

Quarterly Statement

of the



of Pittsburgh

in the Commonwealth of Pennsylvania
to the
Pennsylvania Insurance Department

FOR THE PERIOD ENDED
June 30, 2012

2012

PROPERTY AND CASUALTY

2012



QUARTERLY STATEMENT

As of June 30, 2012
of the Condition and Affairs of the

Highmark Casualty Insurance Company

NAIC Group Code..... 0812, 0812 (Current Period) (Prior Period)	NAIC Company Code..... 35599	Employer's ID Number..... 25-1334623
Organized under the Laws of Pennsylvania Incorporated/Organized..... June 22, 1977	State of Domicile or Port of Entry Pennsylvania	Country of Domicile US Commenced Business..... February 16, 1978
Statutory Home Office	Fifth Avenue Place, 120 Fifth Avenue..... Pittsburgh PA 15222-3099 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	120 Fifth Avenue, Suite P6504..... Pittsburgh PA 15222-3099 <i>(Street and Number) (City or Town, State and Zip Code)</i>	800-328-5433 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 535061..... Pittsburgh PA 15253-5061 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	120 Fifth Avenue, Suite P6504..... Pittsburgh PA 15222-3099 <i>(Street and Number) (City or Town, State and Zip Code)</i>	800-328-5433 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.highmarkcasualty.com	
Statutory Statement Contact	Leslie Ann Gelpi # <i>(Name)</i> leslie.gelpi@highmark.com <i>(E-Mail Address)</i>	800-328-5433 <i>(Area Code) (Telephone Number) (Extension)</i> 412-544-1053 <i>(Fax Number)</i>

OFFICERS

Chairman and CEO.....David Lynn Holmberg
 President and COO.....Michael Walsh Sullivan
 Treasurer and CFO.....Daniel Joseph Wright
 Corporate Secretary.....Edward August Bittner, Jr.

DIRECTORS OR TRUSTEES

Ray Hunter Carson, Jr. Nanette Paden DeTurk #	David Lynn Holmberg David Michael Matter	Donald Peter Napier Daniel William O'Malley	William John Stalkamp
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The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

[Signature] David Lynn Holmberg
Chairman and CEO

[Signature] Daniel Joseph Wright
Treasurer and CFO

[Signature] Edward August Bittner, Jr.
Corporate Secretary

State of TEXAS
County of BEXAR

David Lynn Holmberg subscribed and sworn to before me
 This 17th day of AUGUST, 2012

[Signature]

a. Is this an original filing? Yes [X] No []

b. If no: 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____



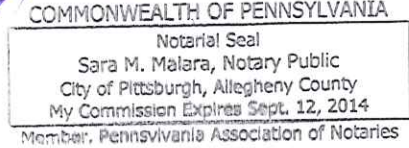
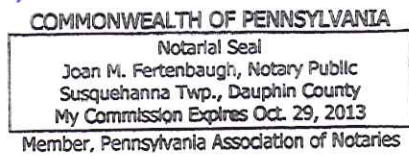
State of Pennsylvania
County of Dauphin

Daniel Joseph Wright subscribed and sworn to before me
 This 24 day of July, 2012

[Signature]

State of Pennsylvania
County of Allegheny
 Edward August Bittner, Jr., subscribed and sworn to before me
 This 10th day of August, 2012

[Signature]



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.....	235,212,722		235,212,722	218,460,900
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....5,888,409), cash equivalents (\$.....0) and short-term investments (\$.....43,442,684).....	49,331,093		49,331,093	46,687,128
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....	(0)		(0)	
9. Receivables for securities.....	1,001,524		1,001,524	2,209,643
10. Securities lending reinvested collateral assets.....	11,562,689		11,562,689	23,483,305
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	297,108,028	.0	297,108,028	290,840,976
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	2,358,593		2,358,593	2,243,722
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	25,811,170		25,811,170	25,667,501
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums.....	1,078,994		1,078,994	947,978
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,135,104		2,135,104	2,631,438
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	465,383		465,383	606,069
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	65,420		65,420	759,372
24. Health care (\$.....0) and other amounts receivable.....	1,619,602		1,619,602	
25. Aggregate write-ins for other than invested assets.....	175,336	175,288	48	504,570
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	330,817,630	175,288	330,642,342	324,201,626
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	330,817,630	175,288	330,642,342	324,201,626

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Advance deposit premium for ceded reinsurance.....	158,347	158,347	.0	318,553
2502. Profit sharing receivable.....	11,625	11,625	.0	
2503. Prepaid expenses.....	5,364	5,316	48	186,018
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	175,336	175,288	48	504,570

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....64,146,357).....	131,343,238	119,918,604
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	10,286,303	9,095,065
4. Commissions payable, contingent commissions and other similar charges.....	3,906,468	4,156,006
5. Other expenses (excluding taxes, licenses and fees).....	242,154	543,962
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	655,857	771,187
7.1 Current federal and foreign income taxes (including \$....455,563 on realized capital gains (losses)).....	5,541,771	2,142,255
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$....74,150.....	74,150	85,300
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....186,233 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	17,957,248	18,359,967
10. Advance premium.....	146,724	120,973
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	1,038,805	831,855
12. Ceded reinsurance premiums payable (net of ceding commissions).....	4,593,502	4,331,085
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	1,288,628	819,841
15. Remittances and items not allocated.....	167,033	644,324
16. Provision for reinsurance.....	70,874	208,512
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	1,805,011	1,409,753
20. Derivatives.....		
21. Payable for securities.....	2,133,945	4,820,153
22. Payable for securities lending.....	11,562,689	23,483,305
23. Liability for amounts held under uninsured plans.....	280,047	401,330
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	1,046,742	801,871
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	194,141,189	192,945,348
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	194,141,189	192,945,348
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	10,000,000	10,000,000
34. Gross paid in and contributed surplus.....	11,250,000	11,250,000
35. Unassigned funds (surplus).....	112,751,153	107,506,278
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	136,501,153	131,256,278
38. Totals.....	330,642,342	324,201,626

DETAILS OF WRITE-INS

2501. Retrospective premiums payable.....	743,423	476,966
2502. Unclaimed property.....	301,311	323,952
2503. Amount Due to Agent.....	2,009	953
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,046,742	801,871
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$...63,062,529).....	63,353,708	54,148,267	112,960,336
1.2 Assumed..... (written \$...80,973,308).....	81,256,652	55,621,348	130,023,169
1.3 Ceded..... (written \$...23,454,132).....	23,518,033	21,826,168	44,088,547
1.4 Net..... (written \$...120,581,705).....	121,092,328	87,943,447	198,894,958
DEDUCTIONS:			
2. Losses incurred (current accident year \$...93,429,174):			
2.1 Direct.....	34,801,201	25,204,872	59,051,472
2.2 Assumed.....	58,975,113	39,123,708	93,972,380
2.3 Ceded.....	13,599,815	10,605,181	25,913,413
2.4 Net.....	80,176,498	53,723,399	127,110,439
3. Loss adjustment expenses incurred.....	4,703,507	3,262,110	12,644,604
4. Other underwriting expenses incurred.....	25,324,430	19,814,980	38,295,296
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	110,204,435	76,800,489	178,050,339
7. Net income of protected cells.....	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	10,887,893	11,142,958	20,844,619
INVESTMENT INCOME			
9. Net investment income earned.....	3,931,840	3,951,237	7,792,676
10. Net realized capital gains (losses) less capital gains tax of \$...455,563.....	846,045	767,226	1,592,775
11. Net investment gain (loss) (Lines 9 + 10).....	4,777,885	4,718,463	9,385,451
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	0	0
13. Finance and service charges not included in premiums.....	0	0	0
14. Aggregate write-ins for miscellaneous income.....	(4,745)	(12,166)	(889)
15. Total other income (Lines 12 through 14).....	(4,745)	(12,166)	(889)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	15,661,033	15,849,255	30,229,181
17. Dividends to policyholders.....	484,858	444,000	601,000
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).....	15,176,175	15,405,255	29,628,181
19. Federal and foreign income taxes incurred.....	5,078,072	4,883,466	8,578,381
20. Net income (Line 18 minus Line 19) (to Line 22).....	10,098,103	10,521,789	21,049,800
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	131,256,278	111,631,427	111,631,427
22. Net income (from Line 20).....	10,098,103	10,521,789	21,049,800
23. Net transfers (to) from Protected Cell accounts.....	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$...62,832.....	116,687	34,571	(247,958)
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0	0
26. Change in net deferred income tax.....	(77,854)	(443,543)	(1,090,597)
27. Change in nonadmitted assets.....	(29,699)	(1,193,700)	26,118
28. Change in provision for reinsurance.....	137,638	95,000	(112,512)
29. Change in surplus notes.....	0	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0	0
31. Cumulative effect of changes in accounting principles.....	0	0	0
32. Capital changes:			
32.1 Paid in.....	0	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0	0
32.3 Transferred to surplus.....	0	0	0
33. Surplus adjustments:			
33.1 Paid in.....	0	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0	0
33.3 Transferred from capital.....	0	0	0
34. Net remittances from or (to) Home Office.....	0	0	0
35. Dividends to stockholders.....	(5,000,000)	0	0
36. Change in treasury stock.....	0	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	5,244,875	9,014,117	19,624,851
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	136,501,153	120,645,544	131,256,278
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Other income.....	32	45	26,754
1402. Other interest paid.....	(4,777)	(12,211)	(27,643)
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(4,745)	(12,166)	(889)
3701. Lines 23 and 29 from 2000 Annual Statement.....	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	120,712,423	79,641,454	189,863,069
2. Net investment income.....	4,593,266	4,325,955	8,671,483
3. Miscellaneous income.....	(4,745)	(12,166)	(889)
4. Total (Lines 1 through 3).....	125,300,944	83,955,243	198,533,663
5. Benefit and loss related payments.....	68,237,068	27,507,081	84,604,638
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	29,643,120	21,067,142	47,495,492
8. Dividends paid to policyholders.....	277,908	374,983	669,232
9. Federal and foreign income taxes paid (recovered) net of \$.....455,563 tax on capital gains (losses).....	2,134,119	2,478,954	9,772,728
10. Total (Lines 5 through 9).....	100,292,215	51,428,160	142,542,089
11. Net cash from operations (Line 4 minus Line 10).....	25,008,729	32,527,083	55,991,574
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	98,906,194	105,919,227	202,426,738
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			1,500,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	24,217	47	1,264
12.7 Miscellaneous proceeds.....	13,128,735		3,566,493
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	112,059,146	105,919,274	207,494,495
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	115,062,705	116,304,029	240,639,318
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....		25,305,963	
13.6 Miscellaneous applications.....	2,686,208	1,130,267	25,683,936
13.7 Total investments acquired (Lines 13.1 to 13.6).....	117,748,913	142,740,259	266,323,254
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(5,689,767)	(36,820,985)	(58,828,759)
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.....	74,150		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....	5,000,000		
16.6 Other cash provided (applied).....	(11,749,147)	24,083,972	23,149,257
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(16,674,997)	24,083,972	23,149,257
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	2,643,965	19,790,070	20,312,071
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	46,687,128	26,375,056	26,375,056
19.2 End of period (Line 18 plus Line 19.1).....	49,331,093	46,165,126	46,687,128

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

PROPERTY & CASUALTY		
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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Highmark Casualty Insurance Company (the "Corporation") are presented on the basis of accounting practices prescribed or permitted by the Pennsylvania Insurance Department (the "Department"). The Department recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Pennsylvania for determining and reporting the financial condition and results of operations of an insurance company in order to assess its solvency under Pennsylvania insurance law and regulations. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by Pennsylvania. The Pennsylvania Insurance Commissioner (the "Commissioner") has the right to permit other specific practices that deviate from prescribed practices.

The Commissioner has adopted certain permitted accounting practices that differ from those found in NAIC SAP. Specifically, loss reserves on workers' compensation business may be discounted on a non-tabular basis. In NAIC SAP, non-tabular claim reserving is not permissible unless authorized for specific types of claims.

A comparison of the Corporation's capital and surplus as calculated under NAIC SAP and under practices prescribed or permitted by Pennsylvania is shown below:

	<u>06/30/2012</u>	<u>12/31/2011</u>
Statutory Net Income, Pennsylvania basis	\$ 10,098,103	\$ 21,049,800
State Prescribed Practices (income):		
Discount of non-tabular reserves, net of tax	<u>(3,367,192)</u>	<u>(2,520,678)</u>
Statutory Net Income, NAIC SAP	<u>\$ 6,730,911</u>	<u>\$ 18,529,122</u>
Statutory Surplus, Pennsylvania basis	\$ 136,501,153	\$ 131,256,278
State Prescribed Practices (surplus):		
Discount of non-tabular reserves, net of tax	<u>(9,304,801)</u>	<u>(12,671,933)</u>
Statutory Surplus, NAIC SAP	<u>\$ 127,196,352</u>	<u>\$ 118,584,285</u>

B. Use of Estimates in the Preparation of the Financial Statements

No change.

C. Accounting Policies

No change.

2. Accounting Changes and Corrections of Errors

SSAP No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10, was adopted by the NAIC effective January 1, 2012. Refer to Note 9 - Income Taxes for the effect of this change on the statutory financial statements.

3. Business Combinations and Goodwill

None.

4. Discontinued Operations

None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-Backed Securities

The aggregate fair value of loan-backed securities held by the Corporation was \$56,791,331 at June 30, 2012. The Corporation uses the retrospective adjustment method regarding prepayment assumptions, which are generally obtained from broker dealer survey values. The Corporation had no loan-backed securities that were acquired prior to January 1, 1994. The Corporation did not hold any loan-backed securities for which the yield has become negative at June 30, 2012.

NOTES TO FINANCIAL STATEMENTS

The Corporation's investments in loan-backed securities are comprised of mortgage-backed and asset-backed instruments which are subject to concentrations of credit risk. If parties to the instruments fail to perform to the terms of the contracts and the collateral for the amounts due prove to be inadequate, the Corporation could lose all or a portion of its investment in these securities.

There were no other-than-temporary impairments recorded or reversed on loan-backed securities in accordance with SSAP No. 43R during the period ended June 30, 2012.

The gross unrealized losses and fair values of loan-backed securities classified by length of time individual securities were in a continuous loss position at June 30, 2012 were as follows:

Less than 12 Months		12 Months or More		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
\$11,293,773	(\$52,000)	\$549,045	(\$42,145)	\$11,842,818	(\$94,145)

In deciding whether impairments are other-than-temporary, the Corporation may consider several factors, including the adequacy of collateral, probability of default, and estimates regarding timing and amount of recoveries associated with a default.

E. Repurchase Agreements and/or Securities Lending Transactions

The Corporation participates in securities lending transactions. The Corporation maintains effective control over the loaned securities and requires collateral initially equal to at least 102% of loaned domestic securities and 105% of loaned international securities at the loan date. Collateral received consists of cash and fixed-income securities.

Noncash collateral is not recorded in the statements of assets, liabilities, capital and surplus, as the Corporation does not have the right to sell, pledge, or otherwise reinvest the noncash collateral. Cash collateral is invested in short-term debt securities and the offsetting collateral liability is included in payable for securities lending in the statements of assets, liabilities, capital and surplus. Noncash collateral consists of short-term debt securities. The Corporation did not have other-than-temporary impairments on invested collateral at June 30, 2012.

The aggregate amounts of contractually obligated open collateral positions and the corresponding liabilities that represented the Corporation's obligations to return the collateral were \$11,562,689 at June 30, 2012. All open collateral positions were under 30-day repayment terms at June 30, 2012.

The aggregate fair values of all securities acquired from the sale, trade or use of accepted collateral were \$11,561,003 at June 30, 2012.

The aggregate amount of reinvested cash collateral by maturity term at June 30, 2012 was as follows:

	<u>Amortized Cost</u>	<u>Fair Value</u>
Open	\$ 220	\$ 220
30 Days or Less	6,050,013	6,050,013
31 to 60 Days	2,536,944	2,536,944
61 to 90 Days	765,041	765,041
91 to 120 Days	261,103	261,102
121 to 180 Days	408,208	408,208
181 to 365 Days	1,492,570	1,492,572
1 to 2 years	0	0
2 to 3 years	27,754	26,964
Greater than 3 Years	<u>20,836</u>	<u>19,939</u>
Sub-Total	<u>\$11,562,689</u>	<u>\$11,561,003</u>
Securities Received	<u>0</u>	<u>0</u>
Total Collateral Reinvested	<u>\$11,562,689</u>	<u>\$11,561,003</u>

F. Real Estate

None.

G. Low-Income Housing Tax Credits

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

A. Basis for Excluding Due and Accrued Investment Income from Statutory Surplus

No Change.

B. Amounts Excluded from Statutory Surplus

None.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

None.

9. Income Taxes

A., C. Components and Changes in Deferred Taxes

SSAP No. 101, Income Taxes, A Replacement of SSAP No 10R and SSAP No 10, was adopted by the NAIC effective January 1, 2012. This guidance provides that the deferred tax asset admissibility guidance is no longer elective, and the reversal and surplus limitation parameters in the admissibility tests are determined based on the risk-based capital level. It also requires gross deferred tax assets to be reduced by a statutory valuation allowance if it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Finally, the guidance sets a more likely than not threshold for the recording of contingent liabilities. The cumulative effect of adopting this pronouncement is not material to the Corporation.

B. Unrecognized Deferred Tax Liabilities

None.

D. Rate Reconciliation

No significant change.

E. Income Tax Carryforwards and Carrybacks

None.

F. Consolidation of Federal Return

No change.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Information Concerning Parent Company

No change.

B., C. & F. Transactions with Related Parties

No change.

D. Related Party Receivables and Payables

At June 30, 2012, the Corporation reported \$65,420 as amounts receivable from parent, subsidiaries and affiliates and \$1,805,011 as amounts payable to parent, subsidiaries, and affiliates. The terms of settlement generally require that amounts be settled within 30 days.

E. Commitments and Contingencies to Subsidiaries, Controlled and Affiliated Entities ("SCAs")

None.

G. Relationships with Enterprises under Common Ownership

No change.

H. Amounts Deducted from Value of an Upstream Intermediate Entity

None.

I. Investments in SCA Entities that exceed 10% of Admitted Assets

None.

J. Impairment in SCAs

None.

K. Investments in Foreign Insurance Subsidiaries

None.

L. Downstream Noninsurance Holding Company

None.

NOTES TO FINANCIAL STATEMENTS

11. Debt

None.

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

None.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

A. Capital Stock

No change.

B. Preferred Stock

None.

C., D. & E. Dividend Restrictions

The maximum amount of dividends payable by Pennsylvania insurance companies to shareholders without approval of the Commissioner is subject to restrictions regarding statutory surplus. An extraordinary dividend is any dividend or other distribution which, together with other dividends and distributions made within the preceding twelve months, exceeds the greater of 10% of surplus as regards policyholders shown on the previous annual statement or net income for the period covered by such statement, which would be \$21,049,800. On June 25, 2012, the Corporation paid an ordinary cash dividend in the amount of \$5,000,000 to HM Insurance Group.

F. Surplus Restrictions

None.

G. Mutual Surplus Advances

Not applicable.

H. Company Stock Held for Special Purposes

None.

I. Special Surplus Funds

None.

J. Changes in Surplus

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was \$(251,944) at June 30, 2012.

