

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, 2005

2005



QUARTERLY STATEMENT

As of March 31, 2005
of the Condition and Affairs of the

PRONATIONAL INSURANCE COMPANY

NAIC Group Code.....2698, 2698 (Current Period) (Prior Period)	NAIC Company Code..... 38954	Employer's ID Number..... 38-2317569
Organized under the Laws of MI	State of Domicile or Port of Entry MI	Country of Domicile US
Incorporated/Organized..... June 27, 1980	Commenced Business..... June 27, 1980	
Statutory Home Office	2600 PROFESSIONALS DRIVE..... OKEMOS MI 48864 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	517-349-6500 <i>(Area Code) (Telephone Number)</i>
Mail Address	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	205-877-4400 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	proassurance.com	
Statutory Statement Contact	PHILIP NEWTON LEWIS <i>(Name)</i> plewis@proassurance.com <i>(E-Mail Address)</i>	205-445-2665 <i>(Area Code) (Telephone Number) (Extension)</i> 205-868-4025 <i>(Fax Number)</i>
Policyowner Relations Contact	2600 PROFESSIONALS DRIVE..... OKEMOS MI 48864 <i>(Street and Number) (City or Town, State and Zip Code)</i>	517-349-6500 <i>(Area Code) (Telephone Number) (Extension)</i>

OFFICERS

Name	Title	Name	Title
1. VICTOR THOMAS ADAMO	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. JAMES JOSEPH MORELLO	TREASURER	4.	

OTHER

JEFFREY LYNN BOWLBY	VICE PRESIDENT	HOWARD HARLEY FRIEDMAN	VICE PRESIDENT
JAMES JOSEPH MORELLO	VICE PRESIDENT	FRANK BERRY O'NEIL	VICE PRESIDENT
EDWARD LEWIS RAND	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, 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) VICTOR THOMAS ADAMO 1. (Printed Name) PRESIDENT (Title)	_____ (Signature) KATHRYN ANNE NEVILLE 2. (Printed Name) SECRETARY (Title)	_____ (Signature) JAMES JOSEPH MORELLO 3. (Printed Name) TREASURER (Title)
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Subscribed and sworn to before me
This _____ day of _____

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	686,854,922		686,854,922	670,202,416
2. Stocks:				
2.1 Preferred stocks.....	15,049,133		15,049,133	15,117,875
2.2 Common stocks.....	204,906,984		204,906,984	194,993,735
3. Mortgage loans on real estate:				
3.1 First liens.....	399,363		399,363	402,436
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	4,243,719		4,243,719	4,287,547
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 (\$.....(2,800,458)), cash equivalents (\$.....4,158,000) and short-term investments (\$.....27,123,836).....	28,481,378		28,481,378	15,837,552
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	1,165,300		1,165,300	1,153,100
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	941,100,799	0	941,100,799	901,994,661
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	7,687,635		7,687,635	8,102,287
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	39,224,129	187,215	39,036,914	25,914,186
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	11,025,839		11,025,839	19,599,848
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	3,583,466		3,583,466	2,927,090
14.2 Funds held by or deposited with reinsured companies.....	23,783,000		23,783,000	23,783,000
14.3 Other amounts receivable under reinsurance contracts.....	89,152		89,152	
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
16.2 Net deferred tax asset.....	34,442,431	20,180,086	14,262,345	13,849,537
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....	268,705		268,705	290,398
19. Furniture and equipment, including health care delivery assets (\$.....0).....	690,378	690,378	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	60,372		60,372	5,377,877
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	11,576,896	368,641	11,208,255	11,132,747
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,073,532,802	21,426,320	1,052,106,482	1,012,971,631
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,073,532,802	21,426,320	1,052,106,482	1,012,971,631

DETAILS OF WRITE-INS

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Intangible Assets.....	(55,735)		(55,735)	(55,735)
2302. Prepaid Expenses and Other Assets.....	368,641	368,641	0	
2303. Company Owned Life Insurance.....	10,927,609		10,927,609	10,815,541
2398. Summary of remaining write-ins for Line 23 from overflow page.....	336,381	0	336,381	372,941
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	11,576,896	368,641	11,208,255	11,132,747

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....11,497,209).....	478,770,954	472,660,402
2. Reinsurance payable on paid losses and loss adjustment expenses.....	99,312	21,338
3. Loss adjustment expenses.....	185,845,860	172,773,473
4. Commissions payable, contingent commissions and other similar charges.....	4,075,547	5,508,596
5. Other expenses (excluding taxes, licenses and fees).....	1,911,767	1,773,692
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,430,034	1,864,383
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	1,608,827	4,516,621
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 \$....3,452,574 and including warranty reserves of \$.....0).....	106,924,247	94,632,746
10. Advance premium.....	1,209,174	5,442,134
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	6,989,780	5,557,400
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	56,596	77,959
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	810,000	810,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	2,101,287	199,824
20. Payable for securities.....	5,132,400	7,681,462
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	(2,373,097)	(2,373,097)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	794,592,688	771,146,933
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	794,592,688	771,146,933
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).....	216,253,256	200,564,160
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).....	257,513,794	241,824,698
36. TOTALS.....	1,052,106,482	1,012,971,631

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

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 \$...59,609,751).....	46,515,731	42,880,154	179,390,628
1.2 Assumed..... (written \$...4,363,683).....	5,090,443	4,467,256	21,649,617
1.3 Ceded..... (written \$...3,058,974).....	2,948,155	2,623,153	10,227,214
1.4 Net..... (written \$...60,914,460).....	48,658,019	44,724,257	190,813,031
DEDUCTIONS:			
2. Losses incurred (current accident year \$...11,507,488):			
2.1 Direct.....	11,311,170	18,752,264	30,483,580
2.2 Assumed.....	1,832,559	1,607,993	4,207,403
2.3 Ceded.....	1,636,241	1,457,287	(28,554,953)
2.4 Net.....	11,507,488	18,902,970	63,245,936
3. Loss expenses incurred.....	30,620,522	23,079,440	96,179,541
4. Other underwriting expenses incurred.....	7,685,293	10,421,638	34,075,781
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	49,813,303	52,404,048	193,501,258
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(1,155,284)	(7,679,791)	(2,688,227)
INVESTMENT INCOME			
9. Net investment income earned.....	7,918,699	6,746,972	30,529,546
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....	41,485	1,923,901	2,608,062
11. Net investment gain (loss) (Lines 9 + 10).....	7,960,184	8,670,873	33,137,608
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.....	183,018	179,042	932,189
15. Total other income (Lines 12 through 14).....	183,018	179,042	932,189
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	6,987,918	1,170,124	31,381,570
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).....	6,987,918	1,170,124	31,381,570
19. Federal and foreign income taxes incurred.....	1,608,826	429,531	(1,066,929)
20. Net income (Line 18 minus Line 19) (to Line 22).....	5,379,092	740,593	32,448,499
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	241,824,698	187,936,820	187,936,820
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20).....	5,379,092	740,593	32,448,499
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	9,750,530	6,832,056	32,786,697
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(82,899)	1,159,210	(8,652,271)
27. Change in nonadmitted assets.....	642,373	5,681,911	9,514,353
28. Change in provision for reinsurance.....			5,790,600
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.....			(18,000,000)
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).....	15,689,096	14,413,770	53,887,878
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	257,513,794	202,350,590	241,824,698
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.....	112,067	129,350	478,380
1402. Risk management income.....	101,290	63,008	425,184
1403. Other.....	(30,339)	(13,316)	28,625
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).....	183,018	179,042	932,189
3701. Lines 23 and 29 from 2000 Annual Statement.....			
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

