

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, 2007

2007



QUARTERLY STATEMENT

As of March 31, 2007
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. DARRYL KEITH THOMAS	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. JAMES JOSEPH MORELLO	TREASURER	4.	

OTHER

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

DIRECTORS OR TRUSTEES

VICTOR THOMAS ADAMO	JEFFREY LYNN BOWLBY	PAUL RICHARD BUTRUS	AUBREY DERRILL CROWE
HOWARD HARLEY FRIEDMAN	EDWARD LEWIS RAND, JR	DARRYL KEITH THOMAS	

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

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

_____ (Signature) DARRYL KEITH THOMAS 1. (Printed Name) PRESIDENT (Title)	_____ (Signature) KATHRYN ANNE NEVILLE 2. (Printed Name) SECRETARY (Title)	_____ (Signature) JAMES JOSEPH MORELLO 3. (Printed Name) TREASURER (Title)
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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.....	915,274,635		915,274,635	943,061,062
2. Stocks:				
2.1 Preferred stocks.....	7,857,875		7,857,875	7,884,369
2.2 Common stocks.....	15,755		15,755	15,376
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).....	3,893,997		3,893,997	3,937,825
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 (\$.....(3,616,301)), cash equivalents (\$.....65,887,159) and short-term investments (\$.....26,238,515).....	88,509,372		88,509,372	36,662,234
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	17,684,809		17,684,809	1,103,100
8. Receivables for securities.....			0	30,950
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	1,033,236,443	0	1,033,236,443	992,694,916
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	10,079,608		10,079,608	10,853,793
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	2,330,277	104,352	2,225,925	24,778,737
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	35,173,443		35,173,443	12,555,553
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	8,031,080		8,031,080	12,016,707
14.2 Funds held by or deposited with reinsured companies.....	25,460,227		25,460,227	25,460,227
14.3 Other amounts receivable under reinsurance contracts.....	988,099		988,099	(138)
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	11,785,994
16.2 Net deferred tax asset.....	33,398,622	21,982,064	11,416,558	11,976,692
17. Guaranty funds receivable or on deposit.....	2,563,317		2,563,317	2,790,141
18. Electronic data processing equipment and software.....	186,723		186,723	204,831
19. Furniture and equipment, including health care delivery assets (\$.....0).....	338,204	338,204	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	3,203		3,203	111,887
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	12,086,709	113,362	11,973,347	11,956,830
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,163,875,955	22,537,982	1,141,337,973	1,117,186,170
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,163,875,955	22,537,982	1,141,337,973	1,117,186,170

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.....			0	
2302. Prepaid Expenses and Other Assets.....	113,362	113,362	0	
2303. Company Owned Life Insurance.....	11,808,511		11,808,511	11,701,778
2398. Summary of remaining write-ins for Line 23 from overflow page.....	164,836	0	164,836	255,052
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	12,086,709	113,362	11,973,347	11,956,830

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....6,984,057).....	464,129,044	470,983,303
2. Reinsurance payable on paid losses and loss adjustment expenses.....	40,873	89,267
3. Loss adjustment expenses.....	316,044,915	308,574,708
4. Commissions payable, contingent commissions and other similar charges.....	3,436,198	3,834,549
5. Other expenses (excluding taxes, licenses and fees).....	1,404,084	3,339,745
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,559,253	1,763,834
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	4,068,531	
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 \$.....3,499,408 and including warranty reserves of \$.....0).....	87,613,342	81,869,303
10. Advance premium.....	1,756,865	4,480,346
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,027,158	6,535,608
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	49,531	136,176
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	2,833,000	2,833,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	2,703,720	1,031,435
20. Payable for securities.....	1,059,400	602
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	(1)	1
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	894,725,913	885,471,877
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	894,725,913	885,471,877
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).....	205,351,522	190,453,755
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).....	246,612,060	231,714,293
36. TOTALS.....	1,141,337,973	1,117,186,170

DETAILS OF WRITE-INS

2301.		
2302. Other Liabilities.....	(1)	1
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).....	(1)	1
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 \$...49,834,869).....	43,687,924	44,708,812	180,522,821
1.2 Assumed..... (written \$...2,045,148).....	2,482,373	3,397,139	12,466,722
1.3 Ceded..... (written \$...2,497,809).....	2,467,762	2,358,308	1,590,844
1.4 Net..... (written \$...49,382,208).....	43,702,535	45,747,643	191,398,699
DEDUCTIONS:			
2. Losses incurred (current accident year \$...7,014,439):			
2.1 Direct.....	21,351,697	6,669,131	47,207,409
2.2 Assumed.....	370,732	1,072,724	2,965,130
2.3 Ceded.....	21,260,489	1,293,733	19,533,365
2.4 Net.....	461,940	6,448,122	30,639,174
3. Loss expenses incurred.....	25,902,116	30,362,944	158,244,152
4. Other underwriting expenses incurred.....	8,871,291	9,685,975	30,843,871
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	35,235,347	46,497,041	219,727,197
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	8,467,188	(749,398)	(28,328,498)
INVESTMENT INCOME			
9. Net investment income earned.....	11,763,348	9,068,549	327,139,280
10. Net realized capital gains (losses) less capital gains tax of \$....(14,434).....	(2,113,863)	44,398	4,390,675
11. Net investment gain (loss) (Lines 9 + 10).....	9,649,485	9,112,947	331,529,955
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	267,678	247,811	1,179,855
15. Total other income (Lines 12 through 14).....	267,678	247,811	1,179,855
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	18,384,351	8,611,360	304,381,312
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).....	18,384,351	8,611,360	304,381,312
19. Federal and foreign income taxes incurred.....	4,083,183	3,630,110	4,300,688
20. Net income (Line 18 minus Line 19) (to Line 22).....	14,301,168	4,981,250	300,080,624
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	231,714,293	320,159,722	320,159,722
22. Net income (from Line 20).....	14,301,168	4,981,250	300,080,624
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	1,041,108	118,443,056	(166,518,485)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(2,518,510)	405,587	1,530,250
27. Change in nonadmitted assets.....	2,074,001	385,757	(1,474,001)
28. Change in provision for reinsurance.....			(1,787,000)
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.....			(220,276,817)
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).....	14,897,767	124,215,650	(88,445,429)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	246,612,060	444,375,372	231,714,293
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.....	106,733	112,794	435,872
1402. Risk management income.....	129,645	114,077	565,821
1403. Other.....	31,300	20,940	178,162
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).....	267,678	247,811	1,179,855
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

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.....	48,227,006	188,445,323
2. Net investment income.....	13,502,381	329,488,740
3. Miscellaneous income.....	267,678	1,179,855
4. Total (Lines 1 through 3).....	61,997,065	519,113,918
5. Benefit and loss related payments.....	22,799,112	134,288,874
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	11,183,060	30,738,474
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(11,785,776)	16,414,735
10. Total (Lines 5 through 9).....	22,196,396	181,442,083
11. Net cash from operations (Line 4 minus Line 10).....	39,800,669	337,671,835
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	94,738,957	498,663,750
12.2 Stocks.....		89,303,553
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		74,300
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		(10,340)
12.7 Miscellaneous proceeds.....	1,089,748	602
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	95,828,705	588,031,865
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	67,340,878	710,529,775
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	18,175,445	
13.6 Miscellaneous applications.....		29,020
13.7 Total investments acquired (Lines 13.1 to 13.6).....	85,516,323	710,558,795
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).....	10,312,382	(122,526,930)
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.....		220,276,817
16.6 Other cash provided (applied).....	1,734,087	17,139,984
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	1,734,087	(203,136,833)
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).....	51,847,138	12,008,072
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	36,662,233	24,654,161
19.2 End of period (Line 18 plus Line 19.1).....	88,509,371	36,662,233

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

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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. None.

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

No significant change.

