

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, 2007

2007



QUARTERLY STATEMENT

As of June 30, 2007
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 Incorporated/Organized..... October 3, 1986	State of Domicile or Port of Entry WISCONSIN Commenced Business..... November 1, 1986	Country of Domicile US
Statutory Home Office	1002 DEMING WAY..... MADISON WI 53717 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	1002 DEMING WAY..... MADISON WI 53717 <i>(Street and Number) (City or Town, State and Zip Code)</i>	608-831-8331 <i>(Area Code) (Telephone Number)</i>
Mail Address	PO Box 45650..... MADISON WI 53717 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	1002 DEMING WAY..... MADISON WI 53717 <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>
Policyowner Relations Contact	1002 DEMING WAY..... MADISON WI 53717 <i>(Street and Number) (City or Town, State and Zip Code)</i>	608-831-8331 <i>(Area Code) (Telephone Number) (Extension)</i>

OFFICERS

Name	Title	Name	Title
1. DARRYL KEITH THOMAS	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. JAMES JOSEPH MORELLO	TREASURER	4. AUBREY DERRILL CROWE	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

AUBREY DERRILL CROWE	VICTOR THOMAS ADAMO	PAUL RICHARD BUTRUS	EDWARD LEWIS RAND, JR.
HOWARD HARLEY FRIEDMAN	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) JAMES JOSEPH MORELLO _____ 3. (Printed Name) TREASURER _____ (Title)
--	---	---

Subscribed and sworn to before me
This _____ day of _____

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	278,156,653		278,156,653	245,574,301
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).....	2,407,249		2,407,249	2,465,695
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 (\$.....1,015,600), cash equivalents (\$.....18,027,355) and short-term investments (\$.....11,136,393).....	30,179,349		30,179,349	26,280,870
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....			0	
8. Receivables for securities.....			0	21,103
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	311,283,251	0	311,283,251	274,881,969
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	2,146,012		2,146,012	1,463,601
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	5,508,427	2,727	5,505,700	3,485,085
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	13,902,126		13,902,126	14,930,715
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	1,387,667		1,387,667	2,178,044
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....			0	6,962,165
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	6,738,305		6,738,305	8,648,215
16.2 Net deferred tax asset.....	9,566,272	4,965,518	4,600,754	5,760,422
17. Guaranty funds receivable or on deposit.....	694		694	
18. Electronic data processing equipment and software.....	275,844	140,838	135,006	151,119
19. Furniture and equipment, including health care delivery assets (\$.....0).....	315,557	315,557	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	34,684		34,684	20,026,765
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	2,200,060	165,256	2,034,804	710,834
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	353,358,899	5,589,896	347,769,003	339,198,934
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	353,358,899	5,589,896	347,769,003	339,198,934

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.....	56,279	56,279	0	
2302. Amounts Receivable under High Deductible Policies.....	1,708,280		1,708,280	697,238
2303. Accounts Receivable-Other.....	108,977	108,977	0	13,596
2398. Summary of remaining write-ins for Line 23 from overflow page.....	326,524	0	326,524	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	2,200,060	165,256	2,034,804	710,834

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....5,032,099).....	110,158,106	111,313,284
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	85,693,281	74,052,106
4. Commissions payable, contingent commissions and other similar charges.....	2,069,362	1,878,571
5. Other expenses (excluding taxes, licenses and fees).....	1,593,242	3,765,906
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	164,123	(275,193)
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 \$.....11,040,734 and including warranty reserves of \$.....0).....	30,892,638	25,392,599
10. Advance premium.....	1,369,157	5,803,694
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	24,769,354	6,781,540
13. Funds held by company under reinsurance treaties.....		24,292,276
14. Amounts withheld or retained by company for account of others.....		11,135
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	25,600	25,600
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	979,890	
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.....	1,509,211	1,745,856
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	259,223,964	254,787,374
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	259,223,964	254,787,374
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.....	22,775,034	22,775,034
33. Unassigned funds (surplus).....	48,770,005	44,636,524
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).....	88,545,039	84,411,558
36. TOTALS.....	347,769,003	339,198,932

