

**QUARTERLY STATEMENT**

**OF THE**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**

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**of PROVIDENCE COUNTY**

**in the state of RHODE ISLAND**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**RHODE ISLAND**

**FOR THE QUARTER ENDED**

**September 30, 2008**

**HEALTH**

**2008**



53473200820100103

# HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2008  
OF THE CONDITION AND AFFAIRS OF THE  
**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**

NAIC Group Code 0000 (Current Period) '0000 (Prior Period) NAIC Company Code 53473 Employer's ID Number 05-0158952

Organized under the Laws of UNITED STATES State of Domicile or Port of Entry RHODE ISLAND

Country of Domicile UNITED STATES

Licensed as business type Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [X]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [ ]  
Other [ ] Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized February 27, 1939 Commenced Business: September 1, 1939

Statutory Home Office: 444 WESTMINSTER STREET, PROVIDENCE, RI 02903  
 (Street and Number) (City or Town, State and Zip Code)

Main Administrative Office: 444 WESTMINSTER STREET  
 (Street and Number)  
PROVIDENCE, RI 02903 401-459-1000  
 (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address: 444 WESTMINSTER STREET, PROVIDENCE, RI 02903  
 (Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records: ONE EMPIRE PLAZA PROVIDENCE, RI 02903 401-459-1000  
 (Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address: WWW.BCBSRI.COM

Statutory Statement Contact: BRIAN M. O'MALLEY 401-459-1924  
 (Name) (Area Code) (Telephone Number) (Extension)  
BRIAN.O'MALLEY@BCBSRI.ORG 401-459-1198  
 (E-Mail Address) (Fax Number)

## OFFICERS

	Name	Title
1.	<u>JAMES E. PURCELL</u>	<u>PRESIDENT &amp; CEO</u>
2.	<u>JAMES JOY</u>	<u>SR. VICE PRESIDENT &amp; CFO</u>
3.	<u>MICHELE B. LEDERBERG ESQ.</u>	<u>SR. V.P. &amp; GENERAL COUNSEL</u>

## VICE-PRESIDENTS

Name	Title	Name	Title
<u>THOMAS A. BOYD</u>	<u>EXEC. VICE PRESIDENT</u>	<u>RICHARD P. FARIAS</u>	<u>EXEC. VICE PRESIDENT</u>
<u>ERIC GASBARRO</u>	<u>V.P.-HUMAN RESOURCES</u>	<u>JAMES JOY</u>	<u>SR. V.P. &amp; CHIEF FINANCIAL OFFICER</u>
<u>MICHELE B. LEDERBERG ESQ.</u>	<u>SR. V.P. &amp; GENERAL COUNSEL</u>	<u>SHANNA C. MARZILLI</u>	<u>V.P.-OPERATIONS &amp; STRAT. PLAN.</u>
<u>LINDA H. NEWTON</u>	<u>V.P.-CUSTOMER SERVICE &amp; COMM</u>	<u>MICHAEL H. SAMUELSON</u>	<u>V.P.- HEALTH &amp; WELLNESS</u>

## DIRECTORS OR TRUSTEES

<u>FRANCIS X. BASILE JR. M.D.</u>	<u>FREDRIC V. CHRISTIAN M.D.</u>	<u>JUDGE EDWARD C. CLIFTON</u>	<u>THOMAS L. FALCONE</u>
<u>SAMUEL H. HAVENS</u>	<u>MONICA HORAN ESQ.</u>	<u>JUANA I. HORTON</u>	<u>DEBORAH R. JACOBSON</u>
<u>CHUCK LOCURTO</u>	<u>JOHN P. MAGUIRE #</u>	<u>WILLIAM C. MCGOWAN</u>	<u>ANNE E. POWERS</u>
<u>EDWIN L. RUSSELL</u>	<u>GARY G. WHARTON M.D.</u>		

State of RHODE ISLAND  
County of PROVIENCE 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.

<u>(Signature)</u> <u>JAMES E. PURCELL</u> <u>(Printed Name)</u> 1. <u>PRESIDENT &amp; CHIEF EXECUTIVE OFFICER</u> <u>(Title)</u>	<u>(Signature)</u> <u>JAMES JOY</u> <u>(Printed Name)</u> 2. <u>SR. V.P. &amp; CHIEF FINANCIAL OFFICER</u> <u>(Title)</u>	<u>(Signature)</u> <u>MICHELE B. LEDERBERG</u> <u>(Printed Name)</u> 3. <u>SR. V.P. &amp; GENERAL COUNSEL</u> <u>(Title)</u>
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2008

a. Is this an original filing?  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	499,817,197		499,817,197	506,246,100
2. Stocks:				
2.1 Preferred stocks	714,492		714,492	714,492
2.2 Common stocks	71,336,829		71,336,829	69,590,839
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)				19,652,395
4.2 Properties held for the production of income (less \$ 0 encumbrances)	32,668,465		32,668,465	
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (17,104,392)), cash equivalents (\$ 11,820,161), and short-term investments (\$ 29,366,274)	24,082,043		24,082,043	25,757,120
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets	1,842,896		1,842,896	694,224
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	630,461,922		630,461,922	622,655,170
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	5,117,641		5,117,641	5,131,375
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	31,619,430	345,130	31,274,300	37,116,186
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums	18,169		18,169	351,552
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	667,635		667,635	89,163
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	22,515,353	552,128	21,963,225	18,054,380
16.1 Current federal and foreign income tax recoverable and interest thereon	72,223		72,223	34,280
16.2 Net deferred tax asset	11,446,530	4,513,931	6,932,599	5,504,861
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	29,213,024	28,634,956	578,068	873,700
19. Furniture and equipment, including health care delivery assets (\$ 0)	2,013,711	2,013,711		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	125,739		125,739	438,219
22. Health care (\$ 15,386,385) and other amounts receivable	21,543,539	6,157,154	15,386,385	19,390,645
23. Aggregate write-ins for other than invested assets	66,819,616	48,633,995	18,185,621	19,054,718
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	821,634,532	90,851,005	730,783,527	728,694,249
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	821,634,532	90,851,005	730,783,527	728,694,249

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	42,261,179	42,261,179		
2302. NOTE RECEIVABLE - PEROT SYSTEMS	5,828,366	5,828,366		(463,790)
2303. OTHER RECEIVABLES	12,716,114		12,716,114	10,999,159
2398. Summary of remaining write-ins for Line 23 from overflow page	6,013,957	544,450	5,469,507	8,519,349
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	66,819,616	48,633,995	18,185,621	19,054,718

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	127,180,564		127,180,564	145,161,108
2. Accrued medical incentive pool and bonus amounts	450,000		450,000	480,000
3. Unpaid claims adjustment expenses	35,608,863		35,608,863	24,410,968
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves	1,401,000		1,401,000	1,675,000
8. Premiums received in advance	28,272,300		28,272,300	23,835,970
9. General expenses due or accrued	42,401,700		42,401,700	32,333,397
10.1 Current federal and foreign income tax payable and interest thereon (including \$ (100,568) on realized gains (losses))	1,903,934		1,903,934	1,933,311
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	2,053,419		2,053,419	2,093,326
13. Remittances and items not allocated	334,515		334,515	284,762
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	43,501		43,501	487,548
16. Payable for securities	77,289		77,289	679,736
17. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans	23,681,081		23,681,081	25,597,039
21. Aggregate write-ins for other liabilities (including \$ 14,102,022 current)	23,568,156		23,568,156	40,911,729
22. Total liabilities (Lines 1 to 21)	286,976,322		286,976,322	299,883,894
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X		
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	443,807,205	428,810,355
30. Less treasury stock, at cost:				
30.1 0 shares common (value included in Line 24 \$ 0)	X X X	X X X		
30.2 0 shares preferred (value included in Line 25 \$ 0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	443,807,205	428,810,355
32. Total liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	730,783,527	728,694,249

