

QUARTERLY STATEMENT
OF THE
PHYSICIANS INSURANCE
COMPANY OF WISCONSIN, INC.

Of
MADISON
in the state of WI

to the Insurance Department
of the State of

For the Period Ended
June 30, 2008

2008



QUARTERLY STATEMENT

As of June 30, 2008
of the Condition and Affairs of the

PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.

NAIC Group Code.....2698, 2698 (Current Period) (Prior Period)	NAIC Company Code..... 23400	Employer's ID Number..... 39-1567580
Organized under the Laws of WISCONSIN	State of Domicile or Port of Entry WISCONSIN	Country of Domicile US
Incorporated/Organized..... October 3, 1986	Commenced Business..... November 1, 1986	
Statutory Home Office	1002 DEMING WAY..... MADISON WI 53717 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	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>
Mail Address	PO BOX 590009..... BIRMINGHAM AL 35259-0009 <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	proassurance.com	
Statutory Statement Contact	PHILLIP NEWTON LEWIS <i>(Name)</i> plewis@proassurance.com <i>(E-Mail Address)</i>	205-445-2665 <i>(Area Code) (Telephone Number) (Extension)</i> 205-868-4025 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. DARRYL KEITH THOMAS	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. EDWARD LEWIS RAND, JR. #	TREASURER	4. WILLIAM STANCIL STARNES	CHAIRMAN

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

_____ (Signature) DARRYL KEITH THOMAS 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHRYN ANNE NEVILLE 2. (Printed Name) SECRETARY _____ (Title)	_____ (Signature) EDWARD LEWIS RAND, JR. 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.....	312,018,865		312,018,865	312,309,936
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
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).....	2,290,365		2,290,365	2,348,807
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	540,000		540,000	540,000
5. Cash (\$.....(712,878)), cash equivalents (\$.....0) and short-term investments (\$.....16,152,857).....	15,439,979		15,439,979	12,336,637
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	500		500	500
8. Receivables for securities.....			0	50,675
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	330,289,709	0	330,289,709	327,586,555
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	3,033,311		3,033,311	2,745,216
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	2,793,783	136,822	2,656,961	3,328,656
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	11,852,973	5,081	11,847,892	12,341,892
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	3,088,092		3,088,092	7,971,898
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....	(5,118)		(5,118)	3,063
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	944,935		944,935	1,133,101
16.2 Net deferred tax asset.....	11,402,042	6,630,723	4,771,319	4,311,769
17. Guaranty funds receivable or on deposit.....	966		966	1,439
18. Electronic data processing equipment and software.....	188,984	32,133	156,851	97,752
19. Furniture and equipment, including health care delivery assets (\$.....0).....	279,647	279,647	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	53		53	63
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	1,587,856	158,761	1,429,095	1,332,311
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	365,457,233	7,243,167	358,214,066	360,853,715
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	365,457,233	7,243,167	358,214,066	360,853,715

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.....	12,866	12,866	0	
2302. Amounts Receivable under High Deductible Policies.....	1,463,290	84,639	1,378,651	1,225,016
2303. Accounts Receivable-Other.....	10,251	10,251	0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	101,449	51,005	50,444	107,295
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	1,587,856	158,761	1,429,095	1,332,311

PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$...9,145,753).....	118,996,152	115,775,674
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	98,707,664	90,520,138
4. Commissions payable, contingent commissions and other similar charges.....	1,860,697	1,713,177
5. Other expenses (excluding taxes, licenses and fees).....	957,623	1,444,436
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	130,664	84,495
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 \$.....1,245,753 and including warranty reserves of \$.....0).....	27,781,588	25,051,310
10. Advance premium.....	897,726	5,123,819
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	17,913,037	26,999,558
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	16,314	8,306
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	657,200	28,200
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	1,125,498	1,610,244
20. Payable for securities.....		
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	1,549,769	1,499,276
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	270,593,932	269,858,633
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	270,593,932	269,858,633
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	5,000,000	5,000,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	12,000,000	12,000,000
32. Gross paid in and contributed surplus.....	27,775,034	27,775,034
33. Unassigned funds (surplus).....	42,845,100	46,220,048
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).....	87,620,134	90,995,082
36. TOTALS.....	358,214,066	360,853,715

DETAILS OF WRITE-INS

2301. Judgment Liability.....	1,159,454	1,111,481
2302. Retroactive Reinsurance Reserve.....	390,315	387,795
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).....	1,549,769	1,499,276
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 \$.....35,475,672).....	33,465,642	39,877,594	76,984,076
1.2 Assumed..... (written \$.....0).....		2,777	2,777
1.3 Ceded..... (written \$.....1,325,602).....	2,045,850	4,423,337	14,861,043
1.4 Net..... (written \$.....34,150,070).....	31,419,792	35,457,034	62,125,810
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....9,758,674):			
2.1 Direct.....	11,621,797	7,902,430	27,580,554
2.2 Assumed.....			
2.3 Ceded.....	1,063,123	2,870,331	12,165,006
2.4 Net.....	10,558,674	5,032,099	15,415,548
3. Loss adjustment expenses incurred.....	19,174,854	25,382,529	45,451,191
4. Other underwriting expenses incurred.....	7,153,693	7,251,514	13,381,599
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	36,887,221	37,666,142	74,248,338
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(5,467,429)	(2,209,108)	(12,122,528)
INVESTMENT INCOME			
9. Net investment income earned.....	7,548,765	6,925,329	12,330,770
10. Net realized capital gains (losses) less capital gains tax of \$.....27,815.....	(4,967,260)	100,275	100,709
11. Net investment gain (loss) (Lines 9 + 10).....	2,581,505	7,025,604	12,431,479
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....4,907).....	(4,907)	(2,278)	(3,894)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	(57,982)	204,713	166,482
15. Total other income (Lines 12 through 14).....	(62,889)	202,435	162,588
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(2,948,813)	5,018,931	471,539
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).....	(2,948,813)	5,018,931	471,539
19. Federal and foreign income taxes incurred.....	198,448	188,136	(2,030,713)
20. Net income (Line 18 minus Line 19) (to Line 22).....	(3,147,261)	4,830,795	2,502,252
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	90,995,079	84,411,561	84,411,561
22. Net income (from Line 20).....	(3,147,261)	4,830,795	2,502,252
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....		(115,815)	(115,815)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	1,908,996	(1,227,009)	(1,300,235)
27. Change in nonadmitted assets.....	(1,507,680)	645,507	499,916
28. Change in provision for reinsurance.....	(629,000)		(2,600)
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.....			5,000,000
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).....	(3,374,945)	4,133,478	6,583,518
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	87,620,134	88,545,039	90,995,079

