

QUARTERLY STATEMENT

OF THE

of _____
in the state of _____

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2008

PROPERTY AND CASUALTY

2008

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	310,318,274		310,318,274	324,741,362
2. Stocks:				
2.1 Preferred stocks	18,578,147		18,578,147	17,643,787
2.2 Common stocks	44,404,975		44,404,975	48,308,413
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	14,107,113		14,107,113	14,240,834
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (2,805,291)), cash equivalents (\$ 0), and short-term investments (\$ 41,290,756)	38,485,465		38,485,465	32,021,649
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets	472,068		472,068	470,156
8. Receivables for securities	550,508		550,508	
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	426,916,550		426,916,550	437,426,201
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	4,162,868		4,162,868	4,043,029
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	3,415,633	472,761	2,942,872	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)	29,231,784	336,978	28,894,806	32,469,995
13.3 Accrued retrospective premiums	503,262	503,262		
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	136,094		136,094	164,499
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	386,372	104,025	282,347	394,053
19. Furniture and equipment, including health care delivery assets (\$ 0)	171,167	171,167		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	222,371		222,371	134,098
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	4,128,902	3,103,414	1,025,488	1,139,967
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	469,275,003	4,691,607	464,583,396	480,054,492
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	469,275,003	4,691,607	464,583,396	480,054,492

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301. Prepaid Expenses	2,542,747	2,542,747		
2302. Rabbi Trust Account	1,025,488		1,025,488	1,139,967
2303. Miscellaneous Receivables	560,667	560,667		
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	4,128,902	3,103,414	1,025,488	1,139,967

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 32,959,878)	196,571,680	206,437,621
2. Reinsurance payable on paid losses and loss adjustment expenses	53,868	399,536
3. Loss adjustment expenses	37,931,366	40,748,782
4. Commissions payable, contingent commissions and other similar charges	4,102,560	5,586,351
5. Other expenses (excluding taxes, licenses and fees)	3,508,837	5,348,935
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	10,844,149	7,551,647
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0)	54,188,040	59,379,443
10. Advance premium	1,201,833	2,818,121
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	1,211	57,466
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,445,842	1,532,493
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	20,560	103,526
15. Remittances and items not allocated	48,801	46,296
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Payable for securities	734,170	
21. Liability for amounts held under uninsured plans		
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities	955,418	5,977,371
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	311,608,335	335,987,588
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	311,608,335	335,987,588
27. Aggregate write-ins for special surplus funds		
28. Common capital stock		
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds	20,758,685	20,758,685
31. Surplus notes		
32. Gross paid in and contributed surplus		
33. Unassigned funds (surplus)	132,216,376	123,308,219
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	152,975,061	144,066,904
36. Totals	464,583,396	480,054,492

DETAILS OF WRITE-IN LINES		
2301. Accrued Restrospective Return Premium	591,041	
2302. Retroactive Reinsurance Reserve Assumed	326,760	321,581
2303. Miscellaneous Liabilities (including pledges and misc payables)	37,617	37,617
2398. Summary of remaining write-ins for Line 23 from overflow page		5,618,173
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	955,418	5,977,371
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001. Capital assessment by RI Dept of Labor to provide residual market	20,758,685	20,758,685
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
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 \$ 58,215,664)	63,375,647	70,390,224	133,571,282
1.2 Assumed (written \$ 1,781,553)	1,260,124	1,316,954	2,636,274
1.3 Ceded (written \$ 5,391,654)	5,391,654	5,049,256	11,342,644
1.4 Net (written \$ 54,605,563)	59,244,117	66,657,922	124,864,912
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 38,763,075):			
2.1 Direct	32,439,719	53,278,478	87,331,776
2.2 Assumed	521,736	1,099,116	2,638,190
2.3 Ceded	3,098,038	8,877,660	13,635,912
2.4 Net	29,863,417	45,499,934	76,334,054
3. Loss adjustment expenses incurred	9,038,954	13,311,606	19,511,411
4. Other underwriting expenses incurred	19,656,885	20,809,416	40,502,302
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	58,559,256	79,620,956	136,347,767
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	684,861	(12,963,034)	(11,482,855)
INVESTMENT INCOME			
9. Net investment income earned	8,528,265	9,715,799	18,809,747
10. Net realized capital gains (losses) less capital gains tax of \$ 0	7,119,815	2,155,674	3,263,664
11. Net investment gain (loss) (Lines 9 + 10)	15,648,080	11,871,473	22,073,411
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,189,092 amount charged off \$ 1,684,330)	(495,238)	(476,749)	(2,198,067)
13. Finance and service charges not included in premiums	104,165	110,050	189,135
14. Aggregate write-ins for miscellaneous income	388,167	11,430	1,164,167
15. Total other income (Lines 12 through 14)	(2,906)	(355,269)	(844,765)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	16,330,035	(1,446,830)	9,745,791
17. Dividends to policyholders	2,776,051	1,959,894	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)	13,553,984	(3,406,724)	3,442,210
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	13,553,984	(3,406,724)	3,442,210
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	144,066,904	138,038,502	138,038,502
22. Net income (from Line 20)	13,553,984	(3,406,724)	3,442,210
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(4,263,970)	1,125,900	522,046
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(381,857)	140,192	2,064,146
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	8,908,157	(2,140,632)	6,028,402
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	152,975,061	135,897,870	144,066,904

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Miscellaneous Income	396,666	107,326	87,503
1402. Impaired Loss - Subsidiary	(7,999)	(93,353)	(93,354)
1403. Interest Expense	(500)	(2,543)	(7,107)
1498. Summary of remaining write-ins for Line 14 from overflow page			1,177,125
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	388,167	11,430	1,164,167
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2
	Current Year To Date	Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	58,110,645	133,109,703
2. Net investment income	8,901,490	20,052,199
3. Miscellaneous income	(5,621,080)	(3,226,591)
4. Total (Lines 1 to 3)	61,391,055	149,935,311
5. Benefit and loss related payments	40,066,525	80,151,782
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	31,524,738	67,801,896
8. Dividends paid to policyholders	2,832,306	12,670,358
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	74,423,569	160,624,036
11. Net cash from operations (Line 4 minus Line 10)	(13,032,514)	(10,688,725)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	208,334,591	220,262,482
12.2 Stocks	15,640,479	30,604,017
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments	36,020	
12.7 Miscellaneous proceeds	400,040	52,686
12.8 Total investment proceeds (Lines 12.1 to 12.7)	224,411,130	250,919,185
13. Cost of investments acquired (long-term only):		
13.1 Bonds	186,426,028	189,964,469
13.2 Stocks	17,760,799	24,946,718
13.3 Mortgage loans		
13.4 Real estate	50,575	86,575
13.5 Other invested assets		50,000
13.6 Miscellaneous applications		1,019,210
13.7 Total investments acquired (Lines 13.1 to 13.6)	204,237,402	216,066,972
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	20,173,728	34,852,213
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(677,398)	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)	(677,398)	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)	6,463,816	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)	38,485,465	32,021,649

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

20.0001		
20.0002		
20.0003		

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of The Beacon Mutual Insurance Company (the "Company") have been prepared in conformity with insurance accounting practices prescribed or permitted by the Rhode Island Insurance Department. The State of Rhode Island requires insurance companies domiciled in the State of Rhode Island to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual.

