

QUARTERLY STATEMENT

OF THE

NCRIC, INC.

Of

WASHINGTON

in the state of DC

to the Insurance Department

of the State of

For the Period Ended

September 30, 2007

2007



QUARTERLY STATEMENT

As of September 30, 2007

of the Condition and Affairs of

NCRIC, INC.

NAIC Group Code.....2698, 2698 (Current Period) (Prior Period)	NAIC Company Code..... 41149	Employer's ID Number..... 52-1194407
Organized under the Laws of DISTRICT OF COLUMBIA	State of Domicile or Port of Entry DISTRICT OF COLUMBIA	Country of Domicile US
Incorporated/Organized..... June 24, 1980	Commenced Business..... October 1, 1980	
Statutory Home Office	1115 30TH STREET, NW..... WASHINGTON DC 20007 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	1115 30TH STREET, NW..... WASHINGTON DC 20007 <i>(Street and Number) (City or Town, State and Zip Code)</i>	202-969-1866 <i>(Area Code) (Telephone Number)</i>
Mail Address	1115 30TH STREET, NW..... WASHINGTON DC 20007 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	205-877-4400 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	WWW.PROASSURANCE.COM	
Statutory Statement Contact	JEFFREY M. MANGET <i>(Name)</i> jmanget@proassurance.com <i>(E-Mail Address)</i>	205-877-4442 <i>(Area Code) (Telephone Number) (Extension)</i> 205-868-4029 <i>(Fax Number)</i>
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. HOWARD HARLEY FRIEDMAN	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. JAMES JOSEPH MORELLO	TREASURER	4. WILLIAM STANCIL STARNES #	CHAIRMAN

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

_____ (Signature) HOWARD HARLEY FRIEDMAN 1. (Printed Name) PRESIDENT (Title)	_____ (Signature) KATHRYN ANNE NEVILLE 2. (Printed Name) SECRETARY (Title)	_____ (Signature) JAMES JOSEPH MORELLO 3. (Printed Name) TREASURER (Title)
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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.....	223,928,459		223,928,459	232,336,726
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	396,901		396,901	403,578
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....(1,161,822)), cash equivalents (\$....13,330,606) and short-term investments (\$....8,733,998).....	20,902,782		20,902,782	17,462,292
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	480,700		480,700	
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	245,708,842	0	245,708,842	250,202,596
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	2,303,392		2,303,392	2,889,445
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	1,263,072	145,629	1,117,443	204,549
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	143,668		143,668	872,244
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	4,439,949		4,439,949	1,456,364
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....	29,309		29,309	35,476
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	389,227		389,227	423,773
16.2 Net deferred tax asset.....	13,414,270	9,935,751	3,478,519	4,261,358
17. Guaranty funds receivable or on deposit.....			0	86,272
18. Electronic data processing equipment and software.....	837,811	804,041	33,770	106,001
19. Furniture and equipment, including health care delivery assets (\$.....0).....	177,556	177,556	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	176,949		176,949	87,359
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	457,290	50,497	406,793	570,983
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	269,341,335	11,113,474	258,227,861	261,196,420
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	269,341,335	11,113,474	258,227,861	261,196,420

DETAILS OF WRITE-INS

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Prepaid expenses.....	50,497	50,497	0	
2302. State Premium Tax Recoverable.....	406,793		406,793	570,983
2303.....			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).....	457,290	50,497	406,793	570,983

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$...2,842,472).....	98,264,651	108,083,628
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	50,006,442	51,275,833
4. Commissions payable, contingent commissions and other similar charges.....	15,368	20,405
5. Other expenses (excluding taxes, licenses and fees).....	573,192	421,210
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	107,908	215,953
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$...444,626 and including warranty reserves of \$.....0).....	18,079,277	16,771,338
10. Advance premium.....	216,241	1,775,242
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	3,066,017	3,060,542
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	9,845	367,814
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	83,400	83,400
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	158,851	163,236
20. Payable for securities.....	465,000	
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	19,500,000	19,500,000
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	190,546,192	201,738,601
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	190,546,192	201,738,601
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	1,000,000	1,000,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	50,434,666	50,434,666
33. Unassigned funds (surplus).....	16,247,003	8,023,153
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	67,681,669	59,457,819
36. TOTALS.....	258,227,861	261,196,420

