

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
June 30, 2008

2008



QUARTERLY STATEMENT

As of June 30, 2008
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 Incorporated/Organized..... June 27, 1980	State of Domicile or Port of Entry MI Commenced Business..... June 27, 1980	Country of Domicile US
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>

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

_____ (Signature) DARRYL KEITH THOMAS _____ 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHRYN ANNE NEVILLE _____ 2. (Printed Name) SECRETARY _____ (Title)	_____ (Signature) EDWARD LEWIS RAND, JR. _____ 3. (Printed Name) TREASURER _____ (Title)
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Subscribed and sworn to before me
This _____ day of _____

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	964,713,019		964,713,019	944,504,226
2. Stocks:				
2.1 Preferred stocks.....	8,401,823		8,401,823	8,409,536
2.2 Common stocks.....	14,818		14,818	16,916
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	3,933,277		3,933,277	4,024,328
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 (\$.....(4,037,570)), cash equivalents (\$.....27,579,836) and short-term investments (\$.....18,660,760).....	42,203,026		42,203,026	53,967,796
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	15,354,751		15,354,751	15,340,918
8. Receivables for securities.....	87,288		87,288	16,189
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	1,034,708,002	0	1,034,708,002	1,026,279,909
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	11,133,184		11,133,184	10,959,860
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	7,511,314	307,901	7,203,413	9,575,830
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	18,938,285	11,972	18,926,313	22,174,912
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	9,644,463		9,644,463	10,687,561
14.2 Funds held by or deposited with reinsured companies.....	22,481,189		22,481,189	22,481,189
14.3 Other amounts receivable under reinsurance contracts.....	16,481		16,481	(5,147)
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	8,162,736
16.2 Net deferred tax asset.....	31,834,444	21,939,345	9,895,099	11,222,614
17. Guaranty funds receivable or on deposit.....	2,242,779		2,242,779	2,566,704
18. Electronic data processing equipment and software.....	246,038		246,038	275,890
19. Furniture and equipment, including health care delivery assets (\$.....0).....	252,065	252,065	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	55,281		55,281	1,200,104
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	13,231,082	88,907	13,142,175	13,018,417
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,152,294,607	22,600,190	1,129,694,417	1,138,600,579
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,152,294,607	22,600,190	1,129,694,417	1,138,600,579

DETAILS OF WRITE-INS

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Prepaid Expenses and Other Assets.....	88,907	88,907	0	
2302. Company Owned Life Insurance.....	12,839,461		12,839,461	12,610,318
2303. State Premium Tax Recoverable.....	302,714		302,714	391,543
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	16,556
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	13,231,082	88,907	13,142,175	13,018,417

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$...20,505,243).....	406,200,958	441,435,203
2. Reinsurance payable on paid losses and loss adjustment expenses.....	792,436	902,741
3. Loss adjustment expenses.....	349,290,257	349,989,841
4. Commissions payable, contingent commissions and other similar charges.....	3,096,471	3,790,696
5. Other expenses (excluding taxes, licenses and fees).....	2,709,483	3,187,762
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,885,743	1,604,521
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	5,402,532	
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 \$...2,330,825 and including warranty reserves of \$.....0).....	62,672,733	71,235,492
10. Advance premium.....	2,590,902	5,118,114
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,737,976	9,806,791
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	487,769	335,302
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	402,400	402,400
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	2,198,188	1,927,929
20. Payable for securities.....	3,931,829	1,920,000
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	173,723	143,771
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	850,573,400	891,800,563
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	850,573,400	891,800,563
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).....	237,860,479	205,539,478
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).....	279,121,017	246,800,016
36. TOTALS.....	1,129,694,417	1,138,600,579

DETAILS OF WRITE-INS

2301. Unearned Fee Income.....	173,723	143,771
2302. Other Liabilities.....		
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).....	173,723	143,771
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 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....63,807,122).....	73,067,814	86,650,194	167,083,662
1.2 Assumed..... (written \$.....2,573,304).....	2,800,015	4,305,621	7,476,421
1.3 Ceded..... (written \$.....3,399,456).....	4,324,101	7,508,132	11,642,157
1.4 Net..... (written \$.....62,980,970).....	71,543,728	83,447,683	162,917,926
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....20,869,591):			
2.1 Direct.....	13,930,520	42,100,841	82,903,327
2.2 Assumed.....	667,942	642,739	(1,712,188)
2.3 Ceded.....	3,295,856	23,075,922	32,670,845
2.4 Net.....	11,302,606	19,667,658	48,520,294
3. Loss adjustment expenses incurred.....	25,915,557	46,341,591	113,202,234
4. Other underwriting expenses incurred.....	15,300,525	15,684,911	30,980,358
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	52,518,688	81,694,160	192,702,886
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	19,025,040	1,753,523	(29,784,960)
INVESTMENT INCOME			
9. Net investment income earned.....	23,608,340	23,310,052	47,141,187
10. Net realized capital gains (losses) less capital gains tax of \$.....45,862.....	85,173	(1,350,135)	(1,008,269)
11. Net investment gain (loss) (Lines 9 + 10).....	23,693,513	21,959,917	46,132,918
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....19,799).....	(19,799)		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	814,765	615,470	1,338,956
15. Total other income (Lines 12 through 14).....	794,966	615,470	1,338,956
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	43,513,519	24,328,910	17,686,914
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	43,513,519	24,328,910	17,686,914
19. Federal and foreign income taxes incurred.....	9,050,450	3,639,770	(380,458)
20. Net income (Line 18 minus Line 19) (to Line 22).....	34,463,069	20,689,140	18,067,372
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	246,800,017	231,714,293	231,714,293
22. Net income (from Line 20).....	34,463,069	20,689,140	18,067,372
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	(787,959)	881,540	(4,695,462)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(4,074,739)	(4,172,942)	(7,949)
27. Change in nonadmitted assets.....	2,720,630	2,888,315	(708,837)
28. Change in provision for reinsurance.....			2,430,600
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	32,321,001	20,286,053	15,085,724
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	279,121,018	252,000,346	246,800,017
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.....	229,143	214,760	338,489
1402. Risk management income.....	309,549	327,805	466,824
1403. LTC Fee Income.....	185,305	72,905	354,406
1498. Summary of remaining write-ins for Line 14 from overflow page.....	90,768	0	179,237
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	814,765	615,470	1,338,956
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

