



# QUARTERLY STATEMENT

As of June 30, 2005  
of the Condition and Affairs of the

## NCRIC, Inc.

NAIC Group Code.....643, 643 (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	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>
Internet Website Address	www.ncric.com	
Statutory Statement Contact	Rebecca Bryan Crunk <i>(Name)</i> rcrunk@ncric.com <i>(E-Mail Address)</i>	202-969-1866 <i>(Area Code) (Telephone Number) (Extension)</i> 202-969-1881 <i>(Fax Number)</i>
Policyowner Relations Contact	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) (Extension)</i>

### OFFICERS

Name	Title	Name	Title
1. Ronald Rayburn Pate Jr.	President & CEO	2. William Edward Burgess	SVP & Secretary
3. Rebecca Bryan Crunk	SVP, Treasurer & CFO	4.	

### OTHER

Anne Kail Missett	Senior Vice President	Eric Richmond Anderson	Senior Vice President
Ann Lasley McNary	Vice President	Jeffrey Ernst Weigl	Vice President
Laura Williams May	Vice President	Jo Anne Wiggins	Vice President

### DIRECTORS OR TRUSTEES

Leonard Mark Glassman, MD	Luther Wilson Gray, MD	Prudence Parcher Kline, MD	Leonard Martin Parver, MD
David Murray Seitzman, MD	Nelson Perez Trujillo, MD (Chairman)	Ronald Rayburn Pate Jr.	Frank Kenneth Ross
Vincent Cornelius Burke III, Esq	John Paul McNamara	Stuart Alfred McFarland	Pamela Warrenette Coleman, MD

State of.....  
County of.....

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)	_____ (Signature)	_____ (Signature)
Ronald Rayburn Pate Jr.	William Edward Burgess	Rebecca Bryan Crunk
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & CEO	SVP & Secretary	SVP, Treasurer & CFO
(Title)	(Title)	(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.....	172,809,279	0	172,809,279	164,114,236
2. Stocks:				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	29,125,668	0	29,125,668	25,301,468
3. Mortgage loans on real estate:				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$....2,845,736), cash equivalents (\$.....0) and short-term investments (\$....8,162,621).....	11,008,357	0	11,008,357	16,212,854
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets.....	0	0	0	0
8. Receivables for securities.....	950	0	950	0
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	212,944,254	0	212,944,254	205,628,558
11. Title Plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	2,002,901	0	2,002,901	1,866,152
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	3,756,386	74,181	3,682,205	3,961,812
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	2,080,828	0	2,080,828	2,779,150
13.3 Accrued retrospective premiums.....	0	0	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	7,424,931	0	7,424,931	5,254,683
14.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts.....	3,462,828	0	3,462,828	0
15. Amounts receivable relating to uninsured plans.....	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	1,158,973	0	1,158,973	3,911,509
16.2 Net deferred tax asset.....	11,931,426	6,103,621	5,827,805	4,642,001
17. Guaranty funds receivable or on deposit.....	0	0	0	0
18. Electronic data processing equipment and software.....	1,774,478	1,442,267	332,211	406,915
19. Furniture and equipment, including health care delivery assets (\$.....0).....	219,354	219,354	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates.....	1,749,886	860,997	888,889	1,412,263
22. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	1,084,016	1,084,016	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	249,590,261	9,784,436	239,805,825	229,863,043
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	249,590,261	9,784,436	239,805,825	229,863,043

**DETAILS OF WRITE-INS**

0901.....	0	0	0	0
0902.....	0	0	0	0
0903.....	0	0	0	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.....	811,387	811,387	0	0
2302. Other Assets.....	272,629	272,629	0	0
2303.....	0	0	0	0
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).....	1,084,016	1,084,016	0	0

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$ 19,075,000).....	91,995,000	79,317,000
2. Reinsurance payable on paid losses and loss adjustment expenses.....	0	0
3. Loss adjustment expenses.....	38,916,000	34,334,000
4. Commissions payable, contingent commissions and other similar charges.....	983,708	1,059,957
5. Other expenses (excluding taxes, licenses and fees).....	2,222,613	2,232,882
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	58,329	694,187
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)).....	0	0
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$ 0 and interest thereon \$ 0.....	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 918,498 and including warranty reserves of \$ 0).....	44,683,961	39,914,569
10. Advance premium.....	1,448,575	5,519,720
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,054,289	1,391,428
13. Funds held by company under reinsurance treaties.....	466,339	351,480
14. Amounts withheld or retained by company for account of others.....	716	54,431
15. Remittances and items not allocated.....	0	0
16. Provision for reinsurance.....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	0
20. Payable for securities.....	0	1,998,902
21. Liability for amounts held under uninsured accident and health plans.....	0	0
22. Capital notes \$ 0 and interest thereon \$ 0.....	0	0
23. Aggregate write-ins for liabilities.....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	181,829,530	166,868,556
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	181,829,530	166,868,556
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	1,000,000	1,000,000
29. Preferred capital stock.....	0	0
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	0	0
32. Gross paid in and contributed surplus.....	42,434,666	42,434,666
33. Unassigned funds (surplus).....	14,541,629	19,559,821
34. Less treasury stock, at cost:		
34.1 0.000 shares common (value included in Line 28 \$ 0).....	0	0
34.2 0.000 shares preferred (value included in Line 29 \$ 0).....	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	57,976,295	62,994,487
36. TOTALS.....	239,805,825	229,863,043

### DETAILS OF WRITE-INS

2301. ....	0	0
2302. ....	0	0
2303. ....	0	0
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).....	0	0
2701. ....	0	0
2702. ....	0	0
2703. ....	0	0
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. ....	0	0
3002. ....	0	0
3003. ....	0	0
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
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$....46,357,223).....	41,544,703	38,807,613	80,991,913
1.2 Assumed..... (written \$.....0).....	0	0	0
1.3 Ceded..... (written \$....7,286,805).....	7,243,677	7,077,665	14,530,053
1.4 Net..... (written \$....39,070,418).....	34,301,026	31,729,948	66,461,860
DEDUCTIONS:			
2. Losses incurred (current accident year \$....19,095,000):			
2.1 Direct.....	31,521,251	21,468,704	51,355,829
2.2 Assumed.....	0	0	0
2.3 Ceded.....	7,021,000	4,996,000	5,457,000
2.4 Net.....	24,500,251	16,472,704	45,898,829
3. Loss expenses incurred.....	12,765,854	10,738,412	24,410,708
4. Other underwriting expenses incurred.....	6,638,094	7,015,899	13,785,020
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	43,904,199	34,227,015	84,094,557
7. Net income of protected cells.....	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(9,603,173)	(2,497,067)	(17,632,697)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	3,630,167	3,350,708	6,783,744
10. Net realized capital gains (losses) less capital gains tax of \$....152,085.....	295,224	418,918	477,203
11. Net investment gain (loss) (Lines 9 + 10).....	3,925,391	3,769,626	7,260,947
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....4,048 amount charged off \$....15,948).....	(11,900)	(44,850)	(51,396)
13. Finance and service charges not included in premiums.....	17,956	56,178	67,394
14. Aggregate write-ins for miscellaneous income.....	(7,044)	8,838	21,281
15. Total other income (Lines 12 through 14).....	(988)	20,166	37,279
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(5,678,770)	1,292,725	(10,334,471)
17. Dividends to policyholders.....	0	0	0
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).....	(5,678,770)	1,292,725	(10,334,471)
19. Federal and foreign income taxes incurred.....	(208,301)	523,837	(1,350,305)
20. Net income (Line 18 minus Line 19) (to Line 22).....	(5,470,469)	768,888	(8,984,166)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	62,994,487	70,371,686	70,371,686
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20).....	(5,470,469)	768,888	(8,984,166)
23. Net transfers (to) from Protected Cell accounts.....	0	0	0
24. Change in net unrealized capital gains or losses less capital gains tax of \$....50,563.....	228,947	50,185	1,010,702
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0	0
26. Change in net deferred income tax.....	2,395,352	165,187	3,138,327
27. Change in nonadmitted assets.....	(2,172,022)	(129,796)	(2,542,062)
28. Change in provision for reinsurance.....	0	0	0
29. Change in surplus notes.....	0	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0	0
31. Cumulative effect of changes in accounting principles.....	0	0	0
32. Capital changes:			
32.1 Paid in.....	0	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0	0
32.3 Transferred to surplus.....	0	0	0
33. Surplus adjustments:			
33.1 Paid in.....	0	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0	0
33.3 Transferred from capital.....	0	0	0
34. Net remittances from or (to) Home Office.....	0	0	0
35. Dividends to stockholders.....	0	0	0
36. Change in treasury stock.....	0	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	(5,018,192)	854,464	(7,377,199)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	57,976,295	71,226,150	62,994,487
<b>DETAILS OF WRITE-INS</b>			
0501. ....	0	0	0
0502. ....	0	0	0
0503. ....	0	0	0
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.....	(7,044)	8,838	21,281
1402. ....	0	0	0
1403. ....	0	0	0
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).....	(7,044)	8,838	21,281
3701. ....	0	0	0
3702. ....	0	0	0
3703. ....	0	0	0
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
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	32,464,116	74,990,182
2. Net investment income.....	4,325,426	7,908,535
3. Miscellaneous income.....	(988)	37,279
4. Total (Lines 1 through 3).....	36,788,554	82,935,996
5. Benefit and loss related payments.....	13,992,499	23,125,543
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	15,881,945	31,473,355
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	(2,808,752)	(291,694)
10. Total (Lines 5 through 9).....	27,065,692	54,307,204
11. Net cash from operations (Line 4 minus Line 10).....	9,722,862	28,628,792
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	18,176,382	62,709,649
12.2 Stocks.....	1,503,405	3,175,369
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	3	69
12.7 Miscellaneous proceeds.....	0	2,007,617
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	19,679,790	67,892,704
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	27,342,152	74,791,604
13.2 Stocks.....	4,962,071	13,617,128
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	1,999,852	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	34,304,075	88,408,732
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(14,624,285)	(20,516,028)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	(303,074)	(1,198,606)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(303,074)	(1,198,606)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(5,204,497)	6,914,158
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	16,212,854	9,298,696
19.2 End of period (Line 18 plus Line 19.1).....	11,008,357	16,212,854

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

20.0001	0	0
20.9999 Totals	0	0

**Note 1 - Summary of Significant Accounting Policies**

A. Accounting Practices

The accompanying financial statements of the Company have been prepared in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual and the District of Columbia Department of Insurance, Securities and Banking.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of the accompanying financial statements in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the District of Columbia Department of Insurance, Securities and Banking requires the use of management's estimates.

