

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
March 31, 2004

2004



QUARTERLY STATEMENT

As of March 31, 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 MICHIGAN	State of Domicile or Port of Entry MICHIGAN	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	ROBERT DAVID FRANCIS	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 of the enclosed statement (except for formatting differences due to electronic filing). 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 _____

PRONATIONAL INSURANCE COMPANY 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.....	621,501,954		621,501,954	578,292,111
2. Stocks:				
2.1 Preferred stocks.....	15,232,389		15,232,389	15,239,889
2.2 Common stocks.....	168,924,580		168,924,580	162,088,342
3. Mortgage loans on real estate:				
3.1 First liens.....	420,887	15,887	405,000	405,000
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	4,419,030		4,419,030	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 (\$.....(5,843,842)), cash equivalents (\$.....5,833,000) and short-term investments (\$.....22,223,439).....	22,212,597		22,212,597	36,433,111
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	1,116,100		1,116,100	1,109,800
8. Receivable for securities.....	2,005,575		2,005,575	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	835,833,112	15,887	835,817,225	798,031,111
11. Investment income due and accrued.....	6,445,158		6,445,158	7,229,752
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection.....	34,853,014	554,821	34,298,193	25,583,724
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	17,584,926		17,584,926	18,683,225
12.3 Accrued retrospective premiums.....			0	
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers.....	6,901,183		6,901,183	5,612,031
13.2 Funds held by or deposited with reinsured companies.....	11,989,000		11,989,000	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.....			0	
15.2 Net deferred tax asset.....	44,336,811	24,269,767	20,067,044	13,691,842
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....	230,522		230,522	252,171
18. Furniture and equipment, including health care delivery assets (\$.....0).....	699,554	699,554	0	
19. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	48,770		48,770	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.....	11,047,008	361,106	10,685,902	10,648,262
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	969,969,058	25,901,135	944,067,923	891,954,643
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	969,969,058	25,901,135	944,067,923	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. Unamortized cost of book of business.....	219,390		219,390	311,098
2302. Prepaid Expenses and Other Assets.....	361,106	361,106	0	3
2303. Company Owned Life Insurance.....	10,466,512		10,466,512	10,337,161
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	11,047,008	361,106	10,685,902	10,648,262

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....18,898,695).....	446,761,907	435,668,902
2. Reinsurance payable on paid losses and loss adjustment expenses.....	37,767	11,413
3. Loss adjustment expenses.....	153,511,069	147,758,454
4. Commissions payable, contingent commissions and other similar charges.....	4,838,553	2,972,021
5. Other expenses (excluding taxes, licenses and fees).....	2,081,738	446,779
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,573,126	1,349,954
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	429,532	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 \$.....3,970,888 and including warranty reserves of \$.....0).....	107,371,159	88,294,179
10. Advance premium.....	1,171,579	272,674
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	5,693,136	5,095,191
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	412,067	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.....	2,739,533	13,393,232
20. Payable for securities.....	10,868,664	
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$.....0 and interest thereon \$.....		
23. Aggregate write-ins for liabilities.....	(2,373,097)	(2,373,097)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	741,717,333	704,017,823
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	741,717,333	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).....	161,090,052	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).....	202,350,590	187,936,820
36. TOTALS.....	944,067,923	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 \$.....61,119,747).....	42,880,154	42,304,073	179,313,226
1.2 Assumed..... (written \$.....6,057,390).....	4,467,256	1,319,387	12,035,803
1.3 Ceded..... (written \$.....3,375,901).....	2,623,153	4,175,062	12,376,277
1.4 Net..... (written \$.....63,801,236).....	44,724,257	39,448,398	178,972,752
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....18,902,970):			
2.1 Direct.....	18,752,264	27,760,496	77,364,674
2.2 Assumed.....	1,607,993	683,442	4,733,160
2.3 Ceded.....	1,457,287	2,881,725	(8,880,977)
2.4 Net.....	18,902,970	25,562,213	90,978,811
3. Loss expenses incurred.....	23,079,440	15,490,902	93,724,329
4. Other underwriting expenses incurred.....	10,421,638	8,276,997	28,724,900
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	52,404,048	49,330,112	213,428,040
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(7,679,791)	(9,881,714)	(34,455,288)
INVESTMENT INCOME			
9. Net investment income earned.....	6,746,972	7,266,235	28,351,371
10. Net realized capital gains (losses).....	1,923,901	628,388	827,858
11. Net investment gain (loss) (Lines 9 + 10).....	8,670,873	7,894,623	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.....	179,042	(18,028)	433,442
15. Total other income (Lines 12 through 14).....	179,042	(18,028)	433,442
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	1,170,124	(2,005,119)	(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).....	1,170,124	(2,005,119)	(4,842,617)
19. Federal and foreign income taxes incurred.....	429,531	445,555	4,128,391
20. Net income (Line 18 minus Line 19) (to Line 22).....	740,593	(2,450,674)	(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).....	740,593	(2,450,674)	(8,971,008)
23. Change in net unrealized capital gains or losses.....	6,832,056	8,490,985	18,907,876
24. Change in net unrealized foreign exchange capital gain (loss).....			
25. Change in net deferred income taxes.....	1,159,210	1,845,681	8,644,970
26. Change in nonadmitted assets.....	5,681,911	(1,406,681)	(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)
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).....	14,413,770	5,980,311	(9,017,765)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	202,350,590	202,934,896	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.....	129,350		337,161
1402. Risk management income.....	63,008	14,052	340,680
1403. Miscellaneous.....	(13,316)	(32,080)	(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).....	179,042	(18,028)	433,442
3601. Lines 23 and 29 from 2000 Annual Statement.....			
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.....	58,137,364	181,561,754
2. Net investment income.....	8,723,622	31,752,500
3. Miscellaneous income.....	49,692	433,444
4. Total (Lines 1 through 3).....	66,910,678	213,747,698
5. Benefit and loss related payments.....	26,399,588	123,381,988
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	6,715,353	29,612,057
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	4,195,984	(176,450)
10. Total (Lines 5 through 9).....	37,310,925	152,817,595
11. Net cash from operations (Line 4 minus Line 10).....	29,599,753	60,930,103
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	93,458,294	165,254,067
12.2 Stocks.....		12,342,884
12.3 Mortgage loans.....	4,208	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).....	93,462,502	177,607,793
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	127,002,669	214,916,582
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	6,300	1,109,800
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	127,008,969	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).....	(33,546,467)	(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).....	(10,273,800)	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).....	(10,273,800)	(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).....	(14,220,514)	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).....	22,212,597	36,433,111