DETAILS OF WRITE-IN LINES				
2101. UNFUNDED BENEFIT OBLIG/OTHER CARRIER PAYABLES	907,917		907,917	796,390
2102. LIABILITY FOR DIRECT PAY PREMIUM ASSISTANCE PROGRAM	6,637,038		6,637,038	7,973,575
2103. OTHER ACCOUNTS PAYABLE	9,791,324		9,791,324	7,411,416
2198. Summary of remaining write-ins for Line 21 from overflow page	6,231,877		6,231,877	24,730,348
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	23,568,156		23,568,156	40,911,729
2301. ....	X X X	X X X		
2302. ....	X X X	X X X		
2303. ....	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801. ....	X X X	X X X		
2802. ....	X X X	X X X		
2803. ....	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	4,479,295	4,597,821	6,140,208
2. Net premium income (including \$ 0 non-health premium income)	X X X	1,325,996,704	1,322,575,666	1,768,935,383
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	1,325,996,704	1,322,575,666	1,768,935,383
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits		801,657,862	827,635,943	1,097,762,958
10. Other professional services		20,439,161	18,809,737	24,230,507
11. Outside referrals				
12. Emergency room and out-of-area		95,467,072	91,458,826	125,228,472
13. Prescription drugs		156,247,127	154,281,082	197,365,442
14. Aggregate write-ins for other hospital and medical		39,557,732	40,833,950	54,262,185
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		1,113,368,954	1,133,019,538	1,498,849,564
<b>Less:</b>				
17. Net reinsurance recoveries		556,156	(136,786)	(133,670)
18. Total hospital and medical (Lines 16 minus 17)		1,112,812,798	1,133,156,324	1,498,983,234
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 17,124,031 cost containment expenses		57,805,269	50,638,431	66,783,345
21. General administrative expenses		110,688,171	96,931,929	133,819,685
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		1,281,306,238	1,280,726,684	1,699,586,264
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	44,690,466	41,848,982	69,349,119
25. Net investment income earned		18,875,718	18,823,302	25,145,369
26. Net realized capital gains (losses) less capital gains tax of \$ 0		(3,262,927)	760,474	660,651
27. Net investment gains (losses) (Lines 25 plus 26)		15,612,791	19,583,776	25,806,020
28. Net gain or (loss) from agents' or premium balances charged off [ (amount recovered \$ 0) (amount charged off \$ 0) ]				
29. Aggregate write-ins for other income or expenses		1,213,632	1,141,677	(19,602,956)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	61,516,889	62,574,435	75,552,183
31. Federal and foreign income taxes incurred	X X X	12,354,615	11,855,246	14,237,885
32. Net income (loss) (Lines 30 minus 31)	X X X	49,162,274	50,719,189	61,314,298

DETAILS OF WRITE-IN LINES				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
1401. MENTAL HEALTH		39,557,732	40,833,950	54,262,185
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		39,557,732	40,833,950	54,262,185
2901. RI FOUNDATION - TRUST FUND				(20,000,000)
2902. MEDICARE TERMINATION EXPENSE			1,900,000	1,900,000
2903. ELECTRONIC HEALTH RECORDS		(759,300)	(866,200)	(1,603,579)
2998. Summary of remaining write-ins for Line 29 from overflow page		1,972,932	107,877	100,623
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		1,213,632	1,141,677	(19,602,956)

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year	428,810,355	371,767,812	371,767,812
34. Net income or (loss) from Line 32	49,162,274	50,719,189	61,314,298
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	(12,081,642)	2,675,513	(690,179)
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	3,907,048	(2,133,129)	(6,885,650)
39. Change in nonadmitted assets	(25,660,218)	(3,980,584)	(9,786,466)
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	(330,612)	(52,594)	13,090,540
48. Net change in capital and surplus (Lines 34 to 47)	14,996,850	47,228,395	57,042,543
49. Capital and surplus end of reporting period (Line 33 plus 48)	443,807,205	418,996,207	428,810,355

<b>DETAILS OF WRITE-IN LINES</b>			
4701. OTHER COMPREHENSIVE INCOME			13,160,665
4702. CHANGE IN UNRECOGNIZED PRIOR SERVICE COST	(330,612)	(52,594)	(70,125)
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	(330,612)	(52,594)	13,090,540

**CASH FLOW**

	1	2
	Current Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	1,335,241,118	1,759,068,794
2. Net investment income	18,656,807	24,877,272
3. Miscellaneous income	(122,905)	(2,255,186)
4. Total (Lines 1 to 3)	1,353,775,020	1,781,690,880
5. Benefit and loss related payments	1,165,300,755	1,557,488,792
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	100,619,868	131,926,457
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	11,701,463	14,303,192
10. Total (Lines 5 through 9)	1,277,622,086	1,703,718,441
11. Net cash from operations (Line 4 minus Line 10)	76,152,934	77,972,439
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	146,409,228	136,457,238
12.2 Stocks	25,498,004	26,563,831
12.3 Mortgage loans		
12.4 Real estate	24,327,842	
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	500,701	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	196,735,775	163,021,069
13. Cost of investments acquired (long-term only):		
13.1 Bonds	141,894,373	156,905,873
13.2 Stocks	42,306,079	49,865,119
13.3 Mortgage loans		
13.4 Real estate	54,617,452	1,697,394
13.5 Other invested assets		198,082
13.6 Miscellaneous applications	31,887,184	21,706,063
13.7 Total investments acquired (Lines 13.1 to 13.6)	270,705,088	230,372,531
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)	(73,969,313)	(67,351,462)
<b>Cash from Financing and Miscellaneous Sources</b>		
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)	(3,858,698)	(1,054,158)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(3,858,698)	(1,054,158)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,675,077)	9,566,819
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	25,757,120	16,190,301
19.2 End of period (Line 18 plus Line 19.1)	24,082,043	25,757,120

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

20.0001		
20.0002		
20.0003		

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	512,798	14,108	265,619	25,569		24,642	24,029	39,911	13,465	105,455
2. First Quarter	497,714	14,219	245,969	25,445		28,434	23,812	40,149	14,307	105,379
3. Second Quarter	494,416	14,035	242,707	25,359		28,902	23,665	40,055	14,246	105,447
4. Third Quarter	495,309	14,266	232,179	25,450		28,323	23,707	39,980	14,076	117,328
5. Current Year										
6. Current Year Member Months	4,479,295	128,148	2,181,676	229,523		254,648	213,493	360,757	126,488	984,562
Total Member Ambulatory Encounters for Period:										
7. Physician	1,655,636	50,417	1,140,563					400,610	64,046	
8. Non-Physician	618,969	18,980	465,527					108,422	26,040	
9. Totals	2,274,605	69,397	1,606,090					509,032	90,086	
10. Hospital Patient Days Incurred	107,681	2,864	45,206					55,953	3,658	
11. Number of Inpatient Admissions	23,266	712	11,335					10,289	930	
12. Health Premiums Written (a)	1,326,467,851	42,534,852	771,517,863	35,723,279		23,229,115	72,294,913	340,472,051	30,968,958	9,726,820
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	1,325,996,704	42,267,800	771,517,863	35,723,279		23,229,115	72,294,913	340,472,051	30,764,863	9,726,820
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	1,131,097,342	34,514,670	655,956,911	30,127,537		20,138,161	69,851,692	284,130,302	27,586,252	8,791,817
18. Amount Incurred for Provision of Health Care Services	1,112,812,798	33,804,662	641,393,436	30,576,537		20,439,161	66,651,689	285,014,387	26,856,013	8,076,913

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 0



**UNDERWRITING AND INVESTMENT EXHIBIT**  
**ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	78,333,435	612,108,146	3,899,099	75,558,029	82,232,534	98,156,667
2. Medicare Supplement	4,818,320	25,309,217	506,685	6,143,315	5,325,005	6,201,000
3. Dental only	1,160,060	18,978,101	23,890	1,546,110	1,183,950	1,269,000
4. Vision only						
5. Federal Employees Health Benefits Plan	7,309,472	62,542,220	50,493	4,778,141	7,359,965	8,028,637
6. Title XVIII - Medicare	28,794,538	255,335,764	898,737	31,173,875	29,693,275	28,044,227
7. Title XIX - Medicaid	2,844,199	24,742,053	90,664	2,787,474	2,934,863	3,287,216
8. Other health	809,587	7,982,230	5	1,125,047	809,592	1,849,361
9. Health subtotal (Lines 1 to 8)	124,069,611	1,006,997,731	5,469,573	123,111,991	129,539,184	146,836,108
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts	30,000		450,000		480,000	480,000
13. Totals	124,099,611	1,006,997,731	5,919,573	123,111,991	130,019,184	147,316,108

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

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## NOTES TO FINANCIAL STATEMENTS

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1. Summary of Significant Accounting Policies

- no significant change

2. Accounting Changes and Correction of Errors

- no significant change

3. Business Combinations and Goodwill

- no significant change

4. Discontinued Operations

- no significant change

5. Investments

- no significant change

6. Joint Ventures, Partnerships and Limited Liability Companies

- no significant change

7. Investment Income

- no significant change

8. Derivative Instruments

- no significant change

9. Income Taxes

- no significant change

10. Information Concerning Parent, Subsidiaries and Affiliates

- no significant change

11. Debt

(1) Date issued is January 14, 2008.

(2) Bank construction loan for a new corporate office building.

(3) Face of loan is lesser of \$115,000,000 and 85% of building as-built appraised value.

(4) Carrying value of loan is \$30,392,106.

(5) The rate at which interest accrues is 30-day LIBOR plus 60 basis points.

