MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER

Phone: (360) 725-7000
www.insurance.wa.gov

November 7, 2011

Patricia Petersen, Chief Hearing Officer
Office of the Insurance Commissioner
Hearings Unit
P.O. Box 40255
Olympia, WA 98504-0255
5000 Capitol Blvd.
Tumwater, WA 98501

Re: Redomestication Applications for Safeco Insurance Company of America, Safeco Surplus Lines Insurance Company, First National Insurance Company of America and General Insurance Company of America.

Dear Ms. Petersen:

Attached please find the redomestication applications and associated supplementary documents for Safeco Insurance Company of America, Safeco Surplus Lines Insurance Company, First National Insurance Company of America and General Insurance Company of America. The applications relate to a proposal to redomesticate from Washington State to New Hampshire.

The companies have requested an approval date prior to year end 2011.

The Company Supervision division is satisfied that the redomestication applications are complete and requests that a hearing be scheduled in this matter. Mr. Chuck Brown is the OIC Senior Staff Attorney assigned to this case.

If you have any questions, please call me at 360-725-7210 or Mr. Brown at 360-725-7044.

Sincerely,

Gayle Rasero

Gayle Rasero, CPCU
Company Licensing Manager
Company Supervision Division

cc: James T. Odiorne, Deputy Insurance Commissioner, Washington State Office of the Insurance Commissioner
Chuck Brown, Senior Staff Attorney, Washington State Office of the Insurance Commissioner
Melvin N. Sorensen, Attorney, Carney, Badley, Spellman

Pasero, Gayle (OIC)

From: Quinlan, Richard [Richard.Quinlan@LibertyMutual.com]
Sent: Wednesday, November 02, 2011 11:06 AM
To: Pasero, Gayle (OIC)
Cc: Sorensen, Melvin
Subject: RE: Safeco redomestication

Dear Ms. Pasero,

Thank you for your attached note.
We have discussed and reviewed your inquiry with the appropriate senior managers at Liberty Mutual and note that there is no strategic plan to restructure, consolidate, eliminate or to move the Applicants' Washington-based operations or employee population. In addition, the proposed redomestications will be seamless to the Applicants' Washington policyholders because they will not result in any changes to the Applicants' producer base or to their methods and ability to handle claims and service policyholders. The proposed redomestications, if approved, will not have any substantive impact on the contractual or statutory rights of the Applicants' Washington policyholders. Nor will the redomestications have a material impact on any pending litigation filed in Washington involving the Applicants' Washington policyholders. In light of economic uncertainties and the intensely competitive nature of the property-casualty insurance industry, however, the Applicants must reserve their right to make operational and staffing changes as their business judgment deems appropriate in the future.

Thank you for your assistance and for forwarding this to the Hearing Officer. We hope that a hearing date can be set in the near-term with the goal of accomplishing this transaction prior to December 31, 2011.

Best Regads,

Richard P. Quinlan, Esq.
Deputy General Counsel
Senior Vice President and Manager, Corporate Group
Liberty Mutual Group
175 Berkeley Street
Boston, MA 02116
617-574-5655 phone
617-574-5830 fax
617-429-7983 cell
Richard.Quinlan@libertymutual.com

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From: Pasero, Gayle (OIC) [mailto:GayleP@OIC.WA.GOV]
Sent: Thursday, October 20, 2011 5:34 PM
To: Quinlan, Richard
Cc: Sorensen, Melvin
Subject: Safeco redomestication

Dear Mr. Quinlan,

I have completed my review of the applications for redomestication to New Hampshire for Safeco Insurance Company of America, Safeco Surplus Lines Insurance Company, First National Insurance Company of America and General Insurance Company of America.

You indicated that this change will not affect Liberty Mutual's business operations and employees in the State of Washington. Please elaborate further on the following:

- What are the strategic plans for the next 5 years for the location of the company operations and staff currently in Washington? 10 years?
- Are there plans to restructure, consolidate, eliminate or move any of the staff or current operations located in Washington?

Thank you for your assistance with this. Once I receive your response the applications will be referred to our Hearing Officer who will review the files and then set a date for the hearing.

Best regards,

Gayle Pasero, CPCU
Company Licensing Manager
Company Supervision
Washington State Office of the Insurance Commissioner
360.725.7210 | Gaylep@oic.wa.gov | www.insurance.wa.gov
P.O. Box 40259, Olympia, WA 98504-0255

Pasero, Gayle (OIC)

From: Pasero, Gayle (OIC)
Sent: Thursday, October 20, 2011 2:34 PM
To: 'Richard.Quinlan@libertymutual.com'
Cc: Sorensen, Melvin
Subject: Safeco redomestication

Dear Mr. Quinlan,

I have completed my review of the applications for redomestication to New Hampshire for Safeco Insurance Company of America, Safeco Surplus Lines Insurance Company, First National Insurance Company of America and General Insurance Company of America.

You indicated that this change will not affect Liberty Mutual's business operations and employees in the State of Washington. Please elaborate further on the following:

- What are the strategic plans for the next 5 years for the location of the company operations and staff currently in Washington? 10 years?
- Are there plans to restructure, consolidate, eliminate or move any of the staff or current operations located in Washington?

Thank you for your assistance with this. Once I receive your response the applications will be referred to our Hearing Officer who will review the files and then set a date for the hearing.

Best regards,

Gayle Pasero, CPCU
Company Licensing Manager
Company Supervision
Washington State Office of the Insurance Commissioner
360.725.7210 | Gaylep@oic.wa.gov | www.insurance.wa.gov
P.O. Box 40259, Olympia, WA 98504-0255

CARNEY
BADLEY
SPELLMAN

Melvin N. Sorensen

Law Offices
A Professional Service Corporation

701 Fifth Avenue, Suite 3600
Seattle, Washington 98104-7010
T (206) 622-8020
F (206) 467-8215
Direct Line (206) 607-4152

Email: sorensen@carneylaw.com

August 19, 2011

The Honorable Mike Kreidler
Insurance Commissioner
Washington State Office of the Insurance Commissioner
5000 Capitol Blvd.
P.O. Box 40255
Tumwater, WA 98512

Re: Request for Transfer of Domicile

Dear Commissioner Kreidler:

Enclosed for your review is a letter from Mr. Richard P. Quinlan, Senior Vice President, Deputy General Counsel, Liberty Mutual Group, together with related documents requesting to transfer the domicile of Safeco Insurance Company of America, Safeco Surplus Lines Insurance Company, First National Insurance Company of America, and General Insurance Company of America, all Washington stock insurance companies (the "Applicants"), to New Hampshire.

On behalf of the Applicants, we request that the OIC withhold from public disclosure the personal, non-public information contained in the biographical affidavits included in the materials referenced above. This request includes information such as personal addresses and social security numbers. Please do not hesitate to contact me if you or your staff have any questions regarding this matter.

Respectfully Submitted,

CARNEY BADLEY SPELLMAN, P.S.

Melvin N. Sorensen

Enclosure

MNS:jc

RICHARD P. QUINLAN
SENIOR VICE PRESIDENT &
DEPUTY GENERAL COUNSEL
175 Berkeley Street
Boston, MA 02116
Telephone: 617-357-9500 Ext 45655
Richard.Quinlan@libertymutual.com

August 18, 2011

The Hon. Mike Kriedler
Insurance Commissioner
Washington State Office of the Insurance Commissioner
5000 Capitol Blvd.
PO Box 40255
Tumwater, WA 98512

Subject: Request for Transfer of Domicile

Dear Commissioner Kriedler:

Please treat this letter as the official request pursuant to Washington Revised Code §48.07.210(2) to transfer the domicile of (or "redomesticate") Safeco Insurance Company of America, Safeco Surplus Lines Insurance Company, First National Insurance Company of America and General Insurance Company of America, all Washington stock insurance companies (the "Applicants"), to New Hampshire.

The purpose of the redomestication is two-fold. First, in December 2008, the Massachusetts Commissioner of Insurance met with the Board of Directors of Liberty Mutual Holding Company Inc. ("Liberty Mutual") to request that they reduce the complexity of Liberty Mutual's corporate structure, including reducing the number of domiciliary states for its insurance companies. By virtue of its significant growth through various acquisitions over the last decade, Liberty Mutual had accumulated insurance companies domiciled in 19 different states. Liberty Mutual promptly responded to this request and has to date consolidated domiciliary operations in several jurisdictions where it already had domestic entities, such as New Hampshire, which has regulated Liberty Mutual affiliates for more than 100 years. Over the last three years, Liberty Mutual efforts in this regard have resulted in a reduction in the total number of domiciliary jurisdictions regulating its insurance affiliates from 19 to 11. Liberty Mutual has continued to evaluate opportunities with respect to this initiative and believes that the redomestication of the Applicants will serve to further this objective by allowing a further reduction in its domiciliary jurisdictions.

Second, Liberty Mutual will realize significant corporate efficiencies by affecting the change in domicile. Liberty Mutual continually analyzes strategic opportunities and reviews its corporate structure to seek capital and operational efficiencies. Liberty Mutual currently has ten affiliated insurance companies domiciled in New Hampshire, including Peerless Insurance Company, the lead company of the intercompany pool of which the Applicants are members. The redomestications should make regulating oversight of the pool members more efficient for both our domiciliary regulators and Liberty Mutual, and will increase the

efficiency of the pool's operations from a retaliatory tax perspective. However, the redomestications should have no negative revenue impact to the State of Washington.

This requested change in the Applicants' state of domicile will not affect Liberty Mutual's business operations and employees in the State of Washington. Since the acquisition of Safeco Corporation in 2008, Liberty Mutual has maintained a significant presence in Washington and the Pacific Northwest. The headquarters of Safeco Insurance have remained in Seattle, Washington, and Liberty Mutual maintains significant operations and employees in the State.

The Safeco Foundation remains a valued and active partner to numerous charitable and community organizations within the State. The Safeco Foundation has consistently made significant contributions to such organizations over the last three years. The Safeco Foundation's purpose has been fortified by its alignment with Liberty Mutual's other charitable activities and its history of community giving. This transaction will not adversely impact the continuation of the Foundation's goals, objectives and continued vibrancy in the Washington community. Finally, Safeco Field remains a prominent landmark in Seattle and a visible sign of Liberty Mutual's commitment to the Safeco brand.

Pursuant to RCW 48.07.210(2), the statutory standard for review of a request for redomestication by the Office of the Insurance Commissioner states that such a request shall be approved if it cannot be found "that the transfer is not in the best interests of the public or the insurer's policyholders in this state." In accordance with RCW 48.07.210(2), the Applicants respectfully request transfer of their domiciles to New Hampshire on October 1, 2011, a date that is at least thirty days after this notice. Please hold confidential, pursuant to RCW 48.02.065 as appropriate, those items in this filing that are confidential and protected from publication and public disclosure.

Please be advised that, simultaneously with filing the enclosed duplicate applications with you, we are making filings to request approval of the transfers of domicile with the New Hampshire Insurance Department. Our contact there is Ms. Pat Gosselin, Insurance Company Examiner II, New Hampshire Insurance Department, Suite 14, Concord, NH 03301, Telephone: 603-271-7973, x207.

Please let us know at your earliest convenience if a public hearing will be required with respect to this matter and what if any additional documentation you would like for your review. We look forward to working with you and the Staff of the OIC during the review process. If you have any questions regarding this request, please do not hesitate to contact me.

Very truly yours,

Richard P. Quinlan

Richard P. Quinlan
Senior Vice President, Deputy General Counsel

Cc: Paul Mattera, Liberty Mutual Group
Gary Strannigan, Liberty Mutual Group
Mel Sorensen, Carney, Badley & Spellman, P.C.

RICHARD P. QUINLAN
SENIOR VICE PRESIDENT &
DEPUTY GENERAL COUNSEL
175 Berkeley Street
Boston, MA 02116
Telephone: 617-357-9500 Ext 45655
Richard.Quinlan@libertymutual.com

August 18, 2011

Ms. Pat Gosselin
Insurance Company Examiner II
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

RE: Requests for Transfer of Domicile

Dear Ms. Gosselin:

Enclosed please find applications to transfer the domiciles of (or "redomesticate") the following Washington domiciled companies (the "Applicants") to New Hampshire pursuant to RSA§§ 405:62 through 405:65:

Safeco Insurance Company of America
Safeco Surplus Lines Insurance Company
General Insurance Company of America
First National Insurance Company of America

The purpose of the redomestications is to continue to reduce the complexity of the corporate structure of the Liberty Mutual Group and make the Group's insurance operations more efficient. As you may recall, in December of 2008, the Massachusetts Commissioner of Insurance met with the Board of Directors of Liberty Mutual Holding Company Inc. ("Liberty Mutual") to request that they reduce the complexity of Liberty Mutual's corporate structure, including reducing the number of domiciliary states for its insurance companies. Liberty Mutual promptly responded to this request. As part of its response, in 2009 Liberty Mutual transferred the domiciles of three affiliate companies (Safeco National Insurance Company, Colorado Casualty Insurance Company and Golden Eagle Insurance Corporation) to New Hampshire.

Liberty Mutual currently has ten affiliated insurance companies domiciled in New Hampshire, including Peerless Insurance Company, the lead company of the intercompany pool of which the Applicants are members. The redomestications should make regulating oversight of the pool members more efficient for both Liberty Mutual and its domiciliary regulators, and will increase the efficiency of the pool's operations from a tax perspective. Please be advised that, simultaneously with filing the enclosed applications with you, we are making filings to request the approval of the transfer of domicile with the Washington Office of the Insurance Commissioner. We will request that Gayle Pasero, Company Licensing

Manager with the Washington Office of the Insurance Commissioner contact you to coordinate the handling of Applicants' requested transfers of domicile. The Washington Office of the Insurance Commissioner has indicated that it would like a letter from the New Hampshire Insurance Department indicating that it has no objection to the filing of the UCAA Primary and redomestication application, discussed more fully below. The Applicants will submit to you information indicating they have complied with all the laws and requirements of their current state of domicile with reference to the proposed redomestication as soon as it is received. It is our goal to have the redomestications completed by year end.

Three of the Applicants (Safeco Insurance Company of America, General Insurance Company of America and First National Insurance Company of America) are already licensed to transact insurance business in New Hampshire. Safeco Surplus Lines Insurance Company does not currently have a New Hampshire certificate of authority, as it is a surplus lines insurer and licensed only in Washington. Please note that the three licensed applicants have submitted the redomestication elements of the UCAA Primary Application for your review and that the application for Safeco Surplus Lines Insurance Company is a full UCAA Primary Application and will also serve as an application for a certificate of authority. Please note that the enclosed applications include information, such as financial projections and biographical information, deemed confidential to the full extent permitted by New Hampshire law, with particular reference to RSA 400-A:37, IV-a (a). If you have any questions regarding these requests, please contact me.

Very truly yours,

Richard P. Quinlan

Richard P. Quinlan
Senior Vice President, Deputy General Counsel

cc: Commissioner Mike Kriedler, Washington OIC
George Roussos, Orr & Reno
Paul Mattera, Liberty Mutual Group
Donald Baldini, Liberty Mutual Group

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER

No. 1527

I, MIKE KREIDLER, State Insurance Commissioner, do hereby certify that I am the state official charged with the general control and supervision of all insurance business (except State Workers' Compensation) transacted in the State of Washington and charged with the administration of the laws relating to insurance in said jurisdiction, and that this office is a department of record, having custody of original documents.

I FURTHER CERTIFY That ***SAFECO INSURANCE COMPANY OF AMERICA,*** *Seattle, Washington, was duly organized and incorporated under the laws of the State of Washington, and, having complied with the requirements of said laws, has been authorized since September 02, 1953 to issue policies and transact the business of Property, Marine and Transportation, Vehicle, General Casualty, Surety, Ocean Marine and Foreign Trade Insurance as defined in RCW 48.11.040, 48.11.050, 48.11.060, 48.11.070, 48.11.080 and 48.11.105.*

IN WITNESS WHEREOF, *I have hereunto set my hand and affixed the official seal of the Insurance Commissioner of the State of Washington, this 7th day of November, 2011.*

MIKE KREIDLER
Insurance Commissioner

By: _____
Deputy Insurance Commissioner

Legal Referral sent 9-7-11.

Applicant Name: Safeco Insurance Company of America

NAIC No. 24740
FEIN: 91-0742148

Reviewed
MP
8/31/11

Uniform Certificate of Authority Application (UCAA)
Primary Application Checklist
For Primary Application Only

The application checklist is intended to help guide you with assembling your complete Primary Uniform Certificate of Authority Application (UCAA). Please be sure to complete the checklist by appropriately marking the boxes on the left side of the page prior to submitting your application for review. The completed checklist should be attached to the top of the application.

Regulator Use Only

1. **Application Form**, containing: ☐

   [X] Completed Primary Application Checklist (Form 1P)
   [X] Original UCAA Primary Application executed and signed (Form 2P)
   [N/A] Include all lines of insurance applicant is licensed to transact, currently transacting and requesting authority to transact in all jurisdictions. (Form 3).

2. **Filing Fee** (pursuant to Section II Filing Requirements Item 2) containing: ☐

   [X] Payment of required filing fee
   [X] Copy of check

3. **Minimum Capital and Surplus Requirements** (pursuant to Section II Filing Requirements Item 3) ☑

   [N/A] Provide explanation of compliance with minimum capital & surplus requirements for state for which application is prepared

4. **Statutory Deposit Requirements** (pursuant to Section II Filing Requirements Item 4) ☐

   [N/A] An original Certificate of Deposit prepared by state of domicile (Form 7)

5. **Name Approval** (pursuant to Section II Filing Requirements Item 5) N/A ☑

   [N/A] Evidence of name approval request

6. **Plan of Operation** (pursuant to Section II Filing Requirements Item 6) ☐

   [N/A] Completed Questionnaire (Form 8)
   [N/A] Pro Forma
   [N/A] Narrative

7. **Holding Company Form "B" Registration Statement** (pursuant to Section II Filing Requirements Item 7) ☐

   [N/A] Included statement

8. **Statutory Membership(s)** ☐

   [N/A] Submit documentation as listed in Section II Filing Requirements Item 8

9. **SEC Filings or Consolidated GAAP Financial Statement** ☐

   [N/A] Submit documentation as listed in Section II Filing Requirements Item 9

10. **Debt-to-Equity Ratio Statement** ☐

    [N/A] Submit documentation as listed in Section II Filing Requirements Item 10

11. **Custody Agreements**

N/A Submit documentation as listed in Section II Filing Requirements Item 11

12. **Public Records Package**

Submit ALL items in chart in Section II Item 12 including:

a. Articles of Incorporation, including:
N/A Original certification by domiciliary state restated articles included

b. Bylaws, including:
N/A Original certification by applicant's corporate assistant

c. Statement with Attachments, including:
N/A Current Year Annual Statement* ✓
Verified and signed, ✓
including actuarial opinion; and

N/A Current Year Quarterly Statements-one copy for each quarter, verified and signed. ✓

* 1. Updated Statements should be submitted on a timely basis while application is pending.

2. If Annual Statement for two preceding years have not been filed with NAIC, one copy of each year must be submitted with the application.

d. Independent CPA-Audit Report
N/A

13. **NAIC Biographical Affidavits for the following:**

N/A Officers (As listed on Jurat Page of most recent financial statement.)
N/A Directors (As listed on Jurat Page of most recent financial statement.)
N/A Key managerial personnel (Including any Vice Presidents or other individuals who will control the operations of the applicant.)
N/A Individuals with a 10% or more beneficial ownership in the applicant who will exercise control over the applicant or, Officers and Directors of an entity with a 10% or more beneficial ownership in the applicant who exercise control over the applicant; and
N/A Individuals with a 10% or more beneficial ownership in the applicant's ultimate controlling person who will exercise control over the applicant and Officers and Directors of the ultimate controlling person who will control the operations of the applicant.
N/A Originally signed and notarized within one year of application date.
N/A Certified by Independent Third Party

14. **State-Specific Information**

N/A Some jurisdictions may have additional requirements that must be met before a Certificate of Authority can be issued. Before completing a UCAA Primary Application the applicant should review a listing of requirements for the state to which you are applying

Applicant Name: Safeco Insurance Company of America NAIC No. 24740
FEIN: 91-0742148

Filing Requirements – Redomestications Only

The requirements of this section are only for those insurers seeking to redomesticate from one state to another and are in addition to the requirements of Section II, items 1-14 of the Primary Checklist. A Redomestication is defined as the process where any insurer organized under the laws of any other state may become a domestic insurer that transfers its domicile to another state by merger or consolidation or any other lawful method. The Primary Application when used for a redomestication is filed with the insurer's new state of domicile.

15. **Annual Statement with Attachments** ☐

[X] Submit documentation as listed in Section III, Filing Requirements Item 1

16. **Quarterly Statements** ☐

[X] Submit documentation as listed in Section III, Filing Requirements Item 2

17. **Risk Based Capital Report** ☐

[X] Submit documentation as listed in Section III, Filing Requirements Item 3

18. **Independent CPA Audit Report** ☐

[X] Submit documentation as listed in Section III, Filing Requirements Item 4

19. **Reports of Examination** ☑

[X] Submit documentation as listed in Section III, Filing Requirements Item 5

20. **Certificate of Compliance (pursuant to Section III,** Filing Requirements Item 6) ☐

[X] Original certification of compliance (Form 6) completed by domiciliary state insurance regulatory agency.

LIBERTY MUTUAL
GROUP INC.

CHECK REFERENCE	CHECK DATE
70737639	07/11/11
CHECK AMOUNT	BLOCK NUMBER
$135.00*******	000016

NON-NEGOTIABLE

ADDRESS INQUIRIES TO:
LIBERTY MUTUAL
DOVER ACCOUNTS PAYABLE
P.O. BOX 1525
DOVER, NH 03821-1525
(603) 749-2600 EXT. 31199

PAYEE NAME AND ADDRESS:
STATE OF NEW HAMPSHIRE
SECRETARY OF STATE
107 NORTH MAIN STREET
STATE HOUSE ROOM 204
CONCORD NH 03301-4989

LOC CODE: BD5 SOURCE: HFILE VENDOR#: 2200280005

PO/CONTRACT#	INVOICE#	INVDATE	GROSS INV AMT	FED. WITHHOLD AMT	STATE	ST. WITHHOLD AMT	NET INV AMT
0	NHS070801E	070811	135.00				135.00

CAREFULLY DETACH CHECK BEFORE DEPOSITING - RETAIN STATEMENT FOR YOUR RECORDS

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

ANTI-FRAUD PROTECTION PATENTS 5,197,765; 5,340,155; 6206429

DIS * 000016
MAILSTOP: 02C
P.O. BOX 1525
DOVER, NH 03821-1525

LIBERTY MUTUAL
GROUP INC.

BANK OF AMERICA
HARTFORD, CT

70737639
51-44/119
002240015623

CHECK DATE
07/11/11

$ 135.00*******

VOID IF NOT PRESENTED WITHIN
6 MONTHS OF DATE OF CHECK

B.CODE	OFFICE NUMBER	PAYMENT IDENTIFICATION
121	096	2200280005

PAY **********ONE HUNDRED THIRTY-FIVE AND 00/100

TO THE ORDER OF
STATE OF NEW HAMPSHIRE
SECRETARY OF STATE
107 NORTH MAIN STREET
STATE HOUSE ROOM 204
CONCORD NH 03301-4989

TWO SIGNATURES NECESSARY
IF AMOUNT EXCEEDS $150,000

⑈70737639⑈ ⑆011900445⑆ 00224001562 3⑈

RESTATED ARTICLES OF INCORPORATION
INCLUDING DESIGNATED AMENDMENT(S)

Pursuant to the provisions of RSA 401:6, the undersigned corporation, pursuant to a resolution duly adopted by its board of directors and its shareholders, hereby adopts and submits for approval under RSA 401:6, the following restated articles of incorporation:

FIRST: The name of the corporation as presently recorded is: Safeco Insurance Company of America (hereinafter called the "Company")

SECOND: Attached are the restated articles of incorporation, as amended, including the designated amendments.

THIRD: If the amendments provide for an exchange, reclassification, or cancellation of issued shares, provision for implementing the amendment if not contained in the amendments:

Not applicable.

FOURTH: Except for no change in the name of the Company, the Restated Articles of Incorporation change each of the corresponding provisions of the Articles of Incorporation as previously amended, and the Restated Articles of Incorporation together with the Amendments designated herein supersede the original Articles of Incorporation and all amendments to the Articles.

FIFTH: (Check one)

___ The restated articles contain amendment(s) adopted by the incorporators or board of directors without shareholder action and shareholder action was not required.

_X_ The restated articles were approved by the shareholders.

SIXTH: The amendments were adopted on July 20, 2011.

SEVENTH: The amendments were approved by the shareholders.

Designation (class or series) of voting group	Number of shares outstanding	Number of votes entitled to be cast	Number of votes indisputably represented at the meeting
Common	20,000	20,000	20,000

Designation (class or series) of voting group	Total number of votes cast: FOR	AGAINST
Common	20,000	0

EIGHTH: The number cast for the amendment(s) of each voting group was sufficient for approval.

Dated July 26, 2011, to be effective upon the approval of the redomestication of the Company by the New Hampshire Insurance Commissioner.

SAFECO INSURANCE COMPANY OF AMERICA

Dexter R. Legg
Secretary

Approved By:

_____
New Hampshire Insurance Department

This ____ day of _____, 2011

RESTATED ARTICLES OF INCORPORATION

These Articles of Incorporation effect redomestication to New Hampshire of: Safeco Insurance Company of America, which was previously incorporated in the State Of Washington.

ARTICLE I

The name of the corporation is Safeco Insurance Company of America (hereinafter called the "Company").

ARTICLE II

The date on which the Company was originally incorporated in the State of Washington was September 2, 1953.

ARTICLE III

The purposes for which the Company is organized are as follows: (1) to write all kinds of insurance and reinsurance authorized by the State of New Hampshire, as specified in paragraphs III (life and annuities) and IV (accident and health) of New Hampshire RSA §401:1, as amended, and to do everything necessary, proper, advisable or convenient for the accomplishment of this purpose; (2) to engage in the business of and to conduct any other kinds of insurance or reinsurance not enumerated in New Hampshire RSA §401:1 as the Insurance Commissioner of the State of New Hampshire may permit pursuant to New Hampshire RSA §401:1; and (3) to engage in any other lawful business or activity.

ARTICLE IV

The street address of the Company's initial registered office is 14 Centre Street, Concord, New Hampshire 03301; and the name of the Company's initial registered agent at that office is Corporation Service Company d/b/a/ Lawyers Incorporating Service.

ARTICLE V

The shares of the Company shall be of one class, known as common shares, and the number of shares that the Company is authorized to issue is 20,000 shares, having $250.00 par value per share, making a total of $5,000,000.00 authorized capital.

ARTICLE VI

The duration of the existence of this Company shall be perpetual and forever.

ARTICLE VII

All corporate powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, its' Board of Directors.

The number of directors shall be fixed in the manner set forth in the bylaws of the Company.

ARTICLE VIII

Each of the following persons shall serve as a director of the Company until the first shareholder's meeting at which directors are elected and until his or her successor is elected and qualified:

J. Paul Condrin, III
John Derek Doyle
Michael Joseph Fallon
Joseph Anthony Gilles
Scott Rhodes Goodby
Christopher Charles Mansfield

ARTICLE IX

No person shall be liable to the Company or its shareholders for money damages for any action taken, or any failure to take any action, as a director or officer of the Company, provided that this provision shall not eliminate or limit liability for (i) the amount of a financial benefit received by a director or an officer to which he is not entitled, (ii) an intentional infliction of harm on the Company or the shareholders, (iii) a violation of the law imposing liability for unlawful distributions as set forth in Section 293-A:8.33 of the New Hampshire Revised Statutes Annotated, or (iv) an intentional violation of criminal law.

ARTICLE X

These Articles may be changed, altered or amended as provided under the laws of the State of New Hampshire.

Safeco Insurance Company of America

WHEREAS Safeco Insurance Company of America desires to redomesticate under the laws of the State of New Hampshire by complying with the provisions of Chapter 405 of the New Hampshire Revised Statutes Annotated and intends that, as of the date when its redomestication as a New Hampshire domestic company (the "Redomestication") has been effected, it shall be bound by all the terms and provisions of the New Hampshire Revised Statutes Annotated, applicable to similar domestic companies organized or incorporated thereunder;

NOW, THEREFORE, when the Redomestication has been effected, the Bylaws of Safeco Insurance Company of America shall be as attached hereto.

IN WITNESS WHEREOF, the undersigned officer of Safeco Insurance Company of America has executed these Bylaws on this 1st day of August, 2011.

Edmund C. Kenealy
Assistant Secretary

RESTATED
BY-LAWS
OF
SAFECO INSURANCE COMPANY OF AMERICA

ARTICLE I
PLACE OF BUSINESS

The Corporation shall maintain its home office in or out of the State of New Hampshire, unless by law the home office is required to be maintained in the State of New Hampshire, at such location as the Board of Directors may designate. The Board may designate the Corporation's home office or some other location as the Corporation's principal place of business, its main administrative office, or the primary location of its books and records. The Corporation shall maintain in the State of New Hampshire a registered office, which shall be the business office of the Corporation's resident agent for service of process in the State of New Hampshire.

ARTICLE II
SHAREHOLDERS

Section 1. Annual Meetings. The Annual Meeting of the Shareholders of the Corporation shall be held on the date and at the time and place fixed, from time to time, by the Board of Directors, provided that the date shall be within six months after the end of the fiscal year of the Corporation. In lieu of holding the Annual Meeting, the Shareholders may take action without a meeting in accordance with Article II, Section 4 of these by-laws.

Section 2. Special Meetings. Special meetings of the Shareholders may be called as often as the Chairman, President, if there is no Chairman, or a majority of the Board of Directors may deem necessary, or if the holders of at least ten percent of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Corporation's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. On such call or demand, such special Shareholders' Meeting shall be held on the date and at the time and place fixed, from time to time, by the Chairman, President, if there is no Chairman, Board of Directors or the Shareholders.

Section 3. Place of Meeting. All meetings of Shareholders shall be held at the principal office of the Corporation unless a different place is fixed by the directors or the Chairman of the Board and stated in the notice of the meeting.

Section 4. Unanimous Consent. Any action required or permitted by law to be taken at a Shareholders' Meeting may be taken without a meeting if the action is taken by unanimous consent of all the Shareholders entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by all

the Shareholders entitled to vote on the action, and delivered to the Secretary for inclusion in the minutes for filing with the corporate records.

Section 5. Notices. The Corporation shall provide written notice to Shareholders, not less than ten, nor more than sixty days before the day of such meeting, of the date, time and place of each Annual and special Shareholders' Meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called.

A Shareholder's attendance at a meeting either in person or by proxy, (1) shall waive objection to lack of notice or defective notice of the meeting, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (2) shall waive objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Shareholder objects to considering the matter when it is presented.

Section 6. Quorum. The holders of a majority in interest of all shares issued and outstanding and entitled to vote, when present in person or represented by proxy, shall constitute a quorum for the transaction of business at any meeting of the Shareholders. After a quorum has been established at an annual or special meeting, the subsequent withdrawal of shareholders, so as to reduce the number of shareholders entitled to vote at the meeting, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

Section 7. Voting and Proxies. Each Shareholder entitled to vote may vote at any meeting of the Shareholders either in person or by proxy filed with the Secretary at or before such meeting. Each Shareholder entitled to vote shall be entitled to one vote for each share registered in the Shareholder's name on the records of the Corporation.

Section 8. Record Date. The Board may fix, in advance, a record date in order to determine the Shareholders entitled to notice of a Shareholders' Meeting, to demand a Special meeting, to vote, to take any other action, or to receive a dividend or distribution to Shareholders. A record date so fixed shall not be more than seventy days before the date of the meeting or action requiring a determination of Shareholders. A determination of Shareholders entitled to notice of or to vote at a shareholders' Meeting shall do if the meeting is adjourned to a date more than 120 days after the date for the original meeting.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Powers. The business and property of the Corporation shall be managed by a Board of Directors who shall have and may exercise all the power of the Corporation as established by law, by the Articles of Incorporation or by these By-laws.

Section 2. Election. The Directors shall be not less than five nor more than eleven in number, the exact number thereof to be fixed by resolution of the Board of Directors.

Directors shall be elected at the first Annual Shareholders' Meeting and at each Annual Meeting thereafter. A director need not be a shareholder. The terms of directors shall expire at the next Annual Shareholders' Meeting following their elections. A decrease in the number of directors shall not shorten an incumbent director's term. Despite the expiration of a director's term, such person shall continue to serve until such person's successor is elected and qualified or until there is a decrease in the number of directors.

Section 3. Vacancies. Any vacancy in the Board of Directors, caused by any reason, which occurs between Annual Meetings of the Shareholders may be filled by the Board of Directors or the Shareholders at a meeting called for that purpose. A vacancy in the Board of Directors shall not invalidate any action by the Board of Directors taken during such vacancy.

Section 4. Enlargement of the Board. In exercising its power to fix or change the number of directors, the Board may increase or decrease by thirty percent or less the number of directors last approved by the Shareholders, but only the Shareholders may increase or decrease by more than thirty percent the number of directors last approved by the Shareholders. Only the Shareholders may change this By-law with respect to the range for the size of the Board or change from a variable-range size Board to fixed size Board or vice versa.

Section 5. Tenure and resignation. Each director elected by the Shareholders shall, unless removed, hold office for one year or until such director's successor is elected and qualified.

A director may resign by delivering his written resignation to the Corporation at its principal office or to the Chairman of the Board or Secretary, and such resignation shall be effective upon receipt, unless it is specified to be effective at some other time or upon the happening of some other event.

Section 6. Removal. The Shareholders may remove one or more directors with, or without cause, but only at a meeting called for the purpose of removing the director and after notice stating that the purpose, or one of the purposes, of the meeting is removal of the director. A director may be removed only by majority vote of the Shareholders.

Section 7. Chairman of the Board and Vice Chairman of the Board. There may be elected a Chairman of the Board of Directors. The Chairman of the board, is so elected, shall be elected by a majority of the Board of Directors and shall hold office for one year, or until such time as he might be removed. The Chairman of the Board shall preside over the meetings of the Shareholders and the Board of Directors and serve on and act as the chairperson of the Executive Committee.

There may be elected a Vice-Chairman of the Board of Directors who shall preside over the meetings of the Board of Directors in the absence or inability of the Chairman to perform. The Vice-Chairman of the Board, if so elected, shall be elected by a majority of

the Board of Directors and shall hold office for one year, or until such time as he might be removed.

Section 8. Annual Meetings. The Board of Directors shall hold its Annual Meeting immediately following each Annual Meeting of Shareholders for the purpose of the election of officers and the transaction of such other business as may come before the meeting. If a majority of the Directors are present at the Annual Meeting of Shareholders, no prior notice of the Annual Meeting of the Board of Directors shall be required. However, another place and time for such meeting may be fixed by written consent of all of the directors. If the Annual Meeting of the Board of Directors is not held as herein provided on the date herein specified, the appointment of officers may be hold at any meeting held thereafter pursuant to these By-laws.

Section 9. Regular Meetings. Regular meetings of the Board shall be held at such times and places as the Board may from time to time determine.

Section 10. Special Meetings. Special meetings of the Board may be called by the Chairman, President or the majority of directors on one day's notice to each director.

Section 11. Unanimous Consent. Any action required or permitted by law to be taken at a directors' meeting may be taken without a meeting if the action is taken by unanimous consent of all directors entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by all the directors entitled to vote on the action, and delivered to the secretary for inclusion in the minutes for filing with the corporate records. The action shall be deemed effective when the last director signs the consent unless the consent specifies a different effective date.

Section 12. Notice. No notice need be given for regular meetings. The Corporation shall provide notice of the date, time, place and purpose of each special meeting. Any director may waive notice of any meeting, either before, at or after such meeting by signing a waiver of notice and filing such notice with the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened, except when a director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 13. Quorum. A quorum of the Board of Directors for the transaction of business at any meeting shall be a majority of the Directors duly elected and in office at the time of such meeting. If less than a quorum is present, then a majority of those directors present may adjourn the meeting from time to time until a quorum is present.

Section 14. Voting. Each director entitled to vote shall have one vote. The vote of a majority of directors present at a meeting at which a quorum is present shall constitute the action of the Board of Directors.

Section 15. Participation by Telephone at Meeting. The Board of Directors or of any committee of the Board may permit any or all directors or committee members to participate in a regular or special meeting by, or conduct the meeting through the use of any means of communication by which all directors or committee members participating may simultaneously hear each other during the meeting. A director or committee member participating in a meeting by this means shall be deemed to be present in person at the meeting.

Section 16. Committees. The Board may create one or more committees. Each committee shall have two or more members, who shall serve at the pleasure of the Chairman or President. The provisions of these By-laws, which govern the Board of Directors, shall apply to committees and their members as well. To the extent specified by the Board and not prohibited by law, a committee may exercise the authority of the Board. Each committee shall report to the Board any actions taken by it.

Section 17. Compensation of Directors. The Board of Directors may by vote establish a system of compensation, including allowances for expenses, of directors for their services. Directors shall not be precluded from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV
OFFICERS

Section 1. Enumeration and Election. The officers of the Corporation shall consist of a President, a Secretary and a Treasurer. Each of said officers shall be elected by a majority of the Board and shall hold office for one year, or until such time as they might be removed.

The President or the Chairman may appoint the number of Vice Presidents, Assistant Secretaries, Assistant Treasurers or any such officer as the President or Chairman may determine is required in the best interest of the Corporation. The officer exercising such appointive power shall determine the duties and the powers of such officials and representatives.

Any two or more offices may be held by the same person.

Section 2. Tenure and Resignation. Each officer elected by the board shall unless removed, hold office for one year or until such officer's successor is elected and qualified.

Any elected officer may resign by delivering his written resignation to the Corporation at its principal office or to the Chairman of the Board or Secretary, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Section 3. Removal. Any elected officer may be removed, with or without cause, by action of the Board of Directors.

Any appointed officer may be removed, with or without cause, by action of the Chief Executive Officer or President.

Section 4. Vacancies. Vacancies in offices, however occasioned, may be filled at any time by appointment by the Board of Directors of officers to serve the unexpired terms of such offices, or by the President or Chairman of the Board with respect to those officers appointed by such individual.

Section 5. Powers and Duties of the Chairman of the Board. The Chairman of the Board, if such officer has been elected, shall preside at all meetings of the Shareholders and of the Board and shall perform such other duties as may be imposed by law, by these By-laws, and by the Board. He shall have the general powers and duties of supervision and management usually vested in the office of Chairman of the Board of a Corporation.

In the event that the Chairman of the Board shall be disabled or incapacitated and thus unable to person the duties of his office, the Board of Directors may select a person to fulfill the duties and responsibilities of the office of the Chairman of the Board until the Chairman of the Board is able to resume the duties of the office of Chairman of the Board.

Section 6. President. The President shall be the Chief Operating Officer of the Corporation subject to the direction of the Board and of the Chairman, if the Chairman is the Chief Executive Officer of the Corporation. Except when the Chairman has been so designated, the President shall be the Chief Executive Officer. In the absence of the Chairman, the President shall preside at all meetings of the Shareholders and of the Board. The President shall also perform such duties as may be imposed by law, by these By-laws, and by the board. The President shall have those powers to perform such duties as the Chairman of the Board shall from time to time designate.

Section 7. Vice Presidents. The Executive Vice Presidents, Senior Vice Presidents and Vice Presidents shall perform such duties as may be assigned to them from time to time by the Chairman of the Board, President or the Board of Directors.

The Assistant Vice Presidents shall perform such duties as may be assigned from time to time by the Chairman of the Board, the President, or the Board of Directors.

Section 8. Treasurer. The Treasurer shall exercise such powers and duties as may be prescribed by law, by these By-laws, by the Chairman of the Board, the President, or the Board of Directors. During the absence or inability to act of the Treasurer, an Assistant Treasurer, authorized in writing by the Chief Executive Officer, shall exercise the powers and duties of the Treasurer.

Section 9. Assistant Treasurer. Assistant Treasurers shall have such duties as are assigned by the Treasurer, the Chairman of the Board, the President, or the Board of Directors.

Section 10. Secretary. In general, the Secretary shall perform all the duties generally incident to the office of Secretary, subject to the control of the Board of Directors or the Chairman of the Board or the President.

The Secretary shall be responsible for preparing the minutes of the meetings of the Shareholders, Directors, and committees of directors and for authenticating records of the Corporation; shall have charge of the share ledger of the Corporation; shall give such notice as is required by law and by these By-laws of all meetings of the Shareholders, the Board, and any committee of the Board; shall keep such books and records as the Board or the Chief Executive Officer may require; shall execute all instruments coming within the jurisdiction of the office of Secretary; shall perform such duties as are or may be required by law, by these By-laws, by the Board, or by the Chief Executive Officer; shall have custody of the corporate seal and shall furnish copies thereof to such officers and attorneys-in-fact as shall be authorized to impress the same. During the absence or inability to act of the Secretary, an Assistant Secretary, authorized in writing by the Chief Executive Officer, shall exercise the powers and duties of the Secretary. If the Secretary is not a resident of the State of New Hampshire or does not maintain a business office at the Corporation's registered office, the Board shall elect a clerk who shall (1) be a resident of the State of New Hampshire, (2) maintain a business at the Corporation's registered office, and (3) be the Corporation's agent for service of process in the State of New Hampshire.

Section 11. Assistant Secretary. Assistant Secretaries shall have such duties as are assigned by the Secretary, the Chairman of the Board, the President, or the Board of Directors.

Section 12. Powers of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary.

Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE V
STOCK

Section 1. Issuance of Shares. The Board of Directors may authorize the Corporation to issue shares for any legally permissible consideration. Before the Corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for shares to be issued is adequate.

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person except as may be otherwise expressly provided by law.

Section 2. Share Certificates; Shares without Certificates. Shares of the Corporation may, but need not be represented by certificates. If certificates are issued, each certificate shall certify the number of shares the certificate represents and shall be signed, either manually or in facsimile, by any two officers. The Board may authorize the issue of some or all of the shares without certificates.

Section 3. Replacement of Certificates. The Corporation may issue a new share certificate in place of one which is claimed to have been lost, destroyed, or mutilated, upon proof of such claim satisfactory to the Corporation, and, if the Corporation shall so require, upon furnishing of an indemnity bond of an acceptable corporate surety in such penalty and form as the Corporation shall require.

Section 4. Share Transfers. Upon compliance with provisions restricting the transfer or registration of transfer of shares, if any, transfers or registration of transfers of shares of the Corporation shall be made only on the share ledger of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation or with a transfer agent or a registrar, if any, and on surrender of the certificate, if any, for such shares properly endorsed and the payment of all taxes due thereon.

ARTICLE VI
DIVIDENDS TO AND POLICYHOLDERS AND SHAREHOLDERS

Section 1. Participating and Non-Participating Policies. The Corporation may issue participating or non-participating policies or both participating and non-participating policies and may pay dividends thereon as may be permitted or required by state law.

Section 2. Dividends. The Board of Directors in its discretion, from time to time, may declare dividends upon the capital stock from funds legally available therefor. Any such dividend payment shall be made in accordance with the applicable state laws and

regulations governing the Corporation. This Article shall not be interpreted to require any payment of dividends.

ARTICLE VII
RESERVES AND SURPLUS

The Board may determine what amounts in addition to amounts required by statute shall be set aside from time to time as contingent and special reserves and may also determine what part of the Corporation's surplus is distributable in the form of dividends or refunds, the conditions of any such distribution, what part shall be retained and with respect to such retained surplus, may determine its application to the payment of losses, expenses or other obligations of the Corporation.

ARTICLE VIII
SEAL

The seal of the Corporation shall be circular in form, bearing its name, the word "New Hampshire" and the year of its incorporation.

ARTICLE XI
FISCAL YEAR

The fiscal year of the Corporation shall be the year ending with the 31st day of December in each year.

ARTICLE X
INDEMNIFICATION

To the fullest extent permitted by law, the Corporation shall indemnify any person made a party to a proceeding because such person is or was a director or officer of the Corporation against liability incurred in such proceeding if (1) such person conducted himself in good faith and (2) such person reasonably believed (i) in the case of conduct in such person's official capacity with the Corporation, that such person's conduct was in the best interests of the Corporation; and (ii) in all other cases, that such person's conduct was at least not opposed to the best interests of the Corporation; and (3) in the case of any criminal proceeding, such person had no reasonable cause to believe such person's conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not be, of itself, determinative that the person did not meet the standard of conduct described in this article.

ARTICLE XI
AMENDMENTS

These By-laws may be amended, altered, or repealed in whole or in part, and new By-laws may be adopted upon a vote of not less than a majority of the Board of Directors, or upon a vote of not less than majority of the Shareholders. The Shareholders, in amending or repealing a particular By-law, may provide expressly that the Board of Directors shall not amend or repeal that By-law.

Form SRA – Addendum to Business Organization and Registration Forms
Statement of Compliance with New Hampshire Securities Laws

Part I – Business Identification and Contact Information

Business Name: Safeco Insurance Company of America

Business Address (include city, state, zip): 62 Maple Avenue, Keene, NH 03431

Telephone Number: (617) 357-9500 E-mail: Edmund.Kenealy@libertymutual.com

Contact Person: Edmund C. Kenealy

Contact Person Address (if different): 175 Berkely Street, Boston, MA 02116

Part II – Check *ONE* of the following items in Part II. If more than one item is checked, the form will be rejected. [***PLEASE NOTE:*** Most small businesses registering in New Hampshire qualify for the exemption in Part II, Item 1 below. ***However,*** you must insure that your business meets all of the requirements spelled out in A), B), and C)]:

1. ✓ Ownership interests in this business are exempt from the registration requirements of the state of New Hampshire because the business meets ***ALL*** of the following three requirements:
   A) This business has ***10 or fewer owners***; and
   B) Advertising ***relating to the sale of ownership interests*** has not been circulated; and
   C) Sales of ownership interests – if any – will be ***completed within 60 days*** of the formation of this business.
2. ____ This business will offer securities in New Hampshire under another exemption from registration or will notice file for federal covered securities. Enter the citation for the exemption or notice filing claimed - _____.
3. ____ This business has registered or will register its securities for sale in New Hampshire. Enter the date the registration statement was or will be filed with the Bureau of Securities Regulation - _____.
4. ____ This business was formed in a state other than New Hampshire and will not offer or sell securities in New Hampshire.

Part III – Check *ONE* of the following items in Part III:

1. ____ This business ***is not being*** formed in New Hampshire.
2. ✓ This business ***is*** being formed in New Hampshire and the registration document states that any sale or offer for sale of ownership interests in the business will comply with the requirements of the New Hampshire Uniform Securities Act.

Part IV – Certification of Accuracy

(NOTE: The information in Part IV must be certified by: 1) all of the incorporators of a corporation to be formed; or 2) an executive officer of an existing corporation; or 3) all of the general partners or intended general partners of a limited partnership; or 4) one or more authorized members or managers of a limited liability company; or 5) one or more authorized partners of a registered limited liability partnership or foreign registered limited liability partnership.)

I (We) certify that the information provided in this form is true and complete. (Original signatures ***only***)

Name (print): Dexter R. Legg Secretary Signature: Dexter R Legg

Date signed: 7/27/2011

Name (print): _____ Signature: _____

Date signed: _____

Name (print): _____ Signature: _____

Date signed: _____

SAFECO INSURANCE COMPANY OF AMERICA

Secretary's Certificate

The undersigned, Dexter R. Legg, hereby certifies that he is the duly elected Secretary of Safeco Insurance Company of America (the "Company") and further certifies that:

1. The following is a resolution dated July 20, 2011 and circulated for adoption via Action by Unanimous Consent of Directors Without a Meeting:

VOTED to recommend to the sole shareholder to transfer the Company's domicile from Washington to New Hampshire;

to recommend to the sole shareholder to adopt the Articles of Incorporation in their entirety in the form attached, effective as of the effective date of the redomestication; and

that the Chief Executive Officer, the Chief Financial Officer, the Secretary and their designees, either jointly or severally, are authorized to do all things necessary or desirable to enable the Company to transfer its domicile from Washington to New Hampshire. Any documents shall be in a form satisfactory to the General Counsel of Liberty Mutual Group Inc. or his designees.

VOTED that the Bylaws attached hereto are approved, effective as of the effective date of the redomestication.

VOTED that the home office address of the Company is 62 Maple Avenue, Keene, NH 03431, effective as of the effective date of the redomestication.

VOTED that the principal administrative office of the Company is 175 Berkeley Street, Boston, Massachusetts 02116, effective as of the effective date of the redomestication.

VOTED that the President or Secretary of the Company be and are hereby authorized by the board of directors and directed to sign and execute the Uniform Consent to Service of Process to give irrevocable consent that actions may be commenced against said entity in the proper court of any jurisdiction in the state(s) of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming in which the action shall arise, or in which plaintiff may reside, by service of process in the state(s) indicated above and irrevocably appoints the officer(s) of the state(s) and their successors in such offices or appoints the agent(s) so designated in the Uniform Consent to

Service of Process and stipulate and agree that such service of process shall be taken and held in all courts to be as valid and binding as if due service had been made upon said entity according to the laws of said state.

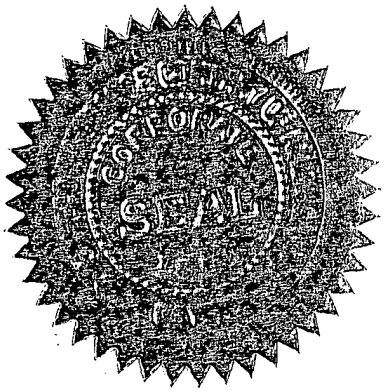
VOTED that the seal, an impression of which is made in the margin of this writing is adopted as the seal of the Company.

2. The following is a resolution dated July 20, 2011 and circulated for adoption via Action by Unanimous Consent of the Sole Shareholder Without a Meeting:

VOTED to transfer the Company's domicile from Washington to New Hampshire; and

to adopt the Articles of Incorporation in their entirety in the form attached, effective as of the effective date of the redomestication.

WITNESS my hand and the seal of the said Company this 26th day of July, 2011.

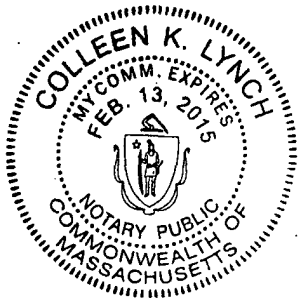


Dexter R. Legg
Secretary

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF SUFFOLK

On the 26th day of July, 2011 before me personally appeared Dexter R. Legg, Secretary of Safeco Insurance Company of America, known to me to be the individual described herein and who executed the foregoing instrument, and he duly acknowledged to me that she executed the same.

Notary Public
My Commission Expires: 2/13/2015



RESTATED ARTICLES OF INCORPORATION
INCLUDING DESIGNATED AMENDMENT(S)

Pursuant to the provisions of RSA 401:6, the undersigned corporation, pursuant to a resolution duly adopted by its board of directors and its shareholders, hereby adopts and submits for approval under RSA 401:6, the following restated articles of incorporation:

FIRST: The name of the corporation as presently recorded is: Safeco Insurance Company of America (hereinafter called the "Company")

SECOND: Attached are the restated articles of incorporation, as amended, including the designated amendments.

THIRD: If the amendments provide for an exchange, reclassification, or cancellation of issued shares, provision for implementing the amendment if not contained in the amendments:

Not applicable.

FOURTH: Except for no change in the name of the Company, the Restated Articles of Incorporation change each of the corresponding provisions of the Articles of Incorporation as previously amended, and the Restated Articles of Incorporation together with the Amendments designated herein supersede the original Articles of Incorporation and all amendments to the Articles.

FIFTH: (Check one)

___ The restated articles contain amendment(s) adopted by the incorporators or board of directors without shareholder action and shareholder action was not required.

_X_ The restated articles were approved by the shareholders.

SIXTH: The amendments were adopted on July 20, 2011.

SEVENTH: The amendments were approved by the shareholders.

Designation (class or series) of voting group	Number of shares outstanding	Number of votes entitled to be cast	Number of votes indisputably represented at the meeting
Common	20,000	20,000	20,000

Designation (class or series) of voting group	Total number of votes cast: FOR	AGAINST
Common	20,000	0

EIGHTH: The number cast for the amendment(s) of each voting group was sufficient for approval.

Dated [_____] ____, 2011, to be effective upon the approval of the redomestication of the Company by the New Hampshire Insurance Commissioner.

SAFECO INSURANCE COMPANY OF AMERICA

_____

[_____]

Approved By:

_____

New Hampshire Insurance Department

This ____ day of _____, 2011

RESTATED ARTICLES OF INCORPORATION

These Articles of Incorporation effect redomestication to New Hampshire of: Safeco Insurance Company of America, which was previously incorporated in the State Of Washington.

ARTICLE I

The name of the corporation is Safeco Insurance Company of America (hereinafter called the "Company").

ARTICLE II

The date on which the Company was originally incorporated in the State of Washington was September 2, 1953.

ARTICLE III

The purposes for which the Company is organized are as follows: (1) to write all kinds of insurance and reinsurance authorized by the State of New Hampshire, as specified in paragraphs III (life and annuities) and IV (accident and health) of New Hampshire RSA §401:1, as amended, and to do everything necessary, proper, advisable or convenient for the accomplishment of this purpose; (2) to engage in the business of and to conduct any other kinds of insurance or reinsurance not enumerated in New Hampshire RSA §401:1 as the Insurance Commissioner of the State of New Hampshire may permit pursuant to New Hampshire RSA §401:1; and (3) to engage in any other lawful business or activity.

ARTICLE IV

The street address of the Company's initial registered office is 14 Centre Street, Concord, New Hampshire 03301; and the name of the Company's initial registered agent at that office is Corporation Service Company d/b/a/ Lawyers Incorporating Service.

ARTICLE V

The shares of the Company shall be of one class, known as common shares, and the number of shares that the Company is authorized to issue is 20,000 shares, having $250.00 par value per share, making a total of $5,000,000.00 authorized capital.

ARTICLE VI

The duration of the existence of this Company shall be perpetual and forever.

ARTICLE VII

All corporate powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, its' Board of Directors.

The number of directors shall be fixed in the manner set forth in the bylaws of the Company.

ARTICLE VIII

Each of the following persons shall serve as a director of the Company until the first shareholder's meeting at which directors are elected and until his or her successor is elected and qualified:

J. Paul Condrin, III
John Derek Doyle
Michael Joseph Fallon
Joseph Anthony Gilles
Scott Rhodes Goodby
Christopher Charles Mansfield

ARTICLE IX

No person shall be liable to the Company or its shareholders for money damages for any action taken, or any failure to take any action, as a director or officer of the Company, provided that this provision shall not eliminate or limit liability for (i) the amount of a financial benefit received by a director or an officer to which he is not entitled, (ii) an intentional infliction of harm on the Company or the shareholders, (iii) a violation of the law imposing liability for unlawful distributions as set forth in Section 293-A:8.33 of the New Hampshire Revised Statutes Annotated, or (iv) an intentional violation of criminal law.

ARTICLE X

These Articles may be changed, altered or amended as provided under the laws of the State of New Hampshire.

RESTATED
BY-LAWS
OF
SAFECO INSURANCE COMPANY OF AMERICA

ARTICLE I
PLACE OF BUSINESS

The Corporation shall maintain its home office in or out of the State of New Hampshire, unless by law the home office is required to be maintained in the State of New Hampshire, at such location as the Board of Directors may designate. The Board may designate the Corporation's home office or some other location as the Corporation's principal place of business, its main administrative office, or the primary location of its books and records. The Corporation shall maintain in the State of New Hampshire a registered office, which shall be the business office of the Corporation's resident agent for service of process in the State of New Hampshire.

ARTICLE II
SHAREHOLDERS

Section 1. Annual Meetings. The Annual Meeting of the Shareholders of the Corporation shall be held on the date and at the time and place fixed, from time to time, by the Board of Directors, provided that the date shall be within six months after the end of the fiscal year of the Corporation. In lieu of holding the Annual Meeting, the Shareholders may take action without a meeting in accordance with Article II, Section 4 of these by-laws.

Section 2. Special Meetings. Special meetings of the Shareholders may be called as often as the Chairman, President, if there is no Chairman, or a majority of the Board of Directors may deem necessary, or if the holders of at least ten percent of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Corporation's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. On such call or demand, such special Shareholders' Meeting shall be held on the date and at the time and place fixed, from time to time, by the Chairman, President, if there is no Chairman, Board of Directors or the Shareholders.

Section 3. Place of Meeting. All meetings of Shareholders shall be held at the principal office of the Corporation unless a different place is fixed by the directors or the Chairman of the Board and stated in the notice of the meeting.

Section 4. Unanimous Consent. Any action required or permitted by law to be taken at a Shareholders' Meeting may be taken without a meeting if the action is taken by unanimous consent of all the Shareholders entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by all

the Shareholders entitled to vote on the action, and delivered to the Secretary for inclusion in the minutes for filing with the corporate records.

Section 5. Notices. The Corporation shall provide written notice to Shareholders, not less than ten, nor more than sixty days before the day of such meeting, of the date, time and place of each Annual and special Shareholders' Meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called.

A Shareholder's attendance at a meeting either in person or by proxy, (1) shall waive objection to lack of notice or defective notice of the meeting, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (2) shall waive objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Shareholder objects to considering the matter when it is presented.

Section 6. Quorum. The holders of a majority in interest of all shares issued and outstanding and entitled to vote, when present in person or represented by proxy, shall constitute a quorum for the transaction of business at any meeting of the Shareholders. After a quorum has been established at an annual or special meeting, the subsequent withdrawal of shareholders, so as to reduce the number of shareholders entitled to vote at the meeting, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

Section 7. Voting and Proxies. Each Shareholder entitled to vote may vote at any meeting of the Shareholders either in person or by proxy filed with the Secretary at or before such meeting. Each Shareholder entitled to vote shall be entitled to one vote for each share registered in the Shareholder's name on the records of the Corporation.

Section 8. Record Date. The Board may fix, in advance, a record date in order to determine the Shareholders entitled to notice of a Shareholders' Meeting, to demand a Special meeting, to vote, to take any other action, or to receive a dividend or distribution to Shareholders. A record date so fixed shall not be more than seventy days before the date of the meeting or action requiring a determination of Shareholders. A determination of Shareholders entitled to notice of or to vote at a shareholders' Meeting shall do if the meeting is adjourned to a date more than 120 days after the date for the original meeting.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Powers. The business and property of the Corporation shall be managed by a Board of Directors who shall have and may exercise all the power of the Corporation as established by law, by the Articles of Incorporation or by these By-laws.

Section 2. Election. The Directors shall be not less than five nor more than eleven in number, the exact number thereof to be fixed by resolution of the Board of Directors.

Directors shall be elected at the first Annual Shareholders' Meeting and at each Annual Meeting thereafter. A director need not be a shareholder. The terms of directors shall expire at the next Annual Shareholders' Meeting following their elections. A decrease in the number of directors shall not shorten an incumbent director's term. Despite the expiration of a director's term, such person shall continue to serve until such person's successor is elected and qualified or until there is a decrease in the number of directors.

Section 3. Vacancies. Any vacancy in the Board of Directors, caused by any reason, which occurs between Annual Meetings of the Shareholders may be filled by the Board of Directors or the Shareholders at a meeting called for that purpose. A vacancy in the Board of Directors shall not invalidate any action by the Board of Directors taken during such vacancy.

Section 4. Enlargement of the Board. In exercising its power to fix or change the number of directors, the Board may increase or decrease by thirty percent or less the number of directors last approved by the Shareholders, but only the Shareholders may increase or decrease by more than thirty percent the number of directors last approved by the Shareholders. Only the Shareholders may change this By-law with respect to the range for the size of the Board or change from a variable-range size Board to fixed size Board or vice versa.

Section 5. Tenure and resignation. Each director elected by the Shareholders shall, unless removed, hold office for one year or until such director's successor is elected and qualified.

A director may resign by delivering his written resignation to the Corporation at its principal office or to the Chairman of the Board or Secretary, and such resignation shall be effective upon receipt, unless it is specified to be effective at some other time or upon the happening of some other event.

Section 6. Removal. The Shareholders may remove one or more directors with, or without cause, but only at a meeting called for the purpose of removing the director and after notice stating that the purpose, or one of the purposes, of the meeting is removal of the director. A director may be removed only by majority vote of the Shareholders.

Section 7. Chairman of the Board and Vice Chairman of the Board. There may be elected a Chairman of the Board of Directors. The Chairman of the board, is so elected, shall be elected by a majority of the Board of Directors and shall hold office for one year, or until such time as he might be removed. The Chairman of the Board shall preside over the meetings of the Shareholders and the Board of Directors and serve on and act as the chairperson of the Executive Committee.

There may be elected a Vice-Chairman of the Board of Directors who shall preside over the meetings of the Board of Directors in the absence or inability of the Chairman to perform. The Vice-Chairman of the Board, if so elected, shall be elected by a majority of

Section 9. Assistant Treasurer. Assistant Treasurers shall have such duties as are assigned by the Treasurer, the Chairman of the Board, the President, or the Board of Directors.

Section 10. Secretary. In general, the Secretary shall perform all the duties generally incident to the office of Secretary, subject to the control of the Board of Directors or the Chairman of the Board or the President.

The Secretary shall be responsible for preparing the minutes of the meetings of the Shareholders, Directors, and committees of directors and for authenticating records of the Corporation; shall have charge of the share ledger of the Corporation; shall give such notice as is required by law and by these By-laws of all meetings of the Shareholders, the Board, and any committee of the Board; shall keep such books and records as the Board or the Chief Executive Officer may require; shall execute all instruments coming within the jurisdiction of the office of Secretary; shall perform such duties as are or may be required by law, by these By-laws, by the Board, or by the Chief Executive Officer; shall have custody of the corporate seal and shall furnish copies thereof to such officers and attorneys-in-fact as shall be authorized to impress the same. During the absence or inability to act of the Secretary, an Assistant Secretary, authorized in writing by the Chief Executive Officer, shall exercise the powers and duties of the Secretary. If the Secretary is not a resident of the State of New Hampshire or does not maintain a business office at the Corporation's registered office, the Board shall elect a clerk who shall (1) be a resident of the State of New Hampshire, (2) maintain a business at the Corporation's registered office, and (3) be the Corporation's agent for service of process in the State of New Hampshire.

Section 11. Assistant Secretary. Assistant Secretaries shall have such duties as are assigned by the Secretary, the Chairman of the Board, the President, or the Board of Directors.

Section 12. Powers of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary.

Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE V
STOCK

Section 1. Issuance of Shares. The Board of Directors may authorize the Corporation to issue shares for any legally permissible consideration. Before the Corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for shares to be issued is adequate.

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person except as may be otherwise expressly provided by law.

Section 2. Share Certificates; Shares without Certificates. Shares of the Corporation may, but need not be represented by certificates. If certificates are issued, each certificate shall certify the number of shares the certificate represents and shall be signed, either manually or in facsimile, by any two officers. The Board may authorize the issue of some or all of the shares without certificates.

Section 3. Replacement of Certificates. The Corporation may issue a new share certificate in place of one which is claimed to have been lost, destroyed, or mutilated, upon proof of such claim satisfactory to the Corporation, and, if the Corporation shall so require, upon furnishing of an indemnity bond of an acceptable corporate surety in such penalty and form as the Corporation shall require.

Section 4. Share Transfers. Upon compliance with provisions restricting the transfer or registration of transfer of shares, if any, transfers or registration of transfers of shares of the Corporation shall be made only on the share ledger of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation or with a transfer agent or a registrar, if any, and on surrender of the certificate, if any, for such shares properly endorsed and the payment of all taxes due thereon.

ARTICLE VI
DIVIDENDS TO AND POLICYHOLDERS AND SHAREHOLDERS

Section 1. Participating and Non-Participating Policies. The Corporation may issue participating or non-participating policies or both participating and non-participating policies and may pay dividends thereon as may be permitted or required by state law.

Section 2. Dividends. The Board of Directors in its discretion, from time to time, may declare dividends upon the capital stock from funds legally available therefor. Any such dividend payment shall be made in accordance with the applicable state laws and

regulations governing the Corporation. This Article shall not be interpreted to require any payment of dividends.

ARTICLE VII
RESERVES AND SURPLUS

The Board may determine what amounts in addition to amounts required by statute shall be set aside from time to time as contingent and special reserves and may also determine what part of the Corporation's surplus is distributable in the form of dividends or refunds, the conditions of any such distribution, what part shall be retained and with respect to such retained surplus, may determine its application to the payment of losses, expenses or other obligations of the Corporation.

ARTICLE VIII
SEAL

The seal of the Corporation shall be circular in form, bearing its name, the word "New Hampshire" and the year of its incorporation.

ARTICLE XI
FISCAL YEAR

The fiscal year of the Corporation shall be the year ending with the 31st day of December in each year.

ARTICLE X
INDEMNIFICATION

To the fullest extent permitted by law, the Corporation shall indemnify any person made a party to a proceeding because such person is or was a director or officer of the Corporation against liability incurred in such proceeding if (1) such person conducted himself in good faith and (2) such person reasonably believed (i) in the case of conduct in such person's official capacity with the Corporation, that such person's conduct was in the best interests of the Corporation; and (ii) in all other cases, that such person's conduct was at least not opposed to the best interests of the Corporation; and (3) in the case of any criminal proceeding, such person had no reasonable cause to believe such person's conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not be, of itself, determinative that the person did not meet the standard of conduct described in this article.

ARTICLE XI
AMENDMENTS

These By-laws may be amended, altered, or repealed in whole or in part, and new By-laws may be adopted upon a vote of not less than a majority of the Board of Directors, or upon a vote of not less than majority of the Shareholders. The Shareholders, in amending or repealing a particular By-law, may provide expressly that the Board of Directors shall not amend or repeal that By-law.

Applicant Name: Safeco Insurance Company of America

NAIC No. 24740
FEIN: 91-0742148

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION (UCAA)
Management Information Form
Complete Listing of Incorporators*, Officers
Directors and Shareholders (10% or more)

Incorporators*	Titles:	Ownership Percentage:
N/A		

Officers:

		N/A
J. Paul Condrin, III	Chairman of the Board, Chief Executive Officer President	
A. Alexander Fontanes	Executive Vice President, Chief Investment Officer	
Scott Rhodes Goodby	Executive Vice President, Chief Operating Officer	
Michael Joseph Fallon	Chief Financial Officer, Treasurer	
Dexter Robert Legg	Secretary	

Directors: N/A

J. Paul Condrin, III
John Derek Doyle
Michael Joseph Fallon
Scott Rhodes Goodby
Christopher Charles Mansfield

Shareholders:

Sole Shareholder: Safeco Corporation	100%

* Primary Application Only

Applicant Name: Safeco Insurance Company of America

NAIC No. 24740
FEIN: 91-0742148

Uniform Certificate of Authority Application (UCAA)
Primary Application

To the Insurance Commissioner/Director/Superintendent of the State of:

Alabama		Montana	
Alaska		Nebraska	
Arizona		Nevada	
Arkansas		New Hampshire	X
California		New Jersey	
Colorado		New Mexico	
District of Columbia		New York	
Connecticut		North Carolina	
Delaware		North Dakota	
Florida		Ohio	
Georgia		Oklahoma	
Hawaii		Oregon	
Idaho		Pennsylvania	
Illinois		Rhode Island	
Indiana		South Carolina	
Iowa		South Dakota	
Kansas		Tennessee	
Kentucky		Texas	
Louisiana		Utah	
Maine		Vermont	
Maryland		Virginia	
Massachusetts		Washington	
Michigan		West Virginia	
Minnesota		Wisconsin	
Mississippi		Wyoming	
Missouri			

(Check the appropriate states in which you are applying.)

The undersigned Insurer hereby certifies that the classes of insurance as indicated on the Lines of Insurance, Form 3, are all lines of business (a) currently authorized for transaction, (b) currently transacted and (c) which the Insurer is applying to transact.

Name of Insurer: Safeco Insurance Company of America NAIC # 24740 0111
Group Code

Home Office Address: 62 Maple Avenue, Keene, NH 03431

Administrative Office Address: 175 Berkeley Street, Boston, MA 02116

Mailing Address: 175 Berkeley Street, Boston, MA 02116

Phone: 617-357-9500 Fax: 617-574-5955

Are these addresses the same as those shown on your Annual Statement?

Yes [ ] No [x]

If not, indicate why.
Administrative office was updated earlier this year. New home office address will be effective with the redomestication.

©2000-2008 National Association of Insurance Commissioners

Applicant Name: Safeco Insurance Company of America

NAIC No. 24740
FEIN: 91-0742148

Date Incorporated: September 2, 1953 Form of Organization: Corporation

Billing Address: Joanne Connolly, 175 Berkeley Street, Boston, MA 02116
E-Mail Address: joanne.connolly@libertymutual.com Phone: 617-357-9500 Fax: 617-574-5955

Premium Tax Statement Address: George Ryan, 175 Berkeley Street, Boston, MA 02116
E-Mail Address: George.ryan@libertymutual.com Phone: 617-357-9500 Fax: 617-574-5975

Producer Licensing Address: Vicki Rose, 9450 Seward Road, Fairfield, OH 45014
E-Mail Address: Vicki.rose@libertymutual.com Phone: 513-603-7953 Fax:513-603-3161

Rate/Form Filing Address: Patty McCollum, 1001 Fourth Avenue, Safeco Plaza, Seattle, WA 98154
E-Mail Address: patty.mccollum@safeco.com Phone: 206-473-5736 Fax: 206-473-6222

Consumer Affairs Address: Krista Young, 175 Berkeley Street Boston, MA 02116
E-Mail Address: krista.young@libertymutual.com Phone: 617-357-9500 Fax: 617-574-6688

State or Country of Domicile: Washington Date Organized September 2, 1953

Date of Last Amendment of Charter, Bylaws or Subscriber's Agreement Charter 2/28/1994; By-laws 1/1/2009

Date of Last Financial Examination: December 31, 2009

Date of Last Market Conduct Examination: September 2009

Par Value of Issued Stock: $250.00 Surplus as regards policyholders: $844,905,829

Certificate of Deposit (Home State) $ 4,000,000

Ultimate Owner/Holding Company: Liberty Mutual Holding Company Inc.

Has your company ever been refused admission to this or any other state prior to the date of this application?

Yes [ ] No [x]

If Yes, give full explanation in an attached letter.

The applicant hereby designates (name natural persons only) Vicki Rose , to appoint persons and entities to act as and to be licensed as agents in the State of New Hampshire , and to terminate the said appointments.

NOTE: This does not apply to those states that do not require appointments

The following information is required of the individual who is authorized to represent the applicant before the department.

Name Richard P. Quinlan
Title Senior Vice President and Deputy General Counsel
Mailing Address 175 Berkeley Street, Boston, MA 02116
E-Mail Address: richard.quinlan@libertymutual.com Phone: 617-357-9500 Fax:

If the representative is not employed by the applicant, please provide a company contact person in order to facilitate requests for detailed financial information.

Name
Title
Mailing Address
E-Mail Address: Phone: Fax:

©2000-2008 National Association of Insurance Commissioners

Applicant Name: Safeco Insurance Company of America

NAIC No. 24740
FEIN: 91-0742148

Please provide a listing of all other applications filed by the applicant, or any of its affiliates, that are pending before the Department.

Redomestication applications for First National Insurance Company of America, General Insurance Company of America and Safeco Surplus Lines Insurance Company.

Applicant Officers' Certification and Attestation

One of the officers (listed below) of the Applicant must read the following very carefully:

1. I hereby certify, under penalty of perjury, that I have read the application, that I am familiar with its contents, and that all of the information, including the attachments, submitted in this application is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license discipline or other administrative action and may subject me or the Applicant, or both, to civil or criminal penalties.
2. I acknowledge that I am familiar with the insurance laws and regulations of said state, accept the Constitution of such state, in which the Applicant is licensed or to which the Applicant is applying for licensure.
3. I acknowledge that I am the Secretary of the Applicant, am authorized to execute and am executing this document on behalf of the Applicant.
4. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct, executed this 26th day of July, 2011 at Boston, Massachusetts .

Date — Signature of President

Full Legal Name of President

7/26/2011
Date — Signature of Secretary

Dexter Robert Legg
Full Legal Name of Secretary

Date — Signature of Treasurer

Full Legal Name of Treasurer

Safeco Insurance Company of America
Applicant

Signature of Witness

Eileen Kerry Lynch
Full Legal Name of Witness

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THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

License No: 100382

Presents that SAFECO INSURANCE COMPANY OF AMERICA

is hereby authorized to transact Property & Casualty lines of Insurance

in accordance with paragraphs I , II , V , VI , VII of NH RSA 401:1.

Exclusions:

Effective Date: 06/15/2011

Expiration Date: 06/14/2012

Roger A. Sevigny
Commissioner of Insurance

© GOES 746

LITHO IN U.S.A.

LIBERTY MUTUAL
GROUP INC.

CHECK REFERENCE	CHECK DATE
70737646	07/11/11
CHECK AMOUNT	BLOCK NUMBER
$100.00*******	000023

NON-NEGOTIABLE

ADDRESS INQUIRIES TO:
LIBERTY MUTUAL
DOVER ACCOUNTS PAYABLE
P.O. BOX 1525
DOVER, NH 03821-1525
(603) 749-2600 EXT. 31199

PAYEE NAME AND ADDRESS:
TREASURER OF NEW HAMPSHIRE
NEW HAMPSHIRE INSURANCE DEPT
56 OLD SUNCOOK ROAD
CONCORD NH 03301-7317

LOC CODE: BD5 **SOURCE:** HFILE **VENDOR#:** 2200280001

PO/CONTRACT#	INVOICE#	INVDATE	GROSS INV AMT	FED. WITHHOLD AMT	STATE	ST. WITHHOLD AMT	NET INV AMT
0	NHT070801E	070811	100.00				100.00

CAREFULLY DETACH CHECK BEFORE DEPOSITING - RETAIN STATEMENT FOR YOUR RECORDS

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

DIS * 000023
MAILSTOP: 02C
P.O. BOX 1525
DOVER, NH 03821-1525

LIBERTY MUTUAL
GROUP INC.

BANK OF AMERICA
HARTFORD, CT

70737646
51-44/119
002240015623

CHECK DATE
07/11/11

$ 100.00*******

VOID IF NOT PRESENTED WITHIN
6 MONTHS OF DATE OF CHECK

B.CODE	OFFICE NUMBER	PAYMENT IDENTIFICATION
121	096	2200280001

PAY **********ONE HUNDRED AND 00/100

TO THE ORDER OF
TREASURER OF NEW HAMPSHIRE
NEW HAMPSHIRE INSURANCE DEPT
56 OLD SUNCOOK ROAD
CONCORD NH 03301-7317

TWO SIGNATURES NECESSARY
IF AMOUNT EXCEEDS $150,000

⑈70737646⑈ ⑆011900445⑆ 00224001562 3⑈

LIBERTY MUTUAL
GROUP INC.

CHECK REFERENCE	CHECK DATE
70737654	07/11/11
CHECK AMOUNT	BLOCK NUMBER
$300.00*******	000031

NON-NEGOTIABLE

ADDRESS INQUIRIES TO:
LIBERTY MUTUAL
DOVER ACCOUNTS PAYABLE
P.O. BOX 1525
DOVER, NH 03821-1525
(603) 749-2600 EXT. 31199

PAYEE NAME AND ADDRESS:
TREASURER OF NEW HAMPSHIRE
NEW HAMPSHIRE INSURANCE DEPT
56 OLD SUNCOOK ROAD
CONCORD NH 03301-7317

LOC CODE: BD5 SOURCE: HFILE VENDOR#: 2200280001

PO/CONTRACT#	INVOICE#	INVDATE	GROSS INV AMT	FED. WITHHOLD AMT	STATE	ST. WITHHOLD AMT	NET INV AMT
0	NHT070801M	070811	300.00				300.00

CAREFULLY DETACH CHECK BEFORE DEPOSITING - RETAIN STATEMENT FOR YOUR RECORDS

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

DIS * 000031
MAILSTOP: 02C
P.O. BOX 1525
DOVER, NH 03821-1525

LIBERTY MUTUAL
GROUP INC.

BANK OF AMERICA
HARTFORD, CT

70737654
51-44/119
002240015623

CHECK DATE
07/11/11

$ 300.00*******

VOID IF NOT PRESENTED WITHIN 6 MONTHS OF DATE OF CHECK

B.CODE	OFFICE NUMBER	PAYMENT IDENTIFICATION
121	096	2200280001

PAY **********THREE HUNDRED AND 00/100

TO THE ORDER OF
TREASURER OF NEW HAMPSHIRE
NEW HAMPSHIRE INSURANCE DEPT
56 OLD SUNCOOK ROAD
CONCORD NH 03301-7317

TWO SIGNATURES NECESSARY IF AMOUNT EXCEEDS $150,000

⑈70737654⑈ ⑆011900445⑆ 002240015623⑈

Applicant Name: Safeco Insurance Company of America

NAIC No. 24740
FEIN: 91-0742148

Primary UCAA Item 15. Annual Statements w/Attachments

A	Annual Statement, verified and signed, as of December 31, 2010 Including: 2010 Insurance Expense Exhibit, Accident and Health Policy Experience Exhibit and/or Schedule P
B	NAIC Management's Discussion and Analysis
C	Actuarial Opinion
D	2009 Annual Statement
E	2008 Annual Statement

the Board of Directors and shall hold office for one year, or until such time as he might be removed.

Section 8. Annual Meetings. The Board of Directors shall hold its Annual Meeting immediately following each Annual Meeting of Shareholders for the purpose of the election of officers and the transaction of such other business as may come before the meeting. If a majority of the Directors are present at the Annual Meeting of Shareholders, no prior notice of the Annual Meeting of the Board of Directors shall be required. However, another place and time for such meeting may be fixed by written consent of all of the directors. If the Annual Meeting of the Board of Directors is not held as herein provided on the date herein specified, the appointment of officers may be hold at any meeting held thereafter pursuant to these By-laws.

Section 9. Regular Meetings. Regular meetings of the Board shall be held at such times and places as the Board may from time to time determine.

Section 10. Special Meetings. Special meetings of the Board may be called by the Chairman, President or the majority of directors on one day's notice to each director.

Section 11. Unanimous Consent. Any action required or permitted by law to be taken at a directors' meeting may be taken without a meeting if the action is taken by unanimous consent of all directors entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by all the directors entitled to vote on the action, and delivered to the secretary for inclusion in the minutes for filing with the corporate records. The action shall be deemed effective when the last director signs the consent unless the consent specifies a different effective date.

Section 12. Notice. No notice need be given for regular meetings. The Corporation shall provide notice of the date, time, place and purpose of each special meeting. Any director may waive notice of any meeting, either before, at or after such meeting by signing a waiver of notice and filing such notice with the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened, except when a director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 13. Quorum. A quorum of the Board of Directors for the transaction of business at any meeting shall be a majority of the Directors duly elected and in office at the time of such meeting. If less than a quorum is present, then a majority of those directors present may adjourn the meeting from time to time until a quorum is present.

Section 14. Voting. Each director entitled to vote shall have one vote. The vote of a majority of directors present at a meeting at which a quorum is present shall constitute the action of the Board of Directors.

Section 15. Participation by Telephone at Meeting. The Board of Directors or of any committee of the Board may permit any or all directors or committee members to participate in a regular or special meeting by, or conduct the meeting through the use of any means of communication by which all directors or committee members participating may simultaneously hear each other during the meeting. A director or committee member participating in a meeting by this means shall be deemed to be present in person at the meeting.

Section 16. Committees. The Board may create one or more committees. Each committee shall have two or more members, who shall serve at the pleasure of the Chairman or President. The provisions of these By-laws, which govern the Board of Directors, shall apply to committees and their members as well. To the extent specified by the Board and not prohibited by law, a committee may exercise the authority of the Board. Each committee shall report to the Board any actions taken by it.

Section 17. Compensation of Directors. The Board of Directors may by vote establish a system of compensation, including allowances for expenses, of directors for their services. Directors shall not be precluded from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV
OFFICERS

Section 1. Enumeration and Election. The officers of the Corporation shall consist of a President, a Secretary and a Treasurer. Each of said officers shall be elected by a majority of the Board and shall hold office for one year, or until such time as they might be removed.

The President or the Chairman may appoint the number of Vice Presidents, Assistant Secretaries, Assistant Treasurers or any such officer as the President or Chairman may determine is required in the best interest of the Corporation. The officer exercising such appointive power shall determine the duties and the powers of such officials and representatives.

Any two or more offices may be held by the same person.

Section 2. Tenure and Resignation. Each officer elected by the board shall unless removed, hold office for one year or until such officer's successor is elected and qualified.

Any elected officer may resign by delivering his written resignation to the Corporation at its principal office or to the Chairman of the Board or Secretary, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Section 3. Removal. Any elected officer may be removed, with or without cause, by action of the Board of Directors.

Any appointed officer may be removed, with or without cause, by action of the Chief Executive Officer or President.

Section 4. Vacancies. Vacancies in offices, however occasioned, may be filled at any time by appointment by the Board of Directors of officers to serve the unexpired terms of such offices, or by the President or Chairman of the Board with respect to those officers appointed by such individual.

Section 5. Powers and Duties of the Chairman of the Board. The Chairman of the Board, if such officer has been elected, shall preside at all meetings of the Shareholders and of the Board and shall perform such other duties as may be imposed by law, by these By-laws, and by the Board. He shall have the general powers and duties of supervision and management usually vested in the office of Chairman of the Board of a Corporation.

In the event that the Chairman of the Board shall be disabled or incapacitated and thus unable to person the duties of his office, the Board of Directors may select a person to fulfill the duties and responsibilities of the office of the Chairman of the Board until the Chairman of the Board is able to resume the duties of the office of Chairman of the Board.

Section 6. President. The President shall be the Chief Operating Officer of the Corporation subject to the direction of the Board and of the Chairman, if the Chairman is the Chief Executive Officer of the Corporation. Except when the Chairman has been so designated, the President shall be the Chief Executive Officer. In the absence of the Chairman, the President shall preside at all meetings of the Shareholders and of the Board. The President shall also perform such duties as may be imposed by law, by these By-laws, and by the board. The President shall have those powers to perform such duties as the Chairman of the Board shall from time to time designate.

Section 7. Vice Presidents. The Executive Vice Presidents, Senior Vice Presidents and Vice Presidents shall perform such duties as may be assigned to them from time to time by the Chairman of the Board, President or the Board of Directors.

The Assistant Vice Presidents shall perform such duties as may be assigned from time to time by the Chairman of the Board, the President, or the Board of Directors.

Section 8. Treasurer. The Treasurer shall exercise such powers and duties as may be prescribed by law, by these By-laws, by the Chairman of the Board, the President, or the Board of Directors. During the absence or inability to act of the Treasurer, an Assistant Treasurer, authorized in writing by the Chief Executive Officer, shall exercise the powers and duties of the Treasurer.

	Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
	West American Insurance Company ("WAIC")	44393	0.00%	All Lines
			100.0%	
100% Quota Share Affiliated Companies:	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines

Each Affiliated Pool Company cedes its net underwriting activity to the Lead Company. Each 100% Quota Share Affiliated Company cedes its net underwriting activity to the Lead Company.

After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.

The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.

There were no members that were parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement that have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.

There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.

The write-off of uncollectible reinsurance is pooled and the Provision for Reinsurance is recognized by the entity placing the outbound external reinsurance.

Effective January 1, 2010, Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC") cancelled its participation in the Peerless Insurance Company Amended and Restated Reinsurance Pooling Agreement and concurrently became a participant in the Liberty Mutual Inter-Company Reinsurance Agreement with a 0.00% pool participation percentage and entered into a 100% Quota Share Reinsurance Agreement with PIC. Pursuant to the 100% Quota Share Reinsurance Agreement with PIC, LMMAIC continues to cede the business it wrote for the PIC Pool to PIC. New business is ceded to Liberty Mutual Insurance Company ("LMIC"), the lead company in the Liberty Mutual Insurance Company Pool (the "Liberty Pool").

Effective January 1, 2010, Bridgefield Casualty Insurance Company ("BCIC") and Bridgefield Employers Insurance Company ("BEIC") novated their 100% Quota Share Reinsurance Agreements with PIC and entered into 100% Quota Share Inter-Company Reinsurance Agreements with LMIC.

Effective February 23, 2010, Avomark Insurance Company merged with WAIC. WAIC was the surviving entity.

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The Peerless Insurance Company Pool (the "PIC Pool")
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010 and 2009

NAIC GROUP CODE: 0111

This discussion provides an assessment by management, on a combined basis, of the current financial position, results of operations, cash flow and liquidity, and changes in financial position for the Peerless Insurance Company Pool. The information presented in this discussion supplements the financial statements, schedules, and exhibits in the 2010 Annual Statements of the companies which comprise the PIC Pool.

ORGANIZATION

The PIC Pool consists of regional property and casualty insurance companies that distribute their products and services through independent agents throughout the United States. The PIC Pool provides various lines of insurance, with emphasis on account-based personal lines and small to mid-sized traditional commercial risks. Major lines of business include commercial multiple peril, commercial automobile, workers compensation, surety, property, and general liability coverage to small businesses, as well as personal lines coverage, primarily private passenger automobile and homeowners.

There are inter-company reinsurance pooling and inter-company 100% Quota Share Reinsurance Agreements in place among the members of the PIC Pool. The participants in these agreements include the following companies:

		NAIC Company Number	2010 Pooling Percentage	Line of Business
Lead Company:	Peerless Insurance Company ("PIC")	24198	25.20%	All Lines
Affiliated Pool Companies:	The Ohio Casualty Insurance Company ("OCIC")	24074	20.40%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	15.20%	All Lines
	General Insurance Company of America ("GICA")	24732	9.20%	All Lines
	American States Insurance Company ("ASIC")	19704	7.60%	All Lines
	American Economy Insurance Company ("AEIC")	19690	5.60%	All Lines
	Indiana Insurance Company ("IIC")	22659	4.80%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	3.00%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	3.00%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	2.00%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	1.80%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	0.80%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.80%	All Lines
	American Fire and Casualty Company ("AFCIC")	24066	0.60%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyds Insurance Company ("ASLCO")	31933	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
	National Insurance Association ("NIA")	27944	0.00%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines

RESULTS OF OPERATIONS

The PIC Pool's net operating results for the years ended December 31, 2010 and 2009 and certain key financial ratios are presented below.

(Dollars in thousands)

	2010	2009
Net written premiums	$ 10,542,840	$ 10,632,923
Net earned premiums	10,314,180	10,476,530
Losses incurred	5,779,138	5,313,186
LAE incurred	1,217,602	1,243,879
Underwriting expenses	3,465,461	3,479,405
Dividends to policyholders	(3,524)	44,825
Underwriting gain (loss)	(144,497)	395,235
Net investment income	867,465	995,607
Realized investment (loss) gain	194,993	(80,104)
Other expense	(90,157)	(24,688)
Income before taxes	827,804	1,286,050
Federal and foreign income taxes incurred	82,837	321,006
Net income	$ 744,967	$ 965,044

	2010	2009
Key financial ratios:		
Net loss ratio	56.0%	50.7%
Net loss and LAE ratio	67.8%	62.6%
Underwriting ratio	32.9%	32.7%
Dividend ratio	0.0%	0.4%
Combined ratio	100.7%	95.7%
Combined ratio (ex catastrophes)	95.0%	91.5%

Net written premiums decreased $90.1 million, or 0.8%, from 2009. The decrease is primarily attributable to the movement of BCIC and BEIC ("Summit business") out of the PIC Pool and into the Liberty Pool. Excluding the impact of the movement of Summit between pools, net written premium increased $412.7 million over the period ended December 31, 2009. The increase reflects the introduction of an annual private passenger automobile product, rate increases in most lines of business, increased new business and policy retention across the personal product lines, and a higher contract and commercial surety bond premium. These items were partially offset by a decline in commercial lines renewal premium (excluding surety) due to a reduction in insured exposures and the impact of negative audit premiums and lower private passenger automobile premium (excluding the annual automobile product) driven by declining retention during 2009 and a shift towards writing higher quality risks (resulting in lower average premium per policy). Excluding the impact of the Summit, net earned premiums increased $329.7 million. This increase is consistent with the increase in net written premiums.

Loss and loss adjustment expenses (LAE) incurred increased $439.7 million, or 6.7%, over 2009. The 2009 reporting period was impacted by a homeowners quota share treaty that was discontinued at December 31, 2009. The increase in losses and LAE is primarily a result of additional retained losses and expenses due to the discontinuation of the homeowners quota share reinsurance treaty, higher catastrophe losses at $588.4 million, versus $443.7 million in 2009, and unfavorable commercial lines liability and property results. The increase in loss and LAE was partially offset by favorable loss trends across the private passenger automobile and homeowners product lines, and lower surety losses. Additionally, the year includes less favorable net incurred losses attributable to prior years, partially offset by lower variable compensation costs. The increase in the loss and LAE ratio, 5.2 points, reflects an increase in the Homeowners'/farmowners', Commercial Multiple Peril, and Other Liability – Occurrence lines, partially offset by decreases in Workers' Compensation and Private Passenger Auto Liability lines.

The underwriting expense ratio increased 0.2% over 2009, driven primarily by higher personal lines advertising expenditures, general cost increases and efficiencies gained through the integration of Safeco operations.

Net investment income decreased $128.1 million, or 12.9%, from 2009. The decrease resulted from an overall lower invested asset base due to an intercompany dividend payment.

Realized investment gains were $195.0 million in 2010, compared to a $80.1 million loss in 2009. The increase reflects gains on sales of fixed maturities.

Other expenses increased $65.5 million over 2009. The increase is primarily due to fees paid for a retroactive reinsurance contract with LMIC for discontinued operations, partially offset by the write-off of the North Carolina Beach Plan, integration costs related to the Safeco acquisition in 2009 that did not recur in 2010 and a decrease in net loss from a charge-off of miscellaneous premium balance.

Federal and foreign income taxes incurred were $82.8 million in 2010, compared to $321.0 million in 2009. The decrease is primarily attributable to the 2009 return to provision difference and a decrease in pre-tax income. The effective tax rate went from 25% in 2009 to 10% in 2010, also attributable to differences in return to provision and decrease in pre-tax income.

FINANCIAL POSITION

The PIC Pool's financial position at December 31, 2010 and 2009 was as follows:

(Dollars in thousands)

	2010	2009
Assets		
Bonds	$ 16,612,327	$19,656,707
Common and preferred stock	664,516	333,794
Investments in affiliates	154,589	132,928
Cash and short-term investments	913,441	1,237,373
Other invested assets	456,717	455,416
Securities lending reinvested collateral assets	289,880	435,979
Premiums receivable (net)	2,547,283	2,368,195
Reinsurance recoverables on paid losses (net)	94,638	184,569
Current federal and foreign income tax recoverable and interest thereon	63,841	-
Deferred tax asset (net)	585,123	680,799
Funds held by affiliates and other reinsurers	14,841	14,594
Other admitted assets	311,630	360,227
Total admitted assets	$ 22,708,826	$25,860,581
Liabilities		
Unpaid loss and loss adjustment expenses	$ 10,923,723	$ 11,638,344
Unearned premiums	4,853,158	4,601,134
Funds held under reinsurance contracts	59,765	70,239
Ceded reinsurance premiums payables	11,819	(73,268)
Payable to affiliates	422,049	193,703
Payable for securities lending	289,880	435,979
Other liabilities	1,203,263	1,738,026
Total liabilities	17,763,657	18,604,157
Policyholders' surplus	4,945,169	7,256,424
Total liabilities and policyholders' surplus	$ 22,708,826	$ 25,860,581

Assets

The PIC Pool's invested assets represent 84.1% of total admitted assets at December 31, 2010. The mix of short-term and long-term bonds and equity holdings remained conservative in nature, with the investment portfolio comprised primarily of bonds and cash and short-term investments of 87.0% and 4.8%, respectively. Bonds consisted of 23.2% in U.S. government and U.S. government backed securities, 31.5% in state and municipal bonds and 45.3% in corporate and other foreign bonds. The PIC Pool's bond portfolio remained high quality, with 90.4% rated as "investment grade" by the Securities Valuation Office (SVO) of the National Association of Insurance Commissioners (NAIC).

Bonds decreased $3.0 billion from 2009. This decrease is primarily driven by $2.8 billion in intercompany dividend payments.

Unaffiliated common and preferred stock investments increased $330.7 million over 2009. This was primarily due to a decision to increase common stock holdings for the Pool, partially offset by a decrease in the book value of unaffiliated preferred stock as a result of transfers to LMIC during the first quarter of 2010.

Investments in affiliates increased $21.7 million over 2009. The increase was primarily attributable to a $35.8 million increase in affiliated non-P&C common stock, partially offset by a decrease in affiliated non P&C preferred stock.

Management believes the structuring and high quality of the PIC Pool's invested assets and the consistent level of investment income generated by the assets will ensure adequate liquidity to meet the Pool's current and future obligations.

The PIC Pool's admitted premiums receivable increased $179.1 million over 2009, which corresponds to the increase in premiums written (excluding the impact of the Summit business). The PIC Pool maintains a sound credit policy and actively manages its premium receivables and amounts charged off are not considered material.

Reinsurance recoverables on paid losses decreased $89.9 million from 2009 and represent 1.9% of total policyholders' surplus. The decrease is primarily due to the cancellation of the homeowners quota share treaty in 2009. The PIC Pool actively monitors the credit quality of the reinsurance portfolio and maintains guidelines that govern its purchase and use of reinsurance. There are no reinsurance recoverables in dispute from an individual reinsurer that exceed 5.0% of the PIC Pool's surplus.

Net deferred tax assets decreased $95.7 million from 2009. This decrease was primarily due to a decrease in deferred tax assets expected to be realized under SSAP 10R. Key drivers of the decrease are reversals in loss reserve discounting, goodwill, non-admitted assets and compensation.

Liabilities

Liabilities of the PIC Pool totaled $17.8 billion at December 31, 2010, a 4.5% decrease from December 31, 2009.

The PIC Pool's unpaid loss and loss adjustment expenses decreased $714.6 million from 2009. The decrease is primarily attributable to the movement of Summit between pools, partially offset by increased catastrophe losses and an increase in runoff business reserves.

Property-casualty insurance unpaid loss and loss adjustment expenses represent the PIC Pool's best estimate of amounts necessary to settle all outstanding claims, including claims that are incurred but not reported, as of the reporting date. The PIC Pool's reserve projections are based primarily on detailed analysis of the facts in each case, experience with similar cases and various historical development patterns. Consideration is given to such historical patterns as field reserving trends and claims settlement practices, loss payments, pending levels of unpaid claims and product mix, as well as court decisions, economic conditions and public attitudes. All of these factors can affect the estimation of reserves.

Establishing loss reserves, including loss reserves for catastrophic events that have occurred, is an estimation process. Many factors can ultimately affect the final settlement of a claim and therefore the necessary reserve. Changes in the law, results of litigation, medical costs, the cost of repair materials and labor rates can all affect ultimate claim costs. In addition, time can be a critical part of reserving determinations since the longer the span between the incidence of a loss and the payment or settlement of the claim, the more variable the ultimate settlement can be. Accordingly, "short-tail" claims, such as property damage claims, tend to be easier to estimate than "long-tail" claims, such as workers' compensation or general liability claims.

As information develops that varies from past experience, provides additional data, or in some cases, augments data that previously was not considered sufficient for use in determining reserves, changes in the PIC Pool's estimate of ultimate liabilities may be required. The effects of these changes are reflected in current operating results.

The PIC Pool has not discounted unpaid property and casualty insurance claims and claim adjustment expenses other than tabular discounting on the long-term indemnity portion of workers' compensation claims.

Unearned premiums increased $252.0 million over 2009. The increase was consistent with the increase in net premiums written (excluding the impact of the Summit business).

Ceded reinsurance premiums payable increased $85.1 million over 2009 as a result of the cancellation of the homeowners quota share treaty in 2009 and the movement of Summit between pools.

Other liabilities decreased $534.8 million from 2009. This decrease was primarily driven by the movement of Summit between pools, the settlement of a corporate management fee liability with the Liberty Pool and the draw down of a significant Letter of Credit.

Policyholders' Surplus and Leverage

Total policyholders' surplus decreased $2.3 billion from 2009. The decrease in policyholders' surplus was primarily driven by dividend payouts offset by current year earnings.

The increase in the PIC Pool's net written premium to surplus ratio, at 2.1 to 1.0 compared to 1.5 to 1.0 in 2009, was driven by the $90.1 million decrease in net written premium and the $2.3 billion decrease in surplus during the period. The increase in reserve to surplus ratio, at 2.2 to 1.0 versus 1.6 to 1.0, was driven by the $714.6 million decrease in unpaid loss and LAE and the $2.3 billion decrease in surplus. Management is committed to operating the PIC Pool at prudent leverage levels.

The companies that make up the PIC Pool exceed the minimum risk-based capital requirements developed by the NAIC and their respective states of domicile.

CASH FLOW AND LIQUIDITY

Cash and short-term investments totaled $913.4 million at December 31, 2010, compared to $1.2 billion at December 31, 2009. The decrease of $323.9 million was driven primarily by dividends paid to LMAC, partially offset by cash received for the sale of limited partnership interests.

The PIC Pool invests policyholder premiums in assets whose maturities are similar to the expected payout of loss and LAE reserves. Management believes that current and future liquidity needs will continue to be met primarily by operations.

This Management's Discussion and Analysis provides Management's assessment of the financial position, results of operations, cash flow and liquidity, and changes in financial position for the PIC Pool as of and for the year ended December 31, 2010. Representations contained herein are those of Management according to the best of their information, knowledge, and belief.

March 31, 2011

Liberty Mutual Agency Corporation™

Statement of Actuarial Opinion

Safeco Insurance Company of America / 2010 / 440

Thomas E. Schadler, FCAS, MAAA
Sr. Vice President and Chief Actuary
Actuarial Executive

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Safeco Insurance Company of America

Statement of Actuarial Opinion
As of December 31, 2010

IDENTIFICATION

I, Thomas E. Schadler, am an officer of Safeco Insurance Company of America, a Company in Liberty Mutual Agency Corporation. I am a Member of the American Academy of Actuaries and meet its qualification standards for rendering this opinion. I am a Fellow of the Casualty Actuarial Society and was appointed by the Company's Board of Directors on October 18, 2010 to render this opinion.

SCOPE

I have examined the actuarial assumptions and methods used in determining reserves listed in Exhibit A, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 2010.

