

QUARTERLY STATEMENT
OF THE
THE MEDICAL ASSURANCE
COMPANY, INC.

Of
BIRMINGHAM
in the state of AL

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

THE MEDICAL ASSURANCE COMPANY, INC.

NAIC Group Code.....2698, 2698 (Current Period) (Prior Period)	NAIC Company Code..... 33391	Employer's ID Number..... 63-0720042
Organized under the Laws of AL	State of Domicile or Port of Entry AL	Country of Domicile US
Incorporated/Organized..... October 1, 1976	Commenced Business..... April 15, 1977	
Statutory Home Office	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <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>	205-877-4400 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 590009..... Birmingham AL 35259-0009 <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	JEFFREY M. MANGET <i>(Name)</i> jmanget@proassurance.com <i>(E-Mail Address)</i>	205-877-4442 <i>(Area Code) (Telephone Number) (Extension)</i> 205-868-4029 <i>(Fax Number)</i>
Policyowner Relations Contact	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) (Extension)</i>

OFFICERS

Name	Title	Name	Title
1. HOWARD HARLEY FRIEDMAN	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	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) HOWARD HARLEY FRIEDMAN 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.....	1,419,291,569		1,419,291,569	1,329,413,702
2. Stocks:				
2.1 Preferred stocks.....	4,309,986		4,309,986	4,357,148
2.2 Common stocks.....	3,540,400		3,540,400	3,398,641
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).....	12,028,759		12,028,759	12,509,817
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 (\$.....(2,222,686)), cash equivalents (\$.....34,851,111) and short-term investments (\$.....27,218,199).....	62,859,470	3,012,846	59,846,624	41,351,747
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	17,522,996		17,522,996	18,154,809
8. Receivables for securities.....	6,950		6,950	1,930
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	1,519,560,130	3,012,846	1,516,547,284	1,409,187,794
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	14,460,869		14,460,869	13,438,042
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	43,875,331	454,210	43,421,121	29,759,571
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	22,082,804		22,082,804	42,827,016
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	2,144,613		2,144,613	5,648,654
14.2 Funds held by or deposited with reinsured companies.....	70,448		70,448	70,448
14.3 Other amounts receivable under reinsurance contracts.....	305,202		305,202	202,457
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.....	57,472,688	35,494,048	21,978,640	22,694,115
17. Guaranty funds receivable or on deposit.....	283,064		283,064	354,582
18. Electronic data processing equipment and software.....	843,201	505,162	338,039	414,819
19. Furniture and equipment, including health care delivery assets (\$.....0).....	529,780	529,780	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	722,968		722,968	938,783
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	47,194,325	1,105,401	46,088,924	45,170,395
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,709,545,423	41,101,447	1,668,443,976	1,570,706,676
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,709,545,423	41,101,447	1,668,443,976	1,570,706,676

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. Other Prepaid Expenses.....	1,105,401	1,105,401	0	
2302. Cash Surrender Value of Business Owned Life Insurance.....	46,088,924		46,088,924	45,170,395
2303.....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	47,194,325	1,105,401	46,088,924	45,170,395

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$ 42,602,728).....	453,587,804	425,602,479
2. Reinsurance payable on paid losses and loss adjustment expenses.....	1,284,355	3,906,548
3. Loss adjustment expenses.....	593,737,726	568,014,546
4. Commissions payable, contingent commissions and other similar charges.....	5,076,845	6,114,580
5. Other expenses (excluding taxes, licenses and fees).....	6,463,837	8,009,994
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	756,315	832,575
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)).....	6,420,536	2,945,554
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 \$ 11,703,011 and including warranty reserves of \$ 0).....	140,235,415	144,650,546
10. Advance premium.....	4,205,845	3,411,338
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	70,767,368	70,904,665
13. Funds held by company under reinsurance treaties.....	263,000	263,000
14. Amounts withheld or retained by company for account of others.....	564,984	1,683,121
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	3,202,800	3,202,800
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	1,888,389	789,096
20. Payable for securities.....	15,317,242	1,712,000
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$ 0 and interest thereon \$ 0.....		
23. Aggregate write-ins for liabilities.....	0	(1)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	1,303,772,461	1,242,042,841
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	1,303,772,461	1,242,042,841
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	8,846,429	8,846,429
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	205,553,769	205,553,769
33. Unassigned funds (surplus).....	150,271,317	114,263,637
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).....	364,671,515	328,663,835
36. TOTALS.....	1,668,443,976	1,570,706,676

DETAILS OF WRITE-INS

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

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 \$....158,944,091).....	165,004,729	171,736,794	347,827,643
1.2 Assumed..... (written \$....(164,985)).....	(164,985)	553,097	648,217
1.3 Ceded..... (written \$....13,248,877).....	14,895,477	21,161,590	45,374,517
1.4 Net..... (written \$....145,530,229).....	149,944,267	151,128,301	303,101,343
DEDUCTIONS:			
2. Losses incurred (current accident year \$....42,952,306):			
2.1 Direct.....	52,123,426	67,272,133	103,690,701
2.2 Assumed.....	(102,031)	377,954	1,467,027
2.3 Ceded.....	13,794,089	14,218,254	28,564,575
2.4 Net.....	38,227,306	53,431,833	76,593,153
3. Loss expenses incurred.....	67,300,367	74,070,240	161,709,054
4. Other underwriting expenses incurred.....	24,965,883	17,920,435	41,317,438
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	130,493,556	145,422,508	279,619,645
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	19,450,711	5,705,793	23,481,698
INVESTMENT INCOME			
9. Net investment income earned.....	29,891,993	23,500,575	49,319,710
10. Net realized capital gains (losses) less capital gains tax of \$....11,759.....	21,839	1,560,364	612,877
11. Net investment gain (loss) (Lines 9 + 10).....	29,913,832	25,060,939	49,932,587
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.....	1,315,909	907,877	1,845,440
15. Total other income (Lines 12 through 14).....	1,315,909	907,877	1,845,440
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	50,680,452	31,674,609	75,259,725
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).....	50,680,452	31,674,609	75,259,725
19. Federal and foreign income taxes incurred.....	14,041,660	7,645,971	21,231,555
20. Net income (Line 18 minus Line 19) (to Line 22).....	36,638,792	24,028,638	54,028,170
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	328,663,835	276,908,603	276,908,603
22. Net income (from Line 20).....	36,638,792	24,028,638	54,028,170
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	(715,147)	(548,997)	1,313,520
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(459,632)	(702,936)	1,087,833
27. Change in nonadmitted assets.....	543,667	902,960	(2,977,892)
28. Change in provision for reinsurance.....			(1,696,400)
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	1
38. Change in surplus as regards policyholders (Lines 22 through 37).....	36,007,680	23,679,665	51,755,232
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	364,671,515	300,588,268	328,663,835
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. Miscellaneous Income.....	1,315,910	907,874	1,845,440
1402. Other.....	(1)	3	
1403.			
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).....	1,315,909	907,877	1,845,440
3701. Rounding.....			1
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	1

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	153,308,893	317,147,284
2. Net investment income.....	34,245,980	57,940,357
3. Miscellaneous income.....	1,315,496	1,845,440
4. Total (Lines 1 through 3).....	188,870,369	376,933,081
5. Benefit and loss related payments.....	51,040,065	117,222,744
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	27,554,517	41,566,550
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	10,578,437	15,623,813
10. Total (Lines 5 through 9).....	89,173,019	174,413,107
11. Net cash from operations (Line 4 minus Line 10).....	99,697,350	202,519,974
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	228,188,100	325,175,729
12.2 Stocks.....		11,376,324
12.3 Mortgage loans.....		
12.4 Real estate.....		(632)
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(629)	(10,480)
12.7 Miscellaneous proceeds.....	13,605,242	703,775
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	241,792,713	337,244,716
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	322,691,878	528,238,498
13.2 Stocks.....		4,380,940
13.3 Mortgage loans.....		
13.4 Real estate.....	46,836	1,649,205
13.5 Other invested assets.....	364,300	2,361,500
13.6 Miscellaneous applications.....	5,020	1,930
13.7 Total investments acquired (Lines 13.1 to 13.6).....	323,108,034	536,632,073
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).....	(81,315,321)	(199,387,357)
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).....	401,562	13,835,132
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	401,562	13,835,132
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).....	18,783,591	16,967,749
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	44,075,877	27,108,128
19.2 End of period (Line 18 plus Line 19.1).....	62,859,468	44,075,877

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

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

No significant change.

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

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of a specific reinsurance agreement with the companies listed below, amounts which are reflected as:

(1) Losses incurred	\$ 212,203
(2) Loss adjustment expenses incurred	37,448
(3) Premiums earned	(2,692,396)
(4) Other	N/A
(5) Companies	Converium Reinsurance NA, Inc.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

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.

NOTES TO FINANCIAL STATEMENTS

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - High Deductibles

No significant change.

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

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [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 [] 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. 12/31/2002.....
- 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. 12/31/2002.....
- 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). 09/25/2003.....
- 6.4 By what department or departments?
ALABAMA DEPARTMENT OF INSURANCE

- 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.....	\$.....3,398,236	\$.....3,540,400
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).....	\$.....3,398,236	\$.....3,540,400
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: _____

THE MEDICAL ASSURANCE COMPANY, INC.
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?
 If yes, attach an explanation. Yes [] No [] N/A [X]

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?
 If yes, attach an explanation. Yes [] No [X]

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

THE MEDICAL ASSURANCE COMPANY, INC.
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.....	12,509,817	11,881,488
2. Increase (decrease) by adjustment.....	(527,894)	(1,020,244)
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....	46,836	1,649,205
5. Total profit (loss) on sales.....		(632)
6. Increase (decrease) by foreign exchange adjustment.....		
7. Amount received on sales.....		
8. Book/adjusted carrying value at end of current period.....	12,028,759	12,509,817
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	12,028,759	12,509,817
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	12,028,759	12,509,817

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount and mortgage interest points and commitment fees.....	NONE	
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	18,154,809	14,193,266
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....		1,912,500
2.2 Additional investment made after acquisitions.....	364,300	449,000
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....	(996,113)	1,600,043
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.....	17,522,996	18,154,809
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	17,522,996	18,154,809
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	17,522,996	18,154,809

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.....	1,337,169,491	1,150,254,156
2. Cost of bonds and stocks acquired.....	322,691,878	532,619,438
3. Accrual of discount.....	321,199	860,399
4. Increase (decrease) by adjustment.....	124,279	(286,523)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	190,913	954,000
7. Consideration for bonds and stocks disposed of.....	228,188,100	336,552,053
8. Amortization of premium.....	5,167,705	10,679,926
9. Book/adjusted carrying value, current period.....	1,427,141,955	1,337,169,491
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	1,427,141,955	1,337,169,491
12. Total nonadmitted amounts.....		
13. Statement value.....	1,427,141,955	1,337,169,491