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.....	4,415	79,254	161,382
1402. Interest Income from IRS.....		33,611	
1403. Miscellaneous Gain.....	(56,028)	86,748	
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(6,369)	5,100	5,100
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(57,982)	204,713	166,482
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.....	21,864,180	84,064,985
2. Net investment income.....	7,672,869	11,484,287
3. Miscellaneous income.....	(62,889)	162,588
4. Total (Lines 1 through 3).....	29,474,160	95,711,860
5. Benefit and loss related payments.....	13,433,537	38,771,067
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	7,446,344	15,591,847
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	38,097	(9,491,599)
10. Total (Lines 5 through 9).....	20,917,978	44,871,315
11. Net cash from operations (Line 4 minus Line 10).....	8,556,182	50,840,545
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	36,749,717	116,357,350
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.....	(143)	26
12.7 Miscellaneous proceeds.....	50,675	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	36,800,249	116,357,376
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	41,751,706	183,174,684
13.2 Stocks.....		115,815
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		500
13.6 Miscellaneous applications.....		29,572
13.7 Total investments acquired (Lines 13.1 to 13.6).....	41,751,706	183,320,571
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).....	(4,951,457)	(66,963,195)
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).....	(501,383)	(2,821,583)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(501,383)	2,178,417
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).....	3,103,342	(13,944,233)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	12,336,638	26,280,871
19.2 End of period (Line 18 plus Line 19.1).....	15,439,980	12,336,638

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

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

No significant change.

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

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

No significant change.

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

No significant change.

Note 20 - Other Items

C. Other Disclosures

Net realized capital losses for 2008 includes \$5 million for write-downs of investments in mortgage-backed securities for other than temporary impairments. This non-cash item is not currently deductible for income tax purposes so there is no related income tax benefit reported on the Statement of Income. Deferred tax assets include \$1.7 million, less \$1.2 million nonadmitted, for these impairments.

Note 21 - Events Subsequent

No significant change.

Note 22 - Reinsurance

No significant change.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

Combined reserves for incurred losses and loss adjustment expenses attributable to insured events as of December 31, 2007 were \$206,296,000. The following chart shows the activity in those reserves during the six month period ended June 30, 2008:

Losses and Loss Adjustment Expenses December 31, 2007	\$ 206,296,000
Re-estimation of reserves - unfavorable	<u>2,000,000</u>
Re-estimated December 31, 2007 Losses and Loss Adjustment Expenses	<u>\$ 208,296,000</u>

The re-estimation amount above relates principally to the medical malpractice line of insurance, principally for the 2007 accident year, and is the result of ongoing analysis of recent loss trends. Original estimates are increased or decreased as additional information becomes available.

Note 25 - Intercompany Pooling Arrangements

No significant change.

Note 26 - Structured Settlements

No significant change.

Note 27 - Health Care Receivables

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 28 - Participating Policies

No significant change.

Note 29 - Premium Deficiency Reserves

No significant change.

Note 30 - High Deductibles

No significant change.

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

No significant change.

Note 32 - Asbestos/Environmental Reserves

No significant change.

Note 33 - Subscriber Savings Accounts

No significant change.

Note 34 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 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 [X]
- 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 [X]
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 [X]
- 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 [X] N/A []
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/08/2008.....
- 6.4 By what department or departments?

WISCONSIN OFFICE OF THE COMMISSIONER OF INSURANCE

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

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....0

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

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

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

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

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

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

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

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
105900	General Re-New England Asset Management, Inc	76 Batterson Park Road, Farmington, CT 06032

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

17.2 If no, list exceptions:

**PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.
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 F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

NONE

PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	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	N						
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	N						
5. California.....CA	N						
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	N						
11. Georgia.....GA	N						
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	L	1,287,849	2,999,255	1,504,727	2,158,519	19,501,764	26,838,705
15. Indiana.....IN	L						
16. Iowa.....IA	L	5,447,651	7,224,185	1,308,627	405,017	38,439,815	32,819,908
17. Kansas.....KS	L	562,427	714,486	9,025	30,476	906,630	450,156
18. Kentucky.....KY	N						
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	N						
22. Massachusetts.....MA	N						
23. Michigan.....MI	L						
24. Minnesota.....MN	L	1,085,825	2,015,866	1,510,558	(500)	1,817,670	1,963,189
25. Mississippi.....MS	N						
26. Missouri.....MO	L						
27. Montana.....MT	N						
28. Nebraska.....NE	L	995,536	1,050,526	14,476	200,000	5,859,679	5,442,093
29. Nevada.....NV	L	3,814,888	3,915,559	536,956	131,111	17,990,892	16,325,527
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	L						
36. Ohio.....OH	L						
37. Oklahoma.....OK	N						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	N						
42. South Dakota.....SD	L	178,526	48,236			402,254	213,931
43. Tennessee.....TN	N						
44. Texas.....TX	N						
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	N						
48. Washington.....WA	N						
49. West Virginia.....WV	N						
50. Wisconsin.....WI	L	22,102,970	25,803,757	4,803,916	4,494,624	79,273,320	70,844,254
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....(a) 13		35,475,672	43,771,870	9,688,285	7,419,247	164,192,024	154,897,763

