

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
September 30, 2008

2008



QUARTERLY STATEMENT

As of September 30, 2008
of the Condition and Affairs of the

PRONATIONAL INSURANCE COMPANY

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

OFFICERS

Name	Title	Name	Title
1. DARRYL KEITH THOMAS	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. EDWARD LEWIS RAND, JR. #	TREASURER	4. WILLIAM STANCIL STARNES	CHAIRMAN
OTHER			
VICTOR THOMAS ADAMO	VICE CHAIRMAN	JEFFREY LYNN BOWLBY	VICE PRESIDENT
HOWARD HARLEY FRIEDMAN	CHIEF UNDERWRITING OFFICER	FRANK BERRY O'NEIL	VICE PRESIDENT
EDWARD LEWIS RAND, JR.	VICE PRESIDENT	DARRYL KEITH THOMAS	CHIEF CLAIMS OFFICER
HAYES VANCE WHITESIDE	VICE PRESIDENT		

DIRECTORS OR TRUSTEES

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

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

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

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

a. Is this an original filing? Yes [X] No []

b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	962,053,830		962,053,830	944,504,226
2. Stocks:				
2.1 Preferred stocks.....	1,157,661		1,157,661	8,409,536
2.2 Common stocks.....	17,248		17,248	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).....	3,895,251		3,895,251	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 (\$.....(1,602,837)), cash equivalents (\$.....32,814,155) and short-term investments (\$.....17,585,570).....	48,796,887		48,796,887	53,967,796
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	15,261,484		15,261,484	15,340,918
8. Receivables for securities.....	6,366,248		6,366,248	16,189
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	1,037,548,609	0	1,037,548,609	1,026,279,909
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	10,839,771		10,839,771	10,959,860
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	4,416,640	222,374	4,194,266	9,575,830
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	22,745,984	62,984	22,683,000	22,174,912
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	8,938,644		8,938,644	10,687,561
14.2 Funds held by or deposited with reinsured companies.....	22,481,189		22,481,189	22,481,189
14.3 Other amounts receivable under reinsurance contracts.....	16,582		16,582	(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.....	33,180,914	20,002,440	13,178,474	11,222,614
17. Guaranty funds receivable or on deposit.....	2,078,055		2,078,055	2,566,704
18. Electronic data processing equipment and software.....	263,967		263,967	275,890
19. Furniture and equipment, including health care delivery assets (\$.....0).....	238,467	238,467	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	32,305		32,305	1,200,104
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	13,196,399	61,072	13,135,327	13,018,417
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,155,977,526	20,587,337	1,135,390,189	1,138,600,579
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,155,977,526	20,587,337	1,135,390,189	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.....	61,072	61,072	0	
2302. Company Owned Life Insurance.....	12,940,841		12,940,841	12,610,318
2303. State Premium Tax Recoverable.....	194,486		194,486	391,543
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	16,556
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	13,196,399	61,072	13,135,327	13,018,417

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$...29,553,638).....	387,056,008	441,435,203
2. Reinsurance payable on paid losses and loss adjustment expenses.....	927,198	902,741
3. Loss adjustment expenses.....	346,556,315	349,989,841
4. Commissions payable, contingent commissions and other similar charges.....	3,918,620	3,790,696
5. Other expenses (excluding taxes, licenses and fees).....	2,966,622	3,187,762
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,313,901	1,604,521
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	712,962	
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 \$...2,794,229 and including warranty reserves of \$.....0).....	64,992,214	71,235,492
10. Advance premium.....	1,153,260	5,118,114
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	9,119,517	9,806,791
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	97,534	335,302
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	402,400	402,400
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	2,615,891	1,927,929
20. Payable for securities.....		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.....	100,856	143,771
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	821,933,298	891,800,563
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	821,933,298	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.....	52,978,790	27,978,790
33. Unassigned funds (surplus).....	247,196,353	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).....	313,456,891	246,800,016
36. TOTALS.....	1,135,390,189	1,138,600,579

DETAILS OF WRITE-INS

2301. Unearned Fee Income.....	100,856	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).....	100,856	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 \$.....100,782,917).....	107,294,773	128,701,752	167,083,662
1.2 Assumed..... (written \$.....3,774,855).....	3,967,517	5,920,175	7,476,421
1.3 Ceded..... (written \$.....5,878,627).....	6,339,867	9,879,544	11,642,157
1.4 Net..... (written \$.....98,679,145).....	104,922,423	124,742,383	162,917,926
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....30,349,954):			
2.1 Direct.....	19,793,724	49,668,491	82,903,327
2.2 Assumed.....	945,720	882,913	(1,712,188)
2.3 Ceded.....	4,789,490	24,823,190	32,670,845
2.4 Net.....	15,949,954	25,728,214	48,520,294
3. Loss adjustment expenses incurred.....	37,014,688	72,094,020	113,202,234
4. Other underwriting expenses incurred.....	21,705,948	23,371,940	30,980,358
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	74,670,590	121,194,174	192,702,886
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	30,251,833	3,548,209	(29,784,960)
INVESTMENT INCOME			
9. Net investment income earned.....	35,158,260	35,572,816	47,141,187
10. Net realized capital gains (losses) less capital gains tax of \$.....(912,139).....	(10,584,835)	(1,016,646)	(1,008,269)
11. Net investment gain (loss) (Lines 9 + 10).....	24,573,425	34,556,170	46,132,918
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....37,828).....	(37,828)		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	1,082,582	965,030	1,338,956
15. Total other income (Lines 12 through 14).....	1,044,754	965,030	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).....	55,870,012	39,069,409	17,686,914
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	55,870,012	39,069,409	17,686,914
19. Federal and foreign income taxes incurred.....	13,157,893	7,075,384	(380,458)
20. Net income (Line 18 minus Line 19) (to Line 22).....	42,712,119	31,994,025	18,067,372
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	246,800,017	231,714,293	231,714,293
22. Net income (from Line 20).....	42,712,119	31,994,025	18,067,372
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	(3,060,460)	(2,725,479)	(4,695,462)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(2,728,269)	(2,098,615)	(7,949)
27. Change in nonadmitted assets.....	4,733,484	1,315,184	(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.....	25,000,000		
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).....	66,656,874	28,485,115	15,085,724
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	313,456,891	260,199,408	246,800,017
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Increase in cash surrender value of life insurance.....	330,523	213,310	338,489
1402. Risk management income.....	380,139	411,278	466,824
1403. LTC Fee Income.....	258,170	340,442	354,406
1498. Summary of remaining write-ins for Line 14 from overflow page.....	113,750	0	179,237
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	1,082,582	965,030	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.....	98,884,542	161,688,999
2. Net investment income.....	37,855,318	50,515,320
3. Miscellaneous income.....	1,044,754	1,338,956
4. Total (Lines 1 through 3).....	137,784,614	213,543,275
5. Benefit and loss related payments.....	109,025,718	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.....	21,601,135	31,088,884
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	3,370,056	(3,422,828)
10. Total (Lines 5 through 9).....	133,996,909	172,394,884
11. Net cash from operations (Line 4 minus Line 10).....	3,787,705	41,148,391
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	98,086,249	281,279,010
12.2 Stocks.....	3,000,000	
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.....	(75,703)	3,521
12.7 Miscellaneous proceeds.....		1,934,159
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	101,010,546	283,216,690
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	127,687,196	285,740,981
13.2 Stocks.....		1,519,800
13.3 Mortgage loans.....		
13.4 Real estate.....	7,500	264,888
13.5 Other invested assets.....	539,800	18,675,445
13.6 Miscellaneous applications.....	8,270,059	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	136,504,555	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).....	(35,494,009)	(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.....	25,000,000	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	1,535,395	(858,404)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	26,535,395	(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).....	(5,170,909)	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).....	48,796,887	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

