

QUARTERLY STATEMENT
OF THE
PRONATIONAL INSURANCE
COMPANY

Of
OKEMOS
in the state of MI

to the Insurance Department
of the State of

For the Period Ended
September 30, 2004

2004



QUARTERLY STATEMENT

As of September 30, 2004
of the Condition and Affairs of the

PRONATIONAL INSURANCE COMPANY

NAIC Group Code..... 2698, 2698 (Current Period) (Prior Period)	NAIC Company Code..... 38954	Employer's ID Number..... 38-2317569
Organized under the Laws of MI	State of Domicile or Port of Entry MI	Country of Domicile US
Incorporated..... June 27, 1980	Commenced Business..... June 27, 1980	
Statutory Home Office	2600 PROFESSIONALS DRIVE OKEMOS MI 48864 <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>	517-349-6500 <i>(Area Code) (Telephone Number)</i>
Mail Address	100 BROOKWOOD PLACE BIRMINGHAM AL 35209 <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	PHILIP 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	2600 PROFESSIONALS DRIVE OKEMOS MI 48864 <i>(Street and Number) (City or Town, State and Zip Code)</i>	517-349-6500 <i>(Area Code) (Telephone Number) (Extension)</i>

OFFICERS

Name	Title	Name	Title
1. VICTOR THOMAS ADAMO	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. JAMES JOSEPH MORELLO	TREASURER	4.	
OTHER			
JEFFREY LYNN BOWLBY	VICE PRESIDENT	HOWARD HARLEY FRIEDMAN	VICE PRESIDENT
JAMES JOSEPH MORELLO	VICE PRESIDENT	FRANK BERRY O'NEIL	VICE PRESIDENT
DARRYL KEITH THOMAS	VICE PRESIDENT		

DIRECTORS OR TRUSTEES

VICTOR THOMAS ADAMO	JEFFREY LYNN BOWLBY	AUBREY DERRILL CROWE	HOWARD HARLEY FRIEDMAN
JAMES JOSEPH MORELLO	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, which 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) VICTOR THOMAS ADAMO _____ 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHRYN ANNE NEVILLE _____ 2. (Printed Name) SECRETARY _____ (Title)	_____ (Signature) JAMES JOSEPH MORELLO _____ 3. (Printed Name) TREASURER _____ (Title)
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Subscribed and sworn to before me

This _____ day of _____

a. Is this an original filing? Yes [X] No []

b. If no:

1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	655,346,522		655,346,522	578,292,111
2. Stocks:				
2.1 Preferred stocks.....	15,322,375		15,322,375	15,239,889
2.2 Common stocks.....	184,172,262		184,172,262	162,088,342
3. Mortgage loans on real estate:				
3.1 First liens.....	410,770	5,770	405,000	405,000
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	4,331,375		4,331,375	4,462,858
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....1,784,051), cash equivalents (\$.....0) and short-term investments (\$.....13,260,854).....	15,044,905		15,044,905	36,433,111
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	1,141,000		1,141,000	1,109,800
8. Receivable for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	875,769,209	5,770	875,763,439	798,031,111
11. Investment income due and accrued.....	7,529,289		7,529,289	7,229,752
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection.....	37,035,468	4,924,261	32,111,207	25,583,724
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	14,153,863		14,153,863	18,683,225
12.3 Accrued retrospective premiums.....			0	
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers.....	3,928,723		3,928,723	5,612,031
13.2 Funds held by or deposited with reinsured companies.....	20,901,319		20,901,319	11,989,000
13.3 Other amounts receivable under reinsurance contracts.....			0	
14. Amounts receivable relating to uninsured plans.....			0	
15.1 Current federal and foreign income tax recoverable and interest thereon.....	3,449,084		3,449,084	
15.2 Net deferred tax asset.....	39,675,729	19,573,817	20,101,912	13,691,842
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....	320,764		320,764	252,171
18. Furniture and equipment, including health care delivery assets (\$.....0).....	557,134	557,134	0	
19. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	258,825		258,825	233,525
21. Health care (\$.....0) and other amounts receivable.....			0	
22. Other assets nonadmitted.....			0	
23. Aggregate write-ins for other than invested assets.....	11,514,284	371,344	11,142,940	10,648,262
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,015,093,691	25,432,326	989,661,365	891,954,643
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,015,093,691	25,432,326	989,661,365	891,954,643

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. Intangible Assets.....	35,973		35,973	311,098
2302. Prepaid Expenses and Other Assets.....	371,344	371,344	0	3
2303. Company Owned Life Insurance.....	10,701,732		10,701,732	10,337,161
2398. Summary of remaining write-ins for Line 23 from overflow page.....	405,235	0	405,235	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	11,514,284	371,344	11,142,940	10,648,262

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....59,122,587).....	469,588,448	435,668,902
2. Reinsurance payable on paid losses and loss adjustment expenses.....	11,541	11,413
3. Loss adjustment expenses.....	166,752,326	147,758,454
4. Commissions payable, contingent commissions and other similar charges.....	5,257,225	2,972,021
5. Other expenses (excluding taxes, licenses and fees).....	1,472,298	446,779
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,621,582	1,349,954
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		4,195,985
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 \$....4,159,013 and including warranty reserves of \$.....0).....	100,339,166	88,294,179
10. Advance premium.....	2,101,368	272,674
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	6,684,914	5,095,191
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	358,398	331,536
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	6,600,600	6,600,600
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	1,852,079	13,393,232
20. Payable for securities.....	1,151,402	
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	(2,373,097)	(2,373,097)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	761,418,250	704,017,823
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	761,418,250	704,017,823
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	3,188,145	3,188,145
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	10,093,603	10,093,603
32. Gross paid in and contributed surplus.....	27,978,790	27,978,790
33. Unassigned funds (surplus).....	186,982,577	146,676,282
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).....	228,243,115	187,936,820
36. TOTALS.....	989,661,365	891,954,643

DETAILS OF WRITE-INS

2301. Retroactive Reinsurance Reserve Ceded.....	(2,373,097)	(2,373,097)
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	(2,373,097)	(2,373,097)
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

PRONATIONAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$...144,911,354).....	134,519,106	131,650,211	179,313,226
1.2 Assumed..... (written \$...17,787,304).....	15,639,384	7,801,516	12,035,803
1.3 Ceded..... (written \$...8,706,407).....	7,765,533	10,090,892	12,376,277
1.4 Net..... (written \$...153,992,251).....	142,392,957	129,360,835	178,972,752
DEDUCTIONS:			
2. Losses incurred (current accident year \$...59,279,692):			
2.1 Direct.....	58,442,616	70,647,500	77,364,674
2.2 Assumed.....	5,502,975	2,584,222	4,733,160
2.3 Ceded.....	4,665,899	7,302,514	(8,880,977)
2.4 Net.....	59,279,692	65,929,208	90,978,811
3. Loss expenses incurred.....	72,137,795	65,741,930	93,724,329
4. Other underwriting expenses incurred.....	25,252,243	22,428,008	28,724,900
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	156,669,730	154,099,146	213,428,040
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(14,276,773)	(24,738,311)	(34,455,288)
INVESTMENT INCOME			
9. Net investment income earned.....	22,939,762	21,443,427	28,351,371
10. Net realized capital gains (losses).....	2,563,995	486,263	827,858
11. Net investment gain (loss) (Lines 9 + 10).....	25,503,757	21,929,690	29,179,229
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....			
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	700,194	392,559	433,442
15. Total other income (Lines 12 through 14).....	700,194	392,559	433,442
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	11,927,178	(2,416,062)	(4,842,617)
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus 17).....	11,927,178	(2,416,062)	(4,842,617)
19. Federal and foreign income taxes incurred.....	(3,560,547)	(222,314)	4,128,391
20. Net income (Line 18 minus Line 19) (to Line 22).....	15,487,725	(2,193,748)	(8,971,008)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	187,936,820	196,954,585	196,954,585
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20).....	15,487,725	(2,193,748)	(8,971,008)
23. Change in net unrealized capital gains or losses.....	22,169,723	11,766,985	18,907,876
24. Change in net unrealized foreign exchange capital gain (loss).....			
25. Change in net deferred income taxes.....	(3,501,872)	2,795,183	8,644,970
26. Change in nonadmitted assets.....	6,150,719	(3,666,664)	(8,954,603)
27. Change in provision for reinsurance.....		(499,000)	355,000
28. Change in surplus notes.....			
29. Surplus (contributed to) withdrawn from protected cells.....			
30. Cumulative effect of changes in accounting principles.....			
31. Capital changes:			
31.1 Paid in.....			
31.2 Transferred from surplus (Stock Dividend).....			
31.3 Transferred to surplus.....			
32. Surplus adjustments:			
32.1 Paid in.....			
32.2 Transferred to capital (Stock Dividend).....			
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....		(19,000,000)	(19,000,000)
35. Change in treasury stock.....			
36. Aggregate write-ins for gains and losses in surplus.....	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	40,306,295	(10,797,244)	(9,017,765)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	228,243,115	186,157,341	187,936,820
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. Increase in cash surrender value of life insurance.....	364,571		337,161
1402. Risk management income.....	333,211	392,559	340,680
1403. Miscellaneous.....	2,412		(244,399)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	700,194	392,559	433,442
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0	0

PRONATIONAL INSURANCE COMPANY

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	151,944,247	181,561,754
2. Net investment income.....	26,079,187	31,752,500
3. Miscellaneous income.....	585,991	433,444
4. Total (Lines 1 through 3).....	178,609,425	213,747,698
5. Benefit and loss related payments.....	85,732,952	123,381,988
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	21,600,052	29,612,057
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	4,084,522	(176,450)
10. Total (Lines 5 through 9).....	111,417,526	152,817,595
11. Net cash from operations (Line 4 minus Line 10).....	67,191,899	60,930,103
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	189,365,745	165,254,067
12.2 Stocks.....		12,342,884
12.3 Mortgage loans.....	14,325	10,842
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.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	189,380,070	177,607,793
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	266,059,422	214,916,582
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	31,200	1,109,800
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	266,090,622	216,026,382
14. Net increase (decrease) in policy loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14).....	(76,710,552)	(38,418,589)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds received.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		19,000,000
16.6 Other cash provided (applied).....	(11,869,553)	2,385,000
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(11,869,553)	(16,615,000)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17).....	(21,388,206)	5,896,514
19. Cash and short-term investments:		
19.1 Beginning of year.....	36,433,111	30,536,597
19.2 End of period (Line 18 plus Line 19.1).....	15,044,905	36,433,111

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

20.0001	.....	
20.9999	Totals.....	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

Certain amounts included on the Cash Flow Statement, Page 5, lines 5 and 7, column 1 in the 2003 Annual Statement were classified incorrectly, and these amounts have been corrected in this quarterly statement. A problem with the Annual Statement software package resulted in these errors. Specifically, line 5 previously showed \$65,182,538 of Benefit and loss related payments, and the corrected balance is \$123,381,988. Conversely, line 7 previously showed \$87,811,507 of Commissions, expenses paid and aggregate write-ins for deductions, and the corrected balance is \$29,612,057. This restatement results in no change to Net cash from operations of \$60,930,103; the restatement does not affect the financial position of the Company and is being made for comparative purposes only.

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

Federal income taxes incurred for 2004 have been reduced by \$8,300,000 for the utilization of Alternative Minimum Tax credits carried over from prior years.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

Effective in July 2004, the Expense Allocation Agreement was amended to include Medical Assurance of West Virginia, Inc., an affiliated insurance company.

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.

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

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

Effective September 1, 2004 the reinsurance agreement between ProNational Insurance Company (parent) and Red Mountain Casualty Insurance Company, Inc. (subsidiary) was revised to implement administrative changes. Form D's were filed with the insurance departments of Michigan and Alabama.

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.

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.

NOTES TO FINANCIAL STATEMENTS

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

1.2 If yes, explain:.....

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

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

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

3.2 If yes, date of change: 07/01/2004.....
If not previously filed, furnish herewith a certified copy of the instrument as amended.

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

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

5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1999.....

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/16/2000.....

7.4 By what department or departments?

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]

8.2 If yes, give full information:

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

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

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

9.4 If the response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

INVESTMENT

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

10.2 If yes, explain:.....

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: NONE.....

PRONATIONAL INSURANCE COMPANY 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

13. Amount of real estate and mortgages held in short-term investments: NONE.....

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 Statement Value	2 Current Quarter Statement Value
14.21 Bonds.....		
14.22 Preferred Stock.....		
14.23 Common Stock.....	\$.....162,078,440	\$.....184,161,477
14.24 Short-Term Investments.....		
14.25 Mortgages, Loans or Real Estate.....		
14.26 All Other.....		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$.....162,078,440	\$.....184,161,477
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above.....		\$.....565

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?
If no, attach a description with this statement. Yes [] No []

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 Part 1-General, Section IV. H-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
SOUTHTRUST 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)
NONE		

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, brokers/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
NONE		

**PRONATIONAL INSURANCE COMPANY
GENERAL INTERROGATORIES (continued)**

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

**PRONATIONAL INSURANCE COMPANY
SCHEDULE A - VERIFICATION**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	4,462,858	4,638,169
2. Increase (decrease) by adjustment.....	(131,483)	(175,311)
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....		
5. Total profit (loss) on sales.....		
6. Increase (decrease) by foreign exchange adjustment.....		
7. Amount received on sales.....		
8. Book/adjusted carrying value at end of current period.....	4,331,375	4,462,858
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	4,331,375	4,462,858
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	4,331,375	4,462,858

SCHEDULE B - VERIFICATION

	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.....	425,095	435,937
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount and mortgage interest points and commitment fees.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....	14,325	10,842
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.....	410,770	425,095
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	410,770	425,095
12. Total nonadmitted amounts.....	5,770	20,095
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	405,000	405,000

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	1,109,800	
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....		1,109,800
2.2 Additional investment made after acquisitions.....	31,200	
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book adjusted/carrying value of long-term invested asset at end of current period.....	1,141,000	1,109,800
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	1,141,000	1,109,800
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	1,141,000	1,109,800

