

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, 2007

2007



QUARTERLY STATEMENT

As of September 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. WILLIAM STANCIL STARNES #	CHAIRMAN

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

_____ (Signature) DARRYL KEITH THOMAS _____ 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) KATHRYN ANNE NEVILLE _____ 2. (Printed Name) SECRETARY _____ (Title)	_____ (Signature) JAMES JOSEPH MORELLO _____ 3. (Printed Name) TREASURER _____ (Title)
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Subscribed and sworn to before me
This _____ day of _____

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	929,990,989		929,990,989	943,061,062
2. Stocks:				
2.1 Preferred stocks.....	9,245,640		9,245,640	7,884,369
2.2 Common stocks.....	16,592		16,592	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).....	4,064,325		4,064,325	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 (\$.....(2,810,866)), cash equivalents (\$.....32,504,852) and short-term investments (\$.....11,479,795).....	41,173,781		41,173,781	36,662,234
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	15,609,938		15,609,938	1,103,100
8. Receivables for securities.....			0	30,950
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	1,000,101,265	0	1,000,101,265	992,694,916
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	10,134,385		10,134,385	10,853,793
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	9,147,381	99,787	9,047,594	24,778,737
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	25,744,621	4,422	25,740,199	12,555,553
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	31,218,373		31,218,373	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.....	20,437		20,437	(138)
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	11,785,994
16.2 Net deferred tax asset.....	33,818,517	22,804,124	11,014,393	11,976,692
17. Guaranty funds receivable or on deposit.....	2,897,103		2,897,103	2,790,141
18. Electronic data processing equipment and software.....	192,827		192,827	204,831
19. Furniture and equipment, including health care delivery assets (\$.....0).....	298,834	298,834	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	407,675		407,675	111,887
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	13,023,439	89,632	12,933,807	11,956,830
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,152,465,084	23,296,799	1,129,168,285	1,117,186,170
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,152,465,084	23,296,799	1,129,168,285	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.....	135,593	89,632	45,961	
2303. Company Owned Life Insurance.....	12,485,139		12,485,139	11,701,778
2398. Summary of remaining write-ins for Line 23 from overflow page.....	402,707	0	402,707	255,052
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	13,023,439	89,632	12,933,807	11,956,830

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....25,205,513).....	436,210,700	470,983,303
2. Reinsurance payable on paid losses and loss adjustment expenses.....	322,656	89,267
3. Loss adjustment expenses.....	325,427,552	308,574,708
4. Commissions payable, contingent commissions and other similar charges.....	3,589,565	3,834,549
5. Other expenses (excluding taxes, licenses and fees).....	3,072,478	3,339,745
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,388,804	1,763,834
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	1,613,011	
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....3,703,738 and including warranty reserves of \$.....0).....	76,365,557	81,869,303
10. Advance premium.....	2,684,721	4,480,346
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	10,776,279	6,535,608
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	94,427	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.....	1,495,157	1,031,435
20. Payable for securities.....	2,876,069	602
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	218,901	1
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	868,968,877	885,471,877
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	868,968,877	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).....	218,938,870	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).....	260,199,408	231,714,293
36. TOTALS.....	1,129,168,285	1,117,186,170

DETAILS OF WRITE-INS

2301. Retroactive Reinsurance Reserve Ceded.....		
2302. Other Liabilities.....	(1)	1
2303. Provider Alliance Unearned Fee Income.....	218,902	
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).....	218,901	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 \$.....124,293,565).....	128,701,752	135,194,367	180,522,821
1.2 Assumed..... (written \$.....4,994,628).....	5,920,175	9,690,828	12,466,722
1.3 Ceded..... (written \$.....10,049,556).....	9,879,544	7,263,935	1,590,844
1.4 Net..... (written \$.....119,238,637).....	124,742,383	137,621,260	191,398,699
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....25,405,713):			
2.1 Direct.....	49,668,491	19,478,989	47,207,409
2.2 Assumed.....	882,913	3,716,073	2,965,130
2.3 Ceded.....	24,823,190	4,220,121	19,533,365
2.4 Net.....	25,728,214	18,974,941	30,639,174
3. Loss expenses incurred.....	72,094,020	89,232,635	158,244,152
4. Other underwriting expenses incurred.....	23,371,940	25,578,525	30,843,871
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	121,194,174	133,786,101	219,727,197
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	3,548,209	3,835,159	(28,328,498)
INVESTMENT INCOME			
9. Net investment income earned.....	35,572,816	315,044,657	327,139,280
10. Net realized capital gains (losses) less capital gains tax of \$.....576,377.....	(1,016,646)	4,588,617	4,390,675
11. Net investment gain (loss) (Lines 9 + 10).....	34,556,170	319,633,274	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.....	965,030	916,603	1,179,855
15. Total other income (Lines 12 through 14).....	965,030	916,603	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).....	39,069,409	324,385,036	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).....	39,069,409	324,385,036	304,381,312
19. Federal and foreign income taxes incurred.....	7,075,384	11,551,447	4,300,688
20. Net income (Line 18 minus Line 19) (to Line 22).....	31,994,025	312,833,589	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).....	31,994,025	312,833,589	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.....	(2,725,479)	(166,090,116)	(166,518,485)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(2,098,615)	482,662	1,530,250
27. Change in nonadmitted assets.....	1,315,184	(235,182)	(1,474,001)
28. Change in provision for reinsurance.....			(1,787,000)
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....		(220,276,817)	(220,276,817)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	3	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	28,485,115	(73,285,861)	(88,445,429)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	260,199,408	246,873,861	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.....	213,310	328,023	435,872
1402. Risk management income.....	411,278	524,490	565,821
1403. Other.....	340,442	64,090	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).....	965,030	916,603	1,179,855
3701. Rounding.....		3	
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	3	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.....	124,307,764	188,445,323
2. Net investment income.....	38,917,127	329,488,740
3. Miscellaneous income.....	965,030	1,179,855
4. Total (Lines 1 through 3).....	164,189,921	519,113,918
5. Benefit and loss related payments.....	134,730,845	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.....	24,366,183	30,738,474
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(5,747,244)	16,414,735
10. Total (Lines 5 through 9).....	153,349,784	181,442,083
11. Net cash from operations (Line 4 minus Line 10).....	10,840,137	337,671,835
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	218,393,906	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.....	1,540	(10,340)
12.7 Miscellaneous proceeds.....	2,906,417	602
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	221,301,863	588,031,865
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	206,907,530	710,529,775
13.2 Stocks.....	1,519,800	
13.3 Mortgage loans.....		
13.4 Real estate.....	259,150	
13.5 Other invested assets.....	18,425,445	
13.6 Miscellaneous applications.....		29,020
13.7 Total investments acquired (Lines 13.1 to 13.6).....	227,111,925	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).....	(5,810,062)	(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).....	(518,528)	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).....	(518,528)	(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).....	4,511,547	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).....	41,173,780	36,662,233