DETAILS OF WRITE-INS

2301. Judgment Liability.....	1,062,980	1,015,270
2302. Deferred Service Revenue.....		190,808
2303. Retroactive Reinsurance Reserve.....	446,231	499,237
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	40,541
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	1,509,211	1,745,856
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 \$.....43,771,870).....	39,877,594	39,911,478	77,736,535
1.2 Assumed..... (written \$.....0).....	2,777	2,485	23,382
1.3 Ceded..... (written \$.....2,729,405).....	4,423,337	8,367,013	15,704,242
1.4 Net..... (written \$.....41,042,465).....	35,457,034	31,546,950	62,055,675
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....5,032,099):			
2.1 Direct.....	7,902,430	17,111,974	32,966,505
2.2 Assumed.....		(26,705)	(32,000)
2.3 Ceded.....	2,870,331	5,196,723	6,259,579
2.4 Net.....	5,032,099	11,888,546	26,674,926
3. Loss expenses incurred.....	25,382,529	12,873,915	39,428,997
4. Other underwriting expenses incurred.....	7,251,514	6,522,356	15,345,774
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	37,666,142	31,284,817	81,449,697
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(2,209,108)	262,133	(19,394,022)
INVESTMENT INCOME			
9. Net investment income earned.....	6,925,329	5,368,242	11,081,194
10. Net realized capital gains (losses) less capital gains tax of \$.....53,995.....	100,275	141,766	(5,848,310)
11. Net investment gain (loss) (Lines 9 + 10).....	7,025,604	5,510,008	5,232,884
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....2,278).....	(2,278)	(2,380)	(118,795)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	204,713	153,788	(5,812,128)
15. Total other income (Lines 12 through 14).....	202,435	151,408	(5,930,923)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	5,018,931	5,923,549	(20,092,061)
17. Dividends to policyholders.....		1,182,934	1,182,934
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	5,018,931	4,740,615	(21,274,995)
19. Federal and foreign income taxes incurred.....	188,136	549,096	(5,053,935)
20. Net income (Line 18 minus Line 19) (to Line 22).....	4,830,795	4,191,519	(16,221,060)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	84,411,561	76,198,732	76,198,733
22. Net income (from Line 20).....	4,830,795	4,191,519	(16,221,060)
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)	(4,180,770)	(2,939,542)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(1,227,009)	(825,587)	30,486
27. Change in nonadmitted assets.....	645,507	351,419	7,140,249
28. Change in provision for reinsurance.....			(25,600)
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.....			(1,607,523)
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....		41,472	11,632,876
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.....			10,202,942
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	4,133,478	(421,947)	8,212,828
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	88,545,039	75,776,785	84,411,561
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.....	79,248	153,753	513,335
1402. Impairment of Internally Developed Software.....			(6,394,117)
1403. Retroactive Reinsurance Gain/(Loss).....			69,134
1498. Summary of remaining write-ins for Line 14 from overflow page.....	125,465	35	(480)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	204,713	153,788	(5,812,128)
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.....	53,515,597	72,281,287
2. Net investment income.....	6,331,384	10,331,226
3. Miscellaneous income.....	202,435	(5,133,456)
4. Total (Lines 1 through 3).....	60,049,416	77,479,057
5. Benefit and loss related payments.....	12,176,089	41,805,578
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	8,794,765	12,719,768
8. Dividends paid to policyholders.....		1,182,934
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(1,667,779)	(1,843,222)
10. Total (Lines 5 through 9).....	19,303,075	53,865,058
11. Net cash from operations (Line 4 minus Line 10).....	40,746,341	23,613,999
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	47,601,394	79,551,631
12.2 Stocks.....		45,596,676
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.....		
12.7 Miscellaneous proceeds.....	21,103	(21,103)
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	47,622,497	125,127,204
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	80,059,497	127,740,341
13.2 Stocks.....	115,815	7,777,072
13.3 Mortgage loans.....		
13.4 Real estate.....		7,275
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	80,175,312	135,524,688
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).....	(32,552,815)	(10,397,484)
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.....		20,228,295
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).....	(4,295,047)	(14,376,997)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(4,295,047)	5,851,298
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).....	3,898,479	19,067,813
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	26,280,871	7,213,058
19.2 End of period (Line 18 plus Line 19.1).....	30,179,350	26,280,871

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

20.0001		
---------------	--	--

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

Paid loss expenses of \$39,428,997 for the year ended December 31, 2006 have been reclassified from line 7 to line 5 in the current Cash Flow Statement (page 5) to present the amounts on a basis consistent with the current period.

At December 31, 2006, \$24,292,276 due reinsurers were classified as "Funds held by company under reinsurance treaties" (page 3, line 13); these amounts have been reclassified to "Ceded reinsurance premiums payable" in the accompanying report (page 3, line 12) to present them on a basis consistent with the current period.

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.

NOTES TO FINANCIAL STATEMENTS

Note 15 - Leases

No significant change.

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. 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

No significant change.

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. 12/31/2004.....
- 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). 01/26/2006.....
- 6.4 By what department or departments?
Wisconsin Office of the Commissioner of Insurance

- 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	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....0	\$.....0
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).....	\$.....0	\$.....0
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$.....0	\$.....0

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

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

- 17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

1	2
Name of Custodian(s)	Custodian Address
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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

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

1	2	3
Central Registration Depository	Name(s)	Address
None		

- 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:

**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

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.....	3,005,695	3,115,106
2. Increase (decrease) by adjustment.....	(58,446)	(116,687)
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....		7,276
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.....	2,947,249	3,005,695
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	2,947,249	3,005,695
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	2,947,249	3,005,695

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.....	NONE	
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.....		
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount.....	NONE	
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.....	0	0
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0	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.....	245,574,298	244,397,875
2. Cost of bonds and stocks acquired.....	80,175,312	135,517,413
3. Accrual of discount.....	277,166	897,182
4. Increase (decrease) by adjustment.....	(115,815)	(12,402,801)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	154,271	2,707,569
7. Consideration for bonds and stocks disposed of.....	47,601,394	125,148,308
8. Amortization of premium.....	307,186	394,632
9. Book/adjusted carrying value, current period.....	278,156,653	245,574,298
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	278,156,653	245,574,298
12. Total nonadmitted amounts.....		
13. Statement value.....	278,156,653	245,574,298

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 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1.....	298,504,817	145,834,113	137,091,045	72,517	298,504,817	307,320,402		268,108,996
2. Class 2.....								
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	298,504,817	145,834,113	137,091,045	72,517	298,504,817	307,320,402	0	268,108,996
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.....	298,504,817	145,834,113	137,091,045	72,517	298,504,817	307,320,402	0	268,108,996

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.....	11,136,393	XXX	11,136,393		

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.....	22,534,695	9,341,324
2. Cost of short-term investments acquired.....	134,488,903	234,054,585
3. Increase (decrease) by adjustment.....		
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....		
6. Consideration received on disposal of short-term investments.....	145,887,205	220,861,214
7. Book/adjusted carrying value, current period.....	11,136,393	22,534,695
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	11,136,393	22,534,695
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	11,136,393	22,534,695
12. Income collected during period.....	630,170	845,296
13. Income earned during period.....	579,849	928,983

