



QUARTERLY STATEMENT

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

National Life Insurance Company

NAIC Group Code.....634, 634 (Current Period) (Prior Period) NAIC Company Code..... 66680 Employer's ID Number..... 03-0144090

Organized under the Laws of Vermont State of Domicile or Port of Entry Vermont Country of Domicile US
Incorporated/Organized..... November 13, 1848 Commenced Business..... January 17, 1850

Statutory Home Office 1 National Life Drive..... Montpelier VT 05604
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1 National Life Drive..... Montpelier VT 05604 802-229-3333
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1 National Life Drive..... Montpelier VT 05604
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1 National Life Drive..... Montpelier VT 05604 802-229-3333
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.nationallife.com

Statutory Statement Contact Craig Alan Anderson 802-229-3189
(Name) (Area Code) (Telephone Number) (Extension)
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(E-Mail Address) (Fax Number)

Policyowner Relations Contact 1 National Life Drive..... Montpelier VT 05604 800-732-8939
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
1. Thomas Henry MacLeay	President, Chairman & CEO	2. James Kenneth McQueston	Secretary
3. Robert Earl Cotton	Treasurer	4. Craig Alan Smith	Vice President & Chief Actuary

OTHER

Mehran (nmn) Assadi	Executive Vice President	Michele Susan Gatto	Executive Vice President - General Counsel
Christian William Thwaites	Executive Vice President	Thomas Hyde Brownell	Senior Vice President & CIO
Don Wayne Cummings	Senior Vice President	William Edward Decker	Senior Vice President
Gregory Henry Doremus	Senior Vice President	Kenneth Ray Ehinger	Senior Vice President
Wade Hampton Mayo	Senior Vice President	Ruth Barra Smith	Senior Vice President

DIRECTORS OR TRUSTEES

David Rudolph Coates	Deborah Gillian Ellinger	Bruce Michael Lisman	Thomas Henry MacLeay
Vera Louise McCarren	Roger Blaine Porter	Eugene Miles Prentice III	Harris Henry Simmons

State of.....Vermont
County of.....Washington

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) Thomas Henry MacLeay _____ 1. (Printed Name) President, Chairman & CEO _____ (Title)	_____ (Signature) James Kenneth McQueston _____ 2. (Printed Name) Secretary _____ (Title)	_____ (Signature) Robert Earl Cotton _____ 3. (Printed Name) Treasurer _____ (Title)
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Subscribed and sworn to before me

This _____ day of _____

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.....	4,841,440,470	0	4,841,440,470	4,691,831,929
2. Stocks:				
2.1 Preferred stocks.....	55,773,908	0	55,773,908	88,219,325
2.2 Common stocks.....	322,211,520	0	322,211,520	304,859,947
3. Mortgage loans on real estate:				
3.1 First liens.....	829,216,458	0	829,216,458	861,229,492
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	40,922,844	0	40,922,844	41,193,441
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	3,150,186	0	3,150,186	3,217,715
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	1,700,000
5. Cash (\$....(18,806,376)), cash equivalents (\$.....0) and short-term investments (\$....46,800,494).....	27,994,118	0	27,994,118	129,751,843
6. Contract loans (including \$.....0 premium notes).....	559,303,780	0	559,303,780	564,280,950
7. Other invested assets.....	208,387,487	0	208,387,487	155,295,329
8. Receivables for securities.....	0	0	0	1,949,864
9. Aggregate write-ins for invested assets.....	3,089,614	0	3,089,614	1,110,393
10. Subtotals, cash and invested assets (Lines 1 to 9).....	6,891,490,385	0	6,891,490,385	6,844,640,229
11. Title Plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	83,014,117	0	83,014,117	78,592,432
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	9,319,276	(7,596)	9,326,872	19,733,659
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	42,763,857	0	42,763,857	53,835,345
13.3 Accrued retrospective premiums.....	0	0	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	2,576,055	0	2,576,055	1,632,586
14.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
15. Amounts receivable relating to uninsured plans.....	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
16.2 Net deferred tax asset.....	171,503,444	99,780,108	71,723,336	71,723,336
17. Guaranty funds receivable or on deposit.....	108,651	0	108,651	114,406
18. Electronic data processing equipment and software.....	2,029,698	0	2,029,698	2,735,181
19. Furniture and equipment, including health care delivery assets (\$.....0).....	2,243,537	2,243,537	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates.....	1,022,761	0	1,022,761	25,517,208
22. Health care (\$.....0) and other amounts receivable.....	4,270,391	4,270,391	0	0
23. Aggregate write-ins for other than invested assets.....	188,376,986	30,947,936	157,429,050	121,463,731
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	7,398,719,158	137,234,376	7,261,484,783	7,219,988,112
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	1,013,264,590	0	1,013,264,590	944,732,865
26. TOTALS (Lines 24 and 25).....	8,411,983,749	137,234,376	8,274,749,373	8,164,720,977

DETAILS OF WRITE-INS

0901. Options.....	1,832,158	0	1,832,158	0
0902. Futures Contracts.....	1,062,891	0	1,062,891	971,922
0903. Other real estate deposits.....	194,565	0	194,565	138,471
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).....	3,089,614	0	3,089,614	1,110,393
2301. Corporate owned life insurance.....	136,575,846	0	136,575,846	99,793,985
2302. Cash value of deferred compensation life insurance policies.....	16,576,394	0	16,576,394	17,723,499
2303. Items not allocated.....	4,201,768	3,855	4,197,913	3,860,823
2398. Summary of remaining write-ins for Line 23 from overflow page.....	31,022,978	30,944,081	78,897	85,424
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	188,376,986	30,947,936	157,429,050	121,463,731

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....5,247,599,067 less \$.....0 included in Line 6.3 (including \$.....37,016,166 Modco Reserve).....	5,247,599,067	5,271,613,167
2. Aggregate reserve for accident and health contracts (including \$... 422,924,557 Modco Reserve).....	539,651,887	516,277,871
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....	188,791,988	192,184,114
4. Contract claims:		
4.1 Life.....	29,833,837	32,595,543
4.2 Accident and health.....	2,203,570	3,964,595
5. Policyholders' dividends \$....1,236,196 and coupons \$.....0 due and unpaid.....	1,236,196	1,664,598
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....	123,551,749	124,496,318
6.2 Dividends not yet apportioned (including \$.....0 Modco).....	0	0
6.3 Coupons and similar benefits (including \$.....0 Modco).....	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6.....	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$....359,978 accident and health premiums.....	2,766,340	3,834,127
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....	0	0
9.2 Provision for experience rating refunds, including \$.....0 accident and health experience rating refunds.....	0	0
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....	0	0
9.4 Interest Maintenance Reserve.....	32,081,703	39,243,133
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	2,134,877	2,707,296
11. Commissions and expense allowances payable on reinsurance assumed.....	0	0
12. General expenses due or accrued.....	14,643,174	21,590,372
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....	(45,806,293)	(46,843,227)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	(955,104)	(171,148)
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....	17,966,744	753,432
15.2 Net deferred tax liability.....	0	0
16. Unearned investment income.....	7,538	7,457
17. Amounts withheld or retained by company as agent or trustee.....	1,714,804	1,844,598
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....	20,264	0
19. Remittances and items not allocated.....	6,643,842	9,233,716
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0
21. Liability for benefits for employees and agents if not included above.....	104,823,840	101,034,678
22. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
23. Dividends to stockholders declared and unpaid.....	0	0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve.....	75,177,761	72,459,772
24.2 Reinsurance in unauthorized companies.....	0	0
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....	0	0
24.4 Payable to parent, subsidiaries and affiliates.....	14,711,202	31,060,634
24.5 Drafts outstanding.....	0	0
24.6 Liability for amounts held under uninsured plans.....	0	0
24.7 Funds held under coinsurance.....	0	0
24.8 Payable for securities.....	4,154,837	28,546,688
24.9 Capital notes \$.....0 and interest thereon \$.....0.....	0	0
25. Aggregate write-ins for liabilities.....	105,879,690	107,257,866
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25).....	6,468,833,513	6,515,355,599
27. From Separate Accounts Statement.....	1,009,540,203	941,376,250
28. Total Liabilities (Line 26 and 27).....	7,478,373,716	7,456,731,849
29. Common capital stock.....	2,500,000	2,500,000
30. Preferred capital stock.....	0	0
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....	0	0
33. Gross paid in and contributed surplus.....	107,123,400	107,123,400
34. Aggregate write-ins for special surplus funds.....	4,429,714	4,056,472
35. Unassigned funds (surplus).....	682,322,543	594,309,255
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....	0	0
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$....3,724,387 in Separate Accounts Statement).....	793,875,657	705,489,127
38. Totals of Lines 29, 30 and 37.....	796,375,656	707,989,127
39. Totals of Lines 28 and 38.....	8,274,749,373	8,164,720,977

DETAILS OF WRITE-INS

2501. Minimum pension obligation accrual - ABO.....	52,757,000	52,757,000
2502. Accumulated post retirement benefits.....	27,522,958	25,809,760
2503. Miscellaneous.....	26,396,492	12,407,615
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(796,759)	16,283,491
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	105,879,690	107,257,866
3101.	0	0
3102.	0	0
3103.	0	0
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. Separate account annuity mortality fluctuation fund.....	3,724,387	3,356,615
3402. Permanent surplus (Guaranty Fund).....	500,000	500,000
3403. Separate account special contingency fund.....	205,327	199,857
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).....	4,429,714	4,056,472

