PennMutual®

The Penn Mutual Life Insurance Company

2013 Statutory Financial Statements and Supplemental Schedules

Independent Auditor's Report

To the Board of Trustees

The Penn Mutual Life Insurance Company:

We have audited the accompanying statutory financial statements of The Penn Mutual Life Insurance Company (the "Company"), which comprise the statutory statements of admitted assets, liabilities and surplus as of December 31, 2013 and 2012, and the related statutory statements of loss and changes in surplus and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America are material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2013 and 2012, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities and surplus of the Company as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania described in Note 1.

February 14, 2014

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STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND SURPLUS

As of December 31,	**2013**	**2012**
ADMITTED ASSETS		
Bonds	$ 7,243,116	$ 7,101,319
Stocks:		
Preferred	21,050	21,247
Common – affiliated	321,494	202,672
Common - unaffiliated	2,327	6,009
Real estate	19,238	16,025
Policy loans	299,571	303,545
Cash and short-term investments	68,731	77,798
Alternative assets	317,260	308,131
Other invested assets	483,482	439,931
TOTAL INVESTMENTS	8,776,269	8,476,677
Investment income due and accrued	93,753	91,716
Premiums due and deferred	56,076	49,642
Deferred tax asset	192,526	171,404
Benefit plan assets	114,885	89,829
Amounts recoverable from reinsurers	13,832	5,025
Other assets	80,429	65,664
Separate account assets	6,617,421	5,380,757
TOTAL ASSETS	**$ 15,945,191**	**$ 14,330,714**
LIABILITIES		
Reserves and funds for payment of insurance and annuity benefits	$ 7,419,066	$ 7,073,076
Dividends to policyholders payable in the following year	33,389	31,291
Policy claims in process	37,609	47,154
Interest maintenance reserve	99,195	101,308
Asset valuation reserve	50,206	52,081
Drafts outstanding	26,912	29,449
Other liabilities	170,707	130,402
Separate account liabilities	6,617,421	5,370,563
TOTAL LIABILITIES	14,454,505	12,835,324
SURPLUS		
Surplus notes	389,063	388,907
Unassigned surplus	1,101,623	1,106,483
TOTAL SURPLUS	1,490,686	1,495,390
TOTAL LIABILITIES AND SURPLUS	**$ 15,945,191**	**$ 14,330,714**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF LOSS AND CHANGES IN SURPLUS

For the Years Ended December 31,	**2013**	**2012**
REVENUE		
Premium and annuity considerations	$ 1,495,882	$ 1,626,067
Net investment income	472,185	438,083
Other revenue	195,935	157,893
TOTAL REVENUE	2,164,002	2,222,043
BENEFITS AND EXPENSES		
Benefits paid to policyholders and beneficiaries	1,028,085	975,068
Increase in reserves for payment of future insurance and annuity benefits	360,489	504,561
Commissions	113,489	109,469
Operating expenses	336,685	265,328
Net transfer to separate accounts	310,910	344,280
TOTAL BENEFITS AND EXPENSES	2,149,658	2,198,706
GAIN FROM OPERATIONS BEFORE DIVIDENDS AND FEDERAL INCOME TAX BENEFIT	14,344	23,337
Dividends to policyholders	35,120	31,742
LOSS FROM OPERATIONS BEFORE FEDERAL INCOME TAX BENEFIT	(20,776)	(8,405)
Federal income tax benefit	(3,477)	(17,100)
(LOSS)/GAIN FROM OPERATIONS	(17,299)	8,695
Net realized capital losses, net of tax	(17,122)	(47,644)
NET LOSS	**$ (34,421)**	**$ (38,949)**
SURPLUS		
Net loss	$ (34,421)	$ (38,949)
Cumulative effect of change in accounting principles	(27,739)	-
Change due to reinsurance	30,204	-
Change in asset valuation reserve	1,875	(5,292)
Change in net unrealized capital gains	3,737	(41,526)
Change in net deferred income tax	57,080	33,631
Change in minimum postretirement liability	20,423	(2,922)
Change in surplus in separate accounts	905	1,567
Change in surplus notes	156	145
Change in nonadmitted assets	(56,924)	5,988
Change in surplus	(4,704)	(47,358)
Surplus, beginning of year	1,495,390	1,542,748
Surplus, end of year	**$ 1,490,686**	**$ 1,495,390**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31,	2013	2012
OPERATIONS		
Premium and annuity considerations	$ 1,568,412	$ 1,625,497
Net investment income	421,832	377,136
Other revenue	151,835	157,892
CASH PROVIDED BY OPERATIONS	2,142,079	2,160,525
Benefits paid	1,044,945	963,247
Commissions and operating expenses	484,153	412,675
Net transfers to separate accounts	344,527	332,047
Dividends to policyholders	33,022	31,341
Taxes refunded on operating income and realized investment losses	(5,760)	(17,566)
CASH USED IN OPERATIONS	1,900,887	1,721,744
NET CASH PROVIDED BY OPERATIONS	**241,192**	**438,781**
INVESTMENT ACTIVITIES		
Investments sold, matured or repaid:		
Bonds	1,045,405	1,326,701
Stocks	6,862	3,252
Limited partnerships, real estate and other invested assets	64,388	90,408
Other	364	317
NET PROCEEDS FROM INVESTMENTS SOLD, MATURED OR REPAID	1,117,019	1,420,678
Cost of investments acquired:		
Bonds	1,136,967	1,686,968
Stocks	31,990	38,951
Limited partnerships, real estate and other invested assets	122,402	132,429
Derivatives	16,052	8,407
TOTAL COST OF INVESTMENTS ACQUIRED	1,307,411	1,866,755
Net decrease in policy loans	3,974	12,712
NET CASH USED IN INVESTMENT ACTIVITIES	**(186,418)**	**(433,365)**
FINANCING AND MISCELLANEOUS		
Net deposits on deposit-type contracts	(27,659)	(23,784)
Other cash applied, net	(36,182)	(15,757)
NET CASH USED IN FINANCING AND MISCELLANEOUS	(63,841)	(39,541)
NET DECREASE IN CASH AND SHORT-TERM INVESTMENTS	(9,067)	(34,125)
Cash and short-term investments:		
Beginning of year	77,798	111,923
End of year	**$ 68,731**	**$ 77,798**

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

Note 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

NATURE OF OPERATIONS The Penn Mutual Life Insurance Company (the "Company") is a mutual life insurance company, domiciled in Pennsylvania, which concentrates primarily in the sale of individual life insurance and annuity products. The primary products that the Company currently markets are traditional whole life, one year non-renewable and level term, universal life, indexed universal life, variable universal life, immediate annuities and deferred annuities, both fixed and variable. The Company markets its products through a network of career agents, independent agents, and independent marketing organizations. The Company is licensed to write business in all fifty states and the District of Columbia.

BASIS OF PRESENTATION The accompanying financial statements of the Company have been prepared in conformity with the National Association of Insurance Commissioner's ("NAIC") Practices and Procedures manual and with statutory accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania (collectively "SAP"). Prescribed statutory accounting practices ("SAP") include publications of the National Association of Insurance Commissioners ("NAIC"), state laws, regulations and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. The Company currently has no permitted practices.

Statutory accounting practices are different in some respects from financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The more significant differences between statutory accounting principles and GAAP are as follows:

(a) certain acquisition costs, such as commissions and other variable costs, that are directly related to the successful acquisition of new business, are charged to current operations as incurred, whereas GAAP generally capitalizes these expenses and amortizes them based on profit emergence over the expected life of the policies or over premium payment period;
(b) statutory policy reserves are based upon the Commissioners' Reserve Valuation Method ("CRVM") or net level premium method and prescribed statutory mortality, morbidity and interest assumptions, whereas GAAP reserves would generally be based upon the net level premium method or the estimated gross margin method, with estimates of future mortality, morbidity and interest assumptions;
(c) bonds are generally carried at amortized cost, whereas GAAP generally reports bonds at fair value;
(d) undistributed earnings from alternative assets are included in unrealized gains and losses, whereas GAAP would treat these changes as net investment income;
(e) deferred income taxes, which provide for book versus tax temporary differences, are subject to limitation and are charged to surplus, whereas GAAP would generally include the change in deferred taxes in net income;
(f) payments received for universal and variable life insurance products and variable annuities are reported as premium income and changes in reserves, whereas GAAP would treat these payments as deposits to policyholders' account balances;
(g) assets are reported at "admitted asset" value and "nonadmitted assets" are excluded through a charge against surplus, whereas GAAP records these assets net of any valuation allowance;
(h) majority-owned subsidiaries are accounted for using the equity method. The Penn Insurance and Annuity Company ("PIA"), Hornor Townsend & Kent, Inc., and Independence Square Properties LLC are admitted assets. Independence Capital Management Inc., Penn Janney Fund, Inc., and Penn Janney Advisory, Inc., are nonadmitted assets, whereas GAAP would consolidate these entities;
(i) surplus notes are reported in surplus, whereas GAAP would report these notes as debt. Costs associated with these notes are expensed, whereas GAAP capitalizes those expenses and amortizes them into income over the life of the notes;
(j) reinsurance reserve credits are reported as a reduction of policyholders' reserves and liabilities for deposit-type contracts, whereas GAAP would report these balances as an asset;

(k) an asset valuation reserve ("AVR") is reported as a contingency reserve to stabilize surplus against fluctuations in the carrying value of stocks, real estate investments, partnerships, limited liability companies ("LLCs"), low income housing tax credit ("LIHTC") investments, and certain credit related derivative instruments as well as credit-related declines in the value of bonds, whereas GAAP does not record this reserve;
(l) after-tax realized capital gains and losses which result from changes in the overall level of interest rates for all types of fixed-income investments and interest-related hedging activities are deferred into the interest maintenance reserve ("IMR") and amortized into investment income over the remaining life of the investment sold, whereas GAAP reports these gains and losses as revenue at time of sale;
(m) changes in the fair value of the derivative financial instruments are recorded as changes in surplus, unless deemed an effective hedge when it is carried at amortized cost with no resulting changes in fair value; changes in fair value for GAAP are reported as income for non-hedging transactions and effective fair value hedges; changes in fair value for GAAP are reported as other comprehensive income for effective cash flow hedges;
(n) comprehensive income is not presented whereas GAAP presents changes in unrealized capital gains and losses, minimum pension liability, and foreign currency translations as other comprehensive income;
(o) embedded derivatives are recorded as part of the underlying contract, whereas GAAP would identify and bifurcate certain embedded derivatives from the underlying contract or security and account for them separately;
(p) policyholder dividends are recognized when declared, whereas GAAP recognizes these over the term of the related policies;
(q) company investment in the separate accounts in the form of seed money is presented as separate account assets, whereas GAAP presents the investment as a general account equity investment, and
(r) identification of other-than-temporary impairment uses an "intent and ability to hold" criteria whereas GAAP uses an "intent and ability not to sell" criteria.

The Company's net income as presented in its consolidated financial statements prepared in conformity with GAAP was $162,857 and $129,725 for the years ended December 31, 2013 and 2012, respectively. The Company's equity as presented in its consolidated financial statements prepared in conformity with GAAP was $2,694,182 and $2,905,908 as of December 31, 2013 and 2012, respectively.

REVISIONS The Statement of Cash Flows for the year ended December 31, 2012 has been revised to correct a classification difference within cash flows from operating activities. While total cash flows from operating activities were correctly presented, cash flows with respect to Commissions and operating expenses was understated by $80,628 and cash flows with respect to Net transfers to separate accounts was overstated by the same amount.

The 2012 net deferred tax asset ("DTA"s) and deferred tax liability ("DTL"s) components were corrected as follows in Note 9:

Description	**As previously reported**			**As adjusted**		
	Ordinary	Capital	Total	Ordinary	**Capital**	**Total**
Gross deferred tax assets	$ 220,611	$ 40,448	$ 261,059	$ 221,780	$ 44,719	$ 266,499
Statutory valuation allowance adjustment	-	-	-	-	-	-
Adjusted gross deferred tax assets	220,611	40,448	261,059	221,780	44,719	266,499
Adjusted gross deferred tax assets nonadmitted	(36,585)	26,756	(9,829)	(36,585)	26,756	(9,829)
Subtotal - admitted adjusted deferred tax asset	184,026	67,204	251,230	185,195	71,475	256,670
Gross deferred tax liabilities	(53,070)	(26,756)	(79,826)	(49,049)	(36,217)	(85,266)
Net admitted deferred tax asset	**$ 130,956**	**$ 40,448**	**$ 171,404**	**$ 136,146**	**$ 35,258**	**$ 171,404**

The 2012 tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities have been corrected as follows:

	As previously reported	As adjusted
DTA resulting in book/tax difference in:		
Ordinary:		
Future policy benefits	$ 55,689	$ 53,252
DAC	80,369	80,369
Deferred compensation	25,461	28,150
Nonadmitted assets	6,786	6,786
LIHTC credits	9,145	9,145
NOL Carryforward	40,407	40,407
Other – ordinary	2,754	3,671
Subtotal – Gross ordinary DTAs	220,611	221,780
Nonadmitted ordinary DTAs	(36,585)	(36,585)
Admitted ordinary DTAs	$ 184,026	$ 185,195
Capital:		
Investments	$ 2,756	$ 2,756
OTTI on investments	37,692	41,963
Gross Capital DTAs	40,448	44,719
Nonadmitted capital DTAs	(26,756)	26,756
Admitted capital DTAs	67,204	71,475
Admitted DTAs	$ 251,230	$ 256,670
DTLs resulting in book/tax differences in:		
Ordinary:		
Investments - ordinary	$ (42,184)	$ (44,159)
Other	(10,886)	(4,890)
Ordinary DTLs	$ (53,070)	$ (49,049)
Capital:		
Alternative asset investments	$ (10,873)	$ (20,334)
Unrealized capital gains	(15,883)	(15,883)
Capital DTLs	(26,756)	(36,217)
DTLs	$ (79,826)	$ (85,266)
Net deferred tax asset	$ 171,404	$ 171,404

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Those estimates are inherently subject to change and actual results could differ from those estimates. Included among the material reported amounts and disclosures that require extensive use of estimates are:

- ◊ Carrying value of certain invested assets and derivatives
- ◊ Liabilities for reserves and funds for payment of insurance and annuity benefits
- ◊ Accounting for income taxes and valuation of deferred income tax assets and liabilities and unrecognized tax benefits
- ◊ Litigation and other contingencies
- ◊ Pension and other postretirement and postemployment benefits

INVESTMENTS *Bonds* with a NAIC designation of 1 to 5 are valued at amortized cost. All other bonds are valued at the lower of cost or fair value. In 2013 and 2012, fair value was determined using an external pricing service or management's pricing models.

For fixed income securities that do not have a fixed schedule of payments, including asset-backed and mortgage-backed securities, the effect on amortization or accretion is revalued quarterly based on the current estimated cash flows, using the retrospective method, except for favorable changes in expected cash flows for structured securities where the possibility of non-interest loss is other than remote. In these cases, income is recognized on the prospective method over the remaining life of the securities. Under the retrospective method, the recalculated effective yield equates the present value of the actual and anticipated cash flows, including new prepayment assumptions, to the original cost of the investment. Prepayment assumptions are based on borrower constraints and economic incentives such as original term, age, and coupon of the loan as affected by the interest rate environment. The current carrying value is then increased or decreased to the amount that would have resulted had the revised yield been applied since inception, and investment income is correspondingly decreased or increased. Cash flow assumptions for structured securities are obtained from broker dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment.

The carrying values of bonds, mortgage-backed and asset-backed securities are written down when a decline is considered to be other-than-temporary. The Company considers an impairment to be other than temporary ("OTTI") if: (a) the Company's intent is to sell, (b) the Company will more likely than not be required to sell, (c) the Company does not have the intent and ability to hold the security for a period of time sufficient to recover the amortized cost basis, or (d) the Company does not expect to recover the entire amortized cost basis. The Company conducts a periodic management review of all bonds including those in default, not-in-good standing, or otherwise designated by management. The Company also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value, default rates, delinquency rates, percentage of nonperforming loans, prepayments, and severities. If the impairment is other-than-temporary, the non-interest loss portion of the impairment is recorded through realized losses and the interest related portion of the loss would be disclosed in the notes to the financial statements.

The non-interest portion is determined based on the Company's "best estimate" of future cash flows discounted to a present value using the appropriate yield. The difference between the present value of the best estimate of cash flows and the amortized cost is the non-interest loss. The remaining difference between the amortized cost and the fair value is the interest loss.

Preferred Stock with a NAIC designation of 1 to 3 are valued at amortized cost. All other preferred stocks are valued at the lower of cost or market. Fair value is determined using an external pricing service or management's pricing model.

