

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, 2008

2008



QUARTERLY STATEMENT

As of March 31, 2008
of the Condition and Affairs of the

PRONATIONAL INSURANCE COMPANY

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

OFFICERS

Name	Title	Name	Title
1. DARRYL KEITH THOMAS	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. JAMES JOSEPH MORELLO	TREASURER	4. WILLIAM STANCIL STARNES	CHAIRMAN

OTHER

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

DIRECTORS OR TRUSTEES

VICTOR THOMAS ADAMO	JEFFREY LYNN BOWLBY	HOWARD HARLEY FRIEDMAN	EDWARD LEWIS RAND, JR
WILLIAM STANCIL STARNES	DARRYL KEITH THOMAS		

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

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

_____ (Signature) DARRYL KEITH THOMAS _____ 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHRYN ANNE NEVILLE _____ 2. (Printed Name) SECRETARY _____ (Title)	_____ (Signature) 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.....	961,245,919		961,245,919	944,504,226
2. Stocks:				
2.1 Preferred stocks.....	8,396,688		8,396,688	8,409,536
2.2 Common stocks.....	16,580		16,580	16,916
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	3,978,802		3,978,802	4,024,328
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(6,311,645)), cash equivalents (\$.....32,486,083) and short-term investments (\$.....30,332,372).....	56,506,810		56,506,810	53,967,796
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	14,969,401		14,969,401	15,340,918
8. Receivables for securities.....	295,991		295,991	16,189
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	1,045,410,191	0	1,045,410,191	1,026,279,909
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	10,640,212		10,640,212	10,959,860
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	9,847,207	259,485	9,587,722	9,575,830
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	22,908,008	1,814	22,906,194	22,174,912
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	6,007,887		6,007,887	10,687,561
14.2 Funds held by or deposited with reinsured companies.....	22,481,189		22,481,189	22,481,189
14.3 Other amounts receivable under reinsurance contracts.....	10,851		10,851	(5,147)
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	8,162,736
16.2 Net deferred tax asset.....	33,683,640	23,038,218	10,645,422	11,222,614
17. Guaranty funds receivable or on deposit.....	2,490,557		2,490,557	2,566,704
18. Electronic data processing equipment and software.....	239,640		239,640	275,890
19. Furniture and equipment, including health care delivery assets (\$.....0).....	255,971	255,971	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	19,844		19,844	1,200,104
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	12,998,295	86,234	12,912,061	13,018,417
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,166,993,492	23,641,722	1,143,351,770	1,138,600,579
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,166,993,492	23,641,722	1,143,351,770	1,138,600,579

DETAILS OF WRITE-INS

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Prepaid Expenses and Other Assets.....	34,512	34,512	0	
2302. Company Owned Life Insurance.....	12,729,776		12,729,776	12,610,318
2303. Other receivable.....	2,030	2,030	0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	231,977	49,692	182,285	408,099
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	12,998,295	86,234	12,912,061	13,018,417

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....10,964,532).....	421,951,857	441,435,203
2. Reinsurance payable on paid losses and loss adjustment expenses.....	1,059,305	902,741
3. Loss adjustment expenses.....	351,291,586	349,989,841
4. Commissions payable, contingent commissions and other similar charges.....	3,354,193	3,790,696
5. Other expenses (excluding taxes, licenses and fees).....	2,371,721	3,187,762
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	2,098,324	1,604,521
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	4,105,603	
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 \$.....3,023,470 and including warranty reserves of \$.....0).....	75,694,701	71,235,492
10. Advance premium.....	1,334,536	5,118,114
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,782,775	9,806,791
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	90,504	335,302
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	402,400	402,400
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	5,660,744	1,927,929
20. Payable for securities.....	5,073,500	1,920,000
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	66,579	143,771
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	883,338,328	891,800,563
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	883,338,328	891,800,563
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	3,188,145	3,188,145
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	10,093,603	10,093,603
32. Gross paid in and contributed surplus.....	27,978,790	27,978,790
33. Unassigned funds (surplus).....	218,752,904	205,539,478
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	260,013,442	246,800,016
36. TOTALS.....	1,143,351,770	1,138,600,579

DETAILS OF WRITE-INS

2301. Unearned Fee Income.....	66,579	143,771
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).....	66,579	143,771
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

PRONATIONAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....42,227,076).....	37,960,870	43,687,924	167,083,662
1.2 Assumed..... (written \$.....1,346,225).....	1,385,396	2,482,373	7,476,421
1.3 Ceded..... (written \$.....1,920,942).....	2,153,118	2,467,762	11,642,157
1.4 Net..... (written \$.....41,652,359).....	37,193,148	43,702,535	162,917,926
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....10,986,940):			
2.1 Direct.....	7,791,744	21,351,697	81,191,138
2.2 Assumed.....	824,609	370,732	
2.3 Ceded.....	1,711,873	21,260,489	32,670,845
2.4 Net.....	6,904,480	461,940	48,520,293
3. Loss adjustment expenses incurred.....	15,011,975	25,902,116	113,202,234
4. Other underwriting expenses incurred.....	9,031,921	8,871,291	30,980,358
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	30,948,376	35,235,347	192,702,885
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	6,244,772	8,467,188	(29,784,959)
INVESTMENT INCOME			
9. Net investment income earned.....	11,863,107	11,763,348	47,141,187
10. Net realized capital gains (losses) less capital gains tax of \$.....24,267.....	45,066	(2,113,863)	(1,008,269)
11. Net investment gain (loss) (Lines 9 + 10).....	11,908,173	9,649,485	46,132,918
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....13,192).....	(13,192)		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	372,191	267,678	1,338,956
15. Total other income (Lines 12 through 14).....	358,999	267,678	1,338,956
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	18,511,944	18,384,351	17,686,915
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).....	18,511,944	18,384,351	17,686,915
19. Federal and foreign income taxes incurred.....	2,575,527	4,083,183	(380,458)
20. Net income (Line 18 minus Line 19) (to Line 22).....	15,936,417	14,301,168	18,067,373
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	246,800,018	231,714,293	231,714,293
22. Net income (from Line 20).....	15,936,417	14,301,168	18,067,373
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	(2,176,548)	1,041,108	(4,695,462)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(2,225,543)	(2,518,510)	(7,949)
27. Change in nonadmitted assets.....	1,679,098	2,074,001	(708,837)
28. Change in provision for reinsurance.....			2,430,600
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	13,213,424	14,897,767	15,085,725
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	260,013,442	246,612,060	246,800,018
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.....	119,455	106,733	338,489
1402. Risk management income.....	112,564	129,645	466,824
1403. LTC Fee Income.....	77,192	31,300	354,406
1498. Summary of remaining write-ins for Line 14 from overflow page.....	62,980	0	179,237
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	372,191	267,678	1,338,956
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

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.....	36,109,697	161,688,999
2. Net investment income.....	12,978,628	50,515,320
3. Miscellaneous income.....	358,999	1,338,956
4. Total (Lines 1 through 3).....	49,447,324	213,543,275
5. Benefit and loss related payments.....	35,277,816	144,728,828
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	9,714,515	31,088,884
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(9,668,545)	(3,422,828)
10. Total (Lines 5 through 9).....	35,323,786	172,394,884
11. Net cash from operations (Line 4 minus Line 10).....	14,123,538	41,148,391
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	48,207,861	281,279,010
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	26,297	3,521
12.7 Miscellaneous proceeds.....	3,153,500	1,934,159
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	51,387,658	283,216,690
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	67,408,911	285,740,981
13.2 Stocks.....		1,519,800
13.3 Mortgage loans.....		
13.4 Real estate.....		264,888
13.5 Other invested assets.....	39,800	18,675,445
13.6 Miscellaneous applications.....	279,802	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	67,728,513	306,201,114
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(16,340,855)	(22,984,424)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	4,756,331	(858,404)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	4,756,331	(858,404)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	2,539,014	17,305,563
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	53,967,796	36,662,233
19.2 End of period (Line 18 plus Line 19.1).....	56,506,810	53,967,796

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

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

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. No wash sales.