**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	NO						
9. District of Columbia.....DC	NO						
10. Florida.....FL	NO						
11. Georgia.....GA	NO						
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	2,999,255	4,397,518	2,158,519	422,227	26,838,705	28,559,079
15. Indiana.....IN	YES						
16. Iowa.....IA	YES	7,224,185	9,182,706	405,017	2,159,686	32,819,908	28,719,723
17. Kansas.....KS	YES	714,486	527,589	30,476	21,018	450,156	271,353
18. Kentucky.....KY	NO						
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	NO						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	YES						
24. Minnesota.....MN	YES	2,015,866	1,650,069	(500)	17,985	1,963,189	3,929,229
25. Mississippi.....MS	NO						
26. Missouri.....MO	YES						
27. Montana.....MT	NO						
28. Nebraska.....NE	YES	1,050,526	983,851	200,000	2,342	5,442,093	4,785,653
29. Nevada.....NV	YES	3,915,559	4,348,603	131,111	1,826,199	16,325,527	13,262,537
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	YES						
36. Ohio.....OH	YES						
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	YES	48,236	44,043			213,931	244,293
43. Tennessee.....TN	NO						
44. Texas.....TX	NO						
45. Utah.....UT	NO						
46. Vermont.....VT	NO						
47. Virginia.....VA	NO						
48. Washington.....WA	NO						
49. West Virginia.....WV	NO						
50. Wisconsin.....WI	YES	25,803,757	27,225,306	4,494,624	4,037,051	70,844,254	66,098,067
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) 13	43,771,870	48,359,685	7,419,247	8,486,508	154,897,763	145,869,934

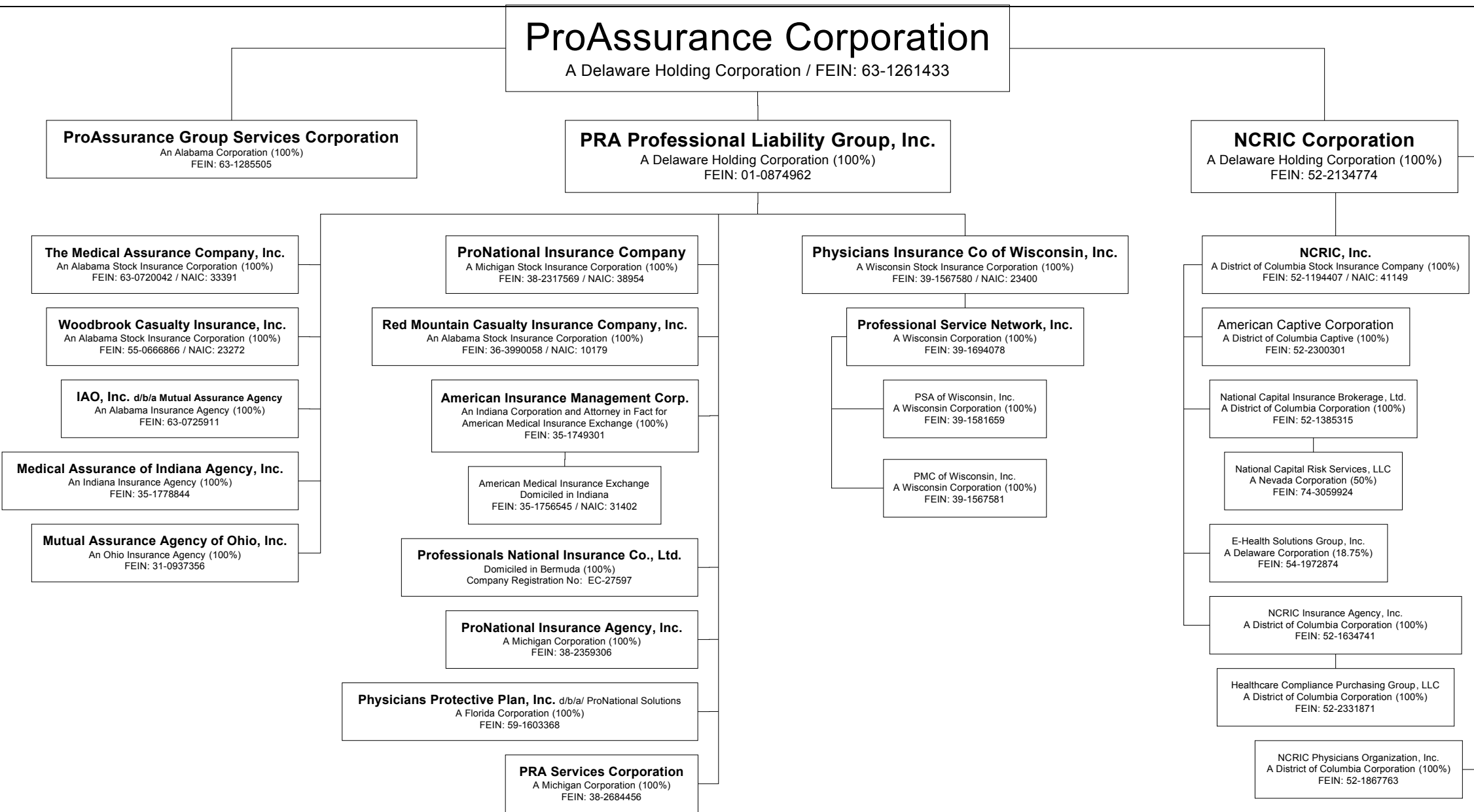
DETAILS OF WRITE-INS

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.....	409,258	58,242	14.2	42.9
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.....	7,092,826	1,389,238	19.6	42.9
11.2. Medical malpractice-claims made.....	30,580,919	5,989,740	19.6	42.9
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	42.9
17.1. Other liability-occurrence.....	1,794,593	465,210	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. 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.....	39,877,596	7,902,430	19.8	

