

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 07/01/1986
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) FIRST MERCURY FINANCIAL CORPORATION 29621 NORTHWESTERN HIGHWAY SOUTHFIELD, MI 48086	2b Employer Identification Number (EIN) 38-2027233 2c Sponsor's telephone number 248-358-4010 2d Business code (see instructions) 524290

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2010	JACQUELINE ALLISON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2010	JACQUELINE ALLISON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") FIRST MERCURY FINANCIAL CORPORATION 29621 NORTHWESTERN HIGHWAY SOUTHFIELD, MI 48086	3b Administrator's EIN 38-2027233 3c Administrator's telephone number 248-358-4010
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year	5	375
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	367
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	40
d Subtotal. Add lines 6a , 6b , and 6c	6d	407
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	407
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	327
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☒ 1 **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500. FIRST MERCURY FINANCIAL CORPORATION	D Employer Identification Number (EIN) 38-2027233	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
THE LINCOLN NATIONAL LIFE INSURANCE CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
35-0472300	65676	GP71548	327	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
31484	43

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
THE GLASS FREEDMAN COMPANY 30400 TELEGRAPH ROAD SUITE 435 BINGHAM FARMS, MI 48025

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
31484			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
THE GLASS FREEDMAN COMPANY 30400 TELEGRAPH ROAD SUITE 435 BINGHAM FARMS, MI 48025

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	43	TPA FEES	5

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	1237712
5 Current value of plan's interest under this contract in separate accounts at year end	5	12030820

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP VARIABLE ANNUITY WITH GTD FUN

b Balance at the end of the previous year	7b	619510
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c Additions: (1) Contributions deposited during the year	7c(1)	88052	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	29448	
(4) Transferred from separate account	7c(4)	99785	
(5) Other (specify below)	7c(5)	515450	

▶ TAKEOVERS LOAN REPAYMENTS

(6) Total additions	7c(6)	732735
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d Total of balance and additions (add b and c(6))	7d	1352245
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	60582	
(2) Administration charge made by carrier	7e(2)	3829	
(3) Transferred to separate account	7e(3)	17556	
(4) Other (specify below)	7e(4)	32566	

▶ LOAN ISSUED

(5) Total deductions	7e(5)	114533
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f Balance at the end of the current year (subtract e(5) from d)	7f	1237712
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A Name of plan FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST MERCURY FINANCIAL CORPORATION	D Employer Identification Number (EIN) 38-2027233

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
LINCOLN NATIONAL CORPORATION	1300 S. CLINTON STREET FORT WAYNE, IN 46801
35-1140070	

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

LINCOLN NATIONAL CORPORATION

1300 S. CLINTON STREET
FORT WAYNE, IN 46801

35-1140070

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	SERVICE PROVIDER	40500	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

<div>SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration</div>	<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST		B Three-digit plan number (PN) ► 002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 FIRST MERCURY FINANCIAL CORPORATION		D Employer Identification Number (EIN) 38-2027233
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)		
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA11 CORE EQUITY		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-111	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 266706
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA12 GOVT/CORP BOND		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-112	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 263280
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA14 SHORT TERM		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-114	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2579354
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA17 MEDIUM CAP EQUITY		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-117	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 129330
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA 19 ALLIANCE/BERNSTEIN VPS GR		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-119	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37848
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA1C AMERICAN FUNDS HIGH-INCOME		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-716	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3595
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA1E AMERICAN FUNDS BOND FUND		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-717	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2331
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule D (Form 5500) 2009 v.092308.1		

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA21 HIGH YIELD BOND		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-121	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 75688
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA22 INTERNATIONAL EQUITY		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-122	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 66723
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA23 LARGE CAP EQUITY		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-123	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 301696
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA24 SMALL CAP EQUITY		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-124	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 170585
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA27 SSGA S&P 500 INDEX		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-127	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 163335
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA28 VALUE EQUITY		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-128	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 106022
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA29 LVIP T ROWE PRICE GROWTH		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-129	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 106022
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA30 CONSERVATIVE BALANCED		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-130	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 29883
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA31 ALLIANCEBERNSTEIN VPS GLBL		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-131	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 25025
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA32 AGGRESSIVE BALANCED		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-132	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 90116

