

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
September 30, 2006

2006



QUARTERLY STATEMENT

As of September 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.....	1,456,835,098		1,456,835,098	1,329,413,702
2. Stocks:				
2.1 Preferred stocks.....	4,286,405		4,286,405	4,357,148
2.2 Common stocks.....	3,561,809		3,561,809	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).....	11,804,519		11,804,519	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 (\$.....(5,454,335)), cash equivalents (\$.....22,611,237) and short-term investments (\$.....37,288,931).....	57,510,443	3,064,610	54,445,833	41,351,747
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets.....	17,637,615		17,637,615	18,154,809
8. Receivables for securities.....	1,139,235		1,139,235	1,930
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	1,552,775,124	3,064,610	1,549,710,514	1,409,187,794
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	14,377,666		14,377,666	13,438,042
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	23,944,866	520,101	23,424,765	29,759,571
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	40,189,958		40,189,958	42,827,016
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	4,610,704		4,610,704	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.....	314,897		314,897	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.....	59,529,457	37,064,773	22,464,684	22,694,115
17. Guaranty funds receivable or on deposit.....	269,125		269,125	354,582
18. Electronic data processing equipment and software.....	748,135	461,871	286,264	414,819
19. Furniture and equipment, including health care delivery assets (\$.....0).....	472,223	472,223	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	2,178,870		2,178,870	938,783
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	47,662,733	1,113,151	46,549,582	45,170,395
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	1,747,144,206	42,696,729	1,704,447,477	1,570,706,676
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	1,747,144,206	42,696,729	1,704,447,477	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.....	1,113,151	1,113,151	0	
2302. Cash Surrender Value of Business Owned Life Insurance.....	46,549,584		46,549,584	45,170,395
2303. Miscellaneous.....	(2)		(2)	
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).....	47,662,733	1,113,151	46,549,582	45,170,395

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$ 64,057,694).....	466,202,222	425,602,479
2. Reinsurance payable on paid losses and loss adjustment expenses.....	1,428,510	3,906,548
3. Loss adjustment expenses.....	605,169,619	568,014,546
4. Commissions payable, contingent commissions and other similar charges.....	4,440,685	6,114,580
5. Other expenses (excluding taxes, licenses and fees).....	6,545,153	8,009,994
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	(126,313)	832,575
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)).....	4,730,630	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 \$ 10,271,875 and including warranty reserves of \$ 0).....	142,151,345	144,650,546
10. Advance premium.....	1,066,129	3,411,338
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	71,771,621	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.....	450,006	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.....	1,245,801	789,096
20. Payable for securities.....	14,223,261	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.....	1	(1)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	1,322,764,470	1,242,042,841
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	1,322,764,470	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).....	167,282,809	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).....	381,683,007	328,663,835
36. TOTALS.....	1,704,447,477	1,570,706,676

DETAILS OF WRITE-INS

2301. Other.....	1	(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).....	1	(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

**THE MEDICAL ASSURANCE COMPANY, INC.
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 \$.....242,534,323).....	248,192,651	261,191,533	347,827,643
1.2 Assumed..... (written \$.....(58,682)).....	(58,682)	686,963	648,217
1.3 Ceded..... (written \$.....20,099,014).....	23,259,643	32,569,498	45,374,517
1.4 Net..... (written \$.....222,376,627).....	224,874,326	229,308,998	303,101,343
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....64,699,787):			
2.1 Direct.....	75,848,922	101,472,813	103,690,701
2.2 Assumed.....	(59,066)	425,818	1,467,027
2.3 Ceded.....	18,290,070	22,314,676	28,564,575
2.4 Net.....	57,499,786	79,583,955	76,593,153
3. Loss expenses incurred.....	101,219,492	111,669,607	161,709,054
4. Other underwriting expenses incurred.....	36,573,460	28,918,527	41,317,438
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	195,292,738	220,172,089	279,619,645
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	29,581,588	9,136,909	23,481,698
INVESTMENT INCOME			
9. Net investment income earned.....	46,051,882	36,024,582	49,319,710
10. Net realized capital gains (losses) less capital gains tax of \$.....(286,945).....	(323,729)	1,517,354	612,877
11. Net investment gain (loss) (Lines 9 + 10).....	45,728,153	37,541,936	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.....	1,931,728	1,402,180	1,845,440
15. Total other income (Lines 12 through 14).....	1,931,728	1,402,180	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).....	77,241,469	48,081,025	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).....	77,241,469	48,081,025	75,259,725
19. Federal and foreign income taxes incurred.....	24,359,446	13,988,953	21,231,555
20. Net income (Line 18 minus Line 19) (to Line 22).....	52,882,023	34,092,072	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).....	52,882,023	34,092,072	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.....	(408,374)	(405,041)	1,313,520
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	1,597,137	830,639	1,087,833
27. Change in nonadmitted assets.....	(1,051,615)	(109,288)	(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.....	1	0	1
38. Change in surplus as regards policyholders (Lines 22 through 37).....	53,019,172	34,408,382	51,755,232
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	381,683,007	311,316,985	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.....	552,540	1,402,180	1,845,440
1402. Increase in cash surrender value of life insurance.....	1,379,189		
1403. Other.....	(1)		
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).....	1,931,728	1,402,180	1,845,440
3701. Rounding.....	1		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).....	1	0	1

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	229,842,730	317,147,284
2. Net investment income.....	52,967,925	57,940,357
3. Miscellaneous income.....	1,931,266	1,845,440
4. Total (Lines 1 through 3).....	284,741,921	376,933,081
5. Benefit and loss related payments.....	82,516,990	117,222,744
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	40,585,627	41,566,550
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	22,287,425	15,623,813
10. Total (Lines 5 through 9).....	145,390,042	174,413,107
11. Net cash from operations (Line 4 minus Line 10).....	139,351,879	202,519,974
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	393,014,117	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.....	(10,153)	(10,480)
12.7 Miscellaneous proceeds.....	12,511,261	703,775
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	405,515,225	337,244,716
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	527,724,299	528,238,498
13.2 Stocks.....		4,380,940
13.3 Mortgage loans.....		
13.4 Real estate.....	81,557	1,649,205
13.5 Other invested assets.....	364,300	2,361,500
13.6 Miscellaneous applications.....	1,137,305	1,930
13.7 Total investments acquired (Lines 13.1 to 13.6).....	529,307,462	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).....	(123,792,237)	(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).....	(2,125,078)	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).....	(2,125,078)	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).....	13,434,564	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).....	57,510,442	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
- 1.2 If yes, has the report been filed with the domiciliary state? Yes No
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes No
If yes, complete the Schedule Y-Part 1 - Organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

- 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
- 7.2 If yes, give full information:

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

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

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

FINANCIAL

- 9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes 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
- 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
- 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 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	\$.....3,561,673
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	\$.....3,561,673
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
U.S. 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)

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
NONE			

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

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period				
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total	
						0					0
Total	XXX	XXX	0	0	0	0	0	0	0	0	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.....	(786,855)	(1,020,244)
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....	81,557	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.....	11,804,519	12,509,817
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	11,804,519	12,509,817
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	11,804,519	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.....	(881,494)	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.....	17,637,615	18,154,809
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	17,637,615	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).....	17,637,615	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.....	527,724,299	532,619,438
3. Accrual of discount.....	640,361	860,399
4. Increase (decrease) by adjustment.....	(146,898)	(286,523)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	(289,437)	954,000
7. Consideration for bonds and stocks disposed of.....	393,014,117	336,552,053
8. Amortization of premium.....	7,400,387	10,679,926
9. Book/adjusted carrying value, current period.....	1,464,683,312	1,337,169,491
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	1,464,683,312	1,337,169,491
12. Total nonadmitted amounts.....		
13. Statement value.....	1,464,683,312	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.....	1,421,036,552	602,981,214	558,498,727	(10,277,880)	1,373,712,037	1,421,036,552	1,455,241,159	1,310,277,968
2. Class 2.....	41,534,519	7,417,071	6,611,361	6,479,613	43,384,522	41,534,519	48,819,841	45,713,002
3. Class 3.....	7,249,299	131,860	143,662	191,575	7,059,509	7,249,299	7,429,072	5,288,544
4. Class 4.....	4,743,457	14,135	46,380	415,142	4,816,096	4,743,457	5,126,354	5,840,898
5. Class 5.....	846,378	1,990	586,318	1,212,788	887,701	846,378	1,474,838	1,307,701
6. Class 6.....	1,617,744	2,036	39,326	128,157	1,650,167	1,617,744	1,708,612	1,115,195
7. Total Bonds.....	1,477,027,949	610,548,306	565,925,774	(1,850,605)	1,431,510,032	1,477,027,949	1,519,799,876	1,369,543,308
PREFERRED STOCK								
8. Class 1.....	4,309,986			(23,581)	4,333,567	4,309,986	4,286,405	4,357,148
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	4,309,986	0	0	(23,581)	4,333,567	4,309,986	4,286,405	4,357,148
15. Total Bonds and Preferred Stock.....	1,481,337,935	610,548,306	565,925,774	(1,874,186)	1,435,843,599	1,481,337,935	1,524,086,281	1,373,900,456

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.....	40,353,540	XXX	40,349,119	19,962	19,755

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.....	526,903,998	442,519,851
3. Increase (decrease) by adjustment.....	(4,676)	23,019
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....	(10,007)	(10,480)
6. Consideration received on disposal of short-term investments.....	503,026,160	445,108,981
7. Book/adjusted carrying value, current period.....	40,353,541	16,490,386
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	40,353,541	16,490,386
10. Total nonadmitted amounts.....	3,064,610	2,724,131
11. Statement value (Lines 9 minus 10).....	37,288,931	13,766,255
12. Income collected during period.....	965,558	1,083,217
13. Income earned during period.....	1,078,360	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	82,065,224	90,107,653	9,338,006	5,740,921	163,145,831	160,440,297
2. Alaska.....AK	YES						
3. Arizona.....AZ	YES						
4. Arkansas.....AR	YES	2,822,677	4,391,891	15,159	(38,669)	11,787,433	10,754,439
5. California.....CA	YES						37,932
6. Colorado.....CO	YES						
7. Connecticut.....CT	NO						
8. Delaware.....DE	YES						
9. District of Columbia.....DC	YES	187,000					
10. Florida.....FL	YES	418,886	1,024,165	198,219	1,333,042	17,609,259	8,140,729
11. Georgia.....GA	YES	3,423,209	5,091,065	674,931	1,065,330	10,411,067	9,815,541
12. Hawaii.....HI	YES	240	404	215,709	302,669	3,320,566	3,613,728
13. Idaho.....ID	YES						
14. Illinois.....IL	YES	1,849				471,772	263,005
15. Indiana.....IN	YES	29,887,629	31,115,432	2,046,131	4,401,375	69,631,471	63,838,323
16. Iowa.....IA	YES						
17. Kansas.....KS	YES	5,026,149	6,001,533	3,646		8,389,493	6,611,123
18. Kentucky.....KY	YES				72	620,000	86,998
19. Louisiana.....LA	YES						
20. Maine.....ME	NO						
21. Maryland.....MD	YES	47,262				1,068,941	1,118,000
22. Massachusetts.....MA	YES						
23. Michigan.....MI	YES						
24. Minnesota.....MN	YES	4,000	9,757	146,496	120,316	2,017,009	1,545,824
25. Mississippi.....MS	NO		1,010			2,984,045	2,505,114
26. Missouri.....MO	YES	17,295,139	19,331,320	4,255,005	2,721,970	60,232,600	60,679,782
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	257,896	299,469			248,961	109,687
35. North Dakota.....ND	YES						
36. Ohio.....OH	YES	78,184,549	86,322,469	5,018,994	11,202,662	196,628,672	174,244,896
37. Oklahoma.....OK	YES	2,076,156	4,208,857	4,828		1,822,699	405,533
38. Oregon.....OR	YES						
39. Pennsylvania.....PA	YES			248,784	279,446	426,789	777,311
40. Rhode Island.....RI	YES						
41. South Carolina.....SC	YES						
42. South Dakota.....SD	YES		2,005	(265,206)	69,399	1,989,503	1,769,658
43. Tennessee.....TN	YES	5,690,721	5,268,133	743	62,896	13,081,540	11,223,607
44. Texas.....TX	YES	4,108,707	4,802,678	14,131	40,772	13,167,846	11,607,847
45. Utah.....UT	YES						
46. Vermont.....VT	NO						
47. Virginia.....VA	YES	11,037,030	2,780,066	38,393	41,000	4,909,997	4,412,363
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	NO						
57. Canada.....CN	NO						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....(a)	44	242,534,323	260,757,907	21,953,968	27,343,201	583,965,496	534,002,948