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	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	190,252	312,466	435,919
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	1,766,793	4,684,215	6,981,450
11.2. Medical malpractice-claims made.....	9,360,949	37,046,468	38,472,822
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.....	617,842	1,728,721	2,469,494
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. 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.....	11,935,836	43,771,870	48,359,685

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	51,522	35,972	87,494	11,966	1,117	13,083	42,933	1,546	29,932	74,411	3,377	(3,377)	0
2. 2005	18,507	24,505	43,012	2,129	498	2,627	14,645	555	25,185	40,385	(1,733)	1,733	0
3. Subtotals 2005 + Prior	70,029	60,477	130,506	14,095	1,615	15,710	57,578	2,101	55,117	114,796	1,644	(1,644)	0
4. 2006	27,555	27,303	54,858	2,589	900	3,489	18,145	3,353	29,871	51,369	(6,821)	6,821	0
5. Subtotals 2006 + Prior	97,584	87,780	185,364	16,684	2,515	19,199	75,723	5,454	84,988	166,165	(5,177)	5,177	0
6. 2007	XXX	XXX	XXX	XXX	731	731	XXX	12,932	16,752	29,684	XXX	XXX	XXX
7. Totals	97,584	87,780	185,364	16,684	3,246	19,930	75,723	18,386	101,740	195,849	(5,177)	5,177	0
8. Prior Year-End's Surplus As Regards Policyholders	84,412										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. (5.3)%	2. 5.9%	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 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 Income Tax Recoverable.....	313,849		313,849	
2305. State Premium Tax Recoverable.....	12,675		12,675	
2397. Summary of remaining write-ins for Line 23.....	326,524	0	326,524	0

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2304. Surety Escrow Deposits.....		40,541
2397. Summary of remaining write-ins for Line 23.....	0	40,541

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.....	5,100	35	(480)
1405. Other.....	6		
1406. Interest Income from IRS.....	33,611		
1407. Miscellaneous Gain.....	86,748		
1497. Summary of remaining write-ins for Line 14.....	125,465	35	(480)

**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 - States, Territories and Possessions									
586145 SN 5	MEMPHIS-A 04/01/2014 5.000		04/16/2007	J.P. MORGAN		2,140,940	2,000,000	8,333	1FE
70914P AH 5	PA ST-1ST SER A 11/01/2015 5.000		06/01/2007	MERRILL LYNCH		2,412,405	2,250,000		1FE
1799999	Total - Bonds - States, Territories & Possessions					4,553,345	4,250,000	8,333	XXX
Bonds - Political Subdivisions of States									
12343E AR 1	BUTLER USD #385 REF 09/01/2018 5.000		04/13/2007	DAIN RAUSCHER		1,524,152	1,400,000	3,306	1FE
796237 BB 0	SAN ANTONIO-UNREF-A 02/01/2013 5.000		04/12/2007	BB&T		1,059,640	1,000,000	10,556	1FE
2499999	Total - Bonds - Political Subdivision					2,583,792	2,400,000	13,862	XXX
Bonds - Special Revenue and Special Assessment									
106238 HN 1	BRAZOS HGR ED REF-A-4 05/01/2009 3.930		05/01/2007	SALOMON SMITH BARNEY HLD		1,399,916	1,400,000	22,126	1FE
41315R FX 7	HARRIS CNTY TEX HEALTH 07/01/2040 3.840		04/12/2007	GOLDMAN SACHS		4,000,000	4,000,000		1FE
60374V BY 8	MINNEAPOLIS HLTH-B 11/15/2015 5.300		04/13/2007	GOLDMAN SACHS		1,100,000	1,100,000	162	1FE
60416M AC 7	MN HGR ED-VAR-SUPPL 11/01/2041 3.800		05/02/2007	SALOMON SMITH BARNEY HLD		2,400,000	2,400,000	493	1FE
646080 GX 3	NJ HGR ED ARCS-SER D 05/01/2040 3.889		05/01/2007	MORGAN STANLEY DEAN WITTER		1,000,000	1,000,000	15,228	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					9,899,916	9,900,000	38,009	XXX
Bonds - Industrial and Miscellaneous									
073928 R4 7	BEAR STEARNS CO INC 08/21/2009 5.450		04/11/2007	BEAR STEARNS & CO		1,000,210	1,000,000	8,175	1FE
22541S 2P 2	CSFB 2004-C5 A2 12/01/2009 4.183		06/19/2007	J.P. MORGAN		4,852,734	5,000,000	12,200	1FE
52517P K8 3	LEHMAN BROTHERS HOLDIN 08/21/2009 5.460		04/11/2007	LEHMAN BROTHERS		4,000,840	4,000,000	32,760	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					9,853,784	10,000,000	53,135	XXX
6099997	Total - Bonds - Part 3					26,890,837	26,550,000	113,339	XXX
6099999	Total - Bonds					26,890,837	26,550,000	113,339	XXX
7499999	Total - Bonds, Preferred and Common Stocks					26,890,837	XXX	113,339	XXX