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.....	53,753,792	202,205,664
2. Net investment income.....	9,447,796	34,269,917
3. Miscellaneous income.....	183,018	932,189
4. Total (Lines 1 through 3).....	63,384,606	237,407,770
5. Benefit and loss related payments.....	23,523,473	106,518,092
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	9,414,616	29,636,598
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	4,516,620	(1,387,565)
10. Total (Lines 5 through 9).....	37,454,709	134,767,125
11. Net cash from operations (Line 4 minus Line 10).....	25,929,897	102,640,645
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	39,028,063	225,512,517
12.2 Stocks.....		
12.3 Mortgage loans.....	3,073	22,659
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		(5,015)
12.7 Miscellaneous proceeds.....		7,681,462
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	39,031,136	233,211,623
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	56,803,679	319,305,290
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	12,200	43,300
13.6 Miscellaneous applications.....	2,549,062	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	59,364,941	319,348,590
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).....	(20,333,805)	(86,136,967)
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.....		18,000,000
16.6 Other cash provided (applied).....	7,047,734	(19,099,237)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	7,047,734	(37,099,237)
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).....	12,643,826	(20,595,559)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	15,837,552	36,433,111
19.2 End of period (Line 18 plus Line 19.1).....	28,481,378	15,837,552
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.9999 Totals.....	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

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

- A. The components of the deferred tax asset (DTA) or liability (DTL) at March 31, 2005 and December 31, 2004 are as follows:

	<u>2005</u>	<u>2004</u>
(1) Total of all DTAs (admitted and nonadmitted)	\$ 34,783,418	\$ 34,924,703
(2) Total of all DTLs	340,987	399,373
(3) Total DTAs nonadmitted in accordance with SSAP No. 10 – Income Taxes	20,180,086	20,675,793
(4) The Total of all DTAs admitted [(1)-(2)-(3)]	14,262,345	13,849,537
(5) The net change during the year in the total DTAs nonadmitted	\$ (495,707)	\$ (8,809,966)

- C. The components of income tax expense incurred and the change in DTAs and DTLs are as follows:

	<u>2005</u>	<u>2004</u>
(2) Change in DTAs and DTLs:		
Discounting of unpaid losses and LAE	\$ (702,567)	\$ 1,602,830
Change in unearned premiums	564,097	805,562
Alternative minimum tax	(574,499)	(11,197,401)
Nonadmitted assets	(51,333)	(239,502)
Other	<u>623,017</u>	<u>446,990</u>
Change in deferred tax assets	(141,285)	(8,581,521)
Bond discount amortization – net	29,430	45,665
Change in unrealized loss	(56,910)	(40,794)
Other	<u>(30,906)</u>	<u>65,879</u>
Change in deferred tax liabilities	<u>(58,386)</u>	<u>70,750</u>
Net Change in deferred tax assets	<u>\$ (82,899)</u>	<u>\$ (8,652,271)</u>

- D. The Company's income tax expense and changes in its DTAs and DTLs differ from the amounts obtained by applying the federal tax rate of 35% in 2005 and 2004 to statutory income/loss from operations for the following reasons:

<u>2005</u>	<u>2004</u>
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NOTES TO FINANCIAL STATEMENTS

Expected federal income tax expense (benefit)	\$ 2,445,771	\$ 10,983,550
Exempt interest and dividends	(728,100)	(2,533,975)
Cash surrender value of life insurance	(39,223)	(167,433)
(Increase) decrease in nonadmitted assets	51,333	239,502
Change in unrealized gain/loss	(56,910)	(40,794)
Other amounts	18,854	(895,508)
Total statutory income taxes	<u>\$ 1,691,725</u>	<u>\$ 7,585,342</u>
Federal income tax provision	\$ 1,608,826	\$ (1,066,929)
Change in net DTA	82,899	8,652,271
Total statutory income taxes	<u>\$ 1,691,725</u>	<u>\$ 7,585,342</u>

- F. The Company is included in the consolidated federal tax return of ProAssurance Corporation (see 2004 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.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

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

No significant change.

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 2005.

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

NOTES TO FINANCIAL STATEMENTS

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

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 that 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 [X] No []
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 []
If yes, attach an explanation.

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

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

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

7.4 By what department or departments?

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES

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

8.2 If yes, give full information: _____

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

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

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

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

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.562

INVESTMENT

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

11.2 If yes, explain:.....

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

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

12.2 If yes, give full and complete information relating thereto: _____

13. Amount of real estate and mortgages held in other invested assets in Schedule BA:

14. Amount of real estate and mortgages held in short-term investments:

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

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
15.21 Bonds.....		
15.22 Preferred Stock.....		
15.23 Common Stock.....	\$.....194,981,690	\$.....204,894,818
15.24 Short-Term Investments.....		
15.25 Mortgages, Loans or Real Estate.....		
15.26 All Other.....		
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$.....194,981,690	\$.....204,894,818
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above		

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

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

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

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
NONE		

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [X] No []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
SOUTHTRUST BANK	WACHOVIA BANK	03/01/2005	BANK MERGER

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

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

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

18.2 If no, list exceptions: _____

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	
						0					0
Total	XXX	XXX	0	0	0	0	0	0	0	0	0

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.....	4,287,547	4,462,858
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.....	4,243,719	4,287,547
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	4,243,719	4,287,547
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	4,243,719	4,287,547

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	402,436	425,095
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.....	3,073	22,659
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.....	399,363	402,436
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	399,363	402,436
12. Total nonadmitted amounts.....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	399,363	402,436

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.....	1,153,100	1,109,800
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....		43,300
2.2 Additional investment made after acquisitions.....	12,200	
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book adjusted/carrying value of long-term invested assets at end of current period.....	1,165,300	1,153,100
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	1,165,300	1,153,100
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	1,165,300	1,153,100

