

QUARTERLY STATEMENT

OF THE

of _____
in the state of _____

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

March 31, 2008

PROPERTY AND CASUALTY

2008



24017200820100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2008
OF THE CONDITION AND AFFAIRS OF THE
The Beacon Mutual Insurance Company

NAIC Group Code 3490 (Current Period) 3490 (Prior Period) NAIC Company Code 24017 Employer's ID Number 05-0458697

Organized under the Laws of Rhode Island State of Domicile or Port of Entry Rhode Island

Country of Domicile US

Incorporated/Organized: July 11, 1990 Commenced Business: August 12, 1992

Statutory Home Office: One Beacon Centre, Warwick, RI 02886-1378

Main Administrative Office: One Beacon Centre, Warwick, RI 02886-1378

401-825-2667 (Telephone Number)

Mail Address: One Beacon Centre, Warwick, RI 02886-1378

Primary Location of Books and Records: One Beacon Centre, Warwick, RI 02886-1378

Internet Website Address: www.beaconmutual.com

Statutory Statement Contact: Ann Lazzareschi, 401-825-2621

OFFICERS

Table with 2 columns: Name, Title. Rows include James Vincent Rosati (President & CEO), Michael Dennis Lynch (Assistant Secretary), Cynthia Lee Lawlor (Chief Financial Officer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Rows include Clifford Leo Parent Jr. (Executive Vice President & COO), Patrick Michael Fletcher (Vice President), Brian Joseph Spero # (Vice President), Robert Glenn DeOrsey (Vice President), Michael Dennis Lynch (Vice President).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include Margaret Mary Antone (Harry Robert Bacon), Sandra Marie Powell # (James Vincent Rosati), John Francis Treanor (Raymond Christopher Coia), Richard James DeRienzo (Michael John Ruggieri), Carol Elaine Saccucci.

State of Rhode Island
County of Kent ss

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) James Vincent Rosati (Printed Name) 1. President & CEO (Title)
(Signature) Michael Dennis Lynch (Printed Name) 2. Assistant Secretary (Title)
(Signature) Cynthia Lee Lawlor (Printed Name) 3. Chief Financial Officer (Title)

Subscribed and sworn to before me this day of , 2008

a. Is this an original filing? [X] Yes [] 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	290,645,806	0	290,645,806	324,741,362
2. Stocks:				
2.1 Preferred stocks	17,719,466	0	17,719,466	17,911,787
2.2 Common stocks	45,051,946	0	45,051,946	48,308,413
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	14,148,794	0	14,148,794	14,240,834
4.2 Properties held for the production of income (less \$ encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ encumbrances)	0	0	0	0
5. Cash (\$ (4,319,572)), cash equivalents (\$), and short-term investments (\$ 96,557,679)	92,238,107	0	92,238,107	32,021,649
6. Contract loans (including \$ premium notes)	0	0	0	0
7. Other invested assets	470,093	0	470,093	470,156
8. Receivables for securities	2,675,928	0	2,675,928	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	462,950,140	0	462,950,140	437,694,201
11. Title plants less \$ charged off (for Title insurers only)	0	0	0	0
12. Investment income due and accrued	2,912,169	0	2,912,169	4,043,029
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	3,196,191	811,156	2,385,035	4,282,650
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 3,300,000 earned but unbilled premiums)	36,570,365	337,036	36,233,329	32,469,995
13.3 Accrued retrospective premiums	503,262	503,262	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	515,008	0	515,008	164,499
14.2 Funds held by or deposited with reinsured companies	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
16.2 Net deferred tax asset	0	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0	0
18. Electronic data processing equipment and software	446,798	89,411	357,387	394,053
19. Furniture and equipment, including health care delivery assets (\$)	155,976	155,976	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates	246,517	0	246,517	134,098
22. Health care (\$) and other amounts receivable	0	0	0	0
23. Aggregate write-ins for other than invested assets	3,720,106	2,654,209	1,065,897	1,139,967
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	511,216,532	4,551,050	506,665,482	480,322,492
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
26. Total (Lines 24 and 25)	511,216,532	4,551,050	506,665,482	480,322,492

DETAILS OF WRITE-IN LINES				
0901.	0	0	0	0
0902.	0	0	0	0
0903.	0	0	0	0
0998. Summary of remaining write-ins for Line 09 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	0	0	0	0
2301. Prepaid Expenses	2,043,531	2,043,531	0	0
2302. Rabbi Trust Account	1,065,897	0	1,065,897	1,139,967
2303. Miscellaneous Receivables	610,678	610,678	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	3,720,106	2,654,209	1,065,897	1,139,967

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 17,690,493)	202,110,105	206,437,621
2. Reinsurance payable on paid losses and loss adjustment expenses	299,874	399,536
3. Loss adjustment expenses	38,761,451	40,748,782
4. Commissions payable, contingent commissions and other similar charges	3,731,218	5,586,351
5. Other expenses (excluding taxes, licenses and fees)	3,374,478	5,348,935
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	9,493,028	7,551,647
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	64,247,989	59,379,443
10. Advance premium	785,796	2,818,121
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	7,239	57,466
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,470,907	1,532,493
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	66,025	103,526
15. Remittances and items not allocated	68,109	46,296
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Payable for securities	25,220,145	0
21. Liability for amounts held under uninsured plans	0	0
22. Capital notes \$ and interest thereon \$	0	0
23. Aggregate write-ins for liabilities	6,765,096	6,518,879
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	356,401,460	336,529,096
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	356,401,460	336,529,096
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	0	0
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	20,758,685	20,758,685
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	0	0
33. Unassigned funds (surplus)	129,505,337	123,034,711
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)	0	0
34.2 shares preferred (value included in Line 29 \$)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	150,264,022	143,793,396
36. Totals	506,665,482	480,322,492

DETAILS OF WRITE-IN LINES		
2301. Retroactive Reinsurance Reserve Assumed	338,382	321,581
2302. Miscellaneous Liabilities (including pledges and misc payables)	37,617	37,617
2303. DBR Penalty	6,159,681	6,159,681
2398. Summary of remaining write-ins for Line 23 from overflow page	229,416	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	6,765,096	6,518,879
2701.	0	0
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0
3001. Capital assessment by RI Dept of Labor to provide residual market	20,758,685	20,758,685
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	20,758,685	20,758,685

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 36,811,781)	32,080,881	35,328,032	133,571,282
1.2 Assumed (written \$ 810,912)	456,976	712,806	2,636,274
1.3 Ceded (written \$ 2,487,649)	2,487,649	2,548,710	11,342,644
1.4 Net (written \$ 35,135,044)	30,050,208	33,492,128	124,864,912
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 19,087,417):			
2.1 Direct	14,587,035	30,613,623	87,331,776
2.2 Assumed	113,174	748,915	2,638,190
2.3 Ceded	626,123	8,957,825	13,635,912
2.4 Net	14,074,086	22,404,713	76,334,054
3. Loss adjustment expenses incurred	4,559,053	7,879,980	19,511,411
4. Other underwriting expenses incurred	11,159,683	11,758,424	40,502,302
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	29,792,822	42,043,117	136,347,767
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	257,386	(8,550,989)	(11,482,855)
INVESTMENT INCOME			
9. Net investment income earned	4,396,399	4,845,524	18,809,747
10. Net realized capital gains (losses) less capital gains tax of \$	7,418,746	1,184,697	4,017,373
11. Net investment gain (loss) (Lines 9 + 10)	11,815,145	6,030,221	22,827,120
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 733,886 amount charged off \$ 1,060,827)	(326,941)	(430,652)	(2,589,775)
13. Finance and service charges not included in premiums	54,280	56,545	189,135
14. Aggregate write-ins for miscellaneous income	348,293	(59,309)	1,014,367
15. Total other income (Lines 12 through 14)	75,632	(433,416)	(1,386,273)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	12,148,163	(2,954,184)	9,957,992
17. Dividends to policyholders	1,757,822	1,320,057	6,303,581
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)	10,390,341	(4,274,241)	3,654,411
19. Federal and foreign income taxes incurred	0	0	0
20. Net income (Line 18 minus Line 19) (to Line 22)	10,390,341	(4,274,241)	3,654,411
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	143,793,396	138,038,502	138,038,502
22. Net income (from Line 20)	10,390,341	(4,274,241)	3,654,411
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(3,678,415)	(443,293)	36,337
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	0	0	0
27. Change in nonadmitted assets	(241,300)	415,605	2,064,146
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	6,470,626	(4,301,929)	5,754,894
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	150,264,022	133,736,573	143,793,396

DETAILS OF WRITE-IN LINES			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 05 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)	0	0	0
1401. Miscellaneous Income	356,792	15,422	87,503
1402. Impaired Loss - Subsidiary	(7,999)	(72,955)	(93,354)
1403. Interest Expense	(500)	(1,776)	(7,107)
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	1,027,325
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	348,293	(59,309)	1,014,367
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1	2
	Current Year To Date	Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	31,091,824	133,109,703
2. Net investment income	5,700,414	20,052,199
3. Miscellaneous income	75,632	(3,226,591)
4. Total (Lines 1 to 3)	36,867,870	149,935,311
5. Benefit and loss related payments	18,848,809	80,151,782
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	19,597,239	67,801,896
8. Dividends paid to policyholders	1,808,050	12,670,358
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	40,254,098	160,624,036
11. Net cash from operations (Line 4 minus Line 10)	(3,386,228)	(10,688,725)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	170,120,988	220,262,482
12.2 Stocks	8,502,351	30,604,017
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	22,581,221	52,686
12.8 Total investment proceeds (Lines 12.1 to 12.7)	201,204,560	250,919,185
13. Cost of investments acquired (long-term only):		
13.1 Bonds	127,045,228	189,964,469
13.2 Stocks	10,356,040	24,946,718
13.3 Mortgage loans	0	0
13.4 Real estate	0	86,575
13.5 Other invested assets	0	50,000
13.6 Miscellaneous applications	0	1,019,210
13.7 Total investments acquired (Lines 13.1 to 13.6)	137,401,268	216,066,972
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	63,803,292	34,852,213
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(200,606)	988,596
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(200,606)	988,596
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	60,216,458	25,152,084
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	32,021,649	6,869,565
19.2 End of period (Line 18 plus Line 19.1)	92,238,107	32,021,649

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

20.0001	0	0
20.0002	0	0
20.0003	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

A permitted practice has been granted by the State of Rhode Island for the Company's shared earnings program. The shared earnings contracts are loss sensitive contracts with the exception that approval is required by the Company's Board of Directors. In compliance with Statement of Statutory Accounting Principles No. 66, *Retrospectively Rated Contracts*, ("SSAP 66"), loss sensitive insurance policies are to be treated as retrospectively-rated contracts. The permitted practice grants the Company approval to treat the shared earnings contracts for all policies written with effective dates through December 31, 2007 as policyholder dividends. In accordance with the permitted practice, the Company records shared earnings in policyholder dividends within the Statement of Operations and Changes in Policyholders' Surplus, as they are approved by the Board of Directors. Policies with effective dates subsequent to December 31, 2007, which have return retrospective premium related to the shared earnings plan, will be accounted for as retrospectively-rated policies, which will be estimated and accrued each year. In accordance with SSAP 66, such adjustments are to be recorded as a payable on the Statement of Admitted Assets, Liabilities, and Policyholders' Surplus with a corresponding adjustment to written or earned premium in the Statement of Operations and Changes in Policyholders' Surplus. The shared earnings endorsement requires the policy to be evaluated for eligibility of retrospective premium eighteen months after the policy effective date. As such, all policies with effective dates of December 31, 2007 and prior will be evaluated by June 30, 2009. The impact on the Company's net income and surplus as a result of treating shared earnings as dividends in lieu of retrospectively-rated policies, is estimated to be as follows:

	March 31, 2008		December 31, 2007	
	Surplus	Net Income	Surplus	Net Income
Rhode Island Basis	\$150,264,022	10,390,341	143,793,396	3,654,411
State Permitted Practice: Shared Earnings as Dividends	<u>(4,269,294)</u>	<u>1,777,738</u>	<u>(6,047,032)</u>	<u>341,364</u>
NAIC SAP	<u>\$145,994,728</u>	<u>12,168,079</u>	<u>137,746,364</u>	<u>3,995,775</u>

(B & C) No change.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

7. Investment Income

No change.