The reserves shown in Exhibit A, upon which I am expressing an opinion, reflect the Loss Reserve Disclosure items (8 thru 13) in Exhibit B.

The Company is part of a group of affiliated insurers within Liberty Mutual Agency Corporation whose ultimate parent is Liberty Mutual Holding Company Inc. The Group utilizes pooling and quota share agreements (the PIC Amended and Restated Reinsurance Pooling Agreement) that affect the solvency and integrity of the Company's reserves. Pursuant to the approval of the appropriate State Insurance Departments, effective January 1, 2010, Bridgefield Casualty Insurance Company and Bridgefield Employers Insurance Company cancelled their 100% Quota Share Reinsurance Agreements with PIC and entered into 100% inter-company Reinsurance Agreements with Liberty Mutual Insurance Company. Analysis of the reserve items identified above has been performed for all of the pool companies combined. A summary of the pooling and quota share agreements is disclosed in the Notes to the Financial Statements.

In forming my opinion on the loss and loss adjustment expenses reserves identified in the SCOPE section, I relied upon data prepared by James P. McKenney, CPA, Vice President and Controller, Liberty Mutual Agency Corporation and Kevin A. Cormier, FCAS, MAAA, CPCU, ARe, Financial Reporting Manager, Liberty Mutual Agency Corporation. I evaluated that data for reasonableness and consistency. I also reconciled that data to Schedule P – Part 1 of the current Annual Statement, comprising the total intercompany pool to which the Company belongs. In other respects, my examination included such review of the actuarial assumptions and methods used and such tests of the calculations, as I considered necessary.

Safeco Insurance Company of America_2010SAO

OPINION

In my opinion, the amounts carried in the scope paragraph on account of the items identified:

A. Meet the requirements of the insurance laws of Washington;

B. Are computed in accordance with accepted loss reserving standards and principles; and

C. Make a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

RELEVANT COMMENTS

Risk of Material Adverse Deviation
In assessing the adequacy of the carried reserves it is necessary to select a standard of materiality. The selected standard of materiality is shown in Exhibit B. In determining this standard, consideration was given to various metrics and financial bases including: Held Reserves, Surplus, RBC Capital Requirements, Premium and Income. My selection of the materiality standard for this opinion considers that this opinion is prepared for regulatory review. For this company my selection is based on 10% of the net held reserves.

The net held reserves for this company represent a percentage of the total net reserves for the PIC pool. The reserve analysis underlying this opinion, and the work done concerning the risk of material adverse deviation, are all done on a pooled basis. I have also reviewed the amount stated in Exhibit B relative to the net reserves of this Company and find it to be an appropriate standard. Based on my review I believe that the inherent variability in the reserve estimates is low. In my opinion the risk of material adverse deviation from the net reserve amounts carried is remote.

Salvage & Subrogation
Reserves are established net of anticipated salvage & subrogation.

Discounting
The Company discounts its reserves for unpaid losses using a tabular discount on the long-term annuity portion of certain workers' compensation claims. The tabular discount is based on the Unit Statistical Plan tables as approved by the respective states at an annual discount rate of 4.0%. For the other lines, the Company does not use tabular discounts on its reserves for unpaid losses and loss adjustment expenses. The Company does not use non-tabular discounts on any of its reserves for unpaid losses and loss adjustment expense.

Underwriting Pools and Associations
The Company participates in a number of voluntary and involuntary pooling arrangements. The booked reserves and earned premiums emanating from the Company's share of the underwriting pools and associations reflect loss and loss expenses incurred and premiums earned by the pools through various dates prior to year end. Company practice is to record the loss and loss adjustment expense reserves reported to it by the pools with an accrual for any reporting lag. The Company relies on the pool and its actuaries to report its ultimate share of pools' reserves. The reserves reported by the pool are deemed to be adequate. No analysis was done to independently assess the adequacy of these reserves.

Asbestos and Environmental Exposures
The Company has provided coverage to policyholders that have asserted coverage for environmental and asbestos liability claims. Within the total loss and loss adjustment expense reserves recorded by the Company are $55.1 million on a net of reinsurance basis and $64.5 million on a gross basis associated with these two exposures. These reserves are intended to represent the company's ultimate liability for reported and unreported environmental and asbestos claims.

The liabilities for these exposures arise from three distinct sources. The first is legacy business, which has been part of the pool in the past years. The second came to the pool in 2008 from the acquisition of the Ohio Casualty Group. The

third comes to the pool in 2009 from the acquisition of the Safeco Insurance Group. The Asbestos and Environmental reserves for the PIC Pool are centrally managed as part of the Liberty Mutual Group. An analysis on each segment was completed in 2009 as discussed in the following paragraphs.

Relative to Asbestos we performed a ground up study of asbestos claims. Claims were analyzed on a claims reported basis, and aggregated by first report. Using both company and industry data we calculated separate provisions for additional adverse development on known cases (IBNER) and pure development on unreported claims for earned exposures (IBNR). The sum of these components along with current held case reserves determined the ultimate indicated reserves.

Relative to Environmental Liability, claims and claim payments continue to be reported and paid in recent years. To analyze this exposure we utilized a report year approach to organizing data. Using both company and industry data we calculated separate provisions for additional adverse development on known cases (IBNER) and pure development on unreported claims for earned exposures (IBNR). The sum of these components along with current held case reserves determined the ultimate indicated reserves.

During 2010 claims activity for both asbestos and environmental related losses were monitored on a quarterly basis relative to expected losses. No material differences in actual versus expected losses were noted and reserves were reduced to offset paid losses.

Extended Loss and Expense Reserves

The Company does not write extended loss and expense contracts. The total extended loss and expense liability is $0.

Retroactive and Financial Reinsurance

In my capacity as Appointed Actuary I have reviewed a listing of all reinsurance contracts for which the company holds reserves. Where appropriate, I have reviewed the risk transfer analysis done in accordance with SSAP 62.

The Pool currently holds reinsurance contracts accounted for by the company as retroactive reinsurance. Consistent with statutory accounting guidance, liabilities related to these agreements are excluded from the Net Loss and Loss Adjustment Expense Reserves. However, the company has reported a write-in liability on Page 3 (see Exhibit A, Item 5). My review of the Net Loss and Loss Adjustment Expense Reserves did include a review of the liabilities related to these contracts. Based on discussions with Company Management and its description of the company's ceded and assumed reinsurance, I am not aware of any other reinsurance contract that either has been or should have been accounted for as Retroactive or Financial Reinsurance.

Reinsurance Collectibility

Ceded loss reserves are all either with affiliated companies in the PIC Pool or industry pools, with companies rated A or better by A.M. Best, or are immaterial relative to surplus. Past uncollectibility levels and current amounts in dispute have been reviewed and found to be immaterial relative to surplus. Therefore, reinsurance collectibility does not appear to be an issue.

My opinion on the loss and loss adjustment expense reserves net of ceded reinsurance assumes that all ceded reinsurance is valid and collectible. I have not anticipated any contingent liabilities that could arise if the reinsurers do not meet their obligations to the Company as reflected in the data and other information provided to me.

NAIC IRIS Tests

The loss and loss adjustment expense reserves recorded by the Company did not create any exceptional values for NAIC IRIS tests: One-Year Reserve Development to Surplus, Two-Year Reserve Development to Surplus, or Estimated Current Reserve Deficiency to Surplus.

Long Duration Contracts

The Company has no policies in force as of December 31st, 2010 that qualify as long duration contracts.

Safeco Insurance Company of America_2010SAO

Methods and Assumptions
No material changes in actuarial methods were made during 2010.

Other Relevant Comments
In evaluating whether the reserves make a reasonable provision for unpaid losses and loss adjustment expenses, it is necessary to project future loss and loss adjustment expense payments. It is certain that the actual future losses and loss adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections. Further, my projections made no provision for extra-ordinary future emergence of new classes of losses or types of losses not sufficiently represented in the Company's historical data base or which are not yet quantifiable.

My review was limited to the items enumerated in the SCOPE section, and did not include an analysis of any income statement or other balance sheet items. My opinion on the loss reserves is based on the assumption that valid assets back all reserves. It makes no opinion on the Company's financial assets or any other liabilities on the Company's balance sheets, which are not enumerated in the SCOPE section. This Statement of Actuarial Opinion makes no opinion on the overall financial strength of the Company.

ACTUARIAL REPORT

An actuarial report, including underlying workpapers supporting the findings expressed in this statement of actuarial opinion will be retained for a period of seven years in the administrative offices of the Company and available for regulatory examination.

DISTRIBUTION AND USE

This statement of opinion is solely for the use of, and only to be relied upon by, the Company and the various state departments in which it files its Annual Statement.

Thomas E. Schadler, FCAS, MAAA
Sr. Vice President & Chief Actuary
Liberty Mutual Agency Corporation
175 Berkeley Street
Boston, MA 02116
(617) 654-3831
(603) 358-3863
February 24, 2011

Statement of Actuarial Opinion 2010
Safeco Insurance Company of America

Exhibit A: SCOPE

	Column 1 Amount
Loss Reserves:	
1. Reserve for Unpaid Losses (Liabilities, Surplus and Other Funds page, Col 1, Line 1)	$ 1,357,442,949
2. Reserve for Unpaid Loss Adjustment Expenses (Liabilities, Surplus and Other Funds page, Col 1, Line 3)	$ 302,962,873
3. Reserve for Unpaid Losses - Direct and Assumed (Should equal Schedule P, Part 1, Totals from Cols. 13 and 15, Line 12 * 1000)	$ 1,493,935,000
4. Reserve for Unpaid Loss Adjustment Expenses - Direct and Assumed (Should equal Schedule P, Part 1, Totals from Cols. 17, 19 and 21, Line 12 * 1000)	$ 313,793,000
5. The Page 3 write-in item reserves, "Retroactive Reinsurance Reserve Assumed"	$ 14,500,958
6. Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion (list separately)	$ -
Premium Reserves:	
7. Reserve for Direct and Assumed Unearned Premiums for Long Duration Contracts	$ -
8. Reserve for Net Unearned Premiums for Long Duration Contracts	$ -
9. Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion (list separately)	$ -

Statement of Actuarial Opinion 2010
Safeco Insurance Company of America

Exhibit B: DISCLOSURES

	Column 1	Column 2	Column 3	Column 4
1. Name of the Appointed Actuary		Schadler *Last*	Thomas *First*	E *Mid*
2. The Appointed Actuary's Relationship to the Company. Enter E or C based upon the following: E if an Employee C if a Consultant			E	
3. The Appointed Actuary is a Qualified Actuary based upon what qualification? Enter F, A, M, or O based upon the following: F if a Fellow of the Casualty Actuarial Society (FCAS) A if an Associate of the Casualty Actuarial Society (ACAS) M if not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter. O for Other			F	
4. Type of Opinion, as identified in the OPINION paragraph. Enter R, I, E, Q, or N based upon the following: R if Reasonable I if Inadequate or Deficient Provision E if Excessive or Redundant Provision Q if Qualified. Use Q when part of the OPINION is Qualified N if No Opinion			R	
5. Materiality Standard as expressed in US dollars (Used to Answer Question #6)	$ 166,040,582			
6. Is there a Significant Risk of Material Adverse Deviation?			Yes [ ] No [X] Not Applicable [ ]	
7. Statutory Surplus (Liabilities, Col 1, Line 37)	$ 844,905,829			
8. Anticipated net salvage and subrogation included as a reduction to loss reserves as reported in Schedule P (should equal Part 1 Summary, Col 23, Line 12 * 1000)	$ 96,797,000			
9. Discount included as a reduction to loss reserves and loss expense reserves as reported in Schedule P				
9.1 Nontabular Discount [Notes, Line 32B23, (Amounts 1, 2, 3 & 4)], Electronic Filing Cols 7, 8, 9, & 10	$ -			
9.2 Tabular Discount [Notes, Line 32A23 (Amounts 1 & 2)] Electronic Filing Cols 7 & 8	$ 20,634,371			
10. The net reserves for losses and expenses for the company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and expenses that are included in reserves shown on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines	$ 22,562,000			
11. The net reserves for losses and loss adjustment expenses that the company carries for the following liabilities included on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines. *				
11.1 Asbestos, as disclosed in the Notes to Financial Statements (Notes, Line 33A03D), ending net asbestos reserves for current year)	$ 36,072,543			
11.2 Environmental, as disclosed in the Notes to Financial Statements (Notes, Line 33D03D), ending net environmental reserves for current year)	$ 18,889,326			
12. The total claims made extended loss and expense reserve (Greater than or equal to Schedule P Interrogatories)				
12.1 Amount reported as loss reserves	$ -			
12.2 Amount reported as unearned premium reserves	$ -			
13. Other items on which the Appointed Actuary is providing Relevant Comments (list seperately)	$ -			

* The reserves disclosed in item 11 above, should exclude amounts relating to contract specifically written to cover asbestos and environmental exposures. Contracts specifically written to cover these exposures include Environmental Impairment Liability (post 1986), Asbestos Abatement, Pollution Legal Liability, Contractor's Pollution Liability, Consultant's Environmental Liability, and Pollution and Remediation Legal Liability.

Applicant Name: Safeco Insurance Company of America

NAIC No. 24740
FEIN: 91-0742148

Primary UCAA Item 15. Annual Statements w/Attachments

2009 Annual Statement – See back of binder

Applicant Name: Safeco Insurance Company of America

NAIC No. 24740
FEIN: 91-0742148

Primary UCAA Item 15. Annual Statements w/Attachments

2008 Annual Statement – See back of binder

ASSETS

	Current Statement Date			
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	2,359,101,134		2,359,101,134	2,318,009,624
2. Stocks:				
2.1 Preferred stocks	27,104,120		27,104,120	27,090,756
2.2 Common stocks	484,925,541		484,925,541	457,221,343
3. Mortgage loans on real estate:				
3.1 First liens	76,719,796		76,719,796	76,702,697
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less $ 0 encumbrances)				
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 9,909,864), cash equivalents ($ 1,252,686), and short-term investments ($ 77,354,427)	88,516,977		88,516,977	163,744,280
6. Contract loans (including $ 0 premium notes)				
7. Derivatives				
8. Other invested assets	4,318,909	1,008,000	3,310,909	2,241,396
9. Receivables for securities	2,255,887		2,255,887	1,787
10. Securities lending reinvested collateral assets	47,119,270		47,119,270	32,767,990
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,090,061,634	1,008,000	3,089,053,634	3,077,779,873
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	27,346,551		27,346,551	28,237,369
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	67,670,796	7,103,391	60,567,405	54,564,644
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ (2,488,779) earned but unbilled premiums)	440,156,912	2,582	440,154,330	438,837,234
15.3 Accrued retrospective premiums	1,324,491	129,353	1,195,138	1,392,450
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	120,420,104		120,420,104	84,021,997
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	19,951,424		19,951,424	7,215,497
18.2 Net deferred tax asset	150,916,643	47,892,839	103,023,804	111,699,983
19. Guaranty funds receivable or on deposit	1,559,274		1,559,274	2,568,318
20. Electronic data processing equipment and software	19,323,893	18,978,047	345,846	1,886,246
21. Furniture and equipment, including health care delivery assets ($ 0)	51,698,355	51,698,355		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	9,925,171	1,064	9,924,107	16,459,621
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	15,307,334	2,150,380	13,156,954	13,320,898
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,015,662,582	128,964,011	3,886,698,571	3,837,984,130
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	4,015,662,582	128,964,011	3,886,698,571	3,837,984,130

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Cash Surrender Value Life Insurance	8,965,032		8,965,032	8,836,189
2502. Equities and deposits in pools and associations	3,884,685		3,884,685	4,020,850
2503. Other assets	2,457,617	2,150,380	307,237	463,859
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	15,307,334	2,150,380	13,156,954	13,320,898

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $ 321,393,959)	1,395,644,906	1,357,442,949
2.	Reinsurance payable on paid losses and loss adjustment expenses	109,579,170	91,080,912
3.	Loss adjustment expenses	304,287,820	302,962,873
4.	Commissions payable, contingent commissions and other similar charges	34,860,460	40,999,937
5.	Other expenses (excluding taxes, licenses and fees)	20,436,616	11,999,519
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	7,540,114	13,711,488
7.1.	Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))		
7.2.	Net deferred tax liability		
8.	Borrowed money $ 0 and interest thereon $ 0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $ 874,293,819 and including warranty reserves of $ 0)	735,925,316	737,679,970
10.	Advance premium	6,018,180	4,999,758
11.	Dividends declared and unpaid:		
	11.1. Stockholders		
	11.2. Policyholders	326,110	142,479
12.	Ceded reinsurance premiums payable (net of ceding commissions)	142,742,970	125,007,844
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others	1,240,434	456,871
15.	Remittances and items not allocated		
16.	Provision for reinsurance		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	63,074,703	49,753,890
19.	Payable to parent, subsidiaries and affiliates	125,456,849	147,504,732
20.	Derivatives		
21.	Payable for securities	3,233,536	28,665,806
22.	Payable for securities lending	47,119,270	32,767,990
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $ 0 and interest thereon $ 0		
25.	Aggregate write-ins for liabilities	40,376,687	47,901,283
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	3,037,863,141	2,993,078,301
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	3,037,863,141	2,993,078,301
29.	Aggregate write-ins for special surplus funds	24,414,694	24,314,698
30.	Common capital stock	5,000,000	5,000,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds		
33.	Surplus notes		
34.	Gross paid in and contributed surplus	580,930,179	580,930,179
35.	Unassigned funds (surplus)	238,490,557	234,660,952
36.	Less treasury stock, at cost:		
	36.1. 0 shares common (value included in Line 30 $ 0)		
	36.2. 0 shares preferred (value included in Line 31 $ 0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36)	848,835,430	844,905,829
38.	Totals (Page 2, Line 28, Col. 3)	3,886,698,571	3,837,984,130

	DETAILS OF WRITE-IN LINES		
2501.	Other liabilities	24,893,807	29,751,538
2502.	Retroactive reinsurance reserves	13,564,161	14,500,958
2503.	Accrued return retrospective premiums	1,099,659	1,850,476
2598.	Summary of remaining write-ins for Line 25 from overflow page	819,060	1,798,311
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	40,376,687	47,901,283
2901.	SSAP10R incremental change	21,027,092	21,027,092
2902.	Special surplus from retroactive reinsurance	3,387,602	3,287,606
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	24,414,694	24,314,698
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $ 926,882,376)	911,919,441	905,631,312	1,824,217,488
1.2 Assumed (written $ 782,156,337)	785,768,716	777,005,489	1,567,755,359
1.3 Ceded (written $ 926,882,376)	911,919,441	905,640,246	1,824,217,488
1.4 Net (written $ 782,156,337)	785,768,716	776,996,555	1,567,755,359
DEDUCTIONS:			
2. Losses incurred (current accident year $ 541,993,321):			
2.1 Direct	605,180,439	455,768,924	841,228,440
2.2 Assumed	511,831,726	459,074,716	878,428,917
2.3 Ceded	605,180,439	455,669,770	841,228,440
2.4 Net	511,831,726	459,173,870	878,428,917
3. Loss adjustment expenses incurred	94,638,395	93,511,614	185,075,525
4. Other underwriting expenses incurred	253,333,480	266,611,034	526,865,808
5. Aggregate write-ins for underwriting deductions	(162,686)		(85,760)
6. Total underwriting deductions (Lines 2 through 5)	859,640,915	819,296,518	1,590,284,490
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(73,872,199)	(42,299,963)	(22,529,131)
INVESTMENT INCOME			
9. Net investment income earned	59,161,729	74,966,317	132,469,091
10. Net realized capital gains (losses) less capital gains tax of $ 2,648,362	4,918,386	(12,191,958)	1,445,916
11. Net investment gain (loss) (Lines 9 + 10)	64,080,115	62,774,359	133,915,007
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 34,018 amount charged off $ 1,493,315)	(1,459,297)	(3,416,901)	(6,587,518)
13. Finance and service charges not included in premiums	6,603,787	6,955,612	13,833,992
14. Aggregate write-ins for miscellaneous income	(482,052)	(19,397,978)	(20,410,058)
15. Total other income (Lines 12 through 14)	4,662,438	(15,859,267)	(13,163,584)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(5,129,646)	4,615,129	98,222,292
17. Dividends to policyholders	1,482,341	1,373,942	(535,689)
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(6,611,987)	3,241,187	98,757,981
19. Federal and foreign income taxes incurred	(979,513)	(1,873,418)	5,461,380
20. Net income (Line 18 minus Line 19) (to Line 22)	(5,632,474)	5,114,605	93,296,601
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	844,905,829	1,147,111,899	1,147,111,899
22. Net income (from Line 20)	(5,632,474)	5,114,605	93,296,601
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ 2,704,171	4,672,207	16,067,476	43,087,700
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	2,181,414	8,400,262	(17,956,336)
27. Change in nonadmitted assets	1,490,450	10,232,133	43,018,787
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles	1,218,004		
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		224,812,072	234,812,072
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders		(753,000,000)	(753,000,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus		21,160,024	54,535,106
38. Change in surplus as regards policyholders (Lines 22 through 37)	3,929,601	(467,213,428)	(302,206,070)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	848,835,430	679,898,471	844,905,829

DETAILS OF WRITE-IN LINES			
0501. Private passenger auto escrow	(162,686)		(85,760)
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)	(162,686)		(85,760)
1401. Retroactive reinsurance gain/(loss)	99,536	(19,384,585)	(19,414,622)
1402. Other income/(expense)	(581,588)	(13,393)	(995,436)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(482,052)	(19,397,978)	(20,410,058)
3701. Other changes in surplus		20,169,803	54,187,673
3702. SSAP10R incremental change		990,221	347,433
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		21,160,024	54,535,106

CASH FLOW

Cash from Operations	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums collected net of reinsurance	788,685,988	807,886,348	1,607,817,285
2. Net investment income	65,148,639	84,276,623	153,190,016
3. Miscellaneous income	4,928,275	(24,961,298)	(24,948,174)
4. Total (Lines 1 to 3)	858,762,902	867,201,673	1,736,059,127
5. Benefit and loss related payments	478,208,806	539,649,493	953,912,016
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	349,302,667	432,301,091	784,351,287
8. Dividends paid to policyholders	1,298,710	2,460,647	612,309
9. Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	14,404,775	26,092,782	1,129,765
10. Total (Lines 5 through 9)	843,214,958	1,000,504,013	1,740,005,377
11. Net cash from operations (Line 4 minus Line 10)	15,547,944	(133,302,340)	(3,946,250)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	245,344,145	1,133,720,760	1,683,371,487
12.2 Stocks	11,331,379	30,974,071	88,915,008
12.3 Mortgage loans	1,057,703	382,390	1,340,734
12.4 Real estate			
12.5 Other invested assets	77,659,973	65,797,056	74,567,870
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	(2,254,100)	(6,730,734)	(159,954)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	333,139,100	1,224,143,543	1,848,035,145
13. Cost of investments acquired (long-term only):			
13.1 Bonds	284,562,285	605,226,671	1,042,950,805
13.2 Stocks	31,070,884	225,706,922	369,288,146
13.3 Mortgage loans	1,074,802	14,544,975	47,809,340
13.4 Real estate			
13.5 Other invested assets	93,084,943	1,696,841	34,152,141
13.6 Miscellaneous applications	25,432,271	8,512,156	(17,858,285)
13.7 Total investments acquired (Lines 13.1 to 13.6)	435,225,185	855,687,565	1,476,342,147
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(102,086,085)	368,455,978	371,692,998
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock		224,812,072	234,812,072
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders		425,000,000	753,000,000
16.6 Other cash provided (applied)	11,310,838	(101,630,892)	(14,281,135)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	11,310,838	(301,818,820)	(532,469,063)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(75,227,303)	(66,665,182)	(164,722,315)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	163,744,280	328,466,595	328,466,595
19.2 End of period (Line 18 plus Line 19.1)	88,516,977	261,801,413	163,744,280

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

20.0001	12.1 Proceeds - Bonds			719,947,341
20.0002	12.2 Proceeds - Stocks			45,093,670
20.0003	16.5 Dividends to stockholders			624,505,597

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Safeco Insurance Company of America (the "Company") have been prepared on the basis of accounting practices prescribed or permitted by the Washington Insurance Department.

The state of Washington requires insurance companies domiciled in the state of Washington to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the Washington Insurance Department.

There are no differences between the Washington prescribed or permitted practices and NAIC statutory accounting practices that resulted in a difference for the Company.

Note 2 - Accounting Changes and Correction of Errors

The Company adopted SSAP No. 35R, *Guaranty Fund and Other Assessments*, effective January 1, 2011. The cumulative effect of adopting SSAP No. 35R is reported in the Capital and Surplus Account and is not considered material.

Note 3 - Business Combinations and Goodwill

No change.

Note 4 - Discontinued Operations

No change.

Note 5 - Investments

D. Loaned Backed Securities

1. Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.

2. All Loaned Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2011 as of June 30, 2011: None.

3. Each Loaned Backed Security with a recognized other-than-temporary impairment held by the Company at June 30, 2011:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair Value at time of OTTI	Date of Financial Statement Where Report
30605AAX1	1,734,190	792,898	941,292	792,898	778,145	3/31/2010
59023XAB2	730,659	639,116	91,544	639,116	640,061	3/31/2009
59023XAB2	484,519	420,536	63,982	420,536	334,769	12/31/2009
59023XAB2	225,695	175,372	50,323	175,372	155,940	12/31/2009
59023XAB2	320,497	312,882	7,615	312,882	244,796	3/31/2010
59023XAB2	130,685	127,138	3,547	127,138	114,029	3/31/2010
61749BAB9	762,539	724,311	38,228	724,311	464,920	12/31/2009
61749BAB9	637,091	631,463	5,628	631,463	515,200	3/31/2010
61749BAB9	514,264	511,773	2,491	511,773	475,530	12/31/2010
07324SCZ3	359,749	241,039	118,710	241,039	241,038	12/31/2010

4. All impaired Loaned Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of June 30, 2011:

	1	2
	12 Months and Under	Greater Than 12 Months
Gross Unrealized Loss	(653,701)	(3,685,142)
Fair Value of Securities with Unrealized Losses	106,956,582	39,600,529

5. The Company reviews fixed income securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, and (g) the past impairment of the security holding or the issuer. If the Company believes a decline in the value of a particular investment is temporary, the decline is recorded as an unrealized loss in policyholders' equity. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.

NOTES TO FINANCIAL STATEMENTS

Note 6 - Joint Ventures, Partnerships & Limited Liability Companies

No change.

Note 7 - Investment Income

No change.

Note 8 - Derivative Instruments

No change.

Note 9 - Income Taxes

No change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No change.

Note 11 - Debt

No change.

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

No change.

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

No change.

Note 14 - Contingencies

No change.

Note 15 - Leases

No change.

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

No change.

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

C. Wash Sales

In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date. There are no transactions for securities with NAIC designation 3 or below sold during the second quarter of 2011, and reacquired within 30 days of the sale date.

Note 18 - Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

No change.

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

No change.

Note 20 – Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Levels 1, 2 and 3

Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which generally utilizes market transaction data for identical or similar instruments.

The hierarchy level assigned to each security in the Company's portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to Level 1 measurements and the lowest priority to Level 3 measurements. Securities are classified based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period. The three hierarchy levels are defined as follows:

NOTES TO FINANCIAL STATEMENTS

- Level 1 — Valuations based on unadjusted observable quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2 — Valuations based on directly or indirectly observable inputs (other than Level 1 prices) at the measurement date, such as quoted prices in active markets or prices in markets that are not active for similar assets or liabilities or other inputs that are observable.

- Level 3 — Valuations based on inputs that are unobservable and reflect the Company's own assumptions about the assumptions that market participants might use.

The following table summarizes the Company's assets and liabilities that are measured at fair value at June 30, 2011:

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Issuer Obligations	$ 0	$ 104,100,615	$ 9,596,083	$ 113,696,698
Residential Mortgage-Backed Securities	$ 0	$ 947,309	$ 0	$ 947,309
Commercial Mortgage-Backed Securities	$ 0	$ 9,377,007	$ 0	$ 9,377,007
Total Bonds	$ 0	$ 114,424,931	$ 9,596,083	$ 124,021,014
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	$ 0	$ 8,859,120	$ 0	$ 8,859,120
Total Preferred Stocks	$ 0	$ 8,859,120	$ 0	$ 8,859,120
Common Stocks				
Industrial and Miscellaneous	$ 143,185,283	$ 0	$ 858,074	$ 144,043,357
Total Common Stocks	$ 143,185,283	$ 0	$ 858,074	$ 144,043,357
Total assets at fair value	$ 143,185,283	$ 123,284,051	$ 10,454,157	$ 276,923,491
Liabilities at fair value	$ 0	$ 0	$ 0	$ 0
Total liabilities at fair value	$ 0	$ 0	$ 0	$ 0

The Company did not have significant transfers between Levels 1 and 2 during the quarter ended June 30, 2011.

2. Rollforward of Level 3 Items

The following tables set forth the fair values of assets basis classified as Level 3 within the fair value hierarchy:

	1	2	3	4	5	6	7
	Balance at 12/31/2010	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases, issuances, sales and settlements	Balance at 6/30/2011
Bonds	$ 7,633,607	$ 3,166,336	$ 0	$ 0	$ 228,902	$(1,432,762)	$ 9,596,083
Preferred Stock	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Common Stock	$ 783,357	$ 482,265	$ 0	$ 0	$ (23,473)	$ (384,075)	$ 858,074
Total	$ 8,416,964	$ 3,648,601	$ 0	$ 0	$ 205,429	$(1,816,837)	$ 10,454,157

3. Policy on Transfers Into and Out of Level 3

Transfers in and/or out of Level 3 are due to re-evaluation of the observability of pricing inputs.

4. Inputs and Techniques Used for Fair Value

Fixed Maturities

At each valuation date, the Company uses various valuation techniques to estimate the fair value of its fixed maturities portfolio. The primary method for valuing the Company's securities is through independent third-party valuation service providers. For positions where valuations are not available from independent third-party valuation service providers, the Company utilizes broker quotes and internal pricing methods to determine fair values. The Company obtains a single non-binding price quote from a broker familiar with the security who, similar to the Company's valuation service providers, may consider transactions or activity in similar securities, as applicable, among other information. The brokers providing price quotes are generally from the brokerage divisions of leading financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation. The evaluation and prioritization of these valuation sources is systematic and predetermined resulting in a single quote or price for each financial instrument. The following describes the techniques generally used to determine the fair value of the Company's fixed maturities by asset class:

NOTES TO FINANCIAL STATEMENTS

U.S. government and agency

U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal Home Loan Bank, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As the fair values of the Company's U.S. Treasury securities are based on unadjusted market prices, they are classified within Level 1. The fair value of U.S. government agency securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

Mortgage-Backed Securities

The Company's portfolio of residential mortgage-backed securities ("MBS") and commercial MBS are originated by both agencies and non-agencies, the majority of which are pass-through securities issued by U.S. government agencies. The fair value of MBS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of MBS is primarily classified within Level 2.

Asset-Backed Securities

Asset-backed securities ("ABS") include mostly investment-grade bonds backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, credit card receivables, and collateralized loan obligation securities originated by a variety of financial institutions. The fair value of ABS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of ABS is primarily classified within Level 2.

Municipals

The Company's municipal portfolio comprises bonds issued by U.S. domiciled state and municipal entities. The fair value of municipal securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, broker quotes, issuer ratings, reported trades and credit spreads. Accordingly, the fair value of municipal securities is primarily classified within Level 2.

Corporate debt and other

Corporate debt securities consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. The fair value of corporate and other securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, new issuances, issuer ratings, reported trades of identical or comparable securities, bids, offers and credit spreads. Accordingly, the fair value of corporate and other securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Foreign government securities

Foreign government securities comprise bonds issued by foreign governments and their agencies along with supranational organizations. The fair value of foreign government securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, broker quotes, issuer ratings, reported trades of identical or comparable securities and credit spreads. Accordingly, the fair value of foreign government securities is primarily classified within Level 2.

Equity Securities

Equity securities include common and preferred stocks. Common stocks with fair values based on quoted market prices in active markets are classified in Level 1. Common stocks with fair values determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active are classified in Level 2. The fair value of preferred stock is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active. Accordingly, the fair value of preferred stock is primarily classified within Level 2.

Other Investments

Other investments include primarily international loans, foreign cash deposits and equity investments in privately held businesses. International loans and cash deposits are primarily valued using quoted prices for similar instruments in active markets; these assets are categorized as Level 2 of the fair value hierarchy. Equity investments in privately held businesses are valued using internal management estimates; they are categorized as Level 3 of the hierarchy. Limited partnership investments, which represent the remainder of the other investment balance on the consolidated balance sheet, are not subject to these disclosures and therefore are excluded from the above table.

5. Derivative Fair Values

Not applicable

B. This Disclosure was removed by NAIC December 2010.

C. Other Fair Value Disclosures

Not applicable

NOTES TO FINANCIAL STATEMENTS

D. Reasons Not Practical to Estimate Fair Value

Not applicable

Note 21 - Other Items

A. 2011 North Carolina Private Passenger Automobile Escrow

The Company refunded all premium and interest held in an escrow fund to certain of its policyholders in accordance with North Carolina General Statutes § 58-36-25(b). These distributions represented the full disposition of the Company's escrow fund.

Note 22 - Events Subsequent

No change.

Note 23 - Reinsurance

No change

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

No change.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expense attributed to insured events on prior years has decreased $30,670,289 during the first two quarters of 2011. This decrease was primarily the result of updated reserving analysis and improving loss trends in the Fidelity/Surety $12,864,809, Commercial Multiple Peril $11,449,181, Other Liability - Occurrence $10,624,026, Homeowners/Farmowners $4,248,725, Auto Physical Damage $2,775,812, and Private Passenger Auto Liability/Medical $2,537,861 lines. This was partially offset by weakening loss trends in the Workers' Compensation $15,445,474 line. Prior estimates are revised as additional information becomes known regarding individual claims.

Note 26 - Inter-Company Pooling Arrangements

No change.

Note 27 - Structured Settlements

No change.

Note 28 - Health Care Receivables

No change.

Note 29 - Participating Policies

No change.

Note 30 - Premium Deficiency Reserves

No change.

Note 31 - High Dollar Deductible Policies

No change.

Note 32 - Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

No change.

Note 33 - Asbestos/Environmental Reserves

No change.

Note 34 - Subscriber Savings Accounts

No change.

Note 35 - Multiple Peril Crop Insurance

No change.

Note 36 - Financial Guarantee Insurance Contracts

No change

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: _____

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] 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 [X]

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

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. 12/31/2009

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). 06/21/2011

6.4 By what department or departments?
Washington State Office of the Insurance Commissioner

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules, and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code. Yes [X] No [ ]

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
During Q2, Code provisions were added for Registered Investment Adviser compliance, as a Liberty Mutual subsidiary obtained SEC approval as a Registered Investment Adviser. In Q2, several non-material changes to the Code were also made to clarify existing provisions.

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

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

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

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

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 252,444

GENERAL INTERROGATORIES

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 341,231,797	$ 340,882,185
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 1,008,000	$ 1,008,000
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 342,239,797	$ 341,890,185
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase	1 Chase Manhattan Plaza New York, NY 10005
Bank of New York	601 Travis Street, Houston, TX 77002

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

GENERAL INTERROGATORIES

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
N/A	Liberty Mutual Investment Advisors, LLC	175 Berkeley Street, Boston, MA 02116
N/A	Liberty Mutual Group Inc.	175 Berkeley Street, Boston, MA 02116
N/A	Stancorp Mortgage Investors	1100 SW Sixth Avenue, Portland, OR 97204

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1	2	3	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
Line of Business	Maximum Interest	Discount Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
			0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0
		TOTAL	0	0	0	0	0	0	0	0

5. Operating Percentages:
   5.1. A&H loss percent 0.00 %
   5.2. A&H cost containment percent 0.00 %
   5.3. A&H expense percent excluding cost containment expenses 0.00 %

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

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

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

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

QUARTERLY STATEMENT

OF THE

SAFECO INSURANCE COMPANY OF AMERICA

of SEATTLE

in the state of WASHINGTON

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2011

PROPERTY AND CASUALTY

2011

NONE Schedule F

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.		1 Active Status	Direct Premiums Written 2 Current Year to Date	3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	L	10,773,881	10,169,370	17,900,668	7,491,649	21,272,097	6,708,631
2. Alaska	AK	L	9,643,572	8,694,735	2,414,665	2,181,270	(2,823,219)	(2,628,190)
3. Arizona	AZ	L	32,295,194	28,570,832	22,535,592	8,227,947	14,763,483	13,516,117
4. Arkansas	AR	L	7,196,688	6,564,012	5,816,360	4,812,979	4,997,713	3,627,622
5. California	CA	L	282,095,239	280,426,863	134,918,637	120,886,168	227,751,879	231,528,963
6. Colorado	CO	L	55,162,748	51,710,146	26,396,771	31,551,778	33,229,403	41,275,472
7. Connecticut	CT	L	19,081,008	19,906,510	18,212,543	12,071,374	20,565,532	26,283,474
8. Delaware	DE	L	555,879	586,622	310		401,854	317,253
9. District of Columbia	DC	L	1,737,421	1,738,931	648		1,129,389	934,446
10. Florida	FL	L	7,664,837	10,388,451	15,434,632	21,793,979	(5,939,602)	21,581,707
11. Georgia	GA	L	13,016,497	15,640,905	7,788,013	7,816,386	12,901,329	12,340,166
12. Hawaii	HI	L	1,164,277	1,544,975	28,830	(3,643,828)	932,393	(1,813,690)
13. Idaho	ID	L	3,734,489	3,555,595	937,858	3,873,425	4,784,366	5,739,750
14. Illinois	IL	L	4,095,129	7,309,525	1,029,960	185,632	6,977,501	10,083,496
15. Indiana	IN	L	6,408,059	6,584,286	1,835,372	2,193,568	3,581,141	3,802,111
16. Iowa	IA	L	5,249,575	5,634,071	2,667,980	2,624,717	4,858,704	5,221,126
17. Kansas	KS	L	31,449,541	31,604,475	45,509,300	13,402,798	34,922,101	18,075,744
18. Kentucky	KY	L	12,642,472	10,766,832	6,122,218	4,218,441	8,958,906	6,247,433
19. Louisiana	LA	L	19,866,620	22,045,622	6,452,977	5,927,861	7,487,493	9,046,813
20. Maine	ME	L	171,531	308,529	124	(129)	240,639	186,148
21. Maryland	MD	L	16,297,943	17,433,102	9,850,089	10,078,012	15,293,244	16,505,875
22. Massachusetts	MA	L	6,614,317	8,311,619	(1,017,717)	198,741	4,656,092	2,534,366
23. Michigan	MI	L	11,002,223	10,921,758	6,598,554	22,190,393	16,495,536	27,437,902
24. Minnesota	MN	L	6,391,031	7,346,477	3,745,108	2,460,502	8,134,966	9,915,070
25. Mississippi	MS	L	22,071,449	20,626,311	15,913,205	10,361,344	11,476,421	8,023,927
26. Missouri	MO	L	28,554,047	26,965,493	34,240,307	7,614,031	31,822,366	18,719,212
27. Montana	MT	L	16,180,683	15,424,194	9,303,596	9,538,779	19,240,346	61,226,898
28. Nebraska	NE	L	2,599,292	2,306,431	1,103,857	1,060,073	1,211,751	1,541,589
29. Nevada	NV	L	7,727,512	8,189,308	9,891,258	654,049	4,623,001	6,383,962
30. New Hampshire	NH	L	5,649,924	4,177,358	2,102,966	1,762,379	2,567,833	2,376,594
31. New Jersey	NJ	L	4,542,805	5,509,337	659,666	871,815	2,123,941	6,156,715
32. New Mexico	NM	L	22,151,785	23,936,868	11,635,184	9,476,801	18,543,220	16,738,882
33. New York	NY	L	12,524,410	14,479,176	3,307,940	17,961,516	(2,695,372)	5,341,248
34. North Carolina	NC	L	5,836,933	6,861,492	3,050,345	2,354,411	4,896,701	3,907,439
35. North Dakota	ND	L	3,467,695	3,661,823	1,809,086	1,540,155	1,627,746	1,194,748
36. Ohio	OH	L	2,668,646	3,497,813	558,487	708,112	6,206,438	6,445,458
37. Oklahoma	OK	L	31,663,156	21,359,879	16,983,993	15,767,213	20,332,996	14,975,383
38. Oregon	OR	L	4,184,192	3,947,453	3,429,093	5,755,006	12,836,301	20,171,548
39. Pennsylvania	PA	L	9,438,494	8,826,232	1,346,825	(701,945)	12,358,340	11,425,568
40. Rhode Island	RI	L	208,332	195,709	226	8,400	409,070	352,245
41. South Carolina	SC	L	11,023,580	11,433,793	6,142,160	5,367,999	8,003,647	10,680,328
42. South Dakota	SD	L	4,768,068	5,250,104	2,023,540	2,324,671	7,194,550	3,044,271
43. Tennessee	TN	L	15,516,879	14,651,796	33,741,086	7,070,548	31,240,832	11,952,535
44. Texas	TX	L	24,658,942	33,326,576	37,401,797	12,892,031	34,015,086	38,869,487
45. Utah	UT	L	4,307,308	3,322,668	730,122	967,029	2,830,580	3,107,416
46. Vermont	VT	L	1,687,190	1,235,197	1,523,113	715,629	856,491	695,169
47. Virginia	VA	L	4,371,064	4,806,780	454,238	1,418,729	3,783,835	4,415,280
48. Washington	WA	L	92,446,205	89,000,223	39,360,244	40,974,770	54,853,892	62,193,291
49. West Virginia	WV	L	13,364,755	16,601,754	9,434,607	8,384,029	9,959,219	9,154,376
50. Wisconsin	WI	L	3,993,992	4,172,316	2,560,612	1,705,191	3,880,720	5,040,278
51. Wyoming	WY	L	6,032,112	5,407,532	2,474,237	3,180,640	2,678,172	4,628,307
52. American Samoa	AS	N						
53. Guam	GU	L	410,542	604,016			136,058	47,121
54. Puerto Rico	PR	N	55,639	180				
55. U.S. Virgin Islands	VI	N	438					
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N	(199)	100				1,824
58. Aggregate Other Alien	OT	XXX	466,336	604,222			56,442	
59. Totals		(a) 52	926,882,377	928,146,377	586,361,282	450,277,068	752,643,563	807,278,904

DETAILS OF WRITE-INS							
5801. Other alien	XXX	466,336	604,222			56,442	
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX						
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	466,336	604,222			56,442	

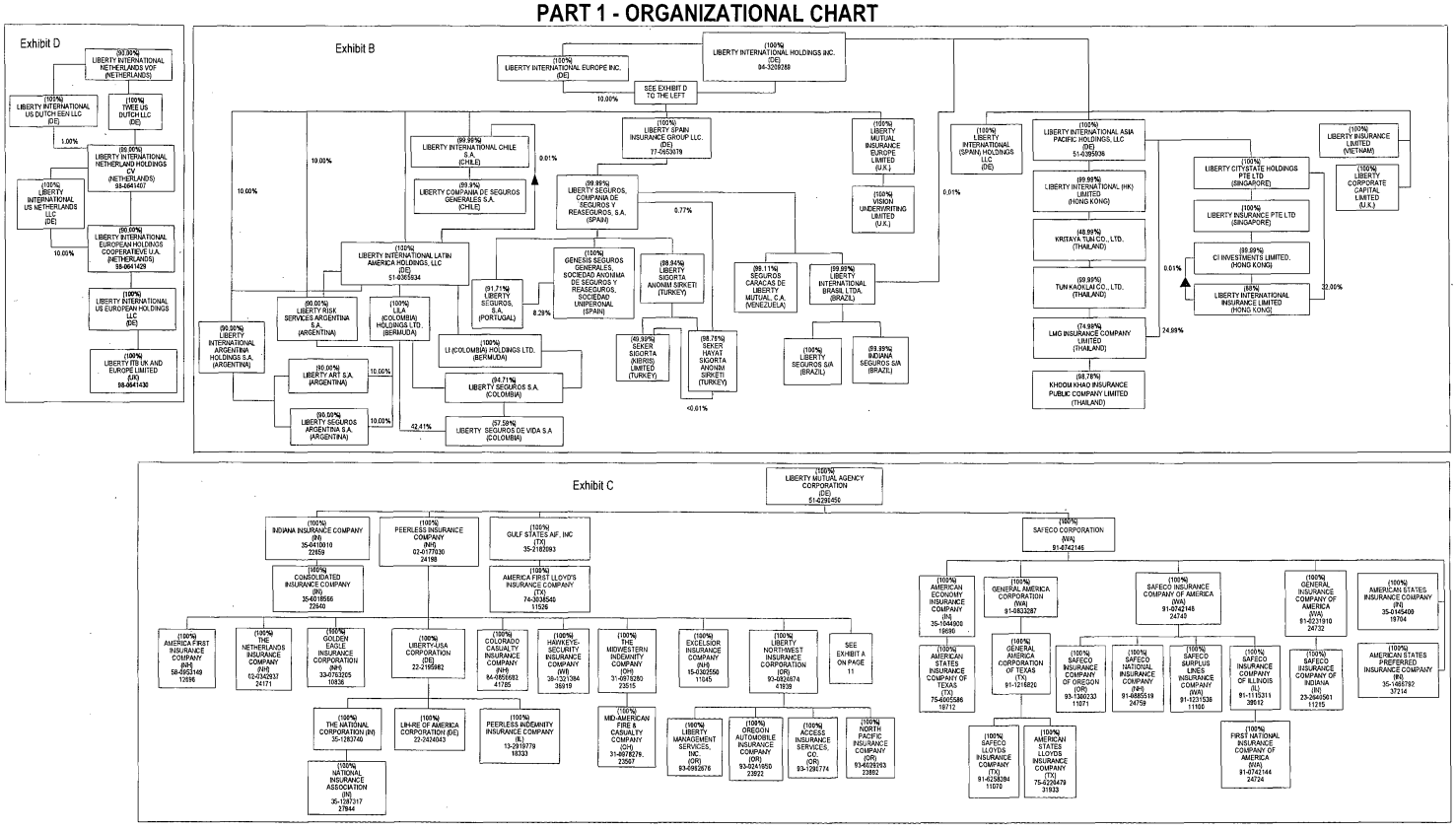
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:
(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (N) None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

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

PART 1 - ORGANIZATIONAL CHART

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

PART 1 - ORGANIZATIONAL CHART



PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire	56,768,435	28,335,041	49.9	59.7
2. Allied lines	43,082,371	42,517,697	98.7	63.3
3. Farmowners multiple peril		(2)		
4. Homeowners multiple peril	297,823,044	349,209,304	117.3	70.6
5. Commercial multiple peril	12,102,450	6,075,221	50.2	-12.0
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	16,710,027	6,285,873	37.6	40.0
10. Financial guaranty				
11.1 Medical professional liability-occurrence	44,004	23,787	54.1	-472.3
11.2 Medical professional liability-claims made				
12. Earthquake	3,123,521			
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	90,260	(544,191)	-602.9	-8925.6
17.1 Other liability-occurrence	35,380,295	2,511,640	7.1	63.4
17.2 Other liability-claims made	15	70,824	472160.0	-11921300.0
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence	(2)	(44,822)	2241100.0	1837900.0
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	171,395,079	89,800,848	52.4	49.9
19.3, 19.4 Commercial auto liability	2,433,427	1,911,906	78.6	96.9
21. Auto physical damage	123,416,202	82,741,707	67.0	64.5
22. Aircraft (all perils)				
23. Fidelity		(49,240)		-274378.0
24. Surety	149,536,567	(3,667,813)	-2.5	10.8
26. Burglary and theft	13,119	2,658	20.3	-2.6
27. Boiler and machinery	628			
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	911,919,442	605,180,438	66.4	50.3

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

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	32,280,444	60,768,306	54,230,992
2. Allied lines	25,275,641	47,113,065	40,182,898
3. Farmowners multiple peril			
4. Homeowners multiple peril	181,373,375	318,252,691	282,639,961
5. Commercial multiple peril	5,988,707	11,791,843	13,855,274
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	11,902,236	18,752,343	18,379,591
10. Financial guaranty			
11.1 Medical professional liability-occurrence	36,821	36,821	27,530
11.2 Medical professional liability-claims made			
12. Earthquake	1,879,752	3,212,247	3,006,190
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	119,762	98,112	332,218
17.1 Other liability-occurrence	21,237,158	38,666,844	34,993,672
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	80,377,607	172,267,903	186,968,280
19.3, 19.4 Commercial auto liability	1,617,332	2,918,907	2,651,035
21. Auto physical damage	59,212,733	125,454,427	132,142,171
22. Aircraft (all perils)			
23. Fidelity			
24. Surety	55,424,247	127,532,780	158,724,365
26. Burglary and theft	8,618	15,336	11,474
27. Boiler and machinery	(196)	752	726
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	476,734,237	926,882,377	928,146,377

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss & LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + prior	439,327	354,008	793,335	100,192	3,099	103,291	367,939	7,509	307,521	682,969	28,804	(35,879)	(7,075)
2. 2009	153,323	157,041	310,364	48,219	984	49,203	123,748	5,156	122,987	251,891	18,644	(27,914)	(9,270)
3. Subtotals 2009 + prior	592,650	511,049	1,103,699	148,411	4,083	152,494	491,687	12,665	430,508	934,860	47,448	(63,793)	(16,345)
4. 2010	244,163	312,544	556,707	133,581	16,510	150,091	179,195	17,723	195,372	392,290	68,613	(82,939)	(14,326)
5. Subtotals 2010 + prior	836,813	823,593	1,660,406	281,992	20,593	302,585	670,882	30,388	625,880	1,327,150	116,061	(146,732)	(30,671)
6. 2011	XXX	XXX	XXX	XXX	264,358	264,358	XXX	151,073	221,710	372,783	XXX	XXX	XXX
7. Totals	836,813	823,593	1,660,406	281,992	284,951	566,943	670,882	181,461	847,590	1,699,933	116,061	(146,732)	(30,671)

8. Prior Year-End Surplus As Regards Policyholders 844,906

	Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
	1. 13.869	2. -17.816	3. -1.847

Col. 13, Line 7 / Line 8

4. -3.630

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

The Trusteed Surplus Statement is not required as the company is a U.S. insurer.

Medicare Part D Coverage Supplement is not required as the company does not provide prescription drug coverage.

Bar Code:

24740201149000020

24740201136500020

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	1 Current Statement Date	2 December 31, Prior Year
2504. Amounts held under uninsured plans	819,060	1,635,638
2505. Private passenger auto escrow		162,673
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	819,060	1,798,311

SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	76,702,697	30,292,503
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	868,949	47,402,127
2.2 Additional investment made after acquisition	205,853	407,213
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		(58,412)
7. Deduct amounts received on disposals	1,057,703	1,340,734
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	76,719,796	76,702,697
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	76,719,796	76,702,697
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	76,719,796	76,702,697

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	3,249,396	79,524,945
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	431	251,788
2.2 Additional investment made after acquisition	1,073,472	1,132,363
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	6,504	39,615,664
6. Total gain (loss) on disposals		(42,707,494)
7. Deduct amounts received on disposals		74,567,870
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized	10,894	
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	4,318,909	3,249,396
12. Deduct total nonadmitted amounts	1,008,000	1,008,000
13. Statement value at end of current period (Line 11 minus Line 12)	3,310,909	2,241,396

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	2,802,321,723	3,109,130,065
2. Cost of bonds and stocks acquired	315,633,169	1,412,238,951
3. Accrual of discount	1,373,109	5,364,651
4. Unrealized valuation increase (decrease)	7,369,875	18,820,999
5. Total gain (loss) on disposals	7,640,349	52,650,598
6. Deduct consideration for bonds and stocks disposed of	256,675,524	1,772,286,495
7. Deduct amortization of premium	6,469,199	15,936,839
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	62,707	7,660,207
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,871,130,795	2,802,321,723
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,871,130,795	2,802,321,723

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	1,761,014,706	763,370,001	791,177,732	5,766,779	1,761,014,706	1,738,973,754		1,709,829,930
2. Class 2 (a)	438,673,463	3,944,304	16,887,847	(7,196,541)	438,673,463	418,533,379		434,987,819
3. Class 3 (a)	103,184,880	10,678,621	11,902,141	(2,962,492)	103,184,880	98,998,868		105,417,191
4. Class 4 (a)	143,039,335	24,521,932	11,314,820	364,976	143,039,335	156,611,423		142,167,263
5. Class 5 (a)	23,051,262	2,610,000	7,423,473	(5,980,992)	23,051,262	12,256,797		23,712,892
6. Class 6 (a)	6,348,640		779,095	6,764,480	6,348,640	12,334,025		8,627,863
7. Total Bonds	2,475,312,286	805,124,858	839,485,108	(3,243,790)	2,475,312,286	2,437,708,246		2,424,742,958
PREFERRED STOCK								
8. Class 1	8,687,200			171,920	8,687,200	8,859,120		14,696,500
9. Class 2	6,046,700			(296,700)	6,046,700	5,750,000		
10. Class 3	12,495,000				12,495,000	12,495,000		12,394,256
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	27,228,900			(124,780)	27,228,900	27,104,120		27,090,756
15. Total Bonds & Preferred Stock	2,502,541,186	805,124,858	839,485,108	(3,368,570)	2,502,541,186	2,464,812,366		2,451,833,714

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:
NAIC 1 $ 78,607,113; NAIC 2 $ 0; NAIC 3 $ 0; NAIC 4 $ 0; NAIC 5 $ 0; NAIC 6 $ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	77,354,427	XXX	77,354,427	6,729	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	84,087,653	199,333,186
2. Cost of short-term investments acquired	1,445,946,339	3,765,393,424
3. Accrual of discount		1,787
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,452,679,565	3,880,635,168
7. Deduct amortization of premium		5,576
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	77,354,427	84,087,653
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	77,354,427	84,087,653

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	22,645,681	5,994,412
2. Cost of cash equivalents acquired	8,924,483	121,572,079
3. Accrual of discount		47,200
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	30,317,478	104,968,010
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	1,252,686	22,645,681
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,252,686	22,645,681

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3				Actual Cost	Additional Investment	
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	at Time of Acquisition	Made After Acquisitions	Value of Land and Buildings
B1021402	ALHAMBRA	CA		05/18/2011	5.875	5,664		7,565
B1030702	ANTELOPE	CA		06/09/2011	5.750	6,965		9,457
B1022405	ARLINGTON HEIGHTS	IL		06/09/2011	5.750	14,925		22,039
B1031802	ASHLAND	VA		06/09/2011	5.500	6,841		12,064
B1031402	ASPEN	CO		06/09/2011	6.000	42,288		56,451
B1022202	ATLANTA	GA		05/18/2011	5.875	4,800		9,384
B1031701	ATLANTA	GA		06/09/2011	5.625	3,483		5,264
B1021702	AUSTIN	TX		06/09/2011	6.375	8,458		12,686
B1031102	BEAVERTON	OR		05/18/2011	6.250	14,280		19,258
B0032512	BEDFORD PARK	IL		05/20/2011	6.250		53,672	126,064
B1022203	BRIGHTON	MI		06/09/2011	6.750	8,706		11,711
B1030405	BURBANK	CA		06/09/2011	6.250	6,219		29,785
B1031104	BURIEN	WA		06/09/2011	6.250	2,836		3,806
B1031603	BURIEN	WA		06/09/2011	6.250	2,487		3,676
B0032511	CHICAGO	IL		05/20/2011	6.250		52,372	195,484
B1030107	CHICAGO	IL		06/09/2011	6.500	9,950		13,283
B1020705	COLUMBIA	SC		05/18/2011	6.375	14,400		19,258
B1020410	CONROE	TX		05/18/2011	5.875	13,440		20,314
B0122201	DALLAS	TX		05/18/2011	6.375	7,200		9,902
B1021401	DALLAS	TX		06/09/2011	5.375	17,164		26,925
B1021807	DALLAS	TX		06/09/2011	6.000	2,488		3,343
B1022302	DAYTON	OH		05/18/2011	6.250	5,760		9,605
B1030103	DENVER	CO		05/18/2011	6.625	1,560		2,155
B1030104	DENVER	CO		05/18/2011	5.750	9,600		12,888
B1030105	DENVER	CO		05/18/2011	6.625	4,560		6,163
B1030106	DENVER	CO		05/18/2011	6.625	8,040		10,733
B1030403	EL MIRAGE	AZ		06/09/2011	6.250	6,965		9,676
B1030102	EL PASO	TX		06/09/2011	6.375	6,716		10,597
B1020702	EL PASO	TX		05/18/2011	6.125	2,832		3,835
B1020706	EL PASO	TX		05/18/2011	6.125	5,640		8,011
B1020301	EL PASO	TX		05/18/2011	6.125	4,920		6,744
B1012002	ELON	NC		06/09/2011	6.250	13,681		21,283
B1012003	ELON	NC		06/09/2011	6.250	10,945		16,995
B1030206	FAIRFIELD	AL		06/09/2011	5.875	2,084		2,975
B1030701	FORT MEYERS	FL		06/09/2011	6.750	5,224		7,134
B1031003	FREMONT	CA		06/09/2011	5.375	14,925		25,537
B1021806	FRISCO	TX		06/09/2011	6.000	8,458		11,328

NONE Schedule A - Part 2 and 3

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3				Actual Cost	Additional Investment	
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	at Time of Acquisition	Made After Acquisitions	Value of Land and Buildings
B1012006	GERMANTOWN	MD		05/18/2011	6.000	28,800		38,434
B1022803	HENDERSON	NV		05/18/2011	6.625	3,720		5,011
B1030301	HILLSBORO	OR		05/18/2011	5.375	4,320		7,675
B1021504	HOLLY HILL	SC		05/18/2011	6.250	2,928		4,613
B1030401	HOPE MILLS	NC		06/09/2011	6.125	24,875		39,785
B1021006	HOUSTON	TX		05/18/2011	6.000	22,560		30,206
B1021701	HOUSTON	TX		06/09/2011	6.375	8,955		13,149
B1013101	HOUSTON	TX		05/18/2011	6.000	8,280		11,064
B1031501	HOUSTON	TX		06/09/2011	6.500	7,960		11,293
B1022204	INDIO	CA		06/09/2011	5.875	3,731		5,642
B1022407	INDIO	CA		06/09/2011	6.000	13,930		19,950
B1022805	JEFFERSONVILLE	IN		06/09/2011	6.625	2,114		3,657
B1011403	KISSIMMEE	FL		05/18/2011	6.500	7,272		10,450
B1021004	LAREDO	TX		05/18/2011	5.750	11,664		15,864
B1022401	LAS VEGAS	NV		05/18/2011	6.250	5,040		8,314
B1041901	LAWRENCEVILLE	GA		06/09/2011	5.500	13,433		20,203
B1030303	LENEXA	KS		06/09/2011	5.625	13,433		18,273
B1012102	LONG BEACH	CA		05/18/2011	6.000	7,680		11,410
B1021803	LOS ANGELES	CA		06/09/2011	5.750	3,731		5,050
B1021008	LOS ANGELES	CA		05/18/2011	6.000	6,720		26,578
B1030202	LOS ANGELES	CA		06/09/2011	6.000	5,970		12,646
B0042601	MADISON HEIGHTS	VA		05/18/2011	7.000	3,662		5,227
B1032801	MESA	AZ		06/09/2011	6.000	9,950		13,268
B10328013	MESA	AZ		06/09/2011	6.000	746		995
B1022804	MOUNT PROSPECT	IL		05/18/2011	6.000	10,800		18,413
B1030806	NAPA	CA		06/09/2011	6.000	6,468		10,323
B1030703	NEWBERG	OR		06/09/2011	6.625	7,463		9,975
B1030205	NEWPORT BEACH	CA		05/18/2011	5.625	7,680		10,272
B0121701	NIAGARA FALLS	NY		05/18/2011	6.750	4,800		6,874
B1022205	OKLAHOMA CITY	OK		05/18/2011	6.500	2,688		3,710
B1022406	ORLAND PARK	IL		06/09/2011	5.750	9,950		13,273
B1021501	PANAMA CITY BEACH	FL		05/18/2011	6.375	5,880		7,862
B1031601	PASO ROBLES	CA		06/09/2011	5.875	9,950		13,308
B1020108	PEORIA	AZ		05/18/2011	5.625	7,680		10,301
B1022304	PLAINFIELD	IL		06/09/2011	6.500	6,468		10,104
B0120808	RALEIGH	NC		05/18/2011	5.875	2,520		3,835
B0120810	RALEIGH	NC		05/18/2011	5.875	2,040		3,043
B1030404	REDLANDS	CA		06/09/2011	6.250	12,313		16,626

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3				Actual Cost	Additional Investment	
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	at Time of Acquisition	Made After Acquisitions	Value of Land and Buildings
B1021502	RENO	NV		05/18/2011	6.000	3,168		4,411
B1020801	RICHMOND	VA		05/18/2011	6.000	9,600		17,506
B1031005	RICHMOND	VA		06/09/2011	5.625	5,597		7,532
B1020804	RIVERSIDE	CA		05/18/2011	6.250	4,272		6,480
B1020703	ROCKLIN	CA		06/09/2011	5.875	10,945		20,885
B1020701	ROME	GA		05/18/2011	5.750	21,600		29,098
B1021805	ROSEMEAD	CA		06/09/2011	6.000	17,910		24,179
B1031702	SACRAMENTO	CA		06/09/2011	6.125	2,736		4,050
B1012701	SAN ANTONIO	TX		05/18/2011	6.000	12,000		17,117
B1030803	SAN ANTONIO	TX		05/18/2011	6.125	4,056		5,496
B1033005	SAN CLEMENTE	CA		06/09/2011	6.125	6,642		9,149
B1020802	SAN DIEGO	CA		05/18/2011	5.500	3,144		9,682
B1020407	SAN DIEGO	CA		05/18/2011	6.125	2,880		7,982
B1010301	SAN DIEGO	CA		05/18/2011	6.000	5,640		8,942
B1030201	SAN DIEGO	CA		06/09/2011	6.250	19,552		26,104
B1020406	SAN FRANCISCO	CA		05/18/2011	6.375	3,600		7,099
B1021801	SAN JOSE	CA		05/18/2011	6.000	4,800		6,432
B1032501	SAN JUAN CAPISTRANO	CA		06/09/2011	6.000	4,726		6,368
B1021001	SAND CITY	CA		06/09/2011	5.500	7,522		10,079
B0042706	SHAWSVILLE	VA		05/18/2011	7.000	4,200		6,014
B1022303	SIMI VALLEY	CA		05/18/2011	5.875	6,384		10,243
B1021804	SOQUEL	CA		06/09/2011	6.250	2,811		3,895
B1020901	SOUTHFIELD	MI		05/18/2011	6.250	3,600		6,422
B1031401	SPRING	TX		06/09/2011	6.625	4,229		7,268
B1040604	STEVENSON RANCH	CA		06/09/2011	6.125	5,970		9,278
B1020803	STOCKTON	CA		06/09/2011	6.250	5,473		8,821
B1031801	STURGIS	MI		06/09/2011	6.500	14,428		19,318
B1020405	SUNNYVALE	CA		05/18/2011	5.875	2,544		4,315
B1032201	TALLAHASSEE	FL		06/09/2011	6.500	9,950		13,353
B1021105	TEMECULA	CA		05/18/2011	6.000	5,760		9,024
B1020102	TEMPE	AZ		05/18/2011	6.125	6,720		12,034
B1020201	THOUSAND OAKS	CA		05/18/2011	5.375	2,880		9,782
B1040106	THOUSAND PALMS	CA		06/09/2011	5.500	3,308		4,438
B1030901	TUCSON	AZ		05/18/2011	6.375	3,216		6,034
B1022802	VICTORVILLE	CA		06/09/2011	6.000	10,448		14,781
B1012705	YUCCA VALLEY	CA		05/18/2011	6.625	3,960		5,280
0599999 Mortgages in good standing - Commercial mortgages - all other				XXX	XXX	868,949	106,044	1,639,045

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3				Actual Cost	Additional Investment	
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	at Time of Acquisition	Made After Acquisitions	Value of Land and Buildings
0899999 Total Mortgages in good standing				X X X	X X X	868,949	106,044	1,639,045
3399999 Totals				X X X	X X X	868,949	106,044	1,639,045

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9021303	ADDISON	TX		04/07/2009		164							164	164			
A9030503	ALBANY	OR		04/24/2009		484							484	484			
B0060403	ALBUQUERQUE	NM		07/30/2010		1,015							1,015	1,015			
A9040103	ALBUQUERQUE	NM		06/09/2009		548							548	548			
A9040105	ALBUQUERQUE	NM		06/09/2009		375							375	375			
B0040504	ALBUQUERQUE	NM		10/31/2001		119							119	119			
B0040505	ALBUQUERQUE	NM		06/04/2010		65							65	65			
B0040506	ALBUQUERQUE	NM		06/04/2010		270							270	270			
B0050701	ALBUQUERQUE	NM		07/15/2010		204							204	204			
A9042201	ALGONA	WA		06/12/2009		3,026							3,026	3,026			
A8112501	ALHAMBRA	CA		01/30/2009		1,835							1,835	1,835			
B1021402	ALHAMBRA	CA		05/18/2011		8							8	8			
A9082701	ALOHA	OR		10/15/2009		629							629	629			
B0031802	ALPHARETTA	GA		07/12/2001		467							467	467			
A9022301	ALPHARETTA	GA		04/23/2009		447							447	447			
B0021904	AMARILLO	TX		03/04/2010		96							96	96			
B0071605	AMELIA	OH		09/28/2010		311							311	311			
B0032507	ANAHEIM	CA		06/01/2010		232							232	232			
A9061609	ANSON	TX		07/30/2009		151							151	151			
A9030422	APPLE VALLEY	CA		05/18/2009		313							313	313			
B0031701	ARCOLA	TX		05/20/2010		85							85	85			
A9122102	ARLINGTON	TX		02/16/2010		344							344	344			
A9080501	ARLINGTON	TX		09/30/2009		113							113	113			
A9040801	ARLINGTON	TX		05/29/2009		102							102	102			
A9031301	ARLINGTON	TX		06/18/2009		612							612	612			
B0061004	ARLINGTON	TX		08/20/2010		200							200	200			
B0050601	ARMA	KS		05/20/2010		63							63	63			
A9042707	ATASCADERO	CA		06/30/2009		582							582	582			
B0090801	ATHENS	GA		11/18/2010		245							245	245			
B0090802	ATHENS	GA		11/18/2010		225							225	225			
B1022202	ATLANTA	GA		05/18/2011		7							7	7			
B0072201	ATLANTA	GA		09/28/2010		1,242							1,242	1,242			
A9081801	ATLANTA	GA		11/10/2009		726							726	726			
B0051102	ATLANTA	GA		06/30/2010		123							123	123			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued		Foreign Exchange	Realized	Total
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Interest on Disposal	Consideration	Gain (Loss) on Disposal	Gain (Loss) on Disposal	Gain (Loss) on Disposal
A9042402	CHANDLER	AZ		07/17/2009		526							526	526			
A9091401	CHANDLER	AZ		11/20/2009		1,530							1,530	1,530			
A9111302	CHANDLER	AZ		12/29/2009		856							856	856			
B0042803	CHANDLER	AZ		06/30/2010		213							213	213			
B0061731	CHANHASSEN	MN		08/31/2010		626							626	626			
A9042403	CHARLESTON	SC		08/28/2009		628							628	628			
B0052006	CHARLOTTE	NC		08/12/2010		624							624	624			
B0072601	CHARLOTTE	NC		10/27/2010		3,108							3,108	3,108			
B0071207	CHATSWORTH	CA		11/15/2010		258							258	258			
B0063003	CHATSWORTH	CA		10/29/2010		437							437	437			
B0051205	CHATSWORTH	CA		07/27/2010		382							382	382			
B0080606	CHATSWORTH	CA		01/17/2001		177							177	177			
A9120803	CHATSWORTH	CA		02/05/2010		227							227	227			
B0012601	CHENEY	KS		02/18/2010		90							90	90			
A8122302	CHESAPEAKE	VA		02/26/2009		794							794	794			
B0032513	CHICAGO	IL		07/19/2010		419							419	419			
B0032511	CHICAGO	IL		07/19/2010		390							390	390			
B0051204	CHICAGO	IL		09/29/2010		905							905	905			
A9061701	CHICAGO	IL		09/03/2009		1,359							1,359	1,359			
B0060404	CHICAGO	IL		08/19/2010		355							355	355			
B0060802	CHICAGO	IL		09/30/2010		598							598	598			
B0020902	CHICO	CA		04/12/2010		159							159	159			
B0082001	CHICO	CA		10/26/2010		998							998	998			
A9030416	CHULA VISTA	CA		04/29/2009		182							182	182			
A9030306	CHULA VISTA	CA		04/23/2009		412							412	412			
A8111801	CHULA VISTA	CA		01/20/2009		164							164	164			
A9111801	CINCINNATI	OH		01/29/2010		377							377	377			
B0042103	CINCINNATI	OH		08/02/2010		1,051							1,051	1,051			
A9061105	CISCO	TX		08/04/2009		132							132	132			
A9030408	CITY OF COMMERCE	CA		04/29/2009		165							165	165			
B0041903	CLACKAMAS	OR		06/21/2010		402							402	402			
B0061101	CLARKSVILLE	TN		08/26/2010		645							645	645			
B0012903	CLAYTON	NC		03/30/2010		529							529	529			
A9113007	CLEARFIELD	UT		02/11/2010		78							78	78			
B0072303	CLEARLAKE	CA		10/12/2010		705							705	705			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9111902	CLEVELAND	OH		09/29/1999		236							236	236			
A9042401	CLEVELAND	OH		06/29/2009		1,327							1,327	1,327			
A9090201	CLEVELAND	OH		12/30/2009		1,224							1,224	1,224			
A8110504	CLEVELAND	TX		02/09/2009		547							547	547			
A9070701	CLINTON TOWNSHIP	MI		11/25/2009		357							357	357			
B0052502	COLLEGE PARK	GA		07/29/2010		951							951	951			
B0090310	COLLEGE PARK	GA		11/30/2010		326							326	326			
A9072101	COLORADO SPRINGS	CO		08/28/2009		1,538							1,538	1,538			
B0071903	COLUMBIA	MD		10/10/2000		1,321							1,321	1,321			
B0080902	COLUMBIA	SC		11/17/2010		191							191	191			
B1020705	COLUMBIA	SC		05/18/2011		20							20	20			
A9051301	COLUMBUS	OH		07/31/2009		821							821	821			
A9042404	COLUMBUS	OH		07/14/2009		469							469	469			
A9061106	COMANCHE	TX		07/21/2009		158							158	158			
A9111901	COMMERCE	GA		12/30/2009		1,113							1,113	1,113			
B0030402	COMMERCE CITY	CO		04/22/2010		165							165	165			
B0051206	CONCORD	CA		07/21/2010		1,614							1,614	1,614			
B0042705	CONCORD	VA		05/20/2010		77							77	77			
A9042803	CONROE	TX		08/25/2009		142							142	142			
A9042307	CONROE	TX		06/25/2009		955							955	955			
A9042308	CONROE	TX		06/25/2009		1,533							1,533	1,533			
A9030412	CONROE	TX		05/21/2009		340							340	340			
B1020410	CONROE	TX		05/18/2011		20							20	20			
B0051304	CORAL SPRINGS	FL		06/30/2010		238							238	238			
A9022705	CORONA	CA		04/28/2009		1,125							1,125	1,125			
A8112505	CORONA	CA		01/29/2009		193							193	193			
A9040907	CORONA	CA		06/12/2009		1,396							1,396	1,396			
A9041301	CORONA	CA		06/11/2009		258							258	258			
B0021106	CORONA	CA		04/08/2010		239							239	239			
B0082503	CORPUS CHRISTI	TX		11/22/2010		225							225	225			
B0090207	CORVALLIS	OR		11/30/2010		1,473							1,473	1,473			
A9022401	COSTA MESA	CA		04/09/2009		149							149	149			
B0072907	COSTA MESA	CA		09/11/2003		314							314	314			
A9073005	COTTONWOOD FALL	KS		09/17/2009		54							54	54			
A8112506	COVINA	CA		01/29/2009		154							154	154			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0081109	CULVER CITY	CA		06/20/2001		522							522	522			
B0012901	CUYAHOGA FALLS	OH		06/30/2010		284							284	284			
B0061105	CYPRESS	TX		08/02/2010		499							499	499			
B0031001	CYPRESS	TX		05/20/2010		349							349	349			
B0042702	DALLAS	TX		07/01/2010		418							418	418			
A9102002	DALLAS	TX		12/30/2009		251							251	251			
A9021001	DALLAS	TX		03/31/2009		1,149							1,149	1,149			
B0122201	DALLAS	TX		05/18/2011		10							10	10			
A8103002	DAYTON	OH		01/23/2009		502							502	502			
B1022302	DAYTON	OH		05/18/2011		19							19	19			
B0022204	DECATUR	GA		04/29/2010		89							89	89			
A9081802	DECATUR	GA		11/10/2009		274							274	274			
A9081803	DECATUR	GA		11/10/2009		884							884	884			
A9081809	DECATUR	GA		11/10/2009		235							235	235			
B0072901	DECATUR	GA		11/15/2010		296							296	296			
B0070202	DECATUR	GA		08/26/2010		242							242	242			
A9061103	DELEON	TX		07/21/2009		159							159	159			
B0062903	DENVER	CO		08/17/2010		625							625	625			
B1030103	DENVER	CO		05/18/2011		2							2	2			
B1030104	DENVER	CO		05/18/2011		14							14	14			
B1030105	DENVER	CO		05/18/2011		6							6	6			
B1030106	DENVER	CO		05/18/2011		11							11	11			
B0060702	DEPTFORD	NJ		08/18/2010		1,441							1,441	1,441			
B0043001	DESOTO	TX		06/24/2010		137							137	137			
B0020101	DETROIT	MI		03/31/2010		593							593	593			
B0020102	DETROIT	MI		03/31/2010		154							154	154			
B0090304	DINUBA	CA		11/10/2010		98							98	98			
B0010705	DORAVILLE	GA		03/05/2010		147							147	147			
B0072611	DOWNEY	CA		11/23/2010		726							726	726			
B0032902	DURHAM	NC		06/01/2010		424							424	424			
A9030404	DURHAM	NC		05/21/2009		546							546	546			
A9032103	EAST BERNARD	TX		05/21/2009		209							209	209			
A9101601	EDMOND	OK		10/30/2009		639							639	639			
B0031801	EDWARDSVILLE	KS		05/06/2010		72							72	72			
B0072904	EL CAJON	CA		10/01/2010		2,873							2,873	2,873			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0080204	EL CAJON	CA		06/06/2001		176							176	176			
A9030305	EL CAJON	CA		04/23/2009		138							138	138			
B0042902	EL CAJON	CA		06/30/2010		219							219	219			
A9122101	EL CAJON	CA		02/11/2010		251							251	251			
A9101401	EL CAJON	CA		01/06/2000		1,297							1,297	1,297			
B0042302	EL CENTRO	CA		06/30/2010		168							168	168			
A9040101	EL PASO	TX		06/09/2009		213							213	213			
A9040701	EL PASO	TX		06/30/2009		1,231							1,231	1,231			
B0020904	EL PASO	TX		03/31/2010		102							102	102			
B1020702	EL PASO	TX		05/18/2011		10							10	10			
B1020706	EL PASO	TX		05/18/2011		19							19	19			
B1020301	EL PASO	TX		05/18/2011		17							17	17			
B0060202	EL PASO	TX		08/05/2010		375							375	375			
B0011201	ELGIN	IL		02/26/2010		187							187	187			
B0061006	ELK GROVE	CA		08/20/2010		304							304	304			
A9101302	ELMHURST	IL		12/29/2009		1,940							1,940	1,940			
A9073003	ERIE	KS		08/31/2009		51							51	51			
B0021105	ESCONDIDO	CA		03/30/2010		993							993	993			
A9040805	ESCONDIDO	CA		05/28/2009		157							157	157			
B0060103	EVANS	GA		08/31/2010		894							894	894			
B0070702	EVANSVILLE	IN		09/29/2010		731							731	731			
B0020503	EVERETT	WA		03/31/2010		74							74	74			
A9111101	EVERETT	WA		01/29/2010		611							611	611			
A9050801	EVERETT	WA		07/01/2009		2,537							2,537	2,537			
B0061730	EXCELSIOR	MN		08/26/2010		455							455	455			
B0062201	FAIR OAKS	CA		08/24/2010		546							546	546			
A8121509	FAIRFIELD	OH		02/25/2009		578							578	578			
B0030503	FAIRHAVEN	MA		05/10/2010		366							366	366			
B0062202	FAIRWAY	KS		08/31/2010		934							934	934			
A9082401	FARMERS BRANCH	TX		10/30/2009		2,194							2,194	2,194			
A9021002	FARMINGTON HILLS	MI		03/31/2009		1,254							1,254	1,254			
B0072004	FAYETTEVILLE	NC		10/19/2010		592							592	592			
B0052807	FLORENCE	AL		07/30/2010		563							563	563			
B0082504	FORT WAYNE	IN		11/30/2010		553							553	553			
A9022709	FORT WAYNE	IN		04/30/2009		1,726							1,726	1,726			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9061606	FORT WORTH	TX		03/23/2010		150							150	150			
A8121510	FORT WORTH	TX		02/25/2009		420							420	420			
B0043002	FORT WORTH	TX		07/15/2010		423							423	423			
B0061003	FORT WORTH	TX		08/20/2010		244							244	244			
B0072304	FORT WORTH	TX		11/17/2010		692							692	692			
B0090703	FORT WORTH	TX		11/12/2010		263							263	263			
B0030904	FOSTER CITY	CA		05/10/2010		155							155	155			
B0072903	FREDERICK	CO		10/20/2010		938							938	938			
B0052802	FRESNO	CA		07/09/2010		364							364	364			
B0072307	FRESNO	CA		10/19/2010		309							309	309			
B0042104	FRESNO	CA		06/25/2010		88							88	88			
B0051007	FRESNO	CA		08/02/2010		708							708	708			
A8121001	FRESNO	CA		03/05/2009		366							366	366			
B0012501	FT. WORTH	TX		03/18/2010		118							118	118			
A9090403	FULLERTON	CA		10/30/2009		505							505	505			
A9091702	GARDEN CITY	KS		10/20/2009		54							54	54			
A8122301	GARDEN GROVE	CA		03/10/2009		73							73	73			
A8121511	GARLAND	TX		02/25/2009		559							559	559			
B0062901	GATLINBURG	TN		08/16/2010		883							883	883			
A9071401	GENEVA	IL		09/30/2009		2,525							2,525	2,525			
B1012006	GERMANTOWN	MD		05/18/2011		42							42	42			
A9051401	GILBERT	AZ		07/16/2009		319							319	319			
A9031206	GILBERT	AZ		05/29/2009		559							559	559			
A9032106	GLADEWATER	TX		08/06/2009		145							145	145			
A9031701	GLEN BURNIE	MD		05/21/2009		730							730	730			
A9090401	GLEN ROSE	TX		10/06/2009		85							85	85			
B0040510	GLENDALE	AZ		06/10/2010		269							269	269			
A8121601	GLENDALE	CA		01/14/2009		486							486	486			
A8121602	GLENDALE	CA		01/14/2009		224							224	224			
A9030301	GLENDORA	CA		04/30/2009		532							532	532			
B0030404	GOODYEAR	AZ		04/28/2010		233							233	233			
B0042801	GOSHEN	VA		06/17/2010		77							77	77			
A9121001	GRANGER	IN		02/26/2010		262							262	262			
B0080603	GRANITE BAY	CA		10/07/2010		308							308	308			
B0042703	GRANVILLE	ID		06/24/2010		259							259	259			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0031703	GRAPE CREEK	TX		04/01/2010		90							90	90			
A8110403	GREECE	NY		01/20/2009		933							933	933			
B0072605	GREENSBORO	NC		10/27/2010		1,247							1,247	1,247			
B0032901	GREENSBORO	NC		07/22/2010		715							715	715			
B0032201	GREENVILLE	SC		05/26/2010		261							261	261			
B0052003	GRESHAM	OR		07/26/2010		351							351	351			
A9042004	HAINES CITY	FL		06/30/2009		342							342	342			
A9062201	HAMILTON	TX		08/27/2009		157							157	157			
A9081805	HAPEVILLE	GA		11/10/2009		286							286	286			
B0052301	HAPPY VALLEY	OR		09/08/2010		885							885	885			
B0010702	HARDIN	TX		01/21/2010		52							52	52			
A9073001	HARPER	KS		08/27/2009		56							56	56			
A9091704	HARTSHORNE	OK		10/06/2009		59							59	59			
B0032505	HATTIESBURG	MS		05/28/2010		204							204	204			
B0032506	HATTIESBURG	MS		05/28/2010		363							363	363			
B0072006	HAWTHORNE	CA		08/19/2010		1,794							1,794	1,794			
B0030301	HAWTHORNE	CA		05/14/2010		235							235	235			
A9022702	HENDERSON	NV		05/14/2009		326							326	326			
B1022803	HENDERSON	NV		05/18/2011		5							5	5			
B0081104	HIGHLAND	CA		11/30/2010		487							487	487			
B0060101	HIGHLAND PARK	CA		07/27/2010		558							558	558			
B1030301	HILLSBORO	OR		05/18/2011		5							5	5			
B0011202	HINSDALE	IL		06/25/2001		89							89	89			
A9042708	HOFFMAN ESTATES	IL		07/16/2009		742							742	742			
B0040101	HOLLIS	OK		05/06/2010		130							130	130			
B1021504	HOLLY HILL	SC		05/18/2011		10							10	10			
B0030803	HOLLYWOOD	CA		04/01/2008		193							193	193			
A9021203	HOLLYWOOD	FL		04/16/2009		245							245	245			
B0040501	HOLT	MI		08/11/2010		895							895	895			
B0010801	HOMEWOOD	IL		02/25/2010		284							284	284			
B0040804	HORTON	KS		06/03/2010		80							80	80			
B0021001	HOUSTON	TX		03/31/2010		323							323	323			
B0021101	HOUSTON	TX		04/01/2010		902							902	902			
B0022604	HOUSTON	TX		04/30/2010		404							404	404			
B0030103	HOUSTON	TX		05/24/2010		454							454	454			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0040502	HOUSTON	TX		06/30/2010		425							425	425			
A9042303	HOUSTON	TX		06/25/2009		291							291	291			
A9042304	HOUSTON	TX		06/25/2009		501							501	501			
A9042305	HOUSTON	TX		06/25/2009		822							822	822			
A9042310	HOUSTON	TX		06/25/2009		1,270							1,270	1,270			
A9042311	HOUSTON	TX		06/25/2009		1,664							1,664	1,664			
A9020301	HOUSTON	TX		03/31/2009		711							711	711			
A8112101	HOUSTON	TX		01/30/2009		209							209	209			
A8112603	HOUSTON	TX		02/24/2009		104							104	104			
A9031307	HOUSTON	TX		06/03/2009		421							421	421			
A9030411	HOUSTON	TX		04/29/2009		323							323	323			
B1021006	HOUSTON	TX		05/18/2011		33							33	33			
B1013101	HOUSTON	TX		05/18/2011		16							16	16			
B0090201	HOUSTON	TX		09/15/2005		194							194	194			
B0081202	HOUSTON	TX		10/29/2010		297							297	297			
B0081101	HUMBLE	TX		10/26/2010		535							535	535			
A9090901	HUMBOLDT	KS		10/06/2009		53							53	53			
B0062803	HUNTINGTON BEACH	CA		09/15/2010		440							440	440			
B0020301	INDIANAPOLIS	IN		03/30/2010		623							623	623			
A9031901	INDIO	CA		05/21/2009		239							239	239			
A9031902	INDIO	CA		05/21/2009		228							228	228			
A9031903	INDIO	CA		05/21/2009		917							917	917			
A9031904	INDIO	CA		05/21/2009		202							202	202			
A9031906	INDIO	CA		05/21/2009		176							176	176			
A9031907	INDIO	CA		05/21/2009		133							133	133			
A9031908	INDIO	CA		05/21/2009		100							100	100			
A9031909	INDIO	CA		05/21/2009		152							152	152			
A8121701	INDIO	CA		02/13/2009		153							153	153			
B0080901	IRMO	SC		11/17/2010		85							85	85			
B0072310	IRVINE	CA		09/20/2010		267							267	267			
B0070703	IRVINE	CA		09/03/2010		649							649	649			
B0052801	IRVINE	CA		07/22/2010		508							508	508			
B0072705	IRWINDALE	CA		09/01/2010		455							455	455			
A9061702	ITASCA	TX		08/13/2009		53							53	53			
B0022602	JACKSONVILLE	FL		04/23/2010		897							897	897			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0022603	JACKSONVILLE	FL		04/23/2010		914							914	914			
B0020506	JACKSONVILLE	FL		03/26/2010		148							148	148			
A9101301	JACKSONVILLE	FL		12/09/2009		1,455							1,455	1,455			
B0082506	JACKSONVILLE	FL		11/17/2010		177							177	177			
B0072905	JACKSONVILLE	FL		10/28/2010		297							297	297			
B0072906	JACKSONVILLE	FL		10/28/2010		324							324	324			
B0040601	JACKSONVILLE	NC		06/28/2010		928							928	928			
B0070103	JENSEN BEACH	FL		09/10/2010		289							289	289			
A9081905	JOAQUIN	TX		09/17/2009		61							61	61			
B0052806	JOHNS CREEK	GA		08/06/2010		1,063							1,063	1,063			
B0032904	JOLIET	IL		05/28/2010		566							566	566			
A9081804	JONESBORO	GA		11/10/2009		423							423	423			
A9022405	KALAMAZOO	MI		06/30/2009		324							324	324			
A9022402	KALAMAZOO	MI		06/30/2009		216							216	216			
A9022403	KALAMAZOO	MI		06/26/2009		297							297	297			
A9040104	KATY	TX		06/10/2009		936							936	936			
A8060401	KATY	TX		02/02/2009		391							391	391			
B0040801	KATY	TX		05/28/2010		149							149	149			
B0071603	KENT	WA		09/20/2010		213							213	213			
A9022706	KETCHUM	ID		05/21/2009		637							637	637			
A8121501	KILLEEN	TX		01/29/2009		1,267							1,267	1,267			
B0090302	KIMBERLY	WI		11/23/2010		948							948	948			
A9102206	KINGMAN	KS		11/05/2009		56							56	56			
B0062504	KINGSLAND	GA		09/17/2010		268							268	268			
B0060902	KIRKLAND	WA		07/15/2010		2,913							2,913	2,913			
B0061504	KIRKLAND	WA		08/11/2010		1,414							1,414	1,414			
B0050702	KIRKLAND	WA		07/09/2010		697							697	697			
B0061403	KIRKVILLE	NY		09/08/2010		531							531	531			
B0080402	KISSIMMEE	FL		11/30/2010		594							594	594			
B1011403	KISSIMMEE	FL		05/18/2011		24							24	24			
B0062403	KNOXVILLE	TN		09/23/2010		582							582	582			
A9040602	KNOXVILLE	TN		06/04/2009		576							576	576			
A9102101	LA MARQUE	TX		10/29/2009		61							61	61			
B0070902	LA PORTE	TX		09/15/2010		518							518	518			
A9031203	LAGUNA HILLS	CA		06/03/2009		270							270	270			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9022701	LAKE FOREST	CA		06/05/2009		2,083							2,083	2,083			
B0010603	LAKE HILLS	TX		02/04/2010		129							129	129			
B0022203	LAKE OSWEGO	OR		04/22/2010		241							241	241			
B0040503	LANCASTER	CA		07/28/2003		107							107	107			
A9021003	LANCASTER	TX		03/31/2009		1,385							1,385	1,385			
A9022710	LANSING	MI		06/01/2009		794							794	794			
B0060203	LANSING	MI		07/26/2010		1,512							1,512	1,512			
B0030902	LAREDO	TX		05/20/2010		273							273	273			
B1021004	LAREDO	TX		05/18/2011		17							17	17			
B1022401	LAS VEGAS	NV		05/18/2011		7							7	7			
B0072603	LAS VEGAS	NV		10/12/2010		393							393	393			
B0080611	LAS VEGAS	NV		10/28/2010		1,343							1,343	1,343			
B0080609	LAS VEGAS	NV		10/06/2010		349							349	349			
B0061503	LAS VEGAS	NV		08/26/2010		545							545	545			
B0051301	LAS VEGAS	NV		08/13/2010		657							657	657			
B0071202	LAS VEGAS	NV		10/06/2010		547							547	547			
A9031101	LAS VEGAS	NV		05/21/2009		1,138							1,138	1,138			
A9040702	LAS VEGAS	NV		06/05/2009		166							166	166			
A9040906	LAS VEGAS	NV		06/23/2009		1,597							1,597	1,597			
B0030504	LAS VEGAS	NV		04/29/2010		391							391	391			
A9102201	LAS VEGAS	NV		01/27/2010		277							277	277			
A9092401	LAS VEGAS	NV		11/17/2009		355							355	355			
A9092402	LAS VEGAS	NV		11/17/2009		129							129	129			
A9040802	LATHAM	NY		06/24/2009		433							433	433			
A9040803	LATHAM	NY		06/24/2009		340							340	340			
A8121502	LAWRENCEVILLE	GA		01/29/2009		909							909	909			
B0020105	LAWRENCEVILLE	GA		03/31/2010		567							567	567			
B0052808	LENOIR	NC		07/30/2010		571							571	571			
A9082101	LEXINGTON	KY		11/06/2009		1,561							1,561	1,561			
A9042301	LILBURN	GA		06/30/2009		1,936							1,936	1,936			
B0032514	LINCOLNSHIRE	IL		07/19/2010		721							721	721			
A9081808	LITHONIA	GA		11/10/2009		342							342	342			
A9042704	LITTLETON	CO		07/15/2009		218							218	218			
A9062202	LLANO	TX		09/24/2009		77							77	77			
B0040201	LOGAN	UT		06/14/2010		371							371	371			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9120302	LONE TREE	CO		01/29/2010		1,007							1,007	1,007			
B1012102	LONG BEACH	CA		05/18/2011		11							11	11			
B0012701	LONGMONT	CO		03/24/2010		501							501	501			
B1021008	LOS ANGELES	CA		05/18/2011		7							7	7			
B0081103	LOS ANGELES	CA		10/27/2010		305							305	305			
B0082404	LOS ANGELES	CA		11/30/2010		498							498	498			
B0061406	LOS ANGELES	CA		10/26/2000		179							179	179			
B0070903	LOS ANGELES	CA		08/25/2010		328							328	328			
B0062801	LOS ANGELES	CA		09/15/2010		675							675	675			
B0061725	LOS ANGELES	CA		07/31/2000		184							184	184			
B0032907	LOS ANGELES	CA		05/28/2010		264							264	264			
B0041402	LOS ANGELES	CA		06/30/2010		272							272	272			
B0041504	LOS ANGELES	CA		06/23/2010		280							280	280			
A9102303	LOS ANGELES	CA		12/23/2009		1,720							1,720	1,720			
A9102304	LOS ANGELES	CA		12/23/2009		1,163							1,163	1,163			
A9122803	LOS ANGELES	CA		02/10/2010		277							277	277			
A8112502	LOS ANGELES	CA		02/05/2009		607							607	607			
A8120201	LOS ANGELES	CA		01/29/2009		314							314	314			
A9040704	LOS ANGELES	CA		06/24/2009		611							611	611			
A9031310	LOS ANGELES	CA		06/02/2009		4,517							4,517	4,517			
A9081701	LOS ANGELES	CA		10/14/2009		538							538	538			
B0052101	LOVES PARK	IL		07/21/2010		223							223	223			
A9081901	LUBBOCK	TX		09/29/2009		64							64	64			
B0052809	LYNCHBURG	VA		07/30/2010		622							622	622			
B0012603	LYNDON	KS		02/18/2010		90							90	90			
A9031202	LYNNWOOD	WA		05/21/2009		6,982							6,982	6,982			
A9042406	MACEDONIA	OH		07/14/2009		469							469	469			
B0090210	MACON	GA		11/18/2010		215							215	215			
A9110904	MADERA	CA		02/22/2010		87							87	87			
B0042601	MADISON HEIGHTS	VA		05/18/2011		3							3	3			
B0012702	MANTECA	CA		10/31/2002		75							75	75			
B0071304	MARIETTA	GA		09/14/2010		412							412	412			
A9031001	MARIETTA	GA		05/06/2009		282							282	282			
B0030102	MARIETTA	GA		05/07/2010		112							112	112			
B0020802	MARSHFIELD	WI		04/15/2010		227							227	227			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0042802	MARTINEZ	GA		07/30/2010		910							910	910			
B0060104	MARTINEZ	GA		08/31/2010		671							671	671			
B0060102	MARTINEZ	GA		08/31/2010		745							745	745			
A9091403	MARYSVILLE	OK		10/01/2009		50							50	50			
B0032401	MATTHEWS	NC		05/27/2010		474							474	474			
A9090902	MAUD	OK		09/29/2009		46							46	46			
B0051107	MAULDIN	SC		09/01/2010		483							483	483			
A9033002	MCDONOUGH	GA		06/10/2009		2,246							2,246	2,246			
A9102204	MEDICINE LODGE	KS		12/03/2009		60							60	60			
A9091809	MEMPHIS	TN		12/08/2009		2,399							2,399	2,399			
A9101201	MEMPHIS	TN		12/16/2009		583							583	583			
A9032101	MEMPHIS	TX		05/21/2009		165							165	165			
B0022501	MESA	AZ		03/30/2010		1,017							1,017	1,017			
A9102102	MESA	AZ		12/29/2009		203							203	203			
A9103004	MESA	AZ		12/30/2009		1,133							1,133	1,133			
A9122801	MESA	AZ		02/18/2010		154							154	154			
B0080608	MESA	AZ		10/14/2010		519							519	519			
B0060201	MESA	AZ		10/03/2003		562							562	562			
B0021906	METHUEN	MA		04/05/2010		269							269	269			
B0051008	MIDDLEBORO	MA		07/28/2010		390							390	390			
B0022201	MIDDLEBURG HEIGH	OH		05/06/2010		211							211	211			
B0032403	MIDLAND	TX		04/15/2010		135							135	135			
A9122301	MIDLAND	TX		02/26/2010		424							424	424			
B0040507	MIDLOTHIAN	VA		07/21/2010		217							217	217			
B0032501	MIDLOTHIAN	VA		04/30/2010		426							426	426			
A9032501	MIDWAY	UT		12/10/2009		547							547	547			
B0022502	MILPITAS	CA		04/22/2010		240							240	240			
A9031209	MILPITAS	CA		05/11/2009		181							181	181			
A9102202	MINNEAPOLIS	KS		11/19/2009		50							50	50			
B0051005	MINNEAPOLIS	MN		07/08/2010		831							831	831			
B0041503	MISSION	TX		06/04/2010		222							222	222			
B0062505	MISSION VIEJO	CA		09/01/2010		902							902	902			
B0072703	MODESTO	CA		09/30/2010		1,387							1,387	1,387			
A9072301	MODESTO	CA		10/13/2009		235							235	235			
B0031101	MONROE	WA		04/15/2010		982							982	982			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A8111901	MONROVIA	CA		01/23/2009		136							136	136			
A8111902	MONROVIA	CA		01/23/2009		101							101	101			
B0040508	MONROVIA	CA		06/21/2010		387							387	387			
B0062402	MONTGOMERY	AL		09/23/2010		386							386	386			
B0062404	MONTGOMERY	AL		09/23/2010		438							438	438			
B0040802	MORENO VALLEY	CA		06/11/2010		298							298	298			
A9120102	MORGAN	UT		02/16/2010		435							435	435			
A9021901	MORRISVILLE	NC		07/01/2009		349							349	349			
A9061607	MOUNT PLEASANT	TX		08/13/2009		65							65	65			
B1022804	MOUNT PROSPECT	IL		05/18/2011		16							16	16			
A9072801	MT VERNON	TX		09/17/2009		61							61	61			
A9060301	MT VIEW	CA		10/29/2009		96							96	96			
A9110601	MURRELLS INLET	SC		01/22/2010		344							344	344			
B0051202	NEODESHA	KS		06/17/2010		83							83	83			
B0072604	NEW BERN	NC		10/29/2010		1,877							1,877	1,877			
B0072102	NEW BRAUNFELS	TX		10/07/2010		1,005							1,005	1,005			
B0061106	NEW CANEY	TX		08/31/2010		629							629	629			
B0061402	NEW HOPE	PA		10/01/2010		603							603	603			
B0060901	NEW YORK	NY		07/26/2010		3,081							3,081	3,081			
B0082702	NEW YORK	NY		09/27/2010		1,594							1,594	1,594			
B0021602	NEWARK	CA		04/20/2010		251							251	251			
A8121506	NEWINGTON	CT		01/29/2009		734							734	734			
B0040102	NEWPORT BEACH	CA		06/18/2010		615							615	615			
B1030205	NEWPORT BEACH	CA		05/18/2011		12							12	12			
B0080610	NEWPORT BEACH	CA		10/28/2010		368							368	368			
B0012605	NEWTON	KS		04/22/2010		137							137	137			
B0121701	NIAGARA FALLS	NY		05/18/2011		15							15	15			
A9022501	NIAGARA FALLS	NY		04/30/2009		967							967	967			
B0020104	NORCROSS	GA		04/29/2010		501							501	501			
A8120503	NORFOLK	VA		01/28/2009		501							501	501			
A8121512	NORTH ANDOVER	MA		01/29/2009		851							851	851			
A8121504	NORTH BILLERICA	MA		01/29/2009		1,157							1,157	1,157			
A9122802	NORTH PALM BEACH	FL		12/27/2000		152							152	152			
A9030401	NORTHRIDGE	CA		04/29/2009		417							417	417			
A9042002	NORTHWOOD	OH		07/01/2009		996							996	996			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9042405	NORWOOD	OH		07/14/2009		469							469	469			
A9030421	OAKDALE	CA		05/19/2009		223							223	223			
A9031601	OAKDALE	CA		05/28/2009		1,040							1,040	1,040			
B0042001	OAKLAND	CA		07/13/2010		221							221	221			
B0043003	OAKLAND	CA		07/12/2010		810							810	810			
A9110602	OCEANSIDE	CA		01/11/2010		111							111	111			
B0061726	OCEANSIDE	CA		08/18/2010		598							598	598			
B0021903	ODESSA	TX		03/04/2010		102							102	102			
B0012101	ODESSA	TX		02/11/2010		66							66	66			
B0012102	ODESSA	TX		02/11/2010		129							129	129			
A9111301	OGDEN	UT		12/30/2009		1,305							1,305	1,305			
A9070601	OKLAHOMA CITY	OK		08/31/2009		367							367	367			
B1022205	OKLAHOMA CITY	OK		05/18/2011		9							9	9			
B0052602	OKLAHOMA CITY	OK		08/02/2010		1,403							1,403	1,403			
B0062501	OLATHE	KS		09/30/2010		596							596	596			
A9020601	OMAHA	NE		04/02/2009		276							276	276			
B0081802	ONTARIO	CA		10/20/2010		278							278	278			
B0032906	ONTARIO	CA		05/28/2010		440							440	440			
A9030417	ONTARIO	CA		05/08/2009		84							84	84			
A9030418	ONTARIO	CA		05/08/2009		157							157	157			
A9012701	ONTARIO	CA		03/31/2009		174							174	174			
A9030601	ORANGE	CA		04/20/2009		2,042							2,042	2,042			
B0011902	ORANGE PARK	FL		03/22/2010		119							119	119			
A8110402	ORCHARD PARK	NY		01/20/2009		849							849	849			
A9022708	OREGON CITY	OR		04/30/2009		1,377							1,377	1,377			
A9100601	ORLANDO	FL		12/23/2009		308							308	308			
B0022303	ORLANDO	FL		08/02/2010		298							298	298			
B0051103	ORLANDO	FL		07/29/2010		1,674							1,674	1,674			
B0072606	ORLANDO	FL		11/30/2010		1,291							1,291	1,291			
B0070102	ORLANDO	FL		10/29/2010		1,312							1,312	1,312			
B0062507	ORO VALLEY	AZ		09/21/2010		520							520	520			
B0051203	OXNARD	CA		07/02/2010		836							836	836			
B0080403	OXNARD	CA		10/06/2010		798							798	798			
A9042302	PACIFIC GROVE	CA		05/15/2009		537							537	537			
A9032402	PALM COAST	FL		05/11/2009		221							221	221			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0031704	PALM DESERT	CA		05/28/2010		187							187	187			
A9052001	PALM SPRINGS	CA		07/29/2009		403							403	403			
B0032203	PANAMA CITY	FL		05/20/2010		129							129	129			
B1021501	PANAMA CITY BEACH	FL		05/18/2011		12							12	12			
B0021902	PARIS	TX		03/04/2010		99							99	99			
B0041401	PARKER	CO		06/15/2010		394							394	394			
B0033102	PASADENA	FL		05/28/2010		150							150	150			
A9050101	PASADENA	TX		07/20/2009		965							965	965			
B0032606	PEMBROKE PINES	FL		06/14/2010		536							536	536			
B0080601	PENSACOLA	FL		10/29/2010		741							741	741			
B1020108	PEORIA	AZ		05/18/2011		12							12	12			
A9040703	PERINTON	NY		06/16/2009		492							492	492			
A9040706	PERRY	FL		06/16/2009		140							140	140			
B0032510	PFLUGERVILLE	TX		06/03/2010		80							80	80			
B0081702	PFLUGERVILLE	TX		11/12/2010		78							78	78			
B0090106	PHOENIX	AZ		11/08/2010		82							82	82			
B0063007	PHOENIX	AZ		09/02/2010		498							498	498			
A9121101	PHOENIX	AZ		02/24/2010		128							128	128			
B0040509	PHOENIX	AZ		06/01/2010		92							92	92			
A8111701	PHOENIX	AZ		01/09/2009		176							176	176			
A9021301	PHOENIX	AZ		07/01/2009		614							614	614			
A9070201	PHOENIX	AZ		08/27/2009		170							170	170			
A9082402	PHOENIX	AZ		10/08/2009		233							233	233			
A9042706	PHOENIX	AZ		06/29/2009		582							582	582			
A9042003	PHOENIX	AZ		06/15/2009		144							144	144			
A9061102	PINELAND	TX		07/21/2009		170							170	170			
A9080601	PINEVILLE	NC		10/30/2009		752							752	752			
A9021302	PLANO	TX		04/07/2009		628							628	628			
B0010604	PLANT CITY	FL		03/24/2010		158							158	158			
A9040302	PLYMOUTH	MI		05/27/2009		618							618	618			
A9100101	POCATELLO	ID		12/10/2009		1,632							1,632	1,632			
A9102003	POMONA	CA		12/14/2009		474							474	474			
A9101303	POMONA	CA		12/16/2009		138							138	138			
A9090402	POMONA	KS		09/29/2009		50							50	50			
B0020907	POMPANO BEACH	FL		03/31/2010		780							780	780			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain	Realized Gain	Total Gain
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	(Loss) on Disposal	(Loss) on Disposal	(Loss) on Disposal
A8111203	PONTIAC	MI		01/21/2009		227							227	227			
A9123002	POOLER	GA		03/22/2010		131							131	131			
A9120201	PORT ARTHUR	TX		02/17/2010		87							87	87			
B0060801	PORT ARTHUR	TX		07/01/2010		71							71	71			
A9022404	PORTAGE	MI		06/30/2009		351							351	351			
A9091802	PORTLAND	ME		01/25/2010		52							52	52			
A9030501	PORTLAND	OR		06/29/2009		1,819							1,819	1,819			
A9020304	PORTLAND	OR		04/15/2009		1,749							1,749	1,749			
A9060401	PORTLAND	OR		07/23/2009		336							336	336			
A9031602	PORTLAND	OR		05/20/2009		314							314	314			
B0081701	PORTLAND	OR		11/12/2010		169							169	169			
A8111103	POWAY	CA		01/12/2009		443							443	443			
B0071204	RAEFORD	NC		09/23/2010		498							498	498			
B0120808	RALEIGH	NC		05/18/2011		6							6	6			
B0120810	RALEIGH	NC		05/18/2011		4							4	4			
A9022704	RALEIGH	NC		05/28/2009		269							269	269			
A8121002	RALEIGH	NC		02/20/2009		151							151	151			
B0051401	RANCHO CUCAMONG	CA		06/29/2010		83							83	83			
B0072609	REDONDO BEACH	CA		09/22/2010		581							581	581			
A9040807	REDWOOD CITY	CA		06/26/2009		654							654	654			
A9122302	RENO	NV		03/01/2010		123							123	123			
A9040904	RENO	NV		06/30/2009		601							601	601			
A9040905	RENO	NV		06/30/2009		567							567	567			
A9031305	RENO	NV		05/19/2009		414							414	414			
A9031306	RENO	NV		05/19/2009		302							302	302			
A9030202	RENO	NV		05/15/2009		1,195							1,195	1,195			
B1021502	RENO	NV		05/18/2011		11							11	11			
B0052805	RIALTO	CA		08/05/2010		1,035							1,035	1,035			
A80509053	RICHLAND	WA		03/31/2010		46							46	46			
B1020801	RICHMOND	VA		05/18/2011		21							21	21			
A8120502	RIO RANCHO	NM		01/15/2009		87							87	87			
B0010704	RIO VISTA	TX		01/21/2010		49							49	49			
A9081807	RIVERDALE	GA		11/10/2009		265							265	265			
B1020804	RIVERSIDE	CA		05/18/2011		6							6	6			
A9092504	RIVERTON	UT		11/10/2009		646							646	646			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9061605	ROCKDALE	TX		08/20/2009		149							149	149			
B0080602	ROCKLIN	CA		10/07/2010		284							284	284			
A8110401	ROCKY MOUNT	NC		01/12/2009		253							253	253			
A9020210	RODEO	CA		04/28/2009		312							312	312			
A8121503	ROHNERT PARK	CA		01/29/2009		1,037							1,037	1,037			
B1020701	ROME	GA		05/18/2011		32							32	32			
B0061802	ROSEMEAD	CA		09/16/2010		1,226							1,226	1,226			
B0051403	ROSWELL	GA		06/30/2010		225							225	225			
A9042702	ROUND ROCK	TX		07/17/2009		465							465	465			
A9050402	ROWLETT	TX		06/29/2009		513							513	513			
A9111701	ROY	UT		01/22/2010		127							127	127			
B0022202	ROY	UT		05/03/2010		207							207	207			
B0051701	RUBIDOUX	CA		08/31/2010		902							902	902			
A9091402	RUSH SPRINGS	OK		10/01/2009		52							52	52			
B0080303	RUSSELLVILLE	AR		09/30/2010		698							698	698			
B0062804	SACRAMENTO	CA		08/31/2010		444							444	444			
B0072308	SACRAMENTO	CA		10/19/2010		329							329	329			
A9010501	SACRAMENTO	CA		02/02/2009		261							261	261			
A9030409	SACRAMENTO	CA		05/20/2009		286							286	286			
B0061001	SALEM	OR		10/12/2010		4,938							4,938	4,938			
A9010801	SALEM	OR		04/09/2009		962							962	962			
A9022601	SALEM	OR		04/28/2009		672							672	672			
B0012602	SALINA	KS		03/04/2010		104							104	104			
A9022406	SALINAS	CA		05/05/2009		212							212	212			
A9032502	SALT LAKE CITY	UT		05/29/2009		644							644	644			
A8082205	SALT LAKE CITY	UT		01/05/2009		234							234	234			
A9030502	SALT LAKE CITY	UT		04/16/2009		182							182	182			
B0052001	SAN ANGELO	TX		06/17/2010		86							86	86			
B0062405	SAN ANTONIO	TX		09/30/2010		250							250	250			
B0080607	SAN ANTONIO	TX		10/25/2010		715							715	715			
B1012701	SAN ANTONIO	TX		05/18/2011		17							17	17			
B1030803	SAN ANTONIO	TX		05/18/2011		6							6	6			
A9032303	SAN ANTONIO	TX		05/21/2009		364							364	364			
B0010602	SAN ANTONIO	TX		01/21/2010		144							144	144			
A9120802	SAN ANTONIO	TX		01/07/2010		155							155	155			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0030501	SAN ANTONIO	TX		05/10/2010		217							217	217			
B0051101	SAN ANTONIO	TX		06/16/2010		778							778	778			
B0020903	SAN BERNARDINO	CA		03/31/2010		1,134							1,134	1,134			
B0030201	SAN BERNARDINO	CA		04/30/2010		148							148	148			
A9021802	SAN BUENAVENTURA	CA		04/23/2009		309							309	309			
A9021803	SAN BUENAVENTURA	CA		04/23/2009		217							217	217			
A8112401	SAN BUENAVENTURA	CA		01/27/2009		794							794	794			
B0032903	SAN CARLOS	CA		06/22/2010		83							83	83			
B0052810	SAN CLEMENTE	CA		08/10/2010		521							521	521			
B0062806	SAN DEIGO	CA		09/10/2010		1,884							1,884	1,884			
B0063005	SAN DIEGO	CA		09/14/2010		590							590	590			
B0061701	SAN DIEGO	CA		09/26/2000		104							104	104			
B0080404	SAN DIEGO	CA		11/30/2010		1,335							1,335	1,335			
B0080201	SAN DIEGO	CA		09/29/2010		395							395	395			
B0082405	SAN DIEGO	CA		11/15/2010		503							503	503			
B1020802	SAN DIEGO	CA		05/18/2011		20							20	20			
B1020407	SAN DIEGO	CA		05/18/2011		4							4	4			
B1010301	SAN DIEGO	CA		05/18/2011		8							8	8			
B0040602	SAN DIEGO	CA		06/23/2010		281							281	281			
B0050706	SAN DIEGO	CA		11/03/2004		1,029							1,029	1,029			
B0022601	SAN DIEGO	CA		04/26/2010		902							902	902			
B0032607	SAN DIEGO	CA		05/03/2010		542							542	542			
A9110901	SAN DIEGO	CA		12/29/2009		170							170	170			
A9102701	SAN DIEGO	CA		03/27/1998		191							191	191			
A8123001	SAN DIEGO	CA		03/03/2009		271							271	271			
A9030410	SAN DIEGO	CA		04/30/2009		945							945	945			
A9060501	SAN DIEGO	CA		07/29/2009		133							133	133			
A9020303	SAN FERNANDO	CA		05/06/2009		621							621	621			
B0061102	SAN FERNANDO	CA		04/18/2001		605							605	605			
B1020406	SAN FRANCISCO	CA		05/18/2011		7							7	7			
B0031901	SAN FRANCISCO	CA		06/29/2010		377							377	377			
B0031102	SAN FRANCISCO	CA		06/01/2010		830							830	830			
A9112003	SAN JOSE	CA		01/04/2010		611							611	611			
A9101602	SAN JOSE	CA		12/18/2009		219							219	219			
A9122103	SAN JOSE	CA		03/16/2010		254							254	254			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B1021801	SAN JOSE	CA		05/18/2011		7							7	7			
B0051901	SAN JOSE	CA		07/29/2010		394							394	394			
B0041502	SAN JUAN	TX		06/04/2010		186							186	186			
B0072701	SAN LUIS OBISPO	CA		09/30/2010		239							239	239			
B0072702	SAN LUIS OBISPO	CA		10/06/2010		824							824	824			
B0031201	SAN LUIS OBISPO	CA		05/22/2000		68							68	68			
A9040603	SAN MARCOS	CA		10/01/2009		974							974	974			
B0061005	SAN MARCOS	TX		08/20/2010		183							183	183			
A9032302	SAN PEDRO	CA		05/28/2009		494							494	494			
B0081601	SAN SABA	TX		10/26/2010		936							936	936			
B0031005	SANDY SPRINGS	GA		05/04/2010		153							153	153			
B0072305	SANTA ANA	CA		07/30/2003		375							375	375			
B0051303	SANTA ANA	CA		07/22/2010		718							718	718			
A9040903	SANTA ANA	CA		07/06/2009		155							155	155			
A9042705	SANTA ANA	CA		06/30/2009		315							315	315			
A9101603	SANTA ANA	CA		11/30/2009		554							554	554			
A9081810	SANTA ANA	CA		10/20/2009		415							415	415			
A8110503	SANTA CLARA	CA		01/08/2009		108							108	108			
B0052701	SANTA CLARITA	CA		07/28/2000		212							212	212			
A9012601	SANTA CRUZ	CA		03/30/2009		150							150	150			
A8111903	SANTA FE SPRINGS	CA		01/30/2009		231							231	231			
A9043001	SANTA MARIA	CA		07/01/2009		610							610	610			
A9040606	SANTA MONICA	CA		06/18/2009		96							96	96			
B0012902	SANTA MONICA	CA		03/29/2010		343							343	343			
B0062406	SARASOTA	FL		09/09/2010		426							426	426			
A9040804	SAUGATUCK	MI		05/29/2009		432							432	432			
A9123001	SAVANNAH	GA		03/22/2010		164							164	164			
A9092501	SAVANNAH	GA		11/25/2009		676							676	676			
B0041902	SCOTTSDALE	AZ		07/21/2010		348							348	348			
B0032504	SCOTTSDALE	AZ		05/19/2010		315							315	315			
A9072802	SEALY	TX		08/25/2009		70							70	70			
A9030204	SEATTLE	WA		05/20/2009		919							919	919			
A9040901	SEATTLE	WA		06/25/2009		726							726	726			
A9040902	SEATTLE	WA		06/25/2009		907							907	907			
A9102103	SEATTLE	WA		12/22/2009		832							832	832			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0020507	SEATTLE	WA		03/16/2010		275							275	275			
B0061103	SEATTLE	WA		08/20/2010		209							209	209			
B0061104	SEATTLE	WA		08/20/2010		448							448	448			
B0062503	SEATTLE	WA		09/01/2010		1,012							1,012	1,012			
A9073002	SEDAN	KS		10/01/2009		50							50	50			
A9021204	SEGUIN	TX		04/16/2009		245							245	245			
B0010703	SEMINOLE	TX		01/21/2010		55							55	55			
A9071701	SETAC	WA		10/06/2009		629							629	629			
B0042706	SHAWSVILLE	VA		05/18/2011		3							3	3			
A9042001	SHERMAN	TX		07/01/2009		268							268	268			
B0062802	SHERMAN OAKS	CA		09/15/2010		587							587	587			
B0012202	SHORELINE	WA		02/15/2000		128							128	128			
B1022303	SIMI VALLEY	CA		05/18/2011		22							22	22			
A9091501	SLAUGHTERVILLE	OK		11/19/2009		50							50	50			
A8120504	SMYRNA	GA		02/02/2009		1,332							1,332	1,332			
B0071301	SMYRNA	GA		08/12/2010		763							763	763			
A9031204	SOUTH PASADENA	CA		05/08/2009		375							375	375			
B0030908	SOUTH SAN FRANCIS	CA		05/27/2010		109							109	109			
B0051902	SOUTHFIELD	MI		08/26/2010		168							168	168			
B1020901	SOUTHFIELD	MI		05/18/2011		12							12	12			
B0021601	SOUTHPORT	NC		03/31/2010		966							966	966			
A9021903	SPARKS	NV		04/27/2009		464							464	464			
A9021904	SPARKS	NV		04/27/2009		149							149	149			
B0080202	ST. LOUIS	MO		11/02/2010		318							318	318			
A9042309	STAFFORD	TX		06/25/2009		1,647							1,647	1,647			
B0021803	STANTON	CA		04/29/2010		1,389							1,389	1,389			
B0020201	STANTON	CA		03/31/2010		411							411	411			
B0072801	STANWOOD	WA		09/28/2010		348							348	348			
B0072301	STATESBORO	GA		09/15/2010		483							483	483			
B0031601	STERLING HEIGHTS	MI		05/24/2010		369							369	369			
A9030203	STOCKTON	CA		05/28/2009		625							625	625			
A9081806	STONE MOUNTAIN	GA		11/10/2009		389							389	389			
B0042102	STONE MOUNTAIN	GA		06/01/2010		460							460	460			
B0080612	STRATFORD	CT		10/26/2010		471							471	471			
B0030903	STRONGSVILLE	OH		05/27/2010		292							292	292			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0042704	SUFFOLK	VA		06/29/2010		129							129	129			
A9103002	SUMMERVILLE	SC		01/12/2010		280							280	280			
A9052102	SUNNYVALE	CA		07/28/2009		330							330	330			
B0050302	SUNNYVALE	CA		07/21/2010		1,425							1,425	1,425			
B1020405	SUNNYVALE	CA		05/18/2011		4							4	4			
B0062805	SUNNYVALE	TX		10/07/2010		376							376	376			
B0072706	SUPERIOR	CO		10/29/2010		923							923	923			
B0030802	SURPRISE	AZ		04/27/2010		88							88	88			
A9090103	SYRACUSE	KS		09/24/2009		51							51	51			
A8121507	TALLAHASSEE	FL		02/25/2009		944							944	944			
A9040806	TAMPA	FL		06/10/2009		226							226	226			
B0011401	TAMPA	FL		03/30/2010		428							428	428			
B0010605	TAMPA	FL		03/24/2010		192							192	192			
B0080301	TAMPA	FL		09/27/2010		587							587	587			
B0082505	TAMPA	FL		11/23/2010		325							325	325			
B0072005	TARZANA	CA		09/22/2010		275							275	275			
B0012201	TARZANA	CA		03/09/2010		273							273	273			
A8121513	TAUNTON	MA		02/25/2009		183							183	183			
A9102703	TAYLOR	MI		01/20/2010		447							447	447			
B0062401	TAYLORSVILLE	UT		09/08/2010		309							309	309			
B1021105	TEMECULA	CA		05/18/2011		12							12	12			
A9103005	TEMPE	AZ		12/29/2009		663							663	663			
A9041601	TEMPE	AZ		06/11/2009		406							406	406			
A9071402	TEMPE	AZ		09/01/2009		1,197							1,197	1,197			
A8111101	TEMPE	AZ		01/20/2009		289							289	289			
B1020102	TEMPE	AZ		05/18/2011		12							12	12			
B0030401	TEMPLE	TX		04/01/2010		118							118	118			
B0032402	TEXAS CITY	TX		04/22/2010		169							169	169			
A9122201	THE WOODLANDS	TX		03/10/2010		143							143	143			
B1020201	THOUSAND OAKS	CA		05/18/2011		18							18	18			
B0063002	TROUTDALE	OR		03/30/2001		229							229	229			
A9040601	TROY	MI		06/15/2009		558							558	558			
A8071804	TRUCKEE	CA		01/28/2009		934							934	934			
B0072704	TUCSON	AZ		11/02/2010		277							277	277			
B1030901	TUCSON	AZ		05/18/2011		7							7	7			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain	Realized Gain	Total Gain
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	(Loss) on Disposal	(Loss) on Disposal	(Loss) on Disposal
A9111601	TUCSON	AZ		01/19/2010		43							43	43			
A9042802	TUKWILA	WA		07/07/2009		238							238	238			
A8121101	TUKWILA	WA		02/17/2009		327							327	327			
A9032104	TULIA	TX		06/05/2009		174							174	174			
B0032509	TUSTIN	CA		05/26/2010		123							123	123			
A9061608	TYLER	TX		08/27/2009		67							67	67			
B0090702	UPLAND	CA		11/22/2010		86							86	86			
A9050102	UVALDE	TX		07/20/2009		230							230	230			
B0060303	VALLEJO	CA		07/20/2010		1,764							1,764	1,764			
A8121203	VALLEJO	CA		02/20/2009		73							73	73			
B0021102	VALRICO	FL		03/31/2010		661							661	661			
A9061610	VAN HORN	TX		09/30/2009		66							66	66			
A9032701	VAN NUYS	CA		06/10/2009		387							387	387			
B0071604	VANCOUVER	WA		09/20/2010		183							183	183			
A8110702	VENTURA	CA		01/14/2009		408							408	408			
B0071902	VENTURA	CA		10/25/2010		476							476	476			
A8120101	VERNON	CA		02/12/2009		114							114	114			
B0042701	VICTORIA	VA		05/06/2010		151							151	151			
B0071303	VISTA	CA		09/23/2010		302							302	302			
A9101305	WALNUT	CA		12/16/2009		298							298	298			
B0060105	WALNUT CREEK	CA		07/14/2010		217							217	217			
B0040901	WASHINGTON	DC		06/22/2010		106							106	106			
B0012604	WASHINGTON	KS		02/18/2010		88							88	88			
B0040702	WAUKEGAN	IL		06/21/2010		760							760	760			
B0082501	WEATHERFORD	TX		10/28/2010		549							549	549			
B0032202	WELLS	TX		04/01/2010		109							109	109			
B0041501	WESLACO	TX		06/04/2010		222							222	222			
B0070601	WEST BLOOMFIELD	MI		09/17/2010		835							835	835			
A9120401	WEST BOUNTIFUL	UT		01/27/2010		373							373	373			
B0071208	WEST CHICAGO	IL		10/29/2010		274							274	274			
A8111202	WEST COVINA	CA		01/27/2009		259							259	259			
B0060701	WEST HOLLYWOOD	CA		07/29/2010		1,318							1,318	1,318			
A9021902	WEST SACRAMENTO	CA		04/28/2009		142							142	142			
A9091002	WEST VALLEY CITY	UT		10/20/2009		313							313	313			
A9052101	WEST VALLEY CITY	UT		07/27/2009		489							489	489			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0060401	WEST VALLEY CITY	UT		08/04/2010		329							329	329			
B0080302	WESTMINSTER	CO		10/14/2010		483							483	483			
B0010501	WHITTIER	CA		04/12/2010		202							202	202			
B0072003	WHITTIER	CA		10/14/2010		352							352	352			
A8112602	WINDSOR	CT		01/30/2009		858							858	858			
A9042701	WINTER GARDEN	FL		07/07/2009		411							411	411			
A9100602	WINTER PARK	FL		12/23/2009		343							343	343			
B0052702	WINTER PARK	FL		08/26/2010		821							821	821			
A9120301	WINTERS	TX		02/04/2010		48							48	48			
A9042801	WOODBRIDGE	VA		07/20/2009		335							335	335			
A9020305	WOODLAND	CA		04/01/2009		272							272	272			
B0052501	WOODLAND HILLS	CA		10/01/2010		927							927	927			
B0052803	WOODSTOCK	GA		08/18/2010		1,304							1,304	1,304			
B1012705	YUCCA VALLEY	CA		05/18/2011		5							5	5			
A9010702	YUMA	AZ		02/25/2009		381							381	381			
0299999 Mortgages with partial repayments						422,682							422,682	422,682			
0599999 Totals						422,682							422,682	422,682			