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

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NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....	153,580	27,644	18.0	14.2
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.....	5,575,246	1,832,473	32.9	19.6
11.2. Medical malpractice-claims made.....	26,259,029	9,261,973	35.3	19.6
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.....	1,477,787	499,707	33.8	25.9
17.2. Other liability-claims made.....			0.0	
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. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	33,465,642	11,621,797	34.7	19.8

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

	1 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.....			312,466
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	1,038,480	4,381,754	4,684,215
11.2. Medical malpractice-claims made.....	6,841,978	29,766,083	37,046,468
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.....	383,368	1,327,835	1,728,721
17.2. Other liability-claims made.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2. Private passenger auto liability.....			
19.3, 19.4. Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	8,263,826	35,475,672	43,771,870

DETAILS OF WRITE-INS

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2008 Loss and LAE Payments on Claims Reported as of Prior Year-End	2008 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2008 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2005 + Prior.....	48,394	45,827	94,221	11,284	185	11,469	47,315	297	35,140	82,752	10,205	(10,205)	0
2. 2006.....	17,299	32,803	50,102	3,430	450	3,880	17,841	173	28,208	46,222	3,972	(3,972)	0
3. Subtotals 2006 + Prior.....	65,693	78,630	144,323	14,714	635	15,349	65,156	470	63,348	128,974	14,177	(14,177)	0
4. 2007.....	25,209	36,764	61,973	1,039	757	1,796	16,121	494	45,562	62,177	(8,049)	10,049	2,000
5. Subtotals 2007 + Prior.....	90,902	115,394	206,296	15,753	1,392	17,145	81,277	964	108,910	191,151	6,128	(4,128)	2,000
6. 2008.....	XXX	XXX	XXX	XXX	1,181	1,181	XXX	3,251	23,302	26,553	XXX	XXX	XXX
7. Totals.....	90,902	115,394	206,296	15,753	2,573	18,326	81,277	4,215	132,212	217,704	6,128	(4,128)	2,000
8. Prior Year-End's Surplus As Regards Policyholders	90,995										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
											1.6.7 %	2.(3.6)%	3.1.0 %
													Col. 13, Line 7 Line 8
													4.2.2 %

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Bar Code:



Statement for June 30, 2008 of the **PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.**
Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2304. State Premium Tax Recoverable.....	50,444		50,444	107,295
2305. CAIG Retro Receivable.....	51,005	51,005	0	
2397. Summary of remaining write-ins for Line 23.....	101,449	51,005	50,444	107,295

Additional Write-ins for Statement of Income:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1404. Net Gain/(Loss) on Sale of Equipment.....	(6,369)	5,100	5,100
1497. Summary of remaining write-ins for Line 14.....	(6,369)	5,100	5,100

PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.
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.....	2,888,807	3,005,695
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....	58,442	116,888
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	2,830,365	2,888,807
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	2,830,365	2,888,807

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Capitalized deferred interest and other.....	NONE	
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

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.....	312,309,935	245,574,298
2. Cost of bonds and stocks acquired.....	41,751,706	183,290,499
3. Accrual of discount.....	425,016	507,758
4. Unrealized valuation increase (decrease).....		(115,815)
5. Total gain (loss) on disposals.....	79,615	154,912
6. Deduct consideration for bonds and stocks disposed of.....	36,749,717	116,357,350
7. Deduct amortization of premium.....	778,773	744,367
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....	5,018,917	
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	312,018,865	312,309,935
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	312,018,865	312,309,935

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	330,516,727	85,184,985	83,361,637	(5,219,580)	330,516,727	327,120,495		322,330,648
2. Class 2 (a).....	1,183,256			(132,029)	1,183,256	1,051,227		
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	331,699,983	85,184,985	83,361,637	(5,351,609)	331,699,983	328,171,722	0	322,330,648
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.....	331,699,983	85,184,985	83,361,637	(5,351,609)	331,699,983	328,171,722	0	322,330,648

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....16,152,857; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	16,152,857	XXX.....	16,177,733	39,551	28,222

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	5,417,116	22,534,695
2. Cost of short-term investments acquired.....	87,774,309	176,767,261
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	77,018,358	193,880,175
7. Deduct amortization of premium.....	20,211	4,665
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	16,152,857	5,417,116
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	16,152,857	5,417,116

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

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

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	4,603,597	1,462,500
2. Cost of cash equivalents acquired.....	225,273,283	846,288,984
3. Accrual of discount.....	60,630	515,424
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(143)	26
6. Deduct consideration received on disposals.....	229,937,367	843,663,337
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	4,603,597
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	4,603,597