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

No significant change.

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

No significant change.

Note 20 - Other Items

No significant change.

Note 21 - Events Subsequent

No significant change.

Note 22 - Reinsurance

No significant change.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

Combined reserves for incurred losses and loss adjustment expenses attributable to insured events as of December 31, 2007 were \$791,425,000. The following provides information concerning the re-estimation of those reserves during the three month period ended March 31, 2008:

Losses and Loss Adjustment Expenses December 31, 2007	\$ 791,425,000
Re-estimation of reserves (favorable)	<u>(10,000,000)</u>
Re-estimated December 31, 2007 Losses and Loss Adjustment Expenses	<u>\$ 781,425,000</u>

The re-estimation amount above relates principally to the medical malpractice line of insurance, principally for the 2003 through 2006 accident years, and is the result of ongoing analysis of recent loss trends. Original estimates are increased or decreased as additional information becomes available.

Note 25 - Intercompany Pooling Arrangements

No significant change.

Note 26 - Structured Settlements

No significant change.

Note 27 - Health Care Receivables

No significant change.

Note 28 - Participating Policies

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 29 - Premium Deficiency Reserves

No significant change.

Note 30 - High Deductibles

No significant change.

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

No significant change.

Note 32 - Asbestos/Environmental Reserves

No significant change.

Note 33 - Subscriber Savings Accounts

No significant change.

Note 34 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2003.....
- 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

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

- 7.2 If yes, give full information:

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

- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

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

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

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

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

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

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

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

**PRONATIONAL INSURANCE COMPANY
GENERAL INTERROGATORIES**

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

PART 1 - COMMON INTERROGATORIES

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$.....0	\$.....0
14.22 Preferred Stock.....	\$.....0	\$.....0
14.23 Common Stock.....	\$.....16,915	\$.....16,580
14.24 Short-Term Investments.....	\$.....0	\$.....0
14.25 Mortgage Loans on Real Estate.....	\$.....0	\$.....0
14.26 All Other.....	\$.....0	\$.....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$.....16,915	\$.....16,580
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$.....0	\$.....0

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

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

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

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

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

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

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

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

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

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

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

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

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

17.2 If no, list exceptions:

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

NONE

PRONATIONAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	E	133,104	357,176			2,815,468	2,940,382
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	N						
5. California.....CA	E	161,571	692,444			745,330	334,524
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	L	1,702,447	2,309,755	805,000		13,109,542	6,247,243
9. District of Columbia.....DC	N						
10. Florida.....FL	L	9,523,184	12,490,685	17,574,386	5,133,667	156,551,740	220,799,583
11. Georgia.....GA	L	14,309	28,501			758,176	763,953
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	L	7,365,843	8,659,224	346,553	1,213,471	68,244,502	73,386,664
15. Indiana.....IN	L	210,989	303,571	269,488	167,273	15,605,298	16,081,504
16. Iowa.....IA	L	81,886	390,495	1,848	100,000	1,935,866	1,330,194
17. Kansas.....KS	L						
18. Kentucky.....KY	L	8,385,460	7,910,464	3,199,003	20,536	35,899,107	37,159,164
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	L						
22. Massachusetts.....MA	E	31,129				10,863	
23. Michigan.....MI	L	8,836,782	10,582,851	3,956,482	1,417,843	114,816,884	119,710,644
24. Minnesota.....MN	N						
25. Mississippi.....MS	N						
26. Missouri.....MO	L						
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	N						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	L	4,361,751	4,641,107		1,760,949	30,532,735	29,188,655
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	L	1,220,795	1,306,576	2,017,969	625,327	14,546,413	18,841,803
37. Oklahoma.....OK	N						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	L	191,356	159,537	840,000	352,279	22,427,598	25,570,316
40. Rhode Island.....RI	N						
41. South Carolina.....SC	L						
42. South Dakota.....SD	N						
43. Tennessee.....TN	L						
44. Texas.....TX	N						
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	L						
48. Washington.....WA	N						
49. West Virginia.....WV	L						
50. Wisconsin.....WI	L	6,470	2,483			138,098	109,398
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....(a) 19		42,227,076	49,834,869	29,010,729	10,791,345	478,137,620	552,464,027

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

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.....	2,579,655	1,390,029	53.9	33.8
11.2. Medical malpractice-claims made.....	32,926,649	5,178,664	15.7	50.9
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....			0.0	28.8
17.2. Other liability-claims made.....	2,454,566	1,223,052	49.8	28.7
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2. Private passenger auto liability.....			0.0	
19.3, 19.4. Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	37,960,870	7,791,745	20.5	48.9

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 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.....	2,579,655	2,579,655	1,905,395
11.2. Medical malpractice-claims made.....	37,435,643	37,435,643	45,060,962
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
17.2. Other liability-claims made.....	2,211,778	2,211,778	2,848,463
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2. Private passenger auto liability.....			
19.3, 19.4. Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	42,227,076	42,227,076	49,834,869

DETAILS OF WRITE-INS

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2008 Loss and LAE Payments on Claims Reported as of Prior Year-End	2008 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2008 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2005 + Prior.....	283,194	234,604	517,798	29,140	1,290	30,430	255,147	559	226,661	482,368	1,094	(6,093)	(5,000)
2. 2006.....	50,246	89,422	139,668	4,639	288	4,927	50,047	69	79,625	129,741	4,440	(9,439)	(5,000)
3. Subtotals 2006 + Prior.....	333,440	324,025	657,466	33,779	1,578	35,357	305,194	628	306,287	612,109	5,533	(15,533)	(10,000)
4. 2007.....	32,408	101,551	133,959	2,950	500	3,450	40,041	1,303	89,166	130,509	10,582	(10,582)	0
5. Subtotals 2007 + Prior.....	365,849	425,576	791,425	36,729	2,078	38,807	345,235	1,931	395,452	742,618	16,115	(26,115)	(10,000)
6. 2008.....	XXX	XXX	XXX	XXX	1,291	1,291	XXX	5,326	25,300	30,626	XXX	XXX	XXX
7. Totals.....	365,849	425,576	791,425	36,729	3,369	40,098	345,235	7,257	420,752	773,244	16,115	(26,115)	(10,000)
8. Prior Year-End's Surplus As Regards Policyholders	246,800										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....4.4 %	2. ....(6.1)%	3. ....(1.3)%
													Col. 13, Line 7 Line 8
													4. ....(4.1)%

