

QUARTERLY STATEMENT
OF THE
PRONATIONAL INSURANCE
COMPANY

Of

OKEMOS
in the state of MI

to the Insurance Department
of the State of

For the Period Ended
March 31, 2006

2006



QUARTERLY STATEMENT

As of March 31, 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

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)
--	---	---

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 _____

PRONATIONAL INSURANCE COMPANY

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.....	750,016,730		750,016,730	735,210,182
2. Stocks:				
2.1 Preferred stocks.....	13,024,477		13,024,477	15,613,438
2.2 Common stocks.....	362,206,253		362,206,253	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).....	4,069,308		4,069,308	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 (\$.....(2,746,772)), cash equivalents (\$.....53,482,466) and short-term investments (\$.....6,611,632).....	57,347,325		57,347,325	24,654,161
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	1,177,400		1,177,400	1,177,400
8. Receivables for securities.....	2,155		2,155	1,930
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	1,187,843,648	0	1,187,843,648	1,024,870,964
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	7,928,813		7,928,813	8,804,135
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	47,449,169	71,704	47,377,465	23,457,879
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	418,794		418,794	19,658,356
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	4,348,851		4,348,851	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.....	39,321		39,321	28,271
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
16.2 Net deferred tax asset.....	34,792,469	21,897,628	12,894,841	12,680,566
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....	295,118		295,118	293,125
19. Furniture and equipment, including health care delivery assets (\$.....0).....	410,972	410,972	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	1,179,041		1,179,041	15,742,749
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	11,907,514	371,922	11,535,592	11,451,149
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,312,523,936	22,752,226	1,289,771,710	1,138,740,400
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,312,523,936	22,752,226	1,289,771,710	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.....	371,922	371,922	0	
2303. Company Owned Life Insurance.....	11,378,700		11,378,700	11,265,906
2398. Summary of remaining write-ins for Line 23 from overflow page.....	212,627	0	212,627	240,978
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	11,907,514	371,922	11,535,592	11,451,149

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....0).....	472,979,170	475,137,428
2. Reinsurance payable on paid losses and loss adjustment expenses.....	617,503	545,429
3. Loss adjustment expenses.....	243,593,128	233,674,650
4. Commissions payable, contingent commissions and other similar charges.....	3,673,337	3,597,148
5. Other expenses (excluding taxes, licenses and fees).....	1,469,437	1,966,892
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	788,066	435,407
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	4,208,016	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 \$.....3,019,292 and including warranty reserves of \$.....0).....	99,605,400	88,293,016
10. Advance premium.....	3,163,297	6,037,123
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,109,590	7,651,640
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	68,823	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.....	1,905,954	866,216
20. Payable for securities.....	4,168,614	
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	2	(1,917,063)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	845,396,337	818,580,678
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	845,396,337	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).....	403,114,835	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).....	444,375,373	320,159,722
36. TOTALS.....	1,289,771,710	1,138,740,400

DETAILS OF WRITE-INS

2301. Retroactive Reinsurance Reserve Ceded.....		(1,917,066)
2302. Other Liabilities.....	2	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).....	2	(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 \$.....57,063,399).....	44,708,812	46,515,731	186,945,465
1.2 Assumed..... (written \$.....2,434,076).....	3,397,139	5,090,443	19,329,776
1.3 Ceded..... (written \$.....2,437,448).....	2,358,308	2,948,155	10,754,597
1.4 Net..... (written \$.....57,060,027).....	45,747,643	48,658,019	195,520,644
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	6,669,131	11,311,170	22,998,597
2.2 Assumed.....	1,072,724	1,832,559	2,590,260
2.3 Ceded.....	1,293,733	1,636,241	490,390
2.4 Net.....	6,448,122	11,507,488	25,098,467
3. Loss expenses incurred.....	30,362,944	30,620,522	135,632,887
4. Other underwriting expenses incurred.....	9,685,975	7,685,293	28,354,862
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	46,497,041	49,813,303	189,086,216
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(749,398)	(1,155,284)	6,434,428
INVESTMENT INCOME			
9. Net investment income earned.....	9,068,549	7,918,699	33,414,321
10. Net realized capital gains (losses) less capital gains tax of \$.....23,907.....	44,398	41,485	(184,352)
11. Net investment gain (loss) (Lines 9 + 10).....	9,112,947	7,960,184	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.....	247,811	183,018	1,213,215
15. Total other income (Lines 12 through 14).....	247,811	183,018	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).....	8,611,360	6,987,918	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).....	8,611,360	6,987,918	40,877,612
19. Federal and foreign income taxes incurred.....	3,630,110	1,608,826	8,850,166
20. Net income (Line 18 minus Line 19) (to Line 22).....	4,981,250	5,379,092	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).....	4,981,250	5,379,092	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.....	118,443,056	9,750,530	47,751,315
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	405,587	(82,899)	(138,448)
27. Change in nonadmitted assets.....	385,757	642,373	(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.....			
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).....	124,215,650	15,689,096	78,335,024
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	444,375,372	257,513,794	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.....	112,794	112,067	450,365
1402. Risk management income.....	114,077	101,290	728,199
1403. Other.....	20,940	(30,339)	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).....	247,811	183,018	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.....	50,435,417	194,065,734
2. Net investment income.....	11,097,387	36,974,042
3. Miscellaneous income.....	247,811	1,213,215
4. Total (Lines 1 through 3).....	61,780,615	232,252,991
5. Benefit and loss related payments.....	27,495,692	91,900,447
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	9,754,582	31,524,057
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....		12,713,522
10. Total (Lines 5 through 9).....	37,250,274	136,138,026
11. Net cash from operations (Line 4 minus Line 10).....	24,530,341	96,114,965
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	87,690,199	145,224,066
12.2 Stocks.....	2,400,000	4,250,000
12.3 Mortgage loans.....		402,436
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....	4,168,614	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	94,258,813	149,876,502
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	103,011,650	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.....	225	7,683,392
13.7 Total investments acquired (Lines 13.1 to 13.6).....	103,011,875	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).....	(8,753,062)	(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.....		
16.6 Other cash provided (applied).....	16,915,885	(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).....	16,915,885	(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).....	32,693,164	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).....	57,347,325	24,654,161

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

20.0001		
---------------	--	--

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

- A. The components of the deferred tax asset (DTA) or liability (DTL) at March 31, 2006 and December 31, 2005 are as follows:

	<u>3/31/2006</u>	<u>12/31/2005</u>
(1) Total of all DTAs (admitted and nonadmitted)	\$ 35,241,359	\$ 34,984,486
(2) Total of all DTLs	448,890	597,604
(3) Total DTAs nonadmitted in accordance with SSAP No. 10 – Income Taxes	21,897,628	21,706,316
(4) The Total of all DTAs admitted [(1)-(2)-(3)]	12,894,841	12,680,566
(5) The net change during the year in the total DTAs nonadmitted	\$ 191,312	\$ 1,030,523

- C. The components of income tax expense incurred and the change in DTAs and DTLs are as follows:

	Three months of <u>3/31/2006</u>	Year ended <u>12/31/2005</u>
(2) Change in DTAs and DTLs:		
Discounting of unpaid losses and LAE	\$ 235,207	\$ 225,555
Change in unearned premiums	590,699	(402,132)
Change in unrealized gain/loss	(118,494)	415,349
Nonadmitted assets	(201,974)	13,568
Other	<u>(248,565)</u>	<u>(192,557)</u>
Change in deferred tax assets	256,873	59,783
Bond discount amortization – net	(125,053)	237,397
Change in unrealized loss	-	(58,107)
Other	<u>(23,661)</u>	<u>18,941</u>
Change in deferred tax liabilities	<u>(148,714)</u>	<u>198,231</u>
Net Change in deferred tax assets	<u>\$ 405,587</u>	<u>\$ (138,448)</u>
(3) No investment tax credits		
(4) No benefits of operating loss carry forwards		
(5) No deferred tax adjustments for tax law changes		

- D. The Company's income tax expense and changes in its DTAs and DTLs differ from the amounts obtained by applying

NOTES TO FINANCIAL STATEMENTS

the federal tax rate of 35% in 2006 and 2005 to statutory income/loss from operations for the following reasons:

	Three months of 3/31/2006	Year ended 12/31/2005
Expected federal income tax expense (benefit)	\$ 3,022,344	\$ 14,272,421
Exempt interest and dividends	(870,871)	(3,165,159)
Cash surrender value of life insurance	(39,478)	(157,628)
(Increase) decrease in nonadmitted assets	201,974	(13,568)
Change in unrealized gain/loss	118,494	(473,456)
Adjustment to special estimated tax account	-	(1,718,190)
Retroactive reinsurance ceded	670,973	-
Other amounts	144,994	144,928
Total statutory income taxes	<u>\$ 3,248,430</u>	<u>\$ 8,889,348</u>
Federal income tax provision	\$ 3,630,110	\$ 8,850,166
Tax expense (benefit) on realized capital gains/losses	<u>23,907</u>	<u>(99,266)</u>
	3,654,017	8,750,900
Change in net DTA	<u>(405,587)</u>	<u>138,448</u>
Total statutory income taxes	<u>\$ 3,248,430</u>	<u>\$ 8,889,348</u>

- F. The Company is included in the consolidated federal tax return of ProAssurance Corporation (see 2005 Annual Statement for companies included in the return). Taxes of the members of the group are determined based upon individual company computations.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

- I. The Company has a 100% ownership interest in MEMH Holdings, Inc., formerly known as MEEMIC Holdings, Inc. (MEMH Holdings), which is valued based on its underlying equity. MEMH Holdings sold MEEMIC Insurance Company and MEEMIC Insurance Services Corp., both wholly owned subsidiaries of MEMH Holdings, to Motors Insurance Corporation, a subsidiary of GMAC Insurance Holding, Inc. The transaction, valued at \$400 million, was completed on January 4, 2006. The Company's carrying value of its investment in MEMH Holdings was \$343 million (reduced \$55 million for estimated taxes payable) at March 31, 2006; an increase of approximately \$116 million from December 31, 2005. The increase was primarily due to the sale of the subsidiaries.

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

- C. The Company had no wash sales in the first quarter of 2006.

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

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

The Company received two liquidating distributions totaling \$315,840,569 in April 2006 from MEMH Holdings. MEMH Holdings has adopted a plan of liquidation qualifying as a tax free liquidation under Internal Revenue Code Section 331. The receipt of these distributions from MEMH Holdings will not change the Company's surplus.

Subsequent to receipt of the liquidating distributions, the Company received concurrence from the Michigan Office of Financial and Insurance Services (MOFIS) to pay an ordinary cash dividend to parent of \$32,311,064.

On April 24, 2006 the Company requested permission from MOFIS to pay two extraordinary dividends. The first is for a cash dividend of \$167,688,936 – which brings the total of the cash dividends to \$200,000,000. The second is to dividend 100% of the Company's ownership interest in Red Mountain Casualty Insurance Company, Inc. (the amount assigned as the value of Red Mountain in the accompanying March 31, 2006 financial statements is \$19,384,280).

The effect of the ordinary and extraordinary dividends will be to reduce surplus from the March 31, 2006 reported amount of \$444,375,373 to \$224,991,093, a decrease of \$219,384,280.

Note 23 - Reinsurance

F. Retroactive Reinsurance

a. Reserves Transferred:	<u>Assumed</u>	<u>Ceded</u>
1. Initial Reserves	\$ 0	\$ 2,373,097
2. Adjustments - Prior Year(s)	0	(456,031)
3. Adjustments - Current Year	0	(1,917,066)
4. Current Total	0	0
b. Consideration Paid or Received:		
1. Initial Consideration	0	4,373,097
2. Adjustments - Prior Year(s)	0	(2,456,031)
3. Adjustments - Current Year	0	(1,917,066)
4. Current Total	0	0
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year(s)	0	0
2. Current Year	0	0
3. Current Total	0	0
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	0	0
2. Adjustments - Prior Year(s)	0	0
3. Adjustments - Current Year	0	0
4. Current Year Restricted Surplus	0	0
5. Cumulative Total Transferred to Unassigned Surplus	0	0
e. Not applicable		
f. Not applicable		

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

NOTES TO FINANCIAL STATEMENTS

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 [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] 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 [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. \$.....425

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	\$.....362,190,237
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	\$.....362,190,237
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 [X] No []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
WACHOVIA BANK	US BANK	01/01/2006	CUSTODIAL OPERATIONS SOLD

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
	.....	.....	.....	.....	.....	.....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.....	(43,828)	(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.....	4,069,308	4,113,136
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	4,069,308	4,113,136
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	4,069,308	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.....		
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.....	1,177,400	1,177,400
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	1,177,400	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).....	1,177,400	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.....	103,011,650	220,680,969
3. Accrual of discount.....	80,741	506,249
4. Increase (decrease) by adjustment.....	118,300,981	47,751,316
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	210,380	(283,619)
7. Consideration for bonds and stocks disposed of.....	90,090,199	149,474,066
8. Amortization of premium.....	1,190,430	4,570,536
9. Book/adjusted carrying value, current period.....	1,125,247,460	994,924,337
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	1,125,247,460	994,924,337
12. Total nonadmitted amounts.....		
13. Statement value.....	1,125,247,460	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.....	703,362,230	387,717,236	341,880,053	1,013,446	750,212,860			703,362,230
2. Class 2.....	31,696,320	826,072	326,955	(2,831,835)	29,363,602			31,696,320
3. Class 3.....	14,527,894	962,960	136,827	1,282,237	16,636,264			14,527,894
4. Class 4.....	5,840,898	30,654	1,219,930	164,473	4,816,095			5,840,898
5. Class 5.....	832,601	104,714	32,118	(17,497)	887,700			832,601
6. Class 6.....	1,115,194	554,215	42,041	22,799	1,650,167			1,115,194
7. Total Bonds.....	757,375,137	390,195,851	343,637,924	(366,377)	803,566,688	0	0	757,375,137
PREFERRED STOCK								
8. Class 1.....	12,485,001		2,400,000	(60,524)	10,024,477			12,485,001
9. Class 2.....	3,128,438			(128,438)	3,000,000			3,128,438
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	15,613,439	0	2,400,000	(188,962)	13,024,477	0	0	15,613,439
15. Total Bonds and Preferred Stock.....	772,988,576	390,195,851	346,037,924	(555,339)	816,591,165	0	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.....	6,611,632	XXX	6,625,200	34,000	

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.....	23,271,952	248,430,607
3. Increase (decrease) by adjustment.....	(18,068)	18,645
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....		
6. Consideration received on disposal of short-term investments.....	23,415,104	254,606,335
7. Book/adjusted carrying value, current period.....	6,611,632	6,772,852
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	6,611,632	6,772,852
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	6,611,632	6,772,852
12. Income collected during period.....	199,978	526,398
13. Income earned during period.....	103,225	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	423,304	381,678			1,757,145	1,713,508
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO						
4. Arkansas.....AR	NO						
5. California.....CA	NO	696,005				14,629	
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES	904,333	341,470	842		1,080,980	349,869
9. District of Columbia.....DC	NO						
10. Florida.....FL	YES	16,129,141	18,322,782	2,864,893	(54,807)	224,059,469	231,303,550
11. Georgia.....GA	YES	(32,121)	53,938			500,418	352,524
12. Hawaii.....HI	NO						
13. Idaho.....ID	NO						
14. Illinois.....IL	YES	10,481,663	10,167,844	1,515,970	2,194,257	69,593,224	71,769,552
15. Indiana.....IN	YES	319,323	219,416	106,839	83,220	15,054,707	13,649,162
16. Iowa.....IA	YES	290,792	373,486			710,213	359,126
17. Kansas.....KS	YES						
18. Kentucky.....KY	YES	8,244,535	7,316,847	8,676	613,910	23,924,372	20,648,815
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	YES						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	YES	11,068,337	10,980,666	3,900,027	445,112	131,329,781	136,835,408
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	7,186,632	7,859,317	1,209,122	143,768	19,422,107	16,683,153
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	1,197,500	992,175	80,496	514,705	19,464,739	25,597,472
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	YES	152,061	2,597,374	805,056	3,345,322	33,108,801	35,388,869
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	1,894	2,758			31,290	11,417
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		57,063,399	59,609,751	10,491,921	7,285,487	540,051,875	554,662,425