Common Stock of the Company's insurance affiliate is carried at its underlying audited statutory equity. Common stock of audited non-insurance affiliates is admitted at the GAAP-basis equity. Common stock of unaudited non-insurance affiliates is nonadmitted. Common stock - Unaffiliated is valued at fair value. Dividends are recognized in net investment income on the ex-dividend date. Other changes in the carrying value of affiliates are recognized as changes in unrealized gains or losses in surplus.

Real Estate occupied by the Company is carried at depreciated cost. Depreciated cost is adjusted for impairments whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable, with the impairment being included in realized capital losses. Depreciation is calculated using the straight-line method over the estimated useful life of the real estate holding, not to exceed 40 years. Depreciation expense is included in net investment income. The Company obtains an external appraisal on a tri-annual basis. The most recent appraisal was as of June 2013.

Policy Loans are carried at the aggregate balance of unpaid principal and interest.

Cash and Short-term investments includes cash and investments purchased with maturities of three months or less. Short-term investments, which are carried at amortized cost and approximate fair value, consist primarily of money market funds and investments purchased with maturities of greater than three months and less than or equal to 12 months.

Alternative Assets consist primarily of limited partnerships. The Company accounts for the value of its investments at their underlying GAAP equity. Dividends/income distributions from limited partnerships are recorded in investment income. Undistributed earnings are included in unrealized gains and losses and are reflected in surplus, net of deferred taxes. Distributions that are recorded as a return of capital reduce the carrying value of the limited partnership investment. Due to the timing of the valuation data received from the general partner, these investments are reported in accordance with the most recent valuations received which are primarily on a one quarter lag.

Other Invested Assets The Company utilizes derivative financial instruments, including interest rate swaps, inflation swaps, financial futures, currency forwards, interest rate caps and put and call options, in the normal course of business to manage risk, in conjunction with its management of assets and liabilities and interest rate risk. Derivatives are recognized at fair value. Derivatives with a positive fair value are reported in other invested assets. Derivatives with a negative fair value are reported in other liabilities. The accounting treatment of specific derivatives depends on whether management elects to follow hedge accounting. Derivatives used in hedging transactions that meet the criteria of a highly effective hedge are reported and valued in a manner that is consistent with the assets hedged. The change in fair value of these derivatives is recognized as an unrealized capital gain or (loss) until they are closed, at which time they are recorded in realized capital gains/(losses). Derivatives used in risk management transactions that do not meet the criteria of an effective hedge are accounted for at fair value, with changes in fair value recorded in unrealized capital gains/(losses). Realized gains and losses that are recognized upon termination or maturity of the derivatives backing assets that are interest related are transferred, net of taxes, to the IMR. All other realized gains and losses are recognized in net income upon maturity or termination of derivative contracts.

The Company has entered into interest rate and currency swaps that qualify for hedge accounting. The swaps have been designated to qualify as cash flow hedges of cashflows associated with variable rate securities and foreign denominated securities in the investment portfolio.

The Company may enter into interest rate swaps, total return swaps, inflation swaps, financial futures and put and call options to hedge risks associated with the offering of equity market based guarantees in the Company's annuity and indexed universal life insurance product portfolio, which do not meet the criteria of an effective hedge.

The Company uses currency forwards to hedge the risk embedded in its foreign currency denominated alternative assets. They are carried at fair value and do not meet the criteria of an effective hedge.

Interest rate caps and credit default swaps are carried at fair value. The Company's use of interest rate caps is designed to manage risk associated with rising interest rates. Credit default swaps protect the Company from a decline in credit quality of a specified security. These do not meet the criteria of an effective hedge.

Investment income is recorded on an accrual basis. Amounts payable or receivable under total return, currency, credit default interest rate and inflation swap agreements are recognized as investment income or expense when incurred. The accounting treatment of specific derivatives depends on whether management elects to follow hedge accounting. The Company does not engage in derivative financial instrument transactions for speculative purposes.

Investments in LIHTC are included in Other Invested Assets and are accounted for under the cost method. The delayed equity contributions for these investments are unconditional and legally binding and therefore, have been recognized as a liability. LIHTC investments are reviewed for OTTI, which is accounted for as a realized loss.

INVESTMENT INCOME DUE AND ACCRUED Accrued investment income consists primarily of interest and dividends. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; (b) bonds delinquent more than 90 days or where

collection of interest is improbable; and (c) policy loan interest due and accrued in excess of the cash surrender value of the underlying contract.

PREMIUMS DUE AND DEFERRED Deferred premium is the portion of premium not earned at the reporting date, net of loading. Loading is an amount obtained by subtracting the net premium from the gross premium and generally includes allowances for acquisition costs and other expenses. Deferred premium adjusts for the overstatement created in the calculation of reserves as the reserve computation assumes the entire year's net premium is collected annually at the beginning of the policy year and does not take into account installment or modal payments.

Uncollected premium is gross premium that is due and unpaid as of the reporting date, net of loading. Net premium is the amount used in the calculation of reserves. The change in loading is included as an expense and is not shown as a reduction to premium income.

FEDERAL INCOME TAX The Company files a consolidated federal income tax return with its insurance and non-insurance subsidiaries. Each subsidiary's tax liability or refund is accrued on a separate company basis. The Company reimburses subsidiaries for losses utilized in the consolidated return based on inter-company tax allocation agreements. The provision for federal income taxes is computed in accordance with the section of the Internal Revenue Code applicable to life insurance companies and is based on income that is currently taxable.

Uncertain tax positions ("UTP'") are established when the merits of a tax position are evaluated against certain measurement and recognition tests. UTP changes are reflected as a component of income taxes.

Deferred income tax assets and liabilities are established to reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred tax assets or liabilities are measured by using the enacted tax rates expected to apply to taxable income in the period in which the deferred tax liabilities or assets are expected to be settled or realized. Changes in the deferred tax balances are reported as adjustments to surplus. Deferred tax assets in excess of the statutory limits are treated as nonadmitted assets and charged to surplus.

REINSURANCE In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding reinsurance to other insurance enterprises or reinsurers under excess coverage and coinsurance contracts. The Company has set its retention limit for acceptance of risk on life insurance policies at various levels up to $5 million.

Reinsurance does not relieve the Company of its primary liability and, as such, failure of reinsurers to honor their obligations could result in losses to the Company. The Company evaluates the risk transfer of its reinsurance contracts and the financial strength of potential reinsurers. The Company regularly monitors the financial condition and ratings of its existing reinsurers to ensure that amounts due from reinsurers are collectible.

Insurance liabilities are reported net of the effects of reinsurance. Estimated reinsurance recoverables are recognized in a manner consistent with the liabilities related to the underlying reinsured contracts. See Note 10 for further discussion.

OTHER ASSETS Computer equipment and packaged software is reported at cost of $90,774 and $84,700 less accumulated depreciation of $77,343 and $74,977 at December 31, 2013 and 2012, respectively. Computer equipment and packaged software is depreciated using the straight-line method over the lesser of its useful life or three years. Furniture is depreciated on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense charged to operations in 2013 and 2012 was $2,365 and $2,362, respectively. Leasehold improvements are depreciated over the remaining life of the lease. Building and property improvements are depreciated to the lesser of contractor estimate or the remaining life of the building.

In 2013, the Company entered into agreements to sell, and subsequently leaseback, certain assets. For statutory purposes these agreements are considered operating leases. See Note 12 for additional discussion of these leaseback commitments.

SEPARATE ACCOUNT ASSETS AND LIABILITIES The Company has separate account assets and liabilities representing segregated funds administered and invested by the Company primarily for the benefit of variable life insurance policyholders and annuity and pension contractholders, including the Company's benefit plans. The assets of each account are legally segregated and are generally not subject to claims that arise out of any other business of the Company. The separate accounts have varying investment objectives.

Separate account assets are stated at the fair value of the underlying assets, which are shares of mutual funds. The value of the assets in the Separate Accounts reflects the actual investment performance of the respective accounts and is not guaranteed by the Company. The liability represents the policyholders' interest in the account and includes accumulated net investment income and realized and unrealized capital gains/(losses) on the assets, which reflects fair value. The investment income and realized capital gains/(losses) from separate account assets accrue to the policyholders and are not included in the Statements of Loss. Mortality, policy administration, surrender charges assessed and asset management fees charged against the accounts are included in Other Revenue in the accompanying Statements of Loss.

The Company invested seed money in Penn Series Funds, Inc. The seed money is maintained in a segregated account, and is included in the total Separate account assets. The changes in the market value of the funds are recorded through surplus. There was no seed money invested in Penn Series Funds, Inc. as of December 31, 2013. Seed money of $10,194 was invested in one fund as of December 31, 2012.

The Company issues traditional variable annuity contracts in the separate accounts in which the Company provides various forms of guarantees to benefit the related contract holders called Guaranteed Minimum Death Benefits ("GMDB"), Guaranteed Minimum Accumulated Benefits ("GMAB"), GMAB/Guaranteed Minimum Withdrawal Benefits ("GMWB"), GMWB with inflation protection. Reserves for these benefits are held in the general account. See Note 4 for a discussion of the Company's obligation regarding these product features.

NONADMITTED ASSETS Assets designated as nonadmitted by the NAIC include furniture, certain electronic data processing equipment, unamortized software, the amount of the deferred tax asset that will not be realized within the next three year period, the pension plan assets, certain investments in partnerships for which financial audits are not performed, certain other receivables, advances and prepayments, and related party amounts outstanding greater than 90 days from the due date. Such amounts are excluded from the Statements of Admitted Assets, Liabilities and Surplus. As of December 31, 2013 and 2012, the Company's total nonadmitted assets are $139,202 and $82,275, respectively.

RESERVES AND FUNDS FOR THE PAYMENT OF INSURANCE AND ANNUITY BENEFITS Policyholders' reserves provide amounts adequate to discharge estimated future obligations in excess of estimated future premium on policies in-force. Any adjustments that are made to the reserve balances are reflected in the Statements of Loss in the year in which such adjustments are made, with the exception of changes in valuation bases which are accounted for as charges or credits to surplus.

Reserves and funds for the payment of future life and annuity benefits are developed using actuarial methods based on statutory mortality and interest requirements. Reserves for life insurance contracts are developed using accepted actuarial methods computed principally on the net level, modified preliminary term or CRVM methods using the 1941, 1958, 1980, and 2001 Commissioners' Standard Ordinary Mortality and American Experience Tables and assumed interest rates ranging from 2.25% to 4.50%. Reserves for substandard policies are computed using multiples of the respective underlying mortality tables. The Company has universal life contracts with secondary guarantee features. The Company establishes reserves according to Actuarial Guideline XXXVIII.

The Company waives deduction of deferred fractional premium at death and returns any portion of the final premium beyond the date of death. Reserves are computed using continuous functions to reflect these practices. Surrender values are not promised in excess of the legally computed reserves.

Reserves for deferred fixed individual annuity contracts are developed using accepted actuarial methods computed principally under the Commissioners' Annuity Reserve Valuation Method using applicable interest rates and mortality

tables, primarily on the 1949, 1971, 1983 and 2000 Individual Annuity Mortality Tables and rates ranging from 2.00% to 13.25%.

The Company also has deferred variable annuity contracts containing GMDB, GMAB and GMWB features. The Company establishes reserves according to requirements prescribed by the NAIC in Actuarial Guideline XLIII (VACARVM). See Note 4 for further discussion.

Reserves for group annuity contracts are developed using accepted actuarial methods computed principally on the 1971 and 1983 Group Annuity Mortality Tables and 1994 Group Annuity Reserving Tables with assumed interest rates ranging from 5.00% to 13.25%.

LIABILITIES FOR DEPOSIT-TYPE CONTRACTS Reserves for funding agreements, dividend accumulations, premium deposit funds, investment-type contracts such as supplementary contracts not involving life contingencies, and certain structured settlement annuities are based on account value or accepted actuarial methods using applicable interest rates.

POLICYHOLDER' DIVIDENDS The liability for policyholders' dividends includes the estimated amount of annual dividends and settlement dividends to be paid to policyholders in the following year. Policyholders' dividends incurred are recorded in the Statements of Loss. Dividends expected to be paid to policyholders in the following year are approved annually by the Company's Board of Trustees. The allocation of these dividends to policyholders reflects the relative contribution of each group of participating policies to surplus and considers, among other factors, investment returns, mortality and morbidity experience, expenses, and income tax charges.

POLICY CLAIMS IN PROCESS include provisions for payments to be made on reported claims and claims incurred but not reported.

INTEREST MAINTENANCE RESERVE The IMR captures the realized capital gains/ (losses) that result from changes in the overall level of interest rates and amortizes them into income over the calendar years to expected maturity.

ASSET VALUATION RESERVE The Company maintains an AVR, which is a contingency reserve to stabilize surplus against fluctuations in the statement value of common stocks, real estate investments, partnerships, LIHTC investments, and LLCs as well as non-interest related declines in the value of bonds, and certain derivatives. The AVR is reported in the Statements of Admitted Assets, Liabilities and Surplus and the change in AVR is reported in the Change in Surplus.

DRAFTS OUTSTANDING that have not been presented for payment are recorded as a liability.

OTHER LIABILITIES primarily include collateral received from counterparties related to certain derivative contracts. See Note 6 for additional discussion of derivatives.

CONTINGENCIES Amounts related to contingencies are accrued if it is probable that a liability has been incurred and an amount is reasonably estimable. Regarding litigation, management evaluates whether there are incremental legal or other costs directly associated with the ultimate resolution of the matter that are reasonably estimable and, if so, includes these costs in the accrual. See Note 12 for further discussion.

SURPLUS NOTES On July 1, 2010, the Company issued Surplus Notes ("2010 Notes") with a principal balance of $200,000, at a discount of $8,440. The 2010 Notes bear interest at 7.625%, and have a maturity date of June 15, 2040. The 2010 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended and are administered by a U.S. bank as registrar/paying agent. Interest on the 7.625% 2010 Notes is scheduled to be paid semiannually on April 1 and October 1 of each year. At December 31, 2013 and 2012, the amortized cost basis of the Notes was $191,856 and $191,763, respectively. Interest paid on the 2010 Notes was $15,250 and $15,250 as of December 31, 2013 and 2012, respectively. Total interest paid since the issuance of the 2010 Notes is $49,563.

On June 23, 2004, the Company issued Surplus Notes ("2004 Notes") with a principal balance of $200,000, at a discount of $3,260. The 2004 Notes bear interest at 6.65%, and have a maturity date of June 15, 2034. The 2004 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended and are administered by a U.S. bank as registrar/paying agent. Interest on the 6.65% 2004 Notes is scheduled to be paid semiannually on April 1 and October 1 of each year. At December 31, 2013 and 2012, the amortized cost basis of the 2004 Notes was $197,207 and $197,144, respectively. Interest paid on the 2004 Notes was $13,300 and $13,300 as of December 31, 2013 and 2012, respectively. Total interest paid since the issuance of the 2004 Notes is $123,320.

RISK-BASED CAPITAL Life insurance companies are subject to certain risk-based capital (RBC) requirements as specified by the NAIC. Under those requirements, minimum amounts of statutory surplus are required to be maintained based on various risk factors related to it. At December 31, 2013, the Company's surplus exceeds these minimum levels.

PREMIUM AND RELATED EXPENSE RECOGNITION Life insurance premium revenue is generally recognized as revenue over the premium payment period of the related policies. Annuity premium on policies with life contingencies is recognized as revenue when received. Both premium and annuity considerations are recorded net of reinsurance premiums. Commissions and other costs related to issuance of new policies, and policy maintenance and settlement costs are charged to current operations when incurred. Surrender fee charges on certain life and annuity products are recorded as a reduction of benefits. Benefits payments are reported net of the amounts received from reinsurers.

The Company accounts for deposit-type contracts (those that do not subject the Company to mortality or morbidity risk) under the deposit method. Amounts received from and payments to policyholders related to these contracts are recorded directly against the related policy reserves. Interest credited to policyholder accounts is reflected in expense. Fees charged to policyholder accounts are reflected in other revenue.

REALIZED AND UNREALIZED CAPITAL GAINS AND LOSSES Realized capital gains and losses, net of taxes, excludes gains and losses deferred into the IMR. Realized capital gains and losses are recognized in net income and are determined using the specific identification method.

All after-tax realized capital gains and losses which result from changes in the overall level of interest rates for all types of fixed-income investments and interest-related derivative activities for derivatives backing assets are deferred into the IMR and amortized into revenue. These interest-related gains and losses are amortized into net investment income using the grouped method over the remaining life of the investment sold or, in the case of derivative financial instruments, over the remaining life of the underlying asset.

Unrealized capital gains and losses, net of deferred federal income taxes, are recorded as a change in surplus.

NEW ACCOUNTING STANDARDS

SSAP No. 92, "Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No.14", became effective January 1, 2013. This SSAP requires that the benefit obligation for other postretirement employee benefit plans is recognized on the Statements of Admitted Assets, Liabilities and Surplus. Such liability is required to be reported in the first quarter statutory financial statement after the transition date with a corresponding entry to unassigned funds.