The Company received a capital contribution from its parent, PRA Professional Liability Group, Inc., for \$25 million on August 1, 2008.

Note 14 - Contingencies

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

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

NOTES TO FINANCIAL STATEMENTS

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$19,635,526

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

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

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

(f) Per Claim [X]

(g) Per Claimant []

E. All Other Contingencies

ProNational Insurance Company recognized realized losses of \$102,000 related to its disposition of a \$5,000,000 interest in the Reserve Primary Fund, a Money Market Mutual Fund. As of October 31, 2008, \$2,539,662 of the total has been received. It remains reasonably possible that the ultimate settlement may result in additional losses. The Reserve Fund has provided information about the expected timing of additional distributions, but no information is available which allows us to estimate or weigh the probability of settlement amounts.

Note 15 - Leases

No significant change.

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

No significant change.

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

No significant change.

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

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

No significant change.

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

No significant change.

Note 20 - Other Items

C. Other Disclosures

Net realized capital losses for 2008 includes \$8.9 million for write-downs of investments in Lehman Brothers Holdings and in Fannie Mae preferred stock for other than temporary impairments. This non-cash item is not currently deductible for income tax purposes so there is no related income tax benefit reported on the Statement of Income. Deferred tax assets include approximately \$3.1 million for these impairments.

I. Subprime Exposure

(1) The Company defines subprime by the description of the underlying assets as provided by Bloomberg data, using a combination of: higher than average interest rates on underlying loans, credit (FICO) scores, and high Loan-To-Value ratio.

(2) Direct exposure through subprime mortgage Loans:

None

NOTES TO FINANCIAL STATEMENTS

(3) Direct Exposure through other Investments:

Type	Book Adjusted Actual Cost	(000's)		
		Carrying Value	Fair Value	Other than Temporary Impairments
RMBS	\$3,000	\$3,000	\$2,013	\$0
Other-LP	2,740	708	708	2,087

(4) Underwriting Exposure to subprime mortgage risk through Mortgage Guaranty and Financial Guaranty insurance coverage:

None

Note 21 - Events Subsequent

On November 10, 2008, the Company's Board of Directors authorized the Company to change its name to ProAssurance Casualty Company. The Company is in the process of completing all necessary regulatory filings associated with this name change.

On October 14, 2008, the Company entered an Agreement and Plan of Merger with Lawyers Mutual Liability Insurance Company of North Carolina and Georgia Lawyers Insurance Company ("GLIC") for the purchase of GLIC. The transaction is subject to approval of the Insurance Commissioners of Georgia and Michigan. Promptly following the acquisition of GLIC, the Company intends to merge GLIC into ProNational. The entire transaction is expected to be completed in the first quarter of 2009. For the year ended December 31, 2007, GLIC had Total Assets of \$10.1 million; Surplus of \$3.3 million; and Direct Premiums Written of \$5.5 million.

Note 22 - Reinsurance

No significant change.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

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

Losses and Loss Adjustment Expenses December 31, 2007	\$ 791,425,000
Re-estimation of reserves (favorable)	<u>(36,000,000)</u>
Re-estimated December 31, 2007 Losses and Loss Adjustment Expenses	<u>\$ 755,425,000</u>

The re-estimation amount above relates principally to the medical malpractice line of insurance, principally for the 2004 through 2007 accident years, and is the result of ongoing analysis of recent loss trends. Original estimates are increased or decreased as additional information becomes available.

Note 25 - Intercompany Pooling Arrangements

No significant change.

Note 26 - Structured Settlements

No significant change.

Note 27 - Health Care Receivables

No significant change.

Note 28 - Participating Policies

No significant change.

Note 29 - Premium Deficiency Reserves

No significant change.

Note 30 - High Deductibles

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES

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

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

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

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

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

- 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

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

**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 [X] 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 [X]

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 [X] 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	\$.....17,248
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	\$.....17,248
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 [X]

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 [X] 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, ALABAMA

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 [X]

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 [X] 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	551,476	879,928			2,905,474	3,039,485
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	N						
5. California.....CA	E	492,908	1,149,932			824,399	425,575
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	L	10,906,771	12,751,775	1,155,000	1,835	15,247,660	8,183,789
9. District of Columbia.....DC	N						
10. Florida.....FL	L	23,692,740	30,123,588	57,291,538	66,950,979	113,616,044	175,195,548
11. Georgia.....GA	L	13,935	29,412			764,504	773,494
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	L	15,366,524	16,203,801	6,594,416	10,416,411	64,858,883	66,224,542
15. Indiana.....IN	L	649,395	897,700	783,679	1,801,294	15,369,792	14,636,139
16. Iowa.....IA	L	71,492	1,214,215	261,848	100,000	1,762,926	1,460,623
17. Kansas.....KS	L						
18. Kentucky.....KY	L	14,764,199	15,527,296	5,646,110	205,649	34,808,609	38,994,714
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	L						
22. Massachusetts.....MA	E	46,960	33,707			18,532	1,889
23. Michigan.....MI	L	26,367,267	34,227,472	12,761,304	5,779,545	111,436,324	119,331,771
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	4,470,467	7,034,123	6,780,447	7,587,246	24,625,884	24,172,991
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	L	3,153,222	4,025,023	2,677,426	1,533,779	15,005,832	18,663,822
37. Oklahoma.....OK	N						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	L	230,314	156,625	3,378,500	1,544,282	19,938,429	24,430,472
40. Rhode Island.....RI	N						
41. South Carolina.....SC	L						
42. South Dakota.....SD	N						
43. Tennessee.....TN	L						
44. Texas.....TX	N						
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	L						
48. Washington.....WA	N						
49. West Virginia.....WV	L						
50. Wisconsin.....WI	L	5,247	38,968			142,005	117,302
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	100,782,917	124,293,565	97,330,268	95,921,020	421,325,297	495,652,156