DETAILS OF WRITE-INS

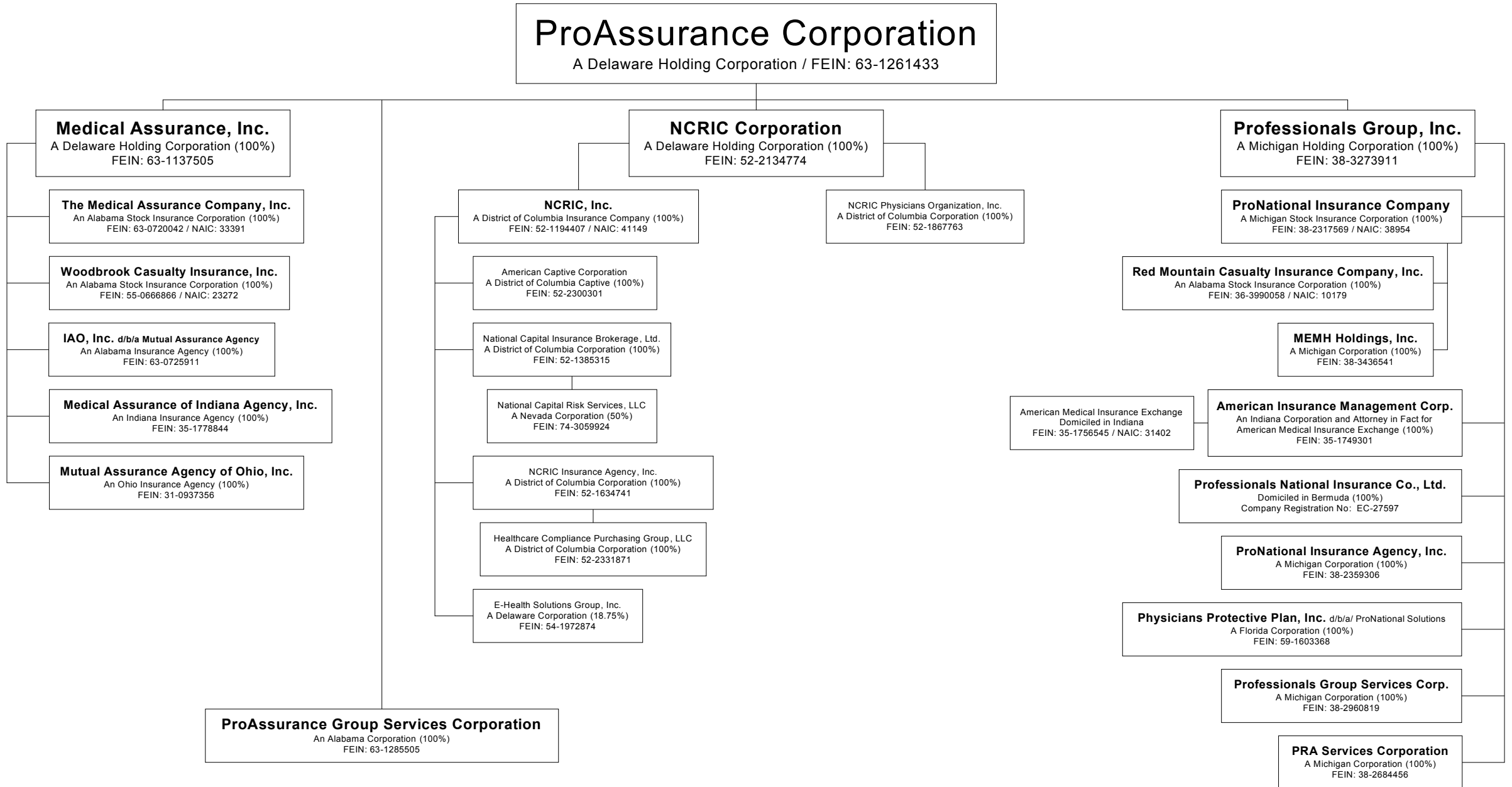
5801.....	XXX						
5802.....	XXX						
5803.....	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.....	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above).....	XXX	0	0	0	0	0	0

(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

16



PRONATIONAL INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....	2,702,697	399,059	14.8	24.1
11.2. Medical malpractice-claims made.....	39,923,208	5,894,751	14.8	24.1
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.....	25,294	4,558	18.0	
17.2. Other liability-claims made.....	2,057,613	370,763	18.0	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.....	44,708,812	6,669,131	14.9	24.3

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.....	2,702,697	2,702,697	2,576,888
11.2. Medical malpractice-claims made.....	51,889,220	51,889,220	54,986,182
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.....	25,294	25,294	
17.2. Other liability-claims made.....	2,446,188	2,446,188	2,046,681
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.....	57,063,399	57,063,399	59,609,751

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	21,758	1,534	23,292	307,357	842	59,750	367,949	(355)	(1,145)	(1,500)
2. 2004	53,736	101,205	154,941	2,744	473	3,217	67,148	1,249	83,327	151,724	16,156	(16,156)	0
3. Subtotals 2004 + Prior	383,206	164,476	547,682	24,502	2,007	26,509	374,505	2,091	143,077	519,673	15,801	(17,301)	(1,500)
4. 2005	33,615	127,515	161,130	1,132	459	1,591	42,423	1,720	115,396	159,539	9,940	(9,940)	0
5. Subtotals 2005 + Prior	416,821	291,991	708,812	25,634	2,466	28,100	416,928	3,811	258,473	679,212	25,741	(27,241)	(1,500)
6. 2006	XXX	XXX	XXX	XXX	952	952	XXX	4,306	33,054	37,360	XXX	XXX	XXX
7. Totals	416,821	291,991	708,812	25,634	3,418	29,052	416,928	8,117	291,527	716,572	25,741	(27,241)	(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. ....6.2%	2. ....(9.3)%	3. ....(0.2)%
													Col. 13, Line 7 Line 8
													4. ....(0.5)%