Q13

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Bar Code:



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. Other Assets.....	49,692	49,692	0	391,543
2305. State Premium Tax Recoverable.....	178,049	178,049	178,049	16,556
2306. Provider Alliance Receivable.....	4,236	4,236	4,236	408,099
2397. Summary of remaining write-ins for Line 23.....	231,977	49,692	182,285	

Additional Write-ins for Statement of Income:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1404. Other.....	62,980	0	179,237
1497. Summary of remaining write-ins for Line 14.....	62,980	0	179,237

**PRONATIONAL INSURANCE COMPANY
SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	4,024,328	3,937,825
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		264,888
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....	45,526	178,385
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	3,978,802	4,024,328
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	3,978,802	4,024,328

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	15,340,918	1,103,100
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		18,116,045
2.2 Additional investment made after acquisitions.....	39,800	559,400
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	(411,317)	(4,437,627)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	14,969,401	15,340,918
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	14,969,401	15,340,918

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	952,930,678	950,960,807
2. Cost of bonds and stocks acquired.....	67,408,911	287,260,781
3. Accrual of discount.....	247,051	814,099
4. Unrealized valuation increase (decrease).....	(1,765,230)	(2,342,979)
5. Total gain (loss) on disposals.....	43,036	1,656,159
6. Deduct consideration for bonds and stocks disposed of.....	48,207,861	281,279,010
7. Deduct amortization of premium.....	997,398	4,139,179
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	969,659,187	952,930,678
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	969,659,187	952,930,678

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	937,617,824	851,320,115	818,905,422	(4,045,031)	965,987,486			937,617,824
2. Class 2 (a).....	23,451,319		1,500,000	3,831,632	25,782,951			23,451,319
3. Class 3 (a).....	14,541,801	3,910,249	67,181	(4,585,315)	13,799,554			14,541,801
4. Class 4 (a).....	10,703,475	2,858,885	257,665	292,188	13,596,883			10,703,475
5. Class 5 (a).....	2,587,500			2,310,000	4,897,500			2,587,500
6. Class 6 (a).....								
7. Total Bonds.....	988,901,919	858,089,249	820,730,268	(2,196,526)	1,024,064,374	0	0	988,901,919
PREFERRED STOCK								
8. Class 1.....	5,409,536			(12,848)	5,396,688			5,409,536
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.....	8,409,536	0	0	(12,848)	8,396,688	0	0	8,409,536
15. Total Bonds and Preferred Stock.....	997,311,455	858,089,249	820,730,268	(2,209,374)	1,032,461,062	0	0	997,311,455

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....62,818,456; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	.....30,332,372	.....XXX.....	.....30,334,780	.....76,283	.....9,351

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....14,179,190	.....10,748,567
2. Cost of short-term investments acquired.....	.....70,250,113	.....176,394,582
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	.....24,774	.....1,916
6. Deduct consideration received on disposals.....	.....54,101,175	.....172,940,458
7. Deduct amortization of premium.....	.....20,530	.....25,417
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....30,332,372	.....14,179,190
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	.....30,332,372	.....14,179,190

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

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

PRONATIONAL INSURANCE COMPANY
SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	30,218,502	32,572,762
2. Cost of cash equivalents acquired.....	720,430,226	1,540,027,011
3. Accrual of discount.....	326,399	2,051,880
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	1,523	1,604
6. Deduct consideration received on disposals.....	718,490,567	1,544,434,755
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	32,486,083	30,218,502
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	32,486,083	30,218,502

**Sch. A-Part 2
NONE**

**Sch. A-Part 3
NONE**

**Sch. B-Part 2
NONE**

**Sch. B-Part 3
NONE**

SCHEDULE BA - PART 2

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
Any Other Class of Admitted Asset - Unaffiliated												
000000 00 0	FHLB INDIANAPOLIS CAPITAL STOCK.....	INDIANAPOLIS.....	IN.....	DIRECT.....		11/01/2003			39,800			
3799999	Total - Any Other Class of Admitted Asset - Unaffiliated.....							0	39,800	0	0	XXX.....
3999999	Subtotal - Unaffiliated.....							0	39,800	0	0	XXX.....
4199999	Totals.....							0	39,800	0	0	XXX.....