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

20.001	.....	
20.999	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 4, 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

- A. The components of the deferred tax asset (DTA) or liability (DTL) at March 31, 2004 and December 31, 2003 are as follows:

	<u>2004</u>	<u>2003</u>
(1) Total of all DTAs (admitted and nonadmitted)	\$ 44,673,045	\$ 43,506,224
(2) Total of all DTLs	336,234	328,623
(3) Total DTAs nonadmitted in accordance with SSAP No. 10 – Income Taxes	24,269,767	29,485,759
(4) The Total of all DTAs admitted [(1)-(2)-(3)]	20,067,044	13,691,842
(5) The net change during the year in the total DTAs nonadmitted	\$ (5,215,992)	\$ 8,416,704

- C. The change in DTAs and DTLs for the first quarter is as follows:
Net deferred tax assets increased \$1,151,210 since December 31, 2003.
- D. The major items causing differences between the federal tax rate and the actual effective tax rate are tax exempt investment income and increases in cash surrender value of life insurance.
- F. The Company is included in the consolidated federal tax return of ProAssurance Corporation (see 2003 Annual Statement for companies included in the return). Taxes of the members of the group are determined based upon individual company computations.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

NOTES TO FINANCIAL STATEMENTS

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 with Financial Instruments with Concentrations of Credit Risk

No significant change.

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

C. The Company had no wash sales in the first quarter of 2004.

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.

NOTES TO FINANCIAL STATEMENTS

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.

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 [] No [X]

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

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

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

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

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

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

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

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. 12/31/1999.....

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.....

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	\$.....168,913,801
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	\$.....168,913,801
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.....		

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

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

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with 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

**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.....	(43,828)	(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.....	4,419,030	4,462,858
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	4,419,030	4,462,858
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	4,419,030	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.....	4,208	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.....	420,887	425,095
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	420,887	425,095
12. Total nonadmitted amounts.....	15,887	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.....	6,300	
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.....	1,116,100	1,109,800
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	1,116,100	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).....	1,116,100	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.....	137,871,333	214,916,582
3. Accrual of discount.....	67,518	483,294
4. Increase (decrease) by adjustment.....	6,832,053	18,964,114
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	1,928,914	827,858
7. Consideration for bonds and stocks disposed of.....	95,463,869	177,596,951
8. Amortization of premium.....	1,197,368	4,105,165
9. Book/adjusted carrying value, current period.....	805,658,921	755,620,340
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	805,658,921	755,620,340
12. Total nonadmitted amounts.....		
13. Statement value.....	805,658,921	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 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.....	577,284,802	272,639,741	236,231,876	(5,126,955)	608,565,710			577,284,802
2. Class 2.....	25,774,559	5,435,974		3,949,150	35,159,683			25,774,559
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	603,059,361	278,075,715	236,231,876	(1,177,805)	643,725,393	0	0	603,059,361
PREFERRED STOCK								
8. Class 1.....	6,992,389			(3,210,000)	3,782,389			6,992,389
9. Class 2.....	6,247,500			3,202,500	9,450,000			6,247,500
10. Class 3.....	2,000,000				2,000,000			2,000,000
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	15,239,889	0	0	(7,500)	15,232,389	0	0	15,239,889
15. Total Bonds and Preferred Stock.....	618,299,250	278,075,715	236,231,876	(1,185,305)	658,957,782	0	0	618,299,250

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.....	22,223,439	XXX	22,227,213	10,313	

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.....	95,590,741	321,124,705
3. Increase (decrease) by adjustment.....	(47,955)	(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.....	98,081,583	329,735,896
7. Book/adjusted carrying value, current period.....	22,223,439	24,767,250
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	22,223,439	24,767,250
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	22,223,439	24,767,250
12. Income collected during period.....	198,914	298,336
13. Income earned during period.....	192,706	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	572,872	234,419			855,204	107,780
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	78,237				9,131	
9. District of Columbia.....DC	NO						
10. Florida.....FL	YES	21,238,501	23,990,463	3,379,820	10,774,371	239,256,625	251,132,509
11. Georgia.....GA	YES	116,400				110,701	
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	9,942,937	9,983,245	1,329,341	1,040,152	71,499,372	65,579,618
15. Indiana.....IN	YES	214,506	170,624	218,939	195,895	15,416,787	10,251,290
16. Iowa.....IA	YES		(6,084)			179,854	160,500
17. Kansas.....KS	YES						
18. Kentucky.....KY	YES	5,084,260	2,481,959			18,276,839	10,639,500
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	YES	10,341,749	17,978,755	2,753,145	6,193,870	140,804,459	139,424,972
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	6,920,405	3,223,697	4,254		13,911,745	9,324,500
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	1,629,972	1,710,764	3,100,000	1,530,285	25,330,917	32,823,000
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	YES	4,979,908	4,691,086	1,039,283	137,501	40,594,852	34,792,898
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						
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	61,119,747	64,458,928	11,824,782	19,872,074	566,246,486	554,236,567

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.....	3,332,796	1,447,488	43.4	85.7
11.2. Medical malpractice-claims made.....	37,257,928	16,181,732	43.4	60.2
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.....	2,289,430	1,123,044	49.1	70.2
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.....	42,880,154	18,752,264	43.7	65.6

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.....	1,920,240	1,920,240	8,168,173
11.2. Medical malpractice-claims made.....	56,443,329	56,443,329	53,741,762
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.....	2,756,178	2,756,178	2,548,992
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.....	61,119,747	61,119,747	64,458,927