(6) The effective interest rate is equivalent to the 30-day LIBOR plus 60 basis points.

(7) Office building structure.

(8) Interest paid year to date is \$521,807.

(9) Loan to convert to fixed rate mortgage instrument.

(10) Non-Applicable

(11) Non-Applicable

(12) Non-Applicable

(13) Non-Applicable

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

- no significant change

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**NOTES TO FINANCIAL STATEMENTS**


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

- no significant change

**14. Contingencies**

- no significant change

**15. Leases**

3A) For sale-leaseback transactions:

The Plan entered into a purchase and sales agreement on February 29, 2008 for real estate property. The Plan sold two properties for a purchase price of \$26,700,000 on April 30, 2008.

The Plan subsequently leasebacked the properties for a term not to extend beyond April 30, 2010. However, the Plan has an option to extend the term for an additional three months, upon twelve months prior written notice. The base rent for both properties is \$3,589,558 per year. In addition, the Plan must pay most operating expenses for the properties including a management fee on a monthly basis.

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

- no significant change

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- no significant change

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

A) The Plan is not an ASO Administrator for uninsured A&H Plans and the uninsured portion of partially insured plans.

B) The Plan is an ASC Administrator for uninsured A&H Plans and the uninsured portion of partially insured plans.

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during January 1, - September 30, 2008:

	<u>ASC</u> <u>Uninsured</u> <u>Plans</u>	<u>Uninsured</u> <u>Portion of</u> <u>Partially</u> <u>Insured Plans</u>	<u>Total</u> <u>ASC</u>
a. Gross reimbursement for medical cost incurred	\$595,297,887	--	\$595,297,887
b. Gross administrative fees accrued	46,819,288	--	46,819,288
c. Other income or expenses (including interest paid to or received from plans)	--	--	--
d. Gross expenses incurred (claims and administrative)	653,534,629	--	653,534,629
e. Total net gain or (loss) from operations	(11,417,454)	--	(11,417,454)

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## NOTES TO FINANCIAL STATEMENTS

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C) The Plan did not have a Medicare or similarly structured cost based reimbursement contract during 2008.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

- no significant change

20. Other Items

The Plan has commenced construction of a new corporate office building. The building is expected to be completed and occupied by April 2010. Total costs net of debt as reported on page 2, line 4.2 is \$32,668,465. As of September 30, 2008 total construction costs have amounted to \$63,060,571 and encumbrances are \$30,392,106.

21. Events Subsequent

- no significant change

22. Reinsurance

- no significant change

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- no significant change

24. Change in Incurred Claims and Claim Adjustment Expenses

- no significant change

25. Intercompany Pooling Arrangements

- no significant change

26. Structured Settlements

- no significant change

27. Health Care Receivables

- no significant change

28. Participating Policies

- no significant change

29. Premium Deficiency Reserves

- no significant change

30. Anticipated Salvage and Subrogation

- no significant change

## GENERAL INTERROGATORIES

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

### PART 1 – COMMON INTERROGATORIES

#### GENERAL

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

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

2.2 If yes, date of change: 09/04/2008

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 [ X ] N/A [ ]

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005

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. 12/31/2005

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). 03/29/2007

6.4 By what department or departments?  
RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION-INSURANCE DIVISION

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 [ X ] No [ ] N/A [ ]

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 .....	\$ _____	\$ _____
14.23 Common Stock .....	\$ _____	\$ _____
14.24 Short-Term Investments .....	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate .....	\$ _____	\$ _____
14.26 All Other .....	\$ 694,224	\$ 1,842,896
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ 694,224	\$ 1,842,896
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
STATE STREET BANK	200 CLARENDON STREET BOSTON, MA 02111
US BANK	ONE FEDERAL STREET BOSTON, MA 02110

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
107423	CONNING ASSET MANAGEMENT	ONE FINANCIAL PLAZA HARTFORD CT 06103
108254	ADVISORY RESEARCH	TWO PRUDENTIAL PLAZA 180 N. STETSON SUITE 5780, CHICAGO, IL 60601
145923	GLOBAL CURRENTS INVESTMENT	DELAWARE CORPORATE CENTER II 2 RIGHTER PARKWAY WILMINGTON, DE 19803

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:

.....  
 .....

## SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
<b>NONE</b>						

## SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property / Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
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	N							
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	870,997,830	340,379,683	30,968,958	72,294,913		1,314,641,38	
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. Subtotal	X X X	870,997,830	340,379,683	30,968,958	72,294,913			1,314,641,38	
60. Reporting entity contributions for Employee Benefit Plans	X X X	11,734,099	92,368					11,826,467	
61. Totals (Direct Business)	(a) 1	882,731,929	340,472,051	30,968,958	72,294,913			1,326,467,85	

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	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**

<b>NAIC Group Code</b>	<b>Group Name</b>	<b>NAIC Company Code</b>	<b>State of Domicile</b>	<b>Federal ID Number</b>	<b>Company Name</b>
	BLUE CROSS & BLUE SHIELD OF RHODE ISLAND HEALTH & WELLNESS INSTITUTE	53473 00000	RI RI	05-0158952 20-4336322	BLUE CROSS & BLUE SHIELD OF RHODE ISLAND HEALTH & WELLNESS INSTITUTE

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

**Response**

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

..... YES .....

**Explanation:**

**Bar Code:**

**OVERFLOW PAGE FOR WRITE-INS**

**Page 2 - Continuation**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
<b>REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR OTHER THAN INVESTED ASSETS</b>				
2304. FEP UNPAID CLAIMS	4,824,000		4,824,000	8,022,000
2305. COLLATERAL FUND HOME & HOST	431,500		431,500	445,548
2306. PNS EQUIPMENT/BLUE CROSS MDSE INVENTORY	667,612	453,605	214,007	51,801
2307. LEASEHOLD IMPROVEMENTS	90,845	90,845		
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 2, Line 2398)	6,013,957	544,450	5,469,507	8,519,349

**OVERFLOW PAGE FOR WRITE-INS**

**Page 3 - Continuation**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
<b>REMAINING WRITE-INS AGGREGATED AT LINE 21 FOR OTHER LIABILITIES</b>				
2104. PAYABLE FOR ANNUAL EXPERIENCE ACCOUNTING				3,864,671
2105. FEP & MISCELLANEOUS CLAIMS PAYABLES	760,788		760,788	637,501
2106. CAPITAL LEASES	174,015		174,015	228,176
2107. RI FOUNDATON - TRUST FUND				20,000,000
2108. DEFERRED GAIN ON SALE OF BUILDINGS	5,297,074		5,297,074	
2109.				
2110.				
2111.				
2112.				
2113.				
2114.				
2115.				
2116.				
2117.				
2118.				
2119.				
2120.				
2121.				
2122.				
2121.				
2124.				
2125.				
2197. Totals (Lines 2104 through 2125) (Page 3, Line 2198)	6,231,877		6,231,877	24,730,348

**OVERFLOW PAGE FOR WRITE-INS**

**Page 4 - Continuation**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
<b>REMAINING WRITE-INS AGGREGATED AT LINE 29 FOR GAINS AND LOSSES IN SURPLUS</b>				
2904. INTEREST INCOME (NET OF PENALTIES)		806,551	(70,285)	(4,894)
2905. STOP-LOSS COMMISSION FEES		28,786	400,016	400,016
2906. OTHER INCOME (NOTE RECEIVABLE)		213,582	295,494	386,616
2907. BANK SERVICE CHARGES		(224,932)	(229,641)	(302,608)
2908. INVESTMENT EXPENSE (PREMIUM ASSISTANCE PROGRAM)		(245,020)	(287,707)	(378,507)
2909. REALIZED GAIN ON SALE OF BUILDINGS		1,393,965		
2910.				
2911.				
2912.				
2913.				
2914.				
2915.				
2916.				
2917.				
2918.				
2919.				
2920.				
2921.				
2922.				
2923.				
2924.				
2925.				
2997. Totals (Lines 2904 through 2925) (Page 4, Line 2998)		1,972,932	107,877	100,623

## 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	19,652,396	18,518,365
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions	54,617,452	1,697,394
3. Current year change in encumbrances	(23,609,550)	
4. Total gain (loss) on disposals	6,523,936	
5. Deduct amounts received on disposals	24,327,842	
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	187,927	563,363
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	32,668,465	19,652,396
10. Deduct total nonadmitted amount		
11. Statement value at end of current period (Line 9 minus Line 10)	32,668,465	19,652,396

## 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)	<b>NONE</b>	
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	694,224	
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		198,082
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	1,148,672	496,142
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)	1,842,896	694,224
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	1,842,896	694,224