National Life Insurance Company
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.....	343,889,776	392,559,209	559,229,426
2. Considerations for supplementary contracts with life contingencies.....	777,937	2,913,913	3,370,044
3. Net investment income.....	323,097,427	334,486,522	443,747,530
4. Amortization of Interest Maintenance Reserve (IMR).....	1,813,091	3,248,794	4,151,015
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	(48,391)	(7,105)	149,939
6. Commissions and expense allowances on reinsurance ceded.....	6,316,684	6,665,686	8,888,957
7. Reserve adjustments on reinsurance ceded.....	17,989,852	(10,401,476)	(10,169,335)
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....	7,129,895	6,670,275	33,318,546
8.2 Charges and fees for deposit-type contracts.....	0	0	0
8.3 Aggregate write-ins for miscellaneous income.....	(16,719,519)	(18,941,091)	(25,958,462)
9. Totals (Lines 1 to 8.3).....	684,246,752	717,194,726	1,016,727,660
10. Death benefits.....	117,061,090	107,510,303	145,258,166
11. Matured endowments (excluding guaranteed annual pure endowments).....	21,796,701	950,165	5,568,505
12. Annuity benefits.....	31,388,816	142,362,493	68,205,494
13. Disability benefits and benefits under accident and health contracts.....	12,100,829	15,680,391	20,574,477
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0	0	0
15. Surrender benefits and withdrawals for life contracts.....	251,576,360	125,726,058	291,720,143
16. Group conversions.....	0	0	0
17. Interest and adjustments on contract or deposit-type contract funds.....	3,922,539	5,159,858	7,476,073
18. Payments on supplementary contracts with life contingencies.....	3,875,669	4,280,378	5,626,633
19. Increase in aggregate reserves for life and accident and health contracts.....	(4,160,855)	2,472,859	57,226,650
20. Totals (Lines 10 to 19).....	437,561,148	404,142,505	601,656,141
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	30,854,110	32,986,945	46,063,809
22. Commissions and expense allowances on reinsurance assumed.....	3,732	5,981	8,262
23. General insurance expenses.....	88,175,082	87,358,237	119,207,790
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	8,621,873	9,280,597	12,350,219
25. Increase in loading on deferred and uncollected premiums.....	(2,812,683)	(2,683,021)	252,684
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(31,120,659)	21,295,957	32,434,899
27. Aggregate write-ins for deductions.....	5,075,844	8,549,686	4,731,350
28. Totals (Lines 20 to 27).....	536,358,447	560,936,887	816,705,154
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	147,888,305	156,257,839	200,022,506
30. Dividends to policyholders.....	82,302,441	81,128,735	121,254,299
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	65,585,863	75,129,104	78,768,207
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	18,798,819	1,268,892	(2,050,767)
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).....	46,787,044	73,860,212	80,818,974
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....2,636,319 (excluding taxes of \$.....1,966,943 transferred to the IMR).....	2,755,685	4,941,176	(1,109,360)
35. Net income (Line 33 plus Line 34).....	49,542,729	78,801,387	79,709,614
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year.....	707,989,127	623,465,036	623,465,036
37. Net income (Line 35).....	49,542,729	78,801,387	79,709,614
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....	42,603,070	(13,131,551)	36,262,994
39. Change in net unrealized foreign exchange capital gain (loss).....	0	0	0
40. Change in net deferred income tax.....	0	0	(862,952)
41. Change in nonadmitted assets and related items.....	3,273,410	(19,689,103)	(23,213,121)
42. Change in liability for reinsurance in unauthorized companies.....	0	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease.....	(21,216,573)	0	0
44. Change in asset valuation reserve.....	(2,717,989)	7,324,409	(5,406,438)
45. Change in treasury stock.....	0	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....	0	0	0
47. Other changes in surplus in Separate Accounts Statement.....	416,164	248,736	259,642
48. Change in surplus notes.....	0	0	0
49. Cumulative effect of changes in accounting principles.....	0	0	0
50. Capital changes:			
50.1 Paid in.....	0	0	0
50.2 Transferred from surplus (Stock Dividend).....	0	0	0
50.3 Transferred to surplus.....	0	0	0
51. Surplus adjustment:			
51.1 Paid in.....	0	0	0
51.2 Transferred to capital (Stock Dividend).....	0	0	0
51.3 Transferred from capital.....	0	0	0
51.4 Change in surplus as a result of reinsurance.....	0	0	0
52. Dividends to stockholders.....	0	0	(10,000,000)
53. Aggregate write-ins for gains and losses in surplus.....	16,485,718	2,371	7,774,352
54. Net change in capital and surplus (Lines 37 through 53).....	88,386,529	53,556,249	84,524,091
55. Capital and surplus as of statement date (Lines 36 + 54).....	796,375,656	677,021,285	707,989,127
DETAILS OF WRITE-INS			
08.301. Miscellaneous income.....	5,059,064	1,856,739	2,388,234
08.302. Change in COLI.....	4,162,707	4,650,289	6,200,682
08.303. MODCO interest.....	(25,941,289)	(25,448,119)	(34,547,378)
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	(16,719,519)	(18,941,091)	(25,958,462)
2701. Changes in agents deferred comp.....	5,180,498	7,753,912	5,740,750
2702. Miscellaneous deductions.....	(104,654)	795,774	(1,009,400)
2703.	0	0	0
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).....	5,075,844	8,549,686	4,731,350
5301. Ceded modco receipt for change in reserve basis.....	16,504,271	0	0
5302. Net change in provision for sales practice litigation.....	(18,553)	(116)	0
5303. Minimum pension obligation.....	0	0	7,653,000
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	2,487	121,352
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	16,485,718	2,371	7,774,352

National Life Insurance Company

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	367,906,220	562,070,504
2. Net investment income.....	318,977,538	448,405,429
3. Miscellaneous income.....	14,716,912	(18,004,815)
4. Total (Lines 1 through 3).....	701,600,670	992,471,117
5. Benefit and loss related payments.....	447,188,204	535,512,051
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	(32,157,594)	5,835,317
7. Commissions, expenses paid and aggregate write-ins for deductions.....	142,406,635	183,824,101
8. Dividends paid to policyholders.....	83,675,413	119,161,047
9. Federal and foreign income taxes paid (recovered) net of \$.....2,636,319 tax on capital gains (losses).....	6,188,769	(9,292,143)
10. Total (Lines 5 through 9).....	647,301,426	835,040,374
11. Net cash from operations (Line 4 minus Line 10).....	54,299,243	157,430,743
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	722,684,640	1,472,440,707
12.2 Stocks.....	63,478,317	17,969,187
12.3 Mortgage loans.....	106,780,534	189,451,370
12.4 Real estate.....	1,407,000	811,400
12.5 Other invested assets.....	33,389,649	25,465,936
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	1,949,864	34,836,956
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	929,690,004	1,740,975,557
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	886,517,151	1,552,071,878
13.2 Stocks.....	12,916,063	19,967,250
13.3 Mortgage loans.....	74,767,500	138,016,673
13.4 Real estate.....	1,100,079	2,043,387
13.5 Other invested assets.....	61,266,003	41,369,327
13.6 Miscellaneous applications.....	27,982,440	952,676
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,064,549,235	1,754,421,191
14. Net increase (decrease) in contract loans and premium notes.....	(4,977,170)	(6,366,342)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(129,882,062)	(7,079,293)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	121,352
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	(3,648,703)	(13,855,037)
16.5 Dividends to stockholders.....	0	10,000,000
16.6 Other cash provided (applied).....	(22,526,204)	(30,322,779)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(26,174,907)	(54,056,464)
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).....	(101,757,725)	96,294,987
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	129,751,843	33,456,856
19.2 End of period (Line 18 plus Line 19.1).....	27,994,118	129,751,843
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001	0	0

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.....	0	0	0
2. Ordinary life insurance.....	305,714,549	310,231,718	473,469,276
3. Ordinary individual annuities.....	59,936,862	68,488,273	102,969,180
4. Credit life (group and individual).....	0	0	0
5. Group life insurance.....	0	0	0
6. Group annuities.....	(585,719)	20,573,952	19,493,208
7. A&H - group.....	0	0	0
8. A&H - credit (group and individual).....	0	0	0
9. A&H - other.....	30,118,216	31,460,273	41,795,627
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	395,183,908	430,754,216	637,727,291
12. Deposit-type contracts.....	0	0	0
13. Total.....	395,183,908	430,754,216	637,727,291

DETAILS OF WRITE-INS

1001.....	0	0	0
1002.....	0	0	0
1003.....	0	0	0
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. 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
- 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
- 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
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
- 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 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). 06/07/2006.....

- 6.4 By what department or departments?
Vermont Department of Banking, Insurance, Securities & Health Care Administration

- 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
- 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
- 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

- 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
Equity Services, Inc.	Montpelier, VT					YES
Sentinel Financial Services Compan	Montpelier, VT					YES

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

- 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 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

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

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

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

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....1,022,761

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: \$.....4,252,990

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.....	\$.....265,986,651	\$.....292,046,846
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).....	\$.....265,986,651	\$.....292,046,846
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? Yes No
 If no, attach a description with this statement.

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

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 [X] 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
JP Morgan Chase	New York, NY

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 [X]

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, Inc.	Montpelier, VT

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

Yes [X] 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.....	\$.....0
1.12	Residential mortgages.....	\$.....9,370
1.13	Commercial mortgages.....	\$.....829,207,088
1.14	Total mortgages in good standing.....	\$.....829,216,458
1.2	Long-term mortgages in good standing with restructured terms	
1.21	Total mortgages in good standing with restructured terms.....	\$.....0
1.3	Long-term mortgage loans upon which interest is overdue more than three months	
1.31	Farm mortgages.....	\$.....0
1.32	Residential mortgages.....	\$.....0
1.33	Commercial mortgages.....	\$.....0
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.....	\$.....0
1.42	Residential mortgages.....	\$.....0
1.43	Commercial mortgages.....	\$.....0
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)	\$.....829,216,458
1.6	Long-term mortgages foreclosed, properties transferred to real estate in current quarter	
1.61	Farm mortgages.....	\$.....0
1.62	Residential mortgages.....	\$.....0
1.63	Commercial mortgages.....	\$.....0
1.64	Total mortgages foreclosed and transferred to real estate.....	\$.....0

National Life Insurance Company SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	47,722,520	47,563,626
2. Increase (decrease) by adjustment.....	(3,049,572)	(1,884,493)
3. Cost of acquired.....	0	182,918
4. Cost of additions to and permanent improvements.....	1,100,079	1,860,469
5. Total profit (loss) on sales.....	(293,000)	0
6. Increase (decrease) by foreign exchange adjustment.....	0	0
7. Amount received on sales.....	1,407,000	0
8. Book/adjusted carrying value at end of current period.....	44,073,027	47,722,520
9. Total valuation allowance.....	0	(1,611,368)
10. Subtotal (Lines 8 plus 9).....	44,073,027	46,111,152
11. Total nonadmitted amounts.....	0	0
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	44,073,027	46,111,152

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.....	861,229,492	911,404,189
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....	72,592,500	138,216,673
2.2 Additional investment made after acquisitions.....	2,175,000	0
3. Accrual of discount and mortgage interest points and commitment fees.....	0	0
4. Increase (decrease) by adjustment.....	0	0
5. Total profit (loss) on sale.....	0	200,000
6. Amounts paid on account or in full during the period.....	106,780,534	188,591,370
7. Amortization of premium.....	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	829,216,458	861,229,492
10. Total valuation allowance.....	0	0
11. Subtotal (Lines 9 plus 10).....	829,216,458	861,229,492
12. Total nonadmitted amounts.....	0	0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	829,216,458	861,229,492

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.....	162,862,576	137,780,326
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....	5,385,558	5,123,346
2.2 Additional investment made after acquisitions.....	55,880,445	36,110,396
3. Accrual of discount.....	1,431	1,785
4. Increase (decrease) by adjustment.....	11,861,846	994,025
5. Total profit (loss) on sale.....	(1,067,918)	7,287,500
6. Amounts paid on account or in full during the period.....	25,822,400	24,071,025
7. Amortization of premium.....	714,054	363,777
8. Increase (decrease) by foreign exchange adjustment.....	0	0
9. Book adjusted/carrying value of long-term invested assets at end of current period.....	208,387,484	162,862,576
10. Total valuation allowance.....	0	(7,567,249)
11. Subtotal (Lines 9 plus 10).....	208,387,484	155,295,327
12. Total nonadmitted amounts.....	0	0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	208,387,484	155,295,327

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.....	5,084,911,201	4,989,424,494
2. Cost of bonds and stocks acquired.....	899,433,214	1,572,039,131
3. Accrual of discount.....	2,242,597	3,535,066
4. Increase (decrease) by adjustment.....	24,854,713	32,188,297
5. Increase (decrease) by foreign exchange adjustment.....	0	0
6. Total profit (loss) on disposal.....	(1,119,577)	(17,870,239)
7. Consideration for bonds and stocks disposed of.....	786,162,948	1,487,327,287
8. Amortization of premium.....	4,733,301	7,078,261
9. Book/adjusted carrying value, current period.....	5,219,425,899	5,084,911,201
10. Total valuation allowance.....	0	0
11. Subtotal (Lines 9 plus 10).....	5,219,425,899	5,084,911,201
12. Total nonadmitted amounts.....	0	0
13. Statement value.....	5,219,425,899	5,084,911,201