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

Q11

NONE

PRONATIONAL INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....	5,275,435	2,844,444	53.9	33.7
11.2. Medical malpractice-claims made.....	95,252,541	13,582,803	14.3	39.5
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....	239	57	23.8	28.8
17.2. Other liability-claims made.....	6,766,558	3,366,420	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.....	107,294,773	19,793,724	18.4	38.6

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	1,582,192	5,275,435	5,525,179
11.2. Medical malpractice-claims made.....	33,599,335	89,620,391	110,537,688
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.....	895	895	60,568
17.2. Other liability-claims made.....	1,793,373	5,886,196	8,170,130
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.....	36,975,795	100,782,917	124,293,565

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	78,102	3,752	81,855	214,096	521	202,326	416,943	9,005	(28,005)	(19,000)
2. 2006.....	50,246	89,422	139,668	12,064	851	12,915	46,062	119	66,572	112,753	7,879	(21,880)	(14,000)
3. Subtotals 2006 + Prior.....	333,440	324,025	657,466	90,166	4,603	94,769	260,158	640	268,898	529,696	16,884	(49,884)	(33,000)
4. 2007.....	32,408	101,551	133,959	8,743	2,085	10,828	46,058	2,454	71,620	120,132	22,393	(25,393)	(3,000)
5. Subtotals 2007 + Prior.....	365,849	425,576	791,425	98,909	6,688	105,597	306,216	3,094	340,518	649,828	39,277	(75,277)	(36,000)
6. 2008.....	XXX	XXX	XXX	XXX	5,180	5,180	XXX	18,933	64,851	83,784	XXX	XXX	XXX
7. Totals.....	365,849	425,576	791,425	98,909	11,868	110,777	306,216	22,027	405,369	733,612	39,277	(75,277)	(36,000)
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. ....10.7 %	2. ....(17.7)%	3. ....(4.5)%
													Col. 13, Line 7 Line 8
													4. ....(14.6)%

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. Program receivable.....			0	16,556
2397. Summary of remaining write-ins for Line 23.....	0	0	0	16,556

Additional Write-ins for Statement of Income:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1404. Other.....	113,750		179,237
1497. Summary of remaining write-ins for Line 14.....	113,750	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.....	7,500	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.....	136,577	178,385
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	3,895,251	4,024,328
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	3,895,251	4,024,328

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	15,340,918	1,103,100
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		18,116,045
2.2 Additional investment made after acquisitions.....	539,800	559,400
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	(619,234)	(4,437,627)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	15,261,484	15,340,918
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	15,261,484	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.....	127,687,196	287,260,781
3. Accrual of discount.....	862,967	814,099
4. Unrealized valuation increase (decrease).....	(2,441,226)	(2,342,979)
5. Total gain (loss) on disposals.....	(2,530,407)	1,656,159
6. Deduct consideration for bonds and stocks disposed of.....	101,086,249	281,279,010
7. Deduct amortization of premium.....	3,303,357	4,139,179
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....	8,890,863	
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	963,228,739	952,930,678
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	963,228,739	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).....	947,167,436	224,359,167	213,739,731	306,717	965,987,486	947,167,436	958,093,589	937,617,824
2. Class 2 (a).....	28,526,994		2,114,547	(6,638,795)	25,782,951	28,526,994	19,773,652	23,451,319
3. Class 3 (a).....	21,866,433	4,846,270	3,928,884	(1,716,032)	13,799,554	21,866,433	21,067,787	14,541,801
4. Class 4 (a).....	10,752,752	935,475	156,711	(797,989)	13,596,883	10,752,752	10,733,527	10,703,475
5. Class 5 (a).....	2,640,000			(480,000)	4,897,500	2,640,000	2,160,000	2,587,500
6. Class 6 (a).....			1,191,275	1,816,275			625,000	
7. Total Bonds.....	1,010,953,615	230,140,912	221,131,148	(7,509,824)	1,024,064,374	1,010,953,615	1,012,453,555	988,901,919
PREFERRED STOCK								
8. Class 1.....	5,401,823			(4,468,823)	5,396,688	5,401,823	933,000	5,409,536
9. Class 2.....								
10. Class 3.....	3,000,000		3,000,000		3,000,000	3,000,000		3,000,000
11. Class 4.....								
12. Class 5.....								
13. Class 6.....				224,661			224,661	
14. Total Preferred Stock.....	8,401,823	0	3,000,000	(4,244,162)	8,396,688	8,401,823	1,157,661	8,409,536
15. Total Bonds and Preferred Stock.....	1,019,355,438	230,140,912	224,131,148	(11,753,986)	1,032,461,062	1,019,355,438	1,013,611,216	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 \$.....50,399,725; 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.....	17,585,570	XXX	17,614,742	135,558	91,993

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	14,179,190	10,748,567
2. Cost of short-term investments acquired.....	182,738,644	176,394,582
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(77,226)	1,916
6. Deduct consideration received on disposals.....	179,207,744	172,940,458
7. Deduct amortization of premium.....	47,294	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).....	17,585,570	14,179,190
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	17,585,570	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.....	1,043,186,142	1,540,027,011
3. Accrual of discount.....	624,804	2,051,880
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	1,523	1,604
6. Deduct consideration received on disposals.....	1,041,205,567	1,544,434,755
7. Deduct amortization of premium.....	11,250	
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	32,814,155	30,218,502
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	32,814,155	30,218,502

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
Acquired by Purchase								
Home Office, 2600 Professionals Drive.....	Okemos.....	MI.....	12/15/1997	VARIOUS.....				7,500
0199999. Totals.....					0	0	0	7,500
0399999. Totals.....					0	0	0	7,500

QE01

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract "

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs, and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
NONE																			