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.....	880,314,024	755,620,342
2. Cost of bonds and stocks acquired.....	56,803,679	319,305,290
3. Accrual of discount.....	94,055	284,580
4. Increase (decrease) by adjustment.....	9,750,530	32,786,692
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	41,485	2,613,078
7. Consideration for bonds and stocks disposed of.....	39,028,063	225,512,517
8. Amortization of premium.....	1,164,671	4,783,441
9. Book/adjusted carrying value, current period.....	906,811,039	880,314,024
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	906,811,039	880,314,024
12. Total nonadmitted amounts.....		
13. Statement value.....	906,811,039	880,314,024

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.....	646,358,913	122,702,836	96,564,860	2,449,185	674,946,074			646,358,913
2. Class 2.....	32,784,942	1,973,155	1,353,376	(3,517,290)	29,887,431			32,784,942
3. Class 3.....	1,394,141	1,406,247	99,322	(10,124)	2,690,942			1,394,141
4. Class 4.....		1,973,492	366,736	(22,587)	1,584,169			
5. Class 5.....	2,594,355	2,363,755	26,703	(61,265)	4,870,142			2,594,355
6. Class 6.....								
7. Total Bonds.....	683,132,351	130,419,485	98,410,997	(1,162,081)	713,978,758	0	0	683,132,351
PREFERRED STOCK								
8. Class 1.....	8,997,875			3,051,258	12,049,133			8,997,875
9. Class 2.....	6,120,000			(3,120,000)	3,000,000			6,120,000
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	15,117,875	0	0	(68,742)	15,049,133	0	0	15,117,875
15. Total Bonds and Preferred Stock.....	698,250,226	130,419,485	98,410,997	(1,230,823)	729,027,891	0	0	698,250,226

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.....	27,123,836	XXX	27,120,873	2,515	

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.....	12,929,935	24,767,250
2. Cost of short-term investments acquired.....	73,615,806	240,698,516
3. Increase (decrease) by adjustment.....	2,515	(51,687)
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....		(5,015)
6. Consideration received on disposal of short-term investments.....	59,424,420	252,479,129
7. Book/adjusted carrying value, current period.....	27,123,836	12,929,935
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	27,123,836	12,929,935
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	27,123,836	12,929,935
12. Income collected during period.....	89,356	274,770
13. Income earned during period.....	105,818	216,404

**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	381,678	572,872			443,300	855,204
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	341,470	78,237			76,036	9,131
9. District of Columbia.....DC	NO						
10. Florida.....FL	YES	18,322,782	21,238,501	(54,807)	3,379,820	63,100,740	239,256,625
11. Georgia.....GA	YES	53,938	116,400			91,497	110,701
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	10,167,844	9,942,937	2,194,257	1,329,341	17,923,123	71,499,372
15. Indiana.....IN	YES	219,416	214,506	83,220	218,939	4,954,130	15,416,787
16. Iowa.....IA	YES	373,486				72,416	179,854
17. Kansas.....KS	YES						
18. Kentucky.....KY	YES	7,316,847	5,084,260	613,910		7,572,192	18,276,839
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	YES	10,980,666	10,341,749	445,112	2,753,145	34,617,859	140,804,459
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	7,859,317	6,920,405	143,768	4,254	7,047,485	13,911,745
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	992,175	1,629,972	514,705	3,100,000	9,852,288	25,330,917
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	YES	2,597,374	4,979,908	3,345,322	1,039,283	11,718,706	40,594,852
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	2,758				5,000	
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	59,609,751	61,119,747	7,285,487	11,824,782	157,474,772	566,246,486

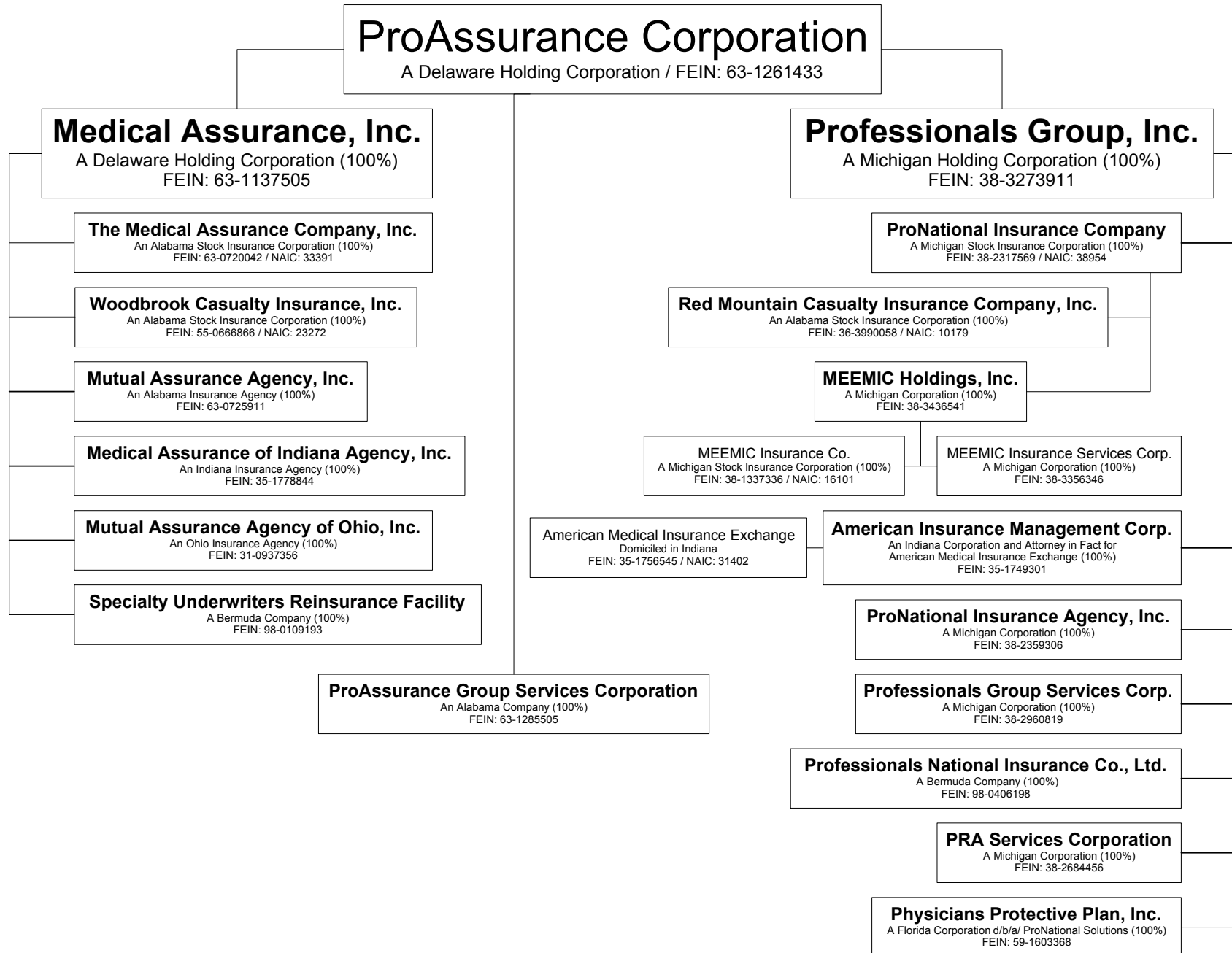
DETAILS OF WRITE-INS

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.....	2,576,888	620,032	24.1	43.4
11.2. Medical malpractice-claims made.....	41,278,086	9,932,036	24.1	43.4
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.....	2,660,757	759,102	28.5	49.1
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	
34. Totals.....	46,515,731	11,311,170	24.3	43.7

