

QUARTERLY STATEMENT

OF THE

NCRIC, INC.

Of

WASHINGTON

in the state of DC

to the Insurance Department

of the State of

For the Period Ended

June 30, 2008

2008



QUARTERLY STATEMENT

As of June 30, 2008
of the Condition and Affairs of the
NCRIC, INC.

NAIC Group Code.....2698, 2698 (Current Period) (Prior Period)	NAIC Company Code..... 41149	Employer's ID Number..... 52-1194407
Organized under the Laws of DISTRICT OF COLUMBIA	State of Domicile or Port of Entry DISTRICT OF COLUMBIA	Country of Domicile US
Incorporated/Organized..... June 24, 1980	Commenced Business..... October 1, 1980	
Statutory Home Office	1115 30TH STREET, NW..... WASHINGTON DC 20007 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	1115 30TH STREET, NW..... WASHINGTON DC 20007 <i>(Street and Number) (City or Town, State and Zip Code)</i>	202-969-1866 <i>(Area Code) (Telephone Number)</i>
Mail Address	1115 30TH STREET, NW..... WASHINGTON DC 20007 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	205-877-4400 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	WWW.PROASSURANCE.COM	
Statutory Statement Contact	JEFFREY M. MANGET <i>(Name)</i> jmanget@proassurance.com <i>(E-Mail Address)</i>	205-877-4442 <i>(Area Code) (Telephone Number) (Extension)</i> 205-868-4029 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. HOWARD HARLEY FRIEDMAN	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. EDWARD LEWIS RAND, JR. #	TREASURER	4. WILLIAM STANCIL STARNES	CHAIRMAN

OTHER

VICTOR THOMAS ADAMO	VICE CHAIRMAN	JEFFREY LYNN BOWLBY	VICE PRESIDENT
HOWARD HARLEY FRIEDMAN	CHIEF UNDERWRITING OFFICER	JAMES JOSEPH MORELLO	VICE PRESIDENT
FRANK BERRY O'NEIL	VICE PRESIDENT	EDWARD LEWIS RAND, JR.	VICE PRESIDENT
DARRYL KEITH THOMAS	CHIEF CLAIMS OFFICER	HAYES VANCE WHITESIDE	VICE PRESIDENT

DIRECTORS OR TRUSTEES

VICTOR THOMAS ADAMO	HOWARD HARLEY FRIEDMAN	EDWARD LEWIS RAND, JR.	WILLIAM STANCIL STARNES
DARRYL KEITH THOMAS			

State of..... ALABAMA
County of..... JEFFERSON

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

_____ (Signature) HOWARD HARLEY FRIEDMAN 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHRYN ANNE NEVILLE 2. (Printed Name) SECRETARY _____ (Title)	_____ (Signature) EDWARD LEWIS RAND, JR. 3. (Printed Name) TREASURER _____ (Title)
--	--	--

Subscribed and sworn to before me
This _____ day of _____

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	224,168,061		224,168,061	217,436,971
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	391,865		391,865	396,901
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....(2,253,608)), cash equivalents (\$.....24,334,547) and short-term investments (\$.....25,003,007).....	47,083,946		47,083,946	11,088,050
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Other invested assets.....	475,900		475,900	479,700
8. Receivables for securities.....	176		176	
9. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	272,119,948	.0	272,119,948	229,401,622
11. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
12. Investment income due and accrued.....	2,851,248		2,851,248	2,664,521
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	322,812	135,253	187,559	268,018
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	89,256	33,462	55,794	126,418
13.3 Accrued retrospective premiums.....			.0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	777,901		777,901	16,820,772
14.2 Funds held by or deposited with reinsured companies.....			.0	
14.3 Other amounts receivable under reinsurance contracts.....	24,430	11,508	12,922	22,789
15. Amounts receivable relating to uninsured plans.....			.0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
16.2 Net deferred tax asset.....	13,596,126	11,347,335	2,248,791	2,118,199
17. Guaranty funds receivable or on deposit.....			.0	
18. Electronic data processing equipment and software.....	26,693	1,908	24,785	24,819
19. Furniture and equipment, including health care delivery assets (\$.....0).....	104,619	104,619	.0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
21. Receivables from parent, subsidiaries and affiliates.....	135,812		135,812	1,037,440
22. Health care (\$.....0) and other amounts receivable.....			.0	
23. Aggregate write-ins for other than invested assets.....	96,926	23,665	73,261	96,975
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	290,145,771	11,657,750	278,488,021	252,581,573
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
26. TOTALS (Lines 24 and 25).....	290,145,771	11,657,750	278,488,021	252,581,573

DETAILS OF WRITE-INS

0901.....			.0	
0902.....			.0	
0903.....			.0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0	.0
2301. Prepaid expenses.....	14,651	14,651	.0	
2302. Other assets.....	9,014	9,014	.0	
2303. State Premium Tax Recoverable.....	73,261		73,261	96,975
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	96,926	23,665	73,261	96,975

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$...3,141,619).....	104,456,686	95,062,100
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	46,943,740	46,833,537
4. Commissions payable, contingent commissions and other similar charges.....	15,825	12,207
5. Other expenses (excluding taxes, licenses and fees).....	371,830	494,205
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	51,070	127,746
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	281,200	1,954,905
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$...371,616 and including warranty reserves of \$.....0).....	13,842,258	10,498,248
10. Advance premium.....	334,881	1,743,714
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	2,340,980	2,128,800
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	22,077	8,863
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	4,768,600	4,768,600
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	293,867	240,159
20. Payable for securities.....	10,471,131	
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	19,500,000	19,500,000
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	203,694,145	183,373,084
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	203,694,145	183,373,084
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	1,000,000	1,000,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	50,434,666	50,434,666
33. Unassigned funds (surplus).....	23,359,210	17,773,823
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	74,793,876	69,208,489
36. TOTALS.....	278,488,021	252,581,573