K. Surplus Notes

Date Issued	Interest Rate	Par Value (Face Amount of Note)	Carrying Value of Note	Principal and/or Interest Paid Current Year	Total Principal and/or Interest Paid	Unapproved Principal and/or Interest	Date of Maturity
December 9, 2003	2.966%*	\$10,000,000	\$10,000,000	\$159,450	\$3,841,138	\$ 0	December 9, 2033

*The note accrues interest on the outstanding principal balance determined on the first day of each month at a rate equal to the sum of (i) the yield of the U.S. Treasury Notes having a maturity of five years as determined as of December 1 of each year; and (ii) 200 basis points.

As of June 30, 2012, the Corporation had an accrued interest liability in favor of Highmark Inc. ("Highmark"), in the amount of \$74,150 for the period from April 1, 2012 to June 30, 2012 related to the \$10,000,000 surplus note obligation (the "obligation"). The accrued interest liability of \$74,150 was approved by the Department. This amount was paid on July 9, 2012.

In addition, the Corporation made two interest payments to Highmark during 2012, which were approved by the Department. On January 6, 2012 the Corporation paid \$85,300 on account of interest accrued on the obligation from October 1, 2011 through December 31, 2011. On April 9, 2012, the Corporation paid \$74,150 on account of interest accrued on the obligation from January 1, 2012 through March 31, 2012.

The total interest paid on the obligation was \$3,841,138 at June 30, 2012. The Corporation has not made any principal payments on the obligation.

NOTES TO FINANCIAL STATEMENTS

L & M. Quasi-Reorganizations

None.

14. Contingencies

A. Contingent Commitments

None.

B. Assessments

None.

C. Gain Contingencies

None.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None.

E. All Other Contingencies:

The Corporation is subject to various other contingencies, including legal and compliance actions and proceedings that arise in the ordinary course of its business. In the opinion of management, based on consultation with legal counsel, adequate provision has been made in the financial statements for any potential liability related to these matters, and the amount of ultimate liability is not expected to materially affect the financial position or results from operations of the Corporation.

15. Leases

None.

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

None.

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

A. Transfers of Receivables Reported as Sales

None.

B. Transfer and Servicing of Financial Assets

Refer to Note 5 - Repurchase Agreements and/or Securities Lending Transactions

C. Wash Sales

None.

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

None.

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

None.

20. Fair Value Measurements

A. Assets and Liabilities Measured at Fair Value

In accordance with SSAP No. 100, financial assets and liabilities recorded at fair value in the statements of assets, liabilities, capital and surplus are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Input levels, as defined by NAIC SAP, are as follows:

Level 1 – Pricing inputs are based on unadjusted quoted market prices for identical financial assets in active markets. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are based on other than quoted prices in active markets included in Level 1 that are observable unadjusted quoted market prices for similar financial assets or liabilities in active markets or quoted market prices for identical assets in inactive markets.

NOTES TO FINANCIAL STATEMENTS

Level 3 – Pricing inputs include unobservable inputs that are supported by little or no market activity that reflect management’s best estimate of what market participants would use in pricing the asset at the measurement date.

The following methods and assumptions were used to determine the fair value of each class of the following assets and liabilities recorded at fair value in the statements of assets, liabilities, capital and surplus:

Bonds: Fair values are based on quoted market prices, where available. These fair values are obtained primarily from a third party pricing service, which generally uses Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. Level 2 securities primarily include corporate securities, securities from states, municipalities and political subdivisions and mortgage-backed securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. The Corporation has certain fixed maturity securities, primarily corporate debt and other fixed maturity securities that are designated Level 3 securities. For these securities, the valuation methodologies may incorporate broker quotes or assumptions for benchmark yields, credit spreads, default rates and prepayment speeds that are not observable in the markets.

Short-term - Short-term investments include Class 1 and exempt money market accounts, and securities with a maturity of less than one year but greater than 90 days at the date of purchase. Fair values of short-term securities are based on quoted market prices, where available. These fair values are obtained primarily from a third party pricing service, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. U.S. Government securities represent Level 1 securities, while Level 2 securities include corporate securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds.

Cash and cash equivalents: Cash equivalents include commercial paper, discount notes or securities with a maturity of 3 months or less, and bank deposits that are purchased or deposited daily with specified yield rates. Cash equivalents are designated as Level 1 or Level 2, depending on structure and the extent of credit-related features.

Securities lending collateral assets: Fair values of securities lending collateral are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally uses Level 1 or Level 2 inputs for the determination of fair value to facilitate fair value measurements and disclosures.

The Corporation uses a third party pricing service to obtain quoted prices for each security. The third party service provides pricing based on recent trades of the specific security or like securities, as well as a variety of valuation methodologies for those securities where an observable market price may not exist. The third party service may derive pricing for Level 2 securities from market corroborated pricing, matrix pricing, and inputs such as yield curves and indices. Pricing for Level 3 securities may be obtained from investment managers for private placements or derived from discounted cash flows, or ratio analysis and price comparisons of similar companies. The Corporation performs an analysis of reasonableness of the prices received for fair value by monitoring month-to-month fluctuations and determining reasons for significant differences, selectively testing fair values against prices obtained from other sources, and comparing the combined fair value of a class of assets against an appropriate index benchmark. There were no adjustments to quoted market prices obtained from third party pricing services during the period ended June 30, 2012 that were material to the statutory financial statements.

The following table summarizes fair value measurements by level at June 30, 2012 for financial assets measured at fair value:

Debt Securities	Fair Value	Level 1	Level 2	Level 3
Industrial and miscellaneous securities	\$4,591,881	\$ 0	\$4,591,881	\$ 0

Transfers between levels, if any, are recorded as of the end of the reporting period unless, with respect to a particular issue, a significant event occurred that necessitated the transfer be reported at the date of the event.

There were no significant transfers between Levels 1 and 2 or between Levels 2 and 3 during the period ended June 30, 2012.

C. Fair Value and Admitted Value of All Financial Assets

The following table summarizes the aggregate fair value for all financial assets by level and the related admitted values at June 30, 2012:

NOTES TO FINANCIAL STATEMENTS

	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Debt securities						
U.S. Government	\$ 39,895,793	\$ 39,147,150	\$ 27,837,018	\$ 12,058,775	\$ -	\$ -
States, Territories, and Possessions	2,273,325	2,272,777	-	2,273,325	-	-
Obligations of states and political sub- divisions of the U.S.	1,113,441	1,110,000	-	1,113,441	-	-
Special Revenue & Special Assessment Obligations	66,565,416	65,172,904	-	66,565,416	-	-
Mortgage-backed securities						
Commerical	4,428,681	4,286,344	-	4,428,681	-	-
Asset-backed securities	1,146,340	1,146,686	-	1,146,340	-	-
Other loan-backed and structured securities	2,267,818	2,158,549	-	2,267,818	-	-
Industrial and miscellaneous securities	126,583,320	119,918,312	-	126,583,320	-	-
Hybrid securities	-	-	-	-	-	-
Total bonds	244,274,134	235,212,722	27,837,018	216,437,116	-	-
Short-term assets	43,437,794	43,442,684	43,437,794	-	-	-
Cash and cash equivalents	5,888,409	5,888,409	5,888,409	-	-	-
Securities lending collateral assets	11,561,003	11,562,689	820,563	10,740,440	-	-
Interest Rate Swaps						
Total	\$305,161,340	\$296,106,504	\$ 77,983,784	\$227,177,556	\$ -	\$ -

D. Estimated Fair Values Not Practicable

None.

21. Other Items

A. Extraordinary Items

None.

B. Troubled Debt Restructuring: Debtors

None.

C. Other Disclosures

The Corporation has a quota share reinsurance agreement with HM Life Insurance Company, an affiliate of the Corporation. Under the terms of the agreement, the Corporation assumes a portion of the risk on certain stop loss policies. In accordance with the agreement, the Corporation recorded the following as of June 30, 2012:

	<u>06/30/2012</u>
Premiums earned - assumed	\$60,794,660
Losses incurred - assumed	47,186,910
Other underwriting expenses incurred - assumed	12,165,689

The Corporation has a quota share reinsurance agreement with HM Life Insurance Company, an affiliate of the Corporation. Under the terms of the agreement, the Corporation cedes a portion of the risk on certain stop loss policies. In accordance with the agreement, the Corporation recorded the following as of June 30, 2012:

	<u>06/30/2012</u>
Premiums earned - ceded	\$21,755,525
Losses incurred - ceded	12,589,420
Other underwriting expenses incurred - ceded	5,438,881

The Corporation has a quota share reinsurance agreement with HM Casualty Insurance Company ("HM Casualty"), an affiliate of the Corporation. Under the terms of the agreement, the Corporation assumes 100% of all risk of all workers' compensation policies written by HM Casualty. In accordance with the agreement, the Corporation recorded the following as of June 30, 2012:

	<u>06/30/2012</u>
Premiums earned - assumed	\$20,341,421
Losses incurred - assumed	11,717,852
Loss adjustment expenses incurred - assumed	2,296,772
Other underwriting expenses incurred - assumed	6,113,891

Assets in the amount of \$2,635,368 at June 30, 2012 were on deposit with the various insurance departments where the Corporation is licensed to do business.

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Receivable Balances

None.

E. Business Interruption Insurance Recoveries

None.

F. State Transferable Tax Credits

None.

G. Subprime Mortgage Related Risk Exposures

None.

22. Events Subsequent

None.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

No significant change.

B. Reinsurance Recoverable in Dispute

None.

C. Reinsurance Assumed and Ceded

No significant change.

D. Uncollectible Reinsurance

None.

E. Commutation of Ceded Reinsurance

None.

F. Retroactive Reinsurance

None.

G. Reinsurance Accounted for as a Deposit

None.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for loss and loss adjustment expenses attributable to insured events of prior years decreased during 2012 by \$11,573,046. Decreases of this nature occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes in the original estimates of the cost of these claims. Recent loss development trends are taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses. The business to which the unpaid losses and loss adjustment expenses relate is not subject to premium adjustments.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

None.

28. Health Care Receivables

None.

NOTES TO FINANCIAL STATEMENTS

29. Participating Policies

None.

30. Premium Deficiency Reserves

No significant change.

31. High Deductibles

No significant change.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Corporation discounts the liabilities for unpaid losses for workers' compensation claims. The Corporation does not discount unpaid loss adjustment expenses.

Workers' compensation unpaid losses have been discounted on a non-tabular basis, using a rate of 4%. The discount rate used is based upon the U.S. Treasury rate most comparable to the duration of the claims. The amount of the discount was \$14,315,078 at June 30, 2012.

33. Asbestos/Environmental Reserves

None.

34. Subscriber Savings Accounts

None.

35. Multiple Peril Crop Insurance

None.

36. Financial Guaranty Insurance

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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

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

2.2 If yes, date of change:

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

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011.....

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. 12/31/2006.....

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). 7/16/2008.....

6.4 By what department or departments?
The Pennsylvania Insurance Department

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 the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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 FDIC	6 SEC

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? Yes [X] No []

- (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.

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 [X] No []

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
In May 2012, the Corporation's Board of Directors approved a modified Code of Conduct containing three additional sections entitled "Knowing and Complying with Our Policies," "Insider Trading" and "Marketing and Advertising Activities."

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

PART 1 - 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: \$.....0

PART 1 - INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0

13. Amount of real estate and mortgages held in short-term investments: \$.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$0	\$0
14.22 Preferred Stock.....	\$0	\$0
14.23 Common Stock.....	\$0	\$0
14.24 Short-Term Investments.....	\$0	\$0
14.25 Mortgage Loans on Real Estate.....	\$0	\$0
14.26 All Other.....	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$0	\$0

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

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

16. Excluding items in Schedule E-Part 3-Special Deposits, 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon	One Wall Street, New York, NY 10286

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

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
119167	C.S. McKee L.P.	One Gateway Center, Pittsburgh, PA 15222
105325	Federated Investment Counseling	Federated Towers, 1001 Liberty Avenue, Pittsburgh, PA 15222
	Highmark Inc.	120 Fifth Avenue, Pittsburgh, PA 15222

PART 1 - INVESTMENT

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [] No []

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
 If yes, attach an explanation.

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
 3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
						.0				.0
Total.....	.....XXX..	.....XXX.....	.0	.0	.0	.0	.0	.0	.0	.0

5. Operating Percentages:

5.1 A&H loss percent 72.5 %

5.2 A&H cost containment percent 0.0 %

5.3 A&H expense percent excluding cost containment expenses 15.3 %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
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NONE

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	L						
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	L						
11. Georgia.....GA	L						
12. Hawaii.....HI	N						
13. Idaho.....ID	L						
14. Illinois.....IL	L						
15. Indiana.....IN	L						
16. Iowa.....IA	N						
17. Kansas.....KS	L						
18. Kentucky.....KY	L						
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	L	62,175	62,118	89,625	104,693	770,644	549,700
22. Massachusetts.....MA	N						
23. Michigan.....MI	L						
24. Minnesota.....MN	N						
25. Mississippi.....MS	L						
26. Missouri.....MO	L						
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	L						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	L	41,969	15,613	277,078	1,056,537	3,550,425	5,821,532
32. New Mexico.....NM	L						
33. New York.....NY	N						
34. North Carolina.....NC	L						
35. North Dakota.....ND	N						
36. Ohio.....OH	N						
37. Oklahoma.....OK	N						
38. Oregon.....OR	L						
39. Pennsylvania.....PA	L	62,607,833	54,380,371	32,246,380	25,760,638	59,493,931	55,798,166
40. Rhode Island.....RI	N						
41. South Carolina.....SC	L						
42. South Dakota.....SD	N						
43. Tennessee.....TN	N						
44. Texas.....TX	L	267,123		390,750	1,304,623	7,822,287	9,308,625
45. Utah.....UT	L						
46. Vermont.....VT	N						
47. Virginia.....VA	L						
48. Washington.....WA	L	83,429				58,905	
49. West Virginia.....WV	L						
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a).....24	63,062,529	54,458,102	33,003,833	28,226,491	71,696,191	71,478,023

DETAILS OF WRITE-INS

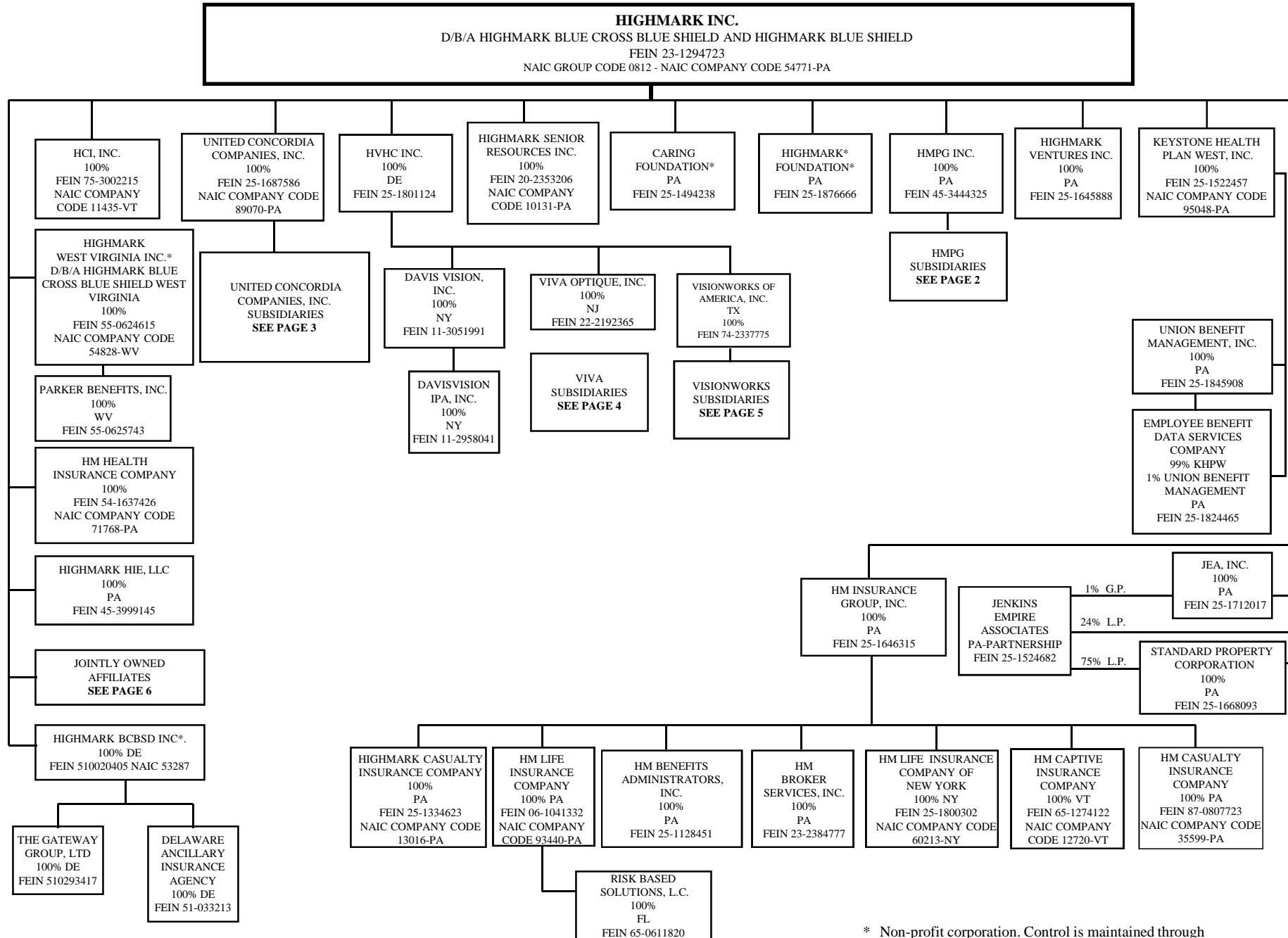
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page....	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above).....	XXX	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

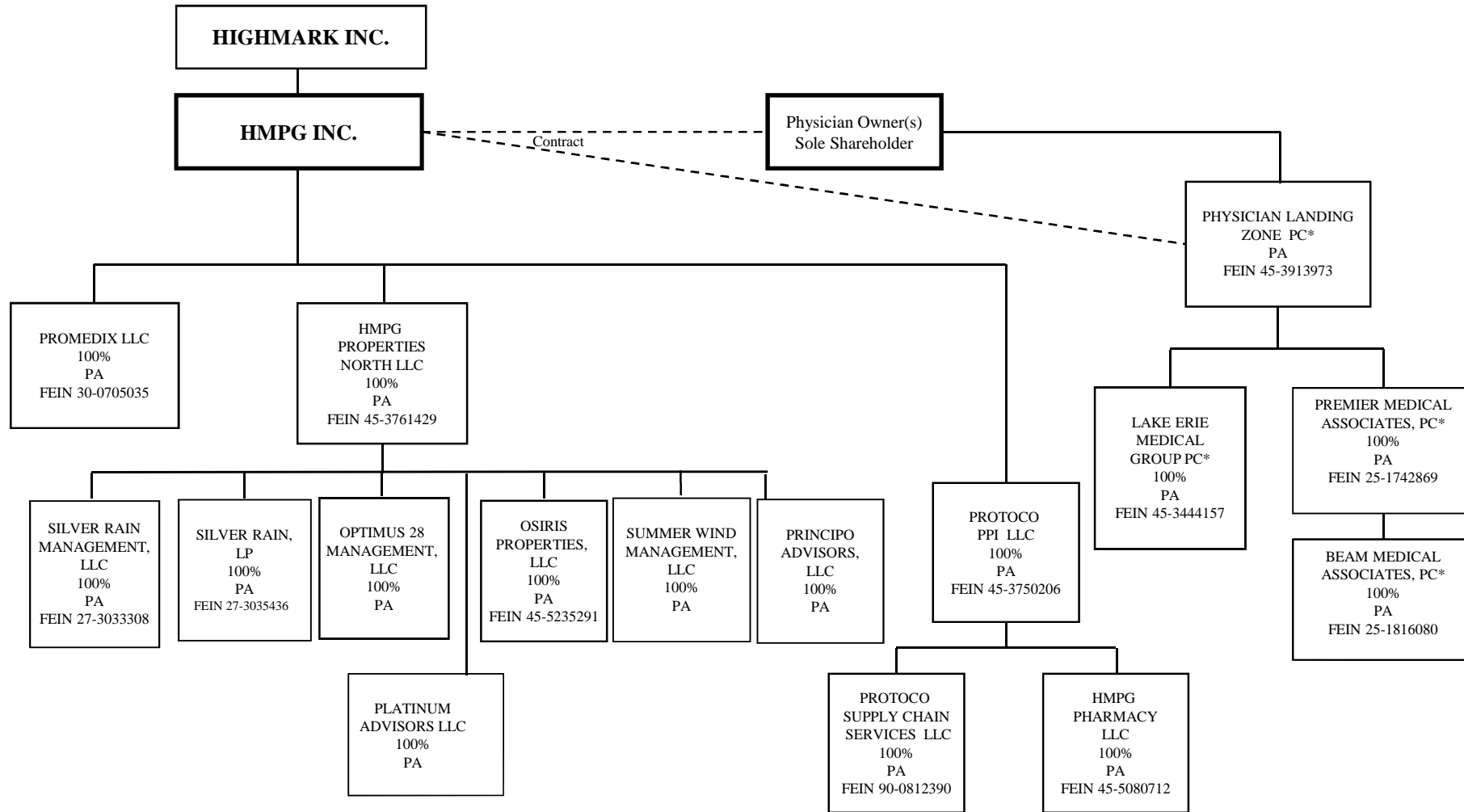
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
Part 1 – ORGANIZATION CHART



Q11

* Non-profit corporation. Control is maintained through ability to appoint the board of directors as sole member.