E04

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

SCHEDULE D - PART 4

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

1 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.							
3133TK UF 5	FHR 2149 QL		06/01/2007	MBS PAYDOWN	6,000	139,300	139,300	139,648	139,615	(315)			(315)		139,300			0	3,535	12/01/2013	1
31393G P3 2	FHR 2542 UY		06/01/2007	MBS PAYDOWN	4,000	71,328	71,328	71,573	71,518	(190)			(190)		71,328			0	1,202	03/01/2012	1
31393L H8 9	FHR 2564 CN		06/01/2007	MBS PAYDOWN	3,000	154,232	154,232	153,846	154,053	179			179		154,232			0	1,930	12/01/2008	1
31393K TV 7	FHR 2575 QD		06/01/2007	MBS PAYDOWN	6,000	131,465	131,465	131,876	131,850	(385)			(385)		131,465			0	3,261	10/01/2011	1
31393M ZM 6	FHR 2583 PK		06/01/2007	MBS PAYDOWN	4,000	35,078	35,078	35,593	35,226	(148)			(148)		35,078			0	702	01/01/2010	1
31393N K5 7	FHR 2590 OA		06/01/2007	MBS PAYDOWN	4,000	33,406	33,406	33,891	33,752	(346)			(346)		33,406			0	564	06/01/2026	1
31393N NY 1	FHR 2590 XW		06/01/2007	MBS PAYDOWN	4,000	45,135	45,135	45,890	45,483	(348)			(348)		45,135			0	756	01/01/2011	1
31393P VP 6	FHR 2594 XA		06/01/2007	MBS PAYDOWN	4,000	45,828	45,828	47,017	46,428	(600)			(600)		45,828			0	770	07/01/2011	1
31393P LT 9	FHR 2602 WH		06/01/2007	MBS PAYDOWN	4,000	69,954	69,954	70,861	70,590	(636)			(636)		69,954			0	1,166	09/01/2011	1
31393Q AN 2	FHR 2621 OD		06/01/2007	MBS PAYDOWN	3,000	80,638	80,638	81,520	81,100	(462)			(462)		80,638			0	1,006	11/01/2010	1
31393V A6 8	FHR 2634 TA		06/01/2007	MBS PAYDOWN	3,500	22,463	22,463	22,926	22,773	(311)			(311)		22,463			0	327	07/01/2014	1
31393V U9 0	FHR 2639 HC		06/01/2007	MBS PAYDOWN	3,500	95,856	95,856	96,321	96,141	(285)			(285)		95,856			0	1,417	11/01/2010	1
31393W 5R 6	FHR 2651 VA		06/01/2007	MBS PAYDOWN	3,500	66,096	66,096	66,241	66,172	(76)			(76)		66,096			0	938	02/01/2010	1
31394H KP 5	FHR 2656 PB		06/01/2007	MBS PAYDOWN	3,500	151,783	151,783	153,728	152,470	(687)			(687)		151,783			0	2,250	06/01/2009	1
31394H ZV 6	FHR 2672 WA		06/01/2007	MBS PAYDOWN	4,000	94,810	94,810	96,765	95,861	(1,052)			(1,052)		94,810			0	1,579	08/01/2010	1
31394J SC 2	FHR 2677 BN		06/01/2007	MBS PAYDOWN	3,500	129,382	129,382	129,038	129,170	212			212		129,382			0	1,914	04/01/2010	1
31394M HR 4	FHR 2710 HC		06/01/2007	MBS PAYDOWN	4,250	89,365	89,365	86,744	86,755	2,610			2,610		89,365			0	1,605	05/01/2016	1
31394M P5 3	FHR 2715 QB		06/01/2007	MBS PAYDOWN	3,500	147,284	147,284	150,092	148,339	(1,055)			(1,055)		147,284			0	2,158	02/01/2008	1
31394M YC 8	FHR 2720 PH		06/01/2007	MBS PAYDOWN	3,500	161,654	161,654	163,195	162,537	(883)			(883)		161,654			0	2,352	12/01/2008	1
31394M UX 6	FHR 2723 QE		06/01/2007	MBS PAYDOWN	3,500	140,204	140,204	141,081	140,871	(667)			(667)		140,204			0	2,032	01/01/2009	1
31394P 4U 4	FHR 2728 DQ		06/01/2007	MBS PAYDOWN	3,750	117,253	117,253	118,963	118,344	(1,091)			(1,091)		117,253			0	1,823	07/01/2015	1
31394R A2 5	FHR 2751 NP		06/01/2007	MBS PAYDOWN	3,500	58,024	58,024	58,169	58,091	(67)			(67)		58,024			0	842	01/01/2010	1
31394R XC 8	FHR 2765 JL		06/01/2007	MBS PAYDOWN	3,500	212,203	212,203	215,412	213,990	(1,787)			(1,787)		212,203			0	3,088	01/01/2011	1