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.....	1,373,712,037	409,489,713	360,441,510	(1,723,690)	1,373,712,037	1,421,036,552		1,310,277,968
2. Class 2.....	43,384,522	1,199,744	2,495,228	(554,519)	43,384,522	41,534,519		45,713,002
3. Class 3.....	7,059,509	714,026	421,362	(102,874)	7,059,509	7,249,299		5,288,544
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		1,307,701
6. Class 6.....	1,650,167	1,988	36,935	2,525	1,650,167	1,617,744		1,115,194
7. Total Bonds.....	1,431,510,032	411,424,323	363,447,453	(2,458,953)	1,431,510,032	1,477,027,949	0	1,369,543,307
PREFERRED STOCK								
8. Class 1.....	4,333,567			(23,581)	4,333,567	4,309,986		4,357,148
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	4,333,567	0	0	(23,581)	4,333,567	4,309,986	0	4,357,148
15. Total Bonds and Preferred Stock.....	1,435,843,599	411,424,323	363,447,453	(2,482,534)	1,435,843,599	1,481,337,935	0	1,373,900,455

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.....	30,231,045	XXX	30,232,269	1,216	1,529

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.....	16,490,386	19,066,977
2. Cost of short-term investments acquired.....	143,977,405	442,519,851
3. Increase (decrease) by adjustment.....	(15,417)	23,019
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....	(483)	(10,480)
6. Consideration received on disposal of short-term investments.....	130,220,846	445,108,981
7. Book/adjusted carrying value, current period.....	30,231,045	16,490,386
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	30,231,045	16,490,386
10. Total nonadmitted amounts.....	3,012,846	2,724,131
11. Statement value (Lines 9 minus 10).....	27,218,199	13,766,255
12. Income collected during period.....	566,913	1,083,217
13. Income earned during period.....	597,441	1,056,880

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

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

**Sch. F
NONE**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	YES	54,414,983	62,019,436	2,311,149	3,455,475	162,655,118	152,852,325
2. Alaska.....AK	YES						
3. Arizona.....AZ	YES						
4. Arkansas.....AR	YES	1,097,752	2,394,453	16,518	(43,968)	11,166,222	9,707,999
5. California.....CA	YES						37,932
6. Colorado.....CO	YES						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES						
9. District of Columbia.....DC	YES	168,300					
10. Florida.....FL	YES	142,783	260,080	197,682	245,122	17,517,037	9,007,596
11. Georgia.....GA	YES	1,375,375	1,479,295	664,835	61,952	10,051,272	10,210,436
12. Hawaii.....HI	YES	240	404	148,160	196,067	3,388,115	3,720,331
13. Idaho.....ID	YES						
14. Illinois.....IL	YES	1,849				468,632	263,005
15. Indiana.....IN	YES	17,836,156	16,351,209	1,526,927	3,551,425	67,099,768	60,383,023
16. Iowa.....IA	YES						
17. Kansas.....KS	YES	3,148,929	3,451,004			7,863,891	5,940,577
18. Kentucky.....KY	YES					620,000	87,070
19. Louisiana.....LA	YES						
20. Maine.....ME	NO						
21. Maryland.....MD	YES					1,068,000	1,118,000
22. Massachusetts.....MA	YES						
23. Michigan.....MI	YES						
24. Minnesota.....MN	YES	4,000	8,800	84,456	89,481	2,079,049	1,576,277
25. Mississippi.....MS	NO		1,010			2,984,045	2,505,117
26. Missouri.....MO	YES	12,040,897	11,257,725	3,401,620	1,173,060	58,942,395	59,402,105
27. Montana.....MT	YES						
28. Nebraska.....NE	YES						
29. Nevada.....NV	YES						1,211
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO						
32. New Mexico.....NM	YES						
33. New York.....NY	NO						
34. North Carolina.....NC	YES	252,691	149,717			223,270	88,971
35. North Dakota.....ND	YES						
36. Ohio.....OH	YES	55,328,667	60,307,925	4,153,802	7,652,481	188,892,399	165,442,123
37. Oklahoma.....OK	YES	136,192	2,334	2,630		1,460,289	904
38. Oregon.....OR	YES						
39. Pennsylvania.....PA	YES			125,076	79,206	550,497	977,552
40. Rhode Island.....RI	YES						
41. South Carolina.....SC	YES						
42. South Dakota.....SD	YES		2,005	(119,137)	(54,843)	1,843,434	1,898,969
43. Tennessee.....TN	YES	3,437,740	3,703,318	401	4,956	12,462,820	10,473,825
44. Texas.....TX	YES	3,047,870	3,348,815	6,631	28,919	12,721,864	10,846,510
45. Utah.....UT	YES						2,301
46. Vermont.....VT	NO						
47. Virginia.....VA	YES	6,509,667	2,478,155	38,393	20,000	3,979,271	4,141,978
48. Washington.....WA	YES						
49. West Virginia.....WV	YES						
50. Wisconsin.....WI	YES						
51. Wyoming.....WY	YES						
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	Invalid						
57. Canada.....CN	NO						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....(a)	44	158,944,091	167,215,685	12,559,143	16,459,333	568,037,388	510,686,137

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

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.....	817,160	275,792	33.8	35.0
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.....	6,499,094	2,039,450	31.4	39.0
11.2. Medical malpractice-claims made.....	154,511,537	48,486,540	31.4	39.0
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.....	842,518	397,613	47.2	54.8
17.1. Other liability-occurrence.....	162,865	129,288	79.4	48.2
17.2. Other liability-claims made.....	2,003,255	794,743	39.7	49.9
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....	168,300		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.....	165,004,729	52,123,426	31.6	39.2

DETAILS OF WRITE-INS

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

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	311,560	667,741	661,161
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	2,356,146	6,497,751	7,218,375
11.2. Medical malpractice-claims made.....	64,224,667	149,137,381	156,042,757
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	268,642	737,144	738,719
17.1. Other liability-occurrence.....	50,490	124,766	140,446
17.2. Other liability-claims made.....	1,009,398	1,611,008	2,414,227
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.....	168,300	168,300	
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.....	68,389,203	158,944,091	167,215,685

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	.....350,961	.....139,553	.....490,514	.....26,765	.....3,458	.....30,223	.....308,014	.....976	.....140,801	.....449,791	.....(16,182)	.....5,682	.....(10,500)
2. 2004	.....121,291	.....134,832	.....256,123	.....8,369	.....1,327	.....9,696	.....131,213	.....942	.....114,272	.....246,427	.....18,291	.....(18,291)	.....0
3. Subtotals 2004 + Prior	.....472,252	.....274,385	.....746,637	.....35,134	.....4,785	.....39,919	.....439,227	.....1,918	.....255,073	.....696,218	.....2,109	.....(12,609)	.....(10,500)
4. 2005	.....69,000	.....177,979	.....246,979	.....7,141	.....1,588	.....8,729	.....106,852	.....1,108	.....130,290	.....238,250	.....44,993	.....(44,993)	.....0
5. Subtotals 2005 + Prior	.....541,252	.....452,364	.....993,616	.....42,275	.....6,373	.....48,648	.....546,079	.....3,026	.....385,363	.....934,468	.....47,102	.....(57,602)	.....(10,500)
6. 2006	.....XXX	.....XXX	.....XXX	.....XXX	.....3,172	.....3,172	.....XXX	.....24,198	.....88,658	.....112,856	.....XXX	.....XXX	.....XXX
7. Totals	.....541,252	.....452,364	.....993,616	.....42,275	.....9,545	.....51,820	.....546,079	.....27,224	.....474,021	.....1,047,324	.....47,102	.....(57,602)	.....(10,500)
8. Prior Year-End's Surplus As Regards Policyholders	.....328,664										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. ....8.7 %	2. ....(12.7)%	3. ....(1.1)%
													Col. 13, Line 7 Line 8
													4. ....(3.2)%

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

Response

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?

NO

2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

YES

Explanation:

Bar Code:



**Overflow Page
NONE**

**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									
912810 FR 4	TSY INFL IX N/B 01/15/2025 2.375		06/21/2006	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	MORGAN KEEGAN & CO INC		101,313	100,000	46	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					35,697,695	36,004,577	258,781	XXX
Bonds - States, Territories and Possessions									
939741 PG 3	WASHINGTON ST 03/01/2017 6.125		06/19/2006	DAIN BOSWORTH		340,443	300,000	5,666	1FE
1799999	Total - Bonds - States, Territories & Possessions					340,443	300,000	5,666	XXX
Bonds - Political Subdivisions of States									
170016 TZ 2	CHIPPEWA CALLEY MICH S 05/01/2019 5.000		04/07/2006	ABN AMRO		1,046,660	1,000,000	22,361	1FE
181059 EU 6	CLARK CNTY SD REF-A 06/15/2014 5.000		05/16/2006	DAIN RAUSCHER		2,131,060	2,000,000	13,611	1FE
270083 XV 5	EANES TEX INDPT SCH DI 08/01/2017 5.000		05/01/2006	DAIN RAUSCHER		1,054,640	1,000,000	5,556	1FE
277695 DX 7	EASTON SD-VAR-2005 04/01/2021 3.670		04/27/2006	DAIN RAUSCHER		1,500,000	1,500,000	3,351	1FE
517840 A6 1	LAS VEGAS VY NEV WTR D 06/01/2018 5.000		06/02/2006	MORGAN KEEGAN & CO INC		794,025	750,000		1FE
517840 A4 6	LAS VEGAS WTR IMPT-A 06/01/2016 5.000		05/31/2006	MERRILL LYNCH		2,137,500	2,000,000		1FE
581663 W8 0	MCKINNEY ISD 02/15/2015 5.000		06/08/2006	FIRST ALBANY CORP		2,329,643	2,175,000	17,521	1FE
586145 RF 3	MEMPHIS TENN 11/01/2012 5.000		04/25/2006	MERRILL LYNCH		1,403,970	1,325,000	552	1FE
59333M PJ 8	MIAMI-DADE CNTY FLA SC 10/01/2018 5.000		05/10/2006	DAIN BOSWORTH		1,582,170	1,500,000	1,042	1FE
655867 BG 3	NORFOLK REF 06/01/2013 5.000		05/09/2006	RAYMOND JAMES		2,131,020	2,000,000	44,722	1FE
720373 GB 9	PIERCE CNTY WASH SCH D 12/01/2021 5.250		05/18/2006	SEATTLE NORTHWEST		2,504,348	2,350,000		1FE
733488 XU 9	PORT ARTHUR TEX 02/15/2017 5.000		04/28/2006	DAIN RAUSCHER		1,047,500	1,000,000	10,833	1FE
2499999	Total - Bonds - Political Subdivision					19,662,536	18,600,000	119,549	XXX
Bonds - Special Revenue and Special Assessment									
011855 BF 9	ALASKA STUDENT LN CORP 06/01/2013 5.000		05/18/2006	DAIN BOSWORTH		1,775,582	1,700,000		1FE
011855 BJ 1	ALASKA STUDENT LN CORP 06/01/2016 5.000		05/18/2006	DAIN BOSWORTH		1,039,950	1,000,000		1FE
13033K TA 7	CA HFA-VAR-F-HM MTG 02/01/2032 3.640		04/24/2006	LEHMAN BROTHERS		1,000,000	1,000,000	7,225	1FE
13033K F6 1	CA HFA-VAR-SER Q 08/01/2033 3.640		06/29/2006	LEHMAN BROTHERS		1,000,000	1,000,000	13,771	1FE
16753T BU 4	CHICAGO ILL HSG AUTH C 07/01/2024 5.000		06/19/2006	BANK AMERICA		2,579,375	2,500,000	3,819	1FE
20774W LK 5	CT HFA VAR-SUBSER B-2 11/15/2038 3.470		04/13/2006	MERRILL LYNCH		3,000,000	3,000,000	10,845	1FE
207757 5C 5	CT ST TAX-VAR-REF-2 02/01/2022 3.680		04/17/2006	LEHMAN BROTHERS		1,500,000	1,500,000	1,849	1FE
251255 L9 4	DETROIT WTR-VAR-REF-B 07/01/2023 3.500		04/13/2006	MERRILL LYNCH		1,000,000	1,000,000	852	1FE
3128LX MR 8	FG G02168 04/01/2036 6.000		06/20/2006	JP MORGAN SECURITIES INC		1,944,745	1,974,361	3,949	1
3128MJ DW 7	FG G08116 03/01/2036 5.500		06/20/2006	MERRILL LYNCH		2,381,924	2,479,759	4,546	1
3128MJ D4 9	FG G08122 04/01/2036 5.500		06/19/2006	HSBC CAPITAL FUNDING		2,384,976	2,479,507	4,546	1
3128M1 C3 1	FG G11990 01/01/2021 5.500		06/20/2006	GREENWICH CAPITAL		686,656	700,000	1,818	1
3128M1 DD 8	FG G12000 04/01/2021 5.000		06/19/2006	MORGAN STANLEY		1,905,241	1,978,187	4,671	1
31395A XT 7	FHR 2824 EG 07/01/2012 4.500		05/03/2006	CREDIT SUISSE FIRST BOSTON		3,043,516	3,137,645	2,745	1
31395G FP 2	FHR 2856 TE 07/01/2014 4.500		06/07/2006	MCDONALD INVESTMENTS		763,881	792,485	1,090	1
31405R 7F 7	FN 797494 03/01/2035 4.500		05/24/2006	UBS SECURITIES		8,578,575	9,373,891	14,061	1
31409J PA 2	FN 872617 06/01/2036 6.500		06/20/2006	MERRILL LYNCH		998,642	993,211	2,152	1
31409W NY 3	FN 880707 05/01/2036 6.000		04/20/2006	MERRILL LYNCH		1,990,625	2,000,000	3,333	1
31393Y 3A 1	FNR 2004-55 LA 06/01/2014 4.500		04/18/2006	LEHMAN BROTHERS		3,675,468	3,811,244	9,528	1
31394E GN 2	FNR 2005-62 HA 05/01/2015 5.000		05/05/2006	CREDIT SUISSE FIRST BOSTON		2,767,891	2,841,595	3,552	1

E04

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)
40739P CH 9	HAMILTON HEIGHTS IND S 07/15/2018 5.000		05/31/2006	DAIN BOSWORTH		1,411,748	1,325,000		1FE
49130P UA 0	KY HSG VAR-AMT-SER H 07/01/2036 3.410		04/26/2006	MERRILL LYNCH		1,000,000	1,000,000	9,971	1FE
49130P RT 3	KY HSG-VAR-AMT-B 07/01/2032 3.640		04/28/2006	MERRILL LYNCH		1,000,000	1,000,000	10,179	1FE
57585K H5 0	MASSACHUSETTS ST HEALT 07/15/2022 5.000		05/18/2006	SEATTLE NORTHWEST		1,556,085	1,500,000	26,667	1FE
591745 XL 3	MET ATLANTA TRN VAR-A 07/01/2025 3.680		04/26/2006	LEHMAN BROTHERS		1,000,000	1,000,000	2,076	1FE
59334D BD 5	MIAMI ETC W/S VAR-REF 10/01/2025 3.670		04/27/2006	DAIN RAUSCHER		1,500,000	1,500,000	3,339	1FE
644614 NZ 8	NEW HAMPSHIRE HEALTH & 07/01/2036 3.400		04/18/2006	LEHMAN BROTHERS		12,825,000	12,825,000		1FE
64605L DE 5	NEW JERSEY ST EDL FACS 09/01/2008 5.000		05/04/2006	BANK AMERICA		1,077,563	1,050,000	9,917	1FE
646133 HC 5	NEW JERSEY ST TRAN COR 09/15/2017 5.000		05/30/2006	DAIN BOSWORTH		1,069,400	1,000,000	10,694	1FE
646136 FJ 5	NEW JERSEY ST TRANSN T 12/15/2020 5.250		06/02/2006	DAIN BOSWORTH		1,924,178	1,750,000	1,531	1FE
649716 ZZ 9	NY CITY TRANS-FLT-L11 11/01/2028 3.280		04/26/2006	LEHMAN BROTHERS		1,000,000	1,000,000	14,976	1FE
64986M QQ 1	NY HSG-ADJ-A-RMKT 05/15/2033 3.440		04/13/2006	MERRILL LYNCH		3,000,000	3,000,000	7,549	1FE
708793 CY 8	PA HSG-VAR-AMT-82B 04/01/2034 3.640		04/26/2006	MERRILL LYNCH		1,000,000	1,000,000	2,320	1FE
709222 BX 0	PA TPK VAR-REF-SER D 07/15/2041 3.670		04/17/2006	DAIN RAUSCHER		1,500,000	1,500,000	285	1FE
708840 HB 2	PENNSYLVANIA INTERGOV 06/15/2020 3.800		06/23/2006	DAIN RAUSCHER		2,500,000	2,500,000	265	1FE
762236 CE 5	RHODE ISLAND ECONOMIC 06/15/2018 5.000		05/30/2006	LEHMAN BROTHERS		1,060,740	1,000,000	12,500	1FE
843146 T4 3	SOUTHERN ILL UNIV REVS 04/01/2008 5.000		05/04/2006	LEHMAN BROTHERS		1,191,399	1,165,000		1FE
793257 BH 8	ST PETERSBURG TAX-REF 10/01/2014 5.000		06/02/2006	HUTCHINSON SHOCKEY ERLEY & CO		2,140,200	2,000,000	18,333	1FE
914440 GR 7	UNIV MA BLDG-RF-04-1 11/01/2014 5.250		05/22/2006	FIRST ALBANY CORP		2,178,900	2,000,000	7,000	1FE
944314 JP 9	WAYNE CHRTR ARPT-AMT 12/01/2008 3.640		04/13/2006	MERRILL LYNCH		3,000,000	3,000,000	34,089	1FE
946363 DP 0	WAYNE TWP IND MARION C 07/10/2019 5.000		05/17/2006	ABN AMRO		1,817,610	1,720,000	31,533	1FE
97689P 2C 1	WI HSG HM OWNRSHP-D 09/01/2036 3.650		04/26/2006	MERRILL LYNCH		1,000,000	1,000,000	4,990	1FE
98322P UR 8	WYOMING DEV-ADJ-AMT-7 06/01/2031 3.630		04/13/2006	MERRILL LYNCH		3,000,000	3,000,000	2,590	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					92,769,870	93,096,885	305,156	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		999,653	1,000,000		1FE
00252F AR 2	AMIT 2004-1 B2 07/25/2010 8.322		06/26/2006	CAPITALIZED INTEREST		1,294	1,294		2FE
02582J CX 6	AMXCA 2004-3 A 05/15/2009 4.350		05/23/2006	MERRILL LYNCH		974,844	1,000,000	1,329	1FE
031733 AQ 1	ARC 2004-1 B1 144A 06/25/2032 5.000		06/28/2006	CAPITALIZED INTEREST		17,755	17,755		3FE
17305E DF 9	CCCIT 2006-A4 A4 05/10/2011 5.450		04/27/2006	GREENWICH CAPITAL		1,997,880	2,000,000		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
22540V HG 0	CSFB 2001-HE25 B 07/25/2009 8.622		06/29/2006	CAPITALIZED INTEREST		1,600	1,600		3FE
22541N UH 0	CSFB 2002-CP5 A1 05/01/2012 4.106		04/17/2006	CREDIT SUISSE FIRST BOSTON		2,046,351	2,120,228	4,595	1FE
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
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
36242D M8 3	FFML 2005-FF2 A2BG LOA 09/25/2031 5.502		04/13/2006	LEHMAN BROTHERS		1,165,728	1,165,000	3,720	1FE
35729P FA 3	FHLT 2004-C M8 04/25/2034 9.322		06/27/2006	CAPITALIZED INTEREST		2,748	2,748		3FE
337367 AB 2	FULBA 1998-C2 A2 11/01/2008 6.560		04/17/2006	LEHMAN BROTHERS		1,090,243	1,072,315	3,713	1FE
396789 EQ 8	GCCFC 2003 C2 A2 07/01/2010 4.022		04/13/2006	JP MORGAN SECURITIES INC		5,051,895	5,250,000	10,558	1FE
396789 JR 1	GCCFC 2005-GG3 A2 01/01/2010 4.305		05/02/2006	CREDIT SUISSE FIRST BOSTON		4,816,406	5,000,000	2,392	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
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
437084 HL 3	HEAT 2005-1 A3 02/25/2016 5.562		04/13/2006	CREDIT SUISSE FIRST BOSTON		4,405,993	4,398,948	14,216	1FE