Statement for June 30, 2008 of the **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.....	64,955,492	161,688,999
2. Net investment income.....	25,127,402	50,515,320
3. Miscellaneous income.....	794,966	1,338,956
4. Total (Lines 1 through 3).....	90,877,860	213,543,275
5. Benefit and loss related payments.....	72,240,828	144,728,828
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	15,867,882	31,088,884
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(4,468,956)	(3,422,828)
10. Total (Lines 5 through 9).....	83,639,754	172,394,884
11. Net cash from operations (Line 4 minus Line 10).....	7,238,106	41,148,391
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	80,931,556	281,279,010
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	26,297	3,521
12.7 Miscellaneous proceeds.....	2,011,829	1,934,159
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	82,969,682	283,216,690
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	102,889,125	285,740,981
13.2 Stocks.....		1,519,800
13.3 Mortgage loans.....		
13.4 Real estate.....		264,888
13.5 Other invested assets.....	539,800	18,675,445
13.6 Miscellaneous applications.....	71,099	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	103,500,024	306,201,114
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(20,530,342)	(22,984,424)
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.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	1,527,466	(858,404)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	1,527,466	(858,404)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(11,764,770)	17,305,563
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	53,967,796	36,662,233
19.2 End of period (Line 18 plus Line 19.1).....	42,203,026	53,967,796

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

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$18,065,291

NOTES TO FINANCIAL STATEMENTS

Number of Claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [X]

(g) Per Claimant []

Note 15 - Leases

No significant change.

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

No significant change.

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

No significant change.

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

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

No significant change.

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

No significant change.

Note 20 - Other Items

No significant change.

Note 21 - Events Subsequent

No significant change.

Note 22 - Reinsurance

No significant change.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

Combined reserves for incurred losses and loss adjustment expenses attributable to insured events as of December 31, 2007 were \$791,425,000. The following chart shows the activity in those reserves during the six month period ended June 30, 2008:

Losses and Loss Adjustment Expenses December 31, 2007	\$ 791,425,000
Re-estimation of reserves (favorable)	<u>(23,500,000)</u>
Re-estimated December 31, 2007 Losses and Loss Adjustment Expenses	<u>\$ 767,925,000</u>

NOTES TO FINANCIAL STATEMENTS

The re-estimation amount above relates principally to the medical malpractice line of insurance, principally for the 2003 through 2007 accident years, and is the result of ongoing analysis of recent loss trends. Original estimates are increased or decreased as additional information becomes available.

Note 25 - Intercompany Pooling Arrangements

No significant change.

Note 26 - Structured Settlements

No significant change.

Note 27 - Health Care Receivables

No significant change.

Note 28 - Participating Policies

No significant change.

Note 29 - Premium Deficiency Reserves

No significant change.

Note 30 - High Deductibles

No significant change.

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

No significant change.

Note 32 - Asbestos/Environmental Reserves

No significant change.

Note 33 - Subscriber Savings Accounts

No significant change.

Note 34 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/11/2008.....
- 6.4 By what department or departments?

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES

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

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

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

- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End		2 Current Quarter	
	Book/Adjusted Carrying Value		Book/Adjusted Carrying Value	
14.21 Bonds.....	\$.....0		\$.....0	
14.22 Preferred Stock.....	\$.....0		\$.....0	
14.23 Common Stock.....	\$.....16,915		\$.....14,818	
14.24 Short-Term Investments.....	\$.....0		\$.....0	
14.25 Mortgage Loans on Real Estate.....	\$.....0		\$.....0	
14.26 All Other.....	\$.....0		\$.....0	
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$.....16,915		\$.....14,818	
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$.....0		\$.....0	

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

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

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

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

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

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
133243	Oppenheimer Investment Management	200 Park Avenue 24th Floor New York, NY 10166
104487	The Brown Brothers Harriman & Co.	140 Broadway New York, NY 10005
107423	Conning Asset Management	One Financial Plaza Hartford, CT 06103
107680	Prime Advisors, Inc.	22635 NE Marketplace Drive Redmond, WA 98053

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

17.2 If no, list exceptions:

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	E	229,666	522,731		1,835	2,862,868	2,993,756
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	N						
5. California.....CA	E	373,149	994,337			792,517	378,563
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	L	4,185,840	5,141,007	805,000		14,351,276	7,199,612
9. District of Columbia.....DC	N						
10. Florida.....FL	L	13,553,132	17,146,920	47,136,342	55,443,724	125,213,845	185,248,199
11. Georgia.....GA	L	13,935	28,501			761,266	770,335
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	L	8,769,380	9,765,984	3,385,485	7,951,313	66,631,488	67,674,540
15. Indiana.....IN	L	464,116	579,837	570,588	832,364	15,452,663	15,509,459
16. Iowa.....IA	L	81,886	727,098	1,848	100,000	2,003,729	1,389,236
17. Kansas.....KS	L						
18. Kentucky.....KY	L	10,922,889	10,449,337	4,319,430	183,453	35,462,373	37,972,526
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	L						
22. Massachusetts.....MA	E	34,619	32,141			15,068	619
23. Michigan.....MI	L	18,830,528	23,291,686	8,276,687	3,198,300	113,223,384	119,896,588
24. Minnesota.....MN	N						
25. Mississippi.....MS	N						
26. Missouri.....MO	L						
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	N						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	L	3,799,473	5,368,973	2,220,105	1,862,246	28,721,292	29,501,794
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	L	2,296,913	2,760,181	2,244,366	701,240	14,903,810	19,128,137
37. Oklahoma.....OK	N						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	L	246,349	115,446	1,553,500	402,529	21,742,766	25,549,653
40. Rhode Island.....RI	N						
41. South Carolina.....SC	L						
42. South Dakota.....SD	N						
43. Tennessee.....TN	L						
44. Texas.....TX	N						
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	L						
48. Washington.....WA	N						
49. West Virginia.....WV	L						
50. Wisconsin.....WI	L	5,247	12,468			140,667	115,500
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a) 19	63,807,122	76,936,647	70,513,351	70,677,004	442,279,012	513,328,517

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

Q11

NONE

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.....	3,693,243	1,991,113	53.9	33.8
11.2. Medical malpractice-claims made.....	64,668,759	9,596,957	14.8	50.5
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	28.7
17.2. Other liability-claims made.....	4,705,813	2,342,450	49.8	28.7
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2. Private passenger auto liability.....			0.0	
19.3, 19.4. Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	73,067,815	13,930,520	19.1	48.6

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

	1	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.....	1,113,588	3,693,243	3,282,146
11.2. Medical malpractice-claims made.....	18,585,413	56,021,056	68,078,780
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.....			29,799
17.2. Other liability-claims made.....	1,881,046	4,092,823	5,545,923
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2. Private passenger auto liability.....			
19.3, 19.4. Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	21,580,047	63,807,122	76,936,648