SCHEDULE D - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	755,620,340	702,130,608
2. Cost of bonds and stocks acquired.....	267,210,824	214,916,582
3. Accrual of discount.....	205,863	483,294
4. Increase (decrease) by adjustment.....	22,184,050	18,964,114
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	2,569,009	827,858
7. Consideration for bonds and stocks disposed of.....	189,365,745	177,596,951
8. Amortization of premium.....	3,583,182	4,105,165
9. Book/adjusted carrying value, current period.....	854,841,159	755,620,340
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	854,841,159	755,620,340
12. Total nonadmitted amounts.....		
13. Statement value.....	854,841,159	755,620,340

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.....	.618,515,874	.....155,680,205	.....134,908,557	.....(1,079,207)	.....608,565,712	.....618,515,874	.....638,208,315	.....577,284,802
2. Class 2.....	.....30,446,165			.....(47,104)	.....35,159,683	.....30,446,165	.....30,399,061	.....25,774,559
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	.....648,962,039	.....155,680,205	.....134,908,557	.....(1,126,311)	.....643,725,395	.....648,962,039	.....668,607,376	.....603,059,361
PREFERRED STOCK								
8. Class 1.....	.....9,045,925			.....84,450	.....3,782,389	.....9,045,925	.....9,130,375	.....6,992,389
9. Class 2.....	.....6,384,750			.....(192,750)	.....9,450,000	.....6,384,750	.....6,192,000	.....6,247,500
10. Class 3.....					.....2,000,000			.....2,000,000
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	.....15,430,675	.....0	.....0	.....(108,300)	.....15,232,389	.....15,430,675	.....15,322,375	.....15,239,889
15. Total Bonds and Preferred Stock.....	.....664,392,714	.....155,680,205	.....134,908,557	.....(1,234,611)	.....658,957,784	.....664,392,714	.....683,929,751	.....618,299,250

PRONATIONAL INSURANCE COMPANY

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.....	13,260,854	XXX	13,260,854	237,425	

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.....	24,767,250	33,412,800
2. Cost of short-term investments acquired.....	296,602,289	321,124,705
3. Increase (decrease) by adjustment.....	(52,135)	(34,359)
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....	(5,014)	
6. Consideration received on disposal of short-term investments.....	308,051,536	329,735,896
7. Book/adjusted carrying value, current period.....	13,260,854	24,767,250
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	13,260,854	24,767,250
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	13,260,854	24,767,250
12. Income collected during period.....	237,425	298,336
13. Income earned during period.....	156,519	385,488

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

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

**Sch. F
NONE**

PRONATIONAL INSURANCE COMPANY

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	2,572,196	1,872,078			1,335,846	366,255
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO						
4. Arkansas.....AR	NO						
5. California.....CA	NO						
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES	872,627				67,557	
9. District of Columbia.....DC	NO						
10. Florida.....FL	YES	52,261,870	58,016,390	10,499,527	30,092,370	248,249,753	250,844,079
11. Georgia.....GA	YES	211,448				190,919	
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	21,264,876	18,625,599	4,720,624	5,920,717	72,811,965	65,551,729
15. Indiana.....IN	YES	547,879	524,642	1,316,935	1,043,240	14,517,265	9,995,086
16. Iowa.....IA	YES	357,744	185,336			240,589	230,735
17. Kansas.....KS	YES						
18. Kentucky.....KY	YES	11,027,037	5,003,587		45,142	22,769,003	13,320,852
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	YES	33,984,737	45,697,643	6,497,619	13,505,898	145,691,736	144,469,248
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO						
26. Missouri.....MO	YES						
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	NO						
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	YES	12,087,068	5,495,092	20,648	10,263	16,190,401	10,255,691
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	3,790,407	4,039,936	5,100,477	3,029,260	24,510,098	31,782,864
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	YES	5,891,204	7,120,672	4,001,002	1,352,500	39,025,628	35,179,716
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	YES						
42. South Dakota.....SD	NO						
43. Tennessee.....TN	YES						
44. Texas.....TX	NO						
45. Utah.....UT	NO						
46. Vermont.....VT	NO						
47. Virginia.....VA	YES						
48. Washington.....WA	NO						
49. West Virginia.....WV	YES						
50. Wisconsin.....WI	YES	42,261				4,029	
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. Canada.....CN	NO						
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
58. Totals.....	(a) 19	144,911,354	146,580,975	32,156,832	54,999,390	585,604,789	561,996,255

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

PRONATIONAL INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....	10,177,795	4,396,277	43.2	53.6
11.2. Medical malpractice-claims made.....	117,778,034	50,873,975	43.2	53.6
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.....			0.0	
17.2. Other liability-claims made.....	6,563,277	3,172,364	48.3	56.1
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.....	134,519,106	58,442,616	43.4	53.7

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.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	4,707,412	7,639,599	23,339,590
11.2. Medical malpractice-claims made.....	52,363,510	130,912,751	116,749,078
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			
17.2. Other liability-claims made.....	1,791,645	6,359,004	6,492,307
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.....	58,862,567	144,911,354	146,580,975

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 (a) (Cols. 1 + 2)	2004 Loss and LAE Payments on Claims Reported as of Prior Year-End	2004 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2004 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 (b) (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 (c) (Cols. 11 + 12)
1. 2001 + Prior	236,013	34,490	270,503	46,381	2,383	48,764	198,537	3,584	19,619	221,740	8,905	(8,904)	1
2. 2002	81,398	55,315	136,713	15,293	1,943	17,236	82,198	8,033	29,246	119,477	16,093	(16,093)	0
3. Subtotals 2002 + Prior	317,411	89,805	407,216	61,674	4,326	66,000	280,735	11,617	48,865	341,217	24,998	(24,997)	1
4. 2003	40,146	136,064	176,210	7,347	1,886	9,233	55,980	2,676	108,321	166,977	23,181	(23,181)	0
5. Subtotals 2003 + Prior	357,557	225,869	583,426	69,021	6,212	75,233	336,715	14,293	157,186	508,194	48,179	(48,178)	1
6. 2004	XXX	XXX	XXX	XXX	3,271	3,271	XXX	23,301	104,845	128,146	XXX	XXX	XXX
7. Totals	357,557	225,869	583,426	69,021	9,483	78,504	336,715	37,594	262,031	636,340	48,179	(48,178)	1
8. Prior Year-End's Surplus As Regards Policyholders	187,937										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. ....13.5 %	2. ....(21.3)%	3. ....0.0 %
													Col. 13, Line 7 Line 8
													4. ....0.0 %

18

(a) Should equal prior year-end Annual Statement; Page 3, Col. 1, Lines 1 + 3.
 (b) Should equal Q.S. Page 3, Col.1, Lines 1 and 3.
 (c) Should also equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

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 SVO Compliance Certification be filed with this statement?	<u>YES</u>
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	<u>NO</u>
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	<u>YES</u>

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. Notes Receivable.....	405,235		405,235	
2397. Summary of remaining write-ins for Line 23.....	405,235	0	405,235	0

Additional Write-ins for Statement of Income:

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
1404. Other.....			
1497. Summary of remaining write-ins for Line 14.....	0	0	0