## 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	576,551,431	533,456,244
2. Cost of bonds and stocks acquired	184,200,452	206,770,992
3. Accrual of discount	635,422	934,254
4. Unrealized valuation increase (decrease)	(13,230,313)	(2,017,371)
5. Total gain (loss) on disposals	198,550	1,491,701
6. Deduct consideration for bonds and stocks disposed of	171,907,232	163,021,069
7. Deduct amortization of premium	1,118,314	1,063,320
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	3,461,477	
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	571,868,519	576,551,431
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	571,868,519	576,551,431

## 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
<b>BONDS</b>								
1. Class 1 (a)	510,037,084	301,792,574	284,963,345	(1,143,731)	524,805,233	510,037,084	525,722,582	528,307,668
2. Class 2 (a)	3,986,459			(1,997,559)	5,309,624	3,986,459	1,988,900	1,984,732
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)				1,471,990			1,471,990	
7. Total Bonds	514,023,543	301,792,574	284,963,345	(1,669,300)	530,114,857	514,023,543	529,183,472	530,292,400
<b>PREFERRED STOCK</b>								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5	714,492				714,492	714,492	714,492	714,492
13. Class 6								
14. Total Preferred Stock	714,492				714,492	714,492	714,492	714,492
15. Total Bonds & Preferred Stock	514,738,035	301,792,574	284,963,345	(1,669,300)	530,829,349	514,738,035	529,897,964	531,006,892

(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 \$ 0; NAIC 2 \$ 0; 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	29,366,274	X X X	29,366,274	877,634	

**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	24,046,301	23,605,443
2. Cost of short-term investments acquired	834,390,516	1,441,460,626
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	829,070,540	1,441,019,768
7. Deduct amortization of premium		
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)	29,366,277	24,046,301
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	29,366,277	24,046,301

## SCHEDULE DB - PART F - SECTION 1

### Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset							
1	2	3	4	5	Derivative Instruments Open		Cash Instrument(s) Held					
Replication RSAT Number	Description	NAIC Designation or Other Description	Statement Value	Fair Value	6	7	8	9	10	11	12	
					Description	Fair Value	CUSIP	Description	Statement Value	Fair Value	NAIC Designation or Other Description	
					<b>NONE</b>							

## SCHEDULE DB - PART F - SECTION 2

### Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replicated (Synthetic) Assets Statement Value								
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replicated Asset Statement Value	XXX									
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX									
7. Ending Inventory										

NONE

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## SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of cash equivalents acquired	225,577,867	
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	213,757,706	
7. Deduct amortization of premium		
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)	11,820,161	
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	11,820,161	

### 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						
<b>NONE</b>								

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.							
<b>NONE</b>																			

### SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisitions	9 Value of Land and Buildings
	2 City	3 State						
<b>NONE</b>								

### SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment						14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization) / Accretion	10 Current Year's Other than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value					
<b>NONE</b>																	

### SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
<b>NONE</b>												

EO3

### SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value					14 Total Foreign Exchange Change in B./A.C.V.	15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)							
<b>NONE</b>																			

### 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)
31398A-TL-6	FANNIE MAE		08/13/2008	MERRILL LYNCH		5,997,120	6,000,000.00		1
3137EA-BN-8	FREDDIE MAC		09/10/2008	BANK AMERICA SECURITIES		4,077,148	4,000,000.00	37,889	1
912828-HZ-6	US TREASURY N/B		08/12/2008	GREENWICH CAPITAL MARKETS		1,994,227	2,000,000.00	18,954	1
912828-JG-6	US TREASURY N/B		08/12/2008	GREENWICH CAPITAL MARKETS		5,043,376	5,000,000.00	5,961	1
912828-FP-0	US TREASURY NOTE		09/03/2008	US BANK		597,913	582,000.00	1,465	1
912828-JD-3	US TREASURY NOTES		07/07/2008	MERRILL LYNCH		7,032,289	7,000,000.00	5,136	1
0399999	Total Bonds U. S. Government				X X X	24,742,073	24,582,000.00	69,405	X X X
312926-ZB-7	FHLMC GOLD #A80738		08/22/2008	GREENWICH CAPITAL MARKETS		4,305,083	4,291,003.25	7,152	1
3199999	Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	4,305,083	4,291,003.25	7,152	X X X
59156R-AR-9	METLIFE INC		08/12/2008	BANK OF AMERICA		802,800	800,000.00		1FE
4599999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	802,800	800,000.00		X X X
6099997	Total Bonds Part 3				X X X	29,849,956	29,673,003.25	76,557	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	29,849,956	29,673,003.25	76,557	X X X
15189T-10-7	CENTERPOINT ENERGY INC		09/03/2008	CITATION	8,780.000	137,897			L
391164-10-0	GREAT PLAINS ENERGY INC		07/29/2008	VARIOUS	12,883.976	332,307			L
682680-10-3	ONEOK INC		09/03/2008	VARIOUS	6,790.000	304,397			L
879382-20-8	TELEFONICA SA	F	08/04/2008	CANTOR FITZGERALD & CO	2,500.000	201,350			L
6699999	Total Common Stock Public Utilities (Unaffiliated)				X X X	975,951	X X X		X X X
149150-10-4	CATHAY BANCORP		09/05/2008	CITIGROUP GLOBAL	18,700.000	411,687			L
46146P-10-2	INVESTORS BANCORP INC		09/03/2008	VARIOUS	6,350.000	92,089			L
514936-10-3	LANDAMERICA FINANCIAL GROUP INC		07/18/2008	CITATION	3,250.000	62,532			L
527288-10-4	LEUCADIA NATIONAL CORP		09/03/2008	CITATION	4,730.000	213,885			L
680223-10-4	OLD REPUBLIC INTERNATIONAL CORP		07/17/2008	CITATION	2,410.000	25,372			L
78440X-10-1	SL GREEN REALTY CORP		09/25/2008	VARIOUS	2,520.000	203,019			L
90262T-30-8	UCBH HOLDINGS INC		09/12/2008	CITIGROUP GLOBAL	53,720.000	303,999			L
06738E-20-4	BARCLAYS PLC	F	07/23/2008	VARIOUS	3,728.000	94,644			L
05565A-20-2	BNP PARIBAS	F	07/17/2008	SG COWEN	1,200.000	56,262			L
34956J-30-9	FORTIS NL	F	08/12/2008	VARIOUS	5,400.000	80,238			L
404280-40-6	HSBC HOLDINGS PLC	F	09/17/2008	VARIOUS	3,400.000	264,407			L
83364L-10-9	SOCIETE GENERALE	F	09/17/2008	KNIGHT SECURITIES	5,700.000	97,484			L
6799999	Total Common Stock Banks, Trust and Insurance Companies (Unaffiliated)				X X X	1,905,618	X X X		X X X
023586-10-0	AMERCO INC		09/25/2008	NEOVEST	1,960.000	97,635			L
03076C-10-6	AMERIPRISE FINANCIAL INC		09/03/2008	CITATION	3,310.000	140,054			L
034164-10-3	ANDERSONS INC		09/03/2008	VARIOUS	8,430.000	360,015			L