Effective January 1, 2013, the Company recorded an additional liability of $9,478 resulting primarily from the addition of non-vested participants to the liability. This additional liability will be amortized into surplus over a period of up to 10 years, with $948 amortized for the year ended December 31, 2013.

The following provides the status of the Company's other postretirement benefit plans plan as of December 31, 2012 and the transition date (January 1, 2013):

	December 31, 2012	January 1, 2013
Accumulated Benefit Obligation	$ 29,773	$ 29,773
Projected Benefit Obligation	25,182	25,182
Plus: Non-Vested liability	4,591	4,591
Total PBO	$ 29,773	$ 29,773
Plan Assets at Fair Value	-	-
Funded Status	**$ (29,773)**	**$ (29,773)**
Prior Service (Credit)	$ (2,839)	$ -
Prior Service Cost (Non-Vested)	4,591	-
Unrecognized Losses	7,726	-
Total Unrecognized Items	9,478	-
Net Underfunded Plan Asset	**$ (20,294)**	**$ (29,773)**

SSAP No. 102, "Accounting for Pensions, A Replacement of SSAP No.89", became effective January 1, 2013. This SSAP requires that any underfunded defined benefit pension amounts, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R. Such liability is required to be reported in the first quarter statutory financial statement after the transition date with a corresponding entry to unassigned funds.

Qualified Plan - At transition, the Company recognized $25,938 in unrecognized transition obligations, prior service costs, and unrecognized losses as components of the beginning balance of unassigned funds as of January 1, 2013. This recognition resulted in a financial presentation which reflects the actual $12,476 overfunded status of the qualified plan (fair value of plan assets of $158,079 exceeds the projected benefit obligation of $145,603) as of January 1, 2013. As required under SSAP No. 102, overfunded plan assets are nonadmitted.

Non-qualified Plans - At transition, the Company recognized through surplus a pretax decrease in the liability of $853 from unrecognized transition obligations/assets, prior service costs/credits, and unrecognized gains/losses as a component of the beginning balance of unassigned funds as of January 1, 2013.

The following provides the status of the Company's qualified and non-qualified pension plan as of December 31, 2012 and the transition date (January 1, 2013):

All Pension Plans	December 31, 2012	January 1, 2013
Accumulated Benefit Obligation	$ 175,601	$ 175,601
Projected Benefit Obligation	175,557	175,557
Plus: Non-Vested liability	44	44
Total PBO	175,601	175,601
Plan Assets at Fair Value	158,079	158,079
Funded Status	**$ (17,522)**	**$ (17,522)**
Prior Service Cost / (Credit)	$ 426	$ -
Prior Service Cost (Non-Vested)	44	-
Unrecognized Losses / (Gains)	24,304	-
Total Unrecognized Items	24,774	-
Net Overfunded Plan Asset / (Liability for Benefits)	**$ 7,252**	**$ (17,522)**

The NAIC issued SSAP 103, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," a permanent replacement of SSAP 91R with an effective date of January 1, 2013. The provisions in this statement require each reporting entity that is a party to the transaction to recognize only assets it controls and liabilities it has incurred, to derecognize assets only when control has been surrendered, and to derecognize liabilities only when they have been extinguished. The adoption did not result in an impact to the financial statements.

The NAIC issued SSAP 36, "Receivables—A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring," with an effective date of January 1, 2013. This updated guidance specifies that creditors shall reclassify assets obtained in a troubled debt restructuring from loans to the appropriate asset account at the time the creditor obtains clear title to the asset. The adoption did not result in an impact to the financial statements.

Note 3. INVESTMENTS

The Company maintains a diversified investment portfolio. Investment policies limit concentration in any asset class (except for U.S. Treasury and U.S. Government guaranteed securities), geographic region, industry group, economic characteristic, investment quality, or individual investment.

BONDS AND PREFERRED STOCK The following summarizes the admitted value and estimated fair value of the Company's investment in bonds and preferred stock as of December 31, 2013 and 2012.

	Admitted Value	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Estimated Fair Value
December 31, 2013:				
U.S. Treasury, U.S. Agency and other governmental securities	$ 291,401	$ 6,388	$ 17,588	$ 280,201
States governments and political subdivisions	879,893	67,925	11,775	936,043
Corporate securities	3,749,127	300,782	104,834	3,945,075
Residential mortgage-backed securities	359,877	21,767	21	381,623
Commercial mortgage-backed securities	1,447,133	113,693	3,391	1,557,435
Asset-backed securities	515,685	32,180	8,602	539,263
Total bonds	7,243,116	542,735	146,211	7,639,640
Redeemable preferred stocks	21,050	2,452	9	23,493
TOTAL BONDS AND PREFERRED STOCK	**$ 7,264,166**	**$ 545,187**	**$ 146,220**	**$7,663,133**

	Admitted Value	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Estimated Fair Value
December 31, 2012:				
U.S. Treasury, U.S. Agency and other governmental securities	$ 343,131	$ 21,628	$ 2,096	$ 362,663
States governments and political subdivisions	811,155	172,923	1,414	982,664
Corporate securities	3,388,529	600,717	4,824	3,984,422
Residential mortgage-backed securities	580,019	43,050	419	622,650
Commercial mortgage-backed securities	1,435,600	120,756	7,873	1,548,483
Asset-backed securities	542,885	27,800	8,275	562,410
Total bonds	7,101,319	986,874	24,901	8,063,292
Redeemable preferred stocks	21,247	1,636	23	22,860
TOTAL BONDS AND PREFERRED STOCK	**$ 7,122,566**	**$ 988,510**	**$ 24,924**	**$8,086,152**

Residential and mortgage-backed securities include $42,610 and $40,544 as of December 31, 2013 and 2012, respectively, of admitted assets in securities that are pledged as collateral for derivative contracts.

The table below sets forth the SVO ratings for the bond portfolio:

December 31,	**2013**		**2012**	
NAIC Class	Admitted Value	% of Total	Admitted Value	% of Total
1	$ 5,662,192	78%	$ 5,697,450	80%
2	1,427,711	20%	1,258,288	18%
3	92,954	1%	87,540	1%
4	32,658	1%	34,595	1%
5	11,404	-%	11,304	-%
6	16,197	-%	12,142	-%
	$ 7,243,116	**100%**	**$ 7,101,319**	**100%**

The following table summarizes the admitted value and estimated fair value of debt securities as of December 31, 2013 by contractual maturity. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties. Securities that are not due on a single maturity are included as of the final maturity.

	Admitted Value	**Estimated Fair Value**
Due in one year or less	$ 105,127	$ 107,242
Due after one year through five years	778,652	875,707
Due after five years through ten years	500,130	520,299
Due after ten years	3,371,117	3,508,229
Residential mortgage-backed securities (1)	435,552	441,106
Commercial mortgage-backed securities	1,447,133	1,557,435
Asset-backed securities (1)	605,405	629,622
Total bonds	7,243,116	7,639,640
Redeemable preferred stocks	21,050	23,493
TOTAL BONDS AND PREFERRED STOCK	**$ 7,264,166**	**$ 7,663,133**

(1) Includes U.S. Treasury/Agency structured securities

Mortgage and other asset-backed securities consist of commercial and residential mortgage pass-through holdings, securities backed by home equity and manufactured housing loans, credit tenant leases and equipment trust certificates. These securities follow a structured principal repayment schedule and are rated investment grade, other than $66,511, primarily in asset-backed securities. The mortgage and other asset-backed securities portfolio are presented separately in the maturity schedule due to the potential for prepayment. The weighted average life of this portfolio is 5.03 years.

Investments on deposit with regulatory authorities as required by law were $3,818 and $3,882 respectively, at December 31, 2013 and 2012. These investments are not available for use by the Company.

At December 31, 2013, the largest industry concentration of the Company's portfolio was investments in the electric utilities sector of $561,498, representing 7.7% of the total debt securities portfolio.

UNREALIZED LOSSES ON INVESTMENTS

Credit Loss Rollforward — Rollforward of the Cumulative Credit Loss Component of OTTI Loss Recognized in Earnings on Fixed Maturity Securities Still Held for Which a Portion of the OTTI Loss was not Recognized in Earnings

As of December 31,	2013	2012
Balance, beginning of period	$ 30,238	$ 29,558
Credit loss impairments previously recognized on securities which matured, paid down, prepaid or were sold during the period	(61)	(8,392)
Credit loss impairments previously recognized on securities impaired to fair value during the period	-	(3,748)
Credit loss impairment recognized in the current period on securities not previously impaired	585	12,820
Additional credit loss impairments recognized in the current period on securities previously impaired	-	-
Balance, end of period	**$ 30,762**	**$ 30,238**

Management has determined that the unrealized losses on the Company's investments in equity and fixed maturity securities at December 31, 2013 are temporary in nature.

The following tables are an analysis of the fair values and gross unrealized losses aggregated by bond category and length of time that the securities were in a continuous unrealized loss position as of December 31, 2013 and 2012, respectively.

	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Gross Unrealized Capital Loss	Fair Value	Gross Unrealized Capital Loss	Fair Value	Gross Unrealized Capital Loss
December 31, 2013:						
U.S. Treasury, U.S. Agency and other governmental securities	$ 80,423	$ 10,913	$ 21,840	$ 6,675	$ 102,263	$ 17,588
States and political subdivisions	86,721	10,852	5,972	923	92,693	11,775
Corporate securities	992,315	82,306	125,475	22,528	1,117,790	104,834
Residential mortgage-backed securities	7,637	20	15	1	7,652	21
Commercial mortgage-backed securities	92,304	2,361	26,799	1,030	119,103	3,391
Asset-backed securities	118,527	6,242	33,833	2,360	152,360	8,602
Total Bonds	1,377,927	112,694	213,934	33,517	1,591,861	146,211
Redeemable Preferred Stock	-	-	1,191	9	1,191	9
TOTAL BONDS AND PREFERRED STOCK	**$ 1,377,927**	**$ 112,694**	**$ 215,125**	**$ 33,526**	**$ 1,593,052**	**$ 146,220**

	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Gross Unrealized Capital Loss	Fair Value	Gross Unrealized Capital Loss	Fair Value	Gross Unrealized Capital Loss
December 31, 2012:						
U.S. Treasury, U.S. Agency and other governmental securities	$ 42,339	$ 2,096	$ 17	$ -	$ 42,356	$ 2,096
States and political subdivisions	14,735	265	6,850	1,149	21,585	1,414
Corporate securities	255,770	4,356	6,802	468	262,572	4,824
Residential mortgage-backed securities	41,882	419	-	-	41,882	419
Commercial mortgage-backed securities	301,329	7,424	2,517	449	303,846	7,873
Asset-backed securities	96,715	7,715	7,887	560	104,602	8,275
Total Bonds	752,770	22,275	24,073	2,626	776,843	24,901
Redeemable Preferred Stock	-	-	1,352	23	1,352	23
TOTAL BONDS AND PREFERRED STOCK	**$ 752,770**	**$ 22,275**	**$ 25,425**	**$ 2,649**	**$ 778,195**	**$ 24,924**

Included in the December 31, 2013 amounts above is the interest portion of other-than-temporary impairments on securities of $526.

Unrealized losses on debt securities that were in an unrealized loss position less than twelve months at December 31, 2013, totaled 77% of the Company's total fixed maturities unrealized loss, and unrealized losses on securities in an unrealized loss position greater than twelve months totaled 23% of the Company's total fixed maturities unrealized loss. Of the total amount of debt securities unrealized losses, $143,590 or 98% is related to unrealized losses on investment grade securities. Investment grade is defined as a security having a credit rating in accordance with the NAIC methodology of 1 or 2. Unrealized losses on fixed maturity securities with a rating below investment grade represent $2,630 or 2% of the Company's total fixed maturities unrealized losses.

The net increase in the number of securities with fair values below amortized cost and in the amount of unrealized capital losses is primarily related to the increase in the interest rate environment, particularly on current year purchases of corporate bonds, and an increase in illiquidity premium and spread widening of certain mortgage-backed securities. These were partially offset by a decrease in risk premium in certain corporate bond sectors and spread tightening on certain mortgage-backed securities.

U.S. Treasury, U.S Agency and Other Governmental Securities Unrealized losses on the Company's investments in U.S. Treasury, U.S. Agency and other governmental obligations were $17,588 or 12% of the Company's unrealized losses for debt securities. These were spread over sixteen securities and the decline in value is attributable to the increase in the interest rate environment.

States and Political Subdivisions Unrealized losses on the Company's investments in states and political subdivisions were $11,775 or 8% of the Company's unrealized losses for debt securities. These were spread over 34 securities and the decline in value is attributable to the increase in Treasury rates.

Corporate Securities Unrealized losses on corporate securities were $104,834 or 72% of the total unrealized losses for debt securities. The amount of unrealized losses on the Company's investment in corporate securities is spread over 248 individual securities with varying interest rates and maturities. There were no unrealized losses for Corporate securities with a fair value below 80% of the security's amortized cost. The decline in value is primarily attributable to the increase in the interest rate environment.

Residential and Commercial Mortgage-Backed Securities Unrealized losses on mortgage-backed securities were $3,412 or 2% of the total unrealized losses for debt securities. The amount of unrealized capital losses on the Company's investment in

mortgage-backed securities was due to several factors, depending upon the security. In general, the causes were: the increase in Treasury rates, illiquidity of the particular asset and spread widening specific to some individual securities. These losses were spread across 19 fixed and variable rate securities, 99% of which are investment grade. There were no mortgage-backed securities that were priced below 80% of the security's amortized cost. Management believes the collateral is sufficient to recover amortized cost. The Company measures its mortgage-backed portfolio for impairments based on the security's credit rating and whether the security has an unrealized loss. When the fair value of the security is below amortized cost and there are negative changes in estimated future cash flows, the security is deemed other than temporarily impaired. The Company also evaluates these securities for other than temporary impairments based on facts and circumstances, even if there has been no negative change in estimated future cash flows.

Other Asset-Backed Securities Unrealized losses on asset-backed securities were $8,602 or 6% of the total unrealized losses for debt securities. The unrealized losses on these investments are primarily related to the increase in the interest rate environment. These losses are spread across 39 securities. Similar to mortgage-backed securities, the Company measures its asset-backed portfolio for impairments based on the security's credit rating and whether the security has an unrealized loss. When the fair value of a security is below amortized cost and there are negative changes in estimated future cash flows, the security is deemed other than temporarily impaired. The Company also evaluates these securities for other than temporary impairments based on facts and circumstances, even if there has been no negative change in estimated future cash flows. There were no asset-backed securities that were priced below 80% of the security's amortized cost.

OTHER THAN TEMPORARY IMPAIRMENTS There were no other than temporary impairments recognized on loan-backed securities for the year ended December 31, 2013. For the year ended December 31, 2012, the Company recognized other than temporary impairments on loan-backed securities due to the Company's:

	Amortized	OTTI		
December 31, 2012	**Cost Prior to OTTI**	**Interest**	**Non-Interest**	**Fair Value**
Intent to sell	$ -	$ -	$ -	$ -
Lack of intent to hold to recovery	-	-	-	-
Expected PV of cash flows less than cost	43,711	6,467	12,325	24,919
TOTAL OTHER THAN TEMPORARY IMPAIRMENTS	$ 43,711	$ 6,467	$ 12,325	$ 24,919

Of the $6,467 of interest related OTTI, $4,895 was deferred into the IMR.

REAL ESTATE Investments in real estate consist of the Company's home office property. As of December 31, 2013 and 2012, accumulated depreciation on real estate amounted to $17,628 and $16,921, respectively.

ALTERNATIVE ASSETS The following table presents the Company's Alternative assets portfolio as of December 31:

2013	Carrying Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Venture Capital	$ 99,228	$ 86,847		
MBO	54,637	19,967		
Distressed	42,549	25,382		
Real Asset	45,588	19,697		
Mezzanine	26,678	24,762		
Infrastructure *	21,324	203	Semi-Annually	30 days
Hedge Funds	8,262	-	Monthly	5 days
Secondaries	5,998	1,466		
Fund of Funds	3,488	11		
Senior Mezzanine	4,670	3,451		
Direct Lending	4,838	7,661		
Total Alternative Assets	**$ 317,260**	**$ 189,447**		

* Redemption option only applies to one infrastructure fund (Value = $8,230; Unfunded Commitment = $0)

The investment values are provided per the Company's capital statements. Significant events that have occurred since the date the values were calculated have been reviewed but deemed as not being significant. With the exception of three open-ended investments within the portfolio, the Company's interest cannot be redeemed. Instead, distributions from each fund result from the liquidation of the underlying assets.

Venture capital includes several venture capital funds that make investments in life science and information technology companies. The geographic focus is primarily U.S. with some focus in Canada. Venture capital funds exposure (unfunded commitments + carrying value) is 37% of the Alternative assets portfolio.

