

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
June 30, 2006

2006



QUARTERLY STATEMENT

As of June 30, 2006
of the Condition and Affairs of the

PRONATIONAL INSURANCE COMPANY

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

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

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

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

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

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

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	925,141,886		925,141,886	735,210,182
2. Stocks:				
2.1 Preferred stocks.....	12,949,858		12,949,858	15,613,438
2.2 Common stocks.....	23,063,216		23,063,216	244,100,717
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).....	4,025,480		4,025,480	4,113,136
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 (\$.....(1,703,905)), cash equivalents (\$.....20,220,782) and short-term investments (\$.....4,104,128).....	22,621,005		22,621,005	24,654,161
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	1,128,200		1,128,200	1,177,400
8. Receivables for securities.....	56,150		56,150	1,930
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	988,985,795	0	988,985,795	1,024,870,964
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	10,574,695		10,574,695	8,804,135
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	30,509,837	91,329	30,418,508	23,457,879
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	4,244,764		4,244,764	19,658,356
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	9,095,961		9,095,961	2,980,530
14.2 Funds held by or deposited with reinsured companies.....	15,910,226		15,910,226	18,772,676
14.3 Other amounts receivable under reinsurance contracts.....	42,314		42,314	28,271
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....	1,191,300		1,191,300	
16.2 Net deferred tax asset.....	34,048,919	21,859,814	12,189,105	12,680,566
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....	255,782		255,782	293,125
19. Furniture and equipment, including health care delivery assets (\$.....0).....	347,448	347,448	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	90,374		90,374	15,742,749
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	11,977,864	361,990	11,615,874	11,451,149
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,107,275,279	22,660,581	1,084,614,698	1,138,740,400
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,107,275,279	22,660,581	1,084,614,698	1,138,740,400

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.....	(55,735)		(55,735)	(55,735)
2302. Prepaid Expenses and Other Assets.....	361,990	361,990	0	
2303. Company Owned Life Insurance.....	11,487,194		11,487,194	11,265,906
2398. Summary of remaining write-ins for Line 23 from overflow page.....	184,415	0	184,415	240,978
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	11,977,864	361,990	11,615,874	11,451,149

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....13,678,772).....	466,566,807	475,137,428
2. Reinsurance payable on paid losses and loss adjustment expenses.....	218,827	545,429
3. Loss adjustment expenses.....	254,476,384	233,674,650
4. Commissions payable, contingent commissions and other similar charges.....	3,207,761	3,597,148
5. Other expenses (excluding taxes, licenses and fees).....	2,796,002	1,966,892
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	406,556	435,407
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		553,999
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 \$.....2,602,419 and including warranty reserves of \$.....0).....	86,570,249	88,293,016
10. Advance premium.....	3,672,917	6,037,123
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,376,321	7,651,640
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	124,884	692,793
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	1,046,000	1,046,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	669,040	866,216
20. Payable for securities.....	1,254,581	
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	(1)	(1,917,063)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	829,386,328	818,580,678
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	829,386,328	818,580,678
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).....	213,967,832	278,899,184
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).....	255,228,370	320,159,722
36. TOTALS.....	1,084,614,698	1,138,740,400

DETAILS OF WRITE-INS

2301. Retroactive Reinsurance Reserve Ceded.....		(1,917,066)
2302. Other Liabilities.....	(1)	3
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	(1)	(1,917,063)
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$....88,178,337).....	89,462,126	91,038,426	186,945,465
1.2 Assumed..... (written \$....5,643,766).....	6,408,804	10,749,018	19,329,776
1.3 Ceded..... (written \$....4,413,248).....	4,739,307	5,634,677	10,754,597
1.4 Net..... (written \$....89,408,855).....	91,131,623	96,152,767	195,520,644
DEDUCTIONS:			
2. Losses incurred (current accident year \$....13,757,980):			
2.1 Direct.....	13,554,536	21,423,107	22,998,597
2.2 Assumed.....	2,337,623	3,869,640	2,590,260
2.3 Ceded.....	2,684,180	2,584,578	490,390
2.4 Net.....	13,207,979	22,708,169	25,098,467
3. Loss expenses incurred.....	61,738,778	58,606,442	135,632,887
4. Other underwriting expenses incurred.....	16,707,940	14,570,152	28,354,862
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	91,654,697	95,884,763	189,086,216
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(523,074)	268,004	6,434,428
INVESTMENT INCOME			
9. Net investment income earned.....	303,323,626	16,131,802	33,414,321
10. Net realized capital gains (losses) less capital gains tax of \$....3,612.....	(6,707)	263,153	(184,352)
11. Net investment gain (loss) (Lines 9 + 10).....	303,316,919	16,394,955	33,229,969
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.....	599,099	574,946	1,213,215
15. Total other income (Lines 12 through 14).....	599,099	574,946	1,213,215
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	303,392,944	17,237,905	40,877,612
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).....	303,392,944	17,237,905	40,877,612
19. Federal and foreign income taxes incurred.....	6,191,109	3,522,217	8,850,166
20. Net income (Line 18 minus Line 19) (to Line 22).....	297,201,835	13,715,688	32,027,446
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	320,159,722	241,824,698	241,824,698
22. Net income (from Line 20).....	297,201,835	13,715,688	32,027,446
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	(162,272,625)	26,500,150	47,751,315
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(337,963)	(841,554)	(138,448)
27. Change in nonadmitted assets.....	477,401	208,969	(1,069,289)
28. Change in provision for reinsurance.....			(236,000)
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....	(200,000,000)		
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).....	(64,931,352)	39,583,253	78,335,024
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	255,228,370	281,407,951	320,159,722
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.....	221,288	223,971	450,365
1402. Risk management income.....	351,677	403,154	728,199
1403. Other.....	26,134	(52,179)	34,651
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).....	599,099	574,946	1,213,215
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.....	96,673,959	194,065,734
2. Net investment income.....	304,013,315	36,974,042
3. Miscellaneous income.....	599,099	1,213,215
4. Total (Lines 1 through 3).....	401,286,373	232,252,991
5. Benefit and loss related payments.....	66,309,270	91,900,447
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	16,297,068	31,524,057
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	7,940,020	12,713,522
10. Total (Lines 5 through 9).....	90,546,358	136,138,026
11. Net cash from operations (Line 4 minus Line 10).....	310,740,015	96,114,965
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	232,233,745	145,224,066
12.2 Stocks.....	60,823,143	4,250,000
12.3 Mortgage loans.....		402,436
12.4 Real estate.....		
12.5 Other invested assets.....	49,200	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....	1,254,581	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	294,360,669	149,876,502
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	423,939,969	215,664,119
13.2 Stocks.....		5,016,850
13.3 Mortgage loans.....		
13.4 Real estate.....		900
13.5 Other invested assets.....		24,300
13.6 Miscellaneous applications.....	54,220	7,683,392
13.7 Total investments acquired (Lines 13.1 to 13.6).....	423,994,189	228,389,561
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).....	(129,633,520)	(78,513,059)
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.....	200,000,000	
16.6 Other cash provided (applied).....	16,860,349	(8,785,297)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(183,139,651)	(8,785,297)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(2,033,156)	8,816,609
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	24,654,161	15,837,552
19.2 End of period (Line 18 plus Line 19.1).....	22,621,005	24,654,161

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**Investment in MEMH Holdings, Inc.**

The Company owns 100% of MEMH Holdings, Inc. (MEMH), formerly MEEMIC Holdings, Inc. The Company's carrying value of its investment is based on the underlying equity of MEMH. On January 4, 2006 MEMH sold its two wholly owned subsidiaries (MEEMIC Insurance Company and MEEMIC Insurance Services) in a transaction valued at \$400 million.

The Company has received distributions of \$340,796,465 during 2006 from MEMH under a plan of liquidation adopted by MEMH.

The following summarizes the impact of the above:

	Investment in MEMH		
	Cost	Unrealized Gain	Carrying Value
Balance 12/31/2005	61,626,736	164,436,094	226,062,830
Change for 2006		117,937,228	117,937,228
Distributions from MEMH	(58,423,143)	(282,373,322)	(340,796,465)
Balance 6/30/2006	3,203,593	0	3,203,593

The change for 2006 is primarily due to the gain realized, after taxes, by MEMH on the sales of its subsidiaries. The change increased the value of the Company's investments and increased the Company's surplus but did not affect net income.

In accordance with SSAP #88, the distributions from MEMH are considered investment income to the extent the Company has unrealized gains related to the investment. Distributions above this amount are considered as reductions of the cost of the investment. Accordingly, the Company is reporting \$282,373,322 of the distributions as investment income and \$58,423,143 as reduction of the cost of the investment in MEMH. Surplus was not changed by the distributions as the amount of investment income was offset by a decrease to surplus for the decrease in unrealized gain.

Distributions of the remaining assets of MEMH will not affect the Company's surplus or net income as they will reduce the carrying value of the investment to zero.