**Sch. A-Part 2
NONE**

**Sch. A-Part 3
NONE**

**Sch. B-Part 2
NONE**

**Sch. B-Part 3
NONE**

**Sch. BA-Part 2
NONE**

**Sch. BA-Part 3
NONE**

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Political Subdivisions of States									
817207 GY 3	SENECA VY PA SCH DIST.....		04/03/2008.....	1STALBAN.....		4,056,075	3,750,000	54,141	1FE.....
2499999.	Total - Bonds - Political Subdivision.....					4,056,075	3,750,000	54,141	XXX.....
Bonds - Special Revenue and Special Assessment									
167727 LN 4	CHICAGO ILL WASTEWATER TRANSMI.....		04/01/2008.....	RAYMOND JAMES.....		3,215,073	2,995,000	41,587	1FE.....
249181 7F 9	DENVER COLO CITY & CNTY ARPT R.....		04/11/2008.....	GOLDMAN SACHS.....		1,791,650	1,750,000		1FE.....
359900 FY 8	FULTON CNTY GA DEV AUTH REV.....		04/11/2008.....	SALOMON SMITH BARNEY HLD.....		1,865,325	1,700,000	37,453	1FE.....
822270 AX 2	SHELBYVILLE KY INDL BLDG REV.....		04/30/2008.....	BANK OF NEW YORK.....		2,000,000	2,000,000		1FE.....
939828 PS 2	WASHINGTON ST PUB PWR SUPPLY.....		04/10/2008.....	SB.....		1,828,351	2,015,000		1FE.....
3199999.	Total - Bonds - Special Revenue & Special Assessments.....					10,700,399	10,460,000	79,040	XXX.....
Bonds - Industrial and Miscellaneous									
06051G DW 6	BANK OF AMERICA CORP.....		05/22/2008.....	BANK AMERICA.....		2,983,980	3,000,000	10,617	1FE.....
172967 EQ 0	CITIGROUP INC.....		05/21/2008.....	CITATION GROUP.....		1,008,340	1,000,000	7,028	1FE.....
59018Y VV 0	MERRILL LYNCH & CO.....		05/15/2008.....	MERRILL LYNCH.....		2,471,700	2,500,000	35,260	1FE.....
61746S BC 2	MORGAN STANLEY.....		05/14/2008.....	FIRST TENNESSEE.....		3,223,643	3,250,000	44,778	1FE.....
92976W AT 3	WACHOVIA CORP.....		05/14/2008.....	WACHOVIA/FIRST UNION.....		2,588,586	2,600,000	53,083	1FE.....
939333 AC 4	WASHINGTON MUTUAL FIN CP.....		05/15/2008.....	BARCLAYS AMERICAN.....		1,720,620	1,650,000	1,576	1FE.....
2515A0 NY 5	DEUTSCHE BANK AG LONDON.....	F.....	05/21/2008.....	J.P. MORGAN.....		3,005,220	3,000,000	2,844	1FE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....					17,002,089	17,000,000	155,186	XXX.....
6099997.	Total - Bonds - Part 3.....					31,758,563	31,210,000	288,367	XXX.....
6099999.	Total - Bonds.....					31,758,563	31,210,000	288,367	XXX.....
7499999.	Total - Bonds, Preferred and Common Stocks.....					31,758,563	XXX	288,367	XXX.....