SCHEDULE BA - PART 2

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

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Ident-ification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
993190-10-7	FIRSTMARK III, LP	NEW YORK	NY	FIRSTMARK CAPITAL		12/31/2008	1	431				
1599999 Common Stocks - Joint Venture, Partnership or Limited Liability Interests - Unaffiliated								431				X X X
3999999 Subtotal Unaffiliated								431				X X X
4199999 Totals								431				X X X

E03

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Ident-ification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
NONE																			
4199999 Totals																			

SCHEDULE D - PART 3

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

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3620AC-D2-7	GNMA II REVERSE MTG - FIXED-RATE		06/20/2011	CAPITALIZED INTEREST		342,045	342,045.00		1
3620AC-DD-3	GNMA II REVERSE MTG - FIXED-RATE		06/20/2011	CAPITALIZED INTEREST		58,396	58,396.00		1
3620AC-DK-7	GNMA II REVERSE MTG - FIXED-RATE		06/20/2011	CAPITALIZED INTEREST		50,647	50,647.00		1
3620AC-DM-3	GNMA II REVERSE MTG - FIXED-RATE		06/20/2011	CAPITALIZED INTEREST		47,026	47,026.00		1
3620AC-DT-8	GNMA II REVERSE MTG - FIXED-RATE		06/20/2011	CAPITALIZED INTEREST		152,512	152,512.00		1
3620AH-L5-0	GNMA II REVERSE MTG - FIXED-RATE		04/20/2011	CAPITALIZED INTEREST		47,075	47,075.00		1
3620AH-LY-7	GNMA II REVERSE MTG - FIXED-RATE		06/20/2011	CAPITALIZED INTEREST		112,541	112,541.00		1
3620AH-MA-8	GNMA II REVERSE MTG - FIXED-RATE		06/20/2011	CAPITALIZED INTEREST		39,989	39,989.00		1
36297K-4A-6	GNMA II REVERSE MTG - FIXED-RATE		06/20/2011	CAPITALIZED INTEREST		163,845	163,845.00		1
0599999	Total Bonds U. S. Government				X X X	1,014,076	1,014,076.00		X X X
38375B-HL-9	GNR 2010-H22 JA		06/20/2011	VARIOUS		2,048,336	2,060,097.00	3,538	1
38375B-GW-6	GNR 2010-H23 A		06/20/2011	CAPITALIZED INTEREST		7,880	7,880.00		1
38375B-GM-8	GNR 2010-H24 HA		05/20/2011	CAPITALIZED INTEREST		94,816	94,816.00		1
38375B-JH-6	GNR 2010-H27 JA		06/20/2011	CAPITALIZED INTEREST		32,238	32,238.00		1
38375B-HW-5	GNR 2010-H28 HA		05/20/2011	CAPITALIZED INTEREST		16,719	16,719.00		1
38375B-JT-0	GNR 2011-H03 HA		06/20/2011	CAPITALIZED INTEREST		129,666	129,666.00		1
83703F-DY-5	SOUTH CAROLINA JOBS-ECONOMIC DEV A		04/14/2011	MERRILL LYNCH		1,261,066	1,265,000.00		1FE
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	3,590,721	3,606,416.00	3,538	X X X
031652-BD-1	AMKOR TECHNOLOGY INC		05/17/2011	DEUTSCHE BANK		1,800,000	1,800,000.00		3FE
039380-AD-2	ARCH COAL INC		06/08/2011	MORGAN STANLEY		1,700,000	1,700,000.00		4FE
05539Y-AA-2	BAKERCORP INTERNATIONAL INC		05/17/2011	MORGAN STANLEY		800,000	800,000.00		5FE
15135B-AC-5	CENTENE CORP		05/17/2011	BARCLAYS CAPITAL		2,641,643	2,675,000.00		3FE
205768-AH-7	COMSTOCK RESOURCES INC		04/20/2011	BANK OF AMERICA		1,025,000	1,000,000.00	9,042	4FE
20605P-AC-5	CONCHO RESOURCES INC		05/18/2011	BANK OF AMERICA		1,600,000	1,600,000.00		4FE
21871D-AA-1	CORELOGIC INC		05/18/2011	VARIOUS		1,794,000	1,800,000.00	483	4FE
235825-AA-4	DANA HOLDING CORP		06/23/2011	BARCLAYS CAPITAL		666,400	680,000.00	18,417	4FE
26112T-AE-6	DOWNSTREAM DEVELOPMENT AUTHORITY		06/17/2011	JEFFRIES SECURITIES		1,986,740	2,000,000.00		4FE
26225K-AC-3	DRUMM INVESTORS LLC :TERM LOAN		04/28/2011	CITIBANK, N.A.		2,970,000	3,000,000.00		4FE
264147-AB-5	DUCOMMUN INC		06/23/2011	CREDIT SUISSE		1,020,000	1,020,000.00		4FE
270321-AB-8	EARTHLINK INC		05/12/2011	DEUTSCHE BANK		965,550	1,000,000.00		4FE
12513P-AA-7	EMERGENCY MEDICAL SERVICES CORP		05/13/2011	BARCLAYS CAPITAL		800,000	800,000.00		5FE
30277M-AA-2	FUEL TRUST		04/12/2011	BANK OF AMERICA		2,000,000	2,000,000.00		2FE
382410-AD-0	GOODRICH PETROLEUM CORP		04/20/2011	JP MORGAN CHASE		1,010,000	1,000,000.00	13,313	5FE
45169U-AA-3	IGATE CORP		04/14/2011	JEFFRIES SECURITIES		1,000,000	1,000,000.00		4FE
45256#-AA-0	IMPACT C.I.L. PARENT LLC		06/13/2011	DIRECT		1,944,304	1,944,304.00		2FE
45824T-AA-3	INTELSAT JACKSON HOLDINGS LTD	F	05/16/2011	CREDIT SUISSE		1,216,500	1,200,000.00	8,217	4FE
536022-AG-1	LINN ENERGY LLC		05/10/2011	CITIGROUP		1,587,712	1,600,000.00		4FE
55342U-AA-2	MPT OPERATING PARTNERSHIP LP		04/19/2011	JP MORGAN CHASE		2,000,000	2,000,000.00		3FE

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SCHEDULE D - PART 3

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655664-AK-6	NORDSTROM INC		04/13/2011	BANK OF AMERICA		1,138,120	1,000,000.00	16,146	1FE
750438-AD-5	RADIOSHACK CORP		04/28/2011	BANK OF AMERICA		1,686,978	1,700,000.00		3FE
800907-AQ-0	SANMINA-SCI CORP		05/12/2011	BROADPOINT CAPITAL		995,000	1,000,000.00	1,361	4FE
78412F-AJ-3	SUPERIOR ENERGY SERVICES LLC		04/20/2011	JP MORGAN CHASE		2,550,000	2,550,000.00		3FE
876511-AB-2	TASEKO MINES LTD	A	04/12/2011	BARCLAYS CAPITAL		2,057,500	2,000,000.00		4FE
879369-AB-2	TELEFLEX INC		06/08/2011	BANK OF AMERICA		1,020,000	1,020,000.00		4FE
90210E-AM-8	TEXAS COMPETITIVE ELECTRIC HOLDINGS COMPANY, LLC (TXU) 2017 TERM LOAN (EX		04/07/2011	RESTRUCTURE		1,227,230	1,480,819.00		4FE
89688E-AD-3	TRIZETTO GROUP, INC. (TZ MERGER SUB, INC.):TERM LOAN		04/28/2011	RBC CAPITAL MARKETS		995,000	1,000,000.00		4FE
91359P-AG-5	UNIVERSAL HOSPITAL SERVICES INC		06/14/2011	BARCLAYS CAPITAL		695,300	680,000.00	2,568	4FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	42,892,977	43,050,123.00	69,547	X X X
8399997	Total Bonds Part 3				X X X	47,497,774	47,670,615.00	73,085	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	47,497,774	47,670,615.00	73,085	X X X
65440K-10-6	99 CENTS ONLY STORES		05/09/2011	BERNSTEIN	131.000	2,675			L
002535-30-0	AARONS INC.		05/09/2011	BERNSTEIN	1,158.000	32,333			L
004498-10-1	ACI WORLDWIDE INC		05/09/2011	BERNSTEIN	821.000	25,796			U
00508Y-10-2	ACUITY BRANDS INC.		05/09/2011	BERNSTEIN	755.000	44,084			L
005125-10-9	ACXIOM CORP		05/09/2011	BERNSTEIN	1,435.000	20,423			L
00738A-10-6	ADTRAN INC.		05/09/2011	BERNSTEIN	1,032.000	43,283			L
00751Y-10-6	ADVANCE AUTO PARTS INC.		05/09/2011	BERNSTEIN	1,264.000	82,762			L
007974-10-8	ADVENT SOFTWARE INC		05/09/2011	BERNSTEIN	626.000	16,640			L
00766T-10-0	AECOM TECHNOLOGY CORP		06/20/2011	BERNSTEIN	2,760.000	77,126			L
007865-10-8	AEROPOSTALE INC		05/09/2011	BERNSTEIN	797.000	16,683			L
008252-10-8	AFFILIATED MANAGERS GROUP		06/20/2011	BERNSTEIN	1,278.000	133,010			L
001084-10-2	AGCO CORP.		06/20/2011	BERNSTEIN	2,240.000	120,698			L
001204-10-6	AGL RESOURCES INC.		05/09/2011	BERNSTEIN	963.000	40,322			L
011659-10-9	ALASKA AIR GROUP INC.		06/20/2011	BERNSTEIN	1,248.000	84,698			L
012653-10-1	ALBEMARLE CORP.		06/20/2011	BERNSTEIN	1,846.000	127,264			L
014482-10-3	ALEXANDER & BALDWIN INC.		05/09/2011	BERNSTEIN	761.000	36,485			L
015271-10-9	ALEXANDRIA REAL ESTATE EQUIT		06/08/2011	BERNSTEIN	1,539.000	120,390			L
018581-10-8	ALLIANCE DATA SYSTEMS CORP.		05/09/2011	BERNSTEIN	827.000	75,302			L
018802-10-8	ALLIANT ENERGY CORP.		05/09/2011	BERNSTEIN	1,595.000	64,347			L
018804-10-4	ALLIANT TECHSYSTEMS INC.		05/09/2011	BERNSTEIN	671.000	50,662			L
01988P-10-8	ALLSCRIPTS HEALTHCARE SOLUTIONS IN		05/09/2011	BERNSTEIN	3,410.000	69,751			L
00164V-10-3	AMC NETWORKS INC CL A		06/28/2011	MORGAN STANLEY	6,516.000	244,544			L
02553E-10-6	AMERICAN EAGLE OUTFITTERS		05/09/2011	BERNSTEIN	3,490.000	51,039			L
025932-10-4	AMERICAN FINANCIAL GROUP INC.		05/09/2011	BERNSTEIN	1,678.000	58,949			L

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026375-10-5	AMERICAN GREETINGS		05/09/2011	BERNSTEIN	954.000	22,949			L
03073T-10-2	AMERIGROUP CORP.		06/28/2011	MORGAN STANLEY	5,618.000	389,693			L
031100-10-0	AMETEK INC.		06/20/2011	BERNSTEIN	3,289.000	146,233			L
035623-10-7	ANN INC.		05/09/2011	BERNSTEIN	586.000	17,863			L
03662Q-10-5	ANSYS INC		05/09/2011	BERNSTEIN	1,595.000	86,728			L
00184X-10-5	AOL INC.		05/09/2011	BERNSTEIN	1,951.000	38,148			L
03761U-10-6	APOLLO INVESTMENT CORP.		06/20/2011	BERNSTEIN	5,306.000	58,712			L
038336-10-3	APTARGROUP INC.		05/09/2011	BERNSTEIN	1,279.000	66,937			L
03836W-10-3	AQUA AMERICA INC.		05/09/2011	BERNSTEIN	1,725.000	39,336			L
039380-10-0	ARCH COAL INC.		06/08/2011	BERNSTEIN	8,321.000	233,803			L
042735-10-0	ARROW ELECTRONICS INC.		05/09/2011	BERNSTEIN	1,892.000	85,599			L
363576-10-9	ARTHUR J GALLAGHER & CO		05/09/2011	BERNSTEIN	1,449.000	42,439			L
04351G-10-1	ASCENA RETAIL GROUP INC.		05/09/2011	BERNSTEIN	1,100.000	34,438			L
044209-10-4	ASHLAND INC.		06/20/2011	BERNSTEIN	1,556.000	97,089			L
G05384-10-5	ASPEN INSURANCE HOLDINGS LTD.		05/09/2011	BERNSTEIN	282.000	7,851			L
045487-10-5	ASSOCIATED BANC-CORP		05/09/2011	BERNSTEIN	3,484.000	49,656			L
046265-10-4	ASTORIA FINANCIAL CORP.		05/09/2011	BERNSTEIN	867.000	12,358			L
049513-10-4	ATMEL CORP.		06/20/2011	VARIOUS	10,151.000	150,301			L
049560-10-5	ATMOS ENERGY CORP.		05/09/2011	BERNSTEIN	1,078.000	37,318			L
050095-10-8	ATWOOD OCEANICS INC		05/09/2011	BERNSTEIN	1,024.000	42,359			L
053807-10-3	AVNET INC		06/20/2011	BERNSTEIN	3,473.000	123,319			L
05874B-10-7	BALLY TECHNOLOGIES INC		05/09/2011	BERNSTEIN	927.000	37,113			L
059692-10-3	BANCORPSOUTH INC.		05/09/2011	BERNSTEIN	1,200.000	15,868			L
062540-10-9	BANK OF HAWAII CORP.		05/09/2011	BERNSTEIN	710.000	34,456			L
067774-10-9	BARNES & NOBLE INC.		05/09/2011	VARIOUS	935.000	10,041			L
073302-10-1	BE AEROSPACE INC		06/20/2011	BERNSTEIN	2,345.000	88,090			L
06846N-10-4	BILL BARRETT CORP		05/09/2011	VARIOUS	942.000	39,329			L
090572-20-7	BIO-RAD LABORATORIES-CL A		05/09/2011	BERNSTEIN	316.000	39,205			L
05548J-10-6	BJ'S WHOLESALE CLUB INC		05/09/2011	BERNSTEIN	597.000	30,757			L
092113-10-9	BLACK HILLS CORP.		05/09/2011	BERNSTEIN	680.000	23,198			L
096761-10-1	BOB EVANS FARMS INC.		05/09/2011	BERNSTEIN	283.000	8,811			L
099724-10-6	BORGWARNER INC.		06/20/2011	BERNSTEIN	2,104.000	161,227			L
103304-10-1	BOYD GAMING CORP.		05/09/2011	BERNSTEIN	1,613.000	16,271			L
05564E-10-6	BRE PROPERTIES INC.		06/08/2011	BERNSTEIN	2,183.000	107,994			L
109641-10-0	BRINKER INTERNATIONAL INC		05/09/2011	BERNSTEIN	1,406.000	34,192			L
109696-10-4	BRINK'S CO/THE		05/09/2011	BERNSTEIN	770.000	23,497			L
11133T-10-3	BROADRIDGE FINANCIAL SOLUTIO		05/09/2011	BERNSTEIN	1,477.000	34,433			L
115236-10-1	BROWN & BROWN INC.		05/09/2011	BERNSTEIN	1,612.000	41,078			L
118759-10-9	BUCYRUS INTERNATIONAL INC.		05/09/2011	BERNSTEIN	1,340.000	122,428			L
127055-10-1	CABOT CORP.		05/09/2011	BERNSTEIN	1,217.000	52,085			L
127387-10-8	CADENCE DESIGN SYSTEMS INC.		05/09/2011	BERNSTEIN	5,142.000	54,859			L
133131-10-2	CAMDEN PROPERTY TRUST		05/09/2011	BERNSTEIN	1,289.000	79,433			L

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140781-10-5	CARBO CERAMICS INC.		05/09/2011	BERNSTEIN	2,288.000	369,442			L
141665-10-9	CAREER EDUCATION CORP.		05/09/2011	BERNSTEIN	1,369.000	30,075			L
142339-10-0	CARLISLE COS.		05/09/2011	BERNSTEIN	1,166.000	58,350			L
144285-10-3	CARPENTER TECHNOLOGY CORP.		06/20/2011	BERNSTEIN	1,144.000	60,260			L
14888B-10-3	CATALYST HEALTH SOLUTIONS IN		05/09/2011	BERNSTEIN	5,974.000	371,544			L
149150-10-4	CATHAY GENERAL BANCORP		05/09/2011	BERNSTEIN	1,370.000	22,355			L
159864-10-7	CHARLES RIVER LABORATORIES INTERNA		05/09/2011	BERNSTEIN	24.000	974			L
163072-10-1	CHEESECAKE FACTORY INC/THE		05/09/2011	BERNSTEIN	1,104.000	33,303			L
168615-10-2	CHICOS FAS INC.		05/09/2011	BERNSTEIN	2,847.000	41,752			L
171340-10-2	CHURCH & DWIGHT CO.		05/09/2011	BERNSTEIN	1,086.000	86,342			L
171779-30-9	CIENA CORP.		05/09/2011	BERNSTEIN	1,656.000	44,678			L
171798-10-1	CIMAREX ENERGY CO.		05/09/2011	BERNSTEIN	1,499.000	144,638			L
178566-10-5	CITY NATIONAL CORP.		05/09/2011	BERNSTEIN	852.000	47,803			L
184496-10-7	CLEAN HARBORS INC		06/08/2011	BERNSTEIN	412.000	42,316			L
12561W-10-5	CLECO CORP.		05/09/2011	BERNSTEIN	1,034.000	36,064			L
19421W-10-0	COLLECTIVE BRANDS INC.		05/09/2011	BERNSTEIN	713.000	13,666			U
200525-10-3	COMMERCE BANCSHARES INC.		05/09/2011	BERNSTEIN	1,146.000	48,630			L
201723-10-3	COMMERCIAL METALS CO.		04/05/2011	BARCLAYS CAPITAL	2,693.000	47,786			L
203668-10-8	COMMUNITY HEALTH SYSTEMS INC.		05/09/2011	BERNSTEIN	1,586.000	48,937			L
20451N-10-1	COMPASS MINERALS INTERNATIONAL INC		05/09/2011	BERNSTEIN	475.000	44,386			L
205768-20-3	COMSTOCK RESOURCES INC		05/09/2011	BERNSTEIN	897.000	25,646			L
206708-10-9	CONCUR TECHNOLOGIES INC		05/09/2011	BERNSTEIN	945.000	47,635			L
212485-10-6	CONVERGYS CORP		05/09/2011	BERNSTEIN	1,881.000	25,633			L
205944-10-1	CON-WAY INC.		05/09/2011	BERNSTEIN	1,072.000	42,130			L
217204-10-6	COPART INC		05/09/2011	BERNSTEIN	749.000	34,042			L
21871D-10-3	CORELOGIC INC.		06/08/2011	BERNSTEIN	2,430.000	44,656			L
219023-10-8	CORN PRODUCTS INTL INC		06/20/2011	BERNSTEIN	1,581.000	86,731			L
21988R-10-2	CORPORATE EXECUTIVE BOARD CO.		05/09/2011	BERNSTEIN	644.000	28,216			L
22002T-10-8	CORPORATE OFFICE PROPERTIES		06/08/2011	BERNSTEIN	1,257.000	42,359			L
22025Y-40-7	CORRECTIONS CORP. OF AMERICA		05/09/2011	BERNSTEIN	1,561.000	38,834			L
222795-10-6	COUSINS PROPERTIES INC.		06/20/2011	BERNSTEIN	4,372.000	37,191			L
222816-10-0	COVANCE INC.		05/09/2011	VARIOUS	1,593.000	95,261			L
224399-10-5	CRANE CO.		05/09/2011	BERNSTEIN	749.000	36,048			L
225447-10-1	CREE INC.		05/09/2011	VARIOUS	2,024.000	81,511			L
229899-10-9	CULLEN/FROST BANKERS INC.		05/09/2011	BERNSTEIN	756.000	44,180			L
232806-10-9	CYPRESS SEMICONDUCTOR CORP		06/20/2011	VARIOUS	4,601.000	94,733			L
232820-10-0	CYTEC INDUSTRIES INC.		06/20/2011	BERNSTEIN	1,258.000	71,237			L
243537-10-7	DECKERS OUTDOOR CORP		05/09/2011	BERNSTEIN	694.000	61,863			L
248019-10-1	DELUXE CORP.		06/20/2011	BERNSTEIN	1,916.000	49,325			L
253393-10-2	DICK'S SPORTING GOODS INC		05/09/2011	BERNSTEIN	1,458.000	59,016			L
253651-10-3	DIEBOLD INC.		05/09/2011	BERNSTEIN	1,004.000	33,494			L
25388B-10-4	DIGITAL RIVER INC.		05/09/2011	BERNSTEIN	507.000	16,399			L

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256746-10-8	DOLLAR TREE INC.		05/09/2011	VARIOUS	2,513.000	147,153			L
257559-20-3	DOMTAR CORP.		06/20/2011	VARIOUS	5,116.000	520,739			L
257651-10-9	DONALDSON CO. INC.		05/09/2011	BERNSTEIN	1,436.000	86,790			L
233293-10-9	DPL INC.		05/09/2011	BERNSTEIN	1,111.000	33,728			L
26153C-10-3	DREAMWORKS ANIMATION SKG-A		05/09/2011	BERNSTEIN	1,085.000	28,223			L
261608-10-3	DRESSER-RAND GROUP INC.		06/08/2011	BERNSTEIN	9,523.000	482,825			L
262037-10-4	DRIL-QUIP INC.		05/09/2011	BERNSTEIN	669.000	45,702			L
233326-10-7	DST SYSTEMS INC.		05/09/2011	BERNSTEIN	458.000	21,737			L
264411-50-5	DUKE REALTY CORP.		05/09/2011	BERNSTEIN	4,645.000	68,750			L
27579R-10-4	EAST WEST BANCORP INC.		05/09/2011	BERNSTEIN	2,622.000	55,499			L
277461-10-9	EASTMAN KODAK CO		06/08/2011	BERNSTEIN	4,673.000	13,413			L
278265-10-3	EATON VANCE CORP.		06/20/2011	BERNSTEIN	3,217.000	103,511			L
29264F-20-5	ENDO PHARMACEUTICALS HOLDINGS INC.		05/09/2011	BERNSTEIN	2,075.000	85,435			L
29265N-10-8	ENERGEN CORP.		05/09/2011	BERNSTEIN	1,123.000	69,792			L
29266R-10-8	ENERGIZER HOLDINGS INC.		05/09/2011	BERNSTEIN	1,205.000	91,601			L
29358Q-10-9	ENSCO PLC ADS	F	06/16/2011	DIRECT	10,184.000	535,007			L
29444U-50-2	EQUINIX INC		05/09/2011	BERNSTEIN	734.000	73,872			L
294752-10-0	EQUITY ONE INC.		06/08/2011	BERNSTEIN	2,270.000	43,297			L
297178-10-5	ESSEX PROPERTY TRUST INC.		05/09/2011	BERNSTEIN	545.000	73,111			L
G3223R-10-8	EVEREST RE GROUP LTD.	F	05/09/2011	BERNSTEIN	828.000	74,767			L
30225X-10-3	EXTERRAN HOLDINGS INC		05/09/2011	BERNSTEIN	757.000	16,033			L
303075-10-5	FACTSET RESEARCH SYSTEMS INC		05/09/2011	BERNSTEIN	854.000	93,214			L
303250-10-4	FAIR ISAAC CORP.		05/09/2011	BERNSTEIN	889.000	25,888			L
303726-10-3	FAIRCHILD SEMICONDUCTOR INTERNATIO		05/09/2011	BERNSTEIN	2,469.000	49,733			L
313747-20-6	FEDERAL REALTY INVESTMENT TRUST		05/09/2011	BERNSTEIN	902.000	78,733			L
31620R-10-5	FIDELITY NATIONAL FINANCIAL INC.		05/09/2011	BERNSTEIN	3,381.000	52,384			L
31847R-10-2	FIRST AMERICAN FINANCIAL CORP.		05/09/2011	BERNSTEIN	1,747.000	27,305			L
33582V-10-8	FIRST NIAGARA FINANCIAL GROUP INC.		05/09/2011	VARIOUS	15,370.000	191,818			L
337915-10-2	FIRSTMERIT CORP		05/09/2011	BERNSTEIN	1,850.000	31,322			L
343498-10-1	FLOWERS FOODS INC		06/08/2011	BERNSTEIN	1,067.000	32,875			L
344849-10-4	FOOT LOCKER INC		05/09/2011	BERNSTEIN	2,210.000	49,497			L
346091-70-5	FOREST OIL CORP		05/09/2011	BERNSTEIN	1,845.000	56,357			L
349882-10-0	FOSSIL INC		05/09/2011	BERNSTEIN	899.000	84,672			L
35914P-10-5	FRONTIER OIL CORP		05/09/2011	BERNSTEIN	1,960.000	56,382			L
302941-10-9	FTI CONSULTING INC.		05/09/2011	BERNSTEIN	107.000	4,004			L
360271-10-0	FULTON FINANCIAL CORP.		05/09/2011	BERNSTEIN	3,867.000	44,535			L
365558-10-5	GARDNER DENVER INC.		06/20/2011	BERNSTEIN	1,210.000	99,883			L
366651-10-7	GARTNER INC.		05/09/2011	BERNSTEIN	1,345.000	52,571			L
361448-10-3	GATX CORP.		06/20/2011	BERNSTEIN	1,273.000	50,592			L
36866T-10-3	GEN-PROBE INC.		05/09/2011	BERNSTEIN	660.000	54,667			L
371901-10-9	GENTEX CORP		06/20/2011	BERNSTEIN	3,302.000	101,642			L
37940X-10-2	GLOBAL PAYMENTS INC.		05/09/2011	BERNSTEIN	1,340.000	70,081			L

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

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date		Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value					
A9081902	AUBURN	KS		09/17/2009		50							50	50			
A9101604	AUBURN	WA		12/30/2009		2,304							2,304	2,304			
B0060703	AUBURN	WA		08/18/2010		928							928	928			
A9031304	AUBURN MILLS	MI		04/30/2009		138							138	138			
A8121508	AUGUSTA	GA		02/25/2009		543							543	543			
B0052102	AUSTIN	TX		07/28/2010		304							304	304			
A9040705	AUSTIN	TX		07/10/2009		381							381	381			
A9122105	AUSTIN	TX		01/20/2000		165							165	165			
B0031003	BAKERSFIELD	CA		08/11/2010		361							361	361			
B0040803	BAKERSFIELD	CA		09/11/2003		228							228	228			
A9101304	BALDWIN PARK	CA		12/16/2009		344							344	344			
B0021901	BASEHOR	KS		03/04/2010		101							101	101			
B0032604	BEAUMONT	TX		06/08/2010		261							261	261			
B0070901	BEAUMONT	TX		09/14/2010		753							753	753			
B0081012	BEAVERCREEK	OH		11/20/2000		968							968	968			
B0032603	BEAVERTON	OR		06/18/2010		186							186	186			
B0062502	BEAVERTON	OR		08/13/2010		310							310	310			
B1031102	BEAVERTON	OR		05/18/2011		30							30	30			
B0032512	BEDFORD PARK	IL		07/19/2010		395							395	395			
A9081811	BELLFLOWER	CA		10/20/2009		594							594	594			
A9030602	BELLINGHAM	WA		04/29/2009		240							240	240			
B0063001	BEND	OR		09/10/2010		583							583	583			
A9030407	BERKELEY	CA		05/26/2009		1,067							1,067	1,067			
A9112002	BERKELEY	CA		03/18/2010		130							130	130			
B0072610	BETHPAGE	NY		11/10/2010		793							793	793			
A9031103	BLOOMINGTON	MN		05/13/2009		388							388	388			
B0010701	BLOSSOM	TX		01/21/2010		50							50	50			
B0030901	BLUE SPRINGS	MO		05/04/2010		401							401	401			
B0071410	BOCA RATON	FL		09/29/2010		1,247							1,247	1,247			
B0011903	BOERNE	TX		02/17/2000		79							79	79			
A9122202	BOISE	ID		03/12/2010		218							218	218			
A8111102	BOISE	ID		01/20/2009		114							114	114			
A9092502	BOLINGBROOK	IL		12/15/2009		1,257							1,257	1,257			
A9061604	BORGER	TX		07/30/2009		148							148	148			
B0030502	BOSTON	MA		05/14/2010		505							505	505			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9111702	BOUNTIFUL	UT		01/15/2010		93							93	93			
B0051302	BOWMANSVILLE	NY		07/26/2010		770							770	770			
B0071504	BREA	CA		10/01/2010		1,284							1,284	1,284			
A8121505	BROCKTON	MA		01/29/2009		900							900	900			
B0090103	BRONX	NY		11/23/2010		369							369	369			
B0090104	BRONX	NY		11/23/2010		369							369	369			
A9032001	BRONX	NY		06/16/2009		199							199	199			
A9102702	BROOKSHIRE	TX		11/24/2009		80							80	80			
B0062506	BROWNSBURG	IN		09/28/2010		1,436							1,436	1,436			
A9061101	BRYAN	TX		07/01/2009		148							148	148			
A9032102	BULLARD	TX		05/21/2009		218							218	218			
B0071411	BURBANK	CA		10/07/2010		518							518	518			
B0062902	BURBANK	CA		09/02/2010		373							373	373			
A9021701	BURBANK	CA		04/01/2009		352							352	352			
B0052004	BURLINGTON	KS		07/01/2010		64							64	64			
A9021905	BURLINGTON	WA		04/15/2009		312							312	312			
A9060801	BURLINGTON	WA		07/31/2009		602							602	602			
B0090102	BYRAM	MS		11/10/2010		329							329	329			
A9091703	CALERA	OK		11/24/2009		53							53	53			
B0071203	CAMERON	NC		09/23/2010		747							747	747			
B0072306	CAMPBELL	CA		10/19/2010		878							878	878			
A9102004	CANOGA PARK	CA		12/31/2009		1,093							1,093	1,093			
B0042301	CANOGA PARK	CA		03/23/2000		576							576	576			
B0012502	CANTON	TX		02/11/2010		199							199	199			
B0021905	CANYON LAKE	TX		03/18/2010		130							130	130			
B0032503	CAPE CORAL	FL		07/23/2010		883							883	883			
B0082401	CARROLLTON	TX		11/01/2010		222							222	222			
A9102302	CARSON	CA		12/23/2009		1,204							1,204	1,204			
B0061405	CARSON	CA		08/31/2010		1,165							1,165	1,165			
B0030101	CARY	NC		05/07/2010		296							296	296			
B0072001	CASTLE ROCK	CO		09/30/2010		443							443	443			
B0071302	CATHEDRAL CITY	CA		09/08/2010		745							745	745			
B0061002	CEDAR HILL	TX		08/20/2010		231							231	231			
A9062501	CENTEREACH	NY		08/25/2009		862							862	862			
B0011102	CENTRALIA	WA		03/18/2010		239							239	239			

SCHEDULE D - PART 3

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
384109-10-4	GRACO INC		06/20/2011	BERNSTEIN	1,557.000	76,287			L
387328-10-7	GRANITE CONSTRUCTION INC.		06/20/2011	VARIOUS	2,181.000	59,198			L
391164-10-0	GREAT PLAINS ENERGY INC.		05/09/2011	BERNSTEIN	1,155.000	24,000			L
393122-10-6	GREEN MOUNTAIN COFFEE ROASTE		06/08/2011	BERNSTEIN	2,627.000	201,307			L
395259-10-4	GREENHILL & CO INC		05/09/2011	BERNSTEIN	405.000	23,327			L
397624-10-7	GREIF INC. (CL A)		05/09/2011	BERNSTEIN	347.000	21,792			L
401617-10-5	GUESS? INC		05/09/2011	BERNSTEIN	1,201.000	49,656			L
410120-10-9	HANCOCK HOLDING CO.		06/08/2011	BERNSTEIN	10,019.000	309,436			L
410345-10-2	HANESBRANDS INC		05/09/2011	BERNSTEIN	1,858.000	59,474			L
411310-10-5	HANSEN NATURAL CORP.		05/09/2011	BERNSTEIN	1,162.000	76,319			L
415864-10-7	HARSCO CORP.		06/20/2011	BERNSTEIN	2,109.000	70,609			L
416196-10-3	HARTE-HANKS INC.		05/09/2011	BERNSTEIN	857.000	7,573			L
419870-10-0	HAWAIIAN ELECTRIC INDUSTRIES INC.		05/09/2011	BERNSTEIN	1,265.000	33,014			L
404132-10-2	HCC INSURANCE HOLDINGS INC.		05/09/2011	BERNSTEIN	1,431.000	45,868			L
421933-10-2	HEALTH MANAGEMENT ASSOCIATES INC.		05/09/2011	BERNSTEIN	4,756.000	54,778			L
42222G-10-8	HEALTH NET INC.		05/09/2011	BERNSTEIN	1,381.000	45,344			L
42330P-10-7	HELIX ENERGY SOLUTIONS GROUP INC.		05/09/2011	BERNSTEIN	1,797.000	30,997			L
806407-10-2	HENRY SCHEIN INC.		05/09/2011	BERNSTEIN	1,599.000	116,571			L
600544-10-0	HERMAN MILLER INC.		06/20/2011	BERNSTEIN	1,485.000	35,721			L
431284-10-8	HIGHWOODS PROPERTIES INC.		05/09/2011	BERNSTEIN	1,206.000	43,159			L
431475-10-2	HILL-ROM HOLDINGS INC.		06/20/2011	BERNSTEIN	1,550.000	70,968			L
404251-10-0	HNI CORP.		05/09/2011	VARIOUS	1,154.000	31,248			L
435758-30-5	HOLLY CORP		06/28/2011	MORGAN STANLEY	6,543.000	429,459			L
436440-10-1	HOLOGIC INC.		05/09/2011	BERNSTEIN	4,468.000	100,534			L
44106M-10-2	HOSPITALITY PROPERTIES TRUST		05/09/2011	BERNSTEIN	2,195.000	52,889			L
443510-20-1	HUBBELL INC. (CL B)		05/09/2011	BERNSTEIN	1,103.000	74,184			L
446413-10-6	HUNTINGTON INGALLS INDUSTRIES INC.		05/09/2011	VARIOUS	5,861.000	234,717			L
451107-10-6	IDACORP INC.		05/09/2011	BERNSTEIN	285.000	11,273			L
45167R-10-4	IDEX CORP.		05/09/2011	BERNSTEIN	1,619.000	74,400			L
45168D-10-4	IDEXX LABORATORIES INC.		05/09/2011	BERNSTEIN	910.000	74,423			L
452526-10-6	IMMUCOR INC		05/09/2011	BERNSTEIN	1,129.000	23,685			L
45666Q-10-2	INFORMATICA CORP.		05/09/2011	BERNSTEIN	2,914.000	154,535			L
457153-10-4	INGRAM MICRO INC. (CL A)		05/09/2011	BERNSTEIN	2,735.000	51,738			L
458118-10-6	INTEGRATED DEVICE TECHNOLOGY INC.		06/20/2011	BERNSTEIN	6,020.000	47,061			L
459044-10-3	INTERNATIONAL BANCSHARES CORP.		06/20/2011	BERNSTEIN	2,587.000	42,583			L
460254-10-5	INTERNATIONAL RECTIFIER CORP.		05/09/2011	BERNSTEIN	1,292.000	41,380			L
460335-20-1	INTERNATIONAL SPEEDWAY CORP. (CL A		05/09/2011	BERNSTEIN	198.000	5,865			L
46069S-10-9	INTERSIL CORP -CL A		05/09/2011	BERNSTEIN	2,288.000	35,001			L
46121Y-10-2	INTREPID POTASH INC.		05/09/2011	BERNSTEIN	739.000	23,122			L
465741-10-6	ITRON INC		05/09/2011	BERNSTEIN	675.000	35,659			L
45068B-10-9	ITT EDUCATIONAL SERVICES INC.		05/09/2011	BERNSTEIN	425.000	29,852			L
445658-10-7	J.B. HUNT TRANSPORT SERVICES INC.		05/09/2011	BERNSTEIN	1,544.000	71,985			L

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SCHEDULE D - PART 3

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
426281-10-1	JACK HENRY & ASSOCIATES INC.		05/09/2011	BERNSTEIN	1,231.000	38,900			L
472319-10-2	JEFFERIES GROUP INC.		06/20/2011	BERNSTEIN	5,115.000	118,676			L
477143-10-1	JETBLUE AIRWAYS CORP.		05/09/2011	BERNSTEIN	3,493.000	20,454			L
968223-20-6	JOHN WILEY & SONS INC. (CL A)		05/09/2011	BERNSTEIN	694.000	35,397			L
48020Q-10-7	JONES LANG LASALLE INC		06/20/2011	BERNSTEIN	934.000	91,494			L
485170-30-2	KANSAS CITY SOUTHERN		06/20/2011	BERNSTEIN	3,223.000	181,053			L
48666K-10-9	KB HOME		05/09/2011	BERNSTEIN	1,535.000	17,804			L
48242W-10-6	KBR INC.		06/20/2011	BERNSTEIN	3,445.000	127,868			L
489170-10-0	KENNAMETAL INC		06/20/2011	BERNSTEIN	2,088.000	83,265			L
494580-10-3	KINDRED HEALTHCARE INC		06/08/2011	BERNSTEIN	2,113.000	50,321			L
49460W-20-8	KINETIC CONCEPTS INC.		05/09/2011	BERNSTEIN	1,103.000	64,925			U
497266-10-6	KIRBY CORP.		05/09/2011	BERNSTEIN	793.000	43,644			L
500643-20-0	KORN/FERRY INTERNATIONAL		06/20/2011	BERNSTEIN	1,966.000	40,339			L
512807-10-8	LAM RESEARCH CORP.		06/20/2011	BERNSTEIN	2,427.000	115,637			L
512815-10-1	LAMAR ADVERTISING CO. (CL A)		05/09/2011	VARIOUS	1,125.000	35,457			L
513847-10-3	LANCASTER COLONY CORP		05/09/2011	BERNSTEIN	279.000	16,969			L
515098-10-1	LANDSTAR SYSTEM INC.		06/20/2011	BERNSTEIN	1,105.000	51,163			L
52602E-10-2	LENDER PROCESSING SERVICES INC.		05/09/2011	BERNSTEIN	1,169.000	33,141			L
526107-10-7	LENNOX INTERNATIONAL INC.		05/09/2011	BERNSTEIN	762.000	37,512			L
531172-10-4	LIBERTY PROPERTY TRUST		05/09/2011	BERNSTEIN	1,638.000	57,171			L
53217R-20-7	LIFE TIME FITNESS INC.		05/09/2011	BERNSTEIN	751.000	28,226			L
53219L-10-9	LIFEPOINT HOSPITALS COMMON STK		05/09/2011	BERNSTEIN	665.000	28,599			L
532791-10-0	LINCARE HOLDINGS INC.		05/09/2011	BERNSTEIN	1,479.000	45,644			L
533900-10-6	LINCOLN ELECTRIC HOLDINGS INC.		06/20/2011	BERNSTEIN	1,188.000	73,133			L
501889-20-8	LKQ CORP		05/09/2011	BERNSTEIN	2,440.000	61,377			L
546347-10-5	LOUISIANA-PACIFIC CORP.		05/09/2011	BERNSTEIN	2,524.000	21,848			L
549271-10-4	LUBRIZOL CORP.		05/09/2011	BERNSTEIN	1,183.000	158,858			L
552676-10-8	M.D.C. HOLDINGS INC.		05/09/2011	VARIOUS	1,953.000	50,585			L
554382-10-1	MACERICH CO.		06/20/2011	BERNSTEIN	2,562.000	130,336			L
554489-10-4	MACK-CALI REALTY CORP.		05/09/2011	BERNSTEIN	1,357.000	47,144			L
56418H-10-0	MANPOWERGROUP		06/20/2011	BERNSTEIN	1,765.000	111,065			L
564563-10-4	MANTECH INTERNATIONAL CORP. (CL A)		05/09/2011	BERNSTEIN	207.000	8,986			L
573284-10-6	MARTIN MARIETTA MATERIALS INC.		05/09/2011	BERNSTEIN	726.000	62,987			L
574795-10-0	MASIMO CORP.		05/09/2011	BERNSTEIN	1,040.000	33,348			L
577128-10-1	MATTHEWS INTERNATIONAL CORP. (CL A		05/09/2011	BERNSTEIN	509.000	19,866			L
552690-10-9	MDU RESOURCES GROUP INC.		05/09/2011	BERNSTEIN	3,140.000	73,657			L
584690-30-9	MEDICIS PHARMACEUTICAL CORP.		05/09/2011	BERNSTEIN	904.000	34,697			L
58502B-10-6	MEDNAX INC.		05/09/2011	BERNSTEIN	914.000	67,379			L
587200-10-6	MENTOR GRAPHICS CORP.		05/09/2011	BERNSTEIN	1,420.000	20,581			L
589400-10-0	MERCURY GENERAL CORP.		05/09/2011	BERNSTEIN	550.000	22,373			L
589433-10-1	MEREDITH CORP		05/09/2011	BERNSTEIN	306.000	9,879			L
592688-10-5	METTLER-TOLEDO INTERNATIONAL INC.		06/20/2011	BERNSTEIN	569.000	98,057			L

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SCHEDULE D - PART 3

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
594901-10-0	MICROS SYSTEMS INC		05/09/2011	BERNSTEIN	1,478.000	74,369			L
602720-10-4	MINE SAFETY APPLIANCES CO.		06/20/2011	BERNSTEIN	946.000	35,348			L
603158-10-6	MINERALS TECHNOLOGIES INC.		05/09/2011	BERNSTEIN	255.000	17,118			L
608190-10-4	MOHAWK INDUSTRIES INC.		06/20/2011	BERNSTEIN	1,349.000	88,173			L
553530-10-6	MSC INDUSTRIAL DIRECT CO. (CL A)		05/09/2011	BERNSTEIN	948.000	67,274			L
55354G-10-0	MSCI INC. (CL A)		06/20/2011	BERNSTEIN	2,633.000	99,447			L
636180-10-1	NATIONAL FUEL GAS CO.		05/09/2011	BERNSTEIN	1,453.000	106,789			L
636518-10-2	NATIONAL INSTRUMENTS CORP.		05/09/2011	BERNSTEIN	1,557.000	45,565			L
638620-10-4	NATIONWIDE HEALTH PROPERTIES INC.		05/09/2011	BERNSTEIN	1,992.000	85,153			L
62886E-10-8	NCR CORP.		05/09/2011	BERNSTEIN	2,940.000	57,829			L
64126X-20-1	NEUSTAR INC. (CL A)		05/09/2011	BERNSTEIN	1,147.000	29,959			L
649445-10-3	NEW YORK COMMUNITY BANCORP INC.		05/09/2011	BERNSTEIN	7,012.000	113,324			L
650111-10-7	NEW YORK TIMES CO		05/09/2011	BERNSTEIN	2,113.000	16,578			L
651587-10-7	NEWMARKET CORP		05/09/2011	BERNSTEIN	101.000	18,197			L
655663-10-2	NORDSON CORP.		06/20/2011	BERNSTEIN	1,691.000	89,574			L
665531-10-9	NORTHERN OIL & GAS INC.		05/09/2011	VARIOUS	1,130.000	27,469			U
67019E-10-7	NSTAR		05/09/2011	BERNSTEIN	1,321.000	60,988			L
67073Y-10-6	NV ENERGY INC.		05/09/2011	BERNSTEIN	3,208.000	49,713			L
62944T-10-5	NVR INC.		05/09/2011	BERNSTEIN	114.000	83,976			L
675232-10-2	OCEANEERING INTL INC		06/20/2011	BERNSTEIN	1,270.000	84,032			L
676220-10-6	OFFICE DEPOT INC COMMON STK		05/09/2011	BERNSTEIN	4,904.000	20,995			L
670837-10-3	OGE ENERGY CORP		05/09/2011	BERNSTEIN	1,568.000	79,720			L
678026-10-5	OIL STATES INTERNATIONAL INC.		06/20/2011	BERNSTEIN	6,355.000	515,119			L
680223-10-4	OLD REPUBLIC INTERNATIONAL CORP.		05/09/2011	BERNSTEIN	4,508.000	56,248			L
680665-20-5	OLIN CORP.		05/09/2011	BERNSTEIN	1,275.000	31,895			L
681936-10-0	OMEGA HEALTHCARE INVESTORS		06/08/2011	BERNSTEIN	1,569.000	33,280			L
681904-10-8	OMNICARE INC		05/09/2011	BERNSTEIN	2,064.000	67,597			L
688239-20-1	OSHKOSH CORP		05/09/2011	BERNSTEIN	1,512.000	46,153			L
690368-10-5	OVERSEAS SHIPHOLDING GROUP INC.		05/09/2011	BERNSTEIN	274.000	8,237			L
690732-10-2	OWENS & MINOR INC.		05/09/2011	BERNSTEIN	954.000	32,819			L
695156-10-9	PACKAGING CORP. OF AMERICA		05/09/2011	BERNSTEIN	1,851.000	53,134			L
695263-10-3	PACWEST BANCORP.		05/09/2011	BERNSTEIN	1,007.000	21,583			L
69840W-10-8	PANERA BREAD COMPANY-CL A		05/09/2011	BERNSTEIN	635.000	75,806			L
699173-20-9	PARAMETRIC TECHNOLOGY CORP. COM STOCK		06/20/2011	BERNSTEIN	2,911.000	65,588			L
70336T-10-4	PATRIOT COAL CORP.		05/09/2011	BERNSTEIN	1,619.000	40,401			L
703481-10-1	PATTERSON-UTI ENERGY INC		05/09/2011	BERNSTEIN	2,447.000	70,977			L
709631-10-5	PENTAIR INC		05/09/2011	BERNSTEIN	1,726.000	68,110			L
714290-10-3	PERRIGO CO.		05/09/2011	BERNSTEIN	1,402.000	122,675			L
716768-10-6	PETSMART INC		05/09/2011	BERNSTEIN	1,682.000	71,441			L
717124-10-1	PHARMACEUTICAL PRODUCT DEVEL		05/09/2011	BERNSTEIN	1,292.000	37,874			L
718592-10-8	PHILLIPS-VAN HEUSEN CORP.		05/09/2011	BERNSTEIN	1,184.000	81,586			L
726505-10-0	PLAINS EXPLORATION & PRODUCTION CO		06/20/2011	BERNSTEIN	2,756.000	99,432			L

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SCHEDULE D - PART 3

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

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727493-10-8	PLANTRONICS INC		06/20/2011	BERNSTEIN	1,541.000	56,566			L
69349H-10-7	PNM RESOURCES INC.		05/09/2011	BERNSTEIN	1,580.000	24,414			L
731068-10-2	POLARIS INDUSTRIES INC.		05/09/2011	BERNSTEIN	619.000	64,673			L
73172K-10-4	POLYCOM INC.		05/09/2011	BERNSTEIN	1,654.000	98,368			L
737630-10-3	POTLATCH CORP.		05/09/2011	BERNSTEIN	514.000	19,100			L
74153Q-10-2	PRIDE INTERNATIONAL		05/09/2011	BERNSTEIN	3,068.000	128,835			L
74340W-10-3	PROLOGIS INC.		05/09/2011	BERNSTEIN	2,942.000	104,197			L
743606-10-5	PROSPERITY BANCSHARES INC		06/08/2011	BERNSTEIN	827.000	36,399			L
743674-10-3	PROTECTIVE LIFE CORP.		06/20/2011	BERNSTEIN	2,578.000	62,410			L
747277-10-1	QLOGIC CORP		05/09/2011	BERNSTEIN	1,537.000	27,126			L
74834T-10-3	QUEST SOFTWARE INC		05/09/2011	BERNSTEIN	1,142.000	26,035			L
748356-10-2	QUESTAR CORP		05/09/2011	BERNSTEIN	2,826.000	48,522			L
74837R-10-4	QUICKSILVER RESOURCES INC		05/09/2011	BERNSTEIN	2,334.000	33,704			L
750086-10-0	RACKSPACE HOSTING INC.		06/20/2011	BERNSTEIN	2,147.000	91,150			L
750438-10-3	RADIOSHACK CORP.		06/28/2011	MORGAN STANLEY	12,818.000	165,023			L
751028-10-1	RALCORP HOLDINGS INC		05/09/2011	BERNSTEIN	838.000	75,453			L
754730-10-9	RAYMOND JAMES FINANCIAL INC		06/20/2011	BERNSTEIN	2,466.000	85,176			L
754907-10-3	RAYONIER INC. REIT		05/09/2011	BERNSTEIN	1,283.000	84,405			L
756109-10-4	REALTY INCOME CORP.		06/08/2011	BERNSTEIN	2,525.000	89,191			L
758750-10-3	REGAL BELOIT CORP		05/09/2011	BERNSTEIN	618.000	44,757			L
758849-10-3	REGENCY CENTERS CORP.		06/08/2011	BERNSTEIN	2,127.000	94,984			L
758932-10-7	REGIS CORP.		05/09/2011	BERNSTEIN	1,551.000	24,965			L
759351-60-4	REINSURANCE GROUP OF AMERICA INC.		05/09/2011	BERNSTEIN	2,114.000	132,906			L
759509-10-2	RELIANCE STEEL & ALUMINUM CO.		06/20/2011	BERNSTEIN	1,623.000	86,175			L
76009N-10-0	RENT-A-CENTER INC.		06/20/2011	BERNSTEIN	1,848.000	55,617			L
761152-10-7	RESMED INC.		05/09/2011	BERNSTEIN	2,763.000	89,156			L
749941-10-0	RF MICRO DEVICES INC.		05/09/2011	VARIOUS	5,641.000	34,873			L
768573-10-7	RIVERBED TECHNOLOGY INC.		06/20/2011	BERNSTEIN	3,030.000	103,864			L
772739-20-7	ROCK-TENN CO. CL A		06/20/2011	BERNSTEIN	4,369.000	299,041			L
775711-10-4	ROLLINS INC.		05/09/2011	BERNSTEIN	1,303.000	26,374			L
779376-10-2	ROVI CORP.		06/20/2011	VARIOUS	2,411.000	120,928			L
749685-10-3	RPM INTERNATIONAL INC.		05/09/2011	BERNSTEIN	2,261.000	52,275			L
781258-10-8	RUDDICK CORP.		05/09/2011	BERNSTEIN	537.000	22,211			L
783764-10-3	RYLAND GROUP INC.		05/09/2011	VARIOUS	1,272.000	20,866			L
79377W-10-8	SAKS INC		05/09/2011	VARIOUS	3,098.000	36,356			L
807066-10-5	SCHOLASTIC CORP		05/09/2011	BERNSTEIN	193.000	5,015			L
80874P-10-9	SCIENTIFIC GAMES CORP.		05/09/2011	BERNSTEIN	1,659.000	17,184			L
810186-10-6	SCOTTS MIRACLE-GRO CO.		05/09/2011	BERNSTEIN	504.000	30,006			L
784117-10-3	SEI INVESTMENTS CO.		05/09/2011	BERNSTEIN	2,382.000	53,866			L
816850-10-1	SEMTECH CORP		05/09/2011	BERNSTEIN	1,085.000	30,414			L
81721M-10-9	SENIOR HOUSING PROPERTIES TRUST		05/09/2011	BERNSTEIN	1,921.000	44,973			L
81725T-10-0	SENSIENT TECHNOLOGIES CORP		05/09/2011	BERNSTEIN	867.000	32,353			L

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SCHEDULE D - PART 3

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

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817565-10-4	SERVICE CORP. INTERNATIONAL		06/20/2011	BERNSTEIN	5,501.000	63,156			L
820280-10-5	SHAW GROUP INC		05/09/2011	BERNSTEIN	1,469.000	56,933			L
827048-10-9	SILGAN HOLDINGS INC		05/09/2011	BERNSTEIN	488.000	21,883			L
826919-10-2	SILICON LABORATORIES		05/09/2011	BERNSTEIN	647.000	27,737			L
83088M-10-2	SKYWORKS SOLUTIONS INC.		06/20/2011	BERNSTEIN	4,078.000	116,858			L
78440X-10-1	SL GREEN REALTY CORP.		06/08/2011	BERNSTEIN	1,797.000	150,019			L
78454L-10-0	SM ENERGY CO.		05/09/2011	BERNSTEIN	1,130.000	75,901			L
832248-10-8	SMITHFIELD FOODS INC.		05/09/2011	BERNSTEIN	2,512.000	53,418			L
83421A-10-4	SOLERA HOLDINGS INC		05/09/2011	BERNSTEIN	1,105.000	59,552			L
835495-10-2	SONOCO PRODUCTS CO.		05/09/2011	BERNSTEIN	1,169.000	40,878			L
835898-10-7	SOTHEBYS		06/20/2011	BERNSTEIN	1,698.000	75,624			L
844030-10-6	SOUTHERN UNION CO		05/09/2011	BERNSTEIN	2,259.000	65,499			L
844741-10-8	SOUTHWEST AIRLS COMPANY		05/04/2011	DIRECT	4,230.000	48,495			L
784635-10-4	SPX CORP.		06/20/2011	BERNSTEIN	1,170.000	96,250			L
78464R-10-5	SRA INTERNATIONAL INC. (CL A)		05/09/2011	BERNSTEIN	865.000	26,685			L
852891-10-0	STANCORP FINANCIAL GROUP INC.		05/09/2011	BERNSTEIN	781.000	33,246			L
858119-10-0	STEEL DYNAMICS INC.		05/09/2011	BERNSTEIN	3,443.000	58,846			L
859152-10-0	STERIS CORP.		05/09/2011	BERNSTEIN	1,281.000	46,152			L
863236-10-5	STRAYER EDUCATION INC.		05/09/2011	VARIOUS	242.000	32,530			L
868157-10-8	SUPERIOR ENERGY SERVICES INC		05/09/2011	VARIOUS	1,805.000	69,105			L
78486Q-10-1	SVB FINANCIAL GROUP		05/09/2011	BERNSTEIN	914.000	54,545			L
871607-10-7	SYNOPSYS INC.		05/09/2011	BERNSTEIN	2,302.000	62,952			L
87161C-10-5	SYNOVUS FINANCIAL CORP.		05/09/2011	BERNSTEIN	14,084.000	34,365			L
876664-10-3	TAUBMAN CENTERS INC.		05/09/2011	BERNSTEIN	997.000	57,962			L
872275-10-2	TCF FINANCIAL CORP.		05/09/2011	BERNSTEIN	3,211.000	49,424			L
878237-10-6	TECH DATA CORP		05/09/2011	BERNSTEIN	840.000	44,137			L
878377-10-0	TECHNE CORP.		05/09/2011	BERNSTEIN	551.000	43,467			L
879369-10-6	TELEFLEX INC.		05/09/2011	BERNSTEIN	486.000	30,647			L
879433-10-0	TELEPHONE & DATA SYSTEMS INC.		05/09/2011	BERNSTEIN	1,575.000	55,102			L
879868-10-7	TEMPLE-INLAND INC.		06/20/2011	BERNSTEIN	2,394.000	59,148			L
880779-10-3	TEREX CORP.		06/20/2011	BERNSTEIN	2,457.000	76,342			L
216648-40-2	THE COOPER COS INC		04/05/2011	BARCLAYS CAPITAL	5,624.000	390,807			L
410867-10-5	THE HANOVER INSURANCE GROUP INC.		06/08/2011	BERNSTEIN	1,403.000	58,438			L
884315-10-2	THOMAS & BETTS CORP		05/09/2011	BERNSTEIN	980.000	55,919			L
885160-10-1	THOR INDUSTRIES INC.		06/08/2011	BERNSTEIN	745.000	22,279			L
885175-30-7	THORATEC CORP.		05/09/2011	BERNSTEIN	976.000	32,421			L
88632Q-10-3	TIBCO SOFTWARE INC.		06/20/2011	BERNSTEIN	3,322.000	95,573			L
886423-10-2	TIDEWATER INC		05/09/2011	BERNSTEIN	737.000	41,115			L
887100-10-5	TIMBERLAND CO-CL A		05/09/2011	BERNSTEIN	687.000	22,162			L
887389-10-4	TIMKEN CO.		06/20/2011	BERNSTEIN	1,903.000	98,856			L
889478-10-3	TOLL BROTHERS INC.		05/09/2011	BERNSTEIN	2,777.000	56,086			L
890516-10-7	TOOTSIE ROLL INDUSTRIES INC.		05/09/2011	BERNSTEIN	239.000	6,934			L

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891894-10-7	TOWERS WATSON & CO		05/09/2011	BERNSTEIN	612.000	37,970			L
892356-10-6	TRACTOR SUPPLY COMPANY		05/09/2011	BERNSTEIN	1,169.000	70,782			L
893521-10-4	TRANSATLANTIC HOLDINGS INC.		05/09/2011	BERNSTEIN	1,062.000	51,088			L
896239-10-0	TRIMBLE NAVIGATION LTD.		06/08/2011	BERNSTEIN	2,309.000	101,678			L
896522-10-9	TRINITY INDUSTRIES INC.		06/20/2011	BERNSTEIN	1,990.000	66,202			L
896818-10-1	TRIUMPH GROUP INC		06/08/2011	BERNSTEIN	2,319.000	213,492			L
898402-10-2	TRUSTMARK CORP.		05/09/2011	BERNSTEIN	913.000	21,300			L
899896-10-4	TUPPERWARE BRANDS CORP		06/20/2011	BERNSTEIN	1,239.000	80,207			L
87311L-10-4	TW TELECOM INC		05/09/2011	BERNSTEIN	2,683.000	58,686			L
902653-10-4	UDR INC.		05/09/2011	BERNSTEIN	3,051.000	77,393			L
902681-10-5	UGI CORP.		05/09/2011	BERNSTEIN	1,807.000	58,629			L
904311-10-7	UNDER ARMOUR INC. (CL A)		05/09/2011	BERNSTEIN	628.000	41,426			L
909218-10-9	UNIT CORP		05/09/2011	BERNSTEIN	717.000	40,091			L
911363-10-9	UNITED RENTALS INC.		05/09/2011	BERNSTEIN	1,036.000	28,106			L
91307C-10-2	UNITED THERAPEUTICS CORP.		05/09/2011	BERNSTEIN	713.000	47,113			L
913275-10-3	UNITRIN INC.		06/20/2011	BERNSTEIN	1,778.000	52,629			L
913456-10-9	UNIVERSAL CORP.		05/09/2011	BERNSTEIN	62.000	2,645			L
913903-10-0	UNIVERSAL HEALTH SERVICES INC. CL		05/09/2011	BERNSTEIN	1,614.000	89,685			L
903236-10-7	URS CORP.		06/20/2011	BERNSTEIN	1,646.000	73,404			L
919794-10-7	VALLEY NATIONAL BANCORP		05/09/2011	BERNSTEIN	3,723.000	50,554			L
920253-10-1	VALMONT INDUSTRIES INC.		05/09/2011	BERNSTEIN	407.000	41,873			L
920355-10-4	VALSPAR CORP.		05/09/2011	BERNSTEIN	1,054.000	40,813			L
92046N-10-2	VALUECLICK INC.		05/09/2011	BERNSTEIN	1,417.000	25,927			L
922207-10-5	VARIAN SEMICONDUCTOR EQUIP		05/09/2011	BERNSTEIN	1,121.000	68,502			L
918194-10-1	VCA ANTECH INC.		05/09/2011	BERNSTEIN	1,141.000	27,564			L
92240G-10-1	VECTREN CORPORATION		06/08/2011	BERNSTEIN	1,490.000	41,759			L
92532F-10-0	VERTEX PHARMACEUTICALS INC.		05/09/2011	BERNSTEIN	3,732.000	215,634			L
928298-10-8	VISHAY INTERTECHNOLOGY INC.		05/09/2011	BERNSTEIN	2,719.000	45,973			L
084423-10-2	W.R. BERKLEY CORP.		05/09/2011	BERNSTEIN	1,613.000	52,104			L
929740-10-8	WABTEC COMMON STK		06/20/2011	BERNSTEIN	1,003.000	68,257			L
930059-10-0	WADDELL & REED FINANCIAL-A		06/20/2011	BERNSTEIN	2,570.000	99,890			L
934390-40-2	WARNACO GROUP INC/THE		05/09/2011	BERNSTEIN	808.000	45,867			L
938824-10-9	WASHINGTON FEDERAL INC.		05/09/2011	BERNSTEIN	1,927.000	29,774			L
941053-10-0	WASTE CONNECTIONS INC.		06/08/2011	BERNSTEIN	1,799.000	55,237			L
942622-20-0	WATSCO INC.		05/09/2011	BERNSTEIN	456.000	31,833			L
947890-10-9	WEBSTER FINANCIAL CORP.		05/09/2011	BERNSTEIN	1,340.000	28,132			L
948741-10-3	WEINGARTEN REALTY INVESTORS		05/09/2011	BERNSTEIN	2,205.000	57,808			L
94946T-10-6	WELLCARE HEALTH PLANS INC.		06/20/2011	BERNSTEIN	1,100.000	53,701			L
950587-10-5	WENDY'S/ARBY'S A EQUITY		05/09/2011	BERNSTEIN	5,722.000	27,901			L
950755-10-8	WERNER ENTERPRISES INC.		05/09/2011	BERNSTEIN	589.000	15,338			L
957090-10-3	WESTAMERICA BANCORP		05/09/2011	BERNSTEIN	318.000	15,866			L
95709T-10-0	WESTAR ENERGY INC.		05/09/2011	BERNSTEIN	1,403.000	38,148			L

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92924F-10-6	WGL HOLDINGS INC.		05/09/2011	BERNSTEIN	541.000	21,075			L
969904-10-1	WILLIAMS-SONOMA INC		05/09/2011	BERNSTEIN	1,673.000	71,858			L
929297-10-9	WMS INDUSTRIES INC		05/09/2011	BERNSTEIN	1,084.000	36,165			L
980745-10-3	WOODWARD INC.		06/20/2011	BERNSTEIN	1,874.000	64,380			L
981811-10-2	WORTHINGTON INDUSTRIES		06/20/2011	BERNSTEIN	2,099.000	42,951			L
989207-10-5	ZEBRA TECHNOLOGIES CORP-CL A		05/09/2011	BERNSTEIN	1,040.000	43,614			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	27,786,080	X X X		X X X
9799997	Total Common Stock Part 3				X X X	27,786,080	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stock				X X X	27,786,080	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	27,786,080	X X X		X X X
9999999	Totals				X X X	75,283,854	X X X	73,085	X X X

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
137001-AE-3	CANAL BARGE CO - GTD		05/14/2011	SINKING FUND REDE		206,000	206,000.00	216,078	206,383		(383)		(383)		206,000				6,051	11/14/2026	1
29358B-AA-0	ENSCO OFFSHORE COMPANY - GTD		06/01/2011	SINKING FUND REDE		13,333	13,333.00	14,699	13,348		(16)		(16)		13,333				424	12/01/2015	1
3136F7-J6-5	FANNIE MAE		06/27/2011	DIRECT		6,035,000	6,035,000.00	6,149,665	6,049,297		(14,297)		(14,297)		6,035,000				196,138	06/27/2036	1
36202E-7J-2	G2 4497		06/01/2011	MBS PAYMENT		1,507,951	1,507,951.00	1,544,590	1,510,977		(3,026)		(3,026)		1,507,951				34,000	03/01/2037	1
3620AC-DD-3	GNMA II REVERSE MTG - FIXED-RAT		05/01/2011	MBS PAYMENT		12,655	12,655.00	13,799	12,682		(27)		(27)		12,655				290	02/01/2022	1
3620AC-DK-7	GNMA II REVERSE MTG - FIXED-RAT		04/01/2011	MBS PAYMENT		2,016	2,016.00	2,145	2,018		(3)		(3)		2,016				37	07/01/2021	1
3620AC-DT-8	GNMA II REVERSE MTG - FIXED-RAT		05/01/2011	MBS PAYMENT		30,726	30,726.00	32,946	30,741		(15)		(15)		30,726				694	03/18/2024	1
3620AH-L5-0	GNMA II REVERSE MTG - FIXED-RAT		06/01/2011	MBS PAYMENT		107,218	107,218.00	113,648	107,435		(217)		(217)		107,218				2,584	03/04/2021	1
3620AH-LY-7	GNMA II REVERSE MTG - FIXED-RAT		05/01/2011	MBS PAYMENT		655,437	655,437.00	713,438	656,671		(1,234)		(1,234)		655,437				12,965	10/09/2019	1
3620AH-MA-8	GNMA II REVERSE MTG - FIXED-RAT		04/01/2011	MBS PAYMENT		33,928	33,928.00	36,693	33,971		(43)		(43)		33,928				625	09/28/2021	1
83162C-MR-1	SBAP_02-20L		06/01/2011	MBS PAYMENT		188,920	188,920.00	188,920	188,920						188,920				4,889	12/01/2022	1
83162C-SD-6	SBAP_08-20K		05/01/2011	MBS PAYMENT		218,529	218,529.00	218,529	218,529						218,529				7,492	11/01/2028	1
831641-DY-8	SBIC_05-P10B		05/01/2011	MBS PAYMENT		331,098	331,098.00	331,098	331,098						331,098				8,111	08/01/2015	1
0599999	Total - Bonds - U.S. Governments				X X X	9,342,811	9,342,811.00	9,576,248	9,362,070		(19,261)		(19,261)		9,342,811				274,320	X X X	X X X
011832-N5-7	AK HSG-AMT-B-HM-MTG		06/01/2011	DIRECT		760,000	760,000.00	760,000	760,000						760,000				17,290	12/01/2021	1FE
01030R-CT-7	ALABAMA HSG-AMT-REF-B		04/01/2011	DIRECT		320,000	320,000.00	320,000	320,000						320,000				7,400	10/01/2027	1FE
041083-PD-2	AR DEV SFM		06/01/2011	DIRECT		505,000	505,000.00	512,828	509,724		(294)		(294)		509,430		(4,430)	(4,430)	19,865	07/01/2032	1FE
041083-NC-6	AR DEV SFM-AMT PROG-C		06/01/2011	DIRECT		10,000	10,000.00	9,980	9,998		1		1		9,999		1	1	376	07/01/2011	1FE
041083-NE-2	AR DEV SFM-AMT PROG-C		06/01/2011	DIRECT		75,000	75,000.00	75,000	75,000						75,000				3,061	07/01/2016	1FE
041083-NF-9	AR DEV SFM-AMT PROG-C		06/01/2011	DIRECT		75,000	75,000.00	75,000	75,000						75,000				3,259	07/01/2021	1FE
041083-NG-7	AR DEV SFM-AMT PROG-C		05/02/2011	DIRECT		5,000	5,000.00	4,990	4,992						4,991		9	9	208	07/01/2026	1FE
081331-AA-8	BELVOIR LAND LLC		06/15/2011	SINKING FUND REDE		75,000	75,000.00	75,000	75,000						75,000				1,691	12/15/2015	1FE
31297T-PD-9	FG A37620		06/01/2011	MBS PAYMENT		88,303	88,303.00	87,738	88,191		112		112		88,303				1,651	04/01/2035	1
31297T-Z2-2	FG A37961		06/01/2011	MBS PAYMENT		124,352	124,352.00	123,886	124,276		76		76		124,352				2,120	01/01/2035	1
312971-K9-4	FG B18420		06/01/2011	MBS PAYMENT		40,982	40,982.00	42,070	40,962		20		20		40,982				957	01/01/2015	1
31356H-GC-5	FG D54695		06/01/2011	MBS PAYMENT		755	755.00	779	755		(1)		(1)		755				25	07/01/2024	1
3128MT-S5-8	FG H01440		06/01/2011	MBS PAYMENT		1,024	1,024.00	983	1,018		6		6		1,024				23	02/01/2036	1
3128PS-K5-5	FGOLD 10YR		06/01/2011	MBS PAYMENT		873,359	873,359.00	911,842	876,609		(3,250)		(3,250)		873,359				13,114	07/01/2020	1FE
31394K-M5-0	FHLMC_2686		06/01/2011	MBS PAYMENT		269,633	269,633.00	273,594	269,757		(124)		(124)		269,633				5,571	12/01/2011	1
31392M-QA-3	FHR 2462 EV		06/01/2011	MBS PAYMENT		784,935	784,935.00	811,671	785,167		(233)		(233)		784,935				18,316	06/01/2011	1
31394N-KB-3	FHR 2742 LB		06/01/2011	MBS PAYMENT		277,148	277,148.00	281,045	277,363		(215)		(215)		277,148				5,724	09/01/2011	1
31394W-JJ-8	FHR 2776 OL		06/01/2011	MBS PAYMENT		420,672	420,672.00	414,231	419,644		1,029		1,029		420,672				7,882	09/01/2011	1
3137A3-ZP-7	FHR 3777 AC		06/01/2011	MBS PAYMENT		231,481	231,481.00	236,436	231,742		(261)		(261)		231,481				3,374	03/01/2023	1
31374W-WC-2	FN 326543		06/01/2011	MBS PAYMENT		247	247.00	254	247						247				7	06/01/2025	1
31377T-BT-2	FN 386250		05/01/2011	VARIOUS		443,181	443,181.00	432,656	441,167		2,014		2,014		443,181				7,656	05/01/2011	1

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 3

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
31408B-RF-7	FN 846586		06/01/2011	MBS PAYMENT		85,273	85,273.00	84,713	85,211		62		62		85,273				1,837	03/01/2035	1
31413E-2Z-7	FN 943692		06/01/2011	MBS PAYMENT		1,324	1,324.00	1,337	1,324						1,324				36	09/01/2046	1
31417Y-MF-1	FNMA 10YR		06/01/2011	MBS PAYMENT		672,311	672,311.00	697,657	675,873		(3,562)		(3,562)		672,311				11,387	11/01/2019	1
31417Y-UY-1	FNMA 10YR		06/01/2011	MBS PAYMENT		478,122	478,122.00	500,653	479,722		(1,599)		(1,599)		478,122				7,149	10/01/2020	1
31417Y-VX-2	FNMA 10YR		06/01/2011	MBS PAYMENT		506,537	506,537.00	527,353	507,938		(1,400)		(1,400)		506,537				7,467	11/01/2020	1
31417Y-WQ-6	FNMA 10YR		06/01/2011	MBS PAYMENT		936,795	936,795.00	975,731	938,748		(1,953)		(1,953)		936,795				11,238	12/01/2020	1
31381Q-Y4-2	FNMA 7YR MULTI BALLOON		06/01/2011	MBS PAYMENT		3,153	3,153.00	3,170							3,153				10	05/01/2018	1
31371M-AB-3	FNMA POOL # 255702		06/01/2011	MBS PAYMENT		84,404	84,404.00	84,351	84,412		(8)		(8)		84,404				1,673	10/01/2024	1
31371M-MM-6	FNMA POOL # 256064		06/01/2011	MBS PAYMENT		79,579	79,579.00	79,107	79,520		59		59		79,579				1,781	07/01/2025	1
31371M-QE-0	FNMA POOL # 256153		06/01/2011	MBS PAYMENT		134,048	134,048.00	133,964	134,054		(6)		(6)		134,048				3,051	08/01/2025	1
31397S-MX-9	FNMA_11-28A		06/01/2011	MBS PAYMENT		469,908	469,908.00	484,005			(171)		(171)		469,908				3,153	07/01/2024	1
313602-4D-3	FNR 1989-68 H		06/01/2011	MBS PAYMENT		316	316.00	330	317		(1)		(1)		316				10	04/01/2019	1
31397Q-F5-2	FNR_11-18B_AC		06/01/2011	MBS PAYMENT		234,240	234,240.00	242,100			(221)		(221)		234,240				2,342	04/01/2024	1
37358M-BC-4	GA RD/TWY AUTH-A-FED		06/01/2011	MATURITY		1,000,000	1,000,000.00	1,062,980	1,018,499		(18,499)		(18,499)		1,000,000				25,000	06/01/2011	1FE
373377-AF-7	GA RD/TWY FED HWY BDS		06/01/2011	MATURITY		1,000,000	1,000,000.00	1,056,040	1,008,209		(8,209)		(8,209)		1,000,000				25,000	06/01/2011	1FE
362762-FQ-4	GAINESVL ETC HOSP-NOR		05/16/2011	DIRECT		4,000,000	4,000,000.00	3,919,840	3,934,427		769		769		3,935,196		64,804	64,804	110,000	05/15/2031	1Z
38375B-HL-9	GNR 2010-H22 JA		04/01/2011	MBS PAYMENT		20,843	20,843.00	20,843	20,843						20,843				191	11/01/2060	1
38375B-GM-8	GNR 2010-H24 HA		06/01/2011	MBS PAYMENT		52,632	52,632.00	52,370	52,631						52,632				721	11/01/2060	1
38375B-JH-6	GNR 2010-H27 JA		05/01/2011	MBS PAYMENT		3,248	3,248.00	3,248	3,248						3,248				41	02/01/2026	1
38375B-HW-5	GNR 2010-H28 HA		06/01/2011	MBS PAYMENT		6,254	6,254.00	6,261	6,255		(1)		(1)		6,254				93	08/01/2018	1
462467-AL-5	IA FIN SFM		04/01/2011	DIRECT		125,000	125,000.00	125,000	125,000						125,000				4,570	01/01/2026	1FE
46246L-XH-8	IA FIN SFM MTG BKD-E		06/01/2011	DIRECT		100,000	100,000.00	100,000	100,000						100,000				3,953	07/01/2016	1FE
46246L-XJ-4	IA FIN SFM MTG BKD-E		06/01/2011	DIRECT		300,000	300,000.00	300,000	300,000						300,000				12,529	07/01/2026	1FE
45505T-DE-8	IN SFM MTG-SER A-1		06/01/2011	DIRECT		95,000	95,000.00	94,905	94,959		(2)		(2)		94,957		43	43	3,450	07/01/2015	1FE
45505T-DF-5	IN SFM MTG-SER A-1		06/01/2011	DIRECT		70,000	70,000.00	69,930	69,968		(2)		(2)		69,967		33	33	2,572	01/01/2016	1FE
587850-DA-3	MERCER PCR REF ANTELO		06/30/2011	DIRECT		5,805,000	5,805,000.00	5,875,124	5,813,788		83		83		5,813,871		(8,871)	(8,871)	208,980	06/30/2013	1FE
603798-AE-9	MINNEAPOLIS SFM-A4-CI		05/02/2011	DIRECT		223,619	223,619.00	227,644	226,113		(108)		(108)		226,005		(2,386)	(2,386)	3,956	11/01/2038	1FE
65888M-5G-2	ND HFA HOME MTG-C		05/02/2011	DIRECT		250,000	250,000.00	248,150	248,546		11		11		248,557		1,443	1,443	9,792	01/01/2029	1FE
63967C-W7-3	NE INVT		06/01/2011	DIRECT		105,000	105,000.00	105,525	105,271		(29)		(29)		105,242		(242)	(242)	3,466	09/01/2021	1FE
67756Q-AV-9	OHIO HSG AMT-MTG-H		06/01/2011	DIRECT		190,000	190,000.00	190,000	190,000						190,000				6,911	09/01/2026	1FE
815266-KT-7	SEDGWICK SFM-A4		06/01/2011	DIRECT		55,000	55,000.00	58,269	57,747		(57)		(57)		57,690		(2,690)	(2,690)	1,547	06/01/2036	1FE
880460-US-7	TN HSG DEV SER A		04/15/2011	DIRECT		65,000	65,000.00	65,000	65,000						65,000				2,282	01/01/2012	1FE
880460-UT-5	TN HSG DEV SER A		04/15/2011	DIRECT		50,000	50,000.00	50,000	50,000						50,000				1,755	07/01/2012	1FE
880460-UV-0	TN HSG DEV SER A		04/15/2011	DIRECT		55,000	55,000.00	55,000	55,000						55,000				1,974	07/01/2013	1FE
880460-UW-8	TN HSG DEV SER A		04/15/2011	DIRECT		10,000	10,000.00	10,000	10,000						10,000				371	01/01/2014	1FE
880460-UX-6	TN HSG DEV SER A		04/15/2011	DIRECT		40,000	40,000.00	40,000	40,000						40,000				1,483	07/01/2014	1FE
98322P-4Y-2	WY DEV AMT-SER 3		06/01/2011	DIRECT		320,000	320,000.00	320,000	320,000						320,000				6,200	12/01/2011	1FE