MBO includes several lower middle market management buyout funds (MBO) that take controlling positions and work with management to create value. These MBO funds concentrate on the following industries: consumer, healthcare, media, manufacturing and industrial services. The geographic focus is primarily U.S. with some exposure in Europe. MBO asset funds exposure (unfunded commitments + carrying value) is 15% of the Alternative assets portfolio.

Distressed includes several funds that invest in companies that are in financial distress and/or are undervalued due to discrete extraordinary events. Some of the funds within this category also invest in publicly traded and privately held securities, derivatives and other instruments, primarily in the mortgage, asset-backed, commercial mortgage-backed and related markets. Investments within this category are made on a global basis. Distressed asset funds exposure (unfunded commitments + carrying value) is 13% of the Alternative assets portfolio.

Real asset includes investments that focus on energy, timber and real estate. The energy funds concentrate on the acquisition and exploration of oil and gas production in North America. They also consider investments in gathering and processing, energy service and other energy related sector. The timber funds include primarily U.S. timberland properties diversified by geography, age and species. The portfolio also includes one real estate fund and one real estate investment trust fund. The real estate fund purchases participating and non-participating mezzanine loans, mortgages, preferred equity and related investments in smaller and mid size commercial real estate projects located throughout the United States. The real estate investment trust pursues large-scale acquisitions of single-family homes and executes a residential rental strategy throughout the U.S. Real Asset funds exposure relative to the total Alternative assets portfolio for each of these sectors is 7% for energy, 5% for timber, and 1% for real estate.

Senior Mezzanine and Mezzanine includes investments made in mezzanine securities and middle market companies involved in leveraged transactions. Senior Mezzanine investments are made at the top of the capital structure with

significant downside protection, while Mezzanine sits in the middle of the capital structure. Many of the partnerships within these sectors consider an array of investment opportunities, but there is some concentration on media companies. The geographic focus is primarily North America and Europe. Senior Mezzanine and Mezzanine exposure (unfunded commitments + carrying value) is 2% and 10% of the Alternative assets portfolio, respectively.

Infrastructure includes three funds. Some of the assets include toll roads, bridges, pipelines, airports, communication assets and water-waste related assets. One of the funds is open-ended and therefore can be redeemed. Any repurchase of the Company's interest completed within four years after the initial drawdown date is made at 94% of the investor's Offering Net Asset Value ("NAV"). After four years, repurchase is made at 100% of the investor's NAV. Infrastructure exposure (unfunded commitments + carrying value) is 4% of the Alternative assets portfolio.

Hedge Funds The investment includes one hedge fund. The hedge fund invest dynamically across merger, credit markets, commodities, emerging markets, equities and special situation strategies both domestically and internationally. A shareholder may redeem shares as of the close of business on the last trading day of any upcoming month provided that prior written notice is received in accordance with the subscription documents. Shares are redeemed at the NAV of the Company as of the redemption date. Hedge fund exposure (unfunded commitments + carrying value) is 2% of the Alternative assets portfolio.

Fund of funds includes one investment. The primary focus includes global investments in private equity, co-investments and secondary market purchases of interests in private equity funds. Fund of funds exposure (unfunded commitments + carrying value) is 1% of the Alternative assets portfolio.

Secondaries includes two investments. The primary purpose of the first investment is to acquire equity and equity-related securities in venture-backed companies and interests in venture capital investment funds. The firm is headquartered on the West Coast and over 50% of its invested capital is in the Silicon Valley. The second investment considers opportunities on a global basis and across all sectors of the private equity market. The Fund invests its capital principally in limited partner secondaries, synthetic secondaries and alternative investments. Secondary exposure (unfunded commitments + carrying value) is 1% of the Alternative assets portfolio.

Direct Lending includes two investments. The primary purpose of the investments is to originate and underwrite loans primarily with the following characteristics: Secured senior and second lien loans, selected subordinated debt, mid market businesses and event driven strategies. Direct Lending exposure (unfunded commitments + carrying value) is 2% of the Alternative assets portfolio.

As of December 31, 2013, none of these investments exceed 10% of the Company's admitted assets. The Company recognized realized losses of $4,459 and $1,190 in 2013 and 2012, respectively, associated with other than temporary impairments of certain partnership investments. The Company considered the remaining life of the partnerships and the performance of the underlying assets when evaluating the facts and circumstances surrounding the recovery of the cost of the partnership investments.

As of December 31, 2013, the Company recognized realized gains of $8,225 and $0 in 2013 and 2012, respectively, associated with redemptions from hedge fund investments. The Company redeemed investments from the hedge funds and the associated gains are presented in realized capital gains and losses.

OTHER INVESTED ASSETS *Low Income Housing Tax Credits* The Company has no LIHTC properties under regulatory review at December 31, 2013 and 2012. If the book value of the investment is higher than the present value of future tax benefits, an impairment is considered to have occurred and the investment is written down as a realized loss. There were no impairments or write-downs due to forfeiture of eligibility in 2013 and 2012. Commitments of $6,910 have been recorded in Other Liabilities.

NET INVESTMENT INCOME AND REALIZED CAPITAL LOSSES During 2013 and 2012, proceeds from sales of investments in bonds and preferred stock amounted to $535,215 and $664,056, respectively. The gross gains realized on those sales were $16,963 and $45,300 and the gross losses realized on those sales were $5,803 and $3,353 during 2013 and

2012, respectively. In addition, during 2013 and 2012, the Company realized losses of $585 and $17,220, respectively, related to the impairment of debt securities.

During 2013 and 2012 proceeds from sales of investments in equity securities amounted to $6,463 and $1,677, respectively. The gross gains realized on those sales were $3,460 and $0, respectively, and the gross losses realized on those sales were $2,713 and $215 in 2013 and 2012, respectively.

The following table summarizes the major categories of net investment income for the years ended:

December 31,	**2013**	**2012**
Income:		
Bonds and preferred stock	$ 406,310	$ 373,887
Common stocks - affiliated	7,000	5,700
Unaffiliated	253	181
Real estate	2,760	2,760
Policy loans	15,266	16,360
Alternative assets	30,790	24,766
Other invested assets	45,346	45,596
Other	385	445
Derivatives	8,216	12,169
IMR amortization	3,237	4,000
Total investment income	519,563	485,864
Expenses:		
Surplus note interest	28,706	28,695
Depreciation of real estate	707	720
Other	17,965	18,366
Total investment expenses	47,378	47,781
NET INVESTMENT INCOME	**$ 472,185**	**$ 438,083**

There was no nonadmitted accrued investment income at December 31, 2013 and 2012, respectively.

Realized capital losses are reported net of federal income taxes and amounts transferred to the IMR as follows for the years ended:

December 31,	**2013**	**2012**
Realized capital losses	$ (15,999)	$ (11,095)
Less:		
Amount transferred to IMR (net of related taxes of $(7,615) in 2013 and $(17,521) in 2012)	1,123	19,362
	(17,122)	(30,457)
Less income tax effect on realized capital losses	-	17,187
NET REALIZED CAPITAL LOSSES	**$ (17,122)**	**$ (47,644)**

Portions of realized capital gains and losses that were determined to be interest related were deferred into the IMR.

The Company did not sell any securities with the NAIC's designation 3 or below during the years ended December 31, 2013 and 2012 that were reacquired within 30 days of the sale date.

Note 4. RESERVES AND FUNDS FOR PAYMENT OF ANNUITY BENEFITS

The Company's separate accounts are non-guaranteed. The withdrawal characteristics of the Company's annuity actuarial reserves and deposit-type contracts are illustrated below as of December 31, 2013:

	General Account	Separate Account	Total	% of Total
Subject to discretionary withdrawal-with adjustments:				
With fair value adjustment	$ -	$ -	$ -	-%
At book value less surrender charges	667,616	-	667,616	8%
At fair value	-	5,397,519	5,397,519	64%
Subtotal	667,616	5,397,519	6,065,135	72%
Subject to discretionary withdrawal-without adjustment	1,302,000	-	1,302,000	15%
Not subject to discretionary withdrawal	950,512	126,837	1,077,349	13%
Total annuity reserves and deposit liabilities gross	2,920,128	5,524,356	8,444,484	100%
Less: reinsurance ceded	(4,167)	-	(4,167)	
TOTAL ANNUITY RESERVES AND DEPOSIT LIABILITIES, NET	**$ 2,915,961**	**$ 5,524,356**	**$ 8,440,317**	

The withdrawal characteristics of the Company's annuity actuarial reserves and deposit-type contracts are illustrated below as of December 31, 2012:

	General Account	Separate Account	Total	% of Total
Subject to discretionary withdrawal-with adjustments:				
With fair value adjustment	$ -	$ -	$ -	-%
At book value less surrender charges	504,860	-	504,860	7%
At fair value	12,827	4,307,910	4,320,737	59%
Subtotal	517,687	4,307,910	4,825,597	66%
Subject to discretionary withdrawal-without adjustment	1,486,285	-	1,486,285	20%
Not subject to discretionary withdrawal	956,620	110,299	1,066,919	14%
Total annuity reserves and deposit liabilities gross	2,960,592	4,418,209	7,378,801	100%
Less: reinsurance ceded	(4,447)	-	(4,447)	
TOTAL ANNUITY RESERVES AND DEPOSIT LIABILITIES, NET	**$ 2,956,145**	**$ 4,418,209**	**$ 7,374,354**	

The following is the reconciliation of total annuity actuarial reserves and liabilities for deposit-type contracts as of December 31,:

	2013	2012
Statutory Statements of Admitted Assets, Liabilities and Surplus:		
Policyholders' reserves – group annuities	$ 298,267	$ 55,523
Policyholders' reserves – individual annuities	2,086,772	2,354,623
Liabilities for deposit-type contracts	504,394	518,893
VACARVM reserves	26,528	27,107
Subtotal	2,915,961	2,956,146
Separate Account Annual Statement:		
Annuities	5,524,179	4,417,999
Supplementary contracts with life contingencies	160	190
Other annuity contract-deposit-funds	17	19
Subtotal	5,524,356	4,418,208
TOTAL RESERVES	**$ 8,440,317**	**$7,374,354**

The Company has variable annuity contracts containing GMDB provisions that provide a specified minimum return upon death as follows:

RETURN OF PREMIUM provides the greater of the account value or total deposits made to the contract less any partial withdrawals and assessments, which is referred to as "net purchase payments". This guarantee is a standard death benefit on all individual variable annuity products.

STEP-UP provides a variable death benefit equal to the greater of the account value and the highest variable account value adjusted for withdrawals and transfers from any prior contract anniversary date.

RISING FLOOR provides a variable death benefit equal to the greater of the current account value and the variable purchase payments accumulated at a set rate and adjusted for withdrawals and transfers.

The following table summarizes the account values and net amount at risk (death benefit in excess of account value), net of reinsurance for variable annuity contracts with guarantees invested in the separate account as of December 31:

	2013	2012
Account value	$ 5,503,782	$ 4,464,851
Net amount at risk	54,335	98,930

The Company has variable annuity contracts that have GMAB and GMAB/GMWB Rider options. The GMAB provides for a return of principal at the end of a ten-year period. The GMAB/GMWB combination rider allows for guaranteed withdrawals from a benefit base after a selected waiting period. The GMWB riders are also available with inflation or death benefit protection. The benefit base is calculated as the maximum of principal increase at a roll up rate less any partial withdrawals during the accumulation phase, the current account value, and the highest anniversary value over the first ten years. The withdrawal amount is stated as a percentage of the benefit base and varies based on whether the annuitant selects lifetime withdrawals or a specified period. One version of this rider has an inflation adjustment applied to the Guaranteed Withdrawal Amount.

The following table summarizes the account values for the different benefit types as of December 31, 2013:

Rider Type	Contracts	Fund Value	Cash Value
GMAB	1,229	$ 129,752	$ 123,072
GMWB w/inflation	10,986	1,677,470	1,619,930
GMAB/GMWB	14,939	2,340,519	2,247,484
GMWB w/ DB	621	86,746	80,467
Total	**27,775**	**$ 4,234,487**	**$ 4,070,953**

The following table summarizes the account values for the different benefit types as of December 31, 2012:

Rider Type	Contracts	Fund Value	Cash Value
GMAB	977	$ 90,642	$ 85,707
GMWB w/inflation	10,056	1,350,858	1,290,063
GMAB/GMWB	13,450	1,839,592	1,748,473
Total	**24,483**	**$ 3,281,092**	**$ 3,124,243**

Reserves for living and death benefits are based on the methodology specified in Actuarial Guideline XLIII (VACARVM), which specifies the final reserve as the greater of standard and stochastic scenario floored at the basic adjusted reserve and cash value. The standard scenario is based on a single path, deterministic projection with stipulated assumptions. The stochastic scenario is based on the Conditional Tail Expectation ("CTE") 70% of 1000 stochastically generated interest rate scenarios. Prudent estimate assumptions including margins for uncertainty are used to calculate the stochastic amount. Key assumptions needed in valuing the liability include full withdrawals, partial withdrawals, mortality, CPI, investment management fees and revenue sharing, expenses, fund allocations and other policyholder behavior. In addition, a method for projecting interest rates and equity returns is required. The stochastic process also requires the projection of in-force general account assets, assets from reinvested cash flows and in-force hedge assets that support the liabilities. The key assumptions needed in valuing the assets include reinvestment asset mix, reinvestment credit spreads, default rates, implied volatility and swap interest rates. At December 31, 2013 and 2012, the standard scenario was the greater of the two measures and was used as the final reserve. The final reserve balance for policies that fall within the scope of Actuarial Guideline XLIII, which covers both Living and Death Benefit guarantees, is $5,346,764 and $4,343,747, as of December 31, 2013 and 2012, respectively . In 2013, as a result of the annual assumption review, there was a release of reserves of $23,700. In 2012, as a result of a rigorous internal review of the models as well as external audits, there was a release of $50,000. The review also led to assumption changes that increased the reserve by $14,800 in 2012.

Note 5. SEPARATE ACCOUNTS

Separate Accounts Registered with the SEC The Company maintains separate accounts, which are registered with the Securities Exchange Commission ("SEC"), for its individual variable life and annuity products with assets of $6,302,011 and $5,146,826 at December 31, 2013 and 2012, respectively. The assets for these separate accounts, which are carried at fair value, represent investments in shares of the Company's Penn Series Funds and other non-proprietary funds.

Separate Accounts Not Registered with the SEC The Company also maintains separate accounts, which are not registered with the SEC, with assets of $315,410 and $233,931, which include $0 and $10,194 of seed money, at December 31, 2013 and 2012, respectively. While the product itself is not registered with the SEC, the underlying assets are comprised of SEC registered mutual funds. The assets in these separate accounts are carried at fair value.

Information regarding the Separate accounts of the Company, all of which are nonguaranteed, is as follows:

	2013	2012
Premiums considerations and deposits	$ 629,366	$ 616,728
Reserves at December 31,		
at market value	6,419,466	5,206,225
Subject to discretionary withdrawal at market value	6,419,466	5,206,225

The following table reconciles the amounts transferred to and from the separate accounts as reported in the financial statements of the separate accounts to the amount reported in the Statements of Loss for the year ended December 31,:

	2013	2012
Transfers as reported in the financial statements of the separate accounts:		
Transfers to separate accounts	$ 629,366	$ 616,728
Transfers from separate accounts	318,456	272,448
Transfers as reported in the Statements of Loss	$ 310,910	$ 344,280

The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and transactions. For the current reporting year, the Company reported assets and liabilities from variable life and annuity product lines into a separate account.

The assets, which are legally insulated from the general account, as of December 31,:

Product Description	2013	2012
Enhanced Deferred Individual Annuity	$ 4,948,248	$ 3,938,855
Single Life Variable Universal Life	606,870	537,557
Basic Deferred Individual Annuity	441,325	399,725
Joint Life Variable Universal Life	305,568	270,689
Deferred Group Annuity	315,410	223,737
Total	$ 6,617,421	$ 5,370,563

In accordance with the products recorded within the separate account, some separate account liabilities are guaranteed by the general account.

As of December 31, 2013 and 2012, the general account of the Company had a maximum guarantee for separate account liabilities of $115,569 and $201,555, respectively. To compensate the general account for the risk taken, the separate account paid risk charges to the general account for 2013 and 2012 of $33,532 and $24,190, respectively.

As of December 31, 2013, the general account of the Company has paid $8,149 cumulatively towards separate account guarantees. The total separate account guarantees paid by general account for the years ended December 31, 2013 and 2012 are $1,296 and $1,378, respectively.

Note 6. DERIVATIVES

The Company utilizes derivatives to achieve its risk management goals. Exposure to risk is monitored and analyzed as part of the Company's asset/liability management process, which focuses on risks that impact liquidity, capital, and income. The Company may enter into derivative transactions to hedge exposure to interest rate, credit, liability, currency, and cash flow risks. The Company uses forward contracts, swaps, futures, options, and caps to hedge these risks.