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

See Note 1.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

Investment income includes \$282,373,322 for distributions received from a subsidiary (See Note 1).

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

The Company's investment income includes \$282,373,322 for distributions received from a subsidiary (See Note 1). Under Internal Revenue Code Section 331 these are tax free liquidation payments.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

NOTES TO FINANCIAL STATEMENTS

The Company has paid \$200,000,000 of dividends in 2006 (\$32,311,064 ordinary and \$167,688,936 extraordinary). The Company has received approval from MOFIS to dividend its investment in Red Mountain Casualty Insurance Company, Inc. (carrying value at June 30, 2006 of \$19,844,783) to its parent. On August 1, 2006 the Alabama Department of Insurance approved a request to waive a Form A filing requirement for this transaction and the Company expects to complete the transaction in August.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

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 [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 [] N/A [X]
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2003.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2003.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/30/2005.....
- 6.4 By what department or departments?

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES

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

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

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

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

FINANCIAL

- 9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 9.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

INVESTMENT

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

- 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 []

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
14.21 Bonds.....	\$.....0	\$.....0
14.22 Preferred Stock.....	\$.....0	\$.....0
14.23 Common Stock.....	\$.....244,085,737	\$.....23,048,376
14.24 Short-Term Investments.....	\$.....0	\$.....0
14.25 Mortgages, Loans or 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).....	\$.....244,085,737	\$.....23,048,376
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? Yes [] No []
If no, attach a description with this statement.

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 Part 1-General, Section IV. H-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, AL

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

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

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
NONE		

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

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.....	4,113,136	4,287,547
2. Increase (decrease) by adjustment.....	(87,656)	(175,311)
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....		900
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.....	4,025,480	4,113,136
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	4,025,480	4,113,136
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	4,025,480	4,113,136

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	402,436
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.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		402,436
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.....	1,177,400	1,153,100
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....		24,300
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....	49,200	
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.....	1,128,200	1,177,400
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	1,128,200	1,177,400
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	1,128,200	1,177,400

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.....	994,924,337	880,314,024
2. Cost of bonds and stocks acquired.....	423,939,969	220,680,969
3. Accrual of discount.....	94,573	506,249
4. Increase (decrease) by adjustment.....	(162,429,312)	47,751,316
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	144,759	(283,619)
7. Consideration for bonds and stocks disposed of.....	293,056,888	149,474,066
8. Amortization of premium.....	2,462,478	4,570,536
9. Book/adjusted carrying value, current period.....	961,154,960	994,924,337
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	961,154,960	994,924,337
12. Total nonadmitted amounts.....		
13. Statement value.....	961,154,960	994,924,337

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.....	750,212,859	1,796,261,625	1,656,121,809	258,818	750,212,859	890,611,494		703,362,230
2. Class 2.....	29,363,602	2,274,197	546,125	(41,955)	29,363,602	31,049,718		31,696,320
3. Class 3.....	16,636,264	714,026	421,362	(209,924)	16,636,264	16,719,004		14,527,894
4. Class 4.....	4,816,096	18,852	12,812	(78,679)	4,816,096	4,743,457		5,840,898
5. Class 5.....	887,701		39,606	(1,716)	887,701	846,378		832,601
6. Class 6.....	1,650,168	1,988	36,935	2,525	1,650,168	1,617,745		1,115,194
7. Total Bonds.....	803,566,690	1,799,270,688	1,657,178,649	(70,931)	803,566,690	945,587,796	0	757,375,137
PREFERRED STOCK								
8. Class 1.....	10,024,476			(74,618)	10,024,476	9,949,858		12,485,001
9. Class 2.....	3,000,000				3,000,000	3,000,000		3,128,438
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	13,024,476	0	0	(74,618)	13,024,476	12,949,858	0	15,613,439
15. Total Bonds and Preferred Stock.....	816,591,166	1,799,270,688	1,657,178,649	(145,549)	816,591,166	958,537,654	0	772,988,576

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.....	4,104,128	XXX	4,125,386	35,216	1,515

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.....	6,772,852	12,929,935
2. Cost of short-term investments acquired.....	33,119,732	248,430,607
3. Increase (decrease) by adjustment.....	(25,276)	18,645
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....	(483)	
6. Consideration received on disposal of short-term investments.....	35,762,697	254,606,335
7. Book/adjusted carrying value, current period.....	4,104,128	6,772,852
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	4,104,128	6,772,852
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	4,104,128	6,772,852
12. Income collected during period.....	320,554	526,398
13. Income earned during period.....	232,298	634,654

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

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

**Sch. F
NONE**

PRONATIONAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	NO	1,207,085	1,290,223			1,868,873	1,809,850
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO						
4. Arkansas.....AR	NO						
5. California.....CA	NO	770,366				34,281	
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES	4,869,445	435,407	842		1,263,850	417,237
9. District of Columbia.....DC	NO						
10. Florida.....FL	YES	22,392,877	24,175,265	13,017,355	1,285,277	216,156,702	233,667,546
11. Georgia.....GA	YES	(10,327)	81,006			520,814	380,145
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	12,403,886	11,769,796	1,562,494	3,020,390	70,531,716	72,322,539
15. Indiana.....IN	YES	541,719	402,561	182,775	131,897	15,024,715	13,659,090
16. Iowa.....IA	YES	549,597	500,218			755,981	398,830
17. Kansas.....KS	YES						
18. Kentucky.....KY	YES	10,805,430	10,391,685	60,233	815,786	24,746,180	21,589,019
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	YES	23,748,979	23,952,026	8,927,852	3,528,278	127,881,601	135,915,502
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	8,021,165	9,175,238	2,590,260	145,344	18,526,925	17,529,836
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	2,627,269	2,288,261	347,657	2,761,793	19,438,050	23,689,160
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	YES	215,783	2,658,553	1,782,099	3,399,278	32,170,182	35,576,133
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	35,063	10,996			37,763	16,918
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	88,178,337	87,131,235	28,471,567	15,088,043	528,957,633	556,971,805

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.....	4,538,304	678,296	14.9	23.3
11.2. Medical malpractice-claims made.....	80,655,266	12,054,763	14.9	23.3
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.....	34,695	6,677	19.2	
17.2. Other liability-claims made.....	4,233,861	814,800	19.2	28.5
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.....	89,462,126	13,554,536	15.2	23.5

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	1,835,607	4,538,304	4,760,585
11.2. Medical malpractice-claims made.....	26,808,724	78,697,944	78,110,390
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....	9,401	34,695	
17.2. Other liability-claims made.....	2,461,206	4,907,394	4,260,260
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.....	31,114,938	88,178,337	87,131,235

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)	2006 Loss and LAE Payments on Claims Reported as of Prior Year-End	2006 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2006 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. 2003 + Prior	329,470	63,271	392,741	47,034	3,107	50,141	290,761	1,461	48,878	341,100	8,325	(9,825)	(1,500)
2. 2004	53,736	101,205	154,941	5,685	978	6,663	66,822	1,548	79,908	148,278	18,771	(18,771)	0
3. Subtotals 2004 + Prior	383,206	164,476	547,682	52,719	4,085	56,804	357,583	3,009	128,786	489,378	27,096	(28,596)	(1,500)
4. 2005	33,615	127,515	161,130	2,780	1,015	3,795	45,902	3,335	108,098	157,335	15,067	(15,067)	0
5. Subtotals 2005 + Prior	416,821	291,991	708,812	55,499	5,100	60,599	403,485	6,344	236,884	646,713	42,163	(43,663)	(1,500)
6. 2006	XXX	XXX	XXX	XXX	2,117	2,117	XXX	12,112	62,218	74,330	XXX	XXX	XXX
7. Totals	416,821	291,991	708,812	55,499	7,217	62,716	403,485	18,456	299,102	721,043	42,163	(43,663)	(1,500)
8. Prior Year-End's Surplus As Regards Policyholders	320,160										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. ....10.1 %	2. ....(15.0)%	3. ....(0.2)%
													Col. 13, Line 7 Line 8
													4. ....(0.5)%

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

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.....	184,415		184,415	240,980
2305. Other Assets.....			0	(2)
2397. Summary of remaining write-ins for Line 23.....	184,415	0	184,415	240,978