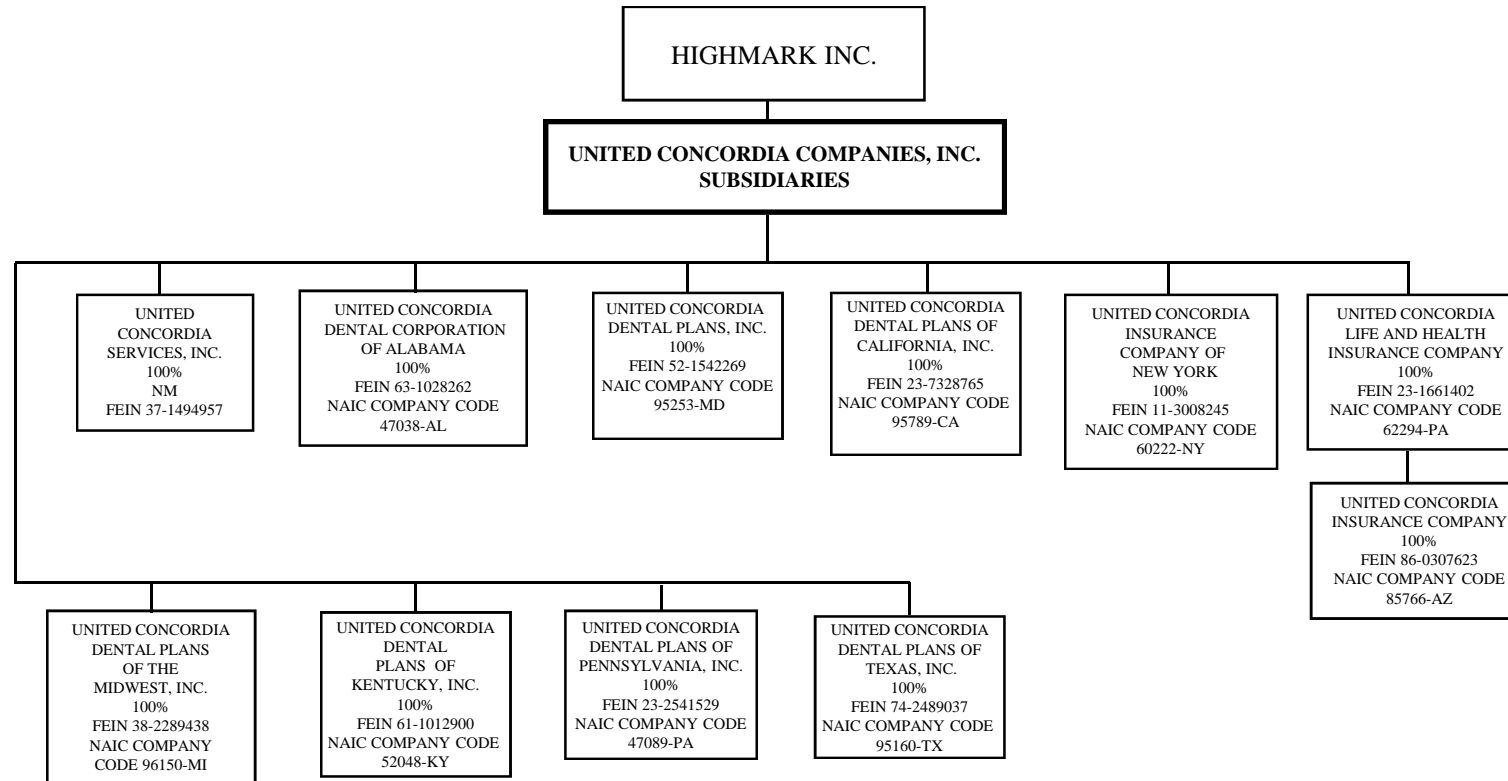
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
Part 1 – ORGANIZATION CHART



Q11.1

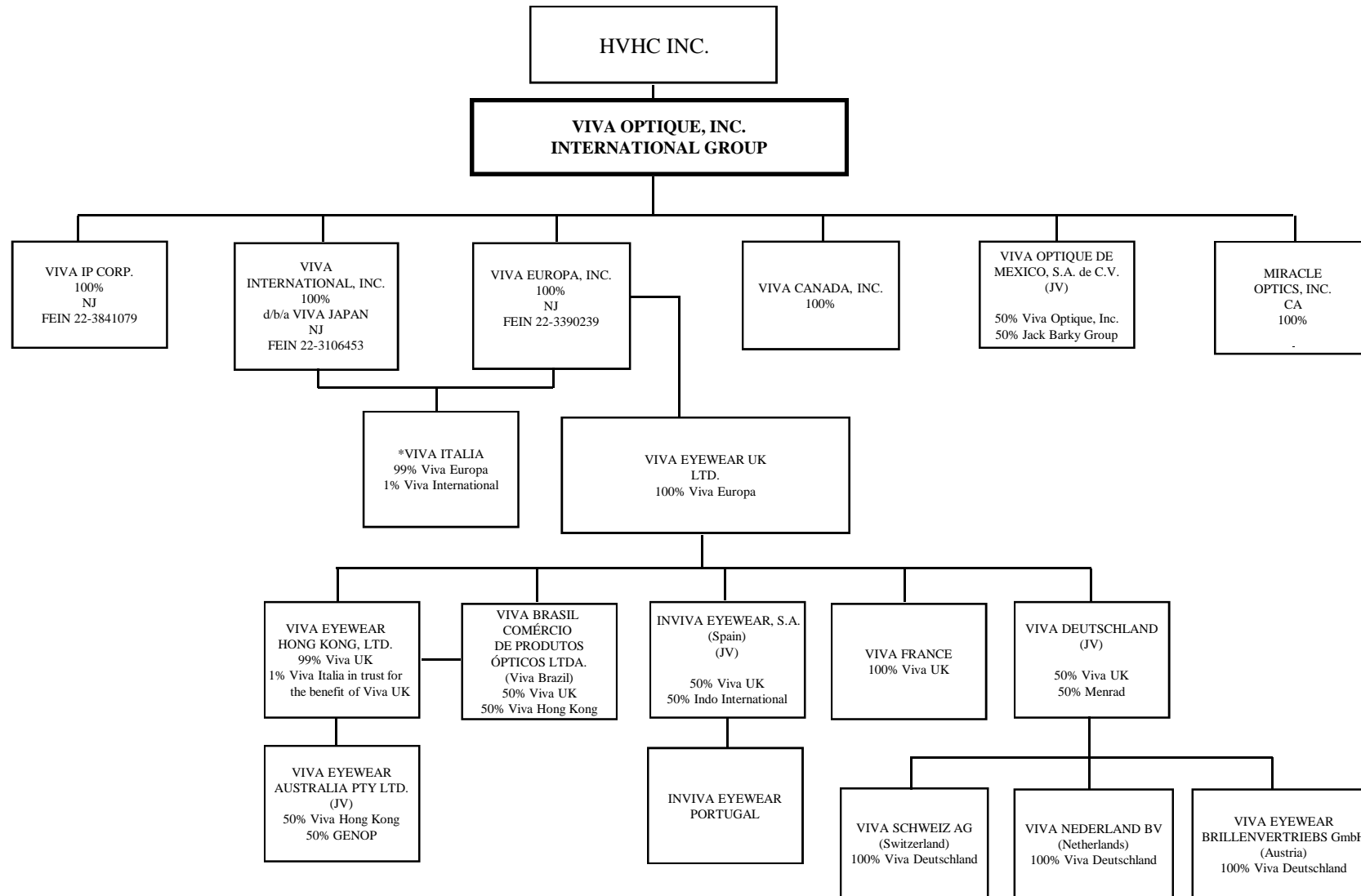
*Captive PC

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
Part 1 – ORGANIZATION CHART



Q11.2

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
Part 1 – ORGANIZATION CHART

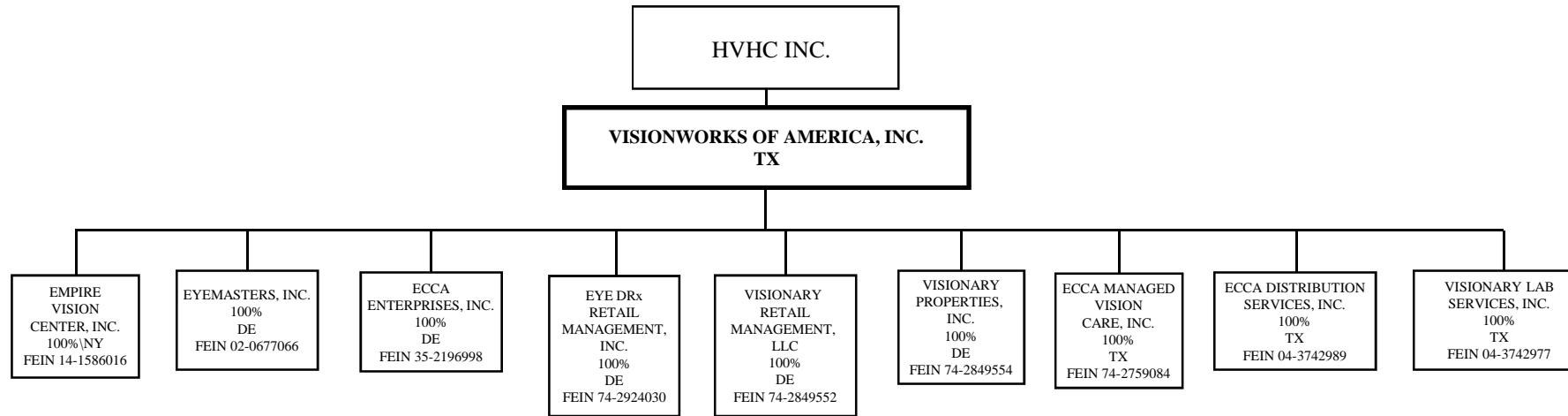


Viva Optique Group

*Viva Italia Operations ceased September 2004
– In process of dissolution

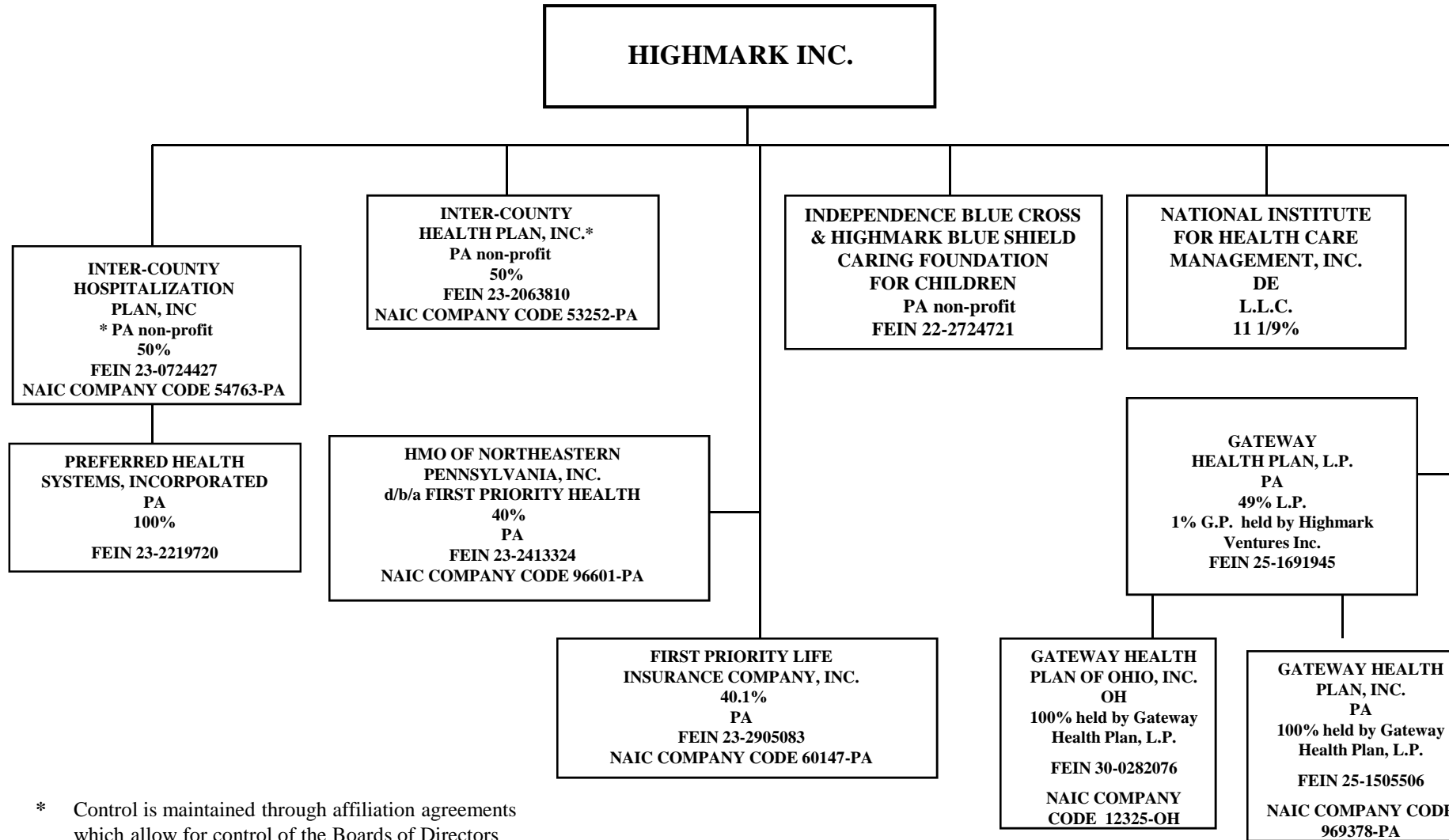
Q11.3

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
Part 1 – ORGANIZATION CHART



Q11.4

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
Part 1 – ORGANIZATION CHART



* Control is maintained through affiliation agreements which allow for control of the Boards of Directors

Q11.5

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
0000		11435	75-3002215				HCI, INC.	VT	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		54828	55-0624615				HIGHMARK WEST VIRGINIA INC	WV	IA	HIGHMARK INC	BOARD		HIGHMARK INC	
0000		00000	55-0625743				PARKER BENEFITS, INC	WV	DS	HIGHMARK WEST VIRGINIA INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		71768	54-1637426				HM HEALTH INSURANCE COMPANY	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	45-3999145				HIGHMARK HIE, LLC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	25-1645888				HIGHMARK VENTURES INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		95048	25-1522457				KEYSTONE HEALTH PLAN WEST, INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	25-1845908				UNION BENEFIT MANAGEMENT, INC	PA	DS	KEYSTONE HEALTH PLAN WEST, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	25-1824465				EMPLOYEE BENEFIT DATA SERVICES COMPANY	PA	NIA	UNION BENEFIT MANAGEMENT, INC	OWNERSHIP	1.000	HIGHMARK INC	
0000		00000	25-1824465				EMPLOYEE BENEFIT DATA SERVICES COMPANY	PA	DS	KEYSTONE HEALTH PLAN WEST, INC	OWNERSHIP	99.000	HIGHMARK INC	
0000		10131	20-2353206				HIGHMARK SENIOR RESOURCES INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	25-1712017				JEA INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	25-1668093				STANDARD PROPERTY CORPORATION	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	25-1524682				JENKINS EMPIRE ASSOCIATES	PA	DS	HIGHMARK INC	OWNERSHIP	24.000	HIGHMARK INC	
0000		00000	25-1524682				JENKINS EMPIRE ASSOCIATES	PA	DS	STANDARD PROPERTY CORPORATION	OWNERSHIP	75.000	HIGHMARK INC	
0000		00000	25-1524682				JENKINS EMPIRE ASSOCIATES	PA	DS	JEA INC	OWNERSHIP	1.000	HIGHMARK INC	
0000		00000	25-1646315				HM INSURANCE GROUP, INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		35599	25-1334623				HIGHMARK CASUALTY INSURANCE COMPANY	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		93440	06-1041332				HM LIFE INSURANCE COMPANY	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	65-0611820				RISK BASED SOLUTIONS, L.C	FL	DS	HM LIFE INSURANCE COMPANY	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	25-1128451				HM BENEFITS ADMINISTRATORS, INC	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	23-2384777				HM BROKER SERVICES, INC	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		60213	25-1800302				HM LIFE INSURANCE COMPANY OF NEW YORK	NY	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		12720	65-1274122				HM CAPTIVE INSURANCE COMPANY	VT	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		13016	87-0807723				HM CASUALTY INSURANCE COMPANY	PA	DS	HM INSURANCE GROUP, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		89070	25-1687586				UNITED CONCORDIA COMPANIES, INC	PA	DS	HIGHMARK INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	37-1494957				UNITED CONCORDIA SERVICES, INC	NM	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		47038	63-1028262				UNITED CONCORDIA DENTAL CORPORATION OF ALABAMA	AL	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		95253	52-1542269				UNITED CONCORDIA DENTAL PLANS, INC	MD	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		95789	23-7328765				UNITED CONCORDIA DENTAL PLANS OF CALIFORNIA, INC	CA	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		60222	11-3008245				UNITED CONCORDIA INSURANCE COMPANY OF NEW YORK	NY	DS	UNITED CONCORDIA COMPANIES, INC	OWNERSHIP	100.000	HIGHMARK INC	