QE03

SCHEDULE BA - PART 3

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

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

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912827 4Y 5	TSY INFL IX N/B.....		01/13/2008	CAPITALIZED INTEREST.....		5,879	5,879		1
912828 BD 1	TSY INFL IX N/B.....		02/01/2008	HSBC SECURITIES LIMITED.....		212,817	200,247	206	1
912828 CZ 1	TSY INFL IX N/B.....		01/14/2008	BARCLAYS AMERICAN.....		2,223,775	2,211,680	4,864	1
912828 DH 0	TSY INFL IX N/B.....		01/29/2008	VARIOUS.....		2,534,186	2,471,695	9,635	1
912828 HN 3	TSY INFL IX N/B.....		01/24/2008	CREDIT SUISSE FIRST BOSTON.....		1,019,678	1,001,910	447	1
0399999.	Total - Bonds - U.S. Government.....					5,996,335	5,891,411	15,152	XXX
Bonds - Political Subdivisions of States									
167484 PD 0	CHICAGO ILL.....		03/25/2008	DAIN RAUSCHER.....		2,237,640	2,000,000	27,550	1FE
172216 P5 6	CINCINNATI OHIO.....		03/27/2008	SEATTLE NORTHWEST.....		1,184,249	1,100,000	19,216	1FE
442403 DD 0	HOUSTON TEX INDPT SCH DIST.....		03/11/2008	MERRILL LYNCH.....		3,294,060	3,100,000	10,333	1FE
489818 P7 3	KENOSHA WIS.....		03/18/2008	PIPER JAFFRAY.....		1,343,700	1,250,000		1FE
547694 LU 1	LOWELL MICH AREA SCHS.....		03/11/2008	FIFTH THIRD BANK.....		1,972,653	1,885,000		1FE
708840 FX 6	PENNSYLVANIA INTERGOVERNMENTAL.....		03/12/2008	DAIN RAUSCHER.....		1,020,510	1,000,000	12,778	1FE
724394 FT 3	PITKIN CNTY COLO SCH DIST NO 0.....		03/26/2008	WILLIAM BLAIR.....		1,223,118	1,120,000	19,600	1FE
886172 LN 3	THURSTON CNTY WASH SCH DIST NO.....		03/11/2008	LEHMAN BROTHERS.....		1,609,983	1,545,000	23,390	1FE
2499999.	Total - Bonds - Political Subdivision.....					13,885,913	13,000,000	112,867	XXX
Bonds - Special Revenue and Special Assessment									
259561 KR 8	DOUGLAS CNTY WASH PUB UTIL.....		02/22/2008	CITICORP SECURITIES.....		1,545,571	1,570,000	38,378	1FE
29270C PK 5	ENERGY NORTHWEST WASH ELEC REV.....		03/06/2008	LEHMAN BROTHERS.....		2,354,814	2,180,000	21,800	1FE
3128L0 DF 6	FG A68202.....		01/17/2008	BANQUE PARIBAS.....		2,358,920	2,295,437	8,417	1
31410G RU 9	FN 888899.....		01/17/2008	GREENWICH CAPITAL.....		1,002,344	1,000,000	2,750	1
31411E ZB 6	FN 906238.....		01/17/2008	GREENWICH CAPITAL.....		1,994,244	2,000,809	6,114	1
31414H VF 1	FN 966914.....		01/18/2008	GREENWICH CAPITAL.....		1,785,729	1,748,037	6,231	1
563605 FT 6	MANITOWOC WIS ELEC REV.....		02/12/2008	BAUM.....		2,073,900	2,000,000	38,889	1FE
576004 EJ 0	MASSACHUSETTS ST SPL OBLIG REV.....		03/06/2008	DIRECT.....		2,155,440	2,000,000	26,389	1FE
590545 NS 4	MESA ARIZ UTIL SYS REV.....		03/04/2008	WELLS FARGO.....		1,733,850	1,500,000	19,938	1FE
59333P SY 5	MIAMI-DADE CNTY FLA AVIATION.....		03/11/2008	LEHMAN BROTHERS.....		3,049,950	3,000,000		1FE
709163 FH 7	PENNSYLVANIA ST HIGHER ED ASSI.....		01/14/2008	MORGAN STANLEY.....		3,000,000	3,000,000		1FE
735388 4F 4	PORT SEATTLE WASH REV.....		03/12/2008	MERRILL LYNCH.....		1,051,420	1,000,000	16,563	1FE
837147 L8 8	SOUTH CAROLINA ST PUB SVC AUTH.....		03/19/2008	RAYMOND JAMES.....		2,105,960	2,000,000	23,333	1FE
89602N MH 4	TRIBOROUGH BRDG & TUNL AUTH N.....		03/14/2008	LEHMAN BROTHERS.....		5,061,917	4,615,000		1FE
93978E XX 5	WA ST HLTH-ARS-A.....		01/11/2008	BANK OF NEW YORK.....		3,000,000	3,000,000		1FE
95667Q AG 1	WEST VA ST SCH BLDG AUTH REV.....		03/12/2008	DAIN RAUSCHER.....		1,483,469	1,405,000	14,245	1FE
977100 AK 2	WISCONSIN ST GEN REV.....		01/29/2008	PROTECTIVE SECURITIES.....		2,000,000	2,000,000		1FE
988514 BN 4	YUMA ARIZ INDL DEV AUTH HOSP R.....		01/17/2008	BANK OF NEW YORK.....		3,000,000	3,000,000		1FE
3199999.	Total - Bonds - Special Revenue & Special Assessments.....					40,757,528	39,314,283	223,047	XXX
Bonds - Industrial and Miscellaneous									
LN2716 95 6	HANGER ORTHOPEDIC GROUP INC.....		01/07/2008	DEUTSCHE BANK.....		1,930,000	2,000,000		4FE
LN3229 30 6	TELESAT LLC.....		01/28/2008	MORGAN STANLEY.....		19,948	19,948		4FE
LN3310 07 2	HUNTSMAN CORP.....		01/08/2008	GOLDMAN SACHS.....		985,000	1,000,000		3FE
LN3398 69 7	ATLAS PIPELINE PARTNERS-UTS.....		01/17/2008	WACHOVIA/FIRST UNION.....		988,778	1,000,000		3FE
LN3400 82 4	HAWAIIAN TELECOM COMMUNICATIONS.....		01/24/2008	DIRECT.....		908,938	1,000,000		4FE
LN3474 04 3	ISLE OF CAPRI CASINOS, INC.....		01/23/2008	CREDIT SUISSE FIRST BOSTON.....		176,471	176,471		3FE
LN3812 44 0	FAIRPOINT COMMUNICATIONS INC.....		03/25/2008	VARIOUS.....		1,760,000	2,000,000		3FE
4599999.	Total - Bonds - Industrial & Miscellaneous.....					6,769,135	7,196,419	0	XXX
6099997.	Total - Bonds - Part 3.....					67,408,911	65,402,113	351,066	XXX
6099999.	Total - Bonds.....					67,408,911	65,402,113	351,066	XXX
7499999.	Total - Bonds, Preferred and Common Stocks.....					67,408,911	XXX	351,066	XXX