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
31359M UB 7	FANNIE MAE 02/17/2009 4.685		05/01/2006	MEMH HOLDINGS		488,067	500,000	997	1
3136F6 X3 8	FANNIE MAE 04/11/2014 5.000		05/01/2006	MEMH HOLDINGS		992,735	1,000,000	2,778	1
3133X9 C7 3	FEDERAL HOME LOAN BANK 11/18/2014 4.300		05/01/2006	MEMH HOLDINGS		979,383	1,000,000	18,111	1
3133XA U6 2	FEDERAL HOME LOAN BANK 03/09/2015 4.000		05/01/2006	MEMH HOLDINGS		989,482	1,000,000	5,778	1
3133XB JP 1	FEDERAL HOME LOAN BANK 10/17/2008 4.570		05/01/2006	MEMH HOLDINGS		995,250	1,000,000	1,777	1
3128X1 G5 0	FREDDIE MAC 09/19/2013 4.500		05/01/2006	MEMH HOLDINGS		998,638	1,000,000	5,250	1
912810 FR 4	TSY INFL IX N/B 01/15/2025 2.375		06/22/2006	VARIOUS		1,590,979	1,599,420	10,380	1
912827 3T 7	TSY INFL IX N/B 01/15/2008 3.625		06/30/2006	VARIOUS		2,564,886	2,493,800	20,166	1
912827 4Y 5	TSY INFL IX N/B 01/15/2009 3.875		06/30/2006	VARIOUS		2,560,046	2,447,558	22,277	1
912827 6R 8	TSY INFL IX N/B 01/15/2011 3.500		06/30/2006	VARIOUS		4,282,836	4,050,970	31,241	1
912828 AF 7	TSY INFL IX N/B 07/15/2012 3.000		06/30/2006	VARIOUS		4,048,599	3,909,728	46,843	1
912828 BD 1	TSY INFL IX N/B 07/15/2013 1.875		05/07/2006	VARIOUS		2,634,272	2,708,525	11,328	1
912828 BW 9	TSY INFL IX N/B 01/15/2014 2.000		06/30/2006	VARIOUS		4,254,806	4,360,840	19,814	1
912828 CZ 1	TSY INFL IX N/B 04/15/2010 0.875		06/30/2006	VARIOUS		3,029,982	3,189,990	13,063	1
912828 EA 4	TSY INFL IX N/B 07/15/2015 1.875		06/30/2006	VARIOUS		2,491,084	2,587,665	11,015	1
912828 ET 3	TSY INFL IX N/B 01/15/2016 2.000		06/30/2006	VARIOUS		3,869,498	4,056,081	33,260	1
912827 4F 6	US TREASURY N/B 05/15/2008 5.625		05/17/2006	VARIOUS		5,572,279	5,495,000	134,466	1
912827 6T 4	US TREASURY N/B 02/15/2011 5.000		04/19/2006	MERRILL LYNCH		4,018,750	4,000,000	35,359	1
912828 CA 6	US TREASURY N/B 02/15/2014 4.000		05/16/2006	VARIOUS		3,023,691	3,250,000	30,470	1
912828 FF 2	US TREASURY N/B 05/15/2016 5.125		06/30/2006	DEUTSCHE BANK		1,245,703	1,250,000	8,878	1
0399999	Total - Bonds - U.S. Government					50,630,966	50,899,577	463,251	XXX
Bonds - States, Territories and Possessions									
57582N WY 7	MA CONS LN-SER B 08/01/2014 5.000		05/01/2006	MEMH HOLDINGS		1,076,137	1,000,000	12,500	1FE
575827 P5 3	MA CONS LN-SER C 10/01/2010 5.750		05/01/2006	MEMH HOLDINGS		1,088,316	1,000,000	4,792	1FE
57582N DJ 1	MA ST-CONS LN-C 11/01/2012 5.500		05/19/2006	CITICORP SECURITIES		1,418,885	1,300,000	4,568	1FE
93974A WX 8	WASHINGTON 07/01/2016 5.000		05/01/2006	MEMH HOLDINGS		1,066,813	1,000,000	16,667	1FE
1799999	Total - Bonds - States, Territories & Possessions					4,650,151	4,300,000	38,527	XXX
Bonds - Political Subdivisions of States									
13062N 7Q 4	CA FLTG RATE-B-2 05/01/2033 3.150		04/19/2006	MERRILL LYNCH		5,000,000	5,000,000	6,888	1FE
182252 PZ 3	CLARKSTON SCHS 05/01/2013 5.000		05/01/2006	MEMH HOLDINGS		1,062,962	1,000,000		1FE
277695 DX 7	EASTON SD-VAR-2005 04/01/2021 3.670		04/27/2006	DAIN RAUSCHER		5,000,000	5,000,000	11,168	1FE
38134L KC 5	GOLDEN W SCHS REF-CHU 08/01/2016 5.000		05/01/2006	MEMH HOLDINGS		1,089,352	1,000,000	12,500	1FE
478718 VT 3	JOHNSON USD 233 RF-B 09/01/2017 5.500		05/16/2006	RAYMOND JAMES		5,559,950	5,000,000	59,583	1FE
64966B TH 6	NYC-REF-SER B 08/01/2014 5.750		05/01/2006	MEMH HOLDINGS		1,099,859	1,000,000	14,375	1FE
940858 VU 4	WASHOE CNEY SD-REF-B 06/01/2017 5.500		05/08/2006	DAIN RAUSCHER		5,546,650	5,000,000	122,222	1FE
982696 PS 9	WYANDOTTE CNTY KANS SC 09/01/2020 5.250		04/11/2006	PIPER JAFFRAY		1,169,649	1,070,000	7,178	1FE
2499999	Total - Bonds - Political Subdivision					25,528,422	24,070,000	233,914	XXX
Bonds - Special Revenue and Special Assessment									
01728A XY 7	ALLEGHENY CNTY PA HOSP 09/15/2032 3.700		05/25/2006	GOLDMAN SACHS		16,000,000	16,000,000	2,083	1FE
13033K 2M 0	CA HFA-VAR-AMT-MFH-B 08/01/2038 3.620		04/18/2006	MERRILL LYNCH		2,000,000	2,000,000	13,187	1FE
13066Y AK 5	CA WTR-VAR-SER C-4 05/01/2022 3.540		04/25/2006	LEHMAN BROTHERS		8,000,000	8,000,000	16,068	1FE
13033K K4 0	CALIFORNIA HSG FIN AGY 08/01/2031 3.580		04/18/2006	LEHMAN BROTHERS		6,145,000	6,145,000	40,461	1FE
16768T EW 0	CHICAGO S/TAX-REF 01/01/2017 5.000		05/05/2006	BEAR STEARNS & CO		3,160,650	3,000,000	53,750	1FE
20774W LK 5	CT HFA VAR-SUBSER B-2 11/15/2038 3.470		04/13/2006	MERRILL LYNCH		1,000,000	1,000,000	3,615	1FE
207757 5C 5	CT ST TAX-VAR-REF-2 02/01/2022 3.570		04/17/2006	LEHMAN BROTHERS		1,000,000	1,000,000	1,233	1FE
283487 TE 6	EL PASO SFM FLTG-P20 06/01/2039 3.650		04/27/2006	LEHMAN BROTHERS		5,000,000	5,000,000		1FE
3128LX MR 8	FG G02168 04/01/2036 6.000		06/09/2006	J.P. MORGAN		980,239	987,180	1,974	1
31395H ZW 3	FHR 2886 HB 02/01/2010 4.750		05/01/2006	MEMH HOLDINGS		991,696	1,000,000		1
31409W NY 3	FN 880707 05/01/2036 6.000		04/20/2006	MERRILL LYNCH		4,976,563	5,000,000	8,333	1
31394C 6U 1	FNR 2005-30 BU 10/01/2009 5.000		05/01/2006	MEMH HOLDINGS		994,956	1,000,000		1
365418 CR 1	GARDEN ST PRES-REF-C 11/01/2017 5.125		05/12/2006	GOLDMAN SACHS		5,369,900	5,000,000	11,389	1FE
45188R T9 0	IL DEV-REVOLVING FD 09/01/2013 5.500		05/01/2006	MEMH HOLDINGS		1,097,741	1,000,000	9,167	1FE