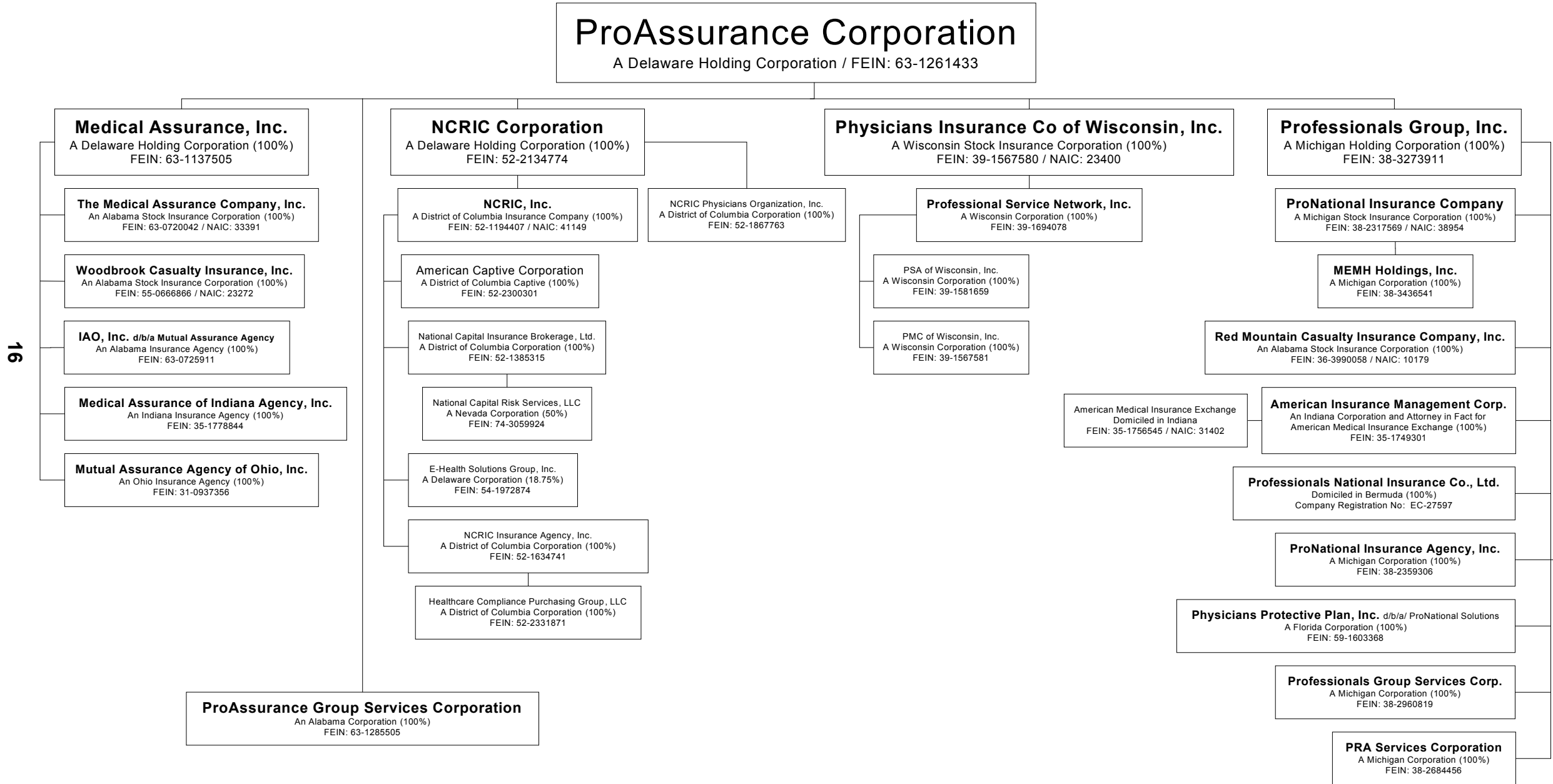
DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART



16

THE MEDICAL ASSURANCE COMPANY, INC.

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.....	1,241,030	418,904	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.....	10,628,941	3,223,478	30.3	38.6
11.2. Medical malpractice-claims made.....	231,772,754	70,290,570	30.3	38.6
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.....	1,260,722	595,214	47.2	54.8
17.1. Other liability-occurrence.....	242,895	103,412	42.6	51.1
17.2. Other liability-claims made.....	2,859,311	1,217,345	42.6	51.1
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.....	187,000		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.....	248,192,653	75,848,923	30.6	38.9

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.....	632,586	1,300,327	1,113,437
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....	4,129,847	10,627,598	10,894,941
11.2. Medical malpractice-claims made.....	77,558,709	226,685,290	244,127,981
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	522,237	1,259,381	1,170,457
17.1. Other liability-occurrence.....	94,223	218,989	357,750
17.2. Other liability-claims made.....	633,930	2,255,738	3,093,341
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.....	18,700	187,000	
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.....	83,590,232	242,534,323	260,757,907

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	40,300	5,249	45,549	275,897	1,151	151,916	428,964	(34,764)	18,763	(16,001)
2. 2004	121,291	134,832	256,123	13,485	1,940	15,425	124,099	977	115,622	240,698	16,293	(16,293)	0
3. Subtotals 2004 + Prior	472,252	274,385	746,637	53,785	7,189	60,974	399,996	2,128	267,538	669,662	(18,471)	2,470	(16,001)
4. 2005	69,000	177,979	246,979	11,275	2,304	13,579	111,647	1,374	120,379	233,400	53,922	(53,922)	0
5. Subtotals 2005 + Prior	541,252	452,364	993,616	65,060	9,493	74,553	511,643	3,502	387,917	903,062	35,451	(51,452)	(16,001)
6. 2006	XXX	XXX	XXX	XXX	6,410	6,410	XXX	47,401	120,908	168,309	XXX	XXX	XXX
7. Totals	541,252	452,364	993,616	65,060	15,903	80,963	511,643	50,903	508,825	1,071,371	35,451	(51,452)	(16,001)
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. ....6.5%	2. ....(11.4)%	3. ....(1.6)%
													Col. 13, Line 7 Line 8
													4. ....(4.9)%

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									
31359M A4 5	FANNIE MAE		04/15/2015 5.000	PROASSURANCE CORP		629,281	650,000	9,208	1
31359M G4 9	FANNIE MAE		02/27/2008 5.000	BARCLAYS CAPITAL		2,591,134	2,600,000	5,417	1
31359M J7 9	FANNIE MAE		03/20/2009 5.300	BONDS DIRECT		1,545,831	1,550,000	35,370	1
31359M L3 5	FANNIE MAE		04/13/2009 5.400	CITICORP SECURITIES		4,995,440	5,000,000	111,750	1
3136F7 FK 8	FANNIE MAE		07/14/2015 5.610	PROASSURANCE CORP		487,031	500,000	1,013	1
3133XG L5 1	FED HOME LN BANK		08/28/2008 5.500	BANK AMERICA		1,999,532	2,000,000		1
3133XG VX 9	FED HOME LN BANK		09/19/2008 5.250	BONDS DIRECT		5,000,000	5,000,000		1
3128X4 7H 8	FREDDIE MAC		05/22/2008 5.375	BONDS DIRECT		1,997,360	2,000,000	26,576	1
3128X4 TB 7	FREDDIE MAC		11/01/2010 5.000	PROASSURANCE CORP		488,641	500,000	5,972	1
3134A4 VC 5	FREDDIE MAC		07/17/2015 4.375	PROASSURANCE CORP		460,938	500,000	608	1
912810 FR 4	TSY INFL IX N/B		01/15/2025 2.375	VARIOUS		524,601	536,460	6,253	1
912827 3T 7	TSY INFL IX N/B		01/15/2008 3.625	CAPITALIZED INTEREST		16,506	16,506		1
912827 4Y 5	TSY INFL IX N/B		01/15/2009 3.875	VARIOUS		3,141,551	3,043,999	15,515	1
912827 6R 8	TSY INFL IX N/B		01/15/2011 3.500	VARIOUS		961,019	917,323	6,253	1
912828 AF 7	TSY INFL IX N/B		07/15/2012 3.000	CAPITALIZED INTEREST		19,635	19,635		1
912828 BW 9	TSY INFL IX N/B		01/15/2014 2.000	CAPITALIZED INTEREST		41,355	41,355		1
912828 CZ 1	TSY INFL IX N/B		04/15/2010 0.875	CAPITALIZED INTEREST		32,160	32,160		1
912828 EA 4	TSY INFL IX N/B		07/15/2015 1.875	VARIOUS		653,489	674,574	2,397	1
912828 ET 3	TSY INFL IX N/B		01/15/2016 2.000	VARIOUS		2,745,082	2,837,094	15,500	1
912828 FL 9	TSY INFL IX N/B		07/15/2016 2.500	VARIOUS		3,026,837	3,019,317	2,060	1
912810 FS 2	US TREASURY N/B		01/15/2026 2.000	VARIOUS		589,345	637,669	554	1
912827 4F 6	US TREASURY N/B		05/15/2008 5.625	MERRILL LYNCH		1,060,500	1,050,000	14,766	1
912828 FF 2	US TREASURY N/B		05/15/2016 5.125	MORGAN STANLEY		1,493,203	1,500,000	11,072	1
912828 FQ 8	US TREASURY N/B		08/15/2016 4.875	FIRST TENNESSEE		2,564,063	2,500,000	13,910	1
0399999	Total - Bonds - U.S. Government					37,064,534	37,126,092	284,194	XXX
Bonds - States, Territories and Possessions									
452151 C6 8	ILLINOIS ST		01/01/2020 5.000	DIRECT		2,160,360	2,000,000	11,667	1FE
575827 X4 7	MA ST-VAR-REF-SER B		01/01/2021 3.470	LEHMAN BROTHERS		1,500,000	1,500,000	3,135	1FE
1799999	Total - Bonds - States, Territories & Possessions					3,660,360	3,500,000	14,802	XXX
Bonds - Political Subdivisions of States									
167501 5Z 4	CHICAGO ILL		12/01/2023 5.000	JP MORGAN SECURITIES INC		1,891,493	1,785,000	496	1FE
172252 A2 4	CINCINNATI SD REF		12/01/2021 5.250	DIRECT		3,404,610	3,000,000		1FE
528828 MN 3	LEWISVILLE TEX INDPT S		08/15/2017 4.500	DAIN RAUSCHER		1,690,910	1,625,000	8,938	1FE
572888 EA 9	MARSHFIELD WIS UNI SCH		04/01/2026 5.000	GRIFFIN KUBIC		1,920,384	1,830,000	2,796	1FE
65820Q CU 5	NC INFRA REPAIR-A		06/01/2020 5.000	MERRILL LYNCH		1,590,480	1,500,000		1FE
65820Q DS 9	NORTH CAROLINA INFRAST		02/01/2023 5.000	BANK AMERICA		3,214,140	3,000,000		1FE
702333 2L 8	PASADENA TEX INDPT SCH		02/15/2019 4.250	DAIN RAUSCHER		798,192	790,000	4,010	1FE
2499999	Total - Bonds - Political Subdivision					14,510,209	13,530,000	16,240	XXX
Bonds - Special Revenue and Special Assessment									
041150 DE 0	ARKANSAS ST STUDENT LN		12/01/2040 3.670	DAIN BOSWORTH		1,500,000	1,500,000	12,910	1FE
08527N EA 0	BERNALILLO CNTY N M GR		04/01/2021 5.200	DAIN RAUSCHER		1,110,350	1,000,000	25,278	1FE
121342 KD 0	BURKE PCR-VAR-A-OGLET		10/01/2032 0.010	GOLDMAN SACHS		3,018,000	3,018,000		1FE
249181 L7 1	DENVER COLCO CITY & CN		11/15/2022 3.550	GOLDMAN SACHS		5,000,000	5,000,000	10,879	1FE
28148N BE 2	EDL FDG SOUTH INC TENN		09/01/2010 3.650	DAIN BOSWORTH		1,400,000	1,400,000	15,097	1FE
3128K4 QX 6	FG A44070		01/01/2036 5.000	GREENWICH CAPITAL		1,846,550	1,980,215	5,501	1
3128LX DL 1	FG G01907		11/01/2033 4.500	VARIOUS		5,486,343	6,016,218	14,167	1
3128LX FN 5	FG G01973		08/01/2035 5.000	J.P. MORGAN		1,147,873	1,197,065	1,995	1
3128LX PX 2	FG G02238		06/01/2035 4.500	CREDIT SUISSE FIRST BOSTON		9,611,996	10,405,408	16,909	1
3128LX QU 7	FG G02267		05/01/2036 6.500	DAIN RAUSCHER		1,021,001	1,003,441	2,174	1
3128LX QY 9	FG G02271		04/01/2035 4.500	CREDIT SUISSE FIRST BOSTON		2,752,856	2,983,621	3,730	1
3128M1 KY 4	FG G12211		12/01/2020 5.000	MORGAN STANLEY		1,926,271	1,981,697	4,404	1
31395P AT 9	FHR 2931 YC		10/01/2014 5.000	PROASSURANCE CORP		956,610	1,000,000	3,611	1