SSAP 97 requires investments in subsidiaries to be carried at the entity's underlying audited statutory equity. As the Castle Hill Insurance subsidiary ("Castle Hill") has been inactive since its inception, the State of Rhode Island has granted the subsidiary an exemption from filing audited financial statements. As such, the State of Rhode Island has also granted a permitted practice to allow Castle Hill to be recorded on the Company's balance sheet as an invested asset at its unaudited statutory equity value.

A permitted practice has also 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.

A summary of the impact of the permitted practices on the Company's net income and surplus as a result of recording Castle Hill as an invested asset and treating shared earnings as dividends in lieu of retrospectively-rated policies, is estimated to be as follows:

	June 30, 2008		December 31, 2007	
	Surplus	Net Income	Surplus	Net Income
Rhode Island Basis	\$152,975,061	\$13,553,984	\$144,066,903	\$ 3,442,209
State Permitted Practice:				
Shared Earnings as				
Dividends	(5,681,792)	365,240	(6,047,032)	341,364
Value of Castle Hill				
subsidiary	(22,411,564)	0	(22,029,329)	0
NAIC SAP	<u>\$124,881,705</u>	<u>\$13,919,224</u>	<u>\$115,990,542</u>	<u>\$3,783,573</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.

NOTES TO FINANCIAL STATEMENTS

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.
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.

NOTES TO FINANCIAL STATEMENTS

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.

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?
If yes, complete the Schedule Y – Part 1 – organizational chart. Yes [] No [X]
- 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?
If yes, attach an explanation. Yes [] No [] N/A [X]
- 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: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

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	\$ _____	\$ _____
14.22 Preferred Stock	\$ 15,000,000	\$ 15,000,000
14.23 Common Stock	\$ 7,029,329	\$ 7,411,564
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 22,029,329	\$ 22,411,564
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

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)
Bank of America	100 Westminster Street, Providence RI	Based on discussions with the State of Rhode Island during the ongoing financial examination, several minor changes are being incorporated into the custodian agreements to ensure compliance with specific wording per Section G indicated above

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
.....
.....
.....
TOTAL		

NONE Schedule F

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

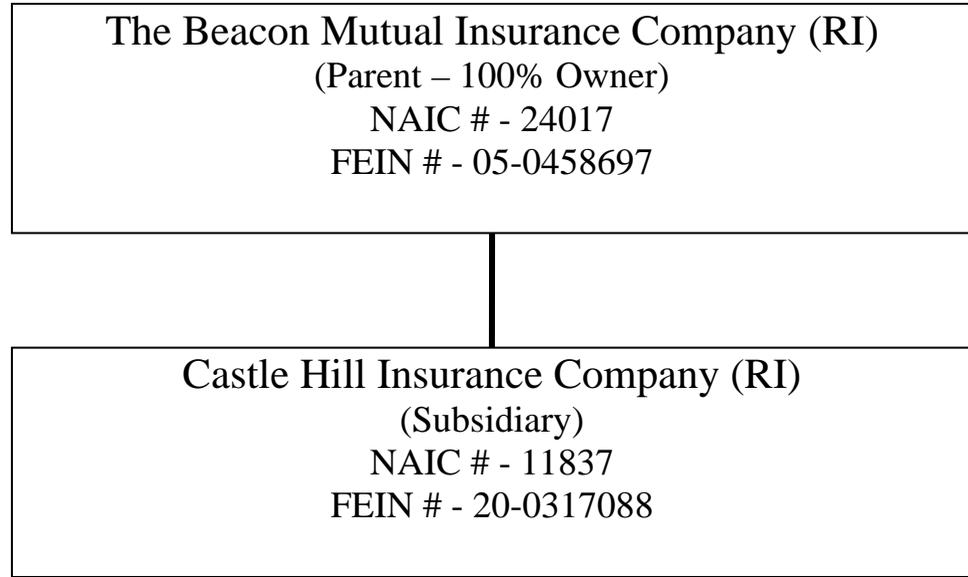
Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date	
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	L						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	L	58,215,664	64,663,356	39,312,470	38,975,641	250,716,828	261,661,097
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	N						
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	(a) 2		58,215,664	64,663,356	39,312,470	38,975,641	250,716,828	261,661,097

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

(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



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				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice-occurrence				
11.2 Medical malpractice-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	63,375,647	32,439,719	51.2	75.7
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
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				
35. TOTALS	63,375,647	32,439,719	51.2	75.7

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

PART 2 – DIRECT PREMIUMS WRITTEN

	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical malpractice-occurrence			
11.2 Medical malpractice-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	21,403,883	58,215,664	64,663,356
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
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			
35. TOTALS	21,403,883	58,215,664	64,663,356

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

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	12,063	1	12,064	35,512	18	43,275	78,805	(5,244)	(5,278)	(10,522)
2. 2006	29,327	25,754	55,081	9,061	5	9,066	26,428	42	20,130	46,600	6,162	(5,577)	585
3. Subtotals 2006 + prior	82,146	74,326	156,472	21,124	6	21,130	61,940	60	63,405	125,405	918	(10,855)	(9,937)
4. 2007	42,984	47,730	90,714	18,944	676	19,620	33,652	1,340	34,420	69,412	9,612	(11,294)	(1,682)
5. Subtotals 2007 + prior	125,130	122,056	247,186	40,068	682	40,750	95,592	1,400	97,825	194,817	10,530	(22,149)	(11,619)
6. 2008	X X X	X X X	X X X	X X X	10,835	10,835	X X X	17,112	22,574	39,686	X X X	X X X	X X X
7. Totals	125,130	122,056	247,186	40,068	11,517	51,585	95,592	18,512	120,399	234,503	10,530	(22,149)	(11,619)

8. Prior Year-End Surplus As Regards Policyholders

144,067

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
<u>Line 7</u>	<u>Line 7</u>	<u>Line 7</u>
1. <u>8.415</u>	2. <u>(18.147)</u>	3. <u>(4.701)</u>
		<u>Col. 13, Line 7</u>
		<u>Line 8</u>
		4. <u>(8.065)</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. DBR Penalty		5,618,173
2305.		
2306.		
2307.		
2308.		
2309.		
2310.		
2311.		
2312.		
2313.		
2314.		
2315.		
2316.		
2317.		
2318.		
2319.		
2320.		
2321.		
2322.		
2323.		
2324.		
2325.		
2397. Totals (Lines 2304 through 2325) (Page 3, Line 2398)		5,618,173

OVERFLOW PAGE FOR WRITE-INS

Page 4 - Continuation

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
REMAINING WRITE-INS AGGREGATED AT LINE 14 FOR MISCELLANEOUS INCOME			
1404. DBR Penalty			990,119
1405. Retroactive Reinsurance Gain			187,006
1406.			
1407.			
1408.			
1409.			
1410.			
1411.			
1412.			
1413.			
1414.			
1415.			
1416.			
1417.			
1418.			
1419.			
1420.			
1421.			
1422.			
1423.			
1424.			
1425.			
1497. Totals (Lines 1404 through 1425) (Page 4, Line 1498)			1,177,125

