

QUARTERLY STATEMENT
OF THE
PRONATIONAL INSURANCE
COMPANY

Of

OKEMOS
in the state of MI

to the Insurance Department
of the State of Michigan

For the Period Ended
June 30, 2007

2007



QUARTERLY STATEMENT

As of June 30, 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. AUBREY DERRILL CROWE	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	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.....	913,429,819		913,429,819	943,061,062
2. Stocks:				
2.1 Preferred stocks.....	9,354,781		9,354,781	7,884,369
2.2 Common stocks.....	17,146		17,146	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).....	3,903,964		3,903,964	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 (\$.....(88,947)), cash equivalents (\$.....41,415,707) and short-term investments (\$.....3,968,229).....	45,294,989		45,294,989	36,662,234
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	17,255,361		17,255,361	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).....	989,256,060	0	989,256,060	992,694,916
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	10,977,360		10,977,360	10,853,793
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	3,065,021	86,159	2,978,862	24,778,737
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	26,337,687	33,316	26,304,371	12,555,553
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	29,116,257		29,116,257	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.....	19,139		19,139	(138)
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	4,101,140		4,101,140	11,785,994
16.2 Net deferred tax asset.....	31,744,190	21,170,526	10,573,664	11,976,692
17. Guaranty funds receivable or on deposit.....	1,994,448		1,994,448	2,790,141
18. Electronic data processing equipment and software.....	206,707		206,707	204,831
19. Furniture and equipment, including health care delivery assets (\$.....0).....	316,130	316,130	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	28,878		28,878	111,887
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	12,454,038	117,537	12,336,501	11,956,830
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,135,077,282	21,723,668	1,113,353,614	1,117,186,170
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,135,077,282	21,723,668	1,113,353,614	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.....	68,749	68,749	0	
2303. Company Owned Life Insurance.....	11,916,539		11,916,539	11,701,778
2398. Summary of remaining write-ins for Line 23 from overflow page.....	468,751	48,788	419,963	255,052
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	12,454,038	117,537	12,336,501	11,956,830

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....18,630,295).....	442,496,690	470,983,303
2. Reinsurance payable on paid losses and loss adjustment expenses.....	107,076	89,267
3. Loss adjustment expenses.....	320,644,900	308,574,708
4. Commissions payable, contingent commissions and other similar charges.....	3,123,269	3,834,549
5. Other expenses (excluding taxes, licenses and fees).....	1,633,224	3,339,745
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,583,910	1,763,834
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....2,860,012 and including warranty reserves of \$.....0).....	71,952,026	81,869,303
10. Advance premium.....	4,282,478	4,480,346
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	9,809,894	6,535,608
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	15,466	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.....	1,471,335	1,031,435
20. Payable for securities.....	1,400,000	602
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	0	1
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	861,353,268	885,471,877
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	861,353,268	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).....	210,739,808	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).....	252,000,346	231,714,293
36. TOTALS.....	1,113,353,614	1,117,186,170

DETAILS OF WRITE-INS

2301. Other Liabilities.....		1
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).....	0	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

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 \$.....76,936,647).....	86,650,194	89,462,126	180,522,821
1.2 Assumed..... (written \$.....3,428,176).....	4,305,621	6,408,804	12,466,722
1.3 Ceded..... (written \$.....6,927,491).....	7,508,132	4,739,307	1,590,844
1.4 Net..... (written \$.....73,437,332).....	83,447,683	91,131,623	191,398,699
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....18,720,158):			
2.1 Direct.....	42,100,841	13,554,536	47,207,409
2.2 Assumed.....	642,739	2,337,623	2,965,130
2.3 Ceded.....	23,075,922	2,684,180	19,533,365
2.4 Net.....	19,667,658	13,207,979	30,639,174
3. Loss expenses incurred.....	46,341,591	61,738,778	158,244,152
4. Other underwriting expenses incurred.....	15,684,911	16,707,940	30,843,871
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	81,694,160	91,654,697	219,727,197
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	1,753,523	(523,074)	(28,328,498)
INVESTMENT INCOME			
9. Net investment income earned.....	23,310,052	303,323,626	327,139,280
10. Net realized capital gains (losses) less capital gains tax of \$.....396,807.....	(1,350,135)	(6,707)	4,390,675
11. Net investment gain (loss) (Lines 9 + 10).....	21,959,917	303,316,919	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.....	615,470	599,099	1,179,855
15. Total other income (Lines 12 through 14).....	615,470	599,099	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).....	24,328,910	303,392,944	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).....	24,328,910	303,392,944	304,381,312
19. Federal and foreign income taxes incurred.....	3,639,770	6,191,109	4,300,688
20. Net income (Line 18 minus Line 19) (to Line 22).....	20,689,140	297,201,835	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).....	20,689,140	297,201,835	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.....	881,540	(162,272,625)	(166,518,485)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(4,172,942)	(337,963)	1,530,250
27. Change in nonadmitted assets.....	2,888,315	477,401	(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.....		(200,000,000)	(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).....	20,286,053	(64,931,352)	(88,445,429)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	252,000,346	255,228,370	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.....	214,760	221,288	435,872
1402. Risk management income.....	327,805	351,677	565,821
1403. Other.....	72,905	26,134	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).....	615,470	599,099	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.....	84,720,199	188,445,323
2. Net investment income.....	25,560,161	329,488,740
3. Miscellaneous income.....	615,470	1,179,855
4. Total (Lines 1 through 3).....	110,895,830	519,113,918
5. Benefit and loss related payments.....	99,526,687	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.....	17,486,943	30,738,474
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(3,648,277)	16,414,735
10. Total (Lines 5 through 9).....	113,365,353	181,442,083
11. Net cash from operations (Line 4 minus Line 10).....	(2,469,523)	337,671,835
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	145,781,954	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.....	1,430,348	602
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	147,212,302	588,031,865
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	116,437,620	710,529,775
13.2 Stocks.....	1,519,800	
13.3 Mortgage loans.....		
13.4 Real estate.....	53,795	
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).....	136,186,660	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).....	11,025,642	(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).....	76,636	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).....	76,636	(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).....	8,632,755	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).....	45,294,988	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

Supplement A to Schedule T had an error in the beginning balance of reserves for the first quarter of 2007. This has been corrected in the second quarter 2007 Supplement A to Schedule T.