**Sch. B-Part 2
NONE**

**Sch. B-Part 3
NONE**

**Sch. BA-Part 2
NONE**

**Sch. BA-Part 3
NONE**

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired 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)
Bonds - U.S. Government									
36202E VP 1	G2 4222		08/25/2008	J.P. MORGAN		10,079,708	9,986,088	34,951	1
36296D D5 4	GN 687824		08/26/2008	SHAY FINANCIAL SERVICES		1,993,213	1,996,957	6,407	1
36296D EE 4	GN 687833		08/26/2008	GREENWICH CAPITAL		1,011,989	999,033	3,497	1
912828 HN 3	TSY INFL IX N/B		07/15/2008	HSBC SECURITIES LIMITED		851,676	823,680	36	1
0399999	Total - Bonds - U.S. Government					13,936,586	13,805,758	44,891	XXX
Bonds - Public Utilities									
144141 CT 3	CAROLINA POWER & LIGHT		07/02/2008	BONDS DIRECT		1,010,300	1,000,000	16,087	1FE
3899999	Total - Bonds - Public Utilities					1,010,300	1,000,000	16,087	XXX
Bonds - Industrial and Miscellaneous									
037411 AT 2	APACHE CORP		07/01/2008	BONDS DIRECT		1,016,060	1,000,000	11,958	1FE
097014 AG 9	BOEING CAPITAL CORP		07/01/2008	BANK AMERICA		1,053,380	1,000,000	25,639	1FE
48660P A* 5	KAYNE ANDERSON		08/04/2008	MERRILL LYNCH		2,000,000	2,000,000		1FE
LN2460 23 3	HERTZ CORP		05/16/2008	LEHMAN BROTHERS		1,614,053	1,689,503		3FE
LN2460 31 6	HERTZ CORP		05/16/2008	LEHMAN BROTHERS		292,585	306,262		3FE
LN2574 40 5	CSC HOLDINGS, INC		07/08/2008	LEHMAN BROTHERS		942,132	1,000,000		3FE
LN2641 10 5	SENSATA TECHNOLOGIES		07/08/2008	GOLDMAN SACHS		910,278	1,000,000		4FE
LN3229 30 6	TELESAT LLC		08/07/2008	VARIOUS		25,197	25,197		4FE
LN4070 30 3	L-1 IDENTITY SOLUTIONS		08/20/2008	LEHMAN BROTHERS		1,997,500	2,000,000		3FE
4599999	Total - Bonds - Industrial & Miscellaneous					9,851,185	10,020,962	37,597	XXX
6099997	Total - Bonds - Part 3					24,798,071	24,826,720	98,575	XXX
6099999	Total - Bonds					24,798,071	24,826,720	98,575	XXX
7499999	Total - Bonds, Preferred and Common Stocks					24,798,071	XXX	98,575	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 re ign	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																					
36200F AP 3	GN 599514.....		09/01/2008	MBS PAYDOWN.....		18,197	18,197	18,026	18,181		16		16		18,197			0	662	04/01/2037	1.....
36200X LT 4	GN 575538.....		09/01/2008	MBS PAYDOWN.....		64,345	64,345	65,712	64,363		(19)		(19)		64,345			0	2,461	03/01/2031	1.....
36201F T7 2	GN 582074.....		09/01/2008	MBS PAYDOWN.....		13,856	13,856	13,880	13,858		(2)		(2)		13,856			0	497	03/01/2031	1.....
36202D C9 0	G2 2796.....		09/01/2008	MBS PAYDOWN.....		5,648	5,648	5,510	5,637		11		11		5,648			0	260	04/01/2028	1.....
36203L DN 9	GN 352109.....		09/01/2008	MBS PAYDOWN.....		5,612	5,612	5,733	5,619		(7)		(7)		5,612			0	269	02/01/2022	1.....
36205N M8 6	GN 395583.....		09/01/2008	MBS PAYDOWN.....		65	65	66	65				0		65			0	3	07/01/2027	1.....
36207K GS 3	GN 434109.....		09/01/2008	MBS PAYDOWN.....		1,170	1,170	1,174	1,170				0		1,170			0	51	10/01/2027	1.....
36207K JJ 0	GN 434165.....		09/01/2008	MBS PAYDOWN.....		8,700	8,700	8,733	8,704		(4)		(4)		8,700			0	416	02/01/2027	1.....
36208V 6E 0	GN 462669.....		09/01/2008	MBS PAYDOWN.....		6,021	6,021	6,121	6,026		(5)		(5)		6,021			0	261	01/01/2027	1.....
36208W DE 0	GN 462801.....		09/01/2008	MBS PAYDOWN.....		19,053	19,053	19,065	19,055		(2)		(2)		19,053			0	826	07/01/2026	1.....
36208W ES 8	GN 462845.....		09/01/2008	MBS PAYDOWN.....		572	572	593	572				0		572			0	29	02/01/2028	1.....
36208X D7 3	GN 463726.....		09/01/2008	MBS PAYDOWN.....		775	775	788	776				0		775			0	36	07/01/2027	1.....
36210A VS 3	GN 486725.....		09/01/2008	MBS PAYDOWN.....		1,263	1,263	1,290	1,263				0		1,263			0	59	05/01/2028	1.....
36210E X6 1	GN 490401.....		09/01/2008	MBS PAYDOWN.....		1,540	1,540	1,531	1,539				0		1,540			0	67	10/01/2027	1.....
36213U DK 3	GN 564506.....		09/01/2008	MBS PAYDOWN.....		1,981	1,981	2,006	1,983		(2)		(2)		1,981			0	77	12/01/2030	1.....
36225A UH 1	GN 780584.....		09/01/2008	MBS PAYDOWN.....		5,279	5,279	5,332	5,283		(4)		(4)		5,279			0	244	01/01/2026	1.....
36291P ZE 9	GN 634441.....		09/01/2008	MBS PAYDOWN.....		27,338	27,338	27,894	27,366		(28)		(28)		27,338			0	983	04/01/2034	1.....
912828 CZ 1	TSY INFL IX N/B.....		07/15/2008	CITIGROUP GLOBAL.....		755,975	740,077	692,752	695,659	(1,482)	4,893		3,411		699,071		56,904	56,904	4,814	04/15/2010	1.....
03999999	Total - Bonds - U.S. Government.....					937,390	921,492	876,206	877,119	(1,482)	4,847	0	3,365	0	880,486	0	56,904	56,904	12,015	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
011857 FD 6	ALASKA STUDENT LN CORP STUDENT.....		07/01/2008	PREREFUNDED.....		1,500,000	1,500,000	1,515,000	1,500,986		(986)		(986)		1,500,000			0	73,500	07/01/2008	1FE.....
3128H3 LP 4	FG E95734.....		09/01/2008	MBS PAYDOWN.....		66,195	66,195	68,346	66,408		(213)		(213)		66,195			0	2,178	08/01/2017	1.....
3128JR PC 4	FH 847619.....		09/16/2008	VARIOUS.....		231,298	231,298	233,792	231,611		(313)		(313)		231,298			0	10,553	09/01/2011	1.....
3128L0 DF 6	FG A68202.....		09/01/2008	MBS PAYDOWN.....		40,223	40,223	41,336	40,223		(154)		(154)		40,223			0	1,343	09/01/2037	1.....
3128LX FN 5	FG G01973.....		09/01/2008	MBS PAYDOWN.....		56,893	56,893	54,555	56,770		123		123		56,893			0	1,892	05/01/2035	1.....
3128LX MR 8	FG G02168.....		09/01/2008	MBS PAYDOWN.....		24,521	24,521	24,348	24,505		15		15		24,521			0	965	09/01/2035	1.....
3128LX P3 8	FG G02242.....		09/01/2008	MBS PAYDOWN.....		20,948	20,948	20,114	20,856		92		92		20,948			0	762	12/01/2035	1.....
3128LX QU 7	FG G02267.....		09/01/2008	MBS PAYDOWN.....		23,650	23,650	24,064	23,720		(69)		(69)		23,650			0	996	02/01/2036	1.....
3128M1 GT 0	FG G12110.....		09/01/2008	MBS PAYDOWN.....		17,835	17,835	17,695	17,816		19		19		17,835			0	651	11/01/2020	1.....
3128MJ BE 9	FG G08036.....		09/01/2008	MBS PAYDOWN.....		15,606	15,606	15,840	15,617		(11)		(11)		15,606			0	568	04/01/2034	1.....
3128MJ D4 9	FG G08122.....		09/01/2008	MBS PAYDOWN.....		42,444	42,444	40,969	42,316		128		128		42,444			0	1,545	09/01/2035	1.....
31296J ZA 7	FG A10737.....		09/01/2008	MBS PAYDOWN.....		173,553	173,553	176,699	173,735		(182)		(182)		173,553			0	6,091	02/01/2032	1.....
31297H PN 3	FG A29429.....		09/01/2008	MBS PAYDOWN.....		21,111	21,111	20,392	21,053		58		58		21,111			0	632	11/01/2033	1.....
31297H X4 6	FG A29699.....		09/01/2008	MBS PAYDOWN.....		145,680	145,680	145,737	145,685		(4)		(4)		145,680			0	4,795	05/01/2034	1.....
31297K 7G 1	FG A30895.....		09/01/2008	MBS PAYDOWN.....		37,468	37,468	37,181	37,460		8		8		37,468			0	1,246	05/01/2034	1.....
31297S ZP 3	FG A37050.....		09/01/2008	MBS PAYDOWN.....		56,095	56,095	55,412	56,064		32		32		56,095			0	1,785	02/01/2035	1.....
31335H SU 3	FG C90859.....		09/01/2008	MBS PAYDOWN.....		99,433	99,433	102,206	99,641		(208)		(208)		99,433			0	3,581	05/01/2024	1.....
31337L UH 9	FHR 2178 PB.....		09/01/2008	MBS PAYDOWN.....		56,119	56,119	57,890	56,181		(62)		(62)		56,119			0	2,664	08/01/2029	1.....
31371K BR 1	FN 253948.....		09/01/2008	MBS PAYDOWN.....		51,697	51,697	51,002	51,640		57		57		51,697			0	1,951	03/01/2030	1.....
31371K MK 4	FN 254262.....		09/01/2008	MBS PAYDOWN.....		4,328	4,328	4,283	4,325		3		3		4,328			0	176	01/01/2031	1.....
31371K VA 6	FN 254509.....		09/01/2008	MBS PAYDOWN.....		28,067	28,067	28,510	28,116		(49)		(49)		28,067			0	936	02/01/2017	1.....
31371K VC 2	FN 254511.....		09/01/2008	MBS PAYDOWN.....		7,044	7,044	7,284	7,070		(26)		(26)		7,044			0	257	03/01/2017	1.....
31371K WJ 6	FN 254549.....		09/01/2008	MBS PAYDOWN.....		4,635	4,635	4,795	4,644		(9)		(9)		4,635			0	179	12/01/2031	1.....
31371L 2P 3	FN 255582.....		09/01/2008	MBS PAYDOWN.....		20,012	20,012	20,146	20,023		(12)		(12)		20,012			0	668	07/01/2024	1.....
31371L 3S 6	FN 255609.....		09/01/2008	MBS PAYDOWN.....		12,033	12,033	11,847	12,020		13		13		12,033			0	346	07/01/2024	1.....
31371L CE 7	FN 254869.....		09/01/2008	MBS PAYDOWN.....		54,465	54,465	54,533	54,470		(5)		(5)		54,465			0	2,013	11/01/2032	1.....
31371L WN 5	FN 255453.....		09/01/2008	MBS PAYDOWN.....		11,252	11,252	11,425	11,272		(20)		(20)		11,252			0	377	05/01/2019	1.....
31371L ZP 7	FN 255550.....		09/01/2008	MBS PAYDOWN.....		14,962	14,962	15,311	14,989		(27)		(27)		14,962			0	547	06/01/2024	1.....
31371M HJ 9	FN 255933.....		09/01/2008	MBS PAYDOWN.....		18,529	18,529	17,704	18,482		47		47		18,529			0	664	05/01/2035	1.....