FO4

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)
45188R WN 5	ILLINOIS DEV FIN AUTH 05/01/2031 3.500		04/18/2006	GOLDMAN SACHS		4,925,000	4,925,000	479	1FE
46613Q AN 4	JEA ST JOHNS RVR REF 10/01/2014 5.000		05/01/2006	MEMH HOLDINGS		1,057,185	1,000,000	4,167	1FE
49130P UA 0	KY HSG VAR-AMT-SER H 07/01/2036 3.410		04/26/2006	MERRILL LYNCH		5,000,000	5,000,000	49,856	1FE
49130P RT 3	KY HSG-VAR-AMT-B 07/01/2032 3.630		04/28/2006	MERRILL LYNCH		5,000,000	5,000,000	50,895	1FE
591745 XL 3	MET ATLANTA TRN VAR-A 07/01/2025 3.570		04/26/2006	LEHMAN BROTHERS		5,000,000	5,000,000	10,381	1FE
59465M NB 7	MI RENTAL HSG-VAR-A 04/01/2040 3.640		06/28/2006	MERRILL LYNCH		2,000,000	2,000,000	17,155	1FE
59334D BD 5	MIAMI ETC W/S VAR-REF 10/01/2025 3.430		04/27/2006	DAIN RAUSCHER		5,000,000	5,000,000	11,132	1FE
649716 JU 2	NYC FIN ADJ-FUTURE-B3 11/01/2028 3.520		04/19/2006	LEHMAN BROTHERS		5,000,000	5,000,000	70,732	1FE
64971K GD 2	NYC FIN REC-3-SUB 3D 11/01/2022 3.360		04/25/2006	MERRILL LYNCH		8,000,000	8,000,000	117,287	1FE
68608J BY 6	OREGON ST FACS AUTH RE 08/01/2034 1.450		04/18/2006	GOLDMAN SACHS		4,593,000	4,593,000		1FE
708793 CY 8	PA HSG-VAR-AMT-82B 04/01/2034 3.630		04/26/2006	MERRILL LYNCH		5,000,000	5,000,000	11,601	1FE
759861 AX 5	RENO NEV SALES TAX REV 06/01/2040 3.450		04/27/2006	GOLDMAN SACHS		22,874,543	22,875,000		1FE
837147 L3 9	SC PUB SVC-A-SANTEE 01/01/2016 5.000		05/09/2006	MERRILL LYNCH		5,334,450	5,000,000	70,139	1FE
812728 HX 4	SEATTLE WTR ADJ-B 03/01/2032 3.550		04/19/2006	LEHMAN BROTHERS		5,000,000	5,000,000	6,041	1FE
842443 BP 7	STHRN CA SFM VAR-B 02/01/2035 3.620		04/25/2006	MERRILL LYNCH		8,000,000	8,000,000	58,453	1FE
877176 CN 5	TAYLOR IND CMNTY SCH C 07/10/2020 5.000		04/11/2006	LASALLE NATIONAL BANK		1,049,430	1,000,000	13,472	1FE
893908 GU 1	TRAVIS SFM-FLTR-P21U 06/01/2039 3.760		04/27/2006	LEHMAN BROTHERS		5,000,000	5,000,000		1FE
92812U DT 2	VA HSG-AMT-C-SUB C5 01/01/2012 4.000		05/01/2006	MEMH HOLDINGS		1,011,516	1,010,000	13,467	1FE
97689P 2C 1	WI HSG HM OWNERSHIP-D 09/01/2036 3.650		04/26/2006	MERRILL LYNCH		5,000,000	5,000,000	24,951	1FE
97689P P8 5	WI HSG/ECON-ADJ-C 03/01/2034 3.640		06/15/2006	MERRILL LYNCH		2,700,000	2,700,000	28,272	1FE
98322P D7 1	WY DEV-VAR-AMT-6 12/01/2035 3.650		04/19/2006	MERRILL LYNCH		5,000,000	5,000,000	7,247	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					168,261,869	167,235,180	726,987	XXX
Bonds - Public Utilities									
070101 AE 0	BASIN ELECTRIC 144A FL 06/10/2029 5.346		06/29/2006	GOLDMAN SACHS		1,200,000	1,200,000		1FE
3899999	Total - Bonds - Public Utilities					1,200,000	1,200,000	0	XXX
Bonds - Industrial and Miscellaneous									
04541G DM 1	ABSHE 2003-HE1 M3 04/15/2011 8.401		04/06/2006	SCOTT & STRINGFELLOW		158,011	161,338		3FE
00441R AJ 6	ACERV 2001-RV1 E 09/20/2021 8.700		06/22/2006	CAPITALIZED INTEREST		599	599		3FE
030612 AC 9	AMCAR 2006-RM A3 07/06/2010 5.530		05/12/2006	CREDIT SUISSE FIRST BOSTON		3,998,612	4,000,000		1FE
00252F AR 2	AMIT 2004-1 B2 07/25/2010 8.322		06/26/2006	CAPITALIZED INTEREST		1,294	1,294		2FE
031733 AQ 1	ARC 2004-1 B1 144A 06/25/2032 5.000		06/28/2006	CAPITALIZED INTEREST		17,755	17,755		3FE
07387B DY 6	BSCMS 2005-PW10 A2 12/01/2010 5.270		05/15/2006	BEAR STEARNS & CO		4,940,039	5,000,000	12,443	1FE
07387M AD 1	BSCMS 2006-PW11 AAB 04/01/2015 5.458		04/20/2006	MERRILL LYNCH		4,473,105	4,500,000	16,877	1FE
17305E CN 3	CCCIT 2005-A4 A4 06/20/2012 4.400		05/01/2006	MEMH HOLDINGS		972,082	1,000,000	16,011	1FE
17305E DF 9	CCCIT 2006-A4 A4 05/10/2011 5.450		04/27/2006	GREENWICH CAPITAL		4,994,700	5,000,000		1FE
12506Y BC 2	CDCMC 2003-HE1 B2 FLTR 09/25/2008 9.072		06/27/2006	CAPITALIZED INTEREST		229	229		2FE
12506Y BT 5	CDCMC 2003-HE3 B3 02/25/2010 8.831		06/26/2006	VARIOUS		350,976	350,977		2FE
172850 BB 4	CITRV 1999-A B 01/15/2009 8.717		06/15/2006	CAPITALIZED INTEREST		7,084	7,084		3FE
14041N CU 3	COMET 2006-A6 A6 04/15/2011 5.300		05/25/2006	DEUTSCHE BANK		4,984,570	5,000,000	11,778	1FE
22540V HG 0	CSFB 2001-HE25 B 07/25/2009 8.622		06/29/2006	CAPITALIZED INTEREST		1,600	1,600		3FE
22540V UM 2	CSFB 2002-HE1 B 02/25/2010 8.172		06/29/2006	CAPITALIZED INTEREST		189	189		3FE
225458 PD 4	CSFB 2005-AGE1 B3 FLTR 06/25/2012 8.822		06/29/2006	CAPITALIZED INTEREST		127	127		2FE
126670 HJ 0	CWL 2005-13 MV1 04/25/2019 5.762		04/18/2006	LEHMAN BROTHERS		1,004,063	1,000,000	3,208	1FE
233046 AB 7	DUNKN 2006-1 M1 06/20/2011 8.285		05/22/2006	DIRECT		139,997	140,000		3FE
301965 CH 0	FFCA 2000-1 B 144A 08/01/2019 8.180		06/19/2006	CAPITALIZED INTEREST		645	645		4FE
35729P FA 3	FHLT 2004-C M8 04/25/2034 9.322		06/27/2006	CAPITALIZED INTEREST		2,748	2,748		3FE
3136F6 YK 9	FMAN 2005-3 1 12/25/2012 4.400		05/01/2006	MEMH HOLDINGS		695,147	720,409	528	1FE
396789 LG 2	GCCFC 2005-GG5 A2 11/01/2010 5.117		04/17/2006	J.P. MORGAN		4,928,516	5,000,000	13,503	1FE
369550 AJ 7	GENERAL DYNAMICS CORP 05/15/2008 3.000		05/01/2006	MEMH HOLDINGS		963,547	1,000,000	13,833	1FE
36962G XS 8	GENERAL ELEC CAP CORP 02/15/2012 5.875		05/01/2006	MEMH HOLDINGS		1,041,060	1,000,000	12,403	1FE
36228F R9 9	GSAMP 204-HE1 B3 03/25/2011 9.322		06/26/2006	CAPITALIZED INTEREST		397	397		2FE
36242D SC 8	GSMAP 2005-HE1 B4 01/01/2012 6.000		05/09/2006	DIRECT		358,733	358,733		3FE