E04.1

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)
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
46625M PL 7	JPMCC 2002-C2 A1 11/01/2011 4.326		04/17/2006	J.P. MORGAN		733,927	757,297	1,729	1FE
52519S AW 3	LABMH 2002-A B2 10/15/2011 12.448		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
86359D MU 8	LXS 2005-2 2A1A 05/25/2007 5.472		04/10/2006	LEHMAN BROTHERS		5,344,397	5,342,518	12,534	1FE
59022H LF 7	MLMT 2005-CKI1 ASB 02/01/2015 5.417		05/10/2006	MERRILL LYNCH		1,961,094	2,000,000	4,214	1FE
59001F AZ 4	MMLT 2004-1 B1 FLTR 11/25/2009 8.822		06/26/2006	CAPITALIZED INTEREST		2,431	2,431		3FE
617451 CL 1	MSC 2005-GQ7 A4 09/01/2015 5.205		05/31/2006	GREENWICH CAPITAL		1,055,957	1,100,000	636	1FE
691215 AV 9	OWNIT 2005-2 A2B 02/25/2033 5.522		04/13/2006	LEHMAN BROTHERS		5,506,016	5,500,000	17,633	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
903277 AD 3	USAOT 2006-2 A4 02/15/2012 5.370		05/15/2006	DEUTSCHE BANK		999,783	1,000,000		1FE
249575 AM 3	DEPFA ACS BANK 144A 06/28/2011 5.500	F	06/21/2006	GOLDMAN SACHS		4,978,450	5,000,000		1FE
4599999.	Total - Bonds - Industrial & Miscellaneous					44,712,968	45,293,988	77,269	XXX
6099997.	Total - Bonds - Part 3					193,183,512	193,295,450	766,421	XXX
6099999.	Total - Bonds					193,183,512	193,295,450	766,421	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					193,183,512	XXX	766,421	XXX

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

E04.2

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	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																					
3136F5 VA 6	FANNIE MAE		05/05/2006	MATURITY.....		4,000,000	4,000,000	3,998,750	3,999,780		220		220		4,000,000			0	50,400	05/05/2006	1.....
3133ME DH 1	FEDERAL HOME LOAN BANK		04/17/2006	MATURITY.....		1,000,000	1,000,000	1,085,060	1,007,697		(7,697)		(7,697)		1,000,000			0	27,500	04/17/2006	1.....
3133MY CH 8	FEDERAL HOME LOAN BANK		05/15/2006	MATURITY.....		5,500,000	5,500,000	5,579,492	5,510,273		(10,273)		(10,273)		5,500,000			0	61,875	05/15/2006	1.....
36202B NJ 0	G2 1293		06/01/2006	MBS PAYDOWN.....		182	182	200	197		(15)		(15)		182			0	8	04/01/2019	1.....
36202D KY 6	G2 3011		06/01/2006	MBS PAYDOWN.....		481	481	492	489		(8)		(8)		481			0	16	02/01/2030	1.....
36224L QA 8	GN 331749		06/01/2006	MBS PAYDOWN.....		230	230	226	228		2		2		230			0	7	09/01/2022	1.....
36224P ML 9	GN 334363		06/01/2006	MBS PAYDOWN.....		659	659	668	665		(6)		(6)		659			0	21	08/01/2020	1.....
36224Q XR 2	GN 335588		06/01/2006	MBS PAYDOWN.....		338	338	333	335		3		3		338			0	11	02/01/2020	1.....
36224U SZ 6	GN 339364		06/01/2006	MBS PAYDOWN.....		189	189	186	187		2		2		189			0	6	09/01/2022	1.....
36206E 3N 3	GN 409505		06/01/2006	MBS PAYDOWN.....		1,036	1,036	1,099	1,098		(62)		(62)		1,036			0	30	11/01/2023	1.....
36208T 4W 7	GN 460837		06/01/2006	MBS PAYDOWN.....		15,505	15,505	15,716	15,654		(149)		(149)		15,505			0	527	07/01/2027	1.....
36201Q 2C 6	GN 590371		06/01/2006	MBS PAYDOWN.....		16,392	16,392	17,084	16,932		(540)		(540)		16,392			0	461	03/01/2032	1.....
36200K UE 5	GN 603681		06/01/2006	MBS PAYDOWN.....		20,177	20,177	20,935	20,823		(646)		(646)		20,177			0	484	11/01/2032	1.....
36290S QF 1	GN 616154		06/01/2006	MBS PAYDOWN.....		18,825	18,825	18,737	18,746		79		79		18,825			0	392	12/01/2032	1.....
36201T KE 6	GNMA PL 592593		06/01/2006	MBS PAYDOWN.....		57,782	57,782	60,395	60,252		(2,470)		(2,470)		57,782			0	1,415	07/01/2032	1.....
36213C P2 0	GNMA PL 550441		06/01/2006	MBS PAYDOWN.....		5,674	5,674	6,011	6,005		(331)		(331)		5,674			0	166	08/01/2030	1.....
36215N R4 8	GNMA POOL # 140107		06/01/2006	MBS PAYDOWN.....		28	28	30	30		(1)		(1)		28			0	1	10/01/2015	1.....
36202D LW 9	GNMA POOL # 23041		06/01/2006	MBS PAYDOWN.....		16,070	16,070	16,424	16,317		(247)		(247)		16,070			0	500	03/01/2030	1.....
36220S DR 4	GNMA POOL # 286412		06/01/2006	MBS PAYDOWN.....		3	3	3	3		0		0		3			0	0	02/01/2020	1.....
36200Q JM 7	GNMA POOL # 569168		06/01/2006	MBS PAYDOWN.....		55,131	55,131	56,440	56,052		(921)		(921)		55,131			0	1,385	11/01/2016	1.....
36225B HE 1	GNMA POOL # 781129		06/01/2006	MBS PAYDOWN.....		796	796	768	776		21		21		796			0	23	03/01/2028	1.....
36215K 2A 7	GNMA POOL #137669		06/01/2006	MBS PAYDOWN.....		59	59	62	61		(2)		(2)		59			0	3	03/01/2014	1.....
36220W KJ 5	GNMA POOL #290197		06/01/2006	MBS PAYDOWN.....		135	135	142	141		(6)		(6)		135			0	5	08/01/2020	1.....
36223M GH 1	GNMA POOL #306096		06/01/2006	MBS PAYDOWN.....		2,323	2,323	2,462	2,337		(14)		(14)		2,323			0	84	07/01/2006	1.....
36202D MT 5	GNMA POOL #3070		06/01/2006	MBS PAYDOWN.....		4,056	4,056	4,148	4,118		(62)		(62)		4,056			0	116	05/01/2030	1.....
36223H 4U 8	GNMA POOL #308735		06/01/2006	MBS PAYDOWN.....		1,996	1,996	2,116	2,009		(12)		(12)		1,996			0	71	08/01/2006	1.....
36223H 6B 8	GNMA POOL #308766		06/01/2006	MBS PAYDOWN.....		8,243	8,243	8,322	8,318		(75)		(75)		8,243			0	240	02/01/2022	1.....
36223M GH 3	GNMA POOL #311700		06/01/2006	MBS PAYDOWN.....		378	378	400	380		(3)		(3)		378			0	13	09/01/2006	1.....
36223N 5G 5	GNMA POOL #313247		06/01/2006	MBS PAYDOWN.....		26	26	28	26		0		0		26			0	1	09/01/2006	1.....
36223Q 7D 3	GNMA POOL #315092		06/01/2006	MBS PAYDOWN.....		730	730	773	735		(5)		(5)		730			0	27	07/01/2006	1.....
36224H E9 3	GNMA POOL #328760		06/01/2006	MBS PAYDOWN.....		607	607	643	613		(6)		(6)		607			0	22	04/01/2007	1.....
362067 VY 3	GNMA POOL #37531		06/01/2006	MBS PAYDOWN.....		66	66	70	68		(1)		(1)		66			0	3	04/01/2007	1.....
36205R MA 2	GNMA POOL #398253		06/01/2006	MBS PAYDOWN.....		1,517	1,517	1,532	1,528		(10)		(10)		1,517			0	48	05/01/2025	1.....
36206A LZ 4	GNMA POOL #405444		06/01/2006	MBS PAYDOWN.....		7,817	7,817	8,252	8,176		(359)		(359)		7,817			0	268	12/01/2023	1.....
36209P NT 0	GNMA POOL# 477502		06/01/2006	MBS PAYDOWN.....		67,071	67,071	68,235	68,206		(1,134)		(1,134)		67,071			0	1,730	03/01/2027	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 X8 0	US TREASURY N/B		05/15/2006	MATURITY.....		110,000	110,000	112,578	110,178		(178)		(178)		110,000			0	3,781	05/15/2006	1.....
912828 AY 6	US TREASURY N/B		05/15/2006	MATURITY.....		100,000	100,000	100,219	100,031		(31)		(31)		100,000			0	1,000	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.....					21,745,437	21,923,257	21,982,746	11,039,464	0	(26,050)	0	(26,050)	0	21,807,124	0	(61,687)	(61,687)	309,024	XXX	XXX
Bonds - Political Subdivisions of States																					
277695 DX 7	EASTON SD-VAR-2005		06/30/2006	DAIN RAUSCHER.....		800,000	800,000	800,000					0	800,000				0	5,786	04/01/2021	1FE.....
489836 GK 6	KENOSHA USD #1-REF-B		04/01/2006	MATURITY.....		1,000,000	1,000,000	1,028,040	1,001,767		(1,767)		(1,767)		1,000,000			0	22,500	04/01/2006	1FE.....