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

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

Effective May 16, 2007, the Company's immediate parent, Professionals Group, Inc., was merged into PRA Professional Liability Group, Inc., another 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

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

Combined reserves for incurred losses and loss adjustment expenses attributable to insured events as of December 31, 2006 were \$780 million. The following chart shows the activity in those reserves during the nine month period ended September 30, 2007:

Losses and Loss Adjustment Expenses December 31, 2006	\$ 780,000,000
Re-estimation of reserves (favorable)	(12,000,000)
(Paid) Losses and Loss Adjustment Expenses	<u>(112,000,000)</u>
Re-estimated December 31, 2006 Losses and Loss Adjustment Expenses	<u>\$ 656,000,000</u>

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

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

NOTES TO FINANCIAL STATEMENTS

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

No significant change.

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

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity 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. \$.....0

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 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....15,376	\$.....16,592
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	\$.....16,592
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 Name of Custodian(s)	2 Custodian Address
US Bank	Birmingham, AL

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]
- 17.4 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address

- 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
	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....
Total.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....

**PRONATIONAL INSURANCE COMPANY
SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,937,825	4,113,136
2. Increase (decrease) by adjustment.....	(132,650)	(175,311)
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....	259,150	
5. Total profit (loss) on sales.....		
6. Increase (decrease) by foreign exchange adjustment.....		
7. Amount received on sales.....		
8. Book/adjusted carrying value at end of current period.....	4,064,325	3,937,825
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	4,064,325	3,937,825
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	4,064,325	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.....	309,400	
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....	(3,918,607)	
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.....	15,609,938	1,103,100
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	15,609,938	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).....	15,609,938	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.....	208,427,327	710,529,775
3. Accrual of discount.....	528,422	407,673
4. Increase (decrease) by adjustment.....	(892,008)	(167,838,132)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	1,643,334	5,492,794
7. Consideration for bonds and stocks disposed of.....	218,393,906	587,967,303
8. Amortization of premium.....	3,020,755	4,588,337
9. Book/adjusted carrying value, current period.....	939,253,221	950,960,807
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	939,253,221	950,960,807
12. Total nonadmitted amounts.....		
13. Statement value.....	939,253,221	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.....	928,829,572	597,094,949	586,538,246	(2,781,008)	989,712,655	928,829,572	936,605,267	950,331,973
2. Class 2.....	18,369,756			1,974,586	12,769,988	18,369,756	20,344,342	18,148,576
3. Class 3.....	5,232,152	5,767,775	1,002,385	(180,655)		5,232,152	9,816,887	4,794,508
4. Class 4.....	6,382,275	964,097	17,423	(119,809)	4,917,665	6,382,275	7,209,140	10,150,610
5. Class 5.....								1,363,282
6. Class 6.....								1,593,443
7. Total Bonds.....	958,813,755	603,826,821	587,558,054	(1,106,886)	1,007,400,308	958,813,755	973,975,636	986,382,392
PREFERRED STOCK								
8. Class 1.....	6,354,781			(109,141)	4,857,875	6,354,781	6,245,640	4,884,369
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.....								
14. Total Preferred Stock.....	9,354,781	0	0	(109,141)	7,857,875	9,354,781	9,245,640	7,884,369
15. Total Bonds and Preferred Stock.....	968,168,536	603,826,821	587,558,054	(1,216,027)	1,015,258,183	968,168,536	983,221,276	994,266,761

PRONATIONAL INSURANCE COMPANY

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.....	11,479,795	XXX	11,481,263		43,125

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.....	149,371,181	72,442,431
3. Increase (decrease) by adjustment.....	(3,390)	(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.....	148,638,480	68,429,558
7. Book/adjusted carrying value, current period.....	11,479,795	10,748,567
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	11,479,795	10,748,567
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	11,479,795	10,748,567
12. Income collected during period.....	595,387	531,518
13. Income earned during period.....	642,256	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	879,928	1,652,123			3,039,485	1,925,815
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO						
4. Arkansas.....AR	NO						
5. California.....CA	NO	1,149,932	858,085			425,575	60,399
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES	12,751,775	12,980,278	1,835	842	8,183,789	1,710,144
9. District of Columbia.....DC	NO						
10. Florida.....FL	YES	30,123,588	39,230,163	66,950,979	13,946,344	175,195,548	216,766,756
11. Georgia.....GA	YES	29,412	47,966			773,494	526,353
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	16,203,801	20,827,464	10,416,411	2,866,075	66,224,542	69,822,219
15. Indiana.....IN	YES	897,700	835,261	1,801,294	627,208	14,636,139	14,634,512
16. Iowa.....IA	YES	1,214,215	1,293,413	100,000		1,460,623	804,214
17. Kansas.....KS	YES						
18. Kentucky.....KY	YES	15,527,296	15,438,068	205,649	67,448	38,994,714	25,614,829
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES						
22. Massachusetts.....MA	NO	33,707				1,889	
23. Michigan.....MI	YES	34,227,472	35,815,561	5,779,545	9,847,088	119,331,771	128,439,880
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO						
26. Missouri.....MO	YES						
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	NO						
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	YES	7,034,123	11,423,932	7,587,246	3,441,740	24,172,991	18,159,736
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	4,025,023	3,896,705	1,533,779	590,110	18,663,822	19,458,521
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	YES	156,625	458,976	1,544,282	3,534,720	24,430,472	30,462,006
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	38,968	98,475			117,302	46,696
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	124,293,565	144,856,470	95,921,020	34,921,575	495,652,156	528,432,080