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.....	3,220,768,466	810,391,871	740,963,959	(11,712,238)	3,234,966,831	3,220,768,466	3,278,484,140	3,324,550,453
2. Class 2.....	1,353,027,567	20,932,670	11,933,434	6,280,517	1,305,213,486	1,353,027,567	1,368,307,320	1,260,432,246
3. Class 3.....	162,449,414	2,125,000	2,882,357	18,175,762	202,469,558	162,449,414	179,867,819	161,080,291
4. Class 4.....	68,878,785	1,010,000	902,215	(13,236,107)	59,435,808	68,878,785	55,750,463	69,708,215
5. Class 5.....	5,098,720	0	0	2,213	2,227,501	5,098,720	5,100,933	2,411,756
6. Class 6.....	730,288	0	0	0	1,307,288	730,288	730,288	1,307,288
7. Total Bonds.....	4,810,953,240	834,459,541	756,681,965	(489,853)	4,805,620,472	4,810,953,240	4,888,240,963	4,819,490,249
PREFERRED STOCK								
8. Class 1.....	45,873,261	0	0	0	69,243,524	45,873,261	45,873,261	69,243,246
9. Class 2.....	4,980,478	0	0	56	4,980,423	4,980,478	4,980,534	14,070,805
10. Class 3.....	4,915,061	0	0	5,052	4,910,104	4,915,061	4,920,113	4,905,274
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	55,768,800	0	0	5,108	79,134,051	55,768,800	55,773,908	88,219,325
15. Total Bonds and Preferred Stock.....	4,866,722,040	834,459,541	756,681,965	(484,745)	4,884,754,523	4,866,722,040	4,944,014,871	4,907,709,574

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.....	46,800,494	XXX	46,800,494	241,940	0

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.....	127,658,319	27,317,068
2. Cost of short-term investments acquired.....	2,881,041,041	3,134,610,103
3. Increase (decrease) by adjustment.....	0	0
4. Increase (decrease) by foreign exchange adjustment.....	0	0
5. Total profit (loss) on disposal of short-term investments.....	0	0
6. Consideration received on disposal of short-term investments.....	2,961,898,866	3,034,268,852
7. Book/adjusted carrying value, current period.....	46,800,494	127,658,319
8. Total valuation allowance.....	0	0
9. Subtotal (Lines 7 plus 8).....	46,800,494	127,658,319
10. Total nonadmitted amounts.....	0	0
11. Statement value (Lines 9 minus 10).....	46,800,494	127,658,319
12. Income collected during period.....	2,374,936	2,511,600
13. Income earned during period.....	2,296,133	2,598,182

**Sch. DB-Part F-Section 1
NONE**

**Sch. DB-Part F-Section 2
NONE**

**Sch. S
NONE**

National Life Insurance Company 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	3,629,959	387,368	693,382	0	4,710,709	0
2.	Alaska	AK	YES	96,057	41,347	18,832	0	156,236	0
3.	Arizona	AZ	YES	3,444,234	502,025	278,834	0	4,225,093	0
4.	Arkansas	AR	YES	303,576	0	39,808	0	343,384	0
5.	California	CA	YES	28,042,256	3,363,282	3,157,264	0	34,562,802	0
6.	Colorado	CO	YES	1,388,588	132,806	274,000	0	1,795,394	0
7.	Connecticut	CT	YES	9,086,036	1,164,190	778,724	0	11,028,950	0
8.	Delaware	DE	YES	1,441,293	393,284	72,789	0	1,907,366	0
9.	District of Columbia	DC	YES	235,341	1,000	42,163	0	278,504	0
10.	Florida	FL	YES	19,537,332	6,081,637	1,979,662	0	27,598,631	0
11.	Georgia	GA	YES	15,288,982	6,687,760	1,427,559	0	23,404,301	0
12.	Hawaii	HI	YES	130,337	6,900	47,146	0	184,383	0
13.	Idaho	ID	YES	477,230	126,671	8,945	0	612,846	0
14.	Illinois	IL	YES	7,773,280	575,739	825,517	0	9,174,536	0
15.	Indiana	IN	YES	2,932,330	994,651	219,295	0	4,146,276	0
16.	Iowa	IA	YES	355,792	11,662	335,694	0	703,148	0
17.	Kansas	KS	YES	2,163,321	17,111	94,166	0	2,274,598	0
18.	Kentucky	KY	YES	1,659,339	321,236	71,216	0	2,051,791	0
19.	Louisiana	LA	YES	1,315,469	1,243	210,584	0	1,527,296	0
20.	Maine	ME	YES	3,919,843	1,052,769	310,637	0	5,283,249	0
21.	Maryland	MD	YES	5,029,634	451,740	346,175	0	5,827,549	0
22.	Massachusetts	MA	YES	5,768,223	990,627	631,143	0	7,389,993	0
23.	Michigan	MI	YES	6,297,350	1,025,757	1,377,653	0	8,700,760	0
24.	Minnesota	MN	YES	4,491,167	957,374	705,754	0	6,154,295	0
25.	Mississippi	MS	YES	1,536,487	500	46,504	0	1,583,491	0
26.	Missouri	MO	YES	5,230,211	448,473	188,328	0	5,867,012	0
27.	Montana	MT	YES	495,799	0	32,028	0	527,827	0
28.	Nebraska	NE	YES	1,141,816	63,561	171,959	0	1,377,336	0
29.	Nevada	NV	YES	723,661	150	70,073	0	793,884	0
30.	New Hampshire	NH	YES	2,731,795	1,536,413	250,482	0	4,518,690	0
31.	New Jersey	NJ	YES	15,926,687	2,065,917	1,682,645	0	19,675,249	0
32.	New Mexico	NM	YES	299,247	59,286	24,516	0	383,049	0
33.	New York	NY	YES	42,430,450	10,676,667	4,547,157	0	57,654,274	0
34.	North Carolina	NC	YES	14,152,913	5,006,083	740,320	0	19,899,316	0
35.	North Dakota	ND	YES	12,003	75	7,784	0	19,862	0
36.	Ohio	OH	YES	6,862,041	1,517,628	573,647	0	8,953,316	0
37.	Oklahoma	OK	YES	744,346	148,601	23,538	0	916,485	0
38.	Oregon	OR	YES	2,370,298	520,896	134,353	0	3,025,547	0
39.	Pennsylvania	PA	YES	11,283,498	1,493,841	1,543,495	0	14,320,834	0
40.	Rhode Island	RI	YES	2,329,711	368,393	340,741	0	3,038,845	0
41.	South Carolina	SC	YES	2,134,689	1,489,927	194,462	0	3,819,078	0
42.	South Dakota	SD	YES	152,159	110,569	22,765	0	285,493	0
43.	Tennessee	TN	YES	2,741,124	1,623,872	360,651	0	4,725,647	0
44.	Texas	TX	YES	7,054,214	123,172	629,319	0	7,806,705	0
45.	Utah	UT	YES	3,707,743	2,694,815	87,347	0	6,489,905	0
46.	Vermont	VT	YES	8,761,197	2,058,032	485,573	0	11,304,802	0
47.	Virginia	VA	YES	10,069,042	489,061	730,653	0	11,288,756	0
48.	Washington	WA	YES	1,705,854	41,898	174,951	0	1,922,703	0
49.	West Virginia	WV	YES	519,920	62,199	57,615	0	639,734	0
50.	Wisconsin	WI	YES	2,269,725	159,395	191,754	0	2,620,874	0
51.	Wyoming	WY	YES	108,913	7,640	16,437	0	132,990	0
52.	American Samoa	AS	NO	0	0	0	0	0	0
53.	Guam	GU	NO	0	0	0	0	0	0
54.	Puerto Rico	PR	NO	2,349	0	1,351	0	3,700	0
55.	US Virgin Islands	VI	NO	53,677	0	0	0	53,677	0
56.	Northern Mariana Islands	MP	NO	0	0	0	0	0	0
57.	Canada	CN	NO	0	0	0	0	0	0
58.	Aggregate Other Alien	OT	XXX	2,078,474	8,325	33,258	0	2,120,057	0
59.	Subtotal	(a) 51		274,437,012	58,063,568	27,310,648	0	359,811,228	0
90.	Reporting entity contributions for employee benefit plans	XXX		0	0	0	0	0	0
91.	Dividends or refunds applied to purchase paid-up additions and annuities	XXX		0	0	0	0	0	0
92.	Dividends or refunds applied to shorten endowment or premium paying period	XXX		0	0	0	0	0	0
93.	Premium or annuity considerations waived under disability or other contract provisions	XXX		0	0	0	0	0	0
94.	Aggregate other amounts not allocable by State	XXX		0	0	0	0	0	0
95.	Totals (Direct Business)	XXX		274,437,012	58,063,568	27,310,648	0	359,811,228	0
96.	Plus Reinsurance Assumed	XXX		0	0	0	0	0	0
97.	Totals (All Business)	XXX		274,437,012	58,063,568	27,310,648	0	359,811,228	0
98.	Less Reinsurance Ceded	XXX		0	0	0	0	0	0
99.	Totals (All Business) less Reinsurance Ceded	XXX		274,437,012	58,063,568	27,310,648	0	359,811,228	0
DETAILS OF WRITE-INS									
5801.	Other Foreign	XXX		2,078,474	8,325	33,258	0	2,120,057	0
5802.		XXX		0	0	0	0	0	0
5803.		XXX		0	0	0	0	0	0
5898.	Summary of remaining write-ins for line 58 from overflow page	XXX		0	0	0	0	0	0
5899.	Total (Lines 5801 thru 5803 plus 5898) (Line 58 above)	XXX		2,078,474	8,325	33,258	0	2,120,057	0
9401.		XXX		0	0	0	0	0	0
9402.		XXX		0	0	0	0	0	0
9403.		XXX		0	0	0	0	0	0
9498.	Summary of remaining write-ins for line 94 from overflow page	XXX		0	0	0	0	0	0
9499.	Total (Lines 9401 thru 9403 plus 9498) (Line 94 above)	XXX		0	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. Other amounts receivable.....	49,050	0	49,050	55,577
2305. Leasehold.....	29,847	0	29,847	29,847
2306. Prepaid pension.....	16,285,725	16,285,725	0	0
2307. Software applications.....	10,388,660	10,388,660	0	0
2308. Prepaid expenses.....	4,269,695	4,269,695	0	0
2397. Summary of remaining write-ins for Line 23.....	31,022,978	30,944,081	78,897	85,424

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31 Prior Year
2504. Commission accumulation liability.....	2,830,160	3,244,585
2505. Home office and agent medical plans.....	2,228,446	2,178,566
2506. Provision for sales practice litigation.....	1,795,160	1,858,158
2507. Guaranty Fund.....	1,035,101	1,061,153
2508. SPX Options.....	512,457	0
2509. Accrued interest on death claims.....	450,442	480,689
2510. Reinsurance reserve adjustment.....	(9,648,526)	7,460,340
2597. Summary of remaining write-ins for Line 25.....	(796,759)	16,283,491

Additional Write-ins for Summary of Operations:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
5304. Miscellaneous adjustment.....	0	0	121,352
5305. Federal Income Tax.....	0	2,487	0
5397. Summary of remaining write-ins for Line 53.....	0	2,487	121,352