DETAILS OF WRITE-INS

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

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....19,568,647).....	18,528,795	52,876,467	65,314,250
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....1,688,818).....	1,956,905	7,079,457	8,866,468
1.4 Net..... (written \$.....17,879,829).....	16,571,890	45,797,010	56,447,782
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....2,842,472):			
2.1 Direct.....	3,827,351	28,099,375	23,165,370
2.2 Assumed.....			
2.3 Ceded.....	984,879	4,890,307	8,179,743
2.4 Net.....	2,842,472	23,209,068	14,985,627
3. Loss expenses incurred.....	12,484,349	17,175,643	29,960,719
4. Other underwriting expenses incurred.....	3,264,465	5,604,055	6,301,089
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	18,591,286	45,988,766	51,247,435
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(2,019,396)	(191,756)	5,200,347
INVESTMENT INCOME			
9. Net investment income earned.....	8,221,355	7,664,614	11,175,745
10. Net realized capital gains (losses) less capital gains tax of \$.....(113,921).....	(211,568)	(111,054)	(54,444)
11. Net investment gain (loss) (Lines 9 + 10).....	8,009,787	7,553,560	11,121,301
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....35,821).....	(35,821)		(33,569)
13. Finance and service charges not included in premiums.....	19,221		117,055
14. Aggregate write-ins for miscellaneous income.....	81,582	72,381	(14,807)
15. Total other income (Lines 12 through 14).....	64,982	72,381	68,679
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	6,055,373	7,434,185	16,390,327
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	6,055,373	7,434,185	16,390,327
19. Federal and foreign income taxes incurred.....	(2,477,729)	3,923,301	4,749,602
20. Net income (Line 18 minus Line 19) (to Line 22).....	8,533,102	3,510,884	11,640,725
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	59,457,819	47,083,532	47,083,532
22. Net income (from Line 20).....	8,533,102	3,510,884	11,640,725
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	(6,678)	276,155	(691,597)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(4,306,564)	790,695	(527,760)
27. Change in nonadmitted assets.....	4,003,990	153,210	947,319
28. Change in provision for reinsurance.....			1,005,600
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	8,223,850	4,730,944	12,374,287
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	67,681,669	51,814,476	59,457,819
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Miscellaneous income.....	82,150	97,116	9,928
1402. Gain/Loss on Sale of Equipment.....	(568)	(24,735)	(24,735)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	81,582	72,381	(14,807)
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	16,332,728	39,860,355
2. Net investment income.....	9,796,294	12,602,951
3. Miscellaneous income.....	64,982	68,679
4. Total (Lines 1 through 3).....	26,194,004	52,531,985
5. Benefit and loss related payments.....	29,850,092	30,396,352
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,681,808	9,104,845
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(2,626,196)	3,915,611
10. Total (Lines 5 through 9).....	29,905,704	43,416,808
11. Net cash from operations (Line 4 minus Line 10).....	(3,711,700)	9,115,177
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	42,869,199	42,553,794
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(166)	
12.7 Miscellaneous proceeds.....	465,000	20,091
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	43,334,033	42,573,885
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	35,775,135	70,051,732
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	480,700	
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	36,255,835	70,051,732
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	7,078,198	(27,477,847)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		5,000,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	73,992	567,412
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	73,992	5,567,412
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	3,440,490	(12,795,258)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	17,462,291	30,257,549
19.2 End of period (Line 18 plus Line 19.1).....	20,902,781	17,462,291

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

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

C. No wash sales.

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

No significant change.

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

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

E. Commutation of Ceded Reinsurance.

As a result of commutation of a specific reinsurance agreement with the companies listed below, the Company has reported in its current year operations the amounts as follows:

(1) Losses incurred	\$	236,461
(2) Loss adjustment expenses incurred		26,274
(3) Premiums earned		16,427
(4) Other		N/A
(5) Company		Alea London Limited

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

No significant change.

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

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

PRA Professional Liability Group, Inc. has been added to the management and expense sharing agreements with the reporting entity.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/30/2006.....
- 6.4 By what department or departments?

District of Columbia Department of Insurance, Securities, and Banking

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 7.2 If yes, give full information:

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

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

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

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

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

- 9.2 Has the code of ethics for senior managers been amended? Yes No

- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- _____

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

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

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

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. \$.....0

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]

- 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 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....403,578	\$.....396,901
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).....	\$.....403,578	\$.....396,901
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 Name of Custodian(s)	2 Custodian Address
US Bank	Birmingham, AL

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 Name(s)	2 Location(s)	3 Complete Explanation(s)
None		

- 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 Old Custodian	2 New Custodian	3 Date of Change	4 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 Central Registration Depository	2 Name(s)	3 Address

- 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
	.....XXX.....	.....XXX.....	.....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	
2. Increase (decrease) by adjustment.....		
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....		
5. Total profit (loss) on sales.....		
6. Increase (decrease) by foreign exchange adjustment.....		
7. Amount received on sales.....		
8. Book/adjusted carrying value at end of current period.....	0	0
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	0	0
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	0	0

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

SCHEDULE BA - VERIFICATION

Other Invested Assets

	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	
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....	479,700	
2.2 Additional investment made after acquisitions.....	1,000	
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book adjusted/carrying value of long-term invested assets at end of current period.....	480,700	0
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	480,700	0
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	480,700	0

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.....	232,740,304	207,735,022
2. Cost of bonds and stocks acquired.....	35,775,136	70,051,732
3. Accrual of discount.....	108,809	129,026
4. Increase (decrease) by adjustment.....	(6,671)	(691,597)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	(325,322)	(83,760)
7. Consideration for bonds and stocks disposed of.....	42,869,199	42,553,794
8. Amortization of premium.....	1,097,696	1,846,325
9. Book/adjusted carrying value, current period.....	224,325,360	232,740,304
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	224,325,360	232,740,304
12. Total nonadmitted amounts.....		
13. Statement value.....	224,325,360	232,740,304

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1.....	224,597,102	182,191,474	179,887,812	(607,272)	232,537,568	224,597,102	226,293,491	228,261,112
2. Class 2.....	20,446,558		1,205,000	458,013	20,645,353	20,446,558	19,699,572	22,511,637
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	245,043,660	182,191,474	181,092,812	(149,259)	253,182,921	245,043,660	245,993,063	250,772,749
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	245,043,660	182,191,474	181,092,812	(149,259)	253,182,921	245,043,660	245,993,063	250,772,749

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.....	8,733,998	XXX	8,711,138		