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During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl	XXX			XXX	23,008,678	23,008,678.0	23,320,583	22,289,235		(35,964)		(35,964)		22,960,964		47,714	47,714	607,541	XXX	XXX
00075W-AB-5	ABFC_06-HE1		06/25/2011	MBS PAYMENT		53,495	53,495.00	53,495	53,495						53,495				63	07/25/2011	1Z*
29333*-AA-5	ALABAMA CAPCO		05/16/2011	SINKING FUND REDE		50,549	50,549.00	50,549	50,549						50,549				1,948	03/01/2014	1
030700-AL-5	AMERISTAR CASINOS INC		04/14/2011	DIRECT		1,819,238	1,700,000.00	1,763,750	1,763,750						1,763,750		55,488	55,488	109,095	06/01/2014	4FE
03167D-AC-8	AMNEAL PHARMACEUTICALS LLC:TE		06/30/2011	PAYDOWN		50,000	50,000.00	49,250	49,250		73		73		49,323		677	677	802	12/16/2015	4Z
03979V-AF-9	ARDENT MEDICAL SERVICES, INC.:T		06/30/2011	PAYDOWN		8,500	8,500.00	8,330	8,354		15		15		8,369		131	131	138	09/15/2015	4FE
04648C-AN-3	ASURION, LLC (FKA ASURION CORP		05/24/2011	REDEMPTION		2,034,244	1,995,000.00	1,955,100	1,955,758		1,321		1,321		1,959,358		74,886	74,886	37,295	03/31/2015	3Z
00212U-AC-1	ATI HOLDINGS, INC.:TERM LOAN		06/30/2011	PAYDOWN		32,980	32,980.35	31,991	32,120		47		47		32,166		814	814	626	03/11/2016	4Z
059472-AG-5	BAFC_11-R2_2A4		05/01/2011	MBS PAYMENT		92,521	92,521.00	92,955			(6)		(6)		92,521				680	10/01/2013	1Z
05539Y-AA-2	BAKERCORP INTERNATIONAL INC		05/19/2011	BROADPOINT CAPITA		810,000	800,000.00	800,000							800,000		10,000	10,000		06/01/2019	5FE
07324S-CZ-3	BAYC_05-4		06/25/2011	VARIOUS		19,313	19,313.00	7,169	7,169		131		131		7,300		12,013	12,013	125	02/25/2025	1Z*
05533C-PF-9	BCP_10-RR6		06/01/2011	MBS PAYMENT		565,407	565,407.00	573,888	569,154		(3,747)		(3,747)		565,407				10,997	07/01/2012	1Z*
085790-AW-3	BERRY PLASTICS CORP		04/12/2011	BANK OF AMERICA		336,600	340,000.00	340,000	340,000						340,000		(3,400)	(3,400)	13,444	01/15/2021	5FE
05539T-AR-6	BFC_04-1		06/01/2011	VARIOUS		446,440	446,440.00	122,280	182,156		167		167		124,134		322,850	322,850	12,549	12/01/2042	5FE
12328M-AL-5	BLX_03-AA		06/15/2011	MBS PAYMENT		117,818	117,818.00	27,721	27,721						27,721		90,098	90,098	1,103	12/15/2027	1Z*
097395-AH-0	BOISE CASCADE LLC		04/26/2011	VARIOUS		298,631	300,000.00	177,000	177,000						177,000		121,631	121,631	11,107	10/15/2014	5FE
073905-CR-0	BS_89-1		06/02/2011	VARIOUS		5,648	5,648.00	5,167	5,621		26		26		5,648				250	12/01/2018	1
15132E-GM-4	CDMC_03-9		06/01/2011	VARIOUS		31,310	31,310.00	29,735	30,616		81		81		30,697		614	614	617	08/01/2012	1Z*
15132E-KN-7	CDMC_04-5		06/01/2011	MBS PAYMENT		327,156	327,156.00	326,355	327,131		25		25		327,156				7,313	09/01/2034	1Z*
204386-AF-3	CIE GENERALE DE GEOPHYSIQUE-V	F	06/30/2011	DIRECT		251,125	245,000.00	243,163	243,479		116		116		243,595		7,530	7,530	11,484	05/15/2015	3FE
172921-AG-3	CMSI_87-3		06/01/2011	MBS PAYMENT		849	849.00	850	684	167	(2)		165		849				32	05/01/2017	1Z*
29331@-AA-5	COLORADO CAPCO		04/29/2011	SINKING FUND REDE		32,933	32,933.00	32,969	32,936		(3)		(3)		32,933				1,497	03/01/2013	1
20047A-AC-4	COMM_04-LB2A		06/01/2011	MBS PAYMENT		99,489	99,489.00	88,927	96,442		3,047		3,047		99,489				1,752	03/01/2012	1Z*
206241-AG-6	CONDF_05-1		04/15/2011	MATURITY		3,500,000	3,500,000.00	3,503,828	3,500,235		(235)		(235)		3,500,000				10,710	04/15/2011	1FE
204012-AF-5	CPLT_87-A		04/01/2011	MBS PAYMENT		320,107	320,107.00	297,800	319,877		231		231		320,107				7,202	04/01/2027	1Z*
225458-ML-9	CSFB_05-3		06/01/2011	MBS PAYMENT		66,320	66,320.00	67,014	66,382		(62)		(62)		66,320				1,543	11/01/2019	1Z*
126650-AL-4	CVS CORP		06/10/2011	SINKING FUND REDE		27,296	27,296.00	29,206	27,638		(342)		(342)		27,296				696	01/10/2013	2FE
021469-AL-5	CWA_06-J3		06/01/2011	MBS PAYMENT		67,647	67,647.00	67,531	58,918	8,795	(66)		8,729		67,647				1,863	03/01/2015	1Z*
12669D-LG-1	CWHL_02-32		06/01/2011	MBS PAYMENT		5,248	5,248.00	5,273	5,251		(3)		(3)		5,248				109	12/01/2017	1Z*
12669D-SL-3	CWHL_02-35		06/01/2011	MBS PAYMENT		61,256	61,256.00	59,035	60,994		262		262		61,256				1,221	01/01/2018	1Z*
LX1172-49-8	DECISION INSIGHT INFORMATION G		06/30/2011	PAYDOWN		10,000	10,000.00	9,850	9,850		12		12		9,862		138	138	177	01/04/2017	4FE
24736U-AA-2	DELTA AIR LINES INC		06/17/2011	SINKING FUND REDE		190,594	190,594.00	191,315	190,700		(106)		(106)		190,594				9,291	12/17/2016	2FE
629121-AF-1	DYNEGY HOLDINGS INC.		04/25/2011	VARIOUS		614,340	840,000.00	567,000	539,910	41,965	6,252		48,217		599,547		14,793	14,793	26,570	05/15/2018	6FE
27876G-BE-7	ECHOSTAR DBS CORPORATION		06/01/2011	VARIOUS		611,684	571,000.00	532,374	539,482		1,158		1,158		540,641		71,043	71,043	31,417	02/01/2016	3FE
12513P-AA-7	EMERGENCY MEDICAL SERVICES C		05/13/2011	BARCLAYS CAPITAL		814,000	800,000.00	800,000							800,000		14,000	14,000		06/01/2019	5FE

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
29335*-AA-3	ENHANCED CAPITAL ALABAMA FUN		05/16/2011	SINKING FUND REDE		48,106	48,106.00	48,106	48,106						48,106				1,762	03/01/2019	1
30604V-AG-3	FFL_00-1		06/05/2011	INTEREST ONLY PAY				101,413	75,472		(75,472)		(75,472)						13,299	05/05/2020	2FE
30605A-AQ-6	FFL_03-1		06/01/2011	MBS PAYMENT		787,208	787,208.00	661,003	765,632		21,576		21,576		787,208				18,697	01/01/2013	1Z*
30605A-AX-1	FFL_03-1		06/05/2011	INTEREST ONLY PAY				155,058	145,423		(145,423)		(145,423)						39,290	01/05/2023	4FE
373298-CF-3	GEORGIA-PACIFIC CORP		05/24/2011	CITIGROUP		1,032,750	850,000.00	879,750	878,548		(657)		(657)		877,891		154,859	154,859	58,933	01/15/2024	3FE
374826-AC-9	GIBSON ENERGY ULC		06/15/2011	DIRECT		2,060,995	1,700,000.00	1,654,729	1,658,345		1,577		1,577		1,659,922		401,073	401,073	189,833	01/15/2018	4FE
38470R-AD-3	GRAHAM PACKAGING CO LP		04/08/2011	BARCLAYS CAPITAL		461,610	446,000.00	460,495	456,007		(1,481)		(1,481)		454,526		7,084	7,084	21,777	10/15/2014	5FE
362341-D6-3	GSAA_05-15		04/25/2011	MBS PAYMENT		4,738	4,738.00	4,738	4,738						4,738				5	04/25/2011	1Z*
393505-KX-9	GT_95-10		06/15/2011	MBS PAYMENT		101,904	101,904.00	104,707	102,271		(367)		(367)		101,904				2,974	05/15/2019	1FE
393505-HJ-4	GT_95-5		06/15/2011	MBS PAYMENT		36,456	36,456.00	39,486	36,794		(338)		(338)		36,456				1,145	12/15/2017	1FE
393505-GS-5	GTMH_95-4		06/15/2011	MBS PAYMENT		2,228	2,228.00	2,273	2,235		(7)		(7)		2,228				70	11/15/2017	1FE
393505-HT-2	GTMH_95-6		06/15/2011	MBS PAYMENT		226,135	226,135.00	238,431	226,918		(783)		(783)		226,135				7,686	05/15/2019	1FE
40412C-AA-9	HCA HOLDINGS INC		04/07/2011	BNP PARIBAS		2,228,594	2,125,000.00	2,125,000	2,125,000						2,125,000		103,594	103,594	63,588	05/15/2021	4FE
404119-BA-6	HCA INC		06/01/2011	VARIOUS		464,671	434,000.00	447,020	444,147		(996)		(996)		443,151		21,520	21,520	23,136	11/15/2016	3FE
428040-BZ-1	HERTZ CORPORATION (THE)		04/06/2011	DIRECT		175,817	172,000.00	163,830	163,830						163,830		11,987	11,987	11,661	01/01/2014	4FE
43162R-AC-8	HILLMAN GROUP INC		04/13/2011	BARCLAYS CAPITAL		1,788,000	1,600,000.00	1,748,000			(1,913)		(1,913)		1,746,087		41,913	41,913	66,217	06/01/2018	5FE
40427G-AC-9	HQI TRANSELEC CHILE SA	F	04/15/2011	MATURITY		3,400,000	3,400,000.00	3,765,840	3,422,617		(22,617)		(22,617)		3,400,000				133,875	04/15/2011	2FE
41162D-AF-6	HVMLT_06-12		06/19/2011	MBS PAYMENT		330,093	330,093.00	201,695	244,558		1,287		1,287		245,845		84,249	84,249	574	12/21/2026	1Z*
45256H-AA-6	IF_01-A		06/01/2011	MBS PAYMENT		103,398	103,398.00	106,297	103,398						103,398				2,871	07/01/2033	1FE
45257H-AA-5	IFUND 2010-1		06/01/2011	MBS PAYMENT		86,804	86,804.00	88,416	88,416						88,416		(1,612)	(1,612)	1,923	12/01/2026	1FE
LX1172-73-8	IHEALTH TECHNOLOGIES, INC:TERM		06/30/2011	PAYDOWN		37,500	37,500.00	36,750	36,750		56		56		36,806		694	694	737	12/28/2016	3FE
45256#-AA-0	IMPACT C.I.L. PARENT LLC		06/28/2011	SINKING FUND REDE		179,176	462,512.00	108,635	153,032						179,176				372	07/01/2013	2FE
45822E-AH-3	INTELSAT SUBSIDIARY HOLDING CO	F	04/05/2011	DIRECT		356,908	367,000.00	368,835	367,051		(51)		(51)		367,000		(10,093)	(10,093)	33,540	01/15/2013	4Z
46521N-AV-4	ISTAR FINANCIAL INC.:TRANCHE A-1		06/21/2011	PAYDOWN		653,005	653,005.04	646,475			551		551		647,026		5,979	5,979	7,440	06/28/2013	3FE
46625M-NN-5	JPMCC_02-CIB5		06/01/2011	MBS PAYMENT		171,023	171,023.00	163,754	169,636		1,386		1,386		171,023				3,406	02/01/2012	1Z*
46625M-YT-0	JPMCC_03-PM1A		06/01/2011	MBS PAYMENT		97,506	97,506.00	90,223	96,846		660		660		97,506				2,101	10/01/2012	1Z*
52108H-4R-2	LBUBS 2005-C3 A2		04/11/2011	MBS PAYMENT		304	304.00	296	303		2		2		304				5	10/11/2011	1Z*
52517P-Q5-3	LEHMAN BROTHERS HOLDINGS INC		04/25/2011	BANK OF AMERICA		1,015,271	4,081,491.00										1,015,271	1,015,271		12/23/2018	6FE
52517P-W3-1	LEHMAN BROTHERS HOLDINGS INC		04/28/2011	VARIOUS		517,839	2,040,745.00	198,973	227,765		2,417		2,417		230,182		287,657	287,657		03/23/2019	6Z
LX1168-30-6	LESLIE'S POOLMART, INC.: TRANCH		04/29/2011	DIRECT				1											9,667	11/21/2016	4FE
52706Y-AC-7	LESLIE'S POOLMART, INC.:TRANCHE		06/30/2011	PAYDOWN		10,000	10,000.00	10,000							10,000				70	11/21/2016	4FE
29332#-AA-2	LOUISIANA CAPCO		04/15/2011	SINKING FUND REDE		14,026	14,026.00	14,026	14,026						14,026				506	03/01/2012	1
55275R-AB-8	MABS_06-NC3		06/25/2011	MBS PAYMENT		11,091	11,091.00	11,091	11,091						11,091				15	07/25/2011	1Z*
595481-AC-6	MDST_05-1		06/01/2011	MBS PAYMENT		30,388	30,388.00	31,613	26,031	4,384	(27)		4,357		30,388				883	09/01/2032	1Z*
59549N-AA-1	MDST_6		04/01/2011	MBS PAYMENT		35,443	35,443.00	38,987	35,551		(108)		(108)		35,443				1,301	10/15/2022	1FE
59549N-AB-9	MDST_6		04/01/2011	MBS PAYMENT		40,960	40,960.00	43,955	41,059		(100)		(100)		40,960				1,516	10/15/2022	1FE
584045-AA-6	MEDASSETS INC		06/30/2011	VARIOUS		867,451	850,000.00	873,375	854,250	18,729	(1,502)		17,227		871,476		(4,025)	(4,025)	38,993	11/15/2018	4FE

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										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
58404J-AE-8	MEDASSETS, INC.:TERM LOAN		06/30/2011	VARIOUS		1,997,291	1,995,000.00	2,014,950	2,008,716	4,577	118		4,695		2,013,411		(16,120)	(16,120)	21,429	11/16/2016	3FE
552953-AW-1	MGM MIRAGE INC. CORPOR		04/05/2011	BANK OF AMERICA		858,500	850,000.00	622,625	696,101		15,331		15,331		711,432		147,068	147,068	29,803	04/01/2013	5FE
59549N-AD-5	MIDT_6		06/01/2011	VARIOUS		50,201	50,201.00	33,070	34,884		191		191		35,075		15,126	15,126	1,955	10/15/2022	1Z*
59023X-AB-2	MLMI_06-HE6		06/25/2011	VARIOUS		29,537	29,537.00	21,414	18,884	3,554			3,554		22,437		7,100	7,100	35	02/27/2012	1Z*
61749B-AB-9	MSAC_06-NC5		06/25/2011	MBS PAYMENT		33,221	33,221.00	31,984	31,984						31,984		1,236	1,236	44	10/25/2012	1Z*
60935L-AF-4	MSBL_99-1		06/15/2011	VARIOUS		327,587	327,587.00	235,862	300,853		10,804		10,804		311,656		15,930	15,930	4,200	08/15/2011	1Z*
61746W-UU-2	MSDWC_02-W1		06/01/2011	MBS PAYMENT		2,679	2,679.00	2,759	2,683		(4)		(4)		2,679				64	05/01/2017	1Z*
55265W-CP-6	MSSTR_05-1		06/01/2011	VARIOUS		13,503	13,503.00	9,627	10,310		90		90		10,399		3,104	3,104	371	07/01/2017	1Z*
55265W-CR-2	MSSTR_05-1		06/01/2011	VARIOUS		3,898	3,898.00	624	754		24		24		777		3,121	3,121	103	07/01/2017	1Z*
624758-AB-4	MUELLER WATER PRODUCTS INC		04/07/2011	ROYAL BANK OF CAN		417,563	425,000.00	383,031	387,539		1,148		1,148		388,687		28,875	28,875	11,406	06/01/2017	5FE
62908Q-AL-9	N.E.W. HOLDINGS I, LLC:TERM LOAN		06/23/2011	PAYDOWN		25,714	25,714.29	25,457	25,488		20		20		25,509		205	205	388	03/23/2016	3Z
628783-AP-7	NBTY, INC.:TERM B-1 LOAN		06/30/2011	PAYDOWN		5,000	5,000.00	5,000							5,000				54	10/01/2017	3FE
65106K-AA-9	NCIT 2010-MH1		06/01/2011	MBS PAYMENT		121,144	121,144.00	121,148	121,159		(15)		(15)		121,144				2,212	12/01/2016	1FE
29248#-AA-5	NEW YORK CAPCO		06/15/2011	SINKING FUND REDE		16,070	16,070.00	15,545	15,992		78		78		16,070				581	12/15/2015	1
29334@-AA-2	NEW YORK CAPCO		06/15/2011	SINKING FUND REDE		12,061	12,061.00	11,678	12,001		60		60		12,061				490	12/15/2016	1
629479-AC-0	NYCML_96		06/01/2011	MBS PAYMENT		1,520,798	1,520,798.00	1,414,342	1,422,928		97,870		97,870		1,520,798				51,079	06/01/2011	2Z
68619A-BB-2	ORGN_04-B		06/01/2011	MBS PAYMENT		5,255	5,255.00	4,887	5,228		28		28		5,255				100	01/01/2014	1FE
699379-A*-4	PARCEL 49C LP LEASE REV PTC SE		05/15/2011	SINKING FUND REDE		261,289	261,289.00	275,660	261,922		(633)		(633)		261,289				8,374	11/15/2015	1
69336R-BN-9	PHHMC_05-4		06/01/2011	MBS PAYMENT		717,103	717,103.00	702,289	715,865		1,238		1,238		717,103				15,669	08/01/2034	1Z*
69335Y-AD-8	PHHMC_06-4		06/20/2011	INTEREST ONLY PAY				43,506	15,276		(15,276)		(15,276)						7,516	05/18/2013	1FE
73755L-AB-3	POTASH CORP SASKATCHEWAN	A	05/31/2011	MATURITY		3,773,000	3,773,000.00	4,118,607	3,809,209		(36,209)		(36,209)		3,773,000				146,204	05/31/2011	2Z
33903*-CW-7	PP BUNGE NORTH AMERICA (EAST)		06/30/2011	SINKING FUND REDE		6,445	6,445.00	7,096	6,475		(30)		(30)		6,445				253	03/30/2017	2
74756T-AQ-0	QUALITY DISTRIBUTION INC		04/15/2011	CREDIT SUISSE		1,148,125	1,100,000.00	1,092,564	1,091,750	911	106		1,017		1,092,767		55,358	55,358	50,390	11/01/2018	4FE
74837R-AF-1	QUICKSILVER RESOURCES IN		04/05/2011	WACHOVIA		1,190,850	1,020,000.00	1,157,700	1,137,087		(6,145)		(6,145)		1,130,942		59,908	59,908	92,218	01/01/2016	4FE
750438-AD-5	RADIOSHACK CORP		04/29/2011	STERNE, AGEE & LEE		1,708,500	1,700,000.00	1,686,978			(2)		(2)		1,686,976		21,524	21,524	319	05/15/2019	3FE
45660N-W5-0	RAST_04-R2		06/01/2011	MBS PAYMENT		14,268	14,268.00	14,689	14,324		(56)		(56)		14,268				327	11/01/2014	1Z*
75966F-AK-6	REMY INTERNATIONAL, INC.:TERM B		06/30/2011	PAYDOWN		10,000	10,000.00	9,900	9,900		8		8		9,908		92	92	158	12/16/2016	4FE
78108A-AC-8	RSC EQUIP RENT/RSC HLDGS		04/08/2011	JEFFRIES SECURITIE		191,215	167,000.00	164,495	164,597		15		15		164,612		26,603	26,603	7,037	11/15/2019	5FE
78355H-JG-5	RYDER SYSTEM INC.		04/01/2011	MATURITY		3,000,000	3,000,000.00	3,011,310	3,000,549		(549)		(549)		3,000,000				75,000	04/01/2011	2FE
79546V-AC-0	SALLY HOLDINGS LLC		04/25/2011	BANK OF AMERICA		734,125	700,000.00	707,000	704,302		(754)		(754)		703,548		30,577	30,577	29,317	11/15/2014	4FE
800907-AK-3	SANMINA-SCI CORPORATION		05/12/2011	VARIOUS		2,073,949	2,000,000.00	700,000	837,023		23,232		23,232		860,255		1,213,695	1,213,695	125,646	03/01/2016	4FE
86359A-WR-0	SASC_03-AL2		06/01/2011	MBS PAYMENT		6,566	6,566.00	5,975	6,536		29		29		6,566				91	07/01/2030	1FE
858119-AH-3	STEEL DYNAMICS INC		05/10/2011	VARIOUS		1,032,500	1,000,000.00	990,000	991,770		510		510		992,279		40,221	40,221	41,417	04/01/2015	3FE
858119-AN-0	STEEL DYNAMICS INC		05/05/2011	JP MORGAN CHASE		910,563	850,000.00	824,500	828,938		(269)		(269)		828,669		81,893	81,893	37,512	04/15/2016	3FE
858495-AC-8	STEINWAY MUSICAL INSTRUM		05/03/2011	DIRECT		369,353	363,000.00	283,140	303,209		5,132		5,132		308,341		61,011	61,011	17,081	03/01/2014	4FE
867363-AL-7	SUNGARD DATA SYSTEMS INC		04/06/2011	BNP PARIBAS		525,625	500,000.00	487,500	489,847		325		325		490,173		35,452	35,452	33,303	08/15/2015	5FE
87203R-AC-6	SYSTEM 2001 ASSET TRUST	F	06/15/2011	SINKING FUND REDE		242,338	242,338.00	256,597	244,590		(2,252)		(2,252)		242,338				12,535	12/15/2011	2FE

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CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
87614T-AC-5	TARGUS INFORMATION CORPORATI		06/30/2011	PAYDOWN		56,250	56,250.00	55,125	55,125		80		80		55,205		1,045	1,045	995	12/29/2016	3FE
90210E-AF-3	TEXAS COMPETITIVE ELECTRIC HOL		04/07/2011	REDEMPTION		1,218,174	1,480,818.41	1,227,228	1,139,434	34,164	917		35,081		1,275,495		(57,863)	(57,863)	9,506	10/10/2014	5FE
90210E-AM-8	TEXAS COMPETITIVE ELECTRIC HOL		04/19/2011	PAYDOWN		53,484	53,487.91	44,328			38		38		44,366		9,118	9,118	303	10/10/2017	4FE
87246A-AA-6	TIAAS 2007-C4 A1		06/10/2011	MBS PAYMENT		321,132	321,132.00	322,729	321,471		(339)		(339)		321,132				10,222	10/10/2011	1Z*
909280-AJ-8	UNITED AIR LINES, INC.: TRANCHE B		06/23/2011	DIRECT				1											1,100	02/01/2014	3FE
91359H-AF-5	UNIVERSAL HEALTH SERVICES, INC.		04/04/2011	JPMORGAN CHASE B		1,002,275	997,288.13	997,288							997,289		4,986	4,986	5,651	11/15/2016	3FE
921796-MH-8	VAND_02-B		06/01/2011	MBS PAYMENT		46,876	46,876.00	45,792	46,638		238		238		46,876				1,145	10/01/2011	2Z*
92769V-AA-7	VIRGIN MEDIA FINANCE PLC	F	04/25/2011	MORGAN STANLEY		630,438	550,000.00	556,875	555,918		(480)		(480)		555,438		74,999	74,999	36,720	08/15/2016	3FE
92769X-AC-9	VIRGIN MEDIA SECURED FINANCE P	F	04/26/2011	WELLS FARGO SECU		3,727,250	3,400,000.00	3,351,882	3,354,606		1,333		1,333		3,355,939		371,311	371,311	82,261	01/15/2018	2FE
921796-ME-5	VMF_02-B		06/01/2011	MBS PAYMENT		4,058	4,058.00	4,098	4,060		(2)		(2)		4,058				99	12/01/2018	1FE
921796-ER-5	VMF_98-B		06/01/2011	MBS PAYMENT		2,626	2,626.00	2,704	1,926	704	(5)		699		2,626				80	12/01/2023	1Z*
921796-HP-6	VMF_99-D		06/01/2011	MBS PAYMENT		104,666	104,666.00	104,666	104,666						104,666				3,200	07/01/2014	1FE
92922F-QH-4	WAMU_04-S2		06/01/2011	MBS PAYMENT		71,558	71,558.00	72,899	71,755		(198)		(198)		71,558				1,640	02/01/2012	1Z*
93443N-AW-9	WARNER CHILCOTT CORPORATION:		06/30/2011	VARIOUS		510,571	506,171.43	506,171							506,171		4,400	4,400	3,933	03/15/2018	2FE
93443N-AX-7	WARNER CHILCOTT CORPORATION:		06/30/2011	VARIOUS		255,286	253,085.71	253,086							253,086		2,200	2,200	1,967	03/15/2018	2FE
93443N-AY-5	WARNER CHILCOTT CORPORATION:		06/30/2011	VARIOUS		351,017	347,992.86	347,994							347,992		3,025	3,025	2,704	03/15/2018	2FE
94733F-AD-5	WASH MULTIFAMILY LAUNDRY SYST		06/30/2011	DIRECT				1											1,077	08/28/2014	4Z
929766-AD-5	WBCMT 2002-C1 A4		06/01/2011	MBS PAYMENT		65,120	65,120.00	74,143	65,556		(436)		(436)		65,120				1,877	04/01/2012	1Z*
949757-AA-6	WFMBS_04-6		06/01/2011	MBS PAYMENT		85,780	85,780.00	86,129	85,978		(198)		(198)		85,780				1,877	04/01/2012	1Z*
94980L-AD-2	WFMBS_04-8		06/01/2011	VARIOUS		46,757	46,758.00	43,445	43,997		69		69		44,063		2,695	2,695	972	07/01/2019	1Z*
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				XXX	63,059,290	66,392,286.1	58,134,239	49,878,271	117,950	(118,758)		(808)		57,897,939		5,161,351	5,161,351	2,065,594	XXX	XXX
8399997	Total - Bonds - Part 4				XXX	95,410,779	98,743,775.1	91,031,070	81,529,576	117,950	(173,983)		(56,033)		90,201,714		5,209,065	5,209,065	2,947,455	XXX	XXX
8399998	Summary Item from Part 5 for Bonds				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total Bonds				XXX	95,410,779	98,743,775.1	91,031,070	81,529,576	117,950	(173,983)		(56,033)		90,201,714		5,209,065	5,209,065	2,947,455	XXX	XXX
65440K-10-6	99 CENTS ONLY STORES		06/20/2011	BERNSTEIN	669.00	13,536		11,431							11,431		2,105	2,105			L
00751Y-10-6	ADVANCE AUTO PARTS INC.		06/20/2011	VARIOUS	235.00	13,884		15,387							15,387		(1,503)	(1,503)	32		L
00766T-10-0	AECOM TECHNOLOGY CORP		06/08/2011	BERNSTEIN	501.00	13,779		14,133	11,356	102			102		14,133		(354)	(354)			L
008252-10-8	AFFILIATED MANAGERS GROUP		06/08/2011	BERNSTEIN	145.00	13,698		15,301							15,301		(1,603)	(1,603)			L
001084-10-2	AGCO CORP.		06/08/2011	BERNSTEIN	291.00	13,696		16,257							16,257		(2,562)	(2,562)			L
001204-10-6	AGL RESOURCES INC.		06/20/2011	BERNSTEIN	383.00	15,260		16,037							16,037		(777)	(777)	172		L
00949P-10-8	AIRTRAN HOLDINGS INC		05/03/2011	DIRECT	13,178.00	97,913		98,022	97,385	637			637		98,022		(110)	(110)			L

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011659-10-9	ALASKA AIR GROUP INC.		06/08/2011	BERNSTEIN	219.00	13,624		14,920							14,920		(1,296)	(1,296)			L
012653-10-1	ALBEMARLE CORP.		06/08/2011	BERNSTEIN	209.00	13,674		14,496							14,496		(822)	(822)			L
013078-10-0	ALBERTO-CULVER CO. (DELISRTED		05/11/2011	DIRECT	8,511.00	319,163		317,221	315,247	1,973			1,973		317,221		1,942	1,942	723		L
014482-10-3	ALEXANDER & BALDWIN INC.		06/08/2011	BERNSTEIN	303.00	13,792		14,527							14,527		(735)	(735)	95		L
018802-10-8	ALLIANT ENERGY CORP.		06/20/2011	BERNSTEIN	453.00	18,238		18,275							18,275		(38)	(38)			L
018804-10-4	ALLIANT TECHSYSTEMS INC.		06/20/2011	BERNSTEIN	202.00	14,019		15,694	15,035	659			659		15,694		(1,675)	(1,675)	81		L
01988P-10-8	ALLSCRIPTS HEALTHCARE SOLUTIO		06/20/2011	BERNSTEIN	739.00	13,723		15,116							15,116		(1,393)	(1,393)			L
025932-10-4	AMERICAN FINANCIAL GROUP INC.		06/20/2011	BERNSTEIN	393.00	13,600		13,806							13,806		(207)	(207)			L
031100-10-0	AMETEK INC.		06/08/2011	BERNSTEIN	328.00	13,710		14,703							14,703		(993)	(993)			L
03761U-10-6	APOLLO INVESTMENT CORP.		06/08/2011	BERNSTEIN	1,280.00	13,645		14,617							14,617		(972)	(972)			L
363576-10-9	ARTHUR J GALLAGHER & CO		06/20/2011	BERNSTEIN	486.00	13,692		15,058							15,058		(1,366)	(1,366)	160		L
044209-10-4	ASHLAND INC.		06/08/2011	BERNSTEIN	219.00	13,636		13,677							13,677		(41)	(41)	38		L
049513-10-4	ATMEL CORP.		06/08/2011	BERNSTEIN	964.00	13,141		14,655							14,655		(1,514)	(1,514)			L
049560-10-5	ATMOS ENERGY CORP.		06/20/2011	BERNSTEIN	528.00	16,991		18,278							18,278		(1,287)	(1,287)	180		L
053807-10-3	AVNET INC		06/08/2011	BERNSTEIN	432.00	13,663		15,914							15,914		(2,251)	(2,251)			L
05874B-10-7	BALLY TECHNOLOGIES INC		06/08/2011	BERNSTEIN	1,370.00	49,742		55,401	18,690	(403)			(403)		55,401		(5,658)	(5,658)			L
062540-10-9	BANK OF HAWAII CORP.		06/20/2011	BERNSTEIN	299.00	13,711		14,510							14,510		(799)	(799)	135		L
073302-10-1	BE AEROSPACE INC		06/08/2011	BERNSTEIN	376.00	13,702		14,236	13,923	313			313		14,236		(534)	(534)			L
075811-10-9	BECKMAN COULTER		06/27/2011	DIRECT	7,155.00	597,443		393,701	538,271	(144,570)			(144,570)		393,701		203,742	203,742	1,359		L
090572-20-7	BIO-RAD LABORATORIES-CL A		06/20/2011	BERNSTEIN	181.00	21,186		22,456							22,456		(1,270)	(1,270)			L
05548J-10-6	BJ'S WHOLESALE CLUB INC		06/08/2011	BERNSTEIN	4.00	194		206							206		(12)	(12)			L
092113-10-9	BLACK HILLS CORP.		06/20/2011	BERNSTEIN	454.00	13,751		15,488							15,488		(1,737)	(1,737)	166		L
099724-10-6	BORGWARNER INC.		06/08/2011	BERNSTEIN	207.00	13,772		16,009							16,009		(2,237)	(2,237)			L
103304-10-1	BOYD GAMING CORP.		06/28/2011	MORGAN STANLEY	7,237.00	60,587		64,623	58,311	(11,306)			(11,306)		64,623		(4,036)	(4,036)			L
109641-10-0	BRINKER INTERNATIONAL INC		06/08/2011	BERNSTEIN	743.00	17,420		18,069							18,069		(649)	(649)			L
115236-10-1	BROWN & BROWN INC.		06/20/2011	BERNSTEIN	800.00	20,089		20,410							20,410		(321)	(321)	37		L
118759-10-9	BUCYRUS INTERNATIONAL INC.		06/20/2011	BERNSTEIN	576.00	52,751		52,626							52,626		125	125			L
133131-10-2	CAMDEN PROPERTY TRUST		06/20/2011	BERNSTEIN	213.00	13,832		13,126							13,126		706	706			L
144285-10-3	CARPENTER TECHNOLOGY CORP.		06/08/2011	BERNSTEIN	281.00	13,781		14,871							14,871		(1,090)	(1,090)			L
159864-10-7	CHARLES RIVER LABORATORIES INT		06/20/2011	BERNSTEIN	349.00	13,642		12,875							12,875		767	767			L
169656-10-5	CHIPOTLE MEXICAN GRILL-CL A		04/29/2011	BERNSTEIN	3,204.00	853,285		718,369	670,730	35,774			35,774		718,369		134,916	134,916			L
171798-10-1	CIMAREX ENERGY CO.		06/08/2011	BERNSTEIN	156.00	13,612		16,850							16,850		(3,238)	(3,238)	16		L
12561W-10-5	CLECO CORP.		06/20/2011	BERNSTEIN	399.00	13,798		13,916							13,916		(119)	(119)			L
201723-10-3	COMMERCIAL METALS CO.		05/09/2011	BERNSTEIN	686.00	10,948		12,173							12,173		(1,224)	(1,224)			L
20451N-10-1	COMPASS MINERALS INTERNATION		06/20/2011	BERNSTEIN	217.00	18,451		20,278							20,278		(1,827)	(1,827)	98		L

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212485-10-6	CONVERGYS CORP		06/20/2011	BERNSTEIN	1,063.00	13,890		14,486							14,486		(596)	(596)			L
217204-10-6	COPART INC		06/20/2011	BERNSTEIN	306.00	13,579		13,908							13,908		(329)	(329)			L
21871D-10-3	CORELOGIC INC.		06/20/2011	BERNSTEIN	1,115.00	18,584		21,101							21,101		(2,517)	(2,517)			L
219023-10-8	CORN PRODUCTS INTL INC		06/08/2011	BERNSTEIN	253.00	13,720		13,952							13,952		(232)	(232)			L
222795-10-6	COUSINS PROPERTIES INC.		06/08/2011	BERNSTEIN	1,603.00	13,716		13,775							13,775		(60)	(60)	72		L
229899-10-9	CULLEN/FROST BANKERS INC.		06/20/2011	BERNSTEIN	242.00	13,654		14,142							14,142		(488)	(488)	111		L
232806-10-9	CYPRESS SEMICONDUCTOR CORP		06/08/2011	BERNSTEIN	628.00	13,594		13,574							13,574		20	20	-		L
232820-10-0	CYTEC INDUSTRIES INC.		06/08/2011	BERNSTEIN	257.00	13,688		14,766							14,766		(1,077)	(1,077)			L
233293-10-9	DPL INC.		06/20/2011	BERNSTEIN	2,006.00	60,367		57,156	23,010	418			418		57,156		3,211	3,211	965		L
26817G-30-0	DYNEGY INC.		04/05/2011	BARCLAYS CAPITAL	10,082.00	55,929		49,345	56,661	(7,316)			(7,316)		49,345		6,584	6,584			L
278265-10-3	EATON VANCE CORP.		06/08/2011	BERNSTEIN	471.00	13,722		15,508							15,508		(1,786)	(1,786)			L
28176E-10-8	EDWARDS LIFESCIENCES CORP.		05/09/2011	VARIOUS	11,885.00	982,878		782,788	949,304	(178,958)			(178,958)		782,788		200,090	200,090			L
29264F-20-5	ENDO PHARMACEUTICALS HOLDING		06/20/2011	BERNSTEIN	357.00	13,732		14,699							14,699		(967)	(967)			L
29358Q-10-9	ENSCO PLC ADS	F	06/20/2011	BERNSTEIN	10,184.00	518,641		535,007							535,007		(16,366)	(16,366)			L
294752-10-0	EQUITY ONE INC.		06/20/2011	BERNSTEIN	860.00	15,644		16,539							16,539		(895)	(895)	189		L
G3223R-10-8	EVEREST RE GROUP LTD.	F	06/20/2011	BERNSTEIN	167.00	13,761		15,080							15,080		(1,319)	(1,319)	80		L
303075-10-5	FACTSET RESEARCH SYSTEMS INC		06/20/2011	BERNSTEIN	139.00	13,685		15,172							15,172		(1,487)	(1,487)	38		L
313747-20-6	FEDERAL REALTY INVESTMENT TRU		06/20/2011	BERNSTEIN	161.00	13,839		14,053							14,053		(215)	(215)			L
31620R-10-5	FIDELITY NATIONAL FINANCIAL INC.		06/20/2011	BERNSTEIN	1,127.00	17,142		17,461							17,461		(320)	(320)	135		L
33582V-10-8	FIRST NIAGARA FINANCIAL GROUP I		06/20/2011	BERNSTEIN	1,009.00	13,741		14,148							14,148		(407)	(407)			L
343498-10-1	FLOWERS FOODS INC		06/20/2011	BERNSTEIN	825.00	26,555		25,593							25,593		962	962	59		L
302941-10-9	FTI CONSULTING INC.		06/20/2011	BERNSTEIN	375.00	13,583		13,732	9,991	(263)			(263)		13,732		(150)	(150)			L
360271-10-0	FULTON FINANCIAL CORP.		06/08/2011	BERNSTEIN	1,305.00	13,750		15,029							15,029		(1,280)	(1,280)			L
365558-10-5	GARDNER DENVER INC.		06/08/2011	BERNSTEIN	171.00	13,713		14,295							14,295		(581)	(581)	9		L
361448-10-3	GATX CORP.		06/08/2011	BERNSTEIN	374.00	13,722		15,598							15,598		(1,876)	(1,876)			L
36866T-10-3	GEN-PROBE INC.		06/20/2011	BERNSTEIN	201.00	13,700		16,649							16,649		(2,949)	(2,949)			L
371901-10-9	GENTEX CORP		06/08/2011	BERNSTEIN	526.00	13,704		16,495							16,495		(2,791)	(2,791)			L
384109-10-4	GRACO INC		06/08/2011	BERNSTEIN	281.00	13,707		13,766							13,766		(59)	(59)			L
387328-10-7	GRANITE CONSTRUCTION INC.		05/09/2011	BERNSTEIN	841.00	22,901		23,414							23,414		(513)	(513)			L
391164-10-0	GREAT PLAINS ENERGY INC.		06/20/2011	BERNSTEIN	655.00	13,677		13,611							13,611		67	67	136		L
415864-10-7	HARSCO CORP.		06/08/2011	BERNSTEIN	446.00	13,694		15,421							15,421		(1,727)	(1,727)			L
416196-10-3	HARTE-HANKS INC.		06/28/2011	MORGAN STANLEY	4,789.00	38,635		54,120	50,212	(3,664)			(3,664)		54,120		(15,485)	(15,485)	698		L
404132-10-2	HCC INSURANCE HOLDINGS INC.		06/20/2011	BERNSTEIN	437.00	13,667		14,007							14,007		(340)	(340)			L
431284-10-8	HIGHWOODS PROPERTIES INC.		06/20/2011	BERNSTEIN	424.00	13,941		15,174							15,174		(1,233)	(1,233)	180		L
431475-10-2	HILL-ROM HOLDINGS INC.		06/08/2011	BERNSTEIN	303.00	13,905		13,943							13,943		(38)	(38)			L

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CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
451107-10-6	IDACORP INC.		06/20/2011	BERNSTEIN	353.00	13,718		13,830							13,830		(112)	(112)	20		L
458118-10-6	INTEGRATED DEVICE TECHNOLOGY		06/08/2011	BERNSTEIN	1,797.00	13,522		14,634							14,634		(1,112)	(1,112)			L
459044-10-3	INTERNATIONAL BANCSHARES COR		06/08/2011	BERNSTEIN	845.00	13,622		15,334	16,925	(1,591)			(1,591)		15,334		(1,712)	(1,712)	161		L
465741-10-6	ITRON INC		06/20/2011	BERNSTEIN	286.00	13,524		17,007	15,859	1,148			1,148		17,007		(3,482)	(3,482)			L
48020Q-10-7	JONES LANG LASALLE INC		06/08/2011	BERNSTEIN	148.00	13,676		14,760							14,760		(1,084)	(1,084)	22		L
485170-30-2	KANSAS CITY SOUTHERN		06/08/2011	BERNSTEIN	289.00	15,688		16,354							16,354		(666)	(666)			L
48242W-10-6	KBR INC.		06/08/2011	BERNSTEIN	378.00	13,678		14,160							14,160		(482)	(482)			L
489170-10-0	KENNAMETAL INC		06/08/2011	BERNSTEIN	355.00	13,597		14,268							14,268		(670)	(670)			L
49460W-20-8	KINETIC CONCEPTS INC.		06/20/2011	BERNSTEIN	291.00	16,225		17,129							17,129		(903)	(903)			U
500643-20-0	KORN/FERRY INTERNATIONAL		06/08/2011	BERNSTEIN	659.00	13,674		13,069							13,069		605	605			L
512807-10-8	LAM RESEARCH CORP.		06/08/2011	BERNSTEIN	301.00	13,707		16,543	4,194	(88)			(88)		16,543		(2,836)	(2,836)			L
513847-10-3	LANCASTER COLONY CORP		06/20/2011	BERNSTEIN	232.00	13,864		14,110							14,110		(247)	(247)	77		L
526107-10-7	LENNOX INTERNATIONAL INC.		06/20/2011	BERNSTEIN	315.00	13,514		15,507							15,507		(1,992)	(1,992)			L
532791-10-0	LINCARE HOLDINGS INC.		06/20/2011	BERNSTEIN	456.00	13,654		14,073							14,073		(419)	(419)			L
533900-10-6	LINCOLN ELECTRIC HOLDINGS INC.		06/08/2011	BERNSTEIN	386.00	13,767		14,779							14,779		(1,012)	(1,012)			L
549271-10-4	LUBRIZOL CORP.		06/20/2011	BERNSTEIN	224.00	30,053		30,080							30,080		(26)	(26)			L
N53745-10-0	LYONDELLBASELL INDUSTRIES N.V.	F	04/01/2011	IMPERIAL CAPITAL	1,485.00	59,369		33,116	51,084	(17,969)			(17,969)		33,116		26,254	26,254			U
554382-10-1	MACERICH CO.		06/08/2011	BERNSTEIN	262.00	13,713		13,321							13,321		391	391			L
56418H-10-0	MANPOWERGROUP		06/08/2011	BERNSTEIN	245.00	13,643		15,851							15,851		(2,208)	(2,208)	98		L
589433-10-1	MEREDITH CORP		06/20/2011	BERNSTEIN	447.00	13,915		15,606							15,606		(1,691)	(1,691)	114		L
592688-10-5	METTLER-TOLEDO INTERNATIONAL I		06/08/2011	BERNSTEIN	87.00	13,748		15,185							15,185		(1,437)	(1,437)			L
608190-10-4	MOHAWK INDUSTRIES INC.		06/08/2011	BERNSTEIN	228.00	13,721		15,489							15,489		(1,768)	(1,768)			L
55354G-10-0	MSCI INC. (CL A)		06/08/2011	BERNSTEIN	378.00	13,727		14,298							14,298		(570)	(570)			L
636518-10-2	NATIONAL INSTRUMENTS CORP.		04/05/2011	DIRECT	0.50	16		12	13	(1)			(1)		12		4	4			L
638620-10-4	NATIONWIDE HEALTH PROPERTIES I		06/20/2011	BERNSTEIN	331.00	13,803		14,149							14,149		(346)	(346)	159		L
64126X-20-1	NEUSTAR INC. (CL A)		06/20/2011	BERNSTEIN	880.00	22,530		23,273	22,924	349			349		23,273		(744)	(744)			L
649445-10-3	NEW YORK COMMUNITY BANCORP I		06/20/2011	BERNSTEIN	859.00	13,617		15,788	16,192	(404)			(404)		15,788		(2,171)	(2,171)	430		L
650111-10-7	NEW YORK TIMES CO		06/08/2011	BERNSTEIN	18.00	141		176	176						176		(35)	(35)			L
650203-10-2	NEWALLIANCE BANCSHARES INC.		04/19/2011	DIRECT	10,668.00	140,836		140,836	159,807	(18,970)			(18,970)		140,836				747		L
655663-10-2	NORDSON CORP.		06/08/2011	BERNSTEIN	272.00	13,747		14,552							14,552		(805)	(805)	29		L
67019E-10-7	NSTAR		06/20/2011	BERNSTEIN	543.00	24,782		25,069							25,069		(288)	(288)			L
67073Y-10-6	NV ENERGY INC.		06/20/2011	BERNSTEIN	884.00	13,553		13,699							13,699		(146)	(146)	106		L
62944T-10-5	NVR INC.		06/20/2011	BERNSTEIN	22.00	15,798		16,206							16,206		(408)	(408)			L
675232-10-2	OCEANEERING INTL INC		06/08/2011	BERNSTEIN	180.00	13,664		14,589							14,589		(925)	(925)			L
670837-10-3	OGE ENERGY CORP		06/20/2011	BERNSTEIN	364.00	17,827		18,506							18,506		(679)	(679)			L

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
678026-10-5	OIL STATES INTERNATIONAL INC.		06/08/2011	BERNSTEIN	182.00	13,600		14,966							14,966		(1,366)	(1,366)			L
680223-10-4	OLD REPUBLIC INTERNATIONAL CO		06/20/2011	BERNSTEIN	1,150.00	13,635		14,955	15,675	(720)			(720)		14,955		(1,320)	(1,320)	403		L
688239-20-1	OSHKOSH CORP		06/08/2011	BERNSTEIN	3.00	79		105	106						105		(26)	(26)			L
695263-10-3	PACWEST BANCORP.		06/08/2011	BERNSTEIN	4,191.00	80,918		78,553	68,074	(11,104)			(11,104)		78,553		2,365	2,365	74		L
69840W-10-8	PANERA BREAD COMPANY-CL A		06/20/2011	BERNSTEIN	116.00	13,929		13,848							13,848		81	81			L
699173-20-9	PARAMETRIC TECHNOLOGY CORP.		06/08/2011	BERNSTEIN	641.00	13,690		14,802							14,802		(1,112)	(1,112)			L
717124-10-1	PHARMACEUTICAL PRODUCT DEVEL		06/20/2011	BERNSTEIN	537.00	13,940		15,742							15,742		(1,801)	(1,801)			L
726505-10-0	PLAINS EXPLORATION & PRODUCTI		06/08/2011	BERNSTEIN	383.00	13,599		14,054							14,054		(455)	(455)			L
727493-10-8	PLANTRONICS INC		06/08/2011	BERNSTEIN	395.00	13,735		14,870							14,870		(1,135)	(1,135)	20		L
74153Q-10-2	PRIDE INTERNATIONAL		06/16/2011	DIRECT	21,315.00	867,521		700,476	602,151	(30,510)			(30,510)		700,476		167,045	167,045			L
74340W-10-3	PROLOGIS INC.		06/09/2011	JP MORGAN CHASE	20,481.00	666,808		608,373	556,162	(51,985)			(51,985)		608,373		58,434	58,434	15,453		L
743674-10-3	PROTECTIVE LIFE CORP.		06/08/2011	BERNSTEIN	621.00	13,773		16,337	16,543	(206)			(206)		16,337		(2,564)	(2,564)	186		L
748356-10-2	QUESTAR CORP		06/20/2011	BERNSTEIN	939.00	16,630		16,487	16,348	139			139		16,487		143	143	286		L
750086-10-0	RACKSPACE HOSTING INC.		06/08/2011	BERNSTEIN	338.00	13,616		14,623							14,623		(1,008)	(1,008)			L
751028-10-1	RALCORP HOLDINGS INC		06/20/2011	BERNSTEIN	195.00	17,000		17,558							17,558		(558)	(558)			L
754730-10-9	RAYMOND JAMES FINANCIAL INC		06/08/2011	BERNSTEIN	421.00	13,710		15,666							15,666		(1,956)	(1,956)	46		L
754907-10-3	RAYONIER INC. REIT		06/20/2011	BERNSTEIN	219.00	13,808		14,407							14,407		(599)	(599)	118		L
756109-10-4	REALTY INCOME CORP.		06/20/2011	BERNSTEIN	580.00	19,479		20,489							20,489		(1,010)	(1,010)	84		L
758849-10-3	REGENCY CENTERS CORP.		06/20/2011	BERNSTEIN	322.00	13,800		14,643							14,643		(843)	(843)	149		L
759351-60-4	REINSURANCE GROUP OF AMERICA		06/08/2011	BERNSTEIN	794.00	47,725		49,918							49,918		(2,193)	(2,193)			L
759509-10-2	RELIANCE STEEL & ALUMINUM CO.		06/08/2011	BERNSTEIN	294.00	13,709		15,969							15,969		(2,259)	(2,259)	35		L
76009N-10-0	RENT-A-CENTER INC.		06/08/2011	BERNSTEIN	479.00	13,608		14,749							14,749		(1,141)	(1,141)			L
768573-10-7	RIVERBED TECHNOLOGY INC.		06/08/2011	BERNSTEIN	391.00	13,568		14,403							14,403		(835)	(835)			L
779376-10-2	ROVI CORP.		06/08/2011	BERNSTEIN	253.00	13,684		14,628	15,689	(1,060)			(1,060)		14,628		(944)	(944)			L
749685-10-3	RPM INTERNATIONAL INC.		06/20/2011	BERNSTEIN	630.00	13,896		14,566							14,566		(670)	(670)			L
810186-10-6	SCOTTS MIRACLE-GRO CO.		06/20/2011	BERNSTEIN	279.00	14,141		16,611							16,611		(2,469)	(2,469)	70		L
817565-10-4	SERVICE CORP. INTERNATIONAL		06/08/2011	BERNSTEIN	1,237.00	13,713		14,376							14,376		(663)	(663)			L
820280-10-5	SHAW GROUP INC		06/08/2011	BERNSTEIN	1,708.00	56,729		65,171	8,181	58			58		65,171		(8,442)	(8,442)			L
827048-10-9	SILGAN HOLDINGS INC		06/08/2011	BERNSTEIN	1.00	44		45							45		(1)	(1)			L
83088M-10-2	SKYWORKS SOLUTIONS INC.		06/08/2011	BERNSTEIN	560.00	13,698		16,688							16,688		(2,990)	(2,990)			L
835898-10-7	SOTHEBYS		06/08/2011	BERNSTEIN	362.00	13,833		16,868							16,868		(3,034)	(3,034)	18		L
844741-10-8	SOUTHWEST AIRLS COMPANY		06/08/2011	BERNSTEIN	4,230.00	46,785		48,495							48,495		(1,710)	(1,710)	19		L
784635-10-4	SPX CORP.		06/08/2011	BERNSTEIN	182.00	13,716		15,165							15,165		(1,450)	(1,450)			L
78464R-10-5	SRA INTERNATIONAL INC. (CL A)		06/20/2011	BERNSTEIN	490.00	15,239		15,117							15,117		122	122			L
871607-10-7	SYNOPSYS INC.		06/20/2011	BERNSTEIN	752.00	18,847		20,782							20,782		(1,935)	(1,935)			L

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SCHEDULE D - PART 4

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

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										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
878377-10-0	TECHNE CORP		06/20/2011	BERNSTEIN	201.00	15,704		15,856							15,856		(152)	(152)	54		L
879868-10-7	TEMPLE-INLAND INC.		06/08/2011	BERNSTEIN	468.00	13,833		11,508							11,508		2,324	2,324	122		L
216648-40-2	THE COOPER COS INC		05/09/2011	BERNSTEIN	94.00	7,095		6,532							6,532		563	563			L
410867-10-5	THE HANOVER INSURANCE GROUP I		06/20/2011	BERNSTEIN	476.00	17,361		22,115	22,239	(124)			(124)		22,115		(4,753)	(4,753)	262		L
88632Q-10-3	TIBCO SOFTWARE INC.		06/08/2011	BERNSTEIN	527.00	13,698		15,577							15,577		(1,879)	(1,879)			L
887389-10-4	TIMKEN CO.		06/08/2011	BERNSTEIN	284.00	13,630		15,118							15,118		(1,489)	(1,489)	57		L
896522-10-9	TRINITY INDUSTRIES INC.		06/08/2011	BERNSTEIN	432.00	13,683		14,604							14,604		(920)	(920)			L
899896-10-4	TUPPERWARE BRANDS CORP		06/08/2011	BERNSTEIN	219.00	13,651		14,185							14,185		(534)	(534)			L
902681-10-5	UGI CORP.		06/20/2011	BERNSTEIN	480.00	14,962		15,574							15,574		(612)	(612)			L
91307C-10-2	UNITED THERAPEUTICS CORP.		06/20/2011	BERNSTEIN	384.00	20,610		25,374							25,374		(4,764)	(4,764)			L
913275-10-3	UNITRIN INC.		06/08/2011	BERNSTEIN	491.00	13,776		14,690							14,690		(914)	(914)	118		L
903236-10-7	URS CORP.		06/08/2011	BERNSTEIN	327.00	13,748		14,734							14,734		(986)	(986)			L
919794-10-7	VALLEY NATIONAL BANCORP		06/20/2011	BERNSTEIN	2,468.00	32,670		33,512							33,512		(843)	(843)			L
920253-10-1	VALMONT INDUSTRIES INC.		06/20/2011	BERNSTEIN	154.00	13,743		15,844							15,844		(2,101)	(2,101)			L
920355-10-4	VALSPAR CORP.		06/20/2011	BERNSTEIN	391.00	13,751		15,140							15,140		(1,390)	(1,390)			L
922207-10-5	VARIAN SEMICONDUCTOR EQUIP		06/20/2011	BERNSTEIN	224.00	13,709		13,688							13,688		21	21			L
92240G-10-1	VECTREN CORPORATION		06/20/2011	BERNSTEIN	1,371.00	37,683		38,538	9,771	794			794		38,538		(855)	(855)	606		L
92532F-10-0	VERTEX PHARMACEUTICALS INC.		06/08/2011	BERNSTEIN	336.00	17,821		19,414							19,414		(1,594)	(1,594)			L
084423-10-2	W.R. BERKLEY CORP.		06/20/2011	BERNSTEIN	635.00	20,487		20,512							20,512		(25)	(25)			L
930059-10-0	WADDELL & REED FINANCIAL-A		06/08/2011	BERNSTEIN	394.00	13,805		15,667							15,667		(1,863)	(1,863)			L
941053-10-0	WASTE CONNECTIONS INC.		06/20/2011	BERNSTEIN	736.00	23,224		22,637							22,637		587	587			L
948741-10-3	WEINGARTEN REALTY INVESTORS		06/20/2011	BERNSTEIN	560.00	13,792		14,682							14,682		(890)	(890)	154		L
94946T-10-6	WELLCARE HEALTH PLANS INC.		06/08/2011	BERNSTEIN	285.00	13,659		13,843							13,843		(184)	(184)			L
957090-10-3	WESTAMERICA BANCORP.		06/20/2011	BERNSTEIN	282.00	13,691		14,519	2,718	(256)			(256)		14,519		(828)	(828)	119		L
95709T-10-0	WESTAR ENERGY INC.		06/20/2011	BERNSTEIN	609.00	16,216		16,559							16,559		(343)	(343)			L
92924F-10-6	WGL HOLDINGS INC.		06/20/2011	BERNSTEIN	444.00	16,786		17,334	15,882	1,452			1,452		17,334		(548)	(548)	340		L
980745-10-3	WOODWARD INC.		06/08/2011	BERNSTEIN	441.00	13,810		17,006	16,562	443			443		17,006		(3,196)	(3,196)	78		L
981811-10-2	WORTHINGTON INDUSTRIES		06/08/2011	BERNSTEIN	680.00	13,585		14,363							14,364		(773)	(773)			L
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	7,914,155		7,314,213	4,481,401	(437,209)			(437,209)		7,314,214		599,942	599,942	26,798	X X X	X X X
760156-37-3	RESERVE PRIMARY FUND INSTITUTI		06/30/2011	DIRECT	384,075.00			384,075							384,075		(384,075)	(384,075)			U
9399999	Total - Common Stock - Money Market Mutual Funds				X X X		X X X	384,075							384,075		(384,075)	(384,075)		X X X	X X X

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
9799997	Total - Common Stock - Part 4				XXX	7,914,155	XXX	7,698,288	4,481,401	(437,209)			(437,209)		7,698,289		215,867	215,867	26,798	XXX	XXX
9799998	*Summary Item from Part 5 for Common Stocks*				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999	Total Common Stocks				XXX	7,914,155	XXX	7,698,288	4,481,401	(437,209)			(437,209)		7,698,289		215,867	215,867	26,798	XXX	XXX
9899999	Total Preferred and Common Stocks				XXX	7,914,155	XXX	7,698,288	4,481,401	(437,209)			(437,209)		7,698,289		215,867	215,867	26,798	XXX	XXX
9999999	Totals					103,324,934	XXX	98,729,358	86,010,977	(319,259)	(173,983)		(493,242)		97,900,003		5,424,932	5,424,932	2,974,253	XXX	XXX

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NONE Schedule DB - Part A - Section 1

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part D

SCHEDULE DL - PART 1

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 NAIC Desig-nation/ Market Indicator	4 Fair Value	5 Book / Adjusted Carrying Value	6 Maturity Dates
000000-00-0	BANK OF NOVA SCOTIA SINGAPORE - Time Deposit	1	772,935	772,935	07/01/2011
000000-00-0	BANK OF TOKYO UFJ LTD GC - Time Deposit	1	1,020,274	1,020,274	07/01/2011
000000-00-0	BARCLAYS CAPITAL - REPO - A1P1 Money Markets	1	5,101,369	5,101,369	07/29/2011
000000-00-0	COMMERZBANK AG FRANKFURT - Time Deposit	1	1,020,292	1,020,274	07/20/2011
000000-00-0	COMMERZBANK AG FRANKFURT - Time Deposit	1	401,924	401,926	07/27/2011
000000-00-0	CREDIT AGRICOLE CIB, CAYMAN - Time Deposit	1	1,391,282	1,391,282	07/01/2011
000000-00-0	KBC, BRUSSELS - Time Deposit	1	1,236,738	1,236,695	07/14/2011
000000-00-0	KBC, BRUSSELS - Time Deposit	1	525,631	525,596	07/27/2011
000000-00-0	NATIXIS FINANCIAL PRODUCTS LLC - Master Note - Floating	1	448,302	448,302	07/01/2011
000000-00-0	RABOBANK NETHERLANDS - Time Deposit	1	423,081	423,081	07/01/2011
000000-00-0	RBC CAPITAL MKS - REPO - AA Corporate Bonds	1	772,935	772,935	08/04/2011
000000-00-0	SUMITOMO MITSUI BANK CORP BRUS - Time Deposit	1	1,082,115	1,082,109	07/06/2011
05576V-UB-8	BTM CAPITAL CORP - Commercial Paper	1	1,236,646	1,236,421	07/11/2011
2363F7-UB-2	DANSKE CORP - Commercial Paper	1	2,164,131	2,163,552	07/11/2011
29603F-DN-3	ERSTE BANK NEW YORK - Yankee C/D - Fixed	1	309,114	309,177	08/02/2011
2960E3-UJ-8	ERSTE FINANCE DELAWARE LLC - Commercial Paper	1	1,545,758	1,545,590	07/18/2011
4611K1-UE-3	INTESA FUNDING LLC - Commercial Paper	1	1,082,024	1,080,972	07/14/2011
51488H-2S-4	LANDESBANK HESSEN THUR NY - Yankee C/D - Fixed	1	927,549	927,524	07/27/2011
65602Q-DT-1	NORINCHUKIN BANK NY - Yankee C/D - Fixed	1	1,391,295	1,391,282	07/11/2011
6931M3-U1-5	PB FINANCE DELAWARE - Commercial Paper	1	711,096	710,135	07/01/2011
80280P-JB-4	SANTANDER CP SA UNIPERSONAL - Commercial Paper	1	1,082,033	1,081,748	07/08/2011
80280P-JC-2	SANTANDER CP SA UNIPERSONAL - Commercial Paper	1	772,881	772,686	07/08/2011
85324U-UB-7	STANDARD CHARTERED CP - Commercial Paper	1	1,684,930	1,684,740	07/11/2011
86562W-MH-8	SUMITOMO MITSUI BANKING CORP NY - Yankee C/D - Fixed	1	1,545,869	1,545,869	07/11/2011
8672E3-UE-4	SUNCORP METWAY LTD - Commercial Paper	1	1,143,882	1,143,743	07/14/2011
3299999 Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations			29,794,086	29,790,217	XXX
000000-00-0	BARCLAYS CAPITAL - REPO-PRI LAB CMO'S	1	1,545,869	1,545,869	07/29/2011
000000-00-0	CITIGROUP GLOBAL MARKETS INC - REPO - AAA Asset Backed Securities	1	1,545,869	1,545,869	08/04/2011
000000-00-0	NOMURA SECURITIES - REPO - U.S. Agency Mortgages	2	2,922,679	2,922,679	07/01/2011
000000-00-0	PERSHING LLC - REPO - U.S. Agency Mortgages	1	772,935	772,935	07/01/2011
03663U-V9-3	ANTALIS US FUNDING CORP - Commercial Paper - Asset Backed	1	1,545,531	1,545,277	08/09/2011
03846W-U1-7	ARABELLA FINANCE LLC - Commercial Paper - Asset Backed	1	1,545,863	1,545,797	07/01/2011
08037M-U5-8	BELMONT FUNDING LLC - Commercial Paper - Asset Backed	1	1,545,837	1,545,430	07/05/2011
1373X3-US-4	CANCARA ASSET SECURITISATION LLC - Commercial Paper - Asset Backed	1	1,391,096	1,390,422	07/26/2011
76203M-UB-0	RHEIN-MAIN SECURITISATON LIMITED - Commercial Paper - Asset Backed	1	622,522	621,814	07/11/2011
76203M-W6-9	RHEIN-MAIN SECURITISATON LIMITED - Commercial Paper - Asset Backed	1	772,621	772,150	09/06/2011
76205M-U8-5	RHEINGOLD SECURITIZATION - Commercial Paper - Asset Backed	1	803,825	803,765	07/08/2011
76205M-W6-7	RHEINGOLD SECURITIZATION - Commercial Paper - Asset Backed	1	1,545,242	1,544,226	09/06/2011
80584U-U7-2	SCALDIS CAPITAL LLC - Commercial Paper - Asset Backed	1	772,915	772,820	07/07/2011
3599999 Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities			17,332,804	17,329,053	XXX
3899999 Subtotals – Industrial and Miscellaneous (Unaffiliated)			47,126,890	47,119,270	XXX
7799999 Totals – Issuer Obligations			29,794,086	29,790,217	XXX
8099999 Totals – Other Loan-Backed and Structured Securities			17,332,804	17,329,053	XXX
8399999 Total Bonds			47,126,890	47,119,270	XXX
9999999 Totals			47,126,890	47,119,270	XXX

General Interrogatory:

1. Total activity for the year to date — Fair Value $ 14,354,033 — Book/Adjusted Carrying Value $ 14,351,280
2. Average balance for the year to date — Fair Value $ 58,334,589 — Book/Adjusted Carrying Value $ 58,617,175
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1 $ 44,196,591; NAIC 2 $ 2,922,679; NAIC 3 $ 0; NAIC 4 $ 0; NAIC 5 $ 0; NAIC 6 $ 0.

NONE Schedule DL - Part 2

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Bank of America Boston, MA					467,753	202,279	290,697	
Bank of Tokyo-Mitsubishi UFJ LTD Due Date - 6/20/2011		0.290	37,861		50,000,000	50,000,000		
Citibank New Castle, DE					23,763	22,979	22,651	
JPM Chase New York, NY					661,982	732,009	25,000	
Key Bank Portland, ME					54,414	109,971	548,179	
Northern Trust Chicago, IL					25,000	25,000	25,000	
PNC Bank Pittsburgh, PA					50,107	50,000	50,000	
US Bank Milwaukee, WI					9,515,679	26,529,962	7,306,666	
Wells Fargo Bank San Diego CA					1,641,669	1,641,671	1,641,671	
0199998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total - Open Depositories	XXX	XXX	37,861		62,440,367	79,313,871	9,909,864	XXX
Suspended Depositories								
0299998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX						XXX
0399999 Total Cash on Deposit	XXX	XXX	37,861		62,440,367	79,313,871	9,909,864	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	37,861		62,440,367	79,313,871	9,909,864	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
BANK OF NEW YORK CASH RESERVE		06/30/2011	0.010	07/01/2011	1,252,686	21	497
8499999 Sweep Accounts					1,252,686	21	497
8699999 Total Cash Equivalents					1,252,686	21	497

Designate the type of health care providers reported on this page.
Physicians

24740201145000120

SUPPLEMENT "A" TO SCHEDULE T

EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN ALLOCATED BY STATES AND TERRITORIES

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid 3 Amount	Direct Losses Paid 4 Number of Claims	5 Direct Losses Incurred	Direct Losses Unpaid 6 Amount Reported	Direct Losses Unpaid 7 Number of Claims	8 Direct Losses Incurred But Not Reported
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY	19,147	22,882	45,913	3	12,369	203,670	3	136,002
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. US Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate Other Alien OT								
59. Totals	19,147	22,882	45,913	3	12,369	203,670	3	136,002

DETAILS OF WRITE-INS								
5801.			NONE					
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)								

Designate the type of health care providers reported on this page.
Hospitals

SUPPLEMENT "A" TO SCHEDULE T

EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN ALLOCATED BY STATES AND TERRITORIES

States, Etc.		1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid 3 Amount	Direct Losses Paid 4 Number of Claims	5 Direct Losses Incurred	Direct Losses Unpaid 6 Amount Reported	Direct Losses Unpaid 7 Number of Claims	8 Direct Losses Incurred But Not Reported
1. Alabama	AL								
2. Alaska	AK								
3. Arizona	AZ								
4. Arkansas	AR								
5. California	CA								
6. Colorado	CO								
7. Connecticut	CT								
8. Delaware	DE								
9. District of Columbia	DC								
10. Florida	FL								
11. Georgia	GA								
12. Hawaii	HI								
13. Idaho	ID								
14. Illinois	IL								
15. Indiana	IN								
16. Iowa	IA								
17. Kansas	KS								
18. Kentucky	KY								
19. Louisiana	LA								
20. Maine	ME								
21. Maryland	MD								
22. Massachusetts	MA								
23. Michigan	MI								
24. Minnesota	MN			NONE					
25. Mississippi	MS								
26. Missouri	MO								
27. Montana	MT								
28. Nebraska	NE								
29. Nevada	NV								
30. New Hampshire	NH								
31. New Jersey	NJ								
32. New Mexico	NM								
33. New York	NY								
34. North Carolina	NC								
35. North Dakota	ND								
36. Ohio	OH								
37. Oklahoma	OK								
38. Oregon	OR								
39. Pennsylvania	PA								
40. Rhode Island	RI								
41. South Carolina	SC								
42. South Dakota	SD								
43. Tennessee	TN								
44. Texas	TX								
45. Utah	UT								
46. Vermont	VT								
47. Virginia	VA								
48. Washington	WA								
49. West Virginia	WV								
50. Wisconsin	WI								
51. Wyoming	WY								
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. US Virgin Islands	VI								
56. Northern Mariana Islands	MP								
57. Canada	CN								
58. Aggregate Other Alien	OT								
59. Totals									

DETAILS OF WRITE-INS								
5801.								
5802.				NONE				
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)								

Designate the type of health care providers reported on this page.
Other Health Care Professionals

SUPPLEMENT "A" TO SCHEDULE T

EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN ALLOCATED BY STATES AND TERRITORIES

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid 3 Amount	Direct Losses Paid 4 Number of Claims	5 Direct Losses Incurred	Direct Losses Unpaid 6 Amount Reported	Direct Losses Unpaid 7 Number of Claims	8 Direct Losses Incurred But Not Reported
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY	17,674	21,122	42,382	2	11,418	188,003	2	125,541
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. US Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate Other Alien OT								
59. Totals	17,674	21,122	42,382	2	11,418	188,003	2	125,541

DETAILS OF WRITE-INS								
5801.			NONE					
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)								

Designate the type of health care providers reported on this page.
Other Health Care Facilities

SUPPLEMENT "A" TO SCHEDULE T

EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN ALLOCATED BY STATES AND TERRITORIES

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid 3 Amount	Direct Losses Paid 4 Number of Claims	5 Direct Losses Incurred	Direct Losses Unpaid 6 Amount Reported	Direct Losses Unpaid 7 Number of Claims	8 Direct Losses Incurred But Not Reported
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN			NONE					
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. US Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate Other Alien OT								
59. Totals								

DETAILS OF WRITE-INS								
5801.								
5802.								
5803.			NONE					
5898. Summary of remaining write-ins for Line 58 from overflow page								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)								

24740201150500102

DIRECTOR AND OFFICER SUPPLEMENT

Year To Date For The Period Ended 2011

NAIC Group Code 0111 NAIC Company Code 24740

Company Name Safeco Insurance Company of America

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [ ] No [X]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [ ] No [X]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: $_____

2.32 Amount estimated using reasonable assumptions: $_____

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. $_____

QUARTERLY STATEMENT

OF THE

SAFECO INSURANCE COMPANY OF AMERICA

of SEATTLE

in the state of WASHINGTON

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

March 31, 2011

PROPERTY AND CASUALTY

2011

24740201120100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2011

OF THE CONDITION AND AFFAIRS OF THE

Safeco Insurance Company of America

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) NAIC Company Code 24740 Employer's ID Number 91-0742148

Organized under the Laws of Washington State of Domicile or Port of Entry Washington

Country of Domicile United States of America

Incorporated/Organized: September 2, 1953 Commenced Business: October 1, 1953

Statutory Home Office: 1001 Fourth Avenue, Safeco Plaza (Street and Number), Seattle, WA 98154 (City or Town, State and Zip Code)

Main Administrative Office: 175 Berkeley Street (Street and Number)

Boston, MA 02116 (City or Town, State and Zip Code) 617-357-9500 (Area Code) (Telephone Number)

Mail Address: 175 Berkeley Street (Street and Number or P.O. Box), Boston, MA 02116 (City or Town, State and Zip Code)

Primary Location of Books and Records: 175 Berkeley Street (Street and Number), Boston, MA 02116 (City or Town, State and Zip Code), 617-357-9500 (Area Code) (Telephone Number)

Internet Website Address: WWW.SAFECO.COM

Statutory Statement Contact: Pamela Heenan (Name), 617-357-9500 x44689 (Area Code) (Telephone Number) (Extension)

Statutory.Compliance@LibertyMutual.com (E-Mail Address), 617-574-5955 (Fax Number)

OFFICERS

Chairman of the Board

James Paul Condrin, III #

	Name	Title
1.	James Paul Condrin, III #	President and Chief Executive Officer
2.	Dexter Robert Legg	Secretary
3.	Michael Joseph Fallon	Treasurer and Chief Financial Officer

VICE-PRESIDENTS

Name	Title	Name	Title
Anthony Alexander Fontanes	EVP and Chief Investment Officer	Joseph Anthony Gilles	Executive Vice President
Scott Rhodes Goodby	EVP and Chief Operating Officer		

DIRECTORS OR TRUSTEES

John Derek Doyle	Michael Joseph Fallon	Joseph Anthony Gilles	Scott Rhodes Goodby
James Paul Condrin, III #	Christopher Charles Mansfield		

State of Massachusetts

County of Suffolk ss

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

(Signature)	(Signature)	(Signature)
James Paul Condrin, III #	Dexter Robert Legg	Michael Joseph Fallon
(Printed Name) 1.	(Printed Name) 2.	(Printed Name) 3.
President and Chief Executive Officer	Secretary	Treasurer and Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this 25th day of April, 2011

COLLEEN K. LYNCH NOTARY PUBLIC COMMONWEALTH OF MASSACHUSETTS MY COMM. EXPIRES FEB. 13, 2015

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

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Statement Date			
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	2,405,104,898		2,405,104,898	2,318,009,624
2. Stocks:				
2.1 Preferred stocks	27,228,900		27,228,900	27,090,756
2.2 Common stocks	474,133,434		474,133,434	457,221,343
3. Mortgage loans on real estate:				
3.1 First liens	76,167,485		76,167,485	76,702,697
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less $ 0 encumbrances)				
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 60,694,365), cash equivalents ($ 7,671,797), and short-term investments ($ 62,535,592)	130,901,754		130,901,754	163,744,2[illegible]
6. Contract loans (including $ 0 premium notes)				
7. Derivatives				
8. Other invested assets	4,280,868	1,008,000	3,272,868	2,241,396
9. Receivables for securities	4,830,818		4,830,818	1,787
10. Securities lending reinvested collateral assets	44,891,983		44,891,983	32,767,990
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,167,540,140	1,008,000	3,166,532,140	3,077,779,873
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	29,127,230		29,127,230	28,237,369
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	64,189,306	6,985,802	57,203,504	54,564,644
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ (3,335,704) earned but unbilled premiums)	428,916,442	137	428,916,305	438,837,234
15.3 Accrued retrospective premiums	1,479,517	147,305	1,332,212	1,392,450
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	104,288,655		104,288,655	84,021,997
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	12,163,636		12,163,636	7,215,497
18.2 Net deferred tax asset	148,999,056	37,827,931	111,171,125	111,699,983
19. Guaranty funds receivable or on deposit	1,275,611		1,275,611	2,568,318
20. Electronic data processing equipment and software	22,233,040	21,289,833	943,207	1,886,24[illegible]
21. Furniture and equipment, including health care delivery assets ($ 0)	54,328,790	54,328,790		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	53,806	1,064	52,742	16,459,621
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	15,645,202	2,117,229	13,527,973	13,320,898
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,050,240,431	123,706,091	3,926,534,340	3,837,984,130
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	4,050,240,431	123,706,091	3,926,534,340	3,837,984,130

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Cash Surrender Value Life Insurance	8,890,335		8,890,335	8,836,189
2502. Equities and deposits in pools and associations	4,091,382		4,091,382	4,020,850
2503. Other assets	2,663,485	2,117,229	546,256	463,859
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	15,645,202	2,117,229	13,527,973	13,320,898

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year $ 160,037,713)	1,359,859,782	1,357,442,949
2. Reinsurance payable on paid losses and loss adjustment expenses	97,992,277	91,080,912
3. Loss adjustment expenses	300,715,459	302,962,873
4. Commissions payable, contingent commissions and other similar charges	29,486,854	40,999,937
5. Other expenses (excluding taxes, licenses and fees)	15,347,424	11,999,519
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	8,566,089	13,711,488
7.1. Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money $ 0 and interest thereon $ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of $ 856,356,037 and including warranty reserves of $ 0)	730,763,154	737,679,970
10. Advance premium	6,134,542	4,999,758
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders	187,297	142,479
12. Ceded reinsurance premiums payable (net of ceding commissions)	131,749,543	125,007,844
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	1,046,935	456,871
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	51,518,853	49,753,890
19. Payable to parent, subsidiaries and affiliates	170,646,239	147,504,732
20. Derivatives		
21. Payable for securities	33,276,451	28,665,806
22. Payable for securities lending	44,891,983	32,767,990
23. Liability for amounts held under uninsured plans		
24. Capital notes $ 0 and interest thereon $ 0		
25. Aggregate write-ins for liabilities	44,890,555	47,901,283
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	3,027,073,437	2,993,078,301
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	3,027,073,437	2,993,078,301
29. Aggregate write-ins for special surplus funds	21,325,412	24,314,698
30. Common capital stock	5,000,000	5,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	580,930,179	580,930,179
35. Unassigned funds (surplus)	292,205,312	234,660,952
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 $ 0)		
36.2. 0 shares preferred (value included in Line 31 $ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	899,460,903	844,905,829
38. Totals (Page 2, Line 28, Col. 3)	3,926,534,340	3,837,984,130

DETAILS OF WRITE-IN LINES		
2501. Other liabilities	27,935,070	29,751,538
2502. Retroactive reinsurance reserves	13,961,780	14,500,958
2503. Amounts held under uninsured plans	1,601,715	1,635,638
2598. Summary of remaining write-ins for Line 25 from overflow page	1,391,990	2,013,149
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	44,890,555	47,901,283
2901. SSAP10R incremental change	18,035,426	21,027,092
2902. Special surplus from retroactive reinsurance	3,289,986	3,287,606
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	21,325,412	24,314,698
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $ 450,148,140)	453,122,420	450,788,203	1,824,217,488
1.2 Assumed (written $ 380,401,460)	388,191,800	385,767,946	1,567,755,359
1.3 Ceded (written $ 450,148,140)	453,122,420	450,788,203	1,824,217,488
1.4 Net (written $ 380,401,460)	388,191,800	385,767,946	1,567,755,359
DEDUCTIONS:			
2. Losses incurred (current accident year $ 227,619,951):			
2.1 Direct	219,701,891	152,025,044	841,228,440
2.2 Assumed	215,202,402	202,860,271	878,428,917
2.3 Ceded	219,701,891	152,025,044	841,228,440
2.4 Net	215,202,402	202,860,271	878,428,917
3. Loss adjustment expenses incurred	43,520,410	43,729,777	185,075,525
4. Other underwriting expenses incurred	121,425,939	122,314,464	526,865,808
5. Aggregate write-ins for underwriting deductions	(162,686)		(85,760)
6. Total underwriting deductions (Lines 2 through 5)	379,986,065	368,904,512	1,590,284,490
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	8,205,735	16,863,434	(22,529,1
INVESTMENT INCOME			
9. Net investment income earned	29,594,887	39,542,827	132,469,091
10. Net realized capital gains (losses) less capital gains tax of $ 771,583	1,432,940	7,997,997	1,445,916
11. Net investment gain (loss) (Lines 9 + 10)	31,027,827	47,540,824	133,915,007
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 17,051 amount charged off $ 791,491)	(774,440)	(1,885,548)	(6,587,518)
13. Finance and service charges not included in premiums	3,297,948	3,378,666	13,833,992
14. Aggregate write-ins for miscellaneous income	(436,502)	346,383	(20,410,058)
15. Total other income (Lines 12 through 14)	2,087,006	1,839,501	(13,163,584)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	41,320,568	66,243,759	98,222,292
17. Dividends to policyholders	661,007	735,354	(535,689)
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	40,659,561	65,508,405	98,757,981
19. Federal and foreign income taxes incurred	9,168,942	5,160,303	5,461,380
20. Net income (Line 18 minus Line 19) (to Line 22)	31,490,619	60,348,102	93,296,601
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	844,905,829	1,147,111,899	1,147,111,899
22. Net income (from Line 20)	31,490,619	60,348,102	93,296,601
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ 3,806,677	13,731,747	5,441,750	43,087,700
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	1,366,334	1,858,839	(17,956,336)
27. Change in nonadmitted assets	9,740,036	6,054,513	43,018,787
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles	1,218,004		
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		224,812,072	234,812,072
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders		(425,000,000)	(753,000,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	(2,991,666)	392,176	54,535,106
38. Change in surplus as regards policyholders (Lines 22 through 37)	54,555,074	(126,092,548)	(302,206,070)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	899,460,903	1,021,019,351	844,905,829

DETAILS OF WRITE-IN LINES			
0501. Private passenger auto escrow	(162,686)		(85,760)
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)	(162,686)		(85,760)
1401. Retroactive reinsurance gain/(loss)	(2,828)	164,096	(19,414,622)
1402. Other income/(expense)	(433,674)	182,287	(995,436)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(436,502)	346,383	(20,410,058)
3701. Other changes in surplus		(924,197)	54,187,673
3702. SSAP10R incremental change	(2,991,666)	1,316,373	347,433
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(2,991,666)	392,176	54,535,106

CASH FLOW

Cash from Operations	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums collected net of reinsurance	394,614,827	462,704,706	1,607,817,285
2. Net investment income	31,343,192	47,449,982	153,190,016
3. Miscellaneous income	2,735,301	1,062,101	(24,948,174)
4. Total (Lines 1 to 3)	428,693,320	511,216,789	1,736,059,127
5. Benefit and loss related payments	224,375,900	303,333,894	953,912,016
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	179,286,324	253,671,234	784,351,287
8. Dividends paid to policyholders	616,189	1,902,392	612,309
9. Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	14,888,664		1,129,765
10. Total (Lines 5 through 9)	419,167,077	558,907,520	1,740,005,377
11. Net cash from operations (Line 4 minus Line 10)	9,526,243	(47,690,731)	(3,946,250)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	149,933,366	768,064,938	1,683,371,487
12.2 Stocks	3,417,222	30,794,021	88,915,008
12.3 Mortgage loans	635,021	174,211	1,340,734
12.4 Real estate			
12.5 Other invested assets	32,767,990	4,928,621	74,567,870
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	(4,829,031)	57,197,451	(159,954)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	181,924,568	861,159,242	1,848,035,145
13. Cost of investments acquired (long-term only):			
13.1 Bonds	237,064,512	388,437,191	1,042,950,805
13.2 Stocks	3,284,803	224,812,072	369,288,146
13.3 Mortgage loans	99,809	7,976,519	47,809,340
13.4 Real estate			
13.5 Other invested assets	45,965,455	1,120,086	34,152,141
13.6 Miscellaneous applications	(4,610,646)	8,920	(17,858,285)
13.7 Total investments acquired (Lines 13.1 to 13.6)	281,803,933	622,354,788	1,476,342,147
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(99,879,365)	238,804,454	371,692,998
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock		224,812,072	234,812,072
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders		425,000,000	753,000,000
16.6 Other cash provided (applied)	57,510,596	13,789,742	(14,281,135)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	57,510,596	(186,398,186)	(532,469,063)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(32,842,526)	4,715,537	(164,722,315)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	163,744,280	328,466,595	328,466,595
19.2 End of period (Line 18 plus Line 19.1)	130,901,754	333,182,132	163,744,280

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

20.0001	12.1 Proceeds - Bonds			719,947,341
20.0002	12.2 Proceeds - Stocks			45,093,670
20.0003	16.5 Dividends to stockholders			624,505,597

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Safeco Insurance Company of America (the "Company") have been prepared on the basis of accounting practices prescribed or permitted by the Washington Insurance Department.

The state of Washington requires insurance companies domiciled in the state of Washington to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the Washington Insurance Department.

There are no differences between the Washington prescribed or permitted practices and NAIC statutory accounting practices that resulted in a difference for the Company.

Note 2 - Accounting Changes and Correction of Errors

The Company adopted SSAP No. 35R, *Guaranty Fund and Other Assessments*, effective January 1, 2011. The cumulative effect of adopting SSAP No. 35R is reported in the Capital and Surplus Account and is not considered material.

Note 3 - Business Combinations and Goodwill

No change.

Note 4 - Discontinued Operations

No change.

Note 5 - Investments

D. Loaned Backed Securities

1. Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.

2. All Loaned Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2011 as of March 31, 2011: None.

3. Each Loaned Backed Security with a recognized other-than-temporary impairment held by the Company at March 31, 2011:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair Value at time of OTTI	Date of Financial Statement Where Report
30605AAX1	$1,734,190	$792,898	$941,292	$792,898	$778,145	3/31/2010
59023XAB2	730,659	639,116	91,544	639,116	640,061	3/31/2009
59023XAB2	484,519	420,536	63,982	420,536	334,769	12/31/2009
59023XAB2	225,695	175,372	50,323	175,372	155,940	12/31/2009
59023XAB2	320,497	312,882	7,615	312,882	244,796	3/31/2010
59023XAB2	130,685	127,138	3,547	127,138	114,029	3/31/2010
61749BAB9	762,539	724,311	38,228	724,311	464,920	12/31/2009
61749BAB9	637,091	631,463	5,628	631,463	515,200	3/31/2010
61749BAB9	514,264	511,773	2,491	511,773	475,530	12/31/2010
07324SCZ3	$359,749	$241,039	$118,710	$241,039	$241,038	12/31/2010

4. All impaired Loaned Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of March 31, 2011:

	1	2
	12 Months and Under	Greater Than 12 Months
Gross Unrealized Loss	$(4,191,100)	$(4,309,634)
Fair Value of Securities with Unrealized Losses	$272,164,132	$44,345,704

5. The Company reviews fixed income securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, and (g) the past impairment of the security holding or the issuer. If the Company believes a decline in the value of a particular investment is temporary, the decline is recorded as an unrealized loss in policyholders' equity. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.

Note 6 - Joint Ventures, Partnerships & Limited Liability Companies

No change.

Note 7 - Investment Income

No change.

Note 8 - Derivative Instruments

No change.

Note 9 - Income Taxes

No change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No change.

Note 11 - Debt

No change.

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

No change.

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

No change.

Note 14 - Contingencies

No change.

Note 15 - Leases

No change.

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

No change.

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

C. Wash Sales

In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date. There are no transactions for securities with NAIC designation 3 or below sold during the first quarter of 2011, and reacquired within 30 days of the sale date.

Note 18 - Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

No change.

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

No change.

Note 20 - Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Levels 1, 2 and 3

Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which generally utilizes market transaction data for identical or similar instruments.

The hierarchy level assigned to each security in the Company's portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to Level 1 measurements and the lowest priority to Level 3 measurements. Securities are classified based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period. The three hierarchy levels are defined as follows:

NOTES TO FINANCIAL STATEMENTS

- Level 1 — Valuations based on unadjusted observable quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2 — Valuations based on directly or indirectly observable inputs (other than Level 1 prices) at the measurement date, such as quoted prices in active markets or prices in markets that are not active for similar assets or liabilities or other inputs that are observable.

- Level 3 — Valuations based on inputs that are unobservable and reflect the Company's own assumptions about the assumptions that market participants might use.

The following table summarizes the Company's assets and liabilities that are measured at fair value at March 31, 2011:

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Issuer Obligations	$ -	$14,058,273	$9,471,709	$23,529,982
Residential Mortgage-Backed Securities	-	1,043,173	-	1,043,173
Commercial Mortgage-Backed Securities	-	8,915,708	-	8,915,708
Total Bonds	$ -	$24,017,154	$9,471,709	$33,488,863
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	$ -	$14,733,900	$ -	$14,733,900
Total Preferred Stocks	$ -	$14,733,900	$ -	$14,733,900
Common Stocks				
Industrial and Miscellaneous	$124,973,813	$ -	$1,265,621	$126,239,434
Total Common Stocks	$124,973,813	$ -	$1,265,621	$126,239,434
Total assets at fair value	$124,973,813	$38,751,054	$10,737,330	$174,462,197
Liabilities at fair value	$0	$0	$0	$0
Total liabilities at fair value	$0	$0	$0	$0

The Company did not have significant transfers between Levels 1 and 2 during the quarter ended March 31, 2011.

2. Rollforward of Level 3 Items

The following tables set forth the fair values of assets basis classified as Level 3 within the fair value hierarchy:

	1	2	3	4	5	6	7
	Balance at 12/31/2010	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases, issuances, sales and settlements	Balance at 3/31/2011
Bonds	$7,633,607	$3,166,336			$131,765	$(1,459,999)	$9,471,709
Preferred Stock							
Common Stock	783,357	482,264					1,165,6.
Total	$8,416,964	$3,648,600			$131,765	$(1,459,999)	$10,737,330

3. Policy on Transfers Into and Out of Level 3

Transfers in and/or out of Level 3 are due to re-evaluation of the observability of pricing inputs.

4. Inputs and Techniques Used for Fair Value

Fixed Maturities

At each valuation date, the Company uses various valuation techniques to estimate the fair value of its fixed maturities portfolio. The primary method for valuing the Company's securities is through independent third-party valuation service providers. For positions where valuations are not available from independent third-party valuation service providers, the Company utilizes broker quotes and internal pricing methods to determine fair values. The Company obtains a single non-binding price quote from a broker familiar with the security who, similar to the Company's valuation service providers, may consider transactions or activity in similar securities, as applicable, among other information. The brokers providing price quotes are generally from the brokerage divisions of leading financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation. The evaluation and prioritization of these valuation sources is systematic and predetermined resulting in a single quote or price for each financial instrument. The following describes the techniques generally used to determine the fair value of the Company's fixed maturities by asset class:

U.S. government and agency

U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal Home Loan Bank, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As the fair values of the Company's U.S. Treasury securities are based on unadjusted market prices, they are classified within Level 1. The fair value of U.S. government agency securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

Mortgage-Backed Securities

The Company's portfolio of residential mortgage-backed securities ("MBS") and commercial MBS are originated by both agencies and non-agencies, the majority of which are pass-through securities issued by U.S. government agencies. The fair value of MBS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of MBS is primarily classified within Level 2.

Asset-Backed Securities

Asset-backed securities ("ABS") include mostly investment-grade bonds backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, credit card receivables, and collateralized loan obligation securities originated by a variety of financial institutions. The fair value of ABS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of ABS is primarily classified within Level 2.

Municipals

The Company's municipal portfolio comprises bonds issued by U.S. domiciled state and municipal entities. The fair value of municipal securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, broker quotes, issuer ratings, reported trades and credit spreads. Accordingly, the fair value of municipal securities is primarily classified within Level 2.

Corporate debt and other

Corporate debt securities consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. The fair value of corporate and other securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, new issuances, issuer ratings, reported trades of identical or comparable securities, bids, offers and credit spreads. Accordingly, the fair value of corporate and other securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Foreign government securities

Foreign government securities comprise bonds issued by foreign governments and their agencies along with supranational organizations. The fair value of foreign government securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, broker quotes, issuer ratings, reported trades of identical or comparable securities and credit spreads. Accordingly, the fair value of foreign government securities is primarily classified within Level 2.

Equity Securities

Equity securities include common and preferred stocks. Common stocks with fair values based on quoted market prices in active markets are classified in Level 1. Common stocks with fair values determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active are classified in Level 2. The fair value of preferred stock is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active. Accordingly, the fair value of preferred stock is primarily classified within Level 2.

Other Investments

Other investments include primarily international loans, foreign cash deposits and equity investments in privately held businesses. International loans and cash deposits are primarily valued using quoted prices for similar instruments in active markets; these assets are categorized as Level 2 of the fair value hierarchy. Equity investments in privately held businesses are valued using internal management estimates; they are categorized as Level 3 of the hierarchy. Limited partnership investments, which represent the remainder of the other investment balance on the consolidated balance sheet, are not subject to these disclosures and therefore are excluded from the above table.

5. Derivative Fair Values

Not applicable

B. This Disclosure was removed by NAIC December 2010.

C. Other Fair Value Disclosures

Not applicable

NOTES TO FINANCIAL STATEMENTS

D. Reasons Not Practical to Estimate Fair Value

Not applicable

Note 21 - Other Items

A. 2011 North Carolina Private Passenger Automobile Escrow

As mandated by North Carolina Statute #58-7-26(C), the escrow account of the Company was $68,564 at March 31, 2011.

Note 22 - Events Subsequent

No change.

Note 23 - Reinsurance

No change

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

No change.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expense attributed to insured events on prior years has decreased $18,585,796 during the first quarter of 2011. This decrease was primarily the result of updated reserving analysis and improving loss trends in the Commercial Multiple Peril $7,238,194, Other Liability Occurrence $5,047,255, Fidelity/Surety $3,706,050, Private Passenger Auto Liability $1,966,621, Homeowners Multiple Peril/Farmowners Multiple Peril $1,738,773, and Special Property $1,701,121 lines. This was partially offset by weakening loss trends in the Workers' Compensation $3,837,507 line. Prior estimates are revised as additional information becomes known regarding individual claims.

Note 26 - Inter-Company Pooling Arrangements

No change.

Note 27 - Structured Settlements

No change.

Note 28 - Health Care Receivables

No change.

Note 29 - Participating Policies

No change.

Note 30 - Premium Deficiency Reserves

No change.

Note 31 - High Dollar Deductible Policies

No change.

Note 32 - Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

No change.

Note 33 - Asbestos/Environmental Reserves

No change.

Note 34 - Subscriber Savings Accounts

No change.

Note 35 - Multiple Peril Crop Insurance

No change.