PRONATIONAL INSURANCE COMPANY 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.....	212,626		212,626	240,980
2397. Summary of remaining write-ins for Line 23.....	212,627	0	212,627	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									
912827 4F 6	US TREASURY N/B 05/15/2008 5.625		01/20/2006	MORGAN KEEGAN & CO INC		1,130,250	1,100,000	11,794	1
0399999	Total - Bonds - U.S. Government					1,130,250	1,100,000	11,794	XXX
Bonds - States, Territories and Possessions									
93974B FX 5	WA SER A 07/01/2015 5.000		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		1,082,650	1,000,000	4,167	1FE
1799999	Total - Bonds - States, Territories & Possessions					1,082,650	1,000,000	4,167	XXX
Bonds - Political Subdivisions of States									
181093 WC 5	CLARK CNTY WASH 01/01/2020 5.000		01/20/2006	DAIN RAUSCHER		1,208,537	1,100,000		1FE
373383 YW 2	GEORGIA ST REF-SER C 07/01/2015 5.500		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		858,330	750,000	3,438	1FE
478700 A9 8	JOHNSON USD #229-RF-B 10/01/2017 5.000		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		762,342	700,000	11,667	1FE
546415 TK 6	LA ST-REF-A 08/01/2011 5.000		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		798,458	750,000	18,750	1FE
592013 6U 5	MET GOVT NASHVILLE-A 01/01/2017 5.000		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		758,481	705,000	2,938	1FE
597749 YB 0	MIDLAND TEX 03/01/2009 4.000		01/24/2006	AG EDWARDS		1,185,959	1,170,000	4,940	1FE
684575 E9 0	ORANGE CNTY REF-SER A 07/15/2017 5.000		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		768,516	700,000	1,556	1FE
2499999	Total - Bonds - Political Subdivision					6,340,623	5,875,000	43,289	XXX
Bonds - Special Revenue and Special Assessment									
011855 AD 5	ALASKA STUDENT LN CORP 06/01/2038 3.270		02/23/2006	DAIN RAUSCHER		2,900,000	2,900,000	21,490	1FE
106238 JN 9	BRAZOS TEX HIGHER ED A 07/01/2039 4.500		02/09/2006	RBC DOMINION SECURITIES		1,300,000	1,300,000		1FE
13066Y LN 7	CA DEPT WTR VAR-G-4 05/01/2016 3.120		02/27/2006	LEHMAN BROTHERS		3,000,000	3,000,000	6,335	1FE
13033K 2G 3	CA HFA VAR-AMT-SER D 02/01/2040 3.110		01/31/2006	VARIOUS		5,000,000	5,000,000	68,719	1FE
442348 W2 0	HOUSTON TEX ARPT SYS R 07/01/2032 3.180		02/22/2006	BEAR STEARNS & CO		3,000,000	3,000,000	169	1FE
452226 Q8 9	IL ST TAX-2ND SER 06/15/2015 5.500		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		1,124,490	1,000,000	7,028	1FE
49130P RT 3	KY HSG-VAR-AMT-B 07/01/2032 3.160		01/30/2006	MERRILL LYNCH		5,000,000	5,000,000	12,499	1FE
59259R LT 9	METRO TRANSN-REF-G1 11/01/2026 3.480		02/27/2006	MERRILL LYNCH		3,000,000	3,000,000	6,598	1FE
594653 T4 9	MI HSG-VAR-C 06/01/2030 3.100		01/23/2006	MERRILL LYNCH		2,500,000	2,500,000	11,245	1FE
594700 BF 2	MI TRUNK LINE REF 11/01/2018 5.500		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		801,731	700,000	9,625	1FE
59334D AM 6	MIAMI-DADE WTR-REF 10/01/2011 5.000		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		803,708	750,000	12,500	1FE
59455T AX 0	MICHIGAN MUN BD WTR 10/01/2013 5.000		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		541,260	500,000	8,333	1FE
604152 AA 6	MINNESOTA ST HIGHER ED 11/01/2034 4.780		02/09/2006	RBC DOMINION SECURITIES		1,300,000	1,300,000		1FE
645916 Y7 6	NJ ECON-REF-K-SCH FAC 12/15/2015 5.250		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		1,109,640	1,000,000	6,708	1FE
64970K YX 9	NYC WTR-ADJ-F-SUB F1 06/15/2035 3.100		02/17/2006	MERRILL LYNCH		4,000,000	4,000,000	2,069	1FE
708793 JC 9	PA HFA VAR-SER 88-B 10/01/2036 3.170		02/10/2006	MERRILL LYNCH		4,000,000	4,000,000	42,602	1FE
708793 CY 8	PA HSG-VAR-AMT-82B 04/01/2034 3.110		01/31/2006	VARIOUS		5,750,000	5,750,000	54,753	1FE
726286 CU 9	PALINFIELD IND CMNTY H 07/15/2019 5.000		01/19/2006	MORGAN KEEGAN & CO INC		1,208,491	1,120,000	8,400	1FE
812728 BP 7	SEATTLE WTR SYS ADJ 09/01/2025 3.010		02/17/2006	MERRILL LYNCH		4,000,000	4,000,000	5,260	1FE
882797 7F 4	TEXAS TECH UNIV REVS 02/15/2013 5.000		02/13/2006	UBS SECURITIES		2,146,340	2,000,000	10,278	1FE
914331 HC 0	UNIVERSITY ILL CERTIFI 10/01/2014 5.000		02/15/2006	ABN AMRO		1,072,200	1,000,000	19,444	1FE
944514 AB 4	WAYNE CNTY MICH ARPT A 12/01/2033 3.250		03/02/2006	GOLDMAN SACHS		10,000,000	10,000,000		1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					63,557,860	62,820,000	314,055	XXX
Bonds - Industrial and Miscellaneous									
00441R AJ 6	ACERV 2001-RV1 E 09/20/2021 8.700		03/21/2006	CAPITALIZED INTEREST		585	585		3Z
BCC00H 34 1	AMHPT 1996-2 B2 11/15/2026 8.300		02/13/2006	DIRECT		543,659	543,659		6FE
00252F AR 2	AMIT 2004-1 B2 12/25/2008 7.818		03/06/2006	DIRECT		290,132	290,132		2FE
035229 CY 7	ANHEUSER-BUSCH COS INC 01/15/2015 5.000		01/09/2006	HSBC SECURITIES LIMITED		1,000,070	1,000,000	24,583	1FE
031733 AQ 1	ARC 2004-1 B1 144A 06/25/2032 5.000		03/31/2006	CAPITALIZED INTEREST		17,219	17,219		3FE
17275R AC 6	CISCO SYSTEMS INC 02/22/2016 5.500		03/20/2006	CITIGROUP GLOBAL MARKETS		5,003,900	5,000,000	23,681	1FE
172850 BB 4	CITRV 1999-A B 01/15/2009 8.717		03/15/2006	CAPITALIZED INTEREST		6,932	6,932		3FE
22540V HG 0	CSFB 2001-HE25 B 07/25/2009 7.618		03/31/2006	CAPITALIZED INTEREST		1,228	1,228		3FE
22540V UM 2	CSFB 2002-HE1 B 02/25/2010 10.618		03/27/2006	CAPITALIZED INTEREST		894	894		3FE
225458 PD 4	CSFB 2005-AGE1 B3 FLTR 06/25/2012 9.039		03/27/2006	CAPITALIZED INTEREST		576	576		2FE
29078P AA 8	EAST 2000-A A1 FLTR 08/15/2025 4.450		01/19/2006	CAPITALIZED INTEREST		635	635		4FE
301965 CH 0	FFCA 2000-1 B 144A 08/01/2019 8.180		03/20/2006	CAPITALIZED INTEREST		631	631		4FE
35729P FA 3	FHLT 2004-C M8 04/25/2034 8.818		03/28/2006	VARIOUS		631,865	631,865		3FE

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)
32054Y AC 7	FIB 2000-1 A FLTR 07/15/2026 5.550		02/16/2006	DIRECT		104,714	104,714		5FE
396789 LJ 6	GCCFC 2005-GG5 A41 07/01/2012 5.243		03/14/2006	GREENWICH CAPITAL		1,191,469	1,200,000	2,796	1FE
36228F R9 9	GSAMP 204-HE1 B3 03/25/2011 8.818		03/23/2006	DIRECT		47,012	47,012		2FE
36228C VU 4	GSMS 2005-GG4 A4A 05/01/2015 4.751		03/29/2006	GREENWICH CAPITAL		5,403,012	5,700,000	6,308	1FE
393505 FK 3	GT 1995-1 B2 04/15/2025 9.200		03/15/2006	CAPITALIZED INTEREST		1,941	1,941		6FE
393505 SK 9	GT 1997-1 M1 02/15/2027 7.220		03/15/2006	CAPITALIZED INTEREST		358	358		4FE
393505 VY 5	GT 1997-5 M1 02/15/2021 6.950		03/15/2006	CAPITALIZED INTEREST		163	163		4FE
393533 AK 0	GTCT 1996-B CTFS 06/15/2016 7.700		01/10/2006	DIRECT		8,615	8,615		6FE
456606 CF 7	INHEL 2001-A MV2 FLTR 06/25/2006 5.968		02/27/2006	CAPITALIZED INTEREST		3,706	3,706		2FE
52519S AW 3	LABMH 2002-A B2 10/15/2011 11.998		03/16/2006	CAPITALIZED INTEREST		25,760	25,760		4FE
542514 CL 6	LBMLT 2002-2 M3 11/25/2029 7.068		03/10/2006	DIRECT		98,175	110,000	334	3FE
50180A AB 0	LBSBN 2005-2A N2 09/27/2030 7.860		03/29/2006	CAPITALIZED INTEREST		1,574	1,574		4FE
52108H E4 2	LBUBS 2004-C4 A4 06/11/2014 5.134		01/31/2006	RED MOUNTAIN CASUALTY INSURANCE		1,009,400	1,000,000	2,853	1FE
52517P D5 7	LEHMAN BROTHERS HOLDIN 01/14/2011 5.000		03/20/2006	LEHMAN BROTHERS		4,952,900	5,000,000	63,889	1FE
585907 AN 8	MELLON BANK NA 04/01/2016 5.450		03/20/2006	GOLDMAN SACHS		4,998,450	5,000,000		1FE
59001F AZ 4	MMLT 2004-1 B1 FLTR 11/25/2009 12.065		03/27/2006	CAPITALIZED INTEREST		2,438	2,438		3FE
61746W RT 9	MSDWC 2002-HE2 B1 FLTR 01/25/2008 6.968		02/24/2006	DIRECT		36,638	36,638		2FE
86358E ES 1	SAIL 2003-BC11 B FLTR 02/25/2025 7.818		03/27/2006	VARIOUS		440,209	440,209		2FE
86358E FT 8	SAIL 2003-BC12 M6 FLTR 04/25/2028 7.818		03/29/2006	CAPITALIZED INTEREST		2,176	2,176		2FE
86358E GG 5	SAIL 2004-1 B 04/25/2025 6.000		03/27/2006	CAPITALIZED INTEREST		12,114	12,114		3FE
86358E HK 5	SAIL 2004-3 B 11/25/2022 6.000		03/22/2006	DIRECT		178,390	178,390		3FE
86358R L7 0	SASC 2002-HF1 B FLTR 12/25/2025 8.968		02/25/2006	CAPITALIZED INTEREST		1,534	1,534		4FE
86359A CS 0	SASC 2002-HF2 B1 FLTR 06/25/2008 6.818		03/29/2006	CAPITALIZED INTEREST		5,837	5,837		3FE
86359A CT 8	SASC 2002-HF2 B2 07/25/2032 6.818		03/31/2006	CAPITALIZED INTEREST		7,282	7,282		3FE
86359D LY 1	SASC 2005-S4 B 11/01/2008 6.500		03/27/2006	CAPITALIZED INTEREST		5,624	5,624		2FE
982526 AA 3	WM WRIGLEY JR CO 07/15/2010 4.300		03/20/2006	WACHOVIA/FIRST UNION		4,862,450	5,000,000	40,611	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					30,900,267	31,390,441	165,055	XXX
6099997	Total - Bonds - Part 3					103,011,650	102,185,441	538,360	XXX
6099999	Total - Bonds					103,011,650	102,185,441	538,360	XXX
7499999	Total - Bonds, Preferred and Common Stocks					103,011,650	XXX	538,360	XXX