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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)
31391P UV 6	FN 672996 06/01/2017 5.000		07/27/2006	PROASSURANCE CORP		378,835	391,461	1,414	1
31402R SH 3	FN 735920 03/01/2020 4.500		08/03/2006	JP MORGAN SECURITIES INC		948,390	991,943	1,984	1
31407H ZH 2	FN 831544 03/01/2036 6.000		07/06/2006	HSBC SECURITIES LIMITED		1,655,604	1,686,166	3,372	1
31407H 5Y 8	FN 831663 06/01/2036 6.000		09/07/2006	J.P. MORGAN		4,984,755	4,976,202	9,952	1
31394B B3 7	FNR 2004-101 PC 05/01/2012 5.000		07/27/2006	PROASSURANCE CORP		969,334	1,000,000	3,611	1
41473E EN 7	HARRISBURG PA AUTH RES 11/01/2022 3.090		07/27/2006	PROASSURANCE CORP		1,244,363	1,250,000	9,227	1FE
467578 BV 1	JACKSON SPL OBLG-HARR 12/01/2019 5.000		08/03/2006	LEHMAN BROTHERS		1,598,175	1,500,000	1,875	1FE
57585K PG 7	MASSACHUSETTS ST HEALT 06/01/2035 3.650		08/02/2006	LEHMAN BROTHERS		2,900,000	2,900,000		1FE
586200 MS 3	MEMPHIS TENN SAN SEW S 05/01/2019 5.000		08/21/2006	DUNCAN WILLIAMS		1,553,492	1,425,000	6,927	1FE
594520 JL 3	MICHIGAN HIGHER ED STU 09/01/2033 3.670		09/07/2006	DAIN BOSWORTH		2,600,000	2,600,000	2,916	1FE
605360 ME 3	MISSISSIPPI HOSP EQUIP 05/15/2016 3.650		07/12/2006	GOLDMAN SACHS		3,950,000	3,950,000		1FE
646080 GN 5	NEW JERSEY ST HIGHER E 05/28/2038 3.700		09/07/2006	DAIN BOSWORTH		1,500,000	1,500,000	15,783	1FE
646136 FJ 5	NEW JERSEY ST TRANSN T 12/15/2020 5.250		08/21/2006	MORGAN KEEGAN & CO INC		1,900,141	1,700,000	20,577	1FE
647110 CT 0	NEW MEXICO EDL ASSISTA 04/01/2034 3.660		09/07/2006	DAIN BOSWORTH		2,450,000	2,450,000	2,769	1FE
64983M DB 1	NEW YORK ST DORM AUTH 07/01/2020 5.000		09/14/2006	DAIN BOSWORTH		2,401,575	2,255,000		1FE
646080 GT 2	NJ ST HIGHER ED ASSIST 04/01/2039 3.670		09/07/2006	DAIN BOSWORTH		1,050,000	1,050,000	11,224	1FE
67759L AD 7	OHSSTD STUDENT LN REV 09/01/2037 3.650		09/07/2006	DAIN BOSWORTH		2,500,000	2,500,000	2,783	1
684906 ET 3	ORANGE MFH ADJ-A-NORT 09/15/2036 3.550		08/22/2006	MERRILL LYNCH		1,500,000	1,500,000	1,359	1FE
88786R AS 4	TIPPECANOE CNTY IND NM 07/15/2018 4.000		09/13/2006	DAIN RAUSCHER		1,114,893	1,120,000	1,369	1FE
880443 BK 1	TN ENERGY 09/01/2018 5.250		07/13/2006	GOLDMAN SACHS		2,123,420	2,000,000		1FE
914353 UY 1	UNIV IL AUX FACS 04/01/2025 5.000		09/14/2006	OTHER		2,641,150	2,500,000		1FE
91755N UW 3	UTAH ST HSG FIN AGY FL 07/01/2031 5.390		07/27/2006	PROASSURANCE CORP		160,000	160,000	545	1FE
976904 LN 0	WI HSG-VAR-AMT-H 11/01/2033 3.570		08/23/2006	MERRILL LYNCH		1,500,000	1,500,000	3,227	1FE
98322P 2S 7	WYOMING DEV-VAR-AMT-7 06/01/2037 3.580		09/28/2006	MERRILL LYNCH		1,000,000	1,000,000	6,301	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					81,401,977	82,391,437	223,870	XXX
Bonds - Public Utilities									
165087 AP 2	CHES POT TEL VA 12/01/2012 7.625		07/27/2006	PROASSURANCE CORP		526,276	500,000	5,931	1FE
87971M AC 7	TELUS CORPORATION 06/01/2011 8.000	F	07/27/2006	PROASSURANCE CORP		271,595	250,000	3,111	2FE
3899999	Total - Bonds - Public Utilities					797,871	750,000	9,042	XXX
Bonds - Industrial and Miscellaneous									
63540# BJ 9	AARON APT LTD DVD HO 01/12/2011 7.250		09/06/2006	CITY SECURITIES CORP		3,281,018	3,136,558		1Z
004421 BK 8	ACE 2002-HE3 M3 03/25/2008 8.840		07/18/2006	DIRECT		110,013	110,013		2FE
00441R AJ 6	ACERV 2001-RV1 E 09/20/2021 8.700		08/20/2006	CAPITALIZED INTEREST		407	407		3FE
02635P TB 9	AMERICAN GENERAL FINAN 07/15/2012 4.875		07/27/2006	PROASSURANCE CORP		475,269	500,000	813	1FE
00252F AR 2	AMIT 2004-1 B2 10/25/2013 8.330		09/25/2006	CAPITALIZED INTEREST		1,391	1,391		2FE
03072S FA 8	AMSI 2003-1 MV3 11/25/2009 9.030		09/29/2006	DIRECT		103,881	103,881		2FE
031733 AQ 1	ARC 2004-1 B1 144A 06/25/2032 5.000		09/25/2006	CAPITALIZED INTEREST		18,307	18,307		3FE
997654 34 8	BANC ONE CD 09/30/2009 3.920		09/30/2006	DIRECT		50,000	50,000		1
997652 95 3	BANK ONE CD 09/22/2008 4.160		09/22/2006	DIRECT		20,000	20,000		1
05949A PF 1	BOAMS 2004-7 5A52 02/01/2016 5.250		07/27/2006	PROASSURANCE CORP		636,513	650,073	2,465	1FE
07387B AE 3	BSCMS 2005-PWR9 A2 09/01/2010 4.735		07/27/2006	PROASSURANCE CORP		483,945	500,000	1,710	1FE
12506Y BC 2	CDCMC 2003-HE1 B2 FLTR 09/25/2008 8.483		08/25/2006	CAPITALIZED INTEREST		108	108		3FE
12506Y BT 5	CDCMC 2003-HE3 B3 02/25/2010 8.831		07/25/2006	CAPITALIZED INTEREST		289	289		2FE
172850 BB 4	CITRV 1999-A B 04/15/2010 8.717		09/15/2006	CAPITALIZED INTEREST		7,240	7,240		4FE
172973 YT 0	CMSI 2004-5 1A3 10/01/2017 5.250		07/27/2006	PROASSURANCE CORP		680,709	697,570	2,645	1FE
172973 P3 7	CMSI 2005-1 2A1 02/01/2020 4.750		07/27/2006	PROASSURANCE CORP		1,579,415	1,630,784	5,595	1FE
192395 AF 8	COGENTRIX ENERGY INC 10/15/2008 8.750		07/27/2006	PROASSURANCE CORP		1,074,476	1,000,000	24,792	1FE
20047P AB 3	COMM 2005-LP5 A2 05/01/2010 4.630		09/21/2006	MORGAN STANLEY DEAN WITTER		4,905,664	5,000,000	16,076	1FE
17309N AA 9	CRMSI 2006-1 A1 07/01/2036 5.956		08/16/2006	CITIGROUP GLOBAL MARKETS		1,249,988	1,250,000	5,997	1FE
17310E AA 6	CRMSI 2006-2 A1A 09/01/2036 5.872		09/21/2006	CITIGROUP GLOBAL MARKETS		4,999,950	5,000,000	22,020	1FE
22540V HG 0	CSFB 2001-HE25 B 07/25/2009 8.630		09/25/2006	CAPITALIZED INTEREST		1,446	1,446		5FE
22540V UM 2	CSFB 2002-HE1 B 02/25/2010 8.180		09/25/2006	CAPITALIZED INTEREST		302	302		3FE

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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)
257867 AP 6	DONNELLEY (R.R.) & SON 05/15/2010 4.950		07/27/2006	PROASSURANCE CORP		481,907	500,000	4,950	1FE
29250R AC 0	ENBRIDGE ENERGY 06/01/2013 4.750		08/10/2006	BANK AMERICA		924,730	1,000,000	9,764	2FE
301965 CH 0	FFCA 2000-1 B 144A 08/01/2019 8.180		09/18/2006	CAPITALIZED INTEREST		660	660		4FE
35729P FA 3	FHLT 2004-C M8 04/25/2034 9.330		09/25/2006	CAPITALIZED INTEREST		1,133	1,133		3FE
31396C 3C 2	FHRR R003 AG 08/01/2014 5.125		07/27/2006	PROASSURANCE CORP		1,284,369	1,314,954	4,867	1
63540# BH 3	FIELD PLACE APT LD H 01/10/2011 7.250		09/13/2006	CITY SECURITIES CORP		2,150,151	2,055,482		1Z
38141G ER 1	GOLDMAN SACHS GP 10/01/2016 5.750		09/14/2006	GOLDMAN SACHS		996,580	1,000,000		1FE
36228F RC 9	GSAMP 204-HE1 B3 03/25/2011 9.330		09/25/2006	CAPITALIZED INTEREST		477	477		2FE
36242D SC 8	GSMAP 2005-HE1 B4 09/01/2009 6.000		09/25/2006	CAPITALIZED INTEREST		1,921	1,921		3FE
36228C TH 6	GSMS 2004-GG2 A6 07/01/2014 5.396		07/27/2006	PROASSURANCE CORP		729,805	750,000	2,923	1FE
36228C VU 4	GSMS 2005-GG4 A4A 05/01/2015 4.751		07/27/2006	PROASSURANCE CORP		465,035	500,000	1,716	1FE
393505 FK 3	GT 1995-1 B2 04/15/2025 9.200		09/15/2006	CAPITALIZED INTEREST		2,036	2,036		6FE
393505 SK 9	GT 1997-1 M1 02/15/2027 7.220		09/15/2006	CAPITALIZED INTEREST		374	374		5FE
393505 VY 5	GT 1997-5 M1 11/15/2022 6.950		09/15/2006	CAPITALIZED INTEREST		170	170		5FE
42307T AC 2	HEINZ (H.J.) FINANCE C 07/15/2011 6.625		07/27/2006	PROASSURANCE CORP		512,154	500,000	1,104	2FE
225458 4G 0	HEMT 2005-4 M4 01/01/2036 5.701		07/27/2006	PROASSURANCE CORP		486,665	500,000	2,059	1FE
431573 AD 6	HILLENBRAND IND 06/15/2009 4.500		07/27/2006	PROASSURANCE CORP		1,210,678	1,250,000	6,563	1FE
456606 BJ 0	INHEL 2000-C MF1 10/01/2009 8.740		09/25/2006	CAPITALIZED INTEREST		711	711		2FE
49446Q BA 8	KIMCO REALTY MTN 08/15/2011 4.820		07/27/2006	PROASSURANCE CORP		956,535	1,000,000	15,531	2FE
52519S AW 3	LABMH 2002-A B2 10/15/2011 12.580		09/18/2006	CAPITALIZED INTEREST		4,416	4,416		4FE
50180A AB 0	LBSBN 2005-2A N2 09/27/2030 7.860		09/25/2006	CAPITALIZED INTEREST		1,654	1,654		4FE
52108H MU 5	LBUBS 2002-C4 A5 09/11/2012 4.853		07/27/2006	PROASSURANCE CORP		479,064	500,000	1,078	1FE
63540# BD 2	MARYWOOD APARTMENT HOM 08/28/2010 6.350		08/28/2006	CITY SECURITIES CORP		11,419,408	11,033,856		1Z
58405U AC 6	MEDCO HEALTH SOLUTIONS 08/15/2013 7.250		08/10/2006	GOLDMAN SACHS		1,075,150	1,000,000		2FE
59018Y TA 9	MERRILL LYNCH MTN FLTR 03/02/2009 5.310		08/03/2006	SOUTHWEST SECURITIES INC		682,914	706,000	722	1FE
552845 AG 4	MGIC INVESTMENT CORP 09/15/2011 5.625		09/13/2006	LEHMAN BROTHERS		1,001,560	1,000,000		1FE
600388 AB 8	MILLER BREWING CO 08/15/2013 5.500		07/27/2006	PROASSURANCE CORP		482,109	500,000	12,375	2FE
589929 YA 0	MLMI 2002-AFC1 BF1 11/01/2013 7.920		09/25/2006	DIRECT		84,525	84,525		3FE
59001F AZ 4	MMLT 2004-1 B1 FLTR 11/25/2009 8.830		08/25/2006	CAPITALIZED INTEREST		1,458	1,458		3FE
61750C AF 4	MSC 2006-HQ9 A4 06/01/2016 5.731		08/08/2006	MORGAN STANLEY DEAN WITTER		1,508,157	1,500,000	3,821	1FE
617451 CR 8	MSC 2006-T21 A4 11/01/2015 5.162		08/07/2006	MORGAN STANLEY DEAN WITTER		1,451,543	1,500,000	1,936	1FE
61746W RT 9	MSDWC 2002-HE2 B1 FLTR 01/25/2008 7.480		08/25/2006	CAPITALIZED INTEREST		165	165		4FE
64352V GW 5	NCHET 2004-A A1I9 12/01/2029 5.470		07/27/2006	PROASSURANCE CORP		1,450,709	1,500,000	5,926	1FE
68268N AB 9	ONEOK PARTNERS 10/01/2016 6.150		09/20/2006	CITIGROUP GLOBAL MARKETS		999,910	1,000,000		2FE
76110W ZP 4	RASC 2004-KS6 A16 04/01/2022 5.390		07/27/2006	PROASSURANCE CORP		2,910,351	3,000,000	11,678	1FE
758202 AD 7	REED ELSEVIER CAPITAL 06/15/2012 4.625		07/27/2006	PROASSURANCE CORP		465,757	500,000	2,698	1FE
86358E ES 1	SAIL 2003-BC11 B FLTR 02/25/2025 8.330		09/25/2006	CAPITALIZED INTEREST		2,134	2,134		2FE
86358E FT 8	SAIL 2003-BC12 M6 FLTR 04/25/2028 8.330		09/25/2006	CAPITALIZED INTEREST		2,797	2,797		2FE
86358E GG 5	SAIL 2004-1 B 04/25/2025 6.000		09/25/2006	CAPITALIZED INTEREST		12,706	12,706		3FE
86358E XW 1	SAIL 2005-8 M7 06/25/2013 6.000		07/19/2006	LEHMAN BROTHERS		336,328	350,000	1,692	2FE
86359A CS 0	SASC 2002-HF2 B1 FLTR 06/25/2008 7.330		09/25/2006	CAPITALIZED INTEREST		4,294	4,294		3FE
86359A CT 8	SASC 2002-HF2 B2 07/25/2032 7.330		09/25/2006	CAPITALIZED INTEREST		6,699	6,699		3FE
86359A 2T 9	SASC 2003-BC3 M4 03/25/2013 8.330		09/25/2006	VARIOUS		613,793	613,793		2FE
86359D LY 1	SASC 2005-S4 B 11/01/2008 6.500		09/25/2006	CAPITALIZED INTEREST		5,893	5,893		2FE
79549A JJ 9	SBM7 2001-C2 A3 10/01/2011 6.499		07/27/2006	PROASSURANCE CORP		5,167,242	5,000,000	23,469	1FE
78442F BS 6	SLM CORP FLTR 01/31/2014 6.270		09/27/2006	SOUTHWEST SECURITIES INC		337,225	350,000	60	1FE
792860 AG 3	ST PAUL TRAVELER 08/16/2007 5.010		07/27/2006	PROASSURANCE CORP		494,419	500,000	4,940	1FE
89233P WS 1	TOYOTA MTR CRED MTN 02/05/2016 6.570		09/25/2006	SOUTHWEST SECURITIES INC		121,250	125,000	525	1FE
896047 AE 7	TRIBUNE CO 08/15/2010 4.875		07/27/2006	PROASSURANCE CORP		469,444	500,000	10,969	1FE
913017 BH 1	UNITED TECHNOLOGIES CO 05/01/2015 4.875		07/27/2006	PROASSURANCE CORP		469,122	500,000	5,823	1FE
94874R CP 9	WEINGARTEN REALTY INVS 05/15/2012 5.263		07/27/2006	PROASSURANCE CORP		972,272	1,000,000	19,298	1FE
94979F AC 0	WFMB 2003-12 A3 10/01/2018 5.000		07/27/2006	PROASSURANCE CORP		1,350,518	1,396,571	5,043	1FE
94981A AA 1	WFMB 2003-14 1A1 11/01/2018 4.750		07/27/2006	PROASSURANCE CORP		1,311,471	1,375,068	4,717	1FE