Note 36 - Financial Guarantee Insurance Contracts

No change.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: _____

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] 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 [X]

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/12/2007

6.4 By what department or departments?
Washington State Office of the Insurance Commissioner

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules, and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code. Yes [X] No [ ]

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

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

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

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

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

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

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 245,408

GENERAL INTERROGATORIES

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 341,231,797	$ 347,894,000
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 1,008,000	$ 1,008,000
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 342,239,797	$ 348,902,000
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase	1 Chase Manhattan Plaza New York, NY 10005
Bank of New York	601 Travis Street, Houston, TX 77002

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

GENERAL INTERROGATORIES

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
N/A	Liberty Mutual Investment Advisors, LLC	175 Berkeley Street, Boston, MA 02116
N/A	Liberty Mutual Group Inc.	175 Berkeley Street, Boston, MA 02116
N/A	Stancorp Mortgage Investors	1100 SW Sixth Avenue, Portland, OR 97204

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1	2	3	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
Line of Business	Maximum Interest	Discount Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
			0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0
		TOTAL	0	0	0	0	0	0	0	0

5. Operating Percentages:
   5.1. A&H loss percent 0.00 %
   5.2. A&H cost containment percent 0.00 %
   5.3. A&H expense percent excluding cost containment expenses 0.00 %

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

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

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

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

NONE Schedule F

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

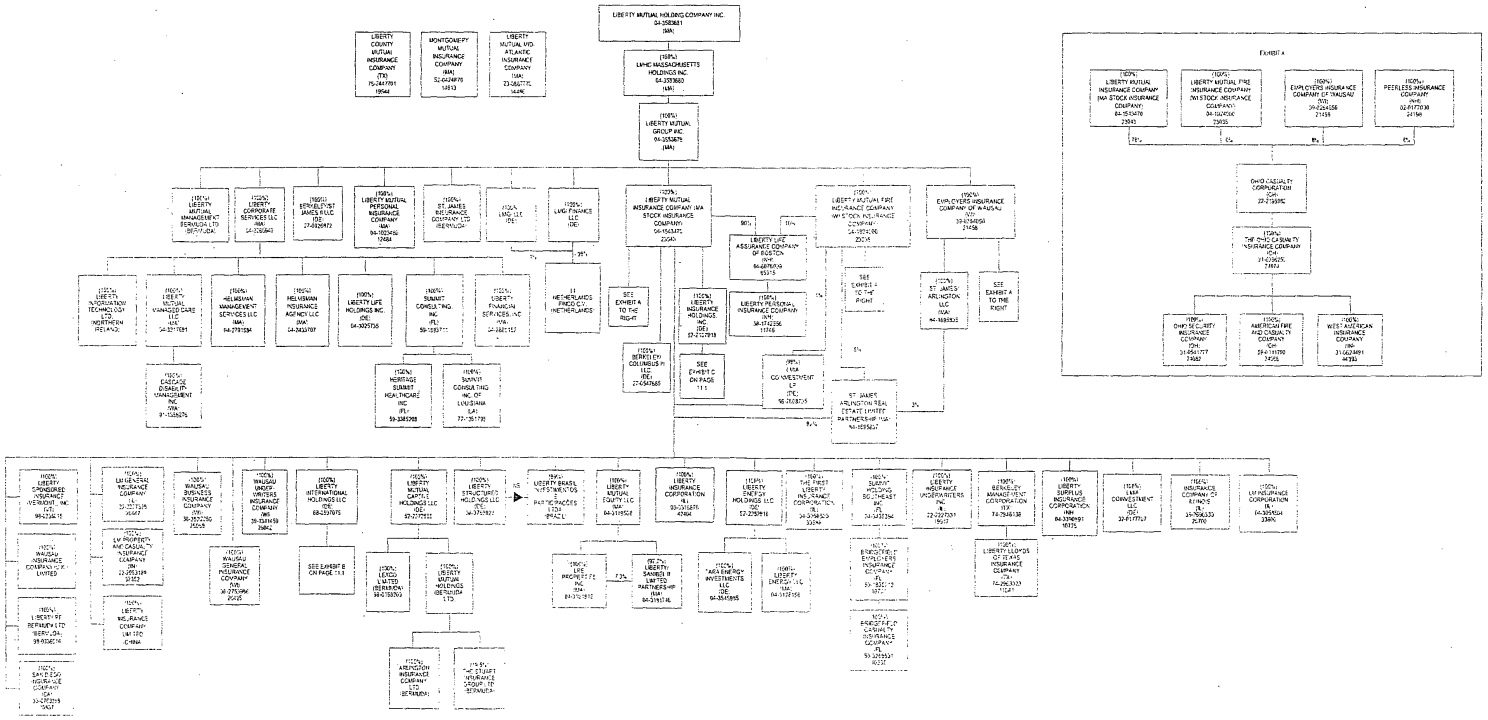
States, Etc.		1 Active Status	Direct Premiums Written 2 Current Year to Date	3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	L	5,162,574	4,754,038	1,970,519	2,553,998	7,162,395	8,794,143
2. Alaska	AK	L	3,958,929	4,223,598	1,349,202	1,022,893	(1,352,340)	(3,013,955)
3. Arizona	AZ	L	15,295,523	13,884,000	12,210,603	5,114,374	20,015,607	13,094,664
4. Arkansas	AR	L	3,238,020	2,937,254	1,562,477	1,994,295	4,235,568	4,544,027
5. California	CA	L	145,154,224	136,697,836	65,734,365	61,107,098	240,503,995	225,518,280
6. Colorado	CO	L	25,477,927	24,960,321	13,585,557	14,760,615	33,930,979	35,693,461
7. Connecticut	CT	L	8,430,648	9,216,235	10,502,130	6,692,653	23,333,511	25,930,065
8. Delaware	DE	L	282,713	123,864			462,390	263,453
9. District of Columbia	DC	L	1,333,397	1,087,570			1,095,896	793,344
10. Florida	FL	L	3,990,933	4,742,353	1,247,347	3,058,537	9,914,705	11,811,463
11. Georgia	GA	L	6,808,461	8,085,764	3,611,599	4,422,107	12,195,448	12,799,022
12. Hawaii	HI	L	766,947	396,116	28,830	(1,500,908)	1,194,929	(3,999,828)
13. Idaho	ID	L	1,753,388	1,477,195	449,609	1,309,379	5,612,553	8,473,397
14. Illinois	IL	L	2,014,146	3,674,464	587,192	(168,139)	5,524,580	6,980,155
15. Indiana	IN	L	2,932,562	3,104,104	737,187	1,360,627	3,212,199	3,621,283
16. Iowa	IA	L	2,158,482	2,485,168	1,106,434	1,373,634	4,941,321	4,792,827
17. Kansas	KS	L	15,037,303	14,908,727	6,422,213	7,418,540	17,404,889	16,387,508
18. Kentucky	KY	L	5,629,521	4,917,377	1,927,554	2,271,925	6,943,693	5,653,436
19. Louisiana	LA	L	8,724,986	10,433,906	2,004,612	2,820,889	7,407,760	10,303,966
20. Maine	ME	L	110,850	159,357			283,585	156,333
21. Maryland	MD	L	7,731,852	7,911,987	4,352,926	4,877,144	18,600,558	17,025,492
22. Massachusetts	MA	L	3,239,082	4,172,102	(1,008,455)	41,592	4,616,238	2,008,724
23. Michigan	MI	L	4,805,630	4,842,035	2,493,324	13,327,974	18,714,117	30,031,601
24. Minnesota	MN	L	3,415,479	3,288,865	1,517,748	1,544,679	7,224,556	8,028,656
25. Mississippi	MS	L	10,058,772	9,138,825	5,777,582	4,887,172	9,987,800	7,028,494
26. Missouri	MO	L	12,221,848	12,251,165	7,734,355	3,011,632	17,540,050	12,355,983
27. Montana	MT	L	6,891,556	6,555,525	4,223,133	3,476,443	23,745,898	17,389,060
28. Nebraska	NE	L	1,229,657	1,028,142	413,059	406,388	1,103,667	1,197,338
29. Nevada	NV	L	3,865,645	3,901,511	5,202,785	803,291	1,123,816	5,271,733
30. New Hampshire	NH	L	2,653,788	1,845,301	1,235,550	812,314	2,446,434	2,344,996
31. New Jersey	NJ	L	3,025,779	2,784,147	679,420	21,736	4,255,420	8,095,571
32. New Mexico	NM	L	11,802,695	11,952,054	6,712,734	4,495,593	18,742,764	15,430,224
33. New York	NY	L	6,548,077	8,974,171	2,384,508	10,539,331	1,349,275	12,713,308
34. North Carolina	NC	L	3,132,421	3,124,446	956,948	1,116,171	3,271,940	4,244,726
35. North Dakota	ND	L	1,532,548	1,621,356	937,096	915,834	1,445,964	1,092,767
36. Ohio	OH	L	1,510,349	1,788,663	48,917	489,219	5,363,144	5,508,122
37. Oklahoma	OK	L	14,644,717	10,238,878	5,504,610	5,225,074	13,801,225	9,809,053
38. Oregon	OR	L	1,944,257	1,829,218	2,586,346	2,134,270	16,161,370	27,779,565
39. Pennsylvania	PA	L	5,079,594	3,956,156	824,704	365,118	12,693,728	9,309,615
40. Rhode Island	RI	L	112,690	105,871		8,925	490,178	298,313
41. South Carolina	SC	L	5,321,265	5,425,158	1,850,974	3,199,536	4,194,638	7,963,069
42. South Dakota	SD	L	2,230,833	2,420,996	1,071,924	1,229,950	3,116,186	2,817,882
43. Tennessee	TN	L	6,833,287	6,610,479	3,483,597	3,000,243	10,955,014	10,339,778
44. Texas	TX	L	12,176,301	16,053,296	21,596,819	6,102,312	16,549,796	41,833,553
45. Utah	UT	L	2,839,819	1,636,738	393,226	315,641	2,325,128	3,665,066
46. Vermont	VT	L	764,924	586,154	842,837	404,931	897,174	692,536
47. Virginia	VA	L	2,608,855	2,885,284	(3,487)	586,719	4,233,455	4,918,010
48. Washington	WA	L	42,677,694	39,110,856	22,843,187	23,459,134	68,737,198	61,217,281
49. West Virginia	WV	L	6,034,006	8,130,933	3,319,185	4,128,919	13,123,287	9,412,233
50. Wisconsin	WI	L	1,673,375	1,479,199	926,162	783,815	4,262,996	4,546,418
51. Wyoming	WY	L	2,675,136	2,275,062	1,282,994	1,245,153	2,994,095	2,264,798
52. American Samoa	AS	N						
53. Guam	GU	L	195,510	443,505			150,846	11,075
54. Puerto Rico	PR	N	10,265					
55. U.S. Virgin Islands	VI	N	238					
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N	(199)				6,216	1,241
58. Aggregate Other Alien	OT	XXX	398,863	283,780	12,608		43,715	
59. Totals		(a) 52	450,148,142	440,921,105	235,234,746	218,568,770	718,291,549	735,243,325

DETAILS OF WRITE-INS							
5801. Other Alien	XXX	398,863	283,780	12,608		43,715	
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX						
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	398,863	283,780	12,608		43,715	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:
(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (N) None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

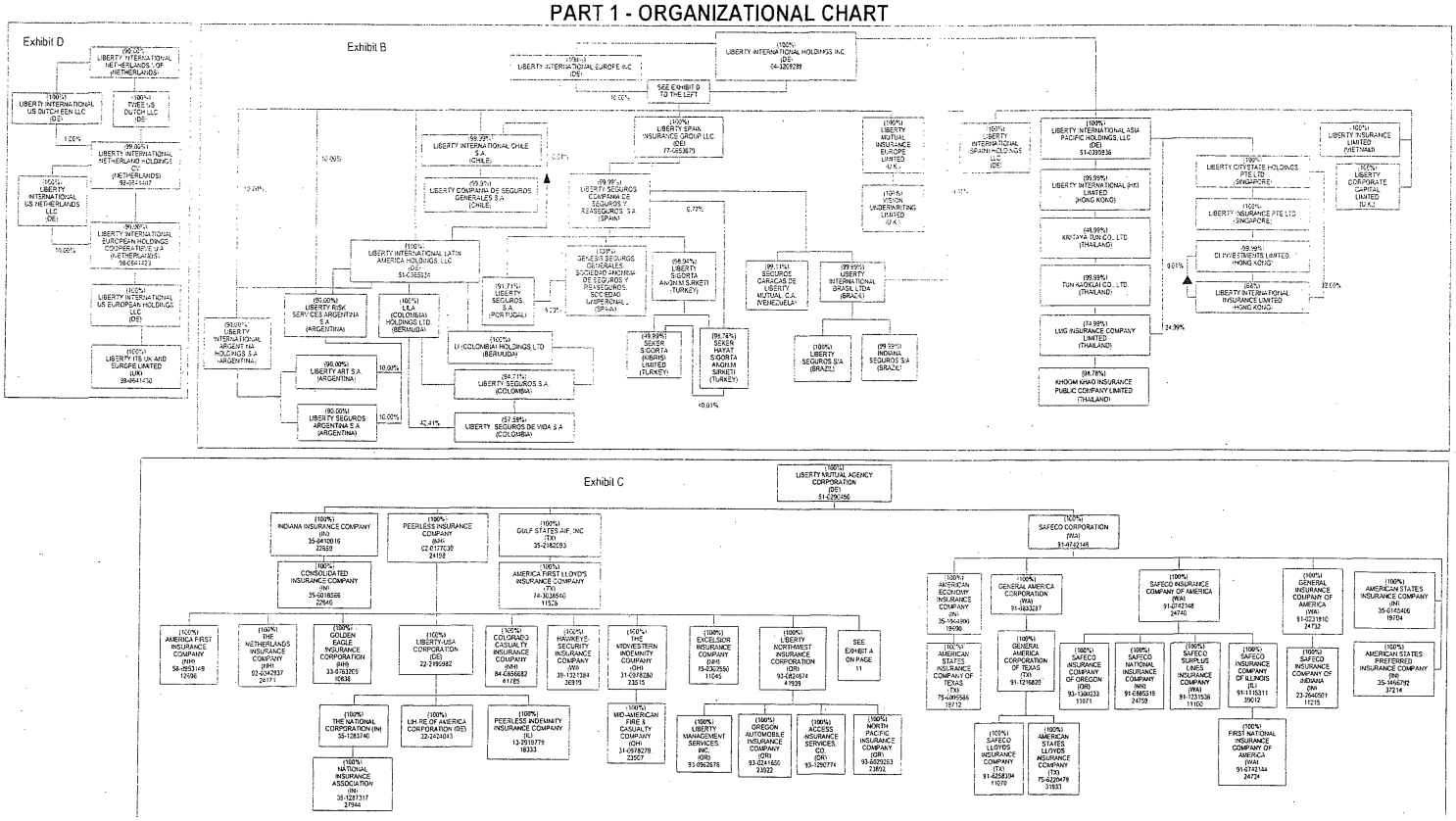
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire	27,834,494	11,427,188	41.1	48.
2. Allied lines	21,002,010	16,899,381	80.5	49.
3. Farmowners multiple peril		(2)		
4. Homeowners multiple peril	145,899,934	90,276,810	61.9	47.
5. Commercial multiple peril	6,167,225	129,643	2.1	-67.
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	8,269,694	1,923,136	23.3	34.
10. Financial guaranty				
11.1 Medical professional liability-occurrence		(3,373)		
11.2 Medical professional liability-claims made				
12. Earthquake	1,539,146			
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	(14,540)	(1,008,169)	6933.8	4170.1
17.1 Other liability-occurrence	17,360,674	3,198,353	18.4	49.5
17.2 Other liability-claims made	8	58,640	733000.0	-5793700.0
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence	(2)	(61,465)	3073250.0	
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	85,073,251	39,454,943	46.4	47.
19.3, 19.4 Commercial auto liability	1,206,002	615,109	51.0	1
21. Auto physical damage	61,017,040	44,378,137	72.7	
22. Aircraft (all perils)				
23. Fidelity		99,531		-340806.8
24. Surety	77,760,748	12,311,394	15.8	-15.2
26. Burglary and theft	6,347	2,636	41.5	-9.1
27. Boiler and machinery	389			
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	453,122,420	219,701,892	48.5	33.7

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

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	28,487,862	28,487,862	25,690,960
2. Allied lines	21,837,424	21,837,424	18,852,306
3. Farmowners multiple peril			
4. Homeowners multiple peril	136,879,316	136,879,316	123,523,883
5. Commercial multiple peril	5,803,136	5,803,136	7,032,172
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	6,850,107	6,850,107	6,629,985
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake	1,332,495	1,332,495	1,265,458
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	(21,650)	(21,650)	193,225
17.1 Other liability-occurrence	17,429,686	17,429,686	15,949,160
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	91,890,296	91,890,296	95,850,576
19.3, 19.4 Commercial auto liability	1,301,575	1,301,575	1,122,122
21. Auto physical damage	66,241,694	66,241,694	67,718,965
22. Aircraft (all perils)			
23. Fidelity			
24. Surety	72,108,533	72,108,533	77,087,531
26. Burglary and theft	6,718	6,718	4,204
27. Boiler and machinery	948	948	558
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	450,148,140	450,148,140	440,921,105

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss & LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + prior	439,327	354,008	793,335	53,980		53,980	400,481	4,045	330,585	735,111	15,134	(19,378)	(4,244)
2. 2009	153,323	157,041	310,364	24,781	250	25,031	138,777	1,402	144,949	285,128	10,235	(10,440)	(205)
3. Subtotals 2009 + prior	592,650	511,049	1,103,699	78,761	250	79,011	539,258	5,447	475,534	1,020,239	25,369	(29,818)	(4,449)
4. 2010	244,163	312,544	556,707	85,790	8,485	94,275	213,052	11,213	224,030	448,295	54,679	(68,816)	(14,137)
5. Subtotals 2010 + prior	836,813	823,593	1,660,406	164,551	8,735	173,286	752,310	16,660	699,564	1,468,534	80,048	(98,634)	(18,586)
6. 2011	XXX	XXX	XXX	XXX	85,268	85,268	XXX	72,704	119,337	192,041	XXX	XXX	XXX
7. Totals	836,813	823,593	1,660,406	164,551	94,003	258,554	752,310	89,364	818,901	1,660,575	80,048	(98,634)	(18,586)

8. Prior Year-End Surplus As Regards Policyholders 844,906

	Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2. Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
	1. 9.566	2. -11.976	3. -1.119

Col. 13, Line 7 / Line 8

4. -2.200

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

The Trusteed Surplus Statement is not required as the company is a U.S. insurer.

Medicare Part D Coverage Supplement is not required as the company does not provide prescription drug coverage.

Director and Officer Supplement is not required as the company does not provide director and officer (D&O) liability coverage.

Bar Code:

24740201149000010

24740201136500010

24740201150500010

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	1 Current Statement Date	2 December 31, Prior Year
2504. Accrued return retrospective premiums	1,391,961	1,850,476
2505. Private passenger auto escrow	29	162,673
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	1,391,990	2,013,149

SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	76,702,697	30,292,503
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		47,402,127
2.2 Additional investment made after acquisition	99,809	407,213
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		(58,412)
7. Deduct amounts received on disposals	635,021	1,340,734
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	76,167,485	76,702,697
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	76,167,485	76,702,697
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	76,167,485	76,702,697

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	3,249,396	79,524,945
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		251,78
2.2 Additional investment made after acquisition	1,073,472	1,132,363
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(31,106)	39,615,664
6. Total gain (loss) on disposals		(42,707,494)
7. Deduct amounts received on disposals		74,567,870
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized	10,894	
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	4,280,868	3,249,396
12. Deduct total nonadmitted amounts	1,008,000	1,008,000
13. Statement value at end of current period (Line 11 minus Line 12)	3,272,868	2,241,396

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	2,802,321,723	3,109,130,065
2. Cost of bonds and stocks acquired	240,349,315	1,412,238,951
3. Accrual of discount	576,384	5,364,651
4. Unrealized valuation increase (decrease)	17,569,530	18,820,999
5. Total gain (loss) on disposals	2,215,418	52,650,598
6. Deduct consideration for bonds and stocks disposed of	153,350,588	1,772,286,495
7. Deduct amortization of premium	3,214,550	15,936,839
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		7,660,207
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,906,467,232	2,802,321,723
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,906,467,232	2,802,321,723

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	1,709,829,930	859,676,986	810,641,831	2,149,622	1,761,014,707			1,709,829,930
2. Class 2 (a)	434,987,819	38,512,947	34,341,633	(485,670)	438,673,463			434,987,819
3. Class 3 (a)	105,417,191	7,775,608	9,908,195	(99,724)	103,184,880			105,417,191
4. Class 4 (a)	142,167,263	25,736,208	21,929,636	(2,934,500)	143,039,335			142,167,263
5. Class 5 (a)	23,712,892	2,606,500	3,489,406	221,276	23,051,262			23,712,892
6. Class 6 (a)	8,627,863		1,699,689	(579,534)	6,348,640			8,627,863
7. Total Bonds	2,424,742,958	934,308,249	882,010,390	(1,728,530)	2,475,312,287			2,424,742,958
PREFERRED STOCK								
8. Class 1	14,696,500			(6,009,300)	8,687,200			14,696,500
9. Class 2				6,046,700	6,046,700			
10. Class 3	12,394,256			100,744	12,495,000			12,394,256
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	27,090,756			138,144	27,228,900			27,090,756
15. Total Bonds & Preferred Stock	2,451,833,714	934,308,249	882,010,390	(1,590,386)	2,502,541,187			2,451,833,714

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:
NAIC 1 $ 70,207,389; NAIC 2 $ 0; NAIC 3 $ 0; NAIC 4 $ 0; NAIC 5 $ 0; NAIC 6 $ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	62,535,592	XXX	62,535,593	4,160	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December
1. Book/adjusted carrying value, December 31 of prior year	84,087,653	199,333,180
2. Cost of short-term investments acquired	689,571,940	3,765,393,424
3. Accrual of discount		1,787
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	711,124,001	3,880,635,168
7. Deduct amortization of premium		5,576
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	62,535,592	84,087,653
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	62,535,592	84,087,653

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	22,645,681	5,994,412
2. Cost of cash equivalents acquired	7,671,797	121,572,079
3. Accrual of discount		47,200
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	22,645,681	104,968,010
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	7,671,797	22,645,681
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	7,671,797	22,645

NONE Schedule A - Part 2 and 3

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3				Actual Cost	Additional Investment	
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	at Time of Acquisition	Made After Acquisitions	Value of Land and Buildings
B0042902	EL CAJON	CA		01/13/2011	6.500		1,737	69,770
A8121509	FAIRFIELD	OH		02/11/2011	7.000		23,432	237,846
B0041504	LOS ANGELES	CA		01/13/2011	6.250		1,359	37,288
A8121512	NORTH ANDOVER	MA		02/11/2011	7.000		42,606	257,593
A8121504	NORTH BILLERICA	MA		02/11/2011	7.000		19,172	462,440
A8121507	TALLAHASSEE	FL		02/11/2011	7.000		11,503	351,968
0599999 Mortgages in good standing - Commercial mortgages - all other				X X X	X X X		99,809	1,416,905
0899999 Total Mortgages in good standing				X X X	X X X		99,809	1,416,905
3399999 Totals				X X X	X X X		99,809	1,416,905

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9020401	LARGO	FL		05/18/2009	03/25/2011	166,288							166,288	166,288			
A8120102	MIAMI	FL		02/23/2009	03/09/2011	16,562							16,562	16,562			
B0020103	TIPP CITY	OH		08/22/2005	02/10/2011	41,976							41,976	41,976			
0199999 Mortgages closed by repayment						224,826							224,826	224,826			
A9021303	ADDISON	TX		04/07/2009		162							162	162			
A9030503	ALBANY	OR		04/24/2009		477							477	477			
B0060403	ALBUQUERQUE	NM		07/30/2010		999							999	999			
A9040103	ALBUQUERQUE	NM		06/09/2009		540							540	540			
A9040105	ALBUQUERQUE	NM		06/09/2009		368							368	368			
B0040504	ALBUQUERQUE	NM		10/31/2001		117							117	117			
B0040505	ALBUQUERQUE	NM		06/04/2010		64							64	64			
B0040506	ALBUQUERQUE	NM		06/04/2010		265							265	265			
B0050701	ALBUQUERQUE	NM		07/15/2010		201							201	201			
A9042201	ALGONA	WA		06/12/2009		2,971							2,971	2,971			
A8112501	ALHAMBRA	CA		01/30/2009		1,804							1,804	1,804			
A9082701	ALOHA	OR		10/15/2009		617							617	617			
B0031802	ALPHARETTA	GA		07/12/2001		459							459	459			
A9022301	ALPHARETTA	GA		04/23/2009		440							440	440			
B0021904	AMARILLO	TX		03/04/2010		94							94	94			
B0071605	AMELIA	OH		09/28/2010		307							307	307			
B0032507	ANAHEIM	CA		06/01/2010		228							228	228			
A9061609	ANSON	TX		07/30/2009		148							148	148			
A9030422	APPLE VALLEY	CA		05/18/2009		308							308	308			
B0031701	ARCOLA	TX		05/20/2010		84							84	84			
A9122102	ARLINGTON	TX		02/16/2010		338							338	338			
A9080501	ARLINGTON	TX		09/30/2009		111							111	111			
A9040801	ARLINGTON	TX		05/29/2009		100							100	100			
A9031301	ARLINGTON	TX		06/18/2009		602							602	602			
B0061004	ARLINGTON	TX		08/20/2010		197							197	197			
B0050601	ARMA	KS		05/20/2010		62							62	62			
A9042707	ATASCADERO	CA		06/30/2009		571							571	571			
B0090801	ATHENS	GA		11/18/2010		161							161	161			
B0090802	ATHENS	GA		11/18/2010		148							148	148			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0051102	ATLANTA	GA		06/30/2010		121							121	121			
B0072201	ATLANTA	GA		09/28/2010		1,225							1,225	1,225			
A9081801	ATLANTA	GA		11/10/2009		712							712	712			
A9081902	AUBURN	KS		09/17/2009		50							50	50			
A9101604	AUBURN	WA		12/30/2009		1,515							1,515	1,515			
B0060703	AUBURN	WA		08/18/2010		914							914	914			
A9031304	AUBURN MILLS	MI		04/30/2009		135							135	135			
A8121508	AUGUSTA	GA		02/25/2009		534							534	534			
B0052102	AUSTIN	TX		07/28/2010		299							299	299			
A9040705	AUSTIN	TX		07/10/2009		374							374	374			
A8122105	AUSTIN	TX		01/20/2000		163							163	163			
B0031003	BAKERSFIELD	CA		08/11/2010		356							356	356			
B0040803	BAKERSFIELD	CA		09/11/2003		224							224	224			
A9101304	BALDWIN PARK	CA		12/16/2009		338							338	338			
B0021901	BASEHOR	KS		03/04/2010		100							100	100			
B0032604	BEAUMONT	TX		06/08/2010		257							257	257			
B0070901	BEAUMONT	TX		09/14/2010		741							741	741			
B0081012	BEAVERCREEK	OH		11/20/2000		953							953	953			
B0032603	BEAVERTON	OR		06/18/2010		183							183	183			
B0062502	BEAVERTON	OR		08/13/2010		305							305	305			
B0032512	BEDFORD PARK	IL		07/19/2010		389							389	389			
A9081811	BELLFLOWER	CA		10/20/2009		583							583	583			
A9030602	BELLINGHAM	WA		04/29/2009		236							236	236			
B0063001	BEND	OR		09/10/2010		574							574	574			
A9030407	BERKELEY	CA		05/26/2009		1,050							1,050	1,050			
A9112002	BERKELEY	CA		03/18/2010		128							128	128			
B0072610	BETHPAGE	NY		11/10/2010		781							781	781			
A9031103	BLOOMINGTON	MN		05/13/2009		762							762	762			
B0010701	BLOSSOM	TX		01/21/2010		49							49	49			
B0030901	BLUE SPRINGS	MO		05/04/2010		394							394	394			
B0071410	BOCA RATON	FL		09/29/2010		1,231							1,231	1,231			
B0011903	BOERNE	TX		02/17/2000		78							78	78			
A9122202	BOISE	ID		03/12/2010		214							214	214			
A8111102	BOISE	ID		01/20/2009		112							112	112			
A9092502	BOLINGBROOK	IL		12/15/2009		1,233							1,233	1,233			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10 Current Year's Other than Temporary Impairment Recognized	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal		Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion		Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value		Consideration			
A9061604	BORGER	TX		07/30/2009		145							145	145			
B0030502	BOSTON	MA		05/14/2010		496							496	496			
A9111702	BOUNTIFUL	UT		01/15/2010		91							91	91			
B0051302	BOWMANSVILLE	NY		07/26/2010		759							759	759			
B0071504	BREA	CA		10/01/2010		1,266							1,266	1,266			
A8121505	BROCKTON	MA		01/29/2009		884							884	884			
A9032001	BRONX	NY		06/16/2009		196							196	196			
B0090103	BRONX	NY		11/23/2010		363							363	363			
B0090104	BRONX	NY		11/23/2010		363							363	363			
A9102702	BROOKSHIRE	TX		11/24/2009		79							79	79			
B0062506	BROWNSBURG	IN		09/28/2010		1,416							1,416	1,416			
A9061101	BRYAN	TX		07/01/2009		145							145	145			
A9032102	BULLARD	TX		05/21/2009		214							214	214			
B0071411	BURBANK	CA		10/07/2010		511							511	511			
B0062902	BURBANK	CA		09/02/2010		367							367	367			
A9021701	BURBANK	CA		04/01/2009		347							347	347			
B0052004	BURLINGTON	KS		07/01/2010		21							21	21			
A9021905	BURLINGTON	WA		04/15/2009		307							307	307			
A9060801	BURLINGTON	WA		07/31/2009		590							590	590			
B0090102	BYRAM	MS		11/10/2010		323							323	323			
A9091703	CALERA	OK		11/24/2009		52							52	52			
B0071203	CAMERON	NC		09/23/2010		735							735	735			
B0072306	CAMPBELL	CA		10/19/2010		865							865	865			
A9102004	CANOGA PARK	CA		12/31/2009		1,075							1,075	1,075			
B0042301	CANOGA PARK	CA		03/23/2000		566							566	566			
B0012502	CANTON	TX		02/11/2010		196							196	196			
B0021905	CANYON LAKE	TX		03/18/2010		127							127	127			
B0032503	CAPE CORAL	FL		07/23/2010		870							870	870			
B0082401	CARROLLTON	TX		11/01/2010		218							218	218			
A9102302	CARSON	CA		12/23/2009		792							792	792			
B0061405	CARSON	CA		08/31/2010		768							768	768			
B0030101	CARY	NC		05/07/2010		291							291	291			
B0072001	CASTLE ROCK	CO		09/30/2010		437							437	437			
B0071302	CATHEDRAL CITY	CA		09/08/2010		735							735	735			
B0061002	CEDAR HILL	TX		08/20/2010		227							227	227			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9062501	CENTEREACH	NY		08/25/2009		845							845	845			
B0011102	CENTRALIA	WA		03/18/2010		235							235	235			
A9042402	CHANDLER	AZ		07/17/2009		517							517	517			
A9091401	CHANDLER	AZ		11/20/2009		1,502							1,502	1,502			
A9111302	CHANDLER	AZ		12/29/2009		840							840	840			
B0042803	CHANDLER	AZ		06/30/2010		210							210	210			
B0061731	CHANHASSEN	MN		08/31/2010		616							616	616			
A9042403	CHARLESTON	SC		08/28/2009		617							617	617			
B0052006	CHARLOTTE	NC		08/12/2010		615							615	615			
B0072601	CHARLOTTE	NC		10/27/2010		3,062							3,062	3,062			
B0071207	CHATSWORTH	CA		11/15/2010		254							254	254			
B0063003	CHATSWORTH	CA		10/29/2010		430							430	430			
B0080606	CHATSWORTH	CA		01/17/2001		174							174	174			
A9120803	CHATSWORTH	CA		02/05/2010		223							223	223			
B0051205	CHATSWORTH	CA		07/27/2010		376							376	376			
B0012601	CHENEY	KS		02/18/2010		88							88	88			
A8122302	CHESAPEAKE	VA		02/26/2009		779							779	779			
B0032513	CHICAGO	IL		07/19/2010		412							412	412			
B0032511	CHICAGO	IL		07/19/2010		384							384	384			
B0051204	CHICAGO	IL		09/29/2010		891							891	891			
A9061701	CHICAGO	IL		09/03/2009		1,332							1,332	1,332			
B0060404	CHICAGO	IL		08/19/2010		349							349	349			
B0060802	CHICAGO	IL		09/30/2010		588							588	588			
B0020902	CHICO	CA		04/12/2010		156							156	156			
B0082001	CHICO	CA		10/26/2010		982							982	982			
A9030416	CHULA VISTA	CA		04/29/2009		179							179	179			
A9030306	CHULA VISTA	CA		04/23/2009		405							405	405			
A8111801	CHULA VISTA	CA		01/20/2009		161							161	161			
B0042103	CINCINNATI	OH		08/02/2010		1,034							1,034	1,034			
A9111801	CINCINNATI	OH		01/29/2010		370							370	370			
A9061105	CISCO	TX		08/04/2009		130							130	130			
A9030408	CITY OF COMMERCE	CA		04/29/2009		162							162	162			
B0041903	CLACKAMAS	OR		06/21/2010		395							395	395			
B0061101	CLARKSVILLE	TN		08/26/2010		425							425	425			
B0012903	CLAYTON	NC		03/30/2010		520							520	520			

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

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	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9113007	CLEARFIELD	UT		02/11/2010		77							77	77			
B0072303	CLEARLAKE	CA		10/12/2010		695							695	695			
A9111902	CLEVELAND	OH		09/29/1999		232							232	232			
A9042401	CLEVELAND	OH		06/29/2009		1,303							1,303	1,303			
A9090201	CLEVELAND	OH		12/30/2009		1,201							1,201	1,201			
A8110504	CLEVELAND	TX		02/09/2009		538							538	538			
A9070701	CLINTON TOWNSHIP	MI		11/25/2009		350							350	350			
B0052502	COLLEGE PARK	GA		07/29/2010		937							937	937			
B0090310	COLLEGE PARK	GA		11/30/2010		321							321	321			
A9072101	COLORADO SPRINGS	CO		08/28/2009		1,507							1,507	1,507			
B0071903	COLUMBIA	MD		10/10/2000		1,303							1,303	1,303			
B0080902	COLUMBIA	SC		11/17/2010		188							188	188			
A9051301	COLUMBUS	OH		07/31/2009		807							807	807			
A9042404	COLUMBUS	OH		07/14/2009		462							462	462			
A9061106	COMANCHE	TX		07/21/2009		155							155	155			
A9111901	COMMERCE	GA		12/30/2009		1,095							1,095	1,095			
B0030402	COMMERCE CITY	CO		04/22/2010		163							163	163			
B0051206	CONCORD	CA		07/21/2010		1,590							1,590	1,590			
B0042705	CONCORD	VA		05/20/2010		75							75	75			
A9042803	CONROE	TX		08/25/2009		140							140	140			
A9042307	CONROE	TX		06/25/2009		938							938	938			
A9042308	CONROE	TX		06/25/2009		1,506							1,506	1,506			
A9030412	CONROE	TX		05/21/2009		335							335	335			
B0051304	CORAL SPRINGS	FL		06/30/2010		234							234	234			
B0021106	CORONA	CA		04/08/2010		235							235	235			
A9022705	CORONA	CA		04/29/2009		1,106							1,106	1,106			
A8112505	CORONA	CA		01/29/2009		189							189	189			
A9040907	CORONA	CA		06/12/2009		1,372							1,372	1,372			
A9041301	CORONA	CA		06/11/2009		254							254	254			
B0082503	CORPUS CHRISTI	TX		11/22/2010		222							222	222			
B0090207	CORVALLIS	OR		11/30/2010		1,450							1,450	1,450			
A9022401	COSTA MESA	CA		04/09/2009		147							147	147			
B0072907	COSTA MESA	CA		09/11/2003		309							309	309			
A9073005	COTTONWOOD FALL	KS		09/17/2009		53							53	53			
A8112506	COVINA	CA		01/29/2009		151							151	151			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0061109	CULVER CITY	CA		06/20/2001		514							514	514			
B0012901	CUYAHOGA FALLS	OH		06/30/2010		279							279	279			
B0061105	CYPRESS	TX		08/02/2010		492							492	492			
B0031001	CYPRESS	TX		05/20/2010		344							344	344			
B0042702	DALLAS	TX		07/01/2010		411							411	411			
A9102002	DALLAS	TX		12/30/2009		246							246	246			
A9021001	DALLAS	TX		03/31/2009		1,127							1,127	1,127			
A8103002	DAYTON	OH		01/23/2009		493							493	493			
B0022204	DECATUR	GA		04/29/2010		87							87	87			
A9081802	DECATUR	GA		11/10/2009		268							268	268			
A9081803	DECATUR	GA		11/10/2009		867							867	867			
A9081809	DECATUR	GA		11/10/2009		230							230	230			
B0072501	DECATUR	GA		11/15/2010		291							291	291			
B0070202	DECATUR	GA		08/26/2010		238							238	238			
A9061103	DELEON	TX		07/21/2009		156							156	156			
B0062903	DENVER	CO		08/17/2010		615							615	615			
B0060702	DEPTFORD	NJ		08/18/2010		1,417							1,417	1,417			
B0043001	DESOTO	TX		06/24/2010		135							135	135			
B0020101	DETROIT	MI		03/31/2010		582							582	582			
B0020102	DETROIT	MI		03/31/2010		152							152	152			
B0090304	DINUBA	CA		11/10/2010		96							96	96			
B0010705	DORAVILLE	GA		03/05/2010		145							145	145			
B0072611	DOWNEY	CA		11/23/2010		715							715	715			
B0032902	DURHAM	NC		06/01/2010		418							418	418			
A9030404	DURHAM	NC		05/21/2009		537							537	537			
A9032103	EAST BERNARD	TX		05/21/2009		205							205	205			
A9101601	EDMOND	OK		10/30/2009		629							629	629			
B0031801	EDWARDSVILLE	KS		05/06/2010		71							71	71			
B0072904	EL CAJON	CA		10/01/2010		2,838							2,838	2,838			
B0080204	EL CAJON	CA		06/06/2001		173							173	173			
A9030305	EL CAJON	CA		04/23/2009		136							136	136			
B0042902	EL CAJON	CA		06/30/2010		210							210	210			
A9122101	EL CAJON	CA		02/11/2010		246							246	246			
A9101401	EL CAJON	CA		01/06/2009		1,277							1,277	1,277			
B0042302	EL CENTRO	CA		06/30/2010		166							166	166			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9040101	EL PASO	TX		06/09/2009		210							210	210			
A9040701	EL PASO	TX		06/30/2009		1,211							1,211	1,211			
B0020904	EL PASO	TX		03/31/2010		100							100	100			
B0060202	EL PASO	TX		08/05/2010		369							369	369			
B0011201	ELGIN	IL		02/26/2010		184							184	184			
B0061006	ELK GROVE	CA		08/20/2010		299							299	299			
A9101302	ELMHURST	IL		12/29/2009		1,904							1,904	1,904			
A9073003	ERIE	KS		08/31/2009		50							50	50			
B0021105	ESCONDIDO	CA		03/30/2010		976							976	975			
A9040805	ESCONDIDO	CA		05/28/2009		154							154	154			
B0060103	EVANS	GA		08/31/2010		880							880	880			
B0070702	EVANSVILLE	IN		09/29/2010		720							720	720			
B0020503	EVERETT	WA		03/31/2010		48							48	48			
A9111101	EVERETT	WA		01/29/2010		601							601	601			
A9050801	EVERETT	WA		07/01/2009		2,493							2,493	2,493			
B0061730	EXCELSIOR	MN		08/26/2010		448							448	448			
B0062201	FAIR OAKS	CA		08/24/2010		538							538	538			
A8121509	FAIRFIELD	OH		02/25/2009		467							467	467			
B0030503	FAIRHAVEN	MA		05/10/2010		361							361	361			
B0062202	FAIRWAY	KS		08/31/2010		921							921	921			
A9082401	FARMERS BRANCH	TX		10/30/2009		2,150							2,150	2,150			
A9021002	FARMINGTON HILLS	MI		03/31/2009		1,230							1,230	1,230			
B0072004	FAYETTEVILLE	NC		10/19/2010		583							583	583			
B0052807	FLORENCE	AL		07/30/2010		564							564	564			
B0082504	FORT WAYNE	IN		11/30/2010		545							545	545			
A9022709	FORT WAYNE	IN		04/30/2009		1,698							1,698	1,698			
A9061606	FORT WORTH	TX		03/23/2010		147							147	147			
A8121510	FORT WORTH	TX		02/25/2009		412							412	412			
B0043002	FORT WORTH	TX		07/15/2010		417							417	417			
B0061003	FORT WORTH	TX		08/20/2010		240							240	240			
B0072304	FORT WORTH	TX		11/17/2010		682							682	682			
B0090703	FORT WORTH	TX		11/12/2010		259							259	259			
B0030904	FOSTER CITY	CA		05/10/2010		153							153	153			
B0072903	FREDERICK	CO		10/20/2010		925							925	925			
B0042104	FRESNO	CA		06/25/2010		86							86	86			

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

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	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0051007	FRESNO	CA		08/02/2010		697							697	697			
A8121001	FRESNO	CA		03/05/2009		360							360	360			
B0072307	FRESNO	CA		10/19/2010		305							305	305			
B0052802	FRESNO	CA		07/09/2010		358							358	358			
B0012501	FT. WORTH	TX		03/18/2010		116							116	116			
A9090403	FULLERTON	CA		10/30/2009		496							496	496			
A9091702	GARDEN CITY	KS		10/20/2009		53							53	53			
A8122301	GARDEN GROVE	CA		03/10/2009		71							71	71			
A8121511	GARLAND	TX		02/25/2009		550							550	550			
B0062901	GATLINBURG	TN		08/16/2010		870							870	870			
A9071401	GENEVA	IL		09/30/2009		2,474							2,474	2,474			
A9051401	GILBERT	AZ		07/16/2009		312							312	312			
A9031206	GILBERT	AZ		05/29/2009		550							550	550			
A9032106	GLADEWATER	TX		08/06/2009		143							143	143			
A9031701	GLEN BURNIE	MD		05/21/2009		717							717	717			
A9090401	GLEN ROSE	TX		10/06/2009		84							84	84			
B0040510	GLENDALE	AZ		06/10/2010		264							264	264			
A8121601	GLENDALE	CA		01/14/2009		477							477	477			
A8121602	GLENDALE	CA		01/14/2009		220							220	220			
A9030301	GLENDORA	CA		04/30/2009		523							523	523			
B0030404	GOODYEAR	AZ		04/28/2010		229							229	229			
B0042801	GOSHEN	VA		06/17/2010		50							50	50			
A9121001	GRANGER	IN		02/26/2010		257							257	257			
B0080603	GRANITE BAY	CA		10/07/2010		303							303	303			
B0042703	GRANVILLE	ID		06/24/2010		254							254	254			
B0031703	GRAPE CREEK	TX		04/01/2010		89							89	89			
A8110403	GREECE	NY		01/20/2009		916							916	916			
B0072605	GREENSBORO	NC		10/27/2010		1,231							1,231	1,231			
B0032901	GREENSBORO	NC		07/22/2010		703							703	703			
B0052003	GRESHAM	OR		07/26/2010		116							116	116			
A9042004	HAINES CITY	FL		06/30/2009		336							336	336			
A9062201	HAMILTON	TX		08/27/2009		154							154	154			
A9081805	HAPEVILLE	GA		11/10/2009		281							281	281			
B0062301	HAPPY VALLEY	OR		09/08/2010		873							873	873			
B0010702	HARDIN	TX		01/21/2010		51							51	51			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9073001	HARPER	KS		08/27/2009		55							55	55			
A9091704	HARTSHORNE	OK		10/06/2009		58							58	58			
B0032505	HATTIESBURG	MS		05/28/2010		201							201	201			
B0032506	HATTIESBURG	MS		05/28/2010		358							358	358			
B0072006	HAWTHORNE	CA		08/19/2010		1,764							1,764	1,764			
B0030301	HAWTHORNE	CA		05/14/2010		231							231	231			
A9022702	HENDERSON	NV		05/14/2009		320							320	320			
B0081104	HIGHLAND	CA		11/30/2010		479							479	479			
B0060101	HIGHLAND PARK	CA		07/27/2010		550							550	550			
B0011202	HINSDALE	IL		06/25/2001		88							88	88			
A9042708	HOFFMAN ESTATES	IL		07/16/2009		730							730	730			
B0040101	HOLLIS	OK		05/06/2010		128							128	128			
B0030803	HOLLYWOOD	CA		04/01/2008		190							190	190			
A9021203	HOLLYWOOD	FL		04/16/2009		241							241	241			
B0040501	HOLT	MI		08/11/2010		880							880	880			
B0010801	HOMEWOOD	IL		02/25/2010		280							280	280			
B0040804	HORTON	KS		06/03/2010		53							53	53			
B0021001	HOUSTON	TX		03/31/2010		317							317	317			
B0021101	HOUSTON	TX		04/01/2010		888							888	888			
B0022604	HOUSTON	TX		04/30/2010		397							397	397			
B0030103	HOUSTON	TX		05/24/2010		447							447	447			
B0040502	HOUSTON	TX		06/30/2010		417							417	417			
A9042303	HOUSTON	TX		06/25/2009		286							286	286			
A9042304	HOUSTON	TX		06/25/2009		492							492	492			
A9042305	HOUSTON	TX		06/25/2009		807							807	807			
A9042310	HOUSTON	TX		06/25/2009		1,248							1,248	1,248			
A9042311	HOUSTON	TX		06/25/2009		1,635							1,635	1,635			
A9020301	HOUSTON	TX		03/31/2009		698							698	698			
A8112101	HOUSTON	TX		01/30/2009		206							206	206			
A8112603	HOUSTON	TX		02/24/2009		68							68	68			
A9031307	HOUSTON	TX		06/03/2009		414							414	414			
A9030411	HOUSTON	TX		04/29/2009		318							318	318			
B0090201	HOUSTON	TX		09/15/2005		191							191	191			
B0081202	HOUSTON	TX		10/29/2010		293							293	293			
B0081101	HUMBLE	TX		10/26/2010		526							526	526			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9090901	HUMBOLDT	KS		10/06/2009		52							52	52			
B0062803	HUNTINGTON BEACH	CA		09/15/2010		433							433	433			
B0020301	INDIANAPOLIS	IN		03/30/2010		612							612	612			
A9031901	INDIO	CA		05/21/2009		235							235	235			
A9031902	INDIO	CA		05/21/2009		224							224	224			
A9031903	INDIO	CA		05/21/2009		902							902	902			
A9031904	INDIO	CA		05/21/2009		199							199	199			
A9031906	INDIO	CA		05/21/2009		174							174	174			
A9031907	INDIO	CA		05/21/2009		131							131	131			
A9031908	INDIO	CA		05/21/2009		98							98	98			
A9031909	INDIO	CA		05/21/2009		150							150	150			
A8121701	INDIO	CA		02/13/2009		151							151	151			
B0080901	IRMO	SC		11/17/2010		83							83	83			
B0070703	IRVINE	CA		09/03/2010		641							641	641			
B0052801	IRVINE	CA		07/22/2010		501							501	501			
B0072310	IRVINE	CA		09/20/2010		264							264	264			
B0072705	IRWINDALE	CA		09/01/2010		447							447	447			
A9061702	ITASCA	TX		08/13/2009		52							52	52			
B0022602	JACKSONVILLE	FL		04/23/2010		883							883	883			
B0022603	JACKSONVILLE	FL		04/23/2010		900							900	900			
B0020506	JACKSONVILLE	FL		03/26/2010		146							146	146			
A9101301	JACKSONVILLE	FL		12/09/2009		1,429							1,429	1,429			
B0082506	JACKSONVILLE	FL		11/17/2010		175							175	175			
B0072905	JACKSONVILLE	FL		10/28/2010		292							292	292			
B0072906	JACKSONVILLE	FL		10/28/2010		319							319	319			
B0040601	JACKSONVILLE	NC		06/28/2010		912							912	912			
B0070103	JENSEN BEACH	FL		09/10/2010		285							285	285			
A9081905	JOAQUIN	TX		09/17/2009		60							60	60			
B0052806	JOHNS CREEK	GA		08/06/2010		1,046							1,046	1,046			
B0032904	JOLIET	IL		05/28/2010		557							557	557			
A9081804	JONESBORO	GA		11/10/2009		415							415	415			
A9022405	KALAMAZOO	MI		06/30/2009		319							319	319			
A9022402	KALAMAZOO	MI		06/30/2009		212							212	212			
A9022403	KALAMAZOO	MI		06/26/2009		292							292	292			
A9040104	KATY	TX		06/10/2009		920							920	920			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A8060401	KATY	TX		02/02/2009		385							385	385			
B0040801	KATY	TX		05/28/2010		146							146	146			
B0071603	KENT	WA		09/20/2010		210							210	210			
A9022706	KETCHUM	ID		05/21/2009		627							627	627			
A8121501	KILLEEN	TX		01/29/2009		1,245							1,245	1,245			
B0090302	KIMBERLY	WI		11/23/2010		933							933	933			
A9102206	KINGMAN	KS		11/05/2009		55							55	55			
B0062504	KINGSLAND	GA		09/17/2010		263							263	263			
B0060902	KIRKLAND	WA		07/15/2010		2,868							2,868	2,868			
B0061504	KIRKLAND	WA		08/11/2010		1,394							1,394	1,394			
B0050702	KIRKLAND	WA		07/09/2010		687							687	687			
B0061403	KIRKVILLE	NY		09/08/2010		524							524	524			
B0080402	KISSIMMEE	FL		11/30/2010		586							586	586			
B0062403	KNOXVILLE	TN		09/23/2010		574							574	574			
A9040602	KNOXVILLE	TN		06/04/2009		565							565	565			
A9102101	LA MARQUE	TX		10/29/2009		59							59	59			
B0070902	LA PORTE	TX		09/15/2010		510							510	510			
A9031203	LAGUNA HILLS	CA		06/03/2009		265							265	265			
A9022701	LAKE FOREST	CA		06/05/2009		2,045							2,045	2,045			
B0010603	LAKE HILLS	TX		02/04/2010		127							127	127			
B0022203	LAKE OSWEGO	OR		04/22/2010		236							236	236			
B0040503	LANCASTER	CA		07/28/2003		105							105	105			
A9021003	LANCASTER	TX		03/31/2009		1,358							1,358	1,358			
A9022710	LANSING	MI		06/01/2009		781							781	781			
B0060203	LANSING	MI		07/26/2010		1,487							1,487	1,487			
B0030902	LAREDO	TX		05/20/2010		269							269	269			
A9031101	LAS VEGAS	NV		05/21/2009		1,119							1,119	1,119			
A9040702	LAS VEGAS	NV		06/05/2009		163							163	163			
A9040906	LAS VEGAS	NV		06/23/2009		1,570							1,570	1,570			
B0051301	LAS VEGAS	NV		08/13/2010		648							648	648			
B0030504	LAS VEGAS	NV		04/29/2010		385							385	385			
A9102201	LAS VEGAS	NV		01/27/2010		271							271	271			
A9092401	LAS VEGAS	NV		11/17/2009		348							348	348			
A9092402	LAS VEGAS	NV		11/17/2009		127							127	127			
B0061503	LAS VEGAS	NV		08/26/2010		537							537	537			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0071202	LAS VEGAS	NV		10/06/2010		539							539	539			
B0072603	LAS VEGAS	NV		10/12/2010		388							388	388			
B0080611	LAS VEGAS	NV		10/28/2010		1,319							1,319	1,319			
B0080609	LAS VEGAS	NV		10/06/2010		344							344	344			
A9040802	LATHAM	NY		06/24/2009		425							425	425			
A9040803	LATHAM	NY		06/24/2009		334							334	334			
A8121502	LAWRENCEVILLE	GA		01/29/2009		893							893	893			
B0020105	LAWRENCEVILLE	GA		03/31/2010		558							558	558			
B0052808	LENOIR	NC		07/30/2010		562							562	562			
A9082101	LEXINGTON	KY		11/06/2009		1,532							1,532	1,532			
A9042301	LILBURN	GA		06/30/2009		1,900							1,900	1,900			
B0032514	LINCOLNSHIRE	IL		07/19/2010		710							710	710			
A9081808	LITHONIA	GA		11/10/2009		335							335	335			
A9042704	LITTLETON	CO		07/15/2009		214							214	214			
A9062202	LLANO	TX		09/24/2009		76							76	76			
B0040201	LOGAN	UT		06/14/2010		365							365	365			
A9120302	LONE TREE	CO		01/29/2010		990							990	990			
B0012701	LONGMONT	CO		03/24/2010		493							493	493			
B0032907	LOS ANGELES	CA		05/28/2010		260							260	260			
B0041402	LOS ANGELES	CA		06/30/2010		268							268	268			
B0041504	LOS ANGELES	CA		06/23/2010		266							266	266			
A9102303	LOS ANGELES	CA		12/23/2009		1,131							1,131	1,131			
A9102304	LOS ANGELES	CA		12/23/2009		764							764	764			
A9122803	LOS ANGELES	CA		02/10/2010		272							272	272			
A8112502	LOS ANGELES	CA		02/05/2009		597							597	597			
A8120201	LOS ANGELES	CA		01/29/2009		308							308	308			
A9040704	LOS ANGELES	CA		06/24/2009		600							600	600			
A9031310	LOS ANGELES	CA		06/02/2009		4,438							4,438	4,438			
A9081701	LOS ANGELES	CA		10/14/2009		528							528	528			
B0081103	LOS ANGELES	CA		10/27/2010		301							301	301			
B0082404	LOS ANGELES	CA		11/30/2010		491							491	491			
B0061406	LOS ANGELES	CA		10/26/2000		176							176	176			
B0061725	LOS ANGELES	CA		07/31/2000		181							181	181			
B0070903	LOS ANGELES	CA		08/25/2010		323							323	323			
B0062801	LOS ANGELES	CA		09/15/2010		664							664	664			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0052101	LOVES PARK	IL		07/21/2010		219							219	219			
A9081901	LUBBOCK	TX		09/29/2009		63							63	63			
B0052809	LYNCHBURG	VA		07/30/2010		612							612	612			
B0012603	LYNDON	KS		02/18/2010		88							88	88			
A9031202	LYNNWOOD	WA		05/21/2009		6,857							6,857	6,857			
A9042406	MACEDONIA	OH		07/14/2009		462							462	462			
B0090210	MACON	GA		11/18/2010		212							212	212			
A9110904	MADERA	CA		02/22/2010		85							85	85			
B0012702	MANTECA	CA		10/31/2002		73							73	73			
B0071304	MARIETTA	GA		09/14/2010		406							406	406			
A9031001	MARIETTA	GA		05/06/2009		277							277	277			
B0030102	MARIETTA	GA		05/07/2010		110							110	110			
B0020802	MARSHFIELD	WI		04/15/2010		223							223	223			
B0042802	MARTINEZ	GA		07/30/2010		894							894	894			
B0060104	MARTINEZ	GA		08/31/2010		660							660	660			
B0060102	MARTINEZ	GA		08/31/2010		733							733	733			
A9091403	MARYSVILLE	OK		10/01/2009		49							49	49			
B0032401	MATTHEWS	NC		05/27/2010		467							467	467			
A9090902	MAUD	OK		09/29/2009		45							45	45			
B0061107	MAULDIN	SC		09/01/2010		476							476	476			
A9033002	MCDONOUGH	GA		06/10/2009		2,210							2,210	2,210			
A9102204	MEDICINE LODGE	KS		12/03/2009		59							59	59			
A9091809	MEMPHIS	TN		12/08/2009		2,353							2,353	2,353			
A9101201	MEMPHIS	TN		12/16/2009		573							573	573			
A9032101	MEMPHIS	TX		05/21/2009		163							163	163			
B0022501	MESA	AZ		03/30/2010		1,000							1,000	1,000			
A9102102	MESA	AZ		12/29/2009		199							199	199			
A9103004	MESA	AZ		12/30/2009		1,115							1,115	1,115			
A9122801	MESA	AZ		02/18/2010		152							152	152			
B0080608	MESA	AZ		10/14/2010		511							511	511			
B0060201	MESA	AZ		10/03/2003		552							552	552			
B0021906	METHUEN	MA		04/05/2010		265							265	265			
B0051008	MIDDLEBORO	MA		07/28/2010		384							384	384			
B0022201	MIDDLEBURG HEIGH	OH		05/06/2010		207							207	207			
B0032403	MIDLAND	TX		04/15/2010		133							133	133			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9122301	MIDLAND	TX		02/26/2010		417							417	417			
B0040507	MIDLOTHIAN	VA		07/21/2010		213							213	213			
B0032501	MIDLOTHIAN	VA		04/30/2010		420							420	420			
A9032501	MIDWAY	UT		12/10/2009		537							537	537			
B0022502	MILPITAS	CA		04/22/2010		236							236	236			
A9031209	MILPITAS	CA		05/11/2009		178							178	178			
A9102202	MINNEAPOLIS	KS		11/19/2009		49							49	49			
B0051005	MINNEAPOLIS	MN		07/08/2010		817							817	817			
B0041503	MISSION	TX		06/04/2010		219							219	219			
B0062505	MISSION VIEJO	CA		09/01/2010		890							890	890			
B0072703	MODESTO	CA		09/30/2010		1,364							1,364	1,364			
A9072301	MODESTO	CA		10/13/2009		230							230	230			
B0031101	MONROE	WA		04/15/2010		966							966	966			
A8111901	MONROVIA	CA		01/23/2009		134							134	134			
A8111902	MONROVIA	CA		01/23/2009		99							99	99			
B0040508	MONROVIA	CA		06/21/2010		380							380	380			
B0062402	MONTGOMERY	AL		09/23/2010		380							380	380			
B0062404	MONTGOMERY	AL		09/23/2010		432							432	432			
B0040802	MORENO VALLEY	CA		06/11/2010		293							293	293			
A9120102	MORGAN	UT		02/16/2010		428							428	428			
A9021901	MORRISVILLE	NC		07/01/2009		343							343	343			
A9061607	MOUNT PLEASANT	TX		08/13/2009		64							64	64			
A9072801	MT VERNON	TX		09/17/2009		60							60	60			
A9060301	MT VIEW	CA		10/29/2009		94							94	94			
A9110601	MURRELLS INLET	SC		01/22/2010		338							338	338			
B0051202	NEODESHA	KS		06/17/2010		55							55	55			
B0072604	NEW BERN	NC		10/29/2010		1,854							1,854	1,854			
B0072102	NEW BRAUNFELS	TX		10/07/2010		988							988	988			
B0061106	NEW CANEY	TX		08/31/2010		620							620	620			
B0061402	NEW HOPE	PA		10/01/2010		594							594	594			
B0060901	NEW YORK	NY		07/26/2010		3,037							3,037	3,037			
B0062702	NEW YORK	NY		09/27/2010		1,571							1,571	1,571			
B0021602	NEWARK	CA		04/20/2010		247							247	247			
A8121506	NEWINGTON	CT		01/29/2009		722							722	722			
B0040102	NEWPORT BEACH	CA		06/18/2010		604							604	604			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date		Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value					
B0080610	NEWPORT BEACH	CA		10/28/2010		363							363	363			
B0012605	NEWTON	KS		04/22/2010		134							134	134			
A9022501	NIAGARA FALLS	NY		04/30/2009		951							951	951			
B0020104	NORCROSS	GA		04/29/2010		492							492	492			
A8120503	NORFOLK	VA		01/28/2009		492							492	492			
A8121512	NORTH ANDOVER	MA		01/29/2009		650							650	650			
A8121504	NORTH BILLERICA	MA		01/29/2009		1,147							1,147	1,147			
A9122802	NORTH PALM BEACH	FL		12/27/2000		149							149	149			
A9030401	NORTHRIDGE	CA		04/29/2009		411							411	411			
A9042002	NORTHWOOD	OH		07/01/2009		978							978	978			
A9042405	NORWOOD	OH		07/14/2009		462							462	462			
A9030421	OAKDALE	CA		05/19/2009		220							220	220			
A9031601	OAKDALE	CA		05/28/2009		1,023							1,023	1,023			
B0042001	OAKLAND	CA		07/13/2010		217							217	217			
B0043003	OAKLAND	CA		07/12/2010		798							798	798			
A9110602	OCEANSIDE	CA		01/11/2010		109							109	109			
B0061726	OCEANSIDE	CA		08/18/2010		588							588	588			
B0021903	ODESSA	TX		03/04/2010		101							101	101			
B0012101	ODESSA	TX		02/11/2010		65							65	65			
B0012102	ODESSA	TX		02/11/2010		127							127	127			
A9111301	OGDEN	UT		12/30/2009		858							858	858			
A9070601	OKLAHOMA CITY	OK		08/31/2009		360							360	360			
B0052602	OKLAHOMA CITY	OK		06/02/2010		1,385							1,385	1,385			
B0062501	OLATHE	KS		09/30/2010		588							588	588			
A9020601	OMAHA	NE		04/02/2009		272							272	272			
B0081802	ONTARIO	CA		10/20/2010		273							273	273			
B0032906	ONTARIO	CA		05/28/2010		434							434	434			
A9030417	ONTARIO	CA		05/08/2009		82							82	82			
A9030418	ONTARIO	CA		05/08/2009		154							154	154			
A9012701	ONTARIO	CA		03/31/2009		171							171	171			
A9030601	ORANGE	CA		04/20/2009		2,009							2,009	2,009			
B0011902	ORANGE PARK	FL		03/22/2010		117							117	117			
A8110402	ORCHARD PARK	NY		01/20/2009		834							834	834			
A9022708	OREGON CITY	OR		04/30/2009		1,352							1,352	1,352			
A9100601	ORLANDO	FL		12/23/2009		303							303	303			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0022303	ORLANDO	FL		08/02/2010		293							293	293			
B0051103	ORLANDO	FL		07/29/2010		1,647							1,647	1,647			
B0072606	ORLANDO	FL		11/30/2010		1,271							1,271	1,271			
B0070102	ORLANDO	FL		10/29/2010		1,296							1,296	1,296			
B0062507	ORO VALLEY	AZ		09/21/2010		512							512	512			
B0051203	OXNARD	CA		07/02/2010		822							822	822			
B0080403	OXNARD	CA		10/06/2010		787							787	787			
A9042302	PACIFIC GROVE	CA		05/15/2009		528							528	528			
A9032402	PALM COAST	FL		05/11/2009		217							217	217			
B0031704	PALM DESERT	CA		05/28/2010		184							184	184			
A9052001	PALM SPRINGS	CA		07/29/2009		396							396	396			
B0032203	PANAMA CITY	FL		05/20/2010		127							127	127			
B0021902	PARIS	TX		03/04/2010		97							97	97			
B0041401	PARKER	CO		06/15/2010		388							388	388			
B0033102	PASADENA	FL		05/28/2010		147							147	147			
A9050101	PASADENA	TX		07/20/2009		948							948	948			
B0032606	PEMBROKE PINES	FL		06/14/2010		527							527	527			
B0080601	PENSACOLA	FL		10/29/2010		729							729	729			
A9040703	PERINTON	NY		06/16/2009		483							483	483			
A9040706	PERRY	FL		06/16/2009		138							138	138			
B0032510	PFLUGERVILLE	TX		06/03/2010		78							78	78			
B0081702	PFLUGERVILLE	TX		11/12/2010		77							77	77			
B0063007	PHOENIX	AZ		09/02/2010		490							490	490			
B0090106	PHOENIX	AZ		11/08/2010		81							81	81			
A9121101	PHOENIX	AZ		02/24/2010		126							126	126			
B0040509	PHOENIX	AZ		06/01/2010		90							90	90			
A8111701	PHOENIX	AZ		01/09/2009		173							173	173			
A9021301	PHOENIX	AZ		07/01/2009		603							603	603			
A9070201	PHOENIX	AZ		08/27/2009		167							167	167			
A9082402	PHOENIX	AZ		10/08/2009		229							229	229			
A9042706	PHOENIX	AZ		06/29/2009		571							571	571			
A9042003	PHOENIX	AZ		06/15/2009		141							141	141			
A9061102	PINELAND	TX		07/21/2009		167							167	167			
A9080601	PINEVILLE	NC		10/30/2009		737							737	737			
A9021302	PLANO	TX		04/07/2009		617							617	617			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0010604	PLANT CITY	FL		03/24/2010		155							155	155			
A9040302	PLYMOUTH	MI		05/27/2009		406							406	406			
A9100101	POCATELLO	ID		12/10/2009		1,602							1,602	1,602			
A9102003	POMONA	CA		12/14/2009		466							466	466			
A9101303	POMONA	CA		12/16/2009		136							136	136			
A9090402	POMONA	KS		09/29/2009		49							49	49			
B0020907	POMPANO BEACH	FL		03/31/2010		767							767	767			
A8111203	PONTIAC	MI		01/21/2009		223							223	223			
A9123002	POOLER	GA		03/22/2010		128							128	128			
A9120201	PORT ARTHUR	TX		02/17/2010		171							171	171			
B0060801	PORT ARTHUR	TX		07/01/2010		23							23	23			
A9022404	PORTAGE	MI		06/30/2009		345							345	345			
A9091802	PORTLAND	ME		01/25/2010		51							51	51			
A9030501	PORTLAND	OR		06/29/2009		1,194							1,194	1,194			
A9020304	PORTLAND	OR		04/15/2009		1,720							1,720	1,720			
A9060401	PORTLAND	OR		07/23/2009		330							330	330			
A9031602	PORTLAND	OR		05/20/2009		309							309	309			
B0081701	PORTLAND	OR		11/12/2010		166							166	166			
A8111103	POWAY	CA		01/12/2009		436							436	436			
B0071204	RAEFORD	NC		09/23/2010		490							490	490			
A9022704	RALEIGH	NC		05/28/2009		265							265	265			
A8121002	RALEIGH	NC		02/20/2009		148							148	148			
B0051401	RANCHO CUCAMONG	CA		06/29/2010		82							82	82			
B0072609	REDONDO BEACH	CA		09/22/2010		573							573	573			
A9040807	REDWOOD CITY	CA		06/26/2009		643							643	643			
A9122302	RENO	NV		03/01/2010		121							121	121			
A9040904	RENO	NV		06/30/2009		591							591	591			
A9040905	RENO	NV		06/30/2009		558							558	558			
A9031305	RENO	NV		05/19/2009		407							407	407			
A9031306	RENO	NV		05/19/2009		297							297	297			
A9030202	RENO	NV		05/15/2009		1,176							1,176	1,176			
B0052805	RIALTO	CA		08/05/2010		1,020							1,020	1,020			
A80509053	RICHLAND	WA		03/31/2010		45							45	45			
A8120502	RIO RANCHO	NM		01/15/2009		86							86	86			
B0010704	RIO VISTA	TX		01/21/2010		48							48	48			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (6+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9081607	RIVERDALE	GA		11/10/2009		260							260	260			
A9092504	RIVERTON	UT		11/10/2009		635							635	635			
A9061605	ROCKDALE	TX		08/20/2009		146							146	146			
B0080602	ROCKLIN	CA		10/07/2010		280							280	280			
A8110401	ROCKY MOUNT	NC		01/12/2009		248							248	248			
A9020210	RODEO	CA		04/28/2009		306							306	306			
A8121503	ROHNERT PARK	CA		01/29/2009		1,019							1,019	1,019			
B0061802	ROSEMEAD	CA		09/16/2010		1,207							1,207	1,207			
B0051403	ROSWELL	GA		06/30/2010		221							221	221			
A9042702	ROUND ROCK	TX		07/17/2009		456							456	456			
A9050402	ROWLETT	TX		06/29/2009		504							504	504			
A9111701	ROY	UT		01/22/2010		125							125	125			
B0022202	ROY	UT		05/03/2010		203							203	203			
B0051701	RUBIDOUX	CA		08/31/2010		888							888	888			
A9091402	RUSH SPRINGS	OK		10/01/2009		51							51	51			
B0080303	RUSSELLVILLE	AR		09/30/2010		688							688	688			
B0062804	SACRAMENTO	CA		08/31/2010		438							438	438			
B0072308	SACRAMENTO	CA		10/19/2010		325							325	325			
A9010501	SACRAMENTO	CA		02/02/2009		256							256	256			
A9030409	SACRAMENTO	CA		05/20/2009		281							281	281			
B0061001	SALEM	OR		10/12/2010		4,867							4,867	4,867			
A9010801	SALEM	OR		04/09/2009		944							944	944			
A9022601	SALEM	OR		04/28/2009		661							661	661			
B0012602	SALINA	KS		03/04/2010		103							103	103			
A9022406	SALINAS	CA		05/05/2009		208							208	208			
A9032502	SALT LAKE CITY	UT		05/29/2009		633							633	633			
A8082205	SALT LAKE CITY	UT		01/05/2009		230							230	230			
A9030502	SALT LAKE CITY	UT		04/16/2009		179							179	179			
B0052001	SAN ANGELO	TX		06/17/2010		57							57	57			
B0062405	SAN ANTONIO	TX		09/30/2010		246							246	246			
B0080607	SAN ANTONIO	TX		10/25/2010		706							706	706			
A9032303	SAN ANTONIO	TX		05/21/2009		358							358	358			
B0010602	SAN ANTONIO	TX		01/21/2010		142							142	142			
A9120802	SAN ANTONIO	TX		01/07/2010		152							152	152			
B0030501	SAN ANTONIO	TX		05/10/2010		214							214	214			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10 Current Year's Other than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion									
B0051101	SAN ANTONIO	TX		06/16/2010		766							766	766			
B0020903	SAN BERNARDINO	CA		03/31/2010		1,116							1,116	1,116			
B0030201	SAN BERNARDINO	CA		04/30/2010		145							145	145			
A9021802	SAN BUENAVENTURA	CA		04/23/2009		304							304	304			
A9021803	SAN BUENAVENTURA	CA		04/23/2009		213							213	213			
A8112401	SAN BUENAVENTURA	CA		01/27/2009		780							780	780			
B0032903	SAN CARLOS	CA		06/22/2010		82							82	82			
B0052810	SAN CLEMENTE	CA		08/10/2010		512							512	512			
B0062806	SAN DEIGO	CA		09/10/2010		1,855							1,855	1,855			
B0063005	SAN DIEGO	CA		09/14/2010		581							581	581			
B0061701	SAN DIEGO	CA		09/26/2000		103							103	103			
B0080404	SAN DIEGO	CA		11/30/2010		1,318							1,318	1,318			
B0080201	SAN DIEGO	CA		09/29/2010		389							389	389			
B0082405	SAN DIEGO	CA		11/15/2010		495							495	495			
B0040602	SAN DIEGO	CA		06/23/2010		275							275	275			
B0050706	SAN DIEGO	CA		11/03/2004		1,013							1,013	1,013			
B0022601	SAN DIEGO	CA		04/26/2010		888							888	888			
B0032607	SAN DIEGO	CA		05/03/2010		534							534	534			
A9110901	SAN DIEGO	CA		12/29/2009		167							167	167			
A9102701	SAN DIEGO	CA		03/27/1998		187							187	187			
A8123001	SAN DIEGO	CA		03/03/2009		266							266	266			
A9030410	SAN DIEGO	CA		04/30/2009		928							928	928			
A9060501	SAN DIEGO	CA		07/29/2009		131							131	131			
A9020303	SAN FERNANDO	CA		05/06/2009		610							610	610			
B0061102	SAN FERNANDO	CA		04/18/2001		595							595	595			
B0031901	SAN FRANCISCO	CA		06/29/2010		370							370	370			
B0031102	SAN FRANCISCO	CA		06/01/2010		816							816	816			
A9112003	SAN JOSE	CA		01/04/2010		601							601	601			
A9101602	SAN JOSE	CA		12/18/2009		215							215	215			
A9122103	SAN JOSE	CA		03/16/2010		250							250	250			
B0051901	SAN JOSE	CA		07/29/2010		387							387	387			
B0041502	SAN JUAN	TX		06/04/2010		183							183	183			
B0072701	SAN LUIS OBISPO	CA		09/30/2010		236							236	236			
B0072702	SAN LUIS OBISPO	CA		10/06/2010		811							811	811			
B0031201	SAN LUIS OBISPO	CA		05/22/2000		66							66	66			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9040603	SAN MARCOS	CA		10/01/2009		955							955	955			
B0061005	SAN MARCOS	TX		08/20/2010		181							181	181			
A9032302	SAN PEDRO	CA		05/28/2009		486							486	486			
B0081601	SAN SABA	TX		10/26/2010		922							922	922			
B0031005	SANDY SPRINGS	GA		05/04/2010		150							150	150			
A9040903	SANTA ANA	CA		07/06/2009		152							152	152			
A9042705	SANTA ANA	CA		06/30/2009		310							310	310			
A9101603	SANTA ANA	CA		11/30/2009		543							543	543			
A9081810	SANTA ANA	CA		10/20/2009		407							407	407			
B0072305	SANTA ANA	CA		07/30/2003		369							369	369			
B0051303	SANTA ANA	CA		07/22/2010		706							706	706			
A8110503	SANTA CLARA	CA		01/08/2009		106							106	106			
B0052701	SANTA CLARITA	CA		07/28/2000		209							209	209			
A9012601	SANTA CRUZ	CA		03/30/2009		148							148	148			
A8111903	SANTA FE SPRINGS	CA		01/30/2009		227							227	227			
A9043001	SANTA MARIA	CA		07/01/2009		599							599	599			
A9040606	SANTA MONICA	CA		06/18/2009		94							94	94			
B0012902	SANTA MONICA	CA		03/29/2010		338							338	338			
B0062406	SARASOTA	FL		09/09/2010		420							420	420			
A9040804	SAUGATUCK	MI		05/29/2009		425							425	425			
A9123001	SAVANNAH	GA		03/22/2010		161							161	161			
A9092501	SAVANNAH	GA		11/25/2009		664							664	664			
B0041902	SCOTTSDALE	AZ		07/21/2010		342							342	342			
B0032504	SCOTTSDALE	AZ		05/19/2010		310							310	310			
A9072802	SEALY	TX		08/25/2009		69							69	69			
A9030204	SEATTLE	WA		05/20/2009		905							905	905			
A9040901	SEATTLE	WA		06/25/2009		714							714	714			
A9040902	SEATTLE	WA		06/25/2009		892							892	892			
A9102103	SEATTLE	WA		12/22/2009		818							818	818			
B0020507	SEATTLE	WA		03/16/2010		270							270	270			
B0061103	SEATTLE	WA		08/20/2010		206							206	206			
B0061104	SEATTLE	WA		08/20/2010		442							442	442			
B0062503	SEATTLE	WA		09/01/2010		997							997	997			
A9073002	SEDAN	KS		10/01/2009		49							49	49			
A9021204	SEGUIN	TX		04/16/2009		241							241	241			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
B0010702	SEMINOLE	TX		01/21/2010		55							55	55			
A9071701	SETAC	WA		10/05/2009		617							617	617			
A9042001	SHERMAN	TX		07/01/2009		263							263	263			
B0062802	SHERMAN OAKS	CA		09/15/2010		578							578	578			
B0012202	SHORELINE	WA		02/15/2000		125							125	125			
A9091501	SLAUGHTERVILLE	OK		11/19/2009		49							49	49			
A8120504	SMYRNA	GA		02/02/2009		1,309							1,309	1,309			
B0071301	SMYRNA	GA		08/12/2010		752							752	752			
A9031204	SOUTH PASADENA	CA		05/08/2009		369							369	369			
B0030908	SOUTH SAN FRANCIS	CA		05/27/2010		107							107	107			
B0051902	SOUTHFIELD	MI		08/26/2010		166							166	166			
B0021601	SOUTHPORT	NC		03/31/2010		951							951	951			
A9021903	SPARKS	NV		04/27/2009		456							456	456			
A9021904	SPARKS	NV		04/27/2009		147							147	147			
B0080202	ST. LOUIS	MO		11/02/2010		313							313	313			
A9042309	STAFFORD	TX		06/25/2009		1,618							1,618	1,618			
B0021803	STANTON	CA		04/29/2010		913							913	913			
B0020201	STANTON	CA		03/31/2010		404							404	404			
B0072801	STANWOOD	WA		09/28/2010		343							343	343			
B0072301	STATESBORO	GA		09/15/2010		476							476	476			
B0031601	STERLING HEIGHTS	MI		05/24/2010		363							363	363			
A9030203	STOCKTON	CA		05/28/2009		615							615	615			
A9081806	STONE MOUNTAIN	GA		11/10/2009		381							381	381			
B0042102	STONE MOUNTAIN	GA		06/01/2010		452							452	452			
B0080612	STRATFORD	CT		10/26/2010		465							465	465			
B0030903	STRONGSVILLE	OH		05/27/2010		287							287	287			
B0042704	SUFFOLK	VA		06/29/2010		127							127	127			
A9103002	SUMMERVILLE	SC		01/12/2010		275							275	275			
A9052102	SUNNYVALE	CA		07/28/2009		324							324	324			
B0050302	SUNNYVALE	CA		07/21/2010		1,400							1,400	1,400			
B0062805	SUNNYVALE	TX		10/07/2010		371							371	371			
B0072706	SUPERIOR	CO		10/29/2010		909							909	909			
B0030802	SURPRISE	AZ		04/27/2010		86							86	86			
A9090103	SYRACUSE	KS		09/24/2009		50							50	50			
A8121507	TALLAHASSEE	FL		02/25/2009		878							878	878			

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9040606	TAMPA	FL		06/10/2009		222							222	222			
B0011401	TAMPA	FL		03/30/2010		421							421	421			
B0010605	TAMPA	FL		03/24/2010		189							189	189			
B0080301	TAMPA	FL		09/27/2010		578							578	578			
B0082505	TAMPA	FL		11/23/2010		319							319	319			
B0012201	TARZANA	CA		03/09/2010		268							268	268			
B0072005	TARZANA	CA		09/22/2010		271							271	271			
A8121513	TAUNTON	MA		02/25/2009		179							179	179			
A9102703	TAYLOR	MI		01/20/2010		440							440	440			
B0032201	TAYLORS	SC		05/26/2010		257							257	257			
B0062401	TAYLORSVILLE	UT		09/08/2010		305							305	305			
A9103005	TEMPE	AZ		12/29/2009		652							652	652			
A9041601	TEMPE	AZ		06/11/2009		399							399	399			
A9071402	TEMPE	AZ		09/01/2009		1,175							1,175	1,175			
A8111101	TEMPE	AZ		01/20/2009		284							284	284			
B0030401	TEMPLE	TX		04/01/2010		116							116	116			
B0032402	TEXAS CITY	TX		04/22/2010		166							166	166			
A9122201	THE WOODLANDS	TX		03/10/2010		141							141	141			
B0063002	TROUTDALE	OR		03/30/2001		225							225	225			
A9040601	TROY	MI		06/15/2009		548							548	548			
A8071804	TRUCKEE	CA		01/28/2009		918							918	918			
A9111601	TUCSON	AZ		01/19/2010		42							42	42			
B0072704	TUCSON	AZ		11/02/2010		273							273	273			
A9042802	TUKWILA	WA		07/07/2009		234							234	234			
A8121101	TUKWILA	WA		02/17/2009		321							321	321			
A9032104	TULIA	TX		06/05/2009		171							171	171			
B0032509	TUSTIN	CA		05/26/2010		121							121	121			
A9061608	TYLER	TX		08/27/2009		66							66	66			
B0090702	UPLAND	CA		11/22/2010		84							84	84			
A9050102	UVALDE	TX		07/20/2009		226							226	226			
B0060303	VALLEJO	CA		07/20/2010		1,736							1,736	1,736			
A8121203	VALLEJO	CA		02/20/2009		72							72	72			
B0021102	VALRICO	FL		03/31/2010		650							650	650			
A9061610	VAN HORN	TX		09/30/2009		64							64	64			
A9032701	VAN NUYS	CA		06/10/2009		381							381	381			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10 Current Year's Other than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion									
B0071604	VANCOUVER	WA		09/20/2010		180							180	180			
A8110702	VENTURA	CA		01/14/2009		401							401	401			
B0071902	VENTURA	CA		10/25/2010		469							469	469			
A8120101	VERNON	CA		02/12/2009		112							112	112			
B0042701	VICTORIA	VA		05/06/2010		149							149	149			
B0071303	VISTA	CA		09/23/2010		297							297	297			
A9101305	WALNUT	CA		12/16/2009		292							292	292			
B0060105	WALNUT CREEK	CA		07/14/2010		213							213	213			
B0040901	WASHINGTON	DC		06/22/2010		105							105	105			
B0012604	WASHINGTON	KS		02/18/2010		87							87	87			
B0040702	WAUKEGAN	IL		06/21/2010		747							747	747			
B0082501	WEATHERFORD	TX		10/28/2010		541							541	541			
B0032202	WELLS	TX		04/01/2010		107							107	107			
B0041501	WESLACO	TX		06/04/2010		219							219	219			
B0070601	WEST BLOOMFIELD	MI		09/17/2010		822							822	822			
A9120401	WEST BOUNTIFUL	UT		01/27/2010		366							366	366			
B0071208	WEST CHICAGO	IL		10/29/2010		270							270	270			
A8111202	WEST COVINA	CA		01/27/2009		254							254	254			
B0060701	WEST HOLLYWOOD	CA		07/29/2010		1,297							1,297	1,297			
A9021902	WEST SACRAMENTO	CA		04/28/2009		140							140	140			
A9091002	WEST VALLEY CITY	UT		10/20/2009		307							307	307			
A9052101	WEST VALLEY CITY	UT		07/27/2009		479							479	479			
B0060401	WEST VALLEY CITY	UT		08/04/2010		324							324	324			
B0080302	WESTMINSTER	CO		10/14/2010		476							476	476			
B0010501	WHITTIER	CA		04/12/2010		198							198	198			
B0072003	WHITTIER	CA		10/14/2010		346							346	346			
A8112602	WINDSOR	CT		01/30/2009		844							844	844			
A9042701	WINTER GARDEN	FL		07/07/2009		405							405	405			
A9100602	WINTER PARK	FL		12/23/2009		338							338	338			
B0052702	WINTER PARK	FL		08/26/2010		807							807	807			
A9120301	WINTERS	TX		02/04/2010		48							48	48			
A9042801	WOODBRIDGE	VA		07/20/2009		330							330	330			
A9020305	WOODLAND	CA		04/01/2009		267							267	267			
B0052501	WOODLAND HILLS	CA		10/01/2010		912							912	912			
B0052803	WOODSTOCK	GA		08/18/2010		1,285							1,285	1,285			

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest	8	9	10	11	12	13	Book Value/ Recorded Investment Excluding Accrued Interest		Foreign Exchange Gain (Loss) on	Realized Gain (Loss) on	Total Gain (Loss) on
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	on Disposal	Consideration	Disposal	Disposal	Disposal
A9010702	YUMA	AZ		02/25/2009		374							374	374			
0299999 Mortgages with partial repayments						410,195							410,195	410,195			
0599999 Totals						635,021							635,021	635,021			

SCHEDULE BA - PART 2

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

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Ident-ification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
BLM0CM-LK-0	IMPACT HUNTINGTON CAPITAL II LLC	SAN DIEGO	CA	HUNTINGTON CAPITAL II LLC		06/07/2010			4,515		69,106	9.090
1999999 Other - Joint Venture, Partnership or Limited Liability Interests - Unaffiliated									4,515		69,106	X X X
45258#-AA-8	IMPACT HUNTINGTON CAPITAL	SANDIEGO	CA	HUNTINGTON CAPITAIL II LLC		06/10/2008	2		1,068,957			9.091
3799999 Any Other Class of Assets - Unaffiliated									1,068,957			X X X
3999999 Subtotal Unaffiliated									1,073,472		69,106	X X X
4199999 Totals									1,073,472		69,106	X X X

E03

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Ident-ification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
NONE																			
4199999 Totals																			

SCHEDULE D - PART 3

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
3620AC-D2-7	GNMA II REVERSE MTG - FIXED-RATE		03/20/2011	CAPITALIZED INTEREST		351,584	351,584.00		1
3620AC-DD-3	GNMA II REVERSE MTG - FIXED-RATE		02/20/2011	CAPITALIZED INTEREST		110,380	110,380.00		1
3620AC-DK-7	GNMA II REVERSE MTG - FIXED-RATE		02/20/2011	CAPITALIZED INTEREST		51,173	51,173.00		1
3620AC-DM-3	GNMA II REVERSE MTG - FIXED-RATE		03/20/2011	CAPITALIZED INTEREST		59,399	59,399.00		1
3620AC-DT-8	GNMA II REVERSE MTG - FIXED-RATE		03/20/2011	CAPITALIZED INTEREST		340,806	340,806.00		1
3620AH-L5-0	GNMA II REVERSE MTG - FIXED-RATE		02/20/2011	CAPITALIZED INTEREST		94,294	94,294.00		1
3620AH-LY-7	GNMA II REVERSE MTG - FIXED-RATE		03/20/2011	CAPITALIZED INTEREST		361,797	361,797.00		1
3620AH-MA-8	GNMA II REVERSE MTG - FIXED-RATE		03/20/2011	CAPITALIZED INTEREST		52,478	52,478.00		1
36297K-4A-6	GNMA II REVERSE MTG - FIXED-RATE		02/20/2011	CAPITALIZED INTEREST		56,049	56,049.00		1
0599999	Total Bonds U. S. Government				X X X	1,477,960	1,477,960.00		X X X
152735-VF-0	CENTRAL BUCKS PA SCH DIST		03/23/2011	CITIGROUP		2,413,841	2,415,000.00		1FE
2499999	U.S. Total Bonds Political Subdivisions of States, Territories and Possessions				X X X	2,413,841	2,415,000.00		X X X
130795-2H-9	CALIFORNIA STATEWIDE CMNTYS DEV AU		01/27/2011	MORGAN STANLEY		2,112,060	2,000,000.00		1FE
130795-D8-7	CALIFORNIA STATEWIDE CMNTYS DEV AU		02/28/2011	JANNEY MONTGOMERY SCOTT		108,616	100,000.00	2,111	1FE
31417Y-WQ-6	FNMA 10YR		11/22/2010	JEFFRIES SECURITIES		30,205,313	29,000,000.00	35,000	1
01F032-31-0	FNMA 10YR TBA(REG B)		11/22/2010	JEFFRIES SECURITIES		30,205,313	29,000,000.00		1
BLM0MB-QG-7	FNMA DUS MULTI 5YR BALLOON		03/10/2011	DUNCAN WILLIAMS		8,012,500	8,000,000.00	15,680	1
BLM0M7-A4-0	FNMA DUS MULTI 7YR BALLOON		03/04/2011	DUNCAN WILLIAMS		2,814,675	2,800,000.00	1,451	1
BLM0ME-0E-4	FNMA DUS MULTI 7YR BALLOON		03/14/2011	DUNCAN WILLIAMS		10,007,813	10,000,000.00	27,300	1
31397S-MX-9	FNMA_11-28A		03/03/2011	BARCLAYS CAPITAL		15,450,000	15,000,000.00	48,333	1
31397Q-F5-2	FNR_11-18B_AC		02/03/2011	BANK OF AMERICA		8,268,438	8,000,000.00	24,000	1
410040-BR-9	HANCOCK CNTY OHIO HOSP REV		03/17/2011	MERRILL LYNCH		1,874,549	1,865,000.00		1FE
455254-FC-1	INDIANAPOLIS ARPT-RF		02/25/2011	JEFFRIES SECURITIES		1,589,505	1,500,000.00	9,988	2FE
57583R-6J-9	MASSACHUSETTS ST DEV FIN AGY REV		01/07/2011	JP MORGAN CHASE		3,525,935	3,500,000.00		1FE
57583R-6L-4	MASSACHUSETTS ST DEV FIN AGY REV		01/07/2011	JP MORGAN CHASE		6,520,020	6,500,000.00		1FE
594695-N9-5	MICHIGAN ST TRUNK LINE		02/17/2011	ROYAL BANK OF CANADA		5,486,250	5,000,000.00	77,778	1FE
644614-H5-1	NEW HAMPSHIRE HEALTH & ED FACS AUT		03/10/2011	BAUM		2,135,000	2,135,000.00		1FE
677525-TX-5	OHIO ST AIR QUALITY DEV AUTH REV		01/13/2011	MORGAN KEEGAN & CO. INC.		3,559,480	4,000,000.00	15,333	2FE
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	132,275,667	128,400,000.00	256,974	X X X
00489B-AA-3	ACQUISITION CO LANZA PARENT		03/22/2011	JEFFRIES SECURITIES		3,210,000	3,000,000.00	95,000	4FE
29333*-AA-5	ALABAMA CAPCO		03/01/2011	CAPITALIZED INTEREST		2,657	2,657.00		1
LX1184-36-0	AVG TECHNOLOGIES N.V.	R	03/11/2011	JPMORGAN CHASE BANK, N.A.		3,920,000	4,000,000.00		4Z
053810-AA-5	AVIV HEALTHCARE PROPERTIES LP		03/22/2011	BANK OF AMERICA		1,489,875	1,450,000.00	19,041	4FE
059472-AG-5	BAFC_11-R2_2A4		03/29/2011	BANK OF AMERICA		1,004,688	1,000,000.00	4,167	1Z
171340-AG-7	CHURCH & DWIGHT CO		03/10/2011	VARIOUS		3,385,264	3,365,000.00	25,576	2FE
233851-AD-6	DAIMLER FINANCE NORTH AMERICA LLC		03/21/2011	CITIGROUP		2,996,550	3,000,000.00		2FE

(a) For all common stock bearing the NAIC market indicator 'U' provide the number of such issues 1

SCHEDULE D - PART 3

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
235825-AB-2	DANA HOLDING CORP		02/23/2011	CREDIT SUISSE		1,016,250	1,000,000.00	5,625	4FE
25243Y-AJ-8	DIAGEO CAPITAL PLC	F	03/23/2011	STIFEL NICOLAUS & CO.		2,815,675	2,500,000.00	67,986	1FE
25243Y-AM-1	DIAGEO CAPITAL PLC	F	03/23/2011	WELLS FARGO SECURITIES (FMR WACHOVIA)		1,703,565	1,500,000.00	37,135	1FE
278058-DD-1	EATON CORP		03/08/2011	CITIGROUP		2,759,075	2,500,000.00	45,111	1FE
29379V-AS-2	ENTERPRISE PRODUCTS OPERATING LLC		02/25/2011	VARIOUS		4,685,870	4,700,000.00	11,760	2FE
38375B-HL-9	GNR 2010-H22 JA		03/20/2011	CAPITALIZED INTEREST		83,075	83,075.00		1
38375B-GW-6	GNR 2010-H23 A		03/20/2011	CAPITALIZED INTEREST		15,458	15,458.00		1
38375B-GM-8	GNR 2010-H24 HA		03/20/2011	CAPITALIZED INTEREST		38,768	38,768.00		1
38375B-JH-6	GNR 2010-H27 JA		03/20/2011	CAPITALIZED INTEREST		54,833	54,833.00		1
38375B-HW-5	GNR 2010-H28 HA		02/20/2011	CAPITALIZED INTEREST		13,684	13,684.00		1
38375B-JT-0	GNR 2011-H03 HA		03/20/2011	VARIOUS		18,063,387	18,074,667.00	38,779	1
382410-AD-0	GOODRICH PETROLEUM CORP		02/25/2011	JP MORGAN CHASE		858,500	850,000.00		5FE
390607-AA-7	GREAT LAKES DREDGE & DOCK CORP		01/25/2011	DEUTSCHE BANK		1,600,000	1,600,000.00		4FE
398433-AE-2	GRIFFON CORP		03/15/2011	CANTOR FITZGERALD		1,786,455	1,782,000.00	353	3FE
43162R-AC-8	HILLMAN GROUP INC		03/11/2011	BARCLAYS CAPITAL		1,748,000	1,600,000.00	50,750	5FE
45824T-AD-7	INTELSAT JACKSON HOLDINGS SA	F	03/22/2011	BARCLAYS CAPITAL		2,550,000	2,550,000.00		4FE
46521N-AV-4	ISTAR FINANCIAL INC.		03/11/2011	JPMORGAN CHASE BANK, N.A.		3,960,000	4,000,000.00		4Z
52706Y-AC-7	ISTAR FINANCIAL INC.		02/25/2011	BANK OF AMERICA, N.A.		2,000,000	2,000,000.00		4FE
516545-AD-2	LANTHEUS MEDICAL IMAGING INC		03/17/2011	JEFFRIES SECURITIES		761,250	750,000.00	25,594	4FE
552704-AA-6	MEG ENERGY CORP	A	03/14/2011	BARCLAYS CAPITAL		2,000,000	2,000,000.00		4FE
LX1181-69-7	NBTY, INC.		02/24/2011	BARCLAYS BANK PLC		2,000,000	2,000,000.00		3FE
641423-BW-7	NEVADA POWER CO		02/16/2011	BANK OF AMERICA		2,281,020	2,000,000.00	7,583	2FE
72650R-AF-9	PLAINS ALL AMERICAN PIPELINE LP		03/04/2011	WELLS FARGO SECURITIES (FMR WACHOVIA)		1,101,070	1,000,000.00	3,917	2FE
786514-BP-3	SAFEWAY INC		02/24/2011	CREDIT SUISSE		3,340,890	3,000,000.00	8,467	2FE
78403D-AA-8	SBA TOWER TRUST		03/08/2011	SEAPORT GROUP SECURITIES		1,032,560	1,000,000.00	3,072	1FE
826418-BD-6	SIERRA PACIFIC POWER CO		03/23/2011	JP MORGAN CHASE		5,677,350	5,000,000.00	110,833	2FE
87612B-AG-7	TARGA RESOURCES PARTNERS LP		02/04/2011	DIRECT		3,228,833	3,400,000.00	1,299	4FE
878742-AR-6	TECK RESOURCES LTD		03/25/2011	BNP PARIBAS		1,810,614	1,805,000.00	8,687	2FE
LX1184-38-6	UNIVERSAL HEALTH SERVICES, INC.		03/14/2011	JPMORGAN CHASE BANK, N.A.		3,989,153	3,989,152.54		3Z
93443N-AW-9	WARNER CHILCOTT CORPORATION		03/14/2011	BANK OF AMERICA, N.A.		1,828,571	1,828,571.42		2FE
93443N-AX-7	WARNER CHILCOTT CORPORATION		03/14/2011	BANK OF AMERICA, N.A.		914,286	914,285.72		2FE
93443N-AY-5	WARNER CHILCOTT CORPORATION		03/14/2011	BANK OF AMERICA, N.A.		1,257,143	1,257,142.86		2FE
942683-AD-5	WATSON PHARMACEUTICALS INC		02/22/2011	BANK OF AMERICA		3,685,334	3,425,000.00	4,757	2FE
929766-YX-5	WBCMT 2005-C16 A4		02/11/2011	SOCIETE GENERALE		4,227,341	4,000,000.00	8,078	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	100,897,044	98,049,294.54	583,570	X X X
8399997	Total Bonds Part 3				X X X	237,064,512	230,342,254.54	840,544	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	237,064,512	230,342,254.54	840,544	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues . . . . . 1 .