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA33 LVIP DELAWARE SOCIAL AWARE		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-133	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 27138
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA34 AMERICAN FUNDS NEW PERSPEC		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-134	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 223410
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA35 FIDELITY VIP CONTRAFUND		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-135	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 297760
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA36 LVIP SSGA SMALLCAP INDEX		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-136	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 20871
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA37 NEUBERGER BERMAN AMT MID C		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-137	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA38 LVIP MIDCAP VALUE		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-138	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 44117
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA39 ALLIANCEBERNSTEIN VPS SMAL		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-139	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58209
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA46 AMERICAN FUNDS SMALLCAP WO		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-146	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 183495
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA48 AMERICAN FUNDS GROWTH FUND		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-148	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 156880
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA49 AMERICAN FUNDS INVESTMENT		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-149	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 100935

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA54 AMERICAN FUNDS EUROPACIFIC		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-154	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 139424

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA55 LVIP COHEN & STEERS GLOBAL		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-155	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 86594

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA56 DELAWARE VIP SMALL CAP VAL		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-156	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 156170

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA FIDELITY VIP EQUITYINCOME		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-157	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 118024

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA58 FIDELITY VIP GROWTH		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-158	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 84664

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA59 FIDELITY VIP OVERSEAS		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-159	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 112520

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA61 DELAWARE VIP VALUE		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-161	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 23895

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA62 LVIP TEMPLETON GROWTH		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-162	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 16936

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA63 FTVIPT FRANKLIN SMALLMID C		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-163	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 29487

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA164 JANUS ASPEN ENTERPRISE		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-164	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 115541

a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA65 MFS VIT GROWTH SERIES](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-165	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 60172
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA67 MFS VIT UTILITIES SERIES](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-167	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 135701
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA70 JANUS ASPEN JANUS PORTFOLI](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-170	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 70030
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA75 BLACKROCK AURORA](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-175	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13219
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA76 BLACKROCK SMALL MIDCAP GRO](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-176	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3963
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA77 BLACKROCK ENERGY & RESOURC](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-177	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 650331
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA80 BLACKROCK LARGE CAP VAL](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-180	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 72448
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA81 BLACKROCK CAPITAL APPRECI](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-181	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13982
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA83 BLACKROCK MIDCAP VALUE EQU](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-183	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 49043
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA83 FIDELITY VIP MID CAP](#)**b** Name of sponsor of entity listed in (a): [THE LINCOLN NATIONAL LIFE INSURANCE](#)

c EIN-PN 35-0472300-184	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 57566
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA86 FTVIPT TEMPLETON GLOBAL BO		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-186	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 91577
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA87 DELAWARE VIP LIMITEDTERM D		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-187	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 40751
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA92 AMERICAN CENTURY VP INFLAT		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-192	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 70619
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA193 DELAWARE VIP DIVERSIFIED		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-193	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 57553
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA94 DELAWARE VIP EMERGING MKTS		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-194	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 348088
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA95 LVIP DELAWARE FOUNDATION C		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-195	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 145941
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA96 LVIP DELAWARE FOUNDATION M		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-196	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 508048
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA97 LVIP DELAWARE FOUNDATION A		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-197	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1452660
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA98 LVIP WILSHIRE AGGRESSIVE P		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-198	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL1 LVIP WILSHIRE 2010 PROFILE		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0472300-701	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58950

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL2 LVIP WILSHIRE 2020 PROFILE		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-702	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 552906

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL3 LVIP WILSHIRE 2030 PROFILE		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-703	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 541329

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL4 LVIP WILSHIRE 2040 PROFILE		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-704	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 109969

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL5 LVIP SSGA INTERNATIONAL IN		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-708	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3559

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL6 LVIP SSGA BOND INDEX		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-709	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL7 LVIP DELAWARE SPECIAL OPPU		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-710	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3254

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SALA SSGA S&P MIDCAP INDEX		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-713	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 21492

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SALC SSGA RUSSELL SMALL CAP GRW		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-715	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 91

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA1X LVIP BARON GROWTH OPP		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-718	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 91

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA20 HIGH YIELD BOND		
b Name of sponsor of entity listed in (a): THE LINCOLN NATIONAL LIFE INSURANCE		
c EIN-PN 35-0172300-120	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 523590