E04.2

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)
25243Y AJ 8	DIAGEO CAP PLC 09/30/2016 5.500.....	F.....	.....09/25/2006.....	GOLDMAN SACHS.....	.....	.....997,410	.....1,000,000	.....	1FE.....
75968N AA 9	RENAISSANCERE HLDGS LT 07/15/2008 7.000.....	F.....	.....07/27/2006.....	PROASSURANCE CORP.....	.....	.....1,017,181	.....1,000,000	.....2,333	2FE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....					.....67,597,470	.....67,633,316	.....250,693	.....XXX.....
6099997.	Total - Bonds - Part 3.....					.....205,032,421	.....204,930,845	.....798,841	.....XXX.....
6099999.	Total - Bonds.....					.....205,032,421	.....204,930,845	.....798,841	.....XXX.....
7499999.	Total - Bonds, Preferred and Common Stocks.....					.....205,032,421	.....XXX.....	.....798,841	.....XXX.....

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC 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.								
Bonds - U.S. Government																						
31359M SV 6	FANNIE MAE		08/11/2006	MATURITY.....		2,000,000	2,000,000	2,008,080	2,000,000						2,000,000					55,000	08/11/2006	1.....
3133XC ET 6	FED HOME LN BANK		07/26/2006	MATURITY.....		3,740,000	3,740,000	3,740,000	3,740,000						3,740,000					90,539	07/26/2006	1.....
31331Q XM 4	FFCB	2,730	09/28/2006	MATURITY.....		2,000,000	2,000,000	2,000,000	2,000,000						2,000,000					54,600	09/28/2006	1.....
36202B NJ 0	G2 1293	10,500	09/01/2006	MBS PAYDOWN.....		192	192	211	209		(16)		(16)		192					13	04/01/2019	1.....
36202D KY 6	G2 3011	7,500	09/01/2006	MBS PAYDOWN.....		476	476	487	484		(8)		(8)		476					24	01/01/2030	1.....
36224L QA 8	GN 331749	7,500	09/01/2006	MBS PAYDOWN.....		234	234	231	232		2		2		234					12	09/01/2022	1.....
36224P ML 9	GN 334363	7,500	09/01/2006	MBS PAYDOWN.....		10,321	10,321	10,467	10,418		(96)		(96)		10,321					515	09/01/2020	1.....
36224Q XR 2	GN 335588	7,500	09/01/2006	MBS PAYDOWN.....		342	342	337	339		3		3		342					17	04/01/2020	1.....
36224U SZ 6	GN 339364	7,500	09/01/2006	MBS PAYDOWN.....		192	192	190	191		2		2		192					10	09/01/2022	1.....
36206E 3N 3	GN 409505	7,000	09/01/2006	MBS PAYDOWN.....		14,450	14,450	15,328	15,309		(859)		(859)		14,450					674	11/01/2023	1.....
36208T 4W 7	GN 460837	7,000	09/01/2006	MBS PAYDOWN.....		334	334	338	337		(3)		(3)		334					15	02/01/2027	1.....
36201Q 2C 6	GN 590371	6,500	09/01/2006	MBS PAYDOWN.....		20,237	20,237	21,091	20,904		(667)		(667)		20,237					861	03/01/2032	1.....
36200K UE 5	GN 603681	5,500	09/01/2006	MBS PAYDOWN.....		6,951	6,951	7,212	7,174		(223)		(223)		6,951					236	10/01/2032	1.....
36290S QF 1	GN 616154	5,000	09/01/2006	MBS PAYDOWN.....		19,166	19,166	19,076	19,086		81		81		19,166					706	12/01/2032	1.....
36201T KE 6	GNMA PL 592593	6,000	09/01/2006	MBS PAYDOWN.....		19,386	19,386	20,262	20,214		(829)		(829)		19,386					866	05/01/2032	1.....
36213C P2 0	GNMA PL 550441	7,000	09/01/2006	MBS PAYDOWN.....		6,135	6,135	6,501	6,494		(358)		(358)		6,135					318	12/01/2030	1.....
36215N R4 8	GNMA POOL # 140107	10,500	09/01/2006	MBS PAYDOWN.....		29	29	31	30		(1)		(1)		29					2	10/01/2015	1.....
36202D LW 9	GNMA POOL # 23041	7,500	09/01/2006	MBS PAYDOWN.....		10,140	10,140	10,363	10,296		(156)		(156)		10,140					491	02/01/2030	1.....
36220S DR 4	GNMA POOL # 286412	10,000	09/01/2006	MBS PAYDOWN.....		3	3	3	3						3						02/01/2020	1.....
36200Q JM 7	GNMA POOL # 569168	GN 6,500	09/01/2006	MBS PAYDOWN.....		20,122	20,122	20,599	20,458		(336)		(336)		20,122					872	12/01/2016	1.....
36225B HE 1	GNMA POOL # 781129	7,000	09/01/2006	MBS PAYDOWN.....		612	612	590	596		16		16		612					28	03/01/2028	1.....
36215K 2A 7	GNMA POOL #137669	10,500	09/01/2006	MBS PAYDOWN.....		60	60	63	63		(2)		(2)		60					4	03/01/2014	1.....
36220W KJ 5	GNMA POOL #290197	9,500	09/01/2006	MBS PAYDOWN.....		139	139	146	145		(6)		(6)		139					9	08/01/2020	1.....
36223H 7H 1	GNMA POOL #306096	8,500	07/01/2006	MBS PAYDOWN.....		623	623	660	627		(4)		(4)		623					31	07/01/2006	1.....
36202D MT 5	GNMA POOL #3070	7,500	09/01/2006	MBS PAYDOWN.....		3,856	3,856	3,944	3,915		(59)		(59)		3,856					191	05/01/2030	1.....
36223H 4U 8	GNMA POOL #308735	8,500	09/01/2006	MBS PAYDOWN.....		1,481	1,481	1,570	1,490		(9)		(9)		1,481					79	10/01/2006	1.....
36223H 6B 8	GNMA POOL #308766	7,500	09/01/2006	MBS PAYDOWN.....		132	132	133	133		(1)		(1)		132					7	02/01/2022	1.....
36223M GH 3	GNMA POOL #311700	8,500	09/01/2006	MBS PAYDOWN.....		361	361	383	364		(2)		(2)		361					20	10/01/2006	1.....
36223N 5G 5	GNMA POOL #313247	8,500	07/01/2006	MBS PAYDOWN.....		23	23	24	23						23					1	10/01/2006	1.....
36223Q 7D 3	GNMA POOL #315092	8,500	07/01/2006	MBS PAYDOWN.....				1													07/01/2006	1.....
36224H E9 3	GNMA POOL #328760	8,500	09/01/2006	MBS PAYDOWN.....		620	620	658	627		(6)		(6)		620					35	04/01/2007	1.....
362067 VY 3	GNMA POOL #37531	10,000	09/01/2006	MBS PAYDOWN.....		67	67	71	68		(1)		(1)		67					4	03/01/2007	1.....
36205R MA 2	GNMA POOL #398253	7,500	09/01/2006	MBS PAYDOWN.....		1,547	1,547	1,562	1,558		(10)		(10)		1,547					77	04/01/2025	1.....
36206A LZ 4	GNMA POOL #405444	9,000	09/01/2006	MBS PAYDOWN.....		2,541	2,541	2,682	2,657		(117)		(117)		2,541					168	11/01/2023	1.....
36209P NT 0	GNMA POOL# 477502	6,500	09/01/2006	MBS PAYDOWN.....		52,513	52,513	53,424	53,401		(888)		(888)		52,513					2,323	01/01/2027	1.....
912810 FR 4	TSY INFL IX N/B	2,375	07/21/2006	UBS SECURITIES.....		526,737	536,460	524,601			(6)		(6)		524,595		2,142	2,142	7,698	01/15/2025	1.....	
912827 3T 7	TSY INFL IX N/B	3,625	08/22/2006	VARIOUS.....		2,489,424	2,447,336	2,516,745			(7,608)		(7,608)		2,472,112		17,313	17,313	102,584	01/15/2008	1.....	
912827 4Y 5	TSY INFL IX N/B	3,875	09/26/2006	VARIOUS.....		2,940,373	2,848,682	2,953,913			(4,166)		(4,166)		2,922,109		18,264	18,264	59,419	01/15/2009	1.....	
912828 BW 9	TSY INFL IX N/B	2,000	09/18/2006	VARIOUS.....		1,339,041	1,374,088	1,344,267			606		606		1,324,254		14,787	14,787	48,709	01/15/2014	1.....	
912828 CZ 1	TSY INFL IX N/B	0,875	09/29/2006	LEHMAN BROTHERS.....		762,767	805,695	765,569			1,963		1,963		755,315		7,452	7,452	27,006	04/15/2010	1.....	
912828 EA 4	TSY INFL IX N/B	1,875	09/29/2006	FIRST TENNESSEE.....		354,071	366,202	353,035			206		206		346,627		7,444	7,444	14,879	07/15/2015	1.....	
912828 ET 3	TSY INFL IX N/B	2,000	09/26/2006	VARIOUS.....		3,952,577	4,086,465	3,887,536			356		356		3,873,686		78,891	78,891	80,937	01/15/2016	1.....	
912828 FL 9	TSY INFL IX N/B	2,500	09/30/2006	VARIOUS.....		1,380,477	1,356,992	1,351,966			19		19		1,351,985		28,492	28,492	9,521	07/15/2016	1.....	
912810 FS 2	US TREASURY N/B	2,000	07/31/2006	LEHMAN BROTHERS.....		595,573	637,669	589,337			5		5		589,342		6,231	6,231	589	01/15/2026	1.....	
912828 BF 6	US TREASURY N/B	2,375	08/15/2006	MATURITY.....		1,050,000	1,050,000	1,046,375	1,048,862		1,138		1,138		1,050,000					24,344	08/15/2006	1.....
912828 CA 6	US TREASURY N/B	4,000	07/06/2006	DEUTSCHE BANK.....		1,389,082	1,500,000	1,395,439			1,633		1,633		1,397,072		(7,990)	(7,990)	23,536	02/15/2014	1.....	
912828 FF 2	US TREASURY N/B	5,125	07/26/2006	VARIOUS.....		2,756,406	2,750,000	2,738,906			33		33		2,738,939		17,467	17,467	25,033	05/15/2016	1.....	
0399999	Total - Bonds - U.S. Government.....					27,469,813	27,692,874	27,414,407	8,986,707		0		(10,374)		27,279,321		0	190,493	190,493	633,003	XXX	XXX