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		
2.2 Additional investment made after acquisitions	50,575	86,575
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	184,296	366,807
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	14,107,113	14,240,834
10. Deduct total nonadmitted amount		
11. Statement value at end of current period (Line 9 minus Line 10)	14,107,113	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		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	NONE	
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted accounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

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		
2.2 Additional investment made after acquisitions		50,000
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	1,912	27,674
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	472,068	470,156
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	472,068	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	390,693,562	423,100,726
2. Cost of bonds and stocks acquired	204,186,825	214,911,184
3. Accrual of discount	113,934	589,916
4. Unrealized valuation increase (decrease)	(3,996,146)	(445,746)
5. Total gain (loss) on disposals	7,749,829	5,028,002
6. Deduct consideration for bonds and stocks disposed of	223,975,068	250,866,499
7. Deduct amortization of premium	587,565	714,370
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	883,975	909,651
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	373,301,396	390,693,562
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	373,301,396	390,693,562

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)	369,979,433	118,993,811	153,919,581	856,529	369,979,433	335,910,192		344,761,831
2. Class 2 (a)	16,399,755	863,380	172,730	(2,051,187)	16,399,755	15,039,218		13,489,278
3. Class 3 (a)				659,760		659,760		
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	386,379,188	119,857,191	154,092,311	(534,898)	386,379,188	351,609,170		358,251,109
PREFERRED STOCK								
8. Class 1	17,640,400	500,000		(241,600)	17,640,400	17,898,800		16,616,000
9. Class 2								335,200
10. Class 3	635,154			44,053	635,154	679,207		692,587
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	18,275,554	500,000		(197,547)	18,275,554	18,578,007		17,643,787
15. Total Bonds & Preferred Stock	404,654,742	120,357,191	154,092,311	(732,445)	404,654,742	370,187,177		375,894,896

(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 \$ 7,774,705; NAIC 2 \$ 610,279; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

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	41,290,756	X X X	41,325,715	41,344	124,125

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	224,162,874	252,952,022
3. Accrual of discount	7,942	
4. Unrealized valuation increase (decrease)		268
5. Total gain (loss) on disposals	36,020	
6. Deduct consideration received on disposals	216,389,265	233,766,040
7. Deduct amortization of premium	36,561	
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	41,290,756	33,509,746
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	41,290,756	33,509,746

NONE Schedule DB - Part F - Section 1

NONE Schedule DB - Part F - Section 2

NONE Schedule E Verification

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED and Additions Made During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
Two-story Home Office Building on seven acres of land	Warwick	RI	12/31/1998	Dimeo Properties				50,575
0199999 Acquired by Purchase								50,575
								50,575
								50,575
0399999 Totals								50,575

EOI

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
NONE																			

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)
31331X-HX-3	Federal Farm Cr Bks		04/11/2008	A.G. Edwards & Sons		2,086,780	2,000,000.00	31,703	1
31331Y-G2-0	Federal Farm Cr Bks		04/14/2008	RW Pressprich C/T M Stanl		2,998,500	3,000,000.00		1
31331Y-Y9-5	Federal Farm Cr Bks		06/17/2008	First Tennessee		3,000,000	3,000,000.00		1
31331Y-ZZ-6	Federal Farm Cr Bks		04/10/2008	Morgan, Stanley & Co.		2,995,626	3,000,000.00	3,708	1
3133XQ-JT-0	Federal Home Ln Bks		04/03/2008	RW Pressprich C/T M Stanl		2,995,500	3,000,000.00		1
3133XQ-KD-3	Federal Home Ln Bks		04/01/2008	First Tennessee		3,000,000	3,000,000.00		1
3128X7-GY-4	Federal Home Ln Mtg Corp		04/01/2008	First Tennessee		2,992,500	3,000,000.00		1
3128X7-KK-9	Federal Home Ln Mtg Corp		04/11/2008	UBS Securities		2,989,500	3,000,000.00		1
3128X7-ZN-7	Federal Home Ln Mtg Corp		06/06/2008	Chase Securities		498,955	500,000.00		1
3136F8-XW-0	Federal Natl Mtg Assn		04/24/2008	First Tennessee		2,999,250	3,000,000.00	61,297	1
912810-PW-2	United States Treas Bd		04/18/2008	A.G. Edwards & Sons		11,385,109	11,300,000.00	83,221	1
912810-FP-8	US Treas Bonds		06/04/2008	A.G. Edwards & Sons		2,206,562	2,000,000.00	32,782	1
0399999	Total Bonds U. S. Government				X X X	40,148,282	39,800,000.00	212,711	X X X
762315-HS-1	Rhode Island St Student Ln Auth		05/01/2008	Citigroup Global Markets.		980,130	1,000,000.00		1FE
1799999	Total Bonds States, Territories and Possessions				X X X	980,130	1,000,000.00		X X X
13974D-AD-8	Capital Auto Receivables Asset		05/08/2008	LBI - Lehman Gov't Securi		324,050	320,000.00	1,297	1FE
14041N-EF-4	Capital One Multi-Asset		05/05/2008	Credit Suisse FirstBoston		299,626	300,000.00		1FE
92867B-AD-6	Volkswagen Auto Ln Enhanced Tr		05/01/2008	Citigroup Global Markets.		450,978	451,000.00		1FE
3199999	Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	1,074,654	1,071,000.00	1,297	X X X
031162-AG-5	Amgen Inc		04/30/2008	A.G. Edwards & Sons		1,503,960	1,500,000.00	27,833	1FE
00206R-AJ-1	AT&T Inc		04/08/2008	A.G. Edwards & Sons		1,971,700	2,000,000.00	21,389	1FE
054303-AU-6	Avon Prods		04/08/2008	A.G. Edwards & Sons		1,280,313	1,250,000.00	7,587	1FE
06050T-KN-1	Bank Amer N A Charlotte NC		04/14/2008	First Tennessee		501,350	500,000.00	2,356	1FE
14040E-HL-9	Capital One BK		04/30/2008	A.G. Edwards & Sons		1,509,495	1,500,000.00	29,167	1FE
209111-EE-9	Cons Edison Co of NY		04/01/2008	Merrill Lynch, Pierce, Fe		399,824	400,000.00		1FE
260543-BR-3	Dow Chem Co		05/01/2008	Credit Suisse FirstBoston		293,356	280,000.00	1,633	1FE
260543-BV-4	Dow Chem Co		05/01/2008	Merrill Lynch, Pierce, Fe		179,195	180,000.00		1FE
36962G-3U-6	General Elec Cap Corp		04/18/2008	Barclays Capital Inc		580,157	580,000.00	181	1FE
369604-BC-6	General Elec Co		04/14/2008	Jefferies & Co-Bonds Dire		500,305	500,000.00	9,552	1FE
377372-AD-9	Glaxosmithkline Cap Inc		05/06/2008	Citigroup Global Markets.		309,811	310,000.00		1FE
46849L-SB-8	Jackson Natl Life Global Fdg		05/01/2008	Morgan, Stanley & Co.		999,220	1,000,000.00		1FE
48121C-JN-7	JPMorgan Chase Bk N A New York		04/14/2008	Morgan Stanley DW Inc.		1,044,050	1,000,000.00	20,236	1FE
592179-JG-1	Metropolitan Life Global Fdg I		04/07/2008	Pershing LLC		1,004,150	1,000,000.00		1FE
670346-AK-1	Nucor Corp		05/28/2008	RBC Dain Rauscher Inc.		350,396	350,000.00		1FE
74254P-YE-6	Principal Life Income Fundings		04/21/2008	Deutsche Bank Securities		1,002,254	1,000,000.00		1FE
88732J-AK-4	Time Warner Cable Inc		06/19/2008	VARIOUS		253,068	250,000.00	90	2FE
92343V-AL-8	Verizon Communications Inc		04/08/2008	A.G. Edwards & Sons		1,478,715	1,500,000.00	13,521	1FE
92976G-AH-4	Wachovia Bk Natl Assn		04/14/2008	Jefferies & Co-Bonds Dire		503,590	500,000.00	12,167	1FE
931142-CH-4	Wal-Mart Stores Inc		04/11/2008	RBC Dain Rauscher Inc.		1,012,910	1,000,000.00	1,795	1FE
931142-CL-5	Wal-Mart Stores Inc		04/08/2008	VARIOUS		499,915	500,000.00		1FE
4599999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	17,177,734	17,100,000.00	147,507	X X X