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	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
495080 MB 6	KING SD #403-REF 4.750.....		06/01/2006	MATURITY.....		1,000,000	1,000,000	1,044,280	1,002,811				(2,811)		1,000,000				23,750	06/01/2006	1FE.....
592013 ZF 6	METRO GOVT OF NASHVILLE TN & 5.....		05/15/2006	CALL BY ISSUER 101.000.....		2,020,000	2,000,000	2,154,080	2,028,033				(8,033)		2,020,000				57,000	05/15/2012	1FE.....
2499999.	Total - Bonds - Political Subdivisions.....					4,820,000	4,800,000	5,026,400	4,032,611	0		0	(12,611)	0	4,820,000	0	0	0	109,036	XXX.....	XXX.....
Bonds - Special Revenue and Special Assessment																					
011909 AC 2	ALASKA INDL DEV & EXPT AUTH LEAS 7.250.....		05/01/2006	MATURITY.....		600,000	600,000	600,000	600,000				0		600,000				19,875	05/01/2006	1FE.....
055053 AA 0	AZUSA PACIFIC UNIV CALIF. 7.250.....		04/01/2006	SINKING FUND REDEMPTION.....		170,000	170,000	174,097					(4,097)		170,000				6,163	04/01/2009	2FE.....
13033K TA 7	CA HFA-VAR-F-HM MTG 3.640.....		05/18/2006	LEHMAN BROTHERS.....		1,000,000	1,000,000	1,000,000					0		1,000,000				9,499	02/01/2032	1FE.....
13016N AF 1	CA TOB-TXB-B-STANISLA 7.500.....		06/01/2006	CALL BY ISSUER 100.000.....		35,000	35,000	35,000	35,000				0		35,000				1,313	06/01/2019	2FE.....
13016N AN 4	CALIFORNIA COUNTY CALIFORNIA 6.....		06/01/2006	SINKING FUND REDEMPTION.....		10,000	10,000	10,000	10,000				0		10,000				342	06/01/2015	2FE.....
20774W LK 5	CT HFA VAR-SUBSER B-2 3.470.....		05/12/2006	MERRILL LYNCH.....		2,000,000	2,000,000	2,000,000					0		2,000,000				13,001	11/15/2038	1FE.....
207757 5C 5	CT ST TAX-VAR-REF-2 3.680.....		06/13/2006	LEHMAN BROTHERS.....		1,500,000	1,500,000	1,500,000					0		1,500,000				10,183	02/01/2022	1FE.....
251255 LA 4	DETROIT WTR-VAR-REF-B 3.500.....		05/15/2006	MERRILL LYNCH.....		1,000,000	1,000,000	1,000,000					0		1,000,000				4,001	07/01/2023	1FE.....
83754L AA 5	EDUCATIONAL ENHANCEMENT FUNDI 5.....		06/01/2006	SINKING FUND REDEMPTION.....		11,784	11,784	11,946	11,925				(141)		11,784				396	06/01/2025	2FE.....
31371K 4K 4	FG 254726 5.500.....		06/01/2006	MBS PAYDOWN.....		39,678	39,678	40,354	40,287				(608)		39,678				902	09/01/2032	1.....
31296L UE 9	FG A12381 5.000.....		06/01/2006	MBS PAYDOWN.....		46,570	46,570	45,580	45,699				871		46,570				995	04/01/2033	1.....
31296L ZH 7	FG A12544 5.000.....		06/01/2006	MBS PAYDOWN.....		44,069	44,069	43,642	43,683				387		44,069				868	12/01/2032	1.....
31296S WL 6	FG A17851 5.500.....		06/01/2006	MBS PAYDOWN.....		25,142	25,142	25,491	25,430				(288)		25,142				578	06/01/2033	1.....
31297A P6 5	FG A23145 5.500.....		06/01/2006	MBS PAYDOWN.....		94,031	94,031	92,943	93,094				937		94,031				2,046	01/01/2034	1.....
31297F J5 3	FG A27484 6.000.....		06/01/2006	MBS PAYDOWN.....		59,649	59,649	61,653	61,335				(1,686)		59,649				1,491	06/01/2034	1.....
31297S ZP 3	FG A37050 5.000.....		06/01/2006	MBS PAYDOWN.....		51,339	51,339	50,713	50,732				607		51,339				1,183	07/01/2035	1.....
312963 WK 3	FG B11550 5.000.....		06/01/2006	MBS PAYDOWN.....		90,470	90,470	91,870	91,745				(1,275)		90,470				1,804	11/01/2018	1.....
312967 6K 3	FG B15374 5.000.....		06/01/2006	MBS PAYDOWN.....		292,931	292,931	295,769	295,382				(2,451)		292,931				5,905	03/01/2019	1.....
31292H Q3 1	FG C01374 6.000.....		06/01/2006	MBS PAYDOWN.....		7,056	7,056	7,307	7,279				(223)		7,056				184	07/01/2031	1.....
31292H UP 7	FG C01490 5.500.....		06/01/2006	MBS PAYDOWN.....		69,403	69,403	70,444	70,263				(860)		69,403				1,567	06/01/2032	1.....
31292H YU 2	FG C01623 5.500.....		06/01/2006	MBS PAYDOWN.....		154,719	154,719	153,486	153,705				1,014		154,719				3,565	03/01/2033	1.....
31287P E2 5	FG C63753 6.000.....		06/01/2006	MBS PAYDOWN.....		4,355	4,355	4,510	4,499				(144)		4,355				106	02/01/2031	1.....
31288A X2 6	FG C72497 6.500.....		06/01/2006	MBS PAYDOWN.....		24,277	24,277	25,122	24,911				(634)		24,277				672	12/01/2030	1.....
31294J G9 3	FG E00224 6.000.....		06/01/2006	MBS PAYDOWN.....		28,025	28,025	26,864	27,607				418		28,025				694	04/01/2008	1.....
31294K FN 0	FG E01073 5.000.....		06/01/2006	MBS PAYDOWN.....		12,772	12,772	12,644	12,670				102		12,772				274	05/01/2016	1.....
31294K M5 1	FG E01280 5.000.....		06/01/2006	MBS PAYDOWN.....		60,328	60,328	62,270	61,913				(1,585)		60,328				1,263	06/01/2017	1.....
31294K WD 3	FG E01544 4.500.....		06/01/2006	MBS PAYDOWN.....		22,297	22,297	22,374	22,362				(65)		22,297				409	08/01/2018	1.....
3128GJ 2E 6	FG E82573 6.000.....		06/01/2006	MBS PAYDOWN.....		6,927	6,927	6,901	6,909				18		6,927				173	05/01/2015	1.....
3128GY MX 9	FG E93974 5.500.....		06/01/2006	MBS PAYDOWN.....		60,102	60,102	62,835	62,106				(2,005)		60,102				1,534	09/01/2017	1.....
3128H3 LP 4	FG E95734 5.000.....		06/01/2006	MBS PAYDOWN.....		74,464	74,464	76,884	76,378				(1,914)		74,464				1,533	10/01/2017	1.....
3128H4 XR 5	FG E96988 5.000.....		06/01/2006	MBS PAYDOWN.....		32,982	32,982	33,611	33,523				(541)		32,982				658	01/01/2018	1.....
31283H S8 9	FG G01443 6.500.....		06/01/2006	MBS PAYDOWN.....		34,973	34,973	36,192	35,906				(933)		34,973				939	09/01/2031	1.....
31283H S9 7	FG G01444 6.500.....		06/01/2006	MBS PAYDOWN.....		11,603	11,603	12,086	12,057				(454)		11,603				313	06/01/2031	1.....
3128MM BN 2	FG G18044 4.500.....		06/01/2006	MBS PAYDOWN.....		115,104	115,104	114,367	114,420				685		115,104				2,181	12/01/2019	1.....
31282R AE 1	FG M80821 4.500.....		06/01/2006	MBS PAYDOWN.....		69,905	69,905	71,587	71,237				(1,332)		69,905				1,337	05/01/2010	1.....
31282S AZ 5	FG M80924 4.500.....		06/01/2006	MBS PAYDOWN.....		394,042	394,042	397,859	397,167				(3,126)		394,042				7,314	06/01/2011	1.....
31287P CQ 4	FGLMC PL C63679 6.000.....		06/01/2006	MBS PAYDOWN.....		1,974	1,974	1,958	1,962				13		1,974				49	02/01/2031	1.....
31288C M4 0	FHLMC #C73979 6.000.....		06/01/2006	MBS PAYDOWN.....		97,095	97,095	99,628	99,074				(1,979)		97,095				2,191	07/01/2032	1.....
31288B LZ 4	FHLMC C73044 6.000.....		06/01/2006	MBS PAYDOWN.....		41,872	41,872	42,952	42,747				(875)		41,872				1,025	01/01/2032	1.....
31393G CN 2	FHR 2545 EY 4.500.....		06/01/2006	MBS PAYDOWN.....		218,185	218,185	216,285	216,775				1,410		218,185				4,024	06/01/2011	1.....
31393M Z2 0	FHR 2583 ND 4.250.....		06/01/2006	MBS PAYDOWN.....		3,028	3,028	3,077	3,057				(28)		3,028				48	07/01/2009	1.....
31393N 2K 4	FHR 2583 TD 4.500.....		06/01/2006	MBS PAYDOWN.....		1,433	1,433	1,458	1,451				(18)		1,433				27	11/01/2012	1.....
31395A XT 7	FHR 2824 EG 4.500.....		06/01/2006	MBS PAYDOWN.....		55,412	55,412	53,749					1,662		55,412				208	07/01/2012	1.....
31395J R6 5	FHR 2890 AB 3.750.....		06/01/2006	MBS PAYDOWN.....		107,620	107,620	105,804	106,004				1,616		107,620				1,669	04/01/2011	1.....