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

Effective May 16, 2007, the Company's immediate parent, Professionals Group, Inc., was merged into PRA Professional Liability Group, Inc., a subsidiary of ProAssurance Corporation.

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

No significant change.

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 - 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

During the six months ended June 30, 2007, incurred losses and loss adjustment expenses attributable to insured events of prior years were decreased by approximately \$9,553,000. This adjustment, which relates principally to our medical malpractice line of business, is the result of a quarterly loss reserve analysis that takes into account recent loss trends. On an ongoing basis, original estimates are increased or decreased as additional information becomes known regarding past individual claims.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

No significant change.

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

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity 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
- 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
- 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
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
- 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
If yes, attach an explanation.
PRA Professional Liability Group, Inc. has been added to the management and expense sharing agreements with the reporting entity.

- 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
- 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
- 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
- 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 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
- 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
- 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 [X] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....1,608

INVESTMENT

- 11.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]
- 11.2 If yes, explain:

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

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 [X] No []

15.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....15,376	\$.....17,146
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	\$.....17,146
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 [X]

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

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

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

1	2
Name of Custodian(s)	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	2	3
Name(s)	Location(s)	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 [X]

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

1	2	3	4
Old Custodian	New Custodian	Date of Change	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	2	3
Central Registration Depository	Name(s)	Address

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

18.2 If no, list exceptions:

PRONATIONAL INSURANCE COMPANY
GENERAL INTERROGATORIES (continued)
PART 2
PROPERTY & CASUALTY INTERROGATORIES

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

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
 3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

PRONATIONAL INSURANCE COMPANY

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,937,825	4,113,136
2. Increase (decrease) by adjustment.....	(87,656)	(175,311)
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....	53,795	
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.....	3,903,964	3,937,825
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	3,903,964	3,937,825
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	3,903,964	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.....	(2,023,184)	
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.....	17,255,361	1,103,100
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	17,255,361	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).....	17,255,361	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.....	117,957,420	710,529,775
3. Accrual of discount.....	(18,569)	407,673
4. Increase (decrease) by adjustment.....	819,583	(167,838,132)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	1,131,910	5,492,794
7. Consideration for bonds and stocks disposed of.....	145,781,954	587,967,303
8. Amortization of premium.....	2,267,451	4,588,337
9. Book/adjusted carrying value, current period.....	922,801,746	950,960,807
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	922,801,746	950,960,807
12. Total nonadmitted amounts.....		
13. Statement value.....	922,801,746	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.....	989,712,655	359,559,844	410,368,744	(10,074,183)	989,712,655	928,829,572		950,331,973
2. Class 2.....	12,769,988			5,599,768	12,769,988	18,369,756		18,148,576
3. Class 3.....		1,400,000		3,832,152		5,232,152		4,794,508
4. Class 4.....	4,917,665	1,500,000		(35,390)	4,917,665	6,382,275		10,150,610
5. Class 5.....								1,363,282
6. Class 6.....								1,593,443
7. Total Bonds.....	1,007,400,308	362,459,844	410,368,744	(677,653)	1,007,400,308	958,813,755	0	986,382,392
PREFERRED STOCK								
8. Class 1.....	4,857,875	1,519,800		(22,894)	4,857,875	6,354,781		4,884,369
9. Class 2.....								
10. Class 3.....	3,000,000				3,000,000	3,000,000		3,000,000
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	7,857,875	1,519,800	0	(22,894)	7,857,875	9,354,781	0	7,884,369
15. Total Bonds and Preferred Stock.....	1,015,258,183	363,979,644	410,368,744	(700,547)	1,015,258,183	968,168,536	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.....	3,968,229	XXX	3,968,229		

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.....	124,285,634	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.....	131,065,967	68,429,558
7. Book/adjusted carrying value, current period.....	3,968,229	10,748,567
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	3,968,229	10,748,567
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	3,968,229	10,748,567
12. Income collected during period.....	382,542	531,518
13. Income earned during period.....	473,499	432,083

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

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

**Sch. F
NONE**

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	522,731	1,207,085	1,835		2,993,756	1,868,873
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO						
4. Arkansas.....AR	NO						
5. California.....CA	NO	994,337	770,366			378,563	34,281
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES	5,141,007	4,869,445		842	7,199,612	1,263,850
9. District of Columbia.....DC	NO						
10. Florida.....FL	YES	17,146,920	22,392,877	55,443,724	13,017,355	185,248,199	216,156,702
11. Georgia.....GA	YES	28,501	(10,327)			770,335	520,814
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	9,765,984	12,403,886	7,951,313	1,562,494	67,674,540	70,531,716
15. Indiana.....IN	YES	579,837	541,719	832,364	182,775	15,509,459	15,024,715
16. Iowa.....IA	YES	727,098	549,597	100,000		1,389,236	755,981
17. Kansas.....KS	YES						
18. Kentucky.....KY	YES	10,449,337	10,805,430	183,453	60,233	37,972,526	24,746,180
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES						
22. Massachusetts.....MA	NO	32,141				619	
23. Michigan.....MI	YES	23,291,686	23,748,979	3,198,300	8,927,852	119,896,588	127,881,601
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	5,368,973	8,021,165	1,862,246	2,590,260	29,501,794	18,526,925
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	2,760,181	2,627,269	701,240	347,657	19,128,137	19,438,050
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	YES	115,446	215,783	402,529	1,782,099	25,549,653	32,170,182
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	12,468	35,063			115,500	37,763
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	76,936,647	88,178,337	70,677,004	28,471,567	513,328,517	528,957,633