E04.1

(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	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)
Bonds - U.S. Government																					
3133MD 6L 2	FEDERAL HOME LOAN BANK	5.37	02/15/2006	MATURITY.....		2,000,000	2,000,000	2,041,875	2,001,349		(1,349)		(1,349)		2,000,000			0	53,750	02/15/2006	1.....
36202D C9 0	G2 2796	7.000	03/01/2006	MBS PAYDOWN.....		17,421	17,421	16,997	17,061		361		361		17,421			0	192	07/01/2028	1.....
36203L DN 9	GN 352109	7.000	03/01/2006	MBS PAYDOWN.....		7,284	7,284	7,441	7,391		(107)		(107)		7,284			0	73	03/01/2022	1.....
36205N M8 6	GN 395583	7.000	03/01/2006	MBS PAYDOWN.....		52	52	53	53		(1)		(1)		52			0	1	07/01/2027	1.....
36207K GS 3	GN 434109	6.500	03/01/2006	MBS PAYDOWN.....		13,891	13,891	13,943	13,930		(39)		(39)		13,891			0	89	11/01/2027	1.....
36207K JJ 0	GN 434165	6.500	03/01/2006	MBS PAYDOWN.....		16,045	16,045	16,105	16,089		(44)		(44)		16,045			0	220	09/01/2027	1.....
36208V 6E 0	GN 462669	7.000	03/01/2006	MBS PAYDOWN.....		19,222	19,222	19,544	19,455		(232)		(232)		19,222			0	233	03/01/2027	1.....
36208W DE 0	GN 462801	6.500	03/01/2006	MBS PAYDOWN.....		52,279	52,279	52,311	52,311		(32)		(32)		52,279			0	685	11/01/2026	1.....
36208W ES 8	GN 462845	7.500	03/01/2006	MBS PAYDOWN.....		18,579	18,579	19,273	19,080		(501)		(501)		18,579			0	343	08/01/2027	1.....
36208X D7 3	GN 463726	7.000	03/01/2006	MBS PAYDOWN.....		38,756	38,756	39,362	39,182		(426)		(426)		38,756			0	672	02/01/2026	1.....
36210A VS 3	GN 486725	7.000	03/01/2006	MBS PAYDOWN.....		2,139	2,139	2,186	2,173		(33)		(33)		2,139			0	25	03/01/2028	1.....
36210E X6 1	GN 490401	6.500	03/01/2006	MBS PAYDOWN.....		2,810	2,810	2,794	2,799		12		12		2,810			0	31	09/01/2028	1.....
36213U DK 3	GN 564506	6.500	03/01/2006	MBS PAYDOWN.....		13,110	13,110	13,278	13,247		(137)		(137)		13,110			0	97	02/01/2031	1.....
36200X LT 4	GN 575538	6.500	03/01/2006	MBS PAYDOWN.....		4,401	4,401	4,495	4,473		(72)		(72)		4,401			0	45	10/01/2031	1.....
36201F T7 2	GN 582074	6.000	03/01/2006	MBS PAYDOWN.....		38,768	38,768	38,835	38,823		(55)		(55)		38,768			0	556	04/01/2031	1.....
36291P ZE 9	GN 634441	5.500	03/01/2006	MBS PAYDOWN.....		37,907	37,907	38,677	38,604		(697)		(697)		37,907			0	378	06/01/2034	1.....
36225A UH 1	GN 780584	7.000	03/01/2006	MBS PAYDOWN.....		17,807	17,807	17,985	17,946		(139)		(139)		17,807			0	197	01/01/2026	1.....
912827 W8 1	US TREASURY N/B	5.625	02/15/2006	MATURITY.....		310,000	310,000	334,025	311,429		(1,429)		(1,429)		310,000			0	8,719	02/15/2006	1.....
03999999	Total - Bonds - U.S. Government.....					2,610,471	2,610,471	2,679,179	2,615,395	0	(4,920)	0	(4,920)	0	2,610,471	0	0	0	66,306	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
011855 AD 5	ALASKA STUDENT LN CORP ED	3.2	03/29/2006	DAIN RAUSCHER.....		2,900,000	2,900,000	2,900,000					0	2,900,000			0	30,709	06/01/2038	1FE.....	
106238 JN 9	BRAZOS TEX HIGHER ED AUTH INC ST		03/15/2006	DAIN RAUSCHER.....		1,300,000	1,300,000	1,300,000					0	1,300,000			0	5,715	07/01/2039	1FE.....	
13066Y LN 7	CA DEPT WTR VAR-G-4	3.120	03/23/2006	LEHMAN BROTHERS.....		3,000,000	3,000,000	3,000,000					0	3,000,000			0	12,330	05/01/2016	1FE.....	
13033K 2G 3	CA HFA VAR-AMT-SER D	3.110	03/23/2006	MERRILL LYNCH.....		5,000,000	5,000,000	5,000,000					0	5,000,000			0	92,118	02/01/2040	1FE.....	
13033E 8U 0	CA HFA-VAR-AMT-SER J	3.100	02/01/2006	VARIOUS.....		5,000,000	5,000,000	5,000,000	5,000,000				0	5,000,000			0	62,479	08/01/2031	1FE.....	
28148N AA 1	EDUCATIONAL FDG SOUTH INC TENN F		01/24/2006	DAIN RAUSCHER.....		1,200,000	1,200,000	1,199,916	1,199,916				0	1,199,916		84	84	5,793	12/01/2031	1FE.....	
31371L 3S 6	FB 255609	4.500	03/01/2006	MBS PAYDOWN.....		12,536	12,536	12,342	12,357		178		178		12,536			0	88	10/01/2024	1.....
31296J ZA 7	FG A10737	5.500	03/01/2006	MBS PAYDOWN.....		255,107	255,107	259,731	259,731		(4,164)		(4,164)		255,107			0	2,129	07/01/2032	1.....
31297H PN 3	FG A29429	4.500	03/01/2006	MBS PAYDOWN.....		5,620	5,620	5,429	5,441		179		179		5,620			0	44	10/01/2034	1.....
31297H X4 6	FG A29699	5.000	03/01/2006	MBS PAYDOWN.....		19,033	19,033	19,040	19,040		(7)		(7)		19,033			0	158	11/01/2034	1.....
31297K 7G 1	FG A30895	5.000	03/01/2006	MBS PAYDOWN.....		81,054	81,054	80,433	80,476		577		577		81,054			0	593	11/01/2034	1.....
31297S ZP 3	FG A37050	5.000	03/01/2006	MBS PAYDOWN.....		11,385	11,385	11,246	11,250		135		135		11,385			0	95	07/01/2035	1.....
31335H 5U 3	FG C90859	5.500	03/01/2006	MBS PAYDOWN.....		129,366	129,366	132,974	132,538		(3,172)		(3,172)		129,366			0	1,192	07/01/2024	1.....
3128H3 LP 4	FG E95734	5.000	03/01/2006	MBS PAYDOWN.....		96,588	96,588	99,728	99,071		(2,483)		(2,483)		96,588			0	762	10/01/2017	1.....
3128MJ BE 9	FG G08036	5.500	03/01/2006	MBS PAYDOWN.....		21,134	21,134	21,451	21,414		(281)		(281)		21,134			0	201	09/01/2034	1.....
3133TL UH 9	FHR 2178 PB	7.000	03/01/2006	MBS PAYDOWN.....		188,120	188,120	194,058	190,665		(2,545)		(2,545)		188,120			0	2,230	08/01/2029	1.....
31393M 6V 8	FHR 2580 QL	4.500	03/01/2006	MBS PAYDOWN.....		10,845	10,845	11,085	10,926		(81)		(81)		10,845			0	122	12/01/2008	1.....
31393M ZK 0	FHR 2583 ND	4.250	03/01/2006	MBS PAYDOWN.....		9,111	9,111	9,259	9,196		(86)		(86)		9,111			0	48	07/01/2009	1.....
31393N 22 4	FHR 2583 TD	4.500	03/01/2006	MBS PAYDOWN.....		1,087	1,087	1,106	1,101		(13)		(13)		1,087			0	8	11/01/2012	1.....
31371K BR 1	FN 253948	6.000	03/01/2006	MBS PAYDOWN.....		52,886	52,886	52,175	52,337		548		548		52,886			0	421	08/01/2030	1.....
31371K MK 4	FN 254262	6.000	03/01/2006	MBS PAYDOWN.....		9,225	9,225	9,130	9,153		73		73		9,225			0	87	05/01/2031	1.....
31371K VA 6	FN 254509	5.000	03/01/2006	MBS PAYDOWN.....		46,564	46,564	47,299	47,127		(563)		(563)		46,564			0	380	04/01/2017	1.....
31371K VC 2	FN 254511	5.500	03/01/2006	MBS PAYDOWN.....		10,470	10,470	10,826	10,749		(279)		(279)		10,470			0	91	04/01/2017	1.....
31371K WJ 6	FN 254549	6.000	03/01/2006	MBS PAYDOWN.....		12,231	12,231	12,653	12,556		(325)		(325)		12,231			0	115	04/01/2032	1.....
31371L CE 7	FN 254869	5.500	03/01/2006	MBS PAYDOWN.....		122,038	122,038	122,190	122,165		(127)		(127)		122,038			0	1,122	03/01/2033	1.....
31371L WN 5	FN 255453	5.000	03/01/2006	MBS PAYDOWN.....		18,060	18,060	18,336	18,307		(247)		(247)		18,060			0	154	08/01/2019	1.....