Q12

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
0000		62294	23-1661402				UNITED CONCORDIA LIFE AND HEALTH INSURANCE COMPANY	PA	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		85766	86-0307623				UNITED CONCORDIA INSURANCE COMPANY	AZ	DS	UNITED CONCORDIA LIFE AND HEALTH INSURANCE COMPANY	OWNERSHIP	100.000	HIGHMARK INC.	
0000		96150	38-2289438				UNITED CONCORDIA DENTAL PLANS OF THE MIDWEST, INC.	MI	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		52048	61-1012900				UNITED CONCORDIA DENTAL PLANS OF KENTUCKY, INC.	KY	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		47089	23-2541529				UNITED CONCORDIA DENTAL PLANS OF PENNSYLVANIA, INC.	PA	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		95160	74-2489037				UNITED CONCORDIA DENTAL PLANS OF TEXAS, INC.	TX	DS	UNITED CONCORDIA COMPANIES, INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	45-3444325				HMPG INC.	PA	DS	HIGHMARK INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	30-0705035				PROMEDIX LLC.	PA	DS	HMPG INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	45-3761429				HMPG PROPERTIES NORTH LLC.	PA	DS	HMPG INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	32-0371926				OPTIMUS 28 MANAGEMENT, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	45-5235291				OSIRIS PROPERTIES, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	27-3033308				SILVER RAIN MANAGEMENT, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	27-3035436				SILVER RAIN, LP.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	99.000	HIGHMARK INC.	
0000		00000	27-3035436				SILVER RAIN, LP.	PA	DS	SILVER RAIN, LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000					PLATINUM ADVISORS LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000					SUMMER WIND MANAGEMENT, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000					PRINCIPO ADVISORS, LLC.	PA	DS	HMPG PROPERTIES NORTH LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	45-3750206				PROTOCO PPI LLC.	PA	DS	HMPG INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	90-0812390				PROTOCO SUPPLY CHAIN PARTNERS LLC.	PA	DS	PROTOCO PPI LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	45-5080712				HMPG PHARMACY LLC.	PA	DS	PROTOCO PPI LLC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	45-3913973				PHYSICIAN LANDING ZONE PC.	PA	DS	HMPG INC.	OTHER		HIGHMARK INC.	
0000		00000	45-3444157				LAKE ERIE MEDICAL GROUP PC.	PA	DS	PHYSICIAN LANDING ZONE PC.	OTHER		HIGHMARK INC.	
0000		00000	25-1742869				PREMIER MEDICAL ASSOCIATES, PC.	PA	DS	PHYSICIAN LANDING ZONE PC.	OTHER		HIGHMARK INC.	
0000		00000	25-1816080				BEAM MEDICAL ASSOCIATES, PC.	PA	DS	PHYSICIAN LANDING ZONE PC.	OTHER		HIGHMARK INC.	
0000		00000	25-1801124				HVHC INC.	DE	DS	HIGHMARK INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	11-3051991				DAVIS VISION, INC.	NY	DS	HVHC INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	11-2958041				DAVISVISION IPA, INC.	NY	DS	DAVIS VISION, INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	74-2337775				VISIONWORKS OF AMERICA, INC.	TX	DS	HVHC INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	14-1586016				EMPIRE VISION CENTER, INC.	NY	DS	VISIONWORKS OF AMERICA, INC.	OWNERSHIP	100.000	HIGHMARK INC.	
0000		00000	02-0677066				EYEMASTERS, INC.	DE	DS	VISIONWORKS OF AMERICA, INC.	OWNERSHIP	100.000	HIGHMARK INC.	

Q12.1

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
0000		00000	35-2196998				ECCA ENTERPRISES, INC.....	DE.....	DS.....	VISIONWORKS OF AMERICA, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	74-2924030				EYEDRX RETAIL MANAGEMENT, INC.....	DE.....	DS.....	VISIONWORKS OF AMERICA, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	74-2849552				VISIONARY RETAIL MANAGEMENT, LLC.....	DE.....	DS.....	VISIONWORKS OF AMERICA, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	74-2849554				VISIONARY PORPERTIES, INC.....	DE.....	DS.....	VISIONWORKS OF AMERICA, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	74-2759084				ECCA MANAGED VISION CARE, INC.....	TX.....	DS.....	VISIONWORKS OF AMERICA, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	04-3742989				ECCA DISTRIBUTION SERVICES, INC.....	TX.....	DS.....	VISIONWORKS OF AMERICA, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	04-3742977				VISIONARY LAB SERVICES, INC.....	TX.....	DS.....	VISIONWORKS OF AMERICA, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	22-2192365				VIVA OPTIQUE, INC.....	NJ.....	DS.....	HVHC INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	22-3841079				VIVA IP CORP.....	NJ.....	DS.....	VIVA OPTIQUE, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000					VIVA CANADA, INC.....	CN.....	DS.....	VIVA OPTIQUE, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000					VIVA OPTIQUE DE MEXICO, S.A. de C.V.....	MX.....	NIA.....	VIVA OPTIQUE, INC.....	OWNERSHIP.....	50.000	HIGHMARK INC.....	
0000		00000					MIRACLE OPTICS, INC.....	CA.....	DS.....	VIVA OPTIQUE, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	22-3106453				VIVA INTERNATIONAL, INC.....	NJ.....	DS.....	VIVA OPTIQUE, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000	22-3390239				VIVA EUROPA, INC.....	NJ.....	DS.....	VIVA OPTIQUE, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000					VIVA ITALIA.....	IT.....	DS.....	VIVA INTERNATIONAL, INC.....	OWNERSHIP.....	1.000	HIGHMARK INC.....	
0000		00000					VIVA ITALIA.....	IT.....	DS.....	VIVA EUROPA, INC.....	OWNERSHIP.....	99.000	HIGHMARK INC.....	
0000		00000					VIVA EYEWEAR UK LTD.....	GB.....	DS.....	VIVA EUROPA, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000					VIVA EYEWEAR HONG KONG, LTD.....	HK.....	DS.....	VIVA EYEWEAR UK LTD.....	OWNERSHIP.....	99.000	HIGHMARK INC.....	
0000		00000					VIVA EYEWEAR HONG KONG, LTD.....	HK.....	DS.....	VIVA ITALIA.....	OWNERSHIP.....	1.000	HIGHMARK INC.....	
0000		00000					VIVA EYEWEAR AUSTRALIA PTY LTD.....	AU.....	NIA.....	VIVA EYEWEAR HONG KONG, LTD.....	OWNERSHIP.....	50.000	HIGHMARK INC.....	
0000		00000					VIVA BRASIL COMERCIO DE PRODUTOS OPTICOS LTDA.....	BR.....	NIA.....	VIVA EYEWEAR UK LTD.....	OWNERSHIP.....	50.000	HIGHMARK INC.....	
0000		00000					VIVA BRASIL COMERCIO DE PRODUTOS OPTICOS LTDA.....	BR.....	NIA.....	VIVA EYEWEAR HONG KONG, LTD.....	OWNERSHIP.....	50.000	HIGHMARK INC.....	
0000		00000					INVIVA EYEWEAR, S.A.....	ES.....	NIA.....	VIVA EYEWEAR UK LTD.....	OWNERSHIP.....	50.000	HIGHMARK INC.....	
0000		00000					INVIVA EYEWEAR PORTUGAL.....	PT.....	DS.....	VIVA BRASIL.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000					VIVA FRANCE.....	FR.....	DS.....	VIVA EYEWEAR UK LTD.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000					VIVA DEUTSCHLAND.....	DE.....	NIA.....	VIVA EYEWEAR UK LTD.....	OWNERSHIP.....	50.000	HIGHMARK INC.....	
0000		00000					VIVA SCHWEIZ AG.....	CH.....	DS.....	VIVA DEUTSCHLAND.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000					VIVA NEDERLAND BV.....	NL.....	DS.....	VIVA DEUTSCHLAND.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		00000					VIVA EYEWEAR BRILLENVERTRIEBS GmbH.....	AT.....	DS.....	VIVA DEUTSCHLAND.....	OWNERSHIP.....	100.000	HIGHMARK INC.....	
0000		53252	23-2063810				INTER-COUNTY HEALTH PLAN, INC.....	PA.....	IA.....	HIGHMARK INC.....	OWNERSHIP.....	50.000	HIGHMARK INC. / INDEPENDENCE BLUE CROSS	
0000		54763	23-0724427				INTER-COUNTY HOSPITALIZATION PLAN, INC.....	PA.....	IA.....	HIGHMARK INC.....	OWNERSHIP.....	50.000	HIGHMARK INC. / INDEPENDENCE BLUE CROSS	
0000		00000	23-2219720				PREFERRED HEALTH SYSTEMS, INCORPORATED.....	PA.....	DS.....	INTER-COUNTY HOSPITALIZATION PLAN, INC.....	OWNERSHIP.....	100.000	HIGHMARK INC. / INDEPENDENCE BLUE CROSS	

Q12.2

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
0000		96601	23-2413324				HMO OF NORTHEASTERN PENNSYLVANIA	PA	IA	HIGHMARK INC	OWNERSHIP	40.000	HIGHMARK INC. / BLUE CROSS OF NORTHEASTERN PA	
0000		60147	23-2905083				FIRST PRIORITY LIFE INSURANCE COMPANY, INC.	PA	IA	HIGHMARK INC	OWNERSHIP	40.100	HIGHMARK INC. / BLUE CROSS OF NORTHEASTERN PA	
0000		00000	25-1691945				GATEWAY HEALTH PLAN, L.P.	PA	IA	HIGHMARK INC	OWNERSHIP	49.000	HIGHMARK INC. / MERCY HEALTH PLAN	
0000		00000	25-1691945				GATEWAY HEALTH PLAN, L.P.	PA	IA	HIGHMARK VENTURES INC	OWNERSHIP	1.000	HIGHMARK INC. / MERCY HEALTH PLAN	
0000		00000	30-0282076				GATEWAY HEALTH PLAN OF OHIO, INC.	OH	DS	GATEWAY HEALTHPLAN, L.P.	OWNERSHIP	100.000	HIGHMARK INC. / MERCY HEALTH PLAN	
0000		00000	25-1505506				GATEWAY HEALTH PLAN, INC.	PA	DS	GATEWAY HEALTHPLAN, L.P.	OWNERSHIP	100.000	HIGHMARK INC. / MERCY HEALTH PLAN	
0000		00000	25-1494238				CARING FOUNDATION	PA	OTH	HIGHMARK INC	BOARD		HIGHMARK INC	
0000		00000	25-1876666				HIGHMARK FOUNDATION	PA	OTH	HIGHMARK INC	BOARD		HIGHMARK INC	
0000		00000	22-2724721				INDEPENDENCE BLUE CROSS AND HIGHMARK BLUE SHIELD CARING FOUNDATION FOR CHILDREN	PA	OTH	HIGHMARK INC	BOARD		HIGHMARK INC. / INDEPENDENCE BLUE CROSS	
0000							NATIONAL INSTITUTE FOR HEALTHCARE MANAGEMENT LLC	DE	OTH	HIGHMARK INC	BOARD		PARTICIPATING BLUES PLANS	
0000		53287	51-0020405				HIGHMARK BCBSD INC	DE	IA	HIGHMARK INC	BOARD	100.000	HIGHMARK INC	
0000		00000	51-0293417				THE GATEWAY GROUP, LTD	DE	DS	HIGHMARK BCBSD INC	OWNERSHIP	100.000	HIGHMARK INC	
0000		00000	51-033213				DELAWARE ANCILLARY INSURANCE AGENCY	DE	DS	HIGHMARK BCBSD INC	OWNERSHIP	100.000	HIGHMARK INC	

Q12.3

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....	44,000,943	25,438,443	57.8	48.1
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....	19,352,765	9,362,758	48.4	55.9
17.1 Other liability-occurrence.....			0.0	
17.2 Other liability-claims made.....			0.0	
17.3 Excess workers' compensation.....			0.0	
18.1 Products liability-occurrence.....			0.0	
18.2 Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	63,353,708	34,801,201	54.9	46.5
DETAILS OF WRITE-INS				
3401.....			0.0	
3402.....			0.0	
3403.....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....	21,718,999	43,878,510	40,321,199
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	9,755,689	19,184,019	14,136,904
17.1 Other liability-occurrence.....			
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
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.....	0	0	0
35. Totals.....	31,474,688	63,062,529	54,458,103
DETAILS OF WRITE-INS			
3401.....			
3402.....			
3403.....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2009 + Prior.....	10,532	22,022	32,554		4,746	4,746		8,895	14,920	23,815	(10,532)	6,539	(3,993)
2. 2010.....	5,614	10,795	16,409		3,028	3,028		2,446	7,920	10,366	(5,614)	2,599	(3,015)
3. Subtotals 2010 + Prior.....	16,146	32,817	48,963	0	7,774	7,774	0	11,341	22,840	34,181	(16,146)	9,138	(7,008)
4. 2011.....	6,430	73,621	80,051		35,211	35,211		4,652	35,623	40,275	(6,430)	1,865	(4,565)
5. Subtotals 2011 + Prior.....	22,576	106,438	129,014	0	42,985	42,985	0	15,993	58,463	74,456	(22,576)	11,003	(11,573)
6. 2012.....	XXX	XXX	XXX	XXX	29,283	29,283	XXX	5,213	61,961	67,174	XXX	XXX	XXX
7. Totals.....	22,576	106,438	129,014	0	72,268	72,268	0	21,206	120,424	141,630	(22,576)	11,003	(11,573)
8. Prior Year-End's Surplus As Regards Policyholders	131,256										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1.(100.0)%	2.10.3 %	3.(9.0)%
													Col. 13, Line 7 Line 8
													4.(8.8)%

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO _____
2. Will Supplement A to Schedule T (Medical Professional Liability 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 _____
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO _____

Explanation:

- 1.
- 2.
- 3.
- 4.

Bar Code:



NONE

Highmark Casualty Insurance Company 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.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
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.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
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).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	(0)	1,532,912
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		1,500,000
8. Deduct amortization of premium and depreciation.....		32,912
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).....	(0)	(0)
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	(0)	(0)

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.....	218,460,900	179,252,826
2. Cost of bonds and stocks acquired.....	111,906,404	240,639,318
3. Accrual of discount.....	295,958	428,865
4. Unrealized valuation increase (decrease).....	158,667	(381,472)
5. Total gain (loss) on disposals.....	1,381,772	2,449,159
6. Deduct consideration for bonds and stocks disposed of.....	95,749,893	202,426,738
7. Deduct amortization of premium.....	1,157,555	1,501,058
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....	83,531	
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	235,212,722	218,460,900
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	235,212,722	218,460,900

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	223,873,214	99,309,658	93,931,097	(1,017,893)	223,873,214	228,233,882		212,921,030
2. Class 2 (a).....	15,375,193	4,862,006	1,012,958	696,621	15,375,193	19,920,861		14,877,881
3. Class 3 (a).....	13,602,512	706,458	1,293,121	(107,712)	13,602,512	12,908,137		13,311,764
4. Class 4 (a).....	18,428,350	442,961	1,275,347	(460,401)	18,428,350	17,135,563		19,287,084
5. Class 5 (a).....	251,943		280,844	485,863	251,943	456,963		
6. Class 6 (a).....								
7. Total Bonds.....	271,531,212	105,321,083	97,793,367	(403,522)	271,531,212	278,655,406	0	260,397,759
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	271,531,212	105,321,083	97,793,367	(403,522)	271,531,212	278,655,406	0	260,397,759

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(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 \$.....1,126,092; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	43,442,684	XXX.....	43,445,810	14,328	6,412

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	41,936,859	22,539,536
2. Cost of short-term investments acquired.....	99,136,547	247,142,898
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....	20,852	(3,422)
5. Total gain (loss) on disposals.....	3,367	1,217
6. Deduct consideration received on disposals.....	97,629,743	227,707,928
7. Deduct amortization of premium.....	25,198	35,442
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).....	43,442,684	41,936,859
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	43,442,684	41,936,859

**Sch. DB-Pt A-Verification
NONE**

**Sch. DB-Pt B-Verification
NONE**

**Sch. DB-Pt C-Sn 1
NONE**

**Sch. DB-Pt C-Sn 2
NONE**

**Sch. DB-Verification
NONE**

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of cash equivalents acquired.....	1,363,607	9,843,308
3. Accrual of discount.....		600
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		47
6. Deduct consideration received on disposals.....	1,362,104	9,843,955
7. Deduct amortization of premium.....	1,503	
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).....	0	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	0

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
36202F YA 8	GNMA SF II POOL# 5205 5.000% 10/20/41		03/23/2012	UBSFINANCIALSERVICESINC WE		1,571,805	1,418,037	3,545	1
912810 QU 5	US TREASURY NOTE 3.125% 02/15/42		06/01/2012	Various		332,226	327,000	2,021	1
912810 QW 1	US TREASURY NOTE 3.000% 05/15/42		06/18/2012	Various		500,593	485,000	1,029	1
912828 KM 1	US TREASURY NOTE TIPS 1.250% 04/15/14		04/12/2012	BARCLAYS CAPITAL INC		30,621	27,000	179	1
912828 RF 9	US TREASURY NOTE 1.000% 08/31/16		06/15/2012	BARCLAYS CAPITAL INC/FIXED INC		93,567	92,000	278	1
912828 SM 3	US TREASURY NOTE 1.000% 03/31/17		04/18/2012	BANC OF AMERICA SECURITIES LLC		146,054	145,000	91	1
912828 SQ 4	US TREASURY NOTE T. I. 0.125% 04/15/17		04/19/2012	CHASE SECURITIES INC		120,220	113,000	6	1
912828 SS 0	US TREASURY NOTE 0.875% 04/30/17		04/23/2012	MORGANSTANLEY&COINC NY		367,701	367,000		1
912828 SV 3	US TREASURY NOTE 1.750% 05/15/22		05/17/2012	PNC CAPITAL MKTS		750,469	750,000	107	1
0599999	Total - Bonds - U.S. Government					3,913,256	3,724,037	7,256	XXX