QE05

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator
31371M VA 2	FN 256309		09/01/2008	MBS PAYDOWN		16,396	16,396	16,588	16,432		(36)		(36)		16,396			0	687	02/01/2036	1
31371N BC 8	FN 256635		09/01/2008	MBS PAYDOWN		24,965	24,965	24,388	24,924		41		41		24,965			0	829	10/01/2036	1
31376K KG 0	FN 357695		09/01/2008	MBS PAYDOWN		23,899	23,899	23,876	23,899				0		23,899			0	696	07/01/2019	1
31382J WY 3	FN 484063		09/01/2008	MBS PAYDOWN		1,965	1,965	1,957	1,965				0		1,965			0	85	09/01/2027	1
31383M VS 9	FN 507425		09/01/2008	MBS PAYDOWN		625	625	633	626				0		625			0	31	01/01/2028	1
31384H 6L 2	FN 524775		09/01/2008	MBS PAYDOWN		7,060	7,060	7,029	7,060		1		1		7,060			0	329	03/01/2014	1
31385J RT 7	FN 545998		09/01/2008	MBS PAYDOWN		7,974	7,974	8,096	7,984		(10)		(10)		7,974			0	315	03/01/2031	1
31385X BN 6	FN 555445		09/01/2008	MBS PAYDOWN		9,355	9,355	9,379	9,359		(3)		(3)		9,355			0	312	09/01/2017	1
31386U ZC 9	FN 574139		09/01/2008	MBS PAYDOWN		1,800	1,800	1,795	1,800				0		1,800			0	78	08/01/2028	1
31387C PA 7	FN 580143		09/01/2008	MBS PAYDOWN		4,165	4,165	4,154	4,164		1		1		4,165			0	171	08/01/2029	1
31387Q XP 0	FN 591186		09/01/2008	MBS PAYDOWN		8,854	8,854	8,986	8,864		(11)		(11)		8,854			0	357	02/01/2016	1
31387Y YT 4	FN 598422		09/01/2008	MBS PAYDOWN		7,661	7,661	7,587	7,655		6		6		7,661			0	285	05/01/2016	1
31388D LJ 5	FN 601629		09/01/2008	MBS PAYDOWN		1,103	1,103	1,116	1,104		(1)		(1)		1,103			0	48	03/01/2030	1
31388V WH 7	FN 616348		09/01/2008	MBS PAYDOWN		386	386	389	386				0		386			0	17	02/01/2030	1
31389E 5T 8	FN 623758		09/01/2008	MBS PAYDOWN		4,253	4,253	4,292	4,265		(13)		(13)		4,253			0	174	03/01/2016	1
31389K CN 9	FN 627477		09/01/2008	MBS PAYDOWN		990	990	1,002	993		(3)		(3)		990			0	40	12/01/2016	1
31389S GZ 1	FN 633916		09/01/2008	MBS PAYDOWN		4,618	4,618	4,593	4,615		3		3		4,618			0	196	07/01/2016	1
31390K 5R 5	FN 648956		09/01/2008	MBS PAYDOWN		166,011	166,011	171,640	167,226		(1,215)		(1,215)		166,011			0	5,703	08/01/2017	1
31390W 6C 1	FN 658867		09/01/2008	MBS PAYDOWN		19,381	19,381	20,014	19,489		(107)		(107)		19,381			0	776	11/01/2016	1
31391N 6R 7	FN 672380		09/01/2008	MBS PAYDOWN		46,491	46,491	48,046	46,634		(143)		(143)		46,491			0	1,634	02/01/2017	1
31391Q X5 8	FN 674000		09/01/2008	MBS PAYDOWN		5,958	5,958	6,057	5,964		(6)		(6)		5,958			0	241	05/01/2032	1
31392F 5Y 9	FNR 2002-77 CG		09/01/2008	MBS PAYDOWN		15,832	15,832	16,002	15,876		(45)		(45)		15,832			0	420	04/01/2010	1
31393M 6V 8	FHR 2580 QL		09/01/2008	MBS PAYDOWN		57,744	57,744	59,025	57,931		(187)		(187)		57,744			0	1,685	01/01/2009	1
31393M ZK 0	FHR 2583 ND		09/01/2008	MBS PAYDOWN		9,721	9,721	9,879	9,754		(33)		(33)		9,721			0	297	05/01/2009	1
31393N 22 4	FHR 2583 TD		09/01/2008	MBS PAYDOWN		1,022	1,022	1,040	1,024		(2)		(2)		1,022			0	31	10/01/2012	1
31394C 6U 1	FNR 2005-30 BU		09/01/2008	MBS PAYDOWN		61,705	61,705	61,394	61,715		(10)		(10)		61,705			0	2,291	10/01/2009	1
31394C N3 2	FNR 2005-33 VA		09/01/2008	MBS PAYDOWN		50,856	50,856	51,309	50,908		(52)		(52)		50,856			0	1,696	03/01/2016	1
31395H ZW 3	FHR 2886 HB		09/01/2008	MBS PAYDOWN		78,028	78,028	77,380	77,915		112		112		78,028			0	2,504	02/01/2010	1
31401W G2 9	FN 720317		09/01/2008	MBS PAYDOWN		76,007	76,007	77,706	76,182		(175)		(175)		76,007			0	2,536	11/01/2017	1
31402H Q6 1	FN 729577		09/01/2008	MBS PAYDOWN		29,989	29,989	29,787	29,975		14		14		29,989			0	1,100	05/01/2032	1
31402X Z7 4	FN 741566		09/01/2008	MBS PAYDOWN		2,698	2,698	2,753	2,704		(6)		(6)		2,698			0	99	05/01/2018	1
31403C 4Y 4	FN 745239		09/01/2008	MBS PAYDOWN		40,084	40,084	40,121	40,099		(15)		(15)		40,084			0	1,599	03/01/2015	1
31404B SF 0	FN 763818		09/01/2008	MBS PAYDOWN		51,336	51,336	52,571	51,447		(112)		(112)		51,336			0	1,869	04/01/2033	1
31404C WM 8	FN 764852		09/01/2008	MBS PAYDOWN		99,240	99,240	101,442	99,448		(208)		(208)		99,240			0	3,306	07/01/2018	1
31404N WB 8	FN 773842		09/01/2008	MBS PAYDOWN		120,237	120,237	121,966	120,259		(22)		(22)		120,237			0	4,807	06/01/2033	1
31404R 4B 0	FN 776718		09/01/2008	MBS PAYDOWN		46,206	46,206	46,300	46,211		(5)		(5)		46,206			0	1,770	11/01/2033	1
31404W YX 8	FN 781126		09/01/2008	MBS PAYDOWN		13,958	13,958	13,587	13,949		9		9		13,958			0	500	09/01/2033	1