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	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912827 6X 5	US TREASURY N/B 05/15/2006 4.625		08/04/2004	J.P. MORGAN		1,642,518	1,585,000	16,335	1
0399999	Total - Bonds - U.S. Government					1,642,518	1,585,000	16,335	XXX
Bonds - States, Territories and Possessions									
United States									
68607L H8 3	OREGON ST 08/01/2011 5.250		09/20/2004	WACHOVIA/FIRST UNION		1,071,477	950,000	7,204	1FE
	U.S.					1,071,477	950,000	7,204	XXX
1799999	Total - Bonds - States, Territories & Possessions					1,071,477	950,000	7,204	XXX
Bonds - Political Subdivisions of States									
United States									
04057P CQ 9	ARIZONA SCH FACS BRD C 09/01/2009 4.000		07/21/2004	UBS SECURITIES		1,040,580	1,000,000		1FE
258885 VZ 2	DOUGLAS SD 1-REF-B 12/15/2014 5.000		08/24/2004	DAIN RAUSCHER		5,392,364	4,860,000	4,725	1FE
643272 4D 6	NEW CASTLE CNTY 10/01/2014 5.000		09/22/2004	RAYMOND JAMES		4,490,520	4,000,000	114,444	1FE
373383 YW 2	GEORGIA ST REF-SER C 07/01/2015 5.500		08/20/2004	MERRILL LYNCH		5,754,850	5,000,000	41,250	1FE
776154 PG 5	ROMEOVILLE ILL 12/30/2016 4.000		09/13/2004	GRIFFIN KUBIC		999,950	1,000,000	889	1FE
641460 XU 9	NV ST-REF/IMPT-A 08/01/2009 5.000		07/20/2004	SALOMON SMITH BARNEY HLD		3,458,946	3,170,000	881	1FE
613664 M2 4	MONTGOMERY CNTY TENN 05/01/2014 5.000		08/13/2004	MORGAN KEEGAN & CO INC		2,218,840	2,000,000	42,500	1FE
414018 V2 4	HARRIS CNTY TEX FLOOD 10/01/2013 5.500		09/24/2004	MORGAN KEEGAN & CO INC		1,146,090	1,000,000	27,194	1FE
165321 6S 4	CHESAPEAKE REF-IMPT 05/01/2015 5.000		09/21/2004	RAYMOND JAMES		4,106,767	3,670,000	88,182	1FE
655867 AL 3	NORFOLK VA 12/01/2014 5.000		08/16/2004	LEGG MASON		1,100,470	1,000,000	10,833	1FE
720628 KA 3	PIERCE CNTY WASH SCH D 12/01/2011 5.000		08/31/2004	BANK AMERICA		1,104,870	1,000,000		1FE
	U.S.					30,814,247	27,700,000	330,898	XXX
2499999	Total - Bonds - Political Subdivision					30,814,247	27,700,000	330,898	XXX
Bonds - Special Revenue and Special Assessment									
United States									
040654 LJ 2	AZ ST TRANSN-SUB-A 07/01/2015 5.000		09/21/2004	MERRILL LYNCH		4,450,600	4,000,000	46,111	1FE
590545 GY 9	MESA ARIZ UTIL SYS REV 07/01/2009 6.500		08/18/2004	STEPHENS INC		1,165,360	1,000,000	9,389	1FE
455141 PR 6	INDIANA TRANSN FIN AUT 12/01/2011 5.000		07/07/2004	MORGAN STANLEY DEAN WITTER		1,096,780	1,000,000		1FE
57604P NY 6	MA WTR-REF-A-POOL PG 08/01/2016 5.250		08/25/2004	MERRILL LYNCH		5,622,050	5,000,000		1FE
594700 AR 7	MI ST TRUNK LINE FD 09/01/2015 5.250		08/26/2004	SALOMON SMITH BARNEY HLD		5,598,450	5,000,000		1FE
59455T AX 0	MICHIGAN MUN BD WTR 10/01/2013 5.000		09/21/2004	LEHMAN BROTHERS		2,808,450	2,500,000	53,125	1FE
681793 M8 5	OMAHA PUB PWR DIST 02/01/2009 4.500		08/12/2004	CITICORP SECURITIES		2,674,650	2,500,000	5,000	1FE
657654 CN 7	NORTH BERGEN TWP N J M 12/15/2014 5.250		09/30/2004	GRIFFIN KUBIC		1,135,200	1,010,000	16,202	1FE
199564 BK 0	COLUMBUS OHIO WTR SYS 11/01/2009 5.000		08/13/2004	STEPHENS INC		1,102,720	1,000,000	14,861	1FE
577494 DW 4	MAUMEE OHIO HOSP REV 12/01/2010 4.500		08/18/2004	SOUNDVIEW FINANCIAL GROUP		1,369,242	1,280,000		1FE
927780 C2 0	VIRGINIA COLLEGE BLDG 09/01/2009 5.500		08/13/2004	SEATTLE NORTHWEST		1,371,878	1,220,000	31,127	1FE
	U.S.					28,395,380	25,510,000	175,815	XXX
3199999	Total - Bonds - Special Revenue & Special Assessments					28,395,380	25,510,000	175,815	XXX
Bonds - Industrial and Miscellaneous									
United States									
14040K CN 6	COMT 2002-4A A 05/15/2007 4.900		07/14/2004	J.P. MORGAN		5,196,484	5,000,000	2,722	1FE
59217E AL 8	MET LIFE GLOB FUNDING 07/30/2009 4.250		07/19/2004	J.P. MORGAN		2,998,500	3,000,000		1FE
61745M L2 7	MSC 2004-T15 A2 05/01/2011 4.690		08/05/2004	BEAR STEARNS & CO		4,037,344	4,000,000	4,690	1FE
	U.S.					12,232,328	12,000,000	7,412	XXX
4599999	Total - Bonds - Industrial & Miscellaneous					12,232,328	12,000,000	7,412	XXX
6099997	Total - Bonds - Part 3					74,155,950	67,745,000	537,664	XXX
6099999	Total - Bonds					74,155,950	67,745,000	537,664	XXX
7499999	Total - Bonds, Preferred and Common Stocks					74,155,950	XXX	537,664	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	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 UQ 4	FANNIE MAE		08/26/2004	MORGAN STANLEY DEAN WIT		4,857,090	5,000,000	4,964,500	4,964,500		2,947		2,947		4,967,447		(110,357)	(110,357)	69,878	03/16/2009	1
36202D C9 0	G2 2796		09/01/2004	MBS PAYDOWN		82,139	82,139	80,137	80,425		1,714		1,714		82,139			0	3,819	11/01/2028	1
36203L DN 9	GN 352109		09/01/2004	MBS PAYDOWN		32,887	32,887	33,596	33,377		(491)		(491)		32,887			0	1,489	04/01/2022	1
36205N M8 6	GN 395583		09/01/2004	MBS PAYDOWN		23,424	23,424	23,830	23,719		(295)		(295)		23,424			0	1,093	07/01/2026	1
36207K GS 3	GN 434109		09/01/2004	MBS PAYDOWN		97,777	97,777	98,143	98,054		(277)		(277)		97,777			0	4,326	04/01/2028	1
36207K JJ 0	GN 434165		09/01/2004	MBS PAYDOWN		170,573	170,573	171,212	171,048		(475)		(475)		170,573			0	7,055	01/01/2028	1
36208V 6E 0	GN 462669		09/01/2004	MBS PAYDOWN		43,733	43,733	44,465	44,268		(534)		(534)		43,733			0	1,986	05/01/2027	1