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

QE04

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For orig 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)
Bonds - U.S. Government																					
31359M RG 0	FANNIE MAE.....	...	.05/16/2008	VARIOUS.....	.....	5,123,153	5,000,000	5,156,965	.....	.....	(9,550)	.....	(9,550)	.....	5,147,415	.....	(24,262)	(24,262)	146,806	03/15/2013	1.....
31359M YV 9	FANNIE MAE.....	...	.05/16/2008	BANK AMERICA.....	.....	2,594,700	2,500,000	2,480,000	2,485,829	.....	2,126	.....	2,126	.....	2,487,955	.....	106,745	106,745	94,115	08/11/2010	1.....
912828 BA 7	US TREASURY N/B.....	...	.05/15/2008	DEUTSCHE MORGAN.....	.....	2,041,250	2,000,000	2,085,625	2,049,643	.....	(3,181)	.....	(3,181)	.....	2,046,462	.....	(5,212)	(5,212)	36,447	05/15/2013	1.....
03999999	Total - Bonds - U.S. Government.....	.....	.....	.....	.....	9,759,103	9,500,000	9,722,590	4,535,472	.....	0	.....	(10,605)	.....	9,681,832	.....	77,271	77,271	277,368	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
3133TK UF 5	FHR 2149 QL.....	...	.06/01/2008	MBS PAYDOWN.....	.....	143,415	143,415	143,773	143,469	.....	(54)	.....	(54)	.....	143,415	.....	.....	.....	3,479	01/01/2012	1.....
31392H G7 2	FNR 2003-8 BK.....	...	.06/01/2008	MBS PAYDOWN.....	.....	89,701	89,701	91,102	89,877	.....	(176)	.....	(176)	.....	89,701	.....	.....	.....	1,481	01/01/2010	1.....
31392J GL 7	FNR 2003-14 AT.....	...	.06/01/2008	MBS PAYDOWN.....	.....	22,260	22,260	22,361	22,265	.....	(5)	.....	(5)	.....	22,260	.....	.....	.....	358	01/01/2020	1.....
31392J W9 6	FNR 2003-21 OG.....	...	.06/01/2008	MBS PAYDOWN.....	.....	15,001	15,001	15,029	15,002	.....	(1)	.....	(1)	.....	15,001	.....	.....	.....	247	10/01/2022	1.....
31392J Y5 2	FNR 2003-21 OV.....	...	.06/01/2008	MBS PAYDOWN.....	.....	14,653	14,653	14,669	14,654	.....	(1)	.....	(1)	.....	14,653	.....	.....	.....	244	04/01/2021	1.....
31393B 5N 1	FNR 2003-53 CA.....	...	.06/01/2008	MBS PAYDOWN.....	.....	52,560	52,560	53,291	52,648	.....	(88)	.....	(88)	.....	52,560	.....	.....	.....	857	12/01/2009	1.....
31393B BR 5	FNR 2003-36 OM.....	...	.04/01/2008	MBS PAYDOWN.....	.....	51,901	51,901	52,955	51,930	.....	(29)	.....	(29)	.....	51,901	.....	.....	.....	692	04/01/2008	1.....
31393B VA 0	FNR 2003-42 HE.....	...	.06/01/2008	MBS PAYDOWN.....	.....	41,459	41,459	42,379	41,516	.....	(57)	.....	(57)	.....	41,459	.....	.....	.....	682	06/01/2014	1.....
31393C 3C 5	FNR 2003-49 TK.....	...	.06/01/2008	MBS PAYDOWN.....	.....	95,647	95,647	93,614	95,526	.....	121	.....	121	.....	95,647	.....	.....	.....	1,359	11/01/2015	1.....
31393C U7 6	FNR 2003-52 LH.....	...	.06/01/2008	MBS PAYDOWN.....	.....	172,464	172,464	171,683	172,405	.....	59	.....	59	.....	172,464	.....	.....	.....	2,515	11/01/2009	1.....
31393C YW 7	FNR 2003-46 PD.....	...	.05/01/2008	MBS PAYDOWN.....	.....	251,016	251,016	256,899	251,262	.....	(246)	.....	(246)	.....	251,016	.....	.....	.....	3,626	05/01/2008	1.....
31393D QW 4	FNR 2003-67 TD.....	...	.06/01/2008	MBS PAYDOWN.....	.....	21,269	21,269	21,868	21,304	.....	(34)	.....	(34)	.....	21,269	.....	.....	.....	348	05/01/2013	1.....
31393D VH 1	FNR 2003-61 HL.....	...	.06/01/2008	MBS PAYDOWN.....	.....	419,176	419,176	415,901	418,740	.....	436	.....	436	.....	419,176	.....	.....	.....	5,280	07/01/2008	1.....
31393G P3 2	FHR 2542 UY.....	...	.06/01/2008	MBS PAYDOWN.....	.....	79,770	79,770	80,044	79,816	.....	(46)	.....	(46)	.....	79,770	.....	.....	.....	1,293	06/01/2010	1.....
31393K TV 7	FHR 2575 QD.....	...	.06/01/2008	MBS PAYDOWN.....	.....	148,145	148,145	148,608	148,231	.....	(86)	.....	(86)	.....	148,145	.....	.....	.....	3,593	12/01/2010	1.....
31393L H8 9	FHR 2564 CN.....	...	.06/01/2008	MBS PAYDOWN.....	.....	151,818	151,818	151,439	151,811	.....	7	.....	7	.....	151,818	.....	.....	.....	1,906	10/01/2008	1.....
31393L MY 6	FHR 2564 OR.....	...	.06/01/2008	MBS PAYDOWN.....	.....	172,104	172,104	166,510	171,532	.....	572	.....	572	.....	172,104	.....	.....	.....	3,145	08/01/2009	1.....
31393M ZM 6	FHR 2583 PK.....	...	.06/01/2008	MBS PAYDOWN.....	.....	194,011	194,011	196,860	194,220	.....	(209)	.....	(209)	.....	194,011	.....	.....	.....	3,136	05/01/2009	1.....
31393N K5 7	FHR 2590 OA.....	...	.06/01/2008	MBS PAYDOWN.....	.....	37,659	37,659	38,206	37,677	.....	(18)	.....	(18)	.....	37,659	.....	.....	.....	625	04/01/2023	1.....
