



QUARTERLY STATEMENT

As of September 30, 2007
of the Condition and Affairs of the

Life Insurance Company of the Southwest

NAIC Group Code.....634, 634 (Current Period) (Prior Period) NAIC Company Code..... 65528 Employer's ID Number..... 75-0953004

Organized under the Laws of Texas State of Domicile or Port of Entry Texas Country of Domicile US
Incorporated/Organized..... March 7, 1955 Commenced Business..... January 2, 1956

Statutory Home Office 1300 West Mockingbird Lane..... Dallas TX 75247-4921
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1300 West Mockingbird Lane..... Dallas TX 75247-4921 214-638-7100
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P. O. Box 569080..... Dallas TX 75356-9080
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1300 West Mockingbird Lane..... Dallas TX 75247-4921 214-638-7100
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.lifeofsouthwest.com

Statutory Statement Contact Michele Renee Hollifield 214-638-9335
(Name) (Area Code) (Telephone Number) (Extension)
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Policyowner Relations Contact 1300 West Mockingbird Lane..... Dallas TX 75247-4921 1-800-579-2878
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
1. Wade Hampton Mayo	President & CEO	2. Jacque Lynn Crawford	Secretary
3. Robert Earl Cotton	Treasurer	4. Craig Alan Smith	VP & Appointed Actuary

OTHER

Thomas Hyde Brownell	Sr. Vice President	Jesse Cleveland Bugg	Sr. Vice President
Gregory Henry Doremus	Sr. Vice President	Maryann (nmn) Ellis	Vice President
Michele Susan Gatto	Executive Vice President	Erick Richard Grinde	Sr. Vice President
Eric (nmn) Lopez	Vice President	Carl Joseph Lutz	Executive Vice President
Elizabeth Hill MacGowan	Vice President	Ruth Barra Smith	Sr. Vice President
Alfred Joseph Warburton	Vice President	Michael Curran Ward	Vice President
Keith William Young	Vice President		

DIRECTORS OR TRUSTEES

Mehran (nmn) Assadi	Thomas Hyde Brownell	Carl Joseph Lutz	Thomas Henry MacLeay
Wade Hampton Mayo			

State of.....
County of.....

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) Wade Hampton Mayo _____ 1. (Printed Name) President & CEO _____ (Title)	_____ (Signature) Jacque Lynn Crawford _____ 2. (Printed Name) Secretary _____ (Title)	_____ (Signature) Robert Earl Cotton _____ 3. (Printed Name) Treasurer _____ (Title)
----------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------

Subscribed and sworn to before me

This 1st day of November, 2007

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

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	4,483,457,440		4,483,457,440	4,035,846,295
2. Stocks:				
2.1 Preferred stocks.....	26,060,914		26,060,914	31,294,576
2.2 Common stocks.....	39,552		39,552	28,517
3. Mortgage loans on real estate:				
3.1 First liens.....	777,234,069		777,234,069	739,164,077
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	2,489,582
5. Cash (\$.....(15,689,701)), cash equivalents (\$.....0) and short-term investments (\$.....34,427,526).....	18,737,825		18,737,825	93,230,417
6. Contract loans (including \$.....0 premium notes).....	135,728,900		135,728,900	127,602,761
7. Other invested assets.....	7,356,412		7,356,412	14,155,944
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	202,040,175	0	202,040,175	222,518,163
10. Subtotals, cash and invested assets (Lines 1 to 9).....	5,650,655,288	0	5,650,655,288	5,266,330,332
11. Title Plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	60,425,291		60,425,291	50,003,805
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	156,336		156,336	174,771
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	5,235,197		5,235,197	5,126,477
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	510,288		510,288	27,924
14.2 Funds held by or deposited with reinsured companies.....	154,314		154,314	228,724
14.3 Other amounts receivable under reinsurance contracts.....	4,294		4,294	5,088
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	5,693,631
16.2 Net deferred tax asset.....	28,235,519	19,699,221	8,536,298	8,536,299
17. Guaranty funds receivable or on deposit.....	330,163		330,163	359,305
18. Electronic data processing equipment and software.....	97,156	57,382	39,774	54,927
19. Furniture and equipment, including health care delivery assets (\$.....0).....	42,866	42,866	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	18,362,048		18,362,048	15,340,350
22. Health care (\$.....0) and other amounts receivable.....	9,838,281	9,838,281	0	0
23. Aggregate write-ins for other than invested assets.....	10,343,998	68,280	10,275,718	944,411
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	5,784,391,040	29,706,031	5,754,685,009	5,352,826,044
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	5,784,391,040	29,706,031	5,754,685,009	5,352,826,044

DETAILS OF WRITE-INS

0901. Spx options - long positions.....	199,833,414		199,833,414	220,110,160
0902. Futures contracts.....	2,206,761		2,206,761	2,408,003
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	202,040,175	0	202,040,175	222,518,163
2301. Items not allocated.....	994,141		994,141	944,411
2302. Prepaid Expenses.....	49,975	49,975	0	
2303. REO Utility Deposit.....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	9,299,882	18,305	9,281,577	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	10,343,998	68,280	10,275,718	944,411

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....5,260,984,645 less \$.....0 included in Line 6.3 (including \$.....443,718 Modco Reserve).....	5,260,984,645	4,888,470,312
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....	803,088	846,675
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....	12,211,991	9,698,759
4. Contract claims:		
4.1 Life.....	3,478,299	5,020,960
4.2 Accident and health.....	34,300	34,300
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid.....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....	22,826	22,501
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....2,640 accident and health premiums.....	35,579	137,849
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including \$.....0 accident and health experience rating refunds.....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve.....		
10. Commissions to agents due or accrued - life and annuity contracts \$.....2,399,345, accident and health \$.....0 and deposit-type contract funds \$.....0.....	2,399,345	3,297,117
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued.....	2,899,166	4,106,550
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	407,285	977,108
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....	6,126,638	
15.2 Net deferred tax liability.....		
16. Unearned investment income.....	182,699	174,095
17. Amounts withheld or retained by company as agent or trustee.....	1,049,415	1,544,600
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....	1,218,524	623,202
19. Remittances and items not allocated.....	7,646,458	3,712,732
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		134,209
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve.....	41,710,711	35,345,163
24.2 Reinsurance in unauthorized companies.....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....	201,676	270,659
24.4 Payable to parent, subsidiaries and affiliates.....		
24.5 Drafts outstanding.....		
24.6 Liability for amounts held under uninsured plans.....		
24.7 Funds held under coinsurance.....		
24.8 Payable for securities.....	14,917,472	23,369,764
24.9 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	73,345,330	82,135,873
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25).....	5,429,675,449	5,059,922,425
27. From Separate Accounts Statement.....		
28. Total Liabilities (Line 26 and 27).....	5,429,675,449	5,059,922,425
29. Common capital stock.....	3,000,000	3,000,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....	30,000,000	30,000,000
33. Gross paid in and contributed surplus.....	66,024,375	66,024,375
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	225,985,186	193,879,243
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	322,009,560	289,903,618
38. Totals of Lines 29, 30 and 37.....	325,009,560	292,903,618
39. Totals of Lines 28 and 38.....	5,754,685,009	5,352,826,043

DETAILS OF WRITE-INS

2501. Spx options - short positions.....	72,170,152	80,423,846
2502. Interest payable surplus note.....	317,551	880,051
2503. Uncashed checks pending escheatment.....	286,756	241,098
2598. Summary of remaining write-ins for Line 25 from overflow page.....	570,871	590,878
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	73,345,330	82,135,873
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

Life Insurance Company of the Southwest
SUMMARY OF OPERATIONS
(Excluding Unrealized Capital Gains and Losses)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts.....	626,165,939	599,900,397	823,601,641
2. Considerations for supplementary contracts with life contingencies.....			
3. Net investment income.....	277,389,557	238,527,136	358,045,479
4. Amortization of Interest Maintenance Reserve (IMR).....	(254,421)	666,266	745,172
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	295,356	187,783	322,594
7. Reserve adjustments on reinsurance ceded.....	68,394	67,942	134,944
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....			
8.2 Charges and fees for deposit-type contracts.....		8,429	
8.3 Aggregate write-ins for miscellaneous income.....	463,692	686,565	538,864
9. Totals (Lines 1 to 8.3).....	904,128,518	840,044,518	1,183,388,695
10. Death benefits.....	11,018,249	10,766,233	15,500,588
11. Matured endowments (excluding guaranteed annual pure endowments).....	554,891	26,176	28,176
12. Annuity benefits.....	21,862,818	30,085,495	36,586,351
13. Disability benefits and benefits under accident and health contracts.....	858,968	747,490	936,471
14. Coupons, guaranteed annual pure endowments and similar benefits.....			
15. Surrender benefits and withdrawals for life contracts.....	325,139,939	235,218,209	332,742,855
16. Group conversions.....			
17. Interest and adjustments on contract or deposit-type contract funds.....	523,444	513,445	713,889
18. Payments on supplementary contracts with life contingencies.....	77,213	82,693	108,205
19. Increase in aggregate reserves for life and accident and health contracts.....	372,470,747	399,455,088	587,483,125
20. Totals (Lines 10 to 19).....	732,506,269	676,894,829	974,099,660
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	83,709,414	81,325,532	111,380,723
22. Commissions and expense allowances on reinsurance assumed.....			
23. General insurance expenses.....	22,648,816	22,597,158	30,757,316
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	3,008,715	2,694,311	3,682,575
25. Increase in loading on deferred and uncollected premiums.....	(205,527)	(179,375)	(242,749)
26. Net transfers to or (from) Separate Accounts net of reinsurance.....			
27. Aggregate write-ins for deductions.....	4,520	163,167	92,101
28. Totals (Lines 20 to 27).....	841,672,208	783,495,622	1,119,769,625
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	62,456,310	56,548,896	63,619,070
30. Dividends to policyholders.....	19,718	(5,267)	36,072
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	62,436,592	56,554,163	63,582,998
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	21,805,698	13,132,851	19,055,749
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	40,630,894	43,421,312	44,527,249
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....(985,429) (excluding taxes of \$.....(484,299) transferred to the IMR).....	84,176	793,042	1,705,252
35. Net income (Line 33 plus Line 34).....	40,715,070	44,214,354	46,232,502
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year.....	292,903,618	240,642,408	240,642,408
37. Net income (Line 35).....	40,715,070	44,214,354	46,232,502
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....	695	(48,147)	(45,982)
39. Change in net unrealized foreign exchange capital gain (loss).....			
40. Change in net deferred income tax.....			1,070,790
41. Change in nonadmitted assets and related items.....	(2,244,275)	1,190,723	(1,249,101)
42. Change in liability for reinsurance in unauthorized companies.....			
43. Change in reserve on account of change in valuation basis, (increase) or decrease.....			
44. Change in asset valuation reserve.....	(6,365,548)	(13,567,262)	6,226,475
45. Change in treasury stock.....			
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....			
47. Other changes in surplus in Separate Accounts Statement.....			
48. Change in surplus notes.....			
49. Cumulative effect of changes in accounting principles.....			
50. Capital changes:			
50.1 Paid in.....			
50.2 Transferred from surplus (Stock Dividend).....			
50.3 Transferred to surplus.....			
51. Surplus adjustment:			
51.1 Paid in.....			
51.2 Transferred to capital (Stock Dividend).....			
51.3 Transferred from capital.....			
51.4 Change in surplus as a result of reinsurance.....			
52. Dividends to stockholders.....			
53. Aggregate write-ins for gains and losses in surplus.....	0	60	26,527
54. Net change in capital and surplus (Lines 37 through 53).....	32,105,942	31,789,728	52,261,211
55. Capital and surplus as of statement date (Lines 36 + 54).....	325,009,560	272,432,136	292,903,618
DETAILS OF WRITE-INS			
08.301. Interest on reserve adjustments on reinsurance ceded.....	(14,624)	10,373	(470)
08.302. Interest on agents debit balances.....	140,164	340,117	414,681
08.303. Miscellaneous income(expense).....	126,236	62,666	113,902
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	211,916	273,409	10,751
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	463,692	686,565	538,864
2701. Miscellaneous deductions.....	2,393	137,276	38,766
2702. Changes in agents def comp.....	2,128	25,891	53,334
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	4,520	163,167	92,101
5301. Change in Deficiency Reserves.....		60	26,527
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	60	26,527