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.....	9,664,429	23,197,146
2. Cost of short-term investments acquired.....	86,270,909	155,671,484
3. Increase (decrease) by adjustment.....	175,052	7,022
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....	(166)	
6. Consideration received on disposal of short-term investments.....	87,376,226	169,211,223
7. Book/adjusted carrying value, current period.....	8,733,998	9,664,429
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	8,733,998	9,664,429
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	8,733,998	9,664,429
12. Income collected during period.....	509,118	696,888
13. Income earned during period.....	497,843	671,986

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. F
NONE

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						
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO						
4. Arkansas.....AR	NO						
5. California.....CA	NO						
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES	(148,486)	1,621,636	1,370,000	1,310,000	11,026,971	19,403,911
9. District of Columbia.....DC	YES	18,718,670	23,654,016	7,117,869	3,450,000	56,600,598	60,460,093
10. Florida.....FL	NO						
11. Georgia.....GA	NO						
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	NO						
15. Indiana.....IN	NO						
16. Iowa.....IA	NO						
17. Kansas.....KS	NO						
18. Kentucky.....KY	NO						
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES	1,067,515	11,664,472	4,524,156	140,000	14,333,712	20,837,473
22. Massachusetts.....MA	NO						
23. Michigan.....MI	NO						
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO						
26. Missouri.....MO	NO						
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	NO						
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO						
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	NO						
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	NO						
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	NO						
42. South Dakota.....SD	NO						
43. Tennessee.....TN	NO						
44. Texas.....TX	NO						
45. Utah.....UT	NO						
46. Vermont.....VT	NO						
47. Virginia.....VA	YES	47,740	3,384,406	6,583,363	2,985,000	30,802,217	42,465,410
48. Washington.....WA	NO						
49. West Virginia.....WV	YES	(116,792)	719,348	120,000	500,000	6,507,902	8,931,488
50. Wisconsin.....WI	NO						
51. Wyoming.....WY	NO						
52. American Samoa.....AS	NO						
53. Guam.....GU	NO						
54. Puerto Rico.....PR	NO						
55. US Virgin Islands.....VI	NO						
56. Northern Mariana Islands.....MP	NO						
57. Canada.....CN	NO						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a).....5	19,568,647	41,043,878	19,715,388	8,385,000	119,271,400	152,098,375

DETAILS OF WRITE-INS

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

(a) Insert the number of 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	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....	587,275	199,524	34.0	53.1
11.2. Medical malpractice-claims made.....	17,913,181	3,622,868	20.2	53.1
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....			0.0	
17.2. Other liability-claims made.....	28,339	4,959	17.5	65.0
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. 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	
34. Totals.....	18,528,795	3,827,351	20.7	53.1

DETAILS OF WRITE-INS

3301.			0.0	
3302.			0.0	
3303.			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	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
	1. Fire.....		
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	245,833	587,275	3,735,787
11.2. Medical malpractice-claims made.....	4,466,312	18,981,372	37,238,070
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			
17.2. Other liability-claims made.....			70,021
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2 Private passenger auto liability.....			
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. 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.....	4,712,145	19,568,647	41,043,878

DETAILS OF WRITE-INS

3301.			
3302.			
3303.			
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)	2007 Loss and LAE Payments on Claims Reported as of Prior Year-End	2007 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2007 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. 2004 + Prior	63,029	11,921	74,950	14,991	358	15,349	52,722	126	6,753	59,601	4,684	(4,684)	0
2. 2005	29,345	14,605	43,950	6,739	270	7,009	23,766	386	12,789	36,941	1,160	(1,160)	0
3. Subtotals 2005 + Prior	92,374	26,526	118,900	21,730	628	22,358	76,488	512	19,542	96,542	5,844	(5,844)	0
4. 2006	12,286	28,174	40,460	2,893	537	3,430	13,734	530	22,766	37,030	4,341	(4,341)	0
5. Subtotals 2006 + Prior	104,660	54,700	159,360	24,623	1,165	25,788	90,222	1,042	42,308	133,572	10,185	(10,185)	0
6. 2007	XXX	XXX	XXX	XXX	627	627	XXX	2,584	12,115	14,699	XXX	XXX	XXX
7. Totals	104,660	54,700	159,360	24,623	1,792	26,415	90,222	3,626	54,423	148,271	10,185	(10,185)	0
8. Prior Year-End's Surplus As Regards Policyholders	59,458										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. ....9.7 %	2. ....(18.6)%	3. ....0.0 %
													Col. 13, Line 7 Line 8
													4. ....0.0 %