DETAILS OF WRITE-INS

2301. Litigation liability.....	19,500,000	19,500,000
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	19,500,000	19,500,000
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....12,684,756).....	9,204,043	12,987,426	27,303,141
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....803,900).....	667,197	1,501,775	1,912,946
1.4 Net..... (written \$.....11,880,856).....	8,536,846	11,485,651	25,390,195
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....3,141,619):			
2.1 Direct.....	3,652,235	2,684,049	22,520,190
2.2 Assumed.....			
2.3 Ceded.....	3,885,617	888,013	20,550,198
2.4 Net.....	(233,382)	1,796,036	1,969,992
3. Loss adjustment expenses incurred.....	3,772,743	8,732,725	13,055,814
4. Other underwriting expenses incurred.....	1,848,539	2,092,979	4,708,151
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,387,900	12,621,740	19,733,957
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	3,148,946	(1,136,089)	5,656,238
INVESTMENT INCOME			
9. Net investment income earned.....	4,828,968	5,524,380	10,861,566
10. Net realized capital gains (losses) less capital gains tax of \$.....(175).....	(326)	(211,133)	(210,776)
11. Net investment gain (loss) (Lines 9 + 10).....	4,828,642	5,313,247	10,650,790
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....3,944).....	(3,944)	(31,341)	(75,405)
13. Finance and service charges not included in premiums.....	2,968	15,750	21,097
14. Aggregate write-ins for miscellaneous income.....	59,132	52,400	101,488
15. Total other income (Lines 12 through 14).....	58,156	36,809	47,180
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	8,035,744	4,213,967	16,354,208
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	8,035,744	4,213,967	16,354,208
19. Federal and foreign income taxes incurred.....	2,557,013	(1,334,465)	1,023,605
20. Net income (Line 18 minus Line 19) (to Line 22).....	5,478,731	5,548,432	15,330,603
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	69,208,489	59,457,819	59,457,819
22. Net income (from Line 20).....	5,478,731	5,548,432	15,330,603
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	(40,601)	(3,867)	(82,482)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	321,048	(2,792,474)	(4,445,756)
27. Change in nonadmitted assets.....	(173,791)	2,411,856	3,633,505
28. Change in provision for reinsurance.....			(4,685,200)
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	5,585,387	5,163,947	9,750,670
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	74,793,876	64,621,766	69,208,489
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Miscellaneous income.....	59,132	52,400	102,056
1402. Gain/Loss on Sale of Equipment.....			(568)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	59,132	52,400	101,488
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	10,811,955	19,027,180
2. Net investment income.....	5,299,285	12,385,124
3. Miscellaneous income.....	58,156	47,180
4. Total (Lines 1 through 3).....	16,169,396	31,459,483
5. Benefit and loss related payments.....	(22,006,658)	47,841,351
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,043,972	4,639,587
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	4,230,543	(1,468,568)
10. Total (Lines 5 through 9).....	(15,732,143)	51,012,370
11. Net cash from operations (Line 4 minus Line 10).....	31,901,539	(19,552,887)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	12,201,244	49,963,083
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	4,300	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		(166)
12.7 Miscellaneous proceeds.....	10,471,131	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	22,676,675	49,962,917
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	19,625,444	36,767,573
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	500	479,700
13.6 Miscellaneous applications.....	176	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	19,626,120	37,247,273
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	3,050,555	12,715,644
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	1,043,802	463,001
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	1,043,802	463,001
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	35,995,896	(6,374,242)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	11,088,050	17,462,291
19.2 End of period (Line 18 plus Line 19.1).....	47,083,946	11,088,050

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

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

No significant change.

C. The Company has recognized no wash sales in 2008.

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

No significant change.

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

No significant change.

Note 20 - Other Items

No significant change.

Note 21 - Events Subsequent

No significant change.

Note 22 - Reinsurance

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year, as a result of commutation of a number of reinsurance agreements, amounts which are reflected as:

(1) Losses incurred	\$ (3,247,625)
(2) Loss adjustment expenses incurred	(488,735)
(3) Premiums earned	118,000
(4) Other	N/A
(5) Companies	Various

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

Combined reserves for incurred losses and loss adjustment expenses attributable to insured events as of December 31, 2007 were \$141,896,000. The following chart shows the activity in those reserves during the six month period ended June 30, 2008:

Losses and Loss Adjustment Expenses December 31, 2007	\$ 141,896,000
Re-estimation of reserves (favorable)	(3,736,000)
Re-estimated December 31, 2007 Losses and Loss Adjustment Expenses	<u>\$ 138,160,000</u>

The re-estimation amount above relates principally to the medical malpractice line of insurance, principally for the 2004 and 2005 accident years, and is the result of the commutation described in Item 22(E) above. Original estimates are increased or decreased as additional information becomes available.

Note 25 - Intercompany Pooling Arrangements

No significant change.

Note 26 - Structured Settlements

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 27 - Health Care Receivables

No significant change.

Note 28 - Participating Policies

No significant change.

Note 29 - Premium Deficiency Reserves

No significant change.

Note 30 - High Deductibles

No significant change.

Note 31 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant change.

Note 32 - Asbestos/Environmental Reserves

No significant change.

Note 33 - Subscriber Savings Accounts

No significant change.

Note 34 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No []
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 2.2 If yes, date of change:
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y-Part 1 - Organizational chart. Yes [] No []
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/14/2008.....
- 6.4 By what department or departments?

DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []
- 7.2 If yes, give full information:
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No []
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No []
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [] No []
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.

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

- 9.2 Has the code of ethics for senior managers been amended? Yes [] No []
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
.....