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	626,178,912	823,608,448
2. Net investment income.....	294,784,408	356,927,274
3. Miscellaneous income.....	827,442	947,914
4. Total (Lines 1 through 3).....	921,790,763	1,181,483,636
5. Benefit and loss related payments.....	361,939,684	384,371,445
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	111,904,216	130,132,938
8. Dividends paid to policyholders.....	19,392	24,868
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	9,000,000	15,453,019
10. Total (Lines 5 through 9).....	482,863,292	529,982,270
11. Net cash from operations (Line 4 minus Line 10).....	438,927,470	651,501,366
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	558,874,362	851,838,355
12.2 Stocks.....	10,325,400	17,818,168
12.3 Mortgage loans.....	50,697,755	61,538,045
12.4 Real estate.....	2,571,147	
12.5 Other invested assets.....	5,000,000	59,209
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	627,468,664	931,253,777
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,015,998,896	1,286,368,714
13.2 Stocks.....	8,589	5,189,646
13.3 Mortgage loans.....	88,767,747	200,742,000
13.4 Real estate.....		(1,257,500)
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	20,555,694	35,436,225
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,125,330,926	1,526,479,085
14. Net increase (decrease) in contract loans and premium notes.....	8,126,140	10,981,294
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(505,988,402)	(606,206,602)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	2,281,410	2,367,024
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(9,713,070)	(30,247,433)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(7,431,660)	(27,880,409)
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).....	(74,492,591)	17,414,356
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	93,230,417	75,816,061
19.2 End of period (Line 18 plus Line 19.1).....	18,737,825	93,230,417

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

20.0001		
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EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life.....			
2. Ordinary life insurance.....	97,674,110	77,509,349	105,894,168
3. Ordinary individual annuities.....	464,655,264	449,973,179	619,237,666
4. Credit life (group and individual).....			
5. Group life insurance.....	22,023	25,005	51,030
6. Group annuities.....	68,632,568	76,600,000	104,431,701
7. A&H - group.....			
8. A&H - credit (group and individual).....			
9. A&H - other.....	81,287	86,386	116,980
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	631,065,252	604,193,919	829,731,545
12. Deposit-type contracts.....			
13. Total.....	631,065,252	604,193,919	829,731,545

DETAILS OF WRITE-INS

1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page.....	0	0	0
1099. Total (Lines 1001 thru 1003 plus 1098) (Line 10 above).....	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

C. Wash Sales: None

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

No significant change.

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

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

NOTES TO FINANCIAL STATEMENTS

No significant change.

Note 31 - Reserves for Life Contracts and Deposit-Type Contracts

No significant change.

Note 32 - Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

No significant change.

Note 33 - Premiums and Annuity Considerations Deferred and Uncollected

No significant change.

Note 34 - Separate Accounts

No significant change.

Note 35 - Loss/Claim Adjustment Expenses

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 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. 12/31/2004.....
- 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. 12/31/2004.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/08/2006.....
- 6.4 By what department or departments?

Texas Department of Insurance

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [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 Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

- 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 [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

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. \$.....18,362,048

INVESTMENT

- 11.1 Has there been any change in the reporting entity's own preferred or common stock? Yes No
- 11.2 If yes, explain:

- 12.1 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

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

13. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....3,331,935
14. Amount of real estate and mortgages held in short-term investments: \$.....0
- 15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....0	\$.....0
15.24 Short-Term Investments.....	\$.....0	\$.....0
15.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
15.26 All Other.....	\$.....0	\$.....0
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$.....0	\$.....0
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$.....0	\$.....0

- 16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
- 16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes No
17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

17.1 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
J P Morgan Chase	3 Chase Metrotech Center, Floor 6, Brooklyn NY 11245

17.2 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)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes No

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 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
109396	Sentinel Asset Management	One National Drive, Montpelier, VT 05604

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes No
- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - LIFE & HEALTH

1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1
1.1	Long-term mortgages in good standing	Amount
1.11	Farm mortgages.....	\$.....
1.12	Residential mortgages.....	\$.....
1.13	Commercial mortgages.....	\$.....777,234,069
1.14	Total mortgages in good standing.....	\$.....777,234,069
1.2	Long-term mortgages in good standing with restructured terms	
1.21	Total mortgages in good standing with restructured terms.....	\$.....
1.3	Long-term mortgage loans upon which interest is overdue more than three months	
1.31	Farm mortgages.....	\$.....
1.32	Residential mortgages.....	\$.....
1.33	Commercial mortgages.....	\$.....
1.34	Total mortgages with interest overdue more than three months.....	\$.....0
1.4	Long-term mortgage loans in process of foreclosure	
1.41	Farm mortgages.....	\$.....
1.42	Residential mortgages.....	\$.....
1.43	Commercial mortgages.....	\$.....
1.44	Total mortgages in process of foreclosure.....	\$.....0
1.5	Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	\$.....777,234,069
1.6	Long-term mortgages foreclosed, properties transferred to real estate in current quarter	
1.61	Farm mortgages.....	\$.....
1.62	Residential mortgages.....	\$.....
1.63	Commercial mortgages.....	\$.....
1.64	Total mortgages foreclosed and transferred to real estate.....	\$.....0

Life Insurance Company of the Southwest 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.....	2,489,583	3,795,637
2. Increase (decrease) by adjustment.....		(1,306,054)
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....		
5. Total profit (loss) on sales.....	81,564	
6. Increase (decrease) by foreign exchange adjustment.....		
7. Amount received on sales.....	2,571,147	
8. Book/adjusted carrying value at end of current period.....	0	2,489,583
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	0	2,489,583
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	0	2,489,583

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	739,164,077	599,967,588
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....	88,070,000	197,237,000
2.2 Additional investment made after acquisitions.....	697,747	3,505,000
3. Accrual of discount and mortgage interest points and commitment fees.....		
4. Increase (decrease) by adjustment.....		2,300
5. Total profit (loss) on sale.....		(9,766)
6. Amounts paid on account or in full during the period.....	50,697,755	61,538,045
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	777,234,069	739,164,077
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	777,234,069	739,164,077
12. Total nonadmitted amounts.....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	777,234,069	739,164,077

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	14,155,943	18,769,013
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount.....	217	274
4. Increase (decrease) by adjustment.....	(1,752)	(54,181)
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....	5,000,000	5,028
7. Amortization of premium.....	1,797,996	4,554,135
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book adjusted/carrying value of long-term invested assets at end of current period.....	7,356,412	14,155,943
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	7,356,412	14,155,943
12. Total nonadmitted amounts.....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	7,356,412	14,155,943

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.....	4,067,169,387	3,664,309,642
2. Cost of bonds and stocks acquired.....	1,016,007,487	1,291,558,360
3. Accrual of discount.....	1,833,069	1,894,113
4. Increase (decrease) by adjustment.....	2,446	8,199
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....	(2,440,647)	(16,168,028)
7. Consideration for bonds and stocks disposed of.....	569,199,761	869,656,524
8. Amortization of premium.....	3,814,076	4,776,375
9. Book/adjusted carrying value, current period.....	4,509,557,905	4,067,169,387
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	4,509,557,905	4,067,169,387
12. Total nonadmitted amounts.....		
13. Statement value.....	4,509,557,905	4,067,169,387

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.....	2,661,485,118	999,012,958	967,451,157	(16,574,132)	2,653,383,400	2,661,485,118	2,676,472,788	2,705,404,532
2. Class 2.....	1,490,750,279	84,605,730	8,046,316	27,945,535	1,365,772,274	1,490,750,279	1,595,255,228	1,237,482,791
3. Class 3.....	175,245,000	12,520,410	2,857,941	(793,447)	168,864,331	175,245,000	184,114,022	145,308,946
4. Class 4.....	70,052,052	3,739,594	2,531,396	(13,110,841)	65,920,165	70,052,052	58,149,408	45,031,704
5. Class 5.....	1,914,146			1,979,373		1,914,146	3,893,519	
6. Class 6.....								
7. Total Bonds.....	4,399,446,595	1,099,878,692	980,886,810	(553,512)	4,253,940,170	4,399,446,595	4,517,884,965	4,133,227,973
PREFERRED STOCK								
8. Class 1.....	12,123,343				17,123,254	12,123,343	12,123,343	17,123,147
9. Class 2.....	5,000,000			4,000,000	14,173,404	5,000,000	9,000,000	14,171,428
10. Class 3.....	8,935,777			(3,998,206)		8,935,777	4,937,571	
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	26,059,120	0	0	1,794	31,296,658	26,059,120	26,060,914	31,294,575
15. Total Bonds and Preferred Stock.....	4,425,505,715	1,099,878,692	980,886,810	(551,718)	4,285,236,828	4,425,505,715	4,543,945,879	4,164,522,548

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SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	34,427,526	XXX	34,427,526	208,982	