DETAILS OF WRITE-INS

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2008 Loss and LAE Payments on Claims Reported as of Prior Year-End	2008 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2008 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2005 + Prior.....	283,194	234,604	517,798	52,261	2,571	54,831	234,574	737	214,655	449,967	3,641	(16,641)	(13,000)
2. 2006.....	50,246	89,422	139,668	8,382	577	8,959	47,153	141	73,916	121,209	5,288	(14,788)	(9,500)
3. Subtotals 2006 + Prior.....	333,440	324,025	657,466	60,642	3,147	63,790	281,727	878	288,571	571,176	8,929	(31,429)	(22,500)
4. 2007.....	32,408	101,551	133,959	4,682	1,600	6,281	43,704	1,988	80,985	126,678	15,978	(16,978)	(1,000)
5. Subtotals 2007 + Prior.....	365,849	425,576	791,425	65,324	4,747	70,071	325,432	2,867	369,556	697,854	24,907	(48,407)	(23,500)
6. 2008.....	XXX	XXX	XXX	XXX	3,081	3,081	XXX	11,888	45,749	57,637	XXX	XXX	XXX
7. Totals.....	365,849	425,576	791,425	65,324	7,828	73,152	325,432	14,755	415,305	755,491	24,907	(48,407)	(23,500)
8. Prior Year-End's Surplus As Regards Policyholders	246,800										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....6.8 %	2. ....(11.4)%	3. ....(3.0)%
													Col. 13, Line 7 Line 8
													4. ....(9.5)%

Q13

PRONATIONAL INSURANCE COMPANY SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Bar Code:



Statement for June 30, 2008 of the **PRONATIONAL INSURANCE COMPANY**
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. Program receivable.....			.....0	.....16,556
2397. Summary of remaining write-ins for Line 23.....	.....0	.....0	.....0	.....16,556

Additional Write-ins for Statement of Income:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1404. Other.....	.....90,768	.....	.....179,237
1497. Summary of remaining write-ins for Line 14.....	.....90,768	.....0	.....179,237

PRONATIONAL INSURANCE COMPANY SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	4,024,328	3,937,825
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		264,888
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....	91,051	178,385
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	3,933,277	4,024,328
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	3,933,277	4,024,328

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	15,340,918	1,103,100
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		18,116,045
2.2 Additional investment made after acquisitions.....	539,800	559,400
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	(525,967)	(4,437,627)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	15,354,751	15,340,918
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	15,354,751	15,340,918

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	952,930,678	950,960,807
2. Cost of bonds and stocks acquired.....	102,889,125	287,260,781
3. Accrual of discount.....	512,303	814,099
4. Unrealized valuation increase (decrease).....	(261,991)	(2,342,979)
5. Total gain (loss) on disposals.....	104,738	1,656,159
6. Deduct consideration for bonds and stocks disposed of.....	80,931,556	281,279,010
7. Deduct amortization of premium.....	2,113,637	4,139,179
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	973,129,660	952,930,678
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	973,129,660	952,930,678

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	965,987,486	259,607,925	275,468,495	(2,959,480)	965,987,486	947,167,436		937,617,824
2. Class 2 (a).....	25,782,951			2,744,043	25,782,951	28,526,994		23,451,319
3. Class 3 (a).....	13,799,554	5,705,299	650,208	3,011,788	13,799,554	21,866,433		14,541,801
4. Class 4 (a).....	13,596,883	68,598	23,264	(2,889,465)	13,596,883	10,752,752		10,703,475
5. Class 5 (a).....	4,897,500		3,102,285	844,785	4,897,500	2,640,000		2,587,500
6. Class 6 (a).....								
7. Total Bonds.....	1,024,064,374	265,381,822	279,244,252	751,671	1,024,064,374	1,010,953,615	0	988,901,919
PREFERRED STOCK								
8. Class 1.....	5,396,688			5,136	5,396,688	5,401,823		5,409,536
9. Class 2.....								
10. Class 3.....	3,000,000				3,000,000	3,000,000		3,000,000
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	8,396,688	0	0	5,136	8,396,688	8,401,823	0	8,409,536
15. Total Bonds and Preferred Stock.....	1,032,461,062	265,381,822	279,244,252	756,807	1,032,461,062	1,019,355,438	0	997,311,455

QS102

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....46,240,596; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	18,660,760	XXX	18,673,825	139,703	91,993

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	14,179,190	10,748,567
2. Cost of short-term investments acquired.....	130,827,415	176,394,582
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	24,774	1,916
6. Deduct consideration received on disposals.....	126,339,432	172,940,458
7. Deduct amortization of premium.....	31,187	25,417
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	18,660,760	14,179,190
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	18,660,760	14,179,190

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	30,218,502	32,572,762
2. Cost of cash equivalents acquired.....	889,754,530	1,540,027,011
3. Accrual of discount.....	451,096	2,051,880
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	1,523	1,604
6. Deduct consideration received on disposals.....	892,834,567	1,544,434,755
7. Deduct amortization of premium.....	11,250	
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	27,579,836	30,218,502
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	27,579,836	30,218,502

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 2
NONE

Sch. B-Part 3
NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership	
		3 City	4 State										
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated													
000000 00 0	Morgan Keegan PE FOF II.....	MEMPHIS.....	TN.....	MORGAN KEEGAN.....		02/15/2007		750,000	500,000		3,250,000	4.9	
1999999	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated.....							750,000	500,000	0	3,250,000	XXX	
3999999	Subtotal - Unaffiliated.....							750,000	500,000	0	3,250,000	XXX	
4199999	Totals.....							750,000	500,000	0	3,250,000	XXX	