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

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)
Bonds - Special Revenue and Special Assessment									
59333P JH 2	MIAMI AVIATION-SAVR-E 10/01/2024 4.750		09/24/2007	PROTECTIVE LIFE INSUR		2,000,000	2,000,000		1FE
613041 GJ 5	MONTGOMERY SPL CARE-C 11/15/2029 5.400		09/27/2007	BANK OF NEW YORK		465,000	465,000		1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					2,465,000	2,465,000	0	XXX
Bonds - Public Utilities									
070101 AE 0	BASIN ELECTRIC POWER 06/10/2029 5.320		08/31/2007	BANK OF NEW YORK		2,500,000	2,500,000		1FE
3899999	Total - Bonds - Public Utilities					2,500,000	2,500,000	0	XXX
6099997	Total - Bonds - Part 3					4,965,000	4,965,000	0	XXX
6099999	Total - Bonds					4,965,000	4,965,000	0	XXX
7499999	Total - Bonds, Preferred and Common Stocks					4,965,000	XXX	0	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of 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	For or eign	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)
Bonds - U.S. Government																					
36202K 2A 2	G2 8869		09/01/2007	MBS PAYDOWN		1,483	1,483	1,517	1,501		(18)		(18)		1,483			0	56	09/01/2021	1
362207 YU 0	GN 299623		09/01/2007	MBS PAYDOWN		141	141	142	142		(1)		(1)		141			0	7	03/01/2022	1
36203G QN 6	GN 348861		09/01/2007	MBS PAYDOWN		3,533	3,533	3,570	3,554		(21)		(21)		3,533			0	177	03/01/2021	1
36203K A4 6	GN 351127		09/01/2007	MBS PAYDOWN		270	270	273	272		(2)		(2)		270			0	13	03/01/2022	1
36203L LQ 3	GN 352335		09/01/2007	MBS PAYDOWN		4	4	4	4				0		4			0		04/01/2023	1
36203T BY 0	GN 358355		09/01/2007	MBS PAYDOWN		342	342	345	344		(2)		(2)		342			0	16	09/01/2020	1
36204F FG 4	GN 368367		09/01/2007	MBS PAYDOWN		204	204	216	211		(7)		(7)		204			0	11	12/01/2023	1
36208D M5 1	GN 447780		09/01/2007	MBS PAYDOWN		13	13	13	13				0		13			0	1	10/01/2018	1
36209A R8 5	GN 465911		09/01/2007	MBS PAYDOWN		60	60	59	59		2		2		60			0	3	05/01/2026	1
36209P SP 3	GN 477626		09/01/2007	MBS PAYDOWN		174	173	176	176		(2)		(2)		174			0	8	06/01/2027	1
36210C NT 6	GN 488302		09/01/2007	MBS PAYDOWN		30	30	29	29		1		1		30			0	1	10/01/2028	1
0399999	Total - Bonds - U.S. Government					6,254	6,253	6,344	6,305	0	(50)	0	(50)	0	6,254	0	0	0	293	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
13078H AB 8	CA PCR-ARS-RF-A-STHRN		07/05/2007	DIRECT	5,900	2,000,000	2,000,000	2,000,000	2,000,000				0	2,000,000			0	2,049	08/01/2035	1FE	
31296K LQ 4	FG A11235		09/01/2007	MBS PAYDOWN		3,932	3,932	4,016	4,014		(83)		(83)		3,932			0	156	09/01/2032	1
31296N ZY 6	FG A14359		09/01/2007	MBS PAYDOWN		1,827	1,827	1,827	1,825		(38)		(38)		1,827			0	66	12/01/2032	1
31297B JC 7	FG A23859		09/01/2007	MBS PAYDOWN		40,324	40,324	39,260			1,065		1,065		40,324			0	827	11/01/2033	1
3128K8 TQ 9	FG A47759		09/01/2007	MBS PAYDOWN		15,460	15,460	15,022			437		437		15,460			0	318	07/01/2035	1
31288G 3S 9	FG C78009		09/01/2007	MBS PAYDOWN		2,048	2,048	2,060	2,060		(12)		(12)		2,048			0	75	09/01/2031	1
31288J RK 4	FG C79490		09/01/2007	MBS PAYDOWN		2,704	2,704	2,836	2,825		(121)		(121)		2,704			0	90	09/01/2032	1
313970 SC 0	FG D32315		09/01/2007	MBS PAYDOWN		5,574	5,574	6,025	5,878		(304)		(304)		5,574			0	353	01/01/2017	1
3128H3 ZP 9	FG E96150		09/01/2007	MBS PAYDOWN		39,442	39,442	41,352	40,965		(1,523)		(1,523)		39,442			0	1,340	11/01/2017	1
3128H4 WA 3	FG E96941		09/01/2007	MBS PAYDOWN		38,414	38,414	39,373	39,176		(762)		(762)		38,414			0	1,193	11/01/2017	1
3128M1 LA 5	FG G12221		09/01/2007	MBS PAYDOWN		45,414	45,414	45,155	45,162		252		252		45,414			0	1,658	10/01/2020	1
3128M1 PE 3	FG G12321		09/01/2007	MBS PAYDOWN		35,132	35,132	34,931	34,938		194		194		35,132			0	1,275	03/01/2021	1
31282N BJ 1	FG M70041		09/01/2007	MBS PAYDOWN		2,015	2,015	2,093	2,020		(5)		(5)		2,015			0	94	01/01/2008	1
31353G PG 1	FH 884023		08/01/2007	MBS PAYDOWN		1,045	1,045	1,134	1,106		(61)		(61)		1,045			0	73	05/01/2018	1
34073X AA 6	FL GULF COAST UNV VAR		08/01/2007	PUT BY HOLDER	3,510	2,000,000	2,000,000	2,000,000	2,000,000				0	2,000,000			0	48,793	12/01/2033	1FE	
31370L GE 4	FN 234297		08/01/2007	MBS PAYDOWN		3,826	3,826	4,030	3,834		(8)		(8)		3,826			0	208	09/01/2007	1
31371L 4L 0	FN 255627		09/01/2007	MBS PAYDOWN		16,302	16,302	16,445	16,424		(122)		(122)		16,302			0	544	09/01/2024	1
31371L 4M 8	FN 255628		09/01/2007	MBS PAYDOWN		21,030	21,030	21,555	21,508		(479)		(479)		21,030			0	769	10/01/2024	1