E44

### 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)
043632-10-8	ASCENT MEDIA CORP		09/18/2008	VARIOUS	1,207,500	33,888			L
04544X-10-2	ASSISTED LIVING CONCEPTS INC-A		08/05/2008	JEFFERIES & CO, INC	19,260,000	112,478			L
25470F-30-2	DISCOVERY COMMUNICATIONS - C		09/18/2008	STOCK MERGER	12,075,000	146,790			L
25470F-10-4	DISCOVERY COMMUNICATIONS INC - A		09/18/2008	STOCK MERGER	12,075,000	209,635			L
25468Y-10-7	DISCOVERY HOLDINGS		09/03/2008	CITATION	4,700,000	94,779			L
29078E-10-5	EMBARQ CORP		09/03/2008	CITATION	2,200,000	106,549			L
292562-10-5	ENCORE WIRE CORP		09/03/2008	CITATION	4,860,000	88,503			L
387328-10-7	GRANITE CONSTRUCTION INC		09/23/2008	VARIOUS	12,020,000	386,737			L
472319-10-2	JEFFERIES GROUP INC		09/03/2008	CITATION	4,750,000	92,922			L
546347-10-5	LOUISIANA PACIFIC CORP		09/03/2008	VARIOUS	11,820,000	117,308			L
587118-10-0	MENS WEARHOUSE INC		09/04/2008	KNIGHT SECURITIES	17,210,000	388,249			L
690368-10-5	OVERSEAS SHIPBUILDING GROUP		09/03/2008	CITATION	1,790,000	121,265			L
729251-10-8	PLUM CREEK TIMBER CO INC		09/03/2008	CITATION	890,000	44,084			L
896522-10-9	TRINITY INDUSTRIES INC		09/25/2008	VARIOUS	17,570,000	604,637			L
91879Q-10-9	VAIL RESORTS INC		09/19/2008	VARIOUS	2,600,000	109,255			L
950587-10-5	WENDYS/ARBYS GROUP INC		09/03/2008	CITATION	14,640,000	87,060			L
974280-30-7	WINN DIXIE STORES INC		09/03/2008	CITATION	6,570,000	95,196			L
559222-40-1	MAGNA INTL INC CL A	I	09/23/2008	CITATION	3,040,000	179,201			L
00443E-10-4	ACERGY AG	F	08/01/2008	CAPITAL INSTITUTIONAL SER	4,500,000	74,816			L
40049J-20-6	GRUPO TELEVISA SA	F	08/04/2008	CANTOR FITZGERALD & CO	1,800,000	39,590			L
42550U-10-9	HENKEL LTD	F	09/17/2008	DRESDNER KLEINWORT	8,200,000	310,071			L
66987V-10-9	NOVARTIS AG ADR	F	07/21/2008	MOGAVERO	4,500,000	259,200			L
693483-10-9	POSCO ADR	F	08/04/2008	CANTOR FITZGERALD & CO	200,000	24,002			L
74463M-10-6	PUBLICIS GROUPE	F	08/04/2008	DRESDNER KLEINWORT	1,900,000	62,030			L
771195-10-4	ROCHE HOLDINGS LTD	F	08/08/2008	DRESDNER KLEINWORT	1,400,000	122,861			L
783513-10-4	RYANAIR HOLDINGS PLC	F	07/24/2008	VARIOUS	4,500,000	149,575			L
83175M-20-5	SMITH & NEPHEW PLC	F	08/11/2008	VARIOUS	5,900,000	340,015			L
6899999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	4,998,400	X X X		X X X
233203-82-7	DIMENSIONAL LARGE CAP VALUE SHARES		08/05/2008	INVESTORS SECURITY SERVIC	101,941,748	2,100,000			L
464287-61-4	ISHARES RUSSELL 1000 GROWTH		07/01/2008	STATE STREET	37,396,000	2,049,955			L
784924-9U-8	SSGA S&P 500 FLAGSHIP FUND CTF		09/30/2008	DIVIDEND REINVESTMENT	1,533,303	77,289			L
7099999	Total Common Stock Mutual Funds				X X X	4,227,244	X X X		X X X
7299997	Total Common Stock Part 3				X X X	12,107,213	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	12,107,213	X X X		X X X
7399999	Total Preferred and Common Stock				X X X	12,107,213	X X X		X X X
7499999	Totals				X X X	41,957,169	X X X	76,557	X X X

E04.1

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

### SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of 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)
31359M-UT-8	FANNIE MAE		07/24/2008	GOLDMAN, SACHS & C		1,981,594	2,000,000.00	1,989,700	1,993,064		551		551		1,993,615		(12,021)	(12,021)	63,938	04/15/2014	1
31398A-BX-9	FANNIE MAE		07/24/2008	BARCLAYS AMERICAN		4,634,307	4,500,000.00	4,782,101			(27,778)		(27,778)		4,754,322		(120,015)	(120,015)	149,906	05/18/2012	1
3133XJ-PB-8	FEDERAL HOME LOAN BANK		07/22/2008	FULL CALL		2,000,000	2,000,000.00	1,999,440	1,999,597		105		105		1,999,702		298	298	105,000	01/22/2010	1
3133XM-AY-7	FEDERAL HOME LOAN BANK		09/10/2008	FULL CALL		3,000,000	3,000,000.00	3,007,500	3,006,784		(1,659)		(1,659)		3,005,125		(5,125)	(5,125)	156,000	09/10/2010	1
36200Q-YY-4	GNMA I 15 YR #569627		09/15/2008	PRINCIPAL RECEIPT		3,548	3,548.39	3,674			(6)		(6)		3,646		(98)	(98)	147	02/15/2017	1
36201F-RA-7	GNMA I 15 YR #581981		09/15/2008	PRINCIPAL RECEIPT		1,885	1,885.12	1,916			(2)		(2)		1,909		(24)	(24)	76	05/15/2017	1
36201B-HY-5	GNMA I 15 YR P/T POOL #578147		09/15/2008	PRINCIPAL RECEIPT		33,136	33,136.41	33,747			(30)		(30)		33,590		(454)	(454)	1,331	06/15/2017	1
36201J-GM-5	GNMA I 15 YR P/T POOL #584404		09/15/2008	PRINCIPAL RECEIPT		11,744	11,743.50	11,762			(2)		(2)		11,750		(6)	(6)	433	05/15/2017	1
36200R-KH-4	GNMA I 15YR #570096		09/15/2008	PRINCIPAL RECEIPT		13,822	13,821.70	14,012			(9)		(9)		13,955		(133)	(133)	505	12/15/2016	1
36200R-LW-0	GNMA I 30-YR #570141		09/15/2008	PRINCIPAL RECEIPT		1,900	1,900.44	1,900							1,900				84	12/15/2031	1
36213A-CJ-1	GNMA I 30YR #548273		09/15/2008	PRINCIPAL RECEIPT		293	292.71	297							297		(4)	(4)	13	03/15/2032	1
36211E-KW-7	GNMA I P/T POOL #510709		09/15/2008	PRINCIPAL RECEIPT		483	482.98	485							484		(1)	(1)	23	11/15/2014	1
36211M-QZ-6	GNMA I P/T POOL #517172		09/15/2008	PRINCIPAL RECEIPT		2,293	2,293.06	2,303	2,298		(1)		(1)		2,298		(5)	(5)	107	11/15/2014	1
36202E-NA-3	GNMA II POOL #3985		09/22/2008	PRINCIPAL RECEIPT		38,484	38,484.22	38,833	38,833		(6)		(6)		38,827		(343)	(343)	1,392	05/20/2037	1
36205R-XM-4	GNMA P/T POOL #398584		09/15/2008	PRINCIPAL RECEIPT		52	52.05	51	51						51		1	1	3	06/15/2029	1
36207J-2F-9	GNMA P/T POOL #433774		09/15/2008	PRINCIPAL RECEIPT		28,116	28,115.69	28,696	28,675		(10)		(10)		28,665		(549)	(549)	1,184	05/15/2028	1
36210B-WF-8	GNMA P/T POOL #487646		09/15/2008	PRINCIPAL RECEIPT		94	93.89	92	92		2		2		94				5	09/15/2029	1
36211E-KG-2	GNMA P/T POOL #510695		09/15/2008	PRINCIPAL RECEIPT		2,270	2,269.66	2,291	2,281		(2)		(2)		2,280		(10)	(10)	121	11/15/2014	1
36211M-Z7-8	GNMA P/T POOL #517466		09/15/2008	PRINCIPAL RECEIPT		700	699.86	706	704		(1)		(1)		704		(4)	(4)	37	12/15/2014	1
36211R-MX-4	GNMA P/T POOL #520674		09/15/2008	PRINCIPAL RECEIPT		90	90.18	91	91						91				5	04/15/2030	1
36211X-R7-3	GNMA P/T POOL #526210		09/15/2008	PRINCIPAL RECEIPT		27,348	27,347.85	27,604	27,515		(20)		(20)		27,495		(147)	(147)	1,307	02/15/2015	1
36212B-KX-0	GNMA P/T POOL #528710		09/15/2008	PRINCIPAL RECEIPT		430	430.35	420	420						420		10	10	20	04/15/2030	1
36225A-CA-6	GNMA P/T POOL #780065		09/15/2008	PRINCIPAL RECEIPT		8,133	8,133.40	8,464	8,173		(44)		(44)		8,130		4	4	495	02/15/2010	1
36225A-D2-3	GNMA P/T POOL #780121		09/15/2008	PRINCIPAL RECEIPT		2,701	2,700.50	2,904	2,842		(4)		(4)		2,838		(137)	(137)	191	04/15/2025	1
912828-DG-2	US TREASURY NOTE		07/24/2008	JP MORGAN SECURITI		2,542,960	2,500,000.00	2,492,969	2,496,981		811		811		2,497,792		45,169	45,169	92,841	01/15/2010	1
912828-FR-6	US TREASURY NOTE		08/31/2008	MATURITY		600,000	600,000.00	604,043	602,700		(2,700)		(2,700)		600,000				29,250	08/31/2008	1
0399999	Total - Bonds - U.S. Governments				X X X	14,936,383	14,777,521.96	15,056,001	10,278,678		(30,805)		(30,805)		15,029,980		(93,594)	(93,594)	604,414	X X X	X X X
312967-4A-7	FEDERAL HOME LOAN GOLD		09/15/2008	PRINCIPAL RECEIPT		37,664	37,664.41	37,764	37,742		(6)		(6)		37,735		(71)	(71)	1,117	06/01/2019	1
312967-J7-8	FEDERAL HOME LOAN GOLD		09/15/2008	PRINCIPAL RECEIPT		31,636	31,636.03	31,695	31,680		(4)		(4)		31,676		(40)	(40)	895	05/01/2019	1
31335H-3N-1	FGTW PL C90805		09/15/2008	PRINCIPAL RECEIPT		15,958	15,958.14	16,414	16,391		(10)		(10)		16,381		(423)	(423)	580	03/01/2024	1
3128NH-BR-3	FH 1J0948 5/1 ARM		09/15/2008	PRINCIPAL RECEIPT		40,856	40,856.16	40,792						40,792		64	64	669	03/01/2038	1	
3128QJ-Q3-3	FHARM 5/1 POOL 1G1374		09/15/2008	PRINCIPAL RECEIPT		122,175	122,175.46	122,166	122,156		(11)		(11)		122,145		31	31	4,352	12/01/2036	1
3128S4-FJ-1	FHLMC ARM 3/1 POOL#1Q0169		09/15/2008	PRINCIPAL RECEIPT		100,805	100,805.26	101,065	101,061		(11)		(11)		101,050		(245)	(245)	3,282	11/01/2036	1
3128KR-3N-2	FHLMC GOLD #A61705		09/15/2008	PRINCIPAL RECEIPT		55,078	55,078.40	54,309	54,306		823		823		55,128		(50)	(50)	2,119	06/01/2037	1
3128L9-PP-2	FHLMC GOLD #A75830		09/15/2008	PRINCIPAL RECEIPT		58,714	58,714.32	58,705						58,705		10	10	394	04/01/2038	1	
312966-W5-9	FHLMC GOLD #B14268		09/15/2008	PRINCIPAL RECEIPT		23,667	23,667.02	23,637	23,635		(1)		(1)		23,635		32	32	712	10/01/2019	1
3128M5-UZ-1	FHLMC GOLD #G03900		09/15/2008	PRINCIPAL RECEIPT		38,987	38,987.37	38,768			1		1		38,769		218	218	907	02/01/2038	1
3128GW-2X-5	FHLMC GOLD 15 YR #E92590		09/15/2008	PRINCIPAL RECEIPT		7,629	7,629.03	7,778	7,746		(7)		(7)		7,740		(111)	(111)	253	11/01/2017	1
31294J-HT-8	FHLMC GOLD 15 YR POOL #E00242		09/15/2008	PRINCIPAL RECEIPT		3,906	3,906.24	3,828	3,886		42		42		3,928		(21)	(21)	176	10/01/2008	1
31294J-5N-4	FHLMC GOLD 15-YR #E00853		09/15/2008	PRINCIPAL RECEIPT		297	296.82	297	345		(4)		(4)		341		(44)	(44)	13	04/01/2015	1