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	97,381,678	80,863,486
2. Cost of short-term investments acquired.....	2,680,448,248	3,790,805,201
3. Increase (decrease) by adjustment.....		
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....		
6. Consideration received on disposal of short-term investments.....	2,743,402,399	3,774,287,009
7. Book/adjusted carrying value, current period.....	34,427,527	97,381,678
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	34,427,527	97,381,678
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	34,427,527	97,381,678
12. Income collected during period.....	2,386,818	2,731,388
13. Income earned during period.....	2,363,449	2,727,326

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

Life Insurance Company of the Southwest SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	States, Etc.	1 Is Insurer Licensed? (Yes or No)	Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
			2 Life Insurance Premiums	3 Annuity Considerations				
1.	Alabama.....	AL	YES	3,464,241	6,049,491	425	9,514,158	
2.	Alaska.....	AK	YES	213,005	16,588	172	229,765	
3.	Arizona.....	AZ	YES	2,634,083	6,919,014	162	9,553,259	
4.	Arkansas.....	AR	YES	361,265	573,094	278	934,636	
5.	California.....	CA	YES	34,473,899	158,437,313	1,065	192,912,277	
6.	Colorado.....	CO	YES	3,364,129	3,743,264	1,717	7,109,110	
7.	Connecticut.....	CT	YES	74,224	2,846,929		2,921,154	
8.	Delaware.....	DE	YES	1,237,312	1,752,497	68	2,989,877	
9.	District of Columbia.....	DC	YES	491,189	685,053		1,176,243	
10.	Florida.....	FL	YES	9,182,900	57,457,298	318	66,640,516	
11.	Georgia.....	GA	YES	3,258,403	17,125,134	9	20,383,545	
12.	Hawaii.....	HI	YES	375,986	3,022,483		3,398,469	
13.	Idaho.....	ID	YES	170,128	851,230	95	1,021,453	
14.	Illinois.....	IL	YES	2,406,641	6,326,872	52	8,733,565	
15.	Indiana.....	IN	YES	414,429	8,738,183	69	9,152,681	
16.	Iowa.....	IA	YES	143,900	3,205,293		3,349,193	
17.	Kansas.....	KS	YES	71,359	4,199,262	554	4,271,174	
18.	Kentucky.....	KY	YES	225,238	1,938,592	92	2,163,922	
19.	Louisiana.....	LA	YES	324,991	6,406,504	15,640	6,747,134	
20.	Maine.....	ME	YES	65,572	2,663,786		2,729,358	
21.	Maryland.....	MD	YES	4,707,992	9,767,481		14,475,472	
22.	Massachusetts.....	MA	YES	135,354	7,958,620		8,093,974	
23.	Michigan.....	MI	YES	1,329,102	10,989,339	113	12,318,554	
24.	Minnesota.....	MN	YES	704,310	1,036,151	26	1,740,487	
25.	Mississippi.....	MS	YES	223,857	1,398,847	1,550	1,624,254	
26.	Missouri.....	MO	YES	979,608	2,319,716	229	3,299,553	
27.	Montana.....	MT	YES	9,192	32,819	562	42,573	
28.	Nebraska.....	NE	YES	781,358	48,253	182	829,793	
29.	Nevada.....	NV	YES	1,501,862	4,572,882	267	6,075,012	
30.	New Hampshire.....	NH	YES	20,079	3,247,372		3,267,451	
31.	New Jersey.....	NJ	YES	880,063	5,686,238		6,566,301	
32.	New Mexico.....	NM	YES	69,888	2,898,941	1,922	2,970,751	
33.	New York.....	NY	NO	320,219	4,560,315		4,880,534	
34.	North Carolina.....	NC	YES	4,254,693	13,018,230	138	17,273,061	
35.	North Dakota.....	ND	YES	124,579	443,960	643	569,181	
36.	Ohio.....	OH	YES	703,755	10,153,006	144	10,856,906	
37.	Oklahoma.....	OK	YES	417,644	18,495,732	8,046	18,921,421	
38.	Oregon.....	OR	YES	444,430	77,924		522,354	
39.	Pennsylvania.....	PA	YES	1,516,424	11,202,440	176	12,719,040	
40.	Rhode Island.....	RI	YES	55,245	1,480,319		1,535,564	
41.	South Carolina.....	SC	YES	1,053,757	4,419,123	39	5,472,919	
42.	South Dakota.....	SD	YES	9,773	190,127		199,900	
43.	Tennessee.....	TN	YES	1,195,818	5,956,313	234	7,152,364	
44.	Texas.....	TX	YES	7,112,912	78,763,027	46,686	85,922,624	
45.	Utah.....	UT	YES	599,208	15,796,876	643	16,396,727	
46.	Vermont.....	VT	YES	128,712	13,301,558		13,430,269	
47.	Virginia.....	VA	YES	2,280,740	5,147,005	52	7,427,797	
48.	Washington.....	WA	YES	2,605,936	2,602,028	48	5,208,011	
49.	West Virginia.....	WV	YES	42,357	1,081,618	28	1,124,003	
50.	Wisconsin.....	WI	YES	201,524	3,416,250		3,617,774	
51.	Wyoming.....	WY	YES	34,389	167,124	1,058	202,571	
52.	American Samoa.....	AS	NO				0	
53.	Guam.....	GU	NO				0	
54.	Puerto Rico.....	PR	NO	712	2,662		3,374	
55.	US Virgin Islands.....	VI	NO		44,742		44,742	
56.	Northern Mariana Islands.....	MP	NO				0	
57.	Canada.....	CN	NO	204			204	
58.	Aggregate Other Alien.....	OT	XXX	246,393	52,917	0	299,310	0
59.	Subtotal.....	(a) 50		97,644,977	533,287,832	83,502	631,016,311	0
90.	Reporting entity contributions for employee benefit plans.....	XXX					0	
91.	Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX		116			116	
92.	Dividends or refunds applied to shorten endowment or premium paying period.....	XXX					0	
93.	Premium or annuity considerations waived under disability or other contract provisions.....	XXX		69,929			69,929	
94.	Aggregate other amounts not allocable by State.....	XXX		0	0	0	0	0
95.	Totals (Direct Business).....	XXX		97,715,023	533,287,832	83,502	631,086,356	0
96.	Plus Reinsurance Assumed.....	XXX		268,512			268,512	
97.	Totals (All Business).....	XXX		97,983,534	533,287,832	83,502	631,354,868	0
98.	Less Reinsurance Ceded.....	XXX		5,175,285		670	5,175,955	
99.	Totals (All Business) less Reinsurance Ceded.....	XXX		92,808,249	533,287,832	82,831	626,178,912	0
DETAILS OF WRITE-INS								
5801.	Other foreign.....	XXX		246,393	52,917		299,310	
5802.	.....	XXX					0	
5803.	.....	XXX					0	
5898.	Summary of remaining write-ins for line 58 from overflow page.....	XXX		0	0	0	0	0
5899.	Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....	XXX		246,393	52,917	0	299,310	0
9401.	.....	XXX					0	
9402.	.....	XXX					0	
9403.	.....	XXX					0	
9498.	Summary of remaining write-ins for line 94 from overflow page.....	XXX		0	0	0	0	0
9499.	Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX		0	0	0	0	0

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

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

PART 1 – ORGANIZATIONAL CHART

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

Explanations:

Bar Code:



Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2304. Returned checks.....	16,341	16,341	0	
2305. Employee Travel Advance.....	1,964	1,964	0	
2306. Corporate Owned Life Insurance.....	9,281,577		9,281,577	
2397. Summary of remaining write-ins for Line 23.....	9,299,882	18,305	9,281,577	0

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31 Prior Year
2504. Guaranty fund.....	570,871	590,878
2597. Summary of remaining write-ins for Line 25.....	570,871	590,878

Additional Write-ins for Summary of Operations:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
08.304. Interest on funds withheld reinsurance assumed.....	11,013	7,677	10,751
08.305. Reinsurance Assumption of IIL.....		265,732	
08.306. COLI valuation change.....	200,902		
08.397. Summary of remaining write-ins for Line 8.3.....	211,916	273,409	10,751

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2 City	3 State						

NONE

E01

SCHEDULE A - PART 3

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

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Book/Adjusted Carrying Value Less Encumbrances Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Expended for Additions, Permanent Improvements and Changes in Encumbrances	11 Book/Adjusted Carrying Value Less Encumbrances	12 Amounts Received	13 Foreign Exchange Profit (Loss) on Sale	14 Realized Profit (Loss) on Sale	15 Total Profit (Loss) on Sale	16 Gross Income Earned Less Interest Incurred on Encumbrances	17 Taxes, Repairs, and Expenses Incurred
	2 City	3 State														

NONE

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Actual Cost	6 Date Acquired	7 Rate of Interest	8 Book Value/Recorded Investment Excluding Accrued Interest	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Value of Land and Buildings	12 Date of Last Appraisal or Valuation
	2 City	3 State									
Mortgages in Good Standing											
Commercial Mortgages - All Other											
210487	MASON	OH		3,900,000	09/28/2007	6.330	3,900,000			5,250,000	09/01/2007
210489	GRAND RAPIDS	MI		5,500,000	08/01/2007	6.200	5,500,000			7,325,000	04/10/2007
210490	SANTA FE SPRINGS	CA		2,000,000	07/02/2007	6.050	2,000,000			3,790,000	04/25/2007
210493	FAYETTEVILLE	NC		1,410,000	07/09/2007	6.090	1,405,977			1,880,000	04/10/2007
210494	SHARONVILLE	OH		5,540,000	08/09/2007	6.090	5,540,000			7,400,000	06/18/2007
210496	RALEIGH	NC		3,750,000	07/19/2007	6.130	3,744,696			6,300,000	06/13/2007
210497	SHARONVILLE	OH		3,375,000	08/09/2007	6.200	3,375,000			4,600,000	06/18/2007
210503	POMPANO BEACH	FL		5,500,000	09/27/2007	6.750	5,500,000			7,700,000	09/14/2007
0599999. Total - Mortgages in Good Standing - Commercial Mortgages - All Other				30,975,000	XXX	XXX	30,965,673	0	0	44,245,000	XXX
0899999. Total - Mortgages in Good Standing				30,975,000	XXX	XXX	30,965,673	0	0	44,245,000	XXX
9999999. Totals				30,975,000	XXX	XXX	30,965,673	0	0	44,245,000	XXX