36208W DE 0	GN 462801		09/01/2004	MBS PAYDOWN		238,280	238,280	238,429	238,280		(147)		(147)		238,280			0	10,274	04/01/2027	1
36208W ES 8	GN 462845		09/01/2004	MBS PAYDOWN		43,695	43,695	45,327	44,887		(1,192)		(1,192)		43,695			0	1,922	01/01/2027	1
36208X DV 3	GN 463726		09/01/2004	MBS PAYDOWN		91,100	91,100	92,523	92,114		(1,014)		(1,014)		91,100			0	3,731	02/01/2026	1
36210A VS 3	GN 486725		09/01/2004	MBS PAYDOWN		103,468	103,468	105,715	105,090		(1,623)		(1,623)		103,468			0	4,342	12/01/2027	1
36210E X6 1	GN 490401		09/01/2004	MBS PAYDOWN		51,093	51,093	50,797	50,877		216		216		51,093			0	2,213	03/01/2028	1
36213U DK 3	GN 564506		09/01/2004	MBS PAYDOWN		49,321	49,321	49,953	49,844		(522)		(522)		49,321			0	2,160	05/01/2031	1
36200X LT 4	GN 575538		09/01/2004	MBS PAYDOWN		157,027	157,027	160,363	159,713		(2,687)		(2,687)		157,027			0	6,639	09/01/2031	1
36201F T7 2	GN 582074		09/01/2004	MBS PAYDOWN		130,075	130,075	130,298	130,265		(190)		(190)		130,075			0	5,107	04/01/2031	1
36225A UH 1	GN 780584		09/01/2004	MBS PAYDOWN		57,126	57,126	57,698	57,579		(453)		(453)		57,126			0	2,650	01/01/2026	1
912827 Q8 8	US TREASURY N/B		08/15/2004	MATURITY		1,585,000	1,585,000	1,548,641	1,581,975		3,025		3,025		1,585,000			0	114,913	08/15/2004	1
912828 AR 1	US TREASURY N/B		09/22/2004	HSBC SECURITIES LIMITED		4,499,297	4,500,000	4,514,414	4,507,243		(5,282)		(5,282)		4,501,961		(2,664)	(2,664)	57,565	12/31/2004	1
0399999	Total - Bonds - U.S. Government					12,313,105	12,456,718	12,410,041	12,433,405		0		(7,280)		12,426,126		(113,021)	(113,021)	301,162	XXX	XXX
Bonds - States, Territories and Possessions																					
United States																					
341149 FC 1	FL REF-DADE CNTY RD		07/01/2004	CALL BY ISSUER at 101.000		2,020,000	2,000,000	1,882,660	1,909,004		2,300		2,300		1,911,304		108,696	108,696	102,500	07/01/2017	1
	U.S.					2,020,000	2,000,000	1,882,660	1,909,004		0		2,300		1,911,304		108,696	108,696	102,500	XXX	XXX
1799999	Total - Bonds - States, Territories & Possessions					2,020,000	2,000,000	1,882,660	1,909,004		0		2,300		1,911,304		108,696	108,696	102,500	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
United States																					
040504 ET 5	ARIZONA EDL LN MKTNG CORP EDL F		08/09/2004	DAIN BOSWORTH		3,500,000	3,500,000	3,499,860	3,499,860				0		3,499,860		140	140	11,432	12/01/2037	1FE
041081 G2 0	AR SFM AMT-MTG BKD-B		07/01/2004	CALL BY ISSUER at 100.000		160,000	160,000	160,682	160,375		(33)		(33)		160,341		(341)	(341)	8,400	07/01/2024	1FE
164243 HP 5	CHEROKEE CNTY GA WTR & SEW AUT		08/01/2004	SINKING FUND REDEMPTION		160,000	160,000	174,000	169,476		(9,476)		(9,476)		160,000			0	10,800	08/01/2009	1FE
575633 GS 5	MA ED LN ISSUE E-B		07/01/2004	CALL BY ISSUER at 100.000		30,000	30,000	30,300	30,065		(21)		(21)		30,044		(44)	(44)	1,650	07/01/2005	1FE
676901 YP 0	OH HFA AMT-B2-RMK 10/		09/01/2004	CALL BY ISSUER at 100.000		105,000	105,000	105,000	105,000				0		105,000			0	5,644	09/01/2019	1FE
31296J ZA 7	FG A10737		09/01/2004	MBS PAYDOWN		404,588	404,588	411,921	411,921		(7,333)		(7,333)		404,588			0	10,824	10/01/2032	1
3128H3 LP 4	FG E95734		09/01/2004	MBS PAYDOWN		147,854	147,854	152,659	152,284		(4,430)		(4,430)		147,854			0	4,846	12/01/2017	1
31393M ZZ 0	FHR 2583 ND		09/01/2004	MBS PAYDOWN		30,872	30,872	31,374	31,317		(445)		(445)		30,872			0	843	03/01/2009	1FE
31393N 2K 4	FHR 2583 TD		09/01/2004	MBS PAYDOWN		22,330	22,330	22,714	22,695		(365)		(365)		22,330			0	655	02/01/2012	1FE
31368H LW 1	FN 190341		09/01/2004	MBS PAYDOWN		325,298	325,298	332,211	332,211		(6,913)		(6,913)		325,298			0	8,121	03/01/2018	1
31371K BR 1	FN 253948		09/01/2004	MBS PAYDOWN		340,612	340,612	336,035	337,055		3,558		3,558		340,612			0	13,293	10/01/2030	1
31371K MK 4	FN 254262		09/01/2004	MBS PAYDOWN		29,919	29,919	29,610	29,676		243		243		29,919			0	1,179	08/01/2031	1
31371K VA 6	FN 254509		09/01/2004	MBS PAYDOWN		69,110	69,110	70,201	70,050		(940)		(940)		69,110			0	2,290	06/01/2017	1
31371K VC 2	FN 254511		09/01/2004	MBS PAYDOWN		23,782	23,782	24,593	24,489		(707)		(707)		23,782			0	869	06/01/2017	1
31371K WJ 6	FN 254549		09/01/2004	MBS PAYDOWN		35,295	35,295	36,514	36,347		(1,052)		(1,052)		35,295			0	1,380	07/01/2032	1
31371L CE 7	FN 254869		09/01/2004	MBS PAYDOWN		265,497	265,497	265,829	265,817		(320)		(320)		265,497			0	9,833	05/01/2033	1
31382J WY 3	FN 484063		09/01/2004	MBS PAYDOWN		55,706	55,706	55,471	55,541		165		165		55,706			0	2,705	10/01/2027	1
31383M VS 9	FN 507425		09/01/2004	MBS PAYDOWN		6,495	6,495	6,570	6,547		(51)		(51)		6,495			0	361	09/01/2028	1
31384H 6L 2	FN 524775		09/01/2004	MBS PAYDOWN		79,275	79,275	78,928	79,039		236		236		79,275			0	3,646	05/01/2014	1
31385J RT 7	FN 545998		09/01/2004	MBS PAYDOWN		57,142	57,142	58,017	57,986		(844)		(844)		57,142			0	2,263	10/01/2031	1
31385X BN 6	FN 555445		09/01/2004	MBS PAYDOWN		20,406	20,406	20,457	20,456		(49)		(49)		20,406			0	677	12/01/2017	1
31386U ZC 9	FN 574139		09/01/2004	MBS PAYDOWN		2,982	2,982	2,975	2,977		5		5		2,982			0	129	02/01/2030	1