E04.1

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)
393505 FK 3	GT 1995-1 B2 04/15/2025 9.200		.06/15/2006	CAPITALIZED INTEREST		1,988	1,988		6FE
393505 SK 9	GT 1997-1 M1 02/15/2027 7.220		.06/15/2006	CAPITALIZED INTEREST		366	366		4FE
393505 VY 5	GT 1997-5 M1 02/15/2021 6.950		.06/15/2006	CAPITALIZED INTEREST		166	166		4FE
456606 BJ 0	INHEL 2000-C MF1 07/01/2009 8.740		.06/26/2006	DIRECT		485,469	485,469		2FE
456606 CF 7	INHEL 2001-A MV2 FLTR 07/25/2006 6.472		.04/25/2006	CAPITALIZED INTEREST		597	597		2FE
459745 FP 5	INTL LEASE FINANCE COR 04/15/2010 5.000		.05/01/2006	MEMH HOLDINGS		995,006	1,000,000	2,222	1FE
52519S AW 3	LABMH 2002-A B2 10/15/2011 12.618		.06/16/2006	CAPITALIZED INTEREST		16,061	16,061		4FE
50180A AB 0	LBSBN 2005-2A N2 09/27/2030 7.860		.06/27/2006	CAPITALIZED INTEREST		1,614	1,614		4FE
59018Y UZ 2	MERRILL LYNCH & CO 02/08/2010 4.250		.05/01/2006	MEMH HOLDINGS		974,697	1,000,000	9,799	1FE
59022H LF 7	MLMT 2005-CK11 ASB 02/01/2015 5.244		.05/10/2006	MERRILL LYNCH		4,902,734	5,000,000	10,534	1FE
59023B AB 0	MLMT 2006-C1 A2 05/01/2011 5.799		.05/17/2006	MERRILL LYNCH		5,027,489	5,000,000	19,331	1FE
59001F AZ 4	MMLT 2004-1 B1 FLTR 11/25/2009 8.822		.06/26/2006	CAPITALIZED INTEREST		2,431	2,431		3FE
701184 AH 6	PARKER TOWING 06/01/2011 5.330		.05/24/2006	MISCELLANEOUS		8,000,000	8,000,000		1FE
69361Y AF 0	PEGTF 2001-1 A6 09/15/2013 6.610		.05/25/2006	DEUTSCHE BANK		5,289,844	5,000,000	69,772	1FE
86358E ES 1	SAIL 2003-BC11 B FLTR 02/25/2025 8.322		.06/28/2006	CAPITALIZED INTEREST		2,169	2,169		2FE
86358E FT 8	SAIL 2003-BC12 M6 FLTR 04/25/2028 8.322		.06/28/2006	CAPITALIZED INTEREST		2,469	2,469		2FE
86358E GG 5	SAIL 2004-1 B 04/25/2025 6.000		.06/26/2006	CAPITALIZED INTEREST		12,407	12,407		3FE
86358E HK 5	SAIL 2004-3 B 11/25/2022 6.000		.04/25/2006	CAPITALIZED INTEREST		464	464		3FE
86359A CS 0	SASC 2002-HF2 B1 FLTR 06/25/2008 7.322		.06/28/2006	CAPITALIZED INTEREST		5,029	5,029		3FE
86359A CT 8	SASC 2002-HF2 B2 07/25/2032 7.322		.06/28/2006	CAPITALIZED INTEREST		6,980	6,980		3FE
86359D LY 1	SASC 2005-S4 B 11/01/2008 6.500		.06/26/2006	CAPITALIZED INTEREST		5,757	5,757		2FE
78442F DG 0	SLM CORP 02/01/2010 4.830		.05/01/2006	MEMH HOLDINGS		965,690	1,000,000		1FE
903277 AD 3	USAOT 2006-2 A4 02/15/2012 5.370		.05/15/2006	DEUTSCHE BANK		4,998,916	5,000,000		1FE
929766 AC 7	WBCMT 2002-C1 A3 10/01/2011 6.164		.04/19/2006	MORGAN STANLEY		3,848,291	3,750,000	14,768	1FE
026609 AM 9	WYETH 03/15/2011 6.950		.05/01/2006	MEMH HOLDINGS		1,074,452	1,000,000	8,881	2FE
4599999.	Total - Bonds - Industrial & Miscellaneous					70,656,911	70,558,091	235,891	XXX
6099997.	Total - Bonds - Part 3					320,928,319	318,262,848	1,698,570	XXX
6099999.	Total - Bonds					320,928,319	318,262,848	1,698,570	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					320,928,319	XXX	1,698,570	XXX

E04.2

(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																					
36202D C9 0	G2 2796		06/01/2006	MBS PAYDOWN		14,774	14,774	14,414	14,468		306		306		14,774			0	434	07/01/2028	1
36203L DN 9	GN 352109		06/01/2006	MBS PAYDOWN		7,602	7,602	7,766	7,714		(112)		(112)		7,602			0	224	03/01/2022	1
36205N M8 6	GN 395583		06/01/2006	MBS PAYDOWN		53	53	54	54		(1)		(1)		53			0	2	07/01/2027	1
36207K GS 3	GN 434109		06/01/2006	MBS PAYDOWN		6,560	6,560	6,584	6,578		(18)		(18)		6,560			0	177	11/01/2027	1
36207K JJ 0	GN 434165		06/01/2006	MBS PAYDOWN		7,469	7,469	7,497	7,490		(21)		(21)		7,469			0	202	09/01/2027	1
36208V 6E 0	GN 462669		06/01/2006	MBS PAYDOWN		18,055	18,055	18,357	18,274		(218)		(218)		18,055			0	542	03/01/2027	1
36208W DE 0	GN 462801		06/01/2006	MBS PAYDOWN		93,054	93,054	93,113	93,111		(57)		(57)		93,054			0	2,432	11/01/2026	1
36208W ES 8	GN 462845		06/01/2006	MBS PAYDOWN		52,097	52,097	54,042	53,502		(1,406)		(1,406)		52,097			0	1,677	08/01/2027	1
36208X D7 3	GN 463726		06/01/2006	MBS PAYDOWN		848	848	861	858		(9)		(9)		848			0	23	02/01/2026	1
36210A VS 3	GN 486725		06/01/2006	MBS PAYDOWN		41,679	41,679	42,584	42,325		(647)		(647)		41,679			0	1,446	03/01/2028	1
36210E X6 1	GN 490401		06/01/2006	MBS PAYDOWN		2,818	2,818	2,802	2,806		12		12		2,818			0	76	09/01/2028	1
36213U DK 3	GN 564506		06/01/2006	MBS PAYDOWN		4,525	4,525	4,583	4,573		(47)		(47)		4,525			0	101	02/01/2031	1
36200X LT 4	GN 575538		06/01/2006	MBS PAYDOWN		4,232	4,232	4,322	4,301		(70)		(70)		4,232			0	115	10/01/2031	1
36201F T7 2	GN 582074		06/01/2006	MBS PAYDOWN		69,641	69,641	69,761	69,739		(99)		(99)		69,641			0	1,813	04/01/2031	1
36291P ZE 9	GN 634441		06/01/2006	MBS PAYDOWN		45,645	45,645	46,573	46,484		(839)		(839)		45,645			0	905	06/01/2034	1
36225A UH 1	GN 780584		06/01/2006	MBS PAYDOWN		16,757	16,757	16,924	16,888		(131)		(131)		16,757			0	476	01/01/2026	1
912810 FR 4	TSY INFL IX N/B		06/21/2006	BARCLAYS AMERICAN		1,551,687	1,599,420	1,590,979			(37)		(37)		1,590,942		(39,255)	(39,255)	34,380	01/15/2025	1
912827 4Y 5	TSY INFL IX N/B		06/08/2006	UBS WARBURG		1,590,001	1,526,325	1,596,802			(3,282)		(3,282)		1,593,520		(3,519)	(3,519)	33,866	01/15/2009	1
912828 AF 7	TSY INFL IX N/B		06/08/2006	GOLDMAN SACHS		2,019,125	1,949,080	2,018,516			0		0		2,018,516		609	609	23,421	07/15/2012	1
912828 BD 1	TSY INFL IX N/B		05/08/2006	DEUTSCHE BANK		2,619,546	2,708,525	2,634,272			604		604		2,634,875		(15,330)	(15,330)	24,393	07/15/2013	1
912828 EA 4	TSY INFL IX N/B		06/19/2006	DAIN RAUSCHER		488,772	516,365	497,457			240		240		497,698		(8,926)	(8,926)	7,787	07/15/2015	1
912828 ET 3	TSY INFL IX N/B		06/23/2006	HSBC SECURITIES LIMITED		821,843	859,020	827,437			152		152		827,589		(5,745)	(5,745)	9,719	01/15/2016	1
912827 6X 5	US TREASURY N/B		05/15/2006	MATURITY		1,585,000	1,585,000	1,642,518	1,597,414		(12,414)		(12,414)		1,585,000				36,653	05/15/2006	1
912828 CA 6	US TREASURY N/B		06/12/2006	FIRST TENNESSEE		1,639,941	1,750,000	1,628,252			1,210		1,210		1,629,462		10,479	10,479	22,818	02/15/2014	1
0399999	Total - Bonds - U.S. Government					12,701,724	12,879,544	12,826,470	1,986,579		0		(16,884)		12,763,411		(61,687)	(61,687)	203,682	XXX	XXX
Bonds - States, Territories and Possessions																					
882719 7Q 4	TX ST-VETS HSG PG-B		06/01/2006	SINKING FUND REDEMPTION		160,000	160,000	160,000	160,000				0		160,000			0	4,200	12/01/2030	1FE
1799999	Total - Bonds - States, Territories & Possessions					160,000	160,000	160,000	160,000		0		0		160,000			0	4,200	XXX	XXX
Bonds - Political Subdivisions of States																					
13062N 7Q 4	CA FLTG RATE-B-2		05/11/2006	MERRILL LYNCH		5,000,000	5,000,000	5,000,000					0		5,000,000			0	17,588	05/01/2033	1FE
882719 YG 6	TX VETS HSG-FD II-A		06/01/2006	SINKING FUND REDEMPTION		115,000	115,000	115,144	115,007		(7)		(7)		115,000			0	2,961	06/01/2024	1FE
2499999	Total - Bonds - Political Subdivisions					5,115,000	5,115,000	5,115,144	115,007		0		(7)		5,115,000			0	20,549	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
13033K 2M 0	CA HFA-VAR-AMT-MFH-B		05/18/2006	MERRILL LYNCH		500,000	500,000	500,000					0		500,000			0	4,787	08/01/2038	1FE
13066Y AK 5	CA WTR-VAR-SER C-4		05/15/2006	LEHMAN BROTHERS		7,500,000	7,500,000	7,500,000					0		7,500,000			0	28,605	05/01/2022	1FE
13033K K4 0	CALIFORNIA HSG FIN AGY		05/10/2006	LEHMAN BROTHERS		6,145,000	6,145,000	6,145,000					0		6,145,000			0	51,438	08/01/2031	1FE
20774W LK 5	CT HFA VAR-SUBSER B-2		05/10/2006	MERRILL LYNCH		1,000,000	1,000,000	1,000,000					0		1,000,000			0	6,305	11/15/2038	1FE
207757 5C 5	CT ST TAX-VAR-REF-2		05/11/2006	LEHMAN BROTHERS		1,000,000	1,000,000	1,000,000					0		1,000,000			0	3,660	02/01/2022	1FE
31371L 3S 6	FB 255609		06/01/2006	MBS PAYDOWN		14,763	14,763	14,535	14,553		210		210		14,763			0	265	10/01/2024	1
31296J ZA 7	FG A10737		06/01/2006	MBS PAYDOWN		283,156	283,156	288,289	287,778		(4,622)		(4,622)		283,156			0	6,173	07/01/2032	1
31297H PN 3	FG A29429		06/01/2006	MBS PAYDOWN		24,350	24,350	23,521	23,576		774		774		24,350			0	380	10/01/2034	1
31297H X4 6	FG A29699		06/01/2006	MBS PAYDOWN		48,140	48,140	48,158	48,157		(17)		(17)		48,140			0	1,003	11/01/2034	1
31297K 7G 1	FG A30895		06/01/2006	MBS PAYDOWN		7,469	7,469	7,412	7,416		53		53		7,469			0	155	11/01/2034	1
31297S ZP 3	FG A37050		06/01/2006	MBS PAYDOWN		77,008	77,008	76,069	76,098		910		910		77,008			0	1,774	07/01/2035	1
31335H 5U 3	FG C90859		06/01/2006	MBS PAYDOWN		132,549	132,549	136,246	135,799		(3,250)		(3,250)		132,549			0	2,972	07/01/2024	1
3128H3 LP 4	FG E95734		06/01/2006	MBS PAYDOWN		99,285	99,285	102,512	101,837		(2,552)		(2,552)		99,285			0	2,044	10/01/2017	1
3128MJ BE 9	FG G08036		06/01/2006	MBS PAYDOWN		25,073	25,073	25,449	25,406		(333)		(333)		25,073			0	581	09/01/2034	1
3133TL UH 9	FHR 2178 PB		06/01/2006	MBS PAYDOWN		140,437	140,437	144,870	142,337		(1,900)		(1,900)		140,437			0	4,062	08/01/2029	1