31371L ZP 7	FN 255550	5.500	03/01/2006	MBS PAYDOWN.....		25,916	25,916	26,519	26,444		(528)		(528)		25,916			0	242	09/01/2024	1.....
31371L 2P 3	FN 255582	5.000	03/01/2006	MBS PAYDOWN.....		27,420	27,420	27,604	27,585		(165)		(165)		27,420			0	221	10/01/2024	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	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)
31376K KG 0	FN 357695		03/01/2006	MBS PAYDOWN		24,535	24,535	24,511	24,513		22		22		24,535			0	195	01/01/2019	1
31382J WY 3	FN 484063		03/01/2006	MBS PAYDOWN		1,666	1,666	1,659	1,661		5		5		1,666			0	18	01/01/2028	1
31383M VS 9	FN 507425		03/01/2006	MBS PAYDOWN		3,051	3,051	3,087	3,075		(24)		(24)		3,051			0	53	11/01/2027	1
31384H 6L 2	FN 524775		03/01/2006	MBS PAYDOWN		29,102	29,102	28,975	29,023		80		80		29,102			0	396	04/01/2014	1
31385J RT 7	FN 545998		03/01/2006	MBS PAYDOWN		16,854	16,854	17,112	17,084		(229)		(229)		16,854			0	161	07/01/2031	1
31385X BN 6	FN 555445		03/01/2006	MBS PAYDOWN		13,874	13,874	13,908	13,903		(29)		(29)		13,874			0	111	11/01/2017	1
31386U ZC 9	FN 574139		03/01/2006	MBS PAYDOWN		37,575	37,575	37,487	37,513		62		62		37,575			0	407	07/01/2029	1
31387C PA 7	FN 580143		03/01/2006	MBS PAYDOWN		11,281	11,281	11,251	11,257		23		23		11,281			0	111	02/01/2030	1
31387Q XP 0	FN 591186		03/01/2006	MBS PAYDOWN		5,813	5,813	5,900	5,880		(67)		(67)		5,813			0	64	11/01/2015	1
31387Y YT 4	FN 598422		03/01/2006	MBS PAYDOWN		9,058	9,058	8,971	8,995		64		64		9,058			0	78	07/01/2016	1
31388D LJ 5	FN 601629		03/01/2006	MBS PAYDOWN		18,674	18,674	18,890	18,841		(167)		(167)		18,674			0	196	06/01/2030	1
31388V WH 7	FN 616348		03/01/2006	MBS PAYDOWN		11,405	11,405	11,482	11,460		(55)		(55)		11,405			0	123	11/01/2030	1
31389E 5T 8	FN 623758		03/01/2006	MBS PAYDOWN		4,536	4,536	4,578	4,565		(29)		(29)		4,536			0	46	05/01/2016	1
31389K CN 9	FN 627477		03/01/2006	MBS PAYDOWN		1,375	1,375	1,391	1,386		(11)		(11)		1,375			0	14	01/01/2017	1
31389S GZ 1	FN 633916		03/01/2006	MBS PAYDOWN		3,411	3,411	3,393	3,399		13		13		3,411			0	34	10/01/2016	1
31390K 5R 5	FN 648956		03/01/2006	MBS PAYDOWN		27,417	27,417	28,347	28,118		(701)		(701)		27,417			0	252	09/01/2017	1
31390W 6C 1	FN 658867		03/01/2006	MBS PAYDOWN		126,814	126,814	130,955	129,734		(2,920)		(2,920)		126,814			0	1,257	12/01/2016	1
31391N 6R 7	FN 672380		03/01/2006	MBS PAYDOWN		115,760	115,760	119,631	118,636		(2,876)		(2,876)		115,760			0	723	02/01/2017	1
31391Q X5 8	FN 674000		03/01/2006	MBS PAYDOWN		1,144	1,144	1,163	1,160		(16)		(16)		1,144			0	11	06/01/2032	1
31401W G2 9	FN 720317		03/01/2006	MBS PAYDOWN		134,821	134,821	137,833	137,384		(2,563)		(2,563)		134,821			0	1,287	01/01/2018	1
31402H Q6 1	FN 729577		03/01/2006	MBS PAYDOWN		5,611	5,611	5,574	5,579		33		33		5,611			0	51	08/01/2032	1
31402X Z7 4	FN 741566		03/01/2006	MBS PAYDOWN		12,664	12,664	12,922	12,872		(208)		(208)		12,664			0	97	08/01/2018	1
31404B SF 0	FN 763818		03/01/2006	MBS PAYDOWN		132,439	132,439	135,626	135,089		(2,650)		(2,650)		132,439			0	1,214	09/01/2033	1
31404C WM 8	FN 764852		03/01/2006	MBS PAYDOWN		134,226	134,226	137,204	136,659		(2,433)		(2,433)		134,226			0	994	08/01/2018	1
31404N WB 8	FN 773842		03/01/2006	MBS PAYDOWN		33,031	33,031	33,505	33,412		(382)		(382)		33,031			0	326	10/01/2033	1
31404R 4B 0	FN 776718		03/01/2006	MBS PAYDOWN		66,214	66,214	66,349	66,329		(115)		(115)		66,214			0	616	02/01/2034	1
31404W YX 8	FN 781126		03/01/2006	MBS PAYDOWN		36,836	36,836	35,857	35,966		869		869		36,836			0	306	12/01/2033	1
31404X T8 7	FN 781875		03/01/2006	MBS PAYDOWN		53,701	53,701	54,608	54,530		(829)		(829)		53,701			0	359	05/01/2033	1
31404Y KL 5	FN 782499		03/01/2006	MBS PAYDOWN		273,294	273,294	272,077	272,255		1,039		1,039		273,294			0	1,882	02/01/2034	1
31405T SU 7	FN 798931		03/01/2006	MBS PAYDOWN		16,774	16,774	16,711	16,717		57		57		16,774			0	126	11/01/2019	1
31405U MK 2	FN 799662		03/01/2006	MBS PAYDOWN		16,585	16,585	16,510	16,516		70		70		16,585			0	150	08/01/2034	1
31406J 6A 6	FN 811865		03/01/2006	MBS PAYDOWN		17,984	17,984	17,559	17,597		386		386		17,984			0	115	01/01/2020	1
31406W US 1	FN 822393		03/01/2006	MBS PAYDOWN		16,293	16,293	16,459	16,446		(153)		(153)		16,293			0	150	03/01/2035	1
31406Y 4L 1	FN 824427		03/01/2006	MBS PAYDOWN		143,872	143,872	145,198	145,102		(1,230)		(1,230)		143,872			0	1,501	04/01/2035	1
31407A PZ 8	FN 824940		03/01/2006	MBS PAYDOWN		175,939	175,939	178,523	178,363		(2,425)		(2,425)		175,939			0	1,611	04/01/2035	1
31407E UR 2	FN 828692		03/01/2006	MBS PAYDOWN		207,866	207,866	212,641	212,330		(4,464)		(4,464)		207,866			0	2,664	04/01/2035	1
31392F 5Y 9	FNR 2002-77 CG		03/01/2006	MBS PAYDOWN		22,531	22,531	22,774	22,679		(148)		(148)		22,531			0	145	03/01/2010	1
31394C N3 2	FNR 2005-33 VA		03/01/2006	MBS PAYDOWN		44,892	44,892	45,292	45,262		(370)		(370)		44,892			0	375	03/01/2016	1
442348 W2 0	HOUSTON TEX ARPT SYS REV FLTR		03/15/2006	BEAR STEARNS & CO		3,000,000	3,000,000	3,000,000	3,000,000		0		0		3,000,000			0	11,458	07/01/2032	1FE
49130P RT 3	KY HSG-VAR-AMT-B		03/24/2006	MERRILL LYNCH		5,000,000	5,000,000	5,000,000	5,000,000		0		0		5,000,000			0	34,795	07/01/2032	1FE
59259R LT 9	METRO TRANSN-REF-G1		01/06/2006	MERRILL LYNCH		3,500,000	3,500,000	3,500,000	3,500,000		0		0		3,500,000			0	11,455	11/01/2026	1FE
59465M KZ 7	MI HSG VAR-AMT-SER A		01/06/2006	MERRILL LYNCH		3,000,000	3,000,000	3,000,000	3,000,000		0		0		3,000,000			0	23,984	10/01/2039	1FE
604152 AA 6	MINNESOTA ST HIGHER ED SVCS		03/15/2006	RBC DOMINION SECURITIES		1,300,000	1,300,000	1,300,000	1,300,000		0		0		1,300,000			0	5,679	11/01/2034	1FE
64970K YX 9	NYC WTR-ADJ-F-SUB F1		03/23/2006	MERRILL LYNCH		4,000,000	4,000,000	4,000,000	4,000,000		0		0		4,000,000			0	12,082	06/15/2035	1FE
676901 YP 0	OH HFA AMT-B2-RMK 10/		03/01/2006	CALL BY ISSUER 100.000		80,000	80,000	80,000	80,000		0		0		80,000			0	2,150	09/01/2019	1FE
708793 JC 9	PA HFA VAR-SER 88-B		03/24/2006	MERRILL LYNCH		4,000,000	4,000,000	4,000,000	4,000,000		0		0		4,000,000			0	57,092	10/01/2036	1FE
708793 CY 8	PA HSG-VAR-AMT-82B		03/24/2006	MERRILL LYNCH		5,000,000	5,000,000	5,000,000	5,000,000		0		0		5,000,000			0	71,364	04/01/2034	1FE
914029 8M 8	UNIV AL VAR-HSP-B		01/06/2006	MERRILL LYNCH		3,000,000	3,000,000	3,000,000	3,000,000		0		0		3,000,000			0	8,348	09/01/2031	1FE