When entering into a derivative transaction, there are several risks, including but not limited to basis risk, credit risk, and market risk. Basis risk is the exposure to loss from imperfectly matched positions, and is monitored and minimized by modifying or terminating the transaction. Credit risk is the exposure to loss as a result of default or a decline in credit rating of a counterparty. Credit risk is addressed by establishing and monitoring guidelines on the amount of exposure to any particular counterparty. Market risk is the adverse effect that a change in interest rates, currency rates, implied volatility rates, or a change in certain equity indexes or instruments has on the value of a financial instrument. The Company manages the market risk by establishing and monitoring limits as to the types and degree of risk that may be undertaken. Also, the Company requires that an International Swaps and Derivatives Association Master agreement govern all Over-the-Counter ("OTC") derivative contracts. In addition, as a result of Dodd Frank Title VII, interest rate swaps are now centrally cleared through an exchange.

The following table presents the notional and fair values of derivative instruments designated and qualifying as hedging instruments.

Derivative Instruments Designated and Qualifying as Hedging Instruments

YEARS ENDED DECEMBER 31,	2013				2012			
	Number	Notional Value	Gain	(Loss)	Number	Notional Value	Gain	(Loss)
Cash Flow Hedges:								
Interest rate swaps	-	$ -	$ -	$ -	1	$ 100,000	$ 541	$ -
Currency swaps	5	31,846	-	(2,772)	-	-	-	-
Total designated and qualifying hedges	**5**	**$31,846**	**$ -**	**$ (2,772)**	**1**	**$ 100,000**	**$ 541**	**$ -**

The following table presents the notional and fair values of derivative financial instruments not designated and not qualifying as hedging instruments. Fair values showing a gain are reported in Other invested assets. Fair values showing a loss are reported in Other liabilities.

Derivative Instruments Not Designated and Not Qualifying as Hedging Instruments

YEARS ENDED DECEMBER 31,	2013				2012			
	Number	Notional Value	Gain	(Loss)	Number	Notional Value	Gain	(Loss)
Interest rate futures	8,500	$1,283,124	$ 68	$(3,283)	-	$ -	$ -	$ -
Interest rate caps	2	200,000	-	-	2	200,000	-	-
Credit default swaps	2	9,000	-	(818)	2	9,000	-	(756)
Equity futures	200	23,228	-	(94)	5,020	373,631	400	(4,648)
Foreign currency forwards	1	18,186	-	(404)	1	20,324	611	-
Interest Rate Swaps	15	1,685,000	181	(65,995)	9	924,000	174	(12,437)
Inflation Swaps	2	125,000	-	(1,806)	6	175,000	9,889	-
Equity options	37	1,139,496	70,968	-	24	670,500	28,049	-
Total Return Swaps	3	190,837	652	(33,836)	-	-	-	-
Swaptions	1	50,000	1	-	-	-	-	-
Total not designated and not qualifying as hedges	**8,763**	**$4,723,871**	**$71,870**	**$(106,236)**	**5,064**	**$2,372,455**	**$ 39,123**	**$ (17,841)**

The impact of derivative instruments reported on the Statements of Loss and Changes in Surplus is reported in the tables below:

Derivative Instruments Designated and Qualifying as Hedging Instruments

YEARS ENDED DECEMBER 31,	2013		2012	
	Net Investment Income/(Loss)	Net Investment Gains/(Losses)	Net Investment Income/(Loss)	Net Investment Gains/(Losses)
Cash Flow Hedges:				
Interest rate swaps	$ 506	$ 1,335	$ 1,255	$ -
Currency swaps	32	-	-	-
Fair Value Hedges:				
Interest rate swaps	(1,614)	(8,606)	-	-
Total qualifying hedges	**$ (1,076)**	**$ (7,271)**	**$ 1,255**	**$ -**

The $(7,271) in Net Investment (Losses) is deferred in IMR.

Derivative Instruments Not Designated and Not Qualifying as Hedging Instruments

YEARS ENDED DECEMBER 31,	2013		2012	
	Net Investment Income/(Loss)	Net Investment Gains/(Losses)	Net Investment Income/(Loss)	Net Investment Gains/(Losses)
Interest rate futures	$ -	$ 2,171	$ -	$ 2,227
Credit default swaps	(347)	-	(350)	-
Equity futures	-	(49,458)	-	(70,517)
Foreign currency forwards	-	321	-	157
Interest Rate Swaps	10,438	(21,925)	10,823	29,946
Inflation Swaps	(1,413)	8,209	441	-
Equity options	-	46,319	-	4,393
Total Return Swaps	615	(13,734)	-	-
Swaptions	-	919	-	-
Total nonqualifying hedges	**$ 9,293**	**$ (27,178)**	**$ 10,914**	**$ (33,794)**

Of the $(27,178) in Net Investment (Losses), $6,032 is deferred in IMR.

Derivative Instruments Designated and Qualifying as Cash Flow Hedges

The Company has entered into interest rate swaps and currency swaps that qualify for hedge accounting. These have been designated as cash flow hedges of cash flows related to variable rate as well as foreign currency securities. These interest rate swaps are used to reduce market risks from changes in interest rates and foreign exchange rates. The net receipts/payments from these interest rate swaps are recorded on our Statements of Loss as reported in the table above. The hedging instruments are held at amortized cost. For the currency swaps, the change in value related to foreign exchange fluctuations is recognized as an unrealized gain or loss, as applicable. As of December 31, 2013, an unrealized loss of $1,763 was recorded.

The Company's cash flow hedges are being used to hedge cash flows related to variable rate securities. The assessment of hedge effectiveness for cash flow hedges of interest rate risk excluded amounts relating to risks other than exposure to the benchmark interest rate. Derivative instruments used in cash flow hedges that meet the criteria of a highly effective hedge are valued and reported in a manner that is consistent with the hedged asset or liability. The maximum length of

time over which the Company is hedging its exposure to the variability in future cash flows is 20 years. During the year ended December 31, 2013, the Company entered into cash flow hedge accounting for one interest rate swap and fair value hedge accounting for two interest rate swaps. Hedge accounting was subsequently terminated when the derivative instruments were closed. This resulted in the realized gain related to the cash flow hedge interest rate swap of $1,335 and a realized loss for the fair value hedge interest rate swaps of $8,606, which were deferred into the IMR and are being amortized into income over the duration of the derivative instruments.

During the year ended December 31, 2012, the Company discontinued cash flow hedge accounting for one interest rate swap because the forecasted transactions are no longer expected to occur. This resulted in the interest rate swap being carried at fair value on the Statements of Admitted Assets, Liabilities and Surplus with an unrealized gain of $174.

Derivative Instruments Not Designated and Not Qualifying as Hedging Instruments

The Company enters into interest rate caps, interest rate and equity futures, credit default swaps, forward contracts, interest rate swaps, inflation swaps and put and call options that do not qualify for hedge accounting.

These instruments are carried at fair value and are classified as either other invested assets or other liabilities in the Statements of Admitted Assets, Liabilities and Surplus. The Company's use of interest rate caps is designed to manage risk associated with rising interest rates. Credit default swaps protect the Company from a decline in credit quality of a specified security resulting in bankruptcy or the failure to pay. The Company may use "to be announced" forward contracts to gain exposure to the investment risk and return of mortgage-backed securities.

The Company uses interest rate swaps to reduce market risks from changes in interest rates; the Company uses inflation swaps as an economic hedge to reduce inflation risk associated with inflation-indexed liabilities.

Total return swaps and equity futures are used to hedge the company's liability risk exposure to declines in the equity markets.

Foreign currency forwards are used to hedge the risk embedded in the Company's investment in Euro-denominated alternative assets.

The Company offers Indexed Universal Life products which have embedded options with guaranteed returns. The Company uses call spread options for protection from rising equity levels and rising volatility.

The change in unrealized capital gains/(losses) for derivative instruments designated and qualifying as hedging instruments for the years ended December 31, 2013 and 2012 were ($1,763) for a currency swap and $0, respectively.

YEARS ENDED DECEMBER 31,	**Change in Unrealized Capital Gains/(Losses)**	
Derivative Instruments Not Designated and Not Qualifying as Hedging Instruments	**2013**	**2012**
Interest rate futures	$ (3,215)	$ -
Interest rate caps	-	(23)
Credit default swaps	(61)	(290)
Equity futures	4,155	842
Foreign currency forward	(1,015)	(327)
Interest rate swaps	(53,551)	(30,366)
Inflation swaps	(11,695)	9,889
Equity options	27,330	4,712
Total Return Swaps	(33,184)	-
Swaptions	(94)	-
Total	**$ (71,330)**	**$ (15,563)**

The Company offers a variety of variable annuity contracts with GMAB or GMWB (described further in Note 4.). The contractholders may elect to invest in equity funds. Adverse changes in the equity markets expose the Company to losses if the changes result in contractholder's account balances falling below the guaranteed minimum. To mitigate the risk associated with these liabilities, the Company enters into interest and equity futures. The changes in value of the futures will offset a portion of the changes in the annuity accounts relative to changes in the equity market.

CREDIT RISK
The Company is exposed to credit related losses in the event of non-performance by counterparties to derivative financial instruments. In order to minimize credit risk, the Company and its derivative counterparties require collateral to be posted in the amount owed under each transaction, subject to threshold and minimum transfer amounts that are functions of the counterparty's credit rating. As of December 31, 2013, and 2012, the Company was fully collateralized thereby eliminating the potential for an accounting loss. Additionally, the agreements with the counterparties allow for contracts in a positive position to be offset by contracts in a negative position. This right of offset also reduces the Company's exposure. As of December 31, 2013, the Company pledged collateral of $44,498; as of December 31, 2012, the Company held collateral of $27,519. The cash received is invested in an interest bearing money market fund and is reflected as a short-term investment.

As of December 31, 2013 and 2012, the Company pledged collateral for futures contracts of $10,882 and $40,544, respectively. Notional or contractual amounts of derivative financial instruments provide a measure of involvement in these types of transactions and do not represent the amounts exchanged between the parties engaged in the transaction. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivative financial instruments.

At December 31, 2013 and 2012, the Company maintained claims related to certain derivatives associated with the bankruptcy of Lehman Brother Holdings, Inc. in 2008. In July 2013, one claim associated with Lehman Brothers Finance was sold for net proceeds of $8,471, resulting in a realized gain of $3,922. As of December 31, 2013, one claim remains with a net carrying value of $432.

Note 7. FAIR VALUE OF FINANCIAL INSTRUMENTS AND OFF-BALANCE-SHEET RISK

FAIR VALUE MEASUREMENT Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on assumptions market participants would make in pricing an asset or liability. Inputs to valuation techniques to measure fair value are prioritized by establishing a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to prices derived from unobservable inputs. An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its fair value measurement. The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs. The following summarizes the types of assets and liabilities included within the three-level hierarchy:

Level 1 — Fair value is based on unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. These generally provide the most reliable evidence and are used to measure fair value whenever available. Active markets are defined as having the following for the measured asset/liability: i) many transactions, ii) current prices, iii) price quotes not varying substantially among market makers, iv) narrow bid/ask spreads and v) most information publicly available. Prices are obtained from readily available sources for market transactions involving identical assets and liabilities.

Level 2 — Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data. Prices for assets classified as Level 2 are primarily provided by an independent pricing service using observable inputs. In circumstances where prices from pricing services are reviewed for reasonability but cannot be corroborated to observable market data as noted above, these security values are recorded in Level 3 in our fair value hierarchy.

Level 3 Fair value is based on significant inputs that are unobservable for the asset or liability. These inputs reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability. These are typically less liquid fixed maturity securities with very limited trading activity. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models, market approach and other similar techniques. Prices may be based upon non-binding quotes from brokers or other market makers that are reviewed for reasonableness, based on the Company's understanding of the market but are not further corroborated with other additional observable market information.

The determination of fair value, which for certain assets and liabilities is dependent on the application of estimates and assumptions, can have a significant impact on the Company's results of operations. The following sections describe the valuation methodologies used to determine fair values as well as the key estimates and assumptions surrounding certain assets and liabilities, measured at fair value on a recurring basis, that could have a significant impact on the Company's results of operations or involve the use of significant unobservable inputs.

The fair value process is monitored by an internal Valuation Group which meets at least quarterly. The Valuation Group consists of financial and investment professionals and utilizes additional subject matter experts as applicable. The purpose of the Valuation Group is to monitor the Company's asset valuation policies and procedures by ensuring objective and reliable valuation practices and pricing of financial instruments, as well as addressing fair valuation issues, changes to valuation methodologies and pricing sources. To assess the continuing appropriateness of third party pricing service security valuations, the Valuation Group regularly monitors the prices, reviews price variance reports and compares prices to alternate sources for a sample of securities on a periodic basis. In addition, the Company performs an initial and ongoing review of the third party pricing services methodologies, reviews inputs and assumptions used for a sample of securities on a periodic basis and performs back testing on recent trades. Pricing challenges are raised on valuations considered not reflective of market and are monitored by the Valuation Group.

BONDS The fair values of the Company's debt securities are generally based on quoted market prices or prices obtained from independent pricing services. In order to validate reasonability, prices are reviewed by internal investment professionals through comparison with directly observed recent market trades or color or by comparison of significant inputs used by the pricing service to the Company's observations of those inputs in the market. Consistent with the fair value hierarchy described above, securities with quoted market prices or corroborated valuations from pricing services are generally reflected within Level 2. Inputs considered to be standard for valuations by the independent pricing service include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. In circumstances where prices from pricing services are reviewed for reasonability but cannot be corroborated to observable market data as noted above, these security values are recorded in Level 3 in the Company's fair value hierarchy.

In circumstances where market data such as quoted market prices or vendor pricing is not available, internal estimates based on significant observable inputs are used to determine fair value. This category also includes fixed income securities priced internally. Inputs considered include: public debt, industrial comparables, underlying assets, credit ratings, yield curves, type of deal structure, collateral performance, loan characteristics and various indices, as applicable. Also included in Level 2 are private placement securities. There are several private placement bonds that are priced externally by asset management firms with expertise in the security type utilizing the discounted cash flows methodology applied through an industry standard analytical and valuation platform. Inputs considered are: public corporate bond spreads, industry sectors, average life, internal ratings, security structure, liquidity spreads, credit spreads and yield curves, as applicable. If the discounted cash flow model incorporates significant unobservable inputs, these securities would be reflected within Level 3 in the Company's fair value hierarchy.

In circumstances where significant observable inputs are not available, estimated fair value is calculated internally by using unobservable inputs. These inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset, and are therefore included in Level 3 in the Company's fair value hierarchy. Circumstances where observable market data is not available may include events such as market illiquidity and credit events related to the security.

The Company's Level 3 debt securities generally include certain privately placed commercial mortgage backed, asset backed trust preferred, public debt and certain private debt securities priced internally based on observable and unobservable inputs. Under certain conditions, the Company may conclude pricing information received from third party pricing services is not reflective of market activity and may over-ride that information with an internally developed valuation that utilizes market information and activity. As of December 31, 2013 and 2012, there were no debt securities carried at fair value that were valued in this manner. Significant inputs used in valuing the Company's Level 3 debt securities include: issue specific credit adjustments, illiquidity premiums, estimation of future collateral performance cash flows, default rate assumptions, acquisition cost, market activity for securities considered comparable and non-binding quotes from certain market participants. Certain of these inputs are considered unobservable, as not all market participants will have access to this data

The methodologies followed for valuing the Company's significant Level 3 debt securities include:

- Privately placed commercial mortgage backed securities - These assets are valued based upon broker quotes which are updated regularly. The quoted valuation is based upon a discounted cash flow model and the assumptions underlying the model include swap curve rates, prepayment and default assumptions and an illiquidity premium. On a periodic basis, management reviews the underlying assumptions with the quoting broker and reviews the final quotes for reasonableness

- Asset backed trust preferred securities - The process used to value these assets consists of determining the current market price and credit spread of the underlying floating rate security that will be received at maturity of the trust. That value is then discounted based upon a rate consisting of the applicable swap yield to maturity, the discount margin and an illiquidity premium established by management.

EQUITY SECURITIES Equity securities consist principally of investments in common and preferred stock of publicly traded companies, as well as common stock mutual fund shares. The fair values of most publicly traded equity securities are based on quoted market prices in active markets for identical assets and are classified within Level 1 in the Company's fair value hierarchy. The fair values of common stock mutual fund shares that transact regularly (but do not trade in active markets because they are not publicly available) are based on transaction prices of identical fund shares and are classified within Level 2 in the Company's fair value hierarchy. The fair values of preferred equity securities are based on prices obtained from independent pricing services and, in order to validate reasonability, are compared with recent market trades we have directly observed. Accordingly, these securities are classified within Level 2 in the Company's fair value hierarchy.