E05

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - States, Territories and Possessions																					
442331 AL 8	HOUSTON TEX		09/06/2006	BANK AMERICA		3,329,865	3,100,000	3,542,494	3,452,994		(49,328)		(49,328)		3,403,666		(73,801)	(73,801)	183,201	09/01/2010	1FE
575827 5W 6	MASSACHUSETTS ST		09/12/2006	RAYMOND JAMES		1,459,115	1,380,000	1,533,277	1,515,153		(15,068)		(15,068)		1,500,085		(40,970)	(40,970)	60,183	11/01/2011	1FE
882719 3F 2	TEXAS ST		09/12/2006	RAYMOND JAMES		1,036,570	1,000,000	1,082,390	1,059,525		(12,290)		(12,290)		1,047,235		(10,665)	(10,665)	48,972	10/01/2015	1FE
939745 PB 5	WASHINGTON ST		09/12/2006	RAYMOND JAMES		1,009,790	1,000,000	1,062,390	1,032,985		(15,366)		(15,366)		1,017,619		(7,829)	(7,829)	60,278	07/01/2012	1FE
977056 VD 9	WISCONSIN ST		09/12/2006	DUNCAN WILLIAMS		1,000,448	975,000	1,055,418	1,028,785		(10,944)		(10,944)		1,017,841		(17,393)	(17,393)	40,395	05/01/2009	1FE
1799999	Total - Bonds - States, Territories & Possessions					7,835,788	7,455,000	8,275,969	8,089,442	0	(102,996)	0	(102,996)	0	7,986,446	0	(150,658)	(150,658)	393,029	XXX	XXX
Bonds - Political Subdivisions of States																					
199491 KF 7	COLUMBUS OHIO		09/19/2006	RYAN BECK & CO		1,943,388	1,800,000	2,026,836	2,005,128		(26,080)		(26,080)		1,979,048		(35,660)	(35,660)	84,425	11/15/2010	1FE
277695 DX 7	EASTON SD-VAR-2005		07/17/2006	DAIN RAUSCHER		700,000	700,000	700,000	700,000		0		0		700,000		0	0	7,206	04/01/2021	1FE
45202B BG 0	ILLINOIS HSG DEV AUTH		09/18/2006	SINKING FUND REDEMPTION		7,605,000	7,605,000	7,605,000	7,605,000		0		0		7,605,000		0	0	402,054	07/01/2008	1FE
472736 ZD 2	JEFFERSON SD #R-1 REF		09/06/2006	HUTCHINSON SHOCKEY ERL		1,111,890	1,000,000	1,190,670	1,154,239		(20,237)		(20,237)		1,134,002		(22,112)	(22,112)	48,028	12/15/2010	1FE
494748 8K 5	KING CNTY WASH		09/12/2006	MORGAN KEEGAN & CO INC		1,036,200	1,000,000	1,110,500	1,074,330		(15,119)		(15,119)		1,059,211		(23,011)	(23,011)	39,444	12/01/2014	1FE
727199 CL 3	PLANO TEX INDPT SCH DIST		09/12/2006	DAIN RAUSCHER		361,036	340,000	385,931	374,894		(4,489)		(4,489)		370,405		(9,370)	(9,370)	19,338	02/15/2013	1FE
758449 KE 1	REEDY CREEK IMPT DIST FLA		09/12/2006	DUNCAN WILLIAMS		815,949	765,000	868,887	845,186		(9,676)		(9,676)		835,510		(19,561)	(19,561)	32,438	06/01/2016	1FE
759829 VZ 4	RENO NV CAP IMPT		09/06/2006	STONE & YOUNGBERG		2,137,108	2,120,000	2,328,862	2,184,204		(35,420)		(35,420)		2,148,785		(11,676)	(11,676)	100,111	04/01/2007	1FE
787889 PY 4	SAINT CHARLES MO SCH DIST		09/12/2006	DUNCAN WILLIAMS		608,207	605,000	636,623	613,623		(3,030)		(3,030)		610,593		(2,386)	(2,386)	31,426	03/01/2012	1FE
821022 Y4 6	SHEBOYGAN WIS		07/10/2006	CALL BY ISSUER 100.000		500,000	500,000	506,130	501,073		(1,073)		(1,073)		500,000		0	0	12,015	06/01/2008	1FE
967120 SC 1	WICHITA FALLS TEX		09/06/2006	FIRST SOUTHWEST		2,074,200	2,000,000	2,197,640	2,149,283		(27,791)		(27,791)		2,121,492		(47,292)	(47,292)	111,111	08/01/2009	1FE
2499999	Total - Bonds - Political Subdivisions					18,892,978	18,435,000	19,557,079	18,506,960	0	(142,915)	0	(142,915)	0	19,064,046	0	(171,068)	(171,068)	887,596	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
121342 KD 0	BURKE PCR-VAR-A-OGLET		09/05/2006	GOLDMAN SACHS		3,018,000	3,018,000	3,018,000			0		0		3,018,000		0	0	4,657	10/01/2032	1FE
13033K F6 1	CA HFA-VAR-SER Q		07/14/2006	LEHMAN BROTHERS		1,000,000	1,000,000	1,000,000			0		0		1,000,000		0	0	15,305	08/01/2033	1FE
186432 A7 5	CLEVELAND WTRWKS		09/12/2006	DUNCAN WILLIAMS		25,625	25,000	27,893	26,678		(497)		(497)		26,181		(556)	(556)	1,582	01/01/2008	1FE
186432 C3 2	CLEVELAND WTRWKS		09/12/2006	RAYMOND JAMES		272,380	265,000	295,668	282,782		(5,265)		(5,265)		277,517		(5,137)	(5,137)	16,772	01/01/2015	1FE
186432 YH 7	CLEVELAND WTRWKS		09/12/2006	DAIN RAUSCHER		216,241	210,000	234,303	223,098		(3,179)		(3,179)		219,919		(3,678)	(3,678)	13,291	01/01/2008	1FE
196630 4Q 7	COLORADO SPRINGS COLO UTILS REV		09/06/2006	RYAN BECK & CO		1,765,352	1,715,000	1,846,129	1,801,510		(20,221)		(20,221)		1,781,289		(15,937)	(15,937)	70,506	11/15/2008	1FE
20774W LK 5	CT HFA VAR-SUBSER B-2		07/14/2006	MERRILL LYNCH		1,000,000	1,000,000	1,000,000			0		0		1,000,000		0	0	12,797	11/15/2038	1FE
235258 HZ 6	DALLAS TEX CIVIC CTR		09/12/2006	DAIN RAUSCHER		1,032,370	1,000,000	1,112,860	1,072,524		(16,426)		(16,426)		1,056,099		(23,729)	(23,729)	54,167	08/15/2014	1FE
235416 TL 8	DALLAS TEX WTRWKS & SWR SYS REV		09/19/2006	FIRST SOUTHWEST		4,515,237	4,450,000	4,958,190	4,649,097		(81,454)		(81,454)		4,567,644		(52,407)	(52,407)	216,938	10/01/2007	1FE
246352 AB 4	DELAWARE RIV PORT AUTH		09/12/2006	DAIN RAUSCHER		253,568	250,000	266,305	255,000		(893)		(893)		254,107		(539)	(539)	16,275	01/01/2011	1FE
249301 CT 7	DENVER CO URBAN RENEWAL AUTH TA		09/01/2006	SINKING FUND REDEMPTION		75,000	75,000	75,000	75,000		0		0		75,000		0	0	4,965	09/01/2007	1FE
31371K 4K 4	FG 254726		09/01/2006	MBS PAYDOWN		31,767	31,767	32,308	32,254		(487)		(487)		31,767		0	0	1,159	08/01/2032	1
31296L UE 9	FG A12381		09/01/2006	MBS PAYDOWN		111,389	111,389	109,022	109,306		2,083		2,083		111,389		0	0	3,838	03/01/2033	1
31296L ZH 7	FG A12544		09/01/2006	MBS PAYDOWN		34,137	34,137	33,806	33,837		300		300		34,137		0	0	1,157	11/01/2032	1
31296S WL 6	FG A17851		09/01/2006	MBS PAYDOWN		28,223	28,223	28,615	28,546		(323)		(323)		28,223		0	0	997	05/01/2033	1
31297A P6 5	FG A23145		09/01/2006	MBS PAYDOWN		59,735	59,735	59,044	59,140		595		595		59,735		0	0	2,134	12/01/2033	1
31297F J5 3	FG A27484		09/01/2006	MBS PAYDOWN		37,971	37,971	39,246	39,044		(1,073)		(1,073)		37,971		0	0	1,398	05/01/2034	1
31297S ZP 3	FG A37050		09/01/2006	MBS PAYDOWN		22,267	22,267	21,995	22,004		263		263		22,267		0	0	761	06/01/2035	1
3128K4 QX 6	FG A44070		09/01/2006	MBS PAYDOWN		6,687	6,687	6,235	6,235		451		451		6,687		0	0	45	01/01/2036	1
312963 WK 3	FG B11550		09/01/2006	MBS PAYDOWN		260,212	260,212	264,238	263,878		(3,666)		(3,666)		260,212		0	0	8,913	10/01/2018	1
312967 6K 3	FG B15374		09/01/2006	MBS PAYDOWN		165,855	165,855	167,462	167,242		(1,388)		(1,388)		165,855		0	0	5,366	03/01/2019	1
31292H Q3 1	FG C01374		09/01/2006	MBS PAYDOWN		7,965	7,965	8,249	8,218		(252)		(252)		7,965		0	0	318	06/01/2031	1
31292H UP 7	FG C01490		09/01/2006	MBS PAYDOWN		56,125	56,125	56,967	56,821		(696)		(696)		56,125		0	0	2,066	04/01/2032	1
31292H YU 2	FG C01623		09/01/2006	MBS PAYDOWN		162,046	162,046	160,755	160,984		1,062		1,062		162,046		0	0	5,939	02/01/2033	1
31287P E2 5	FG C63753		09/01/2006	MBS PAYDOWN		2,017	2,017	2,088	2,083		(67)		(67)		2,017		0	0	79	12/01/2030	1
31288A X2 6	FG C72497		09/01/2006	MBS PAYDOWN		17,945	17,945	18,570	18,414		(469)		(469)		17,945		0	0	778	11/01/2030	1
31294J G9 3	FG E00224		09/01/2006	MBS PAYDOWN		26,821	26,821	25,711	26,421		400		400		26,821		0	0	1,069	04/01/2008	1