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

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

We recognized favorable development of approximately \$9.5 million in 2007 related to our previously established (prior accident year) reserves. Favorable development reflects reductions in our estimates of claim severity, principally for the 2003 through 2005 accident years as well as the impact of the quarterly reevaluation of our loss reserves for verdicts in excess of policy limits.

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.

NOTES TO FINANCIAL STATEMENTS

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

No significant change.

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [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 [] N/A [X]
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. 12/31/2003.....
- 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). 06/30/2005.....

- 6.4 By what department or departments?
MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES

- 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]

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

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. None.....

INVESTMENT

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

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

13. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0
14. Amount of real estate and mortgages held in short-term investments: \$.....0
- 15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....15,376	\$.....15,755
15.24 Short-Term Investments.....	\$.....0	\$.....0
15.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
15.26 All Other.....	\$.....0	\$.....0
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$.....15,376	\$.....15,755
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$.....0	\$.....0

- 16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
- 16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes No
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 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
US BANK	BIRMINGHAM, AL

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

1 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 No
- 17.4 If yes, give full and complete information relating thereto:

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

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

1 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 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
	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....
Total.....	.....XXX.....	.....XXX.....	.....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.....	3,937,825	4,113,136
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.....	3,893,997	3,937,825
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	3,893,997	3,937,825
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	3,893,997	3,937,825

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount and mortgage interest points and commitment fees.....	NONE	
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	1,103,100	1,177,400
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....	18,116,045	
2.2 Additional investment made after acquisitions.....	59,400	
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....	(1,593,736)	
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		74,300
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.....	17,684,809	1,103,100
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	17,684,809	1,103,100
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	17,684,809	1,103,100

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.....	950,960,807	994,924,337
2. Cost of bonds and stocks acquired.....	67,340,878	710,529,775
3. Accrual of discount.....	136,740	407,673
4. Increase (decrease) by adjustment.....	549,709	(167,838,132)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	(43,155)	5,492,794
7. Consideration for bonds and stocks disposed of.....	94,738,957	587,967,303
8. Amortization of premium.....	1,057,757	4,588,337
9. Book/adjusted carrying value, current period.....	923,148,266	950,960,807
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	923,148,266	950,960,807
12. Total nonadmitted amounts.....		
13. Statement value.....	923,148,266	950,960,807

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.....	950,331,973	551,325,799	511,774,617	(170,499)	989,712,655			950,331,973
2. Class 2.....	18,148,576		4,738,344	(640,245)	12,769,988			18,148,576
3. Class 3.....	4,794,508		5,813,160	1,018,653				4,794,508
4. Class 4.....	10,150,610		5,316,813	83,868	4,917,665			10,150,610
5. Class 5.....	1,363,282		1,363,282					1,363,282
6. Class 6.....	1,593,443		1,651,116	57,673				1,593,443
7. Total Bonds.....	986,382,392	551,325,799	530,657,332	349,450	1,007,400,308	0	0	986,382,392
PREFERRED STOCK								
8. Class 1.....	4,884,369			(26,494)	4,857,875			4,884,369
9. Class 2.....								
10. Class 3.....	3,000,000				3,000,000			3,000,000
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	7,884,369	0	0	(26,494)	7,857,875	0	0	7,884,369
15. Total Bonds and Preferred Stock.....	994,266,761	551,325,799	530,657,332	322,955	1,015,258,183	0	0	994,266,761

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.....	26,238,515	XXX	26,238,515	138,767	

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.....	10,748,567	6,772,852
2. Cost of short-term investments acquired.....	52,788,530	72,442,431
3. Increase (decrease) by adjustment.....	(1,921)	(27,152)
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....	1,916	(10,006)
6. Consideration received on disposal of short-term investments.....	37,298,577	68,429,558
7. Book/adjusted carrying value, current period.....	26,238,515	10,748,567
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	26,238,515	10,748,567
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	26,238,515	10,748,567
12. Income collected during period.....	140,270	531,518
13. Income earned during period.....	183,666	432,083

**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	357,176	423,304			2,940,382	1,757,145
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO						
4. Arkansas.....AR	NO						
5. California.....CA	NO	692,444	696,005			334,524	14,629
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES	2,309,755	904,333		842	6,247,243	1,080,980
9. District of Columbia.....DC	NO						
10. Florida.....FL	YES	12,490,685	16,129,141	5,133,667	2,864,893	220,799,583	224,059,469
11. Georgia.....GA	YES	28,501	(32,121)			763,953	500,418
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	8,659,224	10,481,663	1,213,471	1,515,970	73,386,664	69,593,224
15. Indiana.....IN	YES	303,571	319,323	167,273	106,839	16,081,504	15,054,707
16. Iowa.....IA	YES	390,495	290,792	100,000		1,330,194	710,213
17. Kansas.....KS	YES						
18. Kentucky.....KY	YES	7,910,464	8,244,535	20,536	8,676	37,159,164	23,924,372
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	YES	10,582,851	11,068,337	1,417,843	3,900,027	119,710,644	131,329,781
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	4,641,107	7,186,632	1,760,949	1,209,122	29,188,655	19,422,107
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	1,306,576	1,197,500	625,327	80,496	18,841,803	19,464,739
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	YES	159,537	152,061	352,279	805,056	25,570,316	33,108,801
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	2,483	1,894			109,398	31,290
51. Wyoming.....WY	NO						
52. American Samoa.....AS	NO						
53. Guam.....GU	NO						
54. Puerto Rico.....PR	NO						
55. US Virgin Islands.....VI	NO						
56. Northern Mariana Islands.....MP	NO						
57. Canada.....CN	NO						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a) 19	49,834,869	57,063,399	10,791,345	10,491,921	552,464,027	540,051,875

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

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.....	1,905,395	644,160	33.8	14.8
11.2. Medical malpractice-claims made.....	39,324,958	20,002,246	50.9	14.8
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.....	20,049	5,764	28.7	18.0
17.2. Other liability-claims made.....	2,437,522	699,526	28.7	18.0
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	
34. Totals.....	43,687,924	21,351,696	48.9	14.9

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	1,905,395	1,905,395	2,702,697
11.2. Medical malpractice-claims made.....	45,060,962	45,060,962	51,889,220
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.....	20,049	20,049	25,294
17.2. Other liability-claims made.....	2,848,463	2,848,463	2,446,188
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.....	49,834,869	49,834,869	57,063,399

DETAILS OF WRITE-INS

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2007 Loss and LAE Payments on Claims Reported as of Prior Year-End	2007 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2007 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2004 + Prior	328,368	150,326	478,694	17,780	1,570	19,351	319,087	207	133,497	452,791	8,499	(15,052)	(6,553)
2. 2005	58,259	95,061	153,320	3,386	385	3,770	59,799	66	87,685	147,550	4,926	(6,926)	(2,000)
3. Subtotals 2005 + Prior	386,626	245,387	632,014	21,166	1,955	23,121	378,885	273	221,182	600,340	13,425	(21,978)	(8,553)
4. 2006	30,119	117,426	147,544	999	582	1,580	36,564	1,914	106,486	144,964	7,444	(8,444)	(1,000)
5. Subtotals 2006 + Prior	416,745	362,813	779,558	22,165	2,537	24,701	415,449	2,187	327,668	745,304	20,869	(30,422)	(9,553)
6. 2007	XXX	XXX	XXX	XXX	1,047	1,047	XXX	4,881	29,989	34,870	XXX	XXX	XXX
7. Totals	416,745	362,813	779,558	22,165	3,584	25,748	415,449	7,067	357,657	780,174	20,869	(30,422)	(9,553)
8. Prior Year-End's Surplus As Regards Policyholders	231,714										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....5.0 %	2. ....(8.4)%	3. ....(1.2)%
													Col. 13, Line 7 Line 8
													4. ....(4.1)%

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Bar Code:



Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2304. Note receivable.....	93,168		93,168	130,512
2305. Other Assets.....			0	2
2306. State Premium Tax Recoverable.....	71,668		71,668	124,538
2397. Summary of remaining write-ins for Line 23.....	164,836	0	164,836	255,052

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

SCHEDULE BA - PART 1

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	10 Amount of Encumbrances	11 Book/Adjusted Carrying Value Less Encumbrances	12 Fair Value	13 Increase (Decrease) by Adjustment	14 Increase (Decrease) by Foreign Exchange Adjustment	15 Commitment for Additional Investment	16 Percentage of Ownership
		3 City	4 State												
Joint Venture or Partnership Interests That Have Underlying Characteristics of Fixed Income - Unaffiliated															
	Stonewell Fund.....	FARMINGTON...	CT..	GEN RE NEAM.....		01/01/2007		17,366,045		15,772,309	15,772,309	(1,593,736)			15.3
1399999.	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Fixed Income - Unaffiliated.....							17,366,045	0	15,772,309	15,772,309	(1,593,736)	0	0	XXX.....
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated															
	Morgan Keegan PE FOF II.....	MEMPHIS.....	TN..	MORGAN KEEGAN.....		02/15/2007		750,000		750,000	750,000			4,250,000	5.7
1999999.	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated.....							750,000	0	750,000	750,000	0	0	4,250,000	XXX.....
3999999.	Subtotal - Unaffiliated.....							18,116,045	0	16,522,309	16,522,309	(1,593,736)	0	4,250,000	XXX.....
4199999.	Totals.....							18,116,045	0	16,522,309	16,522,309	(1,593,736)	0	4,250,000	XXX.....

E03

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full 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 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value Less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		3 City	4 State											
NONE														

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
31359M SE 9	FANNIE MAE 02/20/2009 5.300		02/20/2007	J.P. MORGAN		7,000,000	7,000,000	1,031	1
31359M 6R 9	FANNIE MAE 03/27/2009 5.500		03/28/2007	BARCLAYS AMERICAN		6,000,000	6,000,000		1
3133XJ M9 6	FED HOME LN BANK 07/17/2008 5.300		02/01/2007	BARCLAYS AMERICAN		1,999,200	2,000,000	4,417	1
3128X5 PT 9	FREDDIE MAC 11/20/2009 5.250		02/28/2007	BNP PARIBAS SECURITIES		1,498,635	1,500,000	22,094	1
912810 FR 4	TSY INFL IX N/B 01/15/2025 2.375		02/05/2007	VARIOUS		1,057,763	1,069,880	281	1
912827 4Y 5	TSY INFL IX N/B 01/15/2009 3.875		03/30/2007	VARIOUS		383,659	370,200	1,937	1
912827 6R 8	TSY INFL IX N/B 01/15/2011 3.500		03/30/2007	CAPITALIZED INTEREST		11,205	11,205		1
912827 7J 5	TSY INFL IX N/B 01/15/2012 3.375		03/30/2007	VARIOUS		786,065	751,805	1,238	1
912828 AF 7	TSY INFL IX N/B 07/15/2012 3.000		03/30/2007	CAPITALIZED INTEREST		10,845	10,845		1
912828 BD 1	TSY INFL IX N/B 07/15/2013 1.875		03/30/2007	CAPITALIZED INTEREST		23,600	23,600		1
912828 BW 9	TSY INFL IX N/B 01/15/2014 2.000		03/30/2007	CAPITALIZED INTEREST		469	469		1
912828 CZ 1	TSY INFL IX N/B 04/15/2010 0.875		03/30/2007	CAPITALIZED INTEREST		6,197	6,197		1
912828 EA 4	TSY INFL IX N/B 07/15/2015 1.875		03/30/2007	VARIOUS		2,509,333	2,611,335	2,952	1
912828 ET 3	TSY INFL IX N/B 01/15/2016 2.000		03/30/2007	VARIOUS		749,423	772,496	7,141	1
912828 FB 1	TSY INFL IX N/B 04/15/2011 2.375		03/30/2007	CAPITALIZED INTEREST		6,555	6,555		1
912828 FL 9	TSY INFL IX N/B 07/15/2016 2.500		03/30/2007	VARIOUS		405,456	399,878	904	1
0399999	Total - Bonds - U.S. Government					22,448,405	22,534,465	41,995	XXX
Bonds - Political Subdivisions of States									
64966A 3W 3	NEW YORK N Y 12/01/2012 5.500		02/13/2007	SEATTLE NORTHWEST		1,071,500	1,000,000	11,458	1FE
2499999	Total - Bonds - Political Subdivision					1,071,500	1,000,000	11,458	XXX
Bonds - Special Revenue and Special Assessment									
00432C AZ 4	ACCESS GROUP INC DEL 12/26/2035 5.270		03/01/2007	MORGAN STANLEY		3,000,000	3,000,000		1FE
13078H AB 8	CALIFORNIA STATEWIDE C 08/01/2035 5.260		02/08/2007	GOLDMAN SACHS		2,499,780	2,500,000		1FE
31397F U5 9	FHR 3285 PE 07/01/2020 5.500		03/20/2007	GREENWICH CAPITAL		9,929,688	10,000,000	44,306	1
451888 DF 5	ILLINOIS DEV FIN AUTH 04/01/2032 3.550		01/17/2007	MORGAN STANLEY DEAN WITTER		3,500,000	3,500,000		1FE
454795 AU 9	INDIANA HEALTH & EDL F 11/15/2013 5.000		01/04/2007	SEATTLE NORTHWEST		1,047,140	1,000,000	7,500	1FE
56041W AE 2	MAINE FIN AUTH ED LN R 06/01/2035 3.780		02/14/2007	DAIN RAUSCHER		5,500,000	5,500,000	43,709	1FE
57563R FM 6	MASSACHUSETTS EDL FING 01/01/2036 3.740		02/09/2007	BEAR STEARNS & CO		3,000,000	3,000,000	12,617	1FE
64711R EM 4	NEW MEXICO FIN AUTH ST 12/15/2015 5.000		01/17/2007	AG EDWARDS		1,256,002	1,160,000	14,983	1FE
64984E CN 3	NEW YORK ST ENERGY RES 10/01/2036 3.750		02/15/2007	MORGAN STANLEY DEAN WITTER		3,500,000	3,500,000		1FE
917547 LP 4	UT BLDG REF-ST FACS M 05/15/2012 5.500		02/21/2007	BANK AMERICA		1,081,700	1,000,000	15,431	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					34,314,310	34,160,000	138,546	XXX
Bonds - Industrial and Miscellaneous									
02003M AJ 3	ALLSTATE LIFE TR MTN 03/01/2010 3.150		02/21/2007	SOUTHWEST SECURITIES INC		187,250	200,000	414	1FE
02582J EG 1	AMXCA 2006-2 A 06/15/2011 5.350		03/02/2007	J.P. MORGAN		2,340,699	2,300,000	7,520	1FE
281397 AC 3	ELAB 2003-1 A3 02/07/2043 5.310		03/05/2007	BANK OF NEW YORK		3,000,000	3,000,000	11,784	1FE
396789 ES 4	GCCFC 2003-C2 A4 11/01/2013 4.915		03/09/2007	GREENWICH CAPITAL		2,978,714	3,029,000	5,376	1FE
LN3270 93 8	HAWKER BEECHCRAFT INC 03/26/2014 7.320		03/26/2007	CREDIT SUISSE FIRST BOSTON		1,000,000	1,000,000		3FE
4599999	Total - Bonds - Industrial & Miscellaneous					9,506,663	9,529,000	25,094	XXX
6099997	Total - Bonds - Part 3					67,340,878	67,223,465	217,093	XXX
6099999	Total - Bonds					67,340,878	67,223,465	217,093	XXX
7499999	Total - Bonds, Preferred and Common Stocks					67,340,878	XXX	217,093	XXX