E4

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)
6099997	Total Bonds Part 3				X X X	59,380,800	58,971,000.00	361,515	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	59,380,800	58,971,000.00	361,515	X X X
06739H-36-2	Barclays Bk Plc		04/08/2008	A.G. Edwards & Sons	20,000.000	500,000	20,000.00		P1L
6399999	Total Preferred Stock Industrial and Miscellaneous (Unaffiliated)				X X X	500,000	X X X		X X X
6599997	Total Preferred Stock Part 3				X X X	500,000	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
6599999	Total Preferred Stock				X X X	500,000	X X X		X X X
172967-10-1	Citigroup Inc		06/12/2008	VARIOUS	11,430.000	271,281			L
313400-30-1	Federal Home Ln Mtg Corp		05/12/2008	UBS Securities	1,840.000	46,871			L
38141G-10-4	Goldman Sachs Group		06/26/2008	Lehman Brothers	790.000	139,906			L
G491BT-10-8	Invesco Ltd		05/12/2008	Knight Equity Markets, LP	2,370.000	66,107			L
590188-10-8	Merrill Lynch Company		05/12/2008	Lehman Brothers	1,480.000	72,791			L
693475-10-5	PNC Finl Svcs Group Inc		06/26/2008	Universal Network Exchang	1,250.000	72,834			L
949746-10-1	Wells Fargo & Co		05/12/2008	Knight Equity Markets, LP	4,100.000	121,767			L
6799999	Total Common Stock Banks, Trust and Insurance Companies (Unaffiliated)				X X X	791,557	X X X		X X X
031162-10-0	Amgen Inc		06/12/2008	VARIOUS	5,690.000	243,992			L
00206R-10-2	AT&T		06/12/2008	Deutsche Bank Securities	3,440.000	125,629			L
054303-10-2	Avon Prods Inc		05/01/2008	Friedman Billings & Ramse	1,580.000	60,768			L
05964H-10-5	Banco Santander SA		06/12/2008	Jefferies & Co	5,200.000	99,163			L
086516-10-1	Best Buy		05/12/2008	Raymond James & Associate	2,580.000	111,399			L
05548J-10-6	BJs Wholesale Club Inc		05/01/2008	U S Bancorp Piper Jaffray	1,810.000	70,795			L
12721E-10-2	Cadbury Plc		06/12/2008	UBS Securities	2,600.000	134,447			L
152312-10-4	Centex Corp		06/12/2008	Weeden & Co	2,060.000	29,211			L
125269-10-0	CF Inds Hldgs Inc		06/12/2008	Credit Suisse FirstBoston	200.000	30,538			L
177376-10-0	Citrix Sys Inc		06/12/2008	Lehman Brothers	3,550.000	114,801			L
191216-10-0	Coca Cola Co		05/01/2008	Midwest Research Securiti	1,720.000	101,487			L
22160K-10-5	Costco Wholesale Corp		05/01/2008	VARIOUS	1,270.000	89,445			L
228368-10-6	Crown Hldgs Inc.		05/12/2008	VARIOUS	3,140.000	84,272			L
126408-10-3	CSX Corp		05/12/2008	Universal Network Exchang	620.000	39,430			L
25459L-10-6	DirectTV Group Inc		06/12/2008	J. P. Morgan Securities I	4,800.000	132,864			L
268648-10-2	EMC Corp		06/12/2008	Friedman Billings & Ramse	2,240.000	36,960			L
30231G-10-2	Exxon Mobil Corp		05/01/2008	Merrill Lynch Profess Cl	7,280.000	648,981			L
305560-10-4	Fairpoint Communications Inc		04/03/2008	VARIOUS	114.476	945			L
337932-10-7	Firstenergy Corp		06/12/2008	Universal Network Exchang	1,470.000	114,778			L
35671D-85-7	Freeport-McMoran		06/12/2008	VARIOUS	1,660.000	190,081			L
369604-10-3	General Electric		06/12/2008	Weeden & Co	2,340.000	70,504			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)
370334-10-4	General Mills Inc.		05/01/2008	VARIOUS	4,110.000	250,014			L
375558-10-3	Gilead Sciences Inc		05/01/2008	Stifel, Nicolaus & Co., I	1,190.000	62,371			L
410867-10-5	Hanover Ins Group		06/26/2008	Deutsche Bank Securities	1,510.000	66,263			L
423074-10-3	Heinz H J Co		06/12/2008	VARIOUS	3,780.000	183,293			L
427866-10-8	Hershey Co.		04/04/2008	Universal Network Exchang	600.000	23,451			L
428236-10-3	Hewlett Packard Co.		06/12/2008	Universal Network Exchang	1,620.000	76,152			L
436440-10-1	Hologic Inc		06/12/2008	Weeden & Co	2,370.000	56,259			L
444859-10-2	Humana Inc		06/26/2008	Credit Suisse FirstBoston	1,060.000	42,472			L
46612H-40-2	J Crew Group Inc		06/12/2008	Weeden & Co	2,640.000	89,033			L
478366-10-7	Johnson Ctls Inc		06/12/2008	VARIOUS	3,780.000	125,796			L
502424-10-4	L- 3 Communications Hldgs		06/12/2008	Universal Network Exchang	970.000	95,242			L
524908-10-0	Lehman Bros Hldgs Inc		04/04/2008	Credit Suisse FirstBoston	1,760.000	78,534			L
539830-10-9	Lockheed Martin Corp		04/04/2008	Credit Suisse FirstBoston	560.000	56,472			L
544147-10-1	Lorillard Inc		05/01/2008	Lehman Brothers	810.000	55,206			L
552715-10-4	Memc Electr Matls Inc.		05/01/2008	Universal Network Exchang	960.000	62,383			L
594918-10-4	Microsoft Corp		04/04/2008	Citigroup Global Markets	1,640.000	47,557			L
60871R-20-9	Molson Coors Brewing Co		05/01/2008	Midwest Research Securiti	2,520.000	136,445			L
G6359F-10-3	Nabors Industries Ltd		05/01/2008	Lehman Brothers	2,960.000	108,372			L
65248E-10-4	News Corp. Cl A		06/12/2008	Avondale Partners, LLC	2,790.000	48,057			L
655664-10-0	Norstrom Inc.		05/01/2008	Goldman, Sachs & Co.	1,880.000	68,189			L
656568-50-8	Nortel Net Works		06/02/2008	Fleet Equity	70.000	589			L
62944T-10-5	NVR Inc		06/26/2008	Lehman Brothers	120.000	62,628			L
74144T-10-8	Price T Rowe Group		06/12/2008	Lehman Brothers	1,190.000	71,173			L
760759-10-0	Republic Svcs Inc.		05/12/2008	Raymond James & Associate	1,890.000	60,998			L
806857-10-8	Schlumberger Ltd		05/12/2008	VARIOUS	2,250.000	226,141			L
808513-10-5	Schwab Charles Corp		06/26/2008	Merrill Lynch, Pierce, Fe	4,760.000	100,542			L
866810-20-3	Sun Microsystems Inc		06/26/2008	Deutsche Bank Securities	6,740.000	75,022			L
87612E-10-6	Target Corp Com		06/12/2008	Merrill Lynch Profess Cl	5,460.000	284,381			L
882508-10-4	Texas Instruments		05/12/2008	Raymond James & Associate	2,840.000	84,916			L
883556-10-2	Thermo Fisher Scientific		05/01/2008	VARIOUS	3,270.000	179,640			L
907818-10-8	Union Pacific Corp Com		06/12/2008	Universal Network Exchang	1,650.000	123,630			L
902911-10-6	UST Inc		05/01/2008	VARIOUS	1,870.000	98,744			L
91913Y-10-0	Valero Energy Corp. New		06/26/2008	Deutsche Bank Securities	4,230.000	174,503			L
931142-10-3	Wal-Mart Stores, Inc		06/12/2008	VARIOUS	5,390.000	308,244			L
6899999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	6,113,202	X X X		X X X
7299997	Total Common Stock Part 3				X X X	6,904,759	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
7299999	Total Common Stock				X X X	6,904,759	X X X		X X X
7399999	Total Preferred and Common Stock				X X X	7,404,759	X X X		X X X
7499999	Totals				X X X	66,785,559	X X X	361,515	X X X