QE03

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
NONE																			

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired 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									
3133XB T3 9	FEDERAL HOME LOAN BANK.....		06/26/2008	CITICORP SECURITIES.....		1,008,560	1,000,000	2,309	1
31359M QV 8	FANNIE MAE.....		06/26/2008	DMG.....		1,019,790	1,000,000	16,625	1
912828 EM 8	US TREASURY N/B.....		04/29/2008	MERRILL LYNCH.....		2,730,933	2,595,000	53,255	1
0399999.	Total - Bonds - U.S. Government.....					4,759,283	4,595,000	72,189	XXX
Bonds - Special Revenue and Special Assessment									
235241 AX 4	DALLAS TEX AREA RAPID TRAN SAL.....		04/03/2008	SOUTHWEST SECURITIES INC.....		2,168,520	2,000,000	36,729	1FE
31410F Z9 9	FN 888268.....		06/05/2008	GREENWICH CAPITAL.....		996,466	984,164	1,804	1
31414R 6V 2	FN 974384.....		06/05/2008	GREENWICH CAPITAL.....		996,577	996,577	1,523	1
45200F KK 4	ILLINOIS FIN AUTH REV.....		06/04/2008	LEHMAN BROTHERS.....		1,034,850	1,000,000		1FE
45884A XB 4	INTERMOUNTAIN PWR AGY UTAH PWR.....		04/18/2008	GOLDMAN SACHS.....		2,130,020	2,000,000		1FE
664754 YF 9	NORTHERN ARIZ UNIV REVS.....		04/01/2008	WILLIAM BLAIR.....		1,136,174	1,050,000	17,938	1FE
786005 NH 7	SACRAMENTO CALIF MUN UTIL DIST.....		05/30/2008	GOLDMAN SACHS.....		1,613,955	1,500,000		1FE
3199999.	Total - Bonds - Special Revenue & Special Assessments.....					10,038,334	9,530,741	57,994	XXX
Bonds - Industrial and Miscellaneous									
14041N CJ 8	COMET 2005-A8 A.....		05/06/2008	BANK AMERICA.....		4,020,313	4,000,000	11,733	1FE
428236 AQ 6	HEWLETT-PACKARD CO.....		06/25/2008	WACHOVIA SECURITIES.....		984,780	1,000,000	14,625	1FE
55264T BY 6	MBNAS 2003-A7 A7.....		05/22/2008	GREENWICH CAPITAL.....		2,499,414	2,500,000	2,392	1FE
55264T DP 3	MBNAS 2006-A1 A1.....		05/23/2008	J.P. MORGAN.....		3,440,773	3,400,000	6,479	1FE
637432 LM 5	NATIONAL RURAL UTIL COOP.....		06/24/2008	MERRILL LYNCH.....		998,440	1,000,000		1FE
68389X AD 7	ORACLE CORP.....		06/27/2008	MORGAN STANLEY DEAN WITTER.....		1,008,650	1,000,000	11,413	1FE
871829 AK 3	SYSCO CORPORATION.....		06/26/2008	WACHOVIA/FIRST UNION.....		975,550	1,000,000	16,217	1FE
929766 WJ 8	WBCMT 2004-C15 A2.....		04/18/2008	GREENWICH CAPITAL.....		980,781	1,000,000	2,468	1FE
LN1815 48 6	JARDEN CORP.....		04/24/2008	WACHOVIA/FIRST UNION.....		954,465	1,000,000		3FE
LN2460 23 3	HERTZ CORP.....		05/16/2008	LEHMAN BROTHERS.....		1,920,000	2,000,000		3FE
LN2716 95 6	HANGER ORTHOPEDIC GROUP INC.....		01/07/2008	DEUTSCHE BANK.....		40,252	62,098		4FE
LN2771 98 5	TRANSDIGM INC.....		05/20/2008	CREDIT SUISSE FIRST BOSTON.....		2,430,833	2,500,000		3FE
LN3229 30 6	TELESAT LLC.....		06/16/2008	VARIOUS.....		28,346	28,346		4FE
LN3349 00 5	LAS VEGAS SANDS LLC.....		05/25/2007	GOLDMAN SACHS.....		400,000	400,000		3FE
4599999.	Total - Bonds - Industrial & Miscellaneous.....					20,682,597	20,890,444	65,327	XXX
6099997.	Total - Bonds - Part 3.....					35,480,214	35,016,185	195,510	XXX
6099999.	Total - Bonds.....					35,480,214	35,016,185	195,510	XXX
7499999.	Total - Bonds, Preferred and Common Stocks.....					35,480,214	XXX	195,510	XXX