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

E04

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Government																					
31359M TY 9	FANNIE MAE		01/29/2007	MATURITY.....		1,000,000	1,000,000	981,440	999,228		772		772		1,000,000			0	14,581	01/29/2007	1.....
3133XG L5 1	FED HOME LN BANK		02/28/2007	CALL BY ISSUER 100.0		1,800,000	1,800,000	1,799,579	1,799,648		32		32		1,799,680		320	320	49,500	08/28/2008	1.....
3133MA WX 3	FEDERAL HOME LOAN BANK		02/15/2007	MATURITY.....		2,500,000	2,500,000	2,850,625	2,512,850		(12,850)		(12,850)		2,500,000			0	90,625	02/15/2007	1.....
3128X5 RW 0	FREDDIE MAC		01/11/2007	CALL BY ISSUER 100.0		10,000,000	10,000,000	10,000,000	10,000,000		0		0		10,000,000			0	46,250	12/11/2008	1.....
36202D C9 0	G2 2796		03/01/2007	MBS PAYDOWN.....		10,957	10,957	10,690	10,732		225		225		10,957			0	110	05/01/2028	1.....
36203L DN 9	GN 352109		03/01/2007	MBS PAYDOWN.....		6,589	6,589	6,731	6,684		(95)		(95)		6,589			0	102	03/01/2022	1.....
36205N M8 6	GN 395583		03/01/2007	MBS PAYDOWN.....		56	56	57	57		(1)		(1)		56			0	1	07/01/2027	1.....
36207K GS 3	GN 434109		03/01/2007	MBS PAYDOWN.....		1,578	1,578	1,583	1,583		(4)		(4)		1,578			0	16	11/01/2027	1.....
36207K JJ 0	GN 434165		03/01/2007	MBS PAYDOWN.....		4,772	4,772	4,790	4,785		(13)		(13)		4,772			0	35	05/01/2027	1.....
36208V GE 0	GN 462669		03/01/2007	MBS PAYDOWN.....		4,768	4,768	4,848	4,825		(57)		(57)		4,768			0	55	11/01/2026	1.....
36208W DE 0	GN 462801		03/01/2007	MBS PAYDOWN.....		52,476	52,476	52,508	52,507		(31)		(31)		52,476			0	674	08/01/2026	1.....
36208W ES 8	GN 462845		03/01/2007	MBS PAYDOWN.....		496	496	514	509		(13)		(13)		496			0	6	03/01/2028	1.....
36208X D7 3	GN 463726		03/01/2007	MBS PAYDOWN.....		607	607	616	613		(7)		(7)		607			0	7	08/01/2027	1.....
36210A VS 3	GN 486725		03/01/2007	MBS PAYDOWN.....		1,665	1,665	1,702	1,691		(26)		(26)		1,665			0	20	01/01/2028	1.....
36210E X6 1	GN 490401		03/01/2007	MBS PAYDOWN.....		64,105	64,105	63,734	63,839		265		265		64,105			0	694	06/01/2028	1.....
36213U DK 3	GN 564506		03/01/2007	MBS PAYDOWN.....		8,117	8,117	8,221	8,201		(84)		(84)		8,117			0	129	03/01/2031	1.....
36200X LT 4	GN 575538		03/01/2007	MBS PAYDOWN.....		60,418	60,418	61,702	61,404		(986)		(986)		60,418			0	348	09/01/2031	1.....
36201F T7 2	GN 582074		03/01/2007	MBS PAYDOWN.....		24,258	24,258	24,300	24,292		(34)		(34)		24,258			0	340	02/01/2031	1.....
36291P ZE 9	GN 634441		03/01/2007	MBS PAYDOWN.....		38,178	38,178	38,953	38,851		(673)		(673)		38,178			0	288	07/01/2034	1.....
36225A UH 1	GN 780584		03/01/2007	MBS PAYDOWN.....		8,822	8,822	8,910	8,890		(69)		(69)		8,822			0	95	01/01/2026	1.....
912810 FR 4	TSY INFL IX N/B		02/05/2007	VARIOUS.....		1,062,028	1,069,880	1,057,763			636		636		1,058,399		3,628	3,628	1,163	01/15/2025	1.....
912827 4Y 5	TSY INFL IX N/B		01/18/2007	VARIOUS.....		692,896	677,127	698,579	701,676		1		1		701,677		(8,781)	(8,781)	12,453	01/15/2009	1.....
912827 6R 8	TSY INFL IX N/B		01/31/2007	SINKING FUND REDEMPTION		5,130	5,130	5,408	5,352		0		0		5,352		(222)	(222)	80	01/15/2011	1.....
912827 7J 5	TSY INFL IX N/B		01/31/2007	SINKING FUND REDEMPTION		5,040	5,040	5,298	5,336		0		0		5,336		(296)	(296)	75	01/15/2012	1.....
912828 AF 7	TSY INFL IX N/B		01/31/2007	SINKING FUND REDEMPTION		4,973	4,973	5,155	5,138		0		0		5,138		(166)	(166)	65	07/15/2012	1.....
912828 BD 1	TSY INFL IX N/B		01/31/2007	SINKING FUND REDEMPTION		10,800	10,800	10,457	10,535		0		0		10,535		265	265	80	07/15/2013	1.....
912828 BW 9	TSY INFL IX N/B		01/31/2007	SINKING FUND REDEMPTION		215	215	210	232		0		0		232		(17)	(17)	2	01/15/2014	1.....
912828 CZ 1	TSY INFL IX N/B		02/21/2007	VARIOUS.....		2,033,937	2,134,905	2,029,166	1,995,236		(26)		(26)		1,995,209		38,728	38,728	1,831	04/15/2010	1.....
912828 EA 4	TSY INFL IX N/B		01/31/2007	VARIOUS.....		747,489	783,215	754,936	741,357		(2)		(2)		741,355		6,134	6,134	7,211	07/15/2015	1.....
912828 ET 3	TSY INFL IX N/B		01/31/2007	SINKING FUND REDEMPTION		4,108	4,108	3,989	2,710		13		13		4,021		87	87	34	01/15/2016	1.....
912828 FB 1	TSY INFL IX N/B		01/31/2007	SINKING FUND REDEMPTION		3,000	3,000	2,958	2,987		0		0		2,987		13	13	(6)	04/15/2011	1.....
912828 FL 9	TSY INFL IX N/B		03/01/2007	LEHMAN BROTHERS.....		359,774	349,773	354,564			0		0		354,564		5,210	5,210	1,320	07/15/2016	1.....
0399999	Total - Bonds - U.S. Government.....					20,517,252	20,636,028	20,849,987	19,071,748		0		(13,027)		0		44,903	44,903	228,184	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
00432C AZ 4	ACCESS GROUP INC DEL		03/29/2007	MORGAN STANLEY DEAN WI		3,000,000	3,000,000	3,000,000			0		0		3,000,000			0	12,128	12/26/2035	1FE.....
010604 BG 0	ALABAMA ST PORT AUTH DOCKS		03/12/2007	GOLDMAN SACHS.....		5,000,000	5,000,000	5,000,000	5,000,000		0		0		5,000,000			0	42,574	10/01/2021	1FE.....
106238 JN 9	BRAZOS TEX HIGHER ED AUTH INC ST		03/22/2007	BANK OF NEW YORK.....		2,000,000	2,000,000	2,000,000	2,000,000		0		0		2,000,000			0	24,671	07/01/2039	1FE.....
13078H AB 8	CALIFORNIA STATEWIDE CMNTYS DEV		03/14/2007	GOLDMAN SACHS.....		2,500,000	2,500,000	2,499,780			0		0		2,499,780		220	220	12,782	08/01/2035	1FE.....
31371L 3S 6	FB 255609		03/01/2007	MBS PAYDOWN.....		12,344	12,344	12,153	12,178		166		166		12,344			0	113	09/01/2024	1.....
31296J ZA 7	FG A10737		03/01/2007	MBS PAYDOWN.....		235,156	235,156	239,419	238,954		(3,798)		(3,798)		235,156			0	1,978	04/01/2032	1.....
31297H PN 3	FG A29429		03/01/2007	MBS PAYDOWN.....		5,238	5,238	5,059	5,078		160		160		5,238			0	40	06/01/2034	1.....
31297H XG 6	FG A29699		03/01/2007	MBS PAYDOWN.....		111,090	111,090	111,133	111,129		(39)		(39)		111,090			0	673	09/01/2034	1.....
31297K 7A 1	FG A30895		03/01/2007	MBS PAYDOWN.....		8,488	8,488	8,423	8,430		58		58		8,488			0	72	08/01/2034	1.....
31297S ZP 3	FG A37050		03/01/2007	MBS PAYDOWN.....		40,358	40,358	39,867	39,911		447		447		40,358			0	243	06/01/2035	1.....
31335H 5U 3	FG C90859		03/01/2007	MBS PAYDOWN.....		133,803	133,803	137,535	136,912		(3,109)		(3,109)		133,803			0	1,150	06/01/2024	1.....
3128H3 LP 4	FG E95734		03/01/2007	MBS PAYDOWN.....		65,730	65,730	67,866	67,330		(1,600)		(1,600)		65,730			0	561	09/01/2017	1.....
3128LX FN 5	FG G01973		03/01/2007	MBS PAYDOWN.....		59,190	59,190	56,758	56,800		2,390		2,390		59,190			0	488	07/01/2035	1.....
3128LX MR 8	FG G02168		03/01/2007	MBS PAYDOWN.....		33,772	33,772	33,535	33,546		226		226		33,772			0	323	11/01/2035	1.....

