contracts Fair Value < 0			
0199999 - Aggregate Sum of Exchange Traded Derivatives	XXX									
0899999 Totals										

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE E - PART 2 CASH EQUIVALENTS

Showing 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 & Accrued	8 Gross Investment Income
NONE							
0199999 Total Cash Equivalents							

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ANNUAL STATEMENT FOR THE YEAR 2007 OF THE QBE SPECIALTY INSURANCE COMPANY

SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposits	2 Purpose of Deposits	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					
3. Arizona	AZ					
4. Arkansas	AR	B STATE DEPOSIT			104,980	105,114
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA	B STATE DEPOSIT			112,101	117,387
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA	B STATE DEPOSIT			699,869	700,763
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH	B STATE DEPOSIT			1,061,631	1,086,739
31. New Jersey	NJ					
32. New Mexico	NM	B STATE DEPOSIT			109,949	110,119
33. New York	NY	B STATE DEPOSIT			2,499,535	2,502,725
34. North Carolina	NC					
35. North Dakota	ND	B STATE DEPOSIT	2,500,000	2,500,000		
36. Ohio	OH					
37. Oklahoma	OK	B STATE DEPOSIT			124,913	125,253
38. Oregon	OR					
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					
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. US Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Other Alien	OT	XXX				
59. Total	XXX	XXX	2,500,000	2,500,000	4,712,978	4,748,100
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX				
5899.	Totals (Lines 5801 through 5803 + 5898)(Line 58 above)	XXX				