8. Derivative Instruments

Not applicable.

9. Income Taxes

No change.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates
No significant change.
11. Debt
Not applicable.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
No significant change.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
No significant change.
14. Contingencies
No significant change.
15. Leases
No significant change.
16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk
Not applicable
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
Not applicable.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
Not applicable.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
Not applicable.
20. Other Items
No significant changes.
21. Events Subsequent
No change.
22. Reinsurance
No significant change.
23. Retrospectively Rated Contracts and Contracts Subject to Redetermination
No significant change.
24. Changes in Incurred Losses and Loss Adjustment Expenses
No significant change.
25. Intercompany Pooling Arrangements
Not applicable.
26. Structured Settlements
No change.
27. Health Care Receivables
Not applicable.

NOTES TO FINANCIAL STATEMENTS

28. Participating Accident and Health Policies

Not applicable.

29. Premium Deficiency Reserves

No change.

30. High Deductibles

Not applicable.

31. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

Not applicable.

32. Asbestos and Environmental Reserves

No change.

33. Subscriber Savings Accounts

Not applicable.

34. Multiple Peril Crop Insurance

Not applicable.

GENERAL INTERROGATORIES

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

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y – Part 1 – organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2007

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). _____ 06/10/2004

6.4 By what department or departments?
Department of Business Regulation, Rhode Island
.....
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

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

7.2 If yes, give full information
.....
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If 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

GENERAL INTERROGATORIES (Continued)

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules, and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code. Yes No

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	\$ 15,000,000	\$ 15,000,000
14.23 Common Stock	\$ 7,029,329	\$ 7,208,465
14.24 Short-Term Investments	\$ 0	\$ 0
14.25 Mortgage Loans on 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)	\$ 22,029,329	\$ 22,208,465
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement. Yes No

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 Section 3, III Conducting Examinations, G – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

GENERAL INTERROGATORIES (Continued)

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
Bank of America	100 Westminster Street; Providence, RI 02903

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

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
107900	Columbia Management Advisors	100 Federal Street; Boston, MA 02110
104713	Bank of America Investment Advisors	100 Federal Street; Boston, MA 02110
105343	Baldwin Brothers, Inc	Prov. Washington Plaza; Providence, RI 02903
112738	Citizens Investment Advisors	One Citizens Plaza; Providence, RI 02903

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:

.....

GENERAL INTERROGATORIES

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 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 Discount 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
.....	0	.....	.....	.....	0
.....	0	.....	.....	.....	0
.....	0	.....	.....	.....	0
TOTAL			0	0	0	0	0	0	0	0

NONE Schedule F

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		Active Status	2	3	4	5	6	7
			Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. District of Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	N	0	0	0	0	0	
15. Indiana	IN	N	0	0	0	0	0	
16. Iowa	IA	N	0	0	0	0	0	
17. Kansas	KS	N	0	0	0	0	0	
18. Kentucky	KY	N	0	0	0	0	0	
19. Louisiana	LA	N	0	0	0	0	0	
20. Maine	ME	N	0	0	0	0	0	
21. Maryland	MD	N	0	0	0	0	0	
22. Massachusetts	MA	L	0	0	0	0	0	
23. Michigan	MI	N	0	0	0	0	0	
24. Minnesota	MN	N	0	0	0	0	0	
25. Mississippi	MS	N	0	0	0	0	0	
26. Missouri	MO	N	0	0	0	0	0	
27. Montana	MT	N	0	0	0	0	0	
28. Nebraska	NE	N	0	0	0	0	0	
29. Nevada	NV	N	0	0	0	0	0	
30. New Hampshire	NH	N	0	0	0	0	0	
31. New Jersey	NJ	N	0	0	0	0	0	
32. New Mexico	NM	N	0	0	0	0	0	
33. New York	NY	N	0	0	0	0	0	
34. North Carolina	NC	N	0	0	0	0	0	
35. North Dakota	ND	N	0	0	0	0	0	
36. Ohio	OH	N	0	0	0	0	0	
37. Oklahoma	OK	N	0	0	0	0	0	
38. Oregon	OR	N	0	0	0	0	0	
39. Pennsylvania	PA	N	0	0	0	0	0	
40. Rhode Island	RI	L	36,811,781	41,158,744	18,287,142	19,122,479	253,889,472	
41. South Carolina	SC	N	0	0	0	0	0	
42. South Dakota	SD	N	0	0	0	0	0	
43. Tennessee	TN	N	0	0	0	0	0	
44. Texas	TX	N	0	0	0	0	0	
45. Utah	UT	N	0	0	0	0	0	
46. Vermont	VT	N	0	0	0	0	0	
47. Virginia	VA	N	0	0	0	0	0	
48. Washington	WA	N	0	0	0	0	0	
49. West Virginia	WV	N	0	0	0	0	0	
50. Wisconsin	WI	N	0	0	0	0	0	
51. Wyoming	WY	N	0	0	0	0	0	
52. American Samoa	AS	N	0	0	0	0	0	
53. Guam	GU	N	0	0	0	0	0	
54. Puerto Rico	PR	N	0	0	0	0	0	
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	
56. Northern Mariana Islands	MP	N	0	0	0	0	0	
57. Canada	CN	N	0	0	0	0	0	
58. Aggregate Other Alien	OT	X X X	0	0	0	0	0	
59. Totals	(a) 2		36,811,781	41,158,744	18,287,142	19,122,479	253,889,472	

DETAILS OF WRITE-INS							
5801.		X X X	0	0	0	0	0
5802.		X X X	0	0	0	0	0
5803.		X X X	0	0	0	0	0
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	0	0	0	0	0

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Company Name
3490	Beacon Mutual Insurance Group	24017	RI	05-0458697	Beacon Mutual Insurance Company
3490	Beacon Mutual Insurance Group	11837	RI	20-0317088	Castle Hill Insurance Company

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	0	0	0.0	0.0
2. Allied lines	0	0	0.0	0.0
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	0	0	0.0	0.0
5. Commercial multiple peril	0	0	0.0	0.0
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	0	0	0.0	0.0
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical malpractice-occurrence	0	0	0.0	0.0
11.2 Medical malpractice-claims made	0	0	0.0	0.0
12. Earthquake	0	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	32,080,881	14,587,035	45.5	86.7
17.1 Other liability-occurrence	0	0	0.0	0.0
17.2 Other liability-claims made	0	0	0.0	0.0
18.1 Products liability-occurrence	0	0	0.0	0.0
18.2 Products liability-claims made	0	0	0.0	0.0
19.1, 19.2 Private passenger auto liability	0	0	0.0	0.0
19.3, 19.4 Commercial auto liability	0	0	0.0	0.0
21. Auto physical damage	0	0	0.0	0.0
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	0	0	0.0	0.0
27. Boiler and machinery	0	0	0.0	0.0
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	32,080,881	14,587,035	45.5	86.7

DETAILS OF WRITE-INS				
3401.	0	0	0.0	0.0
3402.	0	0	0.0	0.0
3403.	0	0	0.0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 – DIRECT PREMIUMS WRITTEN

	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0	0	0
2. Allied lines	0	0	0
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	0	0	0
5. Commercial multiple peril	0	0	0
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	0	0	0
10. Financial guaranty	0	0	0
11.1 Medical malpractice-occurrence	0	0	0
11.2 Medical malpractice-claims made	0	0	0
12. Earthquake	0	0	0
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	36,811,781	36,811,781	41,158,744
17.1 Other liability-occurrence	0	0	0
17.2 Other liability-claims made	0	0	0
18.1 Products liability-occurrence	0	0	0
18.2 Products liability-claims made	0	0	0
19.1, 19.2 Private passenger auto liability	0	0	0
19.3, 19.4 Commercial auto liability	0	0	0
21. Auto physical damage	0	0	0
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	0	0	0
27. Boiler and machinery	0	0	0
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	36,811,781	36,811,781	41,158,744

DETAILS OF WRITE-INS			
3401.	0	0	0
3402.	0	0	0
3403.	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2008 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2008 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2008 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss & LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2005 + prior	52,819	48,572	101,391	5,760	1	5,761	44,970	0	43,456	88,426	(2,089)	(5,115)	(7,204)
2. 2006	29,327	25,754	55,081	4,653	3	4,656	29,135	45	22,352	51,532	4,461	(3,354)	1,107
3. Subtotals 2006 + prior	82,146	74,326	156,472	10,413	4	10,417	74,105	45	65,808	139,958	2,372	(8,469)	(6,097)
4. 2007	42,984	47,730	90,714	11,033	280	11,313	37,569	1,314	40,472	79,355	5,618	(5,664)	(46)
5. Subtotals 2007 + prior	125,130	122,056	247,186	21,446	284	21,730	111,674	1,359	106,280	219,313	7,990	(14,133)	(6,143)
6. 2008	X X X	X X X	X X X	X X X	3,218	3,218	X X X	9,022	12,536	21,558	X X X	X X X	X X X
7. Totals	125,130	122,056	247,186	21,446	3,502	24,948	111,674	10,381	118,816	240,871	7,990	(14,133)	(6,143)

8. Prior Year-End Surplus As Regards Policyholders

143,793

	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.	<u>6.385</u>	2. <u>(11.579)</u>	3. <u>(2.485)</u>
			Col. 13, Line 7 Line 8
			4. <u>(4.272)</u>

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.