E02

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Value/Recorded Investment Excluding Accrued Interest at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										
Mortgages Closed by Repayment												
210230	ENGLEWOOD	CO		12/16/1997	1,550,829			1,517,505	1,517,505			0
210255	SAN ANTONIO	TX		07/30/1998	755,276			737,400	737,400			0
210256	SAN ANTONIO	TX		07/30/1998	964,016			941,089	941,089			0
0199999. Total - Mortgages Closed by Repayment					3,270,121	0	0	3,195,994	3,195,994	0	0	0
9999999. Totals					3,270,121	0	0	3,195,994	3,195,994	0	0	0

SCHEDULE BA - PART 1

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost	10 Amount of Encumbrances	11 Book/Adjusted Carrying Value Less Encumbrances	12 Fair Value	13 Increase (Decrease) by Adjustment	14 Increase (Decrease) by Foreign Exchange Adjustment	15 Commitment for Additional Investment	16 Percentage of Ownership
		3 City	4 State												

NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value Less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		3 City	4 State											

Surplus Debentures - Unaffiliated

743917 AG 1	Prudential Ins Co of Amer 144A Surplus.....	Newark.....	NJ..	Maturity.....	03/28/1996	.....5,000,000	.....	.....	.....5,000,000	.....5,000,000	.....	.....	.....0	.....391,250
2199999	Total - Surplus Debentures - Unaffiliated.....					.....5,000,000	.....0	.....0	.....5,000,000	.....5,000,000	.....0	.....0	.....0	.....391,250
3999999	Subtotal - Unaffiliated.....					.....5,000,000	.....0	.....0	.....5,000,000	.....5,000,000	.....0	.....0	.....0	.....391,250
4199999	Totals.....					.....5,000,000	.....0	.....0	.....5,000,000	.....5,000,000	.....0	.....0	.....0	.....391,250

E03

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - Special Revenue and Special Assessment									
31395G JR 4	Federal Home Ln Mtg 5.500% 09/15/34.....		09/01/2007.....	Interest Capitalization.....		152,599	152,599		1FE.....
31395L PD 7	Federal Home Ln Mtg 5.500% 09/15/31.....		09/01/2007.....	Various.....		382,564	382,564		1FE.....
31395U C6 6	Federal Home Ln Mtg 5.500% 04/15/33.....		07/31/2007.....	Greenwich Capital.....		4,817,188	5,000,000	1,528	1.....
31395U RQ 6	Federal Home Ln Mtg 6.000% 05/15/35.....		09/01/2007.....	Interest Capitalization.....		170,770	170,770		1FE.....
31396G 2U 4	Federal Home Ln Mtg 6.000% 12/15/35.....		09/01/2007.....	Various.....		164,911	164,911		1FE.....
31396K KS 0	Federal Natl Mtg Assn 6.500% 08/25/36.....		09/01/2007.....	Various.....		157,086	157,086		1FE.....
31396R MH 7	Federal Home Ln Mtg 5.500% 03/15/30.....		08/01/2007.....	Various.....		175,507	175,507		1FE.....
31396X JH 8	Federal Natl Mtg Assn 6.000% 08/25/37.....		09/13/2007.....	Greenwich Capital.....		27,314,585	27,280,485	77,295	1FE.....
31397A JW 4	Federal Home Ln Mtg 5.500% 02/15/34.....		09/01/2007.....	Various.....		216,892	216,892		1FE.....
31397J FW 9	Federal Home Ln Mtg 6.000% 06/15/37.....		09/14/2007.....	Greenwich Capital.....		7,018,927	7,359,295	22,078	1FE.....
3199999.	Total - Bonds - Special Revenue & Special Assessments.....					40,571,029	41,060,109	100,901	XXX.....
Bonds - Public Utilities									
116663 AC 9	Bruce Mansfield Unit 6.850% 06/01/34.....		07/10/2007.....	Morgan Stanley DWD.....		10,000,000	10,000,000		2FE.....
341099 CH 0	Florida Power Corp 6.350% 09/15/37.....		09/13/2007.....	Banc of America Securities.....		4,993,400	5,000,000		1FE.....
465685 AD 7	ITC Holdings Corp 144A 6.375% 09/30/36.....		08/08/2007.....	Banc of America Securities.....		7,700,640	8,000,000	188,417	2FE.....
910637 N* 4	United Illum Co Ser A 6.060% 09/05/17.....		09/05/2007.....	Direct-Private Placement.....		4,000,000	4,000,000		2Z.....
3899999.	Total - Bonds - Public Utilities.....					26,694,040	27,000,000	188,417	XXX.....
Bonds - Industrial and Miscellaneous									
029912 AS 1	American Tower Corp 7.000% 10/15/17.....		09/24/2007.....	Credit Suisse.....		2,400,000	2,400,000		3FE.....
09247X AC 5	Blackrock Inc 6.250% 09/15/17.....		09/13/2007.....	Citigroup Global.....		9,929,100	10,000,000	1,736	1FE.....
14040H AR 6	Capital One Financial 6.750% 09/15/17.....		08/28/2007.....	Citigroup Global.....		4,985,800	5,000,000		2FE.....
201723 AH 6	Commercial Metals 6.500% 07/15/17.....		07/12/2007.....	Banc of America Securities.....		4,995,300	5,000,000		2FE.....
222862 AH 7	Coventry Health Care 6.300% 08/14/14.....		08/23/2007.....	Goldman Sachs & Company.....		4,978,750	5,000,000		3FE.....
26441Y AQ 0	Duke Realty LP 6.500% 01/15/18.....		09/06/2007.....	Morgan Stanley DWD.....		4,982,000	5,000,000		2FE.....
278265 AC 7	Eaton Vance Corp 6.500% 10/02/17.....		09/28/2007.....	Citigroup Global.....		4,993,100	5,000,000		1FE.....
27965# AB 8	Edens & Avant Invest 5.720% 08/01/17.....		08/01/2007.....	Direct-Private Placement.....		2,000,000	2,000,000		2Z.....
30161M AE 3	Exelon Generation Co 6.200% 10/01/17.....		09/26/2007.....	Various.....		9,974,890	10,000,000	2,583	2FE.....
35671D AS 4	Freeport McMoran Copper 8.375% 04/01/17.....		07/31/2007.....	UBS.....		3,187,500	3,000,000	93,521	3FE.....
418056 AP 2	Hasbro Inc 6.300% 09/15/17.....		09/12/2007.....	Citigroup Global.....		9,967,100	10,000,000		2FE.....
42703X AE 9	Herbst Gaming Inc 8.125% 06/01/12.....		09/25/2007.....	KBC Financial.....		910,000	1,000,000	26,406	4FE.....
42703X AG 4	Herbst Gaming Inc 7.000% 11/15/14.....		09/25/2007.....	KBC Financial.....		287,875	350,000	9,051	4FE.....
46631B AM 7	JP Morgan Chase 6.007% 06/15/49.....		08/21/2007.....	JP Morgan.....		12,694,219	13,500,000	51,813	1FE.....
46632H AP 6	JP Morgan Chase 6.261% 02/15/51.....		08/27/2007.....	JP Morgan.....		14,291,819	15,000,000	75,652	1FE.....
494368 BB 8	Kimberly Clark Corp 6.125% 08/01/17.....		07/26/2007.....	Citigroup Global.....		9,969,700	10,000,000		1FE.....
50075N AS 3	Kraft Foods Inc 6.500% 08/11/17.....		08/08/2007.....	Goldman Sachs & Company.....		6,958,980	7,000,000		2FE.....
501044 CG 4	Kroger Co 6.400% 08/15/17.....		08/08/2007.....	JP Morgan.....		1,988,800	2,000,000		2FE.....
52517P 5X 5	Lehman Brothers Holding 6.200% 09/26/14.....		09/19/2007.....	Lehman Brothers.....		3,996,640	4,000,000		1FE.....
552848 AA 1	MGIC Investment Corp 5.375% 11/01/15.....		07/11/2007.....	Robert W. Baird & Co.....		4,279,058	4,600,000	51,510	1FE.....
69344M AH 4	PMI Group Inc 6.000% 09/15/16.....		07/11/2007.....	Jefferies & Co.....		4,873,900	5,000,000	100,833	1FE.....
756109 AK 0	REALTY INCOME CORP 6.750% 08/15/19.....		08/30/2007.....	Citigroup Global.....		4,991,350	5,000,000		2FE.....
785203 AA 8	Sabic Innovative 9.500% 08/15/15.....		08/22/2007.....	RBC Dain.....		1,003,750	1,000,000		4FE.....
855244 AC 3	Starbucks Corp 6.250% 08/15/17.....		08/21/2007.....	Goldman Sachs & Company.....		6,986,770	7,000,000		2FE.....
867914 AZ 6	Suntrust Banks 6.000% 09/11/17.....		09/05/2007.....	Sun Trust Robinson Humphrey.....		5,999,520	6,000,000		1FE.....
912909 AC 2	United States Steel 6.050% 06/01/17.....		08/28/2007.....	Citigroup Global.....		1,954,160	2,000,000	33,611	2FE.....
98385X AL 0	XTO Energy Inc 6.250% 08/01/17.....		08/22/2007.....	Lehman Brothers.....		5,074,100	5,000,000	30,382	2FE.....
68383K AC 3	Opti Canada Inc 144A 7.875% 12/15/14.....		07/31/2007.....	KBC Financial.....		1,010,000	1,000,000	6,125	4FE.....
92658T AG 3	Videotron LTEE 6.875% 01/15/14.....		09/07/2007.....	KBC Financial.....		527,969	545,000	5,933	3FE.....
780097 AS 0	Royal Bank of Scotland 6.990% 10/29/49.....	F	09/26/2007.....	Merrill Lynch.....		3,000,000	3,000,000		1FE.....
853250 AB 4	Standard Chartered Bank 6.400% 09/26/17.....	F	09/21/2007.....	JP Morgan.....		2,993,430	3,000,000		1FE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....					156,185,580	158,395,000	489,156	XXX.....
6099997.	Total - Bonds - Part 3.....					223,450,649	226,455,109	778,474	XXX.....
6099999.	Total - Bonds.....					223,450,649	226,455,109	778,474	XXX.....

E04

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Common Stocks - Industrial and Miscellaneous									
902549 80 7	UAL Corp.....		.....07/16/2007.....	Distribution.....	.....193,000	.....8,589	.....XXX.....	.....	L.....
6899999.	Total - Common Stocks - Industrial & Miscellaneous.....					.....8,589	.....XXX.....	.....0	.....XXX.....
7299997.	Total - Common Stocks - Part 3.....					.....8,589	.....XXX.....	.....0	.....XXX.....
7299999.	Total - Common Stocks.....					.....8,589	.....XXX.....	.....0	.....XXX.....
7399999.	Total - Preferred and Common Stocks.....					.....8,589	.....XXX.....	.....0	.....XXX.....
7499999.	Total - Bonds, Preferred and Common Stocks.....					.....223,459,238	.....XXX.....	.....778,474	.....XXX.....