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 Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 2001 + Prior	236,013	34,490	270,503	15,785	788	16,573	220,190	1,726	32,014	253,930	(38)	38	0
2. 2002	81,398	55,315	136,713	4,472	643	5,115	86,578	2,165	42,856	131,599	9,652	(9,651)	1
3. Subtotals 2002 + Prior	317,411	89,805	407,216	20,257	1,431	21,688	306,768	3,891	74,870	385,529	9,614	(9,613)	1
4. 2003	40,146	136,064	176,210	1,957	624	2,581	48,487	894	124,249	173,630	10,298	(10,297)	1
5. Subtotals 2003 + Prior	357,557	225,869	583,426	22,214	2,055	24,269	355,255	4,785	199,119	559,159	19,912	(19,910)	2
6. 2004	XXX	XXX	XXX	XXX	869	869	XXX	5,429	35,685	41,114	XXX	XXX	XXX
7. Totals	357,557	225,869	583,426	22,214	2,924	25,138	355,255	10,214	234,804	600,273	19,912	(19,910)	2
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. 5.6 %	2. (8.8) %	3. 0.0 %
													Col. 13, Line 7 Line 8
													4. 0.0 %

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(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>

Explanations:

Bar Code:



**Overflow Page
NONE**

**Sch. A-Part 2
NONE**

**Sch. A-Part 3
NONE**

**Sch. B-Part 1
NONE**

**Sch. B-Part 2
NONE**

**Sch. BA-Part 1
NONE**

**Sch. BA-Part 2
NONE**

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
31359M UQ 4	FANNIE MAE 03/16/2009 3.125		03/12/2004	LEHMAN BROTHERS		9,929,000	10,000,000		1
912827 W8 1	US TREASURY N/B 02/15/2006 5.625		01/07/2004	MORGAN KEEGAN & CO INC.		334,025	310,000	6,918	1
0399999	Total - Bonds - U.S. Government					10,263,025	10,310,000	6,918	XXX
Bonds - Political Subdivisions of States									
United States									
763495 DR 6	RICHLAND BEANBLOSSOM I 07/15/2017 5.000		03/30/2004	BANC ONE CAPITAL CORP		2,421,104	2,145,000		1FE
57582N SK 2	MASSACHUSETTS ST 10/01/2019 5.500		02/17/2004	GOLDMAN SACHS & CO		5,877,250	5,000,000	89,375	1FE
170016 TL 3	CHIPPEWA VALLEY MICH S 05/01/2015 5.000		02/17/2004	UBS SECURITIES		1,227,270	1,100,000		1FE
681712 QF 5	OMAHA NEB 04/01/2018 4.500		03/10/2004	KIRKPATRICK PETTIS		1,606,534	1,520,000		1FE
960470 HK 1	WESTLAKE OHIO CITY SCH 12/01/2014 5.000		03/17/2004	DIRECT		2,145,264	1,870,000	1,818	1FE
910678 RJ 2	UNITED INDPT SCH DIST 08/15/2018 4.750		03/10/2004	SOUTHWEST SECURITIES INC		2,343,278	2,190,000	12,136	1FE
970667 KV 2	WILLIS TEX INDPT SCH D 02/15/2018 5.750		02/27/2004	FIXED INCOME SEC		1,765,130	1,485,000	4,269	1FE
127145 FH 8	CACHE CNTY UTAH SCH DI 06/15/2017 5.000		02/12/2004	WELLS FARGO & COMPANY		1,114,220	1,000,000		1FE
795676 HJ 7	SALT LAKE CNTY UTAH 06/15/2016 4.000		03/26/2004	GEORGE K. BAUM CO		1,020,990	1,000,000	3,000	1FE
495008 QP 2	KING CNTY WASH SCH DIS 12/01/2016 5.000		02/20/2004	SEATTLE NORTHWEST		1,682,805	1,500,000	3,125	1FE
495260 SM 4	KING CNTY WASH SCH DIS 12/01/2013 5.750		03/09/2004	DAIN RAUSCHER		1,192,630	1,000,000	16,132	1FE
735371 GC 4	PORT SEATTLE WASH 12/01/2015 6.000		02/24/2004	BAIRD & PATRICK		1,204,130	1,050,000	15,050	1FE
833092 FN 4	SNOHOMISH CNTY WASH PU 12/01/2015 4.100		01/29/2004	PIPER JAFFRAY		1,212,339	1,195,000	272	1FE
866854 EF 5	SUN PRAIRIE WIS AREA S 03/01/2016 4.500		02/17/2004	DIRECT		1,137,802	1,080,000		1FE
	U.S.					25,950,746	23,135,000	145,177	XXX
2499999	Total - Bonds - Political Subdivision					25,950,746	23,135,000	145,177	XXX
Bonds - Special Revenue and Special Assessment									
United States									
040848 AM 5	ARKANSAS DEV FIN AUTH 01/01/2016 5.000		01/26/2004	MORGAN KEEGAN & CO INC.		1,970,712	1,800,000	8,000	1FE
875128 GS 3	TAMPA BAY WTR FLA UTIL 10/01/2015 5.250		02/06/2004	RAYMOND JAMES		2,287,740	2,000,000		1FE
434462 LH 8	HOFFMAN ESTATES ILL PK 12/01/2015 5.000		02/26/2004	GEORGE K. BAUM CO		1,162,053	1,065,000		1FE
46600M CP 1	IVY TECH ST COLLEGE IN 07/01/2018 5.250		03/29/2004	DIRECT		2,547,604	2,280,000	29,925	1FE
49151E UW 1	KENTUCKY ST PPTY & BLD 10/01/2017 5.250		02/18/2004	RAYMOND JAMES		5,711,656	4,910,000		1FE
650017 TF 3	NEW YORK ST TWY AUTH S 03/15/2019 0.820		03/29/2004	MORGAN STANLEY		4,200,000	4,200,000		1FE
756872 CJ 4	RED RIVER TEX ED FIN 03/01/2031 2.750		02/27/2004	LEHMAN BROTHERS		2,600,000	2,600,000	199	1FE
458840 3U 7	INTERMOUNTAIN PWR AGY 07/01/2014 5.250		01/26/2004	FIDELITY INVESTMENTS		1,113,500	1,000,000	4,083	1FE
917547 PB 1	UTAH ST BLDG OWNERSHIP 05/15/2017 5.000		01/26/2004	ADVEST INC		1,060,670	1,000,000	10,278	1FE
495289 LN 8	KING CNTY WASH SWR REV 01/01/2015 5.000		03/03/2004	MERRILL LYNCH		4,440,800	4,000,000		1FE
75767L AJ 7	REDMOND WASH CMNTY PPT 12/01/2016 5.250		03/26/2004	LEHMAN BROTHERS		2,802,850	2,500,000		1FE
921645 PY 7	VANCOUVER WASH WTR & S 06/01/2018 5.000		02/05/2004	PIPER JAFFRAY		1,093,010	1,000,000		1FE
977109 BC 0	WISCONSIN ST PETROLEUM 07/01/2011 4.000		02/06/2004	GRIFFIN KUBIC		2,054,325	1,950,000	1,517	1FE
31296J ZA 7	FG A10737 06/01/2033 5.500		02/05/2004	MERRILL LYNCH		9,589,459	9,418,744	15,829	1
31394R MD 8	FHR 2752 PG 03/01/2019 5.000		03/04/2004	LEHMAN BROTHERS		4,986,719	5,000,000	5,556	1
31368H LW 1	FN 190341 09/01/2018 5.000		02/05/2004	MERRILL LYNCH		7,476,766	7,321,190	17,286	1
31401W G2 9	FN 720317 07/01/2018 5.000		02/02/2004	BANK AMERICA		5,062,847	4,952,197	11,693	1
31404B SF 0	FN 763818 02/01/2034 5.500		02/18/2004	BEAR STEARNS & CO		5,120,313	5,000,000	16,806	1
31404C WM 8	FN 764852 01/01/2019 5.000		02/02/2004	NOMURA SECURITIES		5,074,336	4,964,193	11,721	1
	U.S.					70,355,360	66,961,324	132,893	XXX
3199999	Total - Bonds - Special Revenue & Special Assessments					70,355,360	66,961,324	132,893	XXX
Bonds - Industrial and Miscellaneous									
United States									
013716 AR 6	ALCAN INC 09/15/2012 4.875		03/12/2004	STONE & YOUNGBERG		1,043,010	1,000,000	271	2FE
060505 AD 6	BANK OF AMERICA CORP 02/15/2010 7.800		01/07/2004	SPEAR LEEDS & KELLOGG		1,783,515	1,500,000	47,775	1FE
073902 CE 6	BEAR STEARNS CO INC 10/28/2010 4.500		01/07/2004	BEAR STEARNS & CO		1,510,740	1,500,000	13,875	1FE
06423R BB 1	BOIT 2003-A7 A7 07/15/2008 3.350		03/30/2004	J.P. MORGAN		1,523,965	1,500,000	2,373	1FE
127210 AB 8	CADBURY SCHW US 144A 10/01/2013 5.125		03/12/2004	KEEFE BRUYETTE & WOODS		1,045,090	1,000,000	23,917	2FE
163714 AB 4	CHASE MANHATTAN 06/01/2005 7.000		03/05/2004	DIRECT		1,280,688	1,200,000	23,100	1FE