31371L 6C 8	FN 255667		09/01/2007	MBS PAYDOWN		50,893	50,893	51,020	51,009		(116)		(116)		50,893			0	1,664	11/01/2024	1
31371L 6D 6	FN 255668		09/01/2007	MBS PAYDOWN		23,967	23,967	24,510	24,461		(494)		(494)		23,967			0	866	10/01/2024	1
31371S QU 1	FN 260667		09/01/2007	MBS PAYDOWN		37	37	36	37		1		1		37			0	2	06/01/2022	1
31372A ZM 7	FN 267248		09/01/2007	MBS PAYDOWN		682	682	663	669		13		13		682			0	30	01/01/2009	1
31372C AX 6	FN 268322		09/01/2007	MBS PAYDOWN		307	307	298	300		6		6		307			0	13	11/01/2021	1
31372C MN 5	FN 268665		09/01/2007	MBS PAYDOWN		2,625	2,625	2,551	2,573		52		52		2,625			0	101	05/01/2022	1
31372D TM 8	FN 269756		09/01/2007	MBS PAYDOWN		28	28	27	28		0		0		28			0	1	12/01/2022	1
31372H RM 1	FN 273292		09/01/2007	MBS PAYDOWN		403	403	392	395		8		8		403			0	17	10/01/2022	1
31372J KM 4	FN 274000		09/01/2007	MBS PAYDOWN		697	697	677	683		14		14		697			0	29	01/01/2022	1
31372J 6Z 1	FN 274588		09/01/2007	MBS PAYDOWN		20	20	20	20		0		0		20			0	1	02/01/2021	1
31372P JR 1	FN 278472		09/01/2007	MBS PAYDOWN		7	7	7	7		0		0		7			0		12/01/2023	1
31372P ZD 4	FN 278940		09/01/2007	MBS PAYDOWN		17	17	16	16		0		0		17			0	1	09/01/2021	1
31372X ZK 1	FN 286146		09/01/2007	MBS PAYDOWN		7	7	7	7		0		0		7			0		01/01/2024	1
31378T P2 5	FN 408241		09/01/2007	MBS PAYDOWN		601	601	588	592		9		9		601			0	24	03/01/2017	1
31361S TJ 6	FN 50965		09/01/2007	MBS PAYDOWN		110	110	107	107		3		3		110			0	5	05/01/2022	1
31383S JZ 4	FN 511580		09/01/2007	MBS PAYDOWN		3,421	3,421	3,365	3,390		31		31		3,421			0	148	01/01/2013	1
31390L GN 0	FN 649205		09/01/2007	MBS PAYDOWN		11,139	11,139	11,711	11,667		(528)		(528)		11,139			0	514	11/01/2030	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 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 Designation 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.							
31390R E7 4	FN 653658		09/01/2007	MBS PAYDOWN		35,300	35,300	37,112	36,976	(1,676)		(1,676)		35,300				0	1,519	06/01/2031	1
31391S TF 7	FN 675650		09/01/2007	MBS PAYDOWN		65,895	65,895	68,860	68,632	(2,737)		(2,737)		65,895				0	2,479	03/01/2032	1
31391S U7 3	FN 675706		09/01/2007	MBS PAYDOWN		134,436	134,436	140,023	139,605	(5,170)		(5,170)		134,436				0	5,377	01/01/2032	1
31391U W6 8	FN 677569		09/01/2007	MBS PAYDOWN		855	855	874	873	(18)		(18)		855				0	38	01/01/2032	1
31391U YM 1	FN 677616		09/01/2007	MBS PAYDOWN		111	111	114	114	(2)		(2)		111				0	4	05/01/2032	1
31400C AL 8	FN 683211		09/01/2007	MBS PAYDOWN		18,173	18,174	18,668	18,628	(455)		(455)		18,173				0	670	04/01/2031	1
31400D X4 9	FN 684799		09/01/2007	MBS PAYDOWN		2,720	2,720	2,831	2,823	(103)		(103)		2,720				0	109	06/01/2032	1
31400H HJ 5	FN 687933		09/01/2007	MBS PAYDOWN		88,561	88,561	91,968	91,714	(3,153)		(3,153)		88,561				0	3,752	07/01/2032	1
31400T GU 5	FN 696911		09/01/2007	MBS PAYDOWN		2,305	2,305	2,354	2,348	(43)		(43)		2,305				0	90	05/01/2032	1
31401C FB 4	FN 704062		09/01/2007	MBS PAYDOWN		1,239	1,239	1,266	1,263	(24)		(24)		1,239				0	45	06/01/2032	1
31401H L9 1	FN 708752		09/01/2007	MBS PAYDOWN		45,250	45,250	47,484	47,026	(1,777)		(1,777)		45,250				0	1,577	12/01/2017	1
31401H 3J 9	FN 709201		09/01/2007	MBS PAYDOWN		4,235	4,235	4,219	4,221	14		14		4,235				0	151	09/01/2032	1
31401J AC 2	FN 709303		09/01/2007	MBS PAYDOWN		21,155	21,155	21,826	21,774	(619)		(619)		21,155				0	708	11/01/2032	1
31401L NU 3	FN 711503		09/01/2007	MBS PAYDOWN		5,128	5,128	5,177	5,176	(48)		(48)		5,128				0	192	12/01/2032	1
31401L P8 0	FN 711547		09/01/2007	MBS PAYDOWN		17,278	17,278	18,012	17,958	(680)		(680)		17,278				0	633	07/01/2032	1
31401L V5 9	FN 711736		09/01/2007	MBS PAYDOWN		1,125	1,125	1,131	1,131	(6)		(6)		1,125				0	40	08/01/2032	1
31401N GR 4	FN 713108		09/01/2007	MBS PAYDOWN		2,834	2,834	2,851	2,850	(16)		(16)		2,834				0	96	08/01/2032	1
31401Y VD 4	FN 722512		09/01/2007	MBS PAYDOWN		1,733	1,733	1,727	1,727	6		6		1,733				0	59	10/01/2032	1
31402A RB 4	FN 723282		09/01/2007	MBS PAYDOWN		119,905	119,905	125,353	124,252	(4,348)		(4,348)		119,905				0	4,000	05/01/2017	1
31402D XU 9	FN 726191		09/01/2007	MBS PAYDOWN		2,369	2,369	2,376	2,375	(6)		(6)		2,369				0	81	01/01/2018	1
31402D 5A 4	FN 726341		09/01/2007	MBS PAYDOWN		1,556	1,556	1,560	1,560	(4)		(4)		1,556				0	49	01/01/2018	1