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
36225A PD 6	Government Natl Mtg 7.500% 08/15/26....		09/01/2007	Paydown.....		4,856	4,856	4,981	4,972		(116)		(116)		4,856			0	252	08/15/2026	1FE.....
36225A UH 1	Government Natl Mtg 7.000% 06/15/27....		09/01/2007	Paydown.....		8,504	8,504	8,586	8,580		(76)		(76)		8,504			0	398	06/15/2027	1FE.....
664355 B9 4	Northeast 1985-1 FHA 8.581% 12/24/20....		09/01/2007	Paydown.....		71,091	71,091	73,112	72,505		(1,414)		(1,414)		71,091			0	4,107	12/24/2020	1FE.....
0399999	Total - Bonds - U.S. Government.....					84,451	84,451	86,679	86,057	0	(1,606)	0	(1,606)	0	84,451	0	0	0	4,757	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
31292J BR 0	Federal Home Ln Mtg 6.000% 06/01/34....		09/01/2007	Paydown.....		171,086	171,086	174,922	174,856		(3,770)		(3,770)		171,086			0	6,830	06/01/2034	1FE.....
31297U V2 3	Federal Home Ln Mtg 5.500% 02/01/35....		09/01/2007	Paydown.....		246,779	246,779	249,632	249,558		(2,779)		(2,779)		246,779			0	8,777	02/01/2035	1FE.....
31297U V3 1	Federal Home Ln Mtg 5.500% 02/01/35....		09/01/2007	Paydown.....		408,215	408,215	412,935	412,816		(4,601)		(4,601)		408,215			0	15,212	02/01/2035	1FE.....
31371G HP 8	Federal Natl Mtg Assn 9.500% 09/01/17....		09/01/2007	Paydown.....		486	486	523	509		(23)		(23)		486			0	31	09/01/2017	1FE.....
31373T S9 2	Federal Natl Mtg Assn 7.500% 10/01/09....		09/01/2007	Paydown.....		19,324	19,324	19,656	19,429		(105)		(105)		19,324			0	961	10/01/2009	1FE.....
313921 HS 0	Federal Natl Mtg Assn 6.500% 10/25/31....		09/01/2007	Paydown.....		459,733	459,733	472,115	469,945		(10,212)		(10,212)		459,733			0	5,499	09/25/2031	1FE.....
31394L HP 0	Federal Home Ln Mtg 6.000% 03/15/20....		07/31/2007	Jefferies & Co.....		4,478,606	4,454,246	4,490,437	4,481,578		(8,438)		(8,438)		4,473,140		5,466	5,466	157,383	01/15/2012	1FE.....
31394L HP 0	Federal Home Ln Mtg 6.000% 03/15/20....		08/01/2007	Paydown.....		149,309	149,309	150,522	150,225		(916)		(916)		149,309			0	27,871	01/15/2012	1FE.....
31395L PD 7	Federal Home Ln Mtg 5.500% 09/15/31....		09/13/2007	Various.....		27,499,145	28,078,259	27,383,976	27,055,708		35,256		35,256		27,473,528		25,617	25,617	455,489	09/15/2031	1FE.....
31395U C6 6	Federal Home Ln Mtg 5.500% 04/15/33....		09/14/2007	Countrywide Funding.....		4,909,375	5,000,000	4,817,188		1,826		1,826		4,819,014		90,361	90,361	36,667	04/15/2033	1.....	
31396H L7 2	Federal Home Ln Mtg 5.500% 12/15/20....		09/19/2007	Lehman Brothers.....		9,823,438	10,000,000	9,731,250	9,747,420		14,522		14,522		9,761,942		61,495	61,495	447,639	12/15/2020	1FE.....
31412W NN 2	Federal Natl Mtg Assn 6.000% 06/01/37....		09/01/2007	Paydown.....		43,429	43,429	42,819		611		611		43,429				0	432	06/01/2037	1FE.....
38373T K2 0	Government Natl Mtg 6.500% 11/20/31....		09/01/2007	Paydown.....		449,279	449,279	458,264	450,122		(843)		(843)		449,279			0	19,255	05/20/2009	1FE.....
3837H0 JB 0	Government Natl Mtg 8.050% 06/16/25....		09/01/2007	Paydown.....		9,815	9,815	10,105	9,992		(177)		(177)		9,815			0	544	06/16/2025	1FE.....
3199999	Total - Bonds - Special Revenue & Assessment.....					48,668,019	49,489,960	48,414,344	43,222,158	0	20,351	0	20,351	0	48,485,079	0	182,939	182,939	1,182,590	XXX	XXX
Bonds - Public Utilities																					
00113* AA 2	AEP Generating Company 6.330% 09/30/3....		09/28/2007	Redemption	100.0000	74,377	74,377	74,377					0	74,377			0	1,177	09/30/2037	2Z.....	
281025 AB 2	Edison Mission Energy 7.330% 09/15/08....		09/15/2007	Redemption	100.0000	228,208	228,208	228,208	228,208				0	228,208			0	16,728	09/15/2008	3FE.....	
30257F AA 1	FPL Energy National 6.125% 03/25/19....		09/25/2007	Redemption	100.0000	74,400	74,400	73,703	73,758		26		26		73,784		616	616	4,557	03/25/2019	3FE.....
30257G AA 9	FPL Energy National 5.608% 03/10/24....		09/10/2007	Redemption	100.0000	205,360	205,360	205,360	205,360				0	205,360			0	11,517	03/10/2024	2FE.....	
49228R AC 7	Kern River Funding Corp 6.676% 07/31/16....		08/31/2007	Redemption	100.0000	76,471	76,471	76,471	76,471				0	76,471			0	2,978	07/31/2016	1FE.....	
693659 AC 8	PVNGS II Funding 8.000% 12/30/15....		07/01/2007	Redemption	100.0000	(101)	(101)	(109)	278		(382)		(382)		(104)		3	3	4,920	12/30/2015	2FE.....
739227 AA 4	Power Contract Fin 6.256% 02/01/10....		08/01/2007	Redemption	100.0000	791,797	791,797	817,130	801,203		(1,130)		(1,130)		800,074		(8,277)	(8,277)	49,535	02/01/2010	2FE.....
872375 AC 4	Teco Energy Inc 7.200% 05/01/11....		08/08/2007	Keybanc Capital Markets.....		2,575,000	2,500,000	2,587,225	2,546,317		(5,795)		(5,795)		2,540,523		34,477	34,477	141,000	05/01/2011	3FE.....
880314 AA 7	Tenaska Wash Partners 6.790% 09/23/11....		09/23/2007	Redemption	100.0000	26,455	26,455	26,455	26,455				0	26,455			0	1,796	09/23/2011	2FE.....	
88031V AA 7	Tenaska Gateway Partner 6.052% 12/30/2....		06/30/2007	Redemption	100.0000	15,844	15,844	15,844					0	15,844			0	69	12/30/2023	2FE.....	
882389 CB 3	Texas Eastern Trans 5.250% 07/15/07....		07/15/2007	Maturity.....		2,000,000	2,000,000	1,997,320	1,999,685		315		315		2,000,000			0	105,000	07/15/2007	2FE.....
924172 E* 6	Vermont Electric Power 7.420% 01/01/12....		07/01/2007	Redemption	100.0000	20,370	20,370	20,370	20,370				0	20,370			0	1,134	01/01/2012	2.....	
01877K AA 1	Alliance Pipeline LP 7.770% 06/30/15....		06/30/2007	Redemption	100.0000	44,952	44,952	44,952	44,952				0	44,952			0	1,746	06/30/2015	1FE.....	
3899999	Total - Bonds - Public Utilities.....					6,133,133	6,058,133	6,167,306	6,023,057	0	(6,966)	0	(6,966)	0	6,106,314	0	26,819	26,819	342,157	XXX	XXX
Bonds - Industrial and Miscellaneous																					
33632* KD 8	Alaska Airlines First 10.150% 02/01/11....		08/01/2007	Redemption	100.0000	1,881,882	1,881,882	2,074,210	1,936,785		(5,388)		(5,388)		1,931,396		(49,515)	(49,515)	333,443	02/01/2011	4FE.....
15348# AA 3	Central Florida Pipeline 7.840% 07/23/08....		07/23/2007	Redemption	100.0000	363,636	363,636	363,636	363,636				0	363,636			0	28,509	07/23/2008	2.....	
22540A FU 7	CS First Boston Mtg Sec 1.176% 04/17/30....		09/01/2007	Paydown.....				10,176	10,176		(10,176)		(10,176)					0	3,366	04/17/2030	1FE.....
22540A FU 7	CS First Boston Mtg Sec 1.176% 04/17/30....		09/27/2007	Basis Adjustment.....				33,821	33,821		(33,821)		(33,821)					0		04/17/2030	1FE.....
343254 AC 2	Florida Windstorm 6.850% 08/25/07....		08/25/2007	Maturity.....		5,000,000	5,000,000	4,994,300	4,999,533		467		467		5,000,000			0	342,500	08/25/2007	1FE.....
361452 AA 3	GATX Rail Corp 8.100% 01/13/20....		07/13/2007	Redemption	100.0000	124,371	124,371	124,371	124,371				0	124,371			0	10,074	01/13/2020	1FE.....	
36804P AF 3	GATX Financial 144A 5.697% 01/02/25....		07/02/2007	Redemption	100.0000	39,849	39,849	39,849	39,849				0	39,849			0	2,270	01/02/2025	1FE.....	
48268@ AE 4	KPMG LLP 6.320% 07/25/07....		07/25/2007	Various.....		5,000,000	5,000,000	5,000,000	5,000,000				0	5,000,000			0	179,067	07/25/2007	1.....	
49238# AA 5	Kerr-McGee BoomVang 7.370% 01/30/19....		07/30/2007	Redemption	100.0000	12,274	12,274	12,274	12,274				0	12,274			0	905	01/30/2019	2.....	
49238# AB 3	Kerr-McGee BoomVang 7.370% 01/30/19....		07/30/2007	Redemption	100.0000	11,918	11,918	11,918	11,918				0	11,918			0	878	01/30/2019	2.....	
49240# AA 1	Kerr-McGee Nansen 7.270% 01/30/20....		07/30/2007	Redemption	100.0000	11,287	11,287	11,287	11,287				0	11,287			0	821	01/30/2020	2.....	
49240# AB 9	Kerr-McGee Nansen 7.220% 01/30/18....		07/30/2007	Redemption	100.0000	20,574	20,574	20,574	20,574				0	20,574			0	1,485	01/30/2018	2.....	