### 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)
3128GH-JZ-5	FHLMC GOLD 15YR #E81180		09/15/2008	PRINCIPAL RECEIPT		1,859	1,858.97	1,900	1,892		(2)		(2)		1,889		(30)	(30)	93	08/01/2015	1
3128GW-2U-1	FHLMC GOLD 15YR #E92587		09/15/2008	PRINCIPAL RECEIPT		1,593	1,592.76	1,624	1,617		(1)		(1)		1,616		(23)	(23)	52	11/01/2017	1
3128LX-R4-4	FHLMC GOLD G02307		09/15/2008	PRINCIPAL RECEIPT		89,125	89,124.66	84,766			6		6		84,772		4,353	4,353	696	08/01/2036	1
31292H-BB-9	FHLMC GOLD P/T POOL #C00934		09/15/2008	PRINCIPAL RECEIPT		177	176.68		177						177				9	03/01/2030	1
31294J-NS-3	FHLMC GOLD P/T POOL#E00401		09/15/2008	PRINCIPAL RECEIPT		3,915	3,914.91	4,058	3,919		(4)		(4)		3,916		(1)	(1)	212	09/01/2010	1
31395L-GG-0	FHR 2912 MP		09/15/2008	PRINCIPAL RECEIPT		379,336	379,335.81	378,210	378,547		1,247		1,247		379,794		(458)	(458)	11,382	10/15/2026	1
31395U-E3-1	FHR 2980 LG		09/15/2008	PRINCIPAL RECEIPT		179,146	179,145.82	179,118	178,987		(35)		(35)		178,951		194	194	5,394	04/15/2025	1
31395V-G4-5	FHR 2989 TE		09/15/2008	PRINCIPAL RECEIPT		42,309	42,309.38	42,544	42,414		(18)		(18)		42,396		(86)	(86)	1,407	03/01/2012	1
31396G-LP-4	FHR 3101 UA		09/15/2008	PRINCIPAL RECEIPT		61,543	61,543.26	61,659	61,581		(19)		(19)		61,562		(19)	(19)	2,247	11/15/2031	1
31396N-6W-1	FHR 3138 PA		09/15/2008	PRINCIPAL RECEIPT		111,002	111,001.64	110,741	110,749		2		2		110,751		251	251	4,095	02/15/2027	1
31397T-SN-3	FHRR R016 AM		09/15/2008	PRINCIPAL RECEIPT		137,866	137,865.57	137,634			(2)		(2)		137,632		233	233	1,129	06/15/2018	1
31403D-XF-1	FNARM 5/1 POOL 745978		09/25/2008	PRINCIPAL RECEIPT		68,410	68,409.82	68,741	68,738		(9)		(9)		68,729		(319)	(319)	2,393	10/01/2036	1
31411G-SF-0	FNARM 5/1 POOL 907818		09/25/2008	PRINCIPAL RECEIPT		63,216	63,216.45	63,770	63,763		(11)		(11)		63,751		(535)	(535)	2,259	01/01/2037	1
31411S-3C-8	FNARM 5/1 POOL 914395		09/25/2008	PRINCIPAL RECEIPT		91,144	91,143.68	91,781	91,774		(631)		(631)		91,144				3,325	03/01/2037	1
31385Y-N3-5	FNMA 15 YR #556710		09/25/2008	PRINCIPAL RECEIPT		1,354	1,353.83	1,394	1,385		(3)		(3)		1,382		(28)	(28)	64	11/01/2015	1
31388V-MM-7	FNMA 15-YR #616064		09/25/2008	PRINCIPAL RECEIPT		2,921	2,921.39	2,933	2,929		(1)		(1)		2,928		(6)	(6)	102	11/01/2016	1
31371H-DT-2	FNMA 15YR P/T POOL #252214		09/25/2008	PRINCIPAL RECEIPT		2,230	2,230.06	2,265	2,233		(1)		(1)		2,232		(2)	(2)	91	01/01/2014	1
31385P-5Q-3	FNMA 15YR P/T POOL #549055		09/25/2008	PRINCIPAL RECEIPT		2,337	2,337.38	2,360	2,354		(2)		(2)		2,351		(14)	(14)	117	07/15/2015	1
31409G-SV-9	FNMA 5/1 ARM #870932		09/25/2008	PRINCIPAL RECEIPT		77,250	77,250.36	77,815	77,817		(14)		(14)		77,803		(553)	(553)	2,444	10/01/2037	1
31411F-UW-2	FNMA 7/1 ARM #906997		09/25/2008	PRINCIPAL RECEIPT		32,923	32,923.38	32,743	32,744						32,744		179	179	1,029	05/01/2037	1
31368H-H8-9	FNMA DWARF P/T POOL #190255		09/25/2008	PRINCIPAL RECEIPT		3,023	3,023.32	2,951	3,006		3		3		3,009		15	15	130	02/01/2009	1
31380S-3Z-4	FNMA DWARF P/T POOL #449116		09/25/2008	PRINCIPAL RECEIPT		4,519	4,518.92	4,605	4,505		(1)		(1)		4,504		15	15	203	11/01/2013	1
31371H-FA-1	FNMA P/T POOL #252261		09/25/2008	PRINCIPAL RECEIPT		3,560	3,559.66	3,611	3,571		(3)		(3)		3,568		(9)	(9)	150	02/01/2014	1
31371H-X4-5	FNMA P/T POOL #252799		09/25/2008	PRINCIPAL RECEIPT		6,608	6,608.40	6,538	6,549		2		2		6,551		57	57	309	10/01/2014	1
31371J-S7-0	FNMA P/T POOL #253542		09/25/2008	PRINCIPAL RECEIPT		1,975	1,974.70	1,992	1,987		(3)		(3)		1,984		(10)	(10)	102	11/01/2015	1
31379R-EM-6	FNMA P/T POOL #426840		09/25/2008	PRINCIPAL RECEIPT		1,064	1,064.22	1,164	1,099		(1)		(1)		1,097		(33)	(33)	65	01/01/2025	1
31379X-H3-2	FNMA P/T POOL #432350		09/25/2008	PRINCIPAL RECEIPT		7,310	7,309.90	7,405	7,348		(8)		(8)		7,340		(30)	(30)	307	06/01/2013	1
31380P-W9-6	FNMA P/T POOL #446272		08/25/2008	PRINCIPAL RECEIPT		278	278.37	287	278						278				15	06/01/2012	1
31383H-PW-8	FNMA P/T POOL #503637		09/25/2008	PRINCIPAL RECEIPT		1,578	1,577.86	1,579	1,575						1,575		3	3	66	06/01/2014	1
31403C-6L-0	FNMA POOL #745275		09/25/2008	PRINCIPAL RECEIPT		61,710	61,710.30	60,110			9		9		60,119		1,592	1,592	501	02/01/2036	1
31407X-XZ-9	FNMA POOL #844096		09/25/2008	PRINCIPAL RECEIPT		149,297	149,296.76	150,230	150,213		(24)		(24)		150,188		(892)	(892)	5,935	11/01/2035	1
31393U-KB-8	FNR 2003-122 TU		09/25/2008	PRINCIPAL RECEIPT		170,686	170,686.20	172,553	170,574		52		52		170,626		61	61	4,528	05/25/2016	1
3128JR-P7-5	FREDDIE MAC 7/1 ARM POOL 847646		09/15/2008	PRINCIPAL RECEIPT		146,946	146,945.60	146,647	146,657		(11)		(11)		146,646		300	300	5,709	11/01/2036	1
3199999	Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obligation				X X X	2,445,582	2,445,584.68	2,443,123	2,019,930		1,329		1,329		2,442,030		3,555	3,555	72,029	X X X	X X X
048312-AB-8	ACETF 2002-1 A2		07/23/2008	PRINCIPAL RECEIPT		71,118	71,117.56	69,917	70,323		170		170		70,492		625	625	2,246	04/20/2013	1FE
03061N-JN-0	AMCAR 2005-CF A4		09/06/2008	PRINCIPAL RECEIPT		182,017	182,016.54	179,421	180,965		342		342		181,307		710	710	5,367	06/06/2012	1FE
060505-BC-7	BANK OF AMERICA CORP		08/15/2008	MATURITY		1,500,000	1,500,000.00	1,446,945	1,488,456		11,544		11,544		1,500,000				48,750	08/15/2008	1FE
07383F-GE-2	BSCMS 2001-TOP4 A1		09/15/2008	PRINCIPAL RECEIPT		205,799	205,798.80	204,826	204,991		81		81		205,072		726	726	6,758	11/15/2016	1FE