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
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	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ 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 Design-ation or Market Indicator (a)
31331S-ND-1	Fed Farm Cr Bks		04/22/2008	Bear, Stearns Securities		1,000,000	1,000,000.00	997,969	998,463		56		56		998,519		1,481	1,481	36,593	01/28/2015	1
3133X9-VB-3	Fed Home Ln Bks		05/15/2008	A.G. Edwards & Sons		989,976	975,000.00	974,493	974,785		38		38		974,823		15,153	15,153	31,589	01/15/2010	1
3133XJ-BM-9	Federal Home Ln Bks		06/18/2008	G.X. Clarke & Company		2,000,000	2,000,000.00	2,000,000	2,000,000						2,000,000				50,000	12/18/2009	1
31339D-2G-2	Federal Home Ln Mtg Corp		06/15/2008	PRINCIPAL RECEIPT		96,615	96,614.87	97,294	97,174		(560)		(560)		96,615				2,168	02/15/2012	1
3134A3-M7-8	Federal Home Ln Mtg Corp		06/25/2008	Citigroup Global Markets		520,017	500,000.00	497,754	499,461		146		146		499,607		20,410	20,410	25,764	09/15/2009	1
31395T-Q8-0	Federal Home Ln Mtg Corp		06/15/2008	PRINCIPAL RECEIPT		51,863	51,863.31	51,922	51,934		(70)		(70)		51,863				1,183	11/15/2023	1
31396H-J8-3	Federal Home Ln Mtg Corp		06/15/2008	PRINCIPAL RECEIPT		55,028	55,027.74	55,311	55,290		(262)		(262)		55,028				916	02/15/2036	1
31394F-KF-1	Federal Natl Mtg Assn		06/25/2008	PRINCIPAL RECEIPT		210,797	210,796.62	211,620	212,292		(1,496)		(1,496)		210,797				4,617	06/25/2034	1
31396V-4B-1	Federal Natl Mtg Assn Gtd		06/25/2008	PRINCIPAL RECEIPT		54,699	54,698.76	54,699	54,699						54,699				810	06/25/2037	1
3134A4-QD-9	FHLMC Deb		06/02/2008	A.G. Edwards & Sons		341,153	325,000.00	335,632	331,124		(513)		(513)		330,611		10,541	10,541	14,713	07/15/2012	1
31359M-DU-4	FNMA DEB		05/15/2008	MATURITY		4,615,000	4,615,000.00	4,827,316	4,635,805		(20,805)		(20,805)		4,615,000				138,450	05/15/2008	1
912810-PW-2	United States Treas Bd		05/21/2008	A.G. Edwards & Sons		3,169,688	3,300,000.00	3,256,359			21		21		3,256,381		(86,693)	(86,693)	34,147	02/15/2038	1
912810-PU-6	United States Treas Bond		04/24/2008	Deutsche Bank Securitie		1,611,855	1,500,000.00	1,638,047			(545)		(545)		1,637,501		(25,646)	(25,646)	33,379	05/15/2037	1
912810-FT-0	US Treas Bond		04/07/2008	A.G. Edwards & Sons		1,021,875	1,000,000.00	1,062,031			(243)		(243)		1,061,788		(39,913)	(39,913)	29,052	02/15/2036	1
912810-FP-8	US Treas Bonds		04/07/2008	A.G. Edwards & Sons		3,433,594	3,000,000.00	3,452,695			(2,115)		(2,115)		3,450,580		(16,987)	(16,987)	104,104	02/15/2031	1
912827-4F-6	US Treas Notes		05/15/2008	MATURITY		2,650,000	2,650,000.00	2,876,922	2,670,930		(20,930)		(20,930)		2,650,000				74,531	05/15/2008	1
0399999	Total - Bonds - U.S. Governments				X X X	21,822,160	21,334,001.30	22,390,064	12,581,957		(47,278)		(47,278)		21,943,812		(121,654)	(121,654)	582,016	X X X	X X X
172987-AY-5	Citigroup Mtg Ln Tr 2006-AR7		05/25/2008	VARIOUS		485,141	551,563.70	551,887	551,674		22		22		551,696		(66,555)	(66,555)	15,106	11/25/2036	1FE
3128M4-CP-6	FHLMC Pool# G02478		06/15/2008	PRINCIPAL RECEIPT		93,734	93,734.00	92,357	92,423		1,311		1,311		93,734				2,009	12/01/2036	1
31402V-ZS-2	FNMA Pool # 739753		04/25/2008	VARIOUS		1,147,118	1,138,637.90	1,146,822	1,145,596		(352)		(352)		1,145,244		1,874	1,874	22,589	12/01/2018	1
31407B-WY-1	FNMA Pool # 826063		06/25/2008	PRINCIPAL RECEIPT		78,362	78,361.63	75,092	75,416		2,945		2,945		78,362				1,590	07/01/2035	1
31371L-KY-4	FNMA Pool #255111		06/25/2008	PRINCIPAL RECEIPT		42,469	42,468.54	42,966	42,817		(348)		(348)		42,469				986	03/01/2034	1
31371M-J4-0	FNMA Pool #255983		06/25/2008	PRINCIPAL RECEIPT		50,417	50,417.41	50,331	50,309		108		108		50,417				1,069	11/01/2015	1
31404B-SY-9	FNMA Pool #763835		04/25/2008	VARIOUS		1,048,187	1,063,107.50	1,054,968	1,055,802		38		38		1,055,840		(7,653)	(7,653)	21,108	01/01/2034	1
31410G-ME-0	FNMA Pool #888757		06/25/2008	PRINCIPAL RECEIPT		15,656	15,656.40	15,814	15,815		(158)		(158)		15,656				367	09/01/2037	1
31410P-P2-3	FNMA Pool #893341		06/25/2008	PRINCIPAL RECEIPT		86,848	86,847.64	87,665	87,635		(787)		(787)		86,848				2,178	09/01/2036	1
31413J-FD-1	FNMA Pool# 946664		06/25/2008	PRINCIPAL RECEIPT		31,815	31,815.46	31,966	31,960		(145)		(145)		31,815				705	09/01/2037	1
939335-2K-0	Washington Mut Mtg Secs Corp.		06/25/2008	PRINCIPAL RECEIPT		22,598	22,598.27	22,904	22,948		(350)		(350)		22,598				560	06/25/2032	1FE
3199999	Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obligation				X X X	3,102,345	3,175,208.45	3,172,772	3,172,395		2,284		2,284		3,174,679		(72,334)	(72,334)	68,267	X X X	X X X
025816-AX-7	American Express Co		05/28/2008	VARIOUS		1,516,365	1,500,000.00	1,492,650			103		103		1,492,753		23,612	23,612	23,746	08/28/2017	1FE
02635P-TS-2	American Gen Fin Corp		05/28/2008	VARIOUS		1,975,860	2,000,000.00	1,930,260			652		652		1,930,912		44,948	44,948	57,788	12/15/2017	1FE
00206R-AJ-1	AT&T Inc		05/21/2008	VARIOUS		2,995,283	3,000,000.00	2,950,900			439		439		2,951,339		43,944	43,944	51,104	02/01/2018	1FE
07262N-AC-1	Bay View Auto Tr		06/25/2008	PRINCIPAL RECEIPT		287,463	287,463.01	287,433	287,680		(217)		(217)		287,463				5,828	11/25/2010	1FE
189054-AM-1	Clorox Co		06/17/2008	Fidelity Cap Mkts		173,294	175,000.00	169,444	172,100		630		630		172,730		564	564	6,778	01/15/2010	2FE
19416Q-DG-2	Colgate-Palmolive Co		05/15/2008	Deutsche Bank Securitie		1,000,000	1,000,000.00	1,000,000	1,000,000						1,000,000				25,900	05/15/2017	1FE
257661-AF-5	Donaldson Lufkin		06/01/2008	MATURITY		1,000,000	1,000,000.00	999,500			30		30		1,000,000				32,500	06/01/2008	1FE
44841S-AA-7	Hutchison Whamboa Intl Ltd 144 A		06/17/2008	RBC Dain Rauscher Inc.		402,108	400,000.00	411,688	406,549		(983)		(983)		405,566		(3,458)	(3,458)	12,293	11/24/2010	1FE
46631Q-AA-0	J P Morgan Chase Coml Mtg Secs		06/12/2008	PRINCIPAL RECEIPT		17,994	17,993.87	18,039	18,039		(46)		(46)		17,994				396	02/12/2051	1FE