CASH AND SHORT-TERM INVESTMENTS Short-term investments carried at Level 1 consist of money market funds and investments purchased with maturities of greater than three months and less than or equal to 12 months. These are carried at amortized cost and approximate fair value.

DERIVATIVE INSTRUMENTS Derivatives with a positive fair value are recorded as other invested assets. Derivatives with negative fair values are reported as other liabilities. The fair values of derivative contracts are determined based on quoted prices in active exchanges or prices provided by counterparties, exchanges or clearing members as applicable, utilizing valuation models. The fair values of derivative contracts can be affected by changes in interest rates, foreign exchange rates, commodity prices, credit spreads, market volatility, expected returns and liquidity as well as other factors. In order to validate reasonability, prices are reviewed by our internal investment professionals through comparison with directly observed recent market trades, comparison with internal valuations estimated through use of valuation models maintained on an industry standard analytical and valuation platform, or comparison of all significant inputs used by the pricing service to our observations of those inputs in the market. Fair values can also be affected by changes in estimates and assumptions including those related to counterparty behavior used in valuation models.

The Company's exchange traded futures include index futures that are valued using quoted prices in active markets and are classified within Level 1 in our fair value hierarchy. Derivative positions traded in the over-the-counter ("OTC") derivative market are classified within Level 2. These investments include: interest rate swaps, interest rate caps, total return swaps, swaptions, call options and put options. OTC derivatives classified within Level 2 are valued using models

generally accepted in the financial services industry that use actively quoted or observable market input values from external market data providers, broker-dealer quotations, third-party pricing vendors and/or recent trading activity.

SEPARATE ACCOUNT ASSETS Separate Account assets primarily consist of mutual funds. The fair value of mutual funds is based upon quoted prices in an active market, resulting in classification in Level 1.

The following table presents the financial instruments carried at fair value as of December 31, 2013, by caption on the Statements of Admitted Assets, Liabilities and Surplus and by valuation hierarchy (as described above).

	FV Level 1	FV Level 2	FV Level 3	Total
Assets:				
Bonds:				
Corporate securities	$ -	$ 188	$ -	$ 188
Asset-backed securities	-	9,716	1,743	11,459
Total Bonds	-	9,904	1,743	11,647
Preferred stock	-	764	-	764
Common stock	1,356	-	971	2,327
Derivatives				
Interest rate swaps	-	181	-	181
Interest rate futures	68	-	-	68
Equity options	-	70,968	-	70,968
Total return swaps	-	652	-	652
Swaptions	-	1	-	1
Total derivatives	68	71,802	-	71,870
Total investments	1,424	82,470	2,714	86,608
Separate account assets (1)	6,617,421	-	-	6,617,421
Total assets	6,618,845	82,470	2,714	6,704,029
Liabilities:				
Derivatives	$ (3,377)	$ (102,859)	$ -	$ (106,236)
Total Liabilities	$ (3,377)	$ (102,859)	$ -	$ (106,236)

(1) Separate account assets represent segregated funds that are invested for certain customers. Investment risks associated with market value changes are borne by the customers, except to the extent of minimum guarantees made by the Company with respect to certain accounts. Separate account liabilities are not included in the above table as they are reported at contract value and not fair value in the Company's Statements of Admitted Assets, Liabilities and Surplus.

The following table presents the financial instruments carried at fair value as of December 31, 2012, by caption on the Statements of Admitted Assets, Liabilities and Surplus and by valuation hierarchy (as described above).

	FV Level 1	FV Level 2	FV Level 3	Total
Assets:				
Bonds:				
Corporate securities	$ -	$ 840	$ -	$ 840
Asset-backed securities	-	9,577	1,726	11,303
Total Bonds	-	10,417	1,726	12,143
Preferred stock	-	786	-	786
Common stock	5,050	-	960	6,010
Derivatives			-	
Interest rate swaps	-	174	-	174
Interest rate contracts	-	612	-	612
Foreign currency	-	9,889	-	9,889
Equity futures	400	-	-	400
Equity options	-	28,049	-	28,049
Total derivatives	400	38,724	-	39,124
Total investments	5,450	49,927	2,686	58,063
Separate account assets (1)	5,380,757	-	-	5,380,757
Total assets	5,386,207	49,927	2,686	5,438,820
Liabilities:				
Derivatives	$ (4,649)	$ (13,193)	$ -	$ (17,842)
Total Liabilities	$ (4,649)	$ (13,193)	$ -	$ (17,842)

(2) Separate account assets represent segregated funds that are invested for certain customers. Investment risks associated with market value changes are borne by the customers, except to the extent of minimum guarantees made by the Company with respect to certain accounts. Separate account liabilities are not included in the above table as they are reported at contract value and not fair value in the Company's Statements of Admitted Assets, Liabilities and Surplus.

SIGNIFICANT TRANSFERS BETWEEN LEVEL 1 AND LEVEL2 There were no significant transfers between Level 1 and Level 2.

CHANGES IN LEVEL 3 RECURRING FAIR VALUE MEASUREMENTS The tables below include a rollforward of the Statements of Admitted Assets, Liabilities and Surplus amounts for the years ended December 31, 2013 and 2012 (including the change in fair value), for financial instruments classified by the Company within Level 3 of the valuation hierarchy. When a determination is made to classify a financial instrument within Level 3, the determination is based upon the significance of the unobservable parameters to the overall fair value measurement. However, Level 3 financial instruments typically include, in addition to the unobservable or Level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology. There were no assets transferred in or out of Level 3 for the years ended, December 31, 2013 and 2012. Also, the Company manages the risk of the observable components of Level 3 financial instruments using securities and derivative positions that are classified within Level 1 or 2 of the valuation hierarchy; as these Level 1 and Level 2 risk management instruments are not included below, the gains or losses in the tables do not reflect the effect of the Company's risk management activities related to such Level 3 instruments.

	Asset-Backed Securities	Common Stock	Total Assets
Balance January 1, 2013	$ 1,726	$ 960	$ 2,686
Transfers in	-	-	-
Transfers out	-	-	-
Total gains or losses (realized/unrealized) included in:			
Income	(198)	-	(198)
Surplus	307	-	307
Amortization/Accretion	-	-	-
Purchases/(Sales):			
Purchases	-	11	11
(Sales)	(92)	-	(92)
Balance December 31, 2013	**$ 1,743**	**$ 971**	**$ 2,714**

The following summarizes the fair value, valuation techniques and significant unobservable inputs of the Level 3 fair value measurements that were developed as of December 31, 2013:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Rate/ Range or /weighted ave.
Assets:				
Investments				
Bonds				
Asset-backed securities	$ 1,743	Broker quote (1)	Not available	N/A
Common Stock	971	Enterprise valuation multiple (2)	Enterprise valuation multiple	6.0 multiple

(1) Broker quoted fair values on these asset backed securities represent indicative, non-binding quotes developed by a single market maker. The significant inputs are not developed by the Company and are not reasonably available.

(2) The Company estimates the fair value using a model which applies an enterprise valuation multiplier to estimated earnings before income taxes, depreciation, and amortization.

The following table summarizes the aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall, for which it is practicable to estimate fair value, at December 31, 2013.

	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable Carrying Value
Financial Assets:						
Bonds	$ 7,639,640	$ 7,243,116	$ 4,658	$ 7,259,124	$ 375,858	$ -
Redeemable Preferred Stocks	23,493	21,050	-	22,302	1,191	-
Common Stock-Unaffiliated	2,327	2,327	1,356	-	971	-
Cash and Short-Term Investments	68,731	68,731	68,731	-	-	-
Derivatives	71,870	71,870	68	71,802	-	-
Separate Account Assets	6,617,421	6,617,421	6,617,421	-	-	-
Financial Liabilities:						
Investment-Type Contracts						
Individual Annuities	$ 2,412,259	$ 2,345,751	$ -	$ -	$ 2,412,259	$ -
Derivatives	109,008	107,999	3,377	105,631	-	-
Separate Account Liabilities	6,617,421	6,617,421	6,617,421	-	-	-

The fair values of the Company's liabilities for individual annuities and other group annuities are estimated by discounting the cash flows associated with the contracts, using an interest rate currently offered for similar contracts with maturities similar to those remaining for the contracts being valued. The statement value for certain of the other group annuities approximates the fair value due to the nature of the contracts. The statement values of dividends to policyholders payable in the following year and separate account liabilities approximate their fair values.

Note 8. BENEFIT PLANS

The Company maintains both funded and unfunded non-contributory defined benefit pension plans covering all eligible employees. The Company also has other postretirement benefit plans (health care plans) covering eligible existing retirees and limited other eligible employees. The Company uses a measurement date of December 31 for all plans.

PENSION PLANS The Company has both funded and unfunded non-contributory defined benefit pension plans covering all eligible employees. The Company's policy is to fund qualified pension costs in accordance with the Employee Retirement Income Security Act of 1974. The Company may increase its contribution above the minimum based upon an evaluation of the Company's tax and cash positions and the plan's funded status.

The Company approved the freezing of benefits under its qualified and Tax Equity and Fiscal Responsibility Act ("TEFRA") pension plans effective December 31, 2005. Therefore, there no further benefits are accrued for participants.

OTHER POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS The Company provides certain life insurance and health care benefits ("other postretirement benefits") for its retirement employees and agents, and their beneficiaries and covered dependents.

OTHER PLANS The Company has non-qualified deferred compensation plans that permit eligible key employees, producers and trustees to defer portions of their compensation to these plans. Certain Company contributions in excess of allowable qualified plan limits may also be credited to these plans. Company contributions and earnings on investments are recorded as expenses in the Statements of Loss. To hedge against volatility for the investment earnings credited, the Company purchased corporate-owned life insurance contracts.

BENEFIT OBLIGATIONS Accumulated benefit obligations represent the present value of pension benefits earned as of the measurement date based on service and compensation and do not take into consideration future salary increases. Projected benefit obligations for defined benefit plans represent the present value of pension benefits earned as of the measurement date projected for estimated salary increases to an assumed date with respect to retirement, termination, disability or death.

The following table sets forth the plans' change in benefit obligation of the defined benefit pension and other postretirement plans as of December 31, 2013 and 2012:

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Change in benefit obligation				
Benefit obligation at beginning of year	$ 175,557	$ 153,525	$ 25,182	$ 23,632
Service cost	-	47	823	388
Interest cost	6,932	7,640	1,070	1,054
Actuarial loss/(gain)	(14,107)	22,357	(3,465)	2,008
Benefits paid	(8,508)	(8,012)	(2,379)	(1,900)
Change in Plan Provisions	51	-	4,591	-
Benefit obligation at end of year	**$ 159,925**	**$ 175,557**	**$ 25,822**	**$ 25,182**
Benefit obligation for non-vested employees	**$ -**	**$ 44**	**$ -**	**$ 4,591**

The weighted-average assumptions used to measure the actuarial present value of the projected benefit obligation at December 31 were:

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Discount rate	4.85%	4.00%	4.50%	3.75%
Rate of compensation increase	N/A	N/A	N/A	N/A

The discount rate is determined at the annual measurement date of the plans and is therefore subject to change each year. The rate reflects prevailing market rates for high quality fixed-income debt instruments with maturities corresponding to expected duration of the benefit obligations on the measurement date. The rate is used to discount the future cashflows of benefits obligations back to the measurement date.

PLAN ASSETS The change in plan assets represents a reconciliation of beginning and ending balances of the fair value of the plan assets used to fund future benefit payments. The following table sets forth the change in plan assets as of December 31:

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Change in plan assets:				
Fair value of plans assets at beginning of year	$ 158,079	$ 145,704	$ -	$ -
Actual return on plan assets	23,363	17,710	-	-
Employer contribution	2,739	2,677	2,379	1,900
Benefits paid	(8,508)	(8,012)	(2,379)	(1,900)
Fair value of plan assets at end of year	**$ 175,673**	**$ 158,079**	**$ -**	**$ -**

The following table presents the financial instruments carried at fair value in Company's pension plan assets as of December 31, 2013:

Asset Category	FV Level 1	FV Level 2	FV Level 3	Total
Equity funds	$ 90,329	$ -	$ -	$ 90,329
Bond funds	83,859	-	-	83,859
Money market funds	1,485	-	-	1,485
Total	**$ 175,673**	**$ -**	**$ -**	**$ 175,673**

The following table presents the financial instruments carried at fair value in Company's pension plan assets as of December 31, 2012:

Asset Category	FV Level 1	FV Level 2	FV Level 3	Total
Equity securities	$ 100,910	$ -	$ -	$ 100,910
Corporate Securities	25,991	-	-	25,991
U.S. Treasury securities	31,136	-	-	31,136
Total	**$ 158,037**	**$ -**	**$ -**	**$ 158,037**

The Company's overall investment strategy with respect to pension assets are growth, preservation of principal, preservation of purchasing power and partial immunization through asset/liability matching while maintaining return objective over the long term. To achieve these objectives, the Company has established a strategic asset allocation policy. Plan assets are diversified both by asset class and within each asset class in order to provide reasonable assurance that no single security or class of security will have a disproportionate impact on the plan. In 2013, the Company changed the

target allocation from a 60/20/20 allocation between equity securities, corporate bonds and Treasuries to a target allocation of 50/50 allocation between equity and bond funds. The Company will continue its policy to rebalance the portfolio on an annual basis. Performance of investment managers, liability measurement and investment objectives are reviewed on a regular basis.

The Company's pension plan asset allocation at December 31, 2013 and 2012, and the current target allocations are as follows:

	2014 Target Allocation	Percentage of Plan Assets As of December 31,	
Asset Category		**2013**	**2012**
Equity securities	50.0%	51.4%	63.8%
Bond funds	50.0%	47.7%	0.0%
Money market funds	0.0%	0.9%	0.0%
Corporate bonds	0.0%	0.0%	16.5%
U.S. Treasury securities	0.0%	0.0%	19.7%
Total	**100.0%**	**100.0%**	**100.0%**

AMOUNTS RECOGNIZED IN THE STATEMENTS OF ASSETS, LIABILITIES AND SURPLUS The funded status of the defined benefit plans is a comparison of the projected benefit obligations to the assets related to the respective plan, if any. The difference between the two represents amounts that have been appropriately recognized as expenses in prior periods that appear as the net amount recognized or represent amounts that will be recognized as expenses in the future through the amortization of the unrecognized net actuarial loss, unrecognized prior service costs, and remaining initial transition. The following table sets forth the funded status of the plans as of December 31, 2013 and 2012 as of the measurement date, and then shows how the funded status is reconciled to the net asset and/or liability recognized in the Statements of Admitted Assets, Liabilities and Surplus.

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Benefit Obligation	$ (159,925)	$ (175,557)	$ (25,822)	$ (25,182)
Fair value of plan assets	175,673	158,079	-	-
Funded Status	**$ 15,748**	**$ (17,478)**	**$ (25,822)**	**$ (25,182)**
Funded status	$ 15,748	$ (17,478)	$ (25,822)	$ (25,182)
Unrecognized net actuarial loss	5,369	34,334	3,866	7,727
Unrecognized prior service (benefit)/cost	-	-	1,753	(2,839)
Liability for benefits	-	-	(554)	-
Net amount recognized	**$ 21,117**	**$ 16,856**	**$ (20,757)**	**$ (20,294)**
Amount recognized in Statements of Admitted Assets, Liabilities and Surplus:				
Prepaid pension asset (nonadmitted)	$ 44,365	$ 38,414	$ -	$ -
Accrued benefit liability	(28,617)	(31,162)	(20,757)	(20,294)
Accumulated surplus adjustment	5,369	9,604	-	-
Net amount recognized	**$ 21,117**	**$ 16,856**	**$ (20,757)**	**$ (20,294)**

The qualified pension plan was over funded by $44,365 and $13,501 as of December 31, 2013 and 2012 respectively. The non-qualified pension plans are not funded and have total projected benefit obligations of $28,617 and $30,980 as of December 31, 2013 and 2012, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $28,617, $28,617 and $0, respectively as of December 31, 2013. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $30,980, $30,980 and $0, respectively as of December 31, 2012.

As of December 31, 2013, the projected benefit obligation for all pension benefit plans exceeds the fair value of plan assets and the accumulated postretirement benefit obligation exceeds plan assets for all of the Company's other postretirement benefit plans.

A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets. In 2013 and 2012, the change in the minimum pension liability, net of the change in the related intangible asset, of $31,026 and $(4,494), respectively, was reported in surplus.