QE04

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

SCHEDULE D - PART 4

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

1	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 eig 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)
Bonds - U.S. Government																					
3128X4 M6 5	FREDDIE MAC.....		02/27/2008	MATURITY.....		5,000,000	5,000,000	4,992,200	4,999,088				912		5,000,000			0	128,125	02/27/2008	1.....
3133X9 C7 3	FEDERAL HOME LOAN BANK.....		02/19/2008	CALLED BY ISSUER at 100.00.....		1,000,000	1,000,000	979,383	992,248				7,752		1,000,000			0	12,250	11/18/2014	1.....
3133XA U6 2	FEDERAL HOME LOAN BANK.....		03/10/2008	CALLED BY ISSUER at 100.00.....		1,000,000	1,000,000	989,482	997,999				2,001		1,000,000			0	25,000	03/09/2015	1.....
31359M 5E 9	FANNIE MAE.....		02/20/2008	CALLED BY ISSUER at 100.00.....		7,000,000	7,000,000	7,000,000	7,000,000				0		7,000,000			0	185,500	02/20/2009	1.....
31359M G4 9	FANNIE MAE.....		02/27/2008	MATURITY.....		2,600,000	2,600,000	2,591,134	2,599,019				981		2,600,000			0	65,000	02/27/2008	1.....
3136F6 X3 8	FANNIE MAE.....		01/11/2008	CALLED BY ISSUER at 100.00.....		1,000,000	1,000,000	992,735	997,581				85		997,666		2,335	2,335	12,500	04/11/2014	1.....
36200F AP 3	GN 599514.....		03/01/2008	MBS PAYDOWN.....		19,097	19,097	18,918	19,084				13		19,097			0	241	05/01/2037	1.....
36200X LT 4	GN 575538.....		03/01/2008	MBS PAYDOWN.....		3,819	3,819	3,900	3,839				(21)		3,819			0	41	05/01/2031	1.....
36201F T7 2	GN 582074.....		03/01/2008	MBS PAYDOWN.....		2,435	2,435	2,439	2,436				(1)		2,435			0	25	04/01/2031	1.....
36202D C9 0	G2 2796.....		03/01/2008	MBS PAYDOWN.....		5,815	5,815	5,673	5,814				1		5,815			0	72	04/01/2028	1.....
36203L DN 9	GN 352109.....		03/01/2008	MBS PAYDOWN.....		3,266	3,266	3,337	3,282				(16)		3,266			0	37	03/01/2022	1.....
36205N M8 6	GN 395583.....		03/01/2008	MBS PAYDOWN.....		62	62	63	62				(16)		62			0	1	07/01/2027	1.....
36207K GS 3	GN 434109.....		03/01/2008	MBS PAYDOWN.....		9,631	9,631	9,667	9,655				(24)		9,631			0	59	09/01/2027	1.....
36207K JJ 0	GN 434165.....		03/01/2008	MBS PAYDOWN.....		17,160	17,160	17,224	17,191				(31)		17,160			0	127	04/01/2027	1.....
36208V 6E 0	GN 462669.....		03/01/2008	MBS PAYDOWN.....		3,126	3,126	3,178	3,129				(3)		3,126			0	50	01/01/2027	1.....
36208W DE 0	GN 462801.....		03/01/2008	MBS PAYDOWN.....		10,591	10,591	10,597	10,592				(1)		10,591			0	115	08/01/2026	1.....
36208W ES 8	GN 462845.....		03/01/2008	MBS PAYDOWN.....		552	552	572	557				(5)		552			0	7	02/01/2028	1.....
36208X D7 3	GN 463726.....		03/01/2008	MBS PAYDOWN.....		668	668	678	670				(2)		668			0	8	08/01/2027	1.....
36210A VS 3	GN 486725.....		03/01/2008	MBS PAYDOWN.....		1,207	1,207	1,233	1,213				(6)		1,207			0	14	05/01/2028	1.....
36210E X6 1	GN 490401.....		03/01/2008	MBS PAYDOWN.....		1,489	1,489	1,481	1,487				2		1,489			0	16	11/01/2027	1.....
36213U DK 3	GN 564506.....		03/01/2008	MBS PAYDOWN.....		518	518	525	520				(2)		518			0	6	01/01/2031	1.....
36225A UH 1	GN 780584.....		03/01/2008	MBS PAYDOWN.....		6,977	6,977	7,047	6,993				(16)		6,977			0	87	01/01/2026	1.....
36291P ZE 9	GN 634441.....		03/01/2008	MBS PAYDOWN.....		36,298	36,298	37,035	36,528				(229)		36,298			0	374	05/01/2034	1.....
912827 4Y 5	TSY INFL IX N/B.....		02/27/2008	VARIOUS.....		2,211,893	2,139,679	2,185,138	2,171,192				0		2,171,192		40,701	40,701	47,221	01/15/2009	1.....
0399999	Total - Bonds - U.S. Government.....					19,934,604	19,862,390	19,853,639	19,880,179	0	11,390	0	11,390	0	19,891,569	0	43,036	43,036	476,876	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
040504 GA 4	ARIZONA EDL LN MARKETING CORP.....		02/05/2008	DAIN RAUSCHER.....		1,600,000	1,600,000	1,600,000	1,600,000				0		1,600,000			0	35,716	12/01/2038	1FE.....
3128H3 LP 4	FG E95734.....		03/01/2008	MBS PAYDOWN.....		69,844	69,844	72,113	70,339				(495)		69,844			0	598	08/01/2017	1.....
3128JR PC 4	FH 847619.....		03/17/2008	VARIOUS.....		557,873	557,873	563,888	559,263				(1,390)		557,873			0	6,691	09/01/2036	1.....
3128L0 DF 6	FG A68202.....		03/01/2008	MBS PAYDOWN.....		26,938	26,938	27,683	26,938				(12)		26,938			0	202	11/01/2032	1.....
3128LX FN 5	FG G01973.....		03/01/2008	MBS PAYDOWN.....		55,326	55,326	53,052	54,611				715		55,326			0	486	06/01/2035	1.....
3128LX MR 8	FG G02168.....		03/01/2008	MBS PAYDOWN.....		34,215	34,215	33,974	34,165				50		34,215			0	387	10/01/2035	1.....
3128LX P3 8	FG G02242.....		03/01/2008	MBS PAYDOWN.....		36,502	36,502	35,048	36,148				354		36,502			0	381	01/01/2036	1.....
3128LX QU 7	FG G02267.....		03/01/2008	MBS PAYDOWN.....		45,103	45,103	45,892	45,250				(147)		45,103			0	557	02/01/2036	1.....
3128M1 GT 0	FG G12110.....		03/01/2008	MBS PAYDOWN.....		21,423	21,423	21,256	21,384				39		21,423			0	221	12/01/2020	1.....
3128MJ BE 9	FG G08036.....		03/01/2008	MBS PAYDOWN.....		15,895	15,895	16,133	15,951				(56)		15,895			0	155	05/01/2034	1.....
3128MJ D4 9	FG G08122.....		03/01/2008	MBS PAYDOWN.....		49,391	49,391	47,674	49,001				389		49,391			0	525	10/01/2035	1.....
31296J ZA 7	FG A10737.....		03/01/2008	MBS PAYDOWN.....		151,627	151,627	154,375	152,314				(688)		151,627			0	1,510	03/01/2032	1.....
31297H PN 3	FG A29429.....		03/01/2008	MBS PAYDOWN.....		34,658	34,658	33,477	34,606				52		34,658			0	262	02/01/2034	1.....
31297H X4 6	FG A29699.....		03/01/2008	MBS PAYDOWN.....		147,792	147,792	147,850	147,822				(30)		147,792			0	1,095	07/01/2034	1.....
31297K 7G 1	FG A30895.....		03/01/2008	MBS PAYDOWN.....		8,256	8,256	8,193	8,238				17		8,256			0	69	07/01/2034	1.....
31297S ZP 3	FG A37050.....		03/01/2008	MBS PAYDOWN.....		25,096	25,096	24,790	25,042				55		25,096			0	254	03/01/2035	1.....
31335H SU 3	FG C90859.....		03/01/2008	MBS PAYDOWN.....		110,094	110,094	113,164	110,859				(765)		110,094			0	1,089	05/01/2024	1.....
3133TL UH 9	FHR 2178 PB.....		03/01/2008	MBS PAYDOWN.....		50,263	50,263	51,850	50,531				(268)		50,263			0	559	08/01/2029	1.....
31371K BR 1	FN 253948.....		03/01/2008	MBS PAYDOWN.....		50,267	50,267	49,592	50,264				3		50,267			0	523	05/01/2030	1.....
31371K MK 4	FN 254262.....		03/01/2008	MBS PAYDOWN.....		4,817	4,817	4,768	4,817				0		4,817			0	53	02/01/2031	1.....
31371K VA 6	FN 254509.....		03/01/2008	MBS PAYDOWN.....		37,611	37,611	38,205	37,617				(6)		37,611			0	331	03/01/2017	1.....
31371K VC 2	FN 254511.....		03/01/2008	MBS PAYDOWN.....		7,805	7,805	8,071	7,807				(2)		7,805			0	73	03/01/2017	1.....
31371K WJ 6	FN 254549.....		03/01/2008	MBS PAYDOWN.....		6,322	6,322	6,540	6,323				(1)		6,322			0	69	01/01/2032	1.....