	<u>Response</u>
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?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR LIABILITIES		
2304. Accrued Restrospective Return Premium	229,416	0
2305.	0	0
2306.	0	0
2307.	0	0
2308.	0	0
2309.	0	0
2310.	0	0
2311.	0	0
2312.	0	0
2313.	0	0
2314.	0	0
2315.	0	0
2316.	0	0
2317.	0	0
2318.	0	0
2319.	0	0
2320.	0	0
2321.	0	0
2322.	0	0
2323.	0	0
2324.	0	0
2325.	0	0
2397. Totals (Lines 2304 through 2325) (Page 3, Line 2398)	229,416	0

OVERFLOW PAGE FOR WRITE-INS

**Page 4 - Continuation
STATEMENT OF INCOME**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
REMAINING WRITE-INS AGGREGATED AT LINE 14 FOR MISCELLANEOUS INCOME			
1404. DBR Penalty	0	0	840,319
1405. Retroactive Reinsurance Gain	0	0	187,006
1406.	0	0	0
1407.	0	0	0
1408.	0	0	0
1409.	0	0	0
1410.	0	0	0
1411.	0	0	0
1412.	0	0	0
1413.	0	0	0
1414.	0	0	0
1415.	0	0	0
1416.	0	0	0
1417.	0	0	0
1418.	0	0	0
1419.	0	0	0
1420.	0	0	0
1421.	0	0	0
1422.	0	0	0
1423.	0	0	0
1424.	0	0	0
1425.	0	0	0
1497. Totals (Lines 1404 through 1425) (Page 4, Line 1498)	0	0	1,027,325

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	14,240,834	14,521,066
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions	0	0
2.2 Additional investment made after acquisitions	0	86,575
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	92,040	366,807
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	14,148,794	14,240,834
10. Deduct total nonadmitted amount	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	14,148,794	14,240,834

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions	0	0
2.2 Additional investment made after acquisitions	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	0	0
12. Deduct total nonadmitted accounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

NONE

SCHEDULE BA - VERIFICATION**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	470,156	392,482
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions	0	0
2.2 Additional investment made after acquisitions	0	50,000
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	(63)	27,674
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	470,093	470,156
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	470,093	470,156

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	390,961,562	423,100,726
2. Cost of bonds and stocks acquired	137,401,268	214,911,184
3. Accrual of discount	89,914	589,916
4. Unrealized valuation increase (decrease)	(3,621,453)	(177,746)
5. Total gain (loss) on disposals	7,381,742	4,118,351
6. Deduct consideration for bonds and stocks disposed of	178,623,339	250,866,499
7. Deduct amortization of premium	172,476	714,370
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	353,417,218	390,961,562
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	353,417,218	390,961,562

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 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	344,761,831	290,239,521	262,231,689	(2,790,230)	369,979,433	0	0	344,761,831
2. Class 2 (a)	13,489,278	492,190	298,090	2,716,377	16,399,755	0	0	13,489,278
3. Class 3 (a)	0	0	0	0	0	0	0	0
4. Class 4 (a)	0	0	0	0	0	0	0	0
5. Class 5 (a)	0	0	0	0	0	0	0	0
6. Class 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	358,251,109	290,731,711	262,529,779	(73,853)	386,379,188	0	0	358,251,109
PREFERRED STOCK								
8. Class 1	17,219,200	1,000,000	400,000	89,200	17,908,400	0	0	17,219,200
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	692,587	0	0	(57,433)	635,154	0	0	692,587
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	17,911,787	1,000,000	400,000	31,767	18,543,554	0	0	17,911,787
15. Total Bonds & Preferred Stock	376,162,896	291,731,711	262,929,779	(42,086)	404,922,742	0	0	376,162,896

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999	96,557,679	X X X	96,555,728	97,449	17,191

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	33,509,746	14,323,496
2. Cost of short-term investments acquired	163,686,483	252,952,022
3. Accrual of discount	4,521	0
4. Unrealized valuation increase (decrease)	0	268
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	100,640,205	233,766,040
7. Deduct amortization of premium	2,867	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	96,557,678	33,509,746
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	96,557,678	33,509,746

NONE Schedule DB - Part F - Section 1

NONE Schedule DB - Part F - Section 2

NONE Schedule E Verification

NONE Schedule A - Part 2 and 3

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	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)
31331Q-2C-0	Federal Farm Cr Bks		03/26/2008	A.G. Edwards & Sons		1,010,160	1,000,000.00	7,250	1
31331S-RZ-8	Federal Farm Cr Bks		03/04/2008	A.G. Edwards & Sons		509,675	500,000.00	8,021	1
31331X-3X-8	Federal Farm Cr Bks		03/26/2008	A.G. Edwards & Sons		1,574,726	1,500,000.00	1,733	1
31331X-E8-1	Federal Farm Cr Bks		03/26/2008	Morgan, Keegan, & Co.		2,224,357	2,037,000.00	21,981	1
31331X-NQ-1	Federal Farm Cr Bks		03/26/2008	A.G. Edwards & Sons		4,886,714	4,518,000.00	33,923	1
31331X-PS-5	Federal Farm Cr Bks		03/26/2008	A.G. Edwards & Sons		1,850,765	1,750,000.00	18,375	1
31331X-WK-4	Federal Farm Cr Bks		01/31/2008	A.G. Edwards & Sons		4,260,280	4,000,000.00	54,400	1
31331X-Z7-0	Federal Farm Cr Bks		01/31/2008	A.G. Edwards & Sons		2,230,680	2,000,000.00	631	1
31331Y-FQ-8	Federal Farm Cr Bks		01/31/2008	A.G. Edwards & Sons		1,977,750	1,875,000.00	16,816	1
31331Y-MC-1	Federal Farm Cr Bks		01/04/2008	First Tennessee		2,000,000	2,000,000.00	0	1
31331Y-RC-6	Federal Farm Cr Bks		01/23/2008	First Tennessee		2,003,000	2,000,000.00	0	1
31331Y-SG-6	Federal Farm Cr Bks		03/04/2008	A.G. Edwards & Sons		1,514,880	1,500,000.00	4,688	1
31331Y-SH-4	Federal Farm Cr Bks		01/31/2008	A.G. Edwards & Sons		4,017,800	4,000,000.00	0	1
31331Y-ZY-9	Federal Farm Cr Bks		03/26/2008	A.G. Edwards & Sons		4,003,240	4,000,000.00	0	1
3133XP-E6-7	Federal Home Ln Bks		01/25/2008	First Tennessee		2,000,000	2,000,000.00	0	1
3133XQ-5B-4	Federal Home Ln Bks		03/26/2008	First Tennessee		3,063,990	3,000,000.00	10,406	1
3128X6-G2-6	Federal Home Ln Mtg Corp		01/22/2008	First Tennessee		2,000,000	2,000,000.00	0	1
3128X7-DM-3	Federal Home Ln Mtg Corp		03/24/2008	G.X. Clarke & Company		2,989,688	3,000,000.00	0	1
3128X7-EJ-9	Federal Home Ln Mtg Corp		03/24/2008	G.X. Clarke & Company		2,985,000	3,000,000.00	0	1
3128X7-EN-0	Federal Home Ln Mtg Corp		03/24/2008	First Tennessee		3,000,000	3,000,000.00	0	1
3128X7-FK-5	Federal Home Ln Mtg Corp		03/26/2008	First Tennessee		2,992,500	3,000,000.00	0	1
3136F9-BR-3	Federal Natl Mtg Assn		03/25/2008	VARIOUS		4,994,000	5,000,000.00	5,950	1
3136F9-DV-2	Federal Natl Mtg Assn		03/24/2008	G.X. Clarke & Company		2,979,375	3,000,000.00	0	1
3136F9-EG-4	Federal Natl Mtg Assn		03/25/2008	First Tennessee		3,000,000	3,000,000.00	0	1
912810-PU-6	United States Treas Bond		03/13/2008	VARIOUS		7,168,516	6,500,000.00	98,283	1
912828-CE-8	United States Treas Nt		03/26/2008	A.G. Edwards & Sons		8,132,500	8,000,000.00	112,022	1
912828-HH-6	United States Treas Nt		02/27/2008	Barclays Capital Inc		484,889	470,000.00	5,982	1
912828-HK-9	United States Treas Nt		01/31/2008	LBI - Lehman Gov't Securi		5,141,016	5,000,000.00	29,047	1
912810-FT-0	US Treas Bond		01/23/2008	A.G. Edwards & Sons		7,434,219	7,000,000.00	138,668	1
912810-FP-8	US Treas Bonds		01/31/2008	LBI - Lehman Gov't Securi		5,754,492	5,000,000.00	123,421	1
912833-LV-0	US Treas Sec Stripped		01/02/2008	A.G. Edwards & Sons		2,945,670	6,500,000.00	0	1
0399999	Total Bonds U. S. Government				X X X	101,129,882	101,150,000.00	691,597	X X X
121637-V7-4	Burlington Cnty New Jersey		03/13/2008	Roosevelt & Cross		898,010	890,000.00	0	1FE
63968A-MY-8	Nebraska Pub Pwr Dist Rev		03/14/2008	Morgan Stanley DW Inc.		1,000,000	1,000,000.00	0	1FE
786129-DE-3	Sacramento Cnty Ca Pub Fin Auth		03/27/2008	Roosevelt & Cross		1,193,865	1,180,000.00	4,531	1FE
1799999	Total Bonds States, Territories and Possessions				X X X	3,091,875	3,070,000.00	4,531	X X X
92976V-AC-2	Wachovia Bk Coml Mtg Tr 2006-C25		01/10/2008	Wachovia Capital Mkts LLC		519,355	500,000.00	1,110	1FE
3199999	Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	519,355	500,000.00	1,110	X X X
025816-AX-7	American Express Co		03/26/2008	Citigroup Global Markets,		1,492,650	1,500,000.00	8,200	1FE
02635P-TS-2	American Gen Fin Corp		03/26/2008	A.G. Edwards & Sons		1,930,260	2,000,000.00	39,867	1FE
00206R-AJ-1	AT&T Inc		03/27/2008	A.G. Edwards & Sons		979,200	1,000,000.00	9,167	1FE
060505-DL-5	Bank Amer Corp		03/26/2008	Morgan, Keegan, & Co.		2,014,620	2,000,000.00	5,778	1FE