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SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Foreign Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	10 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.							
31387C P4 7	FN 580143	09/01/2004	MBS PAYDOWN		34,769	34,769	34,676	34,696		73		73		34,769			0	1,393	08/01/2030	1
31387Q XP 0	FN 591186	09/01/2004	MBS PAYDOWN		29,269	29,269	29,708	29,630		(362)		(362)		29,269			0	1,254	01/01/2016	1
31387Y YT 4	FN 598422	09/01/2004	MBS PAYDOWN		26,904	26,904	26,643	26,697		206		206		26,904			0	971	08/01/2016	1
31388D LJ 5	FN 601629	09/01/2004	MBS PAYDOWN		80,504	80,504	81,435	81,229		(725)		(725)		80,504			0	3,622	11/01/2030	1
31388V WH 7	FN 616348	09/01/2004	MBS PAYDOWN		32,987	32,987	33,209	33,149		(162)		(162)		32,987			0	1,286	04/01/2031	1
31389E 5T 8	FN 623758	09/01/2004	MBS PAYDOWN		49,845	49,845	50,304	50,188		(343)		(343)		49,845			0	1,872	08/01/2016	1
31389K CN 9	FN 627477	09/01/2004	MBS PAYDOWN		1,510	1,510	1,528	1,523		(13)		(13)		1,510			0	60	12/01/2016	1
31389S GZ 1	FN 633916	09/01/2004	MBS PAYDOWN		10,409	10,409	10,353	10,366		42		42		10,409			0	414	11/01/2016	1
31390K 5R 5	FN 648956	09/01/2004	MBS PAYDOWN		47,377	47,377	48,983	48,737		(1,360)		(1,360)		47,377			0	1,735	09/01/2017	1
31390W 6C 1	FN 658867	09/01/2004	MBS PAYDOWN		211,670	211,670	218,582	217,195		(5,525)		(5,525)		211,670			0	8,488	12/01/2016	1
31391N 6R 7	FN 672380	09/01/2004	MBS PAYDOWN		162,204	162,204	167,628	166,771		(4,567)		(4,567)		162,204			0	5,989	04/01/2017	1
31391Q X5 8	FN 674000	09/01/2004	MBS PAYDOWN		36,110	36,110	36,708	36,647		(536)		(536)		36,110			0	1,274	09/01/2032	1
31401W G2 9	FN 720317	09/01/2004	MBS PAYDOWN		239,487	239,487	244,838	244,838		(5,351)		(5,351)		239,487			0	5,988	03/01/2018	1
31402H Q6 1	FN 729577	09/01/2004	MBS PAYDOWN		59,212	59,212	58,814	58,826		386		386		59,212			0	2,110	09/01/2032	1
31402X Z7 4	FN 741566	09/01/2004	MBS PAYDOWN		23,971	23,971	24,458	24,436		(465)		(465)		23,971			0	846	09/01/2018	1
31404B SF 0	FN 763818	09/01/2004	MBS PAYDOWN		118,179	118,179	121,022	121,022		(2,844)		(2,844)		118,179			0	3,302	12/01/2033	1
31404C WM 8	FN 764852	09/01/2004	MBS PAYDOWN		204,738	204,738	209,280	209,280		(4,543)		(4,543)		204,738			0	5,152	11/01/2018	1
31404N WB 8	FN 773842	09/01/2004	MBS PAYDOWN		169,355	169,355	171,789	171,789		(2,434)		(2,434)		169,355			0	1,751	02/01/2034	1
31404R 4B 0	FN 776718	09/01/2004	MBS PAYDOWN		38,366	38,366	38,443	38,443		(78)		(78)		38,366			0	456	03/01/2034	1
31404W YX 8	FN 781126	09/01/2004	MBS PAYDOWN		6,430	6,430	6,259	6,259		171		171		6,430			0	80	01/01/2034	1
31404Y KL 5	FN 782499	09/01/2004	MBS PAYDOWN		56,782	56,782	56,529	56,529		253		253		56,782			0	364	02/01/2034	1
31392B TD 8	FNR 2002-5 PG	09/01/2004	MBS PAYDOWN		3,772,811	3,772,811	3,830,582	3,797,327		(24,516)		(24,516)		3,772,811			0	149,268	11/01/2004	1FE
31392F 5Y 9	FNR 2002-77 CG	09/01/2004	MBS PAYDOWN		43,539	43,539	44,008	43,953		(414)		(414)		43,539			0	1,142	01/01/2010	1FE
31393A 5L 7	FNR 2003-43 PJ	09/01/2004	MBS PAYDOWN		617,339	617,339	627,756	626,750		(9,411)		(9,411)		617,339			0	16,147	06/01/2006	1FE
880591 DS 8	TENN VALLEY AUTHORITY	09/24/2004	MORGAN STANLEY DEAN WIT		1,057,500	1,000,000	998,780	998,881		46		46		998,927		58,573	58,573	38,188	12/15/2016	1
	U.S.				13,003,430	12,945,930	13,078,236	13,036,345	0	(91,244)	0	(91,244)	0	12,945,102	0	58,328	58,328	354,992	XXX	XXX
3199999	Total - Bonds - Special Revenue & Assessment				13,003,430	12,945,930	13,078,236	13,036,345	0	(91,244)	0	(91,244)	0	12,945,102	0	58,328	58,328	354,992	XXX	XXX
Bonds - Industrial and Miscellaneous																				
United States																				
097014 AE 4	BOEING CAPITAL CORP	07/26/2004	CALL BY ISSUER at 104.810		1,572,150	1,500,000	1,592,250	1,569,018		(16,050)		(16,050)		1,552,969		19,181	19,181	50,732	05/15/2006	1FE
139732 CG 4	CARAT 2002-1 A3 FLTR	08/15/2004	MBS PAYDOWN		292,550	292,550	292,779	292,596		(46)		(46)		292,550			0	2,123	09/15/2004	1FE
14040K CN 6	COMT 2002-4A A	09/21/2004	BANK AMERICA		5,233,594	5,000,000	5,196,484	5,196,484		(12,154)		(12,154)		5,184,330		49,264	49,264	46,958	05/15/2007	1FE