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator
31371L 2P 3	FN 255582		03/01/2008	MBS PAYDOWN		22,954	22,954	23,108	22,955		(1)		(1)		22,954			.0	.192	08/01/2024	1
31371L 3S 6	FN 255609		03/01/2008	MBS PAYDOWN		11,792	11,792	11,610	11,792		1		1		11,792			.0	.91	08/01/2024	1
31371L CE 7	FN 254869		03/01/2008	MBS PAYDOWN		56,047	56,047	56,117	56,047				0		56,047			.0	.526	12/01/2032	1
31371L WN 5	FN 255453		03/01/2008	MBS PAYDOWN		14,611	14,611	14,834	14,613		(2)		(2)		14,611			.0	.123	06/01/2019	1
31371L ZP 7	FN 255550		03/01/2008	MBS PAYDOWN		17,366	17,366	17,771	17,369		(3)		(3)		17,366			.0	.175	07/01/2024	1
31371M HJ 9	FN 255933		03/01/2008	MBS PAYDOWN		19,558	19,558	18,687	19,555		3		3		19,558			.0	.191	06/01/2035	1
31371M VA 2	FN 256309		03/01/2008	MBS PAYDOWN		27,521	27,521	27,843	27,527		(6)		(6)		27,521			.0	.335	03/01/2036	1
31371N BC 8	FN 256635		03/01/2008	MBS PAYDOWN		24,833	24,833	24,259	24,827		6		6		24,833			.0	.229	11/01/2036	1
31376K KG 0	FN 357695		03/01/2008	MBS PAYDOWN		30,290	30,290	30,260	30,290				0		30,290			.0	.236	08/01/2019	1
31382J WY 3	FN 484063		03/01/2008	MBS PAYDOWN		1,883	1,883	1,875	1,883				0		1,883			.0	.20	10/01/2027	1
31383M VS 9	FN 507425		03/01/2008	MBS PAYDOWN		549	549	556	549				0		549			.0	.7	02/01/2028	1
31384H 6L 2	FN 524775		03/01/2008	MBS PAYDOWN		22,537	22,537	22,438	22,537				0		22,537			.0	.170	03/01/2014	1
31385J RT 7	FN 545998		03/01/2008	MBS PAYDOWN		9,519	9,519	9,664	9,519		(1)		(1)		9,519			.0	.105	04/01/2031	1
31385X BN 6	FN 555445		03/01/2008	MBS PAYDOWN		10,215	10,215	10,240	10,215				0		10,215			.0	.92	09/01/2017	1
31386U ZC 9	FN 574139		03/01/2008	MBS PAYDOWN		1,672	1,672	1,668	1,672				0		1,672			.0	.18	08/01/2028	1
31387C P4 7	FN 580143		03/01/2008	MBS PAYDOWN		8,685	8,685	8,662	8,684				0		8,685			.0	.113	09/01/2029	1
31387Q XP 0	FN 591186		03/01/2008	MBS PAYDOWN		3,690	3,690	3,746	3,691				0		3,690			.0	.40	02/01/2016	1
31387Y YT 4	FN 598422		03/01/2008	MBS PAYDOWN		7,361	7,361	7,290	7,361				0		7,361			.0	.60	05/01/2016	1
31388D LJ 5	FN 601629		03/01/2008	MBS PAYDOWN		5,509	5,509	5,573	5,509				0		5,509			.0	.60	12/01/2029	1
31388V WH 7	FN 616348		03/01/2008	MBS PAYDOWN		390	390	392	390				0		390			.0	.4	01/01/2030	1
31389E 5T 8	FN 623758		03/01/2008	MBS PAYDOWN		27,558	27,558	27,813	27,568		(10)		(10)		27,558			.0	.320	03/01/2016	1
31389K CN 9	FN 627477		03/01/2008	MBS PAYDOWN		1,305	1,305	1,320	1,305				0		1,305			.0	.13	12/01/2016	1
31389S GZ 1	FN 633916		03/01/2008	MBS PAYDOWN		2,200	2,200	2,188	2,200				0		2,200			.0	.18	08/01/2016	1
31390K 5R 5	FN 648956		03/01/2008	MBS PAYDOWN		156,147	156,147	161,441	156,208		(61)		(61)		156,147			.0	2,063	09/01/2017	1
31390W 6C 1	FN 658867		03/01/2008	MBS PAYDOWN		94,126	94,126	97,200	94,157		(31)		(31)		94,126			.0	1,210	12/01/2016	1
31391N 6R 7	FN 672380		03/01/2008	MBS PAYDOWN		66,141	66,141	68,353	66,164		(23)		(23)		66,141			.0	.763	01/01/2017	1
31391Q X5 8	FN 674000		03/01/2008	MBS PAYDOWN		986	986	1,003	986				0		986			.0	.9	05/01/2032	1
31392F 5Y 9	FNR 2002-77 CG		03/01/2008	MBS PAYDOWN		17,756	17,756	17,948	17,761		(5)		(5)		17,756			.0	.118	10/01/2009	1
31393M 6V 8	FHR 2580 QL		03/01/2008	MBS PAYDOWN		80,328	80,328	82,110	80,421		(93)		(93)		80,328			.0	.641	09/01/2008	1
31393M Z2 0	FHR 2583 ND		03/01/2008	MBS PAYDOWN		2,157	2,157	2,192	2,160		(3)		(3)		2,157			.0	.19	02/01/2009	1
31393N 2K 4	FHR 2583 TD		03/01/2008	MBS PAYDOWN		666	666	678	668		(2)		(2)		666			.0	.5	03/01/2012	1
31394C N3 2	FNR 2005-33 VA		03/01/2008	MBS PAYDOWN		49,603	49,603	50,045	49,609		(6)		(6)		49,603			.0	.414	06/01/2015	1
31395H ZW 3	FHR 2886 HB		03/01/2008	MBS PAYDOWN		99,447	99,447	98,621	99,336		111		111		99,447			.0	.836	02/01/2010	1
31401W G2 9	FN 720317		03/01/2008	MBS PAYDOWN		89,261	89,261	91,255	89,277		(16)		(16)		89,261			.0	.729	12/01/2017	1
31402H Q6 1	FN 729577		03/01/2008	MBS PAYDOWN		17,053	17,053	16,938	17,053				0		17,053			.0	.211	07/01/2032	1
31402X Z7 4	FN 741566		03/01/2008	MBS PAYDOWN		5,396	5,396	5,505	5,397		(1)		(1)		5,396			.0	.61	05/01/2018	1
31403C 4Y 4	FN 745239		03/01/2008	MBS PAYDOWN		52,740	52,740	52,790	52,743		(2)		(2)		52,740			.0	.529	03/01/2015	1
31404B SF 0	FN 763818		03/01/2008	MBS PAYDOWN		129,123	129,123	132,230	129,144		(21)		(21)		129,123			.0	1,209	04/01/2033	1
31404C WM 8	FN 764852		03/01/2008	MBS PAYDOWN		112,953	112,953	115,460	112,977		(24)		(24)		112,953			.0	.959	07/01/2018	1
31404N WB 8	FN 773842		03/01/2008	MBS PAYDOWN		34,715	34,715	35,214	34,715				0		34,715			.0	.200	07/01/2033	1
31404R 4B 0	FN 776718		03/01/2008	MBS PAYDOWN		39,604	39,604	39,684	39,604				0		39,604			.0	.306	11/01/2033	1
31404W YX 8	FN 781126		03/01/2008	MBS PAYDOWN		5,769	5,769	5,616	5,769				0		5,769			.0	.48	09/01/2033	1
31404X T8 7	FN 781875		03/01/2008	MBS PAYDOWN		14,756	14,756	15,005	14,757		(1)		(1)		14,756			.0	.136	01/01/2033	1
31404Y KL 5	FN 782499		03/01/2008	MBS PAYDOWN		86,714	86,714	86,328	86,704		10		10		86,714			.0	1,074	01/01/2034	1
31405T SU 7	FN 798931		03/01/2008	MBS PAYDOWN		24,614	24,614	24,522	24,614				0		24,614			.0	.184	10/01/2019	1
31405U MK 2	FN 799662		03/01/2008	MBS PAYDOWN		4,734	4,734	4,712	4,734				0		4,734			.0	.40	02/01/2034	1
31406J 6A 6	FN 811865		03/01/2008	MBS PAYDOWN		13,730	13,730	13,406	13,729		2		2		13,730			.0	.92	05/01/2019	1
31406W US 1	FN 822393		03/01/2008	MBS PAYDOWN		107,738	107,738	108,832	107,741		(3)		(3)		107,738			.0	1,393	11/01/2034	1
31406Y 4L 1	FN 824427		03/01/2008	MBS PAYDOWN		179,650	179,650	181,306	179,660		(10)		(10)		179,650			.0	1,717	01/01/2035	1