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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)
191219 BJ 2	COCA-COLA ENTERPRISES 08/15/2011 6.125		02/05/2004	UBS SECURITIES		5,570,050	5,000,000	148,872	1FE
349631 AK 7	FORTUNE BRANDS INC 12/01/2013 4.875		02/18/2004	J.P. MORGAN		6,152,880	6,000,000	75,563	1FE
438516 AK 2	HONEYWELL INTERNATIONA 03/01/2010 7.500		02/04/2004	UBS SECURITIES		5,918,150	5,000,000	164,583	1FE
494550 AE 6	KINDER MORGAN ENER PAR 03/15/2005 8.000		03/05/2004	LEHMAN BROTHERS		1,117,914	1,050,000	40,833	2FE
600388 AB 8	MILLER BREWING 144A 08/15/2013 5.500		03/12/2004	KEEFE BRUYETTE & WOODS		1,073,050	1,000,000	4,889	2FE
	U.S.					28,019,052	25,750,000	546,051	XXX
Canada									
12201P AM 8	BURLINGTON RESOURCES F 12/01/2011 6.500	C	03/12/2004	STONE & YOUNGBERG		1,156,910	1,000,000	19,139	2FE
	Canada					1,156,910	1,000,000	19,139	XXX
Foreign									
25243Y AA 7	DIAGEO CAPITAL PLC 08/15/2005 6.125	F	03/05/2004	UBS SECURITIES		2,126,240	2,000,000	8,507	1FE
	Foreign					2,126,240	2,000,000	8,507	XXX
4599999	Total - Bonds - Industrial & Miscellaneous					31,302,202	28,750,000	573,697	XXX
6099997	Total - Bonds - Part 3					137,871,333	129,156,324	858,685	XXX
6099999	Total - Bonds					137,871,333	129,156,324	858,685	XXX
7499999	Total - Bonds, Preferred and Common Stocks					137,871,333	XXX	858,685	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	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 DJ 9	FANNIE MAE		03/12/2004	MORGAN STANLEY DEAN WIT		11,173,900	10,000,000	11,141,100	10,912,931		(42,586)		(42,586)		10,870,345		303,555	303,555	335,417	02/15/2008	1
31359M MA 8	FANNIE MAE		01/20/2004	CALLED BY ISSUER at		7,500,000	7,500,000	7,656,300	7,505,762		(5,762)		(5,762)		7,500,000			0	187,500	01/20/2007	1
31359M MG 5	FANNIE MAE		02/11/2004	MORGAN STANLEY DEAN WIT		5,142,500	5,000,000	5,176,300	5,145,498		(13,293)		(13,293)		5,132,205		10,295	10,295	79,115	03/15/2005	1
3134A4 DQ 4	FREDDIE MAC		02/15/2004	MATURITY		5,000,000	5,000,000	5,213,700	5,016,974		(16,974)		(16,974)		5,000,000			0	131,250	02/15/2004	1
36202D C9 0	G2 2796	7.000	03/01/2004	MBS PAYDOWN		116,866	116,866	114,017	114,427		2,439		2,439		116,866			0	1,281	07/01/2028	1
36203L DN 9	GN 352109	7.000	03/01/2004	MBS PAYDOWN		27,213	27,213	27,800	27,619		(406)		(406)		27,213			0	316	05/01/2022	1
36205N MS 6	GN 395583	7.000	03/01/2004	MBS PAYDOWN		21,589	21,589	21,964	21,861		(272)		(272)		21,589			0	129	12/01/2026	1
36207K GS 3	GN 434109	6.500	03/01/2004	MBS PAYDOWN		151,078	151,078	151,645	151,506		(428)		(428)		151,078			0	1,583	04/01/2028	1
36207K JJ 0	GN 434165	6.500	03/01/2004	MBS PAYDOWN		158,070	158,070	158,662	158,510		(440)		(440)		158,070			0	1,692	04/01/2028	1
36208V GE 0	GN 462669	7.000	03/01/2004	MBS PAYDOWN		83,453	83,453	84,848	84,472		(1,020)		(1,020)		83,453			0	1,021	06/01/2027	1
36208W DE 0	GN 462801	6.500	03/01/2004	MBS PAYDOWN		252,902	252,902	253,060	253,058		(156)		(156)		252,902			0	2,577	07/01/2027	1
36208W ES 8	GN 462845	7.500	03/01/2004	MBS PAYDOWN		27,439	27,439	28,463	28,187		(748)		(748)		27,439			0	342	07/01/2027	1
36208X D7 3	GN 463726	7.000	03/01/2004	MBS PAYDOWN		2,185	2,185	2,219	2,210		(24)		(24)		2,185			0	27	11/01/2026	1
36210A VS 3	GN 486725	7.000	03/01/2004	MBS PAYDOWN		4,931	4,931	5,038	5,009		(77)		(77)		4,931			0	57	02/01/2028	1
36210E X6 1	GN 490401	6.500	03/01/2004	MBS PAYDOWN		4,967	4,967	4,939	4,946		21		21		4,967			0	57	03/01/2028	1
36213U DK 3	GN 564506	6.500	03/01/2004	MBS PAYDOWN		78,275	78,275	79,278	79,104		(829)		(829)		78,275			0	734	07/01/2031	1
36200X LT 4	GN 575538	6.500	03/01/2004	MBS PAYDOWN		450,781	450,781	460,360	458,493		(7,712)		(7,712)		450,781			0	4,970	06/01/2031	1
36201F T7 2	GN 582074	6.000	03/01/2004	MBS PAYDOWN		155,172	155,172	155,439	155,399		(227)		(227)		155,172			0	1,599	08/01/2031	1