SCHEDULE D - PART 3

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
65440K-10-6	99 CENTS ONLY STORES		03/02/2011	BERNSTEIN	736.000	11,978			L
00738A-10-6	ADTRAN INC.		03/02/2011	BERNSTEIN	266.000	12,101			L
00751Y-10-6	ADVANCE AUTO PARTS INC.		03/02/2011	BERNSTEIN	192.000	12,057			L
011659-10-9	ALASKA AIR GROUP INC.		03/02/2011	BERNSTEIN	212.000	12,172			L
012653-10-1	ALBEMARLE CORP.		03/02/2011	BERNSTEIN	221.000	12,443			L
014482-10-3	ALEXANDER & BALDWIN INC.		03/02/2011	BERNSTEIN	297.000	12,047			L
03836W-10-3	AQUA AMERICA INC.		03/02/2011	BERNSTEIN	633.000	14,212			L
363576-10-9	ARTHUR J GALLAGHER & CO		03/02/2011	BERNSTEIN	603.000	18,683			L
044209-10-4	ASHLAND INC.		03/02/2011	BERNSTEIN	214.000	12,031			L
G05384-10-5	ASPEN INSURANCE HOLDINGS LTD.		03/02/2011	VARIOUS	7,974.000	241,541			L
049513-10-4	ATMEL CORP.		03/02/2011	BERNSTEIN	843.000	12,236			L
049560-10-5	ATMOS ENERGY CORP.		03/02/2011	BERNSTEIN	527.000	18,186			L
090572-20-7	BIO-RAD LABORATORIES-CL A		03/02/2011	BERNSTEIN	132.000	14,866			L
05548J-10-6	BJ'S WHOLESALE CLUB INC		03/02/2011	BERNSTEIN	249.000	12,210			L
103304-10-1	BOYD GAMING CORP.		02/04/2011	BARCLAYS CAPITAL	1,336.000	14,825			L
11133T-10-3	BROADRIDGE FINANCIAL SOLUTIO		03/02/2011	BERNSTEIN	527.000	12,215			L
115236-10-1	BROWN & BROWN INC.		03/02/2011	BERNSTEIN	467.000	11,924			L
159864-10-7	CHARLES RIVER LABORATORIES INTERNA		03/02/2011	BERNSTEIN	332.000	12,156			L
169656-10-5	CHIPOTLE MEXICAN GRILL-CL A		03/02/2011	BERNSTEIN	50.000	11,866			L
171340-10-2	CHURCH & DWIGHT CO.		03/02/2011	BERNSTEIN	249.000	18,626			L
171796-10-1	CIMAREX ENERGY CO.		03/02/2011	BERNSTEIN	105.000	11,929			L
22002T-10-8	CORPORATE OFFICE PROPERTIES		03/02/2011	BERNSTEIN	339.000	12,002			L
222816-10-0	COVANCE INC.		03/02/2011	BERNSTEIN	216.000	12,194			L
229899-10-9	CULLEN/FROST BANKERS INC.		03/02/2011	BERNSTEIN	358.000	20,850			L
232806-10-9	CYPRESS SEMICONDUCTOR CORP.		03/02/2011	BERNSTEIN	17,144.000	364,485			L
243537-10-7	DECKERS OUTDOOR CORP		02/04/2011	BARCLAYS CAPITAL	196.000	15,782			L
256746-10-8	DOLLAR TREE INC.		03/02/2011	BERNSTEIN	240.000	12,113			L
233293-10-9	DPL INC.		03/02/2011	BERNSTEIN	589.000	15,399			L
233326-10-7	DST SYSTEMS INC.		03/02/2011	BERNSTEIN	241.000	12,128			L
28176E-10-8	EDWARDS LIFESCIENCES CORP.		03/02/2011	BERNSTEIN	142.000	12,442			L
29264F-20-5	ENDO PHARMACEUTICALS HOLDINGS INC.		03/02/2011	BERNSTEIN	331.000	11,957			L
313747-20-6	FEDERAL REALTY INVESTMENT TRUST		03/02/2011	BERNSTEIN	196.000	15,849			L
343498-10-1	FLOWERS FOODS INC		03/02/2011	BERNSTEIN	461.000	12,010			L
344849-10-4	FOOT LOCKER INC		03/02/2011	BERNSTEIN	626.000	12,235			L
366651-10-7	GARTNER INC.		03/02/2011	BERNSTEIN	1,579.000	59,566			L
361448-10-3	GATX CORP.		03/02/2011	BERNSTEIN	355.000	12,090			L
36866T-10-3	GEN-PROBE INC.		03/02/2011	BERNSTEIN	190.000	12,281			L
391164-10-0	GREAT PLAINS ENERGY INC.		03/02/2011	BERNSTEIN	911.000	17,461			L
419870-10-0	HAWAIIAN ELECTRIC INDUSTRIES INC.		03/02/2011	BERNSTEIN	497.000	12,200			L
404132-10-2	HCC INSURANCE HOLDINGS INC.		03/02/2011	BERNSTEIN	770.000	23,666			L
443510-20-1	HUBBELL INC. (CL B)		03/02/2011	BERNSTEIN	180.000	11,939			L

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SCHEDULE D - PART 3

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
451107-10-6	IDACORP INC.		03/02/2011	BERNSTEIN	565.000	21.251			L
457153-10-4	INGRAM MICRO INC. (CL A)		03/02/2011	BERNSTEIN	670.000	13.256			L
46612H-40-2	J. CREW GROUP INC.		03/02/2011	BERNSTEIN	276.000	12.030			L
426281-10-1	JACK HENRY & ASSOCIATES INC.		03/02/2011	BERNSTEIN	562.000	17.875			L
472319-10-2	JEFFERIES GROUP INC.		03/02/2011	BERNSTEIN	512.000	12.073			L
968223-20-6	JOHN WILEY & SONS INC. (CL A)		03/02/2011	BERNSTEIN	257.000	12.027			L
48020Q-10-7	JONES LANG LASALLE INC.		03/02/2011	BERNSTEIN	124.000	11.969			L
485170-30-2	KANSAS CITY SOUTHERN		03/02/2011	BERNSTEIN	229.000	12.188			L
48666K-10-9	KB HOME		02/04/2011	BARCLAYS CAPITAL	1,134.000	16.082			L
512807-10-8	LAM RESEARCH CORP.		03/02/2011	BERNSTEIN	220.000	12.436			L
533900-10-6	LINCOLN ELECTRIC HOLDINGS INC.		03/02/2011	BERNSTEIN	171.000	12.098			L
554489-10-4	MACK-CALI REALTY CORP.		03/02/2011	BERNSTEIN	896.000	29.674			L
56418H-10-0	MANPOWER INC.		03/02/2011	BERNSTEIN	191.000	12.076			L
573284-10-6	MARTIN MARIETTA MATERIALS INC.		03/02/2011	BERNSTEIN	139.000	12.107			L
589433-10-1	MEREDITH CORP		03/02/2011	VARIOUS	3,838.000	131.034			L
592688-10-5	METTLER-TOLEDO INTERNATIONAL INC.		03/02/2011	BERNSTEIN	70.000	12.049			L
636518-10-2	NATIONAL INSTRUMENTS CORP.		03/02/2011	BERNSTEIN	393.000	12.242			L
665531-10-9	NORTHERN OIL & GAS INC.		03/02/2011	BERNSTEIN	5,385.000	168.428			U
67019E-10-7	NSTAR		03/02/2011	BERNSTEIN	447.000	20.129			L
67073Y-10-6	NV ENERGY INC.		03/02/2011	BERNSTEIN	826.000	12.145			L
675232-10-2	OCEANEERING INTL INC		03/02/2011	BERNSTEIN	147.000	11.990			L
699173-20-9	PARAMETRIC TECHNOLOGY CORP. COM STOCK		03/02/2011	BERNSTEIN	527.000	12.196			L
70336T-10-4	PATRIOT COAL CORP.		03/02/2011	BERNSTEIN	982.000	22.966			L
703481-10-1	PATTERSON-UTI ENERGY INC		03/02/2011	BERNSTEIN	452.000	12.001			L
709631-10-5	PENTAIR INC		03/02/2011	BERNSTEIN	329.000	12.049			L
716768-10-6	PETSMART INC		03/02/2011	BERNSTEIN	292.000	12.078			L
726505-10-0	PLAINS EXPLORATION & PRODUCTION CO		03/02/2011	BERNSTEIN	319.000	11.734			L
747277-10-1	QLOGIC CORP		02/04/2011	BARCLAYS CAPITAL	12,944.000	235.970			L
751028-10-1	RALCORP HOLDINGS INC		03/02/2011	BERNSTEIN	187.000	12.032			L
754730-10-9	RAYMOND JAMES FINANCIAL INC		03/02/2011	BERNSTEIN	356.000	13.378			L
758849-10-3	REGENCY CENTERS CORP.		03/02/2011	BERNSTEIN	274.000	11.849			L
759351-60-4	REINSURANCE GROUP OF AMERICA INC.		03/02/2011	BERNSTEIN	204.000	12.033			L
768573-10-7	RIVERBED TECHNOLOGY INC.		03/28/2011	JP MORGAN CHASE	449.000	16.540			L
779376-10-2	ROVI CORP.		03/02/2011	BERNSTEIN	597.000	32.687			L
807066-10-5	SCHOLASTIC CORP		03/02/2011	BERNSTEIN	393.000	12.089			L
810186-10-6	SCOTTS MIRACLE-GRO CO.		03/02/2011	BERNSTEIN	220.000	12.215			L
827048-10-9	SILGAN HOLDINGS INC		03/02/2011	BERNSTEIN	332.000	12.104			L
832248-10-8	SMITHFIELD FOODS INC.		03/02/2011	BERNSTEIN	534.000	12.094			L
835898-10-7	SOTHEBYS		02/04/2011	BARCLAYS CAPITAL	281.000	11.902			L
858119-10-0	STEEL DYNAMICS INC.		03/02/2011	BERNSTEIN	674.000	12.335			L
863236-10-5	STRAYER EDUCATION INC.		03/02/2011	BERNSTEIN	88.000	12.265			L
868157-10-8	SUPERIOR ENERGY SERVICES INC		03/02/2011	BERNSTEIN	324.000	11.880			L

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SCHEDULE D - PART 3

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
871607-10-7	SYNOPSYS INC.		03/02/2011	BERNSTEIN	545.000	15,121			L
876664-10-3	TAUBMAN CENTERS INC.		02/04/2011	BARCLAYS CAPITAL	6,049.000	319,543			L
872275-10-2	TCF FINANCIAL CORP.		03/28/2011	JP MORGAN CHASE	2,445.000	37,585			L
879369-10-6	TELEFLEX INC.		03/02/2011	BERNSTEIN	209.000	12,130			L
879868-10-7	TEMPLE-INLAND INC.		02/04/2011	BARCLAYS CAPITAL	476.000	11,705			L
880779-10-3	TEREX CORP.		02/04/2011	BARCLAYS CAPITAL	327.000	12,184			L
410867-10-5	THE HANOVER INSURANCE GROUP INC.		03/02/2011	BERNSTEIN	504.000	23,570			L
886423-10-2	TIDEWATER INC		03/02/2011	BERNSTEIN	196.000	12,177			L
891894-10-7	TOWERS WATSON & CO		03/02/2011	BERNSTEIN	206.000	12,010			L
892356-10-6	TRACTOR SUPPLY COMPANY		03/02/2011	BERNSTEIN	237.000	12,153			L
899896-10-4	TUPPERWARE BRANDS CORP		03/02/2011	BERNSTEIN	228.000	12,271			L
902681-10-5	UGI CORP.		03/02/2011	BERNSTEIN	443.000	14,350			L
913456-10-9	UNIVERSAL CORP.		03/02/2011	BERNSTEIN	292.000	12,214			L
919794-10-7	VALLEY NATIONAL BANCORP		03/02/2011	BERNSTEIN	894.000	12,095			L
920355-10-4	VALSPAR CORP.		03/02/2011	BERNSTEIN	439.000	16,616			L
922207-10-5	VARIAN SEMICONDUCTOR EQUIP		03/28/2011	JP MORGAN CHASE	7,944.000	382,228			L
918194-10-1	VCA ANTECH INC.		03/02/2011	BERNSTEIN	479.000	12,032			L
928298-10-8	VISHAY INTERTECHNOLOGY INC.		03/02/2011	BERNSTEIN	690.000	12,269			L
947890-10-9	WEBSTER FINANCIAL CORP.		02/04/2011	BARCLAYS CAPITAL	2,273.000	52,176			L
957090-10-3	WESTAMERICA BANCORP		03/02/2011	BERNSTEIN	233.000	12,056			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	3,284,803	X X X		X X X
9799997	Total Common Stock Part 3				X X X	3,284,803	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stock				X X X	3,284,803	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	3,284,803	X X X		X X X
9999999	Totals				X X X	240,349,315	X X X	840,544	X X X

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
31599F-H7-6	FHA		01/25/2011	SINKING FUND REDE		187,250	187,250.00	190,059	188,939		(1,689)		(1,689)		187,250				2,314	06/01/2023	1
36202E-7J-2	GZ 4497		03/01/2011	MBS PAYMENT		2,154,189	2,154,189.00	2,206,529	2,155,231		(1,042)		(1,042)		2,154,189				18,199	11/01/2034	1
3620AC-DD-3	GNMA II REVERSE MTG - FIXED-RAT		03/01/2011	MBS PAYMENT		11,961	11,961.00	13,042	11,971		(10)		(10)		11,961				164	02/01/2022	1
3620AC-DK-7	GNMA II REVERSE MTG - FIXED-RAT		03/01/2011	MBS PAYMENT		25,946	25,946.00	27,615	25,962		(17)		(17)		25,946				356	07/01/2021	1
3620AH-L5-0	GNMA II REVERSE MTG - FIXED-RAT		03/01/2011	MBS PAYMENT		125,706	125,706.00	133,280	125,756		(50)		(50)		125,706				1,708	03/04/2021	1
36297K-4A-6	GNMA II REVERSE MTG - FIXED-RAT		03/01/2011	MBS PAYMENT		4,087	4,087.00	4,246	4,089		(2)		(2)		4,087				56	05/20/2021	1
83162C-MT-7	SBA_03-20A		01/01/2011	MBS PAYMENT		83,476	83,476.00	83,476	83,476						83,476				2,087	01/01/2023	1
831641-DY-8	SBIC_05-P10B		02/01/2011	MBS PAYMENT		302,848	302,848.00	302,848	302,848						302,848				3,771	08/01/2015	1
0599999	Total - Bonds - U.S. Governments				X X X	2,895,463	2,895,463.00	2,961,095	2,898,272		(2,810)		(2,810)		2,895,463				28,655	X X X	X X X
011832-N5-7	AK HSG-AMT-B-HM-MTG		03/01/2011	DIRECT		345,000	345,000.00	345,000	345,000						345,000				3,924	12/01/2021	1FE
041083-PD-2	AR DEV SFM		01/03/2011	DIRECT		320,000	320,000.00	324,960	322,994		(3)		(3)		322,991		(2,991)	(2,991)	7,760	07/01/2032	1FE
041083-NC-6	AR DEV SFM-AMT PROG-C		01/03/2011	DIRECT		15,000	15,000.00	14,970	14,997						14,997		3	3	323	07/01/2011	1FE
041083-NE-2	AR DEV SFM-AMT PROG-C		01/03/2011	DIRECT		80,000	80,000.00	80,000	80,000						80,000				1,860	07/01/2016	1FE
041083-NF-9	AR DEV SFM-AMT PROG-C		01/03/2011	DIRECT		85,000	85,000.00	85,000	85,000						85,000				2,104	07/01/2021	1FE
041083-NG-7	AR DEV SFM-AMT PROG-C		01/03/2011	DIRECT		5,000	5,000.00	4,990	4,992						4,992		8	8	125	07/01/2026	1FE
246395-LB-1	DE HSG-SR SFM-C		01/03/2011	DIRECT		70,000	70,000.00	70,000	70,000						70,000				1,628	07/01/2016	1FE
31297T-PD-9	FG A37620		03/01/2011	MBS PAYMENT		149,192	149,192.00	148,237	149,173		20		20		149,192				857	04/01/2035	1
31297T-Z2-2	FG A37961		03/01/2011	MBS PAYMENT		301,455	301,455.00	300,325	301,397		59		59		301,455				2,250	01/01/2035	1
312971-K9-4	FG B18420		03/01/2011	MBS PAYMENT		25,677	25,677.00	26,359	25,681		(5)		(5)		25,677				235	01/01/2015	1
31356H-GC-5	FG D54695		03/01/2011	MBS PAYMENT		739	739.00	763	739						739				10	07/01/2024	1
3128MT-S5-8	FG H01440		03/01/2011	MBS PAYMENT		1,046,453	1,046,453.00	1,004,489	1,046,057		396		396		1,046,453				10,367	02/01/2036	1
3128PS-K5-5	FGOLD 10YR		03/01/2011	MBS PAYMENT		874,813	874,813.00	913,359	875,380		(567)		(567)		874,813				4,744	08/01/2020	1FE
31394K-M5-0	FHLMC_2686		03/01/2011	MBS PAYMENT		383,929	383,929.00	389,568	383,929						383,929				3,323	01/01/2012	1
31392M-QA-3	FHR 2462 EV		03/01/2011	MBS PAYMENT		976,820	976,820.00	1,010,093	977,008		(188)		(188)		976,820				9,435	05/01/2011	1
31394L-FA-5	FHR 2691 OR		01/01/2011	MBS PAYMENT		216,833	216,833.00	218,392	216,833						216,833				813	01/01/2011	1
31394N-KB-3	FHR 2742 LB		03/01/2011	MBS PAYMENT		340,811	340,811.00	345,604	340,811						340,811				2,644	10/01/2011	1
31394W-JJ-8	FHR 2776 OL		03/01/2011	MBS PAYMENT		427,584	427,584.00	421,036	427,361		222		222		427,584				3,201	09/01/2011	1
3137A3-ZP-7	FHR 3777 AC		03/01/2011	MBS PAYMENT		207,868	207,868.00	212,318	207,915		(47)		(47)		207,868				1,292	06/01/2021	1
34073N-U3-2	FLORIDA HSG-AMT-6		01/03/2011	DIRECT		35,000	35,000.00	35,000	35,000						35,000				726	07/01/2015	1FE
34073N-U4-0	FLORIDA HSG-AMT-6		01/03/2011	DIRECT		25,000	25,000.00	25,000	25,000						25,000				525	01/01/2016	1FE
34073N-U7-3	FLORIDA HSG-AMT-6		01/03/2011	DIRECT		230,000	230,000.00	230,000	230,000						230,000				5,233	07/01/2026	1FE
31374W-WC-2	FN 326543		03/01/2011	MBS PAYMENT		246	246.00	253	246						246				3	06/01/2025	1
31377T-BT-2	FN 386250		03/01/2011	MBS PAYMENT		2,354	2,354.00	2,298	2,353		1		1		2,354				17	05/01/2011	1
31408B-RF-7	FN 846586		03/01/2011	MBS PAYMENT		193,833	193,833.00	192,561	193,789		44		44		193,833				1,855	03/01/2035	1
31413E-ZZ-7	FN 943692		03/01/2011	MBS PAYMENT		1,264	1,264.00	1,276	1,264						1,264				14	09/01/2046	1

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
31417Y-MF-1	FNMA 10YR		03/01/2011	MBS PAYMENT		833,261	833,261.00	864,675	834,236		(974)		(974)		833,261				4,860	12/01/2019	1
31417Y-UY-1	FNMA 10YR		03/01/2011	MBS PAYMENT		396,304	396,304.00	414,979	396,628		(325)		(325)		396,304				2,329	10/01/2020	1
31417Y-VX-2	FNMA 10YR		03/01/2011	MBS PAYMENT		424,837	424,837.00	442,295	425,124		(287)		(287)		424,837				2,531	11/01/2020	1
31417Y-WQ-6	FNMA 10YR		03/01/2011	MBS PAYMENT		532,263	532,263.00	554,385	532,417		(154)		(154)		532,263				2,311	12/01/2020	1
01F032-31-0	FNMA 10YR TBA(REG B)		01/17/2011	JEFFRIES SECURITIE		39,579,375	38,000,000.0	39,579,375	39,579,375						39,579,375					01/01/2021	1
31371M-AB-3	FNMA POOL # 255702		03/01/2011	MBS PAYMENT		145,392	145,392.00	145,301	145,389		3		3		145,392				1,100	11/01/2024	1
31371M-MM-6	FNMA POOL # 256064		03/01/2011	MBS PAYMENT		97,829	97,829.00	97,248	97,811		17		17		97,829				823	07/01/2025	1
31371M-CE-0	FNMA POOL # 256153		03/01/2011	MBS PAYMENT		172,284	172,284.00	172,176	172,280		3		3		172,284				1,566	08/01/2025	1
313602-4D-3	FNR 1989-68 H		03/01/2011	MBS PAYMENT		307	307.00	321	307						307				4	04/01/2019	1
31397Q-F5-2	FNR_11-18B_AC		03/01/2011	MBS PAYMENT		78,080	78,080.00	80,700							78,080				260	06/01/2024	1
462467-AL-5	IA FIN SFM		01/03/2011	DIRECT		695,000	695,000.00	695,000	695,000						695,000				16,941	01/01/2026	1FE
46246L-XH-8	IA FIN SFM MTG BKD-E		01/03/2011	DIRECT		190,000	190,000.00	190,000	190,000						190,000				4,418	07/01/2016	1FE
46246L-XJ-4	IA FIN SFM MTG BKD-E		01/03/2011	DIRECT		625,000	625,000.00	625,000	625,000						625,000				15,156	07/01/2026	1FE
45505T-DE-8	IN SFM MTG-SER A-1		01/03/2011	DIRECT		200,000	200,000.00	199,800	199,914						199,914		86	86	4,350	07/01/2015	1FE
45505T-DF-5	IN SFM MTG-SER A-1		01/03/2011	DIRECT		150,000	150,000.00	149,850	149,932						149,932		68	68	3,300	01/01/2016	1FE
603798-AE-9	MINNEAPOLIS SFM-A4-CI		03/01/2011	DIRECT		474,410	474,410.00	482,949	479,701		(89)		(89)		479,612		(5,202)	(5,202)	4,473	11/01/2038	1FE
60415N-C6-7	MN HFA AMT-RESIDTL-I		01/03/2011	DIRECT		10,000	10,000.00	9,975	9,989						9,989		11	11	225	01/01/2014	1FE
6041SN-C9-1	MN HFA AMT-RESIDTL-I		01/03/2011	DIRECT		10,000	10,000.00	9,975	9,986						9,986		14	14	230	07/01/2015	1FE
65588M-5G-2	ND HFA HOME MTG-C		03/01/2011	DIRECT		945,000	945,000.00	937,988	939,491		43		43		939,534		5,466	5,466	28,513	01/01/2029	1FE
63967C-W7-3	NE INVT		03/01/2011	DIRECT		850,000	850,000.00	854,250	852,194		(79)		(79)		852,115		(2,115)	(2,115)	19,975	09/01/2021	1FE
647200-KK-9	NM MTG AMT SFM-C1-I		01/03/2011	DIRECT		175,000	175,000.00	175,000	175,000						175,000				4,200	07/01/2022	1FE
647200-NZ-3	NM MTG-AMT-SFM-F2-1		01/03/2011	DIRECT		80,000	80,000.00	80,640	80,405						80,405		(405)	(405)	1,960	07/01/2033	1FE
676907-MV-7	OH HFA AMT-E-RESIDENT		03/01/2011	DIRECT		215,000	215,000.00	215,000	215,000						215,000				5,106	09/01/2021	1FE
67756Q-AV-9	OHIO HSG AMT-MTG-H		03/01/2011	DIRECT		290,000	290,000.00	290,000	290,000						290,000				7,033	09/01/2026	1FE
765418-AB-4	RICHMOND MET EXP		01/15/2011	SINKING FUND REDE		145,000	145,000.00	124,017	144,607		393		393		145,000				3,915	01/15/2013	1
812643-EP-5	SEATTLE WASH MUN LT & PWR REV		03/01/2011	DIRECT		4,445,000	4,445,000.00	4,655,782	4,449,964		(4,964)		(4,964)		4,445,000				113,903	03/01/2011	1FE
812643-FC-3	SEATTLE WASH MUN LT & PWR REV		03/10/2011	DIRECT		1,525,000	1,525,000.00	1,597,316	1,526,703		45,116		45,116		1,571,819		(46,819)	(46,819)	41,032	03/01/2021	1FE
880459-5K-4	TN HSG AMT-HMOWNR-1		01/03/2011	DIRECT		60,000	60,000.00	60,000	60,000						60,000				1,440	07/01/2026	1FE
880460-US-7	TN HSG DEV SER A		01/03/2011	DIRECT		75,000	75,000.00	75,000	75,000						75,000				1,669	01/01/2012	1FE
880460-UT-5	TN HSG DEV SER A		01/03/2011	DIRECT		60,000	60,000.00	60,000	60,000						60,000				1,335	07/01/2012	1FE
880460-UV-0	TN HSG DEV SER A		01/03/2011	DIRECT		55,000	55,000.00	55,000	55,000						55,000				1,251	07/01/2013	1FE
880460-UW-8	TN HSG DEV SER A		01/03/2011	DIRECT		10,000	10,000.00	10,000	10,000						10,000				235	01/01/2014	1FE
880460-UX-6	TN HSG DEV SER A		01/03/2011	DIRECT		40,000	40,000.00	40,000	40,000						40,000				940	07/01/2014	1FE
97710N-ZM-1	WI H/E MARQUETTE UNIV		03/21/2011	DIRECT		4,280,000	4,280,000.00	3,897,582	4,043,056		3,786		3,786		4,046,842		233,158	233,158	62,119	06/01/2023	2FE
98322P-SU-4	WYOMING CMNTY DEV AUTH HSG R		03/01/2011	DIRECT		245,000	245,000.00	253,208	245,986		1,801		1,801		247,787		(2,787)	(2,787)	3,216	06/01/2013	1FE
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl				X X X	64,469,213	62,889,838.0	64,496,638	64,168,414		44,222		44,222		64,290,718		178,495	178,495	428,007	X X X	X X X

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
00075W-AB-5	ABFC_06-HE1		03/25/2011	MBS PAYMENT		55,581	55,581.00	55,581	55,581						55,581				29	04/25/2011	1Z*
00785*-AA-9	AEGIS TEXAS CAPCO		03/01/2011	SINKING FUND REDE		338,400	338,400.00	338,400	338,400						338,400				34,253	08/01/2011	1
03167D-AC-8	AMNEAL PHARMACEUTICALS LLC		03/31/2011	PAYDOWN		50,000	50,000.00	49,250	49,250		36		36		49,286		714	714	561	12/16/2015	4Z
03979V-AF-9	ARDENT MEDICAL SERVICES, INC.		03/31/2011	PAYDOWN		8,500	8,500.00	8,330	8,354		8		8		8,361		139	139	137	09/15/2015	4FE
04648C-AN-3	ASURION, LLC (FKA ASURION CORP		03/31/2011	PAYDOWN		5,000	5,000.00	4,900	4,902		6		6		4,907		93	93	51	03/31/2015	3Z
00212U-AC-1	ATI HOLDINGS, INC.		03/31/2011	PAYDOWN		10,000	10,000.00	9,700	9,739		12		12		9,751		249	249	186	03/11/2016	4Z
07324S-CZ-3	BAYC_05-4		03/25/2011	VARIOUS		16,528	16,528.00	6,136	6,136						6,136		10,392	10,392	42	01/27/2025	1Z*
05533C-PF-9	BCP_10-RR6		03/01/2011	MBS PAYMENT		750,227	750,227.00	761,480	751,557		(1,331)		(1,331)		750,227				7,211	05/01/2013	1Z*
055381-AQ-0	BE AEROSPACE INC		02/09/2011	WACHOVIA		882,000	800,000.00	768,000	771,656		324		324		771,980		110,020	110,020	42,122	07/01/2018	3FE
085790-AV-5	BERRY PLASTICS CORP		03/01/2011	VARIOUS		1,149,115	1,142,000.00	1,142,000	1,130,580	11,420			11,420		1,142,000		7,115	7,115	31,549	01/15/2021	5FE
05539T-AR-6	BFC_04-1		03/02/2011	VARIOUS		502,678	502,678.00	137,683	138,971						138,971		363,707	363,707	5,438	12/01/2042	5FE
12328M-AL-5	BLX_03-AA		03/15/2011	MBS PAYMENT		5,247	5,247.00	1,235	1,235						1,235		4,013	4,013	25	12/15/2027	1Z*
073905-CR-0	BS_89-1		03/03/2011	VARIOUS		9,835	9,835.00	8,999	9,822		13		13		9,835				208	12/01/2018	1
147448-AB-0	CASELLA WASTE SYSTEMS INC		02/07/2011	DIRECT		1,202,438	1,210,000.00	1,040,600	1,099,681		4,490		4,490		1,104,171		98,267	98,267	73,054	02/01/2013	5FE
15132E-GM-4	CDMC_03-9		03/01/2011	VARIOUS		28,866	28,866.00	27,414	28,226						28,226		640	640	220	08/01/2012	1Z*
15132E-KN-7	CDMC_04-5		03/01/2011	MBS PAYMENT		219,453	219,453.00	218,915	219,444		9		9		219,453				2,314	09/01/2034	1Z*
204386-AF-3	CIE GENERALE DE GEOPHYSIQUE-V	F	03/01/2011	DIRECT		1,820,813	1,755,000.00	1,687,213	1,701,039		1,718		1,718		1,702,757		118,055	118,055	38,756	05/15/2015	3FE
172921-AG-3	CMSI_87-3		03/01/2011	MBS PAYMENT		1,074	1,074.00	1,075	863	211			211		1,074				14	05/01/2017	1Z*
29331@-AA-5	COLORADO CAPCO		03/15/2011	SINKING FUND REDE		27,794	27,794.00	27,824	27,794		(1)		(1)		27,794				946	03/01/2013	1
20047A-AC-4	COMM_04-LB2A		03/01/2011	MBS PAYMENT		290,355	290,355.00	259,531	289,048		1,306		1,306		290,355				1,407	03/01/2012	1Z*
225458-ML-9	CSFB_05-3		03/01/2011	MBS PAYMENT		58,285	58,285.00	58,895	58,296		(10)		(10)		58,285				467	11/01/2019	1Z*
126650-AL-4	CVS CORP		03/10/2011	SINKING FUND REDE		26,883	26,883.00	28,764	26,965		(82)		(82)		26,883				275	01/10/2013	2FE
021469-AL-5	CWA_06-J3		03/01/2011	MBS PAYMENT		77,052	77,052.00	76,920	67,033	10,018	2		10,020		77,052				736	06/01/2013	1Z*
12669D-LG-1	CWHL_02-32		03/01/2011	MBS PAYMENT		11,731	11,731.00	11,786	11,732		(1)		(1)		11,731				71	12/01/2017	1Z*
12669D-SL-3	CWHL_02-35		03/01/2011	MBS PAYMENT		90,566	90,566.00	87,283	90,474		92		92		90,566				643	01/01/2018	1Z*
24823U-AF-5	DENBURY RESOURCES INC		02/17/2011	DIRECT		1,795,938	1,750,000.00	1,813,438	1,783,569		(1,332)		(1,332)		1,782,238		13,700	13,700	48,854	12/15/2015	4FE
261608-AB-9	DRESSER-RAND GROUP INC		03/22/2011	DIRECT		1,319,356	1,322,000.00	1,288,950	1,293,730		772		772		1,294,502		24,854	24,854	77,847	11/01/2014	4FE
27032J-AD-5	EARTHBOUND HOLDINGS III, LLC		03/01/2011	REDEMPTION		3,500,000	3,500,000.00	3,447,500	3,447,500		1,903		1,903		3,449,403		50,597	50,597	51,923	12/21/2016	4FE
29335#-AA-9	ENHANCED CAPITAL TEXAS FUND L		01/31/2011	SINKING FUND REDE		41,022	41,022.00	41,022	41,022						41,022				1,430	08/01/2015	1
26882P-AN-2	ERAC USA FINANCE COMPANY		01/15/2011	MATURITY		10,260,000	10,260,000.0	12,119,972	10,273,358		(13,358)		(13,358)		10,260,000				410,400	01/15/2011	2FE
302051-AJ-6	EXIDE TECHNOLOGIES		01/25/2011	DIRECT		850,000	850,000.00	869,125	853,284		(1,065)		(1,065)		852,219		(2,219)	(2,219)	44,129	03/15/2013	4FE
30218P-A*-0	EXPRESSJET 1999-ERJ1		03/16/2011	SINKING FUND REDE		1,723,134	1,723,134.00	1,628,361	1,699,689	22,914	531		23,445		1,723,134				31,749	03/16/2015	6*
31428X-AF-3	FEDEX CORP		02/15/2011	MATURITY		1,000,000	1,000,000.00	994,590	999,706		294		294		1,000,000				36,250	02/15/2011	2FE
31331F-AQ-4	FEDEX CORP 1996 PASS TST		01/30/2011	SINKING FUND REDE		125,617	125,617.00	138,305	125,639		(21)		(21)		125,617				4,930	01/30/2015	2FE
30604V-AG-3	FFL_00-1		03/05/2011	INTEREST ONLY PAY				40,050	29,805		(29,805)		(29,805)						2,090	05/05/2020	2FE
30605A-AQ-6	FFL_03-1		03/01/2011	MBS PAYMENT		98,519	98,519.00	82,724	97,960		559		559		98,519				809	01/01/2013	1Z*

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
30605A-AX-1	FFL_03-1		03/05/2011	INTEREST ONLY PAY			12,248	11,487			(11,487)		(11,487)						1,012	01/05/2023	4FE
302517-AA-7	FNBC_1993-A		01/05/2011	SINKING FUND REDE		77,526	77,526.00	91,929	77,526						77,526				3,132	01/05/2018	1FE
349631-AM-3	FORTUNE BRANDS INC		01/15/2011	MATURITY		5,000,000	5,000,000.00	4,916,767	4,998,657						4,998,657		1,343	1,343	128,125	01/15/2011	2FE
33736X-BZ-1	FUNBC_01-C2		01/01/2011	MBS PAYMENT		618,558	618,558.00	620,288	618,313		246		246		618,558				3,435	01/01/2011	1Z*
38375B-HW-5	GNR 2010-H28 HA		03/01/2011	MBS PAYMENT		10,122	10,122.00	10,135	10,123		(1)		(1)		10,122				76	08/01/2018	1
390607-AA-7	GREAT LAKES DREDGE & DOCK CO		01/25/2011	GUGGENHEIM CAPIT		1,630,000	1,600,000.00	1,600,000							1,600,000		30,000	30,000		02/01/2019	4FE
362341-D6-3	GSAA_05-15		03/25/2011	MBS PAYMENT		22,774	22,774.00	22,774	22,774						22,774				13	04/25/2011	1Z*
393505-KX-9	GT_95-10		03/15/2011	MBS PAYMENT		133,178	133,178.00	136,840	133,302		(124)		(124)		133,178				1,547	10/15/2019	1FE
393505-HJ-4	GT_95-5		03/15/2011	MBS PAYMENT		38,113	38,113.00	41,281	38,204		(91)		(91)		38,113				500	10/15/2017	1FE
393505-GS-5	GTMH_95-4		03/15/2011	MBS PAYMENT		2,136	2,136.00	2,179	2,137		(2)		(2)		2,136				27	04/15/2018	1FE
393505-HT-2	GTMH_95-6		03/15/2011	MBS PAYMENT		238,351	238,351.00	251,311	238,547		(196)		(196)		238,351				3,373	04/15/2019	1FE
428040-BZ-1	HERTZ CORPORATION (THE)		02/24/2011	DIRECT		404,787	396,000.00	377,190	377,190						377,190		27,597	27,597	20,005	01/01/2014	4FE
41162D-AF-6	HVMLT_06-12		03/19/2011	MBS PAYMENT		297,325	297,326.00	181,673	220,819		622		622		221,440		75,886	75,886	143	08/19/2024	1Z*
45256H-AA-6	IF_01-A		03/01/2011	MBS PAYMENT		55,933	55,933.00	57,502	55,933						55,933				573	07/01/2033	1FE
45257H-AA-5	IFUND 2010-1		03/01/2011	MBS PAYMENT		85,276	85,276.00	86,860	86,860						86,860		(1,584)	(1,584)	757	12/01/2026	1FE
LX1172-73-8	IHEALTH TECHNOLOGIES, INC		03/31/2011	PAYDOWN		37,500	37,500.00	36,750	36,750		25		25		36,775		725	725	573	12/28/2016	3FE
45256#-AA-0	IMPACT C.I.L. PARENT LLC		03/28/2011	SINKING FUND REDE		11,970	11,970.00	11,970	11,970						11,970				10	07/01/2013	2FE
45258#-AA-8	IMPACT HUNTINGTON CAPITAL II LL		03/11/2011	VARIOUS		856,731	856,733.88	856,732	856,737						856,728					05/10/2020	5Z
45661T-AH-4	INERGY LP		02/07/2011	DIRECT		587,415	550,000.00	550,000	550,000						550,000		37,415	37,415	31,423	03/01/2015	4FE
457030-AG-9	INGLES MARKETS INC		02/07/2011	VARIOUS		3,057,120	2,845,000.00	2,937,300	2,922,335		(1,112)		(1,112)		2,921,223		135,897	135,897	51,681	05/15/2017	4FE
45822E-AH-3	INTELSAT SUBSIDIARY HOLDING CO	F	03/18/2011	DIRECT		133,000	133,000.00	133,665	133,018		(18)		(18)		133,000				7,631	01/15/2013	4FE
616880-BJ-8	J.P. MORGAN CHASE & CO.		02/15/2011	MATURITY		2,000,000	2,000,000.00	1,977,460	1,999,620		380		380		2,000,000				62,500	02/15/2011	1FE
46625M-NN-5	JPMCC_02-CIB5		03/01/2011	MBS PAYMENT		58,975	58,975.00	56,468	58,859		116		116		58,975				449	01/01/2012	1Z*
46625M-YT-0	JPMCC_03-PM1A		03/01/2011	MBS PAYMENT		100,386	100,386.00	92,888	100,206		179		179		100,386				894	10/01/2012	1Z*
49306C-AD-3	KEY BANK NA		02/01/2011	MATURITY		2,000,000	2,000,000.00	1,961,166	1,998,365						1,998,365		1,635	1,635	70,000	02/01/2011	2FE
52108H-4R-2	LBUBS 2005-C3 A2		03/11/2011	MBS PAYMENT		182,279	182,279.00	177,219	181,879		400		400		182,279				933	10/11/2011	1Z*
LX1168-30-6	LESLIE'S POOLMART, INC.		03/01/2011	REDEMPTION		2,019,960	2,000,000.00	1,979,999	1,980,235		541		541		1,980,776		39,184	39,184	10,667	11/21/2016	4FE
52736R-AV-4	LEVI STRAUSS & CO		03/01/2011	WACHOVIA		522,500	500,000.00	488,750	490,727		241		241		490,968		31,532	31,532	18,859	04/01/2016	4FE
29332#-AA-2	LOUISIANA CAPCO		03/01/2011	SINKING FUND REDE		12,588	12,588.00	12,586	12,588						12,588				438	03/01/2012	1
55275R-AB-8	MABS_06-NC3		03/25/2011	MBS PAYMENT		10,010	10,010.00	10,010	10,010						10,010				7	04/25/2011	1Z*
595481-AC-6	MDST_05-1		03/01/2011	MBS PAYMENT		25,657	25,657.00	26,691	21,961	3,701	(5)		3,696		25,657				301	09/01/2032	1Z*
59549N-AA-1	MDST_6		01/01/2011	MBS PAYMENT		45,581	45,581.00	50,139	45,581						45,581				836	10/15/2022	1FE
59549N-AB-9	MDST_6		01/01/2011	MBS PAYMENT		52,676	52,676.00	56,527	52,676						52,676				975	10/15/2022	1FE
58404J-AE-6	MEDASSETS, INC.		03/31/2011	PAYDOWN		5,000	5,000.00	5,050	5,034	4	10		14		5,048		(48)	(48)	45	11/16/2016	3FE
58983*-DY-2	MERIDIAN TR CO (US WEST)		01/01/2011	SINKING FUND REDE		678,108	678,108.00	683,258	678,108						678,108				29,667	01/01/2012	3
59549N-AD-5	MIDT_6		03/01/2011	VARIOUS		64,560	64,560.00	42,529	44,862						44,862		19,698	19,698	1,257	10/15/2022	1Z*
59023X-AB-2	MLMI_06-HE5		03/25/2011	MBS PAYMENT		71,140	71,140.00	51,575	45,481	8,559			8,559		54,040		17,100	17,100	32	12/27/2011	1Z*

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
61749B-AB-9	MSAC_06-NC5		03/25/2011	MBS PAYMENT		41,383	41,383.00	39,843	39,843						39,843		1,540	1,540	26	02/25/2013	1Z*
60935L-AF-4	MSBL_99-1		03/15/2011	VARIOUS		200,982	200,982.00	144,707	184,580						184,580		16,402	16,402	1,407	08/15/2011	1Z*
61746W-UU-2	MSDWC_02-W1		03/01/2011	MBS PAYMENT		2,587	2,587.00	2,564	2,588		(1)		(1)		2,587				25	05/01/2017	1Z*
55265W-CP-6	MSSTR_05-1		03/01/2011	VARIOUS		9,274	9,274.00	6,612	7,081						7,081		2,193	2,193	96	07/01/2017	1Z*
55265W-CR-2	MSSTR_05-1		03/01/2011	VARIOUS		3,456	3,456.00	553	668						668		2,788	2,788	36	07/01/2017	1Z*
62908Q-AL-9	N.E.W. HOLDINGS I, LLC		01/24/2011	PAYDOWN		25,714	25,714.29	25,457	25,488		3		3		25,491		223	223	391	03/23/2016	3Z
LX1181-69-7	NBTY, INC.		03/31/2011	PAYDOWN		5,000	5,000.00	5,000							5,000				13	10/01/2017	3FE
65106K-AA-9	NCIT 2010-MH1		03/01/2011	MBS PAYMENT		128,801	128,801.00	128,805	128,801						128,801				952	12/01/2016	1FE
29248#-AA-5	NEW YORK CAPCO		03/15/2011	SINKING FUND REDE		15,784	15,784.00	15,268	15,730		54		54		15,784				285	12/15/2015	1
29334@-AA-2	NEW YORK CAPCO		03/15/2011	SINKING FUND REDE		11,821	11,821.00	11,446	11,777		44		44		11,821				240	12/15/2016	1
654740-AB-5	NISSAN MOTOR ACCEPTANCE		03/14/2011	MATURITY		3,000,000	3,000,000.00	2,996,640	2,999,846		154		154		3,000,000				84,375	03/14/2011	2FE
65556N-AB-6	NORCRAFT HLDS/CAPITAL		01/19/2011	UBS SECURITIES		228,570	228,000.00	214,320	220,081		273		273		220,353		8,217	8,217	8,830	09/01/2012	5FE
62940Q-AA-3	NSG HOLDINGS LLC/NSG HLD		02/18/2011	DIRECT		768,000	768,000.00	652,800	661,372		839		839		662,211		105,789	105,789	10,416	12/15/2025	3FE
629479-AC-0	NYCML 1996 A3		03/01/2011	MBS PAYMENT		43,407	43,407.00	40,368	43,357		50		50		43,407				489	04/01/2018	5*
670823-AB-9	O'CHARLEYS INC		02/16/2011	WACHOVIA		862,750	850,000.00	760,750	786,154		2,716		2,716		788,870		73,880	73,880	23,588	11/01/2013	4FE
68619A-B8-2	ORGN_04-B		03/01/2011	MBS PAYMENT		4,592	4,592.00	4,271	4,587		6		6		4,592				35	01/01/2014	1FE
69336R-BN-9	PHHMC_05-4		03/01/2011	MBS PAYMENT		1,232,859	1,232,859.00	1,207,391	1,232,161		698		698		1,232,859				10,400	06/01/2035	1Z*
69335Y-AD-8	PHHMC_06-4		03/18/2011	INTEREST ONLY PAY				37,973	13,333		(13,333)		(13,333)						2,554	05/18/2013	1FE
33903*-CW-7	PP BUNGE NORTH AMERICA (EAST)		03/30/2011	SINKING FUND REDE		4,540	4,540.00	5,002	4,548		(8)		(8)		4,540				89	03/30/2017	2
LX1172-49-8	PROPERTY DATA (U.S.) I, INC.		03/31/2011	PAYDOWN		10,000	10,000.00	9,850	9,850		6		6		9,856		144	144	163	01/04/2017	4FE
74531E-AG-7	PUGET SOUND ENERGY INC		02/01/2011	MATURITY		7,075,000	7,075,000.00	7,607,695	7,417,986						7,417,986		(342,986)	(342,986)	114,859	02/01/2011	2FE
74837R-AF-1	QUICKSILVER RESOURCES IN		03/23/2011	WACHOVIA		795,600	680,000.00	771,800	758,058		(3,521)		(3,521)		754,537		41,063	41,063	59,259	01/01/2016	4FE
45660N-W5-0	RAST_04-R2		03/01/2011	MBS PAYMENT		14,074	14,074.00	14,489	14,090		(17)		(17)		14,074				129	10/01/2014	1Z*
75966F-AK-6	REMY INTERNATIONAL, INC.		03/31/2011	PAYDOWN		10,000	10,000.00	9,900	9,900		4		4		9,904		96	96	161	12/16/2016	4FE
772739-AF-5	ROCK-TENN CO		03/30/2011	BROADPOINT CAPITA		1,320,000	1,200,000.00	1,224,000	1,217,725		(1,355)		(1,355)		1,216,370		103,630	103,630	61,358	03/15/2016	3FE
794093-AF-1	SALEM COMMUNICATIONS CORP		03/14/2011	BARCLAYS CAPITAL		831,938	765,000.00	760,142	760,641		117		117		760,758		71,180	71,180	18,817	12/15/2016	4FE
86359A-WR-0	SASC_03-AL2		03/01/2011	MBS PAYMENT		6,018	6,018.00	5,477	6,012		7		7		6,018				34	07/01/2030	1FE
86736G-AF-1	SUNGARD DATA SYSTEMS INC (SOL		02/01/2011	REDEMPTION		970,572	970,572.27	987,557	979,468	5,006	(373)		4,633		984,100		(13,528)	(13,528)	10,373	02/28/2014	3FE
87203R-AC-6	SYSTEM 2001 ASSET TRUST	F	03/18/2011	SINKING FUND REDE		110,252	110,252.00	116,739	110,392		(139)		(139)		110,252				1,912	12/15/2011	2FE
87612B-AD-4	TARGA RESOURCES PARTNERS LP		02/04/2011	DIRECT		3,721,833	3,400,000.00	3,740,000	3,690,173		(4,810)		(4,810)		3,685,363		36,470	36,470	211,438	07/15/2017	4FE
87614T-AC-5	TARGUS INFORMATION CORPORATI		03/31/2011	PAYDOWN		56,250	56,250.00	55,125	55,125		32		32		55,157		1,093	1,093	680	12/29/2016	3FE
29333@-AA-3	TEXAS CAPCO		03/01/2011	SINKING FUND REDE		79,710	79,710.00	79,710	79,710						79,710				7,601	08/01/2011	1
90210E-AF-3	TEXAS COMPETITIVE ELECTRIC HOL		03/31/2011	PAYDOWN		3,836	3,836.32	3,179	2,975	229	122		351		3,326		510	510	24	10/10/2014	4FE
87246A-AA-6	TIAA 2007-C4 A1		03/10/2011	MBS PAYMENT		953,128	953,128.00	957,869	953,266		(138)		(138)		953,128				10,414	10/10/2011	1Z*
909280-AJ-8	UNITED AIR LINES, INC.		01/20/2011	VARIOUS		703,110	708,467.09	600,425	620,633		6,822		6,822		627,454		75,656	75,656	4,655	02/01/2014	3FE
LX1184-38-6	UNIVERSAL HEALTH SERVICES, INC.		03/31/2011	JPMORGAN CHASE B		3,006,824	2,991,864.41	2,991,864							2,991,865		14,959	14,959		11/15/2016	3Z
921796-MH-8	VAND_02-B		03/01/2011	MBS PAYMENT		39,601	39,601.00	38,685	39,559		42		42		39,601				418	10/01/2011	2Z*

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1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
921796-ME-5	VMF_02-B		03/01/2011	MBS PAYMENT		3,428	3,428.00	3,462	3,428		(1)		(1)		3,428				36	12/01/2018	1FE
921796-ER-5	VMF_98-B		03/01/2011	MBS PAYMENT		2,574	2,574.00	2,651	1,884	691	(1)		690		2,574				30	12/01/2023	1Z*
921796-HP-6	VMF_99-D		03/01/2011	MBS PAYMENT		129,737	129,737.00	129,737	129,737						129,737				1,742	07/01/2014	1FE
92922F-QH-4	WAMU_04-S2		03/01/2011	MBS PAYMENT		70,554	70,554.00	71,877	70,605		(52)		(52)		70,554				647	01/01/2012	1Z*
94733F-AD-5	WASH MULTIFAMILY LAUNDRY SYST		03/29/2011	VARIOUS		401,136	402,133.11	403,136	401,463	1,494	(57)		1,437		402,905		(1,769)	(1,769)	6,942	08/28/2014	4Z
941063-AF-6	WASTE MANAGEMENT INC.		03/15/2011	MATURITY		1,255,000	1,255,000.00	1,421,877	1,261,782		(6,782)		(6,782)		1,255,000				48,004	03/15/2011	2FE
929766-YX-5	WBCMT 2005-C16 A4		02/17/2011	SOCIETE GENERALE		4,268,750	4,000,000.00	4,227,344			(338)		(338)		4,227,005		41,745	41,745	9,155	11/01/2014	1FE
949757-AA-6	WFMBS_04-6		03/01/2011	MBS PAYMENT		84,661	84,661.00	85,005	84,661						84,661				742	04/01/2012	1Z*
94980L-AD-2	WFMBS_04-8		03/01/2011	VARIOUS		57,561	57,561.00	53,481	54,163						54,163		3,398	3,398	477	07/01/2019	1Z*
97180*-KB-3	WILMINGTON TRUST - CSX RR TRAN		03/28/2011	SINKING FUND REDE		329,979	329,979.00	400,163	331,501		(1,526)		(1,526)		329,979				16,878	03/23/2013	1
983130-AP-0	WYNN LAS VEGAS LLC / WYNN LAS		01/24/2011	BANK OF AMERICA		168,800	160,000.00	153,600	154,038		31		31		154,069		14,734	14,734	3,010	05/01/2020	3FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				XXX	82,568,689	81,123,404.3	83,116,373	72,271,734	64,247	(65,639)		(1,392)		81,094,546		1,474,143	1,474,143	2,137,327	XXX	XXX
8399997	Total - Bonds - Part 4				XXX	149,933,365	146,908,705	150,574,106	139,338,420	64,247	(24,227)		40,020		148,280,727		1,652,638	1,652,638	2,593,989	XXX	XXX
8399998	Summary Item from Part 5 for Bonds				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total Bonds				XXX	149,933,365	146,908,705	150,574,106	139,338,420	64,247	(24,227)		40,020		148,280,727		1,652,638	1,652,638	2,593,989	XXX	XXX
004498-10-1	ACI WORLDWIDE INC		03/02/2011	BERNSTEIN	387.00	12,185		10,590	10,399	192			192		10,590		1,594	1,594			U
00751Y-10-6	ADVANCE AUTO PARTS INC.		03/28/2011	JP MORGAN CHASE	538.00	35,417		36,332	35,589	743			743		36,332		(915)	(915)	32		L
007865-10-8	AEROPOSTALE INC		03/28/2011	JP MORGAN CHASE	551.00	13,192		13,961	13,577	385			385		13,961		(770)	(770)			L
008252-10-8	AFFILIATED MANAGERS GROUP		03/02/2011	BERNSTEIN	116.00	12,124		11,641	11,510	132			132		11,641		483	483			L
011659-10-9	ALASKA AIR GROUP INC		03/28/2011	JP MORGAN CHASE	392.00	24,293		22,268	10,204	(108)			(108)		22,268		2,025	2,025			L
035623-10-7	ANN INC.		03/28/2011	JP MORGAN CHASE	291.00	7,890		7,974		7,974			7,974		7,974		(83)	(83)			L
049513-10-4	ATMEL CORP.		03/28/2011	JP MORGAN CHASE	1,420.00	18,788		19,072	7,109	(272)			(272)		19,072		(284)	(284)			L
057741-10-0	BALDOR ELECTRIC CO		01/27/2011	DIRECT	4,828.00	306,578		214,036	304,357	(90,321)			(90,321)		214,036		92,542	92,542			L
103304-10-1	BOYD GAMING CORP.		03/02/2011	BERNSTEIN	1,213.00	12,047		13,279							13,279		(1,231)	(1,231)			L
141665-10-9	CAREER EDUCATION CORP.		03/28/2011	JP MORGAN CHASE	685.00	14,955		13,519	14,200	(681)			(681)		13,519		1,446	1,446			L
171871-10-6	CINCINNATI BELL INC.		02/04/2011	BARCLAYS CAPITAL	19,983.00	58,433		49,247	55,952	(6,705)			(6,705)		49,247		9,186	9,186			L
203372-10-7	COMMSCOPE		01/14/2011	DIRECT	9,675.00	304,763		308,103	302,054	6,049			6,049		308,103		(3,340)	(3,340)			U
205768-20-3	COMSTOCK RESOURCES INC		03/28/2011	JP MORGAN CHASE	386.00	12,005		9,476	9,480	(4)			(4)		9,476		2,528	2,528			L
217204-10-6	COPART INC		03/02/2011	BERNSTEIN	922.00	37,812		31,736	34,437	(2,701)			(2,701)		31,736		6,076	6,076			L
222816-10-0	COVANCE INC.		03/28/2011	JP MORGAN CHASE	1,158.00	64,282		56,686	48,428	(3,936)			(3,936)		56,686		7,596	7,596			L
243537-10-7	DECKERS OUTDOOR CORP		03/02/2011	BERNSTEIN	143.00	12,016		11,514							11,514		502	502			L

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CUSIP Ident-ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
248019-10-1	DELUXE CORP.		03/02/2011	BERNSTEIN	479.00	12,174		10,848	11,027	(178)			(178)		10,848		1,325	1,325	120		L
256746-10-8	DOLLAR TREE INC.		03/28/2011	JP MORGAN CHASE	659.00	36,450		36,869	36,957	(87)			(87)		36,869		(419)	(419)			L
262037-10-4	DRIL-QUIP INC.		03/02/2011	BERNSTEIN	157.00	11,800		12,647	12,202	445			445		12,647		(847)	(847)			L
349882-10-0	FOSSIL INC		03/28/2011	JP MORGAN CHASE	193.00	17,117		14,220	13,603	617			617		14,220		2,897	2,897			L
404251-10-0	HNI CORP.		03/02/2011	BERNSTEIN	386.00	12,030		12,155	12,043	112			112		12,155		(125)	(125)	89		L
459044-10-3	INTERNATIONAL BANCSHARES COR		03/02/2011	BERNSTEIN	646.00	11,890		12,760	12,939	(179)			(179)		12,760		(870)	(870)			L
465741-10-6	ITRON INC		03/02/2011	BERNSTEIN	216.00	12,212		12,844	11,977	867			867		12,844		(632)	(632)			L
45068B-10-9	ITT EDUCATIONAL SERVICES INC.		03/28/2011	JP MORGAN CHASE	282.00	20,007		18,213	17,961	252			252		18,213		1,794	1,794			L
46612H-40-2	J. CREW GROUP INC.		03/08/2011	DIRECT	6,752.00	293,712		240,036	279,375	(51,369)			(51,369)		240,036		53,676	53,676			L
481165-10-8	JOY GLOBAL INC.		03/02/2011	BERNSTEIN	10,645.00	1,006,869		789,358	923,454	(134,099)			(134,099)		789,299		217,574	217,574	1,863		L
48666K-10-9	KB HOME		03/02/2011	BERNSTEIN	937.00	12,200		13,288							13,288		(1,089)	(1,089)			L
48242W-10-6	KBR INC.		01/18/2011	PRIOR YEAR INCOME															19		L
489170-10-0	KENNAMETAL INC		03/02/2011	BERNSTEIN	317.00	12,135		12,071	12,509	(439)			(439)		12,071		65	65	38		L
549271-10-4	LUBRIZOL CORP.		03/28/2011	JP MORGAN CHASE	279.00	37,369		29,154	29,820	(665)			(665)		29,154		8,215	8,215	100		L
N53745-10-0	LYONDELLBASELL INDUSTRIES N.V.	F	03/31/2011	IMPERIAL CAPITAL	10,705.00	398,891		238,722	368,252	(129,531)			(129,531)		238,722		160,170	160,170			U
552676-10-8	M.D.C. HOLDINGS INC.		03/28/2011	JP MORGAN CHASE	1,404.00	37,349		37,494	40,393	(2,899)			(2,899)		37,494		(145)	(145)	351		L
63935N-10-7	NAVIGANT CONSULTING INC		03/02/2011	BERNSTEIN	5,070.00	46,400		45,136	46,644	(1,508)			(1,508)		45,136		1,264	1,264			L
747277-10-1	QLOGIC CORP		03/02/2011	BERNSTEIN	2,013.00	35,927		36,697							36,697		(770)	(770)			L
758932-10-7	REGIS CORP.		03/28/2011	JP MORGAN CHASE	1,062.00	18,939		21,890	17,629	4,261			4,261		21,890		(2,951)	(2,951)	64		L
772739-20-7	ROCK-TENN COMPANY -CL A		03/02/2011	BERNSTEIN	183.00	12,371		10,533	9,873	661			661		10,533		1,837	1,837	37		L
775711-10-4	ROLLINS INC.		02/02/2011	DIRECT	0.50	10		9	10						9						L
835898-10-7	SOTHEBYS		03/02/2011	BERNSTEIN	382.00	17,761		17,537	17,190	347			347		17,537		223	223			L
78464R-10-5	SRA INTERNATIONAL INC. (CL A)		03/02/2011	BERNSTEIN	453.00	11,916		9,425	9,264	162			162		9,425		2,491	2,491			L
863236-10-5	STRAYER EDUCATION INC.		03/28/2011	JP MORGAN CHASE	178.00	23,726		25,495	27,095	(1,600)			(1,600)		25,495		(1,769)	(1,769)	178		L
868157-10-8	SUPERIOR ENERGY SERVICES INC		03/28/2011	JP MORGAN CHASE	553.00	21,847		19,663	8,013	(230)			(230)		19,663		2,184	2,184			L
78486Q-10-1	SVB FINANCIAL GROUP		03/02/2011	BERNSTEIN	226.00	11,970		11,953	11,989	(37)			(37)		11,953		18	18			L
87163F-10-6	SYNIVERSE HOLDINGS INC.		01/14/2011	DIRECT	7,141.00	221,371		217,359	220,300	(2,941)			(2,941)		217,359		4,012	4,012			L
876664-10-3	TAUBMAN CENTERS INC.		03/02/2011	BERNSTEIN	350.00	18,595		18,489							18,489		106	106			L
880779-10-3	TEREX CORP.		03/02/2011	BERNSTEIN	506.00	16,698		17,519	5,556	(222)			(222)		17,519		(821)	(821)			L
410867-10-5	THE HANOVER INSURANCE GROUP I		03/28/2011	JP MORGAN CHASE	705.00	31,981		32,959	9,391	(2)			(2)		32,959		(978)	(978)	194		L
934390-40-2	WARNACO GROUP INC/THE		03/02/2011	BERNSTEIN	217.00	12,049		12,516	11,950	566			566		12,516		(467)	(467)			L
947890-10-9	WEBSTER FINANCIAL CORP.		03/02/2011	BERNSTEIN	1,621.00	36,667		37,210							37,210		(543)	(543)			L
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	3,417,223		2,854,503	3,034,712	(406,949)			(406,949)		2,854,444		562,780	562,780	3,085	X X X	X X X

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 3.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
9799997	Total - Common Stock - Part 4				X X X	3,417,223	X X X	2,854,503	3,034,712	(406,949)			(406,949)		2,854,444		562,780	562,780	3,085	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stocks				X X X	3,417,223	X X X	2,854,503	3,034,712	(406,949)			(406,949)		2,854,444		562,780	562,780	3,085	X X X	X X X
9899999	Total Preferred and Common Stocks				X X X	3,417,223	X X X	2,854,503	3,034,712	(406,949)			(406,949)		2,854,444		562,780	562,780	3,085	X X X	X X X
9999999	Totals					153,350,588	X X X	153,428,609	142,373,132	(342,702)	(24,227)		(366,929)		151,135,171		2,215,418	2,215,418	2,597,074	X X X	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 3.

NONE Schedule DB - Part A - Section 1

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part D

SCHEDULE DL - PART 1

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6
CUSIP Identification	Description	NAIC Desig-nation/ Market Indicator	Fair Value	Book / Adjusted Carrying Value	Maturity Dates
000000-00-0	GOLDMAN SACHS & CO.-REPO - U.S. Agency Mortgages	1	284,637	284,637	04/01/2011
000000-00-0	MIZUHO SECURITIES USA INC-REPO - U.S. Agency Mortgages	1	22,793	22,793	04/01/2011
000000-00-0	RBS SECURITIES INC-REPO - U.S. Agency Mortgages	1	786,776	786,776	05/05/2011
000000-00-0	SOCIETE GENERALE NY BRANCH-REPO - U.S. Agency Mortgages	1	151,635	151,635	04/01/2011
0199999 U.S. Government - Issuer Obligations			1,245,841	1,245,841	X X X
000000-00-0	AUSTRALIA NEW ZEALAND HONG KONG-Time Deposit	1	472,148	472,066	05/17/2011
000000-00-0	BANK OF TOKYO UFJ LTD GC-Time Deposit	1	314,710	314,710	04/01/2011
000000-00-0	BARCLAYS CAPITAL-REPO - A1P1 Money Markets	1	125,884	125,884	04/15/2011
000000-00-0	BARCLAYS CAPITAL-REPO - A1P1 Money Markets	1	5,192,721	5,192,719	04/29/2011
000000-00-0	BARCLAYS GUERNSEY-Time Deposit	1	786,919	786,776	05/23/2011
000000-00-0	DBS LONDON-Time Deposit	1	786,786	786,776	04/04/2011
000000-00-0	DBS LONDON-Time Deposit	1	283,285	283,239	05/17/2011
000000-00-0	ERSTE BANK OES-Time Deposit	1	786,785	786,776	04/04/2011
000000-00-0	FMS WERTMANAGEMENT-Time Deposit	1	944,267	944,131	05/12/2011
000000-00-0	KBC, BRUSSELS-Time Deposit	1	944,245	944,131	04/22/2011
000000-00-0	KBC, BRUSSELS-Time Deposit	1	629,507	629,421	04/25/2011
000000-00-0	ML PIERCE FENNER & SMITH INC-REPO - A1P1 Money Markets	1	692,363	692,363	04/18/2011
000000-00-0	NATIXIS FINANCIAL PRODUCTS LLC-Master Note - Floating	1	456,330	456,330	04/01/2011
000000-00-0	POHJOLA BANK HELSINKI-Time Deposit	1	787,031	786,776	06/10/2011
000000-00-0	SHIZUOKA BANK TOKYO-Time Deposit	1	944,394	944,131	05/25/2011
000000-00-0	UNITED OVERSEAS BANK LTD, LDN-Time Deposit	1	157,386	157,355	05/23/2011
000000-00-0	UNITED OVERSEAS BANK LTD, NY-Time Deposit	1	1,353,501	1,353,255	05/23/2011
05950Y-R1-4	BCO BIL VIZ ARGENTARIA-Commercial Paper	1	1,573,539	1,573,451	04/01/2011
22536G-DF-5	CIC NY-Yankee C/D - Fixed	1	2,203,394	2,202,973	05/23/2011
29603F-BT-2	ERSTE BANK DER OESTER GRAND CAYMAN-Yankee C/D - Fixed	1	786,777	787,009	04/01/2011
4611K1-RM-9	INTESA FUNDING LLC-Commercial Paper	1	1,353,073	1,352,837	04/21/2011
4611K1-RR-8	INTESA FUNDING LLC-Commercial Paper	1	629,314	629,220	04/25/2011
51489H-RB-3	HELEBA (Landesbank Hessen Thur Gir)-Commercial Paper	1	944,085	943,871	04/11/2011
60681P-9X-4	MITSUBISHI TRUST UFJ LDN-Eurodollar Zero Coupon CD	1	880,872	880,427	05/18/2011
60681P-B4-5	MIT UFJ TR NY-Yankee C/D - Fixed	1	786,836	786,776	06/08/2011
6385E1-ST-9	NATIONWIDE BUILDING-SOCIETY-Commercial Paper	1	786,445	786,409	05/27/2011
65602X-4Y-5	NORINCHUKIN BANK NY-Yankee C/D - Fixed	1	1,510,753	1,510,609	05/13/2011
6931M3-R5-0	PB FINANCE DELAWARE-Commercial Paper	1	629,401	628,331	04/05/2011
80280P-DK-0	SANTANDER CP SA UNIPERSONAL-Commercial Paper	1	1,007,050	1,006,683	04/07/2011
80280P-DL-8	SANTANDER CP SA UNIPERSONAL-Commercial Paper	1	786,730	786,455	04/15/2011
86560E-9Q-5	SUMITOMO TRUST & BANKING CO LDN-Eurodollar Zero Coupon CD	1	1,415,527	1,414,902	05/25/2011
8672E3-R7-3	SUNCORP METWAY LTD-Commercial Paper	1	786,753	786,623	04/07/2011
8672E3-S5-6	SUNCORP METWAY LTD-Commercial Paper	1	471,943	471,928	05/05/2011
G2344I-9Q-9	CLYDESDALE BANK PLC-Eurodollar Zero Coupon CD	1	1,101,339	1,100,386	04/21/2011
0299999 U.S. Government - Residential Mortgage-Backed Securities			33,312,093	33,305,729	X X X
0599999 Subtotals – U.S. Governments			34,557,934	34,551,570	X X X
000000-00-0	BARCLAYS CAPITAL-REPO-Pri Lab CMO's	1	1,573,552	1,573,552	04/29/2011
000000-00-0	CITIGROUP GLOBAL MARKETS INC-REPO - AAA Asset Backed Securities	1	786,776	786,776	05/05/2011
000000-00-0	NOMURA SECURITIES-REPO - AAA Asset Backed Securities	2	786,776	786,776	04/01/2011
000000-00-0	RBS SECURITIES INC-REPO - AAA Asset Backed Securities	1	566,478	566,478	04/01/2011
000000-00-0	RBS SECURITIES INC-REPO - AAA Asset Backed Securities	1	1,573,552	1,573,552	05/05/2011
03663U-SP-1	ANTALIS US FUNDING CORP-Commercial Paper - Asset Backed	1	786,462	786,375	05/23/2011
03846W-R1-1	ARABELLA FINANCE LLC-Commercial Paper - Asset Backed	1	314,708	314,690	04/01/2011
03846W-R4-5	ARABELLA FINANCE LLC-Commercial Paper - Asset Backed	1	1,101,460	1,101,413	04/04/2011
27864K-R7-0	EBBETS FUNDING LLC-Commercial Paper - Asset Backed	1	125,879	125,834	04/07/2011
27864K-RC-9	EBBETS FUNDING LLC-Commercial Paper - Asset Backed	1	818,186	817,898	04/12/2011
76203M-RC-2	RHEIN-MAIN SECURITISATON LIMITED-Commercial Paper - Asset Backed	1	807,172	806,122	04/12/2011
80584U-RS-0	SCALDIS CAPITAL LLC-Commercial Paper - Asset Backed	1	314,659	314,630	04/26/2011
92512M-S6-7	VERSAILLES COMMERCIAL PAPER LLC-Commercial Paper - Asset Backed	1	786,581	786,317	05/06/2011
3599999 Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities			10,342,241	10,340,413	X X X
3899999 Subtotals – Industrial and Miscellaneous (Unaffiliated)			10,342,241	10,340,413	X X X
7799999 Totals – Issuer Obligations			1,245,841	1,245,841	X X X
7899999 Totals – Residential Mortgage-Backed Securities			33,312,093	33,305,729	X X X
8099999 Totals – Other Loan-Backed and Structured Securities			10,342,241	10,340,413	X X X

General Interrogatory:

1. Total activity for the year to date — Fair Value $ 12,127,318 — Book/Adjusted Carrying Value $ 12,123,993
2. Average balance for the year to date — Fair Value $ 40,047,252 — Book/Adjusted Carrying Value $ 40,274,247
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:

NAIC 1 $ 44,105,207; NAIC 2 $ 786,776; NAIC 3 $ 0; NAIC 4 $ 0; NAIC 5 $ 0; NAIC 6 $ 0.

SCHEDULE DL - PART 1

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 NAIC Desig-nation/ Market Indicator	4 Fair Value	5 Book / Adjusted Carrying Value	6 Maturity Dates
8399999 Total Bonds			44,900,175	44,891,983	X X X
9999999 Totals			44,900,175	44,891,983	X X X

General Interrogatory:

1. Total activity for the year to date Fair Value $ 12,127,318 Book/Adjusted Carrying Value $ 12,123,993
2. Average balance for the year to date Fair Value $ 40,047,252 Book/Adjusted Carrying Value $ 40,274,247
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
NAIC 1 $ 44,105,207; NAIC 2 $ 786,776; NAIC 3 $ 0; NAIC 4 $ 0; NAIC 5 $ 0; NAIC 6 $ 0.

NONE Schedule DL - Part 2

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 6 First Month	7 Second Month	8 Third Month	9
Open Depositories								
Bank of America Boston, MA					1,848,622	365,451	219,943	
Bank of Tokyo - Mitsubishi UFJ LTD Due Date - 6/20/2011		0.290		5,639	50,000,000	50,000,000	50,000,000	
Citibank New Castle, DE					29,176	23,960	25,400	
JPM Chase New York, NY					5,930,743	692,701	690,154	
Key Bank Portland, ME					164,455	29,230	26,799	
Northern Trust Chicago, IL					25,000	25,000	25,000	
PNC Bank Pittsburgh, PA					48,796	49,106	44,092	
US Bank Milwaukee, WI					17,675,607	26,487,149	8,021,306	
Wells Fargo Bank San Diego CA					1,641,670	1,641,670	1,641,671	
0199998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total - Open Depositories	XXX	XXX		5,639	77,364,069	79,314,267	60,694,365	XXX
Suspended Depositories								
0299998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX						XXX
0399999 Total Cash on Deposit	XXX	XXX		5,639	77,364,069	79,314,267	60,694,365	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX		5,639	77,364,069	79,314,267	60,694,365	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
BANK OF NEW YORK CASH RESERVE		03/31/2011	0.010	04/01/2011	7,671,797	90	339
8499999 Sweep Accounts					7,671,797	90	339
8699999 Total Cash Equivalents					7,671,797	90	339

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COMPANY INFORMATION PAGE (JURAT)
Property Risk-Based Capital
For the Year Ending December 31, 2010

(A)	Company Name	Safeco Insurance Company of America				
(B)	NAIC Group Code	0111	(C) NAIC Company Code	24740	(D) Employer's ID Number	91-0742148
(E)	Organized under the Laws of the State of	WA				
	Contact Person for Property & Casualty Risk-Based Capital:					
(F)	First Name	Douglas	(G) Middle		(H) Last Name	Link
(I)	Mail Address of Contact Person	175 Berkeley Street (Street and Number of P.O. Box)				
(J)	City	Boston	(K) State	MA	(L) Zip	02116
(M)	Phone Number of RBC Contact Person	617-357-9500	Extension	45668	Email	Douglas.Link@LibertyMutual.com
(N)	Date Prepared	01/31/2011				
(O)	Preparer (if different than Contact)	First Name		Middle Name		Last Name
(P)	Is this filing an Original, Amended or Refiling?	Original				
(P1)	If Amended, Amendment Number:					
(Q)	Were any items that come directly from the annual statement entered manually to prepare this filing? (Yes/No)	Yes				
	Officers Name:	Gary Richard Gregg		Dexter Robert Legg		Michael Joseph Fallon
	Officers Title:	President and Chief Executive Officer		Secretary		Treasurer and Chief Financial Officer

Each says that they are the above described officers of the said insurer, and that this risk-based capital report is a true and fair representation of the company's affairs and has been completed in accordance with the NAIC instructions according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)

PR001

DETAILS FOR AFFILIATED BONDS AND STOCKS - PR002

	(1) Name of Affiliate	(2) Affil Type	(3) NAIC Company Code or Alien ID Number	(4) Affiliate's RBC After Covariance *	(5) Book/Adjusted Carrying Value (statement value) of Affiliate's Common Stock **	(6) Valuation Basis of Column (5) F - Fair Value A - All Other	(7) Total Value of Affiliate's Outstanding Common Stock	(8) Statutory Surplus of Affiliate Subject to RBC (Adjusted for % Owned)	(9) Percent Owned	(10) Book/Adjusted Carrying Value (statement value) of Affiliate's Preferred Stock	(11) Total Value of Affiliate's Outstanding Preferred Stock	(12) Percent Owned	(13) Book/Adjusted Carrying Value (statement value) of Affiliate's Bonds	(14) Total Value of Affiliate's Outstanding Bonds	(15) Percent Owned	(16) RBC Required	(17) Fair Value Excess Component Affiliate Common Stock Stock RBC Required
0000001	Safeco Surplus Lines Insurance Company	1	11100	239,044	32,416,147	A	32,416,147	32,416,147	100	0	0	100	0	0	100	239,044	0
0000002	Safeco Insurance Company of Oregon	1	11071	414,477	8,221,496	A	8,221,496	8,221,496	100	0	0	100	0	0	100	414,477	0
0000003	Safeco National Insurance Company	1	24759	332,453	65,738,209	A	65,738,209	65,738,209	100	0	0	100	0	0	100	332,453	0
0000004	Safeco Insurance Company of Illinois	1	39012	53,349,866	234,854,945	A	234,854,945	234,854,945	100	0	0	100	0	0	100	53,349,866	0
0000005	Emerald City Insurance Agency, Inc.	15	00000	0	1,000	A	1,000	1,000	100	0	0	100	0	0	100	225	0
9999999	Total	X X X	X X X	54,335,840	341,231,797	X X X	X X X	X X X	X X X	0	X X X	X X X	0	X X X	X X X	54,336,065	0

SUBSIDIARY, CONTROLLED AND AFFILIATED INVESTMENTS - PR003

	Affiliate Types	Affiliate Code	RBC Basis	(1) Number of Companies	(2) RBC Required for Affiliated Common Stock	(3) RBC Required for Affiliated Preferred Stock	(4) RBC Required for Affiliated Bonds	(5) Total RBC Required
(1)	Directly owned P&C Insurance Affiliates	1	Sub's RBC After Covariance	4	54,335,840	0	0	54,335,840
(2)	Directly Owned Life Insurance Affiliates	2	Sub's RBC After Covariance	0	0	0	0	0
(3)	Directly Owned Health Insurance Affiliates	3	Sub's RBC After Covariance	0	0	0	0	0
(4)	Indirectly Owned P&C Insurance Affiliates	4	Sub's RBC After Covariance	0	0	0	0	0
(5)	Indirectly Owned Life Insurance Affiliates	5	Sub's RBC After Covariance	0	0	0	0	0
(6)	Indirectly Owned Health Insurance Affiliates	6	Sub's RBC After Covariance	0	0	0	0	0
(7)	Investment Subsidiary	7	Sub's RBC After Covariance	0	0	0	0	0
(8)	Directly Owned Alien Insurance Affiliates	8	0.5	0	0	0	0	0
(9)	Indirectly Owned Alien Insurance Affiliates	9	0.5	0	0	0	0	0
(10)	Holding Company in Excess of Indirect Subs	10	0.225	0	0	0	0	0
(11)	Investment in Parent	11	0.225	0	0	0	0	0
(12)	Other Affiliate - P&C Ins Not Subj to RBC	12	0.225	0	0	0	0	0
(13)	Other Affiliate - Life Ins Not Subj to RBC	13	0.225	0	0	0	0	0
(14)	Other Affiliate - Health Insurance Not Subj to RBC	14	0.225	0	0	0	0	0
(15)	Other Affiliate - Non-insurer	15	0.225	1	225	0	0	225
(16)	Total			5	54,336,065	0	0	54,336,065

SUMMARY FOR SUBSIDIARY, CONTROLLED AND AFFILIATED INVESTMENTS
FOR CROSS-CHECKING STATEMENT VALUES - PR004

Affiliated Preferred Stock

	Schedule D Part 6 Section 1 C8	Annual Statement Line Number	(1) Annual Statement Total Preferred Stock	(2) Total From RBC Report	(3) Difference
(1)	Parent	0199999	0	0	0
(2)	U.S. P&C Insurer	0299999	0	0	0
(3)	U.S. Life Insurer	0399999	0	0	0
(4)	U.S. Health Insurer	0499999	0	0	0
(5)	Alien Insurer	0599999	0	0	0
(6)	Non-Insurer Which Controls Insurer	0699999	0	0	0
(7)	Investment Subsidiary	0799999	0	0	0
(8)	Other Affiliates	0899999	0	0	0
(9)	Subtotal	0999999	0	0	0

PR004

Affiliated Common Stock

	Schedule D Part 6 Section 1 C8	Annual Statement Line Number	(1) Annual Total Common Stock	(2) Total From RBC Report	(3) Difference
(10)	Parent	1099999	0	0	0
(11)	U.S. P&C Insurers	1199999	341,230,797	341,230,797	0
(12)	U.S. Life Insurers	1299999	0	0	0
(13)	U. S. Health Entity	1399999	0	0	0
(14)	Alien Insurer	1499999	0	0	0
(15)	Non-Insurer Which controls Insurers	1599999	0	0	0
(16)	Investment Subsidiary	1699999	0	0	0
(17)	Other Affiliates	1799999	1,000	1,000	0
(18)	Subtotal	1899999	341,231,797	341,231,797	0

(19)	Affiliated Bonds (Check to Schedule D, Part 1A, Section 1, C 6, L 9.7)		0	0	0

UNAFFILIATED BONDS - PR005

		Annual Statement Source Sch D Pt 1A Sn 1	(1) Book / Adjusted Carrying Value	Factor	(2) RBC Requirement
(1)	Class 01 - U.S. Government - Direct and Guaranteed	Column 6 Line 1.1	228,018,693	0.000	0
(2)	Class 01 - U.S. Government Agency NOT BACKED BY FULL FAITH AND CREDIT OF THE US GOVERNMENT	Included in Column 6, Line 10.1 - Line 9.1	168,626,350	0.003	505,879
(3)	Total Class 01 Bonds	Column 6 Line 10.1 - Line 8.1	1,704,829,930		
(4)	Affiliated Class 01 Bonds	Column 6 Line 9.1	0		
(5)	Total Other Class 01 Unaffiliated Bonds	L(3)-L(4)-L(1)-L(2)	1,308,184,887	0.003	3,924,555
(6)	Total Class 02 Bonds	Column 6 Line 10.2 - Line 8.2	434,987,819		
(7)	Affiliated Class 02 Bonds	Column 6 Line 9.2	0		
(8)	Total Class 02 Unaffiliated bonds	L(6)-L(7)	434,987,819	0.010	4,349,878
(9)	Total Class 03 Bonds	Column 6 Line 10.3 - Line 8.3	105,417,191		
(10)	Affiliated Class 03 Bonds	Column 6 Line 9.3	0		
(11)	Total Class 03 Unaffiliated bonds	L(9) - L(10)	105,417,191	0.020	2,108,344
(12)	Total Class 04 Bonds	Column 6 Line 10.4 - Line 8.4	142,167,263		
(13)	Affiliated Class 04 Bonds	Column 6 Line 9.4	0		
(14)	Total Class 04 Unaffiliated bonds	L(12) - L(13)	142,167,263	0.045	6,397,527
(15)	Total Class 05 Bonds	Column 6 Line 10.5 - Line 8.5	23,712,892		
(16)	Affiliated Class 05 Bonds	Column 6 Line 9.5	0		
(17)	Total Class 05 Unaffiliated bonds	L(15) - L(16)	23,712,892	0.100	2,371,289
(18)	Total Class 06 Bonds	Column 6 Line 10.6 - Line 8.6	8,627,863		
(19)	Affiliated Class 06 Bonds	Column 6 Line 9.6	0		
(20)	Total Class 06 Unaffiliated bonds	L(18) - L(19)	8,627,863	0.300	2,588,359
(21)	Subtotal - Bonds Subject to Bond Size Factor L(5) + L(8) + L(11) + L(14) + L(17) + L(20)		2,023,097,915		21,739,952
(22)	Number of Issuers		442		
(23)	Bond Size Factor				0.194
(24)	Bond Size Factor RBC = L(21) x L(23)				4,217,551
(25)	Total Unaffiliated Bonds RBC = L(1) + L(2) + L(21) + L(24)		2,419,742,958		26,463,382

PR006

UNAFFILIATED PREFERRED AND COMMON STOCK - PR006

		Annual Statement Source	(1) Book / Adjusted Carrying Value	Factor	(2) RBC Requirement
	Unaffiliated Preferred Stock				
(1)	Class 01 Preferred Stock	Sch D Pt 2 Sn 1	14,696,500	0.003	44,090
(2)	Class 02 Preferred Stock	Sch D Pt 2 Sn 1	0	0.010	0
(3)	Class 03 Preferred Stock	Sch D Pt 2 Sn 1	12,394,256	0.020	247,885
(4)	Class 04 Preferred Stock	Sch D Pt 2 Sn 1	0	0.045	0
(5)	Class 05 Preferred Stock	Sch D Pt 2 Sn 1	0	0.100	0
(6)	Class 06 Preferred Stock	Sch D Pt 2 Sn 1	0	0.300	0
(7)	SUBTOTAL - UNAFFILIATED PREFERRED STOCK (should equal P2 L2.1 C3 less Sch D-Sum C1 L18)	Sum of Ls(1) through (6)	27,090,756		291,975
	Hybrid Securities				
(8)	Class 01 Hybrid Securities	Sch D Pt 1A Sn 1 C(6) L(8.1)	5,000,000	0.003	15,000
(9)	Class 02 Hybrid Securities	Sch D Pt 1A Sn 1 C(6) L(8.2)	0	0.010	0
(10)	Class 03 Hybrid Securities	Sch D Pt 1A Sn 1 C(6) L(8.3)	0	0.020	0
(11)	Class 04 Hybrid Securities	Sch D Pt 1A Sn 1 C(6) L(8.4)	0	0.045	0
(12)	Class 05 Hybrid Securities	Sch D Pt 1A Sn 1 C(6) L(8.5)	0	0.100	0
(13)	Class 06 Hybrid Securities	Sch D Pt 1A Sn 1 C(6) L(8.6)	0	0.300	0
(14)	SUBTOTAL - HYBRID SECURITIES	Sum of Ls(8) through (13)	5,000,000		15,000
(15)	Total Unaffiliated Preferred Stock and Hybrid Securities	Line (7) + Line (14)	32,090,756		306,975
	Unaffiliated Common Stock				
(16)	Non-government money market funds	Sch D Pt2 Sn 2 C6 L9399999	482,264	0.003	1,447
(17)	Total Common Stock	Sch D - Summary C1 L25	457,221,343		
(18)	Affiliated Common Stock	Sch D - Summary C1 L24	341,231,797		
(19)	Non-admitted Unaffiliated Common Stock	P2 C2 L2.2 in part	0		
(20)	Other Admitted Unaffiliated Common Stock	L(17) - L(16) - L(18) - L(19)	115,507,282	0.150	17,326,092
(21)	Fair Value Excess Affiliated Common Stock	PR002 C(17) L(9999999)			0
(22)	Total Admitted Unaffiliated Common Stock	L(16) + L(20) + L(21)	115,989,546		17,327,539

OTHER LONG-TERM ASSETS - PR007

		Annual Statement Source	(1) Book / Adjusted Carrying Value	Factor	(2) RBC Requirement
(1)	Company Occupied Real Estate	P2 L4.1 C3	0	0.100	0
(2)	Encumbrances	P2 L4.1, inside item	0	0.100	0
(3)	Property Held For the Production of Income	P2 L4.2 C3	0	0.100	0
(4)	Property Held For Sale	P2 L4.3 C3	0	0.100	0
(5)	Encumbrances (Property Held For the Production of Income)	P2 L4.2, inside item	0	0.100	0
(6)	Encumbrances (Property Held For Sale)	P2 L4.3, inside item	0	0.100	0
(7)	Total Real Estate	L(1) + L(2) + L(3) + L(4) + L(5) + L(6)	0		0
(8)	Mortgage Loans - First Liens	P2 L3.1 C3	76,702,697	0.050	3,835,135
(9)	Mortgage Loans - Other Than First Liens	P2 L3.2 C3	0	0.050	0
(10)	Total Mortgage Loans	L(8) + L(9)	76,702,697		3,835,135
(11)	Schedule BA Assets - Total	P2 L8 C3	2,241,396		
(12)	Less: Collateral Loans	PR008 L(14)	0		
(13)	Schedule BA Assets Excluding Collateral Loans	L(11) - L(12)	2,241,396	0.200	448,279
(14)	Total Other Long-Term Assets	L(7) + L(10) + L(13)	78,944,093		4,283,414

MISCELLANEOUS ASSETS - PR008

		Annual Statement Source	(1) Book / Adjusted Carrying Value	Factor	(2) RBC Requirement
(1)	Receivable for Securities	P2 C3 L9	1,787	0.050	89
(2)	Aggregate W/I for Invest Assets	P2 C3 L11	0	0.050	0
(3)	Cash	P2 L5, inside amt 1	57,010,946	0.003	171,033
(4)	Cash Equivalents	P2 L5, inside amt 2	22,645,681		
(5)	Less: Cash Equivalents, Bonds included in Schedule D, Part 1A	Sch E Pt 2 C6 L8399999 in part	22,645,681		
(6)	New Cash Equivalents	L(4) - L(5)	0	0.003	0
(7)	Short-Term Investments	P2 L5, inside amt 3	84,087,653		
(8)	Less Short-Term Bonds*	Sch DA Pt 1 C8 L8399999	60,041,871		
(9)	Less Exempt Money Market Mutual Funds*	Sch DA Pt 1 C8 L8899999	0		
(10)	Less Class One Money Market Mutual Funds*	Sch DA Pt 1 C8 L8999999	24,045,782		
(11)	Total Other Short-Term Investments	L(7) - L(8) - L(9) - L(10)	0	0.003	0
(12)	Collateral Loans	Sch BA Pt 1 C12 L2399999 + L2499999	0		
(13)	Less: Non-admitted Collateral Loans	P2 L8 C2 in part	0		
(14)	Net admitted Collateral Loans	L(12) - L(13)	0	0.050	0
(15)	Derivatives	P2 C3 L7	0	0.050	0
(16)	Total Miscellaneous Assets	L(1) + L(2) + L(3) + L(6) + L(11) + L(14) + L(15)	57,012,733		171,122

* These bonds appear in Schedule D Part 1A Section 1 and are already recognized in the Bonds portion of the formula.

PR009

REPLICATION (SYNTHETIC ASSET) TRANSACTIONS AND MANDATORILY CONVERTIBLE SECURITIES - PR009

	(1) RSAT Number	(2) Type	(3) CUSIP	(4) Description of Assets	(5) NAIC Designation or Other Description of Asset	(6) Value of Asset	(7) RBC Requirement
9999999	Total	XXX	XXX	XXX	XXX	0	0

ASSET CONCENTRATION FACTOR - PR010

Issuer # 01 | Enterprise Holdings

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	22,088,465	0.010	220,885
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	22,088,465		220,885
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	22,088,465		220,885

ASSET CONCENTRATION FACTOR - PR010

Issuer # 02 | Anheuser-Busch InBev NV

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	17,079,815	0.010	170,798
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	17,079,815		170,798
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	17,079,815		170,798

ASSET CONCENTRATION FACTOR - PR010

Issuer # 03 | IMPACT

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	11,392,777	0.010	113,928
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	1,162,586	0.045	52,316
(4)	Class 5 Unaffiliated Bonds	2,763,879	0.100	276,388
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	15,319,242		442,632
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	450,690	0.100	45,069
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	450,690		45,069
(24)	TOTAL - ISSUER # (L7 + L23)	15,769,932		487,701

ASSET CONCENTRATION FACTOR - PR010

Issuer # 04 | Kraft Foods Inc

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	14,955,602	0.010	149,556
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	14,955,602		149,556
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	14,955,602		149,556

ASSET CONCENTRATION FACTOR - PR010

Issuer # 05 | Canadian Natural Resources Ltd

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	13,744,010	0.010	137,440
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	13,744,010		137,440
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	13,744,010		137,440

ASSET CONCENTRATION FACTOR - PR010

Issuer # 06 | Golden St Tobacco Securities

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	13,494,532	0.010	134,945
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	13,494,532		134,945
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	13,494,532		134,945

ASSET CONCENTRATION FACTOR - PR010

Issuer # 07 | AIRGAS INC

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	12,601,096	0.010	126,011
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	12,601,096		126,011
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	12,601,096		126,011

ASSET CONCENTRATION FACTOR - PR010

Issuer # 08 | Washington State Higher Education

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	10,847,923	0.010	108,479
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	10,847,923		108,479
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	10,847,923		108,479

ASSET CONCENTRATION FACTOR - PR010

Issuer # 09 | Kroger Co

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	10,576,192	0.010	105,762
(2)	Class 3 Unaffiliated Bonds	0	0.020	0
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	10,576,192		105,762
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	10,576,192		105,762

ASSET CONCENTRATION FACTOR - PR010

Issuer # 10 | Icahn Enterprises

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	0	0.010	0
(2)	Class 3 Unaffiliated Bonds	10,478,380	0.020	209,568
(3)	Class 4 Unaffiliated Bonds	0	0.045	0
(4)	Class 5 Unaffiliated Bonds	0	0.100	0
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	10,478,380		209,568
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	0	0.100	0
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	0		0
(24)	TOTAL - ISSUER # (L7 + L23)	10,478,380		209,568

ASSET CONCENTRATION FACTOR - PR010

Combined Totals:
All Issuers

GRAND TOTAL

	(1) Asset Type	(2) Book / Adjusted Carrying Value	Factor	(3) Additional RBC
(1)	Class 2 Unaffiliated Bonds	126,780,412	0.010	1,267,804
(2)	Class 3 Unaffiliated Bonds	10,478,380	0.020	209,568
(3)	Class 4 Unaffiliated Bonds	1,162,586	0.045	52,316
(4)	Class 5 Unaffiliated Bonds	2,763,879	0.100	276,388
(5)	Collateral Loans	0	0.050	0
(6)	Mortgage Loans	0	0.050	0
(7)	SUBTOTAL - FIXED INCOME	141,185,257		1,806,076
(8)	Class 02 Preferred Stock	0	0.010	0
(9)	Class 03 Preferred Stock	0	0.020	0
(10)	Class 04 Preferred Stock	0	0.045	0
(11)	Class 05 Preferred Stock	0	0.100	0
(12)	Class 02 Hybrid Securities	0	0.010	0
(13)	Class 03 Hybrid Securities	0	0.020	0
(14)	Class 04 Hybrid Securities	0	0.045	0
(15)	Class 05 Hybrid Securities	0	0.100	0
(16)	Property Held For Production of Income Excluding Home Office	0	0.100	0
(17)	Property Held For Production of Income Encumbrance Excluding Home Office	0	0.100	0
(18)	Schedule BA Assets	450,690	0.100	45,069
(19)	Receivable for Securities	0	0.050	0
(20)	Aggregate Write-Ins for Invested Assets	0	0.050	0
(21)	Derivatives	0	0.050	0
(22)	Unaffiliated Common Stock	0	0.150	0
(23)	SUBTOTAL - EQUITY	450,690		45,069
(24)	TOTAL - ISSUER # (L7 + L23)	141,635,947		1,851,145

CREDIT RISK FOR RECEIVABLES - PR011

	Reinsurance Recoverables	Annual Statement Source	(1) Statement Value		(2) Applicable Penalty †	(3) Amount Subject to RBC C(1) - C(2)	Factor	(4) RBC Requirement
(1)	Authorized Alien Affiliates	Sch F Pt 3, C15, L0399999	0	*	0	0	0.100	0
(2)	Authorized U.S. Unaffiliated Insurers	Sch F Pt 3, C15, L0599999	0	*	0	0	0.100	0
(3)	Authorized Voluntary Pools	Sch F Pt 3, C15, L0799999	0	*	0	0	0.100	0
(4)	Authorized Alien Unaffiliates	Sch F Pt 3, C15, L0899999	0	*	0	0	0.100	0
(5)	Unauthorized Alien Affiliates	Sch F Pt 3, C15, L1299999	0	*	0	0	0.100	0
(6)	Unauthorized U.S. Unaffiliated Insurers	Sch F Pt 3, C15, L1499999	0	*	0	0	0.100	0
(7)	Unauthorized Voluntary Pools	Sch F Pt 3, C15, L1699999	0	*	0	0	0.100	0
(8)	Unauthorized Alien Unaffiliates	Sch F Pt 3, C15, L1799999	0	*	0	0	0.100	0
(9)	Total Reinsurance Recoverables		0		0	0		0
(10)	Federal Income Tax Recoverable	P2 C3 L18.1 + L18.2	118,915,480				0.050	5,945,774
(11)	Guaranty Funds Receivable or on Deposit	P2 C3 L19	2,568,318				0.050	128,416
(12)	Investment Income Due & Accrued	P2 C3 L14	28,237,369				0.010	282,374
(13)	Recov from Parent, Subs, Affils	P2 C3 L23	16,459,621				0.050	822,981
(14)	Amts Receive relating to Uninsured A&H Plans	P2 C3 L17	0				0.050	0
(15)	Aggregate W/I for Other Than Invest Assets	P2 C3 L25	13,320,898				0.050	666,045
(16)	Total Credit RBC=C3 L(09) + Sum of C1 L(10) through L(15)		179,501,686					7,845,590

* Schedule F data should be brought to full dollar amount by multiplying 1000.

† Column 2 Line 9: Applicable Penalty for Total Reinsurance Recoverables should equal AST page 3 Line 16 less PR035 line 1 through line 3.

HEALTH CREDIT RISK - PR012

		PRBC Statement Source	(1) Amount		Factor	(2) RBC Requirement
	Capitations to Intermediaries					
(1)	Total Capitations Paid Directly to Providers	PR020 Underwriting Risk Managed Care Credit Col (2) Line (5)	0			
(2)	Less Secured Capitations to Providers	Company Records	0	*		
(3)	Net Capitations to Providers Subject to Credit Risk Charge	L(1) - L(2)	0		0.020	0
(4)	Total Capitations to Intermediaries	PR020 Column (2) Lines (6) + (7)	0			
(5)	Less Secured Capitations to Intermediaries	Company Records	0	*		
(6)	Net Capitations to Intermediaries Subject to Credit Risk Charge	L(4) – L(5)	0		0.040	0
(7)	Capitation Credit Risk RBC	L(3) + L(6)				0
	Health ASO/ASC Credit Risk					
(8)	ASC Claims Reported as Incurred Claims	Company Records	0		0.010	0
(9)	Other Medical Costs Paid through ASC Arrangements	Company Records	0		0.010	0
(10)	Fee-for Service Received from Health Insurer	Company Records	0		0.010	0
(11)	Total Health ASO/ASC Credit Risk	L(8) + L(9) + L(10)				0
(12)	Total Health Credit Risk	L(7) + L(11)				0

* Enter amounts of secured capitation in PRCPT.

MISCELLANEOUS OFF-BALANCE SHEET ITEMS - PR013

	Non-controlled Assets	Annual Statement Source	(1) Statement Value	Factor	(2) RBC Requirement
(1)	Loaned to Others - Conforming Securities Lending Programs	General Interrogatories Part 1 L23.5	32,767,990	0.002	65,536
(2)	Loaned to Others - Securities Lending Programs - Other	General Interrogatories Part 1 L23.6	0	0.010	0
(3)	Subject to Repurchase Agreements	General Interrogatories Part 1 L24.21	0	0.010	0
(4)	Subject to Reverse Repurchase Agreements	General Interrogatories Part 1 L24.22	0	0.010	0
(5)	Subject to Dollar Repurchase Agreements	General Interrogatories Part 1 L24.23	0	0.010	0
(6)	Subject to Reverse Dollar Repurchase Agreements	General Interrogatories Part 1 L24.24	0	0.010	0
(7)	Pledged as Collateral	Company Records	0	0.010	0
(8)	Assets Placed Under Option Agreements	General Interrogatories Part 1 L24.26	0	0.010	0
(9)	Letter Stock or Other Securities Restricted	General Interrogatories Part 1 L24.27	0	0.010	0
(10)	On Deposit with State or Other Regulatory Body	General Interrogatories Part 1 L24.28	116,091,986	0.010	1,160,920
(11)	Other	General Interrogatories Part 1 L24.29	0	0.010	0
(12)	Total Non-controlled Assets	Sum of L(1) through L(11)	148,859,976		1,226,456
(13)	Guarantees for Affiliates	Notes to Financial Statements Item 10e	0	0.010	0
(14)	Contingent Liabilities	Notes to Financial Statements Item 14a1 + Item 27a Amount 2 Unrecorded Loss Contingencies	18,522,867	0.010	185,229
(15)	Total Miscellaneous Off Balance Sheet Items=L(12) + L(13) + L(14)		167,382,843		1,411,685

PR014

OFF-BALANCE SHEET COLLATERAL - PR014

(Including Schedule DL, Part 1 Assets)

	Asset Category	Annual Statement Source	(1) Book / Adjusted Carrying Value	Factor	(2) RBC Requirement
	Fixed Income Assets - Bonds				
(1)	Class 01 - U.S. Government - Direct and Guaranteed	Company Records	0	0.000	0
(2)	Other Class 01 Bonds	Company Records	31,419,500	0.003	94,259
(3)	Total Class 01 Bonds	L(1) + L(2)	31,419,500		94,259
(4)	Total Class 02 Bonds	Company Records	1,348,490	0.010	13,485
(5)	Total Class 03 Bonds	Company Records	0	0.020	0
(6)	Total Class 04 Bonds	Company Records	0	0.045	0
(7)	Total Class 05 Bonds	Company Records	0	0.100	0
(8)	Total Class 06 Bonds	Company Records	0	0.300	0
(9)	Total Bonds	L(3) + L(4) + L(5) + L(6) + L(7) + L(8)	32,767,990		107,744
	Equity Assets - Preferred Stock - Unaffiliated				
(10)	Class 01 Unaffiliated Preferred Stock	Company Records	0	0.003	0
(11)	Class 02 Unaffiliated Preferred Stock	Company Records	0	0.010	0
(12)	Class 03 Unaffiliated Preferred Stock	Company Records	0	0.020	0
(13)	Class 04 Unaffiliated Preferred Stock	Company Records	0	0.045	0
(14)	Class 05 Unaffiliated Preferred Stock	Company Records	0	0.100	0
(15)	Class 06 Unaffiliated Preferred Stock	Company Records	0	0.300	0
(16)	Total Unaffiliated Preferred Stock	L(10) + L(11) + L(12) + L(13) + L(14) + L(15)	0		0
(17)	Common Stock	Company Records	0	0.150	0
(18)	Schedule BA - Other Invested Assets	Company Records	0	0.200	0
(19)	Other Invested Assets	Company Records	0	0.200	0
(20)	Total	L(9) + L(16) + L(17) + L(18) + L(19)	32,767,990		107,744

EXCESSIVE PREMIUM GROWTH - PR015

		(1) Company Gross Written Premiums *	(2) Company Adjustments	(3) Group Gross Written Premiums *	(4) Group Adjustments	(5) Selected Adjusted Gross Written Premium	(6) Statement Value	(7) Factor	(8) RBC Requirement
(1)	2010	1,891,472,976	0	26,030,446,181	152,127,952	25,878,318,229	X X X		X X X
(2)	2009	1,821,336,954	0	25,445,584,575	217,009,282	25,228,575,293	X X X		X X X
(3)	2008	1,936,454,848	0	27,049,736,358	336,259,149	26,713,477,209	X X X		X X X
(4)	2007	1,964,832,743	0	26,779,856,752	465,578,318	26,314,278,434	X X X		X X X

(5)	2010 Growth Rate=[L(1)-L(2)]/L(2)		0.026	
(6)	2009 Growth Rate=[L(2)-L(3)]/L(3)		(0.056)	
(7)	2008 Growth Rate=[L(3)-L(4)]/L(4)		0.015	
(8)	Three Year Average Growth Rate		(0.005)	
(9)	Two Year Average Growth Rate		(0.015)	
(10)	One Year Average Growth Rate		0.026	
(11)	Selected Average Growth Rate		(0.005)	
(12)	RBC Average Growth Rate = L(11) - 10%, capped to fall between 0% and 30%		0.000	
(13)	Excessive Growth Charge Applied to Loss/Expense Reserve from Schedule P Summary C24 L12 x 1000 (in whole dollars)	1,660,415,000	0.000	0
(14)	Excessive Growth Charge Applied to Net Written Premiums from U&I Exhibit Pt 1B C6 L35	1,602,911,303	0.000	0

PR015

* Enter Company and Group Gross Written Premiums in PR036.