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST MERCURY FINANCIAL CORPORATION	D Employer Identification Number (EIN) 38-2027233	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	127481	358314
(2) Participant contributions	1b(2)	47742	50299
(3) Other.....	1b(3)	9348	9486
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	482236	498829
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	5177681	12030820
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	619510	1237712
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	6463998	14185460

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	6463998	14185460
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	488447	
(B) Participants	2a(1)(B)	1454992	
(C) Others (including rollovers)	2a(1)(C)	300521	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2243960
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	29793	
(F) Other	2b(1)(F)	29448	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		59241
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		1766614
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4069815

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	672315	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		672315
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	40500	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		40500
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		712815

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		3357000
l Transfers of assets:			
(1) To this plan.....	2l(1)		4364462
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MRPR GROUP CPAS & ADVISORS

(2) EIN: 38-2141969

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST MERCURY FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>38-2027233</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>35-0472300</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

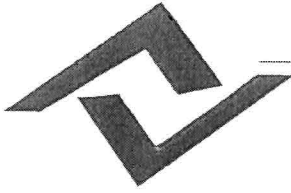
FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2009 AND 2008

AND

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Trustees and Participants
First Mercury Financial Corporation & Affiliates
401(k) Plan and Trust

We were engaged to audit the statement of net assets available for benefits of the First Mercury Financial Corporation & Affiliates 401(k) Plan and Trust (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009 and the supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Lincoln National Life Insurance Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2009 and 2008 and for the year ended December 31, 2009 that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

MRPR Group P.C.

Southfield, Michigan
September 29, 2010

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FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Investments, at fair value:		
Insurance company pooled separate accounts	\$ 12,030,820	\$ 5,177,681
Insurance company guaranteed fixed account	1,235,888	547,664
Participant loans	<u>498,829</u>	<u>482,236</u>
Total investments	13,765,537	6,207,581
Contributions receivables:		
Employer	358,314	127,481
Participant	<u>59,785</u>	<u>57,090</u>
Total contributions receivable	<u>418,099</u>	<u>184,571</u>
NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE	14,183,636	6,392,152
Adjustment from fair value to contract value for fully benefit responsive investment contract	<u>1,824</u>	<u>71,846</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u>14,185,460</u>	\$ <u>6,463,998</u>

See notes to financial statements.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009

ADDITIONS:

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of pooled separate accounts	\$ 1,766,614
Interest income in guaranteed fixed account	29,448
Participant loan interest income	<u>29,793</u>

Net investment income	1,825,855
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Contributions:

Participant	1,454,992
Employer	488,447
Rollovers	<u>300,521</u>

Total contributions	<u>2,243,960</u>
---------------------	------------------

Total additions	4,069,815
-----------------	-----------

DEDUCTIONS:

Deductions from net assets attributed to:

Benefits paid to participants	672,315
Administrative fees	<u>40,500</u>

Total deductions	<u>712,815</u>
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NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	3,357,000
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TRANSFER OF ASSETS TO THE PLAN	4,364,462
--------------------------------	-----------

NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>6,463,998</u>
--	------------------

NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ <u>14,185,460</u>
--	----------------------

See notes to financial statements.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Description of Plan

The following summary description of the First Mercury Financial Corporation & Affiliates (the Company) 401(k) Plan and Trust (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan covering all employees. Employees who are age twenty-one or older and have completed 30 days of service are eligible to participate in the Plan. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions - Participants may contribute up to 20% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Contributions are subject to limitations provided by the Internal Revenue Code ("IRC").

The Company may make matching contributions at the discretion of the Company's Board of Directors. During 2009, the Company matched 35% of the first 6% of participant deferrals. These matching contributions were \$488,447 for 2009.

Participant accounts - Each participant's account is credited with the participant's contribution and earnings from their directed investments and allocations of other Plan earnings, discretionary contributions, forfeitures and administration expenses. Allocations are based on earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - All participants are immediately 100% vested in their deferral and matching contributions plus actual earnings thereon.

Participant loans - Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms may be for up to five years or for a longer period of time if for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates at the time the loan is written. Principal and interest is paid ratably through weekly payroll deductions.

Payment of benefits - On termination of service due to death, disability or retirement or any other reason, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over his or her life expectancy.