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

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....24,234

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$.....0	\$.....0
14.22 Preferred Stock.....	\$.....0	\$.....0
14.23 Common Stock.....	\$.....396,901	\$.....391,865
14.24 Short-Term Investments.....	\$.....0	\$.....0
14.25 Mortgage Loans on Real Estate.....	\$.....0	\$.....0
14.26 All Other.....	\$.....0	\$.....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$.....396,901	\$.....391,865
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$.....0	\$.....0

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
US BANK	BIRMINGHAM, AL

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
113972	Standish Mellon Asset Management	BNY Mellon Center 210 Washington Street Boston, MA 02108-440

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

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....0
Total.....	.....XXX...	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		Active Status	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	N						
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	N						
5. California.....CA	N						
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	L		(148,486)	2,024,800	960,000	8,904,352	11,437,051
9. District of Columbia.....DC	L	12,777,800	14,074,379	2,012,161	4,086,068	58,856,390	58,541,462
10. Florida.....FL	N						
11. Georgia.....GA	N						
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	N						
15. Indiana.....IN	N						
16. Iowa.....IA	N						
17. Kansas.....KS	N						
18. Kentucky.....KY	N						
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	L	(62,945)	942,530	1,999,551	3,824,156	15,646,938	14,962,319
22. Massachusetts.....MA	N						
23. Michigan.....MI	N						
24. Minnesota.....MN	N						
25. Mississippi.....MS	N						
26. Missouri.....MO	N						
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	N						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	N						
37. Oklahoma.....OK	N						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	N						
42. South Dakota.....SD	N						
43. Tennessee.....TN	N						
44. Texas.....TX	N						
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	L		(11,921)	4,013,827	4,933,149	23,686,052	32,431,963
48. Washington.....WA	N						
49. West Virginia.....WV	L	(30,099)		1,047,500	40,000	3,465,517	6,627,319
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a) 5	12,684,756	14,856,502	11,097,839	13,843,373	110,559,249	124,000,114

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

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NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....	62,431	42,573	68.2	20.7
11.2. Medical malpractice-claims made.....	9,141,612	3,609,662	39.5	20.7
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....			0.0	
17.2. Other liability-claims made.....			0.0	17.5
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2. Private passenger auto liability.....			0.0	
19.3, 19.4. Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	9,204,043	3,652,235	39.7	20.7

DETAILS OF WRITE-INS

3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	133,829	62,431	341,442
11.2. Medical malpractice-claims made.....	484,887	12,622,325	14,515,060
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			
17.2. Other liability-claims made.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2. Private passenger auto liability.....			
19.3, 19.4. Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	618,716	12,684,756	14,856,502

DETAILS OF WRITE-INS

3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2008 Loss and LAE Payments on Claims Reported as of Prior Year-End	2008 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2008 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2005 + Prior.....	59,993	29,086	89,079	(9,887)	256	(9,631)	62,875	160	31,925	94,960	(7,005)	3,255	(3,750)
2. 2006.....	13,202	20,998	34,200	2,579	188	2,767	10,938	31	20,464	31,433	315	(315)	0
3. Subtotals 2006 + Prior.....	73,195	50,084	123,279	(7,308)	444	(6,864)	73,813	191	52,389	126,393	(6,690)	2,940	(3,750)
4. 2007.....	5,821	12,796	18,617	559	161	720	10,566	30	7,301	17,897	5,304	(5,304)	0
5. Subtotals 2007 + Prior.....	79,016	62,880	141,896	(6,749)	605	(6,144)	84,379	221	59,690	144,290	(1,386)	(2,364)	(3,750)
6. 2008.....	XXX	XXX	XXX	XXX	179	179	XXX	342	6,768	7,110	XXX	XXX	XXX
7. Totals.....	79,016	62,880	141,896	(6,749)	784	(5,965)	84,379	563	66,458	151,400	(1,386)	(2,364)	(3,750)
8. Prior Year-End's Surplus As Regards Policyholders	69,208										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1.(1.8)%	2.(3.8)%	3.(2.6)%
													Col. 13, Line 7 Line 8
													4.(5.4)%

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	<u>NO</u>
2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	<u>YES</u>
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	<u>NO</u>

Explanation:

Bar Code:



Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	479,700	
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		479,700
2.2 Additional investment made after acquisitions.....	500	
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....	4,300	
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	475,900	479,700
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	475,900	479,700

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	217,833,872	232,740,304
2. Cost of bonds and stocks acquired.....	19,625,444	36,767,573
3. Accrual of discount.....	56,169	147,492
4. Unrealized valuation increase (decrease).....	(40,601)	(82,482)
5. Total gain (loss) on disposals.....	(501)	(324,105)
6. Deduct consideration for bonds and stocks disposed of.....	12,201,244	49,963,083
7. Deduct amortization of premium.....	713,213	1,451,828
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	224,559,926	217,833,872
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	224,559,926	217,833,872

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	208,331,895	153,354,222	107,018,516	(2,320,297)	208,331,895	252,347,304		207,993,829
2. Class 2 (a).....	20,849,098		1,065,000	949,500	20,849,098	20,733,598		19,704,809
3. Class 3 (a).....	106,000		772,084	1,090,797	106,000	424,713		199,804
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	229,286,993	153,354,222	108,855,600	(280,000)	229,286,993	273,505,615	.0	227,898,442
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	.0	.0	.0	.0	.0	.0	.0	.0
15. Total Bonds and Preferred Stock.....	229,286,993	153,354,222	108,855,600	(280,000)	229,286,993	273,505,615	.0	227,898,442

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....49,337,554; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	25,003,007	XXX	25,003,007	11,497	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	10,385,667	9,664,429
2. Cost of short-term investments acquired.....	87,396,348	111,936,440
3. Accrual of discount.....		247,984
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		(166)
6. Deduct consideration received on disposals.....	72,779,008	111,463,020
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	25,003,007	10,385,667
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	25,003,007	10,385,667

**Sch. DB-Part F-Section 1
NONE**

**Sch. DB-Part F-Section 2
NONE**

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	8,771,594
2. Cost of cash equivalents acquired.....	188,387,890	480,510,541
3. Accrual of discount.....	99,657	384,701
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	164,153,000	489,666,836
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	24,334,547	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	24,334,547	0