DETAILS OF WRITE-INS

3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0.0	XXX
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	2,576,888	2,576,888	1,920,240
11.2. Medical malpractice-claims made.....	54,986,182	54,986,182	56,443,329
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.....	2,046,681	2,046,681	2,756,178
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.....	59,609,751	59,609,751	61,119,747

DETAILS OF WRITE-INS

3301.			
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2005 Loss and LAE Payments on Claims Reported as of Prior Year-End	2005 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2005 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. 2002 + Prior	257,433	58,661	316,094	15,822	883	16,705	265,098	1,619	32,672	299,389	23,487	(23,487)	0
2. 2003	66,480	91,535	158,015	2,930	716	3,646	70,527	1,354	82,488	154,369	6,977	(6,977)	0
3. Subtotals 2003 + Prior	323,913	150,196	474,109	18,752	1,599	20,351	335,625	2,973	115,160	453,758	30,464	(30,464)	0
4. 2004	33,622	137,702	171,324	968	690	1,658	40,050	275	129,341	169,666	7,396	(7,396)	0
5. Subtotals 2004 + Prior	357,535	287,898	645,433	19,720	2,289	22,009	375,675	3,248	244,501	623,424	37,860	(37,860)	0
6. 2005	XXX	XXX	XXX	XXX	935	935	XXX	6,258	34,935	41,193	XXX	XXX	XXX
7. Totals	357,535	287,898	645,433	19,720	3,224	22,944	375,675	9,506	279,436	664,617	37,860	(37,860)	0
8. Prior Year-End's Surplus As Regards Policyholders	241,825										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. ....10.6 %	2. ....(13.2)%	3. ....0.0 %
													Col. 13, Line 7 Line 8
													4. ....0.0 %

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

Response

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?

NO

2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

YES

Explanation:

Bar Code:



Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2304. Note receivable.....	336,381		336,381	372,941
2397. Summary of remaining write-ins for Line 23.....	336,381	0	336,381	372,941

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - States, Territories and Possessions									
68607L H8 3	OREGON ST		08/01/2011 5.250	SEATTLE NORTHWEST		331,620	300,000	1,750	1FE
1799999.	Total - Bonds - States, Territories & Possessions					331,620	300,000	1,750	XXX
Bonds - Political Subdivisions of States									
664259 BA 5	NORTHEAST MET INTER SC		01/01/2011 4.000	DIRECT		885,224	865,000	8,266	1FE
64966E CA 3	NYC SER J		03/01/2018 5.000	CITIGROUP GLOBAL MARKETS		5,473,250	5,000,000		1FE
615401 JC 1	MOON ARE SCH DIST		11/15/2020 5.000	RAYMOND JAMES		3,974,249	3,610,000	43,119	1FE
848712 MB 8	SPOKANE CNTY WASH SCH		06/01/2011	SEATTLE NORTHWEST		1,761,593	2,030,000		1FE
848712 MC 6	SPOKANE CNTY WASH SCH		12/01/2011	SEATTLE NORTHWEST		1,778,560	2,000,000		1FE
2499999.	Total - Bonds - Political Subdivision					13,872,876	13,505,000	51,385	XXX
Bonds - Special Revenue and Special Assessment									
04780M HJ 1	ATLANTA ARPT-GEN-G		01/01/2018 5.000	FIRST ALBANY CORP		3,499,961	3,175,000	19,403	1FE
455167 J8 0	IN UNIV-STUDENT FEE-P		08/01/2019 5.000	MERRILL LYNCH		5,445,200	5,000,000	34,722	1FE
64468C BF 0	NEW HAMPSHIRE ST BUSIN		07/01/2027 3.650	MORGAN STANLEY DEAN WITTER		3,403,500	3,400,000	4,258	1FE
803093 AR 4	SAPULPA OKLA MUN AUTH		07/01/2010 5.625	ABN AMRO		1,704,105	1,500,000	7,266	1FE
735388 6H 8	PORT SEATTLE WASH REV		09/01/2010 5.500	DAIN RAUSCHER		1,106,540	1,000,000	24,444	1FE
31297H X4 6	FG A29699		01/01/2035 5.000	J.P. MORGAN		5,001,953	5,000,000	17,361	1
3128MJ BE 9	FG G08036		12/01/2034 5.500	MERRILL LYNCH		4,428	4,428		1
31376K KG 0	FN 357695		01/01/2019 4.500	LEHMAN BROTHERS		999,023	1,000,000	2,250	1
31404X T8 7	FN 781875		07/01/2034 5.500	LEHMAN BROTHERS		2,033,750	2,000,000	2,750	1
31405U MK 2	FN 799662		11/01/2034 5.000	MERRILL LYNCH		995,369	999,900	1,250	1
01F050 62 7	FNMA 5% 30YR FEB TBA		10/01/2034 5.000	MERRILL LYNCH		995,469	1,000,000	1,250	1
01F052 62 3	FNMA 5.5% 30YR FEB TBA		02/01/2031 5.500	LEHMAN BROTHERS		2,033,750	2,000,000	2,750	1
31394C N3 2	FNR 2005-33 VA		03/01/2016 5.000	DIRECT		2,522,266	2,500,000	10,417	1
3199999.	Total - Bonds - Special Revenue & Special Assessments					29,745,314	28,579,328	128,121	XXX
Bonds - Industrial and Miscellaneous									
02582J CN 8	AMXCA 2003-4 A		06/15/2006 1.690	J.P. MORGAN		975,391	1,000,000	282	1FE
06423R AD 8	BOIT 2002-A2 A2		05/15/2005 4.160	DIRECT		502,246	500,000	173	1FE
163762 AN 7	CHEMT 1996-3 A		06/15/2006 7.090	J.P. MORGAN		806,091	775,000	916	1FE
172850 BB 4	CITRV 1999-A B		08/15/2008 8.717	VARIOUS		1,406,247	1,406,247		3FE
20030N AA 9	COMCAST CORP		01/15/2010 5.850	J.P. MORGAN		1,044,730	1,000,000	10,725	2FE
36158Y EK 1	GECMC 2002-1A A2		07/01/2011 5.994	DMG		1,069,375	1,000,000	3,164	1FE
393505 YB 2	GT 1997-8 B1		05/15/2022 7.170	LEHMAN BROTHERS		288,851	288,851		5FE
393505 K3 5	GT 1998-6 M1		10/01/2029 9.854	CREDIT SUISSE FIRST BOSTON		366,736	366,736		4FE
393505 W4 0	GT 1999-2 M1		01/01/2022 6.800	LEHMAN BROTHERS		482,658	482,658		5FE
456606 DE 9	INHHEL 2001-C B		09/25/2009 5.200	CREDIT SUISSE FIRST BOSTON		928,425	928,425		2FE
52519S AW 3	LABMH 2002-1 B2		11/15/2026 10.160	VARIOUS		1,447,989	1,447,989		4FE
589962 CV 9	MESC 13 M1		08/01/2015 8.863	LEHMAN BROTHERS		860,959	860,959		5FE
68619A AG 2	ORGN 2001-A M1		09/15/2013 7.820	LEHMAN BROTHERS		158,767	158,767		4FE
70556J AA 7	PALS 1999-1A A1		03/25/2029 6.300	DIRECT		731,288	731,288		5FE
929766 WJ 8	WBCMT 2004-C15 A2		12/01/2009 4.039	J.P. MORGAN		1,784,116	1,800,000	4,443	1FE
4599999.	Total - Bonds - Industrial & Miscellaneous					12,853,869	12,746,920	19,703	XXX
6099997.	Total - Bonds - Part 3					56,803,679	55,131,248	200,959	XXX
6099999.	Total - Bonds					56,803,679	55,131,248	200,959	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					56,803,679	XXX	200,959	XXX