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.....	5,525,179	1,864,299	33.7	14.1
11.2. Medical malpractice-claims made.....	115,524,473	45,608,491	39.5	14.1
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.....	60,568	17,413	28.7	19.9
17.2. Other liability-claims made.....	7,591,532	2,178,288	28.7	19.9
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.....	128,701,752	49,668,491	38.6	14.4

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	2,243,033	5,525,179	6,105,357
11.2. Medical malpractice-claims made.....	42,458,908	110,537,688	131,234,715
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.....	30,769	60,568	45,816
17.2. Other liability-claims made.....	2,624,208	8,170,130	7,470,582
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.....	47,356,918	124,293,565	144,856,470

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	62,951	31,002	93,953	258,464	833	118,891	378,188	(6,953)	400	(6,553)
2. 2005	58,259	95,061	153,320	9,838	1,266	11,104	57,777	415	79,524	137,716	9,356	(13,856)	(4,500)
3. Subtotals 2005 + Prior	386,626	245,387	632,013	72,789	32,268	105,057	316,241	1,248	198,415	515,904	2,404	(13,456)	(11,053)
4. 2006	30,119	117,426	147,545	4,268	2,158	6,426	47,837	3,732	88,550	140,119	21,986	(22,986)	(1,000)
5. Subtotals 2006 + Prior	416,745	362,813	779,558	77,057	34,426	111,483	364,078	4,980	286,965	656,023	24,390	(36,443)	(12,053)
6. 2007	XXX	XXX	XXX	XXX	4,259	4,259	XXX	21,013	84,603	105,616	XXX	XXX	XXX
7. Totals	416,745	362,813	779,558	77,057	38,685	115,742	364,078	25,993	371,568	761,639	24,390	(36,443)	(12,053)
8. Prior Year-End's Surplus As Regards Policyholders	231,714										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....5.9%	2. ....(10.0)%	3. ....(1.5)%
													Col. 13, Line 7 Line 8
													4. ....(5.2)%

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Bar Code:



Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2304. Note receivable.....	35,085		35,085	130,512
2305. Other Assets.....			0	2
2306. State Premium Tax Recoverable.....	367,622		367,622	124,538
2397. Summary of remaining write-ins for Line 23.....	402,707	0	402,707	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									
912827 4Y 5	TSY INFL IX N/B		01/15/2009 3.875	VARIOUS		2,178,659	2,133,117	16,802	1
912827 6R 8	TSY INFL IX N/B		01/15/2011 3.500	CAPITALIZED INTEREST		18,315	18,315		1
912827 7J 5	TSY INFL IX N/B		01/15/2012 3.375	VARIOUS		1,683,622	1,606,908	10,313	1
912828 AF 7	TSY INFL IX N/B		07/15/2012 3.000	VARIOUS		1,556,018	1,494,856	9,031	1
912828 BD 1	TSY INFL IX N/B		07/15/2013 1.875	CAPITALIZED INTEREST		38,600	38,600		1
912828 BW 9	TSY INFL IX N/B		01/15/2014 2.000	CAPITALIZED INTEREST		766	766		1
912828 CZ 1	TSY INFL IX N/B		04/15/2010 0.875	VARIOUS		1,104,622	1,146,678	4,408	1
912828 EA 4	TSY INFL IX N/B		07/15/2015 1.875	CAPITALIZED INTEREST		34,992	34,992		1
912828 ET 3	TSY INFL IX N/B		01/15/2016 2.000	VARIOUS		3,439,296	3,532,415	13,567	1
912828 FB 1	TSY INFL IX N/B		04/15/2011 2.375	CAPITALIZED INTEREST		10,710	10,710		1
912828 FL 9	TSY INFL IX N/B		07/15/2016 2.500	VARIOUS		3,576,958	3,513,273	16,817	1
0399999	Total - Bonds - U.S. Government					13,642,558	13,530,630	70,938	XXX
Bonds - States, Territories and Possessions									
13062T PJ 7	CA ST		09/01/2024 5.000	J.P. MORGAN		2,081,880	2,000,000	5,556	1FE