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 2
NONE

Sch. B-Part 3
NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
Any Other Class of Admitted Asset - Unaffiliated												
000000 00 0	FHLB ATLANTA CAPITAL STOCK	ALANTA	GA	FEDERAL HOME LOAN BANK		06/21/2007			500			
3799999	Total - Any Other Class of Admitted Asset - Unaffiliated							0	500	0	0	XXX
3999999	Subtotal - Unaffiliated							0	500	0	0	XXX
4199999	Totals							0	500	0	0	XXX

QE03

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
NONE																			

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
3134A4 UM 4	FREDDIE MAC.....		06/30/2008.....	DEUTSCHE BANK.....		7,097,489	7,000,000	145,250	1.....
31359M 4D 2	FANNIE MAE.....		06/27/2008.....	MERRILL LYNCH.....		5,083,450	5,000,000	95,139	1.....
0399999.	Total - Bonds - U.S. Government.....					12,180,939	12,000,000	240,389	XXX.....
Bonds - Special Revenue and Special Assessment									
20774U ZH 1	CONNECTICUT ST HEALTH & EDL.....		06/30/2008.....	BANK OF NEW YORK.....		3,000,000	3,000,000		1FE.....
3199999.	Total - Bonds - Special Revenue & Special Assessments.....					3,000,000	3,000,000	0	XXX.....
Bonds - Industrial and Miscellaneous									
36962G 3H 5	GENERAL ELEC CAP CORP.....		06/27/2008.....	BANK AMERICA.....		991,410	1,000,000	16,719	1FE.....
46625H GY 0	JPMORGAN CHASE & CO.....		06/30/2008.....	JEFFERIES & CO.....		487,505	500,000	16,083	1FE.....
548661 CN 5	LOWES COMPANIES INC.....		06/26/2008.....	DEUTSCHE BANK.....		1,010,120	1,000,000	17,961	1FE.....
87612E AS 5	TARGET CORP.....		06/27/2008.....	J P MORGAN SECURITIES INC.....		670,307	665,000	18,288	1FE.....
767201 AE 6	RIO TINTO FIN USA LTD.....	F.....	06/24/2008.....	DEUTSCHE BANK.....		1,285,163	1,290,000		1FE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....					4,444,505	4,455,000	69,051	XXX.....
6099997.	Total - Bonds - Part 3.....					19,625,444	19,455,000	309,440	XXX.....
6099999.	Total - Bonds.....					19,625,444	19,455,000	309,440	XXX.....
7499999.	Total - Bonds, Preferred and Common Stocks.....					19,625,444	XXX.....	309,440	XXX.....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Government																					
31359M DU 4	FANNIE MAE.....		05/15/2008	MATURITY.....		20,000	20,000	22,459	20,192		(192)		(192)		20,000			0	600	05/15/2008	1.....
36202K 2A 2	G2 8869.....		06/01/2008	MBS PAYDOWN.....		711	711	727	712		(1)		(1)		711			0	16	09/01/2021	1.....
36203G QN 6	GN 348861.....		06/01/2008	MBS PAYDOWN.....		231	231	234	231				0		231			0	7	07/01/2020	1.....
36203K A4 6	GN 351127.....		06/01/2008	MBS PAYDOWN.....		246	246	249	246				0		246			0	7	11/01/2021	1.....
36203L LQ 3	GN 352335.....		06/01/2008	MBS PAYDOWN.....		4	4	4	4				0		4			0	0	04/01/2023	1.....
36203T BY 0	GN 358355.....		06/01/2008	MBS PAYDOWN.....		3,712	3,712	3,752	3,713		(1)		(1)		3,712			0	88	10/01/2020	1.....
36204F FG 4	GN 368367.....		06/01/2008	MBS PAYDOWN.....		228	228	241	228				0		228			0	8	12/01/2023	1.....
36208D M5 1	GN 447780.....		06/01/2008	MBS PAYDOWN.....		14	14	14	14				0		14			0	0	12/01/2017	1.....
36209A R8 5	GN 465911.....		06/01/2008	MBS PAYDOWN.....		57	57	55	57				0		57			0	2	02/01/2026	1.....
36209P SP 3	GN 477626.....		06/01/2008	MBS PAYDOWN.....		1,460	1,460	1,484	1,460				0		1,460			0	35	04/01/2027	1.....
36210C NT 6	GN 488302.....		06/01/2008	MBS PAYDOWN.....		13	13	13	13				0		13			0	0	08/01/2028	1.....
362207 YU 0	GN 299623.....		06/01/2008	MBS PAYDOWN.....		177	177	179	177				0		177			0	5	01/01/2022	1.....
912828 AZ 3	US TREASURY N/B.....		05/15/2008	MATURITY.....		35,000	35,000	33,690	34,816		184		184		35,000			0	459	05/15/2008	1.....
0399999	Total - Bonds - U.S. Government.....					61,853	61,853	63,101	61,863		0		(10)		61,853		0	0	1,227	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
31288G 3S 9	FG C78009.....		06/01/2008	MBS PAYDOWN.....		191	191	192	191				0		191			0	4	02/01/2032	1.....