Forfeited accounts - At December 31, 2009 and 2008, forfeited non-vested accounts totaled \$0 and \$677, respectively. During 2009, \$677 of non-vested amounts were used to reduce administrative fees.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - Summary of Significant Accounting Policies

Basis of accounting - The financial statements of the Plan are prepared under the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Investment valuation and income recognition - Investments are in pooled separate accounts and a guaranteed fixed account with Lincoln National Life Insurance Company, and are participant directed. The pooled separate accounts and the guaranteed fixed account are stated at fair value. The participant loans are valued at their outstanding balance, which approximates fair value.

Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date, and interest is reflected in earnings and accrued as earned. Net appreciation of the fair value of investments consists of the unrealized appreciation or depreciation of investments held during the year and the realized gain or loss on investments sold during the year.

Payment of benefits - Benefits are recorded when paid.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and changes therein. Actual results could differ from those estimates.

Administrative fees - The Company is paying the administration and participant recordkeeping costs of the Plan. The Company also pays the activity fees associated with the Plan. The Plan pays the fees charged by the Plan custodians.

Subsequent events - The Plan has evaluated subsequent events through September 29, 2010, the date the financial statements were available to be issued.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 3 - Summary of Information Certified by the Custodian (Unaudited)

The plan administrator has elected the method of compliance permitted by 29 CFR 2,520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Lincoln National Life Insurance Company, the custodian of the Plan, has certified to the completeness and accuracy of all investments reflected in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008 as well as the investment information disclosed in this note and the accompanying December 31, 2009 supplemental schedule of assets held at the end of the year, and the related investment activity reflected in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2009. The Plan's independent certified public accountants did not perform auditing procedures with respect to the information except for comparing such information to the related information included in the accompanying financial statements and supplemental information.

The following presents investments at December 31, 2009 and 2008. The individual investments that represent 5% or more of the Plan's assets are separately identified:

	<u>2009</u>	<u>2008</u>
Lincoln National Life Insurance Company:		
Pooled Separate Accounts:		
High Yield Bond	\$ 523,590	\$ 317,824
Short-Term Fund	2,579,354	1,357,665
LVIP Del Fndtn Aggress All	1,452,660	155,493
Other Funds	<u>7,475,216</u>	<u>3,346,699</u>
Total pooled separate accounts	12,030,820	5,177,681
Lincoln National Life guaranteed fixed account (at fair value)	1,235,888	547,664
Participant loans	<u>498,829</u>	<u>482,236</u>
Total investments	\$ <u>13,765,537</u>	\$ <u>6,207,581</u>

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 4 - Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification on Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Insurance company pooled separate accounts - Valued at fair value based on the net asset value (NAV) of similar shares held by the plan at year end. They are similar to mutual funds but are only available to group annuity contract holders.

Insurance company guaranteed fixed account - Valued at fair value by discounting the related cash flows based on current yields of similar investments with comparable durations considering the credit-worthiness of the issuer (see Note 5).

Participant loans - Valued at amortized cost, which approximates fair value.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 4 - Fair Value Measurements - (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008:

Assets at Fair Value as of December 31, 2009				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Insurance company pooled separate accounts:				
Conservative funds	\$	\$ 2,579,354	\$	\$ 2,579,354
Moderately conservative funds		1,053,296		1,053,296
Moderate funds		3,875,071		3,875,071
Moderately aggressive funds		2,715,334		2,715,334
Aggressive funds		<u>1,807,765</u>		<u>1,807,765</u>
Total insurance company pooled separate accounts		12,030,820		12,030,820
Insurance company guaranteed fixed account			1,235,888	1,235,888
Participant loans			<u>498,829</u>	<u>498,829</u>
Total assets at fair value	\$ <u> </u>	\$ <u>12,030,820</u>	\$ <u>1,734,717</u>	\$ <u>13,765,537</u>
Assets at Fair Value as of December 31, 2008				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Insurance company pooled separate accounts:				
Conservative funds	\$	\$ 1,357,665	\$	\$ 1,357,665
Moderately conservative funds		638,099		638,099
Moderate funds		717,792		717,792
Moderately aggressive funds		1,799,322		1,799,322
Aggressive funds		<u>664,803</u>		<u>664,803</u>
Total insurance company pooled separate accounts		5,177,681		5,177,681
Insurance company guaranteed fixed account			547,664	547,664
Participant loans			<u>482,236</u>	<u>482,236</u>
Total assets at fair value	\$ <u> </u>	\$ <u>5,177,681</u>	\$ <u>1,029,900</u>	\$ <u>6,207,581</u>