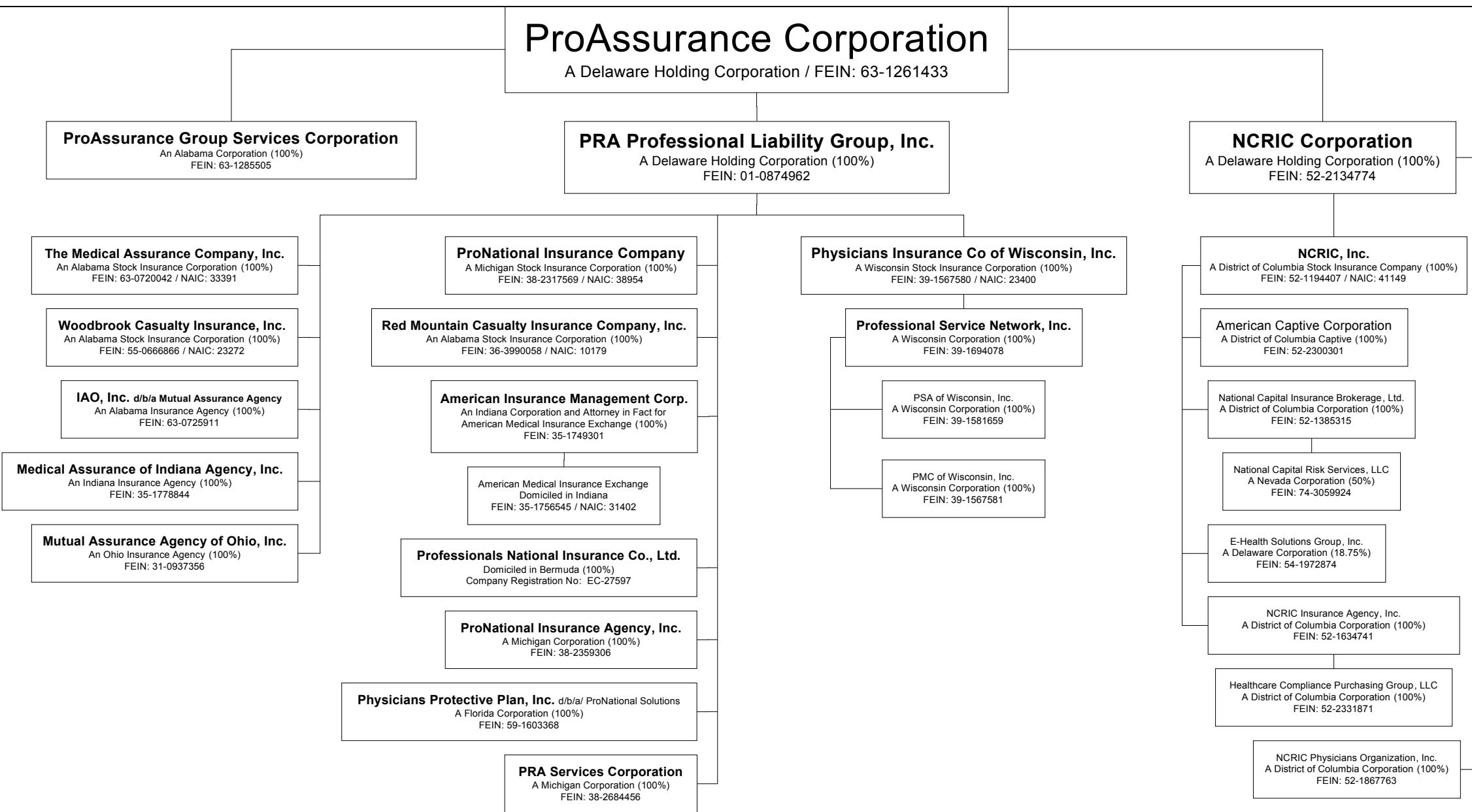
DETAILS OF WRITE-INS

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.....	3,282,146	1,109,190	33.8	14.9
11.2. Medical malpractice-claims made.....	78,346,140	39,550,555	50.5	14.9
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.....	29,799	8,567	28.7	19.2
17.2. Other liability-claims made.....	4,992,109	1,432,528	28.7	19.2
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	
34. Totals.....	86,650,194	42,100,840	48.6	15.2

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.....	1,376,751	3,282,146	4,538,304
11.2. Medical malpractice-claims made.....	23,017,818	68,078,780	78,697,944
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.....	9,750	29,799	34,695
17.2. Other liability-claims made.....	2,697,460	5,545,923	4,907,394
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.....	27,101,779	76,936,648	88,178,337

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	64,024	3,540	67,564	289,009	571	114,997	404,577	24,665	(31,218)	(6,553)
2. 2005	58,259	95,061	153,320	7,450	868	8,318	58,051	161	84,790	143,002	7,242	(9,243)	(2,000)
3. Subtotals 2005 + Prior	386,626	245,387	632,013	71,474	4,408	75,882	347,060	731	199,787	547,579	31,907	(40,460)	(8,553)
4. 2006	30,119	117,426	147,545	2,546	1,429	3,975	42,359	1,781	98,429	142,570	14,786	(15,786)	(1,000)
5. Subtotals 2006 + Prior	416,745	362,813	779,558	74,019	5,837	79,857	389,419	2,512	298,217	690,148	46,693	(56,246)	(9,553)
6. 2007	XXX	XXX	XXX	XXX	2,569	2,569	XXX	11,300	61,692	72,992	XXX	XXX	XXX
7. Totals	416,745	362,813	779,558	74,019	8,406	82,426	389,419	13,813	359,909	763,141	46,693	(56,246)	(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. ....11.2 %	2. ....(15.5)%	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?	<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. Note receivable.....	66,563		66,563	130,512
2305. Other Assets.....	48,788	48,788	0	2
2306. State Premium Tax Recoverable.....	353,400		353,400	124,538
2397. Summary of remaining write-ins for Line 23.....	468,751	48,788	419,963	255,052