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)
466247-CY-7	JP Morgan 04-A3-3A2		06/25/2008	PRINCIPAL RECEIPT		11,145	11,145.41	11,088	11,090		56		56		11,145				269	07/25/2034	1FE
501773-CA-1	LB Coml 98-C4-A1B		06/15/2008	PRINCIPAL RECEIPT		307,684	307,684.47	345,592	343,636		(35,951)		(35,951)		307,684				7,898	10/15/2035	1FE
68619A-AU-1	Origen Mfd 04-A-A2		06/15/2008	PRINCIPAL RECEIPT		56,110	56,110.39	56,104	56,215		(104)		(104)		56,110				833	08/15/2017	1FE
75970N-BD-8	Renaissance Mtg Accep Corp 2005		06/25/2008	PRINCIPAL RECEIPT		53,819	53,819.06	53,818	53,819						53,819				1,273	10/25/2035	1FE
89578S-AN-3	Triad Automobiles Receivables Tr		06/12/2008	PRINCIPAL RECEIPT		91,789	91,789.38	90,022	90,508		1,282		1,282		91,789				1,859	06/12/2012	1FE
92343V-AL-8	Verizon Communications Inc		05/29/2008	A.G. Edwards & Sons		1,459,770	1,500,000.00	1,478,715			230		230		1,478,945		(19,175)	(19,175)	25,438	02/15/2018	1FE
931142-CH-4	Wal-Mart Stores Inc		05/06/2008	VARIOUS		1,940,414	2,000,000.00	2,002,529			(1)		(1)		2,002,528		(62,114)	(62,114)	55,160	04/05/2027	1FE
4599999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	13,289,098	13,401,005.59	13,297,782	3,439,606		(33,880)		(33,880)		13,260,777		28,321	28,321	309,063	X X X	X X X
6099997	Total - Bonds - Part 4				X X X	38,213,603	37,910,215.34	38,860,618	19,193,958		(78,874)		(78,874)		38,379,268		(165,667)	(165,667)	959,346	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	38,213,603	37,910,215.34	38,860,618	19,193,958		(78,874)		(78,874)		38,379,268		(165,667)	(165,667)	959,346	X X X	X X X
008252-10-8	Affiliated Managers Group		06/26/2008	Lehman Brothers	700.00	64,126	73,634	82,222	(8,589)				(8,589)		73,634		(9,508)	(9,508)			L
037389-10-3	Aon Corp		05/12/2008	Knight Equity Markets, L	3,440.00	160,424	153,706	164,054	(10,348)				(10,348)		153,706		6,718	6,718	1,032		L
G05384-10-5	Aspen Ins Hldgs Ltd		05/12/2008	Merrill Lynch Profess Cl	4,950.00	124,918	133,221	142,758	(9,537)				(9,537)		133,221		(8,303)	(8,303)	1,485		L
054937-10-7	BB&T Corp		06/26/2008	Credit Suisse FirstBosto	2,250.00	54,300	75,836								75,836		(21,536)	(21,536)	1,035		L
12572Q-10-5	CME Group Inc.		05/12/2008	Credit Suisse FirstBosto	250.00	115,472	144,625	171,500	(26,875)				(26,875)		144,625		(29,152)	(29,152)	288		L
46625H-10-0	JP Morgan Chase & Co		06/26/2008	VARIOUS	4,070.00	163,719	172,131	177,656	(5,525)				(5,525)		172,131		(8,411)	(8,411)	3,093		L
G54050-10-2	Lazard Ltd		05/12/2008	VARIOUS	2,885.00	103,915	139,671	117,362	23,976	(1,667)			22,309		139,671		(35,756)	(35,756)	577		L
590188-10-8	Merrill Lynch Company		06/26/2008	VARIOUS	5,450.00	186,816	298,077								298,077		(111,261)	(111,261)	2,779		L
631103-10-8	NASDAQ Stk Mkt Inc.		06/12/2008	Weeden & Co	2,015.00	63,986	62,338	76,957	(33,542)				(33,542)		62,338		1,647	1,647			L
74251V-10-2	Principal Finl Group Inc.		05/01/2008	VARIOUS	1,830.00	100,205	110,982	125,977	(14,995)				(14,995)		110,982		(10,777)	(10,777)			L
857477-10-3	State Street Corp		05/01/2008	Friedman Billings & Ram	1,280.00	94,273	83,615	103,936	(20,321)				(20,321)		83,615		10,658	10,658	589		L
6799999	Total - Common Stock - Banks, Trust and Insurance Companies (Unaffiliated)				X X X	1,232,154	X X X	1,447,836	1,162,422	(105,756)	(1,667)		(107,423)		1,447,836		(215,681)	(215,681)	10,878	X X X	X X X
G0070K-10-3	Ace Ltd		05/01/2008	Lehman Brothers	750.00	45,803	40,957	46,335	(5,378)				(5,378)		40,957		4,845	4,845	436		L
013817-10-1	Alcoa Inc		05/01/2008	Midwest Research Secu	2,240.00	76,293	68,835								68,835		7,459	7,459	762		L
02209S-10-3	Altria Group Inc		04/04/2008	VARIOUS	4,510.00	98,590	97,012	103,310	(22,606)				(22,606)		97,012		1,577	1,577	6,248		L
023135-10-6	Amazon Com Inc		06/12/2008	Credit Suisse FirstBosto	1,000.00	78,262	87,048	78,744	(3,829)				(3,829)		87,048		(8,786)	(8,786)			L
025537-10-1	American Elec Pwr Inc		06/12/2008	Weeden & Co	2,585.00	108,829	118,464	120,358	(1,894)				(1,894)		118,464		(9,634)	(9,634)	2,120		L
037833-10-0	Apple Computer Inc.		06/12/2008	Credit Suisse FirstBosto	530.00	96,159	46,783	104,982	(58,199)				(58,199)		46,783		49,376	49,376			L
152312-10-4	Centex Corp		06/26/2008	VARIOUS	4,690.00	66,822	108,499	66,434	12,854				12,854		108,499		(41,677)	(41,677)	210		L
166764-10-0	Chevron Corp		05/01/2008	VARIOUS	4,930.00	463,227	337,223	460,117	(122,894)				(122,894)		337,223		126,004	126,004	3,271		L
17275R-10-2	Cisco Systems		04/15/2008	Lehman Brothers	2,540.00	59,340	49,020	68,758	(19,737)				(19,737)		49,020		10,320	10,320			L
189754-10-4	Coach Inc		06/30/2008	Lehman Brothers	3,935.00	131,155	132,093	69,570	27,414	(15,842)			11,572		132,093		(938)	(938)			L
191216-10-0	Coca Cola Co		06/12/2008	VARIOUS	2,120.00	120,755	87,846	130,104	(42,258)				(42,258)		87,846		32,909	32,909	806		L
194162-10-3	Colgate Palmolive Co		05/01/2008	VARIOUS	4,060.00	297,455	231,100	316,518	(85,418)				(85,418)		231,100		66,355	66,355	2,842		L