E05.1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	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)
944314 JP 9	WAYNE CHRTR ARPT-AMT	3.530	01/06/2006	MERRILL LYNCH		5,000,000	5,000,000	5,000,000	5,000,000				0		5,000,000			0	16,738	12/01/2008	1FE
944514 AB 4	WAYNE CNTY MICH ARPT AUTH	3.2	03/23/2006	GOLDMAN SACHS		10,000,000	10,000,000	10,000,000					0		10,000,000			0	18,861	12/01/2033	1FE
976904 EM 0	WI HSG ECON HSG SER B	5.450	01/17/2006	CALL BY ISSUER 100.000		710,000	710,000	725,002	710,000				0		710,000			0	8,169	11/01/2007	1FE
97689P P8 5	WI HSG/ECON-ADJ-C	3.120	01/06/2006	MERRILL LYNCH		3,000,000	3,000,000	3,000,000	3,000,000				0		3,000,000			0	30,511	03/01/2034	1FE
98322P K3 2	WY DEV VAR-AMT-SER 11	3.120	01/06/2006	MERRILL LYNCH		2,000,000	2,000,000	2,000,000	2,000,000				0		2,000,000			0	6,711	06/01/2035	1FE
98322P D7 1	WY DEV-VAR-AMT-6	3.660	01/06/2006	MERRILL LYNCH		500,000	500,000	500,000	500,000				0		500,000			0	1,678	12/01/2035	1FE
3199999.	Total - Bonds - Special Revenue & Assessment					74,664,714	74,664,714	74,725,445	30,200,375	0	(35,747)	0	(35,747)	0	74,664,630	0	84	84	558,941	XXX	XXX
Bonds - Industrial and Miscellaneous																					
BCC00H 34 1	AMHPT 1996-2 B2	8.300	03/15/2006	MBS PAYDOWN		2,155	2,155	2,155					0		2,155			0		11/15/2026	6FE
00252F AR 2	AMIT 2004-1 B2	7.818	03/28/2006	MBS PAYDOWN		320	320	320					0		320			0	2	12/25/2008	2FE
172850 BB 4	CITRV 1999-A B	8.717	03/31/2006	REDUCE BASIS								142,075	(142,075)					0		03/15/2017	3FE
17305E BH 7	CCCIT 2003-A2 A2	2.700	01/17/2006	CALL BY ISSUER 100.000		5,000,000	5,000,000	4,996,200	4,999,975		25		25	5,000,000			0	67,500	01/15/2006	1FE	
12506Y BC 2	CDCMC 2003-HE1 B2 FLTR	10.291	03/25/2006	MBS PAYDOWN		35,640	35,640	35,640	35,640				0		35,640			0	595	09/25/2008	2FE
22540V HG 0	CSFB 2001-HE25 B	7.618	03/01/2006	VARIOUS		3,342	3,342	3,342	3,342				0		3,342			0	75	07/25/2009	3FE
12669D LE 6	CWHL 2002-32 2A3	5.000	03/01/2006	MBS PAYDOWN		26,626	26,626	26,938	26,626				0		26,626			0	216	06/01/2006	1FE
23383V CD 0	DCAT 2003-B A3	2.250	03/08/2006	MBS PAYDOWN		576,382	576,382	577,733	576,532		(150)		(150)		576,382			0	2,152	06/08/2006	1FE
29078P AA 8	EAST 2000-A A1 FLTR	4.450	01/20/2006	DIRECT		325,824	299,716	299,716	299,716				0		299,716		26,107	26,107	08/15/2025	4FE	
29078P AB 6	EAST 2000-A A2	4.950	01/20/2006	VARIOUS		1,064,523	884,032	884,032	884,032				0		884,032		180,492	180,492	12/15/2009	4FE	
35729P FA 3	FHLT 2004-C M8	8.818	02/28/2006	MBS PAYDOWN		1,912	1,912	1,912					0		1,912			0	10	04/25/2034	3FE
32054Y AC 7	FIB 2000-1 A FLTR	5.550	03/15/2006	MBS PAYDOWN		3,655	3,655	3,655					0		3,655			0	24	07/15/2026	5FE
30251T AA 7	FNBC 1993-A PASS THRU TR	8.080	01/05/2006	SINKING FUND REDEMPTION		35,668	35,668	38,327	37,577		(1,910)		(1,910)		35,668			0	1,441	01/05/2018	1FE
36828Q AA 4	GECMC 2003-C1 A1	3.091	03/01/2006	MBS PAYDOWN		65,927	65,927	66,090	65,999		(72)		(72)		65,927			0	363	03/01/2008	1FE
38142E AR 9	GOLDMAN SACHS GROUP LP	6.75	02/15/2006	MATURITY		2,000,000	2,000,000	1,927,540	1,998,066		1,934		1,934		2,000,000			0	67,500	02/15/2006	1FE
393505 UW 0	GT 1997-4 M1	7.220	03/15/2006	MBS PAYDOWN		3,036	3,036	3,036	3,036				0		3,036			0	41	10/15/2020	4FE
393505 YB 2	GT 1997-8 B1	7.170	03/15/2006	MBS PAYDOWN		30,854	30,854	30,854	27,228	3,626			3,626		30,854			0	672	07/15/2008	6FE
393505 T5 1	GT 1999-1 M1	9.779	03/02/2006	MBS PAYDOWN		4,412	4,412	4,412	4,412				0		4,412			0	72	11/01/2022	5FE
393505 W4 0	GT 1999-2 M1	6.800	03/02/2006	MBS PAYDOWN		14,296	14,296	14,296	14,296				0		14,296			0	246	01/01/2022	5FE
393533 AK 0	GTCT 1996-B CTFS	7.700	03/21/2006	VARIOUS		9,012	8,615	8,615					0		8,615		397	397	06/15/2016	6FE	
43812C AD 3	HAROT 2003-1 A4	2.480	03/18/2006	MBS PAYDOWN		355,552	355,552	352,330	354,159		1,392		1,392		355,552			0	1,457	08/18/2007	1FE
456606 CF 7	INHEL 2001-A MV2 FLTR	5.968	03/25/2006	MBS PAYDOWN		289,600	289,600	289,600	289,600				0		289,600			0	7,405	06/25/2006	2FE
456606 DE 9	INHEL 2001-C B	7.168	03/25/2006	MBS PAYDOWN		33,398	33,398	33,398	33,398				0		33,398			0	732	03/25/2008	3FE
542514 CL 6	LBMILT 2002-2 M3	7.068	03/10/2006	DONALDSON, LUFKIN & JENR		101,475	110,000	98,175					0		98,175		3,300	3,300	11/25/2029	3FE	
50180A AB 0	LBSBN 2005-2A N2	7.860	01/03/2006	PRIOR YEAR INCOME									0					0	3	09/27/2030	4FE
589962 CV 9	MESC 13 M1	8.863	03/28/2006	VARIOUS		417	417	417	417				0		417			0	6	08/01/2015	6FE
61745M ES 8	MSC 1998-WF1 A2	6.550	03/01/2006	MBS PAYDOWN		133,095	133,095	143,285	138,711		(5,616)		(5,616)		133,095			0	2,012	12/01/2007	1FE
61746W RT 9	MSDWC 2002-HE2 B1 FLTR	6.968	03/27/2006	MBS PAYDOWN		1,395	1,395	1,395					0		1,395			0	15	01/25/2008	2FE
65473H AC 7	NAROT 2003-C A3	2.230	03/15/2006	MBS PAYDOWN		252,109	252,109	250,701	251,900		209		209		252,109			0	761	03/15/2006	1FE
68619A AG 2	ORGN 2001-A M1	7.820	03/15/2006	MBS PAYDOWN		1,564	1,564	1,564	1,453	111			111		1,564			0	28	03/15/2016	5FE
69348L GE 3	PNCMS 1996-PR1 A		03/01/2006	MBS PAYDOWN		651	651	673	658		(7)		(7)		651			0		04/01/2026	1FE
76126C KG 6	RACERS-01-29-E 144A	8.250	03/24/2006	SINKING FUND REDEMPTION		8,190	8,190	8,190	8,078	112			112		8,190			0	231	03/24/2011	5FE
45660N JL 0	RAST 2002-A13 A3	5.000	01/01/2006	MBS PAYDOWN		838	838	858	838				0		838			0	3	07/01/2006	1FE
86358R L7 0	SASC 2002-HF1 B FLTR	8.968	03/25/2006	MBS PAYDOWN		33,146	33,146	33,146	32,806	339			339		33,146			0	897	12/25/2025	4FE
4599999.	Total - Bonds - Industrial & Miscellaneous					10,415,014	10,216,543	10,138,545	10,088,495	4,188	(4,195)	142,075	(142,082)	0	10,204,718	0	210,296	210,296	170,129	XXX	XXX
6099997.	Total - Bonds - Part 4					87,690,199	87,491,728	87,543,169	42,904,265	4,188	(44,862)	142,075	(182,749)	0	87,479,819	0	210,380	210,380	795,376	XXX	XXX
6099999.	Total - Bonds					87,690,199	87,491,728	87,543,169	42,904,265	4,188	(44,862)	142,075	(182,749)	0	87,479,819	0	210,380	210,380	795,376	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous																					
055453 74 0	BHP OPERATIONS		02/27/2006	CALL BY ISSUER 100.000	24,000	2,400,000	2,561,712	2,431,500	(7,997)	(23,503)		(31,500)		2,400,000			0	40,560	XXX	XXX	P1LFE
6399999.	Total - Preferred Stocks - Industrial & Miscellaneous					2,400,000	2,561,712	2,431,500	(7,997)	(23,503)	0	(31,500)	0	2,400,000	0	0	0	0	40,560	XXX	XXX
6599997.	Total - Preferred Stocks - Part 4					2,400,000	2,561,712	2,431,500	(7,997)	(23,503)	0	(31,500)	0	2,400,000	0	0	0	0	40,560	XXX	XXX