E05

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
3128LX P3 8	FG G02242		03/01/2007	MBS PAYDOWN		23,104	23,104	22,183	22,216		888		888		23,104			0	206	03/01/2036	1
3128LX QU 7	FG G02267		03/01/2007	MBS PAYDOWN		52,703	52,703	53,625	53,581		(878)		(878)		52,703			0	549	04/01/2036	1
3128MJ BE 9	FG G08036		03/01/2007	MBS PAYDOWN		20,974	20,974	21,288	21,238		(264)		(264)		20,974			0	189	07/01/2034	1
3128MJ D4 9	FG G08122		03/01/2007	MBS PAYDOWN		44,643	44,643	43,092	43,141		1,503		1,503		44,643			0	423	12/01/2035	1
3128M1 GT 0	FG G12110		03/01/2007	MBS PAYDOWN		15,972	15,972	15,848	15,853		120		120		15,972			0	139	01/01/2021	1
3128JR PC 4	FH 847619		02/01/2007	VARIOUS		1,199,413	1,199,413	1,212,344	1,212,174		(12,761)		(12,761)		1,199,413			0	11,840	09/01/2011	1
3133TL UH 9	FHR 2178 PB		03/01/2007	MBS PAYDOWN		107,705	107,705	111,104	109,150		(1,445)		(1,445)		107,705			0	1,208	08/01/2029	1
31393M 6V 8	FHR 2580 QL		03/01/2007	MBS PAYDOWN		86,619	86,619	88,540	87,034		(415)		(415)		86,619			0	599	12/01/2008	1
31393M 2K 0	FHR 2583 ND		03/01/2007	MBS PAYDOWN		2,060	2,060	2,093	2,073		(13)		(13)		2,060			0	15	05/01/2009	1
31393N ZZ 4	FHR 2583 TD		03/01/2007	MBS PAYDOWN		926	926	942	935		(9)		(9)		926			0	7	10/01/2012	1
31371K BR 1	FN 253948		03/01/2007	MBS PAYDOWN		53,879	53,879	53,155	53,326		553		553		53,879			0	591	06/01/2030	1
31371K MK 4	FN 254262		03/01/2007	MBS PAYDOWN		5,836	5,836	5,776	5,791		46		46		5,836			0	62	04/01/2031	1
31371K VA 6	FN 254509		03/01/2007	MBS PAYDOWN		36,031	36,031	36,599	36,442		(412)		(412)		36,031			0	293	03/01/2017	1
31371K VC 2	FN 254511		03/01/2007	MBS PAYDOWN		8,846	8,846	9,148	9,070		(223)		(223)		8,846			0	76	03/01/2017	1
31371K WJ 6	FN 254549		03/01/2007	MBS PAYDOWN		7,577	7,577	7,839	7,777		(200)		(200)		7,577			0	76	02/01/2032	1
31371L CE 7	FN 254869		03/01/2007	MBS PAYDOWN		77,213	77,213	77,309	77,293		(80)		(80)		77,213			0	675	01/01/2033	1
31371L WN 5	FN 255453		03/01/2007	MBS PAYDOWN		17,685	17,685	17,956	17,910		(225)		(225)		17,685			0	149	06/01/2019	1
31371L ZP 7	FN 255550		03/01/2007	MBS PAYDOWN		24,600	24,600	25,173	25,070		(471)		(471)		24,600			0	206	08/01/2024	1
31371L 2P 3	FN 255582		03/01/2007	MBS PAYDOWN		29,398	29,398	29,595	29,564		(166)		(166)		29,398			0	232	09/01/2024	1
31371M HJ 9	FN 255933		03/01/2007	MBS PAYDOWN		25,673	25,673	24,530	24,563		1,110		1,110		25,673			0	236	07/01/2035	1
31371M VA 2	FN 256309		03/01/2007	MBS PAYDOWN		25,579	25,579	25,879	25,862		(283)		(283)		25,579			0	262	05/01/2036	1
31376K KG 0	FN 357695		03/01/2007	MBS PAYDOWN		25,570	25,570	25,545	25,550		21		21		25,570			0	184	01/01/2019	1
31382J WY 3	FN 484063		03/01/2007	MBS PAYDOWN		1,770	1,770	1,763	1,765		5		5		1,770			0	19	12/01/2027	1
31383M VS 9	FN 507425		03/01/2007	MBS PAYDOWN		10,987	10,987	11,114	11,073		(86)		(86)		10,987			0	170	04/01/2028	1
31384H 6L 2	FN 524775		03/01/2007	MBS PAYDOWN		11,430	11,430	11,380	11,401		29		29		11,430			0	110	04/01/2014	1
31385J RT 7	FN 545998		03/01/2007	MBS PAYDOWN		12,295	12,295	12,483	12,461		(166)		(166)		12,295			0	117	05/01/2031	1
31385X BN 6	FN 555445		03/01/2007	MBS PAYDOWN		10,169	10,169	10,194	10,189		(20)		(20)		10,169			0	85	10/01/2017	1
31386U ZC 9	FN 574139		03/01/2007	MBS PAYDOWN		34,903	34,903	34,822	34,846		57		57		34,903			0	554	03/01/2029	1
31387C PA 7	FN 580143		03/01/2007	MBS PAYDOWN		3,223	3,223	3,215	3,217		7		7		3,223			0	36	11/01/2029	1
31387Q XP 0	FN 591186		03/01/2007	MBS PAYDOWN		4,552	4,552	4,621	4,602		(50)		(50)		4,552			0	49	12/01/2015	1
31387Y YT 4	FN 598422		03/01/2007	MBS PAYDOWN		9,055	9,055	8,968	8,995		60		60		9,055			0	85	06/01/2016	1
31388D LJ 5	FN 601629		03/01/2007	MBS PAYDOWN		18,645	18,645	18,861	18,810		(165)		(165)		18,645			0	248	12/01/2029	1
31388V WH 7	FN 616348		03/01/2007	MBS PAYDOWN		553	553	557	556		(3)		(3)		553			0	6	06/01/2030	1
31389E 5T 8	FN 623758		03/01/2007	MBS PAYDOWN		7,582	7,582	7,652	7,628		(45)		(45)		7,582			0	58	05/01/2016	1
31389K CN 9	FN 627477		03/01/2007	MBS PAYDOWN		1,222	1,222	1,237	1,232		(10)		(10)		1,222			0	12	12/01/2016	1
31389S GZ 1	FN 633916		03/01/2007	MBS PAYDOWN		3,141	3,141	3,124	3,130		11		11		3,141			0	28	09/01/2016	1
31390K 5R 5	FN 648956		03/01/2007	MBS PAYDOWN		24,796	24,796	25,636	25,398		(603)		(603)		24,796			0	228	09/01/2017	1
31390W 6C 1	FN 658867		03/01/2007	MBS PAYDOWN		43,945	43,945	45,380	44,905		(960)		(960)		43,945			0	549	11/01/2016	1
31391N 6R 7	FN 672380		03/01/2007	MBS PAYDOWN		77,747	77,747	80,347	79,575		(1,828)		(1,828)		77,747			0	682	01/01/2017	1
31391Q X5 8	FN 674000		03/01/2007	MBS PAYDOWN		12,866	12,866	13,079	13,042		(175)		(175)		12,866			0	172	06/01/2032	1
31401W G2 9	FN 720317		03/01/2007	MBS PAYDOWN		111,974	111,974	114,476	113,996		(2,022)		(2,022)		111,974			0	938	12/01/2017	1
31402H O6 1	FN 729577		03/01/2007	MBS PAYDOWN		16,243	16,243	16,134	16,149		93		93		16,243			0	149	08/01/2032	1
31402X ZY 4	FN 741566		03/01/2007	MBS PAYDOWN		14,581	14,581	14,877	14,810		(229)		(229)		14,581			0	133	07/01/2018	1
31403C 4Y 4	FN 745239		03/01/2007	MBS PAYDOWN		71,538	71,538	71,605	71,603		(65)		(65)		71,538			0	711	03/01/2015	1
31404B SF 0	FN 763818		03/01/2007	MBS PAYDOWN		66,329	66,329	67,925	67,635		(1,306)		(1,306)		66,329			0	611	06/01/2033	1
31404C WM 8	FN 764852		03/01/2007	MBS PAYDOWN		138,330	138,330	141,400	140,713		(2,383)		(2,383)		138,330			0	1,170	08/01/2018	1
31404N WB 8	FN 773842		03/01/2007	MBS PAYDOWN		98,866	98,866	100,287	99,981		(1,116)		(1,116)		98,866			0	921	07/01/2033	1
31404R 4B 0	FN 776718		03/01/2007	MBS PAYDOWN		48,290	48,290	48,388	48,372		(82)		(82)		48,290			0	452	12/01/2033	1