31288J RK 4	FG C79490.....		06/01/2008	MBS PAYDOWN.....		2,382	2,382	2,498	2,386		(4)		(4)		2,382			0	55	08/01/2032	1.....
3128H3 ZP 9	FG E96150.....		06/01/2008	MBS PAYDOWN.....		34,358	34,358	36,023	34,440		(81)		(81)		34,358			0	753	10/01/2017	1.....
3128H4 WA 3	FG E96941.....		06/01/2008	MBS PAYDOWN.....		31,658	31,658	32,449	31,694		(37)		(37)		31,658			0	557	11/01/2017	1.....
3128K8 TQ 9	FG A47759.....		06/01/2008	MBS PAYDOWN.....		19,172	19,172	18,629	19,155		17		17		19,172			0	385	06/01/2035	1.....
3128M1 LA 5	FG G12221.....		06/01/2008	MBS PAYDOWN.....		60,952	60,952	60,604	60,928		23		23		60,952			0	1,357	09/01/2020	1.....
3128M1 PE 3	FG G12321.....		06/01/2008	MBS PAYDOWN.....		86,650	86,650	86,156	86,604		46		46		86,650			0	1,876	02/01/2021	1.....
31296K LQ 4	FG A11235.....		06/01/2008	MBS PAYDOWN.....		1,067	1,067	1,090	1,068				0		1,067			0	27	08/01/2032	1.....
31296N ZY 6	FG A14359.....		06/01/2008	MBS PAYDOWN.....		1,950	1,950	1,994	1,951				0		1,950			0	45	04/01/2033	1.....
31297B JC 7	FG A23859.....		06/01/2008	MBS PAYDOWN.....		55,413	55,413	53,950	55,363		51		51		55,413			0	1,161	10/01/2033	1.....
31353G PG 1	FH 884023.....		06/16/2008	VARIOUS.....		514	514	557	514		(1)		(1)		514			0	27	08/01/2018	1.....
313615 TW 6	FN 50965.....		06/01/2008	MBS PAYDOWN.....		143	143	139	143				0		143			0	4	06/01/2022	1.....
31371L 4L 0	FN 255627.....		06/01/2008	MBS PAYDOWN.....		13,909	13,909	14,031	13,914		(5)		(5)		13,909			0	290	09/01/2024	1.....
31371L 4M 8	FN 255628.....		06/01/2008	MBS PAYDOWN.....		14,270	14,270	14,627	14,286		(16)		(16)		14,270			0	324	09/01/2024	1.....
31371L 6C 8	FN 255667.....		06/01/2008	MBS PAYDOWN.....		50,475	50,475	50,600	50,482		(8)		(8)		50,475			0	1,033	11/01/2024	1.....
31371L 6D 6	FN 255668.....		06/01/2008	MBS PAYDOWN.....		32,135	32,135	32,863	32,167		(31)		(31)		32,135			0	689	10/01/2024	1.....
31371S QU 1	FN 260667.....		06/01/2008	MBS PAYDOWN.....		327	327	318	327				0		327			0	7	06/01/2022	1.....
31372C AX 6	FN 268322.....		06/01/2008	MBS PAYDOWN.....		273	273	266	273				0		273			0	7	12/01/2021	1.....
31372C MN 5	FN 268665.....		06/01/2008	MBS PAYDOWN.....		346	346	336	346				0		346			0	9	03/01/2022	1.....
31372D TM 8	FN 269756.....		06/01/2008	MBS PAYDOWN.....		34	34	34	34				0		34			0	1	12/01/2022	1.....
31372H RM 1	FN 273292.....		06/01/2008	MBS PAYDOWN.....		416	416	404	415				0		416			0	12	03/01/2023	1.....
31372J GZ 1	FN 274588.....		06/01/2008	MBS PAYDOWN.....		24	24	23	24				0		24			0	1	01/01/2021	1.....
31372J KM 4	FN 274000.....		06/01/2008	MBS PAYDOWN.....		730	730	710	730				0		730			0	21	12/01/2021	1.....
31372P JR 1	FN 278472.....		06/01/2008	MBS PAYDOWN.....		6	6	6	6				0		6			0	0	02/01/2024	1.....
31372P ZD 4	FN 278940.....		06/01/2008	MBS PAYDOWN.....		18	18	17	18				0		18			0	0	09/01/2021	1.....
31372X ZK 1	FN 286146.....		06/01/2008	MBS PAYDOWN.....		8	8	8	8				0		8			0	0	01/01/2024	1.....
31378T P2 5	FN 408241.....		06/01/2008	MBS PAYDOWN.....		1,181	1,181	1,155	1,180		1		1		1,181			0	29	04/01/2017	1.....
31383S JZ 4	FN 511580.....		06/01/2008	MBS PAYDOWN.....		6,907	6,907	6,795	6,902		5		5		6,907			0	185	02/01/2013	1.....
31390L GN 0	FN 649205.....		06/01/2008	MBS PAYDOWN.....		14,925	14,925	15,692	14,953		(28)		(28)		14,925			0	392	11/01/2030	1.....
31390R E7 4	FN 653658.....		06/01/2008	MBS PAYDOWN.....		29,140	29,140	30,635	29,191		(51)		(51)		29,140			0	864	05/01/2031	1.....
31391S TF 7	FN 675650.....		06/01/2008	MBS PAYDOWN.....		53,704	53,704	56,121	53,748		(44)		(44)		53,704			0	1,216	01/01/2032	1.....
31391S U7 3	FN 675706.....		06/01/2008	MBS PAYDOWN.....		63,154	63,154	65,779	63,207		(54)		(54)		63,154			0	1,379	12/01/2031	1.....
31391U W6 8	FN 677569.....		06/01/2008	MBS PAYDOWN.....		925	925	946	927		(2)		(2)		925			0	26	10/01/2031	1.....
31391U YM 1	FN 677616.....		06/01/2008	MBS PAYDOWN.....		3,995	3,995	4,084	3,999		(4)		(4)		3,995			0	90	04/01/2032	1.....