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
31359M 7T 4	FANNIE MAE 04/16/2010 5.300		04/13/2007	LEHMAN BROTHERS		2,497,750	2,500,000		1
31398A DM 1	FANNIE MAE 06/12/2017 5.375		06/08/2007	BANK AMERICA		6,910,106	7,000,000	3,135	1
3133XK GD 1	FEDERAL HOME LOAN BANK 04/16/2010 5.250		04/13/2007	J.P. MORGAN		2,495,500	2,500,000		1
3133XL BS 1	FEDERAL HOME LOAN BANK 06/25/2010 5.500		06/13/2007	J.P. MORGAN		1,993,420	2,000,000		1
3128X5 AD 0	FREDDIE MAC 05/23/2011 5.750		06/07/2007	BEAR STEARNS & CO		400,344	400,000	958	1
3128X5 WL 8	FREDDIE MAC 01/09/2012 5.300		05/07/2007	BONDS DIRECT		1,000,060	1,000,000	17,519	1
912827 4Y 5	TSY INFL IX N/B 01/15/2009 3.875		06/29/2007	VARIOUS		464,424	448,631	3,608	1
912827 6R 8	TSY INFL IX N/B 01/15/2011 3.500		06/29/2007	CAPITALIZED INTEREST		54,563	54,563		1
912827 7J 5	TSY INFL IX N/B 01/15/2012 3.375		06/29/2007	CAPITALIZED INTEREST		68,933	68,933		1
912828 AF 7	TSY INFL IX N/B 07/15/2012 3.000		06/29/2007	CAPITALIZED INTEREST		52,830	52,830		1
912828 BD 1	TSY INFL IX N/B 07/15/2013 1.875		06/29/2007	CAPITALIZED INTEREST		114,900	114,900		1
912828 BW 9	TSY INFL IX N/B 01/15/2014 2.000		06/29/2007	CAPITALIZED INTEREST		2,285	2,285		1
912828 CZ 1	TSY INFL IX N/B 04/15/2010 0.875		06/29/2007	CAPITALIZED INTEREST		25,622	25,622		1
912828 EA 4	TSY INFL IX N/B 07/15/2015 1.875		06/29/2007	CAPITALIZED INTEREST		104,160	104,160		1
912828 ET 3	TSY INFL IX N/B 01/15/2016 2.000		06/29/2007	CAPITALIZED INTEREST		48,921	48,921		1
912828 FB 1	TSY INFL IX N/B 04/15/2011 2.375		06/29/2007	CAPITALIZED INTEREST		31,890	31,890		1
912828 FL 9	TSY INFL IX N/B 07/15/2016 2.500		06/29/2007	VARIOUS		935,103	921,745	6,279	1
0399999	Total - Bonds - U.S. Government					17,200,811	17,274,480	31,499	XXX
Bonds - States, Territories and Possessions									
452151 S2 0	IL ST REF-SER B 01/01/2015 5.000		06/15/2007	LOOP CAPITAL MARKETS, LLC		2,092,960	2,000,000		1FE
882721 XE 8	TX ST 08/01/2016 5.250		06/14/2007	MERRILL LYNCH		1,058,470	1,000,000		1FE
1799999	Total - Bonds - States, Territories & Possessions					3,151,430	3,000,000	0	XXX
Bonds - Political Subdivisions of States									
033161 UC 2	ANCHORAGE REF-SCHS-B 09/01/2021 5.000		04/19/2007	AG EDWARDS		1,096,830	1,000,000		1FE
180847 YN 9	CLARK CNTY REF-A-SAFE 06/01/2014 5.000		04/11/2007	ABN AMRO		2,542,129	2,375,000	44,531	1FE
442841 HU 9	HOWARD SUAMICO SD-A 03/01/2023 5.000		04/24/2007	ROBERT W BAIRD & CO INC		1,084,148	1,020,000		1FE
2499999	Total - Bonds - Political Subdivision					4,723,107	4,395,000	44,531	XXX
Bonds - Special Revenue and Special Assessment									
13033K C4 9	CA HFA VAR-MFH-SER C 02/01/2037 3.560		04/27/2007	LEHMAN BROTHERS		3,500,000	3,500,000	29,749	1FE
186406 EP 5	CLEVELAND UNIV SER A 06/01/2023 5.000		04/13/2007	FIFTH THIRD BANK		1,285,758	1,210,000		1FE
235416 ZA 5	DALLAS WTRWKS-REF 10/01/2017 5.000		04/11/2007	RAYMOND JAMES		6,496,860	6,000,000	33,333	1FE
759831 BF 6	RENO NEV CAP IMPT REV 06/01/2032 3.800		04/18/2007	GOLDMAN SACHS		3,500,000	3,500,000		1FE
850578 RM 9	SPRINGFIELD ELEC-SR 03/01/2023 5.000		04/19/2007	CITICORP SECURITIES		1,866,060	1,750,000		1FE
977123 WB 0	WI TRN REF-SER I 07/01/2014 5.000		06/19/2007	ABN AMRO		1,472,716	1,400,000	20,222	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					18,121,394	17,360,000	83,304	XXX
Bonds - Industrial and Miscellaneous									
LN3326 91 2	DRESSER INC 05/04/2014 7.860		05/04/2007	LEHMAN BROTHERS		500,000	500,000		4FE
LN3400 82 4	HAWAIIAN TELECOM COMMU 06/01/2014 7.570		06/01/2007	LEHMAN BROTHERS		1,000,000	1,000,000		4FE
LN3349 00 5	LAS VEGAS SANDS LLC 05/23/2014 7.110		05/25/2007	GOLDMAN SACHS		1,400,000	1,400,000		3FE
74958Y AN 2	RFMSI 2007-S4 A14 10/01/2021 6.000		04/27/2007	GREENWICH CAPITAL		3,000,000	3,000,000	14,500	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					5,900,000	5,900,000	14,500	XXX
6099997	Total - Bonds - Part 3					49,096,742	47,929,480	173,834	XXX
6099999	Total - Bonds					49,096,742	47,929,480	173,834	XXX
Preferred Stocks - Industrial and Miscellaneous									
40429C 60 7	HSBC FINANCE CORPORATION		06/07/2007	WACHOVIA/FIRST UNION	60,000.000	1,519,800			P1LFE
6399999	Total - Preferred Stocks - Industrial & Miscellaneous					1,519,800	XXX	0	XXX
6599997	Total - Preferred Stocks - Part 3					1,519,800	XXX	0	XXX
6599999	Total - Preferred Stocks					1,519,800	XXX	0	XXX
7399999	Total - Preferred and Common Stocks					1,519,800	XXX	0	XXX
7499999	Total - Bonds, Preferred and Common Stocks					50,616,542	XXX	173,834	XXX