E05.1

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
31404W YX 8	FN 781126		03/01/2007	MBS PAYDOWN		27,237	27,237	26,514	26,609		628		628		27,237			0	227	11/01/2033	1	
31404X T8 7	FN 781875		03/01/2007	MBS PAYDOWN		44,927	44,927	45,685	45,612		(685)		(685)		44,927			0	348	02/01/2033	1	
31404Y KL 5	FN 782499		03/01/2007	MBS PAYDOWN		70,562	70,562	70,248	70,294		268		268		70,562			0	468	01/01/2034	1	
31405T SU 7	FN 798931		03/01/2007	MBS PAYDOWN		24,624	24,624	24,531	24,546		78		78		24,624			0	145	10/01/2019	1	
31405U MK 2	FN 799662		03/01/2007	MBS PAYDOWN		45,977	45,977	45,769	45,791		186		186		45,977			0	415	05/01/2034	1	
31406J 6A 6	FN 811865		03/01/2007	MBS PAYDOWN		65,967	65,967	64,411	64,653		1,314		1,314		65,967			0	272	08/01/2019	1	
31406W US 1	FN 822393		03/01/2007	MBS PAYDOWN		17,114	17,114	17,288	17,265		(151)		(151)		17,114			0	157	12/01/2034	1	
31406Y 4L 1	FN 824427		03/01/2007	MBS PAYDOWN		109,397	109,397	110,405	110,273		(876)		(876)		109,397			0	1,242	02/01/2035	1	
31407A PZ 8	FN 824940		03/01/2007	MBS PAYDOWN		264,188	264,188	268,068	267,598		(3,410)		(3,410)		264,188			0	1,894	02/01/2035	1	
31407E UR 2	FN 828692		03/01/2007	MBS PAYDOWN		242,227	242,227	247,790	246,989		(4,762)		(4,762)		242,227			0	2,982	03/01/2035	1	
31407H ZH 2	FN 831544		03/01/2007	MBS PAYDOWN		60,195	60,195	59,468	59,499		697		697		60,195			0	532	02/01/2036	1	
31407Y ES 4	FN 844445		03/01/2007	MBS PAYDOWN		24,678	24,678	23,684	23,712		966		966		24,678			0	232	09/01/2035	1	
31408E RU 8	FN 849299		03/01/2007	MBS PAYDOWN		209,075	209,075	205,286	205,366		3,709		3,709		209,075			0	1,804	10/01/2035	1	
31408G J5 7	FN 850884		03/01/2007	MBS PAYDOWN		37,303	37,303	35,374	35,422		1,881		1,881		37,303			0	290	09/01/2035	1	
31408J DR 9	FN 852512		03/01/2007	MBS PAYDOWN		37,570	37,570	35,140	35,211		2,359		2,359		37,570			0	274	10/01/2035	1	
31409W NY 3	FN 880707		03/01/2007	MBS PAYDOWN		136,694	136,694	136,053	136,094		600		600		136,694			0	1,312	03/01/2036	1	
31392F 5Y 9	FNR 2002-77 CG	4.000	03/01/2007	MBS PAYDOWN		21,681	21,681	21,915	21,794		(113)		(113)		21,681			0	141	04/01/2010	1	
31394C N3 2	FNR 2005-33 VA	5.000	03/01/2007	MBS PAYDOWN		47,189	47,189	47,609	47,542		(353)		(353)		47,189			0	394	03/01/2016	1	
451888 DF 5	ILLINOIS DEV FIN AUTH POLLUTN	3.5	02/13/2007	MORGAN STANLEY		3,500,000	3,500,000	3,500,000						3,500,000			0	9,766	04/01/2032	1FE		
56041W AE 2	MAINE FIN AUTH ED LN REV	3.780	03/21/2007	RBC DOMINION SECURITIES		5,500,000	5,500,000	5,500,000						5,500,000			0	63,921	06/01/2035	1FE		
57563R FM 6	MASSACHUSETTS EDL FING AUTH	3	03/16/2007	BEAR STEARNS & CO.		3,000,000	3,000,000	3,000,000						3,000,000			0	23,261	01/01/2036	1FE		
64984E CN 3	NEW YORK ST ENERGY RESH & DEV		03/22/2007	MORGAN STANLEY DEAN WI		3,500,000	3,500,000	3,500,000						3,500,000			0	12,760	10/01/2036	1FE		
676907 JR 0	OHIO HSG FIN AGY MTG REV	3.950	03/01/2007	CALL BY ISSUER 100.0		5,000	5,000	4,988	4,990					4,990		10	10	99	03/01/2012	1FE		
709163 FJ 3	PENNSYLVANIA ST HIGHER ED	5.30	03/13/2007	MORGAN STANLEY DEAN WI		4,500,000	4,500,000	4,500,000	4,500,000					4,500,000			0	55,895	05/01/2046	1FE		
70917N ZX 5	PENNSYLVANIA ST HIGHER EDL	3.7	03/01/2007	MORGAN STANLEY		3,000,000	3,000,000	3,000,000	3,000,000					3,000,000			0	25,900	12/01/2033	1FE		
3199999	Total - Bonds - Special Revenue & Assessment					40,443,812	40,443,812	40,480,842	19,471,225		0		(27,419)	0	40,443,582		0	230	230	329,037	XXX	XXX
Bonds - Industrial and Miscellaneous																						
004421 BK 8	ACE 2002-HE3 M3	8.830	01/01/2007	TRANSFER		145,976	145,976	145,976	145,976					145,976			0	284	04/25/2009	2FE		
00441R AJ 6	ACERV 2001-RV1 E	8.700	03/14/2007	VARIOUS		644,028	644,028	644,028	641,110		2,917		2,917	644,028			0	32,713	09/20/2021	3FE		
02003M AJ 3	ALLSTATE LIFE TR MTN	3.150	03/06/2007	SOUTHWEST SECURITIES IN		184,000	200,000	187,250			118		118	187,368		(3,368)	(3,368)	621	03/01/2010	1FE		
BCC00H 3A 1	AMHPT 1996-2 B2	8.300	03/14/2007	VARIOUS		527,962	527,962	527,962	527,962					527,962			0	10,969	11/15/2026	6FE		
00252F AR 2	AMIT 2004-1 B2	8.320	01/01/2007	TRANSFER		293,221	293,221	293,221	293,221					293,221			0	488	03/25/2007	2FE		
03072S FA 8	AMSI 2003-1 MV3	9.020	01/01/2007	TRANSFER		95,361	95,361	95,361	95,361					95,361			0	144	10/25/2010	2FE		
031733 AQ 1	ARC 2004-1 B1 144A	5.000	01/01/2007	TRANSFER		990,967	1,136,171	1,136,171	811,879		179,088		179,088	990,967			0	1,980	12/25/2009	3FE		
097014 AF 1	BOEING CAPITAL CORP	5.750	02/15/2007	MATURITY		3,000,000	3,000,000	3,151,110	3,007,303		(7,303)		(7,303)	3,000,000			0	86,250	02/15/2007	1FE		
134429 AQ 2	CAMPBELL SOUP COMPANY	5.50	03/15/2007	MATURITY		2,000,000	2,000,000	2,147,640	2,007,563		(7,563)		(7,563)	2,000,000			0	55,000	03/15/2007	1FE		
12506Y BC 2	CDCMC 2003-HE1 B2 FLTR	8.169	01/01/2007	TRANSFER		64,261	95,206	95,206	64,261					64,261			0	163	08/25/2008	4FE		
12506Y BT 5	CDCMC 2003-HE3 B3	8.831	01/01/2007	TRANSFER		79,826	96,060	96,060	79,826					79,826			0	181	06/25/2009	2FE		
172850 BB 4	CITRV 1999-A B	8.717	01/01/2007	TRANSFER		1,272,412	1,441,482	1,441,482	1,245,658		26,753		26,753	1,272,412			0	3,635	09/15/2007	4FE		
22540V HG 0	CSFB 2001-HE25 B	8.620	01/01/2007	TRANSFER		52,349	179,613	179,613	52,349					52,349			0	393	07/25/2009	5FE		
22540V UM 2	CSFB 2002-HE1 B	8.670	01/01/2007	TRANSFER		81,499	102,166	102,166	81,499					81,499			0	181	02/25/2010	3FE		
225458 PD 4	CSFB 2005-AGE1 B3 FLTR	8.820	01/01/2007	TRANSFER		379,363	379,363	379,363	379,363					379,363			0	572	10/25/2013	2FE		
126670 HJ 0	CWL 2005-13 MV1	5.760	02/02/2007	BANK AMERICA		1,004,063	1,000,000	1,004,063	1,003,507		(79)		(79)	1,003,428		635	635	6,905	11/25/2012	1FE		
233046 AB 7	DUNKN 2006-1 M1	8.285	01/01/2007	TRANSFER		139,997	140,000	139,997	139,997					139,997			0	354	06/20/2011	3FE		
268766 BW 1	EOP OPERATING LP	6.750	02/09/2007	TENDER OFFER		1,537,965	1,500,000	1,636,155	1,589,275		(1,589)		(1,589)	1,587,686		(49,721)	(49,721)	123,938	02/15/2012	2FE		
301965 CH 0	FFCA 2000-1 B 144A	8.180	01/01/2007	TRANSFER		684,895	684,895	684,895	684,895					684,895			0	5,276	08/01/2019	4FE		
35729P FA 3	FHLT 2004-C M8	9.320	01/01/2007	TRANSFER		634,719	634,719	634,719	595,493		39,227		39,227	634,719			0	1,062	06/25/2009	3FE		
32054Y AC 7	FIB 2000-1 A FLTR	5.800	01/01/2007	TRANSFER		48,669	48,669	48,669	48,669					48,669			0	221	10/15/2018	5FE		
3136F6 YK 9	FMAN 2005-3 1	4.400	03/25/2007	MBS PAYDOWN		29,975	29,975	28,924	29,026		949		949	29,975			0	211	12/25/2012	1FE		