NET PERIODIC COST The components of net periodic benefit cost (excluding the minimum pension liability adjustment) at December 31, were as follows:

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Service cost	$ -	$ 48	$ 823	$ 388
Interest cost	5,708	7,640	1,070	1,054
Expected return on plan assets	(9,638)	(10,017)	-	-
Amortization of prior service cost	36	-	(1)	(442)
Amount of recognized gains and loss	2,372	915	396	324
Total net periodic cost	**$ (1,522)**	**$(1,414)**	**$2,288**	**$1,324**

The weighted-average assumptions used to determine net periodic benefit cost at December 31 were:

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Discount rate	4.00%	5.00%	3.75%	4.50%
Expected return on plan assets	7.00%	7.00%	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A	N/A

The expected rate of return on plan assets was estimated utilizing a variety of factors including the historical investment returns achieved over a long-term period, the targeted allocation of plan assets and expectations concerning future returns in the marketplace for both equity and debt securities. Lower returns on plan assets result in higher pension expense.

The assumed health care cost trend rates used in determining net periodic costs at December 31 were:

	2013		2012	
	Pre-65	**Post-65**	**Pre-65**	**Post-65**
Health care cost trend rate assumed for next year	7.75%	7.00%	8.30%	6.20%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2019	2022	2019	2019

Assumed health care trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	One-Percentage Point Increase	Decrease
Effect on total service and interest cost components	$ 135	$(117)
Effect of postretirement benefit obligation	1,550	(1,377)

ACTUAL CONTRIBUTIONS AND BENEFITS The contributions made and the benefits paid from the plans at December 31 were:

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Employer Contributions	$ 2,739	$ 2,677	$ 2,379	$ 1,900
Benefits Paid	(8,508)	(8,012)	(2,379)	(1,900)

CASH FLOWS The Company's funding policy is to contribute an amount at least equal to the minimum required contribution under ERISA. The Company may increase its contribution above the minimum based upon an evaluation of the Company's tax and cash positions and the plan's funded status.

In 2014, the Company expects the minimum required contribution to the funded pension plan to be $0 and expects to make contributions to the unfunded pension and postretirement plans in an amount equal to benefit costs of approximately $0 and $2,285, respectively.

The components of net periodic benefit cost (excluding the minimum pension liability adjustment) expected to be recognized in 2014 are as follows:

	Pension Benefits	**Other Benefits**
Amortization of net prior service cost	$ 15	$ (1)
Amortization of net loss	789	108
Total net periodic cost	**$ 804**	**$ 107**

The estimated future benefit payments are based on the same assumptions as used to measure the benefit obligations at

December 31, 2013 and 2012. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Plan Benefits	**Other Post Retirement Plan Benefits**
2014	$ 8,744	$ 2,285
2015	8,821	2,257
2016	8,920	2,201
2017	9,032	2,144
2018	9,133	2,086
Years 2019-2023	45,516	9,486
Total	**$ 90,166**	**$ 20,459**

DEFINED CONTRIBUTION PLANS The Company maintains four defined contribution pension plans for substantially all of its employees and full-time agents. For two plans, designated contributions of up to 6% or 8% of annual compensation are eligible to be matched by the Company. Contributions for the third plan are based on tiered earnings of full-time agents. The last plan, which covers employees of a subsidiary, is determined on a discretionary basis by the Board of Directors of that subsidiary. For the years ended December 31, 2013, and 2012, the expense recognized for these plans was $7,456 and $7,385, respectively. The estimated fair value of the defined contribution plans' assets at December 31, 2013 and 2012 was $275,081 and $237,547, respectively.

At December 31, 2013 and 2012, $126,943 and $109,942, respectively, of the defined contribution plans' assets were invested in the Company's group annuity contracts.

Note 9. FEDERAL INCOME TAXES

The Company is required to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carryback years as well as projected taxable income exclusive of reversing temporary differences and carryforwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Company would employ to avoid a tax benefit from expiring unused; although the realization is not assured, management believes it is more likely than not that the deferred tax assets, net valuation allowances, will be realized. The Company has not recorded a valuation allowance as of December 31, 2013 and 2012.

Components of deferred tax asset (DTAs) and deferred tax liabilities (DTLs):

Description	2013			2012		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	$ 281,671	$ 48,103	$ 329,774	$ 221,780	$ 44,719	$ 266,499
Statutory valuation allowance adjustment	-	-	-	-	-	-
Adjusted gross deferred tax assets	281,671	48,103	329,774	221,780	44,719	266,499
Adjusted gross deferred tax assets nonadmitted	(47,039)	(11,502)	(58,541)	(36,585)	26,756	(9,829)
Subtotal - admitted adjusted deferred tax asset	234,632	36,601	271,233	185,195	71,475	256,670
Gross deferred tax liabilities	(57,218)	(21,489)	(78,707)	(49,049)	(36,217)	(85,266)
Net admitted deferred tax asset	**$ 177,414**	**$ 15,112**	**$ 192,526**	**$ 136,146**	**$ 35,258**	**$ 171,404**

Description	Changes during 2013		
	Ordinary	Capital	Total
Gross deferred tax assets	$ 59,891	$ 3,384	$ 63,275
Statutory valuation allowance adjustment	-	-	-
Adjusted gross deferred tax assets	59,891	3,384	63,275
Adjusted gross deferred tax asset nonadmitted	(10,454)	(38,258)	(48,712)
Subtotal - admitted adjusted deferred tax asset	49,437	(34,874)	14,563
Gross deferred tax (liability)/asset	(8,169)	14,728	6,559
Net admitted deferred tax asset/(liability)	$ 41,268	$ (20,146)	$ 21,122

Admission Calculation Components

Description	2013			2012		
	Ordinary	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**
Admission calculation under 11.a-11.c						
Admitted pursuant to 11.a (loss carryback)	$ -	$ -	$ -	$ -	$ -	$ -
Admitted pursuant to 11.b (realization)	234,632	36,601	271,233	185,195	71,475	256,670
Realization per 11.b.i	193,236	15,112	208,348	136,146	35,258	171,404
Limitation per 11.b.ii.	-	-	192,526	-	-	223,817
Adjusted pursuant to 11.c	(57,218)	(21,489)	(78,707)	(49,049)	(36,217)	(85,266)
Total admitted adjusted gross deferred tax asset a.+b.+c.	**$ 177,414**	**$ 15,112**	**$192,526**	**$ 136,146**	**$ 35,258**	**$ 171,404**

Description	Changes during 2013		
	Ordinary	**Capital**	**Total**
Admitted pursuant to 11.a (loss carryback)	$ -	$ -	$ -
Admitted pursuant to 11.b. (realization)	49,437	(34,874)	14,563
Realization per 11.b.i.	57,090	(20,146)	36,944
Limitation per 11.b.ii.	-	-	(31,291)
Adjusted pursuant to 11.c.	(8,169)	14,728	6,559
Total admitted adjusted gross deferred tax asset/(liability) admitted a.+b.+c.	$ 41,268	$ (20,146)	$ 21,122

	2013	**2012**
Used in 11.b		
Applicable ratio for realization limitation threshold table	623%	612%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 11.b.ii	$ 1,283,506	$ 1,495,390

The impact of Tax planning strategies is as follows:

	2013			**2012**			**Change**		
	Ordinary	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**
Adjusted gross DTAs									
Percentage of adjusted gross deferred tax assets attributable to the impact of tax planning strategies	57%	97%	63%	5%	93%	20%	52%	4%	43%
Net admitted adjusted gross DTA's									
Percentage for net admitted adjusted gross deferred tax assets admitted because of the impact of tax planning strategies	72%	100%	74%	9%	93%	33%	63%	7%	41%

The Company's tax planning strategies include the use of reinsurance.

There are no temporary differences for which a DTL has not been established.

Significant components of income taxes incurred
Current income taxes incurred consist of the following major components:

Description	2013	2012
Current federal income tax benefit	$ (3,477)	$ (15,497)
Tax expense/(benefit) on realized capital gains/(losses)	-	-
Utilization of capital loss carryforwards	-	-
Other, including prior year underaccrual/(overaccrual)	-	(1,603)
Federal and foreign income taxes incurred	$ (3,477)	$ (17,100)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

	2013	2012	Change
DTA resulting in book/tax difference in:			
Ordinary:			
Future policy benefits	$ 46,725	$ 53,252	$ (6,527)
DAC	86,361	80,369	5,992
Dividend to policyholders	11,620	-	11,620
Deferred compensation	25,360	28,150	(2,790)
Nonadmitted assets	5,914	6,786	(872)
LIHTC credits	14,543	9,145	5,398
NOL Carryforward	72,155	40,407	31,748
Coinsurance transaction	10,571	-	10,571
Other- ordinary	8,422	3,671	4,751
Subtotal – Gross ordinary DTAs	281,671	221,780	59,891
Statutory valuation allowance adjustment – ordinary	-	-	-
Nonadmitted ordinary DTAs	(47,039)	(36,585)	(10,454)
Admitted ordinary DTAs	$ 234,632	$ 185,195	$ 49,437
Capital:			
Investments	$ 1,818	$ 2,756	$ (938)
Unrealized capital losses	7,868	-	7,868
OTTI on investments	38,417	41,963	(3,546)
Gross capital DTAs	48,103	44,719	3,384
Statutory valuation allowance adjustment - capital	-	-	-
Nonadmitted capital DTAs	(11,502)	26,756	(38,258)
Admitted capital DTAs	36,601	71,475	(34,874)
Admitted DTAs	$ 271,233	$ 256,670	$ 14,563
DTLs resulting in book/tax differences in:			

Ordinary:			
Investments – ordinary	$ (50,823)	$ (44,159)	$ (6,664)
Other	(6,395)	(4,890)	(1,505)
Ordinary DTLs	$ (57,218)	$ (49,049)	$ (8,169)
Capital:			
Alternative asset investments	$ (21,489)	$ (20,334)	$ (1,155)
Unrealized capital gains	-	(15,883)	15,883
Fixed rate annuity contract	-	-	-
Capital DTLs	(21,489)	(36,217)	14,728
DTLs	$ (78,707)	$ (85,266)	$ 6,559
Net deferred tax asset	$ 192,526	$ 171,404	$ 21,122

The change in deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-admitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	2013	2012	Change
Total deferred tax assets	$ 329,774	$ 266,499	$63,275
Total deferred tax liabilities	(78,707)	(85,266)	6,559
Net deferred tax asset	$ 251,067	$ 181,233	69,834
Statutory valuation allowance adjustment	-	-	-
Net Deferred tax asset/liability after SVA	$ 251,067	$ 181,233	69,834
Tax effect of unrealized losses			(23,751)
Tax effect of postretirement liability			10,997
Change in net deferred income tax charge			$ 57,080

Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing the differences as of December 31, 2013 are as follows:

Description	Amount	Tax Effect	Effective Tax Rate
Loss before Taxes	$ (36,775)	$ (12,871)	35.00%
Dividends Received Deduction	(23,593)	(8,258)	22.46%
Meals and entertainment	714	250	-0.68%
Executive benefits	(10,904)	(3,816)	10.38%
IMR tax adjustment	(3,237)	(1,133)	3.08%
Income from affiliates	(48,988)	(17,146)	46.62%
Change in minimum postretirement liability	(31,420)	(10,997)	29.90%
LIHTC	-	(6,132)	16.67%
Other	(1,298)	(454)	1.24%
Total		$ (60,557)	164.67%
Federal income taxes incurred benefit		$ (3,477)	9.45%
Change in net deferred income tax		(57,080)	155.21%
Total Statutory Taxes		$ (60,557)	164.67%

The effective tax rate is primarily driven by the following components: (1) the reversal of income from affiliates, the tax on which is recorded in their separate company financial statements, (2) the dividends received deduction, (3) low income housing tax credits, and (4) change in minimum pension liability.

At December 31, 2013, the Company had $206,157 of net operating loss carryforwards available that will begin to expire in 2026. In addition, the Company had LIHTC available of $14,543 that will expire starting in 2030.
At December 31, 2013, the Company had no Alternative Minimum Tax ("AMT") credit carryforwards.

There was no income tax expense for 2012, 2011 and 2010 that is available for recoupment in the event of future net losses.

The Company has not made any deposits regarding the suspension of running interest (protective deposits) pursuant to Internal Revenue Code Section 6603.

The Company's federal income tax return is consolidated with its majority owned subsidiaries. The method of tax allocation among the companies is subject to a written agreement, whereby the tax allocation is made on a separate return basis. Effective January 1, 2014, the Company's Tax allocation agreements have been modified.

A listing of the companies included in the consolidated return is as follows:

Penn Insurance & Annuity Company
PIA Reinsurance Company of Delaware I
Horner, Townsend & Kent, Inc
HTK Insurance Agency, Inc
Independence Capital Management, Inc

The Company had no loss contingencies for which it is reasonably possible that the total liability will significantly increase within the next twelve months of the reporting date.

Note 10. REINSURANCE

The Company has assumed and ceded reinsurance on certain life and annuity contracts under various agreements. Reinsurance ceded permits recovery of a portion of losses from reinsurers.

The table below highlights the reinsurance amounts shown in the accompanying financial statements.

	Gross Amount	Assumed	Ceded	Net Amount
December 31, 2013:				
Life Insurance in-force	$ 85,419,944	$ 5,236,731	$ 41,878,039	$ 48,778,636
Premium and annuity considerations	1,665,321	48,797	218,236	1,495,882
Reserves and funds for payment of insurance and annuity benefits	7,854,703	23,680	459,317	7,419,066
December 31, 2012:				
Life Insurance in-force	$ 78,249,879	$ 4,540,074	$ 21,466,971	$ 61,322,982
Premium and annuity considerations	1,731,143	36,332	141,408	1,626,067
Reserves and funds for payment of insurance and annuity benefits	7,427,451	18,731	373,106	7,073,076

The Company had ceded certain insurance risks to an affiliate. As a result of these reinsurance agreements, net life insurance in-force ceded totaled $3,266,770 and $2,969,528 as of December 31, 2013 and 2012, respectively. The Company reduced its reserves by $307,360 and $272,725 as of December 31, 2013 and 2012, respectively. Net premium and annuity considerations ceded were $40,830 and $55,815 for the years ended December 31, 2013 and 2012, respectively.

The Company assumed the equity risk associated with an affiliate's Indexed UL products. Net premium and annuity considerations assumed were $40,588 and $30,444 for the years ended December 31, 2013 and 2012, respectively. The Company increased its reserves for these products by $20,294 as of December 31, 2013.

The Company assumed from PIA policies issued after October 1, 2006 which resulted in retention greater than $1,000 per life. As a result of this reinsurance agreement with PIA, net life insurance in-force assumed from PIA totaled $4,153,737 and $3,296,316 as of December 31, 2013 and 2012 respectively. The Company maintained reserves related to these policies of $201 and $158 as of December 31, 2013 and 2012, respectively. Net premium and annuity considerations assumed from PIA were $2,824 and $1,158 for the years ended December 31, 2013 and 2012, respectively.

The Company has entered into an indemnity reinsurance agreement with a single non-affiliated reinsurer, whereby the Company cedes its risk associated with the Disability Income line of business. Under the agreement, 95% of the assets and liabilities were transferred to the reinsurer, and the assets were placed in a trust that names the Company as beneficiary. As of December 31, 2013 and 2012, the Company had a reinsurance recoverable from the reinsurer of $201,718 and $201,043, respectively, which was secured by investment grade securities with a market value of $ 210,614 and $220,408, respectively, held in trust.

The Company entered into a coinsurance agreement with an authorized, non-affiliated reinsurer, effective January 1, 2013, to coinsure an existing black of guaranteed term products issued from 2007 through 2012. The Company retains 20% of the risk while reinsuring the remaining 80%, up to excess retention, which is already reinsured through separate treaties. The Company transferred $67,400 of reserves and $23,300 in cash, and received a $44,100 ceding commission. The after-tax gain of $30,200 was a direct increase to surplus and will be amortized into income over the emerging earnings of the business. The Company did not recognize any amortization through December 31, 2013.

Note 11. RELATED PARTIES

The Company entered into revolving loan agreements with an affiliate, Janney Montgomery Scott ("JMS") on March 13, 2009 and January 15, 2010, to provide funding in an amount not to exceed $65,000 and $50,000, respectively. Terms of the loans specify that semi-annual interest be paid on the outstanding balances based on market rates determined at the dates of the loans. The principal balances are due to mature in January 2029 and March 2029, respectively.

The Company entered into revolving loan agreement with an affiliate, Janney Montgomery Scott ("JMS") on January 25, 2013, to provide funding in an amount not to exceed $80,000. Terms of the loans specify the interest rate will be published 3-Month Libor +250bps as of the draw date and will subsequently reset on the 1st business day of every fiscal quarter. The principal balance is due to mature in January 2033.

The Company recorded $10,230 and $6,582 in interest income on these notes for the years ended December 31, 2013 and 2012, respectively. At December 31, 2013 and 2012, the Company had outstanding principle receivables from JMS of $155,000 and $105,000 and interest receivables of $2,715 and $2,071, respectively, relating to these agreements.