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

EO1

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											
329680.....	SAN ANTONIO.....	TX.....		11,000,000	08/02/2007.....	6.050	11,000,000	0	0	16,250,000	03/13/2007.....
329682.....	N OLMSTEAD.....	OH.....		2,940,000	07/12/2007.....	6.190	2,935,880	0	0	4,470,000	05/15/2007.....
329685.....	CINCINNATI.....	OH.....		1,400,000	07/19/2007.....	6.250	1,398,056	0	0	2,160,000	06/12/2007.....
329686.....	SOUTHFIELD.....	MI.....		1,900,000	07/31/2007.....	6.030	1,898,119	0	0	2,900,000	04/25/2007.....
329690.....	UNION CITY.....	TN.....		3,850,000	07/27/2007.....	6.460	3,842,112	0	0	5,300,000	05/07/2007.....
329606B.....	CHARLOTTE.....	NC.....		2,600,000	09/04/2007.....	6.200	2,600,000	0	0	17,475,000	07/20/2007.....
0599999. Total - Mortgages in Good Standing - Commercial Mortgages - All Other.....				23,690,000	XXX.....	XXX.....	23,674,168	0	0	48,555,000	XXX.....
0899999. Total - Mortgages in Good Standing.....				23,690,000	XXX.....	XXX.....	23,674,168	0	0	48,555,000	XXX.....
9999999. Totals.....				23,690,000	XXX.....	XXX.....	23,674,168	0	0	48,555,000	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												
329435.....	PITTSBURGH.....	PA.....		12/20/1995.....	2,921,890	0	0	2,791,823	2,791,823	0	0	0
329443.....	RICHMOND.....	VA.....		02/29/1996.....	1,833,438	0	0	1,646,296	1,646,296	0	0	0
329539.....	CHESHIRE.....	CT.....		08/19/1999.....	2,643,034	0	0	2,474,289	2,474,289	0	0	0
329554.....	BOSTON.....	MA.....		07/07/2000.....	5,390,241	0	0	5,327,764	5,327,764	0	0	0
329620.....	CORPUS CHRISTI.....	TX.....		06/10/2004.....	13,646,584	0	0	13,533,408	13,533,408	0	0	0
039558A.....	SPARKS.....	NV.....		11/22/2000.....	5,297,032	0	0	5,195,216	5,195,216	0	0	0
039558B.....	SPARKS.....	NV.....		11/22/2000.....	3,220,247	0	0	3,160,795	3,160,795	0	0	0
600001.....	CHARLOTTE.....	NC.....		09/29/1995.....	4,157,000	0	0	4,157,000	4,157,000	0	0	0
920006.....	MESQUITE.....	TX.....		02/25/1998.....	371,743	0	0	96,844	96,844	0	0	0
329589A.....	SAN ANTONIO.....	TX.....		08/13/2002.....	9,276,423	0	0	9,189,794	9,189,794	0	0	0
329589B.....	SAN ANTONIO.....	TX.....		06/09/2005.....	1,537,662	0	0	1,526,544	1,526,544	0	0	0
0199999. Total - Mortgages Closed by Repayment.....					50,295,294	0	0	49,099,772	49,099,772	0	0	0
9999999. Totals.....					50,295,294	0	0	49,099,772	49,099,772	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 Desig- nation	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											

Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Mortgage Loans - Unaffiliated

707300 00 0	North Tryon Equity Certificates.....	Charlotte.....	NC.	Maturity.....	09/29/1995	.....825,628	.....0	.....0	.....843,000	.....843,000	.....0	.....0	.....0	.....5,248
09999999	Total - Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Mortgage Loans - Unaffiliated.....					.....825,628	.....0	.....0	.....843,000	.....843,000	.....0	.....0	.....0	.....5,248
39999999	Subtotal - Unaffiliated.....					.....825,628	.....0	.....0	.....843,000	.....843,000	.....0	.....0	.....0	.....5,248
41999999	Totals.....					.....825,628	.....0	.....0	.....843,000	.....843,000	.....0	.....0	.....0	.....5,248

EO3

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 - U.S. Government									
912828 FQ 8	United States Treasury 4.875% 08/15/16		08/14/2007	Cantor Fitzgerald		4,539,375	4,500,000	0	1
0399999	Total - Bonds - U.S. Government					4,539,375	4,500,000	0	XXX
Bonds - Special Revenue and Special Assessment									
31392F A7 2	Federal Natl Mtg Assn 5.500% 12/25/32		09/01/2007	Interest Capitalization		301,974	301,974	0	1FE
31392P WS 0	Federal Home Ln Mtg 6.000% 07/15/32		09/01/2007	Interest Capitalization		303,494	303,494	0	1FE
31392U TM 6	Federal Home Ln Mtg 6.000% 09/15/32		09/01/2007	Interest Capitalization		250,401	250,401	0	1FE
31393G DM 3	Federal Home Ln Mtg 5.500% 12/15/32		09/01/2007	Interest Capitalization		353,642	353,642	0	1FE
31393T FE 1	Federal Natl Mtg Assn 6.000% 09/25/33		09/01/2007	Interest Capitalization		371,043	371,043	0	1FE
31394B 5Q 3	Federal Natl Mtg Assn 6.000% 02/25/35		09/01/2007	Interest Capitalization		161,663	161,663	0	1FE
31394B XB 5	Federal Natl Mtg Assn 5.000% 03/25/31		09/01/2007	Interest Capitalization		160,251	160,251	0	1FE
31394C 2J 0	Federal Natl Mtg Assn 5.500% 04/25/35		09/01/2007	Interest Capitalization		280,194	280,194	0	1FE
31394C AE 2	Federal Natl Mtg Assn 5.500% 02/25/35		09/01/2007	Interest Capitalization		123,166	123,166	0	1FE
31394D VS 6	Federal Natl Mtg Assn 6.000% 05/25/35		09/01/2007	Interest Capitalization		35,990	35,990	0	1FE
31394L 5R 9	Federal Home Ln Mtg 5.000% 10/15/33		09/01/2007	Interest Capitalization		793,546	793,546	0	1FE
31394X GX 8	Federal Home Ln Mtg 6.000% 04/15/34		09/01/2007	Interest Capitalization		182,210	182,210	0	1FE
31395C 5P 2	Federal Home Ln Mtg 5.000% 07/15/34		09/01/2007	Interest Capitalization		140,829	140,829	0	1FE
31395E UL 9	Federal Home Ln Mtg 6.000% 08/15/34		09/01/2007	Interest Capitalization		178,611	178,611	0	1FE
31395G JR 4	Federal Home Ln Mtg 5.500% 09/15/34		09/01/2007	Interest Capitalization		248,978	248,978	0	1FE
31395H WQ 9	Federal Home Ln Mtg 6.000% 11/15/34		09/01/2007	Interest Capitalization		351,916	351,916	0	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	0	1FE
31396E LR 5	Federal Home Ln Mtg 6.000% 11/15/35		09/01/2007	Interest Capitalization		314,898	314,898	0	1FE
31396G 2U 4	Federal Home Ln Mtg 6.000% 12/15/35		09/01/2007	Interest Capitalization		329,822	329,822	0	1FE
31396H FQ 7	Federal Home Ln Mtg 6.120% 02/15/36		09/01/2007	Interest Capitalization		500,465	500,465	0	1FE
31396J 2V 6	Federal Home Ln Mtg 6.000% 03/15/36		09/01/2007	Interest Capitalization		193,870	193,870	0	1FE
31396K DK 5	Federal Natl Mtg Assn 6.500% 08/25/36		09/01/2007	Interest Capitalization		225,899	225,899	0	1FE
31396K FU 1	Federal Natl Mtg Assn 6.500% 08/25/36		09/01/2007	Interest Capitalization		182,054	182,054	0	1FE
31396K G4 8	Federal Natl Mtg Assn 6.500% 09/25/36		09/01/2007	Interest Capitalization		270,676	270,676	0	1FE
31396K UR 1	Federal Natl Mtg Assn 6.000% 07/25/36		09/01/2007	Interest Capitalization		349,230	349,230	0	1FE
31396K UT 7	Federal Natl Mtg Assn 6.000% 07/25/36		09/01/2007	Interest Capitalization		219,568	219,568	0	1FE
31396L E5 5	Federal Natl Mtg Assn 6.000% 12/25/36		09/01/2007	Interest Capitalization		156,888	156,888	0	1FE
31396L FD 7	Federal Natl Mtg Assn 6.250% 10/25/36		09/01/2007	Interest Capitalization		205,729	205,729	0	1FE
31396L ZW 3	Federal Natl Mtg Assn 6.000% 12/25/36		09/01/2007	Interest Capitalization		468,322	468,322	0	1FE
31396U QN 3	Federal Home Ln Mtg 6.500% 07/15/36		09/01/2007	Interest Capitalization		121,369	121,369	0	1FE
31396U UU 2	Federal Home Ln Mtg 6.000% 07/15/36		07/01/2007	Interest Capitalization		52,813	52,813	0	1FE
31396V X9 4	Federal Natl Mtg Assn 6.000% 05/25/37		08/15/2007	Jefferies & Co		6,486,631	7,113,509	22,526	1FE
31396V X9 4	Federal Natl Mtg Assn 6.000% 05/25/37		09/01/2007	Interest Capitalization		35,568	35,568	0	1FE
31396W UB 0	Federal Natl Mtg Assn 6.000% 07/25/37		08/15/2007	Jefferies & Co		5,646,242	6,221,754	19,702	1FE
31396W UB 0	Federal Natl Mtg Assn 6.000% 07/25/37		09/01/2007	Interest Capitalization		31,109	31,109	0	1FE
31396X HW 7	Federal Natl Mtg Assn 6.000% 08/25/37		08/06/2007	Greenwich Capital		9,789,063	10,000,000	13,333	1FE
31397B ST 9	Federal Home Ln Mtg 6.000% 10/15/36		09/01/2007	Interest Capitalization		75,602	75,602	0	1FE
31397E GM 1	Federal Home Ln Mtg 6.000% 11/15/36		07/31/2007	Jefferies & Co		6,953,602	7,039,395	2,346	1FE
31397H ZK 7	Federal Home Ln Mtg 6.000% 06/15/37		08/03/2007	Banc of America Securities		16,949,326	16,909,694	19,728	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
38374C DG 3	Government Natl Mtg 6.000% 09/16/33		09/01/2007	Interest Capitalization		245,288	245,288	0	1FE
38374C SC 6	Government Natl Mtg 6.000% 09/20/33		09/01/2007	Interest Capitalization		174,885	174,885	0	1FE
38374D EC 9	Government Natl Mtg 6.500% 07/20/36		09/01/2007	Interest Capitalization		152,459	152,459	0	1FE
38374H FL 9	Government Natl Mtg 6.000% 07/16/34		09/01/2007	Interest Capitalization		179,504	179,504	0	1FE
38374K AK 9	Government Natl Mtg 6.000% 12/20/34		09/01/2007	Interest Capitalization		124,681	124,681	0	1FE
38374N HE 0	Government Natl Mtg 6.500% 06/20/36		09/01/2007	Interest Capitalization		213,683	213,683	0	1FE
38374N QB 6	Government Natl Mtg 6.500% 08/20/36		09/01/2007	Interest Capitalization		187,870	187,870	0	1FE
3199999	Total - Bonds - Special Revenue & Special Assessments					67,081,909	69,064,577	101,241	XXX