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SCHEDULE D - PART 4

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

1	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 Designa- tion or Market Indicator (a)
31393M 6V 8	FHR 2580 QL		06/01/2006	MBS PAYDOWN		117,042	117,042	119,639	117,916		(874)		(874)		117,042			0	2,178	12/01/2008	1
31393M Z2 0	FHR 2583 ND		06/01/2006	MBS PAYDOWN		3,028	3,028	3,077	3,057		(28)		(28)		3,028			0	48	07/01/2009	1
31393N 2K 4	FHR 2583 TD		06/01/2006	MBS PAYDOWN		1,433	1,433	1,458	1,451		(18)		(18)		1,433			0	27	11/01/2012	1
31371K BR 1	FN 253948		06/01/2006	MBS PAYDOWN		100,628	100,628	99,276	99,585		1,043		1,043		100,628			0	2,480	08/01/2030	1
31371K MK 4	FN 254262		06/01/2006	MBS PAYDOWN		8,762	8,762	8,672	8,693		69		69		8,762			0	218	05/01/2031	1
31371K VA 6	FN 254509		06/01/2006	MBS PAYDOWN		42,369	42,369	43,038	42,881		(512)		(512)		42,369			0	865	04/01/2017	1
31371K VC 2	FN 254511		06/01/2006	MBS PAYDOWN		12,194	12,194	12,610	12,519		(325)		(325)		12,194			0	277	04/01/2017	1
31371K WJ 6	FN 254549		06/01/2006	MBS PAYDOWN		11,880	11,880	12,290	12,196		(316)		(316)		11,880			0	299	04/01/2032	1
31371L CE 7	FN 254869		06/01/2006	MBS PAYDOWN		127,682	127,682	127,842	127,815		(133)		(133)		127,682			0	2,878	03/01/2033	1
31371L WN 5	FN 255453		06/01/2006	MBS PAYDOWN		20,698	20,698	21,015	20,982		(283)		(283)		20,698			0	428	08/01/2019	1
31371L ZP 7	FN 255550		06/01/2006	MBS PAYDOWN		25,139	25,139	25,724	25,651		(512)		(512)		25,139			0	571	09/01/2024	1
31371L 2P 3	FN 255582		06/01/2006	MBS PAYDOWN		29,955	29,955	30,157	30,135		(180)		(180)		29,955			0	623	10/01/2024	1
31376K KG 0	FN 357695		06/01/2006	MBS PAYDOWN		29,653	29,624	29,624	29,627		26		26		29,653			0	552	01/01/2019	1
31382J WY 3	FN 484063		06/01/2006	MBS PAYDOWN		1,679	1,679	1,672	1,674		5		5		1,679			0	46	01/01/2028	1
31383M VS 9	FN 507425		06/01/2006	MBS PAYDOWN		621	621	628	626		(5)		(5)		621			0	20	11/01/2027	1
31384H 6L 2	FN 524775		06/01/2006	MBS PAYDOWN		8,107	8,107	8,072	8,085		22		22		8,107			0	234	04/01/2014	1
31385J RT 7	FN 545998		06/01/2006	MBS PAYDOWN		17,898	17,898	18,172	18,142		(244)		(244)		17,898			0	445	07/01/2031	1
31385X BN 6	FN 555445		06/01/2006	MBS PAYDOWN		13,838	13,838	13,872	13,867		(29)		(29)		13,838			0	290	11/01/2017	1
31386U ZC 9	FN 574139		06/01/2006	MBS PAYDOWN		2,370	2,370	2,365	2,367		4		4		2,370			0	64	07/01/2029	1
31387C P4 7	FN 580143		06/01/2006	MBS PAYDOWN		6,587	6,587	6,570	6,574		14		14		6,587			0	160	02/01/2030	1
31387Q XP 0	FN 591186		06/01/2006	MBS PAYDOWN		26,708	26,708	27,108	27,017		(310)		(310)		26,708			0	696	11/01/2015	1
31387Y YT 4	FN 598422		06/01/2006	MBS PAYDOWN		9,883	9,883	9,787	9,813		70		70		9,883			0	221	07/01/2016	1
31388D LJ 5	FN 601629		06/01/2006	MBS PAYDOWN		20,901	20,901	21,142	21,087		(187)		(187)		20,901			0	582	06/01/2030	1
31388V WH 7	FN 616348		06/01/2006	MBS PAYDOWN		350	350	352	351		(2)		(2)		350			0	9	11/01/2030	1
31389E 5T 8	FN 623758		06/01/2006	MBS PAYDOWN		6,765	6,765	6,827	6,807		(43)		(43)		6,765			0	158	05/01/2016	1
31389K CN 9	FN 627477		06/01/2006	MBS PAYDOWN		16,007	16,007	16,197	16,138		(131)		(131)		16,007			0	326	01/01/2017	1
31389S GZ 1	FN 633916		06/01/2006	MBS PAYDOWN		2,780	2,780	2,765	2,770		10		10		2,780			0	63	10/01/2016	1
31390K 5R 5	FN 648956		06/01/2006	MBS PAYDOWN		28,095	28,095	29,047	28,813		(718)		(718)		28,095			0	644	09/01/2017	1
31390W 6C 1	FN 658867		06/01/2006	MBS PAYDOWN		53,424	53,424	55,169	54,654		(1,230)		(1,230)		53,424			0	1,494	12/01/2016	1
31391N 6R 7	FN 672380		06/01/2006	MBS PAYDOWN		200,055	200,055	206,744	205,025		(4,970)		(4,970)		200,055			0	4,705	02/01/2017	1
31391Q X5 8	FN 674000		06/01/2006	MBS PAYDOWN		12,190	12,190	12,392	12,358		(168)		(168)		12,190			0	229	06/01/2032	1
31401W G2 9	FN 720317		06/01/2006	MBS PAYDOWN		165,236	165,236	168,927	168,377		(3,141)		(3,141)		165,236			0	3,280	01/01/2018	1
31402H Q6 1	FN 729577		06/01/2006	MBS PAYDOWN		103,877	103,877	103,179	103,275		603		603		103,877			0	2,261	08/01/2032	1
31402X Z7 4	FN 741566		06/01/2006	MBS PAYDOWN		20,873	20,873	21,297	21,216		(343)		(343)		20,873			0	495	08/01/2018	1
31404B SF 0	FN 763818		06/01/2006	MBS PAYDOWN		131,777	131,777	134,947	134,413		(2,636)		(2,636)		131,777			0	3,088	09/01/2033	1
31404C WM 8	FN 764852		06/01/2006	MBS PAYDOWN		97,755	97,755	99,924	99,527		(1,772)		(1,772)		97,755			0	1,953	08/01/2018	1
31404N WB 8	FN 773842		06/01/2006	MBS PAYDOWN		61,402	61,402	62,285	62,112		(709)		(709)		61,402			0	1,267	10/01/2033	1
31404R 4B 0	FN 776718		06/01/2006	MBS PAYDOWN		81,249	81,249	81,414	81,390		(141)		(141)		81,249			0	1,881	02/01/2034	1
31404W YX 8	FN 781126		06/01/2006	MBS PAYDOWN		18,297	18,297	17,811	17,865		432		432		18,297			0	330	12/01/2033	1
31404X T8 7	FN 781875		06/01/2006	MBS PAYDOWN		52,627	52,627	53,515	53,439		(812)		(812)		52,627			0	1,166	05/01/2033	1
31404Y KL 5	FN 782499		06/01/2006	MBS PAYDOWN		38,496	38,496	38,325	38,350		146		146		38,496			0	678	02/01/2034	1
31405T SU 7	FN 798931		06/01/2006	MBS PAYDOWN		24,808	24,808	24,715	24,724		84		84		24,808			0	459	11/01/2019	1
31405U MK 2	FN 799662		06/01/2006	MBS PAYDOWN		15,642	15,642	15,571	15,576		66		66		15,642			0	326	08/01/2034	1
31406J 6A 6	FN 811865		06/01/2006	MBS PAYDOWN		18,243	18,243	17,813	17,851		392		392		18,243			0	305	01/01/2020	1
31406W US 1	FN 822393		06/01/2006	MBS PAYDOWN		227,580	227,580	229,892	229,716		(2,136)		(2,136)		227,580			0	4,599	03/01/2035	1
31406Y 4L 1	FN 824427		06/01/2006	MBS PAYDOWN		125,925	125,925	127,086	127,002		(1,077)		(1,077)		125,925			0	3,107	04/01/2035	1
31407A PZ 8	FN 824940		06/01/2006	MBS PAYDOWN		216,772	216,772	219,956	219,759		(2,987)		(2,987)		216,772			0	5,083	04/01/2035	1
31407E UR 2	FN 828692		06/01/2006	MBS PAYDOWN		277,295	277,295	283,664	283,250		(5,954)		(5,954)		277,295			0	7,528	04/01/2035	1