31404X T8 7	FN 781875		09/01/2008	MBS PAYDOWN		31,160	31,160	31,686	31,199		(38)		(38)		31,160			0	1,178	01/01/2033	1
31404Y KL 5	FN 782499		09/01/2008	MBS PAYDOWN		37,492	37,492	37,325	37,450		42		42		37,492			0	1,136	05/01/2009	1
31405T SU 7	FN 798931		09/01/2008	MBS PAYDOWN		32,954	32,954	32,831	32,948		7		7		32,954			0	958	10/01/2019	1
31405U MK 2	FN 799662		09/01/2008	MBS PAYDOWN		20,801	20,801	20,706	20,796		4		4		20,801			0	620	12/01/2033	1
31406J 6A 6	FN 811865		09/01/2008	MBS PAYDOWN		14,889	14,889	14,538	14,871		19		19		14,889			0	400	05/01/2019	1
31406W US 1	FN 822393		09/01/2008	MBS PAYDOWN		135,631	135,631	137,009	135,735		(104)		(104)		135,631			0	4,972	11/01/2034	1
31406Y 4L 1	FN 824427		09/01/2008	MBS PAYDOWN		89,257	89,257	90,080	89,302		(44)		(44)		89,257			0	3,067	01/01/2035	1
31407A PZ 8	FN 824940		09/01/2008	MBS PAYDOWN		152,366	152,366	154,604	152,495		(129)		(129)		152,366			0	5,328	12/01/2034	1
31407E UR 2	FN 828692		09/01/2008	MBS PAYDOWN		93,309	93,309	95,452	93,446		(137)		(137)		93,309			0	3,520	03/01/2035	1
31407H 5Y 8	FN 831663		09/01/2008	MBS PAYDOWN		22,856	22,856	22,610	22,807		49		49		22,856			0	909	02/01/2036	1
31407H ZH 2	FN 831544		09/01/2008	MBS PAYDOWN		38,379	38,379	37,916	38,311		68		68		38,379			0	1,514	12/01/2035	1
31407Y ES 4	FN 844445		09/01/2008	MBS PAYDOWN		12,090	12,090	11,603	12,056		34		34		12,090			0	427	08/01/2035	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 orig 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
31408E RU 8	FN 849299.....		09/01/2008	MBS PAYDOWN.....		99,686	99,686	97,879	99,504		182		182		99,686			0	3,682	08/01/2035	1.....
31408G J5 7	FN 850884.....		09/01/2008	MBS PAYDOWN.....		29,936	29,936	28,387	29,852		84		84		29,936			0	986	07/01/2035	1.....
31408J DR 9	FN 852512.....		09/01/2008	MBS PAYDOWN.....		30,351	30,351	28,388	30,248		104		104		30,351			0	1,011	07/01/2035	1.....
31409W NY 3	FN 880707.....		09/01/2008	MBS PAYDOWN.....		48,186	48,186	47,960	48,168		18		18		48,186			0	1,850	01/01/2036	1.....
31410F Z9 9	FN 888268.....		09/01/2008	MBS PAYDOWN.....		29,382	29,382	29,749		(5)		(5)		29,382			0	269	07/01/2036	1.....	
31410G RU 9	FN 888899.....		09/01/2008	MBS PAYDOWN.....		35,876	35,876	35,960		(12)		(12)		35,876			0	935	11/01/2020	1.....	
31411E ZB 6	FN 906238.....		09/01/2008	MBS PAYDOWN.....		36,081	36,081	35,963		6		6		36,081			0	1,055	09/01/2036	1.....	
31411W VC 8	FN 916911.....		09/01/2008	MBS PAYDOWN.....		17,750	17,750	17,557	17,731		19		19		17,750			0	647	01/01/2037	1.....
31412V 4G 0	FN 936523.....		09/01/2008	MBS PAYDOWN.....		44,048	44,048	43,532	43,997		51		51		44,048			0	1,646	03/01/2037	1.....
31412X LJ 1	FN 937829.....		09/01/2008	MBS PAYDOWN.....		57,125	57,125	56,491	57,015		109		109		57,125			0	2,246	04/01/2037	1.....
31413F G5 5	FN 944020.....		09/01/2008	MBS PAYDOWN.....		204,522	204,522	203,500	204,450		72		72		204,522			0	7,319	05/01/2037	1.....
31414H VF 1	FN 966914.....		09/01/2008	MBS PAYDOWN.....		67,710	67,710	69,170		(238)		(238)		67,710			0	2,104	12/01/2014	1.....	
31414R 6V 2	FN 974384.....		09/01/2008	MBS PAYDOWN.....		7,405	7,405	7,121		3		3		7,405			0	61	02/01/2038	1.....	
676907 JR 0	OHIO HSG FIN AGY MTG REV.....		09/02/2008	CALLED BY ISSUER at 100.00.....		20,000	20,000	19,950	19,966		34		34		20,000			0	790	03/01/2012	1FE.....
3199999.	Total - Bonds - Special Revenue & Assessment.....					5,383,911	5,383,911	5,420,262	5,170,627	0	(3,790)	0	(3,790)	0	5,383,911	0	0	0	212,005	XXX	XXX
Bonds - Industrial and Miscellaneous																					
07383F AQ 1	Bear Stearns Comm Mtge Secs 1999-C1 A.....		09/01/2008	MBS PAYDOWN.....		413,447	413,447	440,886	417,569		(4,122)		(4,122)		413,447			0	16,817	02/01/2009	1FE.....
13143# AA 5	CALUMET LUBRICANTS COMPANY.....		09/30/2008	VARIOUS.....		4,425	4,425	4,248	4,248		177		177		4,425			0	427	12/09/2012	4.....
3136F6 YK 9	Fin Maturity Amtz Note 2005-3 1.....		09/25/2008	MBS PAYDOWN.....		14,094	14,094	13,600	13,996		98		98		14,094			0	405	12/25/2012	1FE.....
36158Y EK 1	GE Cap Comm Mtge 2002-1A A2.....		09/01/2008	MBS PAYDOWN.....		135,679	135,679	145,092	137,172		(1,493)		(1,493)		135,679			0	4,866	12/01/2010	1FE.....
36828Q DM 5	GE Cap Comm Mtge 2004-C1 A2.....		09/01/2008	MBS PAYDOWN.....		557,834	557,834	546,678	556,043		1,791		1,791		557,834			0	16,379	08/01/2011	1FE.....