FO4

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

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
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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 L3 5	FANNIE MAE		04/13/2007	CALL BY ISSUER 100.0		5,000,000	5,000,000	4,995,440	4,995,926		479		479		4,996,405		3,595	3,595	135,000	04/13/2009	1
3128X5 CQ 9	FREDDIE MAC		06/13/2007	CALL BY ISSUER 100.0		5,425,000	5,425,000	5,429,068	5,428,038		(3,038)		(3,038)		5,425,000				149,188	06/13/2008	1
36202D C9 0	G2 2796		06/01/2007	MBS PAYDOWN		12,115	12,115	11,819	11,866		249		249		12,115				347	05/01/2028	1
36203L DN 9	GN 352109		06/01/2007	MBS PAYDOWN		5,425	5,425	5,542	5,503		(78)		(78)		5,425				150	03/01/2022	1
36205N M8 6	GN 395583		06/01/2007	MBS PAYDOWN		59	59	60	59		(1)		(1)		59				2	07/01/2027	1
36207K GS 3	GN 434109		06/01/2007	MBS PAYDOWN		4,411	4,411	4,427	4,423		(12)		(12)		4,411				117	11/01/2027	1
36207K JJ 0	GN 434165		06/01/2007	MBS PAYDOWN		1,736	1,736	1,743	1,741		(5)		(5)		1,736				47	05/01/2027	1
36208V 6E 0	GN 462669		06/01/2007	MBS PAYDOWN		11,951	11,951	12,151	12,094		(143)		(143)		11,951				315	11/01/2026	1
36208W DE 0	GN 462801		06/01/2007	MBS PAYDOWN		27,886	27,886	27,904	27,903		(17)		(17)		27,886				719	08/01/2026	1
36208W ES 8	GN 462845		06/01/2007	MBS PAYDOWN		507	507	526	521		(14)		(14)		507				16	03/01/2028	1
36208X D7 3	GN 463726		06/01/2007	MBS PAYDOWN		609	609	618	615		(7)		(7)		609				18	08/01/2027	1
36210A VS 3	GN 486725		06/01/2007	MBS PAYDOWN		62,635	62,635	63,995	63,597		(963)		(963)		62,635				2,182	01/01/2028	1
36210E X6 1	GN 490401		06/01/2007	MBS PAYDOWN		2,270	2,270	2,257	2,260		9		9		2,270				62	06/01/2028	1
36213U DK 3	GN 564506		06/01/2007	MBS PAYDOWN		500	500	506	505		(5)		(5)		500				14	03/01/2031	1
36200X LT 4	GN 575538		06/01/2007	MBS PAYDOWN		124,330	124,330	126,972	126,358		(2,029)		(2,029)		124,330				3,079	09/01/2031	1
36201F T7 2	GN 582074		06/01/2007	MBS PAYDOWN		33,660	33,660	33,718	33,707		(47)		(47)		33,660				822	02/01/2031	1
36291P ZE 9	GN 634441		06/01/2007	MBS PAYDOWN		24,202	24,202	24,694	24,629		(427)		(427)		24,202				502	07/01/2034	1
36225A UH 1	GN 780584		06/01/2007	MBS PAYDOWN		8,998	8,998	9,088	9,068		(70)		(70)		8,998				254	01/01/2026	1
0399999	Total - Bonds - U.S. Government					10,746,294	10,746,294	10,750,528	10,748,813		0		(6,119)		10,742,699		3,595	3,595	292,834	XXX	XXX
Bonds - States, Territories and Possessions																					
882719 7Q 4	TX ST-VETS HSG PG-B		06/01/2007	SINKING FUND REDEMPTION		145,000	145,000	145,000	145,000						145,000				3,806	12/01/2030	1FE
1799999	Total - Bonds - States, Territories & Possessions					145,000	145,000	145,000	145,000		0		0		145,000		0	0	3,806	XXX	XXX
Bonds - Political Subdivisions of States																					
882719 YG 6	TX VETS HSG-FD II-A		06/01/2007	SINKING FUND REDEMPTION		105,000	105,000	105,131	105,041			(41)		(41)	105,000				2,704	06/01/2024	1FE
2499999	Total - Bonds - Political Subdivisions					105,000	105,000	105,131	105,041		0		(41)		105,000		0	0	2,704	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
31296J ZA 7	FG A10737		06/01/2007	MBS PAYDOWN		159,492	159,492	162,383	162,068			(2,576)		(2,576)	159,492				3,547	04/01/2032	1
31297H PN 3	FG A29429		06/01/2007	MBS PAYDOWN		20,919	20,919	20,207	20,282			637		637	20,919				392	06/01/2034	1
31297H X4 6	FG A29699		06/01/2007	MBS PAYDOWN		64,335	64,335	64,360	64,357			(22)		(22)	64,335				1,145	09/01/2034	1
31297K 7G 1	FG A30895		06/01/2007	MBS PAYDOWN		21,357	21,357	21,193	21,212			145		145	21,357				445	08/01/2034	1
31297S ZP 3	FG A37050		06/01/2007	MBS PAYDOWN		42,375	42,375	41,858	41,905			470		470	42,375				863	06/01/2035	1
31335H 5U 3	FG C90859		06/01/2007	MBS PAYDOWN		145,289	145,289	149,342	148,665			(3,376)		(3,376)	145,289				3,278	06/01/2024	1
3128H3 LP 4	FG E95734		06/01/2007	MBS PAYDOWN		63,120	63,120	65,171	64,656			(1,536)		(1,536)	63,120				1,289	09/01/2017	1
3128LX FN 5	FG G01973		06/01/2007	MBS PAYDOWN		74,150	74,150	71,103	71,156			2,994		2,994	74,150				1,525	07/01/2035	1
3128LX MR 8	FG G02168		06/01/2007	MBS PAYDOWN		34,078	34,078	33,838	33,850			228		228	34,078				876	11/01/2035	1
3128LX P3 8	FG G02242		06/01/2007	MBS PAYDOWN		28,572	28,572	27,434	27,474			1,098		1,098	28,572				632	03/01/2036	1
3128LX QU 7	FG G02267		06/01/2007	MBS PAYDOWN		51,807	51,807	52,714	52,670			(863)		(863)	51,807				1,404	04/01/2036	1
3128MJ BE 9	FG G08036		06/01/2007	MBS PAYDOWN		23,453	23,453	23,805	23,749			(296)		(296)	23,453				525	07/01/2034	1
3128MJ D4 9	FG G08122		06/01/2007	MBS PAYDOWN		41,883	41,883	40,427	40,473			1,410		1,410	41,883				945	12/01/2035	1
3128M1 GT 0	FG G12110		06/01/2007	MBS PAYDOWN		19,353	19,353	19,202	19,208			145		145	19,353				450	01/01/2021	1
3128JR PC 4	FH 847619		05/01/2007	MBS PAYDOWN		657,467	657,467	664,555	664,461			(6,995)		(6,995)	657,467				16,699	09/01/2011	1
3133TL UH 9	FHR 2178 PB		06/01/2007	MBS PAYDOWN		90,848	90,848	93,715	92,067			(1,219)		(1,219)	90,848				2,710	08/01/2029	1
31393M 6V 8	FHR 2580 QL		06/01/2007	MBS PAYDOWN		94,497	94,497	96,594	94,950			(453)		(453)	94,497				1,773	12/01/2008	1