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31409W NY 3	FN 880707 6.000		06/01/2006	MBS PAYDOWN		23,817	23,817	23,705					112		23,817			0	119	05/01/2036	1
31392F 5Y 9	FNR 2002-77 CG 4.000		06/01/2006	MBS PAYDOWN		23,275	23,275	23,526	23,428		(153)		(153)		23,275			0	382	03/01/2010	1
31394C N3 2	FNR 2005-33 VA 5.000		06/01/2006	MBS PAYDOWN		45,456	45,456	45,860	45,830		(374)		(374)		45,456			0	948	03/01/2016	1
45188R WN 5	ILLINOIS DEV FIN AUTH REV 3.500		06/02/2006	GOLDMAN SACHS		4,925,000	4,925,000	4,925,000					0	4,925,000			0	24,331	05/01/2031	1FE	
49130P UA 0	KY HSG VAR-AMT-SER H 3.410		05/24/2006	MERRILL LYNCH		5,000,000	5,000,000	5,000,000					0	5,000,000			0	63,626	07/01/2036	1FE	
49130P RT 3	KY HSG-VAR-AMT-B 3.630		05/25/2006	MERRILL LYNCH		4,000,000	4,000,000	4,000,000					0	4,000,000			0	51,279	07/01/2032	1FE	
59259R LT 9	METRO TRANSN-REF-G1 3.940		04/07/2006	MERRILL LYNCH		3,000,000	3,000,000	3,000,000					0	3,000,000			0	16,452	11/01/2026	1FE	
594653 JU 9	MI HSG-VAR-C 3.630		04/07/2006	MERRILL LYNCH		2,500,000	2,500,000	2,500,000					0	2,500,000			0	27,108	06/01/2030	1FE	
649716 TJ 2	NYC FIN ADJ-FUTURE-B3 3.520		05/17/2006	LEHMAN BROTHERS		5,000,000	5,000,000	5,000,000					0	5,000,000			0	84,626	11/01/2028	1FE	
64971K GD 2	NYC FIN REC-3-SUB 3D 3.360		05/18/2006	MERRILL LYNCH		8,000,000	8,000,000	8,000,000					0	8,000,000			0	135,413	11/01/2022	1FE	
68608J BY 6	OREGON ST FACS AUTH REV 1.45		05/22/2006	GOLDMAN SACHS		4,593,000	4,593,000	4,593,000					0	4,593,000			0	11,748	08/01/2034	1FE	
708792 TJ 5	PA HFA-AMT-SFM-60A 5.850		04/03/2006	CALL BY ISSUER 100.000		285,000	285,000	296,674	289,355		(314)		(314)	289,041		(4,041)	(4,041)	8,336	10/01/2027	1FE	
708793 CY 8	PA HSG-VAR-AMT-82B 3.630		05/31/2006	VARIOUS		5,750,000	5,750,000	5,750,000					0	5,750,000			0	40,289	04/01/2034	1FE	
759861 AX 5	RENO NEV SALES TAX REV 3.450		05/30/2006	GOLDMAN SACHS		22,875,000	22,875,000	22,874,543					0	22,874,543		458	458	63,160	06/01/2040	1FE	
812728 HX 4	SEATTLE WTR ADJ-B 3.550		05/11/2006	LEHMAN BROTHERS		5,000,000	5,000,000	5,000,000					0	5,000,000			0	16,938	03/01/2032	1FE	
812728 BP 7	SEATTLE WTR SYS ADJ 3.010		04/07/2006	MERRILL LYNCH		4,000,000	4,000,000	4,000,000					0	4,000,000			0	21,648	09/01/2025	1FE	
842443 BP 7	STHRN CA SFM VAR-B 3.620		05/19/2006	MERRILL LYNCH		6,000,000	6,000,000	6,000,000					0	6,000,000			0	58,161	02/01/2035	1FE	
97689P 2C 1	WI HSG HM OWNERSHIP-D 3.650		05/31/2006	MERRILL LYNCH		5,000,000	5,000,000	5,000,000					0	5,000,000			0	42,077	09/01/2036	1FE	
3199999	Total - Bonds - Special Revenue & Assessment					105,654,353	105,654,353	105,717,993	3,888,088	0	(41,396)	0	(41,396)	0	105,657,937	0	(3,583)	(3,583)	840,481	XXX	XXX
Bonds - Industrial and Miscellaneous																					
04541G DM 1	ABSHE 2003-HE1 M3 8.401		04/06/2006	DONALDSON, LUFKIN & JENR		158,111	161,338	158,011					0	158,011		101	101			04/15/2011	3FE
BCC00H 34 1	AMHPT 1996-2 B2 8.300		06/15/2006	MBS PAYDOWN		4,795	4,795	4,795					0	4,795			0			11/15/2026	6FE
02582J CN 8	AMXCA 2003-4 A 1.690		06/15/2006	MBS PAYDOWN		1,000,000	1,000,000	975,391	990,751		9,249		9,249	1,000,000			0	8,450	06/15/2006	1FE	
079867 AQ 0	BELLSOUTH TELECOMMUNICAT 6		06/15/2006	SINKING FUND REDEMPTION		47,660	47,660	43,404	44,616		3,044		3,044	47,660			0	1,501	12/15/2015	1FE	
097014 AE 4	BOEING CAPITAL CORP 5.650		05/15/2006	MATURITY		1,500,000	1,500,000	1,592,250	1,511,199		(11,199)		(11,199)	1,500,000			0	42,375	05/15/2006	1FE	
17305E BR 5	CCCIT 2003-A5 A5 2.500		04/07/2006	CALL BY ISSUER 100.000		5,000,000	5,000,000	5,020,117	5,001,696		(1,696)		(1,696)	5,000,000			0	62,500	04/07/2006	1FE	
12506Y BC 2	CDCMC 2003-HE1 B2 FLTR 9.072		04/25/2006	MBS PAYDOWN		9,731	9,731	9,731	9,731				0	9,731			0	331	09/25/2008	2FE	
163762 AN 7	CHEMT 1996-3 A 7.090		06/15/2006	MBS PAYDOWN		825,000	825,000	856,528	836,951		(11,951)		(11,951)	825,000			0	29,246	06/15/2006	1FE	
172850 BB 4	CITRV 1999-A B 8.717		06/30/2006	REDUCTION IN BASIS ADJUS									(14,612)				0		01/15/2009	3FE	
22540V UM 2	CSFB 2002-HE1 B 8.172		05/25/2006	VARIOUS		27,180	27,180	27,180	27,180				0	27,180			0	974	02/25/2010	3FE	
12669D LE 6	CWHL 2002-32 2A3 5.000		06/01/2006	MBS PAYDOWN		26,897	26,897	27,212	26,897				0	26,897			0	554	07/01/2006	1FE	
23383V CD 0	DCAT 2003-B A3 2.250		06/08/2006	MBS PAYDOWN		478,066	478,066	479,187	478,190		(124)		(124)	478,066			0	4,256	06/08/2006	1FE	
32054Y AC 7	FIB 2000-1 A FLTR 5.800		06/15/2006	MBS PAYDOWN		18,810	18,810	18,810	18,810				0	18,810			0	458	10/15/2018	5FE	
3136F6 YK 9	FMAN 2005-3 1 4.400		06/25/2006	MBS PAYDOWN		23,007	23,007	22,200			807		807	23,007			0	127	12/25/2012	1FE	
34527R JX 2	FORDO 2003-B A4 2.410		06/15/2006	MBS PAYDOWN		1,975,604	1,975,604	1,978,537	1,976,046		(442)		(442)	1,975,604			0	19,741	11/15/2006	1FE	
36828Q AA 4	GECMC 2003-C1 A1 3.091		06/01/2006	MBS PAYDOWN		63,236	63,236	63,393	63,305		(69)		(69)	63,236			0	815	03/01/2008	1FE	
36242D SC 8	GSMAP 2005-HE1 B4 6.000		06/26/2006	MBS PAYDOWN		329	329	329					0	329			0	2	01/01/2012	3FE	
393505 UW 0	GT 1997-4 M1 7.220		06/15/2006	MBS PAYDOWN		3,098	3,098	3,098	3,098				0	3,098			0	104	10/15/2020	4FE	
393505 YB 2	GT 1997-8 B1 7.170		06/15/2006	MBS PAYDOWN		31,869	31,869	31,869	28,124	3,746			3,746	31,869			0	1,731	07/15/2008	6FE	
393505 TS 1	GT 1999-1 M1 9.779		06/01/2006	MBS PAYDOWN		4,521	4,521	4,521	4,521				0	4,521			0	184	11/01/2022	5FE	
393505 W4 0	GT 1999-2 M1 6.800		06/01/2006	MBS PAYDOWN		14,668	14,668	14,668	14,668				0	14,668			0	630	01/01/2022	5FE	
43812C AD 3	HAROT 2003-1 A4 2.480		06/18/2006	MBS PAYDOWN		326,772	326,772	323,810	325,492		1,280		1,280	326,772			0	3,344	08/18/2007	1FE	
43812G AD 4	HAROT 2003-3 A4 2.770		06/21/2006	MBS PAYDOWN		797,369	797,369	801,761	798,804		(1,435)		(1,435)	797,369			0	9,602	01/21/2008	1FE	
456606 CF 7	INHEL 2001-A MV2 FLTR 6.472		05/25/2006	MBS PAYDOWN		181,560	181,560	181,560	181,560				0	181,560			0	40,982	07/25/2006	2FE	
456606 DE 9	INHEL 2001-C B 8.847		06/25/2006	MBS PAYDOWN		56,989	56,989	56,989	56,989				0	56,989			0	2,423	03/25/2008	3FE	
589962 CV 9	MESC 13 M1 8.863		06/28/2006	MBS PAYDOWN		271	271	271	271				0	271			0	11	08/01/2015	6FE	
61745M ES 8	MSC 1998-WF1 A2 6.550		06/01/2006	MBS PAYDOWN		142,482	142,482	153,391	148,494		(6,012)		(6,012)	142,482			0	6,184	12/01/2007	1FE	
61746W RT 9	MSDWC 2002-HE2 B1 FLTR 7.472		06/25/2006	MBS PAYDOWN		4,575	4,575	4,575					0	4,575			0	173	01/25/2008	2FE	
68619A AG 2	ORGN 2001-A M1 7.820		06/15/2006	MBS PAYDOWN		1,607	1,607	1,607	1,493	114			114	1,607			0	73	03/15/2016	5FE	