EO5

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
52467@ AJ 4	Stop & Shop 7.539% 11/15/26.....		.09/15/2007	Redemption 100.0000.....		15,276	15,276	15,434	15,430		(4)		(4)		15,426		(151)	(151)	768	11/15/2026	3.....
574754 AB 3	Mashantucket West 6.570% 09/01/13.....		.09/04/2007	Call 100.0000.....		600,000	600,000	567,096	580,480		1,573		1,573	582,053	582,053	17,947	17,947	39,420	09/01/2013	1FE.....	
58526# AS 8	Meijer Finance Inc 7.980% 09/01/07.....		.09/01/2007	Maturity.....		1,156,400	1,156,400	1,156,400	1,156,400				0	1,156,400	1,156,400			92,281	09/01/2007	2.....	
58526# AV 1	Meijer Finance Inc 7.980% 09/01/07.....		.09/01/2007	Maturity.....		1,124,800	1,124,800	1,124,800	1,124,800				0	1,124,800	1,124,800			89,759	09/01/2007	2.....	
58526# AY 5	Meijer Finance Inc 7.980% 09/01/07.....		.09/01/2007	Maturity.....		1,374,300	1,374,300	1,374,300	1,374,300				0	1,374,300	1,374,300			109,669	09/01/2007	2.....	
61910D DC 3	Mortgage Capital 1.328% 11/20/12.....		.09/01/2007	Paydown.....		10,758	10,758	10,758	10,758		(10,758)		(10,758)	10,758	10,758			39,774	11/20/2012	1FE.....	
61910D DC 3	Mortgage Capital 1.328% 11/20/12.....		.09/27/2007	Basis Adjustment.....		1,962	1,962	1,962	1,962		(1,962)		(1,962)	1,962	1,962					11/20/2012	1FE.....
74042J AJ 2	Preferred Term XXI 144A 5.712% 03/22/11.....		.09/26/2007	Redemption 100.0000.....		6,498	6,498	6,498	6,498				0	6,498	6,498			278	03/22/2011	1FE.....	
74042M AQ 9	Preferred Term XXII 144A 6.052% 06/22/11.....		.09/25/2007	Redemption 100.0000.....		11,250	11,250	11,250	11,250				0	11,250	11,250			511	06/22/2011	1FE.....	
74043A AL 5	Preferred Term XXIII 144A 5.792% 09/22/11.....		.09/22/2007	Redemption 100.0000.....		5,555	5,555	5,555	5,555				0	5,555	5,555			241	09/22/2011	1FE.....	
79286L CN 0	St Paul Companies Inc 7.370% 08/20/07.....		.08/20/2007	Maturity.....		2,000,000	2,000,000	2,049,680	2,004,062		(4,062)		(4,062)	2,000,000	2,000,000			112,597	08/20/2007	1FE.....	
814137 AA 3	Archstone Communities 7.250% 08/15/09.....		.08/15/2007	Redemption 100.0000.....		630,000	630,000	630,000	630,000				0	630,000	630,000			45,675	08/15/2009	2FE.....	
82878E AB 2	Simon Debartolo 7.125% 09/20/07.....		.09/20/2007	Maturity.....		5,000,000	5,000,000	4,957,350	4,996,388		3,612		3,612	5,000,000	5,000,000			301,823	09/20/2007	1FE.....	
84254Q AA 7	Southern Capital Corp 5.700% 06/30/22.....		.07/01/2007	Redemption 100.0000.....		50,242	50,242	50,242	50,242				0	50,242	50,242			5,783	06/30/2022	1FE.....	
843597 AF 2	Southern Pacific Rail 8.020% 07/02/12.....		.07/02/2007	Redemption 100.0000.....		15,715	15,715	16,144	15,848		(10)		(10)	15,838	15,838		(123)	(123)	1,260	07/02/2012	1FE.....
92101@ AC 7	Van der Moolen Special 7.800% 08/03/11.....		.08/03/2007	Redemption 100.0000.....		600,000	600,000	600,000	600,000				0	600,000	600,000			46,800	08/03/2011	4.....	
92978* AA 3	International Gr/Gen 6.245% 03/31/25.....		.09/10/2007	Redemption 100.0000.....		29,747	29,747	29,747	29,747				0	29,747	29,747			1,239	03/31/2025	2.....	
060340 A* 7	Banistmo CC Receivables 5.858% 12/15/11.....	F	.09/15/2007	Redemption 100.0000.....		169,002	169,002	169,002	169,002				0	169,002	169,002			6,603	12/15/2011	2.....	
4599999.	Total - Bonds - Industrial & Miscellaneous.....					25,254,576	25,254,576	25,472,634	25,346,946	0	(60,529)	0	(60,529)	0	25,286,416	0	(31,842)	(31,842)	1,797,799XXX.....XXX.....
6099997.	Total - Bonds - Part 4.....					80,140,179	80,887,120	80,140,963	74,678,218	0	(48,750)	0	(48,750)	0	79,962,260	0	177,916	177,916	3,327,303XXX.....XXX.....
6099999.	Total - Bonds.....					80,140,179	80,887,120	80,140,963	74,678,218	0	(48,750)	0	(48,750)	0	79,962,260	0	177,916	177,916	3,327,303XXX.....XXX.....
7499999.	Total - Bonds, Preferred and Common Stocks.....					80,140,179	XXX.....	80,140,963	74,678,218	0	(48,750)	0	(48,750)	0	79,962,260	0	177,916	177,916	3,327,303XXX.....XXX.....