31393M Z2 0	FHR 2583 ND		06/01/2007	MBS PAYDOWN		5,487	5,487	5,577	5,523			(36)		(36)	5,487				90	05/01/2009	1
31393N 2K 4	FHR 2583 TD		06/01/2007	MBS PAYDOWN		4,971	4,971	5,057	5,021			(50)		(50)	4,971				93	10/01/2012	1
31371K BR 1	FN 253948		06/01/2007	MBS PAYDOWN		66,793	66,793	65,895	66,107			686		686	66,793				1,735	06/01/2030	1
31371K MK 4	FN 254262		06/01/2007	MBS PAYDOWN		6,095	6,095	6,032	6,048			48		48	6,095				149	04/01/2031	1
31371K VA 6	FN 254509		06/01/2007	MBS PAYDOWN		38,667	38,667	39,277	39,108			(442)		(442)	38,667				809	03/01/2017	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 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.							
31371K VC 2	FN 254511		06/01/2007	MBS PAYDOWN		8,766	8,766	9,064	8,987		(221)		(221)		8,766			0	199	03/01/2017	1
31371K WJ 6	FN 254549		06/01/2007	MBS PAYDOWN		8,797	8,797	9,101	9,029		(232)		(232)		8,797			0	220	02/01/2032	1
31371L CE 7	FN 254869		06/01/2007	MBS PAYDOWN		73,740	73,740	73,833	73,817		(76)		(76)		73,740			0	1,712	01/01/2033	1
31371L WN 5	FN 255453		06/01/2007	MBS PAYDOWN		13,895	13,895	14,107	14,071		(177)		(177)		13,895			0	293	06/01/2019	1
31371L ZP 7	FN 255550		06/01/2007	MBS PAYDOWN		18,359	18,359	18,786	18,710		(351)		(351)		18,359			0	415	08/01/2024	1
31371L 2P 3	FN 255582		06/01/2007	MBS PAYDOWN		27,943	27,943	28,131	28,101		(158)		(158)		27,943			0	583	09/01/2024	1
31371L 3S 6	FN 255609		06/01/2007	MBS PAYDOWN		11,503	11,503	11,325	11,348		155		155		11,503			0	202	09/01/2024	1
31371M HJ 9	FN 255933		06/01/2007	MBS PAYDOWN		32,562	32,562	31,112	31,154		1,408		1,408		32,562			0	737	07/01/2035	1
31371M VA 2	FN 256309		06/01/2007	MBS PAYDOWN		17,069	17,069	17,269	17,258		(189)		(189)		17,069			0	474	05/01/2036	1
31376K KG 0	FN 357695		06/01/2007	MBS PAYDOWN		29,625	29,625	29,596	29,601		24		24		29,625			0	565	01/01/2019	1
31382J WY 3	FN 484063		06/01/2007	MBS PAYDOWN		1,733	1,733	1,726	1,728		5		5		1,733			0	47	12/01/2027	1
31383M VS 9	FN 507425		06/01/2007	MBS PAYDOWN		565	565	571	569		(4)		(4)		565			0	18	04/01/2028	1
31384H 6L 2	FN 524775		06/01/2007	MBS PAYDOWN		7,261	7,261	7,229	7,243		19		19		7,261			0	212	04/01/2014	1
31385J RT 7	FN 545998		06/01/2007	MBS PAYDOWN		12,672	12,672	12,866	12,843		(171)		(171)		12,672			0	316	05/01/2031	1
31385X BN 6	FN 555445		06/01/2007	MBS PAYDOWN		10,817	10,817	10,844	10,838		(21)		(21)		10,817			0	224	10/01/2017	1
31386U ZC 9	FN 574139		06/01/2007	MBS PAYDOWN		2,413	2,413	2,407	2,409		4		4		2,413			0	65	03/01/2029	1
31387C PA 7	FN 580143		06/01/2007	MBS PAYDOWN		5,030	5,030	5,017	5,020		10		10		5,030			0	135	11/01/2029	1
31387Q XP 0	FN 591186		06/01/2007	MBS PAYDOWN		7,697	7,697	7,812	7,781		(84)		(84)		7,697			0	209	12/01/2015	1
31387Y YT 4	FN 598422		06/01/2007	MBS PAYDOWN		10,033	10,033	9,935	9,966		67		67		10,033			0	233	06/01/2016	1
31388D LJ 5	FN 601629		06/01/2007	MBS PAYDOWN		12,344	12,344	12,487	12,454		(109)		(109)		12,344			0	348	12/01/2029	1
31388V WH 7	FN 616348		06/01/2007	MBS PAYDOWN		540	540	544	543		(3)		(3)		540			0	15	06/01/2030	1
31389E 5T 8	FN 623758		06/01/2007	MBS PAYDOWN		8,246	8,246	8,322	8,295		(49)		(49)		8,246			0	185	05/01/2016	1
31389K CN 9	FN 627477		06/01/2007	MBS PAYDOWN		1,242	1,242	1,257	1,252		(10)		(10)		1,242			0	31	12/01/2016	1
31389S GZ 1	FN 633916		06/01/2007	MBS PAYDOWN		4,027	4,027	4,006	4,013		14		14		4,027			0	106	09/01/2016	1
31390K 5R 5	FN 648956		06/01/2007	MBS PAYDOWN		337,443	337,443	348,885	345,643		(8,200)		(8,200)		337,443			0	7,198	09/01/2017	1
31390W 6C 1	FN 658867		06/01/2007	MBS PAYDOWN		20,937	20,937	21,621	21,395		(458)		(458)		20,937			0	524	11/01/2016	1
31391N 6R 7	FN 672380		06/01/2007	MBS PAYDOWN		92,664	92,664	95,762	94,842		(2,178)		(2,178)		92,664			0	2,075	01/01/2017	1
31391Q X5 8	FN 674000		06/01/2007	MBS PAYDOWN		12,250	12,250	12,453	12,417		(167)		(167)		12,250			0	229	06/01/2032	1
31401W G2 9	FN 720317		06/01/2007	MBS PAYDOWN		98,589	98,589	100,792	100,370		(1,781)		(1,781)		98,589			0	2,073	12/01/2017	1
31402H Q6 1	FN 729577		06/01/2007	MBS PAYDOWN		41,859	41,859	41,578	41,619		240		240		41,859			0	1,129	08/01/2032	1
31402X Z7 4	FN 741566		06/01/2007	MBS PAYDOWN		15,550	15,550	15,866	15,794		(244)		(244)		15,550			0	342	07/01/2018	1
31403C 4Y 4	FN 745239		06/01/2007	MBS PAYDOWN		72,787	72,787	72,855	72,853		(66)		(66)		72,787			0	1,801	03/01/2015	1
31404B SF 0	FN 763818		06/01/2007	MBS PAYDOWN		91,569	91,569	93,772	93,372		(1,803)		(1,803)		91,569			0	2,093	06/01/2033	1
31404C WM 8	FN 764852		06/01/2007	MBS PAYDOWN		124,592	124,592	127,356	126,738		(2,146)		(2,146)		124,592			0	2,675	08/01/2018	1
31404N WB 8	FN 773842		06/01/2007	MBS PAYDOWN		63,719	63,719	64,635	64,438		(719)		(719)		63,719			0	1,407	07/01/2033	1
31404R 4B 0	FN 776718		06/01/2007	MBS PAYDOWN		50,830	50,830	50,933	50,916		(86)		(86)		50,830			0	1,102	12/01/2033	1
31404W YX 8	FN 781126		06/01/2007	MBS PAYDOWN		64,097	64,097	62,395	62,620		1,477		1,477		64,097			0	1,278	11/01/2033	1
31404X T8 7	FN 781875		06/01/2007	MBS PAYDOWN		59,473	59,473	60,476	60,380		(907)		(907)		59,473			0	1,372	02/01/2033	1