QE04

(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 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.							
Bonds - U.S. Government																					
3128X5 AD 0	FREDDIE MAC.....		05/23/2008	CALLED BY ISSUER at 100.000		3,000,000	3,000,000	3,013,864	3,003,599		(3,599)		(3,599)		3,000,000			0	86,250	05/23/2011	1.....
3133XF JX 5	FEDERAL HOME LOAN BANK.....		06/13/2008	MATURITY.....		1,275,000	1,275,000	1,274,490	1,274,889		111		111		1,275,000			0	32,672	06/13/2008	1.....
3133XK GD 1	FEDERAL HOME LOAN BANK.....		04/16/2008	CALLED BY ISSUER at 100.000		2,500,000	2,500,000	2,495,500	2,496,503		3,498		3,498		2,500,000			0	65,625	04/16/2010	1.....
3133XL BS 1	FEDERAL HOME LOAN BANK.....		06/25/2008	CALLED BY ISSUER at 100.000		2,000,000	2,000,000	1,993,420	1,994,477		5,523		5,523		2,000,000			0	55,000	06/25/2010	1.....
31359M 7T 4	FANNIE MAE.....		04/16/2008	CALLED BY ISSUER at 100.000		2,500,000	2,500,000	2,497,750	2,498,250		1,750		1,750		2,500,000			0	66,250	04/16/2010	1.....
36200F AP 3	GN 599514.....		06/01/2008	MBS PAYDOWN.....		25,764	25,764	25,522	25,751		12		12		25,764			0	566	05/01/2037	1.....
36200X LT 4	GN 575538.....		06/01/2008	MBS PAYDOWN.....		4,452	4,452	4,547	4,453		(1)		(1)		4,452			0	123	05/01/2031	1.....
36201F T7 2	GN 582074.....		06/01/2008	MBS PAYDOWN.....		39,374	39,374	39,442	39,376		(2)		(2)		39,374			0	1,053	04/01/2031	1.....
36202D C9 0	G2 2796.....		06/01/2008	MBS PAYDOWN.....		6,678	6,678	6,516	6,672		6		6		6,678			0	197	04/01/2028	1.....
36203L DN 9	GN 352109.....		06/01/2008	MBS PAYDOWN.....		1,463	1,463	1,494	1,464		(1)		(1)		1,463			0	40	03/01/2022	1.....
36205N M8 6	GN 395583.....		06/01/2008	MBS PAYDOWN.....		63	63	64	63		0		0		63			0	2	07/01/2027	1.....
36207K GS 3	GN 434109.....		06/01/2008	MBS PAYDOWN.....		18,109	18,109	18,177	18,111		(2)		(2)		18,109			0	462	09/01/2027	1.....
36207K JJ 0	GN 434165.....		06/01/2008	MBS PAYDOWN.....		18,343	18,343	18,411	18,346		(3)		(3)		18,343			0	532	04/01/2027	1.....
36208V 6E 0	GN 462669.....		06/01/2008	MBS PAYDOWN.....		3,100	3,100	3,152	3,102		(1)		(1)		3,100			0	90	01/01/2027	1.....
36208W DE 0	GN 462801.....		06/01/2008	MBS PAYDOWN.....		48,052	48,052	48,082	48,054		(2)		(2)		48,052			0	1,480	08/01/2026	1.....
36208W ES 8	GN 462845.....		06/01/2008	MBS PAYDOWN.....		549	549	569	549		0		0		549			0	17	02/01/2028	1.....
36208X D7 3	GN 463726.....		06/01/2008	MBS PAYDOWN.....		774	774	787	775		0		0		774			0	23	08/01/2027	1.....
36210A VS 3	GN 486725.....		06/01/2008	MBS PAYDOWN.....		1,248	1,248	1,275	1,248		0		0		1,248			0	36	05/01/2028	1.....
36210E X6 1	GN 490401.....		06/01/2008	MBS PAYDOWN.....		1,513	1,513	1,504	1,513		0		0		1,513			0	41	11/01/2027	1.....
36213U DK 3	GN 564506.....		06/01/2008	MBS PAYDOWN.....		9,121	9,121	9,238	9,124		(3)		(3)		9,121			0	278	01/01/2031	1.....
36225A UH 1	GN 780584.....		06/01/2008	MBS PAYDOWN.....		7,796	7,796	7,874	7,800		(3)		(3)		7,796			0	226	01/01/2026	1.....
36291P ZE 9	GN 634441.....		06/01/2008	MBS PAYDOWN.....		11,323	11,323	11,553	11,330		(7)		(7)		11,323			0	261	05/01/2034	1.....
912827 4F 6	US TREASURY N/B.....		06/02/2008	VARIOUS.....		6,595,000	6,595,000	6,702,529	6,614,628		(19,628)		(19,628)		6,595,000			0	187,889	05/15/2008	1.....
0399999	Total - Bonds - U.S. Government.....					18,067,722	18,067,722	18,175,760	18,080,077		0		(12,352)		18,067,722			0	499,113	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
3128H3 LP 4	FG E95734.....		06/01/2008	MBS PAYDOWN.....		85,660	85,660	88,444	85,798		(139)		(139)		85,660			0	1,728	08/01/2017	1.....
3128JR PC 4	FH 847619.....		06/16/2008	VARIOUS.....		391,953	391,953	396,179	392,239		(285)		(285)		391,953			0	12,355	09/01/2036	1.....
3128L0 DF 6	FG A68202.....		06/01/2008	MBS PAYDOWN.....		28,489	28,489	29,276	28,489		(64)		(64)		28,489			0	581	11/01/2032	1.....
3128LX FN 5	FG G01973.....		06/01/2008	MBS PAYDOWN.....		65,556	65,556	62,862	65,486		70		70		65,556			0	1,362	06/01/2035	1.....
3128LX MR 8	FG G02168.....		06/01/2008	MBS PAYDOWN.....		32,581	32,581	32,352	32,569		12		12		32,581			0	800	10/01/2035	1.....
3128LX P3 8	FG G02242.....		06/01/2008	MBS PAYDOWN.....		41,541	41,541	39,886	41,440		101		101		41,541			0	911	01/01/2036	1.....
3128LX QU 7	FG G02267.....		06/01/2008	MBS PAYDOWN.....		53,997	53,997	54,942	54,087		(90)		(90)		53,997			0	1,411	02/01/2036	1.....
3128M1 GT 0	FG G12110.....		06/01/2008	MBS PAYDOWN.....		26,482	26,482	26,275	26,467		15		15		26,482			0	593	12/01/2020	1.....
3128MJ BE 9	FG G08036.....		06/01/2008	MBS PAYDOWN.....		18,104	18,104	18,375	18,110		(6)		(6)		18,104			0	409	05/01/2034	1.....
3128MJ D4 9	FG G08122.....		06/01/2008	MBS PAYDOWN.....		66,371	66,371	64,065	66,263		109		109		66,371			0	1,469	10/01/2035	1.....
31296J ZA 7	FG A10737.....		06/01/2008	MBS PAYDOWN.....		162,483	162,483	165,428	162,570		(87)		(87)		162,483			0	3,959	03/01/2032	1.....
31297H PN 3	FG A29429.....		06/01/2008	MBS PAYDOWN.....		31,476	31,476	30,404	31,430		46		46		31,476			0	690	02/01/2034	1.....
31297H X4 6	FG A29699.....		06/01/2008	MBS PAYDOWN.....		94,120	94,120	94,157	94,122		(1)		(1)		94,120			0	1,845	07/01/2034	1.....
31297K 7G 1	FG A30895.....		06/01/2008	MBS PAYDOWN.....		30,601	30,601	30,599	30,601		2		2		30,601			0	653	07/01/2034	1.....
31297S ZP 3	FG A37050.....		06/01/2008	MBS PAYDOWN.....		86,231	86,231	85,180	86,213		18		18		86,231			0	1,964	03/01/2035	1.....
31335H 5U 3	FG C90859.....		06/01/2008	MBS PAYDOWN.....		121,881	121,881	125,280	122,009		(128)		(128)		121,881			0	2,673	05/01/2024	1.....
3133TL UH 9	FHR 2178 PB.....		06/01/2008	MBS PAYDOWN.....		68,517	68,517	70,680	68,551		(34)		(34)		68,517			0	1,939	08/01/2029	1.....
31371K BR 1	FN 253948.....		06/01/2008	MBS PAYDOWN.....		96,860	96,860	95,558	96,812		48		48		96,860			0	2,326	05/01/2030	1.....
31371K MK 4	FN 254262.....		06/01/2008	MBS PAYDOWN.....		6,346	6,346	6,281	6,344		2		2		6,346			0	157	02/01/2031	1.....
31371K VA 6	FN 254509.....		06/01/2008	MBS PAYDOWN.....		35,974	35,974	36,541	36,008		(34)		(34)		35,974			0	752	03/01/2017	1.....
31371K VC 2	FN 254511.....		06/01/2008	MBS PAYDOWN.....		8,959	8,959	9,264	8,976		(17)		(17)		8,959			0	207	03/01/2017	1.....
31371K WJ 6	FN 254549.....		06/01/2008	MBS PAYDOWN.....		5,397	5,397	5,583	5,403		(6)		(6)		5,397			0	133	01/01/2032	1.....
31371L 2P 3	FN 255582.....		06/01/2008	MBS PAYDOWN.....		27,573	27,573	27,759	27,581		(8)		(8)		27,573			0	559	08/01/2024	1.....
31371L 3S 6	FN 255609.....		06/01/2008	MBS PAYDOWN.....		16,604	16,604	16,347	16,597		8		8		16,604			0	298	08/01/2024	1.....