QE05.1

SCHEDULE D - PART 4

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

1 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	
										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.								
31407A PZ 8	FN 824940.....		03/01/2008	MBS PAYDOWN.....		139,453	139,453	141,501	139,458		(5)		(5)		139,453			0	1,360	01/01/2035	1.....	
31407E UR 2	FN 828692.....		03/01/2008	MBS PAYDOWN.....		10,627	10,627	10,871	10,627				0		10,627			0	106	03/01/2035	1.....	
31407H 5Y 8	FN 831663.....		03/01/2008	MBS PAYDOWN.....		98,343	98,343	97,283	98,323		20		20		98,343			0	1,140	03/01/2036	1.....	
31407H ZH 2	FN 831544.....		03/01/2008	MBS PAYDOWN.....		96,443	96,443	95,277	96,427		16		16		96,443			0	1,137	01/01/2036	1.....	
31407Y ES 4	FN 844445.....		03/01/2008	MBS PAYDOWN.....		20,307	20,307	19,489	20,302		6		6		20,307			0	215	08/01/2035	1.....	
31408E RU 8	FN 849299.....		03/01/2008	MBS PAYDOWN.....		205,835	205,835	202,104	205,801		34		34		205,835			0	2,270	09/01/2035	1.....	
31408G J5 7	FN 850884.....		03/01/2008	MBS PAYDOWN.....		36,053	36,053	34,189	36,045		9		9		36,053			0	324	08/01/2035	1.....	
31408J DR 9	FN 852512.....		03/01/2008	MBS PAYDOWN.....		38,637	38,637	36,138	38,623		13		13		38,637			0	361	08/01/2035	1.....	
31409W NY 3	FN 880707.....		03/01/2008	MBS PAYDOWN.....		253,559	253,559	252,370	253,548		11		11		253,559			0	3,056	02/01/2036	1.....	
31410G RU 9	FN 888899.....		03/01/2008	MBS PAYDOWN.....		24,086	24,086	24,142			(1)		(1)		24,086			0	141	11/01/2020	1.....	
31411E ZB 6	FN 906238.....		03/01/2008	MBS PAYDOWN.....		37,888	37,888	37,763			1		1		37,888			0	128	10/01/2036	1.....	
31411W VC 8	FN 916911.....		03/01/2008	MBS PAYDOWN.....		21,388	21,388	21,156	21,386		2		2		21,388			0	220	02/01/2037	1.....	
31412V AG 0	FN 936523.....		03/01/2008	MBS PAYDOWN.....		56,783	56,783	56,118	56,775		8		8		56,783			0	592	04/01/2037	1.....	
31412X LJ 1	FN 937829.....		03/01/2008	MBS PAYDOWN.....		81,563	81,563	80,658	81,546		17		17		81,563			0	994	05/01/2037	1.....	
31413F G5 5	FN 944020.....		03/01/2008	MBS PAYDOWN.....		198,659	198,659	197,666	198,658		2		2		198,659			0	1,582	06/01/2037	1.....	
31414H VF 1	FN 966914.....		03/01/2008	MBS PAYDOWN.....		98,282	98,282	100,402			(15)		(15)		98,282			0	904	12/01/2037	1.....	
676907 JR 0	OHIO HSG FIN AGY MTG REV.....		03/03/2008	CALLED BY ISSUER at 100.000.....		35,000	35,000	34,913	34,940		60		60		35,000			0	691	03/01/2012	1FE.....	
93978E XX 5	WA ST HLTH-ARS-A.....		01/17/2008	BANK OF NEW YORK.....		3,000,000	3,000,000	3,000,000					0	3,000,000			0	2,217	08/15/2034	1FE.....		
977100 AK 2	WISCONSIN ST GEN REV.....		02/26/2008	PROTECTIVE SECURITIES.....		2,000,000	2,000,000	2,000,000					0	2,000,000			0	7,778	05/01/2032	1FE.....		
988514 BN 4	YUMA ARIZ INDL DEV AUTH HOSP R.....		02/15/2008	BANK OF NEW YORK.....		3,000,000	3,000,000	3,000,000					0	3,000,000			0	8,867	08/01/2031	1FE.....		
3199999	Total - Bonds - Special Revenue & Assessment.....					14,413,976	14,413,976	14,435,936	6,228,957		0		(2,200)		14,413,976			0	103,993	XXX	XXX	
Bonds - Public Utilities																						
637432 CA 1	NATIONAL RURAL UTILITIES.....		02/01/2008	MATURITY.....		2,000,000	2,000,000	2,244,800	2,004,631				(4,631)		2,000,000			0	62,000	02/01/2008	1FE.....	
3899999	Total - Bonds - Public Utilities.....					2,000,000	2,000,000	2,244,800	2,004,631		0		(4,631)		2,000,000			0	62,000	XXX	XXX	
Bonds - Industrial and Miscellaneous																						
07383F AQ 1	BSCMS 1999-C1 A2.....		03/01/2008	MBS PAYDOWN.....		24,129	24,129	25,730	24,259				(130)		24,129			0	249	02/01/2009	1FE.....	
115637 AC 4	BROWN-FORMAN CORPORATION.....		03/15/2008	MATURITY.....		3,000,000	3,000,000	2,988,240	2,999,483				517		3,000,000			0	45,000	03/15/2008	1FE.....	
30251T AA 7	FNBC 1993-A PASS THRU TR.....		01/05/2008	SINKING FUND REDEMPTION.....		50,574	50,574	54,344	52,847				(2,272)		50,574			0	2,043	01/05/2018	1.....	
3136F6 YK 9	FMAN 2005-3 1.....		03/25/2008	MBS PAYDOWN.....		20,428	20,428	19,712	20,350				78		20,428			0	151	12/25/2012	1FE.....	
36158Y EK 1	GECMC 2002-1A A2.....		03/01/2008	MBS PAYDOWN.....		25,961	25,961	27,762	26,236				(275)		25,961			0	271	12/01/2010	1FE.....	
36828Q AA 4	GECMC 2003-C1 A1.....		03/01/2008	MBS PAYDOWN.....		413,342	413,342	414,368	413,380				(38)		413,342			0	1,728	03/01/2008	1FE.....	
423074 AG 8	HEINZ (H.J.) CO.....		03/15/2008	MATURITY.....		1,500,000	1,500,000	1,712,685	1,509,729				(9,729)		1,500,000			0	45,000	03/15/2008	2FE.....	
79549B GP 6	CITIGROUP GLOBAL MARKETS.....		02/15/2008	MATURITY.....		2,500,000	2,500,000	2,640,915	2,503,465				(3,465)		2,500,000			0	81,250	02/15/2008	1FE.....	
LN2473 73 1	CALUMET LUBRICANTS COMPANY.....		03/31/2008	CALLED BY ISSUER at 100.000.....		4,425	4,425	4,248	4,248				177		4,425			0	43	12/09/2012	3FE.....	
LN2997 84 6	IDEARC INC.....		03/31/2008	VARIOUS.....		5,025	5,025	4,785	4,786				240		5,025			0	24	11/17/2014	3FE.....	
LN3229 30 6	TELESAT LLC.....		03/31/2008	CALLED BY ISSUER at 100.000.....		2,316	2,316	2,267	2,218				49		2,316			0	40	01/19/2014	4FE.....	
LN3270 85 4	HAWKER BEECHCRAFT INC LC.....		03/06/2008	CALLED BY ISSUER at 100.000.....		49,760	49,760	49,412	47,521		1,898		341		49,760			0		03/26/2014	3FE.....	
LN3349 00 5	LAS VEGAS SANDS LLC.....		03/31/2008	CALLED BY ISSUER at 100.000.....		4,000	4,000	3,931	3,770				164		4,000			0	68	05/23/2014	3FE.....	
LN3400 82 4	HAWAIIAN TELECOM COMMUNICATION.....		01/17/2008	CALLED BY ISSUER at 100.000.....		245,350	245,349	245,349	230,628				14,721		245,349			0	249	06/01/2014	4FE.....	
LN3474 04 3	ISLE OF CAPRI CASINOS, INC.....		03/31/2008	CALLED BY ISSUER at 100.000.....		2,500	2,500	2,500	2,500				0		2,500			0	215	07/02/2014	3FE.....	
LN3474 08 4	ISLE OF CAPRI CASINOS, INC.....		01/02/2008	CALLED BY ISSUER at 100.000.....		1,471	1,471	1,471	1,357				114		1,471			0	13	07/02/2014	3FE.....	
LN3634 69 5	TEXAS COMPETITIVE ELECTRIC.....		01/07/2008	CALLED BY ISSUER at 100.000.....		5,000	5,000	4,988	4,925				63		5,000			0		10/10/2014	4FE.....	
LN3684 91 4	SEQUA CORPORATION.....		03/31/2008	CALLED BY ISSUER at 100.000.....		2,500	2,500	2,375	2,376				124		2,500			0	65	12/03/2014	4FE.....	
LN3703 78 9	NEWPAGE CORP.....		03/31/2008	CALLED BY ISSUER at 100.000.....		2,500	2,500	2,425	2,425				75		2,500			0	53	12/20/2014	4FE.....	
166760 AB 4	CHEVRON CANADA FUNDING.....		02/15/2008	MATURITY.....		4,000,000	4,000,000	3,996,680	3,999,913				87		4,000,000			0	67,500	02/15/2008	1FE.....	
4599999	Total - Bonds - Industrial & Miscellaneous.....					11,859,281	11,859,280	12,204,187	11,853,916		16,960		(14,143)		11,859,280			0	243,962	XXX	XXX	
6099997	Total - Bonds - Part 4.....					48,207,861	48,135,646	48,738,562	39,967,683		16,960		(9,584)		48,164,825			0	43,036	43,036	886,831	XXX
6099999	Total - Bonds.....					48,207,861	48,135,646	48,738,562	39,967,683		16,960		(9,584)		48,164,825			0	43,036	43,036	886,831	XXX
7499999	Total - Bonds, Preferred and Common Stocks.....					48,207,861	XXX	48,738,562	39,967,683		16,960		(9,584)		48,164,825			0	43,036	43,036	886,831	XXX