31402G SW 4	FN 728733		09/01/2007	MBS PAYDOWN		832	832	846	845	(12)		(12)		832				0	28	11/01/2032	1
31402G WU 3	FN 728859		09/01/2007	MBS PAYDOWN		823	823	828	828	(5)		(5)		823				0	27	03/01/2033	1
31402H N8 0	FN 729515		09/01/2007	MBS PAYDOWN		32,004	32,004	32,329	32,305	(301)		(301)		32,004				0	1,018	07/01/2032	1
31402H PX 3	FN 729538		09/01/2007	MBS PAYDOWN		4,470	4,470	4,568	4,566	(95)		(95)		4,470				0	186	10/01/2032	1
31402Q Y3 9	FN 735230		09/01/2007	MBS PAYDOWN		32,410	32,410	32,228	32,228	182		182		32,410				0	740	03/01/2034	1
31402Y T5 3	FN 742272		09/01/2007	MBS PAYDOWN		8,951	8,951	8,842	8,847	104		104		8,951				0	304	07/01/2033	1
31403D DX 4	FN 745418		09/01/2007	MBS PAYDOWN		33,715	33,715	33,490	33,490	225		225		33,715				0	759	11/01/2035	1
31403F JX 3	FN 747378		09/01/2007	MBS PAYDOWN		5,745	5,745	5,703	5,705	40		40		5,745				0	187	11/01/2032	1
31403V ZZ 1	FN 759592		09/01/2007	MBS PAYDOWN		39,589	39,589	40,536	40,480	(891)		(891)		39,589				0	1,329	07/01/2033	1
31404B 3A 8	FN 764093		09/01/2007	MBS PAYDOWN		17,250	17,250	17,653	17,629	(379)		(379)		17,250				0	565	01/01/2033	1
31404S H3 2	FN 777050		09/01/2007	MBS PAYDOWN		1,063	1,063	1,050	1,050	12		12		1,063				0	35	08/01/2033	1
31404V TS 7	FN 780061		09/01/2007	MBS PAYDOWN		14,363	14,363	14,232	14,239	124		124		14,363				0	447	06/01/2033	1
31405R AQ 9	FN 796615		09/01/2007	MBS PAYDOWN		41,112	41,112	40,862	40,862	251		251		41,112				0	836	06/01/2034	1
31406B CY 4	FN 804787		09/01/2007	MBS PAYDOWN		19,535	19,535	19,974	19,944	(409)		(409)		19,535				0	675	07/01/2034	1
31406E DM 3	FN 807508		09/01/2007	MBS PAYDOWN		13,446	13,446	13,749	13,730	(284)		(284)		13,446				0	493	08/01/2034	1
31406E LL 6	FN 807731		09/01/2007	MBS PAYDOWN		38,767	38,767	39,658	39,606	(839)		(839)		38,767				0	1,406	04/01/2034	1
31407C J6 5	FN 826585		09/01/2007	MBS PAYDOWN		26,886	26,886	26,004	26,047	839		839		26,886				0	897	04/01/2035	1
31407N 2C 6	FN 836071		09/01/2007	MBS PAYDOWN		20,261	20,261	19,566	19,566	695		695		20,261				0	261	06/01/2035	1
31408A J3 5	FN 845482		09/01/2007	MBS PAYDOWN		32,722	32,722	32,548	32,554	169		169		32,722				0	1,193	03/01/2021	1
31408A TC 4	FN 845747		09/01/2007	MBS PAYDOWN		20,422	20,422	19,720	19,758	665		665		20,422				0	648	05/01/2034	1
31408E RU 8	FN 849299		09/01/2007	MBS PAYDOWN		38,988	38,988	38,732	38,732	256		256		38,988				0	877	09/01/2035	1
31408J MU 2	FN 852771		09/01/2007	MBS PAYDOWN		3,030	3,030	2,929	2,935	95		95		3,030				0	101	01/01/2036	1
38374B QM 8	GNR 2003-72 A		09/01/2007	MBS PAYDOWN		9,512	9,512	9,512	9,512	0		0		9,512				0	203	04/01/2009	1
38374J E9 3	GNR 2004-97 AB		09/01/2007	MBS PAYDOWN		4,428	4,428	4,239	4,275	153		153		4,428				0	91	06/01/2010	1
38373M PT 1	GNR 2005-29 A		09/01/2007	MBS PAYDOWN		2,160	2,160	2,094	2,103	57		57		2,160				0	58	01/01/2012	1
38373M PK 0	GNR 2005-32 B		09/01/2007	MBS PAYDOWN		1,721	1,721	1,684	1,686	35		35		1,721				0	54	10/01/2010	1
38373M RU 6	GNR 2005-87 A		09/01/2007	MBS PAYDOWN		2,948	2,948	2,889	2,903	46		46		2,948				0	87	03/01/2011	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	For or eign	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)
38373M SB 7	GNR 2005-90 A		09/01/2007	MBS PAYDOWN		3,955	3,955	3,816	3,842		113		113		3,955			0	99	12/01/2011	1
38373M TS 9	GNR 2006-18 A		09/01/2007	MBS PAYDOWN		6,624	6,624	6,558	6,561		63		63		6,624			0	219	10/01/2021	1
38373M TZ 3	GNR 2006-19 A		09/15/2007	MBS PAYDOWN		6,875	6,875	6,531	6,539		335		335		6,875			0	162	10/01/2010	1
38373M SH 4	GNR 2006-3 A		09/01/2007	MBS PAYDOWN		3,702	3,702	3,628	3,641		62		62		3,702			0	104	08/01/2011	1
38373M SX 9	GNR 2006-5 A		09/01/2007	MBS PAYDOWN		30,139	30,139	29,536	29,626		513		513		30,139			0	758	11/01/2011	1
38373M SP 6	GNR 2006-6 A		09/01/2007	MBS PAYDOWN		2,862	2,862	2,805	2,809		53		53		2,862			0	77	02/01/2010	1
38373M TD 2	GNR 2006-9 A		09/01/2007	MBS PAYDOWN		8,885	8,885	8,618	8,628		256		256		8,885			0	249	06/01/2011	1
60415N EB 4	MN HFA-SFM-G-8/16/01		07/02/2007	CALL BY ISSUER 100.0		30,000	30,000	31,050	30,736		(67)		(67)		30,669		(669)	(669)	1,560	01/01/2017	1FE
725304 AS 8	PITTSBURGH W/S SYS RF		09/01/2007	SINKING FUND REDEMPTION		70,000	70,000	81,824	70,000				0		70,000			0	5,075	09/01/2014	1
3199999	Total - Bonds - Special Revenue & Assessment					5,571,768	5,571,769	5,609,726	3,374,651	0	(21,375)	0	(21,375)	0	5,572,437	0	(669)	(669)	106,774	XXX	XXX