E04

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	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)
06050T-KN-1	Bank Amer N A Charlotte NC		03/24/2008	Mellon Bank/Mellon Finl M		997,290	1,000,000.00	1,767	1FE
22541H-CC-4	Credit Suisse New York Brh		03/24/2008	Deutsche Bank Alex Brown		1,003,560	1,000,000.00	6,333	1FE
291011-AW-4	Emerson Elec Co		01/03/2008	A.G. Edwards & Sons		1,316,960	1,275,000.00	15,800	1FE
369604-BC-6	General Elec Co		03/28/2008	VARIOUS		1,499,200	1,500,000.00	25,302	1FE
38141G-FM-1	Goldman Sachs Group Inc		03/25/2008	Pershing LLC		997,860	1,000,000.00	0	1FE
46625H-GY-0	JPMorgan Chase & Co		03/26/2008	A.G. Edwards & Sons		2,088,740	2,000,000.00	33,667	1FE
48121C-JN-7	JPMorgan Chase Bk N A New York		03/28/2008	Morgan Stanley DW Inc.		1,037,740	1,000,000.00	17,788	1FE
58013M-EE-0	McDonalds Corp		03/26/2008	A.G. Edwards & Sons		2,027,400	2,000,000.00	9,214	1FE
617446-6Q-7	Morgan Stanley		03/27/2008	VARIOUS		998,735	1,000,000.00	0	1FE
911312-AG-1	United Parcel Svc Inc		01/10/2008	Goldman, Sachs & Co.		199,150	200,000.00	0	1FE
92976G-AH-4	Wachovia Bk Natl Assn		03/26/2008	RW Pressprich C/T M Stanl		995,170	1,000,000.00	21,667	1FE
92976G-AJ-0	Wachovia Bk Natl Assn		01/30/2008	RBC Dain Rauscher Inc.		737,318	750,000.00	7,838	1FE
931142-CH-4	Wal-Mart Stores Inc		03/26/2008	A.G. Edwards & Sons		1,496,074	1,500,000.00	43,083	1FE
11102A-AB-7	British Telecommunications Plc	F	03/19/2008	HSBC Securities		492,190	500,000.00	7,510	2FE
4599999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	22,304,117	22,225,000.00	252,981	X X X
6099997	Total Bonds Part 3				X X X	127,045,229	126,945,000.00	950,219	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	127,045,229	126,945,000.00	950,219	X X X
25154A-10-8	Deutsche Bk Contingent		02/12/2008	A.G. Edwards & Sons	20,000.000	500,000	500,000.00	0	P1L
94985V-20-2	Wells Fargo Cap XII		03/05/2008	A.G. Edwards & Sons	20,000.000	500,000	500,000.00	0	P1L
6399999	Total Preferred Stock Industrial and Miscellaneous (Unaffiliated)				X X X	1,000,000	X X X	0	X X X
6599997	Total Preferred Stock Part 3				X X X	1,000,000	X X X	0	X X X
6599998	Summary Item from Part 5 for Preferred Stocks				X X X	X X X	X X X	X X X	X X X
6599999	Total Preferred Stock				X X X	1,000,000	X X X	0	X X X
054937-10-7	BB&T Corp		03/26/2008	Lehman Brothers	2,250.000	75,836		0	L
254709-10-8	Discover Finl Svcs		01/25/2008	J. P. Morgan Securities I	3,040.000	48,388		0	L
313400-30-1	Federal Home Ln Mtg Corp		03/14/2008	Merrill Lynch Profess Cl	3,690.000	79,667		0	L
38141G-10-4	Goldman Sachs Group		03/26/2008	VARIOUS	1,270.000	216,670		0	L
G491BT-10-8	Invesco Ltd		03/26/2008	Citigroup Global Markets,	2,690.000	65,882		0	L
590188-10-8	Merrill Lynch Company		01/25/2008	Lehman Brothers	3,970.000	225,287		0	L
631103-10-8	NASDAQ Stk Mkt Inc.		03/03/2008	Credit Suisse FirstBoston	460.000	18,923		0	L
929903-10-2	Wachovia Corp 2nd New		03/26/2008	Citigroup Global Markets,	5,380.000	153,545		0	L
949746-10-1	Wells Fargo & Co		03/26/2008	VARIOUS	11,770.000	361,036		0	L
6799999	Total Common Stock Banks, Trust and Insurance Companies (Unaffiliated)				X X X	1,245,234	X X X	0	X X X
013817-10-1	Alcoa Inc		01/16/2008	Lehman Brothers	2,240.000	68,835		0	L
02209S-10-3	Altria Group Inc		01/16/2008	Lehman Brothers	690.000	53,777		0	L

E04.1

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	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)
023135-10-6	Amazon Com Inc		03/07/2008	VARIOUS	1,000.000	72,848		0	L
037833-10-0	Apple Computer Inc.		01/25/2008	Credit Suisse FirstBoston	560.000	77,696		0	L
039380-10-0	Arch Coal Inc		02/04/2008	Merrill Lynch Profess Cl	1,580.000	77,357		0	L
00206R-10-2	AT&T		03/26/2008	Merrill Lynch Fixed Inc.	1,630.000	61,239		0	L
052769-10-6	Autodesk Inc.		03/03/2008	Lehman Brothers	730.000	23,026		0	L
071813-10-9	Baxter Intl Inc		03/14/2008	VARIOUS	4,650.000	275,204		0	L
143658-30-0	Carnival Corp		03/07/2008	VARIOUS	4,040.000	165,320		0	L
125269-10-0	CF Inds Hldgs Inc		03/26/2008	Credit Suisse FirstBoston	620.000	69,744		0	L
17275R-10-2	Cisco Systems		02/25/2008	Lehman Brothers	740.000	17,307		0	L
189754-10-4	Coach Inc		01/02/2008	Jefferies & Co	1,660.000	50,952		0	L
197199-85-4	Columbia Acorn Select Fund		01/09/2008	Mutual Fund Agent	8,323.870	220,000		0	U
197199-80-5	Columbia Acorn USA Fund		01/09/2008	Mutual Fund Agent	28,868.360	750,000		0	U
19765H-63-6	Columbia Marsico International		01/09/2008	Mutual Fund Agent	5,874.760	91,000		0	U
19765J-83-0	Columbia Mid Cap Value Fund		01/09/2008	Mutual Fund Agent	27,173.910	375,000		0	U
22160K-10-5	Costco Wholesale Corp		03/03/2008	VARIOUS	1,660.000	106,907		0	L
222862-10-4	Coventry Health Care Inc.		01/25/2008	J. P. Morgan Securities I	1,260.000	68,557		0	L
126408-10-3	CSX Corp		03/26/2008	VARIOUS	2,220.000	113,567		0	L
237194-10-5	Darden Restaurants		01/16/2008	Merrill Lynch Profess Cl	3,230.000	69,479		0	L
Y2066G-10-4	Diana Shipping Inc		01/25/2008	Merrill Lynch Profess Cl	1,860.000	47,956		0	L
254687-10-6	Disney Walt Co		01/07/2008	Credit Suisse FirstBoston	1,220.000	38,024		0	L
278058-10-2	Eaton Corp		03/26/2008	Lehman Brothers	590.000	48,117		0	L
30161N-10-1	Exelon Corp.		01/25/2008	J. P. Morgan Securities I	1,810.000	135,080		0	L
302182-10-0	Express Scripts Inc		03/07/2008	Universal Network Exchang	680.000	40,553		0	L
30231G-10-2	Exxon Mobil Corp		03/26/2008	Citigroup Global Markets.	1,230.000	106,664		0	L
314211-10-3	Federated Invs Inc PA		01/25/2008	J. P. Morgan Securities I	3,100.000	133,361		0	L
35671D-85-7	Freeport-McMoran		03/26/2008	Lehman Brothers	590.000	55,916		0	L
368710-40-6	Genentech Inc		02/13/2008	Bear Stearns & Co	420.000	29,730		0	L
369604-10-3	General Electric		03/03/2008	VARIOUS	18,410.000	642,421		0	L
437076-10-2	Home Depot Inc		03/26/2008	J. P. Morgan Securities I	6,560.000	184,954		0	L
444859-10-2	Humana Inc		03/14/2008	Friedman Billings & Ramse	2,360.000	106,861		0	L
458140-10-0	Intel Corp		01/02/2008	Friedman Billings & Ramse	7,110.000	182,266		0	L
478366-10-7	Johnson Ctis Inc		02/13/2008	Merrill Lynch Profess Cl	2,300.000	81,125		0	L
481165-10-8	Joy Global Inc		03/03/2008	VARIOUS	1,600.000	106,811		0	L
512807-10-8	Lam Research Corp		02/25/2008	VARIOUS	2,800.000	111,022		0	L
539830-10-9	Lockheed Martin Corp		03/03/2008	VARIOUS	3,120.000	332,295		0	L
55262C-10-0	MBA Inc		01/25/2008	J. P. Morgan Securities I	2,520.000	36,932		0	L
58405U-10-2	Medco Hlth Solutions Inc		02/13/2008	Lehman Brothers	600.000	30,380		0	L
589331-10-7	Merck & Co		02/04/2008	Lehman Brothers	1,340.000	62,572		0	L
594918-10-4	Microsoft Corp		03/26/2008	VARIOUS	8,700.000	258,238		0	L
65248E-10-4	News Corp. Cl A		03/07/2008	VARIOUS	8,770.000	164,629		0	L
654902-20-4	Nokia Corp Adr Series A		03/26/2008	VARIOUS	3,570.000	115,506		0	L
674599-10-5	Occidental Pete Corp Del		02/13/2008	Merrill Lynch Profess Cl	5,920.000	406,060		0	L
68389X-10-5	Oracle Corp.		02/25/2008	VARIOUS	8,270.000	164,844		0	L
71654V-40-8	Petroleo Brasileiro SA		01/02/2008	Universal Network Exchang	1,320.000	155,685		0	L
717081-10-3	Pfizer Inc		02/13/2008	VARIOUS	8,160.000	190,519		0	L
718172-10-9	Philip Morris Intl Inc		03/31/2008	VARIOUS	4,510.000	222,873		0	L
740189-10-5	Precision Castparts Corp		02/04/2008	Jefferies & Co	1,470.000	170,829		0	L
806857-10-8	Schlumberger Ltd		03/03/2008	Universal Network Exchang	1,860.000	164,734		0	L

E04.2

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	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)
835699-30-7	Sony Corp Adr		03/07/2008	Credit Suisse FirstBoston	600.000	26,962		0	L
882508-10-4	Texas Instruments		03/26/2008	Friedman Billings & Ramse	7,890.000	227,956		0	L
G90073-10-0	Transocean Inc		01/02/2008	Lehman Brothers	320.000	46,076		0	L
918204-10-8	V F Corp		01/07/2008	Credit Suisse FirstBoston	730.000	47,638		0	L
92532F-10-0	Vertex Pharmaceuticals Inc.		03/26/2008	Pacific Crest Securities	2,950.000	52,927		0	L
928563-40-2	VMware Inc		03/26/2008	Merrill Lynch Profess Cl	1,120.000	53,236		0	L
939322-10-3	Washington Mut Inc		02/13/2008	VARIOUS	6,420.000	107,039		0	L
G95089-10-1	Weatherford Intl Ltd		01/02/2008	Friedman Billings & Ramse	3,070.000	214,201		0	L
6899999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	8,110,807	X X X	0	X X X
7299997	Total Common Stock Part 3				X X X	9,356,041	X X X	0	X X X
7299998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
7299999	Total Common Stock				X X X	9,356,041	X X X	0	X X X
7399999	Total Preferred and Common Stock				X X X	10,356,041	X X X	0	X X X
7499999	Totals				X X X	137,401,270	X X X	950,219	X X X

E04.3

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 4 .