31394R XE 4	FHR 2765 JN		06/01/2007	MBS PAYDOWN	4,000	127,322	127,322	128,953	128,376	(1,055)			(1,055)		127,322			0	2,117	01/01/2011	1
31394R ZV 4	FHR 2769 JK		06/01/2007	MBS PAYDOWN	3,500	260,006	260,006	266,181	261,649	(1,643)			(1,643)		260,006			0	3,781	10/01/2008	1
31394W HU 5	FHR 2776 QP		06/01/2007	MBS PAYDOWN	4,000	97,204	97,204	97,933	97,698	(494)			(494)		97,204			0	1,689	12/01/2023	1
31394X 3J 3	FHR 2783 MJ		06/01/2007	MBS PAYDOWN	4,000	104,272	104,272	106,195	105,302	(1,030)			(1,030)		104,272			0	1,752	08/01/2009	1
31395J 3J 3	FHR 2885 LC		06/01/2007	MBS PAYDOWN	4,500	57,811	57,811	57,414	57,469	342			342		57,811			0	1,101	01/01/2024	1
31395H ZP 8	FHR 2886 CJ		06/01/2007	MBS PAYDOWN	5,000	40,117	40,117	38,939	38,986	1,131			1,131		40,117			0	819	11/01/2016	1
31396F KG 7	FHR 3072 NK		06/01/2007	MBS PAYDOWN	5,000	70,954	70,954	69,258	69,382	1,572			1,572		70,954			0	1,480	09/01/2015	1
31396G SH 5	FHR 3098 MS		06/15/2007	MBS PAYDOWN	5,032	64,991	64,991	61,417	61,691	3,300			3,300		64,991			0	1,364	01/15/2022	1
31396H L2 3	FHR 3115 LA		06/01/2007	MBS PAYDOWN	5,000	39,014	39,014	37,648	37,734	1,279			1,279		39,014			0	823	08/01/2015	1
31396N M2 9	FHR 3147 YE		06/01/2007	MBS PAYDOWN	5,500	59,900	59,900	58,983	59,035	865			865		59,900			0	1,343	04/01/2017	1
31393U NB 5	FNR 2003-118 PB		06/01/2007	MBS PAYDOWN	4,000	63,335	63,335	63,632	63,473	(138)			(138)		63,335			0	1,049	01/01/2011	1
31393U AU 7	FNR 2003-123 PD		06/01/2007	MBS PAYDOWN	4,250	78,810	78,810	79,979	79,436	(626)			(626)		78,810			0	1,416	11/01/2011	1
31393U CB 7	FNR 2003-123 YH		06/01/2007	MBS PAYDOWN	4,000	102,864	102,864	103,667	103,429	(565)			(565)		102,864			0	1,695	02/01/2011	1
31393U VN 0	FNR 2003-130 PB		06/01/2007	MBS PAYDOWN	4,000	89,385	89,385	90,278	89,787	(403)			(403)		89,385			0	1,501	09/01/2009	1
31393U UQ 4	FNR 2003-132 PE		06/01/2007	MBS PAYDOWN	3,750	180,819	180,819	184,322	182,272	(1,453)			(1,453)		180,819			0	2,813	12/01/2008	1
31392J GL 7	FNR 2003-14 AT		06/01/2007	MBS PAYDOWN	4,000	30,526	30,526	30,664	30,632	(106)			(106)		30,526			0	509	11/01/2023	1
31392J W9 6	FNR 2003-21 OG		06/01/2007	MBS PAYDOWN	4,000	17,551	17,551	17,584	17,571	(21)			(21)		17,551			0	290	11/01/2026	1
31392J Y5 2	FNR 2003-21 OV		06/01/2007	MBS PAYDOWN	4,000	11,254	11,254	11,266	11,261	(8)			(8)		11,254			0	185	05/01/2025	1
31393B BR 5	FNR 2003-36 OM		06/01/2007	MBS PAYDOWN	4,000	294,521	294,521	300,503	295,154	(633)			(633)		294,521			0	5,002	01/01/2008	1
31393B VA 0	FNR 2003-42 HE		06/01/2007	MBS PAYDOWN	4,000	43,902	43,902	44,876	44,563	(662)			(662)		43,902			0	733	04/01/2015	1
31393C YW 7	FNR 2003-46 PD		06/01/2007	MBS PAYDOWN	4,000	529,799	529,799	542,216	531,820	(2,022)			(2,022)		529,799			0	8,997	04/01/2008	1
31393C WD 1	FNR 2003-46 PQ		04/01/2007	MBS PAYDOWN	3,000	57,295	57,295	57,295	57,295	0			0		57,295			0	573	04/01/2007	1
31393C 3C 5	FNR 2003-49 TK		06/01/2007	MBS PAYDOWN	3,500	91,263	91,263	89,324	89,621	1,642			1,642		91,263			0	1,346	07/01/2016	1
31393C U7 6	FNR 2003-52 LH		06/01/2007	MBS PAYDOWN	3,500	210,805	210,805	209,850	210,142	663			663		210,805			0	3,060	05/01/2010	1
31393B 5N 1	FNR 2003-53 CA		06/01/2007	MBS PAYDOWN	4,000	71,098	71,098	72,087	71,641	(543)			(543)		71,098			0	1,203	05/01/2011	1