Bonds - U.S. Special Revenue and Special Assessment

QE04

3128X4 S3 6	FEDERAL HOME LOAN MTG C 5.400% 03/17/21		04/20/2012	STIFEL NICOLAUS & CO INC		582,265	500,000	2,700	1
3128X4 UZ 2	FEDERAL HOME LOAN MTG C 5.625% 11/23/35		06/18/2012	Various		1,568,007	1,384,000	24,072	1
3132GD M8 2	FHLMC POOL# Q00383 4.500% 04/01/41		04/02/2012	MCDONALD & COMPANY		1,060,492	982,648	1,351	1
3132GJ VK 2	FHLMC POOL# Q03618 4.000% 10/01/41		03/23/2012	DAIWA SECURITIES AMERICA INC		1,548,206	1,468,146	1,794	1
3132GK XQ 4	FHLMC POOL# Q04587 4.500% 11/01/41		04/11/2012	MCDONALD & COMPANY		1,077,363	993,534	1,863	1
313376 F7 5	FEDERAL HOME LOAN BANK 4.000% 12/09/31		06/12/2012	MORGANSTANLEY&COINC NY		295,941	295,750	164	1
313376 PK 5	FEDERAL HOME LOAN BANK 1.950% 04/09/18		04/13/2012	DUNCAN WILLIAMS INC		105,018	105,000	40	1
313376 TU 9	FEDERAL HOME LOAN BANK 0.875% 11/03/15		06/21/2012	Various		420,033	420,000	419	1
313379 BB 4	FEDERAL HOME LOAN BANK 1.950% 05/03/19		05/30/2012	CORTVIEW CAPITAL LLC JE		85,349	85,000	129	1
313379 DD 8	FEDERAL HOME LOAN BANK 1.000% 06/21/17		05/03/2012	Various		762,491	765,000		1
3133EA HK 7	FEDERAL FARM CREDIT BAN 1.990% 03/14/19		06/19/2012	MORGANSTANLEY&COINC NY		789,245	789,000	4,158	1
3134A4 AA 2	FEDERAL HOME LOAN MTG C 6.750% 03/15/31		04/27/2012	GOLDMAN SACHS & CO NY		110,848	75,000	633	1
3134G3 PE 4	FEDERAL HOME LOAN MTG N 0.850% 02/24/16		05/22/2012	G X CLARKE		999,850	1,000,000	2,101	1
3134G3 QM 5	FEDERAL HOME LOAN MTG S 2.000% 03/08/27		06/18/2012	MORGAN KEEGAN & COMPANY INC		143,772	143,000	810	1
3134G3 WG 1	FEDERAL HOME LOAN MTG N 1.400% 06/12/18		05/25/2012	STIFEL NICOLAUS & CO INC		1,000,000	1,000,000		1
31359M L8 4	FNMA SR NTS 6.000% 04/18/36		04/20/2012	CHASE SECURITIES INC		76,001	65,000	54	1
3135G0 HH 9	FNMA NTS 0.750% 02/24/15		05/30/2012	STIFEL NICOLAUS & CO INC		168,588	168,000	340	1
3136FR QB 2	FNMA NTS 1.250% 06/13/14		05/31/2012	MELLON BANK NA		418,150	418,000	2,438	1
3136G0 KE 0	FNMA NTS 1.500% 06/05/17		05/30/2012	CORTVIEW CAPITAL LLC JE		72,287	72,000		1
313771 AA 5	FEDERAL HOME LOAN BK IL 5.625% 06/13/16		06/18/2012	MORGAN KEEGAN & COMPANY INC		246,011	213,000	233	1
3137EA DG 1	FEDERAL HOME LOAN MTG C 1.750% 05/30/19		04/12/2012	CITIGROUP GLOBAL MARKETS INC		98,981	99,000		1
3138AW X3 2	FNMA POOL# AJ5197 4.000% 11/01/41		05/17/2012	DAIWA SECURITIES AMERICA INC		966,325	905,355	1,207	1
3138E9 P2 0	FNMA POOL# AK4940 3.500% 03/01/42		04/18/2012	CREDIT SUISSE FIRST BOSTON COR		146,742	141,999	179	1
3138LV WU 3	FNMA POOL# AO5158 3.000% 06/01/27		06/05/2012	CHASESECURITIES NEWYORK		2,083,124	1,990,444	2,820	1
31398A QY 1	FNMA NTS 5.380% 11/13/28		04/30/2012	ALTERNATIVE INVESTMENT CORP		255,387	230,000	5,843	1
31398A W5 7	FNMA BOND 2.240% 07/06/15		06/25/2012	GOLDMAN SACHS & CO NY		518,290	518,000	5,479	1
31398W E3 4	FREDDIE MAC SER 3634 CL 4.500% 08/15/27		06/18/2012	STEPHENS INC		97,481	94,071	235	1
31402R AC 3	FNMA POOL# 735403 5.000% 04/01/35		05/03/2012	UBS SECURITIES LLC		2,844,722	2,612,458	10,522	1

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
31417C CH 6	FNMA POOL# AB5471 3.500% 06/01/42.....		...06/05/2012	CREDIT SUISSE FIRST BOSTON COR.....		.....1,780,388	.....1,696,492	.....1,979	1.....
31418A FD 5	FNMA POOL# MA1063 3.000% 05/01/22.....		...05/03/2012	STEPHENS INC.....		.....109,766	.....104,121	.....139	1.....
880591 CF 7	TENN VALLEY AUTHORITY 6.235% 07/15/45.....		...06/18/2012	STIFEL NICOLAUS & CO INC.....		.....130,177	.....104,000	.....2,792	1.....
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments.....					.....20,561,300	.....19,438,018	.....74,494	.....XXX.....

Bonds - Industrial and Miscellaneous

00206R BD 3	AT&T INC SR NTS 3.000% 02/15/22.....		...06/11/2012	CITIGROUP GLOBAL MARKETS INC.....		.....485,087	.....483,000	.....4,870	1FE.....
022249 AU 0	ALUMINUM CO OF AMERICA 6.750% 01/15/28.....		...06/14/2012	BAIRD ROBERT W & CO INC.....		.....1,069,070	.....1,000,000	.....28,875	2FE.....
0258M0 DC 0	AMERICAN EXPRESS CREDIT 2.800% 09/19/16.....		...04/27/2012	RBCDAINRAUSCHERINC MINNEAP.....		.....242,492	.....234,000	.....769	1FE.....
037411 AZ 8	APACHE CORP SR NTS 3.250% 04/15/22.....		...04/05/2012	GOLDMAN SACHS & CO NY.....		.....208,191	.....208,000	.....18	1FE.....
037411 BB 0	APACHE CORP SR NTS 1.750% 04/15/17.....		...04/03/2012	CITIGROUPGBLMKTS/SALOMON NE.....		.....149,570	.....150,000		1FE.....
06051G EC 9	BANK OF AMERICA CORP SR 5.625% 07/01/20.....		...06/20/2012	BAIRD ROBERT W & CO INC.....		.....1,067,100	.....1,000,000	.....27,188	1FE.....
084664 BT 7	BERKSHIRE HATHAWAY FINA 3.000% 05/15/22.....		...05/15/2012	Various.....		.....113,088	.....114,000	.....11	1FE.....
09247X AK 7	BLACKROCK INC SR NTS 1.375% 06/01/15.....		...05/22/2012	BEAR STEARNS & CO.....		.....499,425	.....500,000		1FE.....
09256B AA 5	BLACKSTONE HOLDINGS FIN 6.625% 08/15/19.....		...06/18/2012	PITTSBURGH NATIONAL BANK-SECUR.....		.....1,676,190	.....1,500,000	.....34,781	1FE.....
12572X AA 8	CME GROUP INDEX SERVICE 4.400% 03/15/18.....		...05/02/2012	MCDONALD & COMPANY.....		.....548,890	.....500,000	.....3,178	1FE.....
144141 DC 9	PROGRESS ENERGY CAROLIN 2.800% 05/15/22.....		...05/15/2012	WACHOVIA CAPITAL MARKETS LLC.....		.....170,615	.....171,000		1FE.....
172967 EM 9	CITIGROUP INC SR NTS 6.125% 11/21/17.....		...04/30/2012	CITIGROUP GLOBAL MARKETS INC.....		.....47,873	.....43,000	.....1,185	1FE.....
172967 ES 6	CITIGROUP INC SR NTS 6.125% 05/12/18.....		...06/18/2012	PNC SECURITIES CORP.....		.....1,108,990	.....1,000,000	.....6,125	1FE.....
20030N BD 2	COMCAST CORP SR BOND 3.125% 07/15/22.....		...06/26/2012	WACHOVIA CAPITAL MARKETSLLC.....		.....249,785	.....250,000		2FE.....
20451P AD 8	COMPASS BANK COD 1.150% 06/29/15.....		...06/21/2012	STIFEL NICOLAUS & CO INC.....		.....243,591	.....245,000		1.....
254671 AG 5	DISCOVER BANK COD 1.750% 05/02/17.....		...04/26/2012	MORGAN KEEGAN & COMPANY INC.....		.....242,856	.....245,000		1.....
25468P CN 4	WALT DISNEY COMPANY SR 2.750% 08/16/21.....		...04/05/2012	GOLDMAN SACHS & CO NY.....		.....146,277	.....147,000	.....618	1FE.....
25470D AF 6	DISCOVERY COMMUNICATION 3.300% 05/15/22.....		...05/10/2012	BANC OF AMERICA SECURITIES LLC.....		.....495,835	.....500,000		2FE.....
30161M AK 9	EXELON GENERATION CO LL 4.250% 06/15/22.....		...06/13/2012	UBSFINANCIALSERVICESINC WE.....		.....999,760	.....1,000,000		2FE.....
345397 WD 1	FORD MOTOR CREDIT CO LL 3.000% 06/12/17.....		...06/07/2012	BANC OF AMERICA SECURITIES LLC.....		.....199,926	.....200,000		3FE.....
36157Q CJ 4	GE CAPITAL RETAIL BANK 1.850% 04/27/17.....		...04/23/2012	DUNCAN WILLIAMS INC.....		.....243,775	.....245,000		1.....
36159J BM 2	GE CAPITAL CREDIT CARD 3.690% 07/15/15.....		...06/20/2012	MORGANSTANLEY&COINC NY.....		.....366,729	.....366,000	.....375	1FE.....
36159L BG 0	GE DEALER FLOORPLAN MAS 1.924% 07/21/14.....		...06/25/2012	MORGANSTANLEY&COINC NY.....		.....179,182	.....179,000	.....67	1FE.....
36160X D5 3	GE CAPITAL FINANCIAL IN 1.750% 05/04/17.....		...04/27/2012	MORGAN KEEGAN & COMPANY INC.....		.....242,856	.....245,000		1.....
361849 XD 9	GMAC COMMERCIAL MTG SEC 4.079% 05/10/36.....		...05/02/2012	UBS SECURITIES LLC/CMO.....		.....43,466	.....42,673	.....29	1FE.....
372546 AR 2	GEORGE WASHINGTON UNIV 1.827% 09/15/17.....		...06/19/2012	Various.....		.....1,069,000	.....1,069,000		1FE.....
38141E A2 5	GOLDMAN SACHS GROUP INC 7.500% 02/15/19.....		...06/18/2012	PNC SECURITIES CORP.....		.....1,147,650	.....1,000,000	.....26,250	1FE.....
38141E A6 6	GOLDMAN SACHS GROUP INC 6.000% 06/15/20.....		...06/18/2012	BAIRD ROBERT W & CO INC.....		.....536,450	.....500,000	.....500	1FE.....
38141G GT 5	GOLDMAN SACHS GROUP INC 3.300% 05/03/15.....		...04/30/2012	GOLDMAN SACHS & CO NY.....		.....168,880	.....169,000		1FE.....
38143A RH 0	GOLDMAN SACHS BANK NA C 1.850% 05/02/17.....		...04/24/2012	MORGAN KEEGAN & COMPANY INC.....		.....149,679	.....151,000		1.....
38143A RY 3	GOLDMAN SACHS BANK NA C 1.850% 05/09/17.....		...05/01/2012	MORGAN KEEGAN & COMPANY INC.....		.....93,178	.....94,000		1.....
38144L AB 6	GOLDMAN SACHS GROUP INC 6.250% 09/01/17.....		...04/20/2012	BAIRD ROBERT W & CO INC.....		.....545,900	.....500,000	.....4,688	1FE.....
437076 AW 2	HOME DEPOT INC SR NTS 4.400% 04/01/21.....		...04/24/2012	GOLDMAN SACHS & CO NY.....		.....96,313	.....86,000	.....273	1FE.....
452308 AP 4	ILLINOIS TOOL WORKS INC 3.375% 09/15/21.....		...06/28/2012	Tax Free Exchange.....		.....253,100	.....250,000	.....2,414	1Z.....
459200 GJ 4	IBM CORP SR NTS 5.700% 09/14/17.....		...04/30/2012	WACHOVIA CAPITAL MARKETS LLC.....	85,70171,000551	1FE.....

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SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
54909W AA 6	LOYOLA UNIV OF CHICAGO 3.199% 07/01/22.....		..06/05/2012	PIPERJAFFRAY&CO MINNEAPOLI.....		.....126,665	.....124,000	.....242	1FE.....
57586C 6V 2	MASS ST HLTH & EDUCATIO 5.260% 10/01/18.....		..04/17/2012	BNY CAPITAL MARKETS INC.....		.....302,243	.....250,000	.....694	1FE.....
60871R AB 6	MOLSON COORS BREWING CO 2.000% 05/01/17.....		..04/26/2012	MORGANSTANLEY&COINC NY.....		.....107,694	.....108,000		2FE.....
610730 AA 1	MONROE CNTY NY INDL DEV 4.176% 05/01/28.....		..06/14/2012	CITIGROUP GLOBAL MARKETS INC.....		.....1,110,000	.....1,110,000		1FE.....
61746W ZA 1	MORGAN STANLEY CAPITAL 4.740% 11/13/36.....		..04/25/2012	MORGAN KEEGAN & COMPANY INC.....		.....145,005	.....142,752		1FE.....
65339V AB 2	NEXEO SOLUTIONS LLC/COR 8.375% 03/01/18.....		..06/14/2012	Tax Free Exchange.....		.....130,000	.....130,000	.....3,115	4FE.....
65364U AA 4	NIAGARA MOHAWK POWER SE 4.881% 08/15/19.....		..06/28/2012	MCDONALD & COMPANY.....		.....285,483	.....250,000	.....4,678	1FE.....
65473Q BA 0	NISOURCE FINANCE CORP S 3.850% 02/15/23.....		..06/11/2012	CITIGROUP GLOBAL MARKETS INC.....		.....497,965	.....500,000		2FE.....
665828 AC 3	NORTHERN TIER ENERGY LL 10.500% 12/01/17.....		..06/14/2012	Tax Free Exchange.....		.....165,331	.....160,000	.....607	4FE.....
674599 CD 5	OCCIDENTAL PETROLEUM CO 1.500% 02/15/18.....		..06/19/2012	BEAR STEARNS & CO.....		.....249,795	.....250,000		1FE.....
674599 CE 3	OCCIDENTAL PETROLEUM CO 2.700% 02/15/23.....		..06/19/2012	BANC OF AMERICA SECURITIES LLC.....		.....312,183	.....313,000		1FE.....
713448 BW 7	PEPSICO INC SR NTS 3.000% 08/25/21.....		..04/26/2012	RBCDAINRAUSCHERINC MINNEAP.....		.....146,616	.....143,000	.....787	1FE.....
74308T AB 6	PRODUCTION RES GROUP SR 8.875% 05/01/19.....		..05/03/2012	Tax Free Exchange.....		.....147,629	.....145,000	.....71	5FE.....
754730 AD 1	RAYMOND JAMES FINANCIAL 5.625% 04/01/24.....		..06/19/2012	MCDONALD & COMPANY.....		.....245,137	.....225,000	.....2,997	2FE.....
79546V AH 9	SALLY HOLDINGS/SALLY CA 6.875% 11/15/19.....		..06/21/2012	Tax Free Exchange.....		.....130,000	.....130,000	.....894	3FE.....
837151 FV 6	SOUTH CAROLINA ST PUBLI 4.551% 12/01/30.....		..06/15/2012	PNC SECURITIES CORP.....		.....1,057,940	.....1,000,000	.....6,827	1FE.....
854403 AD 4	STANDFORD UNIVERSITY SR 4.013% 05/01/42.....		..04/03/2012	MORGANSTANLEY&COINC NY.....		.....100,000	.....100,000		1FE.....
857477 AD 5	STATE STREET CORP SR NT 5.375% 04/30/17.....		..04/17/2012	MCDONALD & COMPANY.....		.....291,978	.....250,000	.....6,345	1FE.....
88033G BP 4	TENET HEALTHCARE CORP B 6.250% 11/01/18.....		..06/20/2012	Tax Free Exchange.....		.....90,000	.....90,000	.....766	3FE.....
88713U AA 4	TIMBERSTART TRUST SER 5.668% 10/15/36.....		..05/03/2012	CANTOR FITZGERALD/MORTGAGE BAC.....		.....191,680	.....171,000	.....188	1FE.....
90269G AB 7	UBS COMMERCIAL MTGE TRU 2.180% 05/10/45.....		..04/24/2012	UBS SECURITIES LLC/CMO.....		.....56,840	.....56,000	.....24	1FE.....
91159H HD 5	US BANCORP SR MTN 1.650% 05/15/17.....		..05/03/2012	US Bancorp Inv St. Paul.....		.....415,222	.....416,000		1FE.....
913017 BV 0	UNITED TECHNOLOGIES COR 3.100% 06/01/22.....		..05/24/2012	BANC OF AMERICA SECURITIES LLC.....		.....211,837	.....212,000		1FE.....
92344S AK 6	CELLCO PART / VERIZON 8.500% 11/15/18.....		..06/08/2012	BEAR STEARNS SECURITIES CORP.....		.....685,055	.....500,000	.....3,306	1FE.....
927781 B3 7	VIRGINIA ST CLG BLDG AU 3.000% 09/01/24.....		..06/22/2012	BNY CAPITAL MARKETS INC.....		.....500,000	.....500,000	.....3,667	1FE.....
92976W BK 1	WACHOVIA CORP FLT RT MT 2.236% 05/01/13.....		..04/13/2012	WACHOVIA CAPITAL MARKETS LLC.....		.....1,017,920	.....1,000,000	.....4,955	1FE.....
94974B FF 2	WELLS FARGO & COMPANY F 1.382% 06/26/15.....		..06/20/2012	WACHOVIA CAPITAL MARKETS LLC.....		.....500,000	.....500,000		1FE.....
98212B AD 5	WPX ENERGY INC SR BOND 6.000% 01/15/22.....		..06/22/2012	Tax Free Exchange.....		.....130,000	.....130,000	.....4,723	3FE.....
983455 DD 5	WYOMING PA AREA SCH DIS 5.300% 09/01/15.....		..05/30/2012	PITTSBURGH NATIONAL BANK-SECUR.....		.....715,850	.....695,000	.....9,618	2FE.....
740212 AE 5	PRECISION DRILLING CORP 6.500% 12/15/21.....	A.....	..04/10/2012	Tax Free Exchange.....		.....95,000	.....95,000	.....1,973	3FE.....
00928Q AB 7	AIRCATTLE LTD SR NTS 9.750% 08/01/18.....	F.....	..06/04/2012	Tax Free Exchange.....		.....61,532	.....60,000	.....1,999	3FE.....
377373 AC 9	GLAXOSMITHKLINE CAPITAL 1.500% 05/08/17.....	R.....	..05/02/2012	CITIGROUP GLOBAL MARKETS INC.....		.....206,257	.....207,000		1FE.....
71654Q BC 5	PETROLEOS MEXICANOS SR 2.000% 12/20/22.....	F.....	..06/26/2012	GOLDMAN SACHS & CO NY.....		.....525,000	.....525,000		2Z.....
71656L AM 3	PETROLEOS MEXICANOS SR 5.500% 06/27/44.....	F.....	..06/19/2012	BARCLAYS CAPITAL INC/FIXED INC.....		.....134,395	.....135,000		2FE.....
947075 AF 4	WEATHERFORD BERMUDA SR 9.625% 03/01/19.....	R.....	..05/01/2012	Raymond James FL St Pete.....		.....537,361	.....400,000	.....6,735	2FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					.....26,812,083	.....25,480,425	.....207,976	.....XXX.....
8399997.	Total - Bonds - Part 3.....					.....51,286,639	.....48,642,480	.....289,726	.....XXX.....
8399999.	Total - Bonds.....					.....51,286,639	.....48,642,480	.....289,726	.....XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....				51,286,639XXX.....289,726XXX.....