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	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 Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ 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.							
31331L-3B-2	Fed Farm Cr Bks		03/25/2008	G.X. Clarke & Company		1,919,138	1,750,000.00	1,846,070	1,819,627	0	(1,329)	0	(1,329)	0	1,818,298	0	100,840	100,840	72,873	07/03/2017	1
31331T-HZ-7	Fed Farm Cr Bks		01/22/2008	Deutsche Bank Alex Bro		1,000,000	1,000,000.00	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	0	0	13,444	10/24/2013	1
31331T-WR-8	Fed Farm Cr Bks		02/12/2008	Merrill Lynch Gvmt Sec		1,000,000	1,000,000.00	985,000	993,986	0	298	0	298	0	994,285	0	5,716	5,716	16,129	03/15/2010	1
3133MR-PX-4	Fed Home Ln Bks		03/20/2008	RW Pressprich C/T M St		2,108,960	2,000,000.00	1,954,699	1,966,379	0	1,423	0	1,423	0	1,967,802	0	141,158	141,158	56,271	08/15/2012	1
3133MU-DV-4	FED HOME LN BKS		03/20/2008	VARIOUS		1,634,625	1,500,000.00	1,504,445	1,502,983	0	(51)	0	(51)	0	1,502,932	0	131,693	131,693	28,891	11/15/2017	1
3133X0-PF-0	Fed Home Ln Bks		03/20/2008	VARIOUS		2,181,900	2,000,000.00	1,989,450	1,991,690	0	127	0	127	0	1,991,817	0	190,083	190,083	65,396	08/15/2018	1
3133X7-2S-2	Fed Home Ln Bks		03/25/2008	First Tennessee		2,046,541	1,915,000.00	1,933,073	1,932,949	0	(279)	0	(279)	0	1,932,670	0	113,871	113,871	37,456	05/15/2019	1
3133X8-AS-1	Fed Home Ln Bks		03/20/2008	VARIOUS		2,132,240	2,000,000.00	1,974,340	1,977,546	0	311	0	311	0	1,977,857	0	154,383	154,383	62,354	08/15/2019	1
31331R-P9-0	Federal Farm Cr Bks		03/20/2008	Morgan, Keegan, & Co.		1,092,500	1,000,000.00	1,004,060	1,003,394	0	(107)	0	(107)	0	1,003,287	0	89,213	89,213	15,593	12/11/2013	1
31331V-CP-9	Federal Farm Cr Bks		03/26/2008	Fidelity Cap Mrkts		2,063,750	2,000,000.00	1,990,000	1,990,329	0	123	0	123	0	1,990,452	0	73,298	73,298	49,375	10/19/2020	1
31331V-N9-3	Federal Farm Cr Bks		03/20/2008	Merrill Lynch, Pierce, Fe		2,205,000	2,000,000.00	2,002,420	2,002,009	0	(64)	0	(64)	0	2,001,945	0	203,055	203,055	41,067	11/12/2013	1
31331V-P2-6	Federal Farm Cr Bks		03/25/2008	Mellon Bank/Mellon Finl		2,190,840	2,000,000.00	2,001,352	2,001,177	0	(29)	0	(29)	0	2,001,147	0	189,693	189,693	80,356	07/10/2015	1
31331V-WS-1	Federal Farm Cr Bks		03/26/2008	Fidelity Cap Mrkts		2,150,240	2,000,000.00	1,997,240	1,997,657	0	75	0	75	0	1,997,732	0	152,508	152,508	46,222	04/17/2014	1
31331V-YR-1	Federal Farm Cr Bks		03/20/2008	Deutsche Bank Alex Bro		2,100,700	2,000,000.00	1,999,960	1,999,977	0	2	0	2	0	1,999,980	0	100,720	100,720	76,556	01/04/2010	1
31331X-DV-1	Federal Farm Cr Bks		03/26/2008	Fidelity Cap Mrkts		2,072,500	2,000,000.00	1,996,000	1,996,197	0	43	0	43	0	1,996,240	0	76,260	76,260	40,950	11/17/2021	1
31331X-SR-4	Federal Farm Cr Bks		03/20/2008	Morgan, Keegan, & Co.		2,125,000	2,000,000.00	2,078,100	2,077,764	0	(2,437)	0	(2,437)	0	2,075,327	0	49,673	49,673	51,458	03/14/2014	1
31331X-ZR-6	Federal Farm Cr Bks		03/26/2008	G.X. Clarke & Company		2,078,750	2,000,000.00	1,984,000	1,984,463	0	298	0	298	0	1,984,760	0	93,990	93,990	38,267	05/24/2017	1
31331Y-HB-9	Federal Farm Cr Bks		03/12/2008	RW Pressprich C/T M St		2,000,000	2,000,000.00	1,993,800	1,993,821	0	81	0	81	0	1,993,902	0	6,098	6,098	28,311	12/11/2018	1
3133XB-MT-9	Federal Home Ln Bks		03/25/2008	VARIOUS		2,088,320	2,000,000.00	1,970,450	1,973,775	0	737	0	737	0	1,974,513	0	113,807	113,807	34,569	11/14/2014	1
3133XC-DJ-9	Federal Home Ln Bks		01/17/2008	Citigroup Global Markets		1,900,000	1,900,000.00	1,900,000	1,900,000	0	0	0	0	0	1,900,000	0	0	0	47,236	07/18/2012	1
3133XF-NL-6	Federal Home Ln Bks		03/26/2008	Fidelity Cap Mrkts		2,183,640	2,000,000.00	2,000,000	2,000,000	0	0	0	0	0	2,000,000	0	183,640	183,640	32,083	06/12/2015	1
3133XG-FC-3	Federal Home Ln Bks		03/20/2008	First Tennessee		2,115,625	2,000,000.00	2,000,000	2,000,000	0	0	0	0	0	2,000,000	0	115,625	115,625	70,333	08/23/2016	1
3133XH-E4-0	Federal Home Ln Bks		03/26/2008	Fidelity Cap Mrkts		2,063,750	2,000,000.00	1,999,375	1,999,421	0	9	0	9	0	1,999,430	0	64,320	64,320	48,717	10/19/2018	1
3133XH-W5-7	Federal Home Ln Bks		03/20/2008	Morgan, Keegan, & Co.		5,315,625	5,000,000.00	4,963,650	4,967,602	0	1,029	0	1,029	0	4,968,630	0	346,995	346,995	68,385	12/13/2013	1
3128X1-KG-1	Federal Home Ln Mtg Corp		03/20/2008	Morgan, Keegan, & Co.		3,066,563	3,000,000.00	2,858,520	2,878,097	0	4,301	0	4,301	0	2,882,398	0	184,164	184,164	34,000	06/12/2013	1
3128X4-GV-7	Federal Home Ln Mtg Corp		03/20/2008	First Tennessee		2,107,920	2,000,000.00	1,983,326	1,988,621	0	895	0	895	0	1,989,516	0	118,404	118,404	59,042	08/16/2010	1
3128X4-HF-1	Federal Home Ln Mtg Corp		03/26/2008	Fidelity Cap Mrkts		2,127,620	2,000,000.00	2,006,100	2,005,018	0	(230)	0	(230)	0	2,004,788	0	122,832	122,832	61,667	08/15/2012	1
3128X4-S2-8	Federal Home Ln Mtg Corp		03/28/2008	Mellon Bank/Capital Mkt		2,000,000	2,000,000.00	1,996,000	1,996,542	0	80	0	80	0	1,996,622	0	3,378	3,378	60,000	03/28/2016	1
3128X5-KS-6	Federal Home Ln Mtg Corp		03/20/2008	First Tennessee		2,113,125	2,000,000.00	2,000,000	2,000,000	0	0	0	0	0	2,000,000	0	113,125	113,125	52,417	10/04/2016	1
3128X5-LG-1	Federal Home Ln Mtg Corp		01/24/2008	RW Pressprich C/T M St		2,000,000	2,000,000.00	1,983,000	1,984,187	0	66	0	66	0	1,984,253	0	15,747	15,747	30,000	10/24/2018	1
3128X5-TG-3	Federal Home Ln Mtg Corp		03/27/2008	RW Pressprich C/T M St		2,000,000	2,000,000.00	1,999,700	1,999,716	0	4	0	4	0	1,999,720	0	280	280	30,000	12/27/2019	1
3128X5-ZE-1	Federal Home Ln Mtg Corp		03/20/2008	First Tennessee		2,078,125	2,000,000.00	1,996,000	1,996,153	0	39	0	39	0	1,996,192	0	81,933	81,933	72,514	02/07/2022	1
31339D-2G-2	Federal Home Ln Mtg Corp		03/15/2008	PRINCIPAL RECEIPT		79,586	79,586.01	80,146	80,047	0	(461)	0	(461)	0	79,586	0	0	0	775	02/15/2012	1
3134A4-UU-6	Federal Home Ln Mtg Corp		03/20/2008	Merrill Lynch, Pierce, Fe		2,153,260	2,000,000.00	2,004,640	2,004,047	0	(115)	0	(115)	0	2,003,932	0	149,328	149,328	69,167	07/15/2014	1
3137EA-AD-1	Federal Home Ln Mtg Corp		03/25/2008	Deutsche Bank Alex Bro		2,154,340	2,000,000.00	1,992,740	1,993,730	0	142	0	142	0	1,993,872	0	160,468	160,468	46,083	04/18/2016	1
31395T-Q8-0	Federal Home Ln Mtg Corp		03/15/2008	PRINCIPAL RECEIPT		50,732	50,731.94	50,789	50,801	0	(69)	0	(69)	0	50,732	0	0	0	473	11/15/2023	1
31396H-J8-3	Federal Home Ln Mtg Corp		03/15/2008	PRINCIPAL RECEIPT		46,195	46,194.57	46,433	46,415	0	(220)	0	(220)	0	46,195	0	0	0	389	02/15/2036	1
31359M-M3-4	Federal Natl Mtg Assn		03/20/2008	RW Pressprich C/T M St		2,120,000	2,000,000.00	1,990,000	1,990,241	0	106	0	106	0	1,990,347	0	129,653	129,653	48,667	04/28/2021	1
31394F-KF-1	Federal Natl Mtg Assn		03/25/2008	PRINCIPAL RECEIPT		80,130	80,130.23	80,443	80,699	0	(569)	0	(569)	0	80,130	0	0	0	1,063	06/25/2034	1
31396V-4B-1	Federal Natl Mtg Assn Gtd		03/25/2008	PRINCIPAL RECEIPT		65,441	65,440.69	65,441	65,441	0	0	0	0	0	65,441	0	0	0	513	06/25/2037	1
3134A4-JT-2	FHLMC Deb		03/26/2008	G.X. Clarke & Company		2,188,800	2,000,000.00	2,034,500	2,025,945	0	(1,362)	0	(1,362)	0	2,024,584	0	164,216	164,216	80,500	01/15/2012	1
3134A4-SA-3	FHLMC DEB		03/20/2008	A.G. Edwards & Sons		2,107,720	2,000,000.00	1,991,586	1,994,589	0	209	0	209	0	1,994,797	0	112,923	112,923	62,250	01/15/2013	1