E05.2

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 Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
30251T AA 7	FNBC 1993-A PASS THRU TR	8.080	01/05/2007	SINKING FUND REDEMPTION		42,751	42,751	45,937	44,838		(2,087)		(2,087)		42,751			0	1,727	01/05/2018	1FE.....
36158Y EK 1	GECMC 2002-1A A2	5.994	03/01/2007	MBS PAYDOWN		25,298	25,298	27,053	26,287		(989)		(989)		25,298			0	271	07/01/2011	1FE.....
36828Q AA 4	GECMC 2003-C1 A1	3.091	03/01/2007	MBS PAYDOWN		249,846	249,846	250,466	249,998		(152)		(152)		249,846			0	1,980	03/01/2008	1FE.....
36228F R9 9	GSAMP 204-HE1 B3	9.320	01/01/2007	TRANSFER		47,856	47,856	47,856	47,856				0		47,856			0	101	06/25/2010	2FE.....
36242D SC 8	GSMAP 2005-HE1 B4	6.000	01/01/2007	TRANSFER		362,288	362,288	362,288	352,000	10,288			10,288		362,288			0	2,659	08/01/2009	3FE.....
393505 FK 3	GT 1995-1 B2	9.200	01/01/2007	TRANSFER		88,360	88,360	88,360	87,130	1,230			1,230		88,360			0	377	05/15/2008	6FE.....
393505 SK 9	GT 1997-1 M1	7.220	01/01/2007	TRANSFER		660,304	660,304	660,304	660,304				0		660,304			0	2,636	08/15/2012	5FE.....
393505 UY 0	GT 1997-4 M1	7.220	01/01/2007	TRANSFER		959,700	959,700	959,700	959,700				0		959,700			0	3,430	06/15/2013	4FE.....
393505 VY 5	GT 1997-5 M1	6.950	01/01/2007	TRANSFER		549,488	549,488	549,488	549,488				0		549,488			0	1,962	05/15/2013	5FE.....
43812G AD 4	HAROT 2003-3 A4	2.770	03/21/2007	MBS PAYDOWN		2,521,605	2,521,605	2,535,494	2,523,815		(2,210)		(2,210)		2,521,605			0	15,832	02/21/2008	1FE.....
441812 GK 4	HSBC FINANCE CORP	7.875	03/01/2007	MATURITY		3,000,000	3,000,000	3,007,980	3,000,241		(241)		(241)		3,000,000			0	118,125	03/01/2007	1FE.....
456606 BJ 0	INHEL 2000-C MF1	8.740	01/01/2007	TRANSFER		483,914	483,914	483,914	483,914				0		483,914			0	3,986	08/01/2010	2FE.....
456606 CF 7	INHEL 2001-A MV2 FLTR	6.470	01/01/2007	TRANSFER		47,357	47,357	52,619	47,357				0		47,357			0	356	03/25/2007	2FE.....
456606 DE 9	INHEL 2001-C B	8.845	01/01/2007	TRANSFER		152,759	152,759	152,759	152,759				0		152,759			0	263	04/25/2008	4FE.....
52519S AW 3	LABMH 2002-A B2	12.570	01/01/2007	TRANSFER		1,575,762	1,575,762	1,575,762	1,486,598	89,164			89,164		1,575,762			0	7,560	10/15/2011	4FE.....
50180A AB 0	LBSBN 2005-2A N2	7.860	01/01/2007	TRANSFER		362,232	362,232	362,232	362,232				0		362,232			0	400	09/27/2030	4FE.....
59018Y TA 9	MERRILL LYNCH MTN FLTR	3.260	03/07/2007	SOUTHWEST SECURITIES IN		674,230	706,000	682,914	686,316		1,680		1,680		687,996		(13,766)	(13,766)	5,895	03/02/2009	1FE.....
589962 CV 9	MESC 13 M1	8.863	01/01/2007	TRANSFER		858,120	858,120	858,120	858,120				0		858,120			0	7,057	08/01/2015	6FE.....
589929 YA 0	MLMI 2002-AFC1 BF1	7.920	01/01/2007	TRANSFER		84,038	84,038	84,038	80,104	3,934			3,934		84,038			0	668	08/01/2007	3FE.....
59001F AZ 4	MMLT 2004-1 B1 FLTR	8.820	01/01/2007	TRANSFER		77,961	77,961	77,961	77,961				0		77,961			0	157	05/25/2008	3FE.....
61745M ES 8	MSC 1998-WF1 A2	6.550	03/01/2007	MBS PAYDOWN		125,941	125,941	135,583	128,591		(2,649)		(2,649)		125,941			0	2,613	12/01/2007	1FE.....
61746W RT 9	MSDWC 2002-HE2 B1 FLTR	8.545	01/01/2007	TRANSFER		16,892	26,708	26,708	16,892				0		16,892			0	67	08/25/2008	4FE.....
68619A AG 2	ORGN 2001-A M1	7.820	01/01/2007	TRANSFER		176,675	176,675	176,675	120,232	56,443			56,443		176,675			0	851	03/15/2016	6FE.....
76126C KG 6	RACERS-01-29-E 144A	8.250	01/01/2007	TRANSFER		52,472	52,472	52,472	52,472				0		52,472			0	1,686	03/24/2011	5FE.....
40428H AA 0	REPUBLIC NEW YORK CORP	8.37	02/15/2007	MATURITY		1,650,000	1,650,000	1,752,498	1,652,130		(2,130)		(2,130)		1,650,000			0	69,094	02/15/2007	1FE.....
86358E ES 1	SAIL 2003-BC11 B FLTR	8.320	01/01/2007	TRANSFER		4,182	4,182	4,182	4,182				0		4,182			0	7	02/25/2025	2FE.....
86358E FR 2	SAIL 2003-BC12 M4	8.320	01/01/2007	TRANSFER		739,493	739,493	739,493	739,493				0		739,493			0	1,131	04/25/2009	2FE.....