1799999	Total - Bonds - States, Territories & Possessions					2,081,880	2,000,000	5,556	XXX
Bonds - Political Subdivisions of States									
918608 MC 1	VACAVILLE USD 2001		08/01/2022 5.000	BANK AMERICA		1,857,531	1,810,000	7,290	1FE
2499999	Total - Bonds - Political Subdivision					1,857,531	1,810,000	7,290	XXX
Bonds - Special Revenue and Special Assessment									
051735 CW 6	AURORA SCH BLDG		07/15/2023 5.000	MCDONALD INVESTMENTS		2,113,047	2,025,000	18,563	1FE
040504 GA 4	AZ EDL LN-ARCS-SUB-B2		12/01/2038 4.900	DAIN BOSWORTH		2,000,000	2,000,000	5,805	1FE
237026 AV 1	DAPHNE SPL CR 2 MTG A		08/15/2008	DIRECT		7,358,160	7,600,000		1FE
31407H 5Y 8	FN 831663		04/01/2036 6.000	HSBC SECURITIES LIMITED		1,108,447	1,120,527	2,428	1
31411W VC 8	FN 916911		03/01/2037 5.500	GREENWICH CAPITAL		978,352	989,093	1,813	1
31412V 4G 0	FN 936523		05/01/2037 5.500	GREENWICH CAPITAL		2,947,206	2,982,153	10,479	1
31412X LJ 1	FN 937829		06/01/2037 6.000	HSBC SECURITIES LIMITED		1,663,558	1,682,220	3,645	1
31413F G5 5	FN 944020		07/01/2037 6.000	BANQUE PARIBAS		9,950,000	10,000,000	35,000	1
36200F AP 3	GN 599514		05/01/2037 5.500	HSBC SECURITIES LIMITED		987,418	996,763	3,655	1
451888 DF 5	IL DEV FIN-ADJ-REF-B		04/01/2032 3.750	MORGAN STANLEY DEAN WITTER		2,625,000	2,625,000		1FE
49130P UA 0	KY HSG VAR-AMT-SER H		07/01/2036 3.640	MERRILL LYNCH		10,000,000	10,000,000	68,658	1FE
56036Y AS 4	MAIN ST NAT GAS INC-A		03/15/2009 5.000	J.P. MORGAN		1,015,340	1,000,000	25,417	1FE
605354 EL 9	MS HGR ED-ARS-A2-TXB		09/01/2033 5.700	BANK OF NEW YORK		2,000,000	2,000,000		1FE
64711R FF 8	NM TRN-ADJ-C3-SUB LIE		12/15/2026 3.700	VARIOUS		1,575,000	1,575,000		1FE
83715A AD 1	SC STD LN-ARS-A2-STD		09/04/2046 6.125	DAIN RAUSCHER		5,750,000	5,750,000		1FE
97689P 2C 1	WI HSG HM OWNERSHIP-D		09/01/2036 3.650	MERRILL LYNCH		10,000,000	10,000,000	5,507	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					62,071,528	62,345,756	180,970	XXX
Bonds - Industrial and Miscellaneous									
161571 AL 8	CHAIT 2005-A4 A4		05/15/2010 4.230	J.P. MORGAN		1,395,503	1,430,000	2,520	1FE
161571 AQ 7	CHAIT 2005-A7 A7		01/15/2011 4.550	WACHOVIA/FIRST UNION		499,402	510,000	967	1FE
14041N CC 3	COMET 2005-A3 A3		05/15/2010 4.050	J.P. MORGAN		2,111,619	2,175,000	3,670	1FE
LN3326 91 2	DRESSER INC		05/04/2014 8.010	LEHMAN BROTHERS		964,097	1,000,000		4FE
LN3310 07 2	HUNTSMAN CORP		04/19/2014 7.070	DIRECT		973,688	1,000,000		3FE
LN3270 85 4	HAWKER BEECHCRAFTINC		03/26/2014 5.260	CREDIT SUISSE FIRST BOSTON		78,017	78,014		3FE
LN3270 93 8	HAWKER BEECHCRAFTINC		03/26/2014 7.320	CREDIT SUISSE FIRST BOSTON		921,986	921,986		3FE
LN2997 84 6	IDEARC INC		11/17/2014 7.360	CITIBANK		1,905,000	2,000,000		3FE
LN1897 53 4	IOWA TELECOMMUNICATION		11/23/2011 7.230	CITIBANK		971,069	1,000,000		3FE
LN3474 08 4	ISLE OF CAPRI CASINOS		07/02/2014 7.250	CREDIT SUISSE FIRST BOSTON		823,529	823,529		3FE
LN3349 00 5	LAS VEGAS SANDS LLC		05/23/2014 7.110	GOLDMAN SACHS		172,503	200,000		3FE
4599999	Total - Bonds - Industrial & Miscellaneous					10,816,413	11,138,529	7,157	XXX
6099997	Total - Bonds - Part 3					90,469,910	90,824,915	271,911	XXX
6099999	Total - Bonds					90,469,910	90,824,915	271,911	XXX
7499999	Total - Bonds, Preferred and Common Stocks					90,469,910	XXX	271,911	XXX