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(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 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							

Bonds - U.S. Government

QE05

36202E	RD	3	06/01/2012	GNMA SF II POOL# 4084 5.500% 02/20/38.....		26,357	26,357	26,575	26,548		(191)		(191)		26,357			0	606	02/20/2038	1.....
36202F	KH	8	06/01/2012	GNMA SF II POOL# 4796 4.500% 09/20/40.....		53,666	53,666	56,215	56,125		(2,459)		(2,459)		53,666			0	980	09/20/2040	1.....
36202F	XD	3	06/01/2012	GNMA SF II POOL# 5176 5.000% 09/20/41.....		48,184	48,184	53,484			(5,300)		(5,300)		48,184			0	406	09/20/2041	1.....
36202F	Y7	5	06/01/2012	GNMA SF II POOL# 5234 4.500% 11/20/41.....		115,122	115,122	125,897			(10,775)		(10,775)		115,122			0	829	11/20/2041	1.....
36202F	Y8	3	05/23/2012	GNMA SF II POOL# 5235 5.000% 11/20/41.....	UBSFINANCIALSERVICESINC WE.....	2,600,875	2,349,746	2,609,687			(1,984)		(1,984)		2,607,703		(6,828)	(6,828)	38,510	11/20/2041	1.....
36202F	Y8	3	05/01/2012	GNMA SF II POOL# 5235 5.000% 11/20/41.....		71,025	71,025	78,883			(7,857)		(7,857)		71,025			0	710	11/20/2041	1.....
36202F	YA	8	04/01/2012	GNMA SF II POOL# 5205 5.000% 10/20/41.....	UBSFINANCIALSERVICESINC WE.....	1,589,322	1,433,840	1,589,322					0	1,589,322				3,585	10/20/2041	1.....	
36202F	YA	8	06/01/2012	GNMA SF II POOL# 5205 5.000% 10/20/41.....		55,379	55,379	61,384			(6,005)		(6,005)		55,379			0	356	10/20/2041	1.....
3620A9	PM	7	06/01/2012	GNMA SF I POOL# 723228 5.000% 10/15/39.....		34,627	34,627	35,882	35,817		(1,190)		(1,190)		34,627			0	709	10/15/2039	1.....
3620AU	BZ	6	06/01/2012	GNMA SF I POOL# 739956 4.000% 11/15/40.....		30,833	30,833	32,086	32,046		(1,213)		(1,213)		30,833			0	589	11/15/2040	1.....
36210B	X4	2	06/01/2012	GNMA SF I POOL# 487699 5.000% 03/15/39.....		29,848	29,848	30,622	30,564		(716)		(716)		29,848			0	630	03/15/2039	1.....
36241K	FJ	2	06/01/2012	GNMA SF I POOL# 781969 5.000% 08/15/35.....		40,281	40,281	41,918	41,825		(1,544)		(1,544)		40,281			0	822	08/15/2035	1.....
36241K	G5	1	06/01/2012	GNMA SF I POOL# 782020 5.500% 12/15/35.....		39,084	39,084	39,664	39,604		(520)		(520)		39,084			0	872	12/15/2035	1.....
36295V	6T	1	06/01/2012	GNMA I POOL# 682282 5.500% 02/15/38.....		11,538	11,538	11,828	11,799		(261)		(261)		11,538			0	305	02/15/2038	1.....
36296A	4R	2	06/01/2012	GNMA POOL# 685832 5.500% 04/15/38.....		69,030	69,030	69,926	69,833		(802)		(802)		69,030			0	1,650	04/15/2038	1.....
36296X	YZ	1	06/01/2012	GNMA I POOL# 704628 5.000% 07/15/39.....		70,499	70,499	74,597	74,424		(3,925)		(3,925)		70,499			0	1,563	07/15/2039	1.....
912810	QU	5	06/01/2012	US TREASURY NOTE 3.125% 02/15/42.....	Various.....	809,985	799,000	758,797			92		92		758,889		51,096	51,096	4,862	02/15/2042	1.....
912810	QV	3	04/17/2012	US TREASURY NOTE T I P 0.750% 02/15/42.....	Various.....	204,946	206,000	200,472			15		15		200,488		4,459	4,459	256	02/15/2042	1.....
912810	QW	1	05/17/2012	US TREASURY NOTE 3.000% 05/15/42.....	BNP PARIBAS SECURITIES BOND.....	150,086	144,000	141,477			1		1		141,478		8,608	8,608	70	05/15/2042	1.....
912828	QD	5	06/15/2012	US TREASURY NOTE T I P 0.125% 04/15/16.....	Various.....	432,270	396,000	423,136	423,083	(1,291)	(1,470)		(2,761)		420,323		11,948	11,948	297	04/15/2016	1.....
912828	SQ	4	04/24/2012	US TREASURY NOTE T. I. 0.125% 04/15/17.....	UBS SECURITIES LLC.....	120,831	113,000	120,220					0		120,220		611	611	6	04/15/2017	1.....
912828	SV	3	06/07/2012	US TREASURY NOTE 1.750% 05/15/22.....	PNC CAPITAL MKTS.....	756,329	750,000	750,468			(3)		(3)		750,465		5,862	5,862	853	05/15/2022	1.....
0599999				Total - Bonds - U.S. Government.....		7,360,117	6,887,059	7,332,540	841,668	(1,291)	(46,107)		(47,398)		7,284,361		75,756	75,756	59,466	XXX	XXX

Bonds - U.S. Special Revenue and Special Assessment

3128JR	P6	7	06/01/2012	FHLMC ARM POOL# 847645 2.530% 12/01/36.....		3,538	3,538	3,632	3,623		(85)		(85)		3,538			0	35	12/01/2036	1.....
3128K6	N5	5	06/01/2012	FHLMC POOL# A4-5812 6.000% 06/01/35.....		3,344	3,344	3,430	3,416		(72)		(72)		3,344			0	90	06/01/2035	1.....
3128KM	AW	5	06/01/2012	FHLMC POOL# A5-8121 5.500% 03/01/37.....		3,225	3,225	3,201	3,203		22		22		3,225			0	74	03/01/2037	1.....
3128L8	A6	2	06/01/2012	FHLMC POOL# A7-4529 5.000% 03/01/38.....		50,245	50,245	49,546	49,601		644		644		50,245			0	1,024	03/01/2038	1.....
3128LX	H8	6	06/05/2012	FHLMC POOL# G0-2055 5.500% 02/01/36.....	BANC OF AMERICA SECURITIES LLC.....	193,010	176,164	172,785	173,208		34		34		173,242		19,768	19,768	5,167	02/01/2036	1.....
3128LX	H8	6	06/01/2012	FHLMC POOL# G0-2055 5.500% 02/01/36.....		14,151	14,151	13,880	13,914		237		237		14,151			0	330	02/01/2036	1.....
3128MJ	HK	9	06/05/2012	FHLMC POOL# G0-8233 6.500% 11/01/37.....	BNP SECURITIES.....	184,917	163,825	166,769	166,458		(33)		(33)		166,425		18,493	18,493	5,679	11/01/2037	1.....
3128MJ	HK	9	06/01/2012	FHLMC POOL# G0-8233 6.500% 11/01/37.....		13,806	13,806	14,054	14,028		(222)		(222)		13,806			0	385	11/01/2037	1.....
3128MM	CA	9	06/01/2012	FHLMC POOL# G1-8064 4.500% 07/01/20.....		3,070	3,070	3,051	3,057		13		13		3,070			0	55	07/01/2020	1.....
3128MU	L4	5	06/01/2012	FHLMC POOL# H0-2147 6.000% 12/01/37.....		9,662	9,662	9,794	9,779		(118)		(118)		9,662			0	230	12/01/2037	1.....
3128MU	L5	2	06/01/2012	FHLMC POOL# H0-2148 6.000% 12/01/37.....		30,551	30,551	30,950	30,907		(355)		(355)		30,551			0	777	12/01/2037	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	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3128PL Q8 8	FHLMC POOL# J0-8579 5.500% 08/01/23.....		06/01/2012	Paydown.....		11,813	11,813	11,801	11,798		15		15		11,813			0	317	08/01/2023	1.....
3128PR VD 8	FHLMC POOL# J1-2412 4.000% 06/01/25.....		06/01/2012	Paydown.....		10,580	10,580	11,086	11,040		(460)		(460)		10,580			0	181	06/01/2025	1.....
3128PU C9 1	FHLMC POOL# J14596 4.000% 03/01/26.....		06/01/2012	Paydown.....		57,491	57,491	59,357	59,269		(1,778)		(1,778)		57,491			0	911	03/01/2026	1.....
3128QH UR 9	FHLMC ARM POOL# 1N-1492 2.366% 01/01/37....		06/01/2012	Paydown.....		28,194	28,194	28,321	28,289		(95)		(95)		28,194			0	314	01/01/2037	1.....
3128X5 3C 0	FEDERAL HOME LOAN MTG C 6.000% 04/16/37....		04/16/2012	Call 100.0000.....		243,000	243,000	244,998			(1,998)		(1,998)		243,000			0	7,290	04/16/2037	1.....
312945 DS 4	FHLMC POOL# A96413 4.000% 01/01/41.....		06/01/2012	Paydown.....		9,538	9,538	9,538	9,538		1		1		9,538			0	156	01/01/2041	1.....
31294M AC 5	FHLMC POOL# E02703 4.000% 07/01/25.....		06/01/2012	Paydown.....		31,104	31,104	31,920	31,870		(766)		(766)		31,104			0	505	07/01/2025	1.....
31297P 7D 7	FHLMC POOL# A3-4492 6.000% 04/01/35.....		06/01/2012	Paydown.....		59	59	61	61		(1)		(1)		59			0	2	04/01/2035	1.....
3132GD M8 2	FHLMC POOL# Q00383 4.500% 04/01/41.....		06/01/2012	Paydown.....		10,108	10,108	10,909			(801)		(801)		10,108			0	43	04/01/2041	1.....
3132GF RH 2	FHLMC POOL# Q02288 4.000% 07/01/41.....		06/01/2012	Paydown.....		15,440	15,440	15,396	15,396		44		44		15,440			0	263	07/01/2041	1.....
3132GJ VK 2	FHLMC POOL# Q03618 4.000% 10/01/41.....		04/01/2012	DAIWA SECURITIES AMERICA INC.....		1,566,980	1,485,949	1,566,980					0		1,566,980			0	1,816	10/01/2041	1.....
3132GJ VK 2	FHLMC POOL# Q03618 4.000% 10/01/41.....		06/01/2012	Paydown.....		4,709	4,709	4,966			(257)		(257)		4,709			0	24	10/01/2041	1.....
3132GK XQ 4	FHLMC POOL# Q04587 4.500% 11/01/41.....		06/01/2012	Paydown.....		2,663	2,663	2,888			(225)		(225)		2,663			0	15	11/01/2041	1.....
313370 UK 2	FEDERAL HOME LOAN BANK 2.990% 09/10/20....		05/25/2012	Call 100.0000.....		271,875	271,875	271,739	271,743		132		132		271,875			0	5,758	09/10/2020	1.....
313373 B2 7	FEDERAL HOME LOAN BANK 3.400% 04/05/18....		04/05/2012	Call 100.0000.....		205,000	205,000	206,456			(1,456)		(1,456)		205,000			0	3,485	04/05/2018	1.....
313373 JR 4	FEDERAL HOME LOAN BANK 1.375% 05/28/14....		04/20/2012	STIFEL NICOLAUS & CO INC.....		1,021,190	1,000,000	1,019,551			(827)		(827)		1,018,724		2,466	2,466	5,538	05/28/2014	1.....
313373 LV 2	FEDERAL HOME LOAN BANK 3.625% 05/03/19....		05/04/2012	Call 100.0000.....		505,000	505,000	510,631	510,627		(5,627)		(5,627)		505,000			0	9,204	05/03/2019	1.....
313375 S6 5	FEDERAL HOME LOAN BANK 2.580% 10/11/19....		04/25/2012	Call 100.0000.....		280,000	280,000	279,860	279,864		136		136		280,000			0	3,893	10/11/2019	1.....
313376 PK 5	FEDERAL HOME LOAN BANK 1.950% 04/09/18....		04/24/2012	Call 100.0000.....		105,000	105,000	105,018			(18)		(18)		105,000			0	85	04/09/2018	1.....
313379 DD 8	FEDERAL HOME LOAN BANK 1.000% 06/21/17....		06/19/2012	BNP PARIBAS SECURITIES BOND.....		265,875	265,000	264,131			20		20		264,151		1,723	1,723	339	06/21/2017	1.....
3133XV RK 9	FEDERAL HOME LOAN BANK 4.125% 12/13/19....		04/04/2012	UBSFINANCIALSERVICESINC WE.....		4,011,700	3,500,000	3,979,745	3,969,689		(14,067)		(14,067)		3,955,621		56,079	56,079	44,917	12/13/2019	1.....
3134G3 PE 4	FEDERAL HOME LOAN MTG N 0.850% 02/24/16....		05/31/2012	PNC CAPITAL MKTS.....		1,000,400	1,000,000	999,850			1		1		999,851		549	549	2,290	02/24/2016	1.....
3136FP SV 0	FNMA STP CPN NTS 2.500% 10/28/22.....		04/30/2012	Call 100.0000.....		500,000	500,000	500,000	500,000				0		500,000			0	6,250	10/28/2022	1.....
3136FR HR 7	FNMA STP CPN BOND 6.000% 04/27/26.....		04/27/2012	Call 100.0000.....		314,000	314,000	313,843	322,607		(8,607)		(8,607)		314,000			0	2,355	04/27/2026	1.....
3136FR KK 8	FNMA STP CPN NTS 2.000% 05/18/26.....		05/18/2012	Call 100.0000.....		589,000	589,000	590,902			(1,902)		(1,902)		589,000			0	5,890	05/18/2026	1.....
3136FR QB 2	FNMA NTS 1.250% 06/13/14.....		06/13/2012	Call 100.0000.....		418,000	418,000	418,150			(150)		(150)		418,000			0	2,613	06/13/2014	1.....
3136FT LS 6	FNMA NTS 4.000% 11/23/26.....		05/23/2012	Call 100.0000.....		253,000	253,000	253,000	253,000				0		253,000			0	5,060	11/23/2026	1.....
3136FT NB 1	FNMA STP CPN NTS 4.000% 11/25/26.....		05/25/2012	Call 100.0000.....		567,000	567,000	566,952	567,586		(586)		(586)		567,000			0	4,253	11/25/2026	1.....
3136FT RY 7	FNMA STP CPN NTS 4.000% 12/15/26.....		06/15/2012	Call 100.0000.....		127,000	127,000	126,905	127,095		(95)		(95)		127,000			0	953	12/15/2026	1.....
3136FT TC 3	FNMA STP CPN NTS 2.000% 12/14/26.....		06/14/2012	Call 100.0000.....		458,000	458,000	457,542	458,350		(350)		(350)		458,000			0	2,290	12/14/2026	1.....
31371M LB 1	FNMA POOL# 256022 5.500% 12/01/35.....		06/01/2012	Paydown.....		4,052	4,052	4,427	4,422		(369)		(369)		4,052			0	96	12/01/2035	1.....
3137AC DS 5	FREDDIE MAC SER 3877 CL 4.500% 08/15/38....		06/01/2012	Paydown.....		12,535	12,535	13,111	13,072		(537)		(537)		12,535			0	228	08/15/2038	1.....
3137AJ 3V 4	FREDDIE MAC SER 3954 CL 2.000% 07/15/41.....		06/01/2012	Paydown.....		17,352	17,352	17,390			(38)		(38)		17,352			0	116	07/15/2041	1.....
3137EA DG 1	FEDERAL HOME LOAN MTG C 1.750% 05/30/19....		06/18/2012	BARCLAYS CAPITAL INC/FIXED INC.....		101,305	99,000	98,981					0		98,981		2,323	2,323	303	05/30/2019	1.....
3138A1 JB 8	FNMA POOL# AH0257 4.000% 12/01/40.....		06/01/2012	Paydown.....		2,848	2,848	2,774	2,776		73		73		2,848			0	40	12/01/2040	1.....
3138A2 BV 0	FNMA POOL# AH0951 4.500% 12/01/40.....		06/01/2012	Paydown.....		42,919	42,919	44,743	44,721		(1,802)		(1,802)		42,919			0	783	12/01/2040	1.....

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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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3138A2	EC 9		06/01/2012	Paydown		24,507	24,507	25,223	25,203		(696)		(696)		24,507			0	396	12/01/2040	1
3138A3	6V 4		06/01/2012	Paydown		21,509	21,509	22,657			(1,148)		(1,148)		21,509			0	204	01/01/2041	1
3138A4	6Y 6		06/01/2012	Paydown		10,758	10,758	10,873	10,869		(111)		(111)		10,758			0	172	01/01/2041	1
3138A4	XY 6		06/01/2012	Paydown		15,021	15,021	15,493	15,487		(466)		(466)		15,021			0	247	01/01/2041	1
3138A5	NC 2		06/01/2012	Paydown		11,313	11,313	11,681	11,676		(363)		(363)		11,313			0	169	02/01/2041	1
3138A9	CW 2		06/01/2012	Paydown		6,648	6,648	6,915	6,913		(265)		(265)		6,648			0	118	03/01/2041	1
3138AA	5Q 0		06/01/2012	Paydown		10,259	10,259	10,432	10,430		(171)		(171)		10,259			0	172	04/01/2041	1
3138AB	YR 4		06/01/2012	Paydown		12,927	12,927	13,451	13,444		(517)		(517)		12,927			0	235	04/01/2041	1
3138AH	W6 9		06/01/2012	Paydown		100,658	100,658	109,481			(8,823)		(8,823)		100,658			0	1,453	06/01/2041	1
3138AR	G2 4		06/01/2012	Paydown		138,029	138,029	151,551			(13,523)		(13,523)		138,029			0	2,517	08/01/2041	1
3138AR	X2 5		06/01/2012	Paydown		10,258	10,258	10,957			(699)		(699)		10,258			0	156	09/01/2041	1
3138AS	XT 4		06/01/2012	Paydown		18,879	18,879	19,770	19,769		(890)		(890)		18,879			0	293	10/01/2041	1
3138AW	7F 4		06/01/2012	Paydown		22,566	22,566	24,459			(1,893)		(1,893)		22,566			0	238	11/01/2041	1
3138E2	2U 8		06/01/2012	Paydown		145,944	145,944	157,027			(11,083)		(11,083)		145,944			0	2,157	01/01/2042	1
3138E9	P2 0		06/01/2012	Paydown		1,208	1,208	1,249			(40)		(40)		1,208			0	4	03/01/2042	1
3138EG	GS 7		06/01/2012	Paydown		22,131	22,131	23,151	23,135		(1,004)		(1,004)		22,131			0	384	05/01/2041	1
3139AE	P6 9		06/01/2012	Paydown		9	9	9	9				0		9			0		08/25/2035	1
31400C	N4 2		06/01/2012	Paydown		98	98	98	98				0		98			0	1	01/01/2033	1
31402R	AC 3		06/01/2012	Paydown		110,583	110,583	120,414			(9,832)		(9,832)		110,583			0	461	04/01/2035	1
31403Q	QG 8		06/01/2012	Paydown		378	378	377	377		1		1		378			0	4	01/01/2034	1
31404D	T8 1		06/01/2012	Paydown		553	553	549	550		3		3		553			0	5	02/01/2034	1
31407H	ZH 2		06/01/2012	Paydown		38,377	38,377	38,173	38,180		198		198		38,377			0	997	06/01/2036	1
31407J	TK 8		06/01/2012	Paydown		87	87	87	87				0		87			0	1	08/01/2035	1
31410S	6M 4		06/01/2012	Paydown		8,831	8,831	8,970	8,955		(124)		(124)		8,831			0	238	05/01/2036	1
31412G	3K 5		06/01/2012	Paydown		1,165	1,165	1,159	1,159		6		6		1,165			0	29	08/01/2037	1
31412Q	2W 8		06/01/2012	Paydown		25,968	25,968	26,102	26,096		(128)		(128)		25,968			0	475	01/01/2040	1
31413G	AQ 3		06/05/2012	BNP SECURITIES		299,640	270,708	277,180	276,498		(79)		(79)		276,419		23,221	23,221	8,663	07/01/2037	1
31413G	AQ 3		06/01/2012	Paydown		23,016	23,016	23,566	23,508		(492)		(492)		23,016			0	530	07/01/2037	1
31413L	D2 2		06/01/2012	Paydown		12,521	12,521	12,394	12,403		118		118		12,521			0	313	08/01/2037	1
31416N	YV 8		06/01/2012	Paydown		53,152	53,152	55,071	55,050		(1,898)		(1,898)		53,152			0	841	03/01/2039	1
31416W	T9 3		06/01/2012	Paydown		14,194	14,194	14,800	14,793		(599)		(599)		14,194			0	262	09/01/2040	1
31417A	JK 6		06/01/2012	Paydown		1,740	1,740	1,782	1,781		(41)		(41)		1,740			0	24	11/01/2041	1
31417Y	SC 2		06/01/2012	Paydown		10,367	10,367	10,840			(472)		(472)		10,367			0	131	09/01/2040	1
31418A	FD 5		06/01/2012	Paydown		1,017	1,017	1,072			(55)		(55)		1,017			0	3	05/01/2022	1
31418U	WW 0		06/01/2012	Paydown		20,243	20,243	20,799	20,783		(541)		(541)		20,243			0	378	07/01/2040	1
31418W	FJ 4		06/01/2012	Paydown		9,545	9,545	9,772	9,765		(220)		(220)		9,545			0	179	09/01/2040	1