07383F-YE-2	BSCMS 2004-PWR3 A1		08/13/2008	PRINCIPAL RECEIPT		226,550	226,549.85	227,115	226,719		(36)		(36)		226,683		(133)	(133)	5,238	02/11/2041	1FE
07383F-A5-7	BSCMS 2004-T14 A2		09/12/2008	PRINCIPAL RECEIPT		17,322	17,321.73	17,497	17,333		(42)		(42)		17,291		31	31	482	01/12/2041	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	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)
17305E-BV-6	CCCIT 2003-A8 A8		08/15/2008	PRINCIPAL RECEIPT		2,000,000	2,000,000.00	1,946,172	1,981,630		18,370		18,370		2,000,000				70,000	08/16/2010	1FE
12613X-CR-0	CHN 2005-A A4B		09/15/2008	PRINCIPAL RECEIPT		66,210	66,209.87	66,199	66,222		(2)		(2)		66,220		(10)	(10)	1,901	06/15/2012	1FE
14041N-AW-1	COMET 2003-A4		09/15/2008	PRINCIPAL RECEIPT		4,000,000	4,000,000.00	3,983,047	3,996,059		3,941		3,941		4,000,000				109,500	07/15/2011	1FE
36158Y-GZ-6	GECMC 2002-3A A1		09/10/2008	PRINCIPAL RECEIPT		50,592	50,592.10	49,398	49,692		134		134		49,826		766	766	1,424	12/10/2037	1FE
361849-M6-6	GMACC 2005-C1 A2		09/10/2008	PRINCIPAL RECEIPT		5,135	5,135.32	5,161	5,145		(4)		(4)		5,141		(5)	(5)	152	05/10/2043	1FE
43813A-AD-6	HAROT 2005-3 A4		09/18/2008	PRINCIPAL RECEIPT		346,740	346,739.72	341,105	343,536		1,459		1,459		344,996		1,744	1,744	9,269	12/20/2010	1FE
41283A-BP-3	HDMOT 2004-3 A2		09/15/2008	PRINCIPAL RECEIPT		110,453	110,452.65	110,430	110,462		(8)		(8)		110,455		(2)	(2)	2,354	05/15/2012	1FE
41283A-BV-0	HDMOT2005-2 A2		09/15/2008	PRINCIPAL RECEIPT		162,830	162,829.99	161,291	162,498		51		51		162,548		282	282	4,449	02/15/2012	1FE
477876-AC-0	JDOT 2007-A A3		09/15/2008	PRINCIPAL RECEIPT		256,046	256,045.62	259,106			(276)		(276)		258,830		(2,784)	(2,784)	3,205	07/15/2011	1FE
501773-CA-1	LB COMM MTG TRUST 1998-4 A1B		09/15/2008	PRINCIPAL RECEIPT		1,297,964	1,297,964.41	1,310,336	1,296,733		387		387		1,297,120		845	845	57,110	10/15/2035	1FE
52108H-RA-4	LBUBS 2003-C3 A2		09/17/2008	PRINCIPAL RECEIPT		41,654	41,653.98	40,133	41,328		(405)		(405)		40,924		730	730	826	05/15/2027	1FE
52108H-UK-8	LBUBS 2003-C7 A2		09/17/2008	PRINCIPAL RECEIPT		46,206	46,206.24	45,051	45,378		8		8		45,386		820	820	1,139	09/15/2027	1FE
52108H-E2-6	LBUBS 2004-C4 A2		09/17/2008	PRINCIPAL RECEIPT		18,735	18,734.68	19,223	18,866		(84)		(84)		18,782		(47)	(47)	568	06/15/2029	1FE
52108H-J4-7	LBUBS 2004-C6 A1		09/17/2008	PRINCIPAL RECEIPT		46,886	46,885.60	47,119	46,906		(34)		(34)		46,872		13	13	1,207	08/15/2029	1FE
5525V0-AW-6	M&I MARSH & ILSLEY BK		08/25/2008	MATURITY		1,000,000	1,000,000.00	999,750	999,944		56		56		1,000,000				45,000	08/25/2008	1FE
61745M-6B-4	MSC 2005-HQ6 A1		09/13/2008	PRINCIPAL RECEIPT		45,655	45,654.81	45,769	45,772		(46)		(46)		45,727		(72)	(72)	1,413	08/13/2042	1FE
61746W-XM-7	MSDWC 2002 - IQ3 A3		09/15/2008	PRINCIPAL RECEIPT		67,373	67,372.70	69,306	68,249		(161)		(161)		68,088		(716)	(716)	2,297	09/15/2037	1FE
57164R-AW-2	MVCOT 2005-2 A		09/22/2008	PRINCIPAL RECEIPT		28,144	28,143.81	28,143	28,242		11		11		28,253		(109)	(109)	983	10/20/2027	1FE
655356-JF-1	NASC 1998-D6 A1B		09/17/2008	PRINCIPAL RECEIPT		24,064	24,063.83	24,556	24,124		(22)		(22)		24,102		(38)	(38)	1,136	03/17/2028	1FE
63937E-AD-7	NAVOT 2004-B A4		09/15/2008	PRINCIPAL RECEIPT		249,227	249,226.92	239,998	246,821		686		686		247,507		1,720	1,720	5,858	10/15/2012	1FE
68233L-AB-5	ONCOR SER 2003-1-A2		08/15/2008	PRINCIPAL RECEIPT		69,143	69,142.69	70,223	69,428		(14)		(14)		69,414		(271)	(271)	2,786	02/15/2012	1FE
705220-AG-6	PECO 1999-A A7		09/02/2008	PRINCIPAL RECEIPT		312,876	312,876.20	339,825	312,876						312,876				19,179	03/01/2009	1FE
693401-AB-7	PERF SER 2005-1-A2		09/25/2008	PRINCIPAL RECEIPT		39,556	39,556.48	39,548	39,563		(2)		(2)		39,560		(4)	(4)	1,148	06/25/2011	1FE
742718-BX-6	PROCTER & GAMBLE CO		08/15/2008	MATURITY		1,000,000	1,000,000.00	986,760	994,578		5,422		5,422		1,000,000				43,000	08/15/2008	1FE
92866X-AM-9	VALET 2005-1 A4		09/22/2008	PRINCIPAL RECEIPT		312,771	312,770.55	311,742	312,863		(43)		(43)		312,820		(49)	(49)	10,134	04/20/2012	1FE
962215-AE-9	WESTO 2005-3 A4		09/17/2008	PRINCIPAL RECEIPT		154,867	154,866.96	152,483	154,226		444		444		154,669		198	198	4,532	05/17/2053	1FE
4599999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	13,955,933	13,955,929.61	13,837,595	13,649,928		41,927		41,927		13,950,961		4,970	4,970	469,411	X X X	X X X
6099997	Total - Bonds - Part 4				X X X	31,337,898	31,179,036.25	31,336,719	25,948,536		12,451		12,451		31,422,971		(85,069)	(85,069)	1,145,854	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	31,337,898	31,179,036.25	31,336,719	25,948,536		12,451		12,451		31,422,971		(85,069)	(85,069)	1,145,854	X X X	X X X
03840P-10-2	AQUILA INC		07/15/2008	KNIGHT SECURITIES		122,710.00	493,886	493,886	457,708	36,178			36,178		493,886						L
391164-10-0	GREAT PLAINS ENERGY INC		07/17/2008	FRACTION OF SHARE		0.98	24	25							25		(2)	(2)			L
6699999	Total - Common Stock - Public Utilities (Unaffiliated)				X X X	493,910	X X X	493,911	457,708	36,178			36,178		493,911		(2)	(2)		X X X	X X X
514936-10-3	LANDAMERICA FINANCIAL GROUP IN		09/03/2008	VARIOUS		15,560.00	195,293	371,426	411,770	18,531		121,406	(102,875)		371,426		(176,133)	(176,133)	7,558		L
680223-10-4	OLD REPUBLIC INTERNATIONAL COR		09/17/2008	CITIGROUP GLOBAL		20,000.00	225,539	420,582	308,200	112,382			112,382		420,582		(195,044)	(195,044)	9,267		L