E04

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designa- tion 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																						
36202D	C9 0	G2 2796	03/01/2005	MBS PAYDOWN		41,534	41,534	40,522	40,671		863		863		41,534			0	477	09/01/2028	1.....	
36203L	DN 9	GN 352109	03/01/2005	MBS PAYDOWN		13,396	13,396	13,685	13,594		(198)		(198)		13,396			0	169	04/01/2022	1.....	
36205N	M8 6	GN 395583	03/01/2005	MBS PAYDOWN		197	197	201	200		(2)		(2)		197			0	2	12/01/2026	1.....	
36207K	GS 3	GN 434109	03/01/2005	MBS PAYDOWN		18,372	18,372	18,440	18,423		(52)		(52)		18,372			0	189	03/01/2028	1.....	
36207K	JJ 0	GN 434165	03/01/2005	MBS PAYDOWN		32,394	32,394	32,516	32,484		(90)		(90)		32,394			0	188	01/01/2028	1.....	
36208V	GE 0	GN 462669	03/01/2005	MBS PAYDOWN		54,106	54,106	55,010	54,764		(658)		(658)		54,106			0	574	04/01/2027	1.....	
36208W	DE 0	GN 462801	03/01/2005	MBS PAYDOWN		127,075	127,075	127,155	127,153		(78)		(78)		127,075			0	1,244	03/01/2027	1.....	
36208W	ES 8	GN 462845	03/01/2005	MBS PAYDOWN		36,520	36,520	37,883	37,511		(991)		(991)		36,520			0	455	01/01/2027	1.....	
36208X	D7 3	GN 463726	03/01/2005	MBS PAYDOWN		35,867	35,867	36,427	36,264		(397)		(397)		35,867			0	618	01/01/2026	1.....	
36210A	VS 3	GN 486725	03/01/2005	MBS PAYDOWN		140,406	140,406	143,456	142,598		(2,192)		(2,192)		140,406			0	1,250	02/01/2028	1.....	
36210E	X6 1	GN 490401	03/01/2005	MBS PAYDOWN		3,307	3,307	3,288	3,294		14		14		3,307			0	36	11/01/2028	1.....	
36213U	DK 3	GN 564506	03/01/2005	MBS PAYDOWN		26,153	26,153	26,488	26,427		(274)		(274)		26,153			0	274	04/01/2031	1.....	
36200X	LT 4	GN 575538	03/01/2005	MBS PAYDOWN		63,309	63,309	64,655	64,352		(1,042)		(1,042)		63,309			0	685	07/01/2031	1.....	
36201F	T7 2	GN 582074	03/01/2005	MBS PAYDOWN		46,929	46,929	47,010	46,996		(67)		(67)		46,929			0	339	05/01/2031	1.....	
36225A	UH 1	GN 780584	03/01/2005	MBS PAYDOWN		40,274	40,274	40,676	40,591		(318)		(318)		40,274			0	444	01/01/2026	1.....	
0399999	Total - Bonds - U.S. Government					679,839	679,839	687,412	685,322	0	(5,482)	0	(5,482)	0	679,839	0	0	0	6,944	XXX	XXX	...
Bonds - Special Revenue and Special Assessment																						
040670	BD 2	ARIZONA STUDENT LN ACQUISITION A	03/16/2005	DAIN RAUSCHER		1,500,000	1,500,000	1,500,000	1,500,000				0	1,500,000			0	10,787	05/01/2029	1FE.....		
041081	G2 0	AR SFM AMT-MTG BKD-B	01/03/2005	CALL BY ISSUER at 100.000		95,000	95,000	95,405	95,182				0	95,182		(182)	(182)	2,494	07/01/2024	1FE.....		
592663	XL 7	METROPOLITAN WTR DIST SOUTH CA	01/04/2005	UBS SECURITIES		2,150,000	2,150,000	2,150,000	2,150,000				0	2,150,000			0	3,936	07/01/2035	1FE.....		
960665	CP 0	WESTMINSTER MFH-RF-OA	02/01/2005	CALL BY ISSUER at 101.000		939,300	930,000	930,000	930,000				0	930,000		9,300	9,300	8,293	12/01/2025	1FE.....		
626207	HT 4	MUNICIPAL ELEC AUTH GA	01/04/2005	UBS SECURITIES		4,250,000	4,250,000	4,250,000	4,250,000				0	4,250,000			0	7,709	01/01/2020	1FE.....		
575633	GS 5	MA ED LN ISSUE E-B	01/03/2005	CALL BY ISSUER at 100.000		30,000	30,000	30,300	30,022				0	30,022		(22)	(22)	825	07/01/2005	1FE.....		
594712	NE 7	MICHIGAN ST UNIV REVS	01/04/2005	UBS SECURITIES		2,100,000	2,100,000	2,100,000	2,100,000				0	2,100,000			0	3,371	02/15/2026	1FE.....		