QE05

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator
31371L CE 7	FN 254869		06/01/2008	MBS PAYDOWN		60,704	60,704	60,780	60,707		(3)		(3)		60,704			0	1,394	12/01/2032	1
31371L WN 5	FN 255453		06/01/2008	MBS PAYDOWN		17,084	17,084	17,346	17,099		(15)		(15)		17,084			0	340	06/01/2019	1
31371L ZP 7	FN 255550		06/01/2008	MBS PAYDOWN		17,164	17,164	17,563	17,180		(16)		(16)		17,164			0	389	07/01/2024	1
31371M HJ 9	FN 255933		06/01/2008	MBS PAYDOWN		26,325	26,325	25,153	26,292		33		33		26,325			0	590	06/01/2035	1
31371M VA 2	FN 256309		06/01/2008	MBS PAYDOWN		26,508	26,508	26,819	26,542		(34)		(34)		26,508			0	693	03/01/2036	1
31371N BC 8	FN 256635		06/01/2008	MBS PAYDOWN		22,168	22,168	21,655	22,146		22		22		22,168			0	466	11/01/2036	1
31376K KG 0	FN 357695		06/01/2008	MBS PAYDOWN		29,971	29,971	29,941	29,970				0		29,971			0	564	08/01/2019	1
31382J WY 3	FN 484063		06/01/2008	MBS PAYDOWN		1,984	1,984	1,975	1,984				0		1,984			0	54	10/01/2027	1
31383M VS 9	FN 507425		06/01/2008	MBS PAYDOWN		5,058	5,058	5,116	5,058		(1)		(1)		5,058			0	186	02/01/2028	1
31384H 6L 2	FN 524775		06/01/2008	MBS PAYDOWN		6,946	6,946	6,916	6,946				0		6,946			0	203	03/01/2014	1
31385J RT 7	FN 545998		06/01/2008	MBS PAYDOWN		12,259	12,259	12,446	12,266		(8)		(8)		12,259			0	302	04/01/2031	1
31385X BN 6	FN 555445		06/01/2008	MBS PAYDOWN		10,060	10,060	10,086	10,062		(2)		(2)		10,060			0	207	09/01/2017	1
31386U ZC 9	FN 574139		06/01/2008	MBS PAYDOWN		1,703	1,703	1,699	1,703				0		1,703			0	46	08/01/2028	1
31387C P4 7	FN 580143		06/01/2008	MBS PAYDOWN		10,882	10,882	10,853	10,880		2		2		10,882			0	272	09/01/2029	1
31387Q XP 0	FN 591186		06/01/2008	MBS PAYDOWN		3,801	3,801	3,858	3,804		(2)		(2)		3,801			0	103	02/01/2016	1
31387Y YT 4	FN 598422		06/01/2008	MBS PAYDOWN		7,512	7,512	7,440	7,510		3		3		7,512			0	180	05/01/2016	1
31388D LJ 5	FN 601629		06/01/2008	MBS PAYDOWN		6,693	6,693	6,770	6,695		(2)		(2)		6,693			0	181	12/01/2029	1
31388V WH 7	FN 616348		06/01/2008	MBS PAYDOWN		381	381	384	381				0		381			0	10	01/01/2030	1
31389E 5T 8	FN 623758		06/01/2008	MBS PAYDOWN		21,920	21,920	22,122	21,959		(39)		(39)		21,920			0	601	03/01/2016	1
31389K CN 9	FN 627477		06/01/2008	MBS PAYDOWN		17,874	17,874	18,087	17,883		(9)		(9)		17,874			0	530	12/01/2016	1
31389S GZ 1	FN 633916		06/01/2008	MBS PAYDOWN		6,145	6,145	6,113	6,144		1		1		6,145			0	164	08/01/2016	1
31390K 5R 5	FN 648956		06/01/2008	MBS PAYDOWN		21,369	21,369	22,093	21,478		(109)		(109)		21,369			0	479	09/01/2017	1
31390W 6C 1	FN 658867		06/01/2008	MBS PAYDOWN		98,121	98,121	101,325	98,410		(289)		(289)		98,121			0	2,251	12/01/2016	1
31391N 6R 7	FN 672380		06/01/2008	MBS PAYDOWN		52,637	52,637	54,397	52,731		(94)		(94)		52,637			0	1,162	01/01/2017	1
31391Q X5 8	FN 674000		06/01/2008	MBS PAYDOWN		12,521	12,521	12,728	12,522		(2)		(2)		12,521			0	340	05/01/2032	1
31392F 5Y 9	FNR 2002-77 CG		06/01/2008	MBS PAYDOWN		20,647	20,647	20,870	20,678		(31)		(31)		20,647			0	337	10/01/2009	1
31393M 6V 8	FHR 2580 QL		06/01/2008	MBS PAYDOWN		82,291	82,291	84,117	82,482		(191)		(191)		82,291			0	1,542	09/01/2008	1
31393M ZK 0	FHR 2583 ND		06/01/2008	MBS PAYDOWN		18,208	18,208	18,504	18,238		(30)		(30)		18,208			0	319	02/01/2009	1
31393N 2K 4	FHR 2583 TD		06/01/2008	MBS PAYDOWN		2,538	2,538	2,582	2,541		(3)		(3)		2,538			0	42	03/01/2012	1
31394C N3 2	FNR 2005-33 VA		06/01/2008	MBS PAYDOWN		50,226	50,226	50,673	50,254		(28)		(28)		50,226			0	1,047	06/01/2015	1
31395H ZW 3	FHR 2886 HB		06/01/2008	MBS PAYDOWN		115,674	115,674	114,714	115,589		85		85		115,674			0	2,249	02/01/2010	1
31401W G2 9	FN 720317		06/01/2008	MBS PAYDOWN		115,920	115,920	118,510	116,056		(136)		(136)		115,920			0	2,434	12/01/2017	1
31402H Q6 1	FN 729577		06/01/2008	MBS PAYDOWN		43,036	43,036	42,747	43,027		9		9		43,036			0	974	07/01/2032	1
31402X Z7 4	FN 741566		06/01/2008	MBS PAYDOWN		11,983	11,983	12,226	11,996		(13)		(13)		11,983			0	292	05/01/2018	1
31403C 4Y 4	FN 745239		06/01/2008	MBS PAYDOWN		51,912	51,912	51,960	51,923		(11)		(11)		51,912			0	1,277	03/01/2015	1
31404B SF 0	FN 763818		06/01/2008	MBS PAYDOWN		123,072	123,072	126,034	123,221		(149)		(149)		123,072			0	2,784	04/01/2033	1
31404C WM 8	FN 764852		06/01/2008	MBS PAYDOWN		82,075	82,075	83,896	82,170		(94)		(94)		82,075			0	1,647	07/01/2018	1
31404N WB 8	FN 773842		06/01/2008	MBS PAYDOWN		4,862	4,862	4,932	4,862				0		4,862			0	121	07/01/2033	1
31404R 4B 0	FN 776718		06/01/2008	MBS PAYDOWN		14,107	14,107	14,135	14,107		(1)		(1)		14,107			0	323	11/01/2033	1
31404W YX 8	FN 781126		06/01/2008	MBS PAYDOWN		20,078	20,078	19,545	20,073		5		5		20,078			0	428	09/01/2033	1
31404X T8 7	FN 781875		06/01/2008	MBS PAYDOWN		69,737	69,737	70,913	69,769		(32)		(32)		69,737			0	1,692	01/01/2033	1
31404Y KL 5	FN 782499		06/01/2008	MBS PAYDOWN		53,632	53,632	53,393	53,591		41		41		53,632			0	1,119	01/01/2034	1
31405T SU 7	FN 798931		06/01/2008	MBS PAYDOWN		12,285	12,285	12,239	12,283		1		1		12,285			0	231	10/01/2019	1
31405U MK 2	FN 799662		06/01/2008	MBS PAYDOWN		29,856	29,856	29,720	29,853		2		2		29,856			0	589	02/01/2034	1
31406J 6A 6	FN 811865		06/01/2008	MBS PAYDOWN		15,468	15,468	15,103	15,458		10		10		15,468			0	260	05/01/2019	1
31406W US 1	FN 822393		06/01/2008	MBS PAYDOWN		216,327	216,327	218,524	216,405		(78)		(78)		216,327			0	5,270	11/01/2034	1
31406Y 4L 1	FN 824427		06/01/2008	MBS PAYDOWN		59,575	59,575	60,125	59,595		(20)		(20)		59,575			0	1,287	01/01/2035	1
31407A PZ 8	FN 824940		06/01/2008	MBS PAYDOWN		313,230	313,230	317,831	313,348		(118)		(118)		313,230			0	7,051	01/01/2035	1
31407E UR 2	FN 828692		06/01/2008	MBS PAYDOWN		170,066	170,066	173,972	170,124		(58)		(58)		170,066			0	4,300	03/01/2035	1