31393N NY 1	FHR 2590 XW.....	...	.06/01/2008	MBS PAYDOWN.....	.....	49,071	49,071	49,892	49,155	.....	(83)	.....	(83)	.....	49,071	.....	.....	.....	802	09/01/2009	1.....
31393P LT 9	FHR 2602 WH.....	...	.06/01/2008	MBS PAYDOWN.....	.....	69,415	69,415	70,315	69,518	.....	(103)	.....	(103)	.....	69,415	.....	.....	.....	1,161	11/01/2010	1.....
31393P VP 6	FHR 2594 XA.....	...	.06/01/2008	MBS PAYDOWN.....	.....	54,983	54,983	56,409	55,105	.....	(122)	.....	(122)	.....	54,983	.....	.....	.....	894	07/01/2010	1.....
31393Q AN 2	FHR 2621 OD.....	...	.06/01/2008	MBS PAYDOWN.....	.....	77,225	77,225	78,069	77,324	.....	(99)	.....	(99)	.....	77,225	.....	.....	.....	957	11/01/2009	1.....
31393T BC 9	FNR 2003-92 KQ.....	...	.06/01/2008	MBS PAYDOWN.....	.....	178,490	178,490	179,940	178,718	.....	(228)	.....	(228)	.....	178,490	.....	.....	.....	2,648	02/01/2009	1.....
31393U 3Y 7	FNR 2004-2 OU.....	...	.06/01/2008	MBS PAYDOWN.....	.....	342,738	342,738	350,291	343,789	.....	(1,051)	.....	(1,051)	.....	342,738	.....	.....	.....	5,634	12/01/2008	1.....
31393U 5A 7	FNR 2004-13 PF.....	...	.06/01/2008	MBS PAYDOWN.....	.....	215,427	215,427	217,244	215,687	.....	(261)	.....	(261)	.....	215,427	.....	.....	.....	3,288	01/01/2009	1.....
31393U AU 7	FNR 2003-123 PD.....	...	.06/01/2008	MBS PAYDOWN.....	.....	57,814	57,814	58,672	57,875	.....	(61)	.....	(61)	.....	57,814	.....	.....	.....	1,026	01/01/2011	1.....
31393U CB 7	FNR 2003-123 YH.....	...	.06/01/2008	MBS PAYDOWN.....	.....	116,766	116,766	117,678	116,843	.....	(76)	.....	(76)	.....	116,766	.....	.....	.....	1,954	10/01/2010	1.....
31393U NB 5	FNR 2003-118 PB.....	...	.06/01/2008	MBS PAYDOWN.....	.....	60,043	60,043	60,324	60,088	.....	(45)	.....	(45)	.....	60,043	.....	.....	.....	995	11/01/2009	1.....
31393U UQ 4	FNR 2003-132 PE.....	...	.06/01/2008	MBS PAYDOWN.....	.....	148,469	148,469	151,346	148,936	.....	(467)	.....	(467)	.....	148,469	.....	.....	.....	2,311	11/01/2008	1.....
31393U VN 0	FNR 2003-130 PB.....	...	.06/01/2008	MBS PAYDOWN.....	.....	83,248	83,248	84,080	83,385	.....	(138)	.....	(138)	.....	83,248	.....	.....	.....	1,367	01/01/2009	1.....
31393V A6 8	FHR 2634 TA.....	...	.06/01/2008	MBS PAYDOWN.....	.....	22,217	22,217	22,675	22,245	.....	(28)	.....	(28)	.....	22,217	.....	.....	.....	328	10/01/2013	1.....
31393V U9 0	FHR 2639 HC.....	...	.06/01/2008	MBS PAYDOWN.....	.....	92,372	92,372	92,819	92,425	.....	(53)	.....	(53)	.....	92,372	.....	.....	.....	1,311	11/01/2010	1.....
31393W 5R 6	FHR 2651 VA.....	...	.06/01/2008	MBS PAYDOWN.....	.....	69,757	69,757	69,910	69,788	.....	(30)	.....	(30)	.....	69,757	.....	.....	.....	1,019	10/01/2009	1.....
31394H KP 5	FHR 2656 PB.....	...	.06/01/2008	MBS PAYDOWN.....	.....	154,556	154,556	156,536	154,765	.....	(209)	.....	(209)	.....	154,556	.....	.....	.....	2,190	06/01/2009	1.....
31394H ZV 6	FHR 2672 WA.....	...	.06/01/2008	MBS PAYDOWN.....	.....	88,770	88,770	90,601	88,911	.....	(141)	.....	(141)	.....	88,770	.....	.....	.....	1,478	08/01/2010	1.....
31394J SC 2	FHR 2677 BN.....	...	.06/01/2008	MBS PAYDOWN.....	.....	105,699	105,699	105,418	105,686	.....	13	.....	13	.....	105,699	.....	.....	.....	1,552	11/01/2009	1.....
31394M HR 4	FHR 2710 HC.....	...	.06/01/2008	MBS PAYDOWN.....	.....	76,064	76,064	73,833	75,931	.....	133	.....	133	.....	76,064	.....	.....	.....	1,332	02/01/2014	1.....
31394M P5 3	FHR 2715 QB.....	...	.04/01/2008	MBS PAYDOWN.....	.....	16,679	16,679	16,997	16,702	.....	(22)	.....	(22)	.....	16,679	.....	.....	.....	195	04/01/2008	1.....
31394M UX 6	FHR 2723 QE.....	...	.06/01/2008	MBS PAYDOWN.....	.....	126,014	126,014	126,801	126,284	.....	(270)	.....	(270)	.....	126,014	.....	.....	.....	1,846	08/01/2008	1.....
31394M YC 8	FHR 2720 PH.....	...	.06/01/2008	MBS PAYDOWN.....	.....	193,641	193,641	195,486	194,040	.....	(400)	.....	(400)	.....	193,641	.....	.....	.....	2,739	12/01/2008	1.....
31394P 4U 4	FHR 2728 DQ.....	...	.06/01/2008	MBS PAYDOWN.....	.....	97,715	97,715	99,140	97,807	.....	(92)	.....	(92)	.....	97,715	.....	.....	.....	1,587	01/01/2013	1.....
31394R A2 5	FHR 2751 NP.....	...	.06/01/2008	MBS PAYDOWN.....	.....	54,792	54,792	54,929	54,814	.....	(22)	.....	(22)	.....	54,792	.....	.....	.....	794	01/01/2010	1.....
31394R XC 8	FHR 2765 JL.....	...	.06/01/2008	MBS PAYDOWN.....	.....	210,779	210,779	213,967	211,411	.....	(631)	.....	(631)	.....	210,779	.....	.....	.....	3,033	01/01/2011	1.....