86358E FT 8	SAIL 2003-BC12 M6 FLTR	8.320	01/01/2007	TRANSFER		10,396	10,396	10,396	10,396				0		10,396			0	15	03/25/2007	2FE.....
86358E GG 5	SAIL 2004-1 B	6.000	01/01/2007	TRANSFER		1,490,833	1,490,833	1,490,833	1,431,387	59,446			59,446		1,490,833			0	2,381	03/25/2007	3FE.....
86358R L7 0	SASC 2002-HF1 B FLTR	9.470	01/01/2007	TRANSFER		129,968	177,801	177,801	129,968				0		129,968			0	498	10/25/2018	4FE.....
86359A CS 0	SASC 2002-HF2 B1 FLTR	7.320	01/01/2007	TRANSFER		693,679	693,679	693,679	583,078	110,601			110,601		693,679			0	1,397	11/25/2008	3FE.....
86359A CT 8	SASC 2002-HF2 B2	7.320	01/01/2007	TRANSFER		97,932	366,556	366,556	97,932				0		97,932			0	1,291	07/25/2007	4FE.....
86359A 2T 9	SASC 2003-BC3 M4	8.320	01/01/2007	TRANSFER		613,151	613,151	613,151	613,151				0		613,151			0	1,167	01/25/2013	3FE.....
86359D LY 1	SASC 2005-S4 B	6.500	01/01/2007	TRANSFER		823,714	1,300,093	1,300,093	823,714				0		823,714			0	10,152	11/01/2008	2FE.....
78442F BS 6	SLM CORP FLTR	4.220	03/06/2007	SOUTHWEST SECURITIES IN		317,188	350,000	337,225	337,588		270		270		337,858		(20,670)	(20,670)	3,718	01/31/2014	1FE.....
89233P WS 1	TOYOTA MTR CRED MTN	4.350	03/06/2007	SOUTHWEST SECURITIES IN		120,000	125,000	121,250	121,333		65		65		121,398		(1,398)	(1,398)	1,326	02/05/2016	1FE.....
4599999	Total - Bonds - Industrial & Miscellaneous					33,777,893	35,138,748	35,663,871	33,123,750	579,091	(23,910)	0	555,181	0	33,866,181	0	(88,288)	(88,288)	604,377	XXX	XXX
6099997	Total - Bonds - Part 4					94,738,957	96,218,588	96,994,700	71,666,723	579,091	(64,356)	0	514,735	0	94,782,110	0	(43,155)	(43,155)	1,161,598	XXX	XXX
6099999	Total - Bonds					94,738,957	96,218,588	96,994,700	71,666,723	579,091	(64,356)	0	514,735	0	94,782,110	0	(43,155)	(43,155)	1,161,598	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					94,738,957	96,218,588	96,994,700	71,666,723	579,091	(64,356)	0	514,735	0	94,782,110	0	(43,155)	(43,155)	1,161,598	XXX	XXX

E05.3

(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.....	.....	.....	.....	.....369,768	.....473,936	.....701,160	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....	.....	.....	.....	.....172,901	.....173,480	.....74,042	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(3,523,662)	.....(3,643,246)	.....(4,346,833)	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....966	.....967	.....968	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(238,759)	.....(2,221,263)	.....(47,640)	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(3,218,786)	.....(5,216,126)	.....(3,618,301)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(3,218,786)	.....(5,216,126)	.....(3,618,301)	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	.....(3,216,786)	.....(5,214,126)	.....(3,616,301)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Gross Investment Income
AMSTERDAM FUNDING CORP.....		03/26/2007	5.281	04/10/2007	4,494,071		3,953
APRECO LLC.....		03/06/2007	5.280	04/02/2007	2,999,562		11,397
BARTON CAPITAL LLC.....		03/05/2007	5.262	04/03/2007	3,998,835		15,720
BARTON CAPITAL LLC.....		03/26/2007	5.291	04/10/2007	4,494,060		3,960
INTESA FUNDING LLC DISC NOTE.....		03/27/2007	5.275	04/03/2007	2,999,122		2,196
KFW INTERNATL FINANCE DISC NOTE.....		03/15/2007	5.273	04/02/2007	7,998,831		19,871
FIDELITY INSTL MMK FUND.....		03/30/2007	5.240	04/15/2007	20,000,000	5,777	5,777
RABOBANK USA FIN CORP.....		03/23/2007	5.267	04/02/2007	999,854		1,315
RANGER FUNDING CO LLC.....		03/05/2007	5.271	04/02/2007	3,999,416		15,750
THREE RIVERS FUNDING CRP.....		03/07/2007	5.272	04/05/2007	4,497,375		16,406
UBS FINANCE DELAWARE LLC.....		03/20/2007	5.270	04/03/2007	4,998,539		8,767
VARIABLE FUNDING CAPITAL.....		03/08/2007	5.274	04/09/2007	1,997,667		7,000
YORKTOWN CAPITAL LLC.....		03/15/2007	5.296	04/05/2007	1,998,827		4,987
FNMA CL 29 YR PL # 891390.....	RA	03/30/2007	5.110	04/02/2007	411,000		25,450
0199999. Total Cash Equivalents.....					65,887,159	5,777	142,549