681793	M8 5	OMAHA PUB PWR DIST	02/24/2005	MORGAN STANLEY DEAN WI		1,372,358	1,300,000	1,390,818	1,383,719		(3,218)		(3,218)		1,380,502		(8,144)	(8,144)	34,125	02/01/2009	1FE.....	
645916	E5 2	NEW JERSEY ECONOMIC DEV AUTH FL	01/10/2005	MORGAN KEEGAN & CO INC		2,000,000	2,000,000	2,000,000	2,000,000				0	2,000,000			0	1,303	09/01/2029	1FE.....		
647110	CP 8	NEW MEXICO EDL ASSISTANCE FNDTN	02/08/2005	DAIN RAUSCHER		500,000	500,000	500,000	500,000				0	500,000			0	3,990	09/01/2033	1FE.....		
232265	2U 1	CUYAHOGA CNTY OHIO HOSP REV FLT	01/10/2005	MORGAN KEEGAN & CO INC		2,000,000	2,000,000	2,000,000	2,000,000				0	2,000,000			0	1,283	01/01/2031	1FE.....		
676901	YP 0	OH HFA AMT-B2-RMK 10/	03/01/2005	CALL BY ISSUER at 100.000		120,000	120,000	120,000	120,000				0	120,000			0	3,225	09/01/2019	1FE.....		
708792	TJ 5	PA HFA-AMT-SFM-60A	02/04/2005	CALL BY ISSUER at 100.000		55,000	55,000	57,253	56,072		(15)		(15)		56,056		(1,056)	(1,056)	22	10/01/2027	1FE.....	
31371L	3S 6	FB 255609	03/01/2005	MBS PAYDOWN		12,944	12,944	12,744	12,744				200	12,944			0	127	11/01/2024	1.....		
31296J	ZA 7	FG A10737	03/01/2005	MBS PAYDOWN		273,714	273,714	278,675	278,271		(4,557)		(4,557)		273,714			0	2,270	09/01/2032	1.....	
31297H	PN 3	FG A29429	03/01/2005	MBS PAYDOWN		2,379	2,379	2,298	2,298		81		81		2,379			0	14	12/01/2034	1.....	
31297H	X4 6	FG A29699	03/01/2005	MBS PAYDOWN		11,870	11,870	11,874	11,874		(5)		(5)		11,870			0	76	01/01/2035	1.....	
31297K	7G 1	FG A30895	03/01/2005	MBS PAYDOWN		4,678	4,678	4,642	4,642				36	4,678			0	29	01/01/2035	1.....		
31335H	5U 3	FG C90859	03/01/2005	MBS PAYDOWN		145,340	145,340	149,394	149,304		(3,963)		(3,963)		145,340			0	1,358	09/01/2024	1.....	
3128H3	LP 4	FG E95734	03/01/2005	MBS PAYDOWN		130,972	130,972	135,228	134,510		(3,539)		(3,539)		130,972			0	1,109	11/01/2017	1.....	
3128MJ	BE 9	FG G08036	03/01/2005	MBS PAYDOWN		10,042	10,042	10,192	10,192		(151)		(151)		10,042			0	76	12/01/2034	1.....	
31337L	UH 9	FHR 2178 PB	03/01/2005	MBS PAYDOWN		389,011	389,011	401,290	394,290		(5,279)		(5,279)		389,011			0	4,319	08/01/2029	1.....	
01f050	41 1	FNMA 15 YR	01/19/2005	LEHMAN BROTHERS		50	50	50	50				0	50			0		09/01/2019	1.....		
31393M	Z2 0	FHR 2583 ND	03/01/2005	MBS PAYDOWN		16,633	16,633	16,903	16,837		(204)		(204)		16,633			0	90	03/01/2007	1.....	
31393N	2K 4	FHR 2583 TD	03/01/2005	MBS PAYDOWN		7,992	7,992	8,130	8,103		(111)		(111)		7,992			0	35	05/01/2011	1.....	
31368H	LW 1	FN 190341	02/08/2005	VARIOUS		6,037,902	5,943,542	6,069,842	6,057,955		(4,717)		(4,717)		6,053,238		(15,337)	(15,337)	60,305	02/01/2018	1.....	
31371K	BR 1	FN 253948	03/01/2005	MBS PAYDOWN		237,422	237,422	234,232	234,953		2,469		2,469		237,422			0	2,570	10/01/2030	1.....	
31371K	MK 4	FN 254262	03/01/2005	MBS PAYDOWN		18,305	18,305	18,116	18,160		145		145		18,305			0	174	08/01/2031	1.....	
31371K	VA 6	FN 254509	03/01/2005	MBS PAYDOWN		64,863	64,863	65,887	65,681		(818)		(818)		64,863			0	525	05/01/2017	1.....	
31371K	VC 2	FN 254511	03/01/2005	MBS PAYDOWN		17,506	17,506	18,102	17,983		(477)		(477)		17,506			0	157	05/01/2017	1.....	
31371K	WJ 6	FN 254549	03/01/2005	MBS PAYDOWN		29,673	29,673	30,698	30,471		(798)		(798)		29,673			0	276	06/01/2032	1.....	