36225A UH 1	GN 780584	7.000	03/01/2004	MBS PAYDOWN		86,025	86,025	86,885	86,707		(682)		(682)		86,025			0	973	12/01/2025	1
912827 0 6	US TREASURY N/B	4.750	02/15/2004	MATURITY		310,000	310,000	313,391	310,153		(153)		(153)		310,000			0	7,363	02/15/2004	1
912828 AL 4	US TREASURY N/B	1.875	02/20/2004	MORGAN KEEGAN & CO INC.		5,275,022	5,250,000	5,290,194	5,280,010		(5,804)		(5,804)		5,274,206		815	815	39,267	09/30/2004	1
912828 AR 1	US TREASURY N/B	1.750	03/08/2004	BANK AMERICA		3,016,406	3,000,000	3,009,609	3,004,829		(888)		(888)		3,003,941		12,465	12,465	9,808	12/31/2004	1
0399999	Total - Bonds - U.S. Government					39,038,774	37,680,946	39,435,211	38,807,665	0	(96,021)	0	(96,021)	0	38,711,643	0	327,130	327,130	807,078	.XXX	.XXX
Bonds - Political Subdivisions of States																					
United States																					
392217 CR 4	GREATER NEW BEDFORD REGL VOCTI		02/26/2004	DAIN BOSWORTH		1,497,125	1,475,000	1,508,453	1,502,607		(4,883)		(4,883)		1,497,725		(600)	(600)	9,465	12/15/2004	1FE
494748 Q9 0	KING COUNTY WASH	8.120	03/11/2004	LEGG MASON		2,038,543	1,695,000	1,999,795	1,951,075		(10,929)		(10,929)		1,940,146		98,397	98,397	40,143	12/01/2016	1FE
486260 LZ 3	KAUKAUNA WIS	4.550	03/11/2004	DAIN BOSWORTH		1,625,640	1,550,000	1,566,864	1,565,041		(1,145)		(1,145)		1,563,896		61,744	61,744	41,335	08/01/2008	1FE
	U.S.					5,161,308	4,720,000	5,075,112	5,018,723	0	(16,957)	0	(16,957)	0	5,001,767	0	159,541	159,541	90,943	.XXX	.XXX
2499999	Total - Bonds - Political Subdivisions					5,161,308	4,720,000	5,075,112	5,018,723	0	(16,957)	0	(16,957)	0	5,001,767	0	159,541	159,541	90,943	.XXX	.XXX
Bonds - Special Revenue and Special Assessment																					
United States																					
040504 EM 0	ARIZONA EDL LN MRKNG CORP EDL L		02/04/2004	DAIN BOSWORTH		1,200,000	1,200,000	1,200,000	1,200,000		0		0		1,200,000			0	2,193	12/01/2037	1FE
718911 ET 3	PHOENIX ARIZ INDL DEV AUTH REV	6	03/11/2004	DAIN BOSWORTH		2,306,010	2,100,000	2,310,000	2,275,540		(11,647)		(11,647)		2,263,893		42,117	42,117	38,281	12/01/2008	1FE
041081 G2 0	ARKANSAS ST DEV FIN AUTH SINGL	4	01/02/2004	SINKING FUND REDEMPTION		160,000	160,000	160,682	160,375		(375)		(375)		160,000			0	4,200	07/01/2024	1FE
00432M AR 0	ACCESS TO LNS FOR LEARNING STUD		02/10/2004	DAIN BOSWORTH		2,100,000	2,100,000	2,100,000	2,100,000		0		0		2,100,000			0	3,904	07/01/2037	1FE
392386 AA 6	GREATER VALLEY CALIF MED BLDG		03/01/2004	CALLED BY ISSUER at		965,000	965,000	1,006,842	971,164		(6,164)		(6,164)		965,000			0	33,100	03/01/2004	1PE
456567 VF 0	INDUSTRY CALIF URBAN DEV AGY	3	01/23/2004	DAIN BOSWORTH		2,345,611	2,330,000	2,329,185	2,329,186		17		17		2,329,202		16,409	16,409	5,725	05/01/2007	1FE
340640 AU 5	FLORIDA EDL LN MARKETING CORP ED		02/11/2004	DAIN BOSWORTH		1,300,000	1,300,000	1,300,000	1,300,000		0		0		1,300,000			0	2,411	12/01/2038	1FE
452010 6M 8	ILLINOIS HSG DEV AUTH	8.070	02/04/2004	SINKING FUND REDEMPTION		1,000,000	1,000,000	1,059,240	1,044,345		(44,345)		(44,345)		1,000,000			0	34,298	09/01/2016	1FE
455280 5U 7	INDIANAPOLIS IND LOC PUB IMPT BD	5	03/11/2004	CITICORP SECURITIES		1,578,923	1,480,000	1,587,330	1,553,256		(6,508)		(6,508)		1,546,748		32,175	32,175	55,142	07/01/2006	1FE
627270 HJ 3	MUSCATINE IOWA ELEC REV	3.62	03/11/2004	DAIN BOSWORTH		1,034,370	1,000,000	1,000,000	1,000,000		0		0		1,000,000		34,370	34,370	25,642	01/01/2007	1FE
575633 GS 5	MASSACHUSETTS ED LN AUTH ED LN		01/02/2004	SINKING FUND REDEMPTION		40,000	40,000	40,400	40,087		(87)		(87)		40,000			0	1,100	07/01/2005	1FE
676901 YP 0	OHIO HSG FIN AGY MTG REV	5.37	03/01/2004	CALLED BY ISSUER at		90,000	90,000	90,000	90,000		0		0		90,000			0	2,419	09/01/2019	1FE
709163 DK 2	PENNSYLVANIA ST HIGHER ED	1.1	02/02/2004	DAIN BOSWORTH		1,000,000	1,000,000	1,000,000	1,000,000		0		0		1,000,000			0	1,828	10/01/2042	1FE
976904 AQ 0	WISCONSIN HSG & ECONOMIC DEV A		02/01/2004	CALLED BY ISSUER at		295,800	290,000	296,128	291,590		(72)		(72)		291,518		4,282	4,282	1,146	11/01/2007	1FE
