

WESTERN SURETY COMPANY
Sioux Falls, South Dakota
Statement of Condition and Affairs
December 31, 2009

ASSETS

Bonds	\$1,193,435,614
Stocks	22,759,271
Cash and short-term investments	29,157,255
Uncollected premiums and agents' balances	33,002,353
Amounts recoverable from reinsurers	(3,057,290)
Funds held by or deposited with reinsured companies	26,355,884
Net deferred tax asset	19,445,837
Electronic data processing equipment and software	3,117,199
Investment income due and accrued	15,587,378
Other assets	2,217,560
Total Assets	<u><u>\$1,342,021,061</u></u>

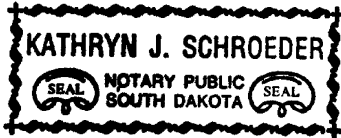
LIABILITIES AND SURPLUS

Losses	\$269,022,299
Loss adjustment expense	70,589,857
Contingent and other commissions payable	5,229,781
Other expense	29,445,697
Taxes, licenses and fees	2,337,499
Federal and foreign income taxes payable	13,593,490
Unearned premiums	241,078,902
Retroactive reinsurance reserve assumed	11,093,043
Other liabilities	20,328,654
Total Liabilities	<u><u>662,719,222</u></u>

Surplus Account:

Capital paid up	\$4,000,000
Gross paid in and contributed surplus	176,435,232
Unassigned funds	<u>498,866,607</u>
Surplus as regards policyholders	\$679,301,839
Total Liabilities and Capital	<u><u>\$1,342,021,061</u></u>

I, Philip E. Lundy, Vice President and Treasurer of Western Surety Company hereby certify that the above is an exact copy of the financial statement of the Company dated December 31, 2009, as filed with the various Insurance Departments and is a true and correct statement of the condition of Western Surety Company as of that date.



Western Surety Company

By Philip E. Lundy
Vice President, Treasurer

Subscribed and sworn to me this 10th day of March, 2010.

My commission expires:

KATHRYN J. SCHROEDER
My Commission Expires 7-21-2015

Kathryn J. Schroeder
Notary Public