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 Design- ation 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.							
6599999	Total - Preferred Stocks.....					2,400,000	XXX	2,561,712	2,431,500	(7,997)	(23,503)	0	(31,500)	0	2,400,000	0	0	0	40,560	XXX	XXX
7399999	Total - Preferred and Common Stocks.....					2,400,000	XXX	2,561,712	2,431,500	(7,997)	(23,503)	0	(31,500)	0	2,400,000	0	0	0	40,560	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks.....					90,090,199	XXX	90,104,881	45,335,765	(3,809)	(68,365)	142,075	(214,249)	0	89,879,819	0	210,380	210,380	835,936	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.....	.....	.....	.....	.....800,368	.....1,210,689	.....1,200,975	XXX
FEDERAL HOME LOAN BANK.....	INDIANAPOLIS, IN.....	.....	.....	.....	.....39,964	.....40,026	.....40,114	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(8,386,407)	.....(4,197,037)	.....(4,007,049)	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....10,798	.....10,810	.....17,187	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(7,535,276)	.....(2,935,512)	.....(2,748,772)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(7,535,276)	.....(2,935,512)	.....(2,748,772)	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	.....(7,533,276)	.....(2,933,512)	.....(2,746,772)	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									
313589	VB	6		03/31/2006		04/03/2006	29,336,420		3,790
74433H	DT	8		03/30/2006		04/27/2006	4,982,956		1,311
87651U	DA	7		03/17/2006		04/10/2006	5,614,381		11,031
89233H	D6	8		03/30/2006		04/06/2006	4,996,729		1,308
90262D	D5	1		03/15/2006		04/05/2006	1,998,980		4,335
31408F	GY	9	RA	03/31/2006	6.000	04/03/2006	6,553,000		63,704
0199999.	Totals						53,482,466	0	85,479