280907 EQ 9	ELI 1999-1 B FLTR	1.130	02/03/2004	DAIN BOSWORTH		2,650,000	2,650,000	2,650,000	2,650,000		0		0		2,650,000			0	4,947	12/09/2035	1FE
31296J ZA 7	FG A10737	5.500	03/01/2004	MBS PAYDOWN		92,940	92,940	94,624	94,624		(1,685)		(1,685)		92,940			0	426	06/01/2033	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	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)		
3128H3 LP 4	FG E95734	5.000	03/01/2004	MBS PAYDOWN		131,980	131,980	136,270	135,935		(3,954)		(3,954)		131,980			0	1,046	02/01/2018	1FE		
31393K WD 3	FHR 2574 A	4.500	01/01/2004	MBS PAYDOWN		10,606	10,606	10,724	10,685		(79)		(79)		10,606			0	40	02/01/2006	1FE		
31393M Z2 0	FHR 2583 ND	4.250	03/01/2004	MBS PAYDOWN		115,090	115,090	116,961	116,749		(1,658)		(1,658)		115,090			0	810	05/01/2009	1FE		
31393N 2K 4	FHR 2583 TD	4.500	03/01/2004	MBS PAYDOWN		54,476	54,476	55,412	55,367		(891)		(891)		54,476			0	450	09/01/2011	1FE		
31368H LW 1	FN 190341	5.000	03/01/2004	MBS PAYDOWN		131,575	131,575	134,371	134,371		(2,796)		(2,796)		131,575			0	548	09/01/2018	1FE		
31371K BR 1	FN 253948	6.000	03/01/2004	MBS PAYDOWN		443,891	443,891	437,926	439,255		4,636		4,636		443,891			0	3,844	01/01/2031	1FE		
31371K MK 4	FN 254262	6.000	03/01/2004	MBS PAYDOWN		46,405	46,405	45,926	46,028		376		376		46,405			0	484	11/01/2031	1FE		
31371K VA 6	FN 254509	5.000	03/01/2004	MBS PAYDOWN		94,267	94,267	95,754	95,549		(1,282)		(1,282)		94,267			0	823	08/01/2017	1FE		
31371K VC 2	FN 254511	5.500	03/01/2004	MBS PAYDOWN		33,099	33,099	34,227	34,083		(984)		(984)		33,099			0	328	07/01/2017	1FE		
31371K WJ 6	FN 254549	6.000	03/01/2004	MBS PAYDOWN		56,219	56,219	58,160	57,894		(1,675)		(1,675)		56,219			0	568	08/01/2032	1FE		
31371L CE 7	FN 254869	5.500	03/01/2004	MBS PAYDOWN		177,686	177,686	177,909	177,901		(214)		(214)		177,686			0	1,611	09/01/2033	1FE		
31382J WY 3	FN 484063	6.500	03/01/2004	MBS PAYDOWN		27,185	27,185	27,071	27,105		81		81		27,185			0	430	03/01/2028	1FE		
31383M VS 9	FN 507425	7.500	03/01/2004	MBS PAYDOWN		100,408	100,408	101,569	101,204		(796)		(796)		100,408			0	1,138	10/01/2028	1FE		
31384H 6L 2	FN 524775	7.000	03/01/2004	MBS PAYDOWN		142,937	142,937	142,312	142,512		425		425		142,937			0	1,490	06/01/2014	1FE		
31385J RT 7	FN 545998	6.000	03/01/2004	MBS PAYDOWN		90,670	90,670	92,059	92,010		(1,339)		(1,339)		90,670			0	927	11/01/2032	1FE		
31385X BN 6	FN 555445	5.000	03/01/2004	MBS PAYDOWN		18,831	18,831	18,876	18,876		(46)		(46)		18,831			0	166	05/01/2018	1FE		
31386U ZC 9	FN 574139	6.500	03/01/2004	MBS PAYDOWN		131,899	131,899	131,590	131,680		219		219		131,899			0	1,280	10/01/2030	1FE		
31387C P4 7	FN 580143	6.000	03/01/2004	MBS PAYDOWN		81,590	81,590	81,373	81,420		170		170		81,590			0	813	07/01/2031	1FE		
31387Q XP 0	FN 591186	6.500	03/01/2004	MBS PAYDOWN		33,173	33,173	33,671	33,583		(410)		(410)		33,173			0	372	03/01/2016	1FE		
31387Y YT 4	FN 598422	5.500	03/01/2004	MBS PAYDOWN		44,865	44,865	44,430	44,521		344		344		44,865			0	420	10/01/2016	1FE		
31388D LJ 5	FN 601629	6.500	03/01/2004	MBS PAYDOWN		83,507	83,507	84,473	84,259		(752)		(752)		83,507			0	895	04/01/2031	1FE		
31388V WH 7	FN 616348	6.500	03/01/2004	MBS PAYDOWN		115,626	115,626	116,403	116,194		(568)		(568)		115,626			0	1,190	01/01/2031	1FE		
31389E 5T 8	FN 623758	6.000	03/01/2004	MBS PAYDOWN		23,374	23,374	23,590	23,535		(161)		(161)		23,374			0	233	08/01/2016	1FE		
31389K CN 9	FN 627477	6.000	03/01/2004	MBS PAYDOWN		1,858	1,858	1,880	1,875		(17)		(17)		1,858			0	18	10/01/2016	1FE		
31389S GZ 1	FN 633916	6.000	03/01/2004	MBS PAYDOWN		35,867	35,867	35,676	35,721		146		146		35,867			0	376	12/01/2016	1FE		
31390K 5R 5	FN 648956	5.500	03/01/2004	MBS PAYDOWN		616,623	616,623	637,531	634,321		(17,698)		(17,698)		616,623			0	6,288	08/01/2017	1FE		
31390W 6C 1	FN 658867	6.000	03/01/2004	MBS PAYDOWN		254,503	254,503	262,814	261,146		(6,643)		(6,643)		254,503			0	2,302	01/01/2017	1FE		