E04

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 - Public Utilities									
744448 BZ 3	Public Svc Co CO 6.250% 09/01/37		08/08/2007	JP Morgan		1,983,560	2,000,000	0	1FE
3899999	Total - Bonds - Public Utilities					1,983,560	2,000,000	0	XXX
Bonds - Industrial and Miscellaneous									
023771 Q9 2	American Airlines Inc 7.250% 02/05/09		09/13/2007	US Bancorp Piper Jaffrey		2,011,800	2,000,000	17,319	2FE
025816 AX 7	American Express Co 6.150% 08/28/17		08/23/2007	Citigroup Global		2,992,260	3,000,000	0	1FE
035229 DC 4	Anheuser Busch Cos Inc 6.450% 09/01/37		08/22/2007	Merrill Lynch		2,989,680	3,000,000	0	1FE
07388P AM 3	Bear Stearns Comm Mtg 5.372% 12/11/38		08/27/2007	JP Morgan		13,477,617	14,682,000	63,536	1FE
14040H AR 6	Capital One Financial 6.750% 09/15/17		08/28/2007	Citigroup Global		4,985,800	5,000,000	0	2FE
35671D AS 4	Freeport McMoran Copper 8.375% 04/01/17		07/31/2007	UBS		2,125,000	2,000,000	62,347	3FE
37362# AA 8	Georgia Timber Finance 5.900% 07/11/22		07/11/2007	Direct-Private Placement		7,500,000	7,500,000	0	1Z
46632H AP 6	JP Morgan Chase Comm 6.261% 02/15/51		08/27/2007	JP Morgan		6,589,481	6,916,000	34,881	1FE
501044 CG 4	Kroger Co 6.400% 08/15/17		09/24/2007	JP Morgan		2,028,140	2,000,000	16,356	2FE
565849 AD 8	Marathon Oil Corp 6.000% 10/01/17		09/20/2007	Banc of America Securities		4,966,600	5,000,000	0	2FE
74041# AA 0	Shell Oil Prefco X LP 8.450% 07/30/17		07/30/2007	Interest Capitalization		202,030	202,030	0	1
806605 AJ 0	Schering Plough Corp 6.000% 09/15/17		09/12/2007	Goldman Sachs & Company		4,975,550	5,000,000	0	2FE
912909 AB 4	United States Steel 5.650% 06/01/13		08/28/2007	Citigroup Global		1,964,780	2,000,000	31,389	2FE
68383K AC 3	Opti Canada Inc 144A 7.875% 12/15/14	I	07/31/2007	KBC Financial		1,010,000	1,000,000	6,125	4FE
780097 AS 0	Royal Bank of Scotland 6.990% 10/29/49	F	09/26/2007	Merrill Lynch		4,000,000	4,000,000	0	1FE
4599999	Total - Bonds - Industrial & Miscellaneous					61,818,738	63,300,030	231,953	XXX
6099997	Total - Bonds - Part 3					135,423,582	138,864,607	333,194	XXX
6099999	Total - Bonds					135,423,582	138,864,607	333,194	XXX
Common Stocks - Industrial and Miscellaneous									
315805 42 4	Fidelity Advisors		07/31/2007	Sentinel Group Fds	0.000	10	XXX	0	L
68380T 40 0	Oppenheimer Intl Bond		09/28/2007	Sentinel Group Fds	11.000	71	XXX	0	L
817270 20 0	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	6,314.000	118,903	XXX	0	L
817270 30 9	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	6,003.000	214,347	XXX	0	L
817270 50 7	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	23,674.000	469,686	XXX	0	L
817270 60 6	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	118,247.000	1,198,812	XXX	0	L
817270 74 7	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	13,602.000	108,960	XXX	0	L
817270 80 4	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	51,711.000	433,437	XXX	0	L
817270 85 3	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	18,443.000	165,386	XXX	0	L
817270 88 7	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	17,028.000	386,986	XXX	0	L
81728B 10 6	Sentinel Group Fds Inc		09/30/2007	Sentinel Group Fds	18,711.000	408,146	XXX	0	L
6899999	Total - Common Stocks - Industrial & Miscellaneous					3,504,744	XXX	0	XXX
7299997	Total - Common Stocks - Part 3					3,504,744	XXX	0	XXX
7299999	Total - Common Stocks					3,504,744	XXX	0	XXX
7399999	Total - Preferred and Common Stocks					3,504,744	XXX	0	XXX
7499999	Total - Bonds, Preferred and Common Stocks					138,928,326	XXX	333,194	XXX

E04.1

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Government																					
16378# 9A 6	Chemical Mtg Co FHA 7.089% 11/01/10..		09/01/2007	Paydown.....		48,148	48,148	45,726	47,289	0	860	0	860	0	48,148	0	0	0	2,063	11/01/2010	1FE.....
361849 B9 2	GMAC 1997 C - FHA Proj 7.111% 05/25/19		09/01/2007	Paydown.....		172,914	172,914	167,010	168,821	0	4,093	0	4,093	0	172,914	0	0	0	8,184	05/25/2019	1FE.....
36202D FB 2	Government Natl Mtg 8.000% 11/20/14.....		09/01/2007	Paydown.....		4,163	4,163	4,240	4,201	0	(38)	0	(38)	0	4,163	0	0	0	22	11/20/2014	1FE.....
362052 FE 7	Government Natl Mtg 8.500% 07/15/08.....		09/01/2007	Paydown.....		475	475	461	473	0	3	0	3	0	475	0	0	0	27	07/15/2008	1FE.....
36210Y GQ 2	Government Natl Mtg 8.000% 11/15/14.....		09/01/2007	Paydown.....		1,165	1,165	1,192	1,179	0	(15)	0	(15)	0	1,165	0	0	0	62	11/15/2014	1FE.....
36211D B5 8	Government Natl Mtg 7.000% 06/15/29.....		09/01/2007	Paydown.....		304	304	299	299	0	5	0	5	0	304	0	0	0	15	06/15/2029	1FE.....
36211H ZG 9	Government Natl Mtg 8.000% 08/15/14.....		09/01/2007	Paydown.....		1,784	1,784	1,826	1,806	0	(22)	0	(22)	0	1,784	0	0	0	95	08/15/2014	1FE.....
36211N TD 0	Government Natl Mtg 8.000% 10/15/14.....		09/01/2007	Paydown.....		8,635	8,635	8,861	8,834	0	(200)	0	(200)	0	8,635	0	0	0	461	10/15/2014	1FE.....
36211S N8 6	Government Natl Mtg 8.000% 12/15/14.....		09/01/2007	Paydown.....		7,014	7,014	7,185	7,107	0	(94)	0	(94)	0	7,014	0	0	0	371	12/15/2014	1FE.....
36211W VV 7	Government Natl Mtg 8.000% 12/15/14.....		09/01/2007	Paydown.....		41,704	41,704	42,681	42,514	0	(811)	0	(811)	0	41,704	0	0	0	1,967	12/15/2014	1FE.....
36225A WN 6	Government Natl Mtg 6.500% 10/15/27.....		09/01/2007	Paydown.....		65,779	65,779	65,528	65,532	0	247	0	247	0	65,779	0	0	0	2,859	10/15/2027	1FE.....
621999 DP 3	FHA-Insured 236 Project 8.100% 06/01/12		09/01/2007	Paydown.....		43,240	43,240	45,619	44,218	0	(978)	0	(978)	0	43,240	0	0	0	2,336	06/01/2012	1FE.....
621999 DQ 1	FHA-Insured 236 Project 8.150% 07/01/13		09/01/2007	Paydown.....		72,177	72,177	76,147	74,021	0	(1,844)	0	(1,844)	0	72,177	0	0	0	3,916	07/01/2013	1FE.....
621999 DS 7	FHA-Insured 236 Project 8.150% 01/01/13		09/01/2007	Paydown.....		38,215	38,215	40,317	39,142	0	(927)	0	(927)	0	38,215	0	0	0	2,078	01/01/2013	1FE.....
621999 DW 8	FHA-Insured 236 Project 7.950% 05/01/11		09/01/2007	Paydown.....		26,595	26,595	28,058	27,264	0	(668)	0	(668)	0	26,595	0	0	0	(1,584)	05/01/2011	1FE.....
621999 DX 6	FHA-Insured 236 Project 6.930% 11/01/12		09/01/2007	Paydown.....		31,435	31,435	33,164	32,175	0	(740)	0	(740)	0	31,435	0	0	0	1,453	11/01/2012	1FE.....
621999 EB 3	FHA-Insured 236 Project 7.930% 07/01/14		09/01/2007	Paydown.....		48,033	48,033	50,675	49,370	0	(1,336)	0	(1,336)	0	48,033	0	0	0	2,542	07/01/2014	1FE.....
621999 EE 7	FHA-Insured 236 Project 8.125% 07/01/15		09/01/2007	Paydown.....		16,499	16,499	17,406	17,313	0	(814)	0	(814)	0	16,499	0	0	0	(6,975)	07/01/2015	1FE.....
621999 EJ 6	FHA-Insured 236 Project 7.500% 01/01/13		09/01/2007	Paydown.....		53,283	53,283	56,213	54,568	0	(1,285)	0	(1,285)	0	53,283	0	0	0	2,629	01/01/2013	1FE.....
664355 B9 4	Northeast 1985-1 FHA 8.581% 12/24/20.....		09/01/2007	Paydown.....		232,705	232,705	243,162	239,717	0	(7,011)	0	(7,011)	0	232,705	0	0	0	13,478	12/24/2020	1FE.....
75933* B4 5	Reilly - FHA Project 6.930% 07/01/15.....		09/01/2007	Paydown.....		46,933	46,933	49,514	48,318	0	(1,385)	0	(1,385)	0	46,933	0	0	0	2,169	07/01/2015	1FE.....
75933* B6 0	Reilly - FHA Project 8.767% 12/01/18.....		09/01/2007	Paydown.....		33,325	33,325	35,658	34,832	0	(1,506)	0	(1,506)	0	33,325	0	0	0	1,967	12/01/2018	1FE.....
75933* B7 8	Reilly - FHA Project 7.110% 10/24/19.....		09/01/2007	Paydown.....		35,404	35,404	36,013	35,767	0	(363)	0	(363)	0	35,404	0	0	0	1,628	10/24/2019	1FE.....
75933* B9 4	Reilly - FHA Project 7.000% 01/24/18.....		09/01/2007	Paydown.....		7,412	7,412	7,255	7,305	0	107	0	107	0	7,412	0	0	0	352	01/24/2018	1FE.....
812185 A9 7	Seamans - FHA Project 6.875% 02/24/16		09/01/2007	Paydown.....		18,890	18,890	18,327	18,547	0	344	0	344	0	18,890	0	0	0	874	02/24/2016	1FE.....
91203* B8 6	USGI - FHA Project Pool 8.930% 10/24/19		09/01/2007	Paydown.....		2,345	2,345	2,452	2,413	0	(68)	0	(68)	0	2,345	0	0	0	141	10/24/2019	1FE.....
91203* B9 4	USGI - FHA Project Pool 7.278% 07/24/18		09/01/2007	Paydown.....		16,862	16,862	16,841	16,817	0	45	0	45	0	16,862	0	0	0	726	07/24/2018	1FE.....
912827 3E 0	United States Treasury 6.125% 08/15/07..		08/15/2007	Various.....		4,500,000	4,500,000	4,562,534	4,505,644	0	(5,644)	0	(5,644)	0	4,500,000	0	0	0	275,625	08/15/2007	1.....
03999999	Total - Bonds - U.S. Government.....					5,575,438	5,575,438	5,664,364	5,595,486	0	(20,045)	0	(20,045)	0	5,575,438	0	0	0	319,681	....XXX....	....XXX....
Bonds - Special Revenue and Special Assessment																					
31280E CE 3	Federal Home Ln Mtg 4.500% 03/01/09.....		09/01/2007	Paydown.....		24,632	24,632	20,868	23,674	0	957	0	957	0	24,632	0	0	0	739	03/01/2009	1FE.....
31283G 3V 7	Federal Home Ln Mtg 6.500% 04/01/26.....		09/01/2007	Paydown.....		12,106	12,106	12,330	12,307	0	(201)	0	(201)	0	12,106	0	0	0	518	04/01/2026	1FE.....
31297U V2 3	Federal Home Ln Mtg 5.500% 02/01/35.....		09/01/2007	Paydown.....		322,672	322,672	326,403	326,305	0	(3,634)	0	(3,634)	0	322,672	0	0	0	11,477	02/01/2035	1FE.....
313401 EG 2	Federal Home Ln Mtg 8.250% 11/01/07.....		07/01/2007	Paydown.....		14	14	14	14	0	0	0	0	14	0	0	0	0	1	11/01/2007	1FE.....
313401 EJ 6	Federal Home Ln Mtg 8.250% 11/01/07.....		09/01/2007	Paydown.....		220	220	217	218	0	2	0	2	0	220	0	0	0	12	11/01/2007	1FE.....
31340A BB 6	Federal Home Ln Mtg 8.000% 05/01/08.....		09/01/2007	Paydown.....		528	528	505	521	0	7	0	7	0	528	0	0	0	28	05/01/2008	1FE.....
31340N CC 5	Federal Home Ln Mtg 7.500% 03/01/08.....		09/01/2007	Paydown.....		1,396	1,396	1,178	1,328	0	68	0	68	0	1,396	0	0	0	66	03/01/2008	1FE.....
31340P UQ 9	Federal Home Ln Mtg 8.000% 12/01/09.....		08/01/2007	Paydown.....		45	45	43	44	0	1	0	1	0	45	0	0	0	2	12/01/2009	1FE.....
31341J DV 0	Federal Home Ln Mtg 8.000% 09/01/14.....		09/01/2007	Paydown.....		1,386	1,386	1,247	1,301	0	84	0	84	0	1,386	0	0	0	78	09/01/2014	1FE.....
31341K C4 8	Federal Home Ln Mtg 8.250% 12/01/08.....		07/01/2007	Paydown.....		427	427	424	423	0	4	0	4	0	427	0	0	0	21	12/01/2008	1FE.....
31344Y KK 0	Federal Home Ln Mtg 8.000% 04/01/17.....		09/01/2007	Paydown.....		2,758	2,758	2,495	2,598	0	160	0	160	0	2,758	0	0	0	157	04/01/2017	1FE.....
31345C 7E 6	Federal Home Ln Mtg 8.500% 01/01/17.....		09/01/2007	Paydown.....		2,911	2,911	2,691	2,741	0	169	0	169	0	2,911	0	0	0	165	01/01/2017	1FE.....
31345E MW 5	Federal Home Ln Mtg 8.500% 03/01/09.....		09/01/2007	Paydown.....		3,189	3,189	3,322	3,195	0	(6)	0	(6)	0	3,189	0	0	0	180	03/01/2009	1FE.....
31360B B2 9	Federal Natl Mtg Assn 5.000% 07/01/12.....		09/01/2007	Paydown.....		343	343	277	343	0	0	0	0	0	343	0	0	0	28	07/01/2012	1FE.....
31360Y QR 8	Federal Natl Mtg Assn 7.750% 12/01/09.....		09/01/2007	Paydown.....		5,596	5,596	5,773	5,650	0	(53)	0	(53)	0	5,596	0	0	0	294	12/01/2009	1FE.....
31362P AM 3	Federal Natl Mtg Assn 8.500% 05/01/09.....		09/01/2007	Paydown.....		551	551	519	542	0	9	0	9	0	551	0	0	0	31	05/01/2009	1FE.....
31371J ZX 5	Federal Natl Mtg Assn 7.500% 03/01/24.....		09/01/2007	Paydown.....		31,222	31,222	31,988	31,818	0	(596)	0	(596)	0	31,222	0	0	0	1,561	03/01/2024	1FE.....
31374G H6 7	Federal Natl Mtg Assn 9.000% 05/01/12.....		09/01/2007	Paydown.....		2,706	2,706	2,811	2,792	0	(86)	0	(86)	0	2,706	0	0	0	163	05/01/2012	1FE.....