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 4 - Fair Value Measurements - (Continued)

Level 3 gains and losses:

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2009:

	Insurance Company Guaranteed Fixed Account	Participant Loans
Balance, beginning of year	\$ 547,664	\$ 482,236
Interest income	29,448	
Transfer to the Plan	473,201	40,142
Purchases, sales, issuances, and settlements – net	<u>185,575</u>	<u>(23,549)</u>
Balance, end of year	\$ <u>1,235,888</u>	\$ <u>498,829</u>

NOTE 5 - Investment Contract with Insurance Company

The Plan has an investment contract with Lincoln National Life Insurance Company. Lincoln National Life Insurance Company maintained the contributions in pooled separate accounts and a guaranteed fixed account which is considered benefit responsive. The investments are credited with actual earnings on the underlying investments and charged for participant withdrawals and administrative expenses charged by Lincoln National Life Insurance Company.

As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Lincoln National Life Insurance Company, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The fair value of the guaranteed fixed account at December 31, 2009 and 2008 was \$1,235,888 and \$547,664, respectively. The average yield and crediting interest rates for the guaranteed fixed account was approximately 3% and 4% for 2009 and 2008, respectively.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 5 - Investment Contract with Insurance Company - (Continued)

Certain events, such as the premature termination of the contract by the Plan or the termination of the Plan, would limit the Plan's ability to transact at contract value with Lincoln National Life Insurance Company. The Plan administrator believes the occurrence of such events that would also limit the Plan's ability to transact at contract value with Plan participants is not probable.

NOTE 6 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated August 31, 2004 indicating that the Plan meets the requirements of Section 501(a) of the Internal Revenue Code and is exempt from taxation. Accordingly, no provision for Federal income taxes has been recorded in the financial statements.

A favorable determination letter means that the IRS has determined that the plan document(s) meets requirements of Section 401(a) of the Code and the trust forming part of the Plan is exempt from income taxation under Section 501(a) of the Code as of the date of the determination letter. To retain the tax-qualified status of the Plan and trust, they must be properly administrated and operate in a nondiscriminatory manner. The plan administrator is not aware of any activity or transactions that may adversely affect the qualified status of the Plan.

NOTE 7 - Related Party Transactions

Certain plan investments are shares of mutual funds managed by Lincoln National Life Insurance Company. Lincoln National Life Insurance Company is the custodian of the Plan and, therefore, these transactions qualify as party-in-interest transactions.

NOTE 8 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in their accounts.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 9 - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. Due to level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 10 - Transfer of Assets to the Plan

During the year ended 2009, assets amounting to \$4,364,462 from an acquired company were transferred into the Plan.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

SCHEDULE H - LINE 4i - SCHEDULE OF
ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009
38-2027233 PLAN: 002