C. Accounting Policy

Premiums are earned over the coverage period of the related insurance policies. Unearned premium reserves are established to cover the unexpired premiums written and calculated on a pro rata basis.

Expenses in connection with acquiring new business, including acquisition costs, are recorded as incurred.

The Company also uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost except for those bonds, which are required by the Valuation of Securities Manual to be valued at the lower of cost or market.
- (3) Common stocks are reported at market value.
- (4) Preferred stocks are stated at amortized cost except for those stocks, which are required by the Valuation of Securities Manual to be valued at the lower of cost or market.
- (5) The company has no mortgage loans on real estate.
- (6) Mortgage-backed/asset-backed, multi-class mortgage-backed/ asset-backed securities and structured securities are stated at amortized cost using the retrospective interest method including currently anticipated prepayments.
- (7) The Company owns 100% of the common stock of National Capital Insurance Brokerage, Ltd. (NCIB), NCRIC Insurance Agency, Inc. (NIA) and American Captive Corporation and owns 18.75% of the common stock of E-Health Solutions Group, Inc. The Company calculates the value of its affiliated common stock based on the U.S. GAAP equity of its subsidiaries as described in Part 8, Section 3b of the Purposes and Procedures Manual of the NAIC SVO.
- (8) The Company does not have investments in joint ventures, partnerships or limited liability companies.
- (9) The Company does not utilize derivatives.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.
- (11) Unpaid losses and loss adjustment expenses include amounts determined from individual case estimates and loss reports and amounts based on past experience, for losses incurred but not reported. Management and Company actuarial consultants believe amounts are adequate but such liabilities are necessarily based on assumptions and estimates and the ultimate liability may be in excess of or less than the amount provided. Management and Company actuarial consultants continually review the methods for such estimates and the associated establishment of reserves.
- (12) The Company has not modified its capitalization policy from the prior period.

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

- A. No accounting changes or corrections of errors were discovered in the preparation of the accompanying financial statements, which impacted net income, surplus, total assets or total liabilities.
- B. No accounting changes to conform to the provisions of the NAIC Accounting and procedures manual – Version effective March 1, 2005 are reported.

**Note 3 - Business Combinations and Goodwill**

- A. Statutory Purchase Method  
None
- B. Statutory Merger  
None
- C. Impairment Loss  
Not applicable

**Note 4 - Discontinued Operations**

None

**Note 5 - Investments**

- A. Mortgage Loans, including Mezzanine Real Estate Loans  
The Company does not issue mortgage loans.

- B. Debt Restructuring  
The company is not a creditor for any restructured debt.
- C. Reverse Mortgages  
The Company has no investments in reverse mortgages.
- D. Loan-Backed Securities
  - (1) The Company has elected to use book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.
  - (2) Prepayment assumptions for mortgage-backed/asset backed, multi-class mortgage-backed/asset backed securities and structured securities were obtained from the Company's investment manager. These assumptions are consistent with the current interest rate and economic environments.
  - (3) The Company did not make any changes from retrospective to prospective methodology because of negative yields on specific securities.
- E. The Company did not enter into any repurchase agreements.
- F. The Company has no investments in real estate.

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

- A. The Company has no investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of admitted values.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

**Note 7 - Investment Income**

Due and accrued investment income amounts that are over 90 days past due are excluded from surplus. There were no amounts excluded as of June 30, 2005.

**Note 8 - Derivative Instruments**

The Company has no derivative instruments.

**Note 9 - Income Taxes**

- A. The components of net deferred tax asset/ (liability) at June 30, 2005 are as follows:

Total gross deferred tax assets	\$13,349,150
Total gross deferred tax liabilities	1,417,724
Nonadmitted deferred tax asset	6,103,621
Total admitted deferred tax asset	5,827,805
Increase/(Decrease) in deferred taxes nonadmitted	1,158,985

- B. All DTLs have been recognized as described in SSAP No. 10, Income Taxes.

- C. The components of incurred income tax and the change in DTAs and DTLs are as follows:

(1) Current income tax expense	(\$208,301)
(2) Change in deferred tax assets	2,406,414
Change in deferred tax liabilities	61,625
Net change in deferred taxes	2,344,789
Tax effect of unrealized gains (losses)	50,563
Change in net deferred income taxes	2,395,352
(3) Investment tax credits	0
(4) There were no adjustments of DTA or DTL for enacted changes in tax laws or a change in the tax status of the Company.	

- D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before taxes. The significant reconciling items causing this difference are as follows:

	June 30, 2005	Effective Tax Rate
Provision computed at statutory rate	(\$1,930,782)	34%
Gross Up for Capital Gains Tax	51,709	(1%)
Tax exempt income deduction	(193,943)	3%
Dividend received deduction	(49,174)	1%
Non-admitted asset	(344,433)	6%
Other	15,055	0%
Total statutory income taxes	<u>(\$2,451,568)</u>	<u>43%</u>
Federal income taxes incurred	(\$208,301)	4%
Tax on Realized Gains	152,085	(3%)
Change in net deferred income taxes	(2,395,352)	42%
Total statutory income taxes	<u>(\$2,451,568)</u>	<u>43%</u>

- E. Consolidated Federal Income Tax Return
- (1) The Company's Federal Tax return will be consolidated with NCRIC Group, Inc. (parent) and its subsidiaries:
- National Capital Insurance Brokerage
  - NCRIC Insurance Agency
  - ConsiCare, Inc.
  - NCRIC Physicians Organization
  - HCI Ventures, LLC
  - American Captive Corporation
- (2) Allocation of tax liability is determined in accordance with a written tax sharing agreement between the parent and subsidiaries. This agreement complies with all applicable NAIC and IRS regulations. Allocation of tax liability is based on the proportion of each company's separate taxable income to the consolidated tax liability. Payment is to be made to the parent in a timely manner. In the event a subsidiary incurs a net loss a benefit shall accrue to the subsidiary.

**Note 10 - Information Concerning Parent, Subsidiaries and Affiliates**

- A. The Company is directly owned by NCRIC Group, Inc, a Delaware corporation.
- B. None
- C. None
- D. The amounts due from (to) related parties are as follows:
- |                                      |            |
|--------------------------------------|------------|
| ConsiCare, Inc.                      | \$239,012  |
| National Capital Insurance Brokerage | (\$77,799) |
| NCRIC Insurance Agency               | \$21,405   |
| American Captive Corporation         | \$2,243    |
| NCRIC Group, Inc                     | \$703,778  |
| NCRIC Physicians Organization        | \$250      |
- E. None
- F. An Administrative Services Agreement entered into January 1, 1999 by NCRIC, Inc., NCRIC Group, Inc., NCRIC MSO, Inc., National Capital Insurance Brokerage, NCRIC Insurance Agency, NCRIC Physicians Organization, Inc., American Captive Corporation, and HCI Ventures, LLC (collectively the "Affiliates") allows for Affiliates to provide certain administrative and other services to one or more of its Affiliates to effectively carry out its operations.
- G. None
- H. None
- I. None
- J. None

**Note 11 - Debt**

The Company has no other debt.

**Note 12 - Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Post Retirement Benefit Plans**

- A. Defined Benefit Plan
- The Company does not have any defined benefit plans.
- B. Defined Contribution Plan
- The Company sponsors a defined contribution 401(k) profit-sharing plan. Employees who are 21 years or older and have completed 90 days of service are eligible for participation in the plan. Employees may elect to contribute 1-15% of total compensation, and all contributions are 100% vested. The Company is not required to make matching contributions to the plan but may make discretionary contributions.
- C. Multiemployer plans
- None
- D. Consolidated/Holding Company Plans
- NCRIC Group, Inc. (parent of the Company) has a stock option plan for directors and officers of NCRIC Group, Inc. and its subsidiaries. Options for common stock in an aggregate amount of 138,123 shares were granted at July 29, 1999. The options have terms of ten years and an exercise price of \$3.75 per share, the fair market value of the common stock at the date of grant. The options are fully vested. In 2003, a second option plan was adopted whereby options of common stock in an aggregate amount of 392,608 were granted. The options of the second offering have terms of ten years and an average exercise price of \$10.90 per share, the fair market value at the date of the grant. On July 7, 2004, the vesting of the outstanding stock options granted in 2003 was accelerated to that date. The options were originally scheduled to vest during the period from August, 2004 to August, 2008.

NCRIC Group, Inc. (parent of the Company) has an Employee Stock Ownership Plan (ESOP) for employees who have attained age 21 and completed one year of service. NCRIC Group, Inc. (parent of the Company) has a Stock Awards Program for the officers and directors of NCRIC Group, Inc. NCRIC Group, Inc. (parent of the Company) established a compensation deferral plan for officers and board members, effective January 1, 2003. The compensation deferral plan is an unfunded plan with annual Company match of 5% of total compensation for officers. Contributions credited for an officer's deferral account and the earnings attributable to these contributions shall be one hundred percent vested or non-forfeitable when the officer has five years of service in his or her position. Under the compensation deferral plan, officers may defer up to 15% of total compensation and board members may defer up to 100% of fees. Contributions are credited with a 6% guaranteed rate of return.

The Company has no legal obligation for benefits under the plans.

E. Postemployment Benefits and Compensated Absences

The Company has recorded an accrual in accordance with SSAP No. 11.

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

- (1) The Company has 1,000,000 shares authorized, 1,000,000 shares issued and 1,000,000 shares outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) Under the insurance laws of the District of Columbia, the maximum amount of dividends which the Company can pay to shareholders without the approval of the District of Columbia Department of Insurance, Securities and Banking is limited to the lesser of undistributed net operating income for the past three calendar years or 10% of surplus at the past calendar year end.
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) The portion of unassigned funds (surplus) represented or reduced by each of the following items as of June 30, 2005:
 

(a) Unrealized gains and losses	\$2,482,557
(b) Nonadmitted asset values	(9,784,436)
(c) Separate account business	0
(d) Asset Valuation Reserves	0
(e) Provision for reinsurance	0
- (10) Not applicable
- (11) Not applicable
- (12) Not applicable

**Note 14 - Contingencies**

A. Contingent Commitments

The Company has no contingent commitment to a SCA entity, joint venture, partnership, or limited liability company.

B. Assessments

As of June 30, 2005, the Company has no accrued Guaranty Fund Assessments.

C. Gain Contingencies

The Company has no gain contingencies.