31404Y KL 5	FN 782499		06/01/2007	MBS PAYDOWN		113,028	113,028	112,525	112,598		430		430		113,028			0	1,701	01/01/2034	1
31405T SU 7	FN 798931		06/01/2007	MBS PAYDOWN		29,639	29,639	29,528	29,545		93		93		29,639			0	533	10/01/2019	1
31405U MK 2	FN 799662		06/01/2007	MBS PAYDOWN		40,168	40,168	39,986	40,005		163		163		40,168			0	942	05/01/2034	1
31406J 6A 6	FN 811865		06/01/2007	MBS PAYDOWN		15,407	15,407	15,044	15,100		307		307		15,407			0	257	08/01/2019	1
31406W US 1	FN 822393		06/01/2007	MBS PAYDOWN		19,004	19,004	19,197	19,172		(168)		(168)		19,004			0	440	12/01/2034	1
31406Y 4L 1	FN 824427		06/01/2007	MBS PAYDOWN		111,685	111,685	112,715	112,580		(894)		(894)		111,685			0	2,563	02/01/2035	1
31407A PZ 8	FN 824940		06/01/2007	MBS PAYDOWN		361,697	361,697	367,009	366,365		(4,668)		(4,668)		361,697			0	8,359	02/01/2035	1
31407E UR 2	FN 828692		06/01/2007	MBS PAYDOWN		97,216	97,216	99,449	99,127		(1,911)		(1,911)		97,216			0	2,858	03/01/2035	1
31407H ZH 2	FN 831544		06/01/2007	MBS PAYDOWN		59,535	59,535	58,816	58,846		689		689		59,535			0	1,469	02/01/2036	1
31407Y ES 4	FN 844445		06/01/2007	MBS PAYDOWN		26,271	26,271	25,212	25,243		1,029		1,029		26,271			0	572	09/01/2035	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	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 or 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 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)
31408E RU 8	FN 849299		06/01/2007	MBS PAYDOWN		205,691	205,691	201,963	202,042		3,649		3,649		205,691			0	4,593	10/01/2035	1
31408G J5 7	FN 850884		06/01/2007	MBS PAYDOWN		51,137	51,137	48,492	48,558		2,579		2,579		51,137			0	1,056	09/01/2035	1
31408J DR 9	FN 852512		06/01/2007	MBS PAYDOWN		41,711	41,711	39,013	39,092		2,619		2,619		41,711			0	812	10/01/2035	1
31409W NY 3	FN 880707		06/01/2007	MBS PAYDOWN		107,490	107,490	106,986	107,019		471		471		107,490			0	3,004	03/01/2036	1
31392F 5Y 9	FNR 2002-77 CG		06/01/2007	MBS PAYDOWN		19,560	19,560	19,771	19,662		(102)		(102)		19,560			0	323	04/01/2010	1
31394C N3 2	FNR 2005-33 VA		06/01/2007	MBS PAYDOWN		47,781	47,781	48,207	48,139		(358)		(358)		47,781			0	996	03/01/2016	1
735260 AC 5	PORTLAND OREGON SPL OBLIG	9.2	04/16/2007	CALL BY ISSUER 139.1		3,478,610	2,500,000	3,114,620	2,500,000				0		2,500,000		978,610	978,610	96,473	05/15/2022	1FE
759831 BF 6	RENO NEV CAP IMPT REV	3.800	05/16/2007	GOLDMAN SACHS		3,500,000	3,500,000	3,500,000	3,500,000				0		3,500,000			0	10,365	06/01/2032	1FE
3199999.	Total - Bonds - Special Revenue & Assessment					11,553,876	10,575,266	11,224,998	7,098,530	0	(23,262)	0	(23,262)	0	10,575,266	0	978,610	978,610	211,532	XXX	XXX
Bonds - Industrial and Miscellaneous																					
039483 AJ 1	ARCHER-DANIELS-MIDLAND	8.125	06/27/2007	TENDER OFFER		4,439,240	4,000,000	4,514,800	4,301,784		(23,178)		(23,178)		4,278,606		160,634	160,634	185,972	06/01/2012	1FE
079867 AQ 0	BELLSOUTH TELECOMMUNICAT	6	06/15/2007	SINKING FUND REDEMPTION		50,700	50,700	46,172	47,733		2,967		2,967		50,700			0	1,597	12/15/2015	1FE
173034 GW 3	CITICORP	7.200	06/15/2007	MATURITY		3,000,000	3,000,000	3,273,300	3,026,060		(26,060)		(26,060)		3,000,000			0	108,000	06/15/2007	1FE
25466K DY 2	DCMT 2002-2 A	5.150	04/15/2007	MBS PAYDOWN		5,000,000	5,000,000	5,343,750	5,024,000		(24,000)		(24,000)		5,000,000			0	85,833	04/15/2007	1FE
281397 AC 3	ELAB 2003-1 A3	5.310	04/03/2007	BANK OF NEW YORK		3,000,000	3,000,000	3,000,000				0		3,000,000			0	24,441	02/07/2043	1FE	
3136F6 YK 9	FMAN 2005-3 1	4.400	06/25/2007	MBS PAYDOWN		21,945	21,945	21,175	21,250		695		695		21,945			0	413	12/25/2012	1FE
36158Y EK 1	GECMC 2002-1A A2	5.994	06/01/2007	MBS PAYDOWN		74,054	74,054	79,191	76,949		(2,895)		(2,895)		74,054			0	2,037	07/01/2011	1FE
36828Q AA 4	GECMC 2003-C1 A1	3.091	06/01/2007	MBS PAYDOWN		67,233	67,233	67,400	67,274		(41)		(41)		67,233			0	935	03/01/2008	1FE
61745M ES 8	MSC 1998-WF1 A2	6.550	05/01/2007	MBS PAYDOWN		57,429	57,429	61,826	58,637		(1,208)		(1,208)		57,429			0	2,358	12/01/2007	1FE
68389F JY 1	OOMLT 2005-5 M1	5.710	06/19/2007	BANK AMERICA		4,262,617	4,250,000	4,250,000	4,250,000				0		4,250,000		12,617	12,617	120,096	08/25/2011	1FE
76110W 7D 2	RASC 2005-KS11 M1	5.720	06/19/2007	LEHMAN BROTHERS		5,012,500	5,000,000	5,000,000	5,000,000				0		5,000,000		12,500	12,500	141,536	05/25/2011	1FE
76110W 3R 5	RASC 2005-KS8 M1	5.730	06/19/2007	BANK AMERICA		3,507,109	3,500,000	3,500,000	3,500,000				0		3,500,000		7,109	7,109	99,246	04/25/2011	1FE
4599999.	Total - Bonds - Industrial & Miscellaneous					28,492,827	28,021,361	29,157,614	25,373,687	0	(73,720)	0	(73,720)	0	28,299,967	0	192,860	192,860	772,464	XXX	XXX
6099997.	Total - Bonds - Part 4					51,042,997	49,592,921	51,383,271	43,471,071	0	(103,142)	0	(103,142)	0	49,867,932	0	1,175,065	1,175,065	1,283,340	XXX	XXX
6099999.	Total - Bonds					51,042,997	49,592,921	51,383,271	43,471,071	0	(103,142)	0	(103,142)	0	49,867,932	0	1,175,065	1,175,065	1,283,340	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					51,042,997	XXX	51,383,271	43,471,071	0	(103,142)	0	(103,142)	0	49,867,932	0	1,175,065	1,175,065	1,283,340	XXX	XXX