QE05.1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator
31407H 5Y 8	FN 831663		.06/01/2008	MBS PAYDOWN		72,383	72,383	71,603	72,285		98		98		72,383			0	1,799	03/01/2036	1
31407H ZH 2	FN 831544		.06/01/2008	MBS PAYDOWN		117,320	117,320	115,903	117,203		118		118		117,320			0	2,839	01/01/2036	1
31407Y ES 4	FN 844445		.06/01/2008	MBS PAYDOWN		22,661	22,661	21,747	22,625		36		36		22,661			0	504	08/01/2035	1
31408E RU 8	FN 849299		.06/01/2008	MBS PAYDOWN		183,297	183,297	179,975	183,096		201		201		183,297			0	4,028	09/01/2035	1
31408G J5 7	FN 850884		.06/01/2008	MBS PAYDOWN		50,308	50,308	47,706	50,236		72		72		50,308			0	972	08/01/2035	1
31408J DR 9	FN 852512		.06/01/2008	MBS PAYDOWN		43,227	43,227	40,431	43,144		83		83		43,227			0	920	08/01/2035	1
31409W NY 3	FN 880707		.06/01/2008	MBS PAYDOWN		157,544	157,544	156,806	157,503		41		41		157,544			0	4,160	02/01/2036	1
31410G RU 9	FN 888899		.06/01/2008	MBS PAYDOWN		43,052	43,052	43,153		(7)		(7)		43,052			0	632	11/01/2020	1	
31411E ZB 6	FN 906238		.06/01/2008	VARIOUS		42,281	42,281	42,143		4		4		42,281			0	809	10/01/2036	1	
31411W VC 8	FN 916911		.06/01/2008	MBS PAYDOWN		23,667	23,667	23,410	23,653		14		14		23,667			0	539	02/01/2037	1
31412V 4G 0	FN 936523		.06/01/2008	MBS PAYDOWN		61,069	61,069	60,353	61,030		39		39		61,069			0	1,352	04/01/2037	1
31412X LJ 1	FN 937829		.06/01/2008	MBS PAYDOWN		80,452	80,452	79,560	80,366		86		86		80,452			0	1,930	05/01/2037	1
31413F G5 5	FN 944020		.06/01/2008	MBS PAYDOWN		385,806	385,806	383,877	385,746		60		60		385,806			0	8,750	06/01/2037	1
31414H VF 1	FN 966914		.06/01/2008	MBS PAYDOWN		19,528	19,528	19,949		(35)		(35)		19,528			0	428	12/01/2014	1	
3199999	Total - Bonds - Special Revenue & Assessment					5,100,946	5,100,946	5,119,031	4,968,556	0	(1,062)	0	(1,062)	0	5,100,946	0	0	0	118,758	XXX	XXX
Bonds - Industrial and Miscellaneous																					
020039 DB 6	ALLTEL CORP		.06/05/2008	GOLDMAN SACHS		3,150,000	3,000,000	3,210,510	2,587,500	524,379	(9,594)		514,785		3,102,285		47,715	47,715	197,750	07/01/2012	5FE
035229 CY 7	ANHEUSER-BUSCH COS INC		.05/15/2008	BONDS DIRECT		1,013,770	1,000,000	1,000,070	1,000,057		1		1		1,000,059		13,711	13,711	42,361	01/15/2015	1FE
07383F AQ 1	BSCMS 1999-C1 A2		.06/01/2008	MBS PAYDOWN		120,966	120,966	128,995	121,717		(750)		(750)		120,966			0	3,299	02/01/2009	1FE
079867 AQ 0	BELLSOUTH TELECOMMUNICAT		.06/15/2008	SINKING FUND REDEMPTION		53,960	53,960	49,141	53,907		53		53		53,960			0	1,700	12/15/2015	1FE
3136F6 YK 9	FMAN 2005-3 1		.06/25/2008	MBS PAYDOWN		17,276	17,276	16,670	17,181		95		95		17,276			0	316	12/25/2012	1FE
36158Y EK 1	GECCM 2002-1A A2		.06/01/2008	MBS PAYDOWN		25,311	25,311	27,067	25,478		(167)		(167)		25,311			0	633	12/01/2010	1FE
369550 AJ 7	GENERAL DYNAMICS CORP		.05/15/2008	MATURITY		1,000,000	1,000,000	963,547	993,071		6,929		6,929		1,000,000			0	15,000	05/15/2008	1FE
55264T BY 6	MBNAS 2003-A7 A7		.06/15/2008	MBS PAYDOWN		2,500,000	2,500,000	2,499,414		586		586		2,500,000			0	5,521	06/15/2008	1FE	
74005P AM 6	PRAXAIR INC		.06/15/2008	MATURITY		1,000,000	1,000,000	995,710	999,586		414		414		1,000,000			0	13,750	06/15/2008	1FE
LN1815 48 6	JARDEN CORP		.06/30/2008	CALLED BY ISSUER at 100.00		2,583	2,583	2,466		118		118		2,583			0	14	01/24/2012	3FE	
LN2473 73 1	CALUMET LUBRICANTS COMPANY		.06/30/2008	CALLED BY ISSUER at 100.00		32,310	32,310	31,017	31,017		1,292		1,292		32,310			0	971	12/09/2012	3Z
LN2716 95 6	HANGER ORTHOPEDIC GROUP INC		.06/30/2008	CALLED BY ISSUER at 100.00		5,302	5,302	5,066		236		236		5,302			0	5	05/26/2013	4FE	
LN2997 84 6	IDEARC INC		.06/30/2008	VARIOUS		5,025	5,025	4,785	4,786		240		240		5,025			0	188	11/17/2014	3FE
LN3229 30 6	TELESAT LLC		.06/30/2008	CALLED BY ISSUER at 100.00		2,366	2,366	2,318	2,200		49		49		2,366			0	78	01/19/2014	4FE
LN3270 85 4	HAWKER BEECHCRAFT INC LC		.06/30/2008	PRIOR YEAR INCOME									0					0	421	03/26/2014	3FE
LN3270 93 8	HAWKER BEECHCRAFT INC TL B		.06/30/2008	CALLED BY ISSUER at 100.00		9,241	9,241	9,177	8,825	352	63		415		9,241			0	214	03/26/2014	3FE
LN3326 91 2	DRESSER INC		.06/30/2008	CALLED BY ISSUER at 100.00		11,538	11,538	11,262	11,106	157		157		11,262		276	276	373	05/04/2014	4FE	
LN3349 00 5	LAS VEGAS SANDS LLC		.06/30/2008	CALLED BY ISSUER at 100.00		4,000	4,000	3,945	3,816	131	53		184		4,000			0	96	05/23/2014	3FE
LN3398 69 7	ATLAS PIPELINE PARTNERS-UTS		.06/27/2008	CALLED BY ISSUER at 100.00		587,048	587,048	582,737	292,057	467	4,294		4,761		587,048			0	13,945	07/27/2014	3FE
LN3474 04 3	ISLE OF CAPRI CASINOS, INC		.06/30/2008	CALLED BY ISSUER at 100.00		1,029	1,029	1,029					0		1,029			0	116	07/02/2014	3FE
LN3474 08 4	ISLE OF CAPRI CASINOS, INC		.06/30/2008	CALLED BY ISSUER at 100.00		1,471	1,471	1,471	1,357	114		114		1,471			0	25	07/02/2014	3FE	
LN3634 69 5	TEXAS COMPETITIVE ELECTRIC		.04/01/2008	CALLED BY ISSUER at 100.00		5,000	5,000	4,988	4,925	63	12		75		5,000			0	82	10/10/2014	3FE
LN3684 91 4	SEQUA CORPORATION		.06/26/2008	CALLED BY ISSUER at 100.00		4,331	4,333	4,117	4,119		215		215		4,333			0	124	12/03/2014	4FE
LN3703 78 9	NEWPAGE CORP		.06/30/2008	CALLED BY ISSUER at 100.00		2,500	2,500	2,425		75		75		2,500			0	94	12/20/2014	3FE	
4599999	Total - Bonds - Industrial & Miscellaneous					9,555,027	9,391,259	9,557,927	6,165,130	525,663	4,214	0	529,877	0	9,493,327	0	61,702	61,702	297,076	XXX	XXX
6099997	Total - Bonds - Part 4					32,723,695	32,559,927	32,852,718	29,213,763	525,663	(9,200)	0	516,463	0	32,661,995	0	61,702	61,702	914,947	XXX	XXX
6099999	Total - Bonds					32,723,695	32,559,927	32,852,718	29,213,763	525,663	(9,200)	0	516,463	0	32,661,995	0	61,702	61,702	914,947	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					32,723,695	XXX	32,852,718	29,213,763	525,663	(9,200)	0	516,463	0	32,661,995	0	61,702	61,702	914,947	XXX	XXX