E05

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 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
31383S WV 8	Federal Natl Mtg Assn 7.500% 10/01/29...		09/01/2007	Paydown.....		537	537	535	535	0	2	0	2	0	537	0	0	0	27	10/01/2029	1FE.....
31384U WS 9	Federal Natl Mtg Assn 6.500% 10/01/28...		09/01/2007	Paydown.....		11,597	11,597	11,624	11,619	0	(23)	0	(23)	0	11,597	0	0	0	503	10/01/2028	1FE.....
31394L HP 0	Federal Home Ln Mtg 6.000% 03/15/20...		07/31/2007	Jefferies & Co.....		4,509,956	4,485,426	4,521,870	4,512,949	0	(8,497)	0	(8,497)	0	4,504,452	0	5,504	5,504	158,485	01/15/2012	1FE.....
31394L HP 0	Federal Home Ln Mtg 6.000% 03/15/20...		08/01/2007	Paydown.....		150,354	150,354	151,576	151,276	0	(923)	0	(923)	0	150,354	0	0	0	28,066	01/15/2012	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	0	0	1,826	0	1,826	0	4,819,014	0	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	0	14,522	0	14,522	0	9,761,942	0	61,495	61,495	447,639	12/15/2020	1FE.....
31396U UU 2	Federal Home Ln Mtg 6.000% 07/15/36...		09/01/2007	Paydown.....		2,102,959	2,102,959	2,046,409	2,038,781	0	53,716	0	53,716	0	2,102,959	0	0	0	21,246	07/15/2036	1FE.....
31397E GM 1	Federal Home Ln Mtg 6.000% 11/15/36...		08/03/2007	Banc of America Securities.....		7,030,596	7,039,395	6,953,602	0	0	11	0	11	0	6,953,613	0	76,983	76,983	8,213	11/15/2036	1FE.....
31401F YH 3	Federal Natl Mtg Assn 5.000% 06/01/33...		09/01/2007	Paydown.....		32,169	32,169	31,430	31,446	0	723	0	723	0	32,169	0	0	0	1,074	06/01/2033	1FE.....
31402E 6W 3	Federal Natl Mtg Assn 6.500% 09/01/33...		09/01/2007	Paydown.....		1,271	1,271	1,325	1,321	0	(50)	0	(50)	0	1,271	0	0	0	55	09/01/2033	1FE.....
31403F SB 1	Federal Natl Mtg Assn 6.500% 10/01/33...		09/01/2007	Paydown.....		1,031	1,031	1,074	1,071	0	(40)	0	(40)	0	1,031	0	0	0	45	10/01/2033	1FE.....
31403M WL 9	Federal Natl Mtg Assn 6.500% 11/01/33...		09/01/2007	Paydown.....		4,126	4,126	4,302	4,297	0	(171)	0	(171)	0	4,126	0	0	0	179	11/01/2033	1FE.....
31404K KG 6	Federal Natl Mtg Assn 5.000% 04/01/34...		09/01/2007	Paydown.....		293,277	293,277	279,072	279,513	0	13,764	0	13,764	0	293,277	0	0	0	9,778	04/01/2034	1FE.....
31405F D4 1	Federal Natl Mtg Assn 6.500% 01/01/33...		09/01/2007	Paydown.....		69,671	69,671	72,610	72,527	0	(2,856)	0	(2,856)	0	69,671	0	0	0	3,087	01/01/2033	1FE.....
31407B TX 7	Federal Natl Mtg Assn 5.000% 07/01/35...		09/01/2007	Paydown.....		389,530	389,530	365,215	365,441	0	24,089	0	24,089	0	389,530	0	0	0	12,486	07/01/2035	1FE.....
31410P YM 9	Federal Natl Mtg Assn 6.500% 09/01/36...		08/01/2007	Descap Securities.....		10,206,847	10,090,179	10,258,874	10,256,647	0	(35)	0	(35)	0	10,256,612	0	(49,765)	(49,765)	471,856	09/01/2036	1FE.....
31410P YM 9	Federal Natl Mtg Assn 6.500% 09/01/36...		08/01/2007	Paydown.....		361,113	361,113	367,151	367,071	0	(5,958)	0	(5,958)	0	361,113	0	0	0	15,591	09/01/2036	1FE.....
3837H0 JB 0	Government Natl Mtg 8.050% 06/16/25...		09/01/2007	Paydown.....		9,563	9,563	9,845	9,735	0	(172)	0	(172)	0	9,563	0	0	0	530	06/16/2025	1FE.....
765418 CB 2	Richmond VA Met Auth 8.500% 07/15/13...		07/15/2007	Call 100.0000.....		290,000	290,000	321,828	305,638	0	(1,023)	0	(1,023)	0	304,615	0	(14,615)	(14,615)	24,650	07/15/2013	1FE.....
911760 JT 4	US Dept Veterans Affair 7.073% 04/15/26...		09/01/2007	Paydown.....		31,530	31,530	31,525	31,520	0	10	0	10	0	31,530	0	0	0	(4,672)	00/00/0000	1FE.....
3199999	Total - Bonds - Special Revenue & Assessment.....					40,641,642	40,776,430	40,391,410	28,604,621	0	85,800	0	85,800	0	40,471,678	0	169,963	169,963	1,251,026	XXX	XXX
Bonds - Public Utilities																					
281025 AB 2	Edison Mission Energy 7.330% 09/15/08...		09/15/2007	Redemption 100.0000.....		228,207	228,207	228,207	228,207	0	0	0	0	0	228,207	0	0	0	16,728	09/15/2008	3FE.....
30257F AA 1	FPL Energy National 6.125% 03/25/19.....		09/25/2007	Redemption 100.0000.....		114,576	114,576	113,502	113,587	0	40	0	40	0	113,628	0	948	948	7,018	03/25/2019	3FE.....
739227 AA 4	Power Contract Fin 6.256% 02/01/10.....		08/01/2007	Redemption 100.0000.....		1,039,234	1,039,234	1,083,631	1,056,149	0	(2,059)	0	(2,059)	0	1,054,091	0	(14,857)	(14,857)	65,014	02/01/2010	2FE.....
872375 AC 4	Teco Energy Inc 7.200% 05/01/11.....		08/08/2007	Keybank Capital Markets.....		2,575,000	2,500,000	2,587,225	2,546,317	0	(5,795)	0	(5,795)	0	2,540,523	0	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.....		105,820	105,820	105,820	105,820	0	0	0	0	0	105,820	0	0	0	7,185	09/23/2011	2FE.....
88031V AA 7	Tenaska Gateway Partner 6.052% 12/30/21...		06/30/2007	Redemption 100.0000.....		13,203	13,203	13,210	0	0	(1)	0	(1)	0	13,209	0	(6)	(6)	58	12/30/2023	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	0	0	0	0	20,370	0	0	0	1,134	01/01/2012	2.....
01877K AA 1	Alliance Pipeline LP 7.770% 06/30/15.....		06/30/2007	Redemption 100.0000.....		67,428	67,428	67,428	67,428	0	0	0	0	0	67,428	0	0	0	2,620	06/30/2015	1FE.....
3899999	Total - Bonds - Public Utilities.....					4,163,838	4,088,838	4,219,393	4,137,878	0	(7,815)	0	(7,815)	0	4,143,276	0	20,562	20,562	240,757	XXX	XXX
Bonds - Industrial and Miscellaneous																					
08181* AC 8	Wal-Mart 1st Mtg 9.450% 01/10/17.....		09/10/2007	Redemption 100.0000.....		76,518	76,518	76,518	76,518	0	0	0	0	0	76,518	0	0	0	5,160	01/10/2017	1.....
08861@ AA 7	Walgreen Company 6.043% 08/15/31.....		09/15/2007	Redemption 100.0000.....		11,677	11,677	11,677	11,677	0	0	0	0	0	11,677	0	0	0	471	08/15/2031	1Z.....
153467 A* 6	Washington Mutual Bank 9.500% 10/25/07...		09/25/2007	Redemption 100.0000.....		846	846	787	843	0	2	0	2	0	845	0	1	1	51	10/25/2007	2FE.....
15348# AA 3	Central Florida 7.840% 07/23/08.....		07/23/2007	Redemption 100.0000.....		545,455	545,455	545,455	545,455	0	0	0	0	0	545,455	0	0	0	42,764	07/23/2008	2.....
20986N AB 1	Consolidated Rail Corp 6.960% 03/25/10...		09/25/2007	Redemption 100.0000.....		248,226	248,226	245,999	247,364	0	178	0	178	0	247,542	0	684	684	17,277	03/25/2010	1FE.....
22540A FU 7	CS First Boston Mtg Sec 1.176% 04/17/30...		09/01/2007	Paydown.....		0	0	61,066	61,066	0	(61,066)	0	(61,066)	0	0	0	0	0	20,189	04/17/2030	1FE.....
22540A FU 7	CS First Boston Mtg Sec 1.176% 04/17/30...		09/27/2007	Basis Adjustment.....		0	0	202,953	202,953	0	(202,953)	0	(202,953)	0	0	0	0	0	0	04/17/2030	1FE.....
343254 AC 2	Florida Windstorm 6.850% 08/25/07.....		08/25/2007	Various.....		10,000,000	10,000,000	9,988,600	9,999,067	0	933	0	933	0	10,000,000	0	0	0	685,000	08/25/2007	1FE.....
361452 AA 3	GATX Rail Corp 8.100% 01/13/20.....		07/13/2007	Redemption 100.0000.....		149,245	149,245	149,245	149,245	0	0	0	0	0	149,245	0	0	0	12,089	01/13/2020	1FE.....
37045G AB 9	General Mtrs Corp 8.950% 07/02/09.....		07/02/2007	Redemption 100.0000.....		301,862	301,862	304,419	302,375	0	(161)	0	(161)	0	302,215	0	(353)	(353)	27,017	07/02/2009	4FE.....
44949T AG 3	ESI Tractable Fdg 9.320% 12/31/07.....		06/30/2007	Redemption 100.0000.....		626,000	626,000	626,000	626,000	0	0	0	0	0	626,000	0	0	0	29,172	12/31/2007	2FE.....
48268@ AE 4	KPMG LLP 6.320% 07/25/07.....		07/25/2007	Maturity.....		5,000,000	5,000,000	5,000,000	5,000,000	0	0	0	0	0	5,000,000	0	0	0	179,067	07/25/2007	1.....
49238# AB 5	Kerr-McGee BoomVang 7.370% 01/30/19...		07/30/2007	Redemption 100.0000.....		21,483	21,483	21,483	21,483	0	0	0	0	0	21,483	0	0	0	1,583	01/30/2019	2.....
49238# AB 3	Kerr-McGee BoomVang 7.370% 01/30/19...		07/30/2007	Redemption 100.0000.....		20,860	20,860	20,860	20,860	0	0	0	0	0	20,860	0	0	0	1,537	01/30/2019	2.....
49240# AA 1	Kerr-McGee Nansen 7.270% 01/30/20.....		07/30/2007	Redemption 100.0000.....		19,755	19,755	19,755	19,755	0	0	0	0	0	19,755	0	0	0	1,436	01/30/2020	2.....
49240# AB 9	Kerr-McGee Nansen 7.220% 01/30/18.....		07/30/2007	Redemption 100.0000.....		36,010	36,010	36,010	36,010	0	0	0	0	0	36,010	0	0	0	2,600	01/30/2018	2.....