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par, or Maturity Value	Cost	Current Value
*	Lincoln National Life Insurance Company	AC VP Inflation Protect		\$ 70,619
*	Lincoln National Life Insurance Company	Del VIP Diversified Income		57,553
*	Lincoln National Life Insurance Company	Del VIP Emerging Markets		348,088
*	Lincoln National Life Insurance Company	Delaware Term Div Income		40,751
*	Lincoln National Life Insurance Company	Temp Global Bond Securities		91,577
*	Lincoln National Life Insurance Company	Fidelity VIP Mid Cap		57,566
*	Lincoln National Life Insurance Company	LVIP Del Fndtn Conserv All		145,941
*	Lincoln National Life Insurance Company	LVIP Del Fndtn Moderat All		508,048
*	Lincoln National Life Insurance Company	LVIP Del Fndtn Aggress All		1,452,660
*	Lincoln National Life Insurance Company	LVIP Wlsh 2010		58,950
*	Lincoln National Life Insurance Company	LVIP Wlsh 2020		552,906
*	Lincoln National Life Insurance Company	LVIP Wlsh 2030		541,329
*	Lincoln National Life Insurance Company	LVIP Wlsh 2040		109,969
*	Lincoln National Life Insurance Company	LVIP SSgA S&P 500 Index		163,335
*	Lincoln National Life Insurance Company	Cohen & Steers Gbl REIT		86,594
*	Lincoln National Life Insurance Company	LVIP SSgA Small Cap Index		20,871
*	Lincoln National Life Insurance Company	LVIP Templeton Growth		16,936
*	Lincoln National Life Insurance Company	Core Equity		266,706
*	Lincoln National Life Insurance Company	Gov't/Corporate Bond		263,280
*	Lincoln National Life Insurance Company	Short-Term Fund		2,579,354
*	Lincoln National Life Insurance Company	Medium Cap Equity		129,330
*	Lincoln National Life Insurance Company	High Yield Bond		523,590
*	Lincoln National Life Insurance Company	Balanced		75,688
*	Lincoln National Life Insurance Company	International Equity		66,723
*	Lincoln National Life Insurance Company	Large Cap Equity		301,696
*	Lincoln National Life Insurance Company	Small Cap Equity		170,585
*	Lincoln National Life Insurance Company	Value Equity		66,305
*	Lincoln National Life Insurance Company	Conservative Balanced		29,883
*	Lincoln National Life Insurance Company	Aggressive Balanced		90,116
*	Lincoln National Life Insurance Company	Delaware VIP Value		23,895
*	Lincoln National Life Insurance Company	LVIP Del Solcial Awareness		27,138
*	Lincoln National Life Insurance Company	Fidelity VIP ContraFund		297,760
*	Lincoln National Life Insurance Company	LVIP Mid Cap Value		44,117
*	Lincoln National Life Insurance Company	Alliance VPS Growth & Inc		37,848
*	Lincoln National Life Insurance Company	LVIP T. Rowe Growth Stock		106,022
*	Lincoln National Life Insurance Company	AB Global Thematic		25,025
*	Lincoln National Life Insurance Company	AB Small Mid Cap Value		58,209
*	Lincoln National Life Insurance Company	American Funds Small Cap World		183,495
*	Lincoln National Life Insurance Company	American Funds Growth America		156,880
*	Lincoln National Life Insurance Company	American Funds Invest Co. America		100,935
*	Lincoln National Life Insurance Company	American Funds EuroPac Growth		139,424

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

SCHEDULE H - LINE 4i - SCHEDULE OF
ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009
38-2027233 PLAN: 002
(CONTINUED)

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par, or Maturity Value	Cost	Current Value
*	Lincoln National Life Insurance Company	American Funds High Income		3,595
*	Lincoln National Life Insurance Company	American Funds Bond		2,331
*	Lincoln National Life Insurance Company	LVIP Bar Gr		91
*	Lincoln National Life Insurance Company	Delaware VIP Small Cap Value		156,170
*	Lincoln National Life Insurance Company	Fidelity VIP Equity Income		118,024
*	Lincoln National Life Insurance Company	Fidelity VIP Growth		84,664
*	Lincoln National Life Insurance Company	Fidelity VIP Overseas		112,520
*	Lincoln National Life Insurance Company	Frank Small Mid Cap Growth		29,487
*	Lincoln National Life Insurance Company	Janus Aspen Enterprise		115,541
*	Lincoln National Life Insurance Company	Janus Aspen Janus		70,030
*	Lincoln National Life Insurance Company	MFS VIT Emerging Growth		60,173
*	Lincoln National Life Insurance Company	MFS VIT Utilities		135,701
*	Lincoln National Life Insurance Company	BlackRock Aurora		13,219
*	Lincoln National Life Insurance Company	BlackRock Small Mid Cap Grth		3,963
*	Lincoln National Life Insurance Company	BlackRock Energy & Resources		650,331
*	Lincoln National Life Insurance Company	BlackRock Large Cap Value		72,448
*	Lincoln National Life Insurance Company	BlackRock Capital App		13,982
*	Lincoln National Life Insurance Company	BlackRock Mid Cap Value		49,043
*	Lincoln National Life Insurance Company	American Funds New Perspective		223,410
*	Lincoln National Life Insurance Company	LVIP SSga Internat'l Index		3,559
*	Lincoln National Life Insurance Company	LVIP Delaware Special Opp.		3,254
*	Lincoln National Life Insurance Company	SSga S & P Midcap		21,492
*	Lincoln National Life Insurance Company	SSga Russ Growth		95
*	Lincoln National Life Insurance Company	Guaranteed fixed account		1,235,888
*	Participant loans	Interest rate - 6.00% - 9.25%, with varying maturity dates		498,829

* Party-in-Interest

Note: Column (d) is blank as all investments are participant directed.