EOS

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	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator
31371L CE 7	FN 254869		03/01/2005	MBS PAYDOWN		232,889	232,889	233,180	233,143		(254)		(254)		232,889			0	2,073	05/01/2033	1
31371L WN 5	FN 255453		03/01/2005	MBS PAYDOWN		10,389	10,389	10,548	10,548		(159)		(159)		10,389			0	69	09/01/2019	1
31371L ZP 7	FN 255550		03/01/2005	MBS PAYDOWN		15,642	15,642	16,006	16,006		(364)		(364)		15,642			0	160	10/01/2024	1
31371L 2P 3	FN 255582		03/01/2005	MBS PAYDOWN		13,843	13,843	13,936	13,936		(93)		(93)		13,843			0	127	12/01/2024	1
31376K KG 0	FN 357695		03/01/2005	MBS PAYDOWN		11,259	11,259	11,248	11,248		11		11		11,259			0	57	01/01/2019	1
31382J WY 3	FN 484063		03/01/2005	MBS PAYDOWN		43,490	43,490	43,307	43,362		128		128		43,490			0	243	09/01/2027	1
31383M VS 9	FN 507425		03/01/2005	MBS PAYDOWN		878	878	888	885		(7)		(7)		878			0	12	09/01/2028	1
31384H 6L 2	FN 524775		03/01/2005	MBS PAYDOWN		9,650	9,650	9,608	9,622		28		28		9,650			0	113	06/01/2014	1
31385J RT 7	FN 545998		03/01/2005	MBS PAYDOWN		44,081	44,081	44,756	44,683		(602)		(602)		44,081			0	416	09/01/2031	1
31385X BN 6	FN 555445		03/01/2005	MBS PAYDOWN		19,352	19,352	19,401	19,395		(43)		(43)		19,352			0	152	12/01/2017	1
31386U ZC 9	FN 574139		03/01/2005	MBS PAYDOWN		46,361	46,361	46,252	46,284		77		77		46,361			0	502	01/01/2030	1
31387C P4 7	FN 580143		03/01/2005	MBS PAYDOWN		19,985	19,985	19,932	19,944		42		42		19,985			0	155	06/01/2030	1
31387Q XP 0	FN 591186		03/01/2005	MBS PAYDOWN		26,062	26,062	26,453	26,376		(314)		(314)		26,062			0	178	12/01/2015	1
31387Y YT 4	FN 598422		03/01/2005	MBS PAYDOWN		18,151	18,151	17,975	18,017		133		133		18,151			0	171	08/01/2016	1
31388D LJ 5	FN 601629		03/01/2005	MBS PAYDOWN		67,017	67,017	67,792	67,618		(601)		(601)		67,017			0	735	10/01/2030	1
31388V WH 7	FN 616348		03/01/2005	MBS PAYDOWN		682	682	687	686		(3)		(3)		682			0	7	04/01/2031	1
31389E 5T 8	FN 623758		03/01/2005	MBS PAYDOWN		29,867	29,867	30,142	30,063		(196)		(196)		29,867			0	208	06/01/2016	1
31389K CN 9	FN 627477		03/01/2005	MBS PAYDOWN		1,288	1,288	1,303	1,299		(11)		(11)		1,288			0	13	01/01/2017	1
31389S GZ 1	FN 633916		03/01/2005	MBS PAYDOWN		5,206	5,206	5,178	5,185		20		20		5,206			0	51	10/01/2016	1
31390K 5R 5	FN 648956		03/01/2005	MBS PAYDOWN		253,983	253,983	262,595	260,617		(6,634)		(6,634)		253,983			0	3,331	08/01/2017	1
31390W 6C 1	FN 658867		03/01/2005	MBS PAYDOWN		153,636	153,636	158,653	157,303		(3,667)		(3,667)		153,636			0	1,281	12/01/2016	1
31391N 6R 7	FN 672380		03/01/2005	MBS PAYDOWN		206,915	206,915	213,834	212,177		(5,261)		(5,261)		206,915			0	1,874	04/01/2017	1
31391Q X5 8	FN 674000		03/01/2005	MBS PAYDOWN		48,572	48,572	49,376	49,251		(679)		(679)		48,572			0	339	09/01/2032	1
31401W G2 9	FN 720317		03/01/2005	MBS PAYDOWN		162,975	162,975	166,617	166,274		(3,299)		(3,299)		162,975			0	1,219	03/01/2018	1
31402H Q6 1	FN 729577		03/01/2005	MBS PAYDOWN		71,708	71,708	71,226	71,276		431		431		71,708			0	776	09/01/2032	1
31402X Z7 4	FN 741566		03/01/2005	MBS PAYDOWN		11,861	11,861	12,102	12,062		(201)		(201)		11,861			0	92	08/01/2018	1
31404B SF 0	FN 763818		03/01/2005	MBS PAYDOWN		230,161	230,161	235,699	235,125		(4,965)		(4,965)		230,161			0	1,903	12/01/2033	1
31404C WM 8	FN 764852		03/01/2005	MBS PAYDOWN		253,926	253,926	259,560	258,946		(5,020)		(5,020)		253,926			0	1,926	10/01/2018	1
31404N WB 8	FN 773842		03/01/2005	MBS PAYDOWN		246,601	246,601	250,145	249,887		(3,287)		(3,287)		246,601			0	2,598	01/01/2034	1
31404R 4B 0	FN 776718		03/01/2005	MBS PAYDOWN		133,331	133,331	133,602	133,585		(253)		(253)		133,331			0	1,166	03/01/2034	1
31404W YX 8	FN 781126		03/01/2005	MBS PAYDOWN		38,060	38,060	37,049	37,102		958		958		38,060			0	385	12/01/2033	1
31404X T8 7	FN 781875		03/01/2005	MBS PAYDOWN		37,285	37,285	37,914	37,914		(629)		(629)		37,285			0	171	07/01/2034	1
31404Y KL 5	FN 782499		03/01/2005	MBS PAYDOWN		135,451	135,451	134,848	134,889		562		562		135,451			0	449	03/01/2034	1
31405U MK 2	FN 799662		03/01/2005	MBS PAYDOWN		5,004	5,004	4,982	4,982		23		23		5,004			0	21	11/01/2034	1
31406J 6A 6	FN 811865		03/01/2005	MBS PAYDOWN		7,713	7,713	7,531	7,531		182		182		7,713			0	39	01/01/2020	1
01F050 62 7	FNMA 5% 30YR FEB TBA	5,000	01/13/2005	CANCEL AND REPLACE		995,469	1,000,000	995,469	995,469						995,469			0	1,250	10/01/2034	1
01F052 62 3	FNMA 5.5% 30YR FEB TBA	5,500	01/13/2005	CANCEL AND REPLACE		2,033,750	2,000,000	2,033,750	2,033,750						2,033,750			0	2,750	02/01/2031	1
31392F 5Y 9	FNR 2002-77 CG	4,000	03/01/2005	MBS PAYDOWN		36,798	36,798	37,195	37,094		(296)		(296)		36,798			0	240	03/01/2009	1
31393A 5L 7	FNR 2003-43 PJ	4,000	03/01/2005	MBS PAYDOWN		462,506	462,506	470,311	466,646		(4,139)		(4,139)		462,506			0	2,769	10/01/2005	1
36291P ZE 9	GN 634441	5,500	03/01/2005	MBS PAYDOWN		21,345	21,345	21,779	21,779		(434)		(434)		21,345			0	104	07/01/2034	1
31405T SU 7	GN 798931	4,500	03/01/2005	MBS PAYDOWN		36,761	36,761	36,623	36,623		138		138		36,761			0	155	12/01/2019	1
3199999	Total - Bonds - Special Revenue & Assessment					30,722,857	30,517,620	30,841,525	30,801,895	0	(63,599)	0	(63,599)	0	30,738,297	0	(15,441)	(15,441)	185,153	XXX	XXX
Bonds - Industrial and Miscellaneous																					
055959 AU 4	BMWOT 2002-A A4	4,460	03/25/2005	MBS PAYDOWN		215,695	215,695	224,331	217,334		(1,640)		(1,640)		215,695			0	1,565	05/25/2006	1FE
172850 BB 4	CITRV 1999-A B	8,717	02/15/2005	MBS PAYDOWN		2,270	2,270	2,270	2,270				0	2,270			0	9	08/15/2008	3FE	
12669D LE 6	CWHL 2002-32 2A3	5,000	03/01/2005	MBS PAYDOWN		61,656	61,656	62,378	61,744		(88)		(88)		61,656			0	456	05/01/2006	1FE
152314 HK 9	CXHE 2003-C AF2	2,920	03/01/2005	MBS PAYDOWN		831,535	831,535	831,491	831,519		16		16		831,535			0	5,166	08/01/2005	1FE
23383V BJ 8	DCAT 2001-D A4	3,780	03/06/2005	MBS PAYDOWN		188,391	188,391	186,477	188,205		185		185		188,391			0	1,163	04/06/2006	1FE