E05

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31393D VH 1	FNR 2003-61 HL		06/01/2007	MBS PAYDOWN		498,815	498,815	494,918	497,821		994		994		498,815			0	6,237	04/01/2008	1
31393D QW 4	FNR 2003-67 TD		06/01/2007	MBS PAYDOWN		23,627	23,627	24,292	23,627		(415)		(415)		23,627			0	395	03/01/2014	1
31392H G7 2	FNR 2003-8 BK		06/01/2007	MBS PAYDOWN		91,238	91,238	92,663	91,992		(754)		(754)		91,238			0	1,528	08/01/2010	1
31393T BC 9	FNR 2003-92 KQ		06/01/2007	MBS PAYDOWN		180,349	180,349	181,815	180,911		(562)		(562)		180,349			0	2,631	02/01/2009	1
31393U 5A 7	FNR 2004-13 PF		06/01/2007	MBS PAYDOWN		284,057	284,057	286,454	284,935		(878)		(878)		284,057			0	4,144	01/01/2009	1
31393U 3Y 7	FNR 2004-2 OU		06/01/2007	MBS PAYDOWN		333,372	333,372	340,719	336,132		(2,760)		(2,760)		333,372			0	5,532	12/01/2008	1
31394U HX 3	FNR 2005-102 SD		06/25/2007	MBS PAYDOWN		114,560	114,560	109,978	110,323		4,237		4,237		114,560			0	2,100	01/25/2021	1
31394V JK 7	FNR 2005-114 SC		06/25/2007	MBS PAYDOWN		156,015	156,015	149,384	149,831		6,184		6,184		156,015			0	3,121	01/25/2030	1
31394U GN 6	FNR 2005-98 SX		06/25/2007	MBS PAYDOWN		117,980	117,980	117,095	117,093		887		887		117,980			0	2,291	02/25/2021	1
31394V D6 4	FNR 2006-2 SK		06/25/2007	MBS PAYDOWN		146,644	146,644	144,994	145,111		1,533		1,533		146,644			0	3,295	12/25/2025	1
31395D BP 3	FNR 2006-40 VA		06/01/2007	MBS PAYDOWN		19,650	19,650	19,317	19,336		314		314		19,650			0	451	12/01/2015	1
38373Q JB 8	GNR 2003-34 OT		06/01/2007	MBS PAYDOWN		81,864	81,864	83,668	82,503		(639)		(639)		81,864			0	1,380	02/01/2008	1
38373Q FV 8	GNR 2003-34 PH		06/01/2007	MBS PAYDOWN		81,864	81,864	83,668	82,515		(651)		(651)		81,864			0	1,380	02/01/2008	1
38374B U7 6	GNR 2003-70 HU		06/01/2007	MBS PAYDOWN		395,860	395,860	405,447	398,483		(2,623)		(2,623)		395,860			0	6,642	09/01/2008	1
38374C SP 7	GNR 2003-82 PA		06/01/2007	MBS PAYDOWN		93,373	93,373	94,424	93,935		(562)		(562)		93,373			0	1,566	03/01/2010	1
38374C SZ 5	GNR 2003-83 AB		06/01/2007	MBS PAYDOWN		70,953	70,953	72,172	71,668		(715)		(715)		70,953			0	1,181	07/01/2013	1
38374F NS 9	GNR 2004-11 PC		06/01/2007	MBS PAYDOWN		147,070	147,070	146,840	146,954		116		116		147,070			0	1,857	11/01/2010	1
38374F WT 7	GNR 2004-19 KL		06/01/2007	MBS PAYDOWN		196,289	196,289	199,601	198,122		(1,833)		(1,833)		196,289			0	2,656	06/01/2010	1
38374F 4M 3	GNR 2004-26 HD		06/01/2007	MBS PAYDOWN		109,817	109,817	110,246	110,024		(207)		(207)		109,817			0	1,486	11/01/2009	1
38374F 4R 2	GNR 2004-26 HJ		06/01/2007	MBS PAYDOWN		109,817	109,817	112,374	111,010		(1,193)		(1,193)		109,817			0	1,829	11/01/2009	1
38374G 2C 5	GNR 2004-41 EG		06/01/2007	MBS PAYDOWN		208,145	208,145	211,300	210,136		(1,990)		(1,990)		208,145			0	3,467	10/01/2008	1
38374H 7K 0	GNR 2004-69 AN		06/01/2007	MBS PAYDOWN		366,856	366,856	357,685	357,720		9,137		9,137		366,856			0	6,591	06/01/2014	1
38374L U7 4	GNR 2005-66 SX		06/16/2007	MBS PAYDOWN		159,554	159,554	153,770	153,969		5,584		5,584		159,554			0	2,175	11/16/2034	1
38374M EQ 8	GNR 2005-84 SC		06/16/2007	MBS PAYDOWN		284,189	284,189	280,193	280,319		3,870		3,870		284,189			0	4,786	09/16/2035	1
41315R FX 7	HARRIS CNTY TEX HEALTH FACS	3.8	05/03/2007	GOLDMAN SACHS		4,000,000	4,000,000	4,000,000					0	4,000,000			0	8,590	07/01/2040	1FE	
60416M AC 7	MN HGR ED-VAR-SUPPL	3.800	06/06/2007	SALOMON SMITH BARNEY HI		2,400,000	2,400,000	2,400,000					0	2,400,000			0	9,430	11/01/2041	1FE	
3199999	Total - Bonds - Special Revenue & Assessment					15,759,517	15,759,517	15,803,871	9,351,433	0	8,076	0	8,076	0	15,759,517	0	0	0	170,599	XXX	XXX
Bonds - Industrial and Miscellaneous																					
000780 KN 5	AMAC 2003-7 A2		06/01/2007	MBS PAYDOWN		31,831	31,831	32,766	32,420		(588)		(588)		31,831			0	655	05/01/2018	1FE
05948K HN 2	BOAA 2003-10 5A2		06/01/2007	MBS PAYDOWN		30,714	30,714	30,656	30,667		47		47		30,714			0	610	11/01/2018	1FE
05948P AV 0	BOAMS 2003-1 2A1		06/01/2007	MBS PAYDOWN		11,440	11,440	11,733	11,572		(132)		(132)		11,440			0	260	01/01/2018	1FE
161551 FV 3	CFAB 2002-2 1M2		06/01/2007	MBS PAYDOWN		78,346	78,346	77,881	77,889		456		456		78,346			0	2,034	12/01/2010	1FE
16162T 5L 6	CHASE 2003-S5 A5		06/01/2007	MBS PAYDOWN		39,709	39,709	40,814	40,201		(492)		(492)		39,709			0	822	07/01/2018	1FE
22541S ZN 1	CSFB 2004-5 5A2		06/01/2007	MBS PAYDOWN		34,483	34,483	34,924	34,843		(361)		(361)		34,483			0	743	07/01/2019	1FE
22541S X2 9	CSFB 2004-8 6A1		06/01/2007	MBS PAYDOWN		58,959	58,959	59,244	59,194		(235)		(235)		58,959			0	1,106	10/01/2019	1FE
225458 BZ 0	CSFB 2005-1 DB1		06/01/2007	MBS PAYDOWN		10,793	10,793	11,036	11,018		(225)		(225)		10,793			0	248	01/01/2035	1FE
12667F NE 1	CWALT 2004-14T2 B1		06/01/2007	MBS PAYDOWN		15,152	15,152	15,266	15,255		(102)		(102)		15,152			0	372	07/01/2034	1FE
12667F AG 0	CWALT 2004-2CB 1A1		06/01/2007	MBS PAYDOWN		74,116	74,116	75,054	74,620		(504)		(504)		74,116			0	1,331	06/01/2011	1FE
12667F UW 3	CWALT 2004-J10 1A3		06/01/2007	MBS PAYDOWN		113,560	113,560	114,926	114,498		(938)		(938)		113,560			0	2,013	09/01/2034	1FE
12669D LJ 5	CWHL 2002-32 3A1		06/01/2007	MBS PAYDOWN		13,883	13,883	14,224	14,018		(134)		(134)		13,883			0	298	11/01/2017	1FE
36228F PF 7	GSR 2003-3F 2A1		06/01/2007	MBS PAYDOWN		8,647	8,647	8,856	8,740		(93)		(93)		8,647			0	136	12/01/2032	1FE
52520M CJ 0	LMT 2005-2 5A2		06/25/2007	MBS PAYDOWN		61,907	61,907	57,476	57,655		4,251		4,251		61,907			0	1,009	10/25/2025	1FE
57643A MD 3	MALT 2004-1 B2		06/01/2007	MBS PAYDOWN		19,100	19,100	19,482	19,431		(330)		(330)		19,100			0	462	12/01/2033	1FE
55265K QU 6	MASTR 2003-1 3A2		06/01/2007	MBS PAYDOWN		18,150	18,150	18,530	18,326		(176)		(176)		18,150			0	373	01/01/2018	1FE
55265K 5Q 8	MASTR 2004-1 3A1		06/01/2007	MBS PAYDOWN		72,286	72,286	70,575	70,578		1,709		1,709		72,286			0	1,430	06/01/2018	1FE
55265K 7L 7	MASTR 2004-3 1A2		06/01/2007	MBS PAYDOWN		57,689	57,689	58,519	58,238		(549)		(549)		57,689			0	1,115	02/01/2024	1FE
761118 SE 9	RALI 2006-QS1 A6		06/25/2007	MBS PAYDOWN		155,556	155,556	146,101	148,037		7,519		7,519		155,556			0	1,415	01/25/2028	1FE
45660N N5 0	RAST 2004-A5 B1		06/01/2007	MBS PAYDOWN		17,106	17,106	17,272	17,261		(155)		(155)		17,106			0	393	07/01/2034	1FE