E05.1

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 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.							
31395L KX 8	FHR 2920 LA		06/01/2006	MBS PAYDOWN		203,343	203,343	203,916	203,874	(531)			(531)		203,343			0	4,198	08/01/2014	1
31395P ZE 5	FHR 2929 BE		06/01/2006	MBS PAYDOWN		214,673	214,673	214,003	214,119	554			554		214,673			0	4,047	05/01/2010	1
31395R DL 9	FHR 2960 QN		06/01/2006	MBS PAYDOWN		197,151	197,151	197,459	197,387	(236)			(236)		197,151			0	3,897	01/01/2010	1
31395T HU 1	FHR 2964 NG		06/01/2006	MBS PAYDOWN		45,371	45,371	45,364	45,365	6			6		45,371			0	856	11/01/2010	1
31395T HV 9	FHR 2964 NH		06/01/2006	MBS PAYDOWN		81,668	81,668	82,000	81,952	(284)			(284)		81,668			0	1,628	11/01/2010	1
31395V RC 5	FHR 2986 GC		06/01/2006	MBS PAYDOWN		71,992	71,992	72,060	72,051	(59)			(59)		71,992			0	1,358	08/01/2010	1
31371K BL 4	FN 253943		06/01/2006	MBS PAYDOWN		8,162	8,162	8,374	8,321	(159)			(159)		8,162			0	220	02/01/2016	1
31371K UA 1	FN 254503		06/01/2006	MBS PAYDOWN		65,544	65,544	67,654	67,205	(1,661)			(1,661)		65,544			0	1,308	09/01/2009	1
31371K WK 3	FN 254550		06/01/2006	MBS PAYDOWN		18,329	18,329	18,970	18,868	(540)			(540)		18,329			0	509	04/01/2032	1
31371K ZV 2	FN 254688		06/01/2006	MBS PAYDOWN		75,801	75,801	78,703	77,973	(2,172)			(2,172)		75,801			0	1,728	11/01/2022	1
31371L CD 9	FN 254868		06/01/2006	MBS PAYDOWN		44,622	44,622	44,392	44,416	207			207		44,622			0	930	03/01/2033	1
31371L CE 7	FN 254869		06/01/2006	MBS PAYDOWN		25,536	25,536	25,568	25,563	(27)			(27)		25,536			0	576	03/01/2033	1
31376K FW 1	FN 357581		06/01/2006	MBS PAYDOWN		48,825	48,825	49,282	49,210	(385)			(385)		48,825			0	1,079	01/01/2019	1
31380M MS 2	FN 444169		06/01/2006	MBS PAYDOWN		211	211	209	209	1			1		211			0	5	10/01/2028	1
31380Y SL 5	FN 454223		06/01/2006	MBS PAYDOWN		1,314	1,314	1,301	1,304	9			9		1,314			0	33	09/01/2027	1
31381B V9 7	FN 456140		06/01/2006	MBS PAYDOWN		162	162	160	161	1			1		162			0	4	12/01/2028	1
31385J QV 3	FN 545968		06/01/2006	MBS PAYDOWN		26,144	26,144	26,634	26,568	(424)			(424)		26,144			0	596	12/01/2016	1
31385W 2S 7	FN 555285		06/01/2006	MBS PAYDOWN		18,404	18,404	18,668	18,638	(234)			(234)		18,404			0	453	09/01/2031	1
31385X FK 8	FN 555570		06/01/2006	MBS PAYDOWN		17,630	17,630	17,887	17,855	(224)			(224)		17,630			0	435	11/01/2031	1
31385X GQ 4	FN 555607		06/01/2006	MBS PAYDOWN		18,900	18,900	18,906	18,905	(5)			(5)		18,900			0	353	01/01/2018	1
31386S BW 6	FN 571653		06/01/2006	MBS PAYDOWN		4,271	4,271	4,244	4,253	18			18		4,271			0	107	05/01/2015	1
31391P UV 6	FN 672996		06/01/2006	MBS PAYDOWN		56,836	56,836	57,315	57,299	(464)			(464)		56,836			0	1,170	06/01/2017	1
31391W 5R 8	FN 679556		06/01/2006	MBS PAYDOWN		44,743	44,743	45,722	45,518	(775)			(775)		44,743			0	1,008	12/01/2017	1
31400F PB 7	FN 686318		06/01/2006	MBS PAYDOWN		47,578	47,578	49,036	48,724	(1,146)			(1,146)		47,578			0	956	09/01/2017	1
31400Q TN 3	FN 694557		06/01/2006	MBS PAYDOWN		8,541	8,541	8,685	8,662	(121)			(121)		8,541			0	188	08/01/2032	1
31400R CF 6	FN 694970		06/01/2006	MBS PAYDOWN		88,166	88,166	91,914	91,121	(2,955)			(2,955)		88,166			0	2,095	11/01/2017	1
31400Y FU 5	FN 701379		06/01/2006	MBS PAYDOWN		5,387	5,387	5,411	5,406	(19)			(19)		5,387			0	101	12/01/2017	1
31401B P6 6	FN 703445		06/01/2006	MBS PAYDOWN		293,242	293,242	297,824	297,472	(4,230)			(4,230)		293,242			0	5,994	12/01/2017	1
31401H UX 8	FN 708998		06/01/2006	MBS PAYDOWN		68,626	68,626	68,037	68,113	513			513		68,626			0	1,484	02/01/2033	1
31401W G2 9	FN 720317		06/01/2006	MBS PAYDOWN		33,195	33,195	33,936	33,826	(631)			(631)		33,195			0	659	01/01/2018	1
31401X BJ 5	FN 721041		06/01/2006	MBS PAYDOWN		31,764	31,764	32,623	32,474	(709)			(709)		31,764			0	844	04/01/2033	1
31402F DL 6	FN 727407		06/01/2006	MBS PAYDOWN		48,462	48,462	47,841	47,956	506			506		48,462			0	908	04/01/2018	1
31403Y G6 4	FN 761721		06/01/2006	MBS PAYDOWN		29,935	29,935	29,626	29,664	270			270		29,935			0	613	11/01/2032	1
31404B VC 3	FN 763911		06/01/2006	MBS PAYDOWN		30,212	30,212	30,344	30,323	(111)			(111)		30,212			0	593	09/01/2018	1
31404N WB 8	FN 773842		06/01/2006	MBS PAYDOWN		40,935	40,935	41,523	41,408	(473)			(473)		40,935			0	844	10/01/2033	1
31404R MD 6	FN 776256		06/01/2006	MBS PAYDOWN		3,018	3,018	3,024	3,023	(5)			(5)		3,018			0	69	12/01/2033	1
31404U CL 2	FN 778675		06/01/2006	MBS PAYDOWN		20,806	20,806	20,545	20,584	222			222		20,806			0	340	01/01/2019	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
31405C HF 9	FN 785130		06/01/2006	MBS PAYDOWN		505,656	505,656	513,083	512,035	(6,379)			(6,379)		505,656			0	11,945	05/01/2019	1
31406W US 1	FN 822393		06/01/2006	MBS PAYDOWN		136,548	136,548	137,935	137,830	(1,281)			(1,281)		136,548			0	2,759	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
31407Y RS 0	FN 844797		06/01/2006	MBS PAYDOWN		25,107	25,107	23,734	23,734	1,373			1,373		25,107			0	371	08/01/2035	1
31409W NY 3	FN 880707		06/01/2006	MBS PAYDOWN		9,527	9,527	9,482	9,482	45			45		9,527			0	48	05/01/2036	1
31379J ZZ 5	FNMA POOL #421161	6.500	06/01/2006	MBS PAYDOWN		1,157	1,157	1,162	1,160	(3)			(3)		1,157			0	31	09/01/2012	1
31379Q 2H 2	FNMA #426576	6.500	06/01/2006	MBS PAYDOWN		6,535	6,535	6,500	6,510	25			25		6,535			0	210	03/01/2027	1
31388P XQ 9	FNMA #610987	6.000	06/01/2006	MBS PAYDOWN		53,910	53,910	54,141	54,073	(163)			(163)		53,910			0	1,396	04/01/2016	1
31390L RD 3	FNMA #649487	6.500	06/01/2006	MBS PAYDOWN		2,736	2,736	2,835	2,810	(74)			(74)		2,736			0	74	04/01/2032	1
31389V SG 0	FNMA PL # F636916	6.500	06/01/2006	MBS PAYDOWN		37,001	37,001	37,972	37,660	(659)			(659)		37,001			0	1,038	11/01/2016	1
31371K R3 7	FNMA PL 254406	6.500	06/01/2006	MBS PAYDOWN		25,558	25,558	26,209	26,009	(451)			(451)		25,558			0	679	11/01/2031	1