D. All Other Contingencies

The Company was required to establish letter of credits to secure appellate bonds for cases in the District of Columbia appellate process. As of June 30, 2005 letters of credit totaled \$7.3 million.

On February 13, 2004, a District of Columbia Superior Court jury returned a verdict in favor of Columbia Hospital for Women Medical Center, Inc. (CHW) in the premium collection litigation between NCRIC, Inc. and CHW. The verdict came in a civil action stemming from NCRIC, Inc.'s efforts to collect payment for nearly \$3 million in premiums that the Company alleges it is owed by CHW under a contract with the hospital that expired in 2000. The jury rejected the claim by NCRIC, Inc. and returned a verdict in favor of CHW counterclaims. The jury awarded \$18.2 million in damages to CHW.

The verdict was entered as a judgment on February 20, 2004. On March 5, 2004, NCRIC filed post-trial motions for judgment as a matter of law and, in the alternative, for a new trial. In connection with the filing of post-trial motions, NCRIC secured a \$19.5 million appellate bond and associated letter of credit. No amounts have been drawn upon the letter of credit as of May 9, 2005. After the post-trial motions have been ruled upon by the judge, any judgment will be entered as final, but subject to appeal. No liability has been accrued in these financial statements for any possible loss arising from this litigation. NCRIC believes that it has meritorious defenses and that it is not probable that the preliminary judgment will prevail, nor is any potential final outcome reasonably estimable at this time. NCRIC Group, Inc. has indemnified NCRIC, Inc., through an indemnification agreement, for post-trial costs and for up to \$ 5.5 million of any potential final judgment from this litigation, with the \$ 5.5 million representing an after-tax amount. Therefore, management's best estimate of loss to NCRIC is zero.

**Note 15 - Leases**

A. Lessee Operating Lease

(1) On December 22, 1997 the Company entered into an operating lease for space of approximately 18,000 square feet, located in Washington, DC, to be used as its headquarters. The lease terms are for ten years, beginning April 15, 1998, with a monthly base rent of \$35,123 with a 2% annual escalator.

On October 2, 2003 the Company entered into an operating lease for additional office space of approximately 5,949 square feet, located in Washington, DC, to be used for its accounting and information technology staff. The lease terms are for 4.5 years, beginning November 21, 2003, with a monthly base rent of \$13,881 with a 2.5% annual escalator.

On May 20, 2004 the Company entered into an operating lease for additional office space of approximately 1,647 square feet, located in Glen Allen, VA, to be used for its claims staff. The lease term is for 2 years, beginning May 1, 2004, with a monthly base rent of \$2,402 with a 1.04% annual escalator

On August 1, 2004 the Company entered into an operating lease for additional office space of approximately 941 square feet, located in Wilmington, DE, to be used for its claims staff. The lease term is for 12 months beginning August 1, 2004, with a monthly base rent of \$ 1,804.

(2) As of June 30, 2005, the future minimum annual commitments under noncancelable leases are as follows:

2006	703,000
2007	707,000
2008 and thereafter	<u>254,000</u>
	<u>\$1,664,000</u>

(3) The Company was not involved in any sale-leaseback transactions.

B. Not applicable

**Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

Not applicable

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

Not applicable

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

Not applicable

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

The Company does have an agent network in its licensed jurisdictions. However, none of the Company's current agents would qualify as a Managing General Agent as described in Appendix A – 225 of the NAIC Accounting Practices and Procedures Manual.

**Note 20 - September 11 Events**

The Company did not recognize any losses or contingencies due to the September 11 events.

**Note 21 - Other Items**

A. Extraordinary Items

None

B. Troubled Debt Restructuring: Debtors

None

C. Other Disclosures

On February 28, 2005, NCRIC's parent company, NCRIC Group, Inc. announced that the Board of Directors had approved an agreement to merge NCRIC Group, Inc. into ProAssurance Corporation in a stock for stock transaction. ProAssurance filed a Form A with the District of Columbia Department of Insurance, Securities and Banking during the second quarter, and the Commissioner of Insurance, Securities and Banking held a public hearing on the proposed acquisition on June 6, 2005. The transaction is subject to regulatory approval and a vote of NCRIC Group stockholders.

D. Balances Uncollectible for Assets covered by SSAP No. 6 Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due from Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts

None

## E. Business Interruption Insurance Recoveries

None

**Note 22 - Events Subsequent**

On July 13, 2005 the Department of Insurance, Securities and Banking approved the proposed acquisition of NCRIC, Inc., the insurance subsidiary of NCRIC Group, as part of ProAssurance's proposed acquisition of NCRIC Group.

On August 2, 2005 the NCRIC Group stockholders approved the merger into ProAssurance, which was declared effective upon the close of business on August 3, 2005. Each share of NCRIC common stock was converted into 0.25 shares of ProAssurance common stock automatically at the effective time of the merger. As a result of this merger, the ultimate controlling entity for NCRIC, Inc. has changed to ProAssurance Corporation.

Immediately following the merger becoming effective, \$3 million of capital was contributed to NCRIC, Inc.

**Note 23 - Reinsurance**

## A. Unsecured Reinsurance Recoverables

The company does not have any individual unsecured reinsurance recoverables which exceed 3% of policyholders' surplus.

## B. Reinsurance Recoverable in Dispute

None

## C. Reinsurance Assumed and Ceded

(1) The following table summarizes ceded and assumed unearned premiums and the related commission equity at June 30, 2005.

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
(i) Affiliates	-	-	-	-	-	-
(ii) All Other	-	-	\$918,498	\$137,775	(\$918,498)	(\$137,775)
(iii) Total	-	-	\$918,498	\$137,775	(\$918,498)	(\$137,775)
(iv) Direct Unearned Premium Reserve			\$45,602,459			

(2) The Company has no additional or return commission to report predicated on loss experience or any other form of profit sharing arrangements.

(3) The Company has no protected cell operations.

## D. Uncollectible Reinsurance

None

## E. Commutation of Ceded Reinsurance

None

## F. Retroactive Reinsurance

None

## G. Reinsurance Accounted for as a Deposit

None

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

None

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

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$10,282,000 from \$113,651,000 at December 31, 2004 to \$103,582,000 at June 30, 2005 as a result of payments on losses and loss adjustment expenses, partially offset by increases due to re-estimation of unpaid losses and loss adjustment expenses. This net decrease is generally the result of net payments on losses and loss adjustment expenses. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

**Note 26 - Intercompany Pooling Arrangements**

None

**Note 27 - Structured Settlements**

None

**Note 28 - Health Care Receivables**

None

**Note 29 - Participating Policies**

Not applicable

**Note 30 - Premium Deficiency Reserves**

None

**Note 31 - High Deductibles**

None

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

The Company does not discount the liabilities for unpaid losses and unpaid loss adjustment expenses for medical malpractice claims.

**Note 33 - Asbestos/Environmental Reserves**

None

**Note 34 - Subscriber Savings Accounts**

Not applicable

**Note 35 - Multiple Peril Crop Insurance**

None

# 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 implement any significant accounting policy changes that would require disclosure in the Notes to the Financial Statements? Yes [ ] No [ X ]

1.2 If yes, explain:..... \_\_\_\_\_

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

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

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

3.2 If yes, date of change: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

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

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

5.2 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
	00000	

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

\_\_\_\_\_

\_\_\_\_\_

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2003.....

7.2 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. 12/31/2003.....

7.3 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). 12/07/2004.....

7.4 By what department or departments?  
District of Columbia Department of Insurance, Securities and Banking

8.1 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [ X ]

8.2 If yes, give full information:  
\_\_\_\_\_

9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]

9.2 If response to 9.1 is yes, please identify the name of the bank holding company.  
\_\_\_\_\_

9.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]

9.4 If the response to 9.3 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

### FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$......703,778

### INVESTMENT

11.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [ X ]

11.2 If yes, explain:..... \_\_\_\_\_

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

## 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

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

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

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

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

15.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Statement Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....1,993,529	\$.....2,124,324
15.24 Short-Term Investments.....	\$.....0	\$.....0
15.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
15.26 All Other.....	\$.....0	\$.....0
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$.....1,993,529	\$.....2,124,324
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above .....	\$.....0	\$.....0

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

16.2 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.

17. 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 Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]

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

1	2
Name of Custodian(s)	Custodian Address
Brown Brothers Harriman	140 Broadway, New York, NY 10005-1101

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [ X ]

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

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

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

1	2	3
Central Registration Depository	Name(s)	Address
113972	Standish Mellon Asset Management	One Boston Place, Suite 3000, Boston, MA 02108-4408
110667	Golden Capital Management	5 Resource Square, 10715 David Taylor Dr, Suite 150, Charlotte, NC 28262
8158	Baird Investment Management	R.W. Baird & Co, Inc., 777 East Wisconsin Avenue, Milwaukee, WI 53202

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

18.2 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	0.000 %	0	0	0	0	0	0	0	0
Total	XXX	XXX	0	0	0	0	0	0	0	0

### 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	0
2. Increase (decrease) by adjustment.....	0	0
3. Cost of acquired.....	0	0
4. Cost of additions to and permanent improvements.....	0	0
5. Total profit (loss) on sales.....	0	0
6. Increase (decrease) by foreign exchange adjustment.....	0	0
7. Amount received on sales.....	0	0
8. Book/adjusted carrying value at end of current period.....	0	0
9. Total valuation allowance.....	0	0
10. Subtotal (Lines 8 plus 9).....	0	0
11. Total nonadmitted amounts.....	0	0
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	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 on mortgages owned, December 31 of prior year.....	0	0
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....	0	0
2.2 Additional investment made after acquisitions.....	0	0
3. Accrual of discount and mortgage interest points and commitment fees.....	0	0
4. Increase (decrease) by adjustment.....	0	0
5. Total profit (loss) on sale.....	0	0
6. Amounts paid on account or in full during the period.....	0	0
7. Amortization of premium.....	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0
10. Total valuation allowance.....	0	0
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....	0	0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	0	0

**NONE**

### SCHEDULE BA - VERIFICATION

#### Other Invested Assets Included in Schedule BA

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	0	0
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....	0	0
2.2 Additional investment made after acquisitions.....	0	0
3. Accrual of discount.....	0	0
4. Increase (decrease) by adjustment.....	0	0
5. Total profit (loss) on sale.....	0	0
6. Amounts paid on account or in full during the period.....	0	0
7. Amortization of premium.....	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0
9. Book adjusted/carrying value of long-term invested assets at end of current period.....	0	0
10. Total valuation allowance.....	0	0
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....	0	0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0	0