Footnote	Name of Involuntary Residual Market (For Servicing Carrier only)	Adjustment Amount
(0000001)	Servicing Carrier	152,127,952
(0000002)	Servicing Carrier	217,009,282
(0000003)	Servicing Carrier	336,259,149
(0000004)	Servicing Carrier	465,578,318
(9999999)	Total	1,170,974,701

UNDERWRITING RISK - RESERVES - PR016

	Sch P Line of Business	(1) H/F	(2) PPA	(3) CA	(4) WC	(5) CMP	(6) MPL OCCURRENCE	(7) MPL CLMS MADE	(8) SL	(9) OL	(10) FIDELITY / SURETY
(1)	INDUSTRY AVERAGE DEVELOPMENT	0.984	0.992	1.015	1.005	0.962	1.213	0.981	0.998	0.959	1.253
(2)	COMPANY DEVELOPMENT	0.985	0.949	0.938	0.993	0.919	1.213	0.981	0.998	0.691	0.776
(3)	(2)/(1)	1.001	0.957	0.924	0.988	0.955	1.000	1.000	1.000	0.721	0.619
(4)	INDUSTRY LOSS & EXPENSE RBC %	0.201	0.192	0.230	0.324	0.465	0.431	0.306	0.257	0.511	0.325
(5)	COMPANY RBC % (4)*(3)*.5+(4)*.5	0.201	0.188	0.221	0.322	0.455	0.431	0.306	0.257	0.440	0.263
(6)	LOSS +EXPENSE UNPAID SCH. P PART 1 (in 000s)	72,305	252,292	165,675	471,712	382,893	550	94	28	195,727	52,831
(7)	OTHER DISCOUNT AMOUNT NOT INCLUDED IN LOSS+EXP	0	0	0	0	0	0	0	0	0	0
(8)	ADJUSTMENT FOR INVESTMENT INCOME	0.938	0.928	0.911	0.830	0.876	0.865	0.883	0.890	0.852	0.940
(9)	CASE LOSS+EXPENSE RESERVE RISK-BASED CAPITAL (000's) MAX [0,[((5)+1)*(8)-1]*[(6)+(7)]] zero if Line [(6)+(7)] is negative	9,149	25,851	18,610	45,879	105,135	131	14	3	44,407	9,891
(10)	% DIRECT LOSS SENS	0.0	0.0	0.0	12.6	0.0	0.0	0.0	0.0	0.0	0.0
(11)	% ASSUMED LOSS SENS	0.0	0.0	0.0	12.6	0.0	0.0	0.0	0.0	0.0	0.0
(12)	LOSS SENSITIVE DISCOUNT (in 000s)	0	0	0	2,601	0	0	0	0	0	0
(13)	LOSS+EXPENSE RBC AFTER DSCT (in 000s) L(09) - L(12)	9,149	25,851	18,610	43,278	105,135	131	14	3	44,407	9,891
(14)	LOSS CONCEN FACTOR										
(15)	NET LOSS+EXPENSE RBC x1000 (converted to whole dollars)										

PR016

UNDERWRITING RISK - RESERVES - PR016 - Continued

	Sch P Line of Business	(11) SPECIAL PROPERTY	(12) AUTO PHYSICAL DAMAGE	(13) OTHER (CREDIT,A&H)	(14) FINANCIAL / MORTGAGE GUARANTY	(15) INTL	(16) REIN. PROPERTY & FINANCIAL LINES	(17) REIN. LIABILITY	(18) PL	(19) WARRANTY	(20) TOTAL
(1)	INDUSTRY AVERAGE DEVELOPMENT	1.144	1.155	1.277	0.841	1.102	0.965	1.304	1.063	1.717	X X X
(2)	COMPANY DEVELOPMENT	0.972	0.997	0.649	0.841	1.102	0.965	1.304	1.063	1.717	X X X
(3)	(2)/(1)	0.850	0.863	0.508	1.000	1.000	1.000	1.000	1.000	1.000	X X X
(4)	INDUSTRY LOSS & EXPENSE RBC %	0.191	0.112	0.172	0.200	0.327	0.286	0.769	0.643	0.325	X X X
(5)	COMPANY RBC % (4)*(3)*.5+(4)*.5	0.177	0.104	0.130	0.200	0.327	0.286	0.769	0.643	0.325	X X X
(6)	LOSS +EXPENSE UNPAID SCH. P PART 1 (in 000s)	12,875	10,520	7,662	0	0	0	30,416	4,835	0	1,660,415
(7)	OTHER DISCOUNT AMOUNT NOT INCLUDED IN LOSS+EXP	0	0	0	0	0	0	0	0	0	0
(8)	ADJUSTMENT FOR INVESTMENT INCOME	0.966	0.976	0.967	0.926	0.874	0.901	0.838	0.841	0.940	X X X
(9)	CASE LOSS+EXPENSE RESERVE RISK-BASED CAPITAL (00	1,764	815	710	0	0	0	14,673	1,846	0	278,878
(10)	% DIRECT LOSS SENS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	X X X
(11)	% ASSUMED LOSS SENS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	X X X
(12)	LOSS SENSITIVE DISCOUNT (in 000s)	0	0	0	0	0	0	0	0	0	2,601
(13)	LOSS+EXPENSE RBC AFTER DSCT (in 000s) L(09) - L(12)	1,764	815	710	0	0	0	14,673	1,846	0	276,277
(14)	LOSS CONCEN FACTOR										0.785
(15)	NET LOSS+EXPENSE RBC x1000 (converted to whole dollars)										216,877,445

PR016

UNDERWRITING RISK - NET WRITTEN PREMIUMS - PR017

	Sch P Line of Business	(1) H/F	(2) PPA	(3) CA	(4) WC	(5) CMP	(6) MPL OCCURRENC	(7) MM CLMS MADE	(8) SL	(9) OL	(10) FIDELITY / SURETY
(1)	INDUSTRY AVERAGE LOSS & EXPENSE RATIO	0.736	0.815	0.705	0.780	0.674	1.031	0.860	0.582	0.687	0.584
(2)	COMPANY AVERAGE LOSS & EXPENSE RATIO	0.686	0.763	0.625	0.826	0.634	1.031	0.860	0.582	0.505	0.285
(3)	(2)/(1)	0.932	0.936	0.887	1.059	0.941	1.000	1.000	1.000	0.735	0.488
(4)	INDUSTRY LOSS & EXPENSE RATIO	0.937	0.969	0.988	1.033	0.921	1.822	1.092	0.904	1.042	0.883
(5)	COMPANY RBC LOSS & EXPENSE RATIO (3)*(4)*0.5+(4)*0.5	0.905	0.938	0.932	1.063	0.894	1.822	1.092	0.904	0.904	0.657
(6)	COMPANY UNDERWRITING EXPENSE RATIO	0.329	0.329	0.329	0.329	0.329	0.329	0.329	0.329	0.329	0.329
(7)	ADJUSTMENT FOR INVESTMENT INCOME	0.954	0.925	0.890	0.839	0.896	0.767	0.827	0.898	0.816	0.904
(8)	C/Y NET WRITTEN PREMIUM (in 000s)	241,500	299,276	128,282	137,675	281,945	118	16	29	86,605	111,055
(9)	BASE WRITTEN PREMIUM RISK-BASED CAPITAL (in 000s) MAX [	46,457	58,853	20,330	30,406	36,660	86	4	4	5,773	0
(10)	% DIRECT LOSS SENS WP	0.0	0.0	0.0	5.1	0.0	0.0	0.0	0.0	0.0	0.0
(11)	% ASSUMED LOSS SENS WP	0.0	0.0	0.0	5.1	0.0	0.0	0.0	0.0	0.0	0.0
(12)	LOSS SENSITIVE DSCT - WP (in 000s)	0	0	0	698	0	0	0	0	0	0
(13)	NWP RBC AFTER DSCT (in 000s)	46,457	58,853	20,330	29,708	36,660	86	4	4	5,773	0
(14)	PREMIUM CONCENTRATION FACTOR										
(15)	NET WRITTEN PREMIUM RBC x 1000 (converted to whole dollars)										

UNDERWRITING RISK - RESERVES - PR017 - Continued

	Sch P Line of Business	(11) SPECIAL PROPERTY	(12) AUTO PHYSICAL DAMAGE	(13) OTHER (CREDIT,A&H)	(14) FINANCIAL / MORTGAGE GUARANTY	(15) INTL	(16) REIN. PROPERTY & FINANCIAL LINES	(17) REIN. LIABILITY	(18) PL	(19) WARRANTY	(20) TOTAL
(1)	INDUSTRY AVERAGE LOSS & EXPENSE RATIO	0.565	0.692	0.691	0.738	0.954	0.828	1.010	0.747	0.860	X X X
(2)	COMPANY AVERAGE LOSS & EXPENSE RATIO	0.475	0.650	0.691	0.738	0.954	0.828	1.010	0.363	0.860	X X X
(3)	(2)/(1)	0.841	0.939	1.000	1.000	1.000	1.000	1.000	0.486	1.000	X X X
(4)	INDUSTRY LOSS & EXPENSE RATIO	0.941	0.843	0.893	1.482	1.169	1.349	1.507	1.214	0.883	X X X
(5)	COMPANY RBC LOSS & EXPENSE RATIO (3)*(4)*0.5+(4)*0.5	0.866	0.817	0.893	1.482	1.169	1.349	1.507	0.902	0.883	X X X
(6)	COMPANY UNDERWRITING EXPENSE RATIO	0.329	0.329	0.329	0.329	0.329	0.329	0.329	0.329	0.329	X X X
(7)	ADJUSTMENT FOR INVESTMENT INCOME	0.949	0.971	0.947	0.884	0.905	0.893	0.777	0.774	0.904	X X X
(8)	C/Y NET WRITTEN PREMIUM (in 000s)	82,756	231,524	(12)	0	0	0	0	2,141	0	1,602,910
(9)	BASE WRITTEN PREMIUM RISK-BASED CAPITAL (in 000s) MAX [	12,482	28,317	0	0	0	0	0	58	0	239,430
(10)	% DIRECT LOSS SENS WP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	X X X
(11)	% ASSUMED LOSS SENS WP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	X X X
(12)	LOSS SENSITIVE DSCT - WP (in 000s)	0	0	0	0	0	0	0	0	0	698
(13)	NWP RBC AFTER DSCT (in 000s)	12,482	28,317	0	0	0	0	0	58	0	238,732
(14)	PREMIUM CONCENTRATION FACTOR										0.756
(15)	NET WRITTEN PREMIUM RBC x 1000 (converted to whole dollars)										180,481,392

HEALTH PREMIUMS - PR018

		Annual Statement Source	(1) Statement Value	Factor		(2) RBC Requirement
	Medical Insurance Premiums - Individual Morbidity					
(1)	Usual and Customary Major Medical and Hospital	Earned Premium (Schedule H Part 1 Line 2 in part)	0	†		X X X
(2)	Medicare Supplement	Earned Premium (Schedule H Part 1 Line 2 in part)	0	†		X X X
(3)	Dental & Vision	Earned Premium (Schedule H Part 1 Line 2 in part)	0	†		X X X
(3.1)	Stand-Alone Medicare Part D Coverage	Earned Premium (Schedule H Part 1 Line 2 in part)	0	†		X X X
(3.2)	Supplemental benefits within Stand-Alone Part D Coverage	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.350		0
(4)	Hospital Indemnity and Specified Disease	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.035	*	0
(5)	AD&D (Maximum Retained Risk Per Life 0)	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
(6)	Other Accident	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.050		0
	Medical Insurance Premiums - Group and Credit Morbidity					
(7)	Usual and Customary Major Medical, Hospital	Earned Premium (Schedule H Part 1 Line 2 in part)	0	†		X X X
(8)	Dental & Vision	Earned Premium (Schedule H Part 1 Line 2 in part)	0	†		X X X
(9)	Stop Loss and Minimum Premium	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.250		0
(10)	Medicare Supplement	Earned Premium (Schedule H Part 1 Line 2 in part)	0	†		X X X
(10.1)	Stand-Alone Medicare Part D Coverage (see instructions for limits)	Earned Premium (Schedule H Part 1 Line 2 in part)	0	†		X X X
(10.2)	Supplemental benefits within Stand-Alone Part D Coverage	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.350		0
(11)	Hospital Indemnity and Specified Disease	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.035	*	0
(12)	AD&D (Maximum Retained Risk Per Life 0)	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
(13)	Other Accident	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.050		0
(14)	Federal Employee Health Benefit Plan	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.000		0
	Disability Income Premium					
(15)	Noncancellable Disability Income - Individual Morbidity	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
(16)	Other Disability Income - Individual Morbidity	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
(17)	Disability Income - Credit Monthly Balance Plans	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
(18)	Disability Income - Group Long-Term	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
(19)	Disability Income - Credit Single Premium with Additional Reserve	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
(20)	Disability Income - Credit Single Premium without Additional Reserve	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
(21)	Disability Income - Group Short-Term	Earned Premium (Schedule H Part 1 Line 2 in part)	0	‡		0
	Long-Term Care					
(22)	Noncancellable Long-Term Care Premium - Rate Risk**	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.100	**	0
(23)	Other Long-Term Care Premium ‡‡	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.000		0
	Health Premium With Limited Underwriting Risk					
(24)	ASC Business with Premium Revenue	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.000		0
	Other Health					
(25)	Other Health	Earned Premium (Schedule H Part 1 Line 2 in part)	0	0.120		0
(26)	Total Earned Premiums C(1), L(26) should equal Schedule H Part 1 Column 1 Line 2	Sum of Lines (1) through (25)	0			0
(27)	Additional Reserves for Credit Disability Plans	Company Records	0	§		
(28)	Additional Reserves for Credit Disability Plans, prior year	Company Records	0	§		

† *The premium amounts in these lines are transferred to PR019 Underwriting Risk – Premium Risk for Comprehensive* Medical, Medicare Supplement and Dental & Vision and Stand-Alone Medicare Part D Coverage Lines (1.1) and (1.2) for the calculation of risk-based capital. The premium amounts are included here to assist in the balancing of total health premium. If managed care arrangements have been entered into, the company may also complete PR020 Underwriting Risk – Managed Care Credit. In which case, the company will also need to complete PR011 Health Credit Risk in the formula. If there are amounts in any of lines (1), (2), (3), (7), (8) or (10) on page PR018 Health Premiums, the company will also be directed to complete the Health Administrative Expense portion of PR021.

‡ The two tiered calculation is illustrated in the risk-based capital instructions for PR018 Health Premiums.

‡‡ The balance of the RBC requirement for Long Term Care - Morbidity Risk is calculated on Page PR022. The premium is shown to allow totals to check to Schedule H.

* If there is premium included on either or both of these lines, the RBC value in Column (2) will include 3.5% of such premium and $50,000 (included in the line with the larger premium).

** The factor applies to all Noncancellable premium.

§ These amounts are used to adjust the premium base for single premium credit disability plans that carry additional tabular reserves.

UNDERWRITING RISK - PREMIUM RISK FOR COMPREHENSIVE MEDICAL, MEDICARE SUPPLEMENT AND DENTAL & VISION - PR019

(Experience Fluctuation Risk in Life RBC Formula)

	Line of Business	(1) Comprehensive Medical	(2) Medicare Supplement	(3) Dental & Vision	(4) Stand - Alone Medicare Part D Coverage	(5) Total
(1.1)	Premium – Individual	0	0	0	0	0
(1.2)	Premium – Group	0	0	0	0	0
(1.3)	Premium – Total = Line (1.1) + Line (1.2)	0	0	0	0	0
(2)	Title XVIII-Medicare †	0	X X X	0	0	0
(3)	Title XIX-Medicaid †	0	X X X	0	0	0
(4)	Other Health Risk Revenue †	0	X X X	0	0	0
(5)	Underwriting Risk Revenue = Lines (1.3) + (2) + (3) + (4)	0	0	0	0	0
(6)	Net Incurred Claims	0	0	0	0	0
(7)	Fee-for-Service Offset †	0	X X X	0	0	0
(8)	Underwriting Risk Incurred Claims = Line (6) – Line (7)	0	0	0	0	0
(9)	Underwriting Risk Claims Ratio = Line (8) / Line (5)	0.000	0.000	0.000	0.000	X X X
(10.1)	Underwriting Risk Factor for Initial Amounts Of Premium ‡	0.150	0.105	0.120	0.251	X X X
(10.2)	Underwriting Risk Factor for Excess of Initial Amount ‡	0.090	0.067	0.076	0.151	X X X
(10.3)	Composite Underwriting Risk Factor	0.000	0.000	0.000	0.000	X X X
(11)	Base Underwriting Risk RBC = Line (5) x Line (9) x Line (10.3)	0	0	0	0	0
(12)	Managed Care Discount Factor = PR020 Line (12)	0.000	0.000	0.000	0.000	X X X
(13)	Base RBC After Managed Care Discount = Line (11) x Line (12)	0	0	0	0	0
(14)	RBC Adjustment For Individual = [Line(1.1) x 1.2 + Line (1.2) / Line (1.3)] x Line (13) §	0	0	0	0	0
(15)	Maximum Per-Individual Risk After Reinsurance †	0	0	0	0	X X X
(16)	Alternate Risk Charge *	0	0	0	0	0
(17)	Net Alternate Risk Charge £	0	0	0	0	0
(18)	Net Underwriting Risk RBC (Maximum of Line (14) or Line (17))	0	0	0	0	0

† Source is company records unless already included in premiums.

‡ For Comprehensive Medical the Initial Premium Amount is $25,000,000 or the amount in Line (1.3) if smaller. For Medicare Supplement and Dental & Vision the Initial Premium Amount is $3,000,000 or the amount in Line (1.3) if smaller. For Stand-Alone Medicare Part D the Initial Premium Amount is $25,000,000 or the amount in Line (1.3) if smaller.

§ Formula applies only to Column (1), for all other columns Line (14) should equal Line (13).

* The Line (16) Alternate Risk Charge is calculated as follows:

LESSER OF:	$1,500,000 or 2 x Maximum Individual Risk	$50,000 or 2 x Maximum Individual Risk	$50,000 or 2 x Maximum Individual Risk	$150,000 or 6 x Maximum Individual Risk	Maximum of Columns (1), (2) and (3)

£ Applicable only if Line (16) for a column equals Line (16) for Column (5), otherwise zero.

UNDERWRITING RISK – MANAGED CARE CREDIT - PR020

		Annual Statement Source		(2) Paid Claims	Factor	(3) Weighted Claims	(4) Part D Weighted Claims ††
	Comprehensive Medical, Medicare Supplement and Dental & Vision Claim Payments						
(1)	Category 0 - Arrangements not Included in Other Categories	Company Records		0	0.000	0	
(2)	Category 1 - Payments Made According to Contractual Arrangements	Company Records		0	0.150	0	
(3)	Category 2a - Subject to Withholds or Bonuses – Otherwise Category 0 *	Company Records		0	*	0	
(4)	Category 2b - Subject to Withholds or Bonuses – Otherwise Category 1 **	Company Records		0	**	0	
(5)	Category 3a - Capitated Payments Directly to Providers	Company Records		0	0.600	0	
(6)	Category 3b - Capitated Payments to Regulated Intermediaries	Company Records		0	0.600	0	
(7)	Category 3c - Capitated Payments to Non-Regulated Intermediaries	Company Records		0	0.600	0	
(8)	Category 4 - Medical & Hospital Expense Paid as Salary to Providers	Company Records		0	0.750	0	
(9)	Subtotal Paid Claims	Sum of Lines (1) through (8)		0		0	
	Medicare Part D Coverage Claim Payments						
(10.1)	Category 0 - No Federal Reinsurance or Risk Corridor Protection	Company Records		X X X	X X X		X X X
(10.2)	Category 1 - Federal Reinsurance but no Risk Corridor Protection	Company Records		X X X	X X X		X X X
(10.3)	Category 2a - No Federal Reinsurance but Risk Corridor Protection	Company Records		0	0.667		0
(10.4)	Category 3a - Federal Reinsurance and Risk Corridor Protection apply	Company Records		0	0.767		0
(10.5)	Subtotal Paid Claims	Sum of Lines (10.1) through (10.4)		0			0
(10.6)	Total Paid Claims	Sum of Lines (9) and (10.5)		0			
(11)	Weighted Average Managed Care Discount	Col (3) = Col (3) Line (9) / Col (2) Line (9) Col (4) = Col (4) Line (10.5) / Col (2) Line (10.5)				0.000	0.000
(12)	Weighted Average Managed Care Risk Adjustment Factor	Col (3) =1.0 - Col (3) Line (11) Col (4) =1.0 - Col (4) Line (11)				0.000	0.000

	Calculation of Category 2 Managed Care Factor		(1) Amount
(13)	Withhold & bonus payments, prior year	Company Records	0
(14)	Withhold & bonuses available, prior year	Company Records	0
(15)	Managed Care Credit Multiplier – average withhold returned	Line (13) / Line (14)	0.000
(16)	Withholds & bonuses available, prior year	Line (14)	0
(17)	Claims payments subject to withhold, prior year	Company Records	0
(18)	Average withhold rate, prior year	Line (16) / Line (17)	0.000
(19)	Managed Care Credit Discount Factor, Category 2	Minimum of 0.25 or Line (15) x Line (18)	0.000

* Category 2 Managed Care Factor calculated on Line (19)

** Category 2 Managed Care Factor calculated on Line (19) with a minimum factor of 15 percent.

† This column is for a single result for the Comprehensive Medical & Hospital, Medicare Supplement and Dental managed care discount factor.

†† This column is for the Medicare Part D managed care discount factor.

UNDERWRITING RISK - OTHER AND TOTAL NET HEALTH PREMIUM RBC - PR021

		Data Source	(1) Amount	Factor	(2) RBC Requirement
	Rate Guarantees & Federal Employees Health Benefits				
(1)	Business with Rate Guarantees Between 15-36 Months	Company Records	0	0.024	0
(2)	Business with Rate Guarantees Over 36 Months	Company Records	0	0.064	0
(3)	Federal Employees Health Benefit Program (FEHBP) Claims Incurred	Company Records	0	0.020	0
(4)	Total, Rate Guarantees & Federal Employees Health Benefits	L(1) + L(2) + L(3)	0		0
	Administrative Expenses for Certain A&H Coverages				
(5)	Total Accident and Health Premiums	PR018 Health Premiums Column (1) Line (26)	0		
(6)	Accident and Health Premiums from Underwriting Risk	PR019 Underwriting Risk Column (5) Line (1.3)	0		
(7)	Accident and Health Premiums Factor	L(6)/L(5)	0.000		
(8)	Administrative Expenses for Health Insurance	Company Records	0		
(9)	Less Administrative Expenses for Administrative Service Contracts (ASC) included in Line (8)	Company Records	0		
(10)	Less Administrative Expenses for Administrative Services Only (ASO) Business included in Line (8)	Company Records	0		
(11)	Less Administrative Expenses for Commissions and Premium Taxes	Company Records	0		
(12)	Net Administrative Expenses	L(8) - L(9) - L(10) - L(11)	0		
(13)	Composite Health Administrative Expense Risk Factor	(7% of L(6) up to $25 million + 4% of excess)/L(6)	0.000		
(14)	Administrative Expense Component for Health	L(12) x L(7) x L(13)			0
	Health ASO/ASC				
(15)	Administrative Expenses for ASC Business	Company Records *	0	0.020	0
(16)	Administrative Expenses for ASO Business	Company Records *	0	0.020	0
(17)	Total Health ASO/ASC	L(15) + L(16)	0		0
(18)	Total Underwriting Risk - Other	L(4) + L(14) + L(17)			0
	Total Net Health Premium RBC				
(19)	Total Health Premium RBC	L(18) + PR018 C(2) L(26) + PR019 C(5) L(18)			0
(20)	Premium Concentration Factor	PR017 C(20) L(14)			0.756
(21)	Total Net Health Premium RBC	L(19) x L(20)			0

* Line (15) should be greater than or equal to Line (9). Line (16) should be greater than or equal to Line (10).

LONG-TERM CARE - PR022

		Annual Statement Source		(1) Amount	Factor		(2) RBC Requirement
	Long-Term Care (LTC) Insurance Premium						
(1)	All LTC Premium - Morbidity Risk (to $50 million)	Line (4.1) Column (1) up to 50 million		0	0.100		0
(2)	LTC Premium (over $50 million) - Morbidity Risk	Remainder of Line (4.1) Column (1) over 50 million		0	0.030		0
(3)	Premium-based RBC	Column (2), Line (1) + Line (2)					0
	Historical Loss Ratio Experience		(1) Premiums	(2) Incurred Claims	(3) Col. (2)/(1) Loss Ratio	§	(4) RBC Requirement
(4.1)	Current Year	Company Records	0	0	0.000		
(4.2)	Immediate Prior Year	Company Records	0	0	0.000		
(4.3)	Average Loss Ratio	If loss ratios are used, [Column (3) Line (4.1) + Line (4.2)]/2, otherwise zero			0.000		
(5)	Adjusted LTC Claims for RBC	If Column (3) Line (4.3) <> 0, then [Column (1) Line (1) + Line (2)] X Column (3) Line (4.3), else Column (2) Line (4.1)		0			
(5.1)	Claims (to $35 million) - Morbidity Risk	Lower of Column (2) Line (5) and $35 million		0	0.370	†	0
(5.2)	Claims (over $35 million) - Morbidity Risk	Excess of Column (2) Line (5) over $35 million		0	0.120	‡	0
(6)	Claims-based RBC	Line (5.1) + (5.2)		0			0
(7)	LTC Morbidity Risk	Column (2) Line (3) + Column (4) Line (6)					0

† If Column (1), Line (4.1) is positive, then a factor of 0.250 is used. Otherwise, a higher factor of 0.370 is used.

‡ If Column (1), Line (4.1) is positive, then a factor of 0.080 is used. Otherwise, a higher factor of 0.120 is used.

§ If Column (1), Line (4.1) or (4.2) are less than or equal to zero or if Column (2), Line (4.1) or (4.2) are less than zero, the loss ratios are not used and Column (3), Line (4.3) is set to zero.

HEALTH CLAIM RESERVES - PR023

		Annual Statement Source	(1) Statement Value	Factor	(2) RBC Requirement
(1)	Individual claim reserves	Company Records	0	0.050	0
(2)	Group & credit claim reserves	L(3) - L(1)	6,885,715	0.050	0
(3)	Total Health Claims Reserve RBC	Sch H Pt 2, Sec C, Col 1, Line C1	6,885,715		0
(4)	Loss Concentration Factor	PR016 C(20) L(14)			0.785
(5)	Net Health Claims Reserves RBC	L(3) x L(4)			0

PREMIUM STABILIZATION RESERVES - PR024

		Data Source	(1) Statement Value	Factor	(2) RBC Requirement
	Group & Credit Health Premium Stabilization Reserves Reported				
(1)	Stabilization Reserves and Experience Rating Refunds	Company Records	0	0.500	0
(2)	Provision for Experience Rating Refunds	Company Records	0	0.500	0
(3)	Reserve for Group Rate Credits	Company Records	0	0.500	0
(4)	Reserve for Credit Rate Credits	Company Records	0	0.500	0
(5)	Premium Stabilization Reserves	Company Records	0	0.500	0
(6)	Total of Preliminary Premium Stabilization Reserve Credit	Sum of Lines (1) through (5)	0		0
	Group & Credit Health Risk-Based Capital				
(7)	Maximum Risk-Based Capital	PR023 Health Claim Reserves Column (2) Line (2) + PR018 Health Premiums Column (2) Lines (9), (11), (12), (13), (17),(18),(19),(20) and (21) + [PR019 Underwriting Risk- Premiums Risk (Column (5) Line (18) - Column (4) Line (18)) x Line (1.2) / Line (1.3)]	0		
(8)	Final Premium Stabilization Reserve	Column (2) Line (6), but not more than Column (1) Line (9)	0	-1.000	0

CAPITAL NOTES BEFORE LIMITATION - PR025

	Years to Maturity at the Time of the Statement	(1) Original Principal Amount	Limitation Factor	(2) Limitation on Principal Amount	(3) Current Principal Amount	(4) Credit to Total Adjusted Capital *
	Capital Notes Maturing 15 Years or less from the Year of Issue					
(1)	Greater than 0 and less than or equal to 1	0	0.00	0	0	0
(2)	Greater than 1 and less than or equal to 2	0	0.20	0	0	0
(3)	Greater than 2 and less than or equal to 3	0	0.40	0	0	0
(4)	Greater than 3 and less than or equal to 4	0	0.60	0	0	0
(5)	Greater than 4 and less than or equal to 5	0	0.80	0	0	0
(6)	Greater than 5	0	1.00	0	0	0
	Capital Notes Maturing more than 15 Years from the Year of Issue					
(7)	Greater than 0 and less than or equal to 1	0	0.00	0	0	0
(8)	Greater than 1 and less than or equal to 2	0	0.10	0	0	0
(9)	Greater than 2 and less than or equal to 3	0	0.20	0	0	0
(10)	Greater than 3 and less than or equal to 4	0	0.30	0	0	0
(11)	Greater than 4 and less than or equal to 5	0	0.40	0	0	0
(12)	Greater than 5 and less than or equal to 6	0	0.50	0	0	0
(13)	Greater than 6 and less than or equal to 7	0	0.60	0	0	0
(14)	Greater than 7 and less than or equal to 8	0	0.70	0	0	0
(15)	Greater than 8 and less than or equal to 9	0	0.80	0	0	0
(16)	Greater than 9 and less than or equal to 10	0	0.90	0	0	0
(17)	Greater than 10	0	1.00	0	0	0
(18)	Credit for Capital Notes Before Limitation (sum of lines (1) through (17))	0		0	0	0

* Column (4) is calculated as the lesser of Column (2) or Column (3).

CALCULATION OF TOTAL ADJUSTED CAPITAL - PR026

		Annual Statement Reference	(1) Statement Value *	Factor	(2) Adjusted Capital
(1)	Capital and Surplus	P3 C1 L37	844,905,829	1.000	844,905,829
(2)	Non-Tabular Discount - Losses	Sch P P1-Sum C32 L12	0	1.000	0
(3)	Non-Tabular Discount - Expense	Sch P P1-Sum C33 L12	0	1.000	0
(4)	Discount on Medical Loss Reserves Reported as Tabular in Schedule P	Company Records	0	1.000	0
(5)	Discount on Medical Expense Reserves Reported as Tabular in Schedule P	Company Records	0	1.000	0
(6)	P&C Subs Non-Tabular Discount - Losses	Subs' Sch P Pt1-Sum C32 L12	0	1.000	0
(7)	P&C Subs Non-Tabular Discount - Expense	Subs' Sch P Pt1-Sum C33 L12	0	1.000	0
(8)	P&C Subs Discount on Medical Loss Reserves Reported as Tabular in Schedule P	Subs' Company Records	0	1.000	0
(9)	P&C Subs Discount on Medical Expense Reserves Reported as Tabular in Schedule P	Subs' Company Records	0	1.000	0
(10)	AVR - Life Subs	Subs P3 C1 L24.01	0	1.000	0
(11)	Dividend Liability - Life Subs	Subs P3 C1 L6.1 + L6.2	0	0.500	0
(12)	Total Adjusted Capital Before Capital Notes L(1) - L(2) - L(3) - L(4) - L(5) - L(6) - L(7) - L(8) - L(9) + L(10) + L(11)				844,905,829
	Credit for Capital Notes				
(13.1)	Surplus Notes	Page 3 Column 1 Line 33	0		
(13.2)	Limitation on Capital Notes	0.5x[Line(12)-Line(13.1)]-Line 13.1, but not less than zero	422,452,915		
(13.3)	Capital Notes Before Limitation	PR025 Column (4) Line (18)	0		
(13.4)	Credit for Capital Notes	Lesser of Column (1) Line (13.2) or Line (13.3)			0
(14)	Total Adjusted Capital (Post-Deferred Tax)	Line (12) + Line (13.4)			844,905,829
	Sensitivity Test:				
(15)	Deferred Tax Assets	Page 2, Line 18.2	111,699,983	1.000	111,699,983
(15.1)	Deferred Tax Liabilities	Page 3, Line 7.2	0	1.000	0
(16)	Deferred Tax Assets for Subsidiary	Company Record	0	1.000	0
(16.1)	Deferred Tax Liabilities for Subsidiary	Company Record	0	1.000	0
(17)	Total Adjusted Capital For Sensitivity Test	Line (14) - Line (15) + (15.1) - (16) + (16.1)			733,205,846
	Expanded DTA Sensitivity Test				
(18)	Expanded Deferred Tax Asset	Page 2 Column 3 Line 18.2, in part	0	1.000	0
(19)	Total Adjusted Capital Less Expanded Deferred Tax Asset	Line (14) less Line (18)			844,905,829
(20)	Authorized Control Level RBC	PR031 Comparison of Total Adjusted Capital to Risk-Based Capital Line (4)			170,218,613
(21)	RBC % Without Expanded Deferred Tax Asset	Line (19) / Line (20)			496.365

* Report amounts in this column as whole dollars.

PR027

Calculation of Total Risk-Based Capital After Covariance - PR027 - R0-R1

		PRBC O&I Reference	(1) RBC Amount
	R0 - Asset Risk - Subsidiary Insurance Companies		
(1)	Affiliated US P&C Insurers - Directly Owned	PR003 L(1)C(5)	54,335,840
(2)	Affiliated US P&C Insurers - Indirectly Owned	PR003 L(4)C(5)	0
(3)	Affiliated US Life Insurers - Directly Owned	PR003 L(2)C(5)	0
(4)	Affiliated US Life Insurers - Indirectly Owned	PR003 L(5)C(5)	0
(5)	Affiliated US Health Insurer - Directly Owned	PR003 L(3)C(5)	0
(6)	Affiliated US Health Insurer - Indirectly Owned	PR003 L(6)C(5)	0
(7)	Affiliated Alien Insurers - Directly Owned	PR003 L(8)C(5)	0
(8)	Affiliated Alien Insurers - Indirectly Owned	PR003 L(9)C(5)	0
(9)	Misc Off-Balance Sheet - Non-controlled Assets	PR013 L(12) C(2)	1,226,456
(10)	Misc Off-Balance Sheet - Guarantees for Affiliates	PR013 L(13) C(2)	0
(11)	Misc Off-Balance Sheet - Contingent Liabilities	PR013 L(14) C(2)	185,229
(12)	**Total R0**	L(1)+L(2)+L(3)+L(4)+L(5)+L(6)+L(7)+L(8)+L(9)+L(10)+L(11)	55,747,525
	R1 - Asset Risk - Fixed Income		
(13)	Class 01 U.S. Government Agency Bonds	PR005 L(2)C(2)	505,879
(14)	Unaffiliated Bonds Subject to Size Factor	PR005 L(21)C(2)+PR014L(9)C(2)	21,847,696
(15)	Bond Size Factor RBC	PR005 L(24)C(2)	4,217,551
(16)	Bonds - Aff'd Invest Sub	PR003 L(7)C(4)	0
(17)	Bonds - Aff'd Hold. Co. in excess of Ins. Subs.	PR003 L(10)C(4)	0
(18)	Bonds - Investment in Parent	PR003 L(11)C(4)	0
(19)	Bonds - Affil US P&C Not Subj to RBC	PR003 L(12)C(4)	0
(20)	Bonds - Affil US Life Not Subj to RBC	PR003 L(13)C(4)	0
(21)	Bonds - Affil US Health Insurer Not Subj to RBC	PR003 L(14)C(4)	0
(22)	Bonds - Affil Non-insurer	PR003 L(15)C(4)	0
(23)	Other Long-Term Assets - Mortgage Loans	PR007 L(10)C(2)	3,835,135
(24)	Misc Assets - Collateral Loans	PR008 L(14)C(2)	0
(25)	Misc Assets - Cash	PR008 L(3)C(2)	171,033
(26)	Misc Assets - Cash Equivalents	PR008 L(6)C(2)	0
(27)	Misc Assets - Other Short-Term Investments	PR008 L(11)C(2)	0
(28)	Replication -Synthetic Asset: One Half	PR009 L(9999999)C(7)	0
(29)	Asset Concentration RBC - Fixed Income	PR010 L(7)C(3) Grand Total Page	1,806,076
(30)	**Total R1**	L(13)+(14)+L(15)+L(16)+L(17)+L(18)+L(19)+L(20) L(21)+L(22)+L(23)+L(24)+L(25)+L(26)+L(27)+L(28)+L(29)	32,383,370

PR028

Calculation of Total Risk-Based Capital After Covariance - PR028 - R2-R3

		PRBC O&I Reference	(1) RBC Amount
	R2 - Asset Risk - Equity		
(31)	Common - Affiliate Investment Subsidiary	PR003 L(7)C(2)	0
(32)	Common - Affiliate Hold. Company. in excess of Ins. Subs.	PR003 L(10)C(2)	0
(33)	Common - Investment in Parent	PR003 L(11)C(2)	0
(34)	Common - Aff'd US P&C Not Subj to RBC	PR003 L(12)C(2)	0
(35)	Common - Affil US Life Not Subj to RBC	PR003 L(13)C(2)	0
(36)	Common - Affil US Health Insurer Not Subj to RBC	PR003 L(14)C(2)	0
(37)	Common - Aff'd Non-insurer	PR003 L(15)C(2)	225
(38)	Preferred - Aff'd Invest Sub	PR003 L(7)C(3)	0
(39)	Preferred - Aff'd Hold. Co. in excess of Ins. Subs.	PR003 L(10)C(3)	0
(40)	Preferred - Investment in Parent	PR003 L(11)C(3)	0
(41)	Preferred - Affil US P&C Not Subj to RBC	PR003 L(12)C(3)	0
(42)	Preferred - Affil US Life Not Subj to RBC	PR003 L(13)C(3)	0
(43)	Preferred - Affil US Health Insurer Not Subj to RBC	PR003 L(14)C(3)	0
(44)	Preferred - Affil Non-insurer	PR003 L(15)C(3)	0
(45)	Unaffiliated Preferred Stock and Hybrid Securities	PR006 L(15)C(2)+PR014L(16)C(2)	306,975
(46)	Unaffiliated Common Stock	PR006 L(22)C(2)+PR014L(17)C(2)	17,327,539
(47)	Other Long-Term Assets - Real Estate	PR007 L(7)C(2)	0
(48)	Other Long-Term Assets - Schedule BA Assets	PR007 L(13)C(2)+PR014L(18)C(2)+PR014L(19)C(2)	448,279
(49)	Misc Assets - Receivable for Securities	PR008 L(1)C(2)	89
(50)	Misc Assets - Aggregate Write-ins for Invested Assets	PR008 L(2)C(2)	0
(51)	Misc Assets - Derivatives	PR006 L(15)C(2)	0
(52)	Replication -Synthetic Asset: One Half	PR009 L(9999999)(7)	0
(53)	Asset Concentration RBC - Equity	PR010 L(23)C(3) Grand Total Page	45,069
(54)	**Total R2**	L(31) +L(32)+L(33)+L(34)+L(35)+L(36)+L(37) +L(38)+L(39)+L(40)+L(41)+L(42)+L(43)+L(44)+L(45) +L(46)+L(47)+L(48)+L(49)+L(50)+L(51)+L(52)+L(53)	18,128,176
	R3 - Asset Risk - Credit		
(55)	Other Credit RBC	PR011 L(16)C(4)-L(9)C(4)	7,845,590
(56)	One half of Rein Recoverables	.5 x PR011 L(9)C(4)	0
(57)	Other half of Rein Recoverables	If R4 L(61)>(R3 L(55) + R3 L(56)), 0, otherwise, R3 L(56)	0
(58)	Health Credit Risk	PR012 L(12)C(2)	0
(59)	**Total R3**	L(55)+L(56) + L(57) + L(58)	7,845,590

Calculation of Total Risk-Based Capital After Covariance - PR029 - R4-R5

		PRBC O&I Reference	(1) RBC Amount
	R4 - Underwriting Risk - Reserves		
(60)	One half of Reinsurance RBC	If R4 L(61)>(R3 L(55) + R3 L(56)), R3 L(56), otherwise, 0	0
(61)	Total Adjusted Unpaid Loss/Expense Reserve RBC	PR016 L(15)C(20)	216,877,445
(62)	Excessive Premium Growth - Loss/Expense Reserve	PR015 L(13) C(8)	0
(63)	A&H *Claims Reserves* Adjusted for LCF	PR023 L(5) C(2) + PR022 L(6) C(4)	0
(64)	**Total R4**	L(60)+L(61)+L(62)+L(63)	216,877,445
	R5 - Underwriting Risk - Net Written Premium		
(65)	Total Adjusted NWP RBC	PR017 L(15)C(20)	180,481,392
(66)	Excessive *Premium Growth - Written Premiums* Charge	PR015 L(14)C(8)	0
(67)	Total Net Health Premium RBC	PR021 L(21)C(2)	0
(68)	Health Stabilization Reserves	PR024 L(8)C(2) + PR022 L(3) C(2)	0
(69)	**Total R5**	L(65)+L(66)+L(67)+L(68)	180,481,392
(70)	Total RBC After Covariance=R0+SQRT(R1^2+R2^2+R3^2+R4^2+R5^2)		340,437,226
(71)	Authorized Control Level RBC = .5 x Total RBC After Covariance		170,218,613

PR029

TREND TEST - PR030

		Annual Statement Source	(1) Amount	(2) Result
	Original RBC % Before Applying Trend Test			
(1)	Authorized Control Level Risk-Based Capital	PR029, C(1) L(71)	170,218,613	
(2)	Total Adjusted Capital	PR026, C(2) L (14)	844,905,829	
(3)	RBC %	L(2)C(1) / L(1)C(1)	496.400	
	Combined Ratio Data			
(4)	Premiums Earned	Pg 4, Col 1, L 1	1,567,755,359	
(5)	Losses Incurred	Pg 4, Col 1, L 2	878,428,917	
(6)	Loss Expenses Incurred	Pg 4, Col 1, L 3	185,075,525	
(7)	Other Underwriting Expenses Incurred	Pg 4, Col 1, L 4	526,865,808	
(8)	Aggregate Write-ins for Underwriting Deductions	Pg 4, Col 1, L 5	(85,760)	
(9)	Dividends to Policyholders	Pg 4, Col 1, L 17	(535,689)	
(10)	Net Written Premiums	Pg 8, Col 6, L 35	1,602,511,718	
	Combined Ratio Calculation			
(11)	Loss Ratio	[Pg 4, Col 1, L 2 + Pg 4, Col 1, L 3] / Pg 4, Col 1, L 1	67.800	
(12)	Dividend Ratio	Pg 4, Col 1, L 17 / Pg 4, Col 1, L 1	0.000	
(13)	Expenses Ratio	[Pg 4, Col 1, L 4 + Pg 4, Col 1, L 5] / Pg 8, Col 6, L 35	32.900	
(14)	Combined Ratio	L(11) + L(12) + L(13)	100.700	
(15)	Trend Test Result †	If L(3) Between 200% & 300% & L(14) >120%, L(15), YES, Otherwise, NO		NO

† The Trend Test applies only if L(15) = YES

‡ If result = YES, the company triggers regulatory attention at the Company Action Level based on the trend test.

NOTE: This page is for information only until the modifications made by Capital Adequacy Task Force to the Risk-Based Capital (RBC) FOR INSURERS MODEL ACT are implemented by states.

COMPARISON OF TOTAL ADJUSTED CAPITAL TO RISK-BASED CAPITAL - PR031

		Abbreviation	(1) Amount
	Excluding the Trend Test:		
(1)	Total Adjusted Capital (Post-Deferred Tax: PR026 Line 14)		844,905,829
(2)	Company Action Level=200% of Authorized Control Level	CAL	340,437,226
(3)	Regulatory Action Level=150% of Authorized Control Level	RAL	255,327,920
(4)	Authorized Control Level=100% of Authorized Control Level	ACL	170,218,613
(5)	Mandatory Control Level=70% of Authorized Control Level	MCL	119,153,029
(6)	Level of Action, if Any (excluding the trend test)	NONE	
	Including the Trend Test:		
(7)	Level of Action, if Any (including the trend test)	NONE	

THE FOLLOWING NUMBERS MUST BE REPORTED IN THE FIVE YEAR HISTORY EXHIBIT ON THE INDICATED LINE		
Total Adjusted Surplus to Policyholders	Five Yr Hist C1 L28	844,905,829
Authorized Control Level Risk-Based Capital	Five Yr Hist C1 L29	170,218,613

PR031

UNDERWRITING AND INVESTMENT EXHIBIT - PREMIUMS WRITTEN - PR032

(1)	Did your company write Accident and Health Insurance in 2009? If answer is yes, please complete Column 2, 2009 Net Premiums Written.	YES
(2)	Did your company write Accident and Health Insurance in 2008? If answer is yes, please complete Column 3, 2008 Net Premiums Written.	YES
(3)	Were the total net Premiums written zero in 2009?	NO
(4)	Were the total net Premiums written zero in 2008?	NO

For all companies, enter net premiums written in all Columns, Line 1 through Line 34.

Line of Business	(1) 2010 Net Premiums Written	(2) 2009 Net Premiums Written	(3) 2008 Net Premiums Written
1. Fire	28,045,921	XXX	XXX
2. Allied Lines	23,734,100	XXX	XXX
3. Farmowners Multiple Peril	11,746,963	XXX	XXX
4. Homeowners Multiple Peril	229,753,305	XXX	XXX
5. Commercial Multiple Peril	281,944,920	XXX	XXX
6. Mortgage Guaranty	0	XXX	XXX
8. Ocean marine	0	XXX	XXX
9. Inland marine	25,728,954	XXX	XXX
10. Financial Guaranty	0	XXX	XXX
11.1 Medical Professional Liability - Occurrence	117,543	XXX	XXX
11.2 Medical Professional Liability - Claims-Made	16,326	XXX	XXX
12. Earthquake	5,200,446	XXX	XXX
13. Group accident and health	0	0	0
14. Credit accident and health (group and individual)	0	0	0
15. Other accident and health	(12,103)	60,373	3,134
16. Workers' compensation	137,675,446	XXX	XXX
17.1 Other Liability - Occurrence	83,108,548	XXX	XXX
17.2 Other Liability - Claims-Made	3,496,451	XXX	XXX
17.3 Excess Workers' Compensation	0	0	0
18.1 Products Liability - Occurrence	2,140,734	XXX	XXX
18.2 Products Liability - Claims-Made	0	XXX	XXX
19.1, 19.2 Private Passenger Auto Liability	299,276,218	XXX	XXX
19.3, 19.4 Commercial Auto Liability	128,281,969	XXX	XXX
21. Auto Physical Damage	231,524,250	XXX	XXX
22. Aircraft (all perils)	0	XXX	XXX
23. Fidelity	994,131	XXX	XXX
24. Surety	110,061,158	XXX	XXX
26. Burglary and theft	47,050	XXX	XXX
27. Boiler and machinery	28,973	XXX	XXX
28. Credit	0	XXX	XXX
29. International	0	XXX	XXX
30. Warranty	0	XXX	XXX
31. Reinsurance - Property	0	XXX	XXX
32. Reinsurance Liability	0	XXX	XXX
33. Reinsurance - Financial Lines	0	XXX	XXX
34. Aggregate write-ins for other lines of business	0	XXX	XXX
35. TOTALS	1,602,911,303	1,616,204,293	1,762,514,372

SCHEDULE P PART 1L - OTHER (ACCIDENT AND HEALTH ONLY) - PR033

		(3) Premiums Earned, Net	(24) Total Net Losses and Expenses Unpaid	(28) Total Losses and Expenses Incurred, Net
(2)	2001	0	XXX	0
(3)	2002	0	XXX	0
(4)	2003	0	XXX	0
(5)	2004	0	XXX	0
(6)	2005	0	XXX	0
(7)	2006	0	XXX	0
(8)	2007	0	XXX	0
(9)	2008	0	XXX	0
(10)	2009	0	XXX	0
(11)	2010	0	XXX	0
(12)	Totals	XXX	0	XXX
(13)	Discount on Medical Reserves and Loss Adjustment Expenses Included in Col 24 Sch P Part 1L		0	

SCHEDULE P PART 2L - OTHER (ACCIDENT & HEALTH ONLY) - PR034

		(1) 2001	(2) 2002	(3) 2003	(4) 2004	(5) 2005	(6) 2006	(7) 2007	(8) 2008	(9) 2009	(10) 2010
(2)	2001	0									0
(3)	2002		0								0
(4)	2003			0							0
(5)	2004				0						0
(6)	2005					0					0
(7)	2006						0				0
(8)	2007							0			0
(9)	2008								0		0
(10)	2009									0	0

SCH F PT 3 REINSURANCE CREDIT AND MED TABULAR RESERVE - PR035

	Credit Risk for Receivables Annual Statement Source Adjustment For Reinsurance Penalty For Affiliates Applicable To Schedule F	PR011 Line	 Column	(1) Value
1	Schedule F Part 3, L0199999, L0299999, L1099999 and L1199999	9	3	0
2	Schedule F Part 3, L0799999, Amounts Attributable To Exempt Pools	9	3	0
3	Schedule F Part 3, L1699999, Amounts Attributable To Exempt Pools	9	3	0
	Underwriting Risk - Reserves **Annual Statement Source: Medical Tabular Reserve Discount**	PR016 Line	 Column	 Value (000 Omitted)
4	Homeowner/Farmowner	7	1	0
5	Private Pass Auto Liab	7	2	0
6	Comm Auto Liab	7	3	0
7	Workers' Comp	7	4	0
8	Comm Multi Peril	7	5	0
9	Medical Professional Liability - Occurrence	7	6	0
10	Medical Professional Liability - Claims-Made	7	7	0
11	Special Liab	7	8	0
12	Other Liab - Occurrence	7	9	0
13	Other Liab - Claims Made	7	9	0
14	Fidelity & Surety	7	10	0
15	Special Property	7	11	0
16	Auto Physical Damage	7	12	0
17	Other (Credit, A&H)	7	13	0
18	Fin Guaranty/Mrtg Guaranty	7	14	0
19	International	7	15	0
20	Medical Tabular Reserve Discount - Reinsurance: Property	7	16	0
21	Medical Tabular Reserve Discount - Reinsurance: Liability	7	17	0
22	Medical Tabular Reserve Discount - Reinsurance: Financial Lines	7	16	0
23	Product Liab - Occurence	7	18	0
24	Product Liab - Claims Made	7	18	0
25	Warranty	7	19	0
26	Total	7	20	0
	Underwriting Risk - Premiums **Annual Statement Source : STMTINCOME (Page 4, Col.1 Line 4)**	PR017 Line	 Column	 Value
27	Other Underwriting Expenses Incurred	6	1	526,865,808

PR035

GROSS WRITTEN PREMIUMS - PR036

	Description	Annual Statement Source	(1) Statement Value
(1)	2010 Company Gross Written Premium - Direct	Pg 8, PREMWRTN, Col 1, L35	1,891,472,976
(2)	2010 Company Gross Written Premium - Assumed	Pg 8, PREMWRTN, Col 3, L35	0
(3)	2009 Company Gross Written Premium - Direct	Pg 8, PREMWRTN, Col 1, L35	1,821,336,954
(4)	2009 Company Gross Written Premium - Assumed	Pg 8, PREMWRTN, Col 3, L35	0
(5)	2008 Company Gross Written Premium - Direct	Pg 8, PREMWRTN, Col 1, L35	1,927,465,711
(6)	2008 Company Gross Written Premium - Assumed	Pg 8, PREMWRTN, Col 3, L35	8,989,137
(7)	2007 Company Gross Written Premium - Direct	Pg 8, PREMWRTN, Col 1, L34	1,950,518,744
(8)	2007 Company Gross Written Premium - Assumed	Pg 8, PREMWRTN, Col 3, L34	14,313,999
(9)	2010 Group Gross Written Premium - Direct	Pg 8, PREMWRTN, Col 1, L35	25,318,186,887
(10)	2010 Group Gross Written Premium - Assumed	Pg 8, PREMWRTN, Col 3, L35	712,259,294
(11)	2009 Group Gross Written Premium - Direct	Pg 8, PREMWRTN, Col 1, L35	24,772,894,285
(12)	2009 Group Gross Written Premium - Assumed	Pg 8, PREMWRTN, Col 3, L35	672,690,290
(13)	2008 Group Gross Written Premium - Direct	Pg 8, PREMWRTN, Col 1, L35	26,329,242,333
(14)	2008 Group Gross Written Premium - Assumed	Pg 8, PREMWRTN, Col 3, L35	720,494,025
(15)	2007 Group Gross Written Premium - Direct	Pg 8, PREMWRTN, Col 1, L34	26,154,762,872
(16)	2007 Group Gross Written Premium - Assumed	Pg 8, PREMWRTN, Col 3, L34	625,093,880

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COMPANY INFORMATION PAGE (JURAT)
Property Risk-Based Capital
For the Year Ending December 31, 2010

(A)	Company Name	Safeco Insurance Company of America				
(B)	NAIC Group Code	0111	(C) NAIC Company Code	24740	(D) Employer's ID Number	91-0742148
(E)	Organized under the Laws of the State of	WA				
	Contact Person for Property & Casualty Risk-Based Capital:					
(F)	First Name	Douglas	(G) Middle		(H) Last Name	Link
(I)	Mail Address of Contact Person	175 Berkeley Street (Street and Number of P.O. Box)				
(J)	City	Boston	(K) State	MA	(L) Zip	02116
(M)	Phone Number of RBC Contact Person	617-357-9500	Extension	45668	Email	Douglas.Link@LibertyMutual.com
(N)	Date Prepared	01/31/2011				
(O)	Preparer (if different than Contact)	First Name		Middle Name		Last Name
(P)	Is this filing an Original, Amended or Refiling?	Original				
(P1)	If Amended, Amendment Number:					
(Q)	Were any items that come directly from the annual statement entered manually to prepare this filing? (Yes/No)	Yes				
	Officers Name:	Gary Richard Gregg		Dexter Robert Legg		Michael Joseph Fallon
	Officers Title:	President and Chief Executive Officer		Secretary		Treasurer and Chief Financial Officer

Each says that they are the above described officers of the said insurer, and that this risk-based capital report is a true and fair representation of the company's affairs and has been completed in accordance with the NAIC instructions according to the best of their information, knowledge and belief, respectively.

(Signature) Dexter R. Legg (Signature) Michael J. Fallon (Signature)

PR001

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Liberty Mutual Holding Company Inc.
December 31, 2010 and 2009 and each of the
Three Years in the Period Ended December 31, 2010

Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116

Tel: +1 617 266 2000
Fax: +1 617 266 5843
www.ey.com

Report of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Mutual Holding Company Inc.

We have audited the accompanying consolidated balance sheets of Liberty Mutual Holding Company Inc. (the Company) as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in policyholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Liberty Mutual Holding Company Inc. at December 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 2009, the Company changed its method of accounting for other-than-temporary impairments. In 2008, the Company changed its method of accounting and reporting for deferred compensation and postretirement benefit aspects of split dollar life insurance arrangements.

Ernst & Young LLP

March 16, 2011

Liberty Mutual Holding Company Inc.

Consolidated Statements of Income

(dollars in millions)

	Years Ended December 31,		
	2010	2009	2008
Revenues			
Premiums earned	$ 28,699	$ 27,791	$ 25,524
Net investment income	3,328	2,482	2,880
Net realized investment gains (losses)	402	26	(330)
Fee and other revenues	764	795	781
Total revenues	33,193	31,094	28,855
Claims, Benefits and Expenses			
Benefits, claims and claim adjustment expenses	20,984	20,169	18,894
Insurance operating costs and expenses	4,496	4,336	4,105
Amortization of deferred policy acquisition costs	4,757	4,692	3,989
Interest expense	456	483	411
Interest credited to policyholders	185	204	203
Total claims, benefits and expenses	30,878	29,884	27,602
Income before income tax expense	2,315	1,210	1,253
Income tax expense	637	187	140
Net income	$ 1,678	$ 1,023	$ 1,113

Net Realized Investment Gains (Losses)

Other-than-temporary impairment losses:	2010	2009	2008
Total other-than-temporary impairment losses	$ (55)	$ (244)	$ (800)
Change in portion of loss recognized in other comprehensive income	(1)	13	-
Other-than-temporary impairment losses	(56)	(231)	(800)
Other net realized investment gains	458	257	470
Net realized investment gains (losses)	$ 402	$ 26	$ (330)

See accompanying notes to the audited consolidated financial statements.

Liberty Mutual Holding Company Inc.

Consolidated Balance Sheets

(dollars in millions)

	December 31, 2010	December 31, 2009
Assets:		
Investments		
Fixed maturities, available for sale, at fair value (amortized cost of $56,375 and $54,789)	$ 58,553	$ 56,439
Equity securities, available for sale, at fair value (cost of $1,552 and $1,077)	1,733	1,188
Short-term investments	313	575
Mortgage loans	1,206	1,121
Other investments	3,067	2,619
Total investments	64,872	61,942
Cash and cash equivalents	4,930	4,847
Premium and other receivables (net of allowance of $143 and $121)	8,072	7,629
Reinsurance recoverables (net of allowance of $393 and $434)	14,310	14,749
Deferred income taxes (net of valuation allowance of $153 and $160)	796	1,691
Deferred acquisition costs	2,771	2,636
Goodwill	4,750	4,748
Prepaid reinsurance premiums	1,404	1,317
Separate account assets	3,893	3,557
Other assets	6,552	6,359
Total assets	$ 112,350	$ 109,475
Liabilities:		
Unpaid claims and claim adjustment expenses and future policy benefits:		
Property and casualty	$ 48,059	$ 48,355
Life	6,781	6,586
Other policyholder funds and benefits payable	3,629	3,300
Unearned premiums	13,977	13,224
Funds held under reinsurance treaties	1,784	1,819
Short-term and current maturities of long-term debt	1	305
Long-term debt	5,635	5,635
Separate account liabilities	3,893	3,557
Other liabilities	11,613	12,180
Total liabilities	95,372	94,961
Policyholders' equity:		
Unassigned equity	15,692	14,014
Accumulated other comprehensive income	1,286	500
Total policyholders' equity	16,978	14,514
Total liabilities and policyholders' equity	$ 112,350	$ 109,475

See accompanying notes to the audited consolidated financial statements.

Liberty Mutual Holding Company Inc.

Consolidated Statements of Changes in Policyholders' Equity

(dollars in millions)

	Unassigned Equity	Accumulated Other Comprehensive Income (Loss)	Policyholders' Equity
Balance, January 1, 2008	$ 11,891	$ 745	$ 12,636
Cumulative effect of adoption of ASC 715 at January 1, 2008 (Note 1)	(41)		(41)
Comprehensive loss			
Net income	1,113	-	1,113
Other comprehensive income, net of taxes:			
Unrealized losses on securities	-	(2,246)	(2,246)
Less: reclassification adjustment for gains and losses included in net income	-	215	215
Change in pension and post retirement plans funded status	-	(869)	(869)
Foreign currency translation and other adjustments	-	(405)	(405)
Other comprehensive loss, net of taxes	-	(3,305)	(3,305)
Total comprehensive loss			(2,192)
Balance, December 31, 2008	$ 12,963	$ (2,560)	$ 10,403
Cumulative effect of adoption of ASC 320 at January 1, 2009 (Note 1)	28	(28)	-
Comprehensive income			
Net income	1,023	-	1,023
Other comprehensive income, net of taxes:			
Unrealized gains on securities	-	2,589	2,589
Less: reclassification adjustment for gains and losses included in net income	-	(17)	(17)
Change in pension and post retirement plans funded status	-	298	298
Foreign currency translation and other adjustments	-	218	218
Other comprehensive income, net of taxes	-	3,088	3,088
Total comprehensive income			4,111
Balance, December 31, 2009	$ 14,014	$ 500	$ 14,514
Comprehensive income			
Net income	1,678	-	1,678
Other comprehensive income, net of taxes:			
Unrealized gains on securities	-	443	443
Less: reclassification adjustment for gains and losses included in net income	-	(261)	(261)
Change in pension and post retirement plans funded status	-	560	560
Foreign currency translation and other adjustments	-	44	44
Other comprehensive income, net of taxes	-	786	786
Total comprehensive income			2,464
Balance, December 31, 2010	$ 15,692	$ 1,286	$ 16,978

See accompanying notes to the audited consolidated financial statements.

Liberty Mutual Holding Company Inc.

Consolidated Statements of Cash Flows

(dollars in millions)

	Year Ended December 31,		
	2010	2009	2008
Cash flows from operating activities:			
Net income	$ 1,678	$ 1,023	1,113
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	409	350	313
Realized investment (gains) losses	(402)	(26)	330
Undistributed private equity investment (gains) losses	(364)	423	5
Premium, other receivables, and reinsurance recoverables	(132)	526	572
Deferred policy acquisition costs	(167)	(131)	(16)
Liabilities for insurance reserves	1,081	197	1,775
Taxes payable, net of deferred	649	(173)	(220)
Other, net	9	298	(1,127)
Total adjustments	1,083	1,464	1,632
Net cash provided by operating activities	2,761	2,487	2,745
Cash flows from investing activities:			
Purchases of investments	(19,578)	(18,874)	(13,668)
Sales and maturities of investments	17,721	14,928	18,257
Property and equipment purchased, net	(507)	(355)	(143)
Payment for purchase of companies, net of cash acquired	-	-	(5,414)
Other investing activities	(40)	173	(185)
Net cash used in investing activities	(2,404)	(4,128)	(1,153)
Cash flows from financing activities:			
Net activity in policyholder accounts	194	122	62
Debt financing, net	(301)	(84)	1,121
Net security lending activity and other financing actitivites	50	621	(65)
Net cash (used in) provided by financing activities	(57)	659	1,118
Effect of exchange rate changes on cash	(217)	(19)	(61)
Net increase (decrease) in cash and cash equivalents	83	(1,001)	2,649
Cash and cash equivalents, beginning of year	4,847	5,848	3,199
Cash and cash equivalents, end of year	$ 4,930	$ 4,847	5,848
Supplemental disclosure of cash flow information:			
Income tax (refund) paid	$ (2)	$ 366	310

See accompanying notes to the audited consolidated financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Liberty Mutual Holding Company Inc. and its subsidiaries (collectively "LMHC" or the "Company"). Certain reclassifications have been made to the 2009 and 2008 consolidated financial statements to conform with the 2010 presentation. All material intercompany transactions and balances have been eliminated.

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's principal estimates include (1) unpaid claims and claim adjustment expense reserves, including asbestos and environmental liability reserves and loss sensitive premium attributable to prior years; (2) reinsurance recoverables and associated uncollectible reserves; (3) fair value determination and other-than-temporary impairments of the investment portfolio; (4) deferred acquisition costs; (5) valuation of goodwill and intangible assets; and (6) deferred income tax valuation allowance. While management believes that the amounts included in the consolidated financial statements reflect their best estimates and assumptions, these amounts ultimately could be materially different from the amounts currently provided for in the consolidated financial statements.

Nature of Operations

The Company conducts substantially all of its business through four strategic business units: Liberty Mutual Agency Corporation ("LMAC"), International, Personal Markets, and Commercial Markets.

The Company's LMAC business unit, with $11,687 of revenues in 2010, distributes products through independent agents and brokers. It consists of: eight regionally branded insurance companies that offer commercial insurance coverage to small businesses; personal lines products sold under the Safeco brand; and Liberty Mutual Surety (contract and commercial surety bonds).

The Company's International business unit, with $7,928 of revenues in 2010, provides insurance products and services through local businesses outside the United States and Liberty International Underwriters ("LIU") which sells specialty commercial lines worldwide. The local businesses consist of local insurance operations selling property, casualty, health and life insurance products to individuals and businesses in countries with a large and growing middle class. Automobile insurance is the predominant line of business. International operates local businesses in Latin America (Venezuela, Argentina, Colombia, Brazil and Chile); Asia (Singapore, Thailand, Vietnam and China); and Europe (Spain, Portugal, Turkey and Poland). LIU, a global specialty commercial lines insurance and reinsurance business with operations principally based in 18 countries: United States, Canada, Brazil, United Kingdom, Germany, France, the United Arab Emirates, the Netherlands, Spain, Switzerland, Ireland, Australia, Hong Kong, China, Singapore, Malaysia, India and Vietnam. LIU operations provide a variety of specialty products including casualty, marine, construction, energy, inland marine, directors and officers, professional liability, aviation, property, surety and crisis management insurance, together with multi-line insurance and reinsurance written through Lloyd's of London, Syndicate 4472.

The Company's Personal Markets business unit, with $7,502 of revenues in 2010, writes U.S. property and casualty insurance covering personal risks, primarily automobile and homeowners, as well as a wide range of life and annuity products, to individuals in the United States. Products are distributed through licensed captive sales representatives, licensed telesales counselors, third-party producers, and the Internet.

The Commercial Markets business unit, with $6,331 of revenues in 2010, is organized into separate operating units. Each of these operating units consists of separate marketing and underwriting groups focusing on a particular customer base, product grouping or distribution channel to provide tailored products and services to address customers' needs. Operating units within the Commercial Markets business unit include Commercial Markets P&C, Liberty Mutual Reinsurance, Summit, and Group Benefits. Commercial Markets coverages include workers compensation, commercial automobile, general liability, group disability, group life, assumed reinsurance, property, commercial multiple peril, and a variety of other coverages. Commercial Markets is also a servicing carrier for workers compensation involuntary market pools. In addition, Commercial Markets provides third-party administration services through Helmsman Management Services. Effective January 1, 2010, Summit, a mono-line workers compensation company for Florida and the Southeast, previously included in LMAC, became part of the Commercial Markets strategic business unit. On July 14, 2010, Commercial Markets established a new distribution and service organization, Commercial Markets P&C, combining Middle Market, National Market, Specialty Lines and Liberty Mutual Property. This operating model provides agents and brokers a single point of entry for accessing Commercial Markets' property, casualty and specialty lines insurance as well as claims and loss control services for national accounts and mid-sized business clients.

Adoption of New Accounting Standards

Effective January 1, 2009, the Company adopted new guidance for accounting for other-than-temporary impairments, as codified in FASB Accounting Standards Codification ("ASC") 320, *Investments – Debt and Equity Securities.* This guidance amends the accounting for other-than-temporary impairment of debt securities, requires the establishment of a policy for determining when "credit losses" exist, and provides direction on determining the amount of impairment to be recognized in the statement of income. The adoption of the new guidance resulted in an increase of $28 (net of tax) to policyholders' unassigned equity and a corresponding decrease to accumulated other comprehensive income (loss).

Effective January 1, 2008, the Company adopted the guidance related to the recognition and measurement of assets related to collateral assignment split-dollar life insurance arrangements as codified in ASC 715, *Compensation – Retirement Plans.* The adoption of this guidance resulted in a decrease to policyholders' unassigned equity of $41 (net of tax).

Future Adoption of New Accounting Standards

In October 2010, the FASB issued Accounting Standards Update 2010-26, *Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts* ("ASU 2010-26"). This guidance, as codified in ASC 944, *Financial Services - Insurance,* specifies that acquisition costs should include only those costs that are directly related to the acquisition or renewal of insurance contracts. All other acquisition related costs - including market research, training, administration, unsuccessful acquisition or renewal efforts, and product development - should be charged to expense as incurred. The Company is required to adopt ASU 2010-26 effective January 1, 2012. The Company is in the process of evaluating the impact of adoption.

Investments

Fixed maturity securities classified as available for sale are debt securities that have principal payment schedules, held for indefinite periods of time, and are used as a part of the Company's asset/liability strategy or sold in response to risk/reward characteristics, liquidity needs or similar economic factors. These securities are reported at fair value with changes in fair values, net of deferred income taxes, reported in accumulated other comprehensive income (loss).

Equity securities classified as available for sale include common equities and non-redeemable preferred stocks and are reported at quoted fair values. Changes in the fair values of these securities, net of deferred income taxes, are reflected as unrealized investment gains or losses in accumulated other comprehensive income (loss).

Realized gains and losses on sales of investments are recognized in income using the specific identification method. Unrealized losses that are other-than-temporary are recognized as realized losses. The Company reviews fixed income, public equity securities, private equity securities and private equity co-investment securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to, (1) the extent of the decline in fair value below book value, (2) the duration of the decline, (3) significant adverse changes in the financial condition or near term prospects for the investment or issuer, (4) significant changes in the business climate or credit ratings of the issuer, (5) general market conditions and volatility, (6) industry factors, and (7) the past impairment of the security holding or the issuer.

For fixed maturity securities that the Company does not intend to sell or for which it is more likely than not that the Company would not be required to sell before an anticipated recovery in value, the Company separates impairments into credit loss and non-credit loss components. The determination of the credit loss component of the impairment charge is based on management's best estimate of the present value of the cash flows expected to be collected from the debt security compared to its amortized cost and is reported as part of net realized gains (losses). The non-credit component, the residual difference between the credit impairment component and the fair value, is recognized in other comprehensive income (loss). The factors considered in making an evaluation of credit versus non-credit other-than-temporary impairment include the following: (1) failure of the issuer of the security to make scheduled interest or principal payments (including the payment structure of the debt security and the likelihood the issuer will be able to make payments that increase in the future), (2) performance indicators of the underlying assets in the security (including default and delinquency rates), (3) vintage, (4) geographic concentration, and (5) industry analyst reports, sector credit ratings, and volatility of the security's fair value.

For non-fixed maturity investments and fixed maturity investments the Company intends to sell or for which it is more likely than not that the Company will be required to sell before an anticipated recovery in value, the full amount (fair value less amortized cost) of the impairment is included in net realized investment gains (losses).

Upon recognizing an other-than-temporary impairment, the new cost basis of the investment is the previous amortized cost basis less the other-than-temporary impairment recognized in net realized investment gains (losses). The new cost basis is not adjusted for any subsequent recoveries in fair value; however, for fixed maturity investments the difference between the new cost basis and the expected cash flows is accreted to net investment income over the remaining expected life of the investment.

All mortgage-backed securities and asset-backed securities are reviewed for other-than-temporary impairment treatment in accordance with the guidance of ASC 320, *Investments – Debt and Equity Securities* and ASC 325, *Investments - Other.*

For mortgage-backed fixed maturity securities, the Company recognizes income using a constant effective yield based on anticipated prepayments over the economic life of the security. The mortgage-backed portfolio is accounted for under the retrospective method and prepayment assumptions are based on market expectations. When actual prepayments differ significantly from anticipated prepayments, the effective yield is recalculated to reflect actual payments to date and anticipated future payments and any resulting adjustment is included in net investment income.

Cash equivalents are short-term, highly liquid investments that are both readily convertible into known amounts of cash and so near to maturity that they present insignificant risk of changes in value due to changing interest rates. The Company's cash equivalents include debt securities purchased with maturities of three months or less at acquisition and are carried at amortized cost, which approximates fair value.

Short-term investments are debt securities with maturities at acquisition between three months and one year, are considered available for sale, and are carried at fair value, which approximates amortized cost.

All Variable Interest Entities ("VIEs") for which the Company is the primary beneficiary are consolidated into the Company's financial statements.

Other investments are primarily comprised of limited partnerships and other alternative investments, which are reported at their carrying value with the change in carrying value accounted for under the equity method and, accordingly, the Company's share of earnings are included in net investment income. Recognition of limited partnerships and other alternative investment income is delayed due to the availability of the related financial statements, as private equity and other funds are generally on a three-month delay. Equity investments in privately held businesses are carried at fair value.

Mortgage loans are stated at amortized cost less a valuation allowance for potentially uncollectible amounts.

Derivatives

All derivatives are recognized on the balance sheet at fair value. On the date a contract is entered into, the Company designates the derivative as either (1) a hedge of a fair value of a recognized asset ("fair value hedge"), (2) an economic hedge ("non-designated derivative"), or (3) a cash flow hedge. Changes in the fair value of a derivative that is highly effective and is designated as a fair value hedge, along with the loss or gain on the hedged asset attributable to the hedged risk, are recorded in current period income. Changes in the fair value of non-designated derivatives are reported in current period income and the derivative is included in other assets or liabilities. The effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedge is reported as a component of other comprehensive (loss) income and reclassified into earnings in the same period in which the hedged items affect earnings. The ineffective portion of the cash flow hedge is recorded directly to earnings.

The Company owns fixed maturity securities which have an option to convert to equity. The derivative features embedded are ancillary to the overall investment. This type of activity is unrelated to hedging. In addition, there may be call, put or conversion options embedded in certain bonds it has purchased. These derivatives are not material to the Company's financial statements.

Securities Lending

The Company participates in a securities lending program to generate additional income, whereby certain domestic fixed income securities are loaned for a short period of time from the Company's portfolio to qualifying third parties via a lending agent. Terms of the agreement are for borrowers of these securities to provide collateral of at least 102% of the market value of the loaned securities. Acceptable collateral may be in the form of cash or permitted securities as outlined in the securities lending agreement. The market value of the loaned securities is monitored and additional collateral is obtained if the market value of the collateral falls below 102% of the market value of the loaned securities. Under the terms of the securities lending program, the lending agent indemnifies the Company against borrower defaults. The loaned securities remain a recorded asset of the Company; however, the Company records a liability for the amount of cash collateral held, representing its obligation to return the collateral related to the loaned securities.

Goodwill and Intangible Assets

Goodwill is tested for impairment at least annually using a two-step process. The first step is performed to identify potential impairment and, if necessary, the second step is performed for the purpose of measuring the amount of impairment, if any. Impairment is recognized only if the carrying amount is not recoverable from the discounted cash flows using a "market" rate and is measured as the difference between the carrying amount and the implied fair value. Other changes in the carrying amount of goodwill are primarily caused by foreign currency translation adjustments.

Indefinite-lived intangible assets held by the Company are reviewed for impairment on at least an annual basis. The classification of the asset as indefinite-lived is reassessed, and an impairment is recognized if the carrying amount of the asset exceeds its fair value.

Intangible assets that are deemed to have a finite useful life are amortized over their useful lives. The carrying amount of intangible assets with a finite useful life is regularly reviewed for indicators of impairment in value. Impairment is recognized only if the carrying amount of the intangible asset is not recoverable from its undiscounted cash flows and is measured as the difference between the carrying amount and the fair value of the asset.

Deferred Policy Acquisition Costs

Costs that vary with and are primarily related to the acquisition of new insurance and investment contracts are deferred and amortized over the respective policy terms. For short-duration contracts, acquisition costs include commissions, underwriting expenses and premium taxes. For long-duration insurance contracts, these costs include first year commissions in excess of annual renewal commissions and variable sales and underwriting expenses. Deferred policy acquisition costs are reviewed annually for recoverability. Investment income is considered in the recoverability assessment.

For short-duration contracts, acquisition costs are amortized in proportion to earned premiums. For traditional long-duration contracts, acquisition costs are amortized over the premium paying period of the related policies using assumptions consistent with those used in computing policy benefit reserves. For universal life insurance and investment products, acquisition costs are amortized in relation to expected gross profits.

For long-duration contracts, to the extent unrealized gains or losses on fixed income securities carried at fair value would result in an adjustment of estimated gross profits had those gains or losses actually been realized, the related unamortized deferred policy acquisition costs are recorded net of tax as a change in unrealized capital gains or losses and included in accumulated other comprehensive income (loss).

Real Estate and Other Fixed Assets

The costs of buildings, furniture, and equipment are depreciated, principally on a straight-line basis, over their estimated useful lives (a maximum of 39.5 years for buildings, 10 years for furniture, and 3-5 years for equipment). Expenditures for maintenance and repairs are charged to income as incurred while expenditures for improvements are capitalized and depreciated.

Separate Account Assets and Liabilities

Separate and variable accounts represent funds for which investment income and investment gains and losses accrue directly to the policyholders who bear the investment risk. Each account has specific investment objectives, and the assets are carried at fair value. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company. The liabilities of these accounts are equal to the account assets. Investment income, realized investment gains (losses), and policyholder account deposits and withdrawals related to separate accounts are excluded from the consolidated statements of income. The fees earned for administrative and contract holder maintenance services performed for these separate accounts are included in fee and other revenues.

Insurance Liabilities and Reserves

For short-duration contracts, the Company establishes reserves for unpaid insurance claims and claim adjustment expenses covering events that occurred in 2010 and prior years. These reserves reflect estimates of the total cost of claims reported but not yet paid and the cost of claims not yet reported, as well as the estimated expenses necessary to settle the claims. Reserve estimates are based on past loss experience modified for current claim trends, as well as prevailing social, economic and legal conditions. Final claim payments, however, may ultimately differ from the established reserves, since these payments might not occur for several years. Reserve estimates are continually reviewed and updated, and any resulting adjustments are reflected in current operating results. The Company does not discount reserves other than discounting on the long-term indemnity portion of workers compensation settled claims, the long-term disability portion of group accident and health claims as permitted by insurance regulations in certain states, the long-term portion of certain workers compensation claims of foreign subsidiaries, and specific asbestos structured settlements. Reserves are reduced for estimated amounts of salvage and subrogation and deductibles recoverable from policyholders. The Company discounts the long-term indemnity portion of workers compensation claims at risk-free discount rates determined by reference to the U.S. Treasury yield curve. The weighted average discount rates were 5.3%, 5.5%, and 5.7% for 2010, 2009, and 2008, respectively. The held discounted reserves on these unpaid workers compensation claims, net of all reinsurance, as of December 31, 2010 and 2009 were $1,935 and $1,974, respectively.

The held discounted reserves on unpaid asbestos structured settlement claims as of December 31, 2010 and 2009 were $93 and $118, respectively.

The discounting of disability claims is based on the 1987 Commissioners Group Disability Table (CGDT) at annual discount rates varying from 4.0% to 7.0% and 4.5% to 7.0% in 2010 and 2009, respectively. Unpaid disability claims and claim adjustment expenses as of December 31, 2010 and 2009, include liabilities at discounted values of $1,155 and $1,030, respectively.

For long-duration contracts, measurement of liabilities is based on generally accepted actuarial techniques but requires assumptions about mortality, lapse rates, and assumptions about future returns on related investments. Annuity and structured settlement contracts without significant mortality or morbidity risk are accounted for as investment contracts, whereby the premium received plus interest credited less policyholder withdrawals represents the investment contract liability. Implied credited interest rates for domestic structured settlement contracts in force were between 5.7% and 6.0% for 2010, 2009, and 2008. Implied credited interest rates for foreign structured settlement contracts in force were between 2.5% and 6.0% in 2010, 2009, and 2008. Credited rates for domestic universal life contracts in force were between 3.5% and 4.3% in 2010 and 3.5% and 6.3% in 2009 and 2008. Credited rates for foreign universal life contracts in force were between 0.9% and 6.0% in 2010 and 1.3% and 6.0% in 2009 and 2008. Liabilities for future policy benefits for traditional life policies have been computed using the net level premium method based upon estimated future investment yields (between 2.5% and 10.3% in 2010, 2009, and 2008), mortality assumptions (based on the Company's experience relative to standard industry mortality tables) and withdrawal assumptions (based on the Company's experience).

Policyholder Dividends

Policyholder dividends are accrued using an estimate of the ultimate amount to be paid in relation to premiums earned based on the related insurance policies.

For domestic property-casualty insurance, certain insurance contracts, primarily workers compensation policies, are issued with dividend plans to be paid subject to approval by the insurer's board of directors. The premium related to such policies approximated 2%, 2%, and 3% of domestic property-casualty insurance premiums written for the years ended December 31, 2010, 2009, and 2008, respectively. Additionally, certain jurisdictions impose excess profits taxes which limit the profitability of particular lines of business, and any excess is returned to the policyholder in the form of a dividend.

For life insurance, dividends to participating policyholders are calculated as the sum of the difference between the assumed mortality, interest and loading, and the actual experience of the Company relating to participating policyholders. As a result of statutory regulations, the major portion of earnings from participating policies inures to the benefit of the participating policyholders and is excluded from the consolidated net income and policyholders' equity. Participating policies approximate 31%, 34% and 37% of ordinary life insurance in force for the years ended December 31, 2010, 2009, and 2008, respectively. Participating policies approximate 15%, 23%, and 30% of life premium for the years ended December 31, 2010, 2009, and 2008, respectively.

Long-Term Incentive and Performance Based Incentive Plans

The Company maintains short-term and long-term incentive compensation plans. Long-term plans that vest over the requisite service period and are based upon notional units are accounted for under ASC 718, *Compensation – Stock Compensation*, using the intrinsic value method. Additionally, the Company provides performance based incentive compensation to the majority of employees meeting the participation requirements of the respective plans. Compensation cost related to these plans is determined in accordance with plan formulas and recorded over the years the employee service is provided.

Revenue Recognition

For short-duration insurance contracts, premiums are reported as earned income generally on a pro-rata basis over the terms of the related policies. For retrospectively rated policies and contracts, premium estimates are continually reviewed and updated and any resulting adjustments are reflected in current operating results. For traditional long-duration insurance contracts (including term and whole life contracts and annuities), premiums are earned when due. For loss portfolio transfers, premiums are fully recognized as written and earned on a prospective basis at contract inception. For annuities and structured settlements without significant mortality or morbidity risk (investment contracts) and universal life contracts (long-duration contracts with terms that are not fixed or guaranteed), revenues represent investment income earned on the related assets. Universal life and annuity contract revenues also include mortality, surrender, and administrative fees charged to policyholders.

Reinsurance

All assets and liabilities related to ceded reinsurance contracts are reported on a gross basis in the consolidated balance sheets. Prospective reinsurance premiums, losses, and loss adjustment expenses are accounted for on a basis consistent with the terms of the reinsurance contracts. The consolidated statements of income reflect premiums, benefits, and settlement expenses net of reinsurance ceded.

Transactions that do not transfer risk are included in other assets or other liabilities. Ceded transactions that transfer risk but are retroactive are included in reinsurance recoverables. The excess of estimated liabilities for claims and claim costs over the consideration paid net of experience adjustments is established as a deferred credit at inception. The deferred amounts are subsequently amortized using the effective interest method over the expected settlement period. The periodic amortization is reflected in the accompanying consolidated statements of income through claims and claims adjustment expenses.

Amounts recoverable from reinsurers include unpaid losses estimated in a manner consistent with the claim liabilities associated with the reinsured business. The Company evaluates reinsurance collectability and a provision for uncollectible reinsurance is recorded.

Translation of Foreign Currencies

The Company translates the financial statements of its foreign operations into U.S. dollars from the functional currency designated for each foreign unit, generally the currency of the primary economic environment in which that operation does its business. Assets and liabilities are translated into U.S. dollars at period-end exchange rates, while income and expenses are translated using average rates for the period. Translation adjustments are recorded as a separate component of accumulated other comprehensive income (loss), net of tax to the extent applicable. Foreign currency amounts are remeasured to the functional currency, and the resulting foreign exchange gains or losses are reflected in earnings.

For subsidiaries operating in highly inflationary economies, monetary assets and liabilities are remeasured at the rate of exchange as of the balance sheet date and non-monetary items are remeasured at historical rates. Gains and losses from balance sheet remeasurement adjustments and foreign currency transactions are included in net income.

The aggregate exchange (losses) gains included in income from continuing operations for the years ended December 31, 2010, 2009, and 2008 were $(109), $(1), and $16, respectively. These amounts have been included in insurance operating costs and expenses in the accompanying consolidated statements of income.

Income Taxes

The income tax provision is calculated under the liability method. The Company recognizes deferred income tax assets and liabilities for the expected future tax effects attributable to temporary differences between the financial statement and tax return bases of assets and liabilities based on enacted tax rates and other provisions of the tax law. The effect of a change in tax laws or rates on deferred tax assets and liabilities is recognized in income in the period in which such change is enacted. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that all or some portion of the deferred tax assets will not be realized. Deferred tax positions are not established for adjustments arising from foreign operations whose earnings are considered to be permanently reinvested.

Fee and Other Revenues

Fee and other revenues primarily consist of revenues from the Company's energy production operations and service fees generated from processing business for involuntary assigned risk pools, self insured customers, and risk retention groups. Service fees are earned on a pro-rata basis over the term of the related policies.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) consists principally of unrealized gains and losses on certain investments in debt and equity securities, foreign currency translation adjustments, and pension and postretirement liability adjustments.

The components of accumulated other comprehensive income (loss), net of related deferred acquisition costs and taxes, for the years ended December 31, 2010, 2009, and 2008 are as follows:

	2010	2009	2008
Unrealized gains (losses) on securities	$1,269	$1,115	$(1,457)
Foreign currency translation and other adjustments	313	269	51
Pension liability funded status	(296)	(856)	(1,154)
Cumulative effect of adoption of ASC 320 at January 1, 2009	-	(28)	-
Accumulated other comprehensive income (loss)	$1,286	$ 500	$(2,560)

(2) ACQUISITIONS AND DISPOSITIONS

Safeco Corporation

On September 22, 2008, Liberty Mutual Group completed the acquisition of Safeco Corporation ("Safeco"). Pursuant to the terms of the purchase agreement, the Company paid cash of $68.25 per share in exchange for all outstanding shares of the Safeco common stock for a total purchase price of $6,244. The operations of Safeco were merged into the LMAC strategic business unit.

The total purchase price was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the aggregate fair values was recorded as goodwill. The fair value assigned to identifiable intangible assets acquired was primarily determined using the income approach, which discounts expected cash flows to present value using estimates and assumptions determined by management.

Intangible Assets

	Carrying Value December 31, 2010	Carrying Value December 31, 2009	Period (Years)	Method
Agency relationship	$523	$564	15	Straight-line
Trademarks	229	229	Not subject to amortization	Not subject to amortization
State licenses	63	63	Not subject to amortization	Not subject to amortization
Other	16	17	10	Present Value Mid-year Convention
Total intangible assets[1]	$831	$873		

(1) Net of accumulated amortization of $89 and $47 as of December 31, 2010 and 2009, respectively.

For the years ended December 31, 2010 and 2009, the Company recognized $42 and $38, respectively, of amortization expense which is reflected in insurance operating costs and expenses on the consolidated statements of income. Estimated amortization for the years ended December 31, 2011 through 2015 is $42, $43, $44, $44 and $44, respectively.

Integration Activities

As part of the Safeco acquisition, management conducted integration efforts that resulted in employment reductions, contract terminations, systems integrations and other transitional activities. Total integration (benefit) costs incurred for the years ended December 31, 2010 and 2009 were $(2) and $65, respectively, of which $(1) and $42, respectively, were recognized as assumed liabilities as part of purchase accounting for the acquisition. Integration costs not directly associated with the acquisition were included in insurance operating costs and expenses in the consolidated statements of income. $6 and $77 of the costs were paid in 2010 and 2009, respectively.

Ohio Casualty Corporation

On August 24, 2007, Liberty Mutual Group completed the acquisition of Ohio Casualty Corporation ("Ohio Casualty"). Pursuant to the terms of the purchase agreement, the Company paid cash of $44.00 per share in exchange for all outstanding shares of the Ohio Casualty common stock for a total purchase price of $2,780. The operations of Ohio Casualty were merged into the LMAC strategic business unit.

The total purchase price was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the aggregate fair values was recorded as goodwill. The fair value assigned to identifiable intangible assets acquired was primarily determined using the income approach, which discounts expected cash flows to present value using estimates and assumptions determined by management.

Intangible Assets

	Carrying Value December 31, 2010	Carrying Value December 31, 2009	Period (Years)	Method
Agency relationship	$124	$132	20	Straight-line
Trademarks	33	33	Not subject to amortization	Not subject to amortization
State licenses (2)	20	22	Not subject to amortization	Not subject to amortization
Total intangible assets (1)	$177	$187		

(1) Net of accumulated amortization of $30 and $22 as of December 31, 2010 and 2009, respectively.

(2) On February 23, 2010, the Company merged two of its insurance subsidiaries, Avomark Insurance Company and West American Insurance Company. As of May 24, 2010, authorization was given by all states to terminate certificates of authority resulting in a decrease in value of $2.

For the years ended December 31, 2010 and 2009, the Company recognized $8 and $9, respectively, of amortization expense which is reflected in insurance operating costs and expenses on the consolidated statement of income. For each of the years ended December 31, 2011 through 2015 estimated amortization is $8.

Dispositions

The Company recognized $35 related to restructuring efforts, principally related to employee and contract terminations with respect to the Business Market and Wausau Insurance market segments within Commercial Markets. These costs are primarily included in insurance operating costs and expenses in the 2008 statement of income. Payments under restructuring activities were substantially completed in 2009.

On January 22, 2009, the Company established Liberty Mutual Middle Market, a new market segment in Commercial Markets that combined the former Business Market and Wausau Insurance market segments. As part of this change, the Company eliminated its direct distribution channel to its mid-sized commercial lines customers and retired the Wausau brand. In 2009 and forward, Middle Market will provide Liberty Mutual products and services exclusively through independent agents and brokers. This transaction has been deemed to be a migration of business. As part of this change, the Company completed the sale of the policy renewal rights of the existing Business Market and Wausau Insurance policyholders in various portions to three nationally recognized brokerage firms on February 27, 2009.

In accordance with the Asset Purchase Agreements (collectively, the "Sales Agreements"), total consideration due to the Company for the sale of the renewal rights will be paid over a two or three year period subject to the Earn Out Adjustment provisions provided by the Sales Agreements. Amounts received by the Company will be recognized in earnings when received.

(3) INVESTMENTS

Components of Net Investment Income

	Years Ended December 31,		
	2010	2009	2008
Taxable interest income	$2,426	$2,301	$2,349
Tax-exempt interest income	539	623	472
Dividends	42	41	98
Limited partnerships and limited liability companies	398	(411)	4
Commercial mortgage loans	73	68	58
Other investment income	6	9	27
Gross investment income	3,484	2,631	3,008
Investment expenses	(156)	(149)	(128)
Net investment income	$3,328	$2,482	$2,880

Components of Net Realized Investment Gains (Losses)

	Years Ended December 31,		
	2010	2009	2008
Fixed maturities			
Gross realized gains	$421	$173	$109
Gross realized losses	(72)	(259)	(436)
Equities			
Gross realized gains	52	146	341
Gross realized losses	(3)	(64)	(801)
Other			
Gross realized gains	73	84	469
Gross realized losses	(69)	(54)	(12)
Net realized investment gains (losses)	$402	$26	$(330)

As of December 31, 2010 and 2009, other-than-temporary impairments recognized through accumulated other comprehensive income were $31 and $30, respectively.

During the years ended December 31, 2010, 2009, and 2008, proceeds from sales of fixed maturities available for sale were $9,177, $4,859, and $7,013, respectively. The gross realized gains (losses) on such sales totaled $357 and $(22) in 2010, $145 and $(67) in 2009, and $85 and $(122) in 2008.

Components of Change in Net Unrealized Investment Gains (Losses)

	2010	2009	2008
Fixed maturities	$357	$3,864	$(2,257)
Equities	71	206	(962)
Other	(10)	18	(5)
Adjustments to deferred policy acquisition costs	(8)	(169)	145
Net change in unrealized investment gains (losses)	410	3,919	(3,079)
Deferred income tax (expense) benefit	(228)	(1,347)	1,048
Net change in unrealized investment gains (losses), net of tax	$182	$2,572	$(2,031)

Available for Sale Investments

The gross unrealized gains and losses and fair values of available for sale investments as of December 31, 2010 and 2009, are as follows:

December 31, 2010	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government and agency securities	$3,008	$197	$(13)	$3,192
Residential mortgage and ABS securities	9,628	455	(50)	10,033
Commercial mortgage and ABS securities	2,378	99	(4)	2,473
Other mortgage and ABS securities	1,661	93	(6)	1,748
U.S. state and municipal	12,414	438	(120)	12,732
Corporate and other	22,907	1,274	(206)	23,975
Foreign government securities	4,379	106	(85)	4,400
Total fixed maturities	56,375	2,662	(484)	58,553
Common stock	1,000	253	(23)	1,230
Preferred stock	552	35	(84)	503
Total equity securities	1,552	288	(107)	1,733
Total securities available for sale	$57,927	$2,950	$(591)	$60,286

December 31, 2009	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government and agency securities	$2,324	$147	$(6)	$2,465
Residential mortgage and ABS securities	10,725	376	(112)	10,989
Commercial mortgage and ABS securities	2,163	39	(42)	2,160
Other mortgage and ABS securities	1,849	74	(21)	1,902
U.S. state and municipal	14,910	700	(100)	15,510
Corporate and other	19,134	891	(342)	19,683
Foreign government securities	3,684	128	(82)	3,730
Total fixed maturities	54,789	2,355	(705)	56,439
Common stock	525	195	(32)	688
Preferred stock	552	32	(84)	500
Total equity securities	1,077	227	(116)	1,188
Total securities available for sale	$55,866	$2,582	$(821)	$57,627

Of the $1,230 and $688 of common stock as of December 31, 2010 and 2009, respectively, $304 and $275, respectively, related to securities associated with non-guaranteed unit linked products where the policyholder bears the investment risk.

As of December 31, 2010 and 2009, securities carried at $4,281 and $4,051, respectively, were on deposit with regulatory authorities as required by law.

As of December 31, 2010 and 2009, the fair values of fixed maturities loaned were approximately $1,687 and $1,547, respectively. Cash and short-term investments received as collateral in connection with the loaned securities were approximately $1,336 and $1,352 as of December 31, 2010 and 2009, respectively. Other investments received as collateral in connection with the loaned securities was approximately $396 and $247 as of December 31, 2010 and 2009, respectively.

The amortized cost and fair value of fixed maturities as of December 31, 2010, by contractual maturity are as follows:

	Amortized Cost	Fair Value
Due to mature:		
One year or less	$2,428	$2,458
Over one year through five years	15,801	16,408
Over five years through ten years	12,768	13,391
Over ten years	11,711	12,042
Mortgage and asset-backed securities of government and corporate agencies	13,667	14,254
Total fixed maturities	$56,375	$58,553

Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

The following table shows a schedule of the Company's unrealized losses and fair value by security type and by duration that individual securities have been in a continuous unrealized loss position as of December 31, 2010, that are not deemed to be other-than-temporarily impaired.

	Less Than 12 Months		12 Months or Longer	
	Unrealized Losses	Fair Value of Investments with Unrealized Losses	Unrealized Losses	Fair Value of Investments with Unrealized Losses
U.S. government and agency securities	$(13)	$ 571	$(-)	$-
Residential mortgage and ABS securities	(14)	1,182	(36)	403
Commercial mortgage and ABS securities	(2)	103	(2)	62
Other mortgage and ABS securities	(1)	17	(5)	31
U.S. state and municipal	(84)	2,295	(36)	214
Corporate and other	(96)	3,601	(110)	892
Foreign government securities	(43)	1,536	(42)	305
Common stock	(8)	178	(15)	98
Preferred stock	(2)	51	(82)	308
Total	$(263)	$ 9,534	$(328)	$ 2,313

The following table shows a schedule of the Company's unrealized losses and fair value by security type and by duration that individual securities have been in a continuous unrealized loss position as of December 31, 2009, that are not deemed to be other-than-temporarily impaired.

	Less Than 12 Months		12 Months or Longer	
	Unrealized Losses	Fair Value of Investments with Unrealized Losses	Unrealized Losses	Fair Value of Investments with Unrealized Losses
U.S. government and agency securities	$(6)	$386	$-	$25
Residential mortgage and ABS securities	(16)	1,077	(96)	501
Commercial mortgage and ABS securities	(2)	253	(40)	629
Other mortgage and ABS securities	(7)	274	(14)	60
U.S. state and municipal	(35)	1,148	(65)	604
Corporate and other	(30)	1,324	(312)	2,875
Foreign government securities	(49)	884	(33)	150
Common stock	(2)	15	(30)	132
Preferred stock	-	-	(84)	357
Total	$(147)	$5,361	$(674)	$5,333

The above table for 2010 includes $227 of unrealized losses related to securities issued and guaranteed by the United States government, its agencies, government sponsored enterprises and state and municipal governments. Unrealized losses decreased from $821 as of December 31, 2009 to $591 as of December 31, 2010 primarily due to declining Treasury yields and a decrease in credit spreads. Unrealized losses less than 12 months increased from $147 at December 31, 2009 to $263 as of December 31, 2010, an increase of $116. Unrealized losses 12 months or longer decreased from $674 as of December 31, 2009 to $328 as of December 31, 2010 and accounted for $346 of the overall decrease in unrealized losses. As of December 31, 2010, there were 488 securities that were in an unrealized loss position for 12 months or longer. The Company monitors the difference between the amortized cost and estimated fair value of debt securities to ascertain whether declines in value are temporary in nature. The Company currently does not have the intent to sell these securities and has determined it is not more likely than not that it would be required to sell these fixed income securities before they recover their fair value.

Approximately 76% of the Company's securitized portfolio is explicitly backed by the U.S. government (GNMA and SBA) or by government-sponsored entities (FHLMC and FNMA). Over 94% of the mortgage and asset-backed holdings are rated AAA. The commercial mortgage backed securities portfolio is well diversified and of high quality with over 99% rated AA or above with approximately 18% of the underlying collateral having been defeased with U.S. Treasuries.

As of December 31, 2010, no single issuer, excluding U.S. Treasuries, agency securities and mortgage-backed securities, accounted for more than 1.1% of invested assets.

Variable Interest Entities

The Company invests in energy, private equity and real estate limited partnerships and other entities subject to VIE analysis under the VIE subsections of ASC 810, *Consolidation*. The Company analyzes each investment to determine whether it is a VIE, and if so, whether the Company is the primary beneficiary or a significant interest holder based on a qualitative and quantitative assessment. The Company evaluates the design of the

entity, the risks to which the entity was designed to expose the variable interest holder and the extent of the Company's control of and variable interest in the VIE. As of December 31, 2009, the Company determined that it was the primary beneficiary of two VIEs in the energy investment sector, and as such, these VIEs were consolidated in the Company's 2009 financial statements. The carrying value of assets and liabilities, and the Company's maximum exposure to loss of the consolidated VIEs were immaterial to the Company. These entities were deconsolidated in 2010 upon adoption of the revised guidance in ASC 810 when the Company determined that it did not have a controlling financial interest in the VIEs.

The Company has variable interests in VIEs for which it is not the primary beneficiary and accounts for these VIEs under the equity method in accordance with ASC 323, *Investments – Equity Method and Joint Ventures.* The VIEs are principally private equity limited partnerships in which the Company has invested as a passive limited partner. The partnerships were deemed to be VIEs because the equity holders as a group lack the power to direct the activities that most significantly impact the respective entity's economic performance. The VIEs generate variability primarily from investment portfolio performance and that variability is passed to equity holders. For these VIEs, the Company absorbs a portion, but not majority, of this variability. The carrying value of assets was $94 and $87 as of December 31, 2010 and December 31, 2009, respectively and the Company's maximum exposure to loss was $123 and $99 as of December 31, 2010 and December 31, 2009, respectively for unconsolidated VIEs in which the Company has a significant variable interest. The assets are included in Other Investments on the consolidated balance sheets. Maximum exposure to loss includes the carrying value and unfunded commitment of the VIE. There is no recourse provision to the general credit of the Company for any VIE beyond the full amount of the Company's loss exposure.

Investments in Mortgage Loans

As of December 31, 2010 and 2009, the carrying values of commercial mortgage loans were $1,206 and $1,121 respectively. The carrying values reflect allowances of $14 and $6 as of December 31, 2010 and 2009, respectively. Additionally, the Company's participation in any one commercial mortgage loan acquired does not exceed 49% of the loan value. As of December 31, 2010, the average total loan size was $2, and the average loan participation size was $1. The number of loans in the portfolio increased from 2,469 as of December 31, 2009, to 2,948 as of December 31, 2010. Approximately 90% of the loans are full or partial recourse to borrowers.

Derivatives

The Company has a Derivative Use Policy, which has been approved by the Investment Committee of each domestic insurance subsidiary that has entered into derivative transactions. Pursuant to the policy, the Company may enter into derivative transactions. Beginning in January 2008, the Company, as part of its risk management program, diversification, and economic hedging strategies, entered into several futures contracts related to the equities market with notional amounts totaling $599. All futures contracts expired in March 2008, and the Company realized gains of $26 on these transactions. In March 2008, the Company entered into an equity swap agreement with a notional amount of $600. This contract was terminated in December 2008, and the Company realized gains of $187 on this transaction. In August 2008, the Company, as part of its risk management program and diversification strategy, entered into two equity swap agreements with a total notional amount of $335. For the year ended December 31, 2008, these contracts incurred a $99 net gain. These contracts matured in January 2009 resulting in realized gains of $25 for the twelve months ended December 31, 2009. As of December 31, 2010, the Company had no material derivative agreements in place.

(4) DEFERRED POLICY ACQUISITION COSTS AND ACQUIRED IN-FORCE POLICY INTANGIBLES

The following reflects the policy acquisition costs and acquired in-force policy intangibles deferred for amortization against future income and related amortization charged to income:

	Years Ended December 31,		
	2010	2009	2008
Balance at beginning of year	$2,636	$2,541	$2,045
Acquisition costs deferred and other	4,892	4,787	3,991
Acquired in-force policy intangibles [1]	-	-	494
Amortization charged to income	(4,757)	(4,692)	(3,989)
Balance at end of year	$2,771	$2,636	$2,541

[1] For 2008, the acquired in-force policy intangible was recognized in conjunction with the Company's purchase of Safeco on September 22, 2008 and the acquisition of Indiana Seguros S.A. through the Company's Brazilian subsidiary, Liberty International Brazil Ltda. on January 9, 2008.

(5) ASBESTOS AND ENVIRONMENTAL RESERVES

The Company has exposure to asbestos and environmental claims that emanate principally from general liability policies written prior to the mid-1980's. In establishing the Company's asbestos and environmental reserves, the Company estimates case reserves for anticipated losses and bulk reserves for claim adjustment expenses and incurred but not reported claims reserves ("IBNR"). The Company maintained casualty excess of loss reinsurance during the relevant periods. The reserves are reported net of cessions to reinsurers and include any reserves reported by ceding reinsurers on assumed reinsurance contracts.

Upon their de-affiliation from the Nationwide Group and affiliation with the Company, Employers Insurance Company of Wausau ("EICOW"), Wausau Business Insurance Company ("WBIC"), Wausau General Insurance Company ("WGIC"), and Wausau Underwriters Insurance Company

("WUIC") entered into ceded reinsurance contracts whereby Nationwide Indemnity Company assumed full responsibility for obligations on certain policies with effective dates prior to January 1, 1986, including all asbestos and environmental exposures.