31391N 6R 7	FN 672380	5.500	03/01/2004	MBS PAYDOWN		270,994	270,994	280,056	278,625		(7,630)		(7,630)		270,994			0	2,359	05/01/2017	1FE		
31391Q X5 8	FN 674000	5.500	03/01/2004	MBS PAYDOWN		100,771	100,771	102,441	102,269		(1,497)		(1,497)		100,771			0	857	10/01/2032	1FE		
31401W G2 9	FN 720317	5.000	03/01/2004	MBS PAYDOWN		77,232	77,232	78,957	78,957		(1,726)		(1,726)		77,232			0	322	07/01/2018	1FE		
31402H Q6 1	FN 729577	5.500	03/01/2004	MBS PAYDOWN		46,916	46,916	46,601	46,610		306		306		46,916			0	612	07/01/2033	1FE		
31402X Z7 4	FN 741566	5.500	03/01/2004	MBS PAYDOWN		36,347	36,347	37,086	37,053		(705)		(705)		36,347			0	395	10/01/2018	1FE		
31404B SF 0	FN 763818	5.500	03/01/2004	MBS PAYDOWN		45,208	45,208	46,296	46,296		(1,088)		(1,088)		45,208			0	207	02/01/2034	1FE		
31404C WM 8	FN 764852	5.000	03/01/2004	MBS PAYDOWN		41,650	41,650	42,574	42,574		(924)		(924)		41,650			0	174	01/01/2019	1FE		
31392F 5Y 9	FNR 2002-77 CG	4.000	03/01/2004	MBS PAYDOWN		44,677	44,677	45,159	45,102		(425)		(425)		44,677			0	308	09/01/2010	1FE		
31393A 5L 7	FNR 2003-43 PJ	4.000	03/01/2004	MBS PAYDOWN		369,397	369,397	375,630	375,028		(5,631)		(5,631)		369,397			0	3,126	06/01/2007	1FE		
U.S.						22,290,056	21,929,342	22,418,191	22,286,460		0		(125,752)		22,160,703			0	129,353	129,353	254,012	XXX	XXX
3199999	Total - Bonds - Special Revenue & Assessment					22,290,056	21,929,342	22,418,191	22,286,460		0		(125,752)		22,160,703			0	129,353	129,353	254,012	XXX	XXX
Bonds - Public Utilities																							
United States																							
74451P AA 1	PUB SERV NC INC	6.625	02/18/2004	GOLDMAN SACHS & CO		5,734,200	5,000,000	5,213,150	5,177,465		(2,885)		(2,885)		5,174,580			0	559,620	559,620	172,986	02/15/2011	1FE
U.S.						5,734,200	5,000,000	5,213,150	5,177,465		0		(2,885)		5,174,580			0	559,620	559,620	172,986	XXX	XXX
3899999	Total - Bonds - Public Utilities					5,734,200	5,000,000	5,213,150	5,177,465		0		(2,885)		5,174,580			0	559,620	559,620	172,986	XXX	XXX
Bonds - Industrial and Miscellaneous																							
United States																							
02582J BY 5	AMXCA 2002-3 A FLTR	1.200	03/30/2004	J.P. MORGAN		2,004,375	2,000,000	2,000,938	2,000,663		(51)		(51)		2,000,613			0	3,762	3,762	7,416	05/15/2007	1FE
31945N AB 8	BANK ONE CORP	7.000	02/18/2004	BANC ONE CAPITAL CORP		3,340,170	3,000,000	3,420,270	3,327,310		(16,287)		(16,287)		3,311,022			0	29,148	29,148	74,667	10/16/2006	1FE
139732 CG 4	CARAT 2002-1 A3 FLTR	1.170	03/15/2004	MBS PAYDOWN		740,314	740,314	740,893	740,430		(116)		(116)		740,314			0	1,722	09/15/2004	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 Foreign	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.							
12669D LE 6	CWHL 2002-32 2A3		03/01/2004	MBS PAYDOWN		94,911	94,911	96,024	95,819		(908)		(908)		94,911			0	866	01/01/2005	1FE
23383V AS 9	DCAT 2000-E A4		03/08/2004	MBS PAYDOWN		461,965	461,965	484,479	468,255		(6,290)		(6,290)		461,965			0	4,635	08/08/2004	1FE
23321P KF 4	DLJMA 1994-Q8 2A1		03/01/2004	MBS PAYDOWN		8,150	8,150	8,020	8,024		127		127		8,150			0	56	06/01/2005	1FE
260003 AB 4	DOVER CORP		02/18/2004	BANK AMERICA		1,120,490	1,000,000	1,159,440	1,142,031		(4,386)		(4,386)		1,137,645		(17,155)	(17,155)	14,236	06/01/2008	1FE
34527R HG 1	FORDO 2002-B A3A		03/15/2004	MBS PAYDOWN		150,787	150,787	154,545	152,911		(2,124)		(2,124)		150,787			0	1,020	01/15/2005	1FE
337435 DS 7	FUSAM 1998-9 A		01/20/2004	CALLED BY ISSUER at		2,000,000	2,000,000	2,071,406	2,000,958		(958)		(958)		2,000,000			0	8,800	01/18/2004	1FE
36828Q AA 4	GECMC 2003-C1 A1		03/01/2004	MBS PAYDOWN		53,661	53,661	53,794	53,769		(108)		(108)		53,661			0	249	03/01/2008	1FE
393505 YV 8	GTHIL 1997-E HEM1		03/15/2004	MBS PAYDOWN		424,076	424,076	431,033	425,127		(1,051)		(1,051)		424,076			0	5,191	07/15/2004	1FE
43811N AC 2	HAROT 2002-3 A3		03/18/2004	MBS PAYDOWN		356,746	356,746	361,470	360,221		(3,476)		(3,476)		356,746			0	2,248	03/18/2005	1FE