Bonds - Public Utilities																					
070101 AE 0	BASIN ELECTRIC POWER		09/20/2007	BANK OF NEW YORK		2,500,000	2,500,000	2,500,000						2,500,000			0	10,864	06/10/2029	1FE	
373334 FL 0	GEORGIA POWER COMPANY		07/15/2007	MATURITY		800,000	800,000	801,024	800,349		(349)		(349)		800,000			0	39,000	07/15/2007	1FE
3899999	Total - Bonds - Public Utilities					3,300,000	3,300,000	3,301,024	800,349	0	(349)	0	(349)	0	3,300,000	0	0	0	49,864	XXX	XXX
Bonds - Industrial and Miscellaneous																					
02639M AG 1	AGFMT 2006-1 A1		09/01/2007	MBS PAYDOWN		40,522	40,522	40,528	40,526		(4)		(4)		40,522			0	1,540	09/01/2008	1FE
03061N JR 1	AMCAR 2005-DA A3		09/06/2007	MBS PAYDOWN		72,636	72,636	72,626	72,631		5		5		72,636			0	2,352	01/06/2009	1FE
039583 AA 7	ARCHSTONE-SMITH OP TRUST		08/15/2007	MATURITY		750,000	750,000	759,998	751,425		(1,425)		(1,425)		750,000			0	37,500	08/15/2007	2FE
05348E AF 6	AVALONBAY COMMUNITIES		08/01/2007	MATURITY		235,000	235,000	242,772	236,253		(1,253)		(1,253)		235,000			0	11,750	08/01/2007	2FE
12476V AT 8	CASC 1998-D7 A1B		09/11/2007	MBS PAYDOWN		5,856	5,856	6,395	6,067		(212)		(212)		5,856			0	232	09/11/2008	1FE
12498N AA 1	CBASS 2006-CB2 AF1		09/01/2007	MBS PAYDOWN		23,797	23,797	23,797	23,797						23,797			0	892	10/01/2028	1FE
161505 BP 6	CCMSC 1997-2 C		09/01/2007	MBS PAYDOWN		40,659	40,659	46,643	41,906		(1,248)		(1,248)		40,659			0	2,013	11/01/2007	1FE
161505 BY 7	CCMSC 1998-1 A2		09/01/2007	MBS PAYDOWN		23,092	23,092	26,085	23,811		(719)		(719)		23,092			0	983	05/01/2008	1FE
161581 DE 0	CMAOT 2003-C A4		09/15/2007	MBS PAYDOWN		37,912	37,912	37,700	37,827		84		84		37,912			0	742	10/15/2007	1FE
17307G 4F 2	CMLTI 2006-WF1 A2A		09/01/2007	MBS PAYDOWN		110,148	110,148	110,148	110,148						110,148			0	4,234	10/01/2007	1FE
23322B CZ 9	DLJCM 1998-CF2 A1B		09/01/2007	MBS PAYDOWN		11,035	11,035	12,259	11,303		(268)		(268)		11,035			0	461	10/01/2008	1FE
23322B EG 9	DLJCM 1999-CG1 A1B		09/01/2007	MBS PAYDOWN		1,388	1,388	1,537	1,441		(53)		(53)		1,388			0	61	01/01/2009	1FE
472318 AG 9	JEFFERIES GROUP INC		08/15/2007	MATURITY		220,000	220,000	246,107	224,590		(4,590)		(4,590)		220,000			0	16,500	08/15/2007	2FE
46625Y XL 2	JPMCC 2005-LDP5 A1		09/01/2007	MBS PAYDOWN		8,457	8,457	8,478	8,473		(16)		(16)		8,457			0	284	06/01/2010	1FE
59022H KZ 4	MLMT 2005-CK1 A1		09/01/2007	MBS PAYDOWN		15,017	15,017	15,054	15,045		(28)		(28)		15,017			0	506	09/01/2010	1FE
61745M ES 8	MSC 1998-WF1 A2		09/05/2007	PRIOR YEAR INCOME														0	11	12/01/2007	1FE
61745M KY 8	MSC 1999-RM1 A2		09/01/2007	MBS PAYDOWN		10,737	10,737	12,116	11,073		(336)		(336)		10,737			0	524	10/01/2008	1FE
61746W ES 5	MSDWC 2001-PPM A2		09/01/2007	MBS PAYDOWN		3,903	3,903	4,318	4,141		(237)		(237)		3,903			0	163	07/01/2011	1FE
61746W ET 3	MSDWC 2001-PPM A3		09/01/2007	MBS PAYDOWN		13,664	13,664	15,438	14,527		(863)		(863)		13,664			0	585	07/01/2011	1FE
61746W PE 4	MSDWC 2002-TOP7 A1		09/01/2007	MBS PAYDOWN		34,109	34,109	37,063	35,758		(1,649)		(1,649)		34,109			0	1,451	12/01/2010	1FE
69121P CG 6	OWNIT 2006-1 AF1		09/01/2007	MBS PAYDOWN		82,554	82,554	82,554	82,554						82,554			0	3,061	07/01/2009	1FE
759950 GU 6	RAMC 2006-1 AF2		09/01/2007	MBS PAYDOWN		275,032	275,032	275,030	275,030		2		2		275,032			0	9,993	08/01/2008	1FE
96683M AL 7	WALT 2003-1 A4		09/15/2007	MBS PAYDOWN		21,088	21,088	20,907	21,032		56		56		21,088			0	361	11/15/2007	1FE
96683M AY 3	WALT 2004-1 A3		07/15/2007	MBS PAYDOWN		24,765	24,765	24,764	24,765						24,765			0	428	07/15/2007	1FE
92927T AE 3	WESTO 2004-4 B		09/17/2007	MBS PAYDOWN		29,773	29,773	29,769	29,772		1		1		29,773			0	621	09/17/2008	1FE
55445R AA 5	MACH 2004-1A A1		09/01/2007	MBS PAYDOWN		42,047	42,047	42,039	42,045		2		2		42,047			0	1,228	12/01/2007	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					2,133,191	2,133,191	2,194,125	2,145,940	0	(12,751)	0	(12,751)	0	2,133,191	0	0	0	98,476	XXX	XXX
6099997	Total - Bonds - Part 4					11,011,213	11,011,213	11,111,219	6,327,245	0	(34,525)	0	(34,525)	0	11,011,882	0	(669)	(669)	255,407	XXX	XXX
6099999	Total - Bonds					11,011,213	11,011,213	11,111,219	6,327,245	0	(34,525)	0	(34,525)	0	11,011,882	0	(669)	(669)	255,407	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					11,011,213	XXX	11,111,219	6,327,245	0	(34,525)	0	(34,525)	0	11,011,882	0	(669)	(669)	255,407	XXX	XXX