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

SCHEDULE DB - PART A - SECTION 1

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income
Call Options - Hedging Transactions													
S&P 500 OTC Option 52400000 Notional	38,287	10/19/2007	1,368.6	10/20/2006	JPMorgan	3,751,743	6,202,329		6,202,329	6,202,329	1,460,427		
S&P 500 OTC Option 45600000 Notional	33,319	10/19/2007	1,368.6	10/20/2006	JPMorgan	3,264,929	5,397,535		5,397,535	5,397,535	1,270,927		
S&P 500 OTC Option 27400000 Notional	20,020	10/19/2007	1,368.6	10/20/2006	JPMorgan	1,961,760	3,243,154		3,243,154	3,243,154	763,647		
S&P 500 OTC Option 26800000 Notional	19,582	10/19/2007	1,368.6	10/20/2006	JPMorgan	1,918,840	3,172,200		3,172,200	3,172,200	746,940		
S&P 500 OTC Option 79500000 Notional	56,672	11/21/2007	1,402.81	11/21/2006	JPMorgan	5,485,850	7,924,208		7,924,208	7,924,208	1,903,312		
S&P 500 OTC Option 31500000 Notional	22,455	11/21/2007	1,402.81	11/21/2006	Merrill Lynch	2,085,845	3,148,818		3,148,818	3,148,818	772,479		
S&P 500 OTC Option 30700000 Notional	21,885	11/21/2007	1,402.81	11/21/2006	JPMorgan	2,118,468	3,060,088		3,060,088	3,060,088	735,001		
S&P 500 OTC Option 18500000 Notional	13,188	11/21/2007	1,402.81	11/21/2006	Merrill Lynch	1,225,033	1,849,326		1,849,326	1,849,326	453,683		
S&P 500 OTC Option 65100000 Notional	45,900	12/21/2007	1,418.3	12/21/2006	JPMorgan	4,661,145	6,256,142		6,256,142	6,256,142	1,585,212		
S&P 500 OTC Option 58300000 Notional	41,106	12/21/2007	1,418.3	12/21/2006	JPMorgan	4,174,314	5,602,723		5,602,723	5,602,723	1,419,645		
S&P 500 OTC Option 22800000 Notional	16,076	12/21/2007	1,418.3	12/21/2006	Credit Suisse	1,662,098	2,200,661		2,200,661	2,200,661	570,828		
S&P 500 OTC Option 21000000 Notional	14,806	12/21/2007	1,418.3	12/21/2006	JPMorgan	1,503,549	2,018,049		2,018,049	2,018,049	511,343		
S&P 500 OTC Option 60400000 Notional	42,223	01/18/2008	1,430.5	01/19/2007	Merrill Lynch	4,245,945	5,729,940		5,729,940	5,729,940	1,483,995		
S&P 500 OTC Option 50600000 Notional	35,372	01/18/2008	1,430.5	01/19/2007	Merrill Lynch	3,557,008	4,800,214		4,800,214	4,800,214	1,243,206		
S&P 500 OTC Option 29900000 Notional	20,902	01/18/2008	1,430.5	01/19/2007	Merrill Lynch	2,101,905	2,836,539		2,836,539	2,836,539	734,634		
S&P 500 OTC Option 67800000 Notional	46,514	02/21/2008	1,457.63	02/21/2007	Bear Stearns	4,739,311	5,730,134		5,730,134	5,730,134	990,823		
S&P 500 OTC Option 48400000 Notional	33,205	02/21/2008	1,457.63	02/21/2007	Bear Stearns	3,383,257	4,090,577		4,090,577	4,090,577	707,320		
S&P 500 OTC Option 35300000 Notional	24,217	02/21/2008	1,457.63	02/21/2007	Bear Stearns	2,467,470	2,983,331		2,983,331	2,983,331	515,861		
S&P 500 OTC Option 70600000 Notional	49,197	03/20/2008	1,435.04	03/21/2007	JPMorgan	5,007,271	7,286,125		7,286,125	7,286,125	2,278,854		
S&P 500 OTC Option 42500000 Notional	27,734	03/20/2008	1,435.04	03/21/2007	JPMorgan	2,822,767	4,107,433		4,107,433	4,107,433	1,284,667		
S&P 500 OTC Option 31400000 Notional	21,881	03/20/2008	1,435.04	03/21/2007	JPMorgan	2,227,048	3,240,598		3,240,598	3,240,598	1,013,550		
S&P 500 OTC Option 29300000 Notional	20,418	03/20/2008	1,435.04	03/21/2007	JPMorgan	2,078,144	3,023,926		3,023,926	3,023,926	945,782		
S&P 500 OTC Option 74600000 Notional	50,258	04/21/2008	1,484.35	04/20/2007	Bear Stearns	5,256,987	6,030,684		6,030,684	6,030,684	773,697		
S&P 500 OTC Option 70300000 Notional	47,361	04/21/2008	1,484.35	04/20/2007	Bear Stearns	4,953,961	5,683,064		5,683,064	5,683,064	729,104		
S&P 500 OTC Option 24700000 Notional	16,640	04/21/2008	1,484.35	04/20/2007	Bear Stearns	1,740,544	1,996,710		1,996,710	1,996,710	256,166		
S&P 500 OTC Option 26300000 Notional	16,169	04/21/2008	1,484.35	04/20/2007	Bear Stearns	1,691,277	1,940,191		1,940,191	1,940,191	248,914		
S&P 500 OTC Option 88200000 Notional	56,718	05/21/2008	1,525.1	05/21/2007	JPMorgan	6,409,701	5,787,590		5,787,590	5,787,590	(622,111)		
S&P 500 OTC Option 47500000 Notional	31,145	05/21/2008	1,525.1	05/21/2007	JPMorgan	3,519,696	3,178,083		3,178,083	3,178,083	(341,614)		
S&P 500 OTC Option 33500000 Notional	21,966	05/21/2008	1,525.1	05/21/2007	Goldman Sachs	2,468,978	2,230,414		2,230,414	2,230,414	(238,564)		
S&P 500 OTC Option 62900000 Notional	41,322	06/20/2008	1,522.19	06/21/2007	JPMorgan	4,899,963	4,586,767		4,586,767	4,586,767	(313,196)		
S&P 500 OTC Option 54400000 Notional	35,738	06/20/2008	1,522.19	06/21/2007	JPMorgan	4,237,812	3,966,939		3,966,939	3,966,939	(270,873)		
S&P 500 OTC Option 27100000 Notional	17,146	06/20/2008	1,522.19	06/21/2007	JPMorgan	2,033,173	1,903,216		1,903,216	1,903,216	(129,956)		
S&P 500 OTC Option 23900000 Notional	15,701	06/20/2008	1,522.19	06/21/2007	JPMorgan	1,861,825	1,742,820		1,742,820	1,742,820	(119,004)		
S&P 500 OTC Option 17800000 Notional	9,526	06/20/2008	1,522.19	06/21/2007	JPMorgan	1,129,593	1,057,392		1,057,392	1,057,392	(72,201)		
S&P 500 OTC Option 66700000 Notional	43,478	07/21/2008	1,534.1	07/20/2007	Barclays Capital	5,703,009	4,784,763		4,784,763	4,784,763	(918,247)		
S&P 500 OTC Option 43700000 Notional	28,486	07/21/2008	1,534.1	07/20/2007	Bear Stearns	3,754,455	3,121,653		3,121,653	3,121,653	(632,802)		
S&P 500 OTC Option 42500000 Notional	27,704	07/21/2008	1,534.1	07/20/2007	Barclays Capital	3,633,934	3,048,831		3,048,831	3,048,831	(585,103)		
S&P 500 OTC Option 16100000 Notional	9,126	07/21/2008	1,534.1	07/20/2007	Bear Stearns	1,202,807	1,000,078		1,000,078	1,000,078	(202,729)		
S&P 500 OTC Option 70800000 Notional	48,925	08/21/2008	1,447.12	08/21/2007	Bear Stearns	6,812,806	8,458,267		8,458,267	8,458,267	1,645,460		
S&P 500 OTC Option 55500000 Notional	38,352	08/21/2008	1,447.12	08/21/2007	Bear Stearns	5,340,516	6,630,382		6,630,382	6,630,382	1,289,866		
S&P 500 OTC Option 38400000 Notional	26,535	08/21/2008	1,447.12	08/21/2007	Bear Stearns	3,694,999	4,587,432		4,587,432	4,587,432	892,433		
S&P 500 OTC Option 15300000 Notional	9,191	08/21/2008	1,447.12	08/21/2007	Bear Stearns	1,279,847	1,588,961		1,588,961	1,588,961	309,114		
S&P 500 OTC Option 74400000 Notional	48,763	09/19/2008	1,525.75	09/21/2007	Bear Stearns	6,426,963	6,231,170		6,231,170	6,231,170	(195,793)		
S&P 500 OTC Option 30800000 Notional	20,187	09/19/2008	1,525.75	09/21/2007	Bear Stearns	2,660,647	2,579,594		2,579,594	2,579,594	(81,053)		
S&P 500 OTC Option 24900000 Notional	15,730	09/19/2008	1,525.75	09/21/2007	Bear Stearns	2,073,214	2,010,055		2,010,055	2,010,055	(63,159)		
S&P 500 OTC Option 21700000 Notional	14,223	09/19/2008	1,525.75	09/21/2007	Bear Stearns	1,874,591	1,817,485		1,817,485	1,817,485	(57,107)		
S&P 500 OTC Option 20700000 Notional	13,567	09/19/2008	1,525.75	09/21/2007	Bear Stearns	1,788,131	1,733,656		1,733,656	1,733,656	(54,474)		
S&P 500 OTC Option 19200000 Notional	11,273	09/19/2008	1,525.75	09/21/2007	Bear Stearns	1,485,781	1,440,518		1,440,518	1,440,518	(45,263)		
S&P Asian OTC Call Option 32600000	23,820	10/19/2007	1,368.6	10/20/2006	JPMorgan	1,219,346	2,181,862		2,181,862	2,181,862	482,786		
S&P Asian OTC Call Option 29400000	20,958	11/21/2007	1,402.81	11/21/2006	JPMorgan	1,040,774	1,474,915		1,474,915	1,474,915	315,301		
S&P Asian OTC Call Option 31300000	22,069	12/21/2007	1,418.3	12/21/2006	Barclays Capital	1,208,278	1,439,618		1,439,618	1,439,618	198,817		
S&P Asian OTC Call Option 30000000	20,972	01/19/2008	1,430.5	01/19/2007	JPMorgan	1,103,966	1,290,378		1,290,378	1,290,378	186,412		

E06

SCHEDULE DB - PART A - SECTION 1

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

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income
S&P Asian OTC Call Option 29800000	20,444	02/21/2008	1,457.63	02/21/2007	JPMorgan	1,054,910	955,569		955,569	955,569	(99,341)		
S&P Asian OTC Call Option 29000000	19,512	03/20/2008	1,435.04	03/21/2007	Barclays Capital	1,038,819	1,523,696		1,523,696	1,523,696	484,877		
S&P Asian OTC Call Option 38100000	24,994	04/21/2008	1,484.35	04/20/2007	Credit Suisse	1,368,921	1,220,727		1,220,727	1,220,727	(148,194)		
S&P Asian OTC Call Option 33100000	20,982	05/21/2008	1,525.1	05/21/2007	Credit Suisse	1,254,304	668,344		668,344	668,344	(585,960)		
S&P Asian OTC Call Option 38100000	24,307	06/20/2008	1,522.19	06/21/2007	Credit Suisse	1,550,300	1,007,503		1,007,503	1,007,503	(542,797)		
S&P Asian OTC Call Option 34000000	21,511	07/21/2008	1,534.1	07/20/2007	Barclays Capital	1,544,490	907,895		907,895	907,895	(636,594)		
S&P Asian OTC Call Option 35800000	24,048	08/21/2008	1,447.12	08/21/2007	Bear Stearns	1,962,798	2,677,273		2,677,273	2,677,273	714,476		
S&P Asian OTC Call Option 33100000	20,777	09/19/2008	1,525.75	09/21/2007	JPMorgan	1,562,846	1,444,870		1,444,870	1,444,870	(117,976)		
0199999. Subtotal - Call Options - Hedging Transactions						170,288,662	199,833,415	XXX	199,833,415	199,833,415	24,845,443	0	0
0499999. Subtotal - Call Options						170,288,662	199,833,415	XXX	199,833,415	199,833,415	24,845,443	0	0
2599999. Subtotal - Hedging Transactions						170,288,662	199,833,415	XXX	199,833,415	199,833,415	24,845,443	0	0
9999999. Totals						170,288,662	199,833,415	XXX	199,833,415	199,833,415	24,845,443	0	0