E05.2

### 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)
87240R-10-7	TFS FINANCIAL CORP		07/15/2008	CONIFER SECURITIES	12,490.00	124,512		155,265	149,131	6,135			6,135		155,265		(30,753)	(30,753)	1,249		L
066011-20-6	BANK OF YOKOHAMA	F	07/18/2008	DAIWA SECURITIES	2,900.00	186,404		216,412	175,448	13,793			13,793		216,412		(30,008)	(30,008)	1,540		L
166744-20-1	CHEUNG KONG HOLDING LTD	F	08/12/2008	CREDIT LYONNAIS	14,600.00	204,943		174,659	269,998	(95,339)			(95,339)		174,659		30,285	30,285	3,647		L
50049M-10-9	KOOKMIN BANK SPON ADR	F	07/17/2008	LADENBURG THALMA	1,300.00	68,831		76,973							76,973		(8,142)	(8,142)			L
6799999	Total - Common Stock - Banks, Trust and Insurance Companies (Unaffiliated)				X X X	1,005,522	X X X	1,415,317	1,314,547	55,502		121,406	(65,904)		1,415,317		(409,795)	(409,795)	23,261	X X X	X X X
044209-10-4	ASHLAND INC		09/03/2008	VARIOUS	11,510.00	457,012		696,587	545,919	150,668			150,668		696,587		(239,575)	(239,575)	7,895		L
103304-10-1	BOYD GAMING CORP		07/16/2008	CITATION	14,220.00	118,863		178,603	356,372	92,538		367,239	(274,701)		178,603		(59,740)	(59,740)	4,266		L
205768-20-3	COMSTOCK RESOURCES INC		07/11/2008	VARIOUS	1,540.00	122,379		51,547	52,360	(813)			(813)		51,547		70,832	70,832			L
25468Y-10-7	DISCOVERY HOLDINGS		09/18/2008	VARIOUS	24,150.00	390,313		390,313	463,833	(189,972)			(189,972)		390,313						L
543162-10-1	LONGS DRUG STORES CORP		08/04/2008	CITATION	1,840.00	85,774		63,449	86,480	(23,031)			(23,031)		63,449		22,325	22,325	861		L
723787-10-7	PIONEER NATURAL RESOURCES CO		09/15/2008	VARIOUS	6,720.00	344,919		323,872	323,872						323,872		21,047	21,047	941		L
726505-10-0	PLAINS EXPL & PRODUCTION CO		09/03/2008	VARIOUS	6,960.00	364,377		286,738	375,840	(89,102)			(89,102)		286,738		77,639	77,639			L
74837R-10-4	QUICKSILVER RESOURCES INC		07/17/2008	A.G.EDWARDS & SON	970.00	29,613		18,432	28,901	(10,469)			(10,469)		18,432		11,181	11,181			L
292505-10-4	ENCANA CORP	F	08/13/2008	VARIOUS	2,500.00	179,515		158,378	169,900	(11,522)			(11,522)		158,378		21,137	21,137	2,000		L
013904-30-5	ALCATEL	F	08/06/2008	CLEAR VIEW TRADING	10,500.00	67,135		76,860	76,860						76,860		(9,725)	(9,725)			L
055622-10-4	BP PLC	F	07/18/2008	CANTOR FITZGERALD	4,900.00	305,617		322,845	307,314	(32,127)			(32,127)		322,845		(17,228)	(17,228)	6,817		L
37733W-10-5	GLAXO SMITHKLINE PLC	F	07/23/2008	CLEAR VIEW TRADING	5,400.00	261,872		298,240	272,106	26,134			26,134		298,240		(36,369)	(36,369)	9,063		L
606769-30-5	MITSUBISHI CORPORATION	F	07/17/2008	MIZUHONY	4,000.00	241,167		194,241	219,128	(24,887)			(24,887)		194,241		46,927	46,927	1,890		L
654802-20-6	NITTO DENKO CORP	F	07/23/2008	CITIGROUP GLOBAL	492.00	157,078		261,583	260,721	862			862		261,583		(104,505)	(104,505)	1,820		L
693483-10-9	POSCO ADR	F	09/03/2008	VARIOUS	1,300.00	130,647		172,356							172,356		(41,709)	(41,709)	676		L
827084-86-4	SILICONWARE PRECISION	F	09/08/2008	FRACTION OF SHARE	0.64	3		4	6	(2)			(2)		4						L
874039-10-0	TAIWAN SEMICONDUCTOR	F	08/22/2008	FRACTION OF SHARE	0.87	9		8	9						8						L
881624-20-9	TEVA PHARMACEUTICAL INDS LTD	F	07/17/2008	VARIOUS	4,400.00	182,269		185,745	204,512	(18,767)			(18,767)		185,745		(3,476)	(3,476)	1,129		L
6899999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	3,438,562	X X X	3,679,801	3,420,261	(130,490)		367,239	(497,729)		3,679,801		(241,239)	(241,239)	37,358	X X X	X X X
7299997	Total - Common Stock - Part 4				X X X	4,937,994	X X X	5,589,029	5,192,516	(38,810)		488,645	(527,455)		5,589,029		(651,036)	(651,036)	60,619	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	4,937,994	X X X	5,589,029	5,192,516	(38,810)		488,645	(527,455)		5,589,029		(651,036)	(651,036)	60,619	X X X	X X X
7399999	Total Preferred and Common Stocks				X X X	4,937,994	X X X	5,589,029	5,192,516	(38,810)		488,645	(527,455)		5,589,029		(651,036)	(651,036)	60,619	X X X	X X X
7499999	Totals					36,275,892	X X X	36,925,748	31,141,052	(38,810)	12,451	488,645	(515,004)		37,012,000		(736,105)	(736,105)	1,206,473	X X X	X X X

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

### SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/ Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income
<b>NONE</b>													

E06

### SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
<b>NONE</b>													

### SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure
<b>NONE</b>														

EO7

### SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Open at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure
<b>NONE</b>												







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## MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0000

NAIC Company Code 53473

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	5,574,730	XXX	1,154,237	XXX	6,728,967
2. Earned Premiums	5,951,823	XXX	1,328,232	XXX	XXX
3. Claims Paid	5,651,381	XXX	1,216,234	XXX	6,867,615
4. Claims Incurred	5,398,078	XXX	1,437,770	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX		XXX		
6. Aggregate Policy Reserves - Change		XXX		XXX	XXX
7. Expenses Paid	691,449	XXX	92,925	XXX	784,374
8. Expenses Incurred	929,053	XXX	79,213	XXX	XXX
9. Underwriting Gain or Loss	(375,308)	XXX	(188,751)	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	(923,022)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ 2,067,218 due from CMS or \$ 0 due to CMS