E05.1

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 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
574754 AB 3	Mashantucket West 6.570% 09/01/13.....		09/04/2007	Call 100.0000.....		200,000	200,000	184,458	190,251	0	778	0	778	0	191,029	0	8,972	8,972	13,140	09/01/2013	1FE.....
58983* CF 4	TTX Company Equip Cfts 9.850% 01/29/10.....		07/29/2007	Redemption 100.0000.....		80,756	80,756	80,756	80,756	0	0	0	0	0	80,756	0	0	0	7,955	01/29/2010	1.....
58983* CG 2	TTX Company Equip Cfts 9.850% 01/29/08.....		07/29/2007	Redemption 100.0000.....		286	286	286	286	0	0	0	0	286	0	0	0	28	01/29/2008	1.....	
61910D DC 3	Mortgage Capital Fdg 1.328% 11/20/12.....		09/01/2007	Paydown.....		0	0	42,624	42,624	0	(42,624)	0	(42,624)	0	0	0	0	0	155,669	11/20/2012	1FE.....
61910D DC 3	Mortgage Capital Fdg 1.328% 11/20/12.....		09/27/2007	Basis Adjustment.....		0	0	7,774	7,774	0	(7,774)	0	(7,774)	0	0	0	0	0	0	11/20/2012	1FE.....
74043A AL 5	Preferred Term XXIII 5.792% 09/22/11.....		09/24/2007	Redemption 100.0000.....		5,555	5,555	5,555	5,555	0	0	0	0	5,555	0	0	0	241	09/22/2011	1FE.....	
74954# AB 3	Chase Manhattan Bk Coll 8.060% 05/21/10.....		09/01/2007	Redemption 100.0000.....		193,490	193,490	193,490	193,490	0	0	0	0	193,490	0	0	0	10,403	05/21/2010	1.....	
795485 AA 9	Salomon Bros Mtg Sec 6.000% 12/01/11.....		09/01/2007	Paydown.....		1,799	1,799	1,671	1,761	0	38	0	38	0	1,799	0	0	0	71	12/01/2011	1FE.....
809877 AP 8	Scott Paper Co Ser Proj 9.500% 07/15/08.....		08/02/2007	Call 100.0000.....		10,000	10,000	10,480	10,079	0	(29)	0	(29)	0	10,050	0	(50)	(50)	950	07/15/2008	1FE.....
814137 AA 3	Archstone Communities 7.250% 08/15/09.....		08/15/2007	Redemption 100.0000.....		625,000	625,000	625,000	625,000	0	0	0	0	625,000	0	0	0	45,313	08/15/2009	2FE.....	
861832 A# 0	Stonehenge Capital Fund 8.424% 12/15/16.....		09/15/2007	Redemption 100.0000.....		60,827	60,827	60,827	60,827	0	0	0	0	60,827	0	0	0	3,843	12/15/2016	1FE.....	
861832 A* 4	Stonehenge Capital Fund 9.721% 12/15/11.....		09/15/2007	Redemption 100.0000.....		82,092	82,092	82,092	82,092	0	0	0	0	82,092	0	0	0	5,985	12/15/2011	1FE.....	
87612# AA 1	Target Corporation 5.066% 01/15/25.....		09/15/2007	Redemption 100.0000.....		79,165	79,165	79,165	79,165	0	0	0	0	79,165	0	0	0	2,675	01/15/2025	1Z.....	
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	0	0	0	600,000	0	0	0	46,800	08/03/2011	4.....	
94978# AH 0	CVS Corporation 7.530% 01/10/24.....		09/10/2007	Redemption 100.0000.....		53,812	53,812	53,812	53,812	0	0	0	0	53,812	0	0	0	2,703	01/10/2024	2.....	
981468 AA 9	World Financial Props 6.910% 09/01/13.....		09/01/2007	Redemption 100.0000.....		35,920	35,920	35,920	35,920	0	0	0	0	35,920	0	0	0	1,656	09/01/2013	1FE.....	
981469 AA 7	World Financial Props 6.950% 09/01/13.....		09/01/2007	Redemption 100.0000.....		192,347	192,347	192,347	192,347	0	0	0	0	192,347	0	0	0	8,916	09/01/2013	1FE.....	
CM4858 AD 3	Investors GNMA Certfs 7.500% 12/01/08.....		09/01/2007	Paydown.....		67,861	67,861	69,429	67,790	0	71	0	71	0	67,861	0	0	0	3,392	12/01/2008	1FE.....
64457* AD 6	New Grade Energy Inc 10.050% 08/31/07.....		08/31/2007	Redemption 100.0000.....		623,300	623,300	623,300	623,300	0	0	0	0	623,300	0	0	0	41,761	08/31/2007	1.....	
449909 AJ 9	ICI Wilmington 7.050% 09/15/07.....		09/15/2007	Maturity.....		8,500,000	8,500,000	8,475,860	8,497,714	0	2,286	0	2,286	0	8,500,000	0	0	0	599,250	09/15/2007	2FE.....
86958P AB 1	Svenska Handels Banken 8.125% 08/15/07.....		08/15/2007	Maturity.....		8,000,000	8,000,000	7,886,680	7,991,441	0	8,559	0	8,559	0	8,000,000	0	0	0	650,000	08/15/2007	1FE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....					36,470,147	36,470,147	36,622,353	36,762,655	0	(301,762)	0	(301,762)	0	36,460,894	0	9,254	9,254	2,626,164	.....XXX.....	.....XXX.....
Bonds - Credit Tenant Loans																					
33632* UJ 4	Phillips Petroleum 7.950% 12/10/20.....		09/10/2007	Redemption 100.0000.....		37,039	37,039	37,039	37,039	0	0	0	0	37,039	0	0	0	0	1,964	12/10/2020	1.....
33632* UE 5	Baker Hughes Inc 8.036% 09/28/15.....		09/28/2007	Redemption 100.0000.....		155,546	155,546	155,546	155,546	0	0	0	0	155,546	0	0	0	12,500	09/28/2015	1.....	
56602# AA 8	Marriott International 8.550% 11/17/22.....		09/17/2007	Redemption 100.0000.....		67,369	67,369	67,369	67,369	0	0	0	0	67,369	0	0	0	3,842	11/17/2022	2.....	
58008# AA 4	Circuit City Stores 8.550% 11/15/09.....		09/15/2007	Redemption 100.0000.....		223,354	223,354	223,354	223,354	0	0	0	0	223,354	0	0	0	12,739	11/15/2009	2FE.....	
4699999.	Total - Bonds - Credit Tenant Loans.....					483,308	483,308	483,308	483,308	0	0	0	0	483,308	0	0	0	31,045	.....XXX.....	.....XXX.....	
6099997.	Total - Bonds - Part 4.....					87,334,373	87,394,161	87,380,828	75,583,948	0	(243,822)	0	(243,822)	0	87,134,594	0	199,779	199,779	4,468,673	.....XXX.....	.....XXX.....
6099999.	Total - Bonds.....					87,334,373	87,394,161	87,380,828	75,583,948	0	(243,822)	0	(243,822)	0	87,134,594	0	199,779	199,779	4,468,673	.....XXX.....	.....XXX.....
Common Stocks - Industrial and Miscellaneous																					
817270 20 0	Sentinel Group Fds Inc.....		07/09/2007	Sentinel Group Fds.....		822,000	15,333	XXX	13,410	14,470	(1,060)	0	(1,060)	0	13,410	0	1,923	1,923	156	.....XXX.....	L.....
817270 30 9	Sentinel Group Fds Inc.....		08/16/2007	Various.....		10,098,000	340,417	XXX	296,552	332,540	(35,988)	0	(35,988)	0	296,552	0	43,864	43,864	1,377	.....XXX.....	L.....
817270 50 7	Sentinel Group Fds Inc.....		07/10/2007	Sentinel Group Fds.....		202,000	3,892	XXX	3,105	3,356	(250)	0	(250)	0	3,105	0	787	787	0	.....XXX.....	L.....
817270 60 6	Sentinel Group Fds Inc.....		09/27/2007	Various.....		126,820,000	1,294,776	XXX	1,288,783	342,621	857	0	857	0	1,288,783	0	5,993	5,993	17,999	.....XXX.....	L.....
817270 80 4	Sentinel Group Fds Inc.....		08/16/2007	Various.....		43,879,000	351,057	XXX	327,729	329,971	(2,242)	0	(2,242)	0	327,729	0	23,328	23,328	7	.....XXX.....	L.....
817270 88 7	Sentinel Group Fds Inc.....		08/16/2007	Various.....		16,836,000	343,287	XXX	302,445	344,634	(42,189)	0	(42,189)	0	302,445	0	40,843	40,843	2	.....XXX.....	L.....
6899999.	Total - Common Stocks - Industrial & Miscellaneous.....					2,348,762	XXX	2,232,024	1,367,592	(80,872)	0	0	(80,872)	0	2,232,024	0	116,738	116,738	19,541	.....XXX.....	.....XXX.....
7299997.	Total - Common Stocks - Part 4.....					2,348,762	XXX	2,232,024	1,367,592	(80,872)	0	0	(80,872)	0	2,232,024	0	116,738	116,738	19,541	.....XXX.....	.....XXX.....
7299999.	Total - Common Stocks.....					2,348,762	XXX	2,232,024	1,367,592	(80,872)	0	0	(80,872)	0	2,232,024	0	116,738	116,738	19,541	.....XXX.....	.....XXX.....
7399999.	Total - Preferred and Common Stocks.....					2,348,762	XXX	2,232,024	1,367,592	(80,872)	0	0	(80,872)	0	2,232,024	0	116,738	116,738	19,541	.....XXX.....	.....XXX.....
7499999.	Total - Bonds, Preferred and Common Stocks.....					89,683,135	XXX	89,612,852	76,951,540	(80,872)	(243,822)	0	(324,694)	0	89,366,618	0	316,517	316,517	4,488,214	.....XXX.....	.....XXX.....