12669D LE 6	CWHL 2002-32 2A3	09/01/2004	MBS PAYDOWN		52,606	52,606	53,223	53,109		(503)		(503)		52,606			0	1,718	02/01/2005	1FE
23383V AS 9	DCAT 2000-E A4	09/08/2004	MBS PAYDOWN		392,715	392,715	411,890	398,101		(5,386)		(5,386)		392,715			0	16,038	05/08/2005	1FE
23383V BJ 8	DCAT 2001-D A4	09/06/2004	MBS PAYDOWN		4,978	4,978	4,928	4,956		23		23		4,978			0	141	05/06/2005	1FE
23321P KF 4	DLJMA 1994-Q8 2A1	09/01/2004	MBS PAYDOWN		10,102	10,102	9,940	9,946		157		157		10,102			0	435	05/01/2024	1FE
30251T AA 7	FNBC 1993-A PASS THRU TR	07/06/2004	MBS PAYDOWN		10,707	10,707	11,506	11,340		(633)		(633)		10,707			0	865	01/05/2018	1FE
34527R HG 1	FORDO 2002-B A3A	09/15/2004	MBS PAYDOWN		135,181	135,181	138,550	137,085		(1,904)		(1,904)		135,181			0	3,711	01/15/2005	1FE
349631 AK 7	FORTUNE BRANDS INC	08/26/2004	HSBC SECURITIES LIMITED		6,056,520	6,000,000	6,152,880	6,152,880		(6,420)		(6,420)		6,146,460		(89,940)	(89,940)	228,313	12/01/2013	1FE
36828Q AA 4	GECMC 2003-C1 A1	09/01/2004	MBS PAYDOWN		52,863	52,863	52,994	52,970		(107)		(107)		52,863			0	1,085	03/01/2008	1FE
393505 YV 8	GTHIL 1997-E HEM1	09/15/2004	MBS PAYDOWN		345,369	345,369	351,036	346,226		(856)		(856)		345,369			0	16,526	10/15/2004	1FE
43811N AC 2	HAROT 2002-3 A3	09/18/2004	MBS PAYDOWN		486,192	486,192	492,630	490,929		(4,737)		(4,737)		486,192			0	9,664	04/18/2005	1FE
55264T AQ 4	MBNAS 2002-A1 A1	09/21/2004	DEUTSCHE BANK		5,225,586	5,000,000	5,258,984	5,193,433		(45,153)		(45,153)		5,148,280		77,306	77,306	191,813	01/15/2007	1FE
24240X AT 4	MORGAN STANLEY	08/13/2004	BANK AMERICA		2,242,820	2,000,000	2,053,180	2,046,434		(2,064)		(2,064)		2,044,370		198,450	198,450	124,511	02/10/2014	1FE
69348L GE 3	PNCMS 1996-PR1 A	08/01/2004	MBS PAYDOWN		57,630	57,630	59,609	58,886		(1,256)		(1,256)		57,630			0	48	04/01/2026	1FE
45660N JL 0	RAST 2002-A13 A3	09/01/2004	MBS PAYDOWN		44,321	44,321	45,366	45,040		(719)		(719)		44,321			0	1,512	02/01/2005	1FE
89232X AC 4	TAOT 2002-C A3	09/15/2004	MBS PAYDOWN		692,746	692,746	701,000	699,188		(6,441)		(6,441)		692,746			0	12,178	07/15/2005	1FE
883203 BC 4	TEXTRON INC	07/15/2004	MATURITY		2,000,000	2,000,000	2,012,500	2,002,170		(2,170)		(2,170)		2,000,000			0	127,500	07/15/2004	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 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.							
911596 AL 8	US BANCORP 7.500.....		.08/13/2004	SPEAR LEEDS & KELLOGG....		2,393,460	2,000,000	1,988,620	1,989,178		122		122		1,989,300		404,160	404,160	107,083	06/01/2026	1FE.....
90335G AA 9	US CENTRAL CREDIT UNION 2.75		.09/08/2004	SPEAR LEEDS & KELLOGG....		1,937,500	2,000,000	1,992,320	1,993,166		1,012		1,012		1,994,178		(56,678)	(56,678)	42,625	05/30/2008	1FE.....
928665 AC 2	VWALT 2002-A A3 2.360.....		.09/20/2004	MBS PAYDOWN.....		780,496	780,496	787,508	785,795		(5,299)		(5,299)		780,496				12,367	04/20/2005	1FE.....
96683M AC 7	WALT 2002-1 A3 2.600.....		.09/15/2004	MBS PAYDOWN.....		389,848	389,848	394,904	393,937		(4,089)		(4,089)		389,848				7,166	07/15/2005	1FE.....
929227 GE 0	WAMMS 2001-MS14 3A1 6.750.....		.09/01/2004	MBS PAYDOWN.....		84,999	84,999	87,390	87,282		(2,283)		(2,283)		84,999				3,751	05/01/2007	1FE.....
94975R AD 6	WFAT 2001-A A4 5.070.....		.08/16/2004	MBS PAYDOWN.....		189,363	189,363	195,192	191,314		(1,951)		(1,951)		189,363				6,294	09/15/2005	1FE.....
	U.S.....					30,684,296	29,522,666	30,337,663	30,201,463		0	(118,907)	0	(118,907)	30,082,553	0	601,743	601,743	1,015,157	XXX.....	XXX.....
4599999	Total - Bonds - Industrial & Miscellaneous.....					30,684,296	29,522,666	30,337,663	30,201,463		0	(118,907)	0	(118,907)	30,082,553	0	601,743	601,743	1,015,157	XXX.....	XXX.....
6099997	Total - Bonds - Part 4.....					58,020,831	56,925,314	57,708,600	57,580,217		0	(215,131)	0	(215,131)	57,365,085	0	655,746	655,746	1,773,811	XXX.....	XXX.....
6099999	Total - Bonds.....					58,020,831	56,925,314	57,708,600	57,580,217		0	(215,131)	0	(215,131)	57,365,085	0	655,746	655,746	1,773,811	XXX.....	XXX.....
7499999	Total - Bonds, Preferred and Common Stocks.....					58,020,831	XXX.....	57,708,600	57,580,217		0	(215,131)	0	(215,131)	57,365,085	0	655,746	655,746	1,773,811	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**