QE05.2

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stocks Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
31419B 4X 0	FNMA POOL# AE1737 5.000% 08/01/40.....		06/01/2012	Paydown.....		4,235	4,235	4,531	4,527		(292)		(292)		4,235			0	89	08/01/2040	1.....
31419F ED 4	FNMA POOL# AE4631 5.000% 10/01/40.....		06/01/2012	Paydown.....		21,564	21,566	22,467	22,446		(882)		(882)		21,564			0	449	10/01/2040	1.....
31419G PL 2	FNMA POOL# AE5826 4.000% 10/01/40.....		06/01/2012	Paydown.....		45,048	45,048	46,850	46,841		(1,793)		(1,793)		45,048			0	744	10/01/2040	1.....
31419J M8 8	FNMA POOL# AE7582 4.500% 11/01/40.....		06/01/2012	Paydown.....		25,929	25,929	26,496	26,480		(552)		(552)		25,929			0	465	11/01/2040	1.....
880591 BL 5	TENN VALLEY AUTHORITY N 8.250% 04/15/42....		04/16/2012	Call 106.0000.....		207,760	196,000	220,867	211,920		(4,160)		(4,160)		207,760			0	8,085	04/15/2042	1.....
88059F AA 9	TVA STRIP PRINC STP CPN 8.250% 04/15/42....		04/16/2012	Call 106.0000.....		378,421	357,000	373,880	390,802		(12,383)		(12,383)		378,422			0		04/15/2042	1.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....					15,461,305	14,743,755	15,447,689	9,294,041	0	(118,234)	0	(118,234)	0	15,336,683	0	124,622	124,622	164,704	XXX...	XXX...

Bonds - Industrial and Miscellaneous

QE05.3

00081T AD 0	ACCO BRANDS CORP SR NTS 10.625% 03/15/15.....		05/01/2012	Various.....		199,883	185,000	188,341	187,256		(254)		(254)		187,002		12,881	12,881	12,340	03/15/2015	3FE.....
00206R AP 7	AT&T INC SR NTS 6.700% 11/15/13.....		06/29/2012	Call 108.0839.....		756,587	700,000	702,001	700,826		55,761		55,761		756,587			0	29,182	11/15/2013	1FE.....
00206R AZ 5	AT&T INC SR NTS 3.875% 08/15/21.....		05/15/2012	GREENWICH CAPITAL MARKETS INC.....		87,182	80,000	79,764	79,771		7		7		79,778		7,404	7,404	2,325	08/15/2021	1FE.....
00206R BD 3	AT&T INC SR NTS 3.000% 02/15/22.....		06/19/2012	CHASE SECURITIES INC.....		83,937	83,000	83,359	83,359		0		0		83,358		579	579	892	02/15/2022	1FE.....
00828B AC 9	AFFINIA GROUP INC SER 1 10.750% 08/15/16.....		06/25/2012	Call 103.0000.....		18,540	18,000	18,229	18,147		393		393		18,540			0	1,666	08/15/2016	4FE.....
037411 AZ 8	APACHE CORP SR NTS 3.250% 04/15/22.....		06/19/2012	BANC OF AMERICA SECURITIES LLC.....		217,048	208,000	208,191	208,191		(3)		(3)		208,188		8,860	8,860	1,371	04/15/2022	1FE.....
06406H BY 4	BANK OF NEW YORK MELLON 3.550% 09/23/21....		06/05/2012	Various.....		333,137	315,000	314,789	314,794		7		7		314,801		18,336	18,336	7,344	09/23/2021	1FE.....
084664 BT 7	BERKSHIRE HATHAWAY FINA 3.000% 05/15/22....		06/13/2012	GOLDMAN SACHS & CO NY.....		113,853	114,000	113,088	113,088		7		7		113,095		758	758	314	05/15/2022	1FE.....
126410 LN 7	CSX TRANSPORTATION INC 8.375% 10/15/14.....		04/15/2012	Redemption 100.0000.....		9,167	9,167	9,167	9,167		0		0		9,167			0	384	10/15/2014	1FE.....
144141 DC 9	PROGRESS ENERGY CAROLIN 2.800% 05/15/22....		06/11/2012	MORGANSTANLEY&COINC NY.....		173,616	171,000	170,615	170,615		2		2		170,618		2,999	2,999	346	05/15/2022	1FE.....
172967 EM 9	CITIGROUP INC SR NTS 6.125% 11/21/17.....		05/16/2012	Various.....		166,915	152,000	170,080	170,080		(480)		(480)		169,600		(2,684)	(2,684)	4,631	11/21/2017	1FE.....
22541N AR 0	CS FIRST BOSTON MTG SEC 5.510% 07/15/35....		06/15/2012	Call 100.0000.....		183,000	183,000	178,168	178,618		4,382		4,382		183,000			0	5,042	07/15/2035	1FM.....
22545M AC 1	CREDIT SUISSE MTG CAP S 5.439% 09/15/39....		06/01/2012	Paydown.....		9,569	9,569	9,617	9,609		(40)		(40)		9,569			0	198	09/15/2039	1FM.....
235851 AM 4	DANAHER CORP SR NTS 3.900% 06/23/21.....		04/04/2012	MCDONALD & COMPANY.....		271,395	250,000	268,638	268,022		(467)		(467)		267,556		3,839	3,839	2,898	06/23/2021	1FE.....
25470D AF 6	DISCOVERY COMMUNICATION 3.300% 05/15/22....		06/18/2012	BAIRD ROBERT W & CO INC.....		500,580	500,000	495,835	495,835		33		33		495,868		4,712	4,712	1,558	05/15/2022	2FE.....
30250X AA 9	FGI OPERATING CO INC SR 10.250% 08/01/15....		06/01/2012	Call 106.7030.....		167,524	157,000	168,383	166,420	502	601		1,103		167,524			0	13,410	08/01/2015	4FE.....
341099 CM 9	FLORIDA POWER CORP BOND 4.550% 04/01/20....		05/10/2012	MCDONALD & COMPANY.....		571,985	500,000	535,135	533,344		(1,290)		(1,290)		532,054		39,931	39,931	14,156	04/01/2020	1FE.....
34528R AF 9	FORD CREDIT AUTO OWNER 6.070% 05/15/14....		06/15/2012	Paydown.....		53,813	53,813	55,386	55,386		(1,572)		(1,572)		53,813			0	804	05/15/2014	1FE.....
361849 XD 9	GMAC COMMERCIAL MTG SEC 4.079% 05/10/36....		06/01/2012	Paydown.....		129	129	132	132		(2)		(2)		129			0		05/10/2036	1FE.....
372546 AR 2	GEORGE WASHINGTON UNIV 1.827% 09/15/17....		06/29/2012	Various.....		1,000,000	1,000,000	1,000,000	1,000,000		0		0		1,000,000			0	25	09/15/2017	1FE.....
38141G FM 1	GOLDMAN SACHS GROUP INC 6.150% 04/01/18....		05/31/2012	Various.....		354,976	338,000	358,965	357,996		(1,137)		(1,137)		356,859		(1,883)	(1,883)	13,829	04/01/2018	1FE.....
396789 JR 1	GREENWICH CAP COMM FDG 4.305% 01/10/14....		06/12/2012	Call 100.0000.....		38,078	38,078	36,871	37,574		504		504		38,078			0	820	01/10/2014	1FM.....
396789 JR 1	GREENWICH CAP COMM FDG 4.305% 01/10/14....		05/10/2012	Paydown.....		606	606	587	598		8		8		606			0	10	01/10/2014	1FM.....
437076 AW 2	HOME DEPOT INC SR NTS 4.400% 04/01/21.....		04/05/2012	Various.....		246,519	220,000	219,824	219,835		4		4		219,839		26,680	26,680	5,091	04/01/2021	1FE.....
440543 AB 2	HORNBECK OFFSHORE SERVI 6.125% 12/01/14....		04/30/2012	Call 101.0210.....		277,808	275,000	260,025	268,578		9,230		9,230		277,808			0	6,971	12/01/2014	3FE.....
452308 AK 5	ILLINOIS TOOL WORKS INC 3.375% 09/15/21.....		06/28/2012	Tax Free Exchange.....		253,100	250,000	253,340	253,242		(142)		(142)		253,100			0	6,984	09/15/2021	1FE.....
46625M PM 5	JP MORGAN CHASE COMM MT 5.050% 12/12/34....		06/01/2012	Paydown.....		84,420	84,420	87,522	86,212		(1,792)		(1,792)		84,420			0	1,725	12/12/2034	1FM.....
46625Y DC 4	JP MORGAN CHASE COMM MT 4.529% 01/12/37....		06/01/2012	Paydown.....		13,198	13,198	10,777	10,952		2,246		2,246		13,198			0	249	01/12/2037	1FM.....

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	Forfeign	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	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
477875 AC 2	JOHN DEERE OWNER TRUST 1.570% 10/15/13...		05/15/2012	Call 100.0000.....		66,040	66,040	66,136			(95)		(95)		66,040			0	173	10/15/2013	1FE.....
477875 AC 2	JOHN DEERE OWNER TRUST 1.570% 10/15/13...		04/15/2012	Paydown.....		57,554	57,554	57,637			(83)		(83)		57,554			0	75	10/15/2013	1FE.....
50075N AH 7	KRAFT FOODS INC 6.250% 06/01/12.....		06/01/2012	Maturity.....		200,000	200,000	204,464	200,582		(582)		(582)		200,000			0	6,250	06/01/2012	2FE.....
52108H MU 5	LB UBS COMM MTG TR SER 4.853% 09/15/31.....		06/11/2012	Paydown.....		44,500	44,500	45,492	17,218		(770)		(770)		44,500			0	930	09/15/2031	1FM.....
52736R AV 4	LEVI STRAUSS & CO SR NT 8.875% 04/01/16.....		05/25/2012	Call 102.9580.....		252,247	245,000	255,788	252,737		(490)		(490)		252,247			0	14,133	04/01/2016	4FE.....
573334 AB 5	MRTN MDSTRM PARTNER & F 8.875% 04/01/18.....		05/24/2012	Call 108.8750.....		8,710	8,000	7,894	7,907		803		803		8,710			0	460	04/01/2018	4FE.....
57586C 6V 2	MASS ST HLTH & EDUCATIO 5.260% 10/01/18.....		06/08/2012	PITTSBURGH NATIONAL BANK-SECUR.....		302,813	250,000	302,243			(1,129)		(1,129)		301,114		1,699	1,699	2,630	10/01/2018	1FE.....
60871R AB 6	MOLSON COORS BREWING CO 2.000% 05/01/17.....		04/27/2012	MORGANSTANLEY&COINC NY.....		108,318	108,000	107,694			0		0		107,694		623	623	2,630	05/01/2017	2FE.....
61746W ZA 1	MORGAN STANLEY CAPITAL 4.740% 11/13/36.....		06/01/2012	Paydown.....		8,423	8,423	8,556			(133)		(133)		8,423			0	33	11/13/2036	1FE.....
61747Y DD 4	MORGAN STANLEY SR NTS 3.800% 04/29/16.....		05/08/2012	MORGANSTANLEY&COINC NY.....		331,809	340,000	332,408			242		242		332,649		(840)	(840)	6,891	04/29/2016	1FE.....
61754J AC 2	MORGAN STANLEY CAPITAL 5.823% 06/13/42.....		06/01/2012	Paydown.....		60,322	60,322	60,366	60,355		(33)		(33)		60,322			0	1,172	06/13/2042	1FM.....
65339V AA 4	NEXEO SOLUTIONS LLC/COR 8.375% 03/01/18.....		06/14/2012	Tax Free Exchange.....		130,000	130,000	130,000	129,350	650			650		130,000			0	8,559	03/01/2018	4FE.....
665828 AA 7	NORTHERN TIER ENERGY LL 10.500% 12/01/17.....		06/14/2012	Tax Free Exchange.....		165,331	160,000	166,513	163,992	1,791	(452)		1,339		165,331			0	9,007	12/01/2017	4FE.....
69371R K5 4	PACCAR FINANCIAL CORP M 1.600% 03/15/17.....		04/26/2012	Various.....		750,240	750,000	749,858			4		4		749,861		379	379	1,711	03/15/2017	1FE.....
713448 BW 7	PEPSICO INC SR NTS 3.000% 08/25/21.....		04/05/2012	CITIGROUP GLOBAL MARKETS INC.....		52,483	52,000	51,684	51,694		8		8		51,701		782	782	962	08/25/2021	1FE.....
713448 BY 3	PEPSICO INC SR NTS 2.750% 03/05/22.....		04/26/2012	RBCDAINRAUSCHERINC MINNEAP.....		142,374	143,000	142,751			3		3		142,755		(381)	(381)	612	03/05/2022	1FE.....
726505 AC 4	PLAINS EXPLORATION & 7.000% 03/15/17.....		05/29/2012	Call 103.5000.....		294,975	285,000	282,019	282,844		12,131		12,131		294,975			0	14,076	03/15/2017	3FE.....
742718 DY 2	PROCTER & GAMBLE CO SR 2.300% 02/06/22.....		05/14/2012	BAIRD ROBERT W & CO INC.....		248,250	250,000	248,230			44		44		248,274		(24)	(24)	1,613	02/06/2022	1FE.....
74308T AA 8	PRODUCTION RES GROUP SE 8.875% 05/01/19.....		05/03/2012	Tax Free Exchange.....		147,629	145,000	147,900	132,675	15,095	(141)		14,954		147,629			0	6,506	05/01/2019	4FE.....
744482 BK 5	PUB SVC NEW HAMP 1ST MT 4.050% 06/01/21.....		05/16/2012	MCDONALD & COMPANY.....		1,087,440	1,000,000	1,068,920	1,067,791		(2,391)		(2,391)		1,065,399		22,041	22,041	19,125	06/01/2021	1FE.....
774341 AC 5	ROCKWELL COLLINS INC SR 3.100% 11/15/21.....		04/11/2012	MCDONALD & COMPANY.....		511,005	500,000	500,560	500,554		(16)		(16)		500,538		10,467	10,467	6,243	11/15/2021	1FE.....
78108A AA 2	RSC EQUIPMENT RENTAL IN 10.000% 07/15/17.....		04/30/2012	Call 116.1510.....		156,804	135,000	131,382	132,220		24,584		24,584		156,804			0	10,688	07/15/2017	3FE.....
79546V AG 1	SALLY HOLDINGS/SALLY CA 6.875% 11/15/19.....		06/21/2012	Tax Free Exchange.....		130,000	130,000	130,000	130,000				0		130,000			0	5,536	11/15/2019	4FE.....
868536 AR 4	SUPERVALU INC SR NTS 7.500% 05/15/12.....		05/15/2012	Maturity.....		105,000	105,000	107,494	105,732		(732)		(732)		105,000			0	3,938	05/15/2012	4FE.....
88033G BN 9	TENET HEALTHCARE CORP S 6.250% 11/01/18.....		06/20/2012	Tax Free Exchange.....		90,000	90,000	90,000	90,000				0		90,000			0	3,266	11/01/2018	3FE.....
89233P 5T 9	TOYOTA MOTOR CREDIT COR 3.300% 01/12/22.....		04/11/2012	UBSFINANCIALSERVICESINC WE.....		512,145	500,000	498,145			41		41		498,186		13,959	13,959	4,308	01/12/2022	1FE.....
89235Y AC 9	TOYOTA AUTO REC OWNER T 1.040% 02/18/14.....		06/18/2012	Paydown.....		28,574	28,574	28,647			(73)		(73)		28,574			0	48	02/18/2014	1FE.....
89417E AB 5	TRAVELERS COMPANIES INC 5.375% 06/15/12.....		06/15/2012	Maturity.....		175,000	175,000	179,513	175,702		(702)		(702)		175,000			0	4,703	06/15/2012	1FE.....
911312 AM 8	UNITED PARCEL SERVICE S 3.125% 01/15/21.....		05/24/2012	Various.....		389,271	368,000	347,941	349,580		665		665		350,245		39,026	39,026	9,527	01/15/2021	1FE.....
913017 BV 0	UNITED TECHNOLOGIES COR 3.100% 06/01/22.....		06/11/2012	CORTVIEW CAPITAL LLC JE.....		220,910	212,000	211,837			1		1		211,837		9,073	9,073	237	06/01/2022	1FE.....
91913Y AD 2	VALERO ENERGY CORP SR N 6.875% 04/15/12.....		04/15/2012	Maturity.....		75,000	75,000	82,635	75,374		(374)		(374)		75,000			0	2,578	04/15/2012	2FE.....
92552S AJ 6	VIASYSTEMS INC SER 144A 12.000% 01/15/15.....		05/30/2012	Call 107.4040.....		150,366	140,000	153,650	148,469		1,897		1,897		150,366			0	14,700	01/15/2015	4FE.....
931142 CG 6	WAL MART STORES INC SR 5.375% 04/05/17.....		04/04/2012	BNY CAPITAL MARKETS INC.....		1,171,840	1,000,000	1,174,340	1,156,545		(7,680)		(7,680)		1,148,865		22,975	22,975	27,622	04/05/2017	1FE.....
94974B FC 9	WELLS FARGO & COMPANY S 3.500% 03/08/22.....		05/15/2012	PITTSBURGH NATIONAL BANK-SECUR.....		504,635	500,000	498,910			17		17		498,927		5,708	5,708	3,306	03/08/2022	1FE.....
98212B AB 9	WPX ENERGY INC SER 144A 6.000% 01/15/22.....		06/22/2012	Tax Free Exchange.....		130,000	130,000	130,000	130,000				0		130,000			0	4,723	01/15/2022	3FE.....
984756 AB 2	YANKEE ACQUISITION CORP 8.500% 02/15/15.....		04/13/2012	Call 102.1250.....		280,844	275,000	234,213	250,286		30,558		30,558		280,844			0	15,453	02/15/2015	5FE.....