QE05.2

(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

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.....	.....	.....	.....	.....176,276	.....538,754	.....1,435,880	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....	.....	.....	.....	.....43,459	.....43,449	.....13,460	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....29,645	.....26,320	.....26,331	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(8,225,848)	.....(10,049,626)	.....(5,523,241)	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(7,976,468)	.....(9,441,103)	.....(4,047,570)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(7,976,468)	.....(9,441,103)	.....(4,047,570)	XXX
0499999. Cash in Company's Office.....	XXX.....	XXX.....	XXX.....	XXX.....	.....10,000	.....10,000	.....10,000	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	.....(7,966,468)	.....(9,431,103)	.....(4,037,570)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Bonds - Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivision - Issuer Obligations							
ORLANDO & ORANGE CNTY EXPWY AU 07/01/2.....		05/05/2008	5.000	07/01/2008	5,000,000	125,000	26,944
2599999. Special Revenue & Special Assessment Obligations - Issuer Obligations.....					5,000,000	125,000	26,944
3199999. Total - Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations.....					5,000,000	125,000	26,944
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
AMERICAN HONDA FINANCE 07/16/2008.....		05/27/2008	2.156	07/16/2008	2,997,313		6,271
AMER TRANS CO 07/01/2008.....		06/30/2008	2.500	07/01/2008	4,241,000		295
FPL FUELS INC 07/08/2008.....		06/03/2008	2.255	07/08/2008	7,246,835		14,283
FED HOME LN DISCOUNT NT 09/17/2008.....		06/18/2008	2.379	09/17/2008	99,488		.85
TOYOTA MOTOR CREDIT CORP 07/11/2008.....		06/09/2008	2.165	07/11/2008	7,995,200		11,610
3999999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					22,579,836	0	32,544
4599999. Total - Industrial and Miscellaneous (Unaffiliated).....					22,579,836	0	32,544
Total Bonds							
5499999. Subtotals - Issuer Obligations.....					27,579,836	125,000	59,488
6099999. Subtotals - Bonds.....					27,579,836	125,000	59,488
8799999. Total - Cash Equivalents.....					27,579,836	125,000	59,488

QE09