E05.2

(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. (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 Desig- nation or Market Indicator (a)

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

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

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

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

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....133,334	.....(22,060)	.....(17,465)	XXX
BANK OF AMERICA.....	ATLANTA, GA.....	.....	.....	.....	.....3,203	.....2,493	.....2,000	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(5,626,415)	.....(1,377,025)	.....(1,147,352)	XXX
FEDERAL HOME LOAN BANK.....	ATLANTA, GA.....	.....	.....	.....	.....	.....1,004	.....996	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(5,489,879)	.....(1,395,587)	.....(1,161,822)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(5,489,879)	.....(1,395,587)	.....(1,161,822)	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	.....(5,489,879)	.....(1,395,587)	.....(1,161,822)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Gross Investment Income
ALFA CORP DISC NOTE.....		09/14/2007	5.064	10/04/2007	3,998,317		9,539
FED HOME LN DISCOUNT NT.....		09/07/2007	4.327	10/05/2007	1,099,473		3,162
FED HOME LN DISCOUNT NT.....		09/26/2007	4.507	10/09/2007	999,000		.625
GENERAL ELEC CAP CORP.....		09/28/2007	4.701	10/01/2007	2,500,000		.979
MITSUB INTL CORP DISC NOTE.....		09/21/2007	4.846	10/17/2007	4,733,816		6,365
0199999. Total Cash Equivalents.....					13,330,606	0	20,670