E04

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC 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 6R 9	FANNIE MAE		09/27/2007	CALL BY ISSUER 100.0		6,000,000	6,000,000	6,000,000							6,000,000					162,250	03/27/2009	1
31359M W3 3	FANNIE MAE		08/24/2007	CALL BY ISSUER 100.0		3,750,000	3,750,000	3,753,000	3,752,169	(2,169)			(2,169)		3,750,000					208,125	08/24/2009	1
3133XG FL 3	FEDERAL HOME LOAN BANK	5.75	08/07/2007	CALL BY ISSUER 100.0		10,000,000	10,000,000	10,030,700	10,027,839	(27,839)			(27,839)		10,000,000					575,000	08/07/2009	1
3133XG VX 9	FEDERAL HOME LOAN BANK	5.25	09/19/2007	CALL BY ISSUER 100.0		5,000,000	5,000,000	5,000,000	5,000,000						5,000,000					262,500	09/19/2008	1
3133XJ M9 6	FEDERAL HOME LOAN BANK	5.30	07/17/2007	CALL BY ISSUER 100.0		2,000,000	2,000,000	1,999,200		238			238		1,999,438		562		562	53,000	07/17/2008	1
36202D C9 0	G2 2796	7.000	09/01/2007	MBS PAYDOWN		8,760	8,760	8,546	8,580	180			180		8,760					405	05/01/2028	1
36203L DN 9	GN 352109	7.000	09/01/2007	MBS PAYDOWN		2,587	2,587	2,643	2,624	(37)			(37)		2,587					111	03/01/2022	1
36205N M8 6	GN 395583	7.000	09/01/2007	MBS PAYDOWN		63	63	64	64	(1)			(1)		63					3	07/01/2027	1
36207K GS 3	GN 434109	6.500	09/01/2007	MBS PAYDOWN		16,711	16,711	16,774	16,757	(46)			(46)		16,711					728	11/01/2027	1
36207K JJ 0	GN 434165	6.500	09/01/2007	MBS PAYDOWN		12,845	12,845	12,893	12,880	(35)			(35)		12,845					556	04/01/2027	1
36208V 6E 0	GN 462669	7.000	09/01/2007	MBS PAYDOWN		13,861	13,861	14,092	14,026	(166)			(166)		13,861					619	11/01/2026	1
36208W DE 0	GN 462801	6.500	09/01/2007	MBS PAYDOWN		24,879	24,879	24,894	24,894	(15)			(15)		24,879					1,069	08/01/2026	1
36208W ES 8	GN 462845	7.500	09/01/2007	MBS PAYDOWN		519	519	539	533	(14)			(14)		519					26	03/01/2028	1
36208X D7 3	GN 463726	7.000	09/01/2007	MBS PAYDOWN		623	623	633	630	(7)			(7)		623					29	08/01/2027	1
36210A VS 3	GN 486725	7.000	09/01/2007	MBS PAYDOWN		34,651	34,651	35,404	35,184	(533)			(533)		34,651					1,617	06/01/2028	1
36210E X6 1	GN 490401	6.500	09/01/2007	MBS PAYDOWN		58,467	58,467	58,129	58,226	242			242		58,467					2,533	04/01/2028	1
36213U DK 3	GN 564506	6.500	09/01/2007	MBS PAYDOWN		536	536	543	541	(6)			(6)		536					23	02/01/2031	1
36200X LT 4	GN 575538	6.500	09/01/2007	MBS PAYDOWN		4,067	4,067	4,154	4,134	(66)			(66)		4,067					177	07/01/2031	1
36201F T7 2	GN 582074	6.000	09/01/2007	MBS PAYDOWN		20,307	20,307	20,342	20,336	(28)			(28)		20,307					724	03/01/2031	1
36291P ZE 9	GN 634441	5.500	09/01/2007	MBS PAYDOWN		69,618	69,618	71,032	70,846	(1,228)			(1,228)		69,618					2,501	05/01/2034	1
36225A UH 1	GN 780584	7.000	09/01/2007	MBS PAYDOWN		8,494	8,494	8,579	8,560	(66)			(66)		8,494					397	01/01/2026	1
912827 4Y 5	TSY INFL IX N/B	3.875	09/30/2007	VARIOUS		835,044	824,481	853,733		(604)			(604)		830,541		4,503		4,503	40,836	01/15/2009	1
912827 6R 8	TSY INFL IX N/B	3.500	08/03/2007	CITIGROUP		2,777,475	2,689,133	2,830,475	2,724,257	22			22		2,724,278		53,196		53,196	177,012	01/15/2011	1
912827 7J 5	TSY INFL IX N/B	3.375	09/30/2007	VARIOUS		3,529,018	3,397,373	3,562,484	2,709,746	4			4		3,482,139		46,879		46,879	208,203	01/15/2012	1
912828 AF 7	TSY INFL IX N/B	3.000	09/30/2007	VARIOUS		2,673,866	2,603,096	2,695,787	2,612,009	2			2		2,612,037		61,829		61,829	157,794	07/15/2012	1
912828 BD 1	TSY INFL IX N/B	1.875	08/03/2007	CREDIT SUISSE FIRST BOST		5,488,146	5,662,900	5,488,857	5,364,992	(4)			(4)		5,364,988		123,159		123,159	276,933	07/15/2013	1
912828 BW 9	TSY INFL IX N/B	2.000	08/03/2007	DEUTSCHE BANK		109,389	112,577	110,260	117,847						117,847		(8,459)		(8,459)	5,651	01/15/2014	1
912828 CZ 1	TSY INFL IX N/B	0.875	09/30/2007	VARIOUS		1,203,891	1,262,785	1,193,707	1,162,014						1,162,074		41,817		41,817	46,813	04/15/2010	1
912828 EA 4	TSY INFL IX N/B	1.875	08/03/2007	VARIOUS		4,919,913	5,133,264	4,950,881	2,299,924	(3)			(3)		4,789,820		130,093		130,093	230,463	07/15/2015	1
912828 ET 3	TSY INFL IX N/B	2.000	09/30/2007	VARIOUS		2,323,711	2,410,716	2,343,489	1,544,144	60			60		2,284,232		39,479		39,479	121,498	01/15/2016	1