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SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation 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.							

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
BANK OF AMERICA.....	ATLANTA, GA.....	.....	.....	.....	.....266,638	.....576,972	.....1,971,430	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....	.....	.....	.....	.....54,022	.....68,019	.....68,073	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....30,780	.....30,863	.....30,917	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(8,874,740)	.....(7,294,430)	.....(8,384,066)	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(8,523,301)	.....(6,618,576)	.....(6,313,645)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(8,523,301)	.....(6,618,576)	.....(6,313,645)	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	.....(8,521,301)	.....(6,616,576)	.....(6,311,645)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
U.S. Government Bonds - Issuer Obligations							
FED HOME LN DISCOUNT NT 04/04/2008.....		03/07/2008	2.455	04/04/2008	1,499,693		2,552
0199999. U.S. Government Bonds - Issuer Obligations.....					1,499,693	0	2,552
0399999. Total - U.S. Government Bonds.....					1,499,693	0	2,552
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
ALCON CAP CORP 04/01/2008.....		03/31/2008	2.350	04/01/2008	6,000,000		392
FPL FUELS INC 04/16/2008.....		03/14/2008	2.536	04/16/2008	1,498,419		1,898
GRAINGER (WW) 04/14/2008.....		03/31/2008	2.302	04/14/2008	7,493,771		479
HSBC FINANCE CORP 04/17/2008.....		03/28/2008	2.253	04/17/2008	4,495,500		1,125
ROCKWELL AUTO 04/01/2008.....		03/31/2008	2.250	04/01/2008	7,500,000		469
TOYOTA MOTOR CREDIT CORP 04/07/2008.....		03/28/2008	1.951	04/07/2008	3,998,700		867
3999999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					30,986,390	0	5,230
4599999. Total - Industrial and Miscellaneous (Unaffiliated).....					30,986,390	0	5,230
Total Bonds							
5499999. Subtotals - Issuer Obligations.....					32,486,083	0	7,782
6099999. Subtotals - Bonds.....					32,486,083	0	7,782
8799999. Total - Cash Equivalents.....					32,486,083	0	7,782

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