QE05

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
313970 SC 0	FG D32315		06/01/2008	MBS PAYDOWN		106	106	115	107				0		106			0	4	09/01/2015	1
31400C AL 8	FN 683211		06/01/2008	MBS PAYDOWN		19,465	19,465	19,994	19,470		(5)		(5)		19,465			0	444	03/01/2031	1
31400D X4 9	FN 684799		06/01/2008	MBS PAYDOWN		50,098	50,098	52,153	50,118		(20)		(20)		50,098			0	1,487	05/01/2032	1
31400H HJ 5	FN 687933		06/01/2008	MBS PAYDOWN		2,381	2,381	2,473	2,382		(1)		(1)		2,381			0	60	06/01/2032	1
31400T GU 5	FN 696911		06/01/2008	MBS PAYDOWN		1,706	1,706	1,742	1,707		(1)		(1)		1,706			0	36	03/01/2032	1
31401C FB 4	FN 704062		06/01/2008	MBS PAYDOWN		480	480	490	480				0		480			0	10	05/01/2032	1
31401H 3J 9	FN 709201		06/01/2008	MBS PAYDOWN		2,602	2,602	2,592	2,601				0		2,602			0	62	08/01/2032	1
31401H L9 1	FN 708752		06/01/2008	MBS PAYDOWN		34,156	34,156	35,842	34,236		(80)		(80)		34,156			0	726	12/01/2017	1
31401J AC 2	FN 709303		06/01/2008	MBS PAYDOWN		24,153	24,153	24,919	24,167		(14)		(14)		24,153			0	479	11/01/2032	1
31401L NU 3	FN 711503		06/01/2008	MBS PAYDOWN		5,810	5,810	5,865	5,812		(2)		(2)		5,810			0	129	11/01/2032	1
31401L P8 0	FN 711547		06/01/2008	MBS PAYDOWN		52,759	52,759	55,000	52,939		(181)		(181)		52,759			0	985	07/01/2032	1
31401L V5 9	FN 711736		06/01/2008	MBS PAYDOWN		1,496	1,496	1,505	1,497				0		1,496			0	34	07/01/2032	1
31401N GR 4	FN 713108		06/01/2008	MBS PAYDOWN		3,390	3,390	3,409	3,390				0		3,390			0	76	07/01/2032	1
31401Y VD 4	FN 722512		06/01/2008	MBS PAYDOWN		3,976	3,976	3,961	3,976				0		3,976			0	84	09/01/2032	1
31402A RB 4	FN 723282		06/01/2008	MBS PAYDOWN		74,007	74,007	77,370	74,184		(177)		(177)		74,007			0	1,544	05/01/2017	1
31402D 5A 4	FN 726341		06/01/2008	MBS PAYDOWN		2,010	2,010	2,016	2,010		(1)		(1)		2,010			0	41	01/01/2018	1
31402D XU 9	FN 726191		06/01/2008	MBS PAYDOWN		2,682	2,682	2,691	2,683		(1)		(1)		2,682			0	53	01/01/2018	1
31402G SW 4	FN 728733		06/01/2008	MBS PAYDOWN		600	600	610	600				0		600			0	13	11/01/2032	1
31402G WU 3	FN 728859		06/01/2008	MBS PAYDOWN		2,134	2,134	2,147	2,135				0		2,134			0	58	04/01/2033	1
31402H N8 0	FN 729515		06/01/2008	MBS PAYDOWN		13,715	13,715	13,855	13,719		(4)		(4)		13,715			0	318	06/01/2032	1
31402H PX 3	FN 729538		06/01/2008	MBS PAYDOWN		5,712	5,712	5,837	5,717		(5)		(5)		5,712			0	130	10/01/2032	1
31402Q Y3 9	FN 735230		06/01/2008	MBS PAYDOWN		30,414	30,414	30,242	30,408		6		6		30,414			0	685	03/01/2034	1
31402Y T5 3	FN 742272		06/01/2008	MBS PAYDOWN		242	242	240	242				0		242			0	5	07/01/2033	1
31403D DX 4	FN 745418		06/01/2008	MBS PAYDOWN		38,973	38,973	38,713	38,964		9		9		38,973			0	875	11/01/2035	1
31403F JX 3	FN 747378		06/01/2008	MBS PAYDOWN		3,408	3,408	3,383	3,408				0		3,408			0	71	10/01/2032	1
31403V ZZ 1	FN 759592		06/01/2008	MBS PAYDOWN		45,378	45,378	46,463	45,436		(58)		(58)		45,378			0	1,082	06/01/2033	1
31404B 3A 8	FN 764093		06/01/2008	MBS PAYDOWN		12,875	12,875	13,176	12,878		(3)		(3)		12,875			0	246	01/01/2033	1
31404S H3 2	FN 777050		06/01/2008	MBS PAYDOWN		2,860	2,860	2,825	2,859		1		1		2,860			0	60	07/01/2033	1
31404V TS 7	FN 780061		06/01/2008	MBS PAYDOWN		16,671	16,671	16,519	16,667		4		4		16,671			0	308	05/01/2033	1
31405R AQ 9	FN 796615		06/01/2008	MBS PAYDOWN		30,982	30,982	30,794	30,976		6		6		30,982			0	660	06/01/2034	1
31406B CY 4	FN 804787		06/01/2008	MBS PAYDOWN		14,661	14,661	14,991	14,676		(15)		(15)		14,661			0	358	06/01/2034	1
31406E DM 3	FN 807508		06/01/2008	MBS PAYDOWN		56,124	56,124	57,387	56,163		(39)		(39)		56,124			0	1,229	08/01/2034	1
31406E LL 6	FN 807731		06/01/2008	MBS PAYDOWN		18,335	18,335	18,756	18,344		(9)		(9)		18,335			0	350	03/01/2034	1
31407C J6 5	FN 826585		06/01/2008	MBS PAYDOWN		31,896	31,896	30,850	31,870		26		26		31,896			0	675	03/01/2035	1
31407N 2C 6	FN 836071		06/01/2008	MBS PAYDOWN		21,910	21,910	21,158	21,890		20		20		21,910			0	464	05/01/2035	1
31408A J3 5	FN 845482		06/01/2008	MBS PAYDOWN		89,973	89,973	89,495	89,945		28		28		89,973			0	2,122	01/01/2021	1
31408A TC 4	FN 845747		06/01/2008	MBS PAYDOWN		11,287	11,287	10,899	11,284		3		3		11,287			0	204	04/01/2034	1
31408E RU 8	FN 849299		06/01/2008	MBS PAYDOWN		52,631	52,631	52,285	52,610		21		21		52,631			0	1,157	09/01/2035	1
31408J MU 2	FN 852771		06/01/2008	MBS PAYDOWN		3,413	3,413	3,299	3,412		1		1		3,413			0	70	01/01/2036	1
38373M PK 0	GNR 2005-32 B		06/01/2008	MBS PAYDOWN		12,035	12,035	11,776	12,025		11		11		12,035			0	247	09/01/2025	1
38373M PT 1	GNR 2005-29 A		06/01/2008	MBS PAYDOWN		2,179	2,179	2,113	2,177		2		2		2,179			0	36	03/01/2027	1
38373M RU 6	GNR 2005-87 A		06/01/2008	MBS PAYDOWN		3,073	3,073	3,011	3,071		1		1		3,073			0	57	09/01/2024	1
38373M SB 7	GNR 2005-90 A		06/01/2008	MBS PAYDOWN		92,872	92,872	89,620	92,698		174		174		92,872			0	1,403	08/01/2028	1
38373M SH 4	GNR 2006-3 A		06/01/2008	MBS PAYDOWN		28,289	28,289	27,723	28,266		22		22		28,289			0	496	12/01/2027	1
38373M SP 6	GNR 2006-6 A		06/01/2008	MBS PAYDOWN		10,448	10,448	10,239	10,421		27		27		10,448			0	152	10/01/2020	1
38373M SX 9	GNR 2006-5 A		06/01/2008	MBS PAYDOWN		24,162	24,162	23,678	24,149		12		12		24,162			0	499	02/01/2029	1
38373M TD 2	GNR 2006-9 A		06/01/2008	MBS PAYDOWN		6,982	6,982	6,772	6,974		8		8		6,982			0	122	02/01/2026	1
38373M TS 9	GNR 2006-18 A		06/01/2008	MBS PAYDOWN		6,899	6,899	6,830	6,897		2		2		6,899			0	143	10/01/2021	1
38373M TZ 3	GNR 2006-19 A		06/01/2008	MBS PAYDOWN		8,024	8,024	7,623	8,006		18		18		8,024			0	113	04/01/2025	1