912828 FB 1	TSY INFL IX N/B	2.375	08/03/2007	CREDIT SUISSE FIRST BOST		1,563,158	1,572,000	1,550,832	1,519,793	(1)			(1)		1,519,793		43,365		43,365	75,898	04/15/2011	1
912828 FL 9	TSY INFL IX N/B	2.500	09/30/2007	VARIOUS		1,241,398	1,236,087	1,250,967		(117)			(117)		1,229,487		11,911		11,911	35,813	07/15/2016	1
0399999	Total - Bonds - U.S. Government					53,691,997	53,931,400	53,893,633	39,113,549	0			(32,237)		53,143,662		548,334		548,334	2,649,307	XXX	XXX
Bonds - Special Revenue and Special Assessment																						
31296J ZA 7	FG A10737	5.500	09/01/2007	MBS PAYDOWN		152,059	152,059	154,815	154,515	(2,456)			(2,456)		152,059					5,654	03/01/2032	1
31297H PN 3	FG A29429	4.500	09/01/2007	MBS PAYDOWN		4,960	4,960	4,791	4,809	151			151		4,960					149	04/01/2034	1
31297H X4 6	FG A29699	5.000	09/01/2007	MBS PAYDOWN		116,421	116,421	116,466	116,461	(40)			(40)		116,421					3,872	08/01/2034	1
31297K 7G 1	FG A30895	5.000	09/01/2007	MBS PAYDOWN		105,323	105,323	104,517	104,607	716			716		105,323					3,256	08/01/2034	1
31297S ZP 3	FG A37050	5.000	09/01/2007	MBS PAYDOWN		68,717	68,717	67,880	67,956	761			761		68,717					2,249	05/01/2035	1
31335H 5U 3	FG C90859	5.500	09/01/2007	MBS PAYDOWN		147,748	147,748	151,868	151,181	(3,433)			(3,433)		147,748					5,358	06/01/2024	1
3128H3 LP 4	FG E95734	5.000	09/01/2007	MBS PAYDOWN		83,025	83,025	85,724	85,046	(2,021)			(2,021)		83,025					2,715	08/01/2017	1
3128LX FN 5	FG G01973	5.000	09/01/2007	MBS PAYDOWN		62,410	62,410	59,845	59,890	2,520			2,520		62,410					2,083	06/01/2035	1
3128LX MR 8	FG G02168	6.000	09/01/2007	MBS PAYDOWN		26,441	26,441	26,255	26,264	177			177		26,441					1,035	11/01/2035	1
3128LX P3 8	FG G02242	5.500	09/01/2007	MBS PAYDOWN		17,507	17,507	16,809	16,834	673			673		17,507					636	02/01/2036	1
3128LX QU 7	FG G02267	6.500	09/01/2007	MBS PAYDOWN		36,409	36,409	37,046	37,015	(606)			(606)		36,409					1,575	03/01/2036	1
3128MJ BE 9	FG G08036	5.500	09/01/2007	MBS PAYDOWN		22,140	22,140	22,472	22,419	(279)			(279)		22,140					802	06/01/2034	1
3128MJ DA 9	FG G08122	5.500	09/01/2007	MBS PAYDOWN		38,963	38,963	37,609	37,651	1,311			1,311		38,963					1,409	11/01/2035	1
3128M1 GT 0	FG G12110	5.500	09/01/2007	MBS PAYDOWN		16,362	16,362	16,234	16,239	122			122		16,362					598	01/01/2021	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.								
3128JR PC 4	FH 847619		08/01/2007	MBS PAYDOWN		420,457	420,457	424,990	424,930		(4,473)		(4,473)		420,457				0	16,634	09/01/2011	1
3133TL UH 9	FHR 2178 PB		09/01/2007	MBS PAYDOWN		79,032	79,032	81,526	80,092		(1,060)		(1,060)		79,032				0	3,676	08/01/2029	1
31393M 6V 8	FHR 2580 QL		09/01/2007	MBS PAYDOWN		91,463	91,463	93,492	91,902		(439)		(439)		91,463				0	2,687	02/01/2009	1
31393M Z2 0	FHR 2583 ND		09/01/2007	MBS PAYDOWN		1,155	1,155	1,174	1,163		(8)		(8)		1,155				0	33	06/01/2009	1
31393N 2K 4	FHR 2583 TD		09/01/2007	MBS PAYDOWN		829	829	843	837		(8)		(8)		829				0	25	10/01/2012	1
31395H ZW 3	FHR 2886 HB		09/01/2007	MBS PAYDOWN		15,130	15,130	15,005	15,036		94		94		15,130				0	539	02/01/2010	1
31371K BR 1	FN 253948		09/01/2007	MBS PAYDOWN		28,063	28,063	27,686	27,775		288		288		28,063				0	1,133	06/01/2030	1
31371K MK 4	FN 254262		09/01/2007	MBS PAYDOWN		5,788	5,788	5,728	5,743		45		45		5,788				0	233	03/01/2031	1
31371K VA 6	FN 254509		09/01/2007	MBS PAYDOWN		36,772	36,772	37,353	37,192		(420)		(420)		36,772				0	1,232	03/01/2017	1
31371K VC 2	FN 254511		09/01/2007	MBS PAYDOWN		8,964	8,964	9,269	9,190		(226)		(226)		8,964				0	327	03/01/2017	1
31371K WJ 6	FN 254549		09/01/2007	MBS PAYDOWN		5,601	5,601	5,794	5,748		(148)		(148)		5,601				0	222	01/01/2032	1
31371L CE 7	FN 254869		09/01/2007	MBS PAYDOWN		81,119	81,119	81,220	81,202		(84)		(84)		81,119				0	2,960	01/01/2033	1
31371L WN 5	FN 255453		09/01/2007	MBS PAYDOWN		12,686	12,686	12,880	12,847		(161)		(161)		12,686				0	417	06/01/2019	1
31371L ZP 7	FN 255550		09/01/2007	MBS PAYDOWN		19,959	19,959	20,424	20,341		(382)		(382)		19,959				0	731	07/01/2024	1