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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 Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 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.							
740212 AD 7	PRECISION DRILLING CORP 6.500% 12/15/21.....	A..	04/10/2012	Tax Free Exchange.....		95,000	95,000	95,000	95,000				0		95,000			0	1,973	12/15/2021	3FE.....
00928Q AC 5	AIRCASTLE LTD SER 144A 9.750% 08/01/18.....	F...	06/04/2012	Tax Free Exchange.....		61,532	60,000	61,661	61,652		(120)		(120)		61,532			0	4,924	08/01/2018	3FE.....
055451 AH 1	BHP BILLITON FINANCE US 6.500% 04/01/19.....	R..	05/17/2012	UBSFINANCIALSERVICESINC WE.....		1,909,125	1,500,000	1,846,395	1,839,320		(16,310)		(16,310)		1,823,013		86,112	86,112	62,563	04/01/2019	1FE.....
71656L AM 3	PETROLEOS MEXICANOS SR 5.500% 06/27/44...	F...	06/20/2012	CHASE SECURITIES INC.....		135,812	135,003	134,391					0		134,398		1,413	1,413	(1)	06/27/2044	2FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					17,478,886	16,364,396	17,070,096	11,308,540	18,038	104,698	0	122,736	0	17,143,462	0	335,424	335,424	415,818	XXX...	XXX...
8399997.	Total - Bonds - Part 4.....					40,300,308	37,995,210	39,850,325	21,444,249	16,747	(59,643)	0	(42,896)	0	39,764,506	0	535,802	535,802	639,988	XXX...	XXX...
8399999.	Total - Bonds.....					40,300,308	37,995,210	39,850,325	21,444,249	16,747	(59,643)	0	(42,896)	0	39,764,506	0	535,802	535,802	639,988	XXX...	XXX...
9999999.	Total - Bonds, Preferred and Common Stocks.....					40,300,308	XXX.....	39,850,325	21,444,249	16,747	(59,643)	0	(42,896)	0	39,764,506	0	535,802	535,802	639,988	XXX...	XXX...

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

**Sch. DB-Pt A-Sn 1
NONE**

**Sch. DB-Pt B-Sn 1
NONE**

**Sch. DB-Pt B-Sn 1B-Broker List
NONE**

**Sch. DB-Pt D
NONE**

SCHEDULE DL - PART 1

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1	2		3	4	5	6	7
CUSIP Identification	Description		Code	NAIC Designation /Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							
13606X 3L 0	CANADIAN IMP BK COMM NY CDI			1FE	50,389	50,538	06/03/2013
89233P 5Y 8	TOYOTA MOTOR CREDIT CORP			1FE	135,872	135,708	02/01/2013
06417D ZV 0	BANK OF NOVA SCOTIA HOUS			1FE	23,299	23,304	02/15/2013
30216B DG 4	EXPORT DEVELOPMNT CANADA			1FE	97,033	96,934	03/01/2013
59157B AJ 1	METLIFE INSTITUTIONAL FD			1FE	131,811	131,831	04/03/2013
63253T HH 4	NATIONAL AUSTRALIA BK-CDI			1FE	93,056	93,057	10/12/2012
63253T NQ 7	NATIONAL AUSTRALIA BK-NY			1FE	41,094	41,100	04/24/2013
78009N FZ 4	ROYAL BANK OF CANADA NY			1FE	132,415	132,451	05/29/2013
89112X NA 9	TORONTO DOMINION BANK NY			1FE	120,206	120,199	02/04/2013
78009J 6M 2	ROYAL BANK OF CANADA/NEW YORK NY 0.25575% 7/9/2012			1FE	42,651	42,651	07/09/2012
96121T MK 1	WESTPAC BANKING CORP NY			1FE	68,655	68,707	05/02/2013
3299999	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations				936,481	936,480	...XXX
Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities							
38741Y AC 3	GRANM 2005-1 A4			1FE	19,939	20,836	07/20/2017
637276 AA 4	NRMBS 2006-3 A1			1FE	26,964	27,754	01/20/2015
3599999	Industrial & Miscellaneous - Other Loan-Backed and Structured Securities				46,903	48,590	...XXX
3899999	Total - Industrial & Miscellaneous (Unaffiliated)				983,384	985,070	...XXX
6199999	Total - Issuer Obligations				936,481	936,480	...XXX
6499999	Total - Other Loan-Backed and Structured Securities				46,903	48,590	...XXX
6599999	Subtotal - Bonds				983,384	985,070	...XXX
Short-Term Invested Assets (Schedule DA Type)							
63253T LJ 5	NATIONAL AUSTRALIA BK-NY				131,831	131,831	01/10/2013
05252A BS 9	AUST & NZ BANKING GROUP				72,507	72,507	02/01/2013
13606Y FX 9	CANADIAN IMP BK COMM NY				112,870	112,870	04/23/2013
06417E T7 8	BANK OF NOVA SCOTIA HOUS				120,082	120,082	05/02/2013
20272A CJ 3	COMMONWEALTH BK AUSTRALI				108,179	108,179	05/17/2013
96121T LJ 5	WESTPAC BANKING CORP NY				77,527	77,527	01/18/2013
06417D ZV 0	BANK OF NOVA SCOTIA HOUS				39,089	39,089	02/15/2013
43813E AA 4	HAROT 2012-2 A1				29,713	29,713	01/15/2013
36962G R8 9	GENERAL ELEC CAP CORP				62,043	62,043	07/27/2012
65556Q 7E 7	NORDEA BK FIN NY NBHSSFloat 09/12				109,005	109,005	09/13/2012
20272A BU 9	COMMONWEALTH BK AUSTRALI				116,205	116,205	09/17/2012
63307U AB 7	NATIONAL BANK OF CANADA				83,751	83,751	11/14/2012
74977M W6 8	RABOBANK NEDERLAND NV NY				28,964	28,964	11/15/2012
99ZAF5 DZ 4	CS O ("A" Corps, A1/P1 Money Market)				155,095	155,095	07/06/2012
74977J RH 7	RABOBANK NEDERLAND NV NY				111,979	111,979	10/26/2012
912795 6P 1	TREASURY BILL				233,455	233,455	11/01/2012
89112X A7 0	TORONTO DOMINION BANK NY				62,038	62,038	12/20/2012
6555P0 H1 0	NORDEA NORTH AMERICA INC CP 8/1/2012				14,610	14,610	08/01/2012
60687G PM 4	MIZUHO CORPORATE BANK/NY				143,657	143,657	08/03/2012
69033P CS 7	OVERSEA-CHINESE BANKING CORP				59,130	59,130	08/28/2012
86562E Y7 7	SUMITOMO MITSUI BANK NY CDI				93,057	93,057	07/13/2012
74977M Z6 5	RABOBANK NEDERLAND NV NY				56,067	56,067	10/01/2012
99ZAGK FG 0	BARC E (A1/P1 Money Markets)				209,378	209,378	08/01/2012
99ZAF5 DZ 4	CS O ("A" Corps, A1/P1 Money Market)				65,915	65,915	07/06/2012
67983T GL 4	OLD LINE FUNDING CORPORATION ABCP 7/20/2012				49,236	49,236	07/20/2012
74977K J4 2	RABOBANK USA FINANCE CORP CP 9/4/2012				14,183	14,183	09/04/2012
90319Q JA 8	UOB FUNDING CP 9/10/2012				13,564	13,564	09/10/2012
65557V 5A 5	NORDEA BANK FINLAND PLC, NY BRANCH				75,027	75,027	09/14/2012
60687G VR 6	MIZUHO CORPORATE BANK/NY				88,559	88,559	08/01/2012
06538E SR 9	BANK TOKYO-MIT UFJ NY				27,219	27,219	07/25/2012
65602Q A3 1	NORINCHUKIN BANK NY				126,868	126,868	07/03/2012
5705X4 GP 3	MARKET STREET FUNDING CORPORATION ABCP 7/23/2012				63,580	63,580	07/23/2012
2332K0 JQ 6	DNB BANK ASA 42D 9/24/2012				58,116	58,116	09/24/2012
29604C HT 2	ERSTE ABWICKLUNGSANSTALT CP 8/27/2012				59,172	59,172	08/27/2012
5705X4 GW 8	Market Street 7/30/2012				44,969	44,969	07/30/2012
86959B 7J 8	SVENSKA HANDELSBANKEN NY				22,915	22,915	07/30/2012
67983T JL 1	OLD LINE FUNDING CORPORATION ABCP 9/20/2012				101,542	101,542	09/20/2012
29604C HG 0	ERSTE ABWICKLUNGSANSTALT 42D 8/16/2012				38,521	38,521	08/16/2012
82124L HG 0	SHEFFIELD RECEIVABLES CORPORATION ABCP 8/16/2012				30,001	30,001	08/16/2012
65602Q E6 0	NORINCHUKIN BANK NY				102,867	102,867	07/17/2012
8999999	Total - Short-Term Invested Assets (Schedule DA Type)				3,212,486	3,212,486	...XXX
Cash Equivalents (Schedule E Part 2 Type)							
8342E2 H1 9	SOLITAIRE FUNDING LLC ABCP 8/1/2012				38,335	38,335	08/01/2012
6117P4 H8 6	MONT BLANC CAPITAL CORPORATION ABCP 8/8/2012				30,773	30,773	08/08/2012
29604C HV 7	ERSTE ABWICKLUNGSANSTALT CP 8/29/2012				121,674	121,674	08/29/2012
65602Q K2 2	NORINCHUKIN BANK				27,568	27,568	08/01/2012
69033P DS 6	OVERSEA-CHINESE BK CO NY				89,335	89,335	08/07/2012
92646K GC 0	VICTORY RECEIVABLES CORPORATION ABCP 7/12/2012				83,357	83,357	07/12/2012
69033Q GJ 1	OVERSEA-CHINESE BANKING CORP CP 7/18/2012				100,800	100,800	07/18/2012
92646K GJ 5	VICTORY RECEIVABLES CORPORATION ABCP 7/18/2012				27,099	27,099	07/18/2012
69349J GS 6	PNC BANK NA CP 7/26/2012				33,845	33,845	07/26/2012
4497W0 GW 2	ING (US) FUNDING LLC CP 7/30/2012				37,367	37,367	07/30/2012
86562W YR 3	SUMITOMO MITSUI TRUST NY				96,934	96,934	07/17/2012
60687G VU 9	MIZUHO CORPORATE BANK/NY				25,552	25,552	07/18/2012
65602Q F8 5	NORINCHUKIN BANK NY				38,464	38,464	07/18/2012
16144R RH 8	CHASE BANK USA NA				45,365	45,365	07/23/2012
22550D PQ 6	CREDIT SUISSE NEW YORK				74,833	74,833	07/23/2012

**SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation /Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates
10513D LL 2	BRANCH BANKING & TRUST CO.....			112,444	112,444	07/30/2012...
86959B 7J 8	SVENSKA HANDELSBANKEN NY.....			104,690	104,690	07/30/2012...
04915T H6 2	ATLANTIS ONE FUNDING CORPORATION ABCP 8/6/2012.....			114,043	114,043	08/06/2012...
6117P4 H9 4	MONT BLANC CAPITAL CORPORATION ABCP 8/9/2012.....			54,569	54,569	08/09/2012...
89233G HP 4	TOYOTA MOTOR CREDIT CP 8/23/2012.....			68,803	68,803	08/23/2012...
02086L JJ 6	ALPINE SECURITIZATION CORP ABCP 9/18/2012.....			48,625	48,625	09/18/2012...
86562W ZJ 0	SUMITOMO MITSUI TRUST NY.....			92,437	92,437	08/02/2012...
65602Q K8 9	NORINCHUKIN BANK NY.....			11,632	11,632	08/03/2012...
86562D FE 5	SUMITOMO MITSUI BANKING CORP, NY BRANCH.....			12,059	12,059	08/08/2012...
06741X BY 3	BARCLAYS BANK PLC NY.....			121,362	121,362	08/17/2012...
5705X4 GB 4	MARKET STREET FUNDING CORPORATION ABCP 7/11/2012.....			80,954	80,954	07/11/2012...
60687G VY 1	MIZUHO CORPORATE BANK/NY.....			13,106	13,106	07/18/2012...
86959B 6X 8	SVENSKA HANDELSBANKEN NY.....			93,057	93,057	07/18/2012...
60687G WK 0	MIZUHO CORPORATE BANK/NY.....			23,419	23,419	07/24/2012...
4497W0 H1 9	ING (US) FUNDING LLC ABCP 8/1/2012.....			58,417	58,417	08/01/2012...
82124L H6 2	SHEFFIELD RECEIVABLES CORPORATION ABCP 8/6/2012.....			110,784	110,784	08/06/2012...
89233G HD 1	TOYOTA MOTOR CREDIT CP 8/13/2012.....			122,069	122,069	08/13/2012...
4497W0 HE 1	ING (US) FUNDING LLC CP 8/14/2012.....			22,518	22,518	08/14/2012...
86958C AP 9	SVENSKA HANDELSBANKEN INC NEW YORK BRANCH.....			34,276	34,276	08/06/2012...
60687G YR 3	MIZUHO CORPORATE BANK/NY.....			29,817	29,817	08/09/2012...
22550D QY 8	CREDIT SUISSE NEW YORK.....			32,027	32,027	08/13/2012...
65557V 5Q 0	NORDEA BANK FINLAND NY.....			141,059	141,059	08/23/2012...
83051A Z6 1	SKANDINAV ENSKILDA BK NY.....			139,586	139,586	08/23/2012...
89112X G2 5	TORONTO DOMINION BANK NY.....			116,321	116,321	09/25/2012...
02086L GG 5	ALPINE SECURITIZATION CORP ABCP 7/16/2012.....			43,732	43,732	07/16/2012...
06538B GP 2	BANK OF TOKYO-MITSUBISHI UFJ NY CP 7/23/2012.....			15,506	15,506	07/23/2012...
69033Q H7 6	OVERSEA-CHINESE BANKING CORP CP 8/7/2012.....			19,886	19,886	08/07/2012...
86958C BG 8	SVENSKA HANDELSBANKEN NY.....			41,061	41,061	08/22/2012...
86562W YK 8	SUMITOMO MITSUI TRUST BANK, LTD. (NEW YORK).....			56,842	56,842	07/09/2012...
06538E TC 1	BANK TOKYO-MIT UFJ NY.....			104,689	104,689	07/13/2012...
87019R HQ 2	SWEDBANK (Non-Guarantee Issues) CP 8/24/2012.....			151,122	151,122	08/24/2012...
22550D SA 8	CREDIT SUISSE NEW YORK.....			27,142	27,142	08/24/2012...
02086L GG 5	ALPINE SECURITIZATION CORP ABCP 7/16/2012.....			79,903	79,903	07/16/2012...
4497W0 H1 9	ING (US) FUNDING LLC ABCP 8/1/2012.....			18,800	18,800	08/01/2012...
65409R H7 8	NIEUW AMSTERDAM RECEIVABLES CORP ABCP 8/7/2012.....			23,567	23,567	08/07/2012...
23330L DY 9	DNB NOR BANK ASA NY.....			120,194	120,194	08/20/2012...
83051A 2D 2	SKANDINAVISKA ENSKILDA BK NY.....			112,453	112,453	09/07/2012...
4497W0 GS 1	ING (US) FUNDING LLC CP 7/26/2012.....			88,036	88,036	07/26/2012...
82124L GC 0	SHEFFIELD RECEIVABLES CORPORATION ABCP 7/12/2012.....			117,089	117,089	07/12/2012...
8342E2 G9 3	SOLITAIRE FUNDING LLC ABCP 7/9/2012.....			48,968	48,968	07/09/2012...
82124L GR 7	SHEFFIELD RECEIVABLES CORPORATION ABCP 7/25/2012.....			34,813	34,813	07/25/2012...
92646K G9 7	VICTORY RECEIVABLES CORPORATION ABCP 7/9/2012.....			30,048	30,048	07/09/2012...
06538E WG 8	BANK OF TOKYO-MITSUBISHI UFJ NY.....			19,001	19,001	08/14/2012...
79540A GH 5	SALISBURY RECEIVABLES CORP ABCP 7/17/2012.....			82,076	82,076	07/17/2012...
69033P EJ 5	OVERSEA-CHINESE BK CO NY.....			36,098	36,098	07/18/2012...
86562W A6 5	SUMITOMO MITSUI TRUST NY.....			30,011	30,011	07/19/2012...
59157B AC 6	METLIFE INSTITUTIONAL FD.....			131,858	131,858	07/12/2012...
56274L GC 2	MANHATTAN ASSET FUNDING CO LLC ABCP 7/12/2012.....			148,687	148,687	07/12/2012...
7588R0 GL 5	REGENCY MARKETS NO 1 LLC ABCP 7/20/2012.....			120,185	120,185	07/20/2012...
99ZAG3 Z3 5	GOLDMAN D (Agency MBS & Pass Throughs).....			409,064	409,064	07/05/2012...
99ZAG3 S8 2	RBC D (Agency MBS & Pass Throughs).....			476,763	476,762	07/03/2012...
11765J G2 0	BRYANT PARK FUNDING LLC ABCP 7/2/2012.....			160,446	160,445	07/02/2012...
99ZAG4 BG 0	JP Z ("AAA" Private Labels & ABS).....			80,975	80,974	07/02/2012...
99ZAG4 BH 8	HSBC O ("A" Corps, A1/P1 Money Market).....			45,823	45,822	07/02/2012...
99ZAG4 BK 1	CITI O ("A" Corps, A1/P1 Money Market).....			110,684	110,683	07/02/2012...
99ZAG4 DL 7	CITI D (Agency MBS & Pass Throughs).....			1,750,023	1,750,022	07/02/2012...
000000 00 0	PAYABLE/RECEIVABLE.....			214	220	07/01/2012...
9199999.	Total - Cash Equivalents (Schedule E Part 2 Type).....			7,365,134	7,365,133	...XXX.....
9999999.	Totals.....			11,561,004	11,562,689	...XXX.....

General Interrogatories:

- The activity for the year to date: Fair Value \$.....(11,915,987) Book/Adjusted Carrying Value \$.....(11,920,616)
- Average balance for the year to date: Fair Value \$.....12,045,942 Book/Adjusted Carrying Value \$.....12,048,093
- Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
 NAIC 1: \$.....11,562,689 NAIC 2: \$.....0 NAIC 3: \$.....0 NAIC 4: \$.....0 NAIC 5: \$.....0 NAIC 6: \$.....0

**SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation /Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates

General Interrogatory:

1. The activity for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
3. Grand Total Schedule DL Part 1 and Part 2: Fair Value \$.....11,561,004 Book/Adjusted Carrying Value \$.....11,562,689

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	

Open Depositories

The Bank of New York Mellon - Custodial Cash.....	New York, New York.....								322	XXX..
The Bank of New York Mellon - RBS Commissions.....	New York, New York.....					53,789	154,431	136,386		XXX..
PNC Bank - Claims PA Workers Comp.....	Pittsburgh, Pennsylvania.....					(468,682)	(593,042)	(542,725)		XXX..
PNC Bank - Claims (Stop Loss).....	Pittsburgh, Pennsylvania.....					(460,173)	(771,051)	(867,956)		XXX..
PNC Bank - Commissions.....	Pittsburgh, Pennsylvania.....					(167,280)	(514,775)	(49,394)		XXX..
PNC Bank - General.....	Pittsburgh, Pennsylvania.....					4,792,168	5,117,619	5,635,321		XXX..
PNC Bank - Premium PA - Workers Comp.....	Pittsburgh, Pennsylvania.....					1,639,154	1,384,440	1,338,241		XXX..
PNC Bank - WC Deductible.....	Pittsburgh, Pennsylvania.....					415,825	315,104	238,214		XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	.....0	.....0	.....5,804,801	.....5,092,726	.....5,888,409			XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	.....0	.....0	.....5,804,801	.....5,092,726	.....5,888,409			XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	.....0	.....0	.....5,804,801	.....5,092,726	.....5,888,409			XXX..

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
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NONE

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