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	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 Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ 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.								
3128X2-DA-0	FHLMC Mtn		02/26/2008	Bear Stearns & Co		1,000,000	1,000,000.00	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	0	0	10,088	11/26/2008	1	
3128X3-RV-7	FHLMC Mtn		01/25/2008	Bear, Stearns Securities		1,000,000	1,000,000.00	1,001,200	1,000,838	0	(9)	0	(9)	0	1,000,829	0	(829)	(829)	25,911	07/29/2013	1	
880591-CW-0	Tenn Valley Auth		03/26/2008	Deutsche Bank Alex Bro		2,231,120	2,000,000.00	2,044,890	2,033,405	0	(1,329)	0	(1,329)	0	2,032,076	0	199,044	199,044	64,000	03/15/2013	1	
880591-DN-9	Tennessee Valley Auth		03/20/2008	Merrill Lynch, Pierce, Fe		2,161,000	2,000,000.00	2,037,206	2,024,664	0	(1,643)	0	(1,643)	0	2,023,021	0	137,979	137,979	76,875	01/18/2011	1	
912810-PT-9	United State Trea Bds		03/20/2008	A.G. Edwards & Sons		5,251,500	4,800,000.00	5,041,500	5,041,045	0	(885)	0	(885)	0	5,040,160	0	211,340	211,340	137,802	02/15/2037	1	
912810-PU-6	United States Treas Bond		03/24/2008	A.G. Edwards & Sons		16,857,031	15,000,000.00	16,343,906	10,812,899	0	(1,828)	0	(1,828)	0	16,341,540	0	515,491	515,491	214,011	05/15/2037	1	
912828-GX-2	United States Treas Note		03/26/2008	VARIOUS		4,632,358	4,016,560.00	4,209,012	4,222,015	(16,510)	(3,818)	0	(20,328)	0	4,201,687	0	430,671	430,671	73,622	07/15/2017	1	
912828-AP-5	United States Treas Notes		03/20/2008	Morgan, Keegan, & Co.		6,448,594	6,000,000.00	5,917,500	5,928,656	0	2,869	0	2,869	0	5,931,525	0	517,068	517,068	85,714	11/15/2012	1	
912833-KB-5	United States Treas Sec Stripped		03/20/2008	A.G. Edwards & Sons		4,678,100	5,500,000.00	4,267,905	4,318,148	0	29,675	0	29,675	0	4,347,823	0	330,277	330,277	0	11/15/2013	1	
912833-LR-9	United States Treas Sec Stripped		02/25/2008	A.G. Edwards & Sons		923,080	2,000,000.00	879,480	890,474	0	6,659	0	6,659	0	897,134	0	25,946	25,946	0	05/15/2024	1	
912810-FT-0	US Treas Bond		03/24/2008	A.G. Edwards & Sons		11,314,531	11,000,000.00	11,376,172	7,127,948	0	(576)	0	(576)	0	11,375,496	0	(60,965)	(60,965)	263,796	02/15/2036	1	
912810-DW-5	US Treas Bonds		03/26/2008	G.X. Clarke & Company		1,280,000	1,000,000.00	1,084,688	1,050,131	0	(1,066)	0	(1,066)	0	1,049,065	0	230,935	230,935	26,490	05/15/2016	1	
912810-FP-8	US Treas Bonds		03/20/2008	A.G. Edwards & Sons		2,348,750	2,000,000.00	2,061,953	2,060,000	0	(296)	0	(296)	0	2,059,704	0	289,046	289,046	64,973	02/15/2031	1	
912828-DR-8	US Treas Note		03/20/2008	Morgan, Keegan, & Co.		4,717,266	4,500,000.00	4,398,555	4,433,273	0	6,111	0	6,111	0	4,439,384	0	277,882	277,882	79,180	04/15/2010	1	
912828-DV-9	US Treas Note		03/20/2008	A.G. Edwards & Sons		7,451,250	7,000,000.00	6,787,932	6,819,989	0	3,989	0	3,989	0	6,823,978	0	627,272	627,272	79,100	05/15/2015	1	
912828-CJ-7	US Treas Notes		03/20/2008	VARIOUS		7,734,531	7,000,000.00	7,326,048	7,232,565	0	(4,610)	0	(4,610)	0	7,227,955	0	506,577	506,577	91,085	05/15/2014	1	
912833-LV-0	US Treas Sec Stripped		01/28/2008	A.G. Edwards & Sons		2,973,855	6,500,000.00	2,945,670	0	0	8,095	0	8,095	0	2,953,765	0	20,090	20,090	0	05/15/2025	1	
0399999	Total - Bonds - U.S. Governments					X X X	161,312,167	156,703,643.4	152,950,465	140,249,085	(16,510)	44,414	0	27,904	0	153,001,253	0	8,310,914	8,310,914	3,124,459	X X X	X X X
172987-AY-5	Citigroup Mtg Ln Tr 2006-AR7		03/25/2008	PRINCIPAL RECEIPT		22,020	22,019.55	22,032	22,024	0	(4)	0	(4)	0	22,020	0	0	0	236	11/25/2036	1FE	
3128M4-CP-6	FHLMC Pool# G02478		03/15/2008	PRINCIPAL RECEIPT		112,958	112,958.18	111,299	111,378	0	1,580	0	1,580	0	112,958	0	0	0	1,215	12/01/2036	1	
31402V-ZS-2	FNMA Pool # 739753		03/25/2008	PRINCIPAL RECEIPT		58,111	58,111.10	58,529	58,466	0	(355)	0	(355)	0	58,111	0	0	0	405	12/01/2018	1	
31407B-WY-1	FNMA Pool # 826063		03/25/2008	PRINCIPAL RECEIPT		61,599	61,599.20	59,029	59,284	0	2,315	0	2,315	0	61,599	0	0	0	424	07/01/2035	1	
31371L-KY-4	FNMA Pool #255111		03/25/2008	PRINCIPAL RECEIPT		40,340	40,340.29	40,813	40,671	0	(331)	0	(331)	0	40,340	0	0	0	396	03/01/2034	1	
31371M-J4-0	FNMA Pool #255983		03/25/2008	PRINCIPAL RECEIPT		39,209	39,209.16	39,142	39,125	0	84	0	84	0	39,209	0	0	0	337	11/01/2015	1	
31404B-SY-9	FNMA Pool #763835		03/25/2008	PRINCIPAL RECEIPT		5,931	5,931.19	5,886	5,890	0	41	0	41	0	5,931	0	0	0	50	01/01/2034	1	
31410G-ME-0	FNMA Pool #888757		03/25/2008	PRINCIPAL RECEIPT		7,206	7,205.88	7,279	7,271	0	(73)	0	(73)	0	7,206	0	0	0	89	09/01/2037	1	
31410P-P2-3	FNMA Pool #893341		03/25/2008	PRINCIPAL RECEIPT		178,354	178,354.18	180,033	179,971	0	(1,617)	0	(1,617)	0	178,354	0	0	0	2,694	09/01/2036	1	
31413J-FD-1	FNMA Pool# 946664		03/25/2008	PRINCIPAL RECEIPT		13,698	13,698.41	13,763	13,761	0	(62)	0	(62)	0	13,698	0	0	0	153	09/01/2037	1	
46629P-AE-8	J P Morgan Chase Mtg Sec Tr 2006		02/27/2008	Chase Securities		468,192	553,000.00	555,754	555,567	0	(36)	0	(36)	0	555,531	0	(87,339)	(87,339)	7,592	05/15/2047	1FE	
939335-2K-0	Washington Mut Mtg Secs Corp.		03/25/2008	PRINCIPAL RECEIPT		32,914	32,914.35	33,360	33,424	0	(510)	0	(510)	0	32,914	0	0	0	381	06/25/2032	1FE	
3199999	Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obligation					X X X	1,040,532	1,125,341.49	1,126,919	1,126,840	0	1,032	0	1,032	0	1,127,871	0	(87,339)	(87,339)	13,972	X X X	X X X
060505-BM-5	Bank of America Corp		03/27/2008	A.G. Edwards & Sons		265,855	260,000.00	272,776	269,152	0	(291)	0	(291)	0	268,862	0	(3,007)	(3,007)	3,998	06/15/2014	1FE	
06422K-AA-0	Bank One Texas		02/15/2008	MATURITY		585,000	585,000.00	656,671	586,960	0	(1,960)	0	(1,960)	0	585,000	0	0	0	18,281	02/15/2008	1FE	
07262N-AC-1	Bay View Auto Tr		03/25/2008	PRINCIPAL RECEIPT		301,575	301,575.31	301,544	301,803	0	(228)	0	(228)	0	301,575	0	0	0	2,493	11/25/2010	1FE	
073902-PN-2	Bear Stearns Cos Inc.		01/15/2008	Jefferies & Co-Bonds Dir		449,915	500,000.00	468,530	469,675	0	98	0	98	0	469,773	0	(19,858)	(19,858)	13,567	01/22/2017	1FE	
125581-CS-5	Cit Group Inc.		03/31/2008	Jefferies & Co-Bonds Dir		496,438	650,000.00	650,143	650,129	0	(3)	0	(3)	0	650,126	0	(153,688)	(153,688)	20,914	09/15/2016	1FE	
26884A-AX-1	ERP Oper Ltd Partnership		02/01/2008	Wachovia Capital Mkts L		280,317	300,000.00	297,990	298,078	0	13	0	13	0	298,090	0	(17,773)	(17,773)	11,596	06/15/2017	2FE	
46631Q-AA-0	J P Morgan Chase Coml Mtg Secs		03/12/2008	PRINCIPAL RECEIPT		18,711	18,710.57	18,757	18,758	0	(47)	0	(47)	0	18,711	0	0	0	174	02/12/2051	1FE	