52517P VV 0	LEHMAN BROTHERS HOLDINGS.....		09/15/2008	J.P. MORGAN.....		408,000	1,200,000	1,186,932	1,190,237		1,038		1,038		1,191,275		(783,275)	(783,275)	28,800	03/13/2014	6FE.....
929766 AC 7	Wachovia Comm Mtge Trust 2002-C1 A3.....		09/01/2008	MBS PAYDOWN.....		75,493	75,493	77,472	75,839		(346)		(346)		75,493			0	3,216	06/01/2011	1FE.....
93933V AS 7	WASHINGTON MUTUAL BK NV.....		09/15/2008	MORGAN STANLEY DEAN WI.....		780,000	2,000,000	2,229,600	2,131,637		(17,090)		(17,090)		2,114,547		(1,334,547)	(1,334,547)	129,250	01/15/2013	2FE.....
982526 AA 3	WM WRIGLEY JR CO.....		09/04/2008	VARIOUS.....		4,955,570	5,000,000	4,862,450	4,915,229		22,245		22,245		4,937,473		18,097	18,097	246,772	07/15/2010	1FE.....
LN1815 48 6	JARDEN CORP.....		09/30/2008	CALLED BY ISSUER at 100.00.....		2,583	2,583	2,466		118		118		2,583			0	45	01/24/2012	3FE.....	
LN2460 23 3	HERTZ CORP.....		09/30/2008	VARIOUS.....		1,924,227	2,004,224	1,924,035		189		189		1,924,224			0	9	12/21/2012	3FE.....	
LN2574 40 5	CSC HOLDINGS, INC.....		09/30/2008	CALLED BY ISSUER at 100.00.....		2,558	2,558	2,410		148		148		2,558			0	10	02/24/2012	3FE.....	
LN2641 10 5	SENSATA TECHNOLOGIES.....		09/30/2008	CALLED BY ISSUER at 100.00.....		2,551	2,551	2,322		229		229		2,551			0		04/27/2013	4FE.....	
LN2997 84 6	IDEARC INC.....		09/30/2008	VARIOUS.....		1,387,437	1,979,899	1,885,149	1,885,516		94,383		94,383		1,979,899		(592,462)	(592,462)	86,720	11/17/2014	3FE.....
LN3229 30 6	TELESAT LLC.....		09/30/2008	CALLED BY ISSUER at 100.00.....		2,437	2,437	2,388	2,209		49		49		2,437			0	115	01/19/2014	4FE.....
LN3270 93 8	HAWKER BEECHCRAFT INC TL B.....		09/30/2008	CALLED BY ISSUER at 100.00.....		4,621	4,621	4,588	4,413	176		208		4,621			0	192	03/26/2014	3FE.....	
LN3326 91 2	DRESSER INC.....		07/31/2008	CALLED BY ISSUER at 100.00.....		5,769	5,769	5,631	5,553	78		78		5,631		138	138	187	05/04/2014	4FE.....	
LN3349 00 5	LAS VEGAS SANDS LLC.....		09/30/2008	CALLED BY ISSUER at 100.00.....		5,000	5,000	4,931	4,770	164		66		5,000			0	179	05/23/2014	3FE.....	
LN3474 04 3	ISLE OF CAPRI CASINOS, INC.....		09/30/2008	CALLED BY ISSUER at 100.00.....		1,029	1,029	1,029		0		0		1,029			0	144	07/02/2014	3FE.....	
LN3474 08 4	ISLE OF CAPRI CASINOS, INC.....		09/30/2008	CALLED BY ISSUER at 100.00.....		1,471	1,471	1,471	1,357	114		114		1,471			0	37	07/02/2014	3FE.....	
LN3634 69 5	TEXAS COMPETITIVE ELECTRIC.....		08/14/2008	VARIOUS.....		5,000	5,000	4,988	4,925	63		12		5,000			0	191	10/10/2014	3FE.....	
LN3684 91 4	SEQUA CORPORATION.....		09/18/2008	CALLED BY ISSUER at 100.00.....		141,667	141,667	134,583	134,653		7,014		7,014		141,667			0	7,879	12/03/2014	4FE.....
LN3703 78 9	NEWPAGE CORP.....		09/30/2008	CALLED BY ISSUER at 100.00.....		2,500	2,500	2,425	2,425		75		75		2,500			0	136	12/20/2014	3FE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....					10,833,392	13,562,281	13,485,374	11,487,791	595	104,613	0	105,208	0	13,525,438	0	(2,692,049)	(2,692,049)	542,776	XXX	XXX
6099997.	Total - Bonds - Part 4.....					17,154,693	19,867,684	19,781,842	17,535,537	(887)	105,670	0	104,783	0	19,789,835	0	(2,635,145)	(2,635,145)	766,796	XXX	XXX
6099999.	Total - Bonds.....					17,154,693	19,867,684	19,781,842	17,535,537	(887)	105,670	0	104,783	0	19,789,835	0	(2,635,145)	(2,635,145)	766,796	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous																					
42307T 20 7	HEINZ (H.J.) FINANCE CO.....		07/15/2008	CALLED BY ISSUER at 100.00.....	30,000	3,000,000	100,000	3,000,000	3,000,000				0		3,000,000			0	140,085	XXX	P3UFE
6399999.	Total - Preferred Stocks - Industrial & Miscellaneous.....					3,000,000	XXX	3,000,000	3,000,000	0	0	0	0	0	3,000,000	0	0	0	140,085	XXX	XXX
6599997.	Total - Preferred Stocks - Part 4.....					3,000,000	XXX	3,000,000	3,000,000	0	0	0	0	0	3,000,000	0	0	0	140,085	XXX	XXX
6599999.	Total - Preferred Stocks.....					3,000,000	XXX	3,000,000	3,000,000	0	0	0	0	0	3,000,000	0	0	0	140,085	XXX	XXX
7399999.	Total - Preferred and Common Stocks.....					3,000,000	XXX	3,000,000	3,000,000	0	0	0	0	0	3,000,000	0	0	0	140,085	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks.....					20,154,693	XXX	22,781,842	20,535,537	(887)	105,670	0	104,783	0	22,789,835	0	(2,635,145)	(2,635,145)	906,881	XXX	XXX