PRONATIONAL INSURANCE COMPANY

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
BANK OF AMERICA..... ATLANTA, GA.....					.....401,436	.....566,152	.....1,251,269	XXX
BANK ONE..... LANSING, MI.....					.....2,878			XXX
FEDERAL HOME LOAN BANK..... INDIANAPOLIS, IN.....					.....259	.....105	.....105	XXX
SOUTHTRUST BANK..... BIRMINGHAM, AL.....					.....4,593,408	.....1,843,399	.....530,677	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....0	.....0	.....4,997,981	.....2,409,656	.....1,782,051	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....0	.....0	.....4,997,981	.....2,409,656	.....1,782,051	XXX
0499999. Cash in Company's Office.....	XXX	XXX	.....XXX	.....XXX	.....2,000	.....2,000	.....2,000	XXX
0599999. Total Cash.....	XXX	XXX	.....0	.....0	.....4,999,981	.....2,411,656	.....1,784,051	XXX



SUPPLEMENT "A" TO SCHEDULE T

EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN

ALLOCATED BY STATES AND TERRITORIES

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

Physicians - Including Surgeons and Osteopaths

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama.....AL	2,520,799	1,887,094			664,135	3,000	1	1,286,779
2. Alaska.....AK								
3. Arizona.....AZ								
4. Arkansas.....AR								
5. California.....CA								
6. Colorado.....CO								
7. Connecticut.....CT								
8. Delaware.....DE	870,592	145,745			66,772	60,000	2	6,968
9. District of Columbia.....DC								
10. Florida.....FL	51,813,840	52,948,808	10,499,527	43	23,524,908	134,166,177	1,048	113,425,871
11. Georgia.....GA	211,448	234,262			107,737			187,487
12. Hawaii.....HI								
13. Idaho.....ID								
14. Illinois.....IL	20,544,896	15,827,905	4,468,620	15	6,407,239	39,610,089	400	31,628,330
15. Indiana.....IN			1,287,006	17		9,208,374	687	4,031,716
16. Iowa.....IA	351,854	172,578			78,764	17,500	2	218,463
17. Kansas.....KS								
18. Kentucky.....KY	10,640,079	8,850,580			5,820,323	8,149,891	184	14,324,408
19. Louisiana.....LA								
20. Maine.....ME								
21. Maryland.....MD								
22. Massachusetts.....MA								
23. Michigan.....MI	28,423,993	28,516,920	6,484,810	42	10,498,613	69,336,193	1,138	58,524,528
24. Minnesota.....MN								
25. Mississippi.....MS								
26. Missouri.....MO								
27. Montana.....MT								
28. Nebraska.....NE								
29. Nevada.....NV								
30. New Hampshire.....NH								
31. New Jersey.....NJ	11,967,595	8,665,275	20,648	1	3,563,732	11,826,766	119	4,273,674
32. New Mexico.....NM								
33. New York.....NY								
34. North Carolina.....NC								
35. North Dakota.....ND								
36. Ohio.....OH	9,066	9,066	4,744,500	10	2,164	17,968,000	160	1,125,605
37. Oklahoma.....OK								
38. Oregon.....OR								
39. Pennsylvania.....PA	5,746,607	5,423,744	4,001,002	11	2,078,490	32,510,693	334	6,363,154
40. Rhode Island.....RI								
41. South Carolina.....SC								
42. South Dakota.....SD								
43. Tennessee.....TN								
44. Texas.....TX								
45. Utah.....UT								
46. Vermont.....VT								
47. Virginia.....VA								
48. Washington.....WA								
49. West Virginia.....WV								
50. Wisconsin.....WI	42,261	8,874			3,993			3,993
51. Wyoming.....WY								
52. American Samoa.....AS								
53. Guam.....GU								
54. Puerto Rico.....PR								
55. US Virgin Islands.....VI								
56. Canada.....CN								
57. Aggregate Other Alien.....OT	0	0	0	0	0	0	0	0
58. Totals.....	133,143,030	122,690,851	31,506,113	139	52,816,870	322,856,683	4,075	235,400,976

DETAILS OF WRITE-INS

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



SUPPLEMENT "A" TO SCHEDULE T

EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN

ALLOCATED BY STATES AND TERRITORIES

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

Hospitals

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama.....AL								
2. Alaska.....AK								
3. Arizona.....AZ								
4. Arkansas.....AR								
5. California.....CA								
6. Colorado.....CO								
7. Connecticut.....CT								
8. Delaware.....DE								
9. District of Columbia.....DC								
10. Florida.....FL								
11. Georgia.....GA								
12. Hawaii.....HI								
13. Idaho.....ID								
14. Illinois.....IL	468,389	466,864	250,000	1	291,723	190,000	7	921,480
15. Indiana.....IN								
16. Iowa.....IA								
17. Kansas.....KS								
18. Kentucky.....KY	60,983	13,432			7,672			7,672
19. Louisiana.....LA								
20. Maine.....ME								
21. Maryland.....MD								
22. Massachusetts.....MA								
23. Michigan.....MI	1,230,874	1,073,745	(38,941)	7	671,938	3,759,985	60	4,786,576
24. Minnesota.....MN								
25. Mississippi.....MS								
26. Missouri.....MO								
27. Montana.....MT								
28. Nebraska.....NE								
29. Nevada.....NV								
30. New Hampshire.....NH								
31. New Jersey.....NJ								
32. New Mexico.....NM								
33. New York.....NY								
34. North Carolina.....NC								
35. North Dakota.....ND								
36. Ohio.....OH								
37. Oklahoma.....OK								
38. Oregon.....OR								
39. Pennsylvania.....PA								
40. Rhode Island.....RI								
41. South Carolina.....SC								
42. South Dakota.....SD								
43. Tennessee.....TN								
44. Texas.....TX								
45. Utah.....UT								
46. Vermont.....VT								
47. Virginia.....VA								
48. Washington.....WA								
49. West Virginia.....WV								
50. Wisconsin.....WI								
51. Wyoming.....WY								
52. American Samoa.....AS								
53. Guam.....GU								
54. Puerto Rico.....PR								
55. US Virgin Islands.....VI								
56. Canada.....CN								
57. Aggregate Other Alien.....OT	0	0	0	0	0	0	0	0
58. Totals.....	1,760,246	1,554,041	211,059	8	971,333	3,949,985	67	5,715,728

DETAILS OF WRITE-INS

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



SUPPLEMENT "A" TO SCHEDULE T

EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN

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

Other Health Care Professionals, Including Dentists ALLOCATED BY STATES AND TERRITORIES

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama.....AL	51,397	59,539			20,978			38,212
2. Alaska.....AK								
3. Arizona.....AZ								
4. Arkansas.....AR								
5. California.....CA								
6. Colorado.....CO								
7. Connecticut.....CT								
8. Delaware.....DE	2,035	167						
9. District of Columbia.....DC								
10. Florida.....FL	448,030	402,644			177,111	25,000	1	417,444
11. Georgia.....GA		4,847			2,217			2,467
12. Hawaii.....HI								
13. Idaho.....ID								
14. Illinois.....IL	251,315	201,662	2,004	1	96,770	49,000	5	262,609
15. Indiana.....IN			5,000	1		105,150	14	142,754
16. Iowa.....IA	5,890	4,010			1,834			3,913
17. Kansas.....KS								
18. Kentucky.....KY	317,958	295,897			207,392			249,064
19. Louisiana.....LA								
20. Maine.....ME								
21. Maryland.....MD								
22. Massachusetts.....MA								
23. Michigan.....MI	2,308,379	2,420,412	71,487	2	845,649	3,083,202	86	2,140,241
24. Minnesota.....MN								
25. Mississippi.....MS								
26. Missouri.....MO								
27. Montana.....MT								
28. Nebraska.....NE								
29. Nevada.....NV								
30. New Hampshire.....NH								
31. New Jersey.....NJ	119,473	145,013			54,406			54,406
32. New Mexico.....NM								
33. New York.....NY								
34. North Carolina.....NC								
35. North Dakota.....ND								
36. Ohio.....OH						210,000	8	158,129
37. Oklahoma.....OK								
38. Oregon.....OR								
39. Pennsylvania.....PA	144,597	176,746			75,692			129,184
40. Rhode Island.....RI								
41. South Carolina.....SC								
42. South Dakota.....SD								
43. Tennessee.....TN								
44. Texas.....TX								
45. Utah.....UT								
46. Vermont.....VT								
47. Virginia.....VA								
48. Washington.....WA								
49. West Virginia.....WV								
50. Wisconsin.....WI								
51. Wyoming.....WY								
52. American Samoa.....AS								
53. Guam.....GU								
54. Puerto Rico.....PR								
55. US Virgin Islands.....VI								
56. Canada.....CN								
57. Aggregate Other Alien.....OT	0	0	0	0	0	0	0	0
58. Totals.....	3,649,074	3,710,937	78,491	4	1,482,049	3,472,352	114	3,598,423

DETAILS OF WRITE-INS

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

**Supplement A to Sch. T
NONE**

**Supplement A to Sch. T
NONE**