E05.1

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	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 Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ 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.							
466247-CY-7	JP Morgan 04-A3-3A2		03/25/2008	PRINCIPAL RECEIPT		8,909	8,909.30	8,863	8,865	0	44	0	44	0	8,909	0	0	0	75	07/25/2034	1FE
501773-CA-1	LB Coml 98-C4-A1B		03/15/2008	PRINCIPAL RECEIPT		63,111	63,111.34	70,887	70,486	0	(7,374)	0	(7,374)	0	63,111	0	0	0	683	10/15/2035	1FE
61167H-BJ-1	Monsanto Co MTN		02/05/2008	MATURITY		1,000,000	1,000,000.00	942,360	999,107	0	893	0	893	0	1,000,000	0	0	0	18,975	02/05/2008	1FE
68619A-AU-1	Origen Mfd 04-A-A2		03/15/2008	PRINCIPAL RECEIPT		102,767	102,767.47	102,756	102,958	0	(191)	0	(191)	0	102,767	0	0	0	594	08/15/2017	1FE
913017-BD-0	United Tech Corp		03/31/2008	VARIOUS		2,166,300	2,000,000.00	2,020,740	2,008,474	0	(604)	0	(604)	0	2,007,871	0	158,429	158,429	74,789	03/01/2011	1FE
92976G-AD-3	Wachovia Bank		01/30/2008	Wachovia Capital Mkts L		972,070	1,000,000.00	970,080	976,976	0	219	0	219	0	977,195	0	(5,125)	(5,125)	24,781	02/01/2015	1FE
931142-BE-2	Walmart Stores		02/29/2008	Jefferies & Co-Bonds Dir		1,057,320	1,000,000.00	1,039,300	1,009,358	0	(897)	0	(897)	0	1,008,461	0	48,859	48,859	39,149	08/10/2009	1FE
4599999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	7,768,288	7,790,073.99	7,821,397	7,770,779	0	(10,328)	0	(10,328)	0	7,760,451	0	7,837	7,837	230,069	X X X	X X X
6099997	Total - Bonds - Part 4				X X X	170,120,987	165,619,058.9	161,898,781	149,146,704	(16,510)	35,118	0	18,608	0	161,889,575	0	8,231,412	8,231,412	3,368,500	X X X	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	170,120,987	165,619,058.9	161,898,781	149,146,704	(16,510)	35,118	0	18,608	0	161,889,575	0	8,231,412	8,231,412	3,368,500	X X X	X X X
63540U-20-7	National City Cap Tr IV		03/20/2008	A.G. Edwards & Sons	16,000.00	280,107	16,000.00	400,000	335,200	64,800	0	0	64,800	0	400,000	0	(119,893)	(119,893)	8,000		P1L
6399999	Total - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	280,107	X X X	400,000	335,200	64,800	0	0	64,800	0	400,000	0	(119,893)	(119,893)	8,000	X X X	X X X
6599997	Total - Preferred Stock - Part 4				X X X	280,107	X X X	400,000	335,200	64,800	0	0	64,800	0	400,000	0	(119,893)	(119,893)	8,000	X X X	X X X
6599998	Summary Item from Part 5 for Preferred Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6599999	Total Preferred Stocks				X X X	280,107	X X X	400,000	335,200	64,800	0	0	64,800	0	400,000	0	(119,893)	(119,893)	8,000	X X X	X X X
025816-10-9	American Express Co		01/25/2008	Goldman, Sachs & Co.	1,580.00	72,335		82,428	82,192	236	0	0	236	0	82,428	0	(10,093)	(10,093)	0		L
12572Q-10-5	CME Group Inc.		01/25/2008	Goldman, Sachs & Co.	140.00	88,756		77,472	96,040	(18,568)	0	0	(18,568)	0	77,472	0	11,283	11,283	0		L
G54050-10-2	Lazard Ltd		03/03/2008	Lehman Brothers	840.00	31,750		40,444	34,171	6,273	0	0	6,273	0	40,444	0	(8,694)	(8,694)	84		L
693475-10-5	PNC Finl Svcs Group Inc		01/25/2008	Goldman, Sachs & Co.	1,570.00	95,633		110,509	103,071	7,438	0	0	7,438	0	110,509	0	(14,876)	(14,876)	989		L
91529Y-10-6	Unumprovident Corp		03/26/2008	Citigroup Global Markets	2,050.00	44,987		39,889	48,770	(8,880)	0	0	(8,880)	0	39,889	0	5,098	5,098	154		L
902973-30-4	US Bancorp Del		03/26/2008	VARIOUS	5,760.00	190,667		188,454	182,822	5,632	0	0	5,632	0	188,454	0	2,213	2,213	2,448		L
6799999	Total - Common Stock - Banks, Trust and Insurance Companies (Unaffiliated)				X X X	524,128	X X X	539,196	547,066	(7,869)	0	0	(7,869)	0	539,196	0	(15,069)	(15,069)	3,675	X X X	X X X
002824-10-0	Abbott Labs		02/13/2008	VARIOUS	1,040.00	59,172		44,189	58,396	(14,207)	0	0	(14,207)	0	44,189	0	14,983	14,983	338		L
G0070K-10-3	Ace Ltd		03/26/2008	VARIOUS	1,330.00	73,511		68,210	82,167	(13,957)	0	0	(13,957)	0	68,210	0	5,301	5,301	359		L
00724F-10-1	Adobe Sys Inc.		03/07/2008	VARIOUS	1,500.00	53,167		64,212	64,095	117	0	0	117	0	64,212	0	(11,045)	(11,045)	0		L
00846U-10-1	Agilent Technologies Inc		02/25/2008	VARIOUS	3,875.00	126,056		125,401	142,368	(16,966)	0	0	(16,966)	0	125,401	0	655	655	0		L
00971T-10-1	Akamai Technologies Inc.		03/07/2008	Credit Suisse FirstBosto	1,090.00	38,381		41,028	37,714	3,314	0	0	3,314	0	41,028	0	(2,646)	(2,646)	0		L
02209S-10-3	Altria Group Inc		03/31/2008	COST ADJ - SPIN-OFF	0.00	222,873		185,406	185,406	0	0	0	0	222,873	0	0	0	0	0		L
025537-10-1	American Elec Pwr Inc		03/03/2008	VARIOUS	2,730.00	114,095		125,109	127,109	(2,000)	0	0	(2,000)	0	125,109	0	(11,014)	(11,014)	230		L