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 Designa- tion 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.							
31387N 2W 6	FNMA PL 589489		06/01/2006	MBS PAYDOWN		57,447	57,447	58,309	58,017		(570)		(570)		57,447			0	1,520	08/01/2015	1
31389N 4X 0	FNMA PL# 630938		06/01/2006	MBS PAYDOWN		65,109	65,109	64,448	64,630		479		479		65,109			0	1,489	09/01/2016	1
31389P MP 2	FNMA PL# 631366		06/01/2006	MBS PAYDOWN		7,813	7,813	8,016	7,952		(138)		(138)		7,813			0	211	04/01/2016	1
31400Y ET 9	FNMA PL#701346		06/01/2006	MBS PAYDOWN		7,046	7,046	7,270	7,217		(172)		(172)		7,046			0	206	07/01/2032	1
31359U ZR 9	FNMA REMIC 98-W8 A6	5.875	06/01/2006	MBS PAYDOWN		45,153	45,153	45,153	45,153				0		45,153			0	1,120	01/01/2013	1
31379R VS 4	FNMA#427325	6.500	06/01/2006	MBS PAYDOWN		23,432	23,432	23,542	23,495		(63)		(63)		23,432			0	634	05/01/2012	1
31379T TE 4	FNMA#429049	6.500	06/01/2006	MBS PAYDOWN		7,099	7,099	7,132	7,118		(20)		(20)		7,099			0	193	10/01/2012	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
31392H SC 8	FNR 2003-4 PG	4.500	06/01/2006	MBS PAYDOWN		226,966	226,966	234,059	228,906		(1,941)		(1,941)		226,966			0	4,206	12/01/2006	1
31393B 2U 8	FNR 2003-60 NA	4.000	06/01/2006	MBS PAYDOWN		83,473	83,473	81,439	81,594		1,879		1,879		83,473			0	1,377	09/01/2013	1
31393Y 3A 1	FNR 2004-55 LA	4.500	06/01/2006	MBS PAYDOWN		104,620	104,620	100,893			3,727		3,727		104,620			0	596	06/01/2014	1
31394A S2 3	FNR 2004-74 BA	4.500	06/01/2006	MBS PAYDOWN		175,223	175,223	174,429	174,535		688		688		175,223			0	3,233	05/01/2015	1
31394C 7A 4	FNR 2005-30 BC	5.000	06/01/2006	MBS PAYDOWN		158,758	158,758	159,254	159,218		(460)		(460)		158,758			0	3,305	07/01/2017	1
31394C N3 2	FNR 2005-33 VA	5.000	06/01/2006	MBS PAYDOWN		27,273	27,273	27,516	27,498		(225)		(225)		27,273			0	569	03/01/2016	1
31394E GN 2	FNR 2005-62 HA	5.000	06/01/2006	MBS PAYDOWN		42,988	42,988	41,873			1,115		1,115		42,988			0	179	05/01/2015	1
442348 W3 8	HOUSTON TEX ARPT FLTR	2.990	04/11/2006	PRIOR YEAR INCOME							0		0					0	(3,236)	07/01/2032	1FE
49130P UA 0	KY HSG VAR-AMT-SER H	3.410	05/24/2006	MERRILL LYNCH		1,000,000	1,000,000	1,000,000					0	1,000,000			0	12,725	07/01/2036	1FE	
49130P RT 3	KY HSG-VAR-AMT-B	3.640	05/22/2006	MERRILL LYNCH		500,000	500,000	500,000					0	500,000			0	6,269	07/01/2032	1FE	
542402 GH 9	LONG BEACH CALIF BD FIN AUTH LEA		05/01/2006	SINKING FUND REDEMPTION		140,000	140,000	140,000	140,000				0	140,000			0	2,716	05/01/2008	1FE	
591745 XL 3	MET ATLANTA TRN VAR-A	3.680	06/07/2006	LEHMAN BROTHERS		1,000,000	1,000,000	1,000,000					0	1,000,000			0	6,138	07/01/2025	1FE	
594520 KH 0	MICHIGAN HIGHER ED STUDENT LN AU		05/02/2006	DAIN BOSWORTH		3,000,000	3,000,000	3,000,000					0	3,000,000			0	61,486	03/01/2040	1FE	
644614 NZ 8	NEW HAMPSHIRE HEALTH & ED FACS		06/08/2006	LEHMAN BROTHERS		12,825,000	12,825,000	12,825,000					0	12,825,000			0	62,705	07/01/2036	1FE	
649716 ZZ 9	NY CITY TRANS-FLT-L11	3.280	06/07/2006	LEHMAN BROTHERS		1,000,000	1,000,000	1,000,000					0	1,000,000			0	19,059	11/01/2028	1FE	
64986M QQ 1	NY HSG-ADJ-A-RMKT	3.440	05/25/2006	MERRILL LYNCH		3,000,000	3,000,000	3,000,000					0	3,000,000			0	18,808	05/15/2033	1FE	
708793 CY 8	PA HSG-VAR-AMT-82B	3.640	05/25/2006	MERRILL LYNCH		1,000,000	1,000,000	1,000,000					0	1,000,000			0	5,175	04/01/2034	1FE	
791649 HH 2	ST LOUIS MO INDL DEV AUTH REV	5.3	06/20/2006	SINKING FUND REDEMPTION		15,000	15,000	15,000	15,000				0	15,000			0	398	12/20/2012	1FE	
97689P P8 5	WI HSG/ECON-ADJ-C	3.650	04/07/2006	MERRILL LYNCH		1,000,000	1,000,000	1,000,000					0	1,000,000			0	17,713	03/01/2034	1FE	
98322P K3 2	WY DEV VAR-AMT-SER 11	3.650	04/07/2006	MERRILL LYNCH		1,000,000	1,000,000	1,000,000					0	1,000,000			0	5,625	06/01/2035	1FE	
98322P P6 0	WY DEV VAR-AMT-SER 7	3.650	04/07/2006	MERRILL LYNCH		1,000,000	1,000,000	1,000,000					0	1,000,000			0	10,898	06/01/2036	1FE	
98322P D7 1	WY DEV-VAR-AMT-6	3.650	04/07/2006	MERRILL LYNCH		1,000,000	1,000,000	1,000,000					0	1,000,000			0	5,625	12/01/2035	1FE	
3199999	Total - Bonds - Special Revenue & Assessment					40,323,946	40,323,946	40,375,795	7,133,264		0		(38,147)		40,323,946			0	430,346	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	
05947U LH 9	BACM 2003-1 A1	3.878	06/01/2006	MBS PAYDOWN		20,971	20,971	20,705	20,739		232		232		20,971			0	339	01/01/2012	1FE
06406H AT 6	BANK OF NEW YORK CO INC	2.200	05/12/2006	MATURITY		1,500,000	1,500,000	1,492,125	1,498,578		1,422		1,422		1,500,000			0	16,500	05/12/2006	1FE
06406H AY 5	BANK OF NEW YORK MTN	4.950	03/27/2006	BANK OF NEW YORK		1,731,118	1,750,000	1,746,080	1,746,112		(32)		(32)		1,746,080		(14,963)	(14,963)	25,747	01/14/2011	1FE
05949A PF 1	BOAMS 2004-7 5A52	5.250	06/01/2006	MBS PAYDOWN		39,011	39,011	38,816	38,911		100		100		39,011			0	855	03/01/2010	1FE
05949A PU 4	BOAMS 2004-7 6A1	4.500	06/01/2006	MBS PAYDOWN		57,565	57,565	57,143	57,167		398		398		57,565			0	1,124	07/01/2019	1FE
07384Y CN 8	BSABS 2002-1 1A5	6.390	04/14/2006	PRIOR YEAR INCOME									0					0		03/01/2016	1FE
17305E AP 0	CCCIT 2001-A6 A6	5.650	06/15/2006	MBS PAYDOWN		10,000,000	10,000,000	10,517,188	10,092,952		(92,952)		(92,952)		10,000,000			0	282,500	06/15/2006	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	
16162W NE 5	CHASE 2005-S3 A4	5.500	06/01/2006	MBS PAYDOWN		131,595	131,595	131,266	131,267		328		328		131,595			0	3,123	01/01/2011	1FE
12669F J8 7	CHWL 2004-13 2A1	5.000	06/01/2006	MBS PAYDOWN		140,484	140,484	140,418	140,431		53		53		140,484			0	3,116	12/01/2007	1FE
172850 BB 4	CITRV 1999-A B	8.717	06/30/2006	REDUCTION IN BASIS ADJUS									14,612	(14,612)				0		01/15/2009	3FE
172973 YT 0	CMSI 2004-5 1A3	5.250	06/01/2006	MBS PAYDOWN		46,879	46,879	46,792	46,818		61		61		46,879			0	1,010	03/01/2012	1FE
172973 P3 7	CMSI 2005-1 2A1	4.750	06/01/2006	MBS PAYDOWN		69,507	69,507	68,497	68,596		911		911		69,507			0	1,517	02/01/2020	1FE
20033T AF 2	COMED 1998-1 A6	5.630	06/25/2006	MBS PAYDOWN		160,824	160,824	177,566	165,732		(4,908)		(4,908)		160,824			0	4,527	06/25/2007	1FE

E05.3

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 Temporary Impairment Recognized	Total Change in B./A.C.V.	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)
205887 AW 2	CONAGRA FOODS INC		05/25/2006	CALL BY ISSUER 110.076		220,152	200,000	234,368	224,163		(1,845)		(1,845)		222,319		(2,167)	(2,167)	9,100	09/15/2010	2FE
21075W FZ 3	CONHE 1997-4 A7		06/01/2006	MBS PAYDOWN		2,084	2,084	2,126	2,084						2,084				57	04/01/2009	1FE
22540A ES 3	CSFB 1997-C2 A3		06/11/2006	MBS PAYDOWN		165,697	165,697	171,871	170,368		(4,671)		(4,671)		165,697				4,954	11/11/2007	1FE
22540V EH 1	CSFB 2001-CKN5 A3		06/01/2006	MBS PAYDOWN		139,662	139,662	147,780	144,374		(4,711)		(4,711)		139,662				3,474	10/01/2009	1FE
22541N UH 0	CSFB 2002-CP5 A1		06/01/2006	MBS PAYDOWN		18,883	18,883	18,226			658		658		18,883				95	05/01/2012	1FE
22540V UM 2	CSFB 2002-HE1 B		05/25/2006	VARIOUS		27,180	27,180	27,180	27,180						27,180				974	02/25/2010	3FE
22541S HS 0	CSFB 2004-C2 A1		06/01/2006	MBS PAYDOWN		37,716	37,716	36,207	36,459		1,257		1,257		37,716				604	12/01/2013	1FE
23322B FZ 6	DLJCM 99-CG3 A1A		06/01/2006	MBS PAYDOWN		22,578	22,578	24,398	23,429		(851)		(851)		22,578				736	10/01/2008	1FE
294751 CZ 3	EQABS 2003-4 AF3		04/01/2006	MBS PAYDOWN		315,255	315,255	315,255	315,255						315,255				3,710	05/01/2006	1FE
31846L BT 2	FAMLT 1998-1F NOTE		06/01/2006	MBS PAYDOWN		281	281	285	281						281				8	08/01/2017	1FE
31396C 3C 2	FHRR R003 AG		06/01/2006	MBS PAYDOWN		42,379	42,379	42,284	42,287		91		91		42,379				901	05/01/2014	1
32054Y AC 7	FIB 2000-1 A FLTR		06/15/2006	MBS PAYDOWN		18,810	18,810	18,810							18,810				458	10/15/2018	5FE
34527R JX 2	FORDO 2003-B A4		06/15/2006	MBS PAYDOWN		790,242	790,242	790,200	790,236		5		5		790,242				7,897	11/15/2006	1FE
337367 AB 2	FULBA 1998-C2 A2		06/01/2006	MBS PAYDOWN		122,765	122,765	135,179	111,323		(5,238)		(5,238)		122,765				3,043	11/01/2008	1FE
337378 AA 1	FUNBC 1999-C4 A1		06/01/2006	MBS PAYDOWN		7,079	7,079	7,541	7,279		(200)		(200)		7,079				224	09/01/2007	1FE
33736X AA 7	FUNBC 2000-C1 A1		06/01/2006	MBS PAYDOWN		41,051	41,051	46,045	43,687		(2,635)		(2,635)		41,051				1,403	12/01/2008	1FE
361849 DY 5	GMACC 1998-C2 A2		06/01/2006	MBS PAYDOWN		75,949	75,949	84,905	79,531		(3,582)		(3,582)		75,949				2,197	07/01/2008	1FE
361849 FT 4	GMACC 1999-C2 CL A1		06/01/2006	MBS PAYDOWN		11,621	11,621	12,222	11,794		(173)		(173)		11,621				320	02/01/2007	1FE
36242D SC 8	GSMAP 2005-HE1 B4		06/26/2006	MBS PAYDOWN		329	329	329							329				2	01/01/2012	3FE
393505 UW 0	GT 1997-4 M1		06/15/2006	MBS PAYDOWN		3,098	3,098	3,098	3,098						3,098				104	10/15/2020	4FE
393505 YB 2	GT 1997-8 B1		06/15/2006	MBS PAYDOWN		31,869	31,869	31,869	28,124	3,746			3,746		31,869				1,731	07/15/2008	6FE
393505 T5 1	GT 1999-1 M1		06/01/2006	MBS PAYDOWN		4,521	4,521	4,521	4,521						4,521				184	11/01/2022	5FE
393505 W4 0	GT 1999-2 M1		06/01/2006	MBS PAYDOWN		14,668	14,668	14,668	14,668						14,668				630	01/01/2022	5FE
43812G AD 4	HAROT 2003-3 A4		06/21/2006	MBS PAYDOWN		318,948	318,948	320,704	319,522		(574)		(574)		318,948				3,841	01/21/2008	1FE
43812H AD 2	HAROT 2003-4 A4		06/15/2006	MBS PAYDOWN		80,781	80,781	80,399	80,652		129		129		80,781				1,082	05/15/2008	1FE
437084 HL 3	HEAT 2005-1 A3		06/25/2006	MBS PAYDOWN		776,751	776,751	777,995			(1,244)		(1,244)		776,751				6,278	02/25/2016	1FE
40430G AJ 9	HFCHC 2005-3 M1		06/20/2006	MBS PAYDOWN		186,416	186,416	186,416	186,416						186,416				3,993	09/20/2013	1FE
45254T MV 3	IMSA 2003-2 A4		06/01/2006	MBS PAYDOWN		110,380	110,380	103,576	103,580	6,800			6,800		110,380				1,760	07/01/2032	1FE
456606 CF 7	INHEL 2001-A MV2 FLTR		05/25/2006	MBS PAYDOWN		181,560	181,560	181,560	181,560						181,560				40,982	07/25/2006	2FE
456606 DE 9	INHEL 2001-C B		06/25/2006	MBS PAYDOWN		56,989	56,989	56,989	56,989						56,989				2,423	03/25/2008	3FE
47214T AA 7	JCPL 2002-A A1		06/06/2006	MBS PAYDOWN		43,146	43,146	45,397	44,108		(962)		(962)		43,146				904	12/05/2007	1FE
46625M PL 7	JPMCC 2002-C2 A1		06/01/2006	MBS PAYDOWN		10,379	10,379	10,059	10,379		320		320		10,379				55	11/01/2011	1FE
46625M WW 5	JPMCC 2003-CB6 A1		06/01/2006	MBS PAYDOWN		60,176	60,176	60,435	60,405		(229)		(229)		60,176				1,101	12/01/2012	1FE
52108H FK 5	LBUBS 2001-C3 A1		06/11/2006	VARIOUS		1,591,496	1,591,496	1,638,122	1,635,023		(43,527)		(43,527)		1,591,496				44,158	12/11/2010	1FE
52108H GS 8	LBUBS 2005-C5 A1		06/11/2006	MBS PAYDOWN		150,185	150,185	150,932	150,877		(692)		(692)		150,185				2,969	03/11/2010	1FE
86359D MU 8	LXS 2005-2 A2A1A		06/25/2006	VARIOUS		775,413	775,413	775,686			(273)		(273)		775,413				6,811	05/25/2007	1FE
55264T AC 5	MBNAS 2001-A1 A1		05/15/2006	MBS PAYDOWN		3,375,000	3,375,000	3,679,805	3,409,500		(34,500)		(34,500)		3,375,000				80,859	05/15/2006	1FE
589962 CV 9	MESC 13 M1		06/28/2006	MBS PAYDOWN		271	271	271	271						271				11	08/01/2015	6FE
617446 GL 7	MORGAN STANLEY		04/15/2006	MATURITY		1,500,000	1,500,000	1,615,125	1,510,332		(10,332)		(10,332)		1,500,000				45,750	04/15/2006	1FE
61745M FG 3	MSC 1998-HF1 A2		06/01/2006	MBS PAYDOWN		167,316	167,316	187,298	174,774		(7,458)		(7,458)		167,316				5,497	01/01/2008	1FE
61745M ES 8	MSC 1998-WF1 A2		06/01/2006	MBS PAYDOWN		635,232	635,232	707,478	663,137		(27,906)		(27,906)		635,232				27,569	12/01/2007	1FE
61746W RT 9	MSDWC 2002-HE2 B1 FLTR		06/25/2006	MBS PAYDOWN		4,575	4,575	4,575							4,575				173	01/25/2008	2FE
655356 JE 4	NASC 1998-D6 A1A		06/11/2006	MBS PAYDOWN		314,869	314,869	338,828	323,195		(8,327)		(8,327)		314,869				9,279	07/11/2007	1FE
64109Y AA 9	NLFLP 05-1A		06/27/2006	MBS PAYDOWN		147,992	147,992	147,992	147,992						147,992				2,665	01/27/2011	1FE
68619A AG 2	ORGN 2001-A M1		06/15/2006	MBS PAYDOWN		1,607	1,607	1,607	1,493	114			114		1,607				73	03/15/2016	5FE
76110H DB 2	RALI 2003-QS10 A13		06/01/2006	MBS PAYDOWN		116,574	116,574	114,060	114,589		1,984		1,984		116,574				2,070	08/01/2022	1FE
760985 A3 5	RAMP 2003-RS9 A15		06/01/2006	MBS PAYDOWN		547,374	547,374	547,287	547,348		26		26		547,374				13,657	10/01/2006	1FE
76110W HL 3	RASC 1999-KS4 A14		06/01/2006	MBS PAYDOWN		11,856	11,856	12,384	12,051		(195)		(195)		11,856				356	03/01/2011	1FE