**NONE**

### 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.....	189,415,704	166,353,683
2. Cost of bonds and stocks acquired.....	32,304,223	88,408,732
3. Accrual of discount.....	56,080	65,690
4. Increase (decrease) by adjustment.....	279,510	1,619,505
5. Increase (decrease) by foreign exchange adjustment.....	0	0
6. Total profit (loss) on disposal.....	447,305	492,522
7. Consideration for bonds and stocks disposed of.....	19,679,787	65,885,018
8. Amortization of premium.....	888,088	1,639,410
9. Book/adjusted carrying value, current period.....	201,934,947	189,415,704
10. Total valuation allowance.....	0	0
11. Subtotal (Lines 9 plus 10).....	201,934,947	189,415,704
12. Total nonadmitted amounts.....	0	0
13. Statement value.....	201,934,947	189,415,704

## 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
<b>BONDS</b>								
1. Class 1.....	165,636,017	13,135,827	19,257,611	(216,275)	165,636,017	159,297,958	0	149,640,556
2. Class 2.....	21,231,622	1,574,452	938,986	(193,146)	21,231,622	21,673,942	0	20,630,196
3. Class 3.....	0	0	0	0	0	0	0	0
4. Class 4.....	0	0	0	0	0	0	0	0
5. Class 5.....	0	0	0	0	0	0	0	0
6. Class 6.....	0	0	0	0	0	0	0	0
7. Total Bonds.....	186,867,639	14,710,279	20,196,597	(409,421)	186,867,639	180,971,900	0	170,270,752
<b>PREFERRED STOCK</b>								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	186,867,639	14,710,279	20,196,597	(409,421)	186,867,639	180,971,900	0	170,270,752

## 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.....	8,162,621	XXX	8,142,942	50,782	21,335

## SCHEDULE DA - PART 2 - Verification

### Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	6,156,516	3,053,619
2. Cost of short-term investments acquired.....	21,163,074	73,638,912
3. Increase (decrease) by adjustment.....	50,398	15,304
4. Increase (decrease) by foreign exchange adjustment.....	0	0
5. Total profit (loss) on disposal of short-term investments.....	0	69
6. Consideration received on disposal of short-term investments.....	19,207,367	70,551,388
7. Book/adjusted carrying value, current period.....	8,162,621	6,156,516
8. Total valuation allowance.....	0	0
9. Subtotal (Lines 7 plus 8).....	8,162,621	6,156,516
10. Total nonadmitted amounts.....	0	0
11. Statement value (Lines 9 minus 10).....	8,162,621	6,156,516
12. Income collected during period.....	93,363	42,788
13. Income earned during period.....	135,432	47,606

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

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

## 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)
------------------------------	------------------------------	------------------------	---------------	---

All Other Insurers				
0.....	AA-1126807.....	Lloyd's Syndicate No. 807.....	London, England.....	YES.....
0.....	AA-1126958.....	Lloyd's Syndicate No. 958.....	London, England.....	YES.....
0.....	AA-1126006.....	Lloyd's Syndicate No. 4472.....	London, England.....	YES.....

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	NO	0	0	0	0	0	0
2. Alaska.....AK	NO	0	0	0	0	0	0
3. Arizona.....AZ	NO	0	0	0	0	0	0
4. Arkansas.....AR	NO	0	0	0	0	0	0
5. California.....CA	NO	0	0	0	0	0	0
6. Colorado.....CO	NO	0	0	0	0	0	0
7. Connecticut.....CT	NO	0	0	0	0	0	0
8. Delaware.....DE	YES	5,436,608	4,496,412	1,015,000	350,000	13,020,000	5,503,000
9. District of Columbia.....DC	YES	18,559,892	18,044,370	7,322,500	7,119,621	49,012,000	46,829,000
10. Florida.....FL	NO	0	0	0	0	0	0
11. Georgia.....GA	NO	0	0	0	0	0	0
12. Hawaii.....HI	NO	0	0	0	0	0	0
13. Idaho.....ID	NO	0	0	0	0	0	0
14. Illinois.....IL	NO	0	0	0	0	0	0
15. Indiana.....IN	NO	0	0	0	0	0	0
16. Iowa.....IA	NO	0	0	0	0	0	0
17. Kansas.....KS	NO	0	0	0	0	0	0
18. Kentucky.....KY	NO	0	0	0	0	0	0
19. Louisiana.....LA	NO	0	0	0	0	0	0
20. Maine.....ME	NO	0	0	0	0	0	0
21. Maryland.....MD	YES	8,856,039	8,461,031	5,364,751	1,548,333	14,831,000	9,732,000
22. Massachusetts.....MA	NO	0	0	0	0	0	0
23. Michigan.....MI	NO	0	0	0	0	0	0
24. Minnesota.....MN	NO	0	0	0	0	0	0
25. Mississippi.....MS	NO	0	0	0	0	0	0
26. Missouri.....MO	NO	0	0	0	0	0	0
27. Montana.....MT	NO	0	0	0	0	0	0
28. Nebraska.....NE	NO	0	0	0	0	0	0
29. Nevada.....NV	NO	0	0	0	0	0	0
30. New Hampshire.....NH	NO	0	0	0	0	0	0
31. New Jersey.....NJ	NO	0	0	0	0	0	0
32. New Mexico.....NM	NO	0	0	0	0	0	0
33. New York.....NY	NO	0	0	0	0	0	0
34. North Carolina.....NC	NO	0	0	0	0	0	0
35. North Dakota.....ND	NO	0	0	0	0	0	0
36. Ohio.....OH	NO	0	0	0	0	0	0
37. Oklahoma.....OK	NO	0	0	0	0	0	0
38. Oregon.....OR	NO	0	0	0	0	0	0
39. Pennsylvania.....PA	NO	0	0	0	0	0	0
40. Rhode Island.....RI	NO	0	0	0	0	0	0
41. South Carolina.....SC	NO	0	0	0	0	0	0
42. South Dakota.....SD	NO	0	0	0	0	0	0
43. Tennessee.....TN	NO	0	0	0	0	0	0
44. Texas.....TX	NO	0	0	0	0	0	0
45. Utah.....UT	NO	0	0	0	0	0	0
46. Vermont.....VT	NO	0	0	0	0	0	0
47. Virginia.....VA	YES	11,807,664	12,734,741	3,755,000	4,748,750	36,758,000	23,853,000
48. Washington.....WA	NO	0	0	0	0	0	0
49. West Virginia.....WV	YES	1,697,020	2,487,238	240,000	2,500,000	7,949,000	7,063,000
50. Wisconsin.....WI	NO	0	0	0	0	0	0
51. Wyoming.....WY	NO	0	0	0	0	0	0
52. American Samoa.....AS	NO	0	0	0	0	0	0
53. Guam.....GU	NO	0	0	0	0	0	0
54. Puerto Rico.....PR	NO	0	0	0	0	0	0
55. US Virgin Islands.....VI	NO	0	0	0	0	0	0
56. Canada.....CN	NO	0	0	0	0	0	0
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
58. Totals.....(a)	5	46,357,223	46,223,792	17,697,251	16,266,704	121,570,000	92,980,000

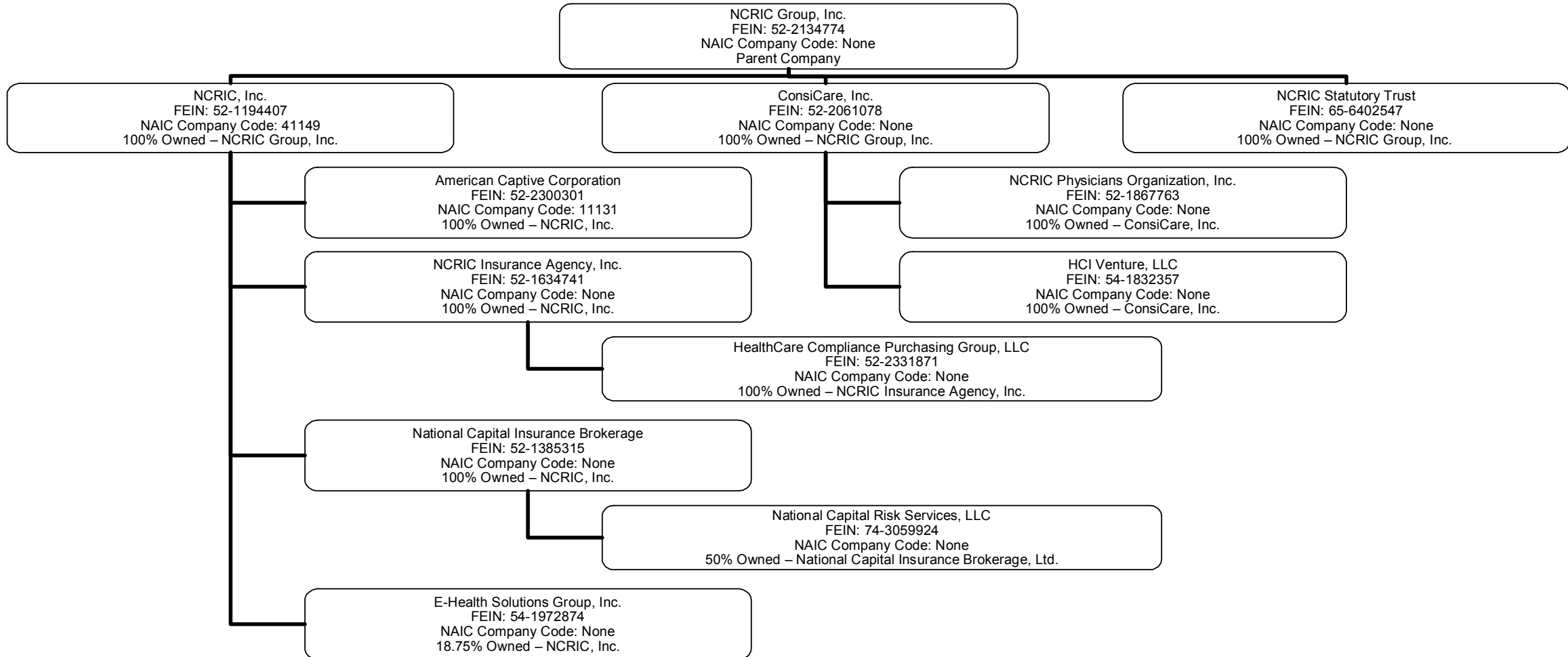
**DETAILS OF WRITE-INS**

5701.....	XXX	0	0	0	0	0	0
5702.....	XXX	0	0	0	0	0	0
5703.....	XXX	0	0	0	0	0	0
5798. Summary of remaining write-ins for Line 57 from overflow page.....	XXX	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above).....	XXX	0	0	0	0	0	0