441812 FY 5	HOUSEHOLD FINANCE CORP	6.4	02/17/2004	BANK AMERICA		5,590,400	5,000,000	4,883,250	4,911,347		2,352		2,352		4,913,699		676,701	676,701	56,000	06/17/2008	1FE
553083 BE 5	MMCA 2000-2 A4		03/15/2004	MBS PAYDOWN		14,166	14,166	14,653	14,288		(122)		(122)		14,166			0	159	06/15/2004	1FE
553083 CF 1	MMCA 2002-1 A3		02/26/2004	MBS PAYDOWN		161,745	161,745	161,733	161,744		1		1		161,745			0	586	02/15/2004	1FE
69348L GE 3	PNCMS 1996-PR1 A		02/01/2004	MBS PAYDOWN		76,719	76,719	79,353	78,391		(1,672)		(1,672)		76,719			0	59	09/01/2005	1FE
750755 AA 8	RAIL 1992-1 A		12/01/2003	MBS PAYDOWN		80,168	80,168	82,056	80,307		(139)		(139)		80,168			0	1,553	06/01/2004	1FE
45660N JL 0	RAST 2002-A13 A3		03/01/2004	MBS PAYDOWN		115,982	115,982	118,719	117,865		(1,883)		(1,883)		115,982			0	1,063	03/01/2005	1FE
760920 XV 5	RFMSI 1992-S11 M		02/27/2004	MBS PAYDOWN		152,250	152,250	154,272	152,250		0		0		152,250			0	2,154	08/01/2006	1FE
89232X AC 4	TAOT 2002-C A3		03/15/2004	MBS PAYDOWN		119,285	119,285	120,706	120,394		(1,109)		(1,109)		119,285			0	790	07/15/2005	1FE
87612E AE 6	TARGET CORP		02/18/2004	BANK AMERICA		3,251,430	3,000,000	3,301,980	3,226,176		(13,393)		(13,393)		3,212,783		38,647	38,647	48,592	05/15/2006	1FE
337358 BG 9	WACHOVIA CORPORATION		02/18/2004	BANK AMERICA		2,640,344	2,360,000	2,714,212	2,629,736		(14,875)		(14,875)		2,614,860		25,484	25,484	107,183	07/15/2006	1FE
929227 GE 0	WAMMS 2001-MS14 3A1		03/01/2004	MBS PAYDOWN		229,040	229,040	235,482	235,192		(6,152)		(6,152)		229,040			0	2,645	12/01/2005	1FE
94975R AD 6	WFAT 2001-A A4		03/15/2004	MBS PAYDOWN		52,357	52,357	53,968	52,896		(539)		(539)		52,357			0	588	05/15/2004	1FE
U.S.						23,239,531	21,652,322	22,902,696	22,556,104	0	(73,159)	0	(73,159)	0	22,482,944	0	756,587	756,587	342,478	XXX	XXX
4599999	Total - Bonds - Industrial & Miscellaneous					23,239,531	21,652,322	22,902,696	22,556,104	0	(73,159)	0	(73,159)	0	22,482,944	0	756,587	756,587	342,478	XXX	XXX
6099997	Total - Bonds - Part 4					95,463,869	90,982,610	95,044,360	93,846,417	0	(314,774)	0	(314,774)	0	93,531,637	0	1,932,231	1,932,231	1,667,497	XXX	XXX
6099999	Total - Bonds					95,463,869	90,982,610	95,044,360	93,846,417	0	(314,774)	0	(314,774)	0	93,531,637	0	1,932,231	1,932,231	1,667,497	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
United States																					
71940F 10 0	PHYCOR INC		02/11/2004	DIRECT		150,000		3,317	3,317	0	0	0	0	3,317	0	(3,317)	(3,317)	0	0	XXX	XXX
U.S.						0	XXX	3,317	3,317	0	0	0	0	3,317	0	(3,317)	(3,317)	0	0	XXX	XXX
6899999	Total - Common Stocks - Industrial & Miscellaneous					0	XXX	3,317	3,317	0	0	0	0	3,317	0	(3,317)	(3,317)	0	0	XXX	XXX
7299997	Total - Common Stocks - Part 4					0	XXX	3,317	3,317	0	0	0	0	3,317	0	(3,317)	(3,317)	0	0	XXX	XXX
7299999	Total - Common Stocks					0	XXX	3,317	3,317	0	0	0	0	3,317	0	(3,317)	(3,317)	0	0	XXX	XXX
7399999	Total - Preferred and Common Stocks					0	XXX	3,317	3,317	0	0	0	0	3,317	0	(3,317)	(3,317)	0	0	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					95,463,869	XXX	95,044,677	93,849,734	0	(314,774)	0	(314,774)	0	93,534,954	0	1,928,914	1,928,914	1,667,497	XXX	XXX

E05.2

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

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.....					1,458,421	376,852	1,057,964	XXX
BANK ONE..... LANSING, MI.....					2,932	2,932	2,932	XXX
FEDERAL HOME LOAN BANK..... INDIANAPOLIS, IN.....							25	XXX
SOUTHTRUST BANK..... BIRMINGHAM, AL.....		0.800	17,973		1,773,908	5,007,342	(1,073,763)	XXX
0199999. Total Open Depositories.....	XXX	XXX	17,973	0	3,235,261	5,387,126	(12,842)	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	17,973	0	3,235,261	5,387,126	(12,842)	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	XXX	2,000	2,000	2,000	XXX
0599999. Total Cash.....	XXX	XXX	17,973	0	3,237,261	5,389,126	(10,842)	XXX