E05.2

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

PRONATIONAL INSURANCE COMPANY

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *	
					6 First Month	7 Second Month	8 Third Month		
Open Depositories									
BANK OF AMERICA.....	ATLANTA, GA.....	.....	.....	.....	.....	1,128,632	.....275,076	.....2,596,656	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....	.....	.....	.....	.....	27,108	.....27,153	.....27,219	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....	(323,687)	.....(288,624)	.....44,402	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....	969	.....969	.....7,015	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....	(4,686,028)	.....(10,223,175)	.....(2,766,239)	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....	(3,853,007)	.....(10,208,600)	.....(90,947)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....	(3,853,007)	.....(10,208,600)	.....(90,947)	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	.....	(3,851,007)	.....(10,206,600)	.....(88,947)	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
BARTON CAPITAL LLC.....		06/28/2007	5.331	07/12/2007	7,986,996		3,547
CAFCO LLC.....		06/28/2007	5.314	07/16/2007	4,988,958		2,208
COLONIAL PIPE CO DISC NOTE.....		06/25/2007	5.306	07/03/2007	1,499,558		1,325
ESTEE LAUDER COS INC DISC NOTE.....		06/29/2007	5.362	07/02/2007	3,018,551		899
FALCON ASSET SEC CO LLC.....		06/28/2007	5.332	07/26/2007	7,970,500		3,540
KITTY HAWK FUNDING CORP.....		06/28/2007	5.335	07/31/2007	7,964,600		3,540
OLD LINE FUNDING LLC.....		06/29/2007	5.343	07/16/2007	4,988,896		1,481
PRUDENTIAL PLC DISC NOTE.....		06/27/2007	5.289	07/09/2007	998,827		587
UNICREDITO ITALIANO DISC NOTE.....		06/20/2007	5.311	07/05/2007	1,998,821		3,239
0199999. Total Cash Equivalents.....					41,415,707	0	20,366