31371L 2P 3	FN 255582		09/01/2007	MBS PAYDOWN		27,912	27,912	28,099	28,070		(158)		(158)		27,912				0	919	08/01/2024	1
31371L 3S 6	FN 255609		09/01/2007	MBS PAYDOWN		12,906	12,906	12,707	12,732		174		174		12,906				0	373	09/01/2024	1
31371M HJ 9	FN 255933		09/01/2007	MBS PAYDOWN		29,194	29,194	27,894	27,932		1,262		1,262		29,194				0	1,066	07/01/2035	1
31371M VA 2	FN 256309		09/01/2007	MBS PAYDOWN		15,000	15,000	15,176	15,166		(166)		(166)		15,000				0	635	04/01/2036	1
31376K KG 0	FN 357695		09/01/2007	MBS PAYDOWN		27,988	27,988	27,961	27,965		23		23		27,988				0	836	08/01/2019	1
31382J WY 3	FN 484063		09/01/2007	MBS PAYDOWN		2,878	2,878	2,866	2,870		8		8		2,878				0	123	12/01/2027	1
31383M VS 9	FN 507425		09/01/2007	MBS PAYDOWN		9,261	9,261	9,368	9,333		(72)		(72)		9,261				0	463	04/01/2028	1
31384H 6L 2	FN 524775		09/01/2007	MBS PAYDOWN		32,474	32,474	32,332	32,392		83		83		32,474				0	1,660	04/01/2014	1
31385J RT 7	FN 545998		09/01/2007	MBS PAYDOWN		11,003	11,003	11,172	11,152		(148)		(148)		11,003				0	436	04/01/2031	1
31385X BC 6	FN 555445		09/01/2007	MBS PAYDOWN		9,643	9,643	9,667	9,662		(19)		(19)		9,643				0	319	10/01/2017	1
31386U ZC 9	FN 574139		09/01/2007	MBS PAYDOWN		35,440	35,440	35,357	35,382		58		58		35,440				0	1,535	11/01/2028	1
31387C P4 7	FN 580143		09/01/2007	MBS PAYDOWN		3,670	3,670	3,661	3,663		8		8		3,670				0	154	11/01/2029	1
31387Q XP 0	FN 591186		09/01/2007	MBS PAYDOWN		4,782	4,782	4,853	4,834		(52)		(52)		4,782				0	207	01/01/2016	1
31387Y YT 4	FN 598422		09/01/2007	MBS PAYDOWN		6,720	6,720	6,655	6,675		45		45		6,720				0	244	06/01/2016	1
31388D LJ 5	FN 601629		09/01/2007	MBS PAYDOWN		4,419	4,419	4,470	4,458		(39)		(39)		4,419				0	173	01/01/2030	1
31388V WH 7	FN 616348		09/01/2007	MBS PAYDOWN		6,897	6,897	6,944	6,930		(33)		(33)		6,897				0	334	04/01/2030	1
31389E 5T 8	FN 623758		09/01/2007	MBS PAYDOWN		4,309	4,309	4,348	4,334		(26)		(26)		4,309				0	174	04/01/2016	1
31389K CN 9	FN 627477		09/01/2007	MBS PAYDOWN		1,263	1,263	1,278	1,272		(10)		(10)		1,263				0	51	12/01/2016	1
31389S GZ 1	FN 633916		09/01/2007	MBS PAYDOWN		2,252	2,252	2,240	2,244		8		8		2,252				0	90	08/01/2016	1
31390K 5R 5	FN 648956		09/01/2007	MBS PAYDOWN		114,370	114,370	118,248	117,149		(2,779)		(2,779)		114,370				0	3,751	09/01/2017	1
31390W 6C 1	FN 658867		09/01/2007	MBS PAYDOWN		21,951	21,951	22,668	22,431		(480)		(480)		21,951				0	879	12/01/2016	1
31391N 6R 7	FN 672380		09/01/2007	MBS PAYDOWN		94,423	94,423	97,580	96,643		(2,220)		(2,220)		94,423				0	3,394	01/01/2017	1
31391Q X5 8	FN 674000		09/01/2007	MBS PAYDOWN		24,994	24,994	25,408	25,334		(341)		(341)		24,994				0	806	06/01/2032	1
31401W G2 9	FN 720317		09/01/2007	MBS PAYDOWN		108,849	108,849	111,282	110,815		(1,966)		(1,966)		108,849				0	3,580	12/01/2017	1
31402H Q6 1	FN 729577		09/01/2007	MBS PAYDOWN		42,008	42,008	41,726	41,767		241		241		42,008				0	1,592	08/01/2032	1
31402X Z7 4	FN 741566		09/01/2007	MBS PAYDOWN		24,977	24,977	25,484	25,369		(392)		(392)		24,977				0	866	06/01/2018	1
31403C 4Y 4	FN 745239		09/01/2007	MBS PAYDOWN		62,766	62,766	62,824	62,822		(57)		(57)		62,766				0	2,505	03/01/2015	1
31404B SF 0	FN 763818		09/01/2007	MBS PAYDOWN		87,768	87,768	89,880	89,496		(1,728)		(1,728)		87,768				0	3,333	05/01/2033	1
31404C WM 8	FN 764852		09/01/2007	MBS PAYDOWN		156,132	156,132	159,596	158,821		(2,689)		(2,689)		156,132				0	5,131	08/01/2018	1
31404N WB 8	FN 773842		09/01/2007	MBS PAYDOWN		67,154	67,154	68,119	67,912		(758)		(758)		67,154				0	2,376	07/01/2033	1
31404R 4B 0	FN 776718		09/01/2007	MBS PAYDOWN		37,404	37,404	37,480	37,467		(64)		(64)		37,404				0	1,368	12/01/2033	1
31404W YX 8	FN 781126		09/01/2007	MBS PAYDOWN		35,197	35,197	34,262	34,386		811		811		35,197				0	1,238	10/01/2033	1
31404X T8 7	FN 781875		09/01/2007	MBS PAYDOWN		33,015	33,015	33,572	33,519		(504)		(504)		33,015				0	1,273	02/01/2033	1
31404Y KL 5	FN 782499		09/01/2007	MBS PAYDOWN		51,255	51,255	51,026	51,060		195		195		51,255				0	1,400	12/01/2033	1