QE05

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For 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
31394R XE 4	FHR 2765 JN.....		06/01/2008	MBS PAYDOWN.....		126,468	126,468	128,088	126,641		(174)		(174)		126,468			0	2,080	01/01/2011	1.....
31394R ZV 4	FHR 2769 JK.....		06/01/2008	MBS PAYDOWN.....		239,112	239,112	244,791	239,703		(590)		(590)		239,112			0	3,411	10/01/2008	1.....
31394U GN 6	FNR 2005-98 SX.....		06/25/2008	MBS PAYDOWN.....		133,978	133,978	132,973	129,839		4,139		4,139		133,978			0	5,673	08/25/2010	1.....
31394V D6 4	FNR 2006-2 SK.....		06/25/2008	MBS PAYDOWN.....		90,291	90,291	89,275	88,597		1,695		1,695		90,291			0	5,437	01/25/2011	1.....
31394W HU 5	FHR 2776 QP.....		06/01/2008	MBS PAYDOWN.....		71,842	71,842	72,381	71,861		(19)		(19)		71,842			0	1,174	12/01/2018	1.....
31394X 3J 3	FHR 2783 MJ.....		06/01/2008	MBS PAYDOWN.....		115,041	115,041	117,162	115,388		(347)		(347)		115,041			0	1,860	02/01/2009	1.....
31395D BP 3	FNR 2006-40 VA.....		06/01/2008	MBS PAYDOWN.....		20,758	20,758	20,406	20,741		17		17		20,758			0	476	04/01/2013	1.....
31395H ZP 8	FHR 2886 CJ.....		06/01/2008	MBS PAYDOWN.....		34,341	34,341	33,332	34,278		63		63		34,341			0	707	09/01/2015	1.....
31395J 3J 3	FHR 2885 LC.....		06/01/2008	MBS PAYDOWN.....		53,614	53,614	53,245	53,599		15		15		53,614			0	982	10/01/2019	1.....
31396F KG 7	FHR 3072 NK.....		06/01/2008	MBS PAYDOWN.....		60,593	60,593	59,144	60,501		92		92		60,593			0	1,271	07/01/2013	1.....
31396G SH 5	FHR 3098 MS.....		06/15/2008	MBS PAYDOWN.....		178,237	178,237	168,434	174,516		3,721		3,721		178,237			0	7,391	03/15/2009	1.....
31396H L2 3	FHR 3115 LA.....		06/01/2008	MBS PAYDOWN.....		35,057	35,057	33,830	34,979		79		79		35,057			0	728	06/01/2013	1.....
31396N M2 9	FHR 3147 YE.....		06/01/2008	MBS PAYDOWN.....		129,508	129,508	127,525	129,345		164		164		129,508			0	2,931	12/01/2015	1.....
38374B U7 6	GNR 2003-70 HU.....		06/01/2008	MBS PAYDOWN.....		243,625	243,625	249,526	244,732		(1,107)		(1,107)		243,625			0	3,852	06/01/2008	1.....
38374C SP 7	GNR 2003-82 PA.....		06/01/2008	MBS PAYDOWN.....		76,295	76,295	77,153	76,473		(177)		(177)		76,295			0	1,282	02/01/2009	1.....
38374C SZ 5	GNR 2003-83 AB.....		06/01/2008	MBS PAYDOWN.....		51,160	51,160	52,040	51,229		(69)		(69)		51,160			0	847	10/01/2011	1.....
38374F 4M 3	GNR 2004-26 HD.....		06/01/2008	MBS PAYDOWN.....		107,381	107,381	107,800	107,444		(63)		(63)		107,381			0	1,431	10/01/2009	1.....
38374F 4R 2	GNR 2004-26 HJ.....		06/01/2008	MBS PAYDOWN.....		107,381	107,381	109,880	107,645		(264)		(264)		107,381			0	1,761	10/01/2009	1.....
38374F NS 9	GNR 2004-11 PC.....		06/01/2008	MBS PAYDOWN.....		118,594	118,594	118,408	118,596		(3)		(3)		118,594			0	1,478	09/01/2009	1.....
38374F WT 7	GNR 2004-19 KL.....		06/01/2008	MBS PAYDOWN.....		178,837	178,837	181,854	179,228		(391)		(391)		178,837			0	2,428	08/01/2009	1.....
38374G 2C 5	GNR 2004-41 EG.....		06/01/2008	MBS PAYDOWN.....		195,564	195,564	198,528	196,515		(951)		(951)		195,564			0	3,257	08/01/2008	1.....
38374H 7K 0	GNR 2004-69 AN.....		06/01/2008	MBS PAYDOWN.....		303,503	303,503	295,915	302,610		893		893		303,503			0	5,375	05/01/2011	1.....
38374L U7 4	GNR 2005-66 SX.....		06/16/2008	MBS PAYDOWN.....		120,838	120,838	116,458	118,615		2,224		2,224		120,838			0	4,735	09/16/2009	1.....
38374M EQ 8	GNR 2005-84 SC.....		06/30/2008	VARIOUS.....		171,395	171,395	168,985	168,596		2,799		2,799		171,395			0	8,779	05/16/2010	1.....
3199999	Total - Bonds - Special Revenue & Assessment.....					7,900,186	7,900,186	7,927,696	7,892,788	0	7,405	0	7,405	0	7,900,186	0	0	0	146,653	XXX	XXX
Bonds - Industrial and Miscellaneous																					
000780 KN 5	AMAC 2003-7 A2.....		06/01/2008	MBS PAYDOWN.....		31,396	31,396	32,318	31,435		(39)		(39)		31,396			0	658	05/01/2018	1FE.....
05948K HN 2	BOAA 2003-10 5A2.....		06/01/2008	MBS PAYDOWN.....		30,530	30,530	30,473	30,529		1		1		30,530			0	586	11/01/2018	1FE.....
05948P AV 0	BOAMS 2003-1 2A1.....		06/01/2008	MBS PAYDOWN.....		10,993	10,993	11,275	11,004		(11)		(11)		10,993			0	243	01/01/2018	1FE.....
12667F AG 0	CWALT 2004-2CB 1A1.....		06/01/2008	MBS PAYDOWN.....		56,944	56,944	57,665	57,023		(79)		(79)		56,944			0	997	10/01/2010	1FE.....
12667F NE 1	CWALT 2004-14T2 B1.....		06/01/2008	MBS PAYDOWN.....		26,719	26,719	26,919	26,729		(10)		(10)		26,719			0	639	07/01/2034	1FE.....
12667F UW 3	CWALT 2004-J10 1A3.....		06/01/2008	MBS PAYDOWN.....		65,060	65,060	65,843	65,154		(94)		(94)		65,060			0	1,146	09/01/2034	1FE.....
12669D LJ 5	CWHL 2002-32 3A1.....		06/01/2008	MBS PAYDOWN.....		19,976	19,976	20,466	20,000		(25)		(25)		19,976			0	428	11/01/2017	1FE.....
161551 FV 3	CFAB 2002-2 1M2.....		06/01/2008	MBS PAYDOWN.....		29,917	29,917	29,739	29,908		9		9		29,917			0	746	04/01/2010	1FE.....
16162T 5L 6	CHASE 2003-S5 A5.....		06/01/2008	MBS PAYDOWN.....		55,006	55,006	56,536	55,037		(32)		(32)		55,006			0	1,096	08/01/2022	1FE.....
22541S X2 9	CSFB 2004-8 6A1.....		06/01/2008	MBS PAYDOWN.....		94,024	94,024	94,479	94,054		(30)		(30)		94,024			0	1,759	10/01/2019	1FE.....
22541S ZN 1	CSFB 2004-5 5A2.....		06/01/2008	MBS PAYDOWN.....		40,050	40,050	40,564	40,075		(24)		(24)		40,050			0	802	07/01/2019	1FE.....
225458 BZ 0	CSFB 2005-1 DB1.....		06/01/2008	MBS PAYDOWN.....		11,545	11,545	11,805	11,553		(8)		(8)		11,545			0	265	12/01/2034	1FE.....
36228F PF 7	GSR 2003-3F 2A1.....		06/01/2008	MBS PAYDOWN.....		17,167	17,167	17,583	17,172		(4)		(4)		17,167			0	325	12/01/2032	1FE.....
45660N N5 0	RAST 2004-A5 B1.....		06/01/2008	MBS PAYDOWN.....		18,486	18,486	18,665	18,493		(7)		(7)		18,486			0	424	07/01/2034	1FE.....
45660N N6 8	RAST 2004-A5 B2.....		06/01/2008	MBS PAYDOWN.....		8,217	8,217	8,155	8,216		1		1		8,217			0	189	07/01/2034	1FE.....
52108H RA 4	LBUBS 2003-C3 A2.....		06/11/2008	MBS PAYDOWN.....		814,392	814,392	791,487	807,358		7,035		7,035		814,392			0	10,007	02/11/2009	1FE.....
52520M CJ 0	LMT 2005-2 5A2.....		06/25/2008	MBS PAYDOWN.....		38,807	38,807	36,030	38,030		777		777		38,807			0	2,579	09/25/2024	1FE.....
55265K 5Q 8	MASTR 2004-1 3A1.....		06/01/2008	MBS PAYDOWN.....		157,073	157,073	153,355	156,858		215		215		157,073			0	2,973	04/01/2020	1FE.....
55265K 7L 7	MASTR 2004-3 1A2.....		06/01/2008	MBS PAYDOWN.....		16,574	16,574	16,812	16,581		(6)		(6)		16,574			0	315	02/01/2024	1FE.....
55265K QU 6	MASTR 2003-1 3A2.....		06/01/2008	MBS PAYDOWN.....		20,173	20,173	20,596	20,187		(14)		(14)		20,173			0	402	01/01/2018	1FE.....
576434 MD 3	MALT 2004-1 B2.....		06/01/2008	MBS PAYDOWN.....		29,742	29,742	30,337	29,762		(20)		(20)		29,742			0	676	12/01/2033	1FE.....
761118 SE 9	RALI 2006-QS1 A6.....		06/25/2008	MBS PAYDOWN.....		48,633	48,633	45,677	47,305		1,328		1,328		48,633			0	3,012	04/25/2025	1FE.....
76111J B2 9	RFMSI 2002-S17 A2.....		06/01/2008	MBS PAYDOWN.....		21,662	21,662	22,156	21,682		(20)		(20)		21,662			0	439	11/01/2017	1FE.....