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

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

## PART 1 – ORGANIZATIONAL CHART



## 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	0.0	0.0
2. Allied lines.....	0	0	0.0	0.0
3. Farmowners multiple peril.....	0	0	0.0	0.0
4. Homeowners multiple peril.....	0	0	0.0	0.0
5. Commercial multiple peril.....	0	0	0.0	0.0
6. Mortgage guaranty.....	0	0	0.0	0.0
8. Ocean marine.....	0	0	0.0	0.0
9. Inland marine.....	0	0	0.0	0.0
10. Financial guaranty.....	0	0	0.0	0.0
11.1. Medical malpractice-occurrence.....	2,556,784	3,384,000	132.4	65.0
11.2. Medical malpractice-claims made.....	38,778,544	28,137,251	72.6	54.8
12. Earthquake.....	0	0	0.0	0.0
13. Group accident and health.....	0	0	0.0	0.0
14. Credit accident and health.....	0	0	0.0	0.0
15. Other accident and health.....	0	0	0.0	0.0
16. Workers' compensation.....	0	0	0.0	0.0
17.1. Other liability-occurrence.....	0	0	0.0	0.0
17.2. Other liability-claims made.....	209,375	0	0.0	0.0
18.1. Products liability-occurrence.....	0	0	0.0	0.0
18.2. Products liability-claims made.....	0	0	0.0	0.0
19.1, 19.2 Private passenger auto liability.....	0	0	0.0	0.0
19.3, 19.4 Commercial auto liability.....	0	0	0.0	0.0
21. Auto physical damage.....	0	0	0.0	0.0
22. Aircraft (all perils).....	0	0	0.0	0.0
23. Fidelity.....	0	0	0.0	0.0
24. Surety.....	0	0	0.0	0.0
26. Burglary and theft.....	0	0	0.0	0.0
27. Boiler and machinery.....	0	0	0.0	0.0
28. Credit.....	0	0	0.0	0.0
29. International.....	0	0	0.0	0.0
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	0.0
34. Totals.....	41,544,703	31,521,251	75.9	55.3
<b>DETAILS OF WRITE-INS</b>				
3301.....	0	0	0.0	0.0
3302.....	0	0	0.0	0.0
3303.....	0	0	0.0	0.0
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0.0	XXX
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0.0	0.0

## PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....	0	0	0
2. Allied lines.....	0	0	0
3. Farmowners multiple peril.....	0	0	0
4. Homeowners multiple peril.....	0	0	0
5. Commercial multiple peril.....	0	0	0
6. Mortgage guaranty.....	0	0	0
8. Ocean marine.....	0	0	0
9. Inland marine.....	0	0	0
10. Financial guaranty.....	0	0	0
11.1. Medical malpractice-occurrence.....	821,470	2,556,784	3,266,023
11.2. Medical malpractice-claims made.....	11,114,995	43,587,023	42,714,631
12. Earthquake.....	0	0	0
13. Group accident and health.....	0	0	0
14. Credit accident and health.....	0	0	0
15. Other accident and health.....	0	0	0
16. Workers' compensation.....	0	0	0
17.1. Other liability-occurrence.....	0	0	0
17.2. Other liability-claims made.....	66,362	213,416	243,138
18.1. Products liability-occurrence.....	0	0	0
18.2. Products liability-claims made.....	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0
19.3, 19.4 Commercial auto liability.....	0	0	0
21. Auto physical damage.....	0	0	0
22. Aircraft (all perils).....	0	0	0
23. Fidelity.....	0	0	0
24. Surety.....	0	0	0
26. Burglary and theft.....	0	0	0
27. Boiler and machinery.....	0	0	0
28. Credit.....	0	0	0
29. International.....	0	0	0
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0
34. Totals.....	12,002,827	46,357,223	46,223,792
<b>DETAILS OF WRITE-INS</b>			
3301.....	0	0	0
3302.....	0	0	0
3303.....	0	0	0
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	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)	2005 Loss and LAE Payments on Claims Reported as of Prior Year-End	2005 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2005 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. 2002 + Prior	33,086	(5,677)	27,409	4,668	0	4,668	25,780	0	(1,161)	24,619	(2,638)	4,516	1,878
2. 2003	45,499	(8,958)	36,541	8,771	0	8,771	33,248	0	(3,023)	30,225	(3,480)	5,935	2,455
3. Subtotals 2003 + Prior	78,585	(14,635)	63,950	13,439	0	13,439	59,028	0	(4,184)	54,844	(6,118)	10,451	4,333
4. 2004	54,335	(4,634)	49,701	5,377	0	5,377	54,151	0	(5,413)	48,738	5,193	(779)	4,414
5. Subtotals 2004 + Prior	132,920	(19,269)	113,651	18,816	0	18,816	113,179	0	(9,597)	103,582	(925)	9,672	8,747
6. 2005	XXX	XXX	XXX	XXX	1,190	1,190	XXX	27,165	164	27,329	XXX	XXX	XXX
7. Totals	132,920	(19,269)	113,651	18,816	1,190	20,006	113,179	27,165	(9,433)	130,911	(925)	9,672	8,747
8. Prior Year-End's Surplus As Regards Policyholders	62,994										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. ....(0.7)%	2. ....(50.2)%	3. ....7.7 %
													Col. 13, Line 7 Line 8
													4. ....13.9 %

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

**Explanation:**

**Bar Code:**



**Overflow Page  
NONE**

**Sch. A-Part 2  
NONE**

**Sch. A-Part 3  
NONE**

**Sch. B-Part 1  
NONE**

**Sch. B-Part 2  
NONE**

**Sch. BA-Part 1  
NONE**

**Sch. BA-Part 2  
NONE**

## SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company 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)
<b>Bonds - States, Territories and Possessions</b>									
575827 P3 8	Massachusetts St 5.750% 10/01/18		06/14/2005	Legg Mason Wood Walker Inc		1,117,950	1,000,000	12,139	1FE
1799999.	Total - Bonds - States, Territories & Possessions					1,117,950	1,000,000	12,139	XXX
<b>Bonds - Special Revenue and Special Assessment</b>									
566854 CX 1	Maricopa Cnty Ariz 2.900% 06/01/35		04/11/2005	Morgan Stanley		484,878	500,000	5,297	1FE
566854 CY 9	Maricopa Cnty Ariz 2.900% 06/01/35		05/11/2005	UBS Warburg		485,030	500,000	6,444	2
64983W 8N 9	New York St Dorm Auth R 5.250% 11/15/23		04/19/2005	Goldman Sachs & Co		929,008	850,000	19,461	1FE
745235 PW 5	Puerto Rico Pub Bldgs A 5.500% 07/01/12		05/25/2005	Bear Stearns & Co		444,752	400,000	9,167	2FE
3199999.	Total - Bonds - Special Revenue & Special Assessments					2,343,668	2,250,000	40,369	XXX
<b>Bonds - Industrial and Miscellaneous</b>									
172062 AE 1	Cincinnati Financial Co 6.125% 11/01/34		04/21/2005	Tax Free Exchange		673,013	660,000	19,090	1FE
59156R AN 8	Metlife Inc. 5.000% 06/15/15		06/20/2005	Bancamerica Securities		448,781	450,000	0	1FE
828807 BJ 5	Simon Property Group LP 4.600% 06/15/10		06/01/2005	Morgan Stanley		159,792	160,000	0	2FE
4599999.	Total - Bonds - Industrial & Miscellaneous					1,281,586	1,270,000	19,090	XXX
6099997.	Total - Bonds - Part 3					4,743,204	4,520,000	71,598	XXX
6099999.	Total - Bonds					4,743,204	4,520,000	71,598	XXX
<b>Common Stocks - Banks, Trust and Insurance Companies</b>									
200340 10 7	Comerica Inc.		05/05/2005	Wachovia	1,570,000	91,986	XXX	0	L
6799999.	Total - Common Stocks - Banks, Trust & Ins. Cos.					91,986	XXX	0	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>									
002824 10 0	Abbott Laboratories		06/03/2005	FIRST CLEARING LLC	1,000,000	48,440	XXX	0	L
031162 10 0	Amgen Inc.		04/29/2005	Wachovia Investments	500,000	28,872	XXX	0	L
20825C 10 4	Conocophillips		06/02/2005	Stock Split	860,000	0	XXX	0	L
278642 10 3	EBAY US		05/04/2005	Various	3,200,000	115,774	XXX	0	L
30231G 10 2	Exxon Mobil Corporation		05/31/2005	Various	1,100,000	62,545	XXX	0	L
452308 10 9	Illinois Tools Works		06/14/2005	FIRST CLEARING LLC	400,000	32,986	XXX	0	L
487836 10 8	Kellogg Co.		04/04/2005	Wachovia Investments	2,180,000	93,282	XXX	0	L
580645 10 9	McGraw-Hill Companies I		05/18/2005	Stock Split	1,300,000	0	XXX	0	L
654106 10 3	Nike Inc-CL B		04/04/2005	Wachovia	1,120,000	92,131	XXX	0	L
676220 10 6	Office Depot Inc		04/04/2005	Wachovia Investments	4,220,000	93,431	XXX	0	L
855030 10 2	Staples Inc.		04/18/2005	Stock Split	1,905,000	0	XXX	0	L
855244 10 9	Starbucks Corp.		04/20/2005	Wachovia Investments	1,100,000	50,087	XXX	0	L
913017 10 9	United Technologies Cor.		06/13/2005	Stock Split	890,000	0	XXX	0	L
91324P 10 2	United Health Group Inc.		05/31/2005	Stock Split	1,000,000	0	XXX	0	L
983024 10 0	Wyeth		05/05/2005	Wachovia	2,030,000	91,269	XXX	0	L
98956P 10 2	Zimmer Holdings Inc.		06/03/2005	Advest Inc.	300,000	23,632	XXX	0	L
6899999.	Total - Common Stocks - Industrial & Miscellaneous					732,449	XXX	0	XXX
<b>Common Stocks - Mutual Funds</b>									
640915 83 1	Neuberger Berman High I		06/08/2005	Various	10,945,000	100,685	XXX	0	L
7099999.	Total - Common Stocks - Mutual Funds					100,685	XXX	0	XXX
7299997.	Total - Common Stocks - Part 3					925,120	XXX	0	XXX
7299999.	Total - Common Stocks					925,120	XXX	0	XXX
7399999.	Total - Preferred and Common Stocks					925,120	XXX	0	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					5,668,324	XXX	71,598	XXX