QE05.1

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
38374B QM 8	GNR 2003-72 A.....		.06/01/2008	MBS PAYDOWN.....		9,927	9,927	9,927	9,927				0		9,927			0	133	09/01/2013	1.....
38374J E9 3	GNR 2004-97 AB.....		.06/01/2008	MBS PAYDOWN.....		4,567	4,567	4,372	4,561		6		6		4,567			0	59	09/01/2021	1.....
594648 SP 3	MICHIGAN ST HOSP FIN AUTH REV.....		.05/01/2008	MATURITY.....		295,000	295,000	381,379	295,000				0		295,000			0	13,275	05/01/2008	1.....
59465M LV 5	MICHIGAN ST HSG DEV AUTH RENTA.....		.04/01/2008	CALLED BY ISSUER at 100.00.....		35,000	35,000	35,453	35,296		(296)		(296)		35,000			0	726	10/01/2013	2FE.....
3199999	Total - Bonds - Special Revenue & Assessment.....					1,906,280	1,906,280	2,006,308	1,907,004	0	(727)	0	(727)	0	1,906,280	0	0	0	47,681	XXX	XXX
Bonds - Public Utilities																					
852060 AC 6	SPRINT CAPITAL CORP.....		.06/16/2008	CALLED BY ISSUER at 101.59.....		772,084	760,000	793,295	767,969		4,115		4,115		772,084			0	27,283	11/15/2008	3FE.....
3899999	Total - Bonds - Public Utilities.....					772,084	760,000	793,295	767,969	0	4,115	0	4,115	0	772,084	0	0	0	27,283	XXX	XXX
Bonds - Industrial and Miscellaneous																					
02639M AG 1	AGFMT 2006-1 A1.....		.06/01/2008	MBS PAYDOWN.....		51,292	51,292	51,299	51,338		(46)		(46)		51,292			0	1,242	09/01/2008	1FE.....
03061N JR 1	AMCAR 2005-DA A3.....		.06/06/2008	MBS PAYDOWN.....		50,733	50,733	50,727	50,705		28		28		50,733			0	1,014	03/06/2009	1FE.....
06423A AW 3	BANK ONE CORP.....		.06/30/2008	MATURITY.....		20,000	20,000	18,982	19,816		184		184		20,000			0	263	06/30/2008	1FE.....
12476V AT 8	CASC 1998-D7 A1B.....		.06/11/2008	MBS PAYDOWN.....		41,573	41,573	45,400	41,955		(383)		(383)		41,573			0	1,127	09/11/2008	1FE.....
12498N AA 1	CBASS 2006-CB2 AF1.....		.05/01/2008	MBS PAYDOWN.....		9,677	9,677	9,677	9,676				0		9,677			0	197	05/01/2008	1FE.....
161505 BY 7	CCMSC 1998-1 A2.....		.04/01/2008	MBS PAYDOWN.....		17,055	17,055	19,265	17,593		(539)		(539)		17,055			0	373	04/01/2008	1FE.....
23322B CZ 9	DLJCM 1998-CF2 A1B.....		.06/01/2008	MBS PAYDOWN.....		735,666	735,666	817,300	744,638		(8,972)		(8,972)		735,666			0	19,321	06/01/2008	1FE.....
23322B EG 9	DLJCM 1999-CG1 A1B.....		.06/01/2008	MBS PAYDOWN.....		24,677	24,677	27,331	24,881		(203)		(203)		24,677			0	753	01/01/2009	1FE.....
26882P AQ 5	ERAC USA FINANCE COMPANY.....		.06/15/2008	MATURITY.....		1,030,000	1,030,000	1,121,294	1,043,041		(13,041)		(13,041)		1,030,000			0	37,853	06/15/2008	2FE.....
46625Y XL 2	JPMCC 2005-LDP5 A1.....		.06/01/2008	MBS PAYDOWN.....		10,855	10,855	10,881	10,863		(8)		(8)		10,855			0	228	07/01/2010	1FE.....
59022H KZ 4	MLMT 2005-CK11 A1.....		.06/01/2008	MBS PAYDOWN.....		19,157	19,157	19,205	19,167		(10)		(10)		19,157			0	406	09/01/2010	1FE.....
61745M KY 8	MSC 1999-RM1 A2.....		.06/01/2008	MBS PAYDOWN.....		75,661	75,661	85,383	76,384		(723)		(723)		75,661			0	2,308	10/01/2008	1FE.....
61746W ES 5	MSDWC 2001-PPM A2.....		.06/01/2008	MBS PAYDOWN.....		5,468	5,468	6,049	5,516		(48)		(48)		5,468			0	235	12/01/2011	1FE.....
61746W ET 3	MSDWC 2001-PPM A3.....		.06/01/2008	MBS PAYDOWN.....		19,141	19,141	21,626	19,315		(174)		(174)		19,141			0	850	12/01/2011	1FE.....
61746W PE 4	MSDWC 2002-TOP7 A1.....		.06/01/2008	MBS PAYDOWN.....		5,322	5,322	5,782	5,364		(42)		(42)		5,322			0	119	11/01/2010	1FE.....
69121P CG 6	OWNIT 2006-1 AF1.....		.06/01/2008	MBS PAYDOWN.....		103,782	103,782	103,782	103,788		(6)		(6)		103,782			0	2,339	07/01/2009	1FE.....
759950 GU 6	RAMC 2006-1 AF2.....		.06/01/2008	MBS PAYDOWN.....		144,007	144,003	144,002	144,047		(44)		(44)		144,003			0	3,256	08/01/2008	1FE.....
84751P LM 9	SURF 2006-BC2 A2B.....		.06/01/2008	MBS PAYDOWN.....		5,475	5,475	5,475	5,475				0		5,475			0	153	10/01/2035	1FE.....
92927T AE 3	WESTO 2004-4 B.....		.06/17/2008	MBS PAYDOWN.....		20,737	20,737	20,734	20,712		25		25		20,737			0	270	09/17/2008	1FE.....
96683M AL 7	WALT 2003-1 A4.....		.06/15/2008	MBS PAYDOWN.....		7,818	7,818	7,750	7,830		(12)		(12)		7,818			0	82	06/15/2008	1FE.....
002920 AB 2	ABBEY NATIONAL PLC.....	F	.06/15/2008	CALLED BY ISSUER at 100.00.....		500,000	500,000	523,975	522,179		(22,179)		(22,179)		500,000			0	16,750	01/01/9999	1FE.....
4599999	Total - Bonds - Industrial & Miscellaneous.....					2,898,096	2,898,092	3,115,919	2,944,283	0	(46,193)	0	(46,193)	0	2,898,092	0	0	0	89,139	XXX	XXX
6099997	Total - Bonds - Part 4.....					5,638,313	5,626,225	5,978,623	5,681,119	0	(42,815)	0	(42,815)	0	5,638,309	0	0	0	165,330	XXX	XXX
6099999	Total - Bonds.....					5,638,313	5,626,225	5,978,623	5,681,119	0	(42,815)	0	(42,815)	0	5,638,309	0	0	0	165,330	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks.....					5,638,313	XXX	5,978,623	5,681,119	0	(42,815)	0	(42,815)	0	5,638,309	0	0	0	165,330	XXX	XXX