QE05.1

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
76111X HG 1	RFMSI 2004-S4 2A1.....	...	.06/01/2008	MBS PAYDOWN.....	.....	.....127,488	.....127,488	.....126,711	.....127,454	.....	.....34	.....	.....34	.....	.....127,488	.....	.....0	.....0	.....1,571	08/01/2010	1FE.....
863576 BP 8	SASC 2005-6 2A9.....	...	.06/25/2008	MBS PAYDOWN.....	.....	.....7	.....7	.....7	.....7	.....	.....	.....	.....0	.....7	.....	.....0	.....0	.....0	.....	04/25/2023	1FE.....
949780 AA 8	WFMSB 2003-6 1A1.....	...	.06/01/2008	MBS PAYDOWN.....	.....	.....71,197	.....71,197	.....73,289	.....71,298	.....	.....(101)	.....	.....(101)	.....	.....71,197	.....	.....0	.....0	.....1,444	05/01/2018	1FE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....					.....1,861,778	.....1,861,778	.....1,838,942	.....1,852,904	.....0	.....8,876	.....0	.....8,876	.....0	.....1,861,778	.....0	.....0	.....0	.....33,721	.....XXX.....	.....XXX.....
6099997.	Total - Bonds - Part 4.....					.....19,521,067	.....19,261,964	.....19,489,228	.....14,281,164	.....0	.....5,676	.....0	.....5,676	.....0	.....19,443,796	.....0	.....77,271	.....77,271	.....457,742	.....XXX.....	.....XXX.....
6099999.	Total - Bonds.....					.....19,521,067	.....19,261,964	.....19,489,228	.....14,281,164	.....0	.....5,676	.....0	.....5,676	.....0	.....19,443,796	.....0	.....77,271	.....77,271	.....457,742	.....XXX.....	.....XXX.....
7499999.	Total - Bonds, Preferred and Common Stocks.....					.....19,521,067	.....XXX.....	.....19,489,228	.....14,281,164	.....0	.....5,676	.....0	.....5,676	.....0	.....19,443,796	.....0	.....77,271	.....77,271	.....457,742	.....XXX.....	.....XXX.....

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

QE05.2

**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								
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(1,270,778)	.....(963,774)	.....(1,314,734)	XXX
BANK OF AMERICA.....	ATLANTA, GA.....	.....	.....	.....	.....75,164	.....108,148	.....601,856	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(1,195,614)	.....(855,627)	.....(712,878)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(1,195,614)	.....(855,627)	.....(712,878)	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	.....(1,195,614)	.....(855,627)	.....(712,878)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
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NONE