E052

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value				16	17	18	19	20	21	22	
										11	12	13	14								15
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
026874-10-7	American International		03/26/2008	VARIOUS	4,880.00	218,659		299,730	284,504	15,226	0	0	15,226	0	299,730	0	(81,071)	(81,071)	752		L
037833-10-0	Apple Computer Inc.		01/16/2008	Credit Suisse FirstBosto	170.00	27,484		14,548	33,674	(19,125)	0	0	(19,125)	0	14,548	0	12,936	12,936	0		L
124857-20-2	CBS Inc.		03/07/2008	Cantor, Fitzgerald & Co.	3,787.00	83,485		113,490	103,196	10,294	0	0	10,294	0	113,490	0	(30,006)	(30,006)	947		L
166764-10-9	Chevron Corp		02/13/2008	Lehman Brothers	710.00	57,579		48,039	66,264	(18,225)	0	0	(18,225)	0	48,039	0	9,539	9,539	0		L
125509-10-9	Cigna Corp		03/14/2008	VARIOUS	3,180.00	140,535		111,584	170,861	(59,277)	0	0	(59,277)	0	111,584	0	28,950	28,950	32		L
17453B-10-1	Citizens Communications Co.		03/26/2008	VARIOUS	7,305.00	76,531		99,405	92,993	6,412	0	0	6,412	0	99,405	0	(22,874)	(22,874)	1,826		L
189754-10-4	Coach Inc		01/16/2008	Jefferies & Co	800.00	20,748		31,030	24,464	6,566	0	0	6,566	0	31,030	0	(10,281)	(10,281)	0		L
192446-10-2	Cognizant Tech. Solutions Cl A		03/26/2008	VARIOUS	2,780.00	83,700		99,884	94,353	5,531	0	0	5,531	0	99,884	0	(16,184)	(16,184)	0		L
194162-10-3	Colgate Palmolive Co		02/13/2008	Universal Network Exch	440.00	33,780		21,891	34,302	(12,412)	0	0	(12,412)	0	21,891	0	11,889	11,889	158		L
19765P-81-0	Columbia Small Cap Core Fund		01/09/2008	Mutual Fund Agent	51,617.34	750,000		836,241	803,682	32,559	0	0	32,559	0	836,241	0	(86,241)	(86,241)	0		U
20825C-10-4	Conocophillips		03/03/2008	VARIOUS	2,860.00	234,327		209,090	252,538	(43,448)	0	0	(43,448)	0	209,090	0	25,236	25,236	597		L
222862-10-4	Coventry Health Care Inc.		03/14/2008	VARIOUS	4,425.00	192,311		242,017	187,526	(14,066)	0	0	(14,066)	0	242,017	0	(49,706)	(49,706)	0		L
254687-10-4	Disney Walt Co		03/07/2008	VARIOUS	6,455.00	199,978		214,486	168,986	7,476	0	0	7,476	0	214,486	0	(14,508)	(14,508)	1,832		L
257559-10-4	Domtar Corp		03/26/2008	Weeden & Co	2,700.00	17,424		18,575	20,763	(2,188)	0	0	(2,188)	0	18,575	0	(1,151)	(1,151)	0		L
26483E-10-0	Dun & Bradstreet Corp.		03/03/2008	Lehman Brothers	910.00	79,015		68,977	80,653	(11,676)	0	0	(11,676)	0	68,977	0	10,038	10,038	273		L
268648-10-2	EMC Corp		03/26/2008	Weeden & Co	5,380.00	78,653		84,758	99,691	(14,933)	0	0	(14,933)	0	84,758	0	(6,106)	(6,106)	0		L
291011-10-4	Emerson Electric Co.		01/25/2008	Raymond James & Asso	2,730.00	140,348		116,859	154,682	(37,823)	0	0	(37,823)	0	116,859	0	23,488	23,488	0		L
29364G-10-3	Entergy Corp		03/26/2008	VARIOUS	660.00	70,016		46,235	78,883	(32,648)	0	0	(32,648)	0	46,235	0	23,781	23,781	323		L
302182-10-0	Express Scripts Inc		02/13/2008	Lehman Brothers	610.00	39,769		26,320	44,530	(18,210)	0	0	(18,210)	0	26,320	0	13,449	13,449	0		L
30231G-10-2	Exxon Mobil Corp		02/13/2008	VARIOUS	5,370.00	467,612		452,790	503,115	(50,326)	0	0	(50,326)	0	452,790	0	14,823	14,823	812		L
313586-10-9	Federal National Mortgage Assn		03/14/2008	VARIOUS	7,665.00	171,694		428,042	306,447	121,595	0	0	121,595	0	428,042	0	(256,347)	(256,347)	2,683		L
314211-10-3	Federated Invs Inc PA		03/26/2008	Citigroup Global Markets	3,100.00	125,194		133,361	0	0	0	0	0	0	133,361	0	(8,167)	(8,167)	651		L
302571-10-4	FPL Group Inc		03/26/2008	Credit Suisse FirstBosto	1,140.00	70,456		62,103	77,269	(15,166)	0	0	(15,166)	0	62,103	0	8,353	8,353	507		L
36467W-10-4	Gamestop Corp		01/16/2008	Jefferies & Co	560.00	28,211		22,708	34,782	(12,073)	0	0	(12,073)	0	22,708	0	5,503	5,503	0		L
369550-10-8	General Dynamics Corp		03/03/2008	VARIOUS	2,160.00	178,989		143,254	192,218	(48,965)	0	0	(48,965)	0	143,254	0	35,735	35,735	626		L
382388-10-6	Goodrich Corp		02/04/2008	Lehman Brothers	2,500.00	157,612		145,922	176,525	(30,603)	0	0	(30,603)	0	145,922	0	11,690	11,690	563		L
382550-10-1	Goodyear Tire & Rubr Co		02/13/2008	Weeden & Co	2,455.00	60,782		75,134	69,280	5,854	0	0	5,854	0	75,134	0	(14,352)	(14,352)	0		L
38259P-50-8	Google Inc		02/25/2008	Credit Suisse FirstBosto	60.00	30,074		28,941	41,489	(12,548)	0	0	(12,548)	0	28,941	0	1,134	1,134	0		L
438516-10-6	Honeywell Intl Inc.		03/03/2008	Lehman Brothers	1,190.00	69,072		44,359	73,268	(28,909)	0	0	(28,909)	0	44,359	0	24,713	24,713	327		L
452308-10-9	Illinois Tool Works Inc		03/26/2008	VARIOUS	2,385.00	118,425		136,595	127,693	8,903	0	0	8,903	0	136,595	0	(18,171)	(18,171)	668		L
458140-10-0	Intel Corp		03/26/2008	Friedman Billings & Ram	7,110.00	154,612		182,266	0	0	0	0	0	0	182,266	0	(27,653)	(27,653)	907		L
459200-10-1	International Business Machs		02/13/2008	Credit Suisse FirstBosto	490.00	52,757		42,692	52,969	(10,277)	0	0	(10,277)	0	42,692	0	10,064	10,064	170		L
46069S-10-9	Intersil Corp		01/25/2008	VARIOUS	3,320.00	78,618		92,667	81,274	11,393	0	0	11,393	0	92,667	0	(14,048)	(14,048)	0		L
450911-10-2	ITT Inds Inc. Ind		03/03/2008	Credit Suisse FirstBosto	2,005.00	115,615		121,274	132,410	(11,136)	0	0	(11,136)	0	121,274	0	(5,659)	(5,659)	281		L
478160-10-4	Johnson & Johnson		01/16/2008	Credit Suisse FirstBosto	610.00	41,578		35,567	40,687	(5,120)	0	0	(5,120)	0	35,567	0	6,012	6,012	0		L
48242W-10-6	KBR Inc		02/04/2008	Lehman Brothers	4,630.00	152,344		86,610	179,644	(93,034)	0	0	(93,034)	0	86,610	0	65,734	65,734	0		L
524908-10-0	Lehman Bros Hldgs Inc		01/25/2008	Goldman, Sachs & Co.	3,830.00	221,673		245,481	250,635	(5,154)	0	0	(5,154)	0	245,481	0	(23,808)	(23,808)	0		L
540424-20-7	Loews Corp		02/13/2008	Universal Network Exch	290.00	22,580		24,827	24,737	90	0	0	90	0	24,827	0	(2,248)	(2,248)	0		L
57772K-10-1	Maxim Integrated Prod Inc		03/26/2008	VARIOUS	6,460.00	124,904		216,012	171,061	44,951	0	0	44,951	0	216,012	0	(91,108)	(91,108)	1,211		L
55262C-10-0	MBA Inc		02/13/2008	Bear Stearns & Co	6,520.00	75,803		111,452	74,520	0	0	0	0	111,452	0	(35,650)	(35,650)	1,360		L	
580037-10-9	McDermott Intl Inc		03/03/2008	Merrill Lynch Profess Cl	1,790.00	93,498		108,129	105,664	2,465	0	0	2,465	0	108,129	0	(14,631)	(14,631)	0		L
580135-10-1	McDonald's Corp		02/13/2008	VARIOUS	1,670.00	92,474		57,107	98,380	(41,273)	0	0	(41,273)	0	57,107	0	35,367	35,367	0		L

E053

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	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 Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ 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.							
58155Q-10-3	McKesson Corp		02/13/2008	Bear Stearns & Co	690.00	39,708		39,750	45,202	(5,452)	0	0	(5,452)	0	39,750	0	(42)	(42)	41		L
58405U-10-2	Medco Hlth Solutions Inc		03/07/2008	VARIOUS	2,400.00	101,125		120,080	91,260	(1,559)	0	0	(1,559)	0	120,080	0	(18,955)	(18,955)	0		L
59156R-10-8	Metlife Inc		01/25/2008	Goldman, Sachs & Co.	2,105.00	116,001		128,144	129,710	(1,566)	0	0	(1,566)	0	128,144	0	(12,143)	(12,143)	0		L
62886E-10-8	NCR Corp.		01/25/2008	VARIOUS	4,295.00	93,647		121,721	107,805	13,917	0	0	13,917	0	121,721	0	(28,074)	(28,074)	0		L
65248E-10-4	News Corp. Cl A		03/26/2008	Merrill Lynch Profess Cl	1,770.00	33,098		36,661	36,267	394	0	0	394	0	36,661	0	(3,564)	(3,564)	0		L
654106-10-3	Nike Inc.		03/03/2008	Lehman Brothers	530.00	31,832		30,012	34,047	(4,035)	0	0	(4,035)	0	30,012	0	1,820	1,820	151		L
670346-10-5	Nucor Corp		03/26/2008	Credit Suisse FirstBosto	680.00	48,674		44,267	40,270	3,998	0	0	3,998	0	44,267	0	4,407	4,407	946		L
701094-10-4	Parker-Hannifin Corp		01/25/2008	Knight Equity Markets, L	1,677.00	106,181		106,489	126,295	(19,806)	0	0	(19,806)	0	106,489	0	(308)	(308)	0		L
740189-10-5	Precision Castparts Corp		03/03/2008	Credit Suisse FirstBosto	280.00	30,784		32,539	0	0	0	0	0	32,539	0	(1,755)	(1,755)	7		L	
758766-10-9	Regal Entmt Group		01/07/2008	Weeden & Co	4,385.00	74,795		95,890	79,237	16,653	0	0	16,653	0	95,890	0	(21,095)	(21,095)	0		L
806605-10-1	Schering Plough Corp		02/13/2008	VARIOUS	8,005.00	185,288		240,460	213,253	27,206	0	0	27,206	0	240,460	0	(55,172)	(55,172)	238		L
824348-10-6	Sherwin Williams Co		03/26/2008	Knight Equity Markets, L	1,520.00	77,797		99,877	88,221	11,656	0	0	11,656	0	99,877	0	(22,079)	(22,079)	532		L
882508-10-4	Texas Instruments		01/02/2008	VARIOUS	5,505.00	178,537		192,884	183,867	9,017	0	0	9,017	0	192,884	0	(14,347)	(14,347)	0		L
887317-10-5	Time Warner Inc.		01/16/2008	Bernstein, Sanford & Co	2,730.00	42,942		47,843	45,072	2,771	0	0	2,771	0	47,843	0	(4,901)	(4,901)	0		L
918204-10-8	V F Corp		03/26/2008	Lehman Brothers	980.00	76,453		78,816	67,287	11,529	0	0	11,529	0	78,816	0	(2,362)	(2,362)	568		L
91913Y-10-0	Valero Energy Corp. New		03/26/2008	VARIOUS	1,680.00	83,141		93,607	117,650	(24,043)	0	0	(24,043)	0	93,607	0	(10,467)	(10,467)	202		L
92553P-20-1	Viacom Inc.		01/16/2008	Keybanc Capital Market	1,070.00	42,920		43,865	46,994	(3,130)	0	0	(3,130)	0	43,865	0	(944)	(944)	0		L
929160-10-9	Vulcan Materials Co		03/26/2008	VARIOUS	2,035.00	139,342		176,661	160,948	15,713	0	0	15,713	0	176,661	0	(37,319)	(37,319)	502		L
939322-10-3	Washington Mut Inc		03/26/2008	Pacific Crest Securities	6,420.00	75,342		107,039	0	0	0	0	0	107,039	0	(31,697)	(31,697)	593		L	
94106L-10-9	Waste Management Inc Del		01/02/2008	Knight Equity Markets, L	4,165.00	135,781		144,972	136,071	8,902	0	0	8,902	0	144,972	0	(9,191)	(9,191)	0		L
941848-10-3	Waters Corp		03/07/2008	Lehman Brothers	820.00	48,555		39,775	64,837	(25,063)	0	0	(25,063)	0	39,775	0	8,780	8,780	0		L
6899999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	7,698,117	X X X	8,412,826	8,122,160	(375,897)	0	0	(375,897)	0	8,412,826	0	(714,710)	(714,710)	22,213	X X X	X X X
7299997	Total - Common Stock - Part 4				X X X	8,222,245	X X X	8,952,022	8,669,226	(383,766)	0	0	(383,766)	0	8,952,022	0	(729,779)	(729,779)	25,888	X X X	X X X
7299998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
7299999	Total Common Stocks				X X X	8,222,245	X X X	8,952,022	8,669,226	(383,766)	0	0	(383,766)	0	8,952,022	0	(729,779)	(729,779)	25,888	X X X	X X X
7399999	Total Preferred and Common Stocks				X X X	8,502,352	X X X	9,352,022	9,004,426	(318,966)	0	0	(318,966)	0	9,352,022	0	(849,672)	(849,672)	33,888	X X X	X X X
7499999	Totals					178,623,339	X X X	171,250,803	158,151,130	(335,476)	35,118	0	(300,358)	0	171,241,597	0	7,381,740	7,381,740	3,402,388	X X X	X X X

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 1.

NONE Schedule DB - Part A and B - Section 1

NONE Schedule DB - Part C and D - Section 1

NONE Schedule E - Part 2