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.							
197199-81-3	Columbia Acorn International		06/13/2008	CAPITAL GAIN				43,101									43,101	43,101			U
197199-85-4	Columbia Acorn Select Fund		06/12/2008	CAPITAL GAIN				64,128									64,128	64,128			U
197199-80-5	Columbia Acorn USA Fund		06/12/2008	CAPITAL GAIN				27,581									27,581	27,581			U
19765H-63-6	Columbia Marsico International		06/20/2008	CAPITAL GAIN				23,898									23,898	23,898			U
204412-20-9	Companhia Vale Do Rio Doce		04/04/2008	Credit Suisse FirstBosto	650.00			23,610	11,569	21,236	(9,666)		(9,666)	11,569		12,040	12,040			L	
20825C-10-4	Conocophillips		05/01/2008	VARIOUS	3,260.00			275,390	237,328	287,858	(50,530)		(50,530)	237,328		38,062	38,062		1,532	L	
22160K-10-5	Costco Wholesale Corp		06/12/2008	Lehman Brothers	540.00			37,425	35,412					35,412		2,013	2,013		123	L	
25243Q-20-5	Diageo Plc Sponsored Adr New		05/01/2008	VARIOUS	1,305.00			107,966	107,832	112,008	(4,176)		(4,176)	107,832		134	134		1,368	L	
Y2066G-10-4	Diana Shipping Inc		05/12/2008	Knight Equity Markets, L	1,860.00			61,696	47,956					47,956		13,740	13,740		1,116	L	
257559-10-4	Domtar Corp		05/12/2008	Merrill Lynch Profess Cl	10,645.00			66,421	73,232	81,860	(8,628)		(8,628)	73,232		(6,811)	(6,811)			L	
268648-10-2	EMC Corp		04/04/2008	VARIOUS	1,550.00			22,854	24,315	28,722	(4,406)		(4,406)	24,315		(1,461)	(1,461)			L	
302182-10-0	Express Scripts Inc		05/12/2008	Universal Network Exch	570.00			40,347	24,594	41,610	(17,016)		(17,016)	24,594		15,753	15,753			L	
305560-10-4	Fairpoint Communications Inc		05/12/2008	VARIOUS	114.48			1,047	945					945		102	102			L	
36467W-10-9	Gamestop Corp		06/12/2008	VARIOUS	2,450.00			115,591	114,557	152,170	(37,612)		(37,612)	114,557		1,034	1,034			L	
369604-10-3	General Electric		04/04/2008	Credit Suisse FirstBosto	2,300.00			86,667	86,861	85,261	1,600		1,600	86,861		(195)	(195)		1,294	L	
372917-10-4	Genzyme Corp(General Division)		05/01/2008	Friedman Billings & Ram	1,335.00			94,927	85,153	99,377	(14,225)		(14,225)	85,153		9,774	9,774			L	
406216-10-1	Halliburton Co		05/01/2008	Knight Equity Markets, L	3,904.00			172,659	117,324	148,001	(30,677)		(30,677)	117,324		55,334	55,334		351	L	
411310-10-5	Hansen Nat Corp		05/01/2008	UBS Securities	1,500.00			51,796	66,300	66,435	(135)		(135)	66,300		(14,504)	(14,504)			L	
427866-10-8	Hershey Co.		05/12/2008	Raymond James & Asso	2,460.00			90,824	98,651	73,284	1,916		1,916	98,651		(7,827)	(7,827)		553	L	
437076-10-2	Home Depot Inc		06/12/2008	Stifel, Nicolaus & Co., I	2,580.00			68,113	72,741					72,741		(4,628)	(4,628)			L	
459200-10-1	International Business Machs		06/12/2008	Deutsche Bank Securitie	2,145.00			265,850	178,162	231,875	(53,713)		(53,713)	178,162		87,688	87,688		1,957	L	
478160-10-4	Johnson & Johnson		06/26/2008	Credit Suisse FirstBosto	750.00			48,534	49,934	50,025	(91)		(91)	49,934		(1,400)	(1,400)		311	L	
481165-10-8	Joy Global Inc		06/12/2008	Credit Suisse FirstBosto	1,600.00			132,323	106,811					106,811		25,512	25,512		411	L	
512807-10-8	Lam Research Corp		05/01/2008	Friedman Billings & Ram	1,160.00			49,113	45,639					45,639		3,473	3,473			L	
524908-10-0	Lehman Bros Hldgs Inc		06/12/2008	Lehman Brothers	1,760.00			37,924	78,534					78,534		(40,610)	(40,610)		299	L	
58155Q-10-3	McKesson Corp		05/12/2008	Credit Suisse FirstBosto	690.00			39,838	39,784	45,202	(5,418)		(5,418)	39,784		54	54		83	L	
62913F-20-1	NII Hldgs Inc.		04/15/2008	Goldman, Sachs & Co.	1,605.00			59,440	85,749	77,554	8,195		8,195	85,749		(26,309)	(26,309)			L	
654106-10-3	Nike Inc.		06/12/2008	VARIOUS	1,990.00			131,968	112,269	127,838	(15,568)		(15,568)	112,269		19,698	19,698		1,026	L	
655664-10-0	Norstrom Inc.		04/04/2008	Oppenheimer & Co.	1,240.00			42,371	45,545	45,545	21,212	(21,212)		45,545		(3,175)	(3,175)		198	L	
656568-50-8	Nortel Net Works		06/26/2008	Lehman Brothers	70.00			603	589					589		14	14			L	
674599-10-5	Occidental Pete Corp Del		06/26/2008	Credit Suisse FirstBosto	1,070.00			90,585	73,393					73,393		17,193	17,193		268	L	
713448-10-8	Pepsico		06/12/2008	VARIOUS	1,480.00			99,962	92,601	112,332	(19,731)		(19,731)	92,601		7,362	7,362		1,233	L	
717081-10-3	Pfizer Inc		06/12/2008	VARIOUS	15,050.00			280,370	371,776	156,610	24,647		24,647	371,776		(91,406)	(91,406)		7,312	L	
718172-10-9	Philip Morris Intl Inc		05/01/2008	VARIOUS	4,510.00			228,514	222,873					222,873		5,640	5,640			L	
74005P-10-4	Praxair Inc		06/12/2008	VARIOUS	1,740.00			163,850	107,033	154,355	(47,322)		(47,322)	107,033		56,817	56,817		653	L	
740189-10-5	Precision Castparts Corp		06/12/2008	Credit Suisse FirstBosto	1,190.00			118,027	138,290					138,290		(20,263)	(20,263)		65	L	
742718-10-9	Procter & Gamble Co.		05/01/2008	Merrill Lynch Profess Cl	1,390.00			92,702	89,858	102,054	(12,195)		(12,195)	89,858		2,844	2,844		1,043	L	
835699-30-7	Sony Corp Adr		05/12/2008	Goldman, Sachs & Co.	1,060.00			47,655	56,851	57,558	(707)		(707)	56,851		(9,197)	(9,197)			L	
871829-10-7	Sysco Corp		04/04/2008	Merrill Lynch Profess Cl	3,610.00			103,974	113,036	112,668	368		368	113,036		(9,062)	(9,062)		1,588	L	
882508-10-4	Texas Instruments		04/04/2008	Citigroup Global Markets	1,070.00			31,765	30,914					30,914		850	850			L	
886423-10-2	Tidewater Inc.		05/12/2008	VARIOUS	2,630.00			155,057	120,337	144,282	(23,945)		(23,945)	120,337		34,720	34,720		395	L	
887317-10-5	Time Warner Inc.		06/12/2008	Lehman Brothers	12,545.00			188,425	234,467	207,118	30,154	(2,804)		27,350	234,467		(46,042)	(46,042)		1,568	L