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SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
31294K FN 0	FG E01073		09/01/2006	MBS PAYDOWN		9,546	9,546	9,450	9,469		76		76		9,546			0	321	05/01/2016	1
31294K M5 1	FG E01280		09/01/2006	MBS PAYDOWN		57,647	57,647	59,502	59,161		(1,515)		(1,515)		57,647			0	1,919	06/01/2017	1
31294K WD 3	FG E01544		09/01/2006	MBS PAYDOWN		26,947	26,947	27,039	27,025		(79)		(79)		26,947			0	819	08/01/2018	1
3128GJ 2E 6	FG E82573		09/01/2006	MBS PAYDOWN		7,068	7,068	7,041	7,050		18		18		7,068			0	283	06/01/2015	1
3128GY MX 9	FG E93974		09/01/2006	MBS PAYDOWN		109,301	109,301	114,271	112,947		(3,646)		(3,646)		109,301			0	3,805	09/01/2017	1
3128H3 LP 4	FG E95734		09/01/2006	MBS PAYDOWN		55,579	55,579	57,385	57,008		(1,429)		(1,429)		55,579			0	1,897	09/01/2017	1
3128H4 XR 5	FG E96988		09/01/2006	MBS PAYDOWN		30,604	30,604	31,187	31,106		(502)		(502)		30,604			0	982	12/01/2017	1
31283H S8 9	FG G01443		09/01/2006	MBS PAYDOWN		27,895	27,895	28,867	28,639		(744)		(744)		27,895			0	1,202	08/01/2031	1
31283H S9 7	FG G01444		09/01/2006	MBS PAYDOWN		9,638	9,638	10,039	10,015		(377)		(377)		9,638			0	417	06/01/2031	1
3128LX DL 1	FG G01907		09/01/2006	MBS PAYDOWN		80,654	80,654	73,551			7,104		7,104		80,654			0	453	11/01/2033	1
3128LX MR 8	FG G02168		09/01/2006	VARIOUS		45,313	45,526	44,844			469		469		45,313			0	4,190	12/01/2035	1
3128LX PX 2	FG G02238		09/01/2006	MBS PAYDOWN		54,330	54,330	50,188			4,143		4,143		54,330			0	204	06/01/2035	1
3128LX QY 9	FG G02271		09/01/2006	MBS PAYDOWN		16,583	16,583	15,300			1,283		1,283		16,583			0	62	04/01/2035	1
3128MJ DW 7	FG G08116		09/01/2006	VARIOUS		29,834	30,159	28,969			865		865		29,834			0	4,694	12/01/2035	1
3128MJ D4 9	FG G08122		09/01/2006	VARIOUS		28,756	29,132	28,020			735		735		28,756			0	4,688	02/01/2036	1
3128M1 C3 1	FG G11990		09/01/2006	VARIOUS		19,296	19,379	19,009			287		287		19,296			0	1,922	09/01/2020	1
3128M1 DD 8	FG G12000		09/01/2006	VARIOUS		54,114	54,810	52,789			1,325		1,325		54,114			0	4,910	11/01/2020	1
3128M1 KY 4	FG G12211		09/01/2006	MBS PAYDOWN		21,922	21,922	21,309			613		613		21,922			0	91	12/01/2020	1
3128MM BN 2	FG G18044		09/01/2006	MBS PAYDOWN		120,052	120,052	119,283	119,338		714		714		120,052			0	3,536	12/01/2019	1
31282R 4E 1	FG M80821		09/01/2006	MBS PAYDOWN		59,603	59,603	61,037	60,738		(1,136)		(1,136)		59,603			0	1,813	05/01/2010	1
31282S AZ 5	FG M80924		09/01/2006	MBS PAYDOWN		487,004	487,004	491,722	490,867		(3,863)		(3,863)		487,004			0	14,467	06/01/2011	1
31287P CQ 4	FGLMC PL C63679		09/01/2006	MBS PAYDOWN		1,685	1,685	1,671	1,674		11		11		1,685			0	70	01/01/2031	1
31288C M4 0	FHLMC #C73979		09/01/2006	MBS PAYDOWN		35,446	35,446	36,371	36,169		(723)		(723)		35,446			0	1,379	06/01/2032	1
31288B LZ 4	FHLMC C73044		09/01/2006	MBS PAYDOWN		41,460	41,460	42,529	42,326		(866)		(866)		41,460			0	1,591	12/01/2031	1
31393G CN 2	FHR 2545 EY		09/01/2006	MBS PAYDOWN		200,228	200,228	198,484	198,934		1,294		1,294		200,228			0	5,920	08/01/2011	1
31393M ZZ 0	FHR 2583 ND		09/01/2006	MBS PAYDOWN		3,552	3,552	3,609	3,585		(33)		(33)		3,552			0	102	07/01/2009	1
31393N 2K 4	FHR 2583 TD		09/01/2006	MBS PAYDOWN		898	898	913	909		(11)		(11)		898			0	27	02/01/2013	1
31395A XT 7	FHR 2824 EG		09/01/2006	MBS PAYDOWN		166,912	166,912	161,905			5,007		5,007		166,912			0	1,853	10/01/2012	1
31395G FP 2	FHR 2856 TE		09/01/2006	MBS PAYDOWN		66,503	66,503	64,103			2,400		2,400		66,503			0	498	07/01/2014	1
31395J R6 5	FHR 2890 AB		09/01/2006	MBS PAYDOWN		106,851	106,851	105,048	105,247		1,604		1,604		106,851			0	2,689	06/01/2011	1
31395L KX 8	FHR 2920 LA		09/01/2006	MBS PAYDOWN		205,160	205,160	205,737	205,696		(536)		(536)		205,160			0	6,862	09/01/2014	1
31395P ZE 5	FHR 2929 BE		09/01/2006	MBS PAYDOWN		240,625	240,625	239,873	240,004		621		621		240,625			0	7,240	05/01/2010	1
31395R DL 9	FHR 2960 QN		09/01/2006	MBS PAYDOWN		276,082	276,082	276,513	276,412		(330)		(330)		276,082			0	8,309	01/01/2010	1
31395T HU 1	FHR 2964 NG		09/01/2006	MBS PAYDOWN		51,140	51,140	51,132	51,133		7		7		51,140			0	1,539	11/01/2010	1
31395T HV 9	FHR 2964 NH		09/01/2006	MBS PAYDOWN		92,052	92,052	92,426	92,373		(320)		(320)		92,052			0	2,924	11/01/2010	1
31395V RC 5	FHR 2986 GC		09/01/2006	MBS PAYDOWN		82,187	82,187	82,264	82,254		(68)		(68)		82,187			0	2,474	08/01/2010	1
31371K BL 4	FN 253943		09/01/2006	MBS PAYDOWN		6,746	6,746	6,921	6,877		(131)		(131)		6,746			0	294	01/01/2016	1
31371K U4 1	FN 254503		09/01/2006	MBS PAYDOWN		68,904	68,904	71,122	70,650		(1,746)		(1,746)		68,904			0	2,276	09/01/2009	1
31371K WK 3	FN 254550		09/01/2006	MBS PAYDOWN		11,449	11,449	11,850	11,786		(337)		(337)		11,449			0	490	02/01/2032	1
31371K 2V 2	FN 254688		09/01/2006	MBS PAYDOWN		71,264	71,264	73,992	73,306		(2,042)		(2,042)		71,264			0	2,582	10/01/2022	1
31371L CD 9	FN 254868		09/01/2006	MBS PAYDOWN		44,777	44,777	44,546	44,569		208		208		44,777			0	1,482	02/01/2033	1
31371L CE 7	FN 254869		09/01/2006	MBS PAYDOWN		24,694	24,694	24,725	24,720		(26)		(26)		24,694			0	891	02/01/2033	1
31376K FW 1	FN 357581		09/01/2006	MBS PAYDOWN		70,301	70,301	70,960	70,856		(555)		(555)		70,301			0	2,235	01/01/2019	1
31380M MS 2	FN 444169		09/01/2006	MBS PAYDOWN		206	206	204	205		1		1		206			0	8	09/01/2028	1
31380Y SL 5	FN 454223		09/01/2006	MBS PAYDOWN		2,694	2,694	2,668	2,675		19		19		2,694			0	105	06/01/2027	1
31381B V9 7	FN 456140		09/01/2006	MBS PAYDOWN		13,481	13,481	13,355	13,388		94		94		13,481			0	472	10/01/2028	1
31385J QV 3	FN 545968		09/01/2006	MBS PAYDOWN		20,563	20,563	20,948	20,896		(334)		(334)		20,563			0	753	11/01/2016	1
31385W 2S 7	FN 555285		09/01/2006	MBS PAYDOWN		15,017	15,017	15,233	15,208		(191)		(191)		15,017			0	597	08/01/2031	1
31385X FK 8	FN 555570		09/01/2006	MBS PAYDOWN		14,672	14,672	14,885	14,859		(187)		(187)		14,672			0	587	07/01/2031	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 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.							
31385X GQ 4	FN 555607		09/01/2006	MBS PAYDOWN		18,516	18,516	18,522	18,521	(5)			(5)		18,516				550	12/01/2017	1
31386S BW 6	FN 571653		09/01/2006	MBS PAYDOWN		4,341	4,341	4,314	4,323	18			18		4,341					07/01/2015	1
31391P UV 6	FN 672996		09/01/2006	MBS PAYDOWN		71,638	71,638	71,692	58,601	(38)			(38)		71,638			2,052	06/01/2017	1	
31391W 5R 8	FN 679556		09/01/2006	MBS PAYDOWN		27,850	27,850	28,459	28,332	(482)			(482)		27,850			915	12/01/2017	1	
31400F PB 7	FN 686318		09/01/2006	MBS PAYDOWN		51,644	51,644	53,225	52,887	(1,244)			(1,244)		51,644			1,718	09/01/2017	1	
31400Q TN 3	FN 694557		09/01/2006	MBS PAYDOWN		8,320	8,320	8,461	8,438	(118)			(118)		8,320			301	07/01/2032	1	
31400R CF 6	FN 694970		09/01/2006	MBS PAYDOWN		42,293	42,293	44,090	43,710	(1,417)			(1,417)		42,293			1,649	11/01/2017	1	
31400Y FU 5	FN 701379		09/01/2006	MBS PAYDOWN		14,624	14,624	14,688	14,676	(51)			(51)		14,624			446	11/01/2017	1	
31401B P6 6	FN 703445		09/01/2006	MBS PAYDOWN		177,662	177,662	180,438	180,225	(2,563)			(2,563)		177,662			5,911	12/01/2017	1	
31401H UX 8	FN 708998		09/01/2006	MBS PAYDOWN		19,837	19,837	19,666	19,688	148			148		19,837			790	01/01/2033	1	
31401W G2 9	FN 720317		09/01/2006	MBS PAYDOWN		14,022	14,022	14,336	14,289	(267)			(267)		14,022			462	01/01/2018	1	
31401X BJ 5	FN 721041		09/01/2006	MBS PAYDOWN		7,355	7,355	7,554	7,519	(164)			(164)		7,355			322	05/01/2033	1	
31402F DL 6	FN 727407		09/01/2006	MBS PAYDOWN		27,590	27,590	27,236	27,302	288			288		27,590			826	03/01/2018	1	
31402R SH 3	FN 735920		09/01/2006	MBS PAYDOWN		10,103	10,103	9,660		444			444		10,103			38	03/01/2020	1	
31403Y G6 4	FN 761721		09/01/2006	MBS PAYDOWN		13,041	13,041	12,906	12,923	118			118		13,041			427	10/01/2032	1	
31404B VC 3	FN 763911		09/01/2006	MBS PAYDOWN		78,879	78,879	79,224	79,169	(290)			(290)		78,879			2,472	09/01/2018	1	
31404N WB 8	FN 773842		09/01/2006	MBS PAYDOWN		93,220	93,220	94,560	94,297	(1,077)			(1,077)		93,220			3,506	08/01/2033	1	
31404R MD 6	FN 776256		09/01/2006	MBS PAYDOWN		3,294	3,294	3,301	3,300	(6)			(6)		3,294			123	11/01/2033	1	
31404U CL 2	FN 778675		09/01/2006	MBS PAYDOWN		28,693	28,693	28,334	28,387	306			306		28,693			774	01/01/2019	1	
31404Y KL 5	FN 782499		09/01/2006	MBS PAYDOWN		82,756	82,756	82,388	82,442	314			314		82,756			2,010	01/01/2034	1	
31405C HF 9	FN 785130		09/01/2006	MBS PAYDOWN		363,934	363,934	369,279	368,525	(4,591)			(4,591)		363,934			12,545	03/01/2019	1	
31405R 7F 7	FN 797494		09/01/2006	MBS PAYDOWN		188,236	188,236	172,265		15,971			15,971		188,236			1,580	11/01/2034	1	
31406W US 1	FN 822393		09/01/2006	MBS PAYDOWN		50,203	50,203	50,713	50,674	(471)			(471)		50,203			2,027	03/01/2035	1	
31406Y 4L 1	FN 824427		09/01/2006	MBS PAYDOWN		118,694	118,694	119,788	119,709	(1,015)			(1,015)		118,694			4,125	02/01/2035	1	
31407H ZH 2	FN 831544		09/01/2006	MBS PAYDOWN		23,293	23,293	22,871		422			422		23,293			178	03/01/2036	1	
31407Y RS 0	FN 844797		09/01/2006	MBS PAYDOWN		38,291	38,291	36,197		2,094			2,094		38,291			1,041	07/01/2035	1	
31409J PA 2	FN 872617		09/01/2006	VARIOUS		60,440	60,270	60,599		(159)			(159)		60,440			2,389	05/01/2036	1	
31409W NY 3	FN 880707		09/01/2006	MBS PAYDOWN		6,161	6,161	6,132		29			29		6,161			92	03/01/2036	1	
31379J ZZ 5	FNMA POOL #421161		09/01/2006	MBS PAYDOWN		5,920	5,920	5,947	5,936	(16)			(16)		5,920			230	08/01/2012	1	
31379Q 2H 2	FNMA #426576		09/01/2006	MBS PAYDOWN		4,289	4,289	4,266	4,273	16			16		4,289			186	12/01/2026	1	
31388P XQ 9	FNMA #610987		09/01/2006	MBS PAYDOWN		88,713	88,713	89,094	88,981	(269)			(269)		88,713			3,414	03/01/2016	1	
31390L RG 3	FNMA #649487		09/01/2006	MBS PAYDOWN		2,862	2,862	2,965	2,939	(77)			(77)		2,862			124	04/01/2032	1	
31389V SD 0	FNMA PL # F636916		09/01/2006	MBS PAYDOWN		23,894	23,894	24,521	24,320	(426)			(426)		23,894			999	11/01/2016	1	
31371K R3 7	FNMA PL 254406		09/01/2006	MBS PAYDOWN		21,434	21,434	21,980	21,812	(378)			(378)		21,434			917	11/01/2031	1	
31387N 2W 6	FNMA PL 589489		09/01/2006	MBS PAYDOWN		57,706	57,706	58,572	58,279	(573)			(573)		57,706			2,541	11/01/2015	1	
31389N 4X 0	FNMA PL# 630938		09/01/2006	MBS PAYDOWN		68,460	68,460	67,764	67,956	503			503		68,460			2,477	08/01/2016	1	
31389P MP 2	FNMA PL# 631366		09/01/2006	MBS PAYDOWN		770	770	790	784	(14)			(14)		770			33	07/01/2016	1	
31400Y ET 9	FNMA PL#701346		09/01/2006	MBS PAYDOWN		25,818	25,818	26,641	26,447	(629)			(629)		25,818			908	05/01/2032	1	
31359U ZR 9	FNMA REMIC 98-W8 A6		09/01/2006	MBS PAYDOWN		33,227	33,227	33,227	33,227	.0			.0		33,227			1,311	06/01/2013	1	
31379R VS 4	FNMA#427325		09/01/2006	MBS PAYDOWN		8,586	8,586	8,626	8,609	(23)			(23)		8,586			372	05/01/2012	1	
31379T TE 4	FNMA#429049		09/01/2006	MBS PAYDOWN		5,611	5,611	5,638	5,627	(15)			(15)		5,611			243	11/01/2012	1	
31392F 5Y 9	FNR 2002-77 CG		09/01/2006	MBS PAYDOWN		21,560	21,560	21,793	21,702	(141)			(141)		21,560			573	05/01/2010	1	
31392H SC 8	FNR 2003-4 PG		09/01/2006	MBS PAYDOWN		228,859	228,859	236,011	230,816	(1,957)			(1,957)		228,859			6,805	12/01/2006	1	
31393B 2U 8	FNR 2003-60 NA		09/01/2006	MBS PAYDOWN		76,765	76,765	74,894	75,037	1,728			1,728		76,765			2,041	09/01/2013	1	
31393Y 3A 1	FNR 2004-55 LA		09/01/2006	MBS PAYDOWN		153,407	153,407	147,942		5,465			5,465		153,407			2,206	08/01/2014	1	
31394A S2 3	FNR 2004-74 BA		09/01/2006	MBS PAYDOWN		176,442	176,442	175,642	175,749	693			693		176,442			5,335	11/01/2015	1	
31394C 7A 4	FNR 2005-30 BC		09/01/2006	MBS PAYDOWN		143,317	143,317	143,765	143,732	(415)			(415)		143,317			4,746	10/01/2017	1	
31394C N3 2	FNR 2005-33 VA		09/01/2006	MBS PAYDOWN		27,616	27,616	27,862	27,843	(227)			(227)		27,616			921	03/01/2016	1	