E05.2

SCHEDULE D - PART 4

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

1 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.							
701184 AH 6	PARKER TOWING 5.330.....		.06/22/2006	DIRECT.....		8,000,000	8,000,000	8,000,000							8,000,000			0	40,405	06/01/2011	1FE.....
69348L GE 3	PNCMS 1996-PR1 A.....		.06/01/2006	MBS PAYDOWN.....		146	146	151	147		(2)		(2)		146			0		04/01/2026	1FE.....
86358E HK 5	SAIL 2004-3 B 6.000.....		.05/03/2006	DIRECT.....		178,402	178,853	178,853					0		178,853		(452)	(452)	2,042	11/25/2022	3FE.....
86358R L7 0	SASC 2002-HF1 B FLTR 9.472.....		.06/25/2006	MBS PAYDOWN.....		9,714	9,714	9,714	9,615	99			99		9,714			0	724	12/25/2025	4FE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....					20,912,469	20,916,147	21,043,913	12,539,838	3,959	(18,550)	14,612	(29,203)	0	20,912,820	0	(351)	(351)	279,942	XXX	XXX
6099997.	Total - Bonds - Part 4.....					144,543,546	144,725,044	144,863,520	18,689,512	3,959	(76,837)	14,612	(87,490)	0	144,609,168	0	(65,621)	(65,621)	1,348,854	XXX	XXX
6099999.	Total - Bonds.....					144,543,546	144,725,044	144,863,520	18,689,512	3,959	(76,837)	14,612	(87,490)	0	144,609,168	0	(65,621)	(65,621)	1,348,854	XXX	XXX
Common Stocks - Banks, Trust and Insurance Companies																					
585135 10 6	MEEMIC HOLDINGS INC.....		.05/31/2006	LIQUIDATION.....		58,423,143	XXX	58,423,143	222,859,237	117,937,228			117,937,228		340,796,465			0		XXX	A.....
6799999.	Total - Common Stocks - Banks, Trust & Insurance Companies.....					58,423,143	XXX	58,423,143	222,859,237	117,937,228	0	0	117,937,228	0	340,796,465	0	0	0	0	XXX	XXX
7299997.	Total - Common Stocks - Part 4.....					58,423,143	XXX	58,423,143	222,859,237	117,937,228	0	0	117,937,228	0	340,796,465	0	0	0	0	XXX	XXX
7299999.	Total - Common Stocks.....					58,423,143	XXX	58,423,143	222,859,237	117,937,228	0	0	117,937,228	0	340,796,465	0	0	0	0	XXX	XXX
7399999.	Total - Preferred and Common Stocks.....					58,423,143	XXX	58,423,143	222,859,237	117,937,228	0	0	117,937,228	0	340,796,465	0	0	0	0	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks.....					202,966,689	XXX	203,286,663	241,548,749	117,941,187	(76,837)	14,612	117,849,738	0	485,405,633	0	(65,621)	(65,621)	1,348,854	XXX	XXX

(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.....	.....	.....	.....	488,379	1,954,447	481,009	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....	.....	.....	.....	54,735	54,854	55,059	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	(6,329,460)	(4,024,765)	(2,248,754)	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	17,199	6,431	6,456	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	0.....	0.....	(5,769,147)	(2,009,033)	(1,706,230)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	0.....	0.....	(5,769,147)	(2,009,033)	(1,706,230)	XXX
0499999. Cash in Company's Office.....	XXX.....	XXX.....	XXX.....	XXX.....	2,000	2,325	2,325	XXX
0599999. Total Cash.....	XXX.....	XXX.....	0.....	0.....	(5,767,147)	(2,006,708)	(1,703,905)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Gross Investment Income
Cash Equivalents								
8426E3 G3 5	Southern Co Fund Discount Note.....		.....06/30/2006		.....07/03/2006	.....12,308,368		
96442M G7 4	White Pt FDG Inc Discount Note.....		.....06/28/2006		.....07/07/2006	.....4,033,414		
31408F GX 1	FNMA CL 30 YR PL # 849914.....	RA...	.....06/30/2006	.....5.050	.....07/03/2006	.....3,879,000		.....127,076
0199999.	Totals.....					.....20,220,782	.....0	.....127,076