E05.1

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC 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.							
45660N N6 8	RAST 2004-A5 B2		.06/01/2007	MBS PAYDOWN	5.500	7,603	7,603	7,546	7,551		52		52		7,603			0	175	07/01/2034	1FE
76111J B2 9	RFMSI 2002-S17 A2		.06/01/2007	MBS PAYDOWN	4.500	16,857	16,857	17,242	17,055		(198)		(198)		16,857			0	316	11/01/2017	1FE
76111X HG 1	RFMSI 2004-S4 2A1		.06/01/2007	MBS PAYDOWN	3.020	163,705	163,705	162,707	163,149		556		556		163,705			0	1,911	05/01/2010	1FE
863576 BP 8	SASC 2005-6 2A9		.06/25/2007	MBS PAYDOWN	4.895	7	7	6	6				0		7			0		04/25/2021	1FE
949780 AA 8	WFMB 2003-6 1A1		.06/01/2007	MBS PAYDOWN	5.000	75,644	75,644	77,866	77,218		(1,574)		(1,574)		75,644			0	1,587	05/01/2018	1FE
949772 AM 9	WFMB 2005-18 2A9		.05/25/2007	MBS PAYDOWN	3.224	258,388	258,391	239,011	244,816		13,575		13,575		258,391			0	3,298	06/25/2020	1FE
4599999.	Total - Bonds - Industrial & Miscellaneous					1,445,631	1,445,634	1,419,713	1,424,256	0	21,379	0	21,379	0	1,445,634	0	0	0	24,112	XXX	XXX
6099997.	Total - Bonds - Part 4					17,205,148	17,205,151	17,223,584	10,775,689	0	29,455	0	29,455	0	17,205,151	0	0	0	194,711	XXX	XXX
6099999.	Total - Bonds					17,205,148	17,205,151	17,223,584	10,775,689	0	29,455	0	29,455	0	17,205,151	0	0	0	194,711	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					17,205,148	XXX	17,223,584	10,775,689	0	29,455	0	29,455	0	17,205,151	0	0	0	194,711	XXX	XXX

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

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

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

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

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

PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.

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								
JP MORGAN CHASE & CO 05/17/2007..		4.650			1,462,500			XXX
JP MORGAN CHASE & CO 08/15/2007..		4.650		42,693		1,462,500	1,462,500	XXX
JP MORGAN CHASE BANK.....	MADISON, WI.....				(37,598)	(102,630)	(51,704)	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....				1,169	1,169	2,447	XXX
US BANK.....	BIRMINGHAM, AL.....				613,622	(927,894)	(423,144)	XXX
BANK OF AMERICA.....	ATLANTA, GA.....				968	951	25,502	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	42,693	2,040,661	434,096	1,015,600	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	42,693	2,040,661	434,096	1,015,600	XXX
0599999. Total Cash.....	XXX	XXX	0	42,693	2,040,661	434,096	1,015,600	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.....		06/22/2007	5.284	07/11/2007	1,036,480		1,368
AT&T INC.....		06/29/2007	5.352	07/02/2007	2,261,664		.672
FLORIDA PWR & LT.....		06/25/2007	5.310	07/09/2007	3,913,385		3,461
JOHN DEERE BK SA.....		06/19/2007	5.290	07/03/2007	2,927,141		5,153
LIQUID FDG LTD.....		06/22/2007	5.333	07/09/2007	4,994,089		6,650
NEW JERSEY NAT GAS.....		06/26/2007	5.295	07/03/2007	999,706		.735
UBS FINANCE DELAWARE LLC.....		06/12/2007	5.287	07/05/2007	1,894,890		5,274
0199999. Total Cash Equivalents.....					18,027,355	0	23,313