E05.2

(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 42500000 Notional.....	1,881	.03/20/2008...	1,435.04	03/21/2007...	JPMorgan.....	191,448	278,578		278,578	278,578	87,130	0	0
S&P 500 OTC Option 26300000 Notional.....	1,549	.04/20/2008...	1,484.35	04/20/2007...	Bear Stearns.....	162,025	185,871		185,871	185,871	23,846	0	0
S&P 500 OTC Option 88200000 Notional.....	1,115	.05/21/2008...	1,525.1	05/21/2007...	JPMorgan.....	126,006	113,776		113,776	113,776	(12,230)	0	0
S&P 500 OTC Option 17800000 Notional.....	2,168	.06/20/2008...	1,522.19	06/21/2007...	JPMorgan.....	257,081	240,649		240,649	240,649	(16,432)	0	0
S&P 500 OTC Option 27100000 Notional.....	657	.06/20/2008...	1,522.19	06/21/2007...	JPMorgan.....	77,907	72,927		72,927	72,927	(4,980)	0	0
S&P 500 OTC Option 16100000 Notional.....	1,369	.07/21/2008...	1,534.1	07/20/2007...	Bear Stearns.....	180,434	150,023		150,023	150,023	(30,412)	0	0
S&P 500 OTC Option 15300000 Notional.....	1,382	.08/21/2008...	1,447.12	08/21/2007...	Bear Stearns.....	192,444	238,923		238,923	238,923	46,480	0	0
S&P 500 OTC Option 19200000 Notional.....	1,311	.09/19/2008...	1,525.75	09/21/2007...	Bear Stearns.....	172,790	167,526		167,526	167,526	(5,264)	0	0
S&P 500 OTC Option 24900000 Notional.....	590	.09/19/2008...	1,525.75	09/21/2007...	Bear Stearns.....	77,762	75,393		75,393	75,393	(2,369)	0	0
S&P Asian OTC Call Option 29000000.....	696	.03/20/2008...	1,435.04	03/21/2007...	Barclays Capital.....	37,055	54,351		54,351	54,351	17,296	0	0
S&P Asian OTC Call Option 38100000.....	674	.04/21/2008...	1,484.35	04/20/2007...	Credit Suisse.....	36,915	32,919		32,919	32,919	(3,996)	0	0
S&P Asian OTC Call Option 33100000.....	721	.05/21/2008...	1,525.1	05/21/2007...	Credit Suisse.....	43,101	22,966		22,966	22,966	(20,135)	0	0
S&P Asian OTC Call Option 38100000.....	723	.06/20/2008...	1,522.19	06/21/2007...	Credit Suisse.....	46,113	29,968		29,968	29,968	(16,145)	0	0
S&P Asian OTC Call Option 34000000.....	652	.07/21/2008...	1,534.1	07/20/2007...	Barclays Capital.....	46,814	27,518		27,518	27,518	(19,295)	0	0
S&P Asian OTC Call Option 35800000.....	691	.08/21/2008...	1,447.12	08/21/2007...	Bear Stearns.....	56,399	76,929		76,929	76,929	20,530	0	0
S&P Asian OTC Call Option 33100000.....	918	.09/19/2008...	1,525.75	09/21/2007...	JPMorgan.....	69,052	63,839		63,839	63,839	(5,213)	0	0
0199999. Subtotal - Call Options - Hedging Transactions.....						1,773,346	1,832,156	XXX	1,832,156	1,832,156	58,811	0	0
0499999. Subtotal - Call Options.....						1,773,346	1,832,156	XXX	1,832,156	1,832,156	58,811	0	0
2599999. Subtotal - Hedging Transactions.....						1,773,346	1,832,156	XXX	1,832,156	1,832,156	58,811	0	0
9999999. Totals.....						1,773,346	1,832,156	XXX	1,832,156	1,832,156	58,811	0	0

E06

SCHEDULE DB - PART B - SECTION 1

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

1	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
Call Options - Hedging Transactions													
S&P 500 OTC Option 42500000 Notional.....	1,881	.03/20/2008...	1,592.89	03/21/2007...	JPMorgan.....	49,188	90,404		90,404	90,404	41,216	0	0
S&P 500 OTC Option 26300000 Notional.....	1,549	.04/21/2008...	1,655.05	04/20/2007...	Bear Stearns.....	37,176	47,382		47,382	47,382	10,206	0	0
S&P 500 OTC Option 88200000 Notional.....	1,115	.05/21/2008...	1,677.61	05/21/2007...	JPMorgan.....	40,642	34,021		34,021	34,021	(6,621)	0	0
S&P 500 OTC Option 17800000 Notional.....	2,168	.06/20/2008...	1,693.44	06/21/2007...	JPMorgan.....	77,896	68,055		68,055	68,055	(9,841)	0	0
S&P 500 OTC Option 27100000 Notional.....	657	.06/20/2008...	1,643.97	06/21/2007...	JPMorgan.....	35,701	31,820		31,820	31,820	(3,881)	0	0
S&P 500 OTC Option 16100000 Notional.....	1,369	.07/21/2008...	1,710.52	07/20/2007...	Bear Stearns.....	63,029	42,520		42,520	42,520	(20,509)	0	0
S&P 500 OTC Option 15300000 Notional.....	1,382	.08/21/2008...	1,613.54	08/21/2007...	Bear Stearns.....	80,446	101,638		101,638	101,638	21,192	0	0
S&P 500 OTC Option 19200000 Notional.....	1,311	.09/19/2008...	1,708.84	09/21/2007...	Bear Stearns.....	60,372	54,828		54,828	54,828	(5,543)	0	0
S&P 500 OTC Option 24900000 Notional.....	590	.09/19/2008...	1,632.55	09/21/2007...	Bear Stearns.....	44,545	41,789		41,789	41,789	(2,756)	0	0
0199999. Subtotal - Call Options - Hedging Transactions.....						488,995	512,457	XXX	512,457	512,457	23,462	0	0
0499999. Subtotal - Call Options.....						488,995	512,457	XXX	512,457	512,457	23,462	0	0
2599999. Subtotal - Hedging Transactions.....						488,995	512,457	XXX	512,457	512,457	23,462	0	0
9999999. Totals.....						488,995	512,457	XXX	512,457	512,457	23,462	0	0

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

E07

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.....	19	12/21/2007..	7,074,175	7,305,975	231,800	09/13/2007..	S&P.....	0	231,800	0	0	299,250
Total Cash Deposits.....	0		0	0	0			1,062,891	0	0	0	0
0399999. Subtotal - Long Futures Positions - Other Derivative Transactions.....			7,074,175	7,305,975	231,800	XXX.....	XXX.....	1,062,891	231,800	0	0	299,250
0499999. Subtotal - Long Futures Positions.....			7,074,175	7,305,975	231,800	XXX.....	XXX.....	1,062,891	231,800	0	0	299,250
2799999. Subtotal - Other Derivative Transactions.....			7,074,175	7,305,975	231,800	XXX.....	XXX.....	1,062,891	231,800	0	0	299,250
9999999. Totals.....			7,074,175	7,305,975	231,800	XXX.....	XXX.....	1,062,891	231,800	0	0	299,250

Brokers

Goldman Sachs.....	1,062,891
Broker Totals.....	1,062,891

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								
JP Morgan Chase Bank.....	New York, NY.....	.....0.000	.....0	.....0	...(22,198,508)	...(24,687,383)	...(31,763,807)	XXX
Wachovia Bank & Trust.....	Philadelphia, PA.....	.....0.000	.....0	.....0	.....410,192	.....678,157	.....2,809,790	XXX
State Street Bank.....	Boston, MA.....	.....0.000	.....0	.....0	.....342,702	.....403,734	...(1,033,971)	XXX
Chittenden Bank.....	Montpelier, VT.....	.....0.000	.....0	.....0	.....(63,320)	.....(91,394)	.....(148,261)	XXX
Banknorth Vermont.....	Burlington, VT.....	.....0.000	.....0	.....0	.....3,301,126	.....1,712,775	.....11,225,964	XXX
Fifth Third Bank.....	Cincinnati, OH.....	.....0.000	.....0	.....0	.....178,074	.....92,529	.....90,943	XXX
0199998. Deposits in.....1 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories.....	XXX.....	XXX.....	.....0	.....0	.....11,644	.....12,194	.....12,567	XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	.....0	.....0	...(18,018,090)	...(21,879,388)	...(18,806,776)	XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	.....0	.....0	...(18,018,090)	...(21,879,388)	...(18,806,776)	XXX
0499999. Cash in Company's Office.....	XXX.....	XXX.....	XXX.....	XXX.....	.....400	.....400	.....400	XXX
0599999. Total Cash.....	XXX.....	XXX.....	.....0	.....0	...(18,017,690)	...(21,878,988)	...(18,806,376)	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