QE05.2

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

**Sch. DB-Part A-Section 1
NONE**

**Sch. DB-Part B-Section 1
NONE**

**Sch. DB-Part C-Section 1
NONE**

**Sch. DB-Part D-Section 1
NONE**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
BANK OF AMERICA.....	ATLANTA, GA.....				.....4,251	.....4,428	.....36,135	XXX
US BANK.....	BIRMINGHAM, AL.....				.....(1,051,576)	.....22,630,528	.....(2,296,016)	XXX
FEDERAL HOME LOAN BANK.....	ATLANTA, GA.....				.....26,736	.....26,768	.....6,273	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(1,020,588)	.....22,661,723	.....(2,253,608)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(1,020,588)	.....22,661,723	.....(2,253,608)	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	.....(1,020,588)	.....22,661,723	.....(2,253,608)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
BAKER HUGHES INC 07/07/2008.....		06/10/2008	2.214	07/07/2008	1,999,263		2,578
BASIN ELEC POWER 07/10/2008.....		06/20/2008	2.403	07/10/2008	2,998,200		2,200
FREDDIE MAC DISCOUNT NT 08/04/2008.....		05/06/2008	2.025	08/04/2008	99,810		313
ING AMERICAS INS 07/07/2008.....		06/13/2008	2.454	07/07/2008	2,660,913		3,261
MASS MUT LIFE 07/24/2008.....		06/27/2008	2.404	07/24/2008	2,995,400		800
MITSUB INTL CORP 07/09/2008.....		06/18/2008	2.303	07/09/2008	2,998,467		2,492
NETSUI & CO USA 07/22/2008.....		06/27/2008	2.605	07/22/2008	2,995,450		867
NSTAR ELECTRIC 07/01/2008.....		06/27/2008	2.351	07/01/2008	2,637,000		689
ROCKWELL AUTO 07/11/2008.....		06/24/2008	2.202	07/11/2008	2,998,167		1,283
XTRA INC 07/02/2008.....		06/20/2008	2.252	07/02/2008	1,951,877		1,342
3999999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					24,334,547	0	15,825
4599999. Total - Industrial and Miscellaneous (Unaffiliated).....					24,334,547	0	15,825
Total Bonds							
5499999. Subtotals - Issuer Obligations.....					24,334,547	0	15,825
6099999. Subtotals - Bonds.....					24,334,547	0	15,825
8799999. Total - Cash Equivalents.....					24,334,547	0	15,825

QE09