The process of establishing reserves for asbestos and environmental claims is subject to greater uncertainty than the establishment of reserves for liabilities relating to other types of insurance claims. A number of factors contribute to this greater uncertainty surrounding the establishment of asbestos and environmental reserves, including, without limitation: (i) the lack of available and reliable historical claims data as an indicator of future loss development, (ii) the long waiting periods between exposure and manifestation of any bodily injury or property damage, (iii) the difficulty in identifying the source of asbestos or environmental contamination, (iv) the difficulty in properly allocating liability for asbestos or environmental damage, (v) the uncertainty as to the number and identity of insureds with potential exposure, (vi) the cost to resolve claims, and (vii) the collectability of reinsurance.

The uncertainties associated with establishing reserves for asbestos and environmental claims and claim adjustment expenses are compounded by the differing, and at times inconsistent, court rulings on environmental and asbestos coverage issues involving: (i) the differing interpretations of various insurance policy provisions and whether asbestos and environmental losses are or were ever intended to be covered, (ii) when the loss occurred and what policies provide coverage, (iii) whether there is an insured obligation to defend, (iv) whether a compensable loss or injury has occurred, (v) how policy limits are determined, (vi) how policy exclusions are applied and interpreted, (vii) the impact of entities seeking bankruptcy protection as a result of asbestos-related liabilities, (viii) whether clean-up costs are covered as insured property damage, and (ix) applicable coverage defenses or determinations, if any, including the determination as to whether or not an asbestos claim is a products/completed operation claim subject to an aggregate limit and the available coverage, if any, for that claim. The uncertainties cannot be reasonably estimated, but could have a material impact on the Company's future operating results and financial condition.

In the last few years the Company, as well as the industry generally, has seen decreases in the number of asbestos claims being filed. This turn to a more favorable trend is due to a number of factors. Screening activity used by some lawyers to find new plaintiffs utilized questionable practices discovered in the Federal Silica Multi District Litigation. Court decisions in several key states (e.g., Mississippi) have been favorable to defendants. Most importantly, several states have enacted and sustained legislation in the past few years that contain medical criteria provisions aimed at reducing the number of lawsuits filed by unimpaired plaintiffs and providing prompt and fair compensation to those who meet the criteria.

In the third quarter of 2009, the Company completed its biennial ground-up asbestos reserve study. The study was completed by a multi-disciplined team of internal claims, legal, reinsurance and actuarial personnel, and it included all major segments of the Company's direct, assumed, and ceded asbestos claims. As part of the internal review, potential exposures of certain policyholders were individually evaluated using the Company's proprietary stochastic model, which is consistent with published actuarial papers on asbestos reserving. Among the factors reviewed in depth by the team of specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, types of injury, state jurisdictions, legal defenses, and reinsurance potential. The remaining policyholders (those with less potential exposure) were evaluated using aggregate methods that utilized information and experience specific to these insureds. The study resulted in an increase to reserves of $383, which included an increase of $70 to the allowance for uncollectible reinsurance. The previous comprehensive study was completed in 2007. The Company also completed its study on the environmental claims liability in 2009, resulting in immaterial adjustments to held reserves. During 2010 the Company monitored asbestos and environmental activity to determine whether or not any adjustment to reserves is warranted. Based on this review of actual emerged losses, no material adjustments were made.

As a result of the significant uncertainty inherent in determining a company's asbestos and environmental liabilities and establishing related reserves, the amount of reserves required to adequately fund the Company's asbestos and environmental claims cannot be accurately estimated using conventional reserving methodologies based on historical data and trends. As a result, the use of conventional reserving methodologies frequently has to be supplemented by subjective considerations including managerial judgment. In that regard, the estimation of asbestos claims and associated liabilities and the analysis of environmental claims considered prevailing applicable law and certain inconsistencies of court decisions as to coverage, plaintiffs' expanded theories of liability, and the risks inherent in major litigation and other uncertainties, the Company believes that in future periods it is possible that the outcome of the continued uncertainties regarding asbestos and environmental related claims could result in an aggregate liability that differs from current reserves by an amount that could be material to the Company's future operating results and financial condition.

The following tables summarize the activity for the Company's asbestos and environmental claims and claim adjustment expenses, a component of the Company's unpaid claims and claim adjustment expenses, for the years ended December 31, 2010, 2009, and 2008. Acquisition activity in 2009 and 2008 relates to the purchase of Safeco.

	2010	2009	2008
Gross Asbestos:			
January 1 reserves	$2,665	$2,539	$2,526
Acquisitions	-	67	224
Incurred activity	134	384	146
Paid activity[1]	655	325	357
Ending reserves	$2,144	$2,665	$2,539
Net Asbestos:			
January 1 reserves	$1,171	$901	$848
Acquisitions	-	64	182
Incurred activity (net of change in allowance)	(104)	399	20
Paid activity	235	193	149
Total unpaid losses including allowance for unpaid reinsurance	$832	$1,171	$901

[1] In 2010, the increase in paid activity is due to the payment of the 2009 settlement with Armstrong World Industries, with which the Company had been in various insurance coverage disputes.

Included in gross asbestos incurred for 2010, 2009, and 2008 are amounts attributable to claims against 1985 and prior policies issued by EICOW and its affiliates, which are 100% ceded to Nationwide Indemnity Company and guaranteed by Nationwide Mutual Insurance Company. In addition, the Company's 2003 acquisition of Prudential Property and Casualty Insurance Company, Prudential General Insurance Company, and Prudential Commercial Insurance Company (collectively referred to as "PruPac") included $175 and $118 of gross and net asbestos reserves, respectively. Any increase in asbestos reserves related to PruPac is reinsured by Vantage Casualty Insurance Company ("Vantage") and guaranteed by Prudential Financial, Inc. The Company had gross paid losses associated with these reserves of $1, $0, and $47 in 2010, 2009, and 2008, respectively. All remaining 2010 and 2008 gross paid losses are recoverable from Vantage.

	2010	2009	2008
Gross Environmental:			
January 1 reserves	$527	$620	$621
Acquisitions	-	(25)	95
Incurred activity	35	50	13
Paid activity	80	118	109
Ending reserves	$482	$527	$620
Net Environmental:			
January 1 reserves	$409	$495	$486
Acquisitions	-	(25)	84
Incurred activity	(6)	4	(5)
Paid activity	45	65	70
Ending reserves	$358	$409	$495

The Company's 2003 acquisition of PruPac included $15 and $12 of gross and net environmental reserves, respectively. Any increase in environmental reserves related to PruPac is reinsured by Vantage and guaranteed by Prudential Financial, Inc. The Company had gross paid losses associated with these reserves of $0, $0, and $1 in 2010, 2009, and 2008 respectively. All remaining 2008 gross paid losses are recoverable from Vantage.

(6) UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

The Company establishes reserves for payment of claims and claim adjustment expenses that arise from the policies issued. As required by applicable accounting rules, no reserves are established until a loss, including a loss from a catastrophe, occurs. The Company's reserves are segmented into three major categories: reserves for reported claims (estimates made by claims adjusters); IBNR representing reserves for unreported claims and supplemental reserves for reported claims; and reserves for the costs to settle claims. The Company establishes its reserves net of salvage and subrogation by line of business or coverage and year in which losses occur.

Establishing loss reserves, including loss reserves for catastrophic events that have occurred, is an estimation process. Many factors can ultimately affect the final settlement of a claim and, therefore, the necessary reserve. Changes in the law, results of litigation, medical costs, the costs of repair materials, and labor rates can all affect ultimate claim costs. In addition, time can be a critical part of reserving determinations since the longer the span between the incidence of a loss and the payment or settlement of the claim, the more variable the ultimate settlement can be. Accordingly, "short-tail" claims, such as property damage claims, tend to be easier to estimate than "long-tail" claims, such as workers compensation or general liability claims.

As information develops that varies from past experience, provides additional data, or in some cases, augments data that previously was not considered sufficient for use in determining reserves, changes in the Company's estimate of ultimate liabilities may be required. The effects of these changes are reflected in current operating results.

Catastrophes are an inherent risk of the property-casualty insurance business and have contributed to material period-to-period fluctuations in the Company's results of operations and financial position. Catastrophe losses are severe losses resulting from natural and man-made events, including risks such as fire, earthquake, windstorm, explosion, terrorism, and other similar events. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in an area affected by the event and the severity of the event. The level of catastrophe losses experienced in any period cannot be predicted and can be material to the results of operations and financial position of the Company. Catastrophe losses incurred during the years ended December 31, 2010, 2009, and 2008 were $1,091, $709, and $1,580, respectively.

Note 5 includes a discussion of incurred attributable to prior years for asbestos and environmental reserves.

Activity in property and casualty unpaid claims and claim adjustment expenses of the Company are summarized as follows:

	2010	2009	2008
Balance as of January 1	$48,355	$48,311	$42,531
Less: unpaid reinsurance recoverables [1]	12,052	12,423	12,429
Net balance as of January 1	36,303	35,888	30,102
Balance attributable to dispositions and acquisitions	-	56	4,918
Incurred attributable to:			
Current year	20,033	19,584	18,623
Prior years:			
Asbestos and environmental	(7)	312	6
All other	(366)	(999)	(1,081)
Discount accretion	128	154	167
Total incurred	19,788	19,051	17,715
Paid attributable to:			
Current year	10,205	9,583	9,064
Prior years	9,138	9,385	7,567
Total paid	19,343	18,968	16,631
Amortization of deferred retroactive reinsurance gain	54	74	82
Net adjustment due to foreign exchange	(269)	202	(298)
Add: unpaid reinsurance recoverables [1]	11,526	12,052	12,423
Balance as of December 31	$ 48,059	$48,355	$48,311

[1] In addition to the unpaid reinsurance recoverable balances noted above, and as a result of retroactive reinsurance agreements, the Company has recorded retroactive reinsurance recoverable balances of $1,992, $2,067, and $2,111 as of December 31, 2010, 2009, and 2008, respectively.

Incurred attributable to prior years, excluding asbestos and environmental, includes $54, $74, and $82 of amortization of deferred retroactive gain in the years ended December 31, 2010, 2009, and 2008, respectively. In 2010, incurred attributable to prior years, excluding asbestos and environmental and amortization of deferred retroactive gain, is primarily attributable to favorable prior year development driven by the personal automobile and LIU reinsurance lines of business. The personal automobile favorable development is driven by better than expected severity trends, and the LIU reinsurance favorable development is driven by better than expected frequency of large loss events. In 2009, incurred attributable to prior years, excluding asbestos and environmental and amortization of deferred retroactive gain, is primarily attributable to favorable prior year development driven by the workers compensation and general liability lines of business. The workers compensation favorable development is driven by the involuntary market workers compensation pools and the general liability favorable development is due to better than expected frequency and severity trends. In 2008, incurred attributable to prior years, excluding asbestos and environmental and amortization of deferred retroactive gain, is primarily attributable to favorable loss trends in the LIU reinsurance and workers compensation lines of business.

For certain commercial lines of insurance, the Company offers experience-rated insurance contracts whereby the ultimate premium is dependent upon the claims incurred. As of December 31, 2010 and 2009, the Company held $4,156 and $4,384, respectively, of unpaid claims and claim adjustment expenses related to experience-rated contracts. Premiums receivable included accrued retrospective and unbilled audit premiums of $635 and $495 as of December 31, 2010 and 2009, respectively. For the years ended December 31, 2010, 2009, and 2008, the Company recognized a decrease in premium income of $64, $85, and $77, respectively, relating to prior years.

Unpaid claims and claim adjustment expenses are recorded net of anticipated salvage and subrogation of $1,143 and $1,175 as of December 31, 2010 and 2009, respectively.

As of December 31, 2010 and 2009, the reserve for unpaid claim reserves was reduced by $4,823 and $4,784, respectively, for large dollar deductibles. Large dollar deductibles billed and recoverable were $221 and $228 as of December 31, 2010 and 2009, respectively.

(7) REINSURANCE

In the ordinary course of business, the Company assumes reinsurance and also cedes reinsurance to other insurers to reduce overall risk, including exposure to large losses and catastrophic events. The Company is also a member of various involuntary pools and associations and serves as a servicing carrier for residual market organizations.

A summary of reinsurance financial data reflected within the consolidated statements of income is presented below:

P&C	2010		2009		2008	
	Written	Earned	Written	Earned	Written	Earned
Direct	$31,222	$30,752	$30,582	$30,389	$27,667	$27,338
Assumed	1,770	1,678	1,590	1,641	1,640	1,642
Ceded[1]	4,851	4,778	4,921	5,233	4,750	4,369
Net premiums	$28,141	$27,652	$27,251	$26,797	$24,557	$24,611

[1] As of December 31, 2010 and 2009, the Company, through its domestic insurance subsidiaries, participated in homeowners quota share reinsurance contracts on a written premium basis, ceding 30.0% of its Personal Markets' homeowners premium and as of December 31, 2008, ceding 31.725% of total U.S. homeowners premium.

Life	2010		2009		2008	
	Written	Earned	Written	Earned	Written	Earned
Direct	$ 1,124	$ 1,121	$1,065	$1,052	$968	$971
Ceded	74	74	58	58	58	58
Net premiums	$ 1,050	$ 1,047	$ 1,007	$994	$910	$913

The following table summarizes the Company's reinsurance recoverables by reinsurers' Standard & Poor's ("S&P") rating (or the rating of any guarantor) as of December 31, 2010.

S&P Rating	Reinsurance Recoverables	Collateral Held	Net Recoverables[2]
AAA	$3	$-	$3
AA+, AA, AA-	2,884	1,237	1,716
A+, A, A-	6,205	1,341	5,114
BBB+,BBB, BBB-	7	4	5
BB+ or below	5	-	5
Involuntary pools	2,920	5	2,915
Voluntary pools	363	71	301
Other [1]	2,316	2,701	621
Gross recoverables	$14,703	$5,359	$10,680
Less: allowance	393	-	-
Net recoverables	$14,310	$5,359	$10,680

[1] Includes $784 and $1,532 of recoverables from non-rated reinsurers and captive and program business, respectively.
[2] Net recoverables represent gross recoverables less applicable collateral that can be specifically applied against recoverable balances.

The Company remains contingently liable in the event reinsurers are unable to meet their obligations for paid and unpaid reinsurance recoverables and unearned premiums ceded under reinsurance agreements.

The Company has an aggregate reinsurance recoverable from Nationwide Indemnity Company in the amount of $1,638 and $1,725 as of December 31, 2010, and 2009, respectively. The reinsurance recoverable is guaranteed by Nationwide Mutual Insurance Company. Additionally, the Company has significant reinsurance recoverable concentrations with Swiss Reinsurance Group, Munich Re, Everest Re Group and Berkshire Hathaway Group totaling $1,443, $501, $464, and $370 respectively, as of December 31, 2010, net of offsetting collateral under the contracts.

The reinsurance recoverables from state mandated involuntary pools and associations represent the Company's servicing carrier business. As a servicing carrier, the Company retains no direct underwriting risk but instead cedes 100% of the involuntary market premium and losses back to the pool. Payment of losses is shared by the pool participants in proportion to their pool participation. Reinsurer credit risk with respect to any such involuntary pool or association is a function of the creditworthiness of all of the pool participants.

The Company is party to retroactive reinsurance arrangements where a significant portion of the consideration was retained on a "funds held" basis and interest is credited on the balance at a weighted average rate of approximately 7.7% annually. These contracts resulted in deferred gains (including experience related profit accruals of $195) that are amortized into income using the effective interest method over the estimated settlement periods. As of December 31, 2010 and 2009, deferred gains related to these reinsurance arrangements were $550 and $592, respectively, and are included in other liabilities within the consolidated balance sheets. Interest credited to the funds held balances for the years ended December 31, 2010, 2009, and 2008 was $118, $117, and $115, respectively. Deferred gain amortization was $54, $72, and $77 for the years ended December 31, 2010, 2009, and 2008, respectively. Reinsurance recoverables related to these transactions including experience related profit accruals were $1,947 and $2,019 as of December 31, 2010 and 2009, respectively.

Additionally, the Company has an aggregate stop loss program covering substantially all of Commercial Markets voluntary workers compensation business from the fourth quarter 2000 through the fourth quarter 2002 accident year periods. Under these contracts, losses in excess of a specified loss ratio are reinsured up to a maximum loss ratio and were accounted for as prospective reinsurance at inception. However, due to a material contract change at the January 1, 2002, renewal, any premium and loss activity subsequent to December 31, 2001, is accounted for as retroactive reinsurance for coverage provided from the fourth quarter 2000 through the fourth quarter 2001 covered accident year periods. Additional premium and loss activity related to each of these retroactive and prospective contracts was immaterial in 2010, 2009, and 2008. The retroactive portion of the aggregate stop loss program is included in the preceding paragraph.

In 2007, the Company entered into a multi-year property catastrophe reinsurance agreement with Mystic Re II Ltd. ("Mystic Re II"), a Cayman Islands domiciled reinsurer, to provide $150 of reinsurance coverage for the Company and its affiliates in the event of a Northeast and/or Florida hurricane event. In the first quarter 2009, the Company entered into another agreement with Mystic Re II to provide $225 of additional reinsurance coverage for the Company in the event of a U.S. hurricane or earthquake event. The reinsurance agreements are collateralized through a trust and guarantee received by Mystic Re II from the issuance of catastrophe bonds and provides coverage for hurricane or earthquake-related losses based on industry insured losses as reported by Property Claim Services along with company specific losses on the event. The Company has not recorded any recoveries under these programs. Mystic Re II does not have any other reinsurance in force.

Catastrophe Exposure

The Company writes insurance and reinsurance contracts that cover catastrophic events, both natural and man-made. Although the Company purchases reinsurance to mitigate its exposure to certain catastrophic events, claims from catastrophic events could cause substantial volatility in its financial results for any fiscal year and have a material adverse effect on its financial condition.

On November 26, 2002, the Terrorism Risk Insurance Act of 2002 (the Terrorism Act) was enacted into Federal law and established the Terrorism Risk Insurance Program (the Program), a temporary Federal program in the Department of the Treasury, that provided for a system of shared public and private compensation for certain insured losses resulting from acts of terrorism or war committed by or on behalf of a foreign interest. The Program was scheduled to terminate on December 31, 2005. In December 2005, the Terrorism Risk Insurance Extension Act of 2005 (the Terrorism Extension Act) was enacted into Federal law, reauthorizing the Program through December 31, 2007, while reducing the Federal role under the Program. In December 2007, the Terrorism Risk Insurance Program Reauthorization Act of 2007 was enacted into Federal law, extending coverage to include domestic acts of terrorism and reauthorizing the Program through 2014. The three acts are hereinafter collectively referred to as "the Acts."

In order for a loss to be covered under the Program (subject losses), the loss must meet certain aggregate industry loss minimums and must be the result of an event that is certified as an act of terrorism by the U.S. Secretary of the Treasury. The annual aggregate industry loss minimum is $100 through 2014. The original Program excluded from participation certain of the following types of insurance: Federal crop insurance, private mortgage insurance, financial guaranty insurance, medical malpractice insurance, health or life insurance, flood insurance, and reinsurance. The Terrorism Extension Act exempted from coverage certain additional types of insurance, including commercial automobile, professional liability (other than directors and officers'), surety, burglary and theft, and farm-owners multi-peril. In the case of a war declared by Congress, only workers' compensation losses are covered by the Acts. The Acts generally require that all commercial property casualty insurers licensed in the United States participate in the Program. Under the Program, a participating insurer is entitled to be reimbursed by the Federal Government for 85% of subject losses, after an insurer deductible, subject to an annual cap. The Federal reimbursement percentage is 85% through 2014.

The deductible for any calendar year is equal to 20% of the insurer's direct earned premiums for covered lines for the preceding calendar year. The Company's estimated deductible under the Program is $1,692 for 2011. The annual cap limits the amount of aggregate subject losses for all participating insurers to $100,000. Once subject losses have reached the $100,000 aggregate during a program year, participating insurers will not be liable under the Program for additional covered terrorism losses for that program year. The Company has had no terrorism-related losses since the Program was established. Because the Acts are relatively new and their interpretation is untested, there is substantial uncertainty as to how they will be applied to specific circumstances. It is also possible that future legislative action could change the Acts. Further, given the unpredictable frequency and severity of terrorism losses, as well as the limited terrorism coverage in the Company's own reinsurance program, future losses from acts of terrorism, particularly "unconventional" acts of terrorism involving nuclear, biological, chemical or radiological events, could be material to

the Company's operating results, financial position and/or liquidity in future periods. The Company will continue to manage this type of catastrophic risk by monitoring and controlling terrorism risk aggregations to the best of its ability.

(8) DEBT OUTSTANDING

Debt outstanding as of December 31, 2010 and 2009 includes the following:

Short-term and current maturities of long-term debt:

	2010	2009
Commercial paper	$ -	$ -
Revolving credit facilities	-	4
Current maturities of long-term debt	1	301
Total short-term and current maturities of long-term debt	$ 1	$305

Long-term debt:

	2010	2009
7.25% Notes, due 2012	$ 204	$ 204
8.00% Notes, due 2013	260	260
7.86% Medium Term Notes, due 2013	25	25
5.75% Notes, due 2014	500	500
7.30% Notes, due 2014	200	200
5.588% Mortgage Loan due 2015	49	49
6.70% Notes, due 2016	249	249
7.00% Junior Subordinated Notes, due 2067[1]	300	300
8.50% Surplus Notes, due 2025	140	140
7.875% Surplus Notes, due 2026	227	227
7.625% Notes, due 2028	3	3
7.00% Notes, due 2034	231	231
6.50% Notes, due 2035	471	471
7.50% Notes, due 2036	440	440
7.80% Junior Subordinated Notes, due 2087[2]	700	700
10.75% Junior Subordinated Notes, due 2088[3]	1,250	1,250
7.697% Surplus Notes, due 2097	435	435
	5,684	5,684
Unamortized discount	(49)	(49)
Total long-term debt excluding current maturities	$5,635	$5,635

[1] The par value call date and final fixed rate interest payment date is March 15, 2017, subject to certain requirements.
[2] The par value call date and final fixed rate interest payment date is March 15, 2037, subject to certain requirements.
[3] The par value call date and final fixed rate interest payment date is June 15, 2038, subject to certain requirements.

Debt Transactions and In-Force Credit Facilities

On May 12, 2010, LMAC entered into a $200 unsecured revolving credit facility for general corporate purposes with a syndicate of lenders led by Bank of America, N.A. that terminates three years following the date the facility first becomes available. On November 5, 2010, LMAC and Ohio Casualty entered into an Amended and Restated Revolving Credit Agreement to allow both LMAC and Ohio Casualty to be joint and several co-borrowers under the facility, as well as to change certain covenants to reflect the combined financial statements of the co-borrowers. On December 20, 2010, the co-borrowers triggered the availability of the facility and established the specific terms of the financial covenants based on the current combined financial statements (after giving effect to certain reorganization transactions). To date, no funds have been borrowed under the agreement.

On May 11, 2010, Peerless Insurance Company ("PIC") became a member of the Federal Home Loan Bank of Boston. This membership provides the Company with access to a secured asset-based borrowing with loan maturities of up to 20 years. To date, no funds have been borrowed.

On March 26, 2010, Liberty Mutual Insurance Company ("LMIC") entered into a $750 three-year committed repurchase agreement. In connection with the new repurchase agreement, LMIC terminated its existing $750 364-day committed repurchase agreement. As of December 31, 2010, no borrowings were outstanding under the agreement.

On March 26, 2010, PIC entered into a $250 three-year committed repurchase agreement. The repurchase agreement is guaranteed by LMIC. To date, no funds have been borrowed under the agreement.

On December 14, 2009, Liberty Mutual Group, Inc ("LMGI") entered into a three-year $400 unsecured revolving credit facility which terminates on December 14, 2012. In connection with the new facility, LMGI terminated its $250 three-year unsecured revolving credit facility and its two revolving credit facilities totaling $750. To date, no funds have been borrowed under the facility.

The Company places commercial paper through a program issued by LMGI and guaranteed by LMIC. Effective December 14, 2009, the $1,000 commercial paper program was reduced to $400 and is backed by the three-year $400 unsecured revolving credit facility. As of December 31, 2010, no commercial paper borrowings were outstanding.

On December 10, 2009, Berkeley/St. James Real Estate LLC, a wholly-owned affiliate of the Company, entered into a five-year $50 mortgage loan secured by the Company's headquarters located at 175 Berkeley Street and 30 St. James Avenue, Boston, Massachusetts. The mortgage loan has limited recourse to Berkeley/St. James Real Estate LLC in certain instances, and LMGI guarantees those limited recourse obligations.

On March 11, 2009, LMIC became a member of the Federal Home Loan Bank of Boston. This membership provides the Company with access to a secured asset-based borrowing with loan maturities of up to 20 years. To date, no funds have been borrowed.

On June 9, 2006, Liberty Mutual Insurance Europe Limited entered into a $20 revolving loan facility. The facility is available to provide working capital to the Company's international operations. The revolving loan facility is guaranteed by LMIC. As of December 31, 2010, no borrowings were outstanding under the facility.

As part of its overall capital strategy, the Company previously announced that it may issue, repurchase or exchange debt depending on market considerations. Debt repurchases, may be done through open market or other appropriate transactions. For the year ended December 31, 2009, the Company repurchased $65 of the 7.697% Surplus Notes due 2097, $60 of the 7.50% Notes due 2036, $29 of the 6.50% Notes due 2035, $23 of the 7.875% Notes due 2026, $19 of the 7.00% Notes due 2034, $10 of the 8.50% Surplus Notes due 2025, and $1 of the 6.70% Notes due 2016. A gain of $59 was recorded on the transactions and is included in fee and other revenues in the consolidated statements of income.

Payments of interest and principal of the surplus notes are expressly subordinate to all policyholder claims and other obligations of LMIC. Accordingly, interest and principal payments are contingent upon prior approval of the Commissioner of Insurance of the Commonwealth of Massachusetts.

Capital lease obligations as of December 31, 2010 and 2009 were $177 and $105, respectively, and are included in other liabilities in the accompanying consolidated balance sheets. Amortization of the lease obligation was $15 and $49 for the years ended December 31, 2010 and 2009, respectively. In 2010 and 2008, the Company entered into arrangements to sell and leaseback certain furniture and equipment. The weighted average interest rate on these leases is 3.68%. The transactions are accounted for as capital leases. As of December 31, 2010, the Company's amortization of the lease obligations under the sale-leaseback agreements through maturity is approximately $30 for 2011, $32 for 2012, $33 for 2013, $17 for 2014 and $16 for 2015.

Interest

The Company paid $461, $468, and $406 of interest in 2010, 2009, and 2008, respectively.

(9) INCOME TAXES

The Company files a consolidated U.S. Federal income tax return for substantially all of its domestic operations. Pursuant to intercompany Federal income tax allocation agreements among each of these companies and their respective subsidiaries, the consolidated tax liabilities are allocated to each company based on its separate return tax liability. Tax benefits are allocated to each company for its portion of net operating losses and tax credit carry forwards in the year they are used by the consolidated group. Intercompany tax balances are settled quarterly. A provision is made, where applicable, for taxes on foreign operations.

The components of Federal, state and foreign income tax expense (benefit) are:

Years ended December 31,	**2010**	**2009**	**2008**
Current tax expense (benefit):			
United States Federal	$121	$108	$201
United States Federal benefit of net operating losses	(8)	(27)	-
State	5	6	1
Foreign	201	147	136
Total current tax expense	319	234	338
Deferred tax expense (benefit):			
United States Federal	294	(74)	(245)
Foreign	24	27	47
Total deferred tax expense (benefit)	318	(47)	(198)
Total Federal, state and foreign income tax expense	$637	$187	$140

A reconciliation of the income tax expense attributable to continuing operations computed at U.S. Federal statutory tax rates to the income tax expense as included in the consolidated statements of income follows:

Years ended December 31,	**2010**	**2009**	**2008**
Expected Federal income tax expense	$812	$423	$439
Tax effect of:			
Nontaxable investment income	(168)	(191)	(155)
Change in valuation allowance	(11)	4	15
Goodwill	(15)	(15)	(13)
Tax litigation	-	(1)	(76)
Revision to estimates	(21)	-	(24)
Medicare legislative change	55	-	-
State	5	6	1
Foreign	(69)	(27)	(84)
Other	49	(12)	37
Actual income tax expense	$637	$187	$140

The significant components of the deferred income tax assets and liabilities as of December 31, are summarized as follows:

	2010	2009
Deferred tax assets:		
Unpaid claims discount	$577	$601
Unearned premium reserves	779	723
Net operating losses	161	172
Employee benefits	521	954
Retroactive reinsurance deferred gain	201	215
Credits	94	134
Other	898	867
	3,231	3,666
Less: valuation allowance	(153)	(160)
Total deferred tax assets	3,078	3,506
Deferred tax liabilities:		
Deferred acquisition costs	740	694
Net unrealized gains	734	401
Intangibles	407	403
Other	401	317
Total deferred tax liabilities	2,282	1,815
Net deferred tax assets	$796	$1,691

The decrease in the valuation allowance is primarily due to the dissolution of a foreign subsidiary offset by net operating losses generated in certain foreign subsidiaries where there is uncertainty as to the timing and amount of the realization of these losses. Based on the assumption that future levels of income will be achieved, management believes it is more likely than not the remaining net deferred tax assets after valuation allowance will be realized.

The Company's subsidiaries had alternative minimum tax carry forwards of $86 and net operating loss carry forwards of $460 as of December 31, 2010. The alternative minimum tax credits do not expire. However, the net operating losses available in the U.S. and various non-U.S. tax jurisdictions will begin to expire, if not utilized, as follows:

2011	$14
2012	24
2013	27
2014	45
2015	42
Thereafter	308
Total	$460

The Company has not provided for deferred taxes on unremitted earnings of subsidiaries outside the U.S. where such earnings are permanently reinvested. As of December 31, 2010, unremitted earnings of foreign subsidiaries were $1,791. If these earnings were distributed in the form of dividends or otherwise, the Company would be subject to U.S. income taxes less an adjustment for applicable foreign tax credits.

The IRS has completed its review of the Company's federal income tax returns through the 1998 tax year and is currently reviewing income tax returns for the 1999 through 2007 tax years. Any adjustments that may result from the IRS examinations of these income tax returns are not expected to have a material impact on the financial position, liquidity, or results of operations of the Company.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Balance as of December 31, 2008	$221
Additions based on tax positions related to the current year	16
Additions for tax positions of prior years	7
Reductions for tax positions of prior years	(22)
Settlements	(1)
Balance as of December 31, 2009	221
Additions based on tax positions related to the current year	1
Additions for tax positions of prior years	138
Reductions for tax positions of prior years	(39)
Settlements	-
Balance as of December 31, 2010	$321

Included in the tabular roll forward of unrecognized tax benefits is interest in the amount of $84 and $85 as of December 31, 2010 and 2009, respectively.

Included in the December 31, 2010 balances above are $160 related to tax positions that would impact the effective tax rate.

The Company recognizes interest and penalties related to unrecognized tax benefits in Federal, state, and foreign income tax expense. During the years ended December 31, 2010, 2009, and 2008, the Company recognized approximately $(2), $18, and $8 in interest and penalties. The Company had approximately $80 and $82 of interest and penalties accrued as of December 31, 2010 and 2009, respectively.

On October 15, 2008, the Company prevailed in its suit for refund of overpaid federal income tax for the 1990 tax year, based on the treatment of salvage and subrogation. The United States District Court, District of Massachusetts, in *Liberty Mutual Insurance Company v. United States* and *Liberty Mutual Fire Ins. Co. v. United States,* ruled that the amount of income tax refund due and deficiency interest refund due were $42 and $40, respectively, plus statutory interest on the income tax and deficiency interest refunds until paid. On June 10, 2009, the United States Court of Appeals for the First Circuit entered a judgment that dismissed the Government's notice of appeal. As a result, Liberty Mutual received a cash refund of $126 from the U.S. Treasury in December 2009.

The Company does not expect any material changes to the unrecognized tax benefits within 12 months of the reporting date.

(10) BENEFIT PLANS

The Company sponsors non-contributory defined benefit pension plans ("the Plans") covering substantially all U.S. and Canadian employees. The benefits and eligibility are based on age, years of service, and the employee's final average compensation, as more fully described in the Plans. Some foreign subsidiaries sponsor pension plans (principally non-contributory) which provide benefits based on final pay.

The Company sponsors non-qualified supplemental pension plans to restore to selected highly compensated employees the pension benefits to which they would be entitled under the Company's U.S. tax qualified, defined benefit pension plan had it not been for limits imposed by the Internal Revenue Code. The supplemental plans are unfunded.

The Company also provides certain healthcare and life insurance benefits ("Postretirement") covering substantially all U.S. and Canadian employees. Life insurance benefits are based on a participant's final compensation subject to the plan maximum.

Assets of the U.S. tax qualified, defined benefit pension plan consist primarily of investments in separate accounts established under a group annuity contract issued by a subsidiary life insurance company. The separate accounts invest primarily in fixed income securities and in the equity securities of companies in The Standard and Poor's 500 Index. As of December 31, 2010 and 2009, assets of the plans totaling $3,749 and $3,393, respectively, were held in separate accounts of the Company.

The Company sponsors defined contribution savings plans for substantially all U.S. (a 401(k) plan) and Canadian (a Deferred Profit Sharing Plan) employees who meet certain eligibility requirements. During 2010, 2009, and 2008, employees could contribute a percentage of their annual compensation on a before and after-tax basis, subject to Federal limitations. The benefits are based on the employee's contribution amount and Company performance. In 2010, 2009, and 2008, the Company made matching contributions of $148, $162, and $156, respectively, including the supplemental defined contribution plans.

The Safeco Cash Balance Plan (a defined benefit pension plan) was liquidated in 2010. As a result, the benefit obligation was eliminated from the Company's books resulting in a settlement charge of $35.

Compensation expense related to the Company's long-term and short-term incentive compensation plans was $406, $434, and $387 for the years ended December 31, 2010, 2009, and 2008, respectively.

The following table sets forth the assets, obligations, and assumptions associated with the various U.S., Canadian, and certain foreign subsidiary pension and postretirement benefits. The amounts are recognized in the accompanying consolidated balance sheets as of December 31, 2010 and 2009, and consolidated statements of income for the years ended December 31, 2010, 2009, and 2008.

	Pension		Supplemental Pension		Postretirement	
	2010	2009	2010	2009	2010	2009
Change in benefit obligations:						
Benefit obligation at beginning of year	$4,907	$4,634	$328	$324	$803	$781
Service costs	196	200	10	12	24	28
Interest costs	290	278	20	19	46	46
Amendments	(2)	-	-	-	(71)	10
Actuarial gains	(555)	(32)	(22)	(2)	(53)	(31)
Currency exchange rate change	1	11	-	-	-	-
Acquisitions	3	-	-	-	-	-
Benefits paid	(345)	(185)	(15)	(25)	(30)	(31)
Employee contributions	1	1	-	-	-	-
Other	-	-	-	-	-	-
Benefit obligations at end of year	**$4,496**	**$4,907**	**$321**	**$328**	**$719**	**$803**
Accumulated benefit obligations	**$4,141**	**$4,251**	**$286**	**$283**	**$719**	**$803**
Change in plan assets:						
Fair value of plan assets at beginning of year	$3,640	$3,141	$ -	$ -	$ -	$3
Actual return on plan assets	335	472	-	-	-	-
Currency exchange rate change	2	10	-	-	-	-
Acquisitions	3	-	-	-	-	-
Employer contribution	263	201	-	-	-	-
Benefits paid	(345)	(185)	-	-	-	(3)
Other	2	1	-	-	-	-
Fair value of plan assets at end of year	**$3,900**	**$3,640**	**$ -**	**$ -**	**$ -**	**$ -**
Funded status of Plan	**$(596)**	**$(1,267)**	**$(321)**	**$(328)**	**$(719)**	**$(803)**

	Pension		Supplemental Pension		Postretirement	
	2010	2009	2010	2009	2010	2009
Amounts recognized in the Balance Sheets:						
Noncurrent assets	$6	$3	$-	$-	$-	$-
Current liabilities	-	(35)	(23)	(14)	(40)	(37)
Noncurrent liabilities	(602)	(1,235)	(298)	(314)	(679)	(766)
Net liability at end of year	**$(596)**	**$(1,267)**	**$(321)**	**$(328)**	**$(719)**	**$(803)**
Amounts recognized in Accumulated Other Comprehensive Loss (Income):						
Net loss (gain)	$563	$1,272	$93	$124	$(101)	$(46)
Prior service costs	26	34	3	6	(30)	(16)
Net transition (asset) liability	(1)	(8)	-	-	-	60
Total	**$588**	**$1,298**	**$96**	**$130**	**$(131)**	**$(2)**
Other changes in Plan assets and projected benefit obligation recognized in Other Comprehensive (Income):						
Net actuarial (gain)	$(628)	$(253)	$(22)	$(2)	$(54)	$(30)
Currency exchange rate change	1	1	-	-	-	-
Amortization of net actuarial (gain)	(82)	(58)	(9)	(10)	(1)	(2)
Prior service costs	(2)	-	-	-	(16)	10
Amortization of prior service cost	(6)	(6)	(3)	(2)	2	3
Transition obligation	-	-	-	-	(55)	-
Amortization of transition obligation	7	5	-	-	(5)	(9)
Total[1]	**$(710)**	**$(311)**	**$(34)**	**$(14)**	**$(129)**	**$(28)**

(1) The amounts recognized in other comprehensive (loss) income for the years ended December 31, 2010 and 2009 include a $(7) and $68 deferred tax (liability) asset related to the Medicare Part D subsidy.

The estimated net actuarial loss, prior service cost, and transition obligation for the pension, supplemental pension and postretirement welfare plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during the 2011 fiscal year are $3, $6, and $(5) for pension plans, $8, $1, and less than $1 for supplemental pension plans, and $(3), $(3) and $0 for postretirement welfare plans.

The net benefit costs for the years ended December 31, 2010, 2009, and 2008, include the following components:

December 31, 2010	Pension	Supplemental Pension	Postretirement
Components of net periodic benefit costs:			
Service costs	$196	$10	$24
Interest costs	290	20	46
Expected return on plan assets	(260)	-	-
Settlement charge	35	-	-
Amortization of unrecognized:			
Net loss	47	9	1
Prior service cost	6	3	(2)
Net transition (assets) obligation	(7)	-	5
Net periodic benefit costs	**$307**	**$42**	**$74**

December 31, 2009	Pension	Supplemental Pension	Postretirement
Components of net periodic benefit costs:			
Service costs	$200	$12	$28
Interest costs	278	19	46
Expected return on plan assets	(251)	-	-
Settlement charge	2	-	-
Amortization of unrecognized:			
Net loss	55	10	2
Prior service cost	6	2	(3)
Net transition (assets) obligation	(5)	-	9
Net periodic benefit costs	**$285**	**$43**	**$82**

December 31, 2008	Pension	Supplemental Pension	Postretirement
Components of net periodic benefit costs:			
Service costs	$142	$10	$22
Interest costs	251	15	40
Expected return on plan assets	(267)	-	(1)
Settlement charge	1	-	-
Amortization of unrecognized:			
Net loss (gain)	10	5	(2)
Prior service cost	6	3	(3)
Net transition (assets) obligation	(5)	-	9
Net periodic benefit costs	**$138**	**$33**	**$65**

The measurement date used to determine pension and other postretirement is December 31, 2010.

Weighted-average actuarial assumptions for benefit obligations are set forth in the following table:

December 31,	2010	2009
Pension		
Discount rate	6.50%	6.15%
Rate of compensation increase	3.70%	4.70%
Supplemental Pension		
Discount rate	6.50%	6.15%
Rate of compensation increase	3.90%	4.90%
Postretirement		
Discount rate	6.50%	6.15%

Weighted-average actuarial assumptions for net periodic benefit costs are set forth in the following table:

December 31,	2010	2009	2008
Pension			
Discount rate	6.15%	6.00%	6.50%
Expected return on plan assets	6.75%	6.75%	7.50%
Rate of compensation increase	4.70%	4.70%	4.70%
Supplemental Pension			
Discount rate	6.15%	6.00%	6.50%
Rate of compensation increase	4.90%	4.90%	4.90%
Postretirement			
Discount rate	5.98%	6.00%	6.50%
Expected return on plan assets	-	7.15%	7.15%

The discount rate assumption used to determine the benefit obligations was based on a yield curve approach where the cash flow related to the benefit plans' liability stream was discounted at an interest rate specifically applicable to the timing of the cash flow. The process calculated the present value of these cash flows and determined the equivalent single discount rate that produced the same present value of the future cash flows. On an annual basis, the Company reviews the discount rate assumption used to determine the benefit obligations and the composition of various yield curves to ensure that the assumed discount rate reflects the Company's best estimate of the rate of return inherent in a portfolio of high-quality debt instruments that would provide the cash flows necessary to settle the Company's projected benefit payments.

In choosing the expected long-term rate of return on plan assets, the Company's Retirement Board considered the historical returns of equity and fixed income markets in conjunction with current economic and financial market conditions.

The weighted-average healthcare cost trend rates are expected to be 8.8% in 2011 graded down to 5.5% in 2018. Healthcare cost trend rate assumptions have a material impact on the postretirement benefit obligation. A one-percentage point change in assumed healthcare cost trend rates would have the following effects:

	1% point increase	1% point decrease
Effect on Postretirement Benefit Obligation	$ 66	$ (51)
Effect on total service and interest costs	$ 11	$ (8)

Plan Assets

The assets of the domestic Plan represent 97% and 93% of the total Plan assets as of December 31, 2010 and 2009, respectively. The Company's overall investment strategy for the domestic Plans' assets is to achieve a mix of approximately 65% of investments for near-term benefit payments and 35% for long-term growth with a wide diversification of asset types, fund strategies, and fund managers. The domestic Plan's goal is to achieve a total return in the range of 6%-8% annually with sufficient liquidity to meet the benefit needs of the domestic Plan.

The majority of the domestic Plans' assets are managed through separate accounts sponsored by Liberty Life Assurance Company of Boston, a wholly owned indirect subsidiary of the Company.

The target allocation for domestic Plans assets are 62% bonds, 20% diversified public equities, 15% private equity and real estate investments, and 3% cash and short-term investments.

Bonds include investment grade and high yield corporate bonds of companies from diversified industries, residential and commercial mortgage backed securities (RMBS and CMBS), asset backed securities (ABS) and collateralized mortgage obligations (CMO) along with U.S. Treasuries and Agencies (FNMA and FHLMC). Equity securities primarily include investments in large-cap and small-cap companies primarily located in the United States but also with exposures to Europe and Asia. Private equity and real estate investments include investments in private equity funds that follow several different strategies and real estate funds.

The investment strategy for each category of domestic Plans assets is as follows:

Fixed maturities - Achieve superior performance against Barclay's Aggregate Bond Index and Merrill High Yield Index over a 3 to 5 year period.

U.S large cap equities – Mirror performance of the Standard and Poor's Index ("S&P 500").

U.S mid and small cap equities – Achieve superior performance against the Russell 2000 Index over a 3 to 5 year period.

European equities – Achieve superior performance against the MSCI Europe Index over a 3 to 5 year period.

Asian equities – Achieve superior performance against the MSCI Asia, ex Japan Index over a 3 to 5 year period.

Other equities – Represents other foreign equities.

Private equity investments – Achieve long-term returns in excess of liquid equity securities and provide diversification to domestic Plan's assets. Performance is targeted to outperform the S&P 500, Russell 2000, NASDAQ and private equity benchmarks or other relative benchmarks. Exposures are targeted at 80% to U.S. partnerships and 20% to International partnerships diversified by geography, manager, industry, stage and single vintage year.

Real estate investments – Achieve attractive risk-adjusted total returns through investment primarily in U.S. real estate funds diversified by geography, sector and single vintage year.

The domestic Plans' assets are administered by the Liberty Mutual Retirement Board who has the fiduciary responsibility for management of the domestic Plans' assets in accordance with the Liberty Mutual Retirement Benefit Plan Investment Policy. This policy has been approved by the Liberty Mutual Board of Directors.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2010 and 2009.

Fair Value Measurements as of December 31, 2010

Asset Category	Total	Quoted prices in active markets for identical assets Level 1[1]	Significant Observable Inputs Level 2[1]	Significant Unobservable Inputs Level 3[1]
Cash, cash equivalents and short-term investments	$325	$ 325	$ -	$ -
Fixed maturities:				
U.S. government and agency securities	361	351	10	-
RMBS/CMO/ABS/CMBS	974	-	974	-
Corporate and other	995	2	993	-
U.S. large cap equities	604	603	-	1
U.S. mid and small cap equities	154	154	-	-
European equities	148	145	-	3
Asian equities	230	230	-	-
Other equities	20	13	1	6
Private equity investments	86	-	-	86
Real estate investments	3	-	-	3
Total	$ 3,900	$ 1,823	$ 1,978	$ 99

[1] See Note 11 for descriptions of the three levels of fair value presentation.

Fair Value Measurements as of December 31, 2009

Asset Category	Total	Quoted prices in active markets for identical assets Level 1[1]	Significant Observable Inputs Level 2[1]	Significant Unobservable Inputs Level 3[1]
Cash, cash equivalents and short-term investments	$465	$465	$-	$-
Fixed maturities:				
U.S. government and agency securities	301	292	9	-
RMBS/CMO/ABS/CMBS	945	-	945	-
Corporate and other	853	23	830	-
U.S. large cap equities	513	513	-	-
U.S. mid and small cap equities	122	122	-	-
European equities	153	150	-	3
Asian equities	184	184	-	-
Other equities	19	12	3	4
Private equity investments	83	-	-	83
Real estate investments	2	-	-	2
Total	$3,640	$1,761	$1,787	$92

[1] See Note 11 for descriptions of the three levels of fair value presentation.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Balance January 1, 2010	Actual return on plan assets still held	Actual return on plan assets sold	Actual return on plan asset purchases, sales, & settlements	Balance December 31, 2010
U.S. large cap equities	$-	$-	$-	$1	$1
European equities	3	-	-	-	3
Private equity investments	83	(4)	11	(4)	86
Real estate investments	2	1	-	-	3
Other equities	4	1	-	1	6
Total	$92	$(2)	$11	$(2)	$99

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Balance January 1, 2009	Actual return on plan assets still held	Actual return on plan assets sold	Actual return on plan asset purchases, sales, & settlements	Balance December 31, 2009
European equities	$2	$-	$-	$1	$3
Private equity investments	95	(15)	5	(2)	83
Real estate investments	2	-	-	-	2
Other equities	4	-	-	-	4
Total	$103	$(15)	$5	$(1)	$92

The valuation of the Plan's investments in real estate and private equity are determined either internally or by an external fund manager based on recent filings, operating results, balance sheet stability, growth and other business and market sector fundamentals.

Cash Flows

Contributions

The Company contributed $263 to the qualified plans, and directly funded $15 to retirees in the supplemental pension plans in 2010. In addition, the Company directly funded $30 to the postretirement benefit plans in 2010.

The Company expects to contribute approximately $305 to the qualified plans, directly fund $23 to retirees in the supplemental pension plans, and $44 to the postretirement benefit plans gross of the Medicare Subsidy in 2011.

Expected Future Benefit Payments

The following benefit payments, which reflect expected future service as appropriate, are expected to be paid:

	Pension	Supplemental Pension	Postretirement Welfare Plans	Postretirement Medicare Subsidy
2011	$186	$23	$44	$(5)
2012	195	15	46	(5)
2013	207	41	41	-
2014	220	31	42	-
2015	234	31	44	-
2016-2020	1,412	145	226	-

(11) FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach, which generally utilizes market transaction data for identical or similar instruments.

The hierarchy level assigned to each security in the Company's available for sale portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Securities are classified based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period. The three hierarchy levels are defined as follows:

- Level 1 — Valuations based on unadjusted quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 — Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets or liabilities at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve management judgment. The unobservable inputs reflect the Company's own assumptions about the assumptions that market participants might use.

The availability of observable inputs can vary from financial instrument to financial instrument and is affected by a wide variety of factors, including, for example, the type of financial instrument, whether the financial instrument is new and not yet established in the marketplace, and other characteristics particular to the financial instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in Level 3.

The Company used the following methods and assumptions in estimating the fair value of its financial instruments as well as the general classification of such financial instruments pursuant to the above fair value hierarchy:

Fixed Maturities

At each valuation date, the Company uses various valuation techniques to estimate the fair value of its fixed maturities portfolio. The primary method for valuing the Company's securities is through independent third-party valuation service providers. For positions where valuations are not

available from independent third-party valuation service providers, the Company utilizes broker quotes and internal pricing methods to determine fair values. The Company obtains a single non-binding price quote from a broker familiar with the security who, similar to the Company's valuation service providers, may consider transactions or activity in similar securities, as applicable, among other information. The brokers providing price quotes are generally from the brokerage divisions of leading financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation. The evaluation and prioritization of these valuation sources is systematic and predetermined resulting in a single quote or price for each financial instrument. The following describes the techniques generally used to determine the fair value of the Company's fixed maturities by asset class:

U.S. government and agency
U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal Home Loan Bank, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As the fair values of the Company's U.S. Treasury securities are based on unadjusted market prices, they are classified within Level 1. The fair value of U.S. government agency securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

Mortgage-Backed Securities
The Company's portfolio of residential mortgage-backed securities ("MBS") and commercial MBS are originated by both agencies and non-agencies, the majority of which are pass-through securities issued by U.S. government agencies. The fair value of MBS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of MBS is primarily classified within Level 2.

Asset-Backed Securities
Asset-backed securities ("ABS") include mostly investment-grade bonds backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, credit card receivables, and collateralized loan obligation securities originated by a variety of financial institutions. The fair value of ABS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of ABS is primarily classified within Level 2.

Municipals
The Company's municipal portfolio comprises bonds issued by U.S. domiciled state and municipal entities. The fair value of municipal securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, broker quotes, issuer ratings, reported trades and credit spreads. Accordingly, the fair value of municipal securities is primarily classified within Level 2.

Corporate debt and other
Corporate debt securities consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. The fair value of corporate and other securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, new issuances, issuer ratings, reported trades of identical or comparable securities, bids, offers and credit spreads. Accordingly, the fair value of corporate and other securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Foreign government securities
Foreign government securities comprise bonds issued by foreign governments and their agencies along with supranational organizations. The fair value of foreign government securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, broker quotes, issuer ratings, reported trades of identical or comparable securities and credit spreads. Accordingly, the fair value of foreign government securities is primarily classified within Level 2.

Equity securities
Equity securities include common and preferred stocks. Common stocks with fair values based on quoted market prices in active markets are classified in Level 1. Common stocks with fair values determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active are classified in Level 2. The fair value of preferred stock is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active. Accordingly, the fair value of preferred stock is primarily classified within Level 2.

Other investments
Other investments include primarily international loans, foreign cash deposits and equity investments in privately held businesses. International loans and cash deposits are primarily valued using quoted prices for similar instruments in active markets; these assets are categorized as Level 2 of the fair value hierarchy. Equity investments in privately held businesses are valued using internal management estimates; they are categorized as Level 3 of the hierarchy. Limited partnership investments, which represent the remainder of the other investment balance on the consolidated balance sheet, are not subject to these disclosures and therefore are excluded from the below table.

Separate account assets
Separate account assets, which primarily consist of fixed maturity and equity securities, are measured based on the methodologies discussed above. The activity in separate account assets is offset by an equal amount for separate account liabilities, which results in a net zero impact for the Company.

Other assets
Other assets primarily consist of fixed maturities, short-term investments, and equity securities of captive companies sponsored by the Company. These assets are measured based on the methodology for individual securities as discussed above.

Life insurance obligations
Life insurance obligations include certain variable annuity contracts which contain guaranteed minimum income benefits that contain embedded derivatives and are bifurcated from the host contract and carried at fair value. The measurements on these embedded derivatives is computed on a recurring basis using assumptions predominately classified as Level 3 (significant unobservable) inputs. While some inputs are observable in the market such as risk free rates, volatility and historical equity returns, the underlying future policyholder behavior inputs are highly unobservable. These assumptions include mortality, lapse, and the underlying take-up rate with regard to annuitization.

The following tables summarize the Company's assets that are measured at fair value on a recurring basis as of December 31, 2010 and December 31, 2009:

	As of December 31, 2010			
Assets, at Fair Value	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. government and agency securities	$2,152	$1,024	$16	$3,192
Mortgage and asset-backed securities:				
Residential	-	9,854	179	10,033
Commercial	-	2,453	20	2,473
Other mortgage and asset-backed securities	-	1,734	14	1,748
U.S. state and municipal	-	12,718	14	12,732
Corporate and other	-	23,204	771	23,975
Foreign government securities	-	4,286	114	4,400
Total fixed maturities, available for sale	2,152	55,273	1,128	58,553
Common stock	1,212	-	18	1,230
Preferred stock	-	499	4	503
Total equity securities, available for sale	1,212	499	22	1,733
Short-term investments	119	191	3	313
Other investments	-	54	115	169
Separate account assets	1,794	1,938	161	3,893
Other assets	9	52	23	84
Total assets	$5,286	$58,007	$1,452	$64,745
Liabilities, at Fair Value				
Life insurance obligations	$ -	$ -	$ (149)	$ (149)
Total liabilities	$ -	$ -	$ (149)	$ (149)

	As of December 31, 2009			
Assets, at Fair Value	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. government and agency securities	$1,504	$ 917	$ 44	$ 2,465
Mortgage and asset-backed securities:				
Residential	-	10,983	6	10,989
Commercial	-	2,145	15	2,160
Other mortgage and asset-backed securities	-	1,849	53	1,902
U.S. state and municipal	-	15,489	21	15,510
Corporate and other	-	18,835	848	19,683
Foreign government securities	-	3,723	7	3,730
Total fixed maturities, available for sale	1,504	53,941	994	56,439
Common stock	630	44	14	688
Preferred stock	-	497	3	500
Total equity securities, available for sale	630	541	17	1,188
Short-term investments	147	369	59	575
Other investments	-	62	64	126
Separate account assets	1,628	1,742	187	3,557
Other assets	15	75	19	109
Total assets	$3,924	$56,730	$1,340	$61,994
Liabilities, at Fair Value				
Life insurance obligations	$ -	$ -	$(143)	$ (143)
Total liabilities	$ -	$ -	$(143)	$ (143)

The following tables set forth the fair values of assets on a recurring basis classified as Level 3 within the fair value hierarchy:

	Balance January 1, 2010	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Net Purchases, (Sales) and (Maturities)	Transfer in and/ or out of Level 3	Balance December 31, 2010
U.S. government and agency securities	$ 44	$ -	$ 1	$ (17)	$ (12)	$ 16
Mortgage and asset-backed securities:						
Residential	6	-	2	175	(4)	179
Commercial	15	-	(1)	17	(11)	20
Other mortgage and asset-backed securities	53	(1)	5	(26)	(17)	14
U.S. state and municipal	21	-	-	(1)	(6)	14
Corporate and other	848	2	(6)	(105)	32	771
Foreign government securities	7	-	(1)	107	1	114
Total fixed maturities	994	1	-	150	(17)	1,128
Common stock	14	1	2	6	(5)	18
Preferred stock	3	1	-	-	-	4
Total equity securities	17	2	2	6	(5)	22
Short-term investments	59	(2)	(3)	(51)	-	3
Other investments	64	14	(1)	3	35	115
Separate account assets	187	45	(34)	(37)	-	161
Other assets	19	1	-	3	-	23
Total assets	$1,340	$61	$(36)	$74	$13	$1,452
Life insurance obligations	$(143)	$ (33)	$ -	$ 27	$ -	$ (149)
Total liabilities	$(143)	$ (33)	$ -	$ 27	$ -	$ (149)

	Balance January 1, 2009	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Net Purchases, (Sales) and (Maturities)	Transfer in and/ or out of Level 3	Balance December 31, 2009
U.S. government and agency securities	$ 31	$ -	$ 1	$(3)	$ 15	$ 44
Mortgage and asset-backed securities:						
Residential	4	-	-	-	2	6
Commercial	18	-	2	(1)	(4)	15
Other mortgage and asset-backed securities	44	1	-	(9)	17	53
U.S. state and municipal	9	-	1	(1)	12	21
Corporate and other	781	9	81	72	(95)	848
Foreign government securities	10	-	1	(3)	(1)	7
Total fixed maturities	897	10	86	55	(54)	994
Common stock	110	(5)	8	(16)	(83)	14
Preferred stock	-	-	-	3	-	3
Total equity securities	110	(5)	8	(13)	(83)	17
Short-term investments	73	-	-	(14)	-	59
Other investments	62	(2)	4	(1)	1	64
Separate account assets	188	(1)	5	(3)	(2)	187
Other assets	27	(12)	-	4	-	19
Total assets	$1,357	$(10)	$103	$28	$(138)	$1,340
Life insurance obligations	$(223)	$ -	$ 36	$44	$ -	$(143)
Total liabilities	$(223)	$ -	$ 36	$44	$ -	$(143)

There were no material unrealized gains (losses) for the period included in earnings attributable to the fair value relating to assets and liabilities classified as Level 3 that are still held as of December 31, 2010 and 2009.

For the years ended December 31, 2010, 2009, and 2008, there were impairments of $26, $22, and $29, respectively, recognized for items measured at fair value on a nonrecurring basis (principally direct investments in oil and gas production ventures, which are based on independent external studies). Impairment charges for the above are reflected in insurance operating costs and expenses in the consolidated statements of income.

The Company did not have significant transfers between Levels 1 and 2 during the year ended December 31, 2010.

For fixed maturities and equity securities, transfers into Level 3 were $106 and transfers out of Levels 3 were ($93) for the year ended December 31, 2010. These transfers were primarily due to re-evaluation of the observability of pricing inputs.

The Company has elected to apply the fair value option to certain financial instruments in limited circumstances. The fair value option election is made on an instrument by instrument basis. All periodic changes in the fair value of the elected instruments are reflected in the income statement. The impact of the fair value option elections is immaterial to the Company.

The fair values and carrying values of the Company's financial instruments excluded from ASC 820 as of December 31, 2010 and 2009, are as follows:

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Other investments	$2,898	$2,898	$2,493	$2,493
Mortgage loans	1,206	1,216	1,121	1,062
Cash and cash equivalents	4,930	4,930	4,847	4,847
Individual and group annuities	2,055	2,439	2,079	2,280
Debt	5,636	5,902	5,940	5,728

Other investments: Fair values represent (1) the Company's equity in partnership net assets and (2) equity investments in privately held businesses carried at fair value.

Mortgage loans: The fair values of commercial mortgage loans were estimated using option adjusted valuation discount rates.

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for these instruments approximate fair values.

Individual and group annuities: Fair values of liabilities under fixed investment-type insurance contracts are estimated using discounted cash flow calculations at pricing rates as of December 31, 2010 and 2009. Also included are variable investment-type insurance contracts, for which carrying value approximates fair value as of December 31, 2010 and 2009.

Debt outstanding: Fair values of commercial paper and short-term borrowings approximate carrying value. Fair values of long-term debt were based on either quoted market prices or estimated using discounted cash flow analyses based on the Company's incremental borrowing rate as of December 31, 2010 and 2009.

The Company has not applied ASC 820 to non-financial assets and liabilities.

(12) COMMITMENTS AND CONTINGENT LIABILITIES

Various lawsuits against the Company have arisen in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company.

The Company is currently in coverage litigation with Kentile Floors, Inc. a former manufacturer of floor tile products, some of which contained asbestos. In November 1992, Kentile filed a voluntary petition for bankruptcy relief under Chapter 11 (Reorganization) of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York, and Metex Manufacturing Corporation ("Metex") emerged from the Chapter 11 Bankruptcy proceeding as the "Reorganized Debtor." Metex claims it has rights to the policies issued to Kentile, but this issue has not yet been resolved by the bankruptcy court.

In 2008, certain excess insurers of Kentile initiated a declaratory judgment action against Kentile, Metex and the other insurers of Kentile, including the Company, in state court in New York seeking, among other relief, products coverage without aggregate limits from the Company.

The Company intends to vigorously defend its position in this coverage litigation, including opposing any argument that the Kentile policies do not contain aggregate limits for products claims. Management believes that the ultimate liability, if any, to Metex will not be resolved for at least one year and very likely may not be known for several years. In the opinion of management, the outcome of these pending matters is difficult to predict and an adverse outcome could have a material adverse effect on the Company's business, financial condition and results of operation.

The Company leases certain office facilities and equipment under operating leases expiring in various years through 2018. Rental expense amounted to $278, $280, and $224 for the years ended December 31, 2010, 2009, and 2008, respectively. In addition, the Company is party to two land leases expiring in 2025 and 2101. The Company also owns certain office facilities and receives rental income from tenants under operating leases expiring in various years through 2043. Rental income amounted to $25, $28, and $30 for the years ended December 31, 2010, 2009, and 2008, respectively.

Future minimum rental payments and receipts under non-cancelable leases with terms in excess of one year are estimated as follows:

	Operating Leases	Land Leases	Rental Income	Net Lease Obligations
2011	$174	$1	$27	$148
2012	164	1	25	140
2013	123	1	26	98
2014	88	1	22	67
2015	63	1	27	37
2016 – 2035	83	20	46	57
2036 – 2055	-	20	-	20
2056 – 2101	-	93	-	93
Total	$695	$138	$173	$660

As of December 31, 2010, the Company had unfunded capital commitments related to traditional private equity partnerships of $905, other partnerships (primarily energy) of $1,154, and real estate partnerships of $346.

As of December 31, 2010, the Company had commitments to purchase various mortgage-backed securities settling in 2011, at a cost of $84 with a fair value of $84, which are included as fixed maturities in the consolidated balance sheets.

As of December 31, 2010, the Company had $383 of undrawn letters of credit outstanding secured by assets of $460.

Liabilities for guaranty fund and other insurance-related assessments are accrued when an assessment is probable, when it can be reasonably estimated, and when the event obligating the entity to pay an imposed or probable assessment has occurred (based on past premiums for life lines and future premiums for property and casualty lines). Liabilities for guaranty funds and other insurance-related assessments are not discounted and are included as part of other liabilities in the consolidated balance sheets. As of December 31, 2010 and 2009, the liability balance was $248 and $291, respectively. As of December 31, 2010 and 2009, included in other assets were $10 and $12, respectively, of related assets for premium tax offsets or policy surcharges. The related asset is limited to the amount that is determined based on future premium collections or policy surcharges from policies in force. Current assessments are expected to be paid out over the next five years, while premium tax offsets are expected to be realized within one year.

The Company has reinsurance funds held balances of approximately $1,651, which are subject to ratings and surplus triggers whereby if any of the Company's insurance financial strength ratings (with the three major rating agencies) fall below the A- or A3 categories or specified surplus decreases occur, the funds may be required to be placed in trust and invested in assets acceptable to the Company. $186 is held in trust as of December 31, 2010. The Company has no additional material ratings triggers related to reinsurance arrangements.

(13) POLICYHOLDERS' EQUITY

Statutory Surplus

The statutory surplus of the Company's domestic insurance companies was $16,039 and $14,704 as of December 31, 2010 and 2009, respectively. The Company's domestic insurance subsidiaries prepare the statutory basis financial statements in accordance with the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual ("NAIC APP"), subject to any deviations prescribed or permitted by the insurance commissioners of the various insurance companies' states of domicile. The Company does not have any material permitted practices that deviate from the NAIC APP.

Dividends

The insurance subsidiaries' ability to pay dividends is restricted under applicable insurance law and regulations and may only be paid from unassigned surplus. Under the insurance laws of the domiciliary states of the insurance subsidiaries, an insurer may make an ordinary dividend payment if its surplus as regards to policyholders, following such dividend, is reasonable in relation to its outstanding liabilities, is adequate to its financial needs and does not exceed the insurer's unassigned surplus. However, no insurer may pay an extraordinary dividend without the approval or non-disapproval of the domiciliary insurance regulatory authority. Under the insurance laws of Massachusetts, the domiciliary state of LMIC, an extraordinary dividend is defined as a dividend whose fair market value, together with other dividends made within the preceding 12 months, exceeds the greater of 10% of the insurer's surplus as regards policyholders as of the preceding December 31, or the insurer's net income for the 12-month period ending on the preceding December 31. Under the insurance laws of Wisconsin, the domiciliary state of Liberty Mutual Fire Insurance Company ("LMFIC") and EICOW, an extraordinary dividend is defined as a dividend whose fair market value, together with other dividends paid within the preceding 12 months, exceeds the lesser of (a) 10% of the insurer's surplus as regards policyholders as of the preceding December 31, or (b) the greater of (1) the insurer's net income for the preceding calendar year, minus realized capital gains for that calendar year, or (2) the aggregate of the insurer's net income for the three preceding calendar years minus realized capital gains for those calendar years and minus dividends paid within the first two of the preceding three calendar years. Changes in the extraordinary dividend regulation of the domiciliary states of LMIC, LMFIC, and EICOW could negatively affect LMGI's ability to pay principal and interest on the notes held at LMGI, as could a redomestication, merger, or consolidation of LMIC, LMFIC, or EICOW to a different domiciliary state. The maximum dividend payout in 2011 that may be made prior to regulatory approval is $3,153.

(14) SUBSEQUENT EVENTS

Management has assessed material subsequent events through March 16, 2011, the date the financial statements were available to be issued.

STATE	REPORT DATE	EXAM START DATE	EXAM END DATE	ENTITIES	SCOPE OF REVIEW	LINE OF BUSINESS
AZ	7/1/2009	1/1/2006	12/31/2006	**SICA**	This examination consisted of a review of the Company's Private Passenger Automobile claim settlement practices. The purpose of the examination was to determine compliance with A.R.S. §§ 20-268, 20-461, 20-462, 20-463, 20-466, 20466.03,20-468,20-469,20-2106 and A.A.C R20-6-801	Personal Property Automobile
CA	3/1/2010	11/10/209	12/29/2009	Safeco Insurance Companies	Audit Unit conducted an audit of your California workers' compensation claims as required by California Labor Code Sections I29.and 129.5. The purpose of the audit pursuant to Section I29(a) is "(t)o make certain that injured workers, and their dependents in the event of their death, receive promptly and accurately the full measure of compensation to which they are entitled... "The audit was a Proflle Audit Review conducted pursuant to Labor Code Section I29(b)(1). The audited consisted of a review of key claims performance areas in an abbreviated sample of indenmity claims randomly selected, pursuant to Title 8, California Code of Regulations, Section 10107.I(c)(1), from your claim logs for.the years 2006 through 2008. The Audit Unit reviewed flfty-four (54) randomly selected indemnity claims,	Workers Compensation
CT	11/17/2008	1/1/2006	12/31/2006	AEIC, ASIC, **GICA, SICA,** SICI	From May 5, 2008 to on or about October 17, 2008, the Market Conduct Division of the Connecticut Insurance Department examined the market conduct practices of the companies using a sample period of January 1, 2006 through December 31, 2006.	Commercial Lines
NV	7/13/2009	1/1/2004	12/31/2007	**GICA**	This market conduct examination focused on the following areas: • Company operations and management; • Producer licensing and training; and • Underwriting.	Operations and Management
OR	Sep-09	1/1/2007	12/31/2007	AEIC, ASIC, ASICT, FNICA	Select a general sample from claims reported to the Division within a one-year timeframe based on processing location, with a proportional breakdown of each insurer's claims, where any of the following may be reviewed: • Payments made as authorized • Prompt time loss payments (except 1" payment) • Accuracy and timeliness ofreimbIJrsements to the worker • Complete and accurate Notice of Closure Summary (FonII 1503) • Accuracy and timeliness ofNotice of Closure	Workers Compensation
PA	4/28/2010	1/1/2008	12/31/20008	**SICA**	The examination focused on Company operations in the following areas: 1. Private Passenger Automobile • Underwriting - Appropriate and timely notices of midterm cancellations and 60-day cancellations. • Rating - Proper use of all classification and rating plans and procedures. 2. Property • Underwriting - Appropriate and timely notices of nonrenewals and midterm cancellations. • Rating - Proper use of all classification and rating plans and procedures. 3. Commercial Property • Underwriting - Appropriate and timely notices of nonrenewal, midterm cancellations, 60-day cancellations, renewals and declinations. 4. Claims 5. Forms 6. Advertising 7. Complaints 8. Licensing	Personal Property Automobile
VA	3/31/2009	4/1/2008	3/31/2009	ASPIC, **GICA**, ICI, **SICA**, SICI, SICIN	The examination included a detailed review of the companies' private passenger automobile and homeowners lines of business written in Virginia for the period beginning April 1, 2008 and ending March 31, 2009. This review included rating, underwriting, policy terminations, claims handling, forms, policy issuance*, statutory notices, agent licensing, complaint-handling, and information security practices.	

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. 11-154
	)	
The Financial Examination of **SAFECO INSURANCE COMPANY OF AMERICA**	)	FINDINGS, CONCLUSIONS, AND ORDER ADOPTING REPORT OF FINANCIAL EXAMINATION
	)	
A Domestic Insurer.	)	

BACKGROUND

An examination of the financial condition of **SAFECO INSURANCE COMPANY OF AMERICA** (the Company) as of December 31, 2009, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The Company holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and recommendations was transmitted to the Company for its comments on May 19, 2011. The Company's response to the report is attached to this order only for the purpose of a more convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and the submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 12 of the report.

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CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **SAFECO INSURANCE COMPANY OF AMERICA** and to order the Company to take the actions described in the Instructions section of the report. The Commissioner acknowledges that the Company may have implemented some of the Instructions prior to the date of this order. The Instructions in the report are appropriate responses to the matters found in the examination.

ORDER

The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions contained in the examination report on pages 1-2.

1. The Company is ordered to comply with RCW 48.05.073, RCW 48.05.250, WAC 284-07-050(2), RCW 48.13.020(1), and SSAP 4, paragraph 2(b), by excluding from the NAIC Annual Statement assets that are not registered, recorded, or held under the insurer's name. Instruction 1, Examination Report, page 1.

2. Pursuant to RCW 48.05.280, the Company is ordered to adequately disclose the details of the intercompany reinsurance arrangement in the NAIC Annual Statement, Notes to Financial Statements, to accurately reflect the assignment to PIC and to report the legal nature and transfer of liabilities. Instruction 2, Examination Report, page 2.

IT IS FURTHER ORDERED THAT, the Company file with the Chief Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 27th day of June, 2011.

MIKE KREIDLER
Insurance Commissioner

Liberty Mutual
Agency Corporation™

June 20, 2011

James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division
P.O. Box 40255
Olympia, WA 98504-0255

Re: Financial Examination Reports of Safeco Insurance Company of America, First National Insurance Company of America, General Insurance Company of America and Safeco Surplus Lines Insurance Company as of December 31, 2009.

Dear Mr. Odiorne:

This letter is to acknowledge receipt and acceptance of the State of Washington's Statutory Reports of Examination of the above-mentioned companies' Statutory Reports of Examination.

Respectfully,

Michael Fallon, Chief Financial Officer and Treasurer

STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

FINANCIAL EXAMINATION
OF
SAFECO INSURANCE COMPANY OF AMERICA
SEATTLE, WASHINGTON

NAIC CODE 24740

December 31, 2009

Participating States:
Washington
Indiana
Illinois

Safeco Insurance Company of America
Order No. 11-154
Exhibit A

SALUTATION

Seattle, Washington
June 21, 2011

The Honorable Mike Kreidler, Commissioner
Washington State Office of the Insurance Commissioner (OIC)
Insurance Building-Capitol Campus
302 Sid Snyder Avenue SW, Suite 200
Olympia, WA 98504

The Honorable Joseph Torti, III
Chair, NAIC Financial Condition (E) Committee
Superintendent
State of Rhode Island
Department of Business Regulation
Division of Insurance
1511 Pontiac Avenue, Building 69-2
Cranston, RI 02920

The Honorable Monica J. Lindeen
NAIC Secretary, Western Zone
Commissioner
Montana Office of the Commissioner of Securities and Insurance
840 Helena Avenue
Helena, MT 59601

Dear Commissioners and Superintendent:

In accordance with your instructions, and in compliance with the statutory requirements of RCW 48.03.010, an Association examination was made of the corporate affairs and financial records of

Safeco Insurance Company of America
of
Seattle, Washington

hereinafter referred to as "SICA," or the "Company" at the home office of the Liberty Mutual group of companies (Liberty Mutual) located at 175 Berkeley Street, Boston, Massachusetts 02116. This report is respectfully submitted showing the financial condition and related corporate matters of SICA as of December 31, 2009.

CHIEF EXAMINER'S AFFIDAVIT

I hereby certify I have read the attached Report of the Financial Examination of Safeco Insurance Company of America of Seattle, Washington. This report shows the financial condition and related corporate matters as of December 31, 2009.

Patrick H. McNaughton
Chief Examiner

6-21-2011
Date

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SCOPE OF THE EXAMINATION

This examination covers the period January 1, 2006 through December 31, 2009 and comprises a risk focused review of the books and records of the Company. The examination followed statutory requirements contained in the Washington Administrative Code (WAC), the Revised Code of Washington (RCW), and the guidelines recommended by the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (FCEH). The examination included identification and disposition of material transactions and events occurring subsequent to the date of examination through the end of field work on April 13, 2011.

Corporate records, external reference materials, and various aspects of the Company's operating procedures and financial records were reviewed and tested during the course of this examination and are commented upon in the following section of this report. In addition, the Company's Certified Public Accountants' (CPA's) work papers were reviewed and utilized, where possible, to facilitate efficiency in the examination.

This examination was performed in compliance with the 2009 NAIC FCEH which requires the examiner to consider the Company's risk management process, corporate governance structure, and control environment. The examiners utilized the information obtained during the examination to assess the Company's overall potential risks both currently and on an on-going basis, allowing the examiners to focus on the Company's greatest areas of risk, and providing assurance on the Company's financial statements as of the examination date.

This examination was classified as a coordinated lead state examination. Indiana was designated the lead state of the coordinated examination and examiners from the states of Washington, Indiana, and Illinois participated and assessed the financial condition and corporate affairs of the Company.

INSTRUCTIONS

The examiners reviewed the Company's filed 2009 NAIC Annual Statement as part of the statutory examination. This review was performed to determine if the Company completed the NAIC Annual Statement in accordance with the NAIC Annual Statement Instructions and to determine if the Company's accounts and records were prepared and maintained in accordance with Title 48 RCW, Title 284 WAC, and the NAIC Statements of Statutory Accounting Principles (SSAP) as outlined in the NAIC Accounting Practices and Procedures Manual (AP&P).

The following summarizes the exception noted while performing this review:

1. **Bank Accounts Not in the Company's Name**

   SICA included two bank accounts in its total year-end 2009 cash balance that were legal assets of its two affiliates. The balances of the two bank accounts totaling $435,533 were reported in error by SICA on its 2009 NAIC Annual Statement, Schedule E-Part 1-Cash. No examination adjustment was necessary due to immateriality.

   The Company is instructed to comply with RCW 48.05.073, RCW 48.05.250, WAC 284-07-050(2), RCW 48.13.020(1), and SSAP 4, paragraph 2(b), by excluding from the NAIC Annual Statement assets that are not registered, recorded, or held under the insurer's name.

2. **Amended and Restated Reinsurance Pooling Agreement**

On January 1, 2009, all of SICA's reinsurance agreements were assigned to the lead pool company, Peerless Insurance Company (PIC), as part of the Amended and Restated Reinsurance Pooling Agreement, Article II, Section 202, and the accounts were reported by PIC in 2009. However, the original reinsurance treaties were not changed to reflect the assignment to PIC nor were the activities under the treaties reported in Schedule F of the Company's 2009 NAIC Annual Statement.

The Company is instructed pursuant to RCW 48.05.280 to adequately disclose the details of the intercompany reinsurance arrangement in the NAIC Annual Statement, Notes to Financial Statements, to accurately reflect the assignment to PIC and to report the legal nature and transfer of liabilities.

COMMENTS AND RECOMMENDATIONS

None

COMPANY PROFILE

Company History

The Company was incorporated on September 2, 1953 under the laws of the state of Washington as a stock multiple line property and casualty insurer. The Company operated under the name Selective Auto and Fire Insurance Company of America until November 2, 1953 at which time the present name was adopted. The Company is authorized to write property, inland marine, general casualty, vehicle, surety, and ocean marine insurance.

As of December 31, 2009, SICA was wholly-owned by its parent, Safeco Corporation. On September 22, 2008, all of the outstanding and issued common stock shares of Safeco Corporation were acquired by LIH US P&C Corporation, a Delaware corporation and a direct wholly-owned subsidiary of Liberty Insurance Holdings, Inc. (LIHI), which in turn is a Delaware corporation that at the time was more than 93% owned by Liberty Mutual Insurance Company (LMIC), a Massachusetts domiciled stock insurance company and an indirect, wholly-owned subsidiary of Liberty Mutual Holding Company Inc. (LMHC), with the remaining percentage of LIHI owned by other indirect, wholly-owned subsidiaries of LMHC.

Capitalization

As of December 31, 2009, the Company's authorized capital was $5 million, which consisted of 20,000 shares of issued and outstanding common stock at a par value of $250 per share and all authorized shares were issued and outstanding. Total capital and surplus as of December 31, 2009 was $1,147,111,899.

There has been no change in the par value or the number of issued and outstanding common shares of the Company since the last examination.

Territory and Plan of Operation

SICA is licensed in all 50 states and Guam. For 2009, the Company's direct business consisted of approximately 35 percent auto, 30 percent homeowners multiple peril and 19 percent surety. Over 52 percent of SICA's direct written premiums were in the states of California, Washington, Colorado, Texas and Kansas.

The Company was a participant with PIC and other Liberty Mutual affiliated insurance companies in the Amended and Restated Reinsurance Pooling Agreement, where the mix of business for the pooled companies was approximately 50 percent commercial lines, 43 percent personal, and 7 percent surety, based on net earned premiums.

With over 57,000 appointed independent agents and brokers nationwide (including over 2,300 in Washington State), SICA is part of Liberty Mutual's Agency Markets (Agency Markets) strategic business unit. Claim offices are maintained throughout the United States to service the Company's claimants.

Growth of Company

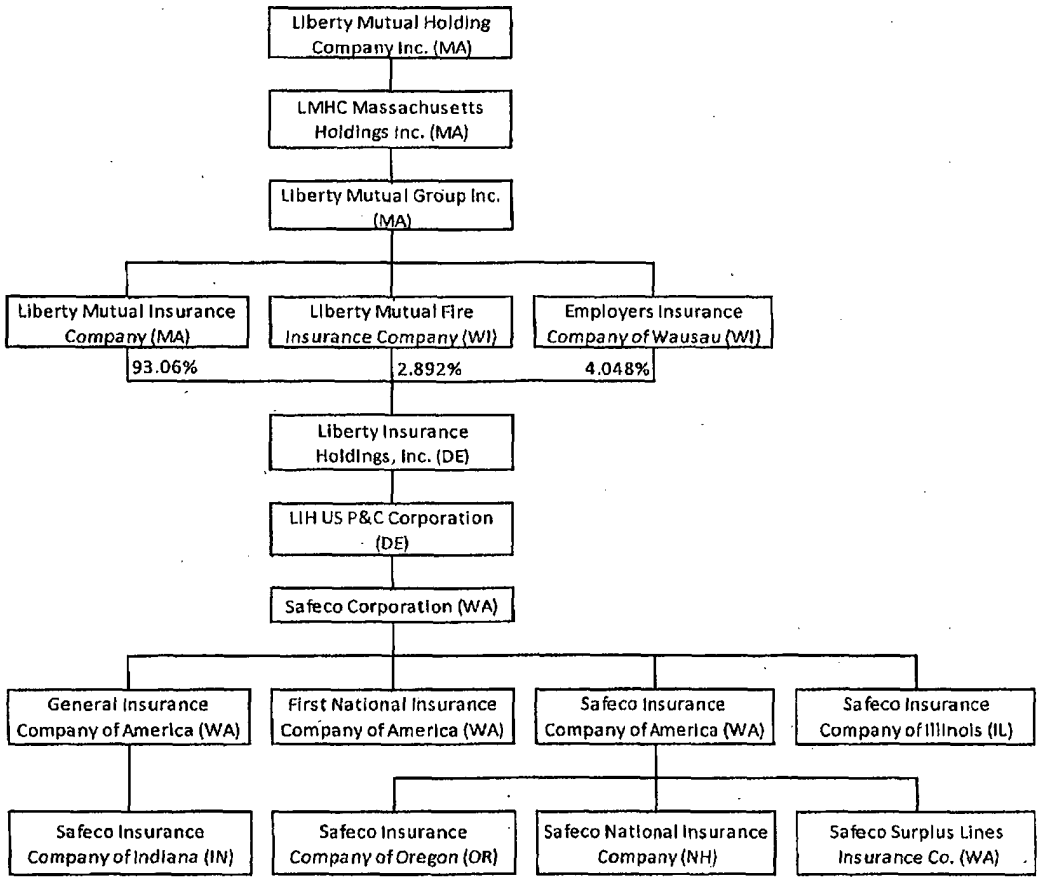
The following reflects the growth of the Company as reported in its filed NAIC Annual Statements for the four year period under examination:

Year	Admitted Assets	Liabilities	Capital & Surplus
2009	$4,327,404,574	$3,180,292,675	$1,147,111,899
2008	3,952,233,210	3,182,407,771	769,825,439
2007	4,067,248,117	3,228,637,423	838,610,694
2006	4,522,038,349	3,366,636,926	1,155,401,423

Year	Premium Earned	Net Underwriting Gain (Loss)	Net Investment Gain (Loss)	Net Income
2009	$1,592,432,536	$ 66,785,318	$124,731,040	$104,390,474
2008	1,824,806,360	48,607,927	144,513,610	163,816,762
2007	1,845,356,857	119,854,947	189,293,143	248,386,112
2006	1,856,252,474	214,562,522	177,961,936	288,841,310

Affiliated Companies

The following is an abbreviated organization chart as of December 31, 2009:



SICA is a wholly-owned subsidiary of Safeco Corporation, a non-insurance holding company incorporated under the laws of the state of Washington. In turn, Safeco Corporation is controlled by its ultimate parent, LMHC, a non-publicly traded corporation incorporated under the laws of the state of Massachusetts.

Intercompany Agreements

As of December 31, 2009, the Company had the following intercompany agreements in force, with the effective date indicated:

Intercompany Short-Term Borrowing Agreement	November 1, 2007
Federal Tax Sharing Agreement (Amendment No. 4)	September 22, 2008
Investment Management Agreements	September 22, 2008
Cash Management Agreement	September 22, 2008
Management Services Agreement	January 1, 2009
Amended and Restated Reinsurance Pooling Agreement (Endorsement No. 2)	January 1, 2009
Services Agreement (Amendment No. 7)	January 1, 2009

MANAGEMENT AND CONTROL

Board of Directors (BOD)
Directors of the Company as of December 31, 2009:

Gary R. Gregg	Chairman of the Board
John D. Doyle	
Michael J. Fallon	
Joseph A. Gilles	
Scott R. Goodby	
Christopher C. Mansfield	

Officers
Officers of the Company as of December 31, 2009:

Gary R. Gregg	President and Chief Executive Officer
Michael J. Fallon	Chief Financial Officer and Treasurer
Anthony A. Fontanes	Chief Investment Officer and Executive Vice President
Joseph A. Gilles	Executive Vice President
Scott R. Goodby	Chief Operating Officer and Executive Vice President
Dexter R. Legg	Secretary

Conflict of Interest
All BOD and officers signed a Conflict of interest Statement as of December 31, 2009. The purpose of the statement is to detect any activities or participation on the part of the BOD and officers that could possibly be interpreted as a conflict of interest. No exceptions were noted during our review.

Fidelity Bond and Other Insurance
The Company is a named insured under a financial institution bond that provides $15 million of directors' and officers' liability insurance issued to LMHC and its subsidiaries. The fidelity coverage carried by the Company exceeds the NAIC minimum recommended amount.

The Company was also a named insured on various insurance policies issued to LMHC and its subsidiaries that provided property coverage for buildings and contents and comprehensive commercial general liability. These policies were in effect during the period covered by this examination and provided coverage for the Company.

Officers', Employees', and Agents' Welfare and Pension Plans
The Company does not have any direct employees, so it does not have any direct obligations for a defined benefit plan, deferred compensation arrangement, compensated absences or other post retirement benefit plans.

Liberty Mutual offers its eligible full-time and part-time employees medical, dental and vision coverage; disability insurance; employee and dependent life insurance and accidental death and dismemberment coverage; retirement benefit plan; and an opportunity to participate in the 401(k) savings plan. Long term care insurance is also offered.

CORPORATE RECORDS

The Company's Articles of Incorporation, Bylaws, and minutes of the BOD and committees were reviewed for the period under examination. All BOD meetings were conducted with a quorum present. Investment purchases, transfers, and disposals were ratified by the BOD and noted in the minutes.

UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Year	Losses	Loss Adjustment Expenses
2009	$1,428,845,322	$340,182,924
2008	1,279,500,807	298,266,655
2007	1,260,744,966	300,168,984
2006	1,245,291,499	317,949,016

As shown above, the reserves carried by the Company for unpaid losses and loss adjustment expenses were $1,428,845,322 and $340,182,924, respectively, as of December 31, 2009.

The actuarial consulting firm contracted by the Indiana Department of Insurance, Merlinos & Associates, Inc., reviewed the unpaid losses and loss adjustment expense reserves of the Peerless Insurance Company Pool (Peerless Pool), which includes SICA, and concluded that the reserves for the insurance companies in the Peerless Pool were within a range of reasonable estimates. Therefore, the Company's loss and loss adjustment expense reserves were accepted as reasonable and no adjustments were proposed to the amounts reported in the Company's 2009 NAIC Annual Statement.

REINSURANCE

In accordance with the Peerless Pool's intercompany Amended and Restated Reinsurance Pooling Agreement, SICA cedes 100 percent of its business to PIC before PIC retrocedes to SICA its 15.2 percent pool participation percentage. In its 2009 NAIC Annual Statement, SICA reported $1,638,380,972 net premiums written and $658,259,823 net paid losses. As of December 31, 2009, the Company had $81,169,230 in aggregate unsecured amounts recoverable from PIC.

STATUTORY DEPOSITS

The Company maintained the following statutory deposits as of December 31, 2009:

State	Type	Book Value	Fair Value
Arizona	Bond	$ 5,354,698	$ 6,361,745
California	Bond	88,211,186	93,282,918
Delaware	Bond	94,812	112,554
Georgia	Bond	164,890	195,746
Idaho	Bond	411,917	433,028
Massachusetts	Bond	494,671	587,238
Nevada	Bond	103,056	122,341
New Mexico	Bond	329,781	391,492
North Carolina	Bond	359,682	361,004
Oregon	Bond	13,853,387	14,430,460
Washington	Bond	3,689,409	4,058,600
Total		**$113,067,489**	**$120,337,126**

ACCOUNTING RECORDS AND INFORMATION SYSTEM

The Company maintains its accounting records on a Statutory Accounting Practices (SAP) basis for NAIC Annual Statement reporting. The Company is audited annually by the certified public accounting firm of Ernst & Young LLP. The Company received an unqualified opinion for all years under review. The Company's accounting procedures, internal controls, and transaction cycles were reviewed during the planning and testing phase of the examination and no exceptions were noted.

The Company's Information Technology (IT) environment was reviewed during the planning and testing phase of the examination, focusing on the following Control Objectives for Information and related Technology (COBIT) Framework domains:

- Plan and Organize
- Acquire and Implement
- Deliver and Support
- Monitor and Evaluate

The IT systems and controls were evaluated to gain an understanding of general IT control risks and assess the effectiveness of these controls. Appropriate mitigating and internal controls have been implemented to reduce residual risk to appropriate levels.

SUBSEQUENT EVENTS

On March 31, 2010, Safeco Corporation transferred by capital contribution its 100 percent ownership of Safeco Insurance Company of Illinois (SICIL), an affiliated insurance company incorporated under the laws of the state of Illinois, to SICA. SICIL was contributed at statutory book value, at the date of transfer, in the amount of $224,812,072. Concurrently, Safeco Corporation contributed its 100 percent

ownership of another affiliated insurance company incorporated under the laws of the state of Washington, First National Insurance Company of America (FNICA), to SICIL at statutory book value, which resulted in FNICA becoming an indirect subsidiary of SICA.

Effective April 14, 2010, LIH US P&C Corporation, the parent of Safeco Corporation, was renamed Liberty Mutual Agency Corporation.

On February 1, 2011, the BOD voted to accept Gary R. Gregg's resignation as the Chairman of the BOD, President and Chief Executive Officer, and Director of the Company. J. Paul Condrin, III, President of Liberty Mutual's Commercial Markets strategic business unit, was elected to take Mr. Gregg's place until the next annual meeting or until his successor is elected.

There were no additional material events impacting the Company between the examination date and the last day of our field work.

FOLLOW UP ON PREVIOUS EXAMINATION FINDINGS

All previous report instructions and comments have been addressed and corrected.

FINANCIAL STATEMENTS

The following financial statements show the financial condition of Safeco Insurance Company of America as of December 31, 2009:

Assets, Liabilities, Surplus and Other Funds
Statement of Income and Capital and Surplus Account
Four Year Reconciliation of Surplus

Safeco Insurance Company of America
Assets, Liabilities, Surplus and Other Funds
December 31, 2009

	Balance Per Company	Examination Adjustments	Balance Per Examination
Assets			
Bonds	$2,928,288,834	$0	$2,928,288,834
Stocks			
Preferred stocks	53,009,802		53,009,802
Common stocks	127,831,429		127,831,429
Mortgage loans on real estate			
First liens	30,292,503		30,292,503
Cash, cash equivalents, and short-term investments	328,466,595		328,466,595
Other invested assets	78,516,945		78,516,945
Subtotals, cash and invested assets	**3,546,406,108**	**0**	**3,546,406,108**
Investment income due and accrued	38,227,938	0	38,227,938
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	60,221,355		60,221,355
Deferred premiums, agents' balances and installments booked but deferred and not yet due	427,601,133		427,601,133
Accrued retrospective premiums	2,482,113		2,482,113
Amounts recoverable from reinsurers	81,169,230		81,169,230
Current federal and foreign income tax recoverable and interest thereon	12,325,682		12,325,682
Net deferred tax asset	133,154,300		133,154,300
Guaranty funds receivable or on deposit	2,814,086		2,814,086
Electronic data processing equipment and software	8,201,700		8,201,700
Receivables from parent, subsidiaries and affiliates	1,884,616		1,884,616
Aggregate write-ins for other than invested assets	12,916,313		12,916,313
Total Assets	**$4,327,404,574**	**$0**	**$4,327,404,574**
Liabilities, Surplus and Other Funds			
Losses	$1,428,845,322	$0	$1,428,845,322
Reinsurance payable on paid losses and loss adjustment expenses	92,116,680		92,116,680
Loss adjustment expenses	340,182,924		340,182,924
Commissions payable, contingent commissions and other similar charges	40,489,072		40,489,072
Other expenses	48,066,199		48,066,199
Taxes, licenses and fees	14,570,798		14,570,798
Current federal and foreign income taxes			0
Unearned premiums	699,372,386		699,372,386
Advance premium	4,978,188		4,978,188
Dividends declared and unpaid: Policyholders	1,290,476		1,290,476
Ceded reinsurance premiums payable	122,040,162		122,040,162
Amounts withheld or retained by company for account of others	(662,266)		(662,266)
Drafts outstanding	49,946,080		49,946,080
Payable to parent, subsidiaries and affiliates	206,947,023		206,947,023
Payables for securities	10,807,518		10,807,518
Aggregate write-ins for liabilities	121,302,113		121,302,113
Total Liabilities	**3,180,292,675**	**0**	**3,180,292,675**
Aggregate write-ins for special surplus funds	23,709,935		23,709,935
Common capital stock	5,000,000		5,000,000
Gross paid in and contributed surplus	346,118,108		346,118,108
Unassigned funds (surplus)	772,283,856		772,283,856
Surplus as regards policyholders	**1,147,111,899**	**0**	**1,147,111,899**
Total Liabilities, Surplus and Other Funds	**$4,327,404,574**	**$0**	**$4,327,404,574**

Safeco Insurance Company of America
Statement of Income and Capital and Surplus Account
For the Year Ended December 31, 2009

	Balance Per Company	Examination Adjustments	Balance Per Examination
Underwriting Income			
Premiums earned	$1,592,432,536	$0	$1,592,432,536
Deductions			
Losses incurred	807,604,342		807,604,342
Loss adjustment expenses incurred	189,069,582		189,069,582
Other underwriting expenses incurred	528,724,861		528,724,861
Aggregate write-ins for underwriting deductions	248,433		248,433
Total underwriting deductions	1,525,647,218	0	1,525,647,218
Net underwriting gain or (loss)	66,785,318	0	66,785,318
Investment Income			
Net investment income earned	148,103,660		148,103,660
Net realized capital gains or (losses)	(23,372,620)		(23,372,620)
Net investment gain or (loss)	124,731,040	0	124,731,040
Other Income			
Net gain or (loss) from agents' or premium balances charged off	(7,048,852)		(7,048,852)
Finance and service charges not included in premiums	13,576,651		13,576,651
Aggregate write-ins for miscellaneous income	(13,034,078)		(13,034,078)
Total other income	(6,506,279)	0	(6,506,279)
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	185,010,079		185,010,079
Dividends to policyholders	6,813,398		6,813,398
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	178,196,681		178,196,681
Federal and foreign income taxes incurred	73,806,207		73,806,207
Net income	$104,390,474	$0	$104,390,474
Capital and Surplus Account			
Surplus as regards policyholders, December 31 prior year	$769,825,439	$0	$769,825,439
Gains and (losses) in surplus			
Net income	104,390,474		104,390,474
Change in net unrealized capital gains or (losses)	21,223,709		21,223,709
Change in net deferred income tax	(4,014,529)		(4,014,529)
Change in nonadmitted assets	74,431,106		74,431,106
Change in provision for reinsurance	177,619,584		177,619,584
Aggregate write-ins for gains and losses in surplus	3,636,116		3,636,116
Change in surplus as regards policyholders for the year	377,286,460	0	377,286,460
Surplus as regards policyholders, December 31 current year	$1,147,111,899	$0	$1,147,111,899

Safeco Insurance Company of America
Four Year Reconciliation of Surplus
For the Years Ended December 31,

	2009	2008	2007	2006
Capital and Surplus, December 31, previous year	$769,825,439	$838,610,694	$1,155,401,423	$1,197,874,486
Net income or (loss)	104,390,474	163,816,762	248,386,112	288,841,310
Change in net unrealized capital gains or (losses)	21,223,709	(126,609,775)	(27,037,006)	24,050,522
Change in net unrealized foreign exchange capital gain				(840,772)
Changes in net deferred income tax	(4,014,529)	(72,399,087)	30,551,214	37,844,704
Change in nonadmitted assets	74,431,106	50,546,456	(98,367,778)	(24,695,647)
Change in provision for reinsurance	177,619,584	2,006,156	(19,764,823)	(133,829,059)
Cumulative effect of changes in accounting principles		10,510,414		
Surplus adjustments: Paid in		71,115,235	14,441,552	20,109,090
Dividends to stockholders		(158,000,000)	(465,000,000)	(255,000,000)
Aggregate write-ins for gains and losses in surplus	3,636,116	(9,771,416)		1,046,789
Change in surplus as regards policyholders for the year	377,286,460	(68,785,255)	(316,790,729)	(42,473,063)
Capital and Surplus, December 31, current year	$1,147,111,899	$769,825,439	$838,610,694	$1,155,401,423

NOTES TO THE FINANCIAL STATEMENTS

The Company has no special consents or permitted practices from the state of Washington.

ACKNOWLEDGMENT

Acknowledgment is hereby made of the cooperation extended to the examiners by the officers and employees of Safeco Insurance Company of America and its affiliates during the course of this examination.

In addition to the undersigned, Michael V. Jordan, CPA, CFE, MHP, Assistant Chief Examiner; John Jacobson, AFE, CISA, AES, Automated Examination Specialist; Susan Campbell, CPA, FLMI, CFE, Reinsurance Specialist; Timothy F. Hays, CPA, JD, Investment Specialist; Randy E. Fong, AFE, Examiner-in-Charge; Edsel R. Dino, Financial Examiner; Katy Bardsley, CPA, Financial Examiner; and Zairina Othman, Financial Examiner; all from the Washington State Office of the Insurance Commissioner, and examiners representing the Indiana Department of Insurance and Illinois Department of Insurance, participated in the examination and in the preparation of this report.

Respectfully submitted,

Tarik Subbagh, CPA, CFE
Property and Casualty Field Supervising Examiner
State of Washington

AFFIDAVIT

STATE OF WASHINGTON }
} ss
COUNTY OF KING }

Tarik Subbagh, CPA, CFE, being duly sworn, deposes and says that the foregoing report subscribed by him is true to the best of his knowledge and belief.

He attests that the examination of Safeco Insurance Company of America was performed in a manner consistent with the standards and procedures required or prescribed by the Washington State Office of the Insurance Commissioner and the National Association of Insurance Commissioners.

Tarik Subbagh, CPA, CFE
Property and Casualty Field Supervising Examiner
State of Washington

Subscribed and sworn to before me this 21st day of June, 2011.

Notary Public in and for the
State of Washington

COLLEEN JANSEN NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 5-17-12

Applicant Name Safeco Insurance Company of America NAIC No 24740
FEIN: 91-0742148

Uniform Certificate of Authority Application (UCAA)
Certificate of Compliance

State of Washington (Domiciliary state of applicant) Office of Insurance Commissioner (Commissioner, Superintendent, Officer)

I, Gayle Pasero (name), hereby certify that I am the*

Acting Deputy Insurance Commissioner (position) of the State of Washington

and have supervision of insurance business in said State and as such I hereby certify that

Safeco Insurance Company of America (Name of Insurer)

of Seattle, Washington (City/State) is duly organized under the laws of said State and is

authorized to transact the business of Property (RCW 48.11.040), Marine and Transportation (RCW 48.11.050), Vehicle (RCW 48.11.060), General Casualty (RCW 48.11.070), Surety (RCW 48.11.080) and Ocean Marine and Foreign Trade (RCW 48.11.105),

(Line of Insurance)**

_____ insurance in this State.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Tumwater, Washington (location)

on this 22nd day of June A.D. 2011
(Month)

Gayle Pasero (signature) Gayle Pasero (printed name)

* Insurance Commissioner, Officer or Superintendent of Insurance authorized to certify to the insurance business within the domiciliary state.

** Lines of Insurance as shown on Form 3 of UCAA

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