Included with Accountants Opinion

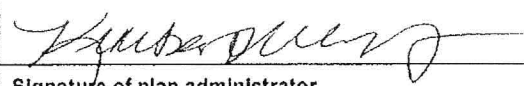
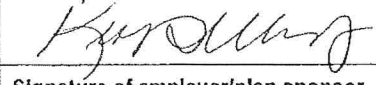
Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em;">2009</div> This Form Is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>			
A This return/report is for: <div style="display: flex; justify-content: space-between;"> <div> ☐ a multiemployer plan; ☒ a single-employer plan; </div> <div> ☐ a multiple-employer plan; or ☐ a DFE (specify) ____ </div> </div>			
B This return/report is: <div style="display: flex; justify-content: space-between;"> <div> ☐ the first return/report; ☐ an amended return/report; </div> <div> ☐ the final return/report; ☐ a short plan year return/report (less than 12 months). </div> </div>			
C If the plan is a collectively-bargained plan, check here. ☐			
D Check box if filing under: <div style="display: flex; justify-content: space-between;"> <div> ☒ Form 5558; ☐ special extension (enter description) </div> <div> ☐ automatic extension; </div> <div> ☐ the DFVC program; </div> </div>			

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>First Mercury Financial Corporation & Affiliates</u> <u>401(k) Plan & Trust</u>		1b Three-digit plan number (PN) ▶ <u>002</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>First Mercury Financial Corporation</u> <u>29621 Northwestern Highway</u> <u>Southfield</u>		1c Effective date of plan <u>07/01/1986</u>	2b Employer Identification Number (EIN) <u>38-2027233</u>
<u>MI 48086</u>		2c Sponsor's telephone number <u>(248) 358-4010</u>	2d Business code (see instructions) <u>524290</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		<u>10.7.10</u>	Kimberly Wright
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		<u>10.17.10</u>	Kimberly Wright
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SAME		3b Administrator's EIN 3c Administrator's telephone number																	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN																	
5 Total number of participants at the beginning of the plan year		5 375																	
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">6a</td> <td style="width: 90%;">367</td> </tr> <tr> <td>6b</td> <td>0</td> </tr> <tr> <td>6c</td> <td>40</td> </tr> <tr> <td>6d</td> <td>407</td> </tr> <tr> <td>6e</td> <td>0</td> </tr> <tr> <td>6f</td> <td>407</td> </tr> <tr> <td>6g</td> <td>327</td> </tr> <tr> <td>6h</td> <td>0</td> </tr> </table>		6a	367	6b	0	6c	40	6d	407	6e	0	6f	407	6g	327	6h	0
6a	367																		
6b	0																		
6c	40																		
6d	407																		
6e	0																		
6f	407																		
6g	327																		
6h	0																		
a Active participants.....		6a 367																	
b Retired or separated participants receiving benefits.....		6b 0																	
c Other retired or separated participants entitled to future benefits.....		6c 40																	
d Subtotal. Add lines 6a, 6b, and 6c.....		6d 407																	
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....		6e 0																	
f Total. Add lines 6d and 6e.....		6f 407																	
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 327																	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0																	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7																	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: <div style="display: flex; justify-content: space-around; font-family: monospace;"> 2E 2F 2G 2J 2K 2T 3D 3H </div>																			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:																			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor																	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)																			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)																	

**AUTHORIZATION FOR FREEDMEN BENEFITS GROUP TO
ELECTRONICALLY FILE FORM 5500**

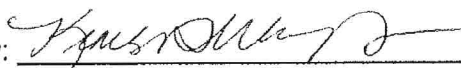
Name of Plan: First Mercury Financial Corporation & Affiliates 401(k) Plan & Trust

Name of Plan Sponsor: First Mercury Financial Corporation

On behalf of the above named plan sponsor, the undersigned hereby grants permission to Freedman Benefit Group ("FBG") to electronically file the plan sponsor's Form 5500 annually, but only upon FBG's receipt of a copy of the manually signed pages one and two of Form 5500.

We have been notified that the image of the plan administrator's/plan sponsor's manual signature will be included with the rest of the return/report posted by the Department of Labor on the Internet for public disclosure.

We understand that we may revoke or change this authorization any time by notification in writing to FBG.

By: 

Print Name: KIMBERLY D. WRIGHT

Date: 10.7.10

Included with Accountants Opinion