E05.4

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For 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)
76110W JZ 0	RASC 2000-KS3 A16		06/01/2006	MBS PAYDOWN		502,927	502,927	534,910	509,525		(6,597)		(6,597)		502,927			0	19,399	06/01/2014	1FE
76111X ZR 7	RFMSI 2005-S7 A1		06/01/2006	MBS PAYDOWN		131,694	131,694	130,274	130,293		1,401		1,401		131,694			0	2,960	01/01/2012	1FE
86358E HK 5	SAIL 2004-3 B		05/03/2006	DIRECT		178,402	178,853	178,853					0	178,853		(452)	(452)	2,042	11/25/2022	3FE	
803111 AN 3	SARA LEE CORP		06/15/2006	MATURITY		1,500,000	1,500,000	1,468,320	1,492,876		7,124		7,124		1,500,000			0	14,625	06/15/2006	2FE
86358R L7 0	SASC 2002-HF1 B FLTR		06/25/2006	MBS PAYDOWN		9,714	9,714	9,714	9,615	99			99		9,714			0	724	12/25/2025	4FE
86359D LX 3	SASC 2005-S4 A		06/01/2006	MBS PAYDOWN		351,277	351,277	346,777	347,364		3,913		3,913		351,277			0	6,617	09/01/2008	1FE
79549A JH 3	SBM7 2001-C2 A2		06/01/2006	MBS PAYDOWN		12,767	12,767	13,876	13,272		(505)		(505)		12,767			0	400	02/01/2010	1FE
60935B DZ 9	TMSHE 1998-B AF9		06/01/2006	MBS PAYDOWN		14,637	14,637	15,222	14,791		(155)		(155)		14,637			0	394	06/01/2015	1FE
896047 AE 7	TRIBUNE CO		05/30/2006	GOLDMAN SACHS		1,193,738	1,250,000	1,247,863	1,248,007		163		163		1,248,170		(54,433)	(54,433)	48,581	08/15/2010	1FE
90777H BN 3	UNION OIL OF CAL MTN		05/19/2006	TENDER OFFER		536,975	500,000	566,150	552,199		(5,819)		(5,819)		546,380		(9,405)	(9,405)	32,311	03/24/2009	1FE
92866X AD 9	VALET 2003-1 A4		06/20/2006	MBS PAYDOWN		762,704	762,704	749,952	757,775		4,929		4,929		762,704			0	6,716	08/20/2007	1FE
94356# AA 7	WAVELAND NCP ALABAMA CAPCO NOT		05/15/2006	SINKING FUND REDEMPTION		52,506	52,506	52,506	52,506		0		0		52,506			0	2,237	03/01/2014	1FE
949762 AA 6	WFMB 2003-10 A1		06/01/2006	MBS PAYDOWN		34,805	34,805	34,022	34,276		529		529		34,805			0	642	08/01/2018	1FE
94979F AC 0	WFMB 2003-12 A3		06/01/2006	MBS PAYDOWN		65,668	65,668	65,432	65,444		225		225		65,668			0	1,401	10/01/2018	1FE
94981A AA 1	WFMB 2003-14 1A1		06/01/2006	MBS PAYDOWN		46,067	46,067	45,919	45,934		133		133		46,067			0	927	11/01/2018	1FE
94982E AA 2	WFMB 2005-1 1A1		06/01/2006	MBS PAYDOWN		48,245	48,245	48,249	48,249		(4)		(4)		48,245			0	937	01/01/2020	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					32,791,872	32,813,567	34,031,519	31,143,115	3,959	(237,905)	14,612	(248,558)	0	32,873,189	0	(81,319)	(81,319)	828,724	XXX	XXX
6099997	Total - Bonds - Part 4					99,681,255	99,860,770	101,416,460	53,348,454	3,959	(314,713)	14,612	(325,366)	0	99,824,259	0	(143,006)	(143,006)	1,677,130	XXX	XXX
6099999	Total - Bonds					99,681,255	99,860,770	101,416,460	53,348,454	3,959	(314,713)	14,612	(325,366)	0	99,824,259	0	(143,006)	(143,006)	1,677,130	XXX	XXX
7499999	Total - Bonds, Preferred and Common Stocks					99,681,255	XXX	101,416,460	53,348,454	3,959	(314,713)	14,612	(325,366)	0	99,824,259	0	(143,006)	(143,006)	1,677,130	XXX	XXX

E05.5

(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**

THE MEDICAL ASSURANCE COMPANY, INC.

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.....	.....	.....	.....	.....715,376	.....1,076,892	.....2,491,293	XXX
BANK ONE.....	BATON ROUGE, LA.....	.....	.....	.....	.....70,000	.....70,000	.....70,000	XXX
FEDERAL HOME LOAN BANK.....	ATLANTA, GA.....	.....	.....	.....	.....40,538	.....40,708	.....40,865	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(3,995,506)	.....(3,677,261)	.....(4,834,330)	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....47,941	.....6,353	.....6,378	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(3,121,651)	.....(2,483,308)	.....(2,225,794)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(3,121,651)	.....(2,483,308)	.....(2,225,794)	XXX
0499999. Cash in Company's Office.....	XXX.....	XXX.....	XXX.....	.....XXX.....	.....3,108	.....3,108	.....3,108	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	.....(3,118,543)	.....(2,480,200)	.....(2,222,686)	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										
02149E	HW	0	ALTIUS I FUNDING DISC NOT.....		06/28/2006	5.346	07/19/2006	7,305,479		3,254
06945M	G7	5	BARTON CAPITAL CORP DISC NOTE.....		06/09/2006	4.551	07/07/2006	9,992,440		27,718
0717MD	G3	4	BAVARIA TRR CORP DISC NOTE.....		06/19/2006	5.170	07/03/2006	2,606,253		4,484
48247X	AY	5	KKR PACIFIC DISC NOTE.....		06/07/2006	5.157	07/06/2006	6,739,186		18,295
61777G	AQ	0	MORRIGAN TRR FUNDING LLC DISC NOTE.....		06/14/2006	5.174	07/03/2006	860,753		2,098
31410M	J7	6	FNMA CL 30 YR PL # 891386.....	RA	06/30/2006	5.050	07/03/2006	7,347,000		142,869
0199999.			Totals.....					34,851,111	0	198,718