E04

(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 by the Company 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	F o r 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.	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)	
<b>Bonds - U.S. Government</b>																						
36202K	2A 2		06/01/2005	Paydown.....		3,077	3,077	3,146	3,142	0	(65)	0	(65)	0	3,077	0	0	0	52	11/20/2021	1.....	
36203G	QN 6		06/01/2005	Paydown.....		5,411	5,411	5,468	5,466	0	(55)	0	(55)	0	5,411	0	0	0	151	06/15/2023	1.....	
36203K	A4 6		06/01/2005	Paydown.....		10,477	10,477	10,588	10,584	0	(107)	0	(107)	0	10,477	0	0	0	310	07/15/2023	1.....	
36203L	LQ 3		06/01/2005	Paydown.....		8	8	8	8	0	0	0	0	0	8	0	0	0	0	06/15/2023	1.....	
36203T	BY 0		06/01/2005	Paydown.....		6,018	6,018	6,082	6,073	0	(56)	0	(56)	0	6,018	0	0	0	143	07/15/2023	1.....	
36204F	FG 4		06/01/2005	Paydown.....		291	291	307	303	0	(12)	0	(12)	0	291	0	0	0	10	01/15/2024	1.....	
36208D	M5 1		06/01/2005	Paydown.....		51	51	52	52	0	(1)	0	(1)	0	51	0	0	0	2	07/15/2027	1.....	
36209A	R8 5		06/01/2005	Paydown.....		1,417	1,417	1,372	1,371	0	46	0	46	0	1,417	0	0	0	31	02/15/2028	1.....	
36209P	SP 3		06/01/2005	Paydown.....		4,266	4,266	4,336	4,338	0	(72)	0	(72)	0	4,266	0	0	0	110	07/15/2028	1.....	
36210C	NT 6		06/01/2005	Paydown.....		28	28	27	27	0	1	0	1	0	28	0	0	0	1	11/15/2028	1.....	
362207	YU 0		06/01/2005	Paydown.....		121	121	122	122	0	1	0	1	0	121	0	0	0	3	06/15/2023	1.....	
912828	AP 5		06/20/2005	Dillion Read & Warburg.....		391,371	390,000	388,972	0	0	(63)	0	(63)	0	389,035	0	2,336	2,336	9,453	11/15/2012	1.....	
0399999	Total - Bonds - U.S. Government.....						422,536	421,165	420,480	31,486	0	(259)	0	(259)	420,200	0	2,336	2,336	10,266	XXX	XXX	
<b>Bonds - Political Subdivisions of States</b>																						
341426	BE 3		04/19/2005	BLAIR WILLIAM & COMPANY.....		959,744	875,000	958,606	934,833	0	(3,087)	0	(3,087)	0	931,746	0	27,997	27,997	17,992	06/01/2010	1FE.....	
2499999	Total - Bonds - Political Subdivisions.....						959,744	875,000	958,606	934,833	0	(3,087)	0	(3,087)	0	931,746	0	27,997	27,997	17,992	XXX	XXX
<b>Bonds - Special Revenue and Special Assessment</b>																						
167562	EB 9		04/12/2005	SAMCO CAPITAL MKTS.....		1,649,940	1,500,000	1,637,910	1,595,698	0	(3,379)	0	(3,379)	0	1,592,319	0	57,621	57,621	64,854	01/01/2012	1FE.....	
31282N	BJ 1		06/01/2005	Paydown.....		1,733	1,733	1,800	1,750	0	(18)	0	(18)	0	1,733	0	0	0	51	07/01/2008	1.....	
31288J	RK 4		06/01/2005	Paydown.....		8,397	8,397	8,805	8,804	0	(407)	0	(407)	0	8,397	0	0	0	191	05/01/2033	1.....	
3128H3	3P 9		06/01/2005	Paydown.....		56,175	56,175	58,896	58,716	0	(2,541)	0	(2,541)	0	56,175	0	0	0	1,113	05/01/2018	1.....	
3128H4	WA 3		06/01/2005	Paydown.....		61,396	61,396	63,104	62,954	0	(1,557)	0	(1,557)	0	61,396	0	0	0	1,165	06/01/2018	1.....	
31296N	ZY 6		06/01/2005	Paydown.....		12,392	12,392	12,670	12,664	0	(272)	0	(272)	0	12,392	0	0	0	284	10/01/2033	1.....	
31353G	PG 1		06/01/2005	Paydown.....		4,891	4,891	5,304	5,287	0	(396)	0	(396)	0	4,891	0	0	0	214	05/01/2020	1.....	
313615	TW 6		06/01/2005	Paydown.....		329	329	320	320	0	9	0	9	0	329	0	0	0	9	01/01/2024	1.....	
31370L	GE 4		06/01/2005	Paydown.....		8,307	8,307	8,749	8,381	0	(74)	0	(74)	0	8,307	0	0	0	294	09/01/2007	1.....	
31371L	4L 0		06/01/2005	Paydown.....		12,449	12,449	12,558	0	0	(109)	0	(109)	0	12,449	0	0	0	212	02/01/2025	1.....	
31371L	4M 8		06/01/2005	Paydown.....		19,122	19,122	19,600	0	0	(478)	0	(478)	0	19,122	0	0	0	362	02/01/2025	1.....	
31371L	6C 8		06/01/2005	Paydown.....		24,552	24,552	24,613	0	0	(61)	0	(61)	0	24,552	0	0	0	326	03/01/2025	1.....	
31371L	6D 6		06/01/2005	Paydown.....		19,139	19,139	19,572	0	0	(434)	0	(434)	0	19,139	0	0	0	267	03/01/2025	1.....	
31371S	QU 1		06/01/2005	Paydown.....		42	42	41	41	0	1	0	1	0	42	0	0	0	1	12/01/2023	1.....	
31372A	ZM 7		06/01/2005	Paydown.....		2,389	2,389	2,322	2,327	0	62	0	62	0	2,389	0	0	0	65	01/01/2024	1.....	
31372C	AX 6		06/01/2005	Paydown.....		208	208	203	202	0	6	0	6	0	208	0	0	0	6	01/01/2024	1.....	
31372C	MN 5		06/01/2005	Paydown.....		584	584	567	568	0	16	0	16	0	584	0	0	0	16	04/01/2024	1.....	
31372D	TM 8		06/01/2005	Paydown.....		33	33	32	32	0	1	0	1	0	33	0	0	0	1	04/01/2024	1.....	
31372H	RM 1		06/01/2005	Paydown.....		296	296	288	288	0	8	0	8	0	296	0	0	0	8	04/01/2024	1.....	
31372J	6Z 1		06/01/2005	Paydown.....		27	27	26	26	0	1	0	1	0	27	0	0	0	1	04/01/2024	1.....	
31372J	KM 4		06/01/2005	Paydown.....		698	698	678	682	0	16	0	16	0	698	0	0	0	19	04/01/2024	1.....	
31372P	JR 1		06/01/2005	Paydown.....		8	8	8	8	0	0	0	0	0	8	0	0	0	0	06/01/2024	1.....	
31372P	ZD 4		06/01/2005	Paydown.....		21	21	20	20	0	0	0	0	0	21	0	0	0	1	04/01/2024	1.....	
31372X	ZK 1		06/01/2005	Paydown.....		6	6	6	6	0	0	0	0	0	6	0	0	0	0	06/01/2024	1.....	
31378T	PZ 5		06/01/2005	Paydown.....		795	795	778	778	0	17	0	17	0	795	0	0	0	20	02/01/2018	1.....	
31383S	J2 4		06/01/2005	Paydown.....		5,671	5,671	5,579	5,589	0	81	0	81	0	5,671	0	0	0	154	08/01/2014	1.....	
31390L	GN 0		06/01/2005	Paydown.....		16,100	16,100	16,927	16,935	0	(834)	0	(834)	0	16,100	0	0	0	468	07/01/2032	1.....	
31390R	E7 4		06/01/2005	Paydown.....		58,382	58,382	61,378	61,396	0	(3,015)	0	(3,015)	0	58,382	0	0	0	1,549	08/01/2032	1.....	
31391S	TF 7		06/01/2005	Paydown.....		139,081	139,081	145,340	145,347	0	(6,266)	0	(6,266)	0	139,081	0	0	0	3,286	02/01/2033	1.....	
31391S	U7 3		06/01/2005	Paydown.....		469,198	469,198	488,699	488,537	0	(19,339)	0	(19,339)	0	469,198	0	0	0	11,207	03/01/2033	1.....	
313970	SC 0		06/01/2005	Paydown.....		2,266	2,266	2,449	2,444	0	(178)	0	(178)	0	2,266	0	0	0	90	04/01/2022	1.....	