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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.									
913017-10-9	United Technologies Corp		06/12/2008	Lehman Brothers	1,480.00	99,370		58,153	113,279	(55,126)			(55,126)		58,153		41,217	41,217	738			L	
918204-10-8	V F Corp		06/12/2008	Credit Suisse FirstBosto	1,660.00	116,253		116,726	63,854	5,234			5,234		116,726		(473)	(473)	1,926			L	
92343V-10-4	Verizon Communications		04/03/2008	COST ADJ -SPIN-OFF		945		945	945						945							L	
92532F-10-0	Vertex Pharmaceuticals Inc.		05/01/2008	Midwest Research Secu	2,950.00	77,684		52,927							52,927		24,757	24,757				L	
928563-40-2	VMware Inc		04/15/2008	Lehman Brothers	1,120.00	57,655		53,236							53,236		4,419	4,419				L	
941848-10-3	Waters Corp		04/15/2008	Lehman Brothers	500.00	26,486		24,253	39,535	(15,282)			(15,282)		24,253		2,234	2,234				L	
6899999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	5,905,974	X X X	5,310,335	4,605,681	(654,788)	(39,858)		(694,646)		5,310,335		595,633	595,633	44,106	X X X	X X X		
7299997	Total - Common Stock - Part 4				X X X	7,138,128	X X X	6,758,171	5,768,103	(760,544)	(41,525)		(802,069)		6,758,171		379,952	379,952	54,984	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	X X X	
7299999	Total Common Stocks				X X X	7,138,128	X X X	6,758,171	5,768,103	(760,544)	(41,525)		(802,069)		6,758,171		379,952	379,952	54,984	X X X	X X X		
7399999	Total Preferred and Common Stocks				X X X	7,138,128	X X X	6,758,171	5,768,103	(760,544)	(41,525)		(802,069)		6,758,171		379,952	379,952	54,984	X X X	X X X		
7499999	Totals					45,351,731	X X X	45,618,789	24,962,061	(760,544)	(120,399)		(880,943)		45,137,439		214,285	214,285	1,014,330	X X X	X X X		

E053

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

NONE Schedule DB - Part A and B - Section 1

NONE Schedule DB - Part C and D - Section 1

NONE Schedule E - Part 2