E05.1

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 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.							
31405T SU 7	FN 798931		09/01/2007	MBS PAYDOWN		49,958	49,958	49,771	49,801		157		157		49,958			0	1,500	10/01/2019	1
31405U MK 2	FN 799662		09/01/2007	MBS PAYDOWN		9,014	9,014	8,973	8,977		37		37		9,014			0	280	04/01/2034	1
31406J 6A 6	FN 811865		09/01/2007	MBS PAYDOWN		15,663	15,663	15,293	15,351		312		312		15,663			0	418	07/01/2019	1
31406W US 1	FN 822393		09/01/2007	MBS PAYDOWN		16,785	16,785	16,956	16,934		(148)		(148)		16,785			0	616	11/01/2034	1
31406Y 4L 1	FN 824427		09/01/2007	MBS PAYDOWN		108,544	108,544	109,544	109,413		(869)		(869)		108,544			0	3,670	01/01/2035	1
31407A PZ 8	FN 824940		09/01/2007	MBS PAYDOWN		209,681	209,681	212,760	212,387		(2,706)		(2,706)		209,681			0	7,804	01/01/2035	1
31407E UR 2	FN 828692		09/01/2007	MBS PAYDOWN		142,005	142,005	145,267	144,797		(2,792)		(2,792)		142,005			0	5,210	04/01/2035	1
31407H ZH 2	FN 831544		09/01/2007	MBS PAYDOWN		57,352	57,352	56,659	56,688		664		664		57,352			0	2,375	02/01/2036	1
31407H 5Y 8	FN 831663		09/01/2007	VARIOUS		6,674	6,674	6,602			116		116		1,121,620		(44)	(44)	2,475	04/01/2036	1
31407Y ES 4	FN 844445		09/01/2007	MBS PAYDOWN		21,921	21,921	21,037	21,062		858		858		21,921			0	800	09/01/2035	1
31408E RU 8	FN 849299		09/01/2007	MBS PAYDOWN		135,783	135,783	133,322	133,375		2,409		2,409		135,783			0	4,920	09/01/2035	1
31408G J5 7	FN 850884		09/01/2007	MBS PAYDOWN		38,226	38,226	36,249	36,298		1,928		1,928		38,226			0	1,273	09/01/2035	1
31408J DR 9	FN 852512		09/01/2007	MBS PAYDOWN		42,889	42,889	40,115	40,196		2,693		2,693		42,889			0	1,379	09/01/2035	1
31409W NY 3	FN 880707		09/01/2007	MBS PAYDOWN		40,609	40,609	40,419	40,431		178		178		40,609			0	1,559	03/01/2036	1
31412X LJ 1	FN 937829		09/01/2007	VARIOUS		9,765	9,765	9,657			508		508		1,679,926		(400)	(400)	3,707	06/01/2037	1
31413F G5 5	FN 944020		09/01/2007	MBS PAYDOWN		11,139	11,139	11,084			56		56		11,139			0	56	07/01/2037	1
31392F 5Y 9	FNR 2002-77 CG		09/01/2007	MBS PAYDOWN		17,534	17,534	17,723	17,625		(91)		(91)		17,534			0	467	05/01/2010	1
31394C N3 2	FNR 2005-33 VA		09/01/2007	MBS PAYDOWN		48,381	48,381	48,812	48,743		(362)		(362)		48,381			0	1,613	03/01/2016	1
451888 DF 5	IL DEV FIN-ADJ-REF-B		07/17/2007	MORGAN STANLEY		2,625,000	2,625,000	2,625,000			0		0	2,625,000			0	1,914	04/01/2032	1FE	
64468C BF 0	NH ST BUS FIN-REF-A		09/17/2007	SIEBERT BRANFORD		3,364,912	3,400,000	3,403,500	3,402,268		(507)		(507)		3,401,762		(36,850)	(36,850)	140,991	02/01/2010	1FE
676907 JR 0	OH HFA-AMT-RESDL-E		09/04/2007	CALL BY ISSUER 100.0		10,000	10,000	9,975	9,979		2		2		9,982		18	18	395	03/01/2012	1FE
3199999	Total - Bonds - Special Revenue & Assessment					9,897,612	9,932,700	9,964,636	7,301,267		0		(18,728)		12,719,551		(37,276)	(37,276)	288,946	XXX	XXX
Bonds - Public Utilities																					
69351U AA 1	PPL ELECTRIC UTILITIES		08/15/2007	MATURITY		2,360,000	2,360,000	2,487,959	2,378,237				(18,237)		(18,237)			0	138,650	08/15/2007	1FE
3899999	Total - Bonds - Public Utilities					2,360,000	2,360,000	2,487,959	2,378,237		0		(18,237)		(18,237)			0	138,650	XXX	XXX
Bonds - Industrial and Miscellaneous																					
065913 AA 3	BANKBOSTON NA		09/15/2007	MATURITY		4,500,000	4,500,000	4,816,350	4,544,906				(44,906)		(44,906)			0	315,000	09/15/2007	1FE
LN3326 91 2	DRESSER INC		09/28/2007	CALL BY ISSUER 100.0		15,288	15,288	14,923			0		0	14,923		366	366	75	05/04/2014	4FE	
3136F6 YK 9	FMAN 2005-3 1		09/25/2007	MBS PAYDOWN		16,445	16,445	15,868	15,924		521		521		16,445			0	482	12/25/2012	1FE
36158Y EK 1	GECMC 2002-1A A2		09/01/2007	MBS PAYDOWN		23,720	23,720	25,366	24,648		(927)		(927)		23,720			0	1,009	12/01/2010	1FE
36828Q AA 4	GECMC 2003-C1 A1		09/01/2007	MBS PAYDOWN		102,005	102,005	102,259	102,068		(62)		(62)		102,005			0	2,288	03/01/2008	1FE
LN3400 82 4	HAWAIIAN TELECOM COMMUNICATIONS		09/28/2007	CALL BY ISSUER 100.0		2,500	2,500	2,500			0		0	2,500			0	52	06/01/2014	4FE	
LN3270 93 8	HAWKER BEECHCRAFT INC TL B 7.3		09/01/2007	VARIOUS		1,002,385	1,002,385	1,002,385			0		0	1,002,385			0	10,537	03/26/2014	3FE	
585907 AL 2	MELLON BANK NA		09/15/2007	MATURITY		1,000,000	1,000,000	1,012,070	1,001,502		(1,502)		(1,502)		1,000,000			0	76,250	09/15/2007	1FE
61745M ES 8	MSC 1998-WF1 A2		09/05/2007	PRIOR YEAR INCOME							0		0					33	12/01/2007	1FE	
4599999	Total - Bonds - Industrial & Miscellaneous					6,662,343	6,662,343	6,991,721	5,689,048		0		(46,876)		6,661,978		366	366	405,726	XXX	XXX
6099997	Total - Bonds - Part 4					72,611,952	72,886,443	73,337,949	54,482,101		0		(116,078)		74,885,191		511,424	511,424	3,482,629	XXX	XXX
6099999	Total - Bonds					72,611,952	72,886,443	73,337,949	54,482,101		0		(116,078)		74,885,191		511,424	511,424	3,482,629	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					72,611,952	XXX	73,337,949	54,482,101		0		(116,078)		74,885,191		511,424	511,424	3,482,629	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.....	.....	.....	.....	.....485,764	.....321,157	.....712,316	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....	.....	.....	.....	.....27,280	.....27,362	.....40,487	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....121,159	.....(202,362)	.....(193,481)	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....7,006	.....963	.....3,606	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(3,337,615)	.....(5,014,644)	.....(3,375,794)	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(2,696,405)	.....(4,867,524)	.....(2,812,866)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(2,696,405)	.....(4,867,524)	.....(2,812,866)	XXX
0499999. Cash in Company's Office.....	XXX.....	XXX.....	XXX.....	XXX.....	.....2,000	.....2,000	.....2,000	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	.....(2,694,405)	.....(4,865,524)	.....(2,810,866)	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
AMERICAN GENERAL FIN CRP.....		09/28/2007	4.754	10/05/2007	1,499,208		594
FED HOME LN DISCOUNT NT.....		09/07/2007	4.888	10/05/2007	3,997,836		12,987
FED HOME LN DISCOUNT NT.....		09/05/2007	4.908	10/03/2007	13,636,294		48,172
FPL FUELS INC.....		09/17/2007	5.042	10/05/2007	5,496,926		10,759
GENERAL ELEC CAP CORP.....		09/28/2007	4.701	10/01/2007	2,000,000		783
KIMBERLY-CLRK WW DISC NOTE.....		09/28/2007	4.708	10/12/2007	4,992,819		1,958
PRUDENTIAL PLC DISC NOTE.....		09/26/2007	5.066	10/19/2007	881,769		620
0199999. Total Cash Equivalents.....					32,504,852	0	75,873