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## SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company 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	F o r 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)
31400C AL 8	FNMA Pool #687933 5.500% 02/01/33		06/01/2005	Paydown		62,699	62,699	64,403	64,395	0	(1,697)	0	(1,697)	0	62,699	0	0	0	1,640	02/01/2033	1
31400D X4 9	FNMA Pool #684799 6.000% 03/01/33		06/01/2005	Paydown		134,293	134,293	139,801	139,815	0	(5,522)	0	(5,522)	0	134,293	0	0	0	3,120	03/01/2033	1
31400H HJ 5	FNMA Pool #687933 6.000% 02/01/33		06/01/2005	Paydown		4,124	4,124	4,285	4,290	0	(166)	0	(166)	0	4,124	0	0	0	103	02/01/2033	1
31400T GU 5	FNMA Pool #696911 5.500% 04/01/33		06/01/2005	Paydown		3,636	3,636	3,713	3,712	0	(76)	0	(76)	0	3,636	0	0	0	85	04/01/2033	1
31401C FB 4	FNMA Pool #704062 5.500% 05/01/33		06/01/2005	Paydown		2,773	2,773	2,832	2,831	0	(58)	0	(58)	0	2,773	0	0	0	67	05/01/2033	1
31401H J3 9	FNMA Pool # 709201 5.500% 07/01/33		06/01/2005	Paydown		7,202	7,202	7,175	7,176	0	27	0	27	0	7,202	0	0	0	159	07/01/2033	1
31401H L9 1	FNMA Pool # 708752 5.000% 06/01/18		06/01/2005	Paydown		53,238	53,238	55,867	55,751	0	(2,513)	0	(2,513)	0	53,238	0	0	0	1,160	06/01/2018	1
31401J AC 2	FNMA Pool # 709303 5.000% 07/01/33		06/01/2005	Paydown		36,210	36,210	37,359	37,349	0	(1,139)	0	(1,139)	0	36,210	0	0	0	740	07/01/2033	1
31401L P8 0	FNMA Pool # 711547 5.500% 06/01/33		06/01/2005	Paydown		97,210	97,210	101,569	101,532	0	(4,322)	0	(4,322)	0	97,210	0	0	0	2,402	06/01/2033	1
31401Y VD 4	FNMA Pool # 722512 5.500% 07/01/33		06/01/2005	Paydown		4,068	4,068	4,052	4,052	0	15	0	15	0	4,068	0	0	0	78	07/01/2033	1
31402A RB 4	FNMA Pool # 723282 5.000% 06/01/18		06/01/2005	Paydown		97,384	97,384	101,911	101,600	0	(4,216)	0	(4,216)	0	97,384	0	0	0	1,928	06/01/2018	1
31402G SW 4	FNMA Pool # 728733 5.000% 07/01/33		06/01/2005	Paydown		2,003	2,003	2,037	2,037	0	(33)	0	(33)	0	2,003	0	0	0	43	07/01/2033	1
31402H N8 0	FNMA Pool # 729515 5.000% 07/01/33		06/01/2005	Paydown		5,928	5,928	5,988	5,988	0	(60)	0	(60)	0	5,928	0	0	0	124	07/01/2033	1
31402Y T5 3	FNMA Pool #742272 5.000% 01/01/34		06/01/2005	Paydown		3,468	3,468	3,425	3,425	0	42	0	42	0	3,468	0	0	0	29	01/01/2034	1
31403F JX 3	FNMA Pool#747378 5.000% 10/01/33		06/01/2005	Paydown		12,449	12,449	12,358	12,358	0	91	0	91	0	12,449	0	0	0	168	10/01/2033	1
31403V ZZ 1	FNMA Pool # 759592 5.500% 02/01/34		06/01/2005	Paydown		32,657	32,657	33,438	33,420	0	(763)	0	(763)	0	32,657	0	0	0	756	02/01/2034	1
31404B 3A 8	FNMA Pool # 764093 5.500% 02/01/34		06/01/2005	Paydown		17,043	17,043	17,441	17,432	0	(389)	0	(389)	0	17,043	0	0	0	324	02/01/2034	1
31404S H3 2	FNMA Pool #777050 5.000% 04/01/34		06/01/2005	Paydown		14,225	14,225	14,052	14,052	0	173	0	173	0	14,225	0	0	0	144	04/01/2034	1
31404V TS 7	FNMA Pool# 780061 5.000% 05/01/34		06/01/2005	Paydown		14,329	14,329	14,198	14,198	0	130	0	130	0	14,329	0	0	0	119	05/01/2034	1
31406B CY 4	FNMA Pool # 804787 5.500% 01/01/35		06/01/2005	Paydown		1,576	1,576	1,612	1,612	0	(35)	0	(35)	0	1,576	0	0	0	29	01/01/2035	1
31406E DM 3	FNMA Pool # 807508 5.500% 01/01/35		06/01/2005	Paydown		10,437	10,437	10,672	10,672	0	(235)	0	(235)	0	10,437	0	0	0	190	01/01/2035	1
31406E LL 6	FNMA Pool # 807731 5.500% 12/01/34		06/01/2005	Paydown		4,361	4,361	4,461	4,461	0	(100)	0	(100)	0	4,361	0	0	0	86	12/01/2034	1
34073X AA 6	Florida Gulf Coast Univ 2.270% 12/01/33		04/13/2005	Lehman Brothers		1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	0	0	2,304	12/01/2033	1FE
38374B QM 8	Government National Mtg 3.206% 04/16/18		06/01/2005	Paydown		8,889	8,889	8,889	8,889	0	0	0	0	0	8,889	0	0	0	119	05/01/2009	1
594648 SP 3	Michigan St Hosp Fin Au 9.000% 05/01/08		05/01/2005	Redemption 100.0000		220,000	220,000	284,418	243,070	0	(23,070)	0	(23,070)	0	220,000	0	0	0	9,900	05/01/2008	1
60415N EB 4	Minnesota St Hsg Fin Ag 5.200% 01/01/17		04/01/2005	Redemption 100.0000		5,000	5,000	5,175	5,164	0	(164)	0	(164)	0	5,000	0	0	0	195	01/01/2017	1FE
646107 X4 9	New Jersey St Hsg & Mtg 4.300% 11/01/07		06/01/2005	Redemption 100.0000		10,000	10,000	10,282	10,282	0	(282)	0	(282)	0	10,000	0	0	0	251	11/01/2007	1FE
717817 EG 1	Philadelphia Pa Airprt 6.000% 06/15/06		03/29/2005	Salomon Brothers		518,775	500,000	524,075	506,513	0	(1,090)	0	(1,090)	0	505,423	0	13,352	13,352	8,833	06/15/2006	1FE
3199999	Total - Bonds - Special Revenue & Assessment					4,958,604	4,789,889	5,074,730	3,824,816	0	(84,592)	0	(84,592)	0	4,887,631	0	70,973	70,973	121,330	XXX	XXX
<b>Bonds - Industrial and Miscellaneous</b>																					
02209S AB 9	Altria Group Inc 5.625% 11/04/08		04/12/2005	Wachovia Investments		298,465	290,000	288,530	288,835	0	79	0	79	0	288,914	0	9,552	9,552	7,295	11/04/2008	2FE
161505 BY 7	Chase Commercial Mortg 6.560% 05/18/30		06/01/2005	Paydown		14,600	14,600	16,492	15,579	0	(979)	0	(979)	0	14,600	0	0	0	500	05/01/2008	1FE
172062 AD 3	Cincinnati Financial Co 6.125% 11/01/34		04/21/2005	Tax Free Exchange		673,013	660,000	673,011	321,529	0	(5)	0	(5)	0	673,013	0	0	0	19,090	11/01/2034	1FE
184502 AK 8	Clear Channel Communica 7.650% 09/15/11		05/10/2005	Bancamerica Securities		133,841	125,000	140,429	139,330	0	(798)	0	(798)	0	138,532	0	(4,691)	(4,691)	6,322	09/15/2010	2FE
23322B EF 1	DLJ Commercial Mortgage 6.080% 03/10/30		06/01/2005	Paydown		4,663	4,663	5,030	4,903	0	(240)	0	(240)	0	4,663	0	0	0	118	07/01/2008	1FE
248019 AH 4	Deluxe Corp 3.500% 10/01/07		06/16/2005	Bear Stearns Securities		146,438	150,000	149,915	149,915	0	18	0	18	0	149,933	0	(3,496)	(3,496)	3,792	10/01/2007	2FE
26884A AR 4	ERP Operating LP 4.750% 06/15/09		04/12/2005	Morgan Stanley		120,055	120,000	119,452	119,510	0	29	0	29	0	119,539	0	517	517	1,900	06/15/2009	2FE
55445R AA 5	Mach One Trist Ser 2004 3.890% 05/28/40		06/01/2005	Paydown		3,032	3,032	3,031	3,030	0	2	0	2	0	3,032	0	0	0	49	05/28/2040	1FE
61745M ES 8	Morgan Stanley Capital 6.550% 03/15/30		06/01/2005	Paydown		37,448	37,448	41,927	39,599	0	(2,151)	0	(2,151)	0	37,448	0	0	0	1,344	12/01/2007	1FE
61745M MX 8	Morgan Stanley Capital 6.760% 03/15/32		06/01/2005	Paydown		18,261	18,261	20,122	19,505	0	(1,243)	0	(1,243)	0	18,261	0	0	0	808	06/01/2008	1FE
61746W ES 5	Morgan Stanley Dean Wit 6.400% 02/15/31		06/01/2005	Paydown		12,591	12,591	13,929	13,666	0	(1,075)	0	(1,075)	0	12,591	0	0	0	405	10/01/2011	1FE
61746W ET 3	Morgan Stanley Dean Wit 6.540% 02/15/31		06/01/2005	Paydown		3,240	3,240	3,661	3,549	0	(309)	0	(309)	0	3,240	0	0	0	106	10/01/2011	1FE
61746W PE 4	Morgan Stanley Dean Wit 5.380% 01/15/39		06/01/2005	Paydown		25,208	25,208	27,391	26,983	0	(1,775)	0	(1,775)	0	25,208	0	0	0	793	11/01/2011	1FE
744448 BW 0	Public Service Company 4.375% 10/01/08		04/12/2005	Bear Stearns Securities		149,355	150,000	149,820	149,867	0	9	0	9	0	149,876	0	(521)	(521)	3,536	10/01/2008	1FE
760985 ZZ 7	Residential Asset Mtge 3.610% 10/25/28		06/01/2005	Paydown		1,141	1,141	1,140	1,139	0	2	0	2	0	1,141	0	0	0	21	10/25/2028	1FE
852060 AC 6	Sprint Capital Corp 6.125% 11/15/08		04/12/2005	J.P. Morgan Chase		151,866	145,000	155,157	152,676	0	(527)	0	(527)	0	152,149	0	(284)	(284)	3,701	11/15/2008	2FE
92927T AE 3	WFS Financial Owner Tru 3.130% 05/17/12		06/17/2005	Paydown		74,127	74,127	74,115	74,116	0	11	0	11	0	74,127	0	0	0	1,030	05/17/2012	1FE
257561 AS 9	Domtar Inc 8.750% 08/01/06		05/11/2005	Dillion Read & Warburg		88,087	85,000	94,816	91,404	0	(1,485)	0	(1,485)	0	89,919	0	(1,832)	(1,832)	5,888	08/01/2006	2FE