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	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)
05949A PF 1	BOAMS 2004-7 5A52	5.250	09/01/2006	MBS PAYDOWN		62,646	62,646	62,131	49,843		393		393		62,646			0	1,793	02/01/2016	1FE
05949A PN 4	BOAMS 2004-7 6A1	4.500	09/01/2006	MBS PAYDOWN		53,013	53,013	52,623	52,646		367		367		53,013			0	1,512	07/01/2019	1FE
110122 AM 0	BRISTOL-MYER SQB FLTR	4.829	08/09/2006	UBS SECURITIES		250,313	250,000	250,000	250,000				0		250,000		313	313	7,324	09/15/2023	1FE
07384Y CU 8	BSABS 2002-1 1A5	6.390	09/01/2006	MBS PAYDOWN		1,491	1,491	1,562	1,505		(14)		(14)		1,491			0	71	03/01/2016	1FE
12189F AF 9	BURLINGTON/SANTA	7.570	07/02/2006	SINKING FUND REDEMPTION		1,510	1,510	1,699	1,672		(162)		(162)		1,510			0	114	01/02/2021	1FE
144418 AN 0	CARRAMERICA REALTY CORP	3.6	07/13/2006	TENDER OFFER		970,000	1,000,000	972,310	979,777		3,131		3,131		982,908		(12,908)	(12,908)	58,396	04/01/2009	2FE
14912L X6 3	CATERPILLAR FIN SERV CRP	2.590	07/15/2006	MATURITY		2,000,000	2,000,000	2,000,000	2,000,000				0		2,000,000			0	51,800	07/15/2006	1FE
12506Y BC 2	CDCMC 2003-HE1 B2 FLTR	8.483	09/25/2006	MBS PAYDOWN		2,494	2,494	2,494	2,494				0		2,494			0	187	09/25/2008	3FE
12506Y BT 5	CDCMC 2003-HE3 B3	8.831	09/25/2006	MBS PAYDOWN		247,728	247,728	247,728	247,728				0		247,728			0	8,318	02/25/2010	2FE
151313 AL 7	CENDANT CORP	6.875	08/15/2006	MATURITY		500,000	500,000	492,500	498,826		1,174		1,174		500,000			0	34,375	08/15/2006	2FE
161551 FS 0	CFAB 2002-2 1A5	5.833	09/01/2006	MBS PAYDOWN		364,267	364,267	379,919	372,720		(8,454)		(8,454)		364,267			0	13,923	02/01/2020	1FE
16162W NE 5	CHASE 2005-S3 A4	5.500	09/01/2006	MBS PAYDOWN		118,619	118,619	118,322	118,323		296		296		118,619			0	4,332	10/01/2009	1FE
12669F J8 7	CHWL 2004-13 2A1	5.000	09/01/2006	MBS PAYDOWN		245,334	245,334	245,219	245,241		93		93		245,334			0	8,154	12/01/2012	1FE
172850 BB 4	CITRV 1999-A B	8.717	09/30/2006	REDUCTION IN BASIS ADJUS									0					0		04/15/2010	4FE
172973 YT 0	CMSI 2004-5 1A3	5.250	09/01/2006	MBS PAYDOWN		61,776	61,776	61,372	48,767		377		377		61,776			0	1,752	10/01/2017	1FE
172973 P3 7	CMSI 2005-1 2A1	4.750	09/01/2006	MBS PAYDOWN		81,765	81,765	80,143	55,467		1,541		1,541		81,765			0	1,940	02/01/2020	1FE
20033T AF 2	COMED 1998-1 A6	5.630	09/25/2006	MBS PAYDOWN		165,760	165,760	183,016	170,818		(5,058)		(5,058)		165,760			0	6,999	06/25/2007	1FE
14040K BX 5	COMT 2001-5 A	5.300	08/15/2006	MBS PAYDOWN		4,000,000	4,000,000	4,193,750	4,061,619		(61,619)		(61,619)		4,000,000			0	141,333	08/15/2006	1FE
21075W FZ 3	CONHE 1997-4 A7	6.630	09/01/2006	MBS PAYDOWN		1,833	1,833	1,870	1,833				0		1,833			0	81	12/01/2009	1FE
22237L LQ 3	COUNTRYWIDE HOME LOAN	5.50	08/01/2006	MATURITY		1,000,000	1,000,000	1,064,500	1,013,302		(13,302)		(13,302)		1,000,000			0	55,000	08/01/2006	1FE
17309N AA 9	CRMSI 2006-1 A1	5.956	09/01/2006	MBS PAYDOWN		21,658	21,658	21,658	21,658				0		21,658			0	108	07/01/2036	1FE
22540A ES 3	CSFB 1997-C2 A3	6.550	09/11/2006	MBS PAYDOWN		127,705	127,705	132,464	131,305		(3,600)		(3,600)		127,705			0	5,400	11/11/2007	1FE
22540V EH 1	CSFB 2001-CKN5 A3	5.107	09/01/2006	MBS PAYDOWN		36,723	36,723	38,858	37,962		(1,239)		(1,239)		36,723			0	1,168	10/01/2009	1FE
22541N UH 0	CSFB 2002-CP5 A1	4.106	09/01/2006	MBS PAYDOWN		28,304	28,304	27,318	27,318		986		986		28,304			0	383	05/01/2012	1FE
22540V UM 2	CSFB 2002-HE1 B	8.180	08/29/2006	MBS PAYDOWN		4,178	4,178	4,178	4,178				0		4,178			0	296	02/25/2010	3FE
22541S HS 0	CSFB 2004-C2 A1	3.819	09/01/2006	MBS PAYDOWN		40,667	40,667	39,040	39,312		1,355		1,355		40,667			0	1,031	12/01/2013	1FE
225458 PD 4	CSFB 2005-AGE1 B3 FLTR	8.830	09/25/2006	MBS PAYDOWN		265	265	265	265				0		265			0	16	06/25/2012	2FE
25179M AF 0	DEVON ENERGY	2.750	08/01/2006	MATURITY		1,850,000	1,850,000	1,849,168	1,849,832		168		168		1,850,000			0	50,875	08/01/2006	2FE
23322B FZ 6	DLJCM 99-CG3 A1A	7.120	09/01/2006	MBS PAYDOWN		12,900	12,900	13,940	13,387		(486)		(486)		12,900			0	586	10/01/2008	1FE
257867 AP 6	DONNELLEY (R.R.) & SONS	4.950	08/10/2006	SALOMON SMITH BARNEY HI		471,955	500,000	481,907			203		203		482,110		(10,155)	(10,155)	6,188	05/15/2010	1FE
31846L BT 2	FAMLT 1998-1F NOTE	6.610	09/01/2006	MBS PAYDOWN		285	285	289	285				0		285			0	13	10/01/2018	1FE
35729P FA 3	FHLT 2004-C M8	9.330	07/25/2006	MBS PAYDOWN		1,232	1,232	1,232	1,232				0		1,232			0	57	04/25/2034	3FE
31396C 3C 2	FHRR R003 AG	5.125	09/01/2006	MBS PAYDOWN		84,150	84,150	83,080	42,108		1,067		1,067		84,150			0	1,720	08/01/2014	1
32054Y AC 7	FIB 2000-1 A FLTR	5.800	09/15/2006	MBS PAYDOWN		21,527	21,527	21,527					0		21,527			0	1,126	10/15/2018	5FE
34527R JX 2	FORDO 2003-B A4	2.410	08/15/2006	MBS PAYDOWN		1,209,758	1,209,758	1,209,693	1,209,750		8		8		1,209,758			0	18,955	12/15/2006	1FE
302570 AK 2	FPL GROUP CAPITAL INC.	7.625	09/15/2006	MATURITY		3,200,000	3,200,000	3,465,668	3,295,755		(95,755)		(95,755)		3,200,000			0	244,000	09/15/2006	1FE
337367 AB 2	FULBA 1998-C2 A2	6.560	09/01/2006	MBS PAYDOWN		113,085	113,085	123,638	93,072		(4,554)		(4,554)		113,085			0	4,581	11/01/2008	1FE
337378 AA 1	FUNBC 1999-C4 A1	7.184	09/01/2006	MBS PAYDOWN		13,507	13,507	14,389	13,889		(382)		(382)		13,507			0	645	09/01/2007	1FE
33736X AA 7	FUNBC 2000-C1 A1	7.739	09/01/2006	MBS PAYDOWN		29,544	29,544	33,138	31,441		(1,897)		(1,897)		29,544			0	1,510	12/01/2008	1FE
36962G EA 4	GENERAL ELEC CAP CORP	2.750	09/25/2006	MATURITY		1,000,000	1,000,000	998,780	999,695		305		305		1,000,000			0	27,500	09/25/2006	1FE
361849 DY 5	GMACC 1998-C2 A2	6.420	09/01/2006	MBS PAYDOWN		92,852	92,852	103,802	97,232		(4,380)		(4,380)		92,852			0	4,285	07/01/2008	1FE
361849 FT 4	GMACC 1999-C2 CL A1	6.570	08/01/2006	MBS PAYDOWN		5,452	5,452	5,734	5,533		(81)		(81)		5,452			0	216	02/01/2007	1FE
393505 UW 0	GT 1997-4 M1	7.220	09/15/2006	MBS PAYDOWN		3,161	3,161	3,161	3,161				0		3,161			0	170	02/15/2023	4FE
393505 YB 2	GT 1997-8 B1	7.170	09/15/2006	MBS PAYDOWN		32,918	32,918	32,918	29,049		3,869		3,869		32,918			0	2,860	08/15/2009	6FE
393505 T5 1	GT 1999-1 M1	9.779	07/13/2006	VARIOUS		194,906	147,480	147,480	147,480				0		147,480		47,427	47,427	9,087	11/01/2022	5FE
393505 W4 0	GT 1999-2 M1	6.800	07/13/2006	VARIOUS		540,316	410,749	410,749	410,749				0		410,749		129,567	129,567	26,660	01/01/2022	5FE
43812G AD 4	HAROT 2003-3 A4	2.770	09/20/2006	MBS PAYDOWN		358,056	358,056	360,028	358,701		(644)		(644)		358,056			0	6,590	02/21/2008	1FE
43812H AD 2	HAROT 2003-4 A4	2.790	09/15/2006	MBS PAYDOWN		169,520	169,520	168,719	169,249		271		271		169,520			0	3,144	05/15/2008	1FE
437084 HL 3	HEAT 2005-1 A3	5.570	09/25/2006	MBS PAYDOWN		645,400	645,400	646,434			(1,034)		(1,034)		645,400			0	14,962	02/25/2016	1FE