QE05.2

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	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)

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

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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.....	.....	.....	.....	.....224,782	.....271,820	.....882,280	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....	.....	.....	.....	.....29,112	.....29,062	.....29,060	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....26,345	.....25,755	.....25,776	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(5,585,943)	.....(9,271,871)	.....(2,549,953)	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(5,305,704)	.....(8,945,233)	.....(1,612,837)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(5,305,704)	.....(8,945,233)	.....(1,612,837)	XXX
0499999. Cash in Company's Office.....	XXX.....	XXX.....	XXX.....	XXX.....	.....9,166	.....9,166	.....10,000	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	.....(5,296,538)	.....(8,936,067)	.....(1,602,837)	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 10/10/2008.....		09/16/2008	2.053	10/10/2008	9,994,875		8,542
FED HOME LN DISCOUNT NT 10/14/2008.....		09/24/2008	2.363	10/14/2008	5,245,526		2,409
FED HOME LN DISCOUNT NT 10/16/2008.....		09/24/2008	2.363	10/16/2008	1,698,328		669
FED HOME LN DISCOUNT NT 10/24/2008.....		09/24/2008	2.405	10/24/2008	5,241,950		2,450
0199999. U.S. Government Bonds - Issuer Obligations.....					22,180,680	0	14,070
0399999. Total - U.S. Government Bonds.....					22,180,680	0	14,070
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
DELL INC 11/10/2008.....		09/30/2008	1.804	11/10/2008	2,994,000		150
SAN JOSE ARPT 11/06/2008.....		09/11/2008	2.711	11/06/2008	2,991,900		4,500
SHARP ELEC CORP 10/24/2008.....		09/30/2008	2.304	10/24/2008	1,647,575		105
SOUTHERN CAL GAS 10/01/2008.....		09/30/2008	3.000	10/01/2008	3,000,000		250
3999999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations.....					10,633,475	0	5,005
4599999. Total - Industrial and Miscellaneous (Unaffiliated).....					10,633,475	0	5,005
Total Bonds							
5499999. Subtotals - Issuer Obligations.....					32,814,155	0	19,075
6099999. Subtotals - Bonds.....					32,814,155	0	19,075
8799999. Total - Cash Equivalents.....					32,814,155	0	19,075

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