E05.1

## SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company 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 Desig- nation 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.							
4599999	Total - Bonds - Industrial & Miscellaneous					1,955,431	1,919,311	1,977,968	1,465,220	0	(10,437)	0	(10,437)	0	1,956,186	0	(755)	(755)	56,698	XXX	XXX
6099997	Total - Bonds - Part 4					8,296,315	8,005,365	8,431,784	6,256,355	0	(98,375)	0	(98,375)	0	8,195,763	0	100,551	100,551	206,286	XXX	XXX
6099999	Total - Bonds					8,296,315	8,005,365	8,431,784	6,256,355	0	(98,375)	0	(98,375)	0	8,195,763	0	100,551	100,551	206,286	XXX	XXX
<b>Common Stocks - Banks, Trust and Insurance Companies</b>																					
026874 10 7	American Intl Group Inc		.04/29/2005	Wachovia Investments	2,095,000	106,000	XXX	125,596	113,281	(13,189)	0	0	(13,189)	0	125,596	0	(19,596)	(19,596)	262	XXX	L
172967 10 1	Citigroup Inc		.04/01/2005	Wachovia Investments	1,000,000	44,607	XXX	44,042	48,180	(4,138)	0	0	(4,138)	0	44,042	0	565	565	440	XXX	L
55262L 10 0	MBNA Corp		.05/05/2005	Wachovia	3,060,000	61,116	XXX	80,356	86,261	(5,906)	0	0	(5,906)	0	80,356	0	(19,240)	(19,240)	796	XXX	L
6799999	Total - Common Stocks - Banks, Trust & Insurance Companies					211,723	XXX	249,994	247,722	(23,233)	0	0	(23,233)	0	249,994	0	(38,271)	(38,271)	1,498	XXX	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>																					
00724F 10 1	Adobe Systems Inc		.04/27/2005	Wachovia Investments	2,000,000	123,715	XXX	86,133	125,480	(39,347)	0	0	(39,347)	0	86,133	0	37,583	37,583	50	XXX	L
00817Y 10 8	Aetna Inc		.05/05/2005	Wachovia	200,000	15,451	XXX	8,406	12,475	(4,069)	0	0	(4,069)	0	8,406	0	7,045	7,045	0	XXX	L
172908 10 5	Cintas Corp		.04/22/2005	Various	1,950,000	75,283	XXX	72,475	85,527	(13,052)	0	0	(13,052)	0	72,475	0	2,808	2,808	624	XXX	L
30161N 10 1	Exelon Corporation		.05/05/2005	Wachovia	600,000	29,543	XXX	17,949	26,442	(8,493)	0	0	(8,493)	0	17,949	0	11,594	11,594	240	XXX	L
370334 10 4	General Mills Inc		.04/04/2005	Wachovia Investments	1,690,000	81,733	XXX	79,367	84,010	(4,643)	0	0	(4,643)	0	79,367	0	2,366	2,366	524	XXX	L
459200 10 1	Intl Business Machines		.04/15/2005	Wachovia Investments	500,000	38,548	XXX	41,680	49,290	(7,610)	0	0	(7,610)	0	41,680	0	(3,132)	(3,132)	90	XXX	L
529771 10 7	Lexmark International		.05/05/2005	Wachovia	900,000	61,202	XXX	59,981	76,500	(16,519)	0	0	(16,519)	0	59,981	0	1,221	1,221	0	XXX	L
580135 10 1	MCDonald's Corp		.04/04/2005	Wachovia Investments	3,090,000	95,508	XXX	86,396	99,065	(12,669)	0	0	(12,669)	0	86,396	0	9,111	9,111	0	XXX	L
701094 10 4	Parker Hannifan Corp		.04/04/2005	Wachovia	1,440,000	87,793	XXX	81,806	109,066	(27,259)	0	0	(27,259)	0	81,806	0	5,987	5,987	288	XXX	L
91324P 10 2	United Health Group Inc		.05/05/2005	Wachovia	170,000	16,651	XXX	8,512	14,965	(6,453)	0	0	(6,453)	0	8,512	0	8,139	8,139	5	XXX	L
6899999	Total - Common Stocks - Industrial & Miscellaneous					625,427	XXX	542,705	682,820	(140,114)	0	0	(140,114)	0	542,705	0	82,722	82,722	1,821	XXX	XXX
7299997	Total - Common Stocks - Part 4					837,150	XXX	792,699	930,542	(163,347)	0	0	(163,347)	0	792,699	0	44,451	44,451	3,319	XXX	XXX
7299999	Total - Common Stocks					837,150	XXX	792,699	930,542	(163,347)	0	0	(163,347)	0	792,699	0	44,451	44,451	3,319	XXX	XXX
7399999	Total - Preferred and Common Stocks					837,150	XXX	792,699	930,542	(163,347)	0	0	(163,347)	0	792,699	0	44,451	44,451	3,319	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					9,133,465	XXX	9,224,483	7,186,897	(163,347)	(98,375)	0	(261,722)	0	8,988,462	0	145,002	145,002	209,605	XXX	XXX

E05.2

(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	
<b>Open Depositories</b>								
Suntrust Bank - Corporate Checking..... Washington, DC.....		.....0.000	.....0	.....0	.....2,702,922	.....2,629,551	.....4,929,113	XXX
Suntrust Bank - Draft Account..... Washington, DC.....		.....0.000	.....0	.....0	.....(1,689,098)	.....(1,858,917)	.....(4,736,723)	XXX
Brown Brothers Harriman - Investment..... New York, NY.....		varies.....	.....11,045	.....0	.....616,344	.....2,440,005	.....2,652,996	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....11,045	.....0	.....1,630,168	.....3,210,639	.....2,845,386	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....11,045	.....0	.....1,630,168	.....3,210,639	.....2,845,386	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	XXX	.....350	.....350	.....350	XXX
0599999. Total Cash.....	XXX	XXX	.....11,045	.....0	.....1,630,518	.....3,210,989	.....2,845,736	XXX

### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Gross Investment Income
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**NONE**



# SUPPLEMENT "A" TO SCHEDULE T

## EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN

### ALLOCATED BY STATES AND TERRITORIES

Designate the type of health care providers reported on this page.

**Physicians - Including Surgeons and Osteopaths**

	1	2	Direct Losses Paid		5	Direct Losses Unpaid		8
			3	4		6	7	
States, Etc.	Direct Premiums Written	Direct Premiums Earned	Amount	Number of Claims	Direct Losses Incurred	Amount Reported	Number of Claims	Direct Losses Incurred But Not Reported
1. Alabama.....AL	0	0	0	0	0	0	0	0
2. Alaska.....AK	0	0	0	0	0	0	0	0
3. Arizona.....AZ	0	0	0	0	0	0	0	0
4. Arkansas.....AR	0	0	0	0	0	0	0	0
5. California.....CA	0	0	0	0	0	0	0	0
6. Colorado.....CO	0	0	0	0	0	0	0	0
7. Connecticut.....CT	0	0	0	0	0	0	0	0
8. Delaware.....DE	5,436,608	6,644,117	1,015,000	4	5,556,000	18,868,000	110	(5,848,000)
9. District of Columbia.....DC	18,523,001	12,784,341	7,322,500	17	10,324,500	57,413,000	310	(8,401,000)
10. Florida.....FL	0	0	0	0	0	0	0	0
11. Georgia.....GA	0	0	0	0	0	0	0	0
12. Hawaii.....HI	0	0	0	0	0	0	0	0
13. Idaho.....ID	0	0	0	0	0	0	0	0
14. Illinois.....IL	0	0	0	0	0	0	0	0
15. Indiana.....IN	0	0	0	0	0	0	0	0
16. Iowa.....IA	0	0	0	0	0	0	0	0
17. Kansas.....KS	0	0	0	0	0	0	0	0
18. Kentucky.....KY	0	0	0	0	0	0	0	0
19. Louisiana.....LA	0	0	0	0	0	0	0	0
20. Maine.....ME	0	0	0	0	0	0	0	0
21. Maryland.....MD	8,856,039	6,231,169	5,364,751	13	6,688,751	17,931,000	135	(3,100,000)
22. Massachusetts.....MA	0	0	0	0	0	0	0	0
23. Michigan.....MI	0	0	0	0	0	0	0	0
24. Minnesota.....MN	0	0	0	0	0	0	0	0
25. Mississippi.....MS	0	0	0	0	0	0	0	0
26. Missouri.....MO	0	0	0	0	0	0	0	0
27. Montana.....MT	0	0	0	0	0	0	0	0
28. Nebraska.....NE	0	0	0	0	0	0	0	0
29. Nevada.....NV	0	0	0	0	0	0	0	0
30. New Hampshire.....NH	0	0	0	0	0	0	0	0
31. New Jersey.....NJ	0	0	0	0	0	0	0	0
32. New Mexico.....NM	0	0	0	0	0	0	0	0
33. New York.....NY	0	0	0	0	0	0	0	0
34. North Carolina.....NC	0	0	0	0	0	0	0	0
35. North Dakota.....ND	0	0	0	0	0	0	0	0
36. Ohio.....OH	0	0	0	0	0	0	0	0
37. Oklahoma.....OK	0	0	0	0	0	0	0	0
38. Oregon.....OR	0	0	0	0	0	0	0	0
39. Pennsylvania.....PA	0	0	0	0	0	0	0	0
40. Rhode Island.....RI	0	0	0	0	0	0	0	0
41. South Carolina.....SC	0	0	0	0	0	0	0	0
42. South Dakota.....SD	0	0	0	0	0	0	0	0
43. Tennessee.....TN	0	0	0	0	0	0	0	0
44. Texas.....TX	0	0	0	0	0	0	0	0
45. Utah.....UT	0	0	0	0	0	0	0	0
46. Vermont.....VT	0	0	0	0	0	0	0	0
47. Virginia.....VA	11,631,139	13,643,029	3,755,000	10	8,639,000	45,753,000	333	(8,995,000)
48. Washington.....WA	0	0	0	0	0	0	0	0
49. West Virginia.....WV	1,697,020	2,032,672	240,000	2	313,000	6,380,000	78	1,569,000
50. Wisconsin.....WI	0	0	0	0	0	0	0	0
51. Wyoming.....WY	0	0	0	0	0	0	0	0
52. American Samoa.....AS	0	0	0	0	0	0	0	0
53. Guam.....GU	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	0	0	0	0	0	0	0	0
55. US Virgin Islands.....VI	0	0	0	0	0	0	0	0
56. Canada.....CN	0	0	0	0	0	0	0	0
57. Aggregate Other Alien.....OT	0	0	0	0	0	0	0	0
58. Totals.....	46,143,807	41,335,328	17,697,251	46	31,521,251	146,345,000	966	(24,775,000)

#### DETAILS OF WRITE-INS

5701. ....	0	0	0	0	0	0	0	0
5702. ....	0	0	0	0	0	0	0	0
5703. ....	0	0	0	0	0	0	0	0
5798. Summary of remaining write-ins for Line 57 from overflow page.....	0	0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + 5798) (Line 57 above).....	0	0	0	0	0	0	0	0