SCHEDULE DB - PART B - SECTION 1

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

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
Call Options - Hedging Transactions													
S&P 500 OTC Option 52400000 Notional	38,287	10/19/2007	1,505.46	10/20/2006	JPMorgan	1,163,159	1,503,385		1,503,385	1,503,385	(139,748)		
S&P 500 OTC Option 45600000 Notional	33,319	10/19/2007	1,460.98	10/20/2006	JPMorgan	1,591,315	2,518,123		2,518,123	2,518,123	357,943		
S&P 500 OTC Option 27400000 Notional	20,020	10/19/2007	1,519.15	10/20/2006	JPMorgan	520,520	594,748		594,748	594,748	(149,489)		
S&P 500 OTC Option 26800000 Notional	19,582	10/19/2007	1,484.93	10/20/2006	JPMorgan	739,612	1,081,565		1,081,565	1,081,565	54,926		
S&P 500 OTC Option 79500000 Notional	56,672	11/21/2007	1,543.09	11/21/2006	JPMorgan	1,606,084	1,856,847		1,856,847	1,856,847	(43,314)		
S&P 500 OTC Option 31500000 Notional	22,455	11/21/2007	1,501.01	11/21/2006	Merrill Lynch	898,200	1,354,892		1,354,892	1,354,892	239,943		
S&P 500 OTC Option 30700000 Notional	21,885	11/21/2007	1,515.03	11/21/2006	JPMorgan	835,132	1,091,744		1,091,744	1,091,744	117,004		
S&P 500 OTC Option 18500000 Notional	13,188	11/21/2007	1,493.99	11/21/2006	Merrill Lynch	568,271	862,390		862,390	862,390	163,511		
S&P 500 OTC Option 65100000 Notional	45,900	12/21/2007	1,560.13	12/21/2006	JPMorgan	1,419,228	1,672,334		1,672,334	1,672,334	193,060		
S&P 500 OTC Option 58300000 Notional	41,106	12/21/2007	1,517.58	12/21/2006	JPMorgan	1,941,436	2,513,541		2,513,541	2,513,541	517,726		
S&P 500 OTC Option 22800000 Notional	16,076	12/21/2007	1,528.22	12/21/2006	Credit Suisse	715,864	892,186		892,186	892,186	190,812		
S&P 500 OTC Option 21000000 Notional	14,806	12/21/2007	1,570.77	12/21/2006	JPMorgan	403,167	462,738		462,738	462,738	36,461		
S&P 500 OTC Option 60400000 Notional	42,223	01/18/2008	1,530.64	01/19/2007	Merrill Lynch	1,938,458	2,695,343		2,695,343	2,695,343	756,885		
S&P 500 OTC Option 50600000 Notional	35,372	01/18/2008	1,573.55	01/19/2007	Merrill Lynch	1,037,107	1,407,190		1,407,190	1,407,190	370,083		
S&P 500 OTC Option 29900000 Notional	20,902	01/18/2008	1,595.01	01/19/2007	Merrill Lynch	475,311	623,866		623,866	623,866	148,555		
S&P 500 OTC Option 67800000 Notional	46,514	02/21/2008	1,563.31	02/21/2007	Bear Stearns	2,081,502	2,545,004		2,545,004	2,545,004	463,503		
S&P 500 OTC Option 48400000 Notional	33,205	02/21/2008	1,603.39	02/21/2007	Bear Stearns	992,165	1,187,849		1,187,849	1,187,849	195,684		
S&P 500 OTC Option 35300000 Notional	24,217	02/21/2008	1,625.26	02/21/2007	Bear Stearns	568,373	664,258		664,258	664,258	95,885		
S&P 500 OTC Option 70600000 Notional	49,197	03/20/2008	1,535.49	03/21/2007	JPMorgan	2,324,558	3,877,949		3,877,949	3,877,949	1,553,390		
S&P 500 OTC Option 42500000 Notional	27,734	03/20/2008	1,592.89	03/21/2007	JPMorgan	725,244	1,332,943		1,332,943	1,332,943	607,699		
S&P 500 OTC Option 31400000 Notional	21,881	03/20/2008	1,578.54	03/21/2007	JPMorgan	675,904	1,203,807		1,203,807	1,203,807	527,903		
S&P 500 OTC Option 29300000 Notional	20,418	03/20/2008	1,567.78	03/21/2007	JPMorgan	706,871	1,236,600		1,236,600	1,236,600	529,729		
S&P 500 OTC Option 74600000 Notional	50,258	04/21/2008	1,632.79	04/20/2007	Bear Stearns	1,564,029	1,932,315		1,932,315	1,932,315	368,286		
S&P 500 OTC Option 70300000 Notional	47,361	04/21/2008	1,588.25	04/20/2007	Bear Stearns	2,275,696	2,743,258		2,743,258	2,743,258	467,562		
S&P 500 OTC Option 24700000 Notional	16,640	04/21/2008	1,606.81	04/20/2007	Bear Stearns	678,413	818,896		818,896	818,896	140,483		
S&P 500 OTC Option 26300000 Notional	16,169	04/21/2008	1,655.05	04/20/2007	Bear Stearns	388,056	494,590		494,590	494,590	106,534		
S&P 500 OTC Option 88200000 Notional	56,718	05/21/2008	1,677.61	05/21/2007	JPMorgan	2,067,371	1,730,563		1,730,563	1,730,563	(336,809)		
S&P 500 OTC Option 47500000 Notional	31,145	05/21/2008	1,639.48	05/21/2007	JPMorgan	1,586,526	1,363,083		1,363,083	1,363,083	(223,444)		

E06.1

SCHEDULE DB - PART B - SECTION 1

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Consideration Received	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis	Other Investment/ Miscellaneous Income
S&P 500 OTC Option 33500000 Notional.....	21,966	.05/21/2008...	1,631.86	.05/21/2007...	Goldman Sachs.....	1,182,649	1,001,103		1,001,103	1,001,103	(181,547)		
S&P 500 OTC Option 62900000 Notional.....	41,322	.06/20/2008...	1,674.41	.06/21/2007...	JPMorgan.....	1,761,144	1,543,674		1,543,674	1,543,674	(217,469)		
S&P 500 OTC Option 54400000 Notional.....	35,738	.06/20/2008...	1,628.74	.06/21/2007...	JPMorgan.....	2,181,448	1,954,447		1,954,447	1,954,447	(227,001)		
S&P 500 OTC Option 27100000 Notional.....	17,146	.06/20/2008...	1,643.97	.06/21/2007...	JPMorgan.....	931,714	830,420		830,420	830,420	(101,293)		
S&P 500 OTC Option 23900000 Notional.....	15,701	.06/20/2008...	1,651.58	.06/21/2007...	JPMorgan.....	803,106	714,160		714,160	714,160	(88,946)		
S&P 500 OTC Option 17800000 Notional.....	9,526	.06/20/2008...	1,693.44	.06/21/2007...	JPMorgan.....	342,269	299,029		299,029	299,029	(43,240)		
S&P 500 OTC Option 66700000 Notional.....	43,478	.07/21/2008...	1,687.51	.07/20/2007...	Barclays Capital.....	2,327,812	1,616,903		1,616,903	1,616,903	(710,909)		
S&P 500 OTC Option 43700000 Notional.....	28,486	.07/21/2008...	1,641.49	.07/20/2007...	Bear Stearns.....	2,093,721	1,549,163		1,549,163	1,549,163	(544,558)		
S&P 500 OTC Option 42500000 Notional.....	27,704	.07/21/2008...	1,664.5	.07/20/2007...	Barclays Capital.....	1,738,426	1,255,955		1,255,955	1,255,955	(482,471)		
S&P 500 OTC Option 16100000 Notional.....	9,126	.07/21/2008...	1,710.52	.07/20/2007...	Bear Stearns.....	420,161	283,443		283,443	283,443	(136,718)		
S&P 500 OTC Option 70800000 Notional.....	48,925	.08/21/2008...	1,591.83	.08/21/2007...	Bear Stearns.....	3,237,367	4,124,744		4,124,744	4,124,744	887,377		
S&P 500 OTC Option 55500000 Notional.....	38,352	.08/21/2008...	1,548.42	.08/21/2007...	Bear Stearns.....	3,242,662	4,146,127		4,146,127	4,146,127	903,466		
S&P 500 OTC Option 38400000 Notional.....	26,535	.08/21/2008...	1,570.13	.08/21/2007...	Bear Stearns.....	1,990,125	2,543,385		2,543,385	2,543,385	553,260		
S&P 500 OTC Option 15300000 Notional.....	9,191	.08/21/2008...	1,613.54	.08/21/2007...	Bear Stearns.....	535,008	675,944		675,944	675,944	140,936		
S&P 500 OTC Option 74400000 Notional.....	48,763	.09/19/2008...	1,678.33	.09/21/2007...	Bear Stearns.....	2,736,580	2,552,255		2,552,255	2,552,255	(184,324)		
S&P 500 OTC Option 30800000 Notional.....	20,187	.09/19/2008...	1,651.62	.09/21/2007...	Bear Stearns.....	1,360,806	1,264,197		1,264,197	1,264,197	(96,609)		
S&P 500 OTC Option 24900000 Notional.....	15,730	.09/19/2008...	1,632.55	.09/21/2007...	Bear Stearns.....	1,187,615	1,114,143		1,114,143	1,114,143	(73,472)		
S&P 500 OTC Option 21700000 Notional.....	14,223	.09/19/2008...	1,640.18	.09/21/2007...	Bear Stearns.....	1,023,914	959,526		959,526	959,526	(64,388)		
S&P 500 OTC Option 20700000 Notional.....	13,567	.09/19/2008...	1,624.92	.09/21/2007...	Bear Stearns.....	1,069,894	1,008,070		1,008,070	1,008,070	(61,823)		
S&P 500 OTC Option 19200000 Notional.....	11,273	.09/19/2008...	1,708.84	.09/21/2007...	Bear Stearns.....	519,122	471,456		471,456	471,456	(47,666)		
0199999. Subtotal - Call Options - Hedging Transactions.....						63,173,115	72,170,151	XXX	72,170,151	72,170,151	6,533,368	0	0
0499999. Subtotal - Call Options.....						63,173,115	72,170,151	XXX	72,170,151	72,170,151	6,533,368	0	0
2599999. Subtotal - Hedging Transactions.....						63,173,115	72,170,151	XXX	72,170,151	72,170,151	6,533,368	0	0
9999999. Totals.....						63,173,115	72,170,151	XXX	72,170,151	72,170,151	6,533,368	0	0

E06.2

SCHEDULE DB - PART C - SECTION 1

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure

NONE

SCHEDULE DB - PART D - SECTION 1

Showing All Futures Contracts and Insurance Futures Contracts at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure

Long Futures Positions - Other Derivative Transactions

S&P 500 Index.....	35	12/21/2007..	13,031,375	13,458,375	427,000	09/13/2007..	S&P.....		427,000			551,250
S&P 500 Index.....	6	12/21/2007..	2,282,700	2,307,150	24,450	09/18/2007..	S&P.....		24,450			94,500
S&P 500 Index.....	5	12/21/2007..	1,861,625	1,922,625	61,000	09/13/2007..	S&P.....		61,000			78,750
Total Cash Deposits.....					0			2,206,761				
0399999. Subtotal - Long Futures Positions - Other Derivative Transactions.....			17,175,700	17,688,150	512,450	XXX.....	XXX.....	2,206,761	512,450	0	0	724,500
0499999. Subtotal - Long Futures Positions.....			17,175,700	17,688,150	512,450	XXX.....	XXX.....	2,206,761	512,450	0	0	724,500
2799999. Subtotal - Other Derivative Transactions.....			17,175,700	17,688,150	512,450	XXX.....	XXX.....	2,206,761	512,450	0	0	724,500
9999999. Totals.....			17,175,700	17,688,150	512,450	XXX.....	XXX.....	2,206,761	512,450	0	0	724,500

Brokers

Goldman Sachs.....	2,206,761
Broker Totals.....	2,206,761

E07

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								
Chase Bank.....	New York, NY.....	.....	.....	.....	.....(434,802)	.....320,661	.....(3,735,987)	XXX
Chase Bank.....	Dallas, TX.....	.....	.....	.....	.....3,316,012	.....2,739,210	.....1,467,210	XXX
Chase Bank.....	San Angelo, TX.....	.....	.....	.....	...(12,988,875)	...(13,697,427)	...(13,010,691)	XXX
State Street Bank.....	Boston, MA.....	.....	.....	.....	.....(29,412)	.....240,459	.....(412,256)	XXX
0199999. Total Open Depositories.....	...XXX...	...XXX...	.....0	.....0	...(10,137,078)	...(10,397,097)	...(15,691,725)	XXX
0399999. Total Cash on Deposit.....	...XXX...	...XXX...	.....0	.....0	...(10,137,078)	...(10,397,097)	...(15,691,725)	XXX
0499999. Cash in Company's Office.....	...XXX...	...XXX...	...XXX	...XXX	.....2,024	.....2,024	.....2,024	XXX
0599999. Total Cash.....	...XXX...	...XXX...	.....0	.....0	...(10,135,055)	...(10,395,073)	...(15,689,701)	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 Gross Investment Income
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NONE