E05.5

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)
42307T AC 2	HEINZ (H.J.) FINANCE CO		08/10/2006	LEHMAN BROTHERS		517,070	500,000	512,154					(106)		512,048		5,022	5,022	2,760	07/15/2011	2FE
40430G AJ 9	HFCHC 2005-3 M1		09/20/2006	MBS PAYDOWN		140,517	140,517	140,517	140,517						140,517				5,014	09/20/2013	1FE
45254T MV 3	IMSA 2003-2 A4		09/01/2006	MBS PAYDOWN		116,057	116,057	108,903	108,907		7,150		7,150		116,057				2,708	07/01/2032	1FE
456606 BJ 0	INHEL 2000-C MF1		07/25/2006	MBS PAYDOWN		3,353	3,353	3,353							3,353					10/01/2009	2FE
456606 DE 9	INHEL 2001-C B		09/25/2006	MBS PAYDOWN		20,359	20,359	20,359	20,359						20,359				1,506	03/25/2008	4FE
47214T AA 7	JCPL 2002-A A1		09/05/2006	MBS PAYDOWN		49,367	49,367	51,944	50,468		(1,101)		(1,101)		49,367				1,551	12/05/2007	1FE
46625M PL 7	JPMCC 2002-C2 A1		09/01/2006	MBS PAYDOWN		15,303	15,303	14,831			472		472		15,303				218	11/01/2011	1FE
46625M WW 5	JPMCC 2003-CB6 A1		09/01/2006	MBS PAYDOWN		36,350	36,350	36,506	36,488		(139)		(139)		36,350				1,060	12/01/2012	1FE
52519S AW 3	LABMH 2002-A B2		08/15/2006	MBS PAYDOWN		84	84	84	81	3			3		84				6	10/15/2011	4FE
52108H FK 5	LBUBS 2001-C3 A1		09/11/2006	MBS PAYDOWN		211,298	211,298	217,488	217,077		(5,779)		(5,779)		211,298				8,451	12/11/2010	1FE
52108H GS 8	LBUBS 2005-C5 A1		09/11/2006	MBS PAYDOWN		153,852	153,852	154,617	154,561		(709)		(709)		153,852				4,840	03/11/2010	1FE
86359D MU 8	LXS 2005-2 2A1A		09/25/2006	MBS PAYDOWN		703,316	703,316	703,563			(247)		(247)		703,316				15,486	05/25/2007	1FE
589962 CV 9	MESC 13 M1		09/29/2006	MBS PAYDOWN		254	254	254	254						254					08/01/2015	6FE
59001F AZ 4	MMLT 2004-1 B1 FLTR		09/25/2006	MBS PAYDOWN		122,612	122,612	122,612	122,612						122,612				11,063	11/25/2009	3FE
61745M FG 3	MSC 1998-HF1 A2		09/01/2006	MBS PAYDOWN		246,901	246,901	276,387	257,907		(11,006)		(11,006)		246,901				13,244	01/01/2008	1FE
61745M ES 8	MSC 1998-WF1 A2		09/01/2006	MBS PAYDOWN		258,434	258,434	287,827	269,787		(11,353)		(11,353)		258,434				15,235	12/01/2007	1FE
61746W RT 9	MSDWC 2002-HE2 B1 FLTR		09/25/2006	MBS PAYDOWN		2,089	2,089	2,089							2,089				155	01/25/2008	4FE
62621D AA 8	MUNI CORRECTIONS FINANCE		08/01/2006	SINKING FUND REDEMPTION		24,569	24,569	24,569	24,569						24,569				2,082	08/01/2016	2FE
655356 JE 4	NASC 1998-D6 A1A		09/11/2006	MBS PAYDOWN		125,266	125,266	134,798	128,579		(3,313)		(3,313)		125,266				5,223	07/11/2007	1FE
634902 JB 7	NATIONAL CITY BANK		08/24/2006	SINKING FUND REDEMPTION		227,273	227,273	226,605	226,842		430		430		227,273				6,136	08/24/2009	1FE
64109Y AA 9	NLFLP 05-1A		09/27/2006	MBS PAYDOWN		1,070,369	1,070,369	1,070,369	1,070,369						1,070,369				27,129	10/27/2009	1FE
671350 AE 6	OAKHILL SEC FUND II		08/02/2006	CALL BY ISSUER 100.000		1,300,000	1,300,000	1,300,000	1,300,000						1,300,000				58,624	10/15/2006	2FE
68619A AG 2	ORGN 2001-A M1		09/15/2006	MBS PAYDOWN		1,651	1,651	1,651	1,534	117			117		1,651				119	03/15/2016	6FE
705220 AF 8	PECO 1999-A A6		09/01/2006	MBS PAYDOWN		452,995	452,995	505,107	465,773		(12,778)		(12,778)		452,995				27,406	03/01/2007	1FE
693476 AR 4	PNC FUNDING CORP		08/01/2006	MATURITY		3,375,000	3,375,000	3,467,306	3,388,128		(13,128)		(13,128)		3,375,000				194,063	08/01/2006	1FE
76126C KG 6	RACERS-01-29-E 144A		09/29/2006	SINKING FUND REDEMPTION		6,563	6,563	6,563	6,473	90			90		6,563				576	03/24/2011	5FE
76110H DB 2	RALI 2003-QS10 A13		09/01/2006	MBS PAYDOWN		102,246	102,246	100,041	100,506		1,741		1,741		102,246				2,834	01/01/2023	1FE
760985 A3 5	RAMP 2003-RS9 A15		09/01/2006	MBS PAYDOWN		1,937,558	1,937,558	1,937,249	1,937,465		93		93		1,937,558				65,484	09/01/2007	1FE
76110W HL 3	RASC 1999-KS4 A14		08/01/2006	MBS PAYDOWN		90,852	90,852	94,902	92,347		(1,494)		(1,494)		90,852				4,347	08/01/2011	1FE
76111X ZR 7	RFMSI 2005-S7 A1		09/01/2006	MBS PAYDOWN		122,125	122,125	120,808	120,826		1,299		1,299		122,125				4,440	04/01/2010	1FE
86358E XW 1	SAIL 2005-8 M7		07/19/2006	GOLDMAN SACHS		336,766	350,000	336,328						336,328			438	438	1,692	06/25/2013	2FE
86358R L7 0	SASC 2002-HF1 B FLTR		09/25/2006	MBS PAYDOWN		20,687	20,687	20,687	20,476	212			212		20,687				2,284	12/25/2025	4FE
86359A 2T 9	SASC 2003-BC3 M4		08/25/2006	MBS PAYDOWN		4,243	4,243	4,243						4,243					4	03/25/2013	2FE
86359D LX 3	SASC 2005-S4 A		09/01/2006	MBS PAYDOWN		263,817	263,817	260,437	260,879		2,939		2,939		263,817				7,866	09/01/2008	1FE
79549A JH 3	SBM7 2001-C2 A2		09/01/2006	MBS PAYDOWN		25,092	25,092	27,272	26,085		(993)		(993)		25,092				1,046	02/01/2010	1FE
60935B DZ 9	TMSHE 1998-B AF9		09/01/2006	MBS PAYDOWN		10,688	10,688	11,116	10,802		(113)		(113)		10,688				451	06/01/2014	1FE
896047 AE 7	TRIBUNE CO		08/10/2006	BANK AMERICA		471,900	500,000	469,444			297		297		469,741		2,159	2,159	12,188	08/15/2010	1FE
87302* AA 0	TSV L P 144A		07/20/2006	SINKING FUND REDEMPTION		105,000	105,000	109,995	108,986		(3,986)		(3,986)		105,000				6,300	07/09/2013	1FE
902911 AM 8	UST INC		08/10/2006	GOLDMAN SACHS		520,555	500,000	518,490	513,399		(1,061)		(1,061)		512,338		8,217	8,217	35,885	07/15/2012	1FE
92866X AD 9	VALET 2003-1 A4		09/20/2006	MBS PAYDOWN		1,076,939	1,076,939	1,058,934	1,069,979		6,960		6,960		1,076,939				13,707	09/20/2007	1FE
94356# AA 7	WAVELAND NCP ALABAMA CAPCO NOT		08/15/2006	SINKING FUND REDEMPTION		117,931	117,931	117,931	117,931						117,931				7,577	03/01/2014	1FE
94356* AA 1	WAVELAND NCP TEXAS VENTURES		08/02/2006	SINKING FUND REDEMPTION		24,392	24,392	24,392	24,392						24,392				2,242	08/01/2011	1FE
949762 AA 6	WFMB 2003-10 A1		09/01/2006	MBS PAYDOWN		38,516	38,516	37,649	37,930		586		586		38,516				1,128	08/01/2018	1FE
94979F AC 0	WFMB 2003-12 A3		09/01/2006	MBS PAYDOWN		120,559	120,559	119,127	86,247		1,418		1,418		120,559				3,281	10/01/2018	1FE
94981A AA 1	WFMB 2003-14 1A1		09/01/2006	MBS PAYDOWN		110,135	110,135	108,369	77,083		1,741		1,741		110,135				2,857	11/01/2018	1FE
94982E AA 2	WFMB 2005-1 1A1		09/01/2006	MBS PAYDOWN		44,623	44,623	44,623	44,623		(3)		(3)		44,623				1,436	01/01/2020	1FE
007924 AD 5	AEGON NV		08/15/2006	MATURITY		250,000	250,000	282,195	257,803		(7,803)		(7,803)		250,000				20,000	08/15/2006	1FE
28655V CB 4	ELI LILLY SERVICES INC		09/12/2006	CALL BY ISSUER 100.000		2,166,000	2,166,000	2,165,653	2,165,677		78		78		2,165,755		245	245	81,464	09/12/2008	1FE

E05.6

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 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	10 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.							
4599999.	Total - Bonds - Industrial & Miscellaneous.....				37,704,444	37,588,892	38,334,831	34,077,084	4,389	(240,598)	0	(236,209)	0	37,534,120	0	170,325	170,325	1,517,339	XXX	XXX
6099997.	Total - Bonds - Part 4.....				164,826,017	162,820,114	169,028,576	115,790,128	4,389	(980,936)	0	(976,547)	0	165,306,369	0	(480,350)	(480,350)	5,700,982	XXX	XXX
6099999.	Total - Bonds.....				164,826,017	162,820,114	169,028,576	115,790,128	4,389	(980,936)	0	(976,547)	0	165,306,369	0	(480,350)	(480,350)	5,700,982	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks.....				164,826,017	XXX	169,028,576	115,790,128	4,389	(980,936)	0	(976,547)	0	165,306,369	0	(480,350)	(480,350)	5,700,982	XXX	XXX

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

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

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

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

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

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.....	.....	.....	.....	.....2,070,810	.....792,980	.....772,146	XXX
BANK ONE.....	BATON ROUGE, LA.....	.....	.....	.....	.....70,000	.....70,000	.....70,000	XXX
FEDERAL HOME LOAN BANK.....	ATLANTA, GA.....	.....	.....	.....	.....41,217	.....86,614	.....86,948	XXX
WACHOVIA BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....(8,523,938)	.....(5,953,703)	.....(6,390,434)	XXX
VOYAGER BANK.....	EDEN PRAIRIE, MN.....	.....	.....	.....	.....19,080	.....6,084	.....6,167	XXX
US BANK.....	BIRMINGHAM, AL.....	.....	.....	.....	.....4,865	.....(54,889)	.....(2,269)	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....(6,317,966)	.....(5,052,914)	.....(5,457,442)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	.....(6,317,966)	.....(5,052,914)	.....(5,457,442)	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	.....(6,314,858)	.....(5,049,807)	.....(5,454,335)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1			2	3	4	5	6	7	8	9
CUSIP Identification			Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
Cash Equivalents										
27873K	K2	7	EBURY FINANCE LLC		09/29/2006	5.502	10/02/2006	2,003,694		612
2947P3	K6	2	ERASMUS CAP CORP		09/28/2006	5.306	10/06/2006	1,225,098		541
30256P	K6	8	FPL FUELS INC		09/15/2006	5.266	10/06/2006	2,498,177		5,833
50285M	K2	7	LA FAYETTE ASSET		09/27/2006	5.303	10/02/2006	920,864		542
61777M	K3	7	MORRIGAN TRR FDG		09/25/2006	5.296	10/03/2006	3,884,858		3,426
89233H	KC	7	TOYOTA MOTOR CREDIT CORP		09/12/2006	5.262	10/12/2006	1,198,079		3,319
90262D	K6	1	UBS FINANCE DELEWARE LLC		09/06/2006	5.278	10/06/2006	2,098,467		7,664
31410M	JY	7	FNMA CL 29 YR PL # 891379	RA	09/29/2006	5.100	10/02/2006	8,782,000		236,677
0199999.			Totals					22,611,237	0	258,614