E05.1

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
23321P KF 4	DLJMA 1994-Q8 2A1		03/01/2005	MBS PAYDOWN		4,297	4,297	4,228	4,258		39		39		4,297			0	72	05/01/2024	1FE
29078P AB 6	EAST 2000-A A2 FLTR		03/15/2005	VARIOUS		97,053	97,053	97,053	97,053				0		97,053			0	2,122	12/15/2009	3FE
34527R HG 1	FORDO 2002-B A3A		02/15/2005	MBS PAYDOWN		54,138	54,138	55,488	54,192		(53)		(53)		54,138			0	253	02/15/2005	1FE
36828Q AA 4	GECMC 2003-C1 A1		03/01/2005	MBS PAYDOWN		59,274	59,274	59,421	59,366		(93)		(93)		59,274			0	324	03/01/2008	1FE
393505 K3 5	GT 1998-6 M1		03/11/2005	VARIOUS		423,662	366,736	366,736	366,736				0		366,736		56,926	56,926	5,150	10/01/2029	4FE
393505 T5 1	GT 1999-1 M1		03/01/2005	MBS PAYDOWN		5,223	5,223	5,223	5,223				0		5,223			0	38	11/01/2022	5FE
393505 YV 8	GTHIL 1997-E HEM1		03/31/2005	MBS PAYDOWN		115,563	115,563	117,459	115,563				0		115,563			0	795	05/15/2005	1FE
43811N AC 2	HAROT 2002-3 A3		03/18/2005	MBS PAYDOWN		357,399	357,399	362,131	358,350		(952)		(952)		357,399			0	1,754	04/18/2005	1FE
456606 DE 9	INHEL 2001-C B		03/25/2005	MBS PAYDOWN		303,376	303,376	303,376	303,376				0		303,376			0	87	09/25/2009	2FE
494550 AE 6	KINDER MORGAN ENER PART	8.00	03/15/2005	MATURITY		1,050,000	1,050,000	1,117,914	1,063,884		(13,884)		(13,884)		1,050,000			0	42,000	03/15/2005	2FE
61745M ES 8	MSC 1998-WF1 A2		03/01/2005	MBS PAYDOWN		61,335	61,335	66,031	65,237		(3,902)		(3,902)		61,335			0	886	12/01/2007	1FE
70556J AB 5	PALS 1999-1A A2		03/28/2005	MBS PAYDOWN		9,928	9,928	9,928	9,928				0		9,928			0	153	03/25/2024	5FE
70556J AC 3	PALS 1999-1A B1		03/28/2005	MBS PAYDOWN		11,552	11,552	11,552	11,552				0		11,552			0	344	10/25/2012	5FE
69348L GE 3	PNCMS 1996-PR1 A		02/01/2005	MBS PAYDOWN		4,497	4,497	4,651	4,549		(52)		(52)		4,497			0		04/01/2026	1FE
45660N JL 0	RAST 2002-A13 A3		03/01/2005	MBS PAYDOWN		26,399	26,399	27,022	26,474		(75)		(75)		26,399			0	224	08/01/2005	1FE
85333J BM 8	SCCMT 1995-1 A		01/07/2005	MBS PAYDOWN		2,000,000	2,000,000	2,154,219	2,000,418		(418)		(418)		2,000,000			0	82,500	01/07/2005	1FE
89232X AC 4	TAOT 2002-C A3		03/15/2005	MBS PAYDOWN		503,300	503,300	509,296	504,979		(1,679)		(1,679)		503,300			0	2,171	09/15/2005	1FE
928665 AC 2	VWALT 2002-A A3		03/20/2005	MBS PAYDOWN		684,136	684,136	690,282	685,240		(1,104)		(1,104)		684,136			0	2,741	04/20/2005	1FE
96683M AC 7	WALT 2002-1 A3		03/15/2005	MBS PAYDOWN		428,716	428,716	434,276	430,078		(1,362)		(1,362)		428,716			0	1,817	09/15/2005	1FE
929227 GE 0	WAMMS 2001-MS14 3A1		03/01/2005	MBS PAYDOWN		125,972	125,972	129,515	128,479		(2,506)		(2,506)		125,972			0	1,433	11/01/2031	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					7,625,367	7,568,441	7,832,748	7,596,007		(27,568)		(27,568)		7,568,441		56,926	56,926	153,223	XXX	XXX
6099997	Total - Bonds - Part 4					39,028,063	38,765,900	39,361,685	39,083,224		(96,649)		(96,649)		38,986,577		41,485	41,485	345,320	XXX	XXX
6099999	Total - Bonds					39,028,063	38,765,900	39,361,685	39,083,224		(96,649)		(96,649)		38,986,577		41,485	41,485	345,320	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					39,028,063	XXX	39,361,685	39,083,224		(96,649)		(96,649)		38,986,577		41,485	41,485	345,320	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.....				.....1,767,850	.....2,696,858	.....943,519	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....				.....100	.....71	.....41	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....2.550			.....(3,842,403)	.....(3,454,121)	.....(3,764,914)	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....				.....196	.....196	.....18,896	XXX
0199999. Total Open Depositories.....	...XXX...	...XXX...	.....0	.....0	.....(2,074,257)	.....(756,996)	.....(2,802,458)	XXX
0399999. Total Cash on Deposit.....	...XXX...	...XXX...	.....0	.....0	.....(2,074,257)	.....(756,996)	.....(2,802,458)	XXX
0499999. Cash in Company's Office.....	...XXX...	...XXX...	...XXX...	...XXX...	.....2,000	.....2,000	.....2,000	XXX
0599999. Total Cash.....	...XXX...	...XXX...	.....0	.....0	.....(2,072,257)	.....(754,996)	.....(2,800,458)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
Cash Equivalents								
31402Q TS 0	FNMA CL 30 YR PL # 735061 - REPOS.....	RA...	.....03/31/2005			4,158,000		26,013
0199999.	Totals.....					4,158,000	.0	26,013