The Company acts in a fiduciary capacity for its defined benefit pension plan, which invests in the Company's Separate accounts. For the years ended December 31, 2013 and 2012, the Company recorded $51,354 and $5,531, respectively, in Premium & annuity considerations received from the plan.

The following summarizes the statement value of the Company's unconsolidated subsidiaries and affiliates as of:

December 31,	**2013**	**2012**
Common Stock		
PIA	$ 310,741	$ 190,427
Other affiliates	10,752	12,245
Total common stock	321,493	202,672
Other invested assets		
Independence Square Properties, LLC	192,613	224,546
Total	$ 514,106	$ 427,218

The Company's unconsolidated subsidiaries had combined assets of $5,768,194 and $4,812,587 and combined liabilities of $5,064,039 and $4,103,794 as of December 31, 2013 and 2012, respectively. The admitted value of the Company's investments in subsidiaries includes goodwill of $47,722 and $51,077 and other intangible assets of $6,897 and $7,553 at December 31, 2013 and 2012, respectively.

Note 12. COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES

LITIGATION The Company and its subsidiaries are involved in litigation arising in and out of the normal course of business, which seek both compensatory and punitive damages. In addition, the regulators within the insurance and brokerage industries continue to focus on market conduct and compliance issues. While the Company is not aware of any actions or allegations that should reasonably give rise to a material adverse impact to the Company's financial position or liquidity, the outcome of litigation cannot be foreseen with certainty.

In 2012, a putative class action complaint was filed against the Company in federal court alleging that the Company breached its contracts by allegedly failing to distribute surplus in excess of an alleged statutorily prescribed limit. After the complaint was filed, the Company moved to dismiss the complaint and plaintiffs opposed the Company's motion. We continue to await the court's decision on the motion. The Company believes that it has substantial defenses and will vigorously defend itself. No reasonable estimate can be made at this time regarding the potential liability, if any, or the amount or range of any loss that may result from this claim.

GUARANTY FUNDS The Company is subject to insurance guaranty fund laws in the states in which it does business. These laws assess insurance companies' amounts to be used to pay benefits to policyholders and policy claimants of insolvent insurance companies. Many states allow these assessments to be credited against future premium taxes. The liability for estimated guaranty fund assessments net of applicable premium tax credits as of December 31, 2013 and 2012 was $750 and $750, respectively. The Company monitors sales materials and compliance procedures and makes extensive efforts to minimize any potential liabilities in this area. The Company believes such assessments in excess of amounts accrued will not materially impact its financial statement position, results of operation, or liquidity.

LEASES In 2013, the Company entered into agreements to sell and subsequently leaseback certain assets. Computer equipment was sold for $1,070 with two different leaseback arrangements of $17 for 30 months and $15 for 36 months. Furniture and equipment was sold for $4,005 with a leaseback arrangement of $72 for 60 months. At the end of the lease terms, the Company has the option to return the equipment, purchase it at fair value or extend the leases. The Company has also entered into other leases, primarily for field offices. As of December 31, 2013 future minimum payments under noncancellable leases are as follows:

For the year ending:	
2014	$ 15,767
2015	13,280
2016	10,653
2017	8,088
2018	4,604
Thereafter	5,852

COMMITMENTS In the normal course of business, the Company extends commitments relating to its investment activities. As of December 31, 2013, the Company had outstanding commitments totaling $205,420 relating to these investment activities. The fair value of these commitments approximates the face amount.

UNCLAIMED PROPERTY Significant attention has been focused on life insurance companies' processes and procedures used to identify unreported death claims and whether life insurance companies use the Social Security Master Death File ("SSMDF") to identify deceased policy and contract holders. During 2012, the Company completed a review of its inforce policies to match all policies inforce over the last 25 years to the SSMDF and recognized the related expense in the year ended December 31, 2012, in the amount of $11,181 recorded as Benefits paid to policyholders and beneficiaries.

The Company received notification from 14 states of their intent to examine compliance with their respective abandoned and unclaimed property acts. It is possible that other jurisdictions may pursue similar examinations. These actions may result in additional payments to beneficiaries, additional escheatment of funds deemed abandoned under state laws, administrative penalties, interest, and/or further changes to the Company's procedures. While the Company is not currently able to estimate these additional possible costs, the Company does not believe they will have a material impact to its financial position or liquidity.

LOW INTEREST RATE ENVIRONMENT A period of sustained low interest rates could negatively impact the Company's profitability as the interest margin could decline. The interest margin is the difference between the earned rate on general account assets and the credited rate on policyholder funds. As interest rates decline, cash received is reinvested in lower yielding instruments. Our products such as fixed annuities and fixed universal life have guaranteed credited rates. Declines in our interest margin or instances where the returns on our general account investments are not enough to support the interest rate guarantees on these products could have a material adverse effect on our businesses or results of operations.

In periods when interest rates are declining or remain at low levels, we may have to reinvest the cash we receive as interest or return of principal on our investments in lower yielding instruments reducing our interest margin. Moreover, borrowers may prepay fixed-income securities and mortgage-backed securities in our general account in order to borrow at lower market rates, which exacerbates this risk. Lowering interest crediting rates helps to mitigate the effect of margin compression on some of our products. However, because we are entitled to reset the interest rates on our fixed rate annuities and fixed universal life only at limited, pre-established intervals, and since many of our contracts have guaranteed minimum interest or crediting rates, our margin could still decrease and potentially become negative.

During periods of low interest rates, policy reserves may not be sufficient to meet future obligations and may need to be strengthened, which would reduce net income in that reporting period. No additional policyholder reserves were established in 2013 or 2012 as a result of the low interest rate environment.

Note 13. DEBT

The Company has entered into repurchase agreements with financial institutions in the normal course of investment activities; however, there were no open positions as of December 31, 2013 and 2012.

Note 14. SUBSEQUENT EVENTS

The Company has evaluated events subsequent to December 31, 2013 and through the financial statement issuance date of February 14, 2014 and has determined that there were no significant events requiring recognition of disclosure in the financial statements.

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Independent Auditor's Report on Supplementary Information

To the Board of Trustees of
The Penn Mutual Life Insurance Company:

We have audited the statutory financial statements of The Penn Mutual Life Insurance Company (the "Company") as of December 31, 2013 and for the year then ended and our report thereon appears within this document. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Schedule of Selected Statutory Financial Data, Supplemental Investment Risk Interrogatories and the Summary Investment Schedule (collectively, the "Supplemental Schedules") of the Company as of December 31, 2013 and for the year then ended are presented for purposes of additional analysis and are not a required part of the financial statements. The Supplemental Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The effects on the Supplemental Schedules of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. As a consequence, the Supplemental Schedules do not present fairly, in conformity with accounting principles generally accepted in the United States of America, such information of the Company as of December 31, 2013 and for the year then ended. The Supplemental Schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

May 20, 2014

PricewaterhouseCoopers LLP, Two Commerce Square, Suite 1700, 2001 Market Street, Philadelphia, PA 19103-7042
T: (267) 330 3000, F: (267) 330 3300, www.pwc.com/us

Supplemental Schedule of Selected Statutory Financial Data

Investment income earned:		
U.S. Government bonds	$	6,401
Other bonds (unaffiliated)		398,253
Preferred stocks (unaffiliated)		1,656
Common stocks (unaffiliated)		253
Common stocks of affiliates		7,000
Real estate		2,760
Policy loans		15,266
Short-term investments		33
Alternative assets		30,790
Other invested assets		45,346
Derivative instruments		8,216
Aggregate write-ins for investment income		352
IMR amortization		3,237
Gross investment income	**$**	**519,563**

Real estate owned - book value less encumbrances	$	19,238
Bonds and stocks of parents, subsidiaries and affiliates - book value:		
Common Stocks	$	321,494
Other invested assets		347,613
Other long term assets - statement value	$	800,742

Supplemental Schedule of Selected Statutory Financial Data, continued

Bonds and short-term investments by NAIC designation class and maturity:		
By maturity - statement value:		
Due: (Based on expected maturity)		
Within one year or less	$	522,542
Over 1 year through 5 years		2,064,426
Over 5 years through 10 years		964,251
Over 10 years through 20 years		1,125,852
Over 20 years		2,620,295
Total maturity	$	7,297,366
By NAIC designation - statement value:		
NAIC 1	$	5,716,442
NAIC 2		1,427,711
NAIC 3		92,954
NAIC 4		32,658
NAIC 5		11,404
NAIC 6		16,197
Total by NAIC Designation	$	7,297,366
Total bonds publicly traded	$	5,536,234
Total bonds privately placed		1,761,132
Preferred stocks - statement value		21,050
Common stocks - market value		323,821
Short-term investment - book value		54,250
Options, caps & floors owned - statement value		70,969
Collar, swap & forward agreements open - statement value		(103,790)
Future contracts open - current value		(3,308)
Cash on deposit		14,481
Life insurance in-force:		
Ordinary		48,671,707
Group life		190,415
Amount of accidental death insurance in-force under ordinary policies		256,519
Life insurance policies with disability provisions in-force:		
Ordinary		4,334,960
Group life		234,602

Supplemental Schedule of Selected Statutory Financial Data, continued

Supplementary contracts in-force:		
Ordinary – not involving life contingencies		
Amount on deposit	$	102,597
Income payable		6,261
Ordinary – involving life contingencies:		
Income payable		8,582
Annuities:		
Ordinary:		
Immediate - amount of income payable		114,904
Deferred - not fully paid account balance		1,445,852
Group:		
Amount of income payable		44,033
Accident and health insurance - premiums in-force		
Ordinary		509
Deposit funds and dividend accumulations:		
Deposit funds - account balance		12,266
Dividend accumulations – account balance		198,888

Claim payments 2013:		
Group accident and health – year ended December 31, 2013:		
2013	$	2
2012		109
2011		70
2010		97
2009		104
Prior		732

Supplemental Investment Risks Interrogatories

1. The Company's total admitted assets (excluding Separate accounts) as reported on page two of the Company's Annual Statement for the year ended December 31, 2013 is $9,327,770.

2. Following are the 10 largest exposures to a single issuer/borrower/investment, excluding (i) U.S. government, U.S. government agency securities and those U.S. government money market funds listed in the Appendix to the *SVO Purposes and Procedures Manual* as exempt, (ii) property occupied by the company and (iii) policy loans as of December 31, 2013.

	Issuer	Description	Amount	Percentage of Total Admitted Assets
2.01	Penn Insurance and Annuity Company	Common Stock	$ 310,742	3.331%
2.02	Independence Square Properties LLC	Other Invested Assets	192,613	2.065%
2.03	Janney Montgomery Scott LLC	Other Invested Assets	155,000	1.662%
2.04	Harvard University	Bonds	35,706	0.383%
2.05	Proctor & Gamble	Bonds	35,213	0.378%
2.06	Toronto-Dominion Bank	Bonds	34,984	0.375%
2.07	Johnson and Johnson	Bonds	34,327	0.368%
2.08	Microsoft Corp.	Bonds	34,052	0.365%
2.09	Merck & Co. Inc.	Bonds	33,429	0.358%
2.10	Duke Energy Corp.	Bonds	33,229	0.356%

3. The Company's total admitted assets held in bonds (including short-term bonds) and preferred stocks by NAIC rating at December 31, 2013 are:

Bonds/Short-Term			Preferred Stocks		
NAIC Rating	Amount	Percentage of Total Admitted Assets	NAIC Rating	Amount	Percentage of Total Admitted Assets
NAIC-1	$ 5,716,442	61.284%	P/RP-1	$ 20,286	0.217%
NAIC-2	1,427,711	15.306%	P/RP-2	-	0.000%
NAIC-3	92,954	0.997%	P/RP-3	-	0.000%
NAIC-4	32,658	0.350%	P/RP-4	-	0.000%
NAIC-5	11,404	0.122%	P/RP-5	764	0.008%
NAIC-6	16,197	0.174%	P/RP-6	-	0.000%

4. Following are the Company's total admitted assets held in foreign investments (regardless of whether there is any foreign currency exposure) and foreign currency denominated investments as of December 31, 2013:

	Amount	Percentage of Total Admitted Assets
i. Total admitted assets held in foreign investments	$ 965,608	10.352%
ii. Foreign-currency denominated investments	51,736	0.555%
iii. Insurance liabilities denominated in that same foreign currency	-	-

Supplemental Investment Risks Interrogatories, continued

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating as of December 31, 2013:

		Amount	Percentage of Total Admitted Assets
i.	Countries rated NAIC-1	$ 882,412	9.460%
ii.	Countries rated NAIC-2	68,226	0.731%
iii.	Countries rated NAIC-3 or below	14,970	0.161%

6. Two largest foreign investment exposures to a single country, categorized by the country's NAIC sovereign rating as of December 31, 2013:

		Amount	Percentage of Total Admitted Assets
i.	Countries rated NAIC-1:		
	Country: United Kingdom	$ 360,380	3.864%
	Country: Netherlands	166,213	1.782%
ii.	Countries rated NAIC-2:		
	Country: Mexico	28,766	0.308%
	Country: Ireland	23,994	0.257%
iii.	Countries rated NAIC-3 or below:		
	Country: Jersey	11,970	0.129%
	Country: Marshall Islands	3,000	0.032%

7. Aggregate unhedged foreign currency exposure as of December 31, 2013:

Amount	Percentage of Total Admitted Assets
$ -	0.000%

8. Aggregate unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating as of December 31, 2013:

		Amount	Percentage of Total Admitted Assets
i.	Countries rated NAIC-1	$ -	0.000%
ii.	Countries rated NAIC-2	-	0.000%
iii.	Countries rated NAIC-3 or below	-	0.000%

9. Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating as of December 31, 2013:

		Amount	Percentage of Total Admitted Assets
i.	Countries rated NAIC-1:		
	Country:	$ -	0.000%
	Country:	-	0.000%
ii.	Countries rated NAIC-2:		
	Country:	-	0.000%
	Country:	-	0.000%
iii.	Countries rated NAIC-3 or below:		
	Country:	-	0.000%
	Country:	-	0.000%

Supplemental Investment Risks Interrogatories, continued

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues as of December 31, 2013:

		NAIC Rating	Amount	Percentage of Total Admitted Assets
i.	Shell Finance	1	$ 32,337	0.347%
ii.	Siemens Finance	1	30,065	0.322%
iii.	Statoil ASA	1	26,895	0.288%
iv.	Vodafone Group PLC	1	24,616	0.264%
v.	Heineken NV	2	20,635	0.221%
vi.	BG Energy Capital PLC	1	20,081	0.215%
vii.	ElectraNet Pty, Ltd.	2	17,045	0.183%
viii.	Astrazeneca PLC	1	16,986	0.182%
ix.	BHP Billiton Finance	1	15,502	0.166%
x.	ABP Acquisitions UK Limited	2	15,397	0.165%

11. As of December 31, 2013, assets held in Canadian investments are as follows:

Amount	Percentage of Total Admitted Assets
$ 245,837	2.636%

12. As of December 31, 2013, no assets are held in investments with contractual sales restrictions.

13. As of December 31, 2013, the ten largest equity interests as a percentage of admitted assets were:

	Issuer	Amount	Percentage of Total Admitted Assets
i.	Penn Insurance and Annuity Company	$ 310,742	3.331%
ii.	Independence Square Properties LLC	192,613	2.065%
iii.	Firstar Realty	19,086	0.205%
iv.	Hornor Townsend and Kent Inc.	10,752	0.115%
v.	New Leaf Healthcare Ventures I, L.P.	7,871	0.084%
vi.	Longitude Venture Partners, L.P.	7,573	0.081%
vii.	Sigma Partners 7, L.P.	7,340	0.079%
viii.	Sigma Partners 8, L.P.	7,081	0.076%
ix.	Edison Venture Fund IV, L.P.	5,164	0.055%
x.	Sigma Partners 6, L.P.	4,941	0.053%

14. As of December 31, 2013, aggregate statement value of investments held in nonaffiliated, privately placed equities are less than 2.5% of the Company's total admitted assets.

Supplemental Investment Risks Interrogatories, continued

15. As of December 31, 2013, no assets were held in general partnerships.

16. The Company did not invest in mortgage loans as of December 31, 2013.

17. The Company did not invest in mortgage loans as of December 31, 2013.

18. As of December 31, 2013, assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate reported in Schedule A are less than 2.5% of the Company's total admitted assets.

19. As of December 31, 2013, assets held in mezzanine real estate loans are less than 2.5% of the Company's total admitted assets.

20. Amounts and percentages of the Company's total admitted assets subject to the following types of agreements are as for the following periods:

			Unaudited At End of Each Quarter		
	December 31, 2013 Amount	**Percentage of Total Admitted Assets**	**March 31, 2013 Amount**	**June 30, 2013 Amount**	**September 30, 2013 Amount**
a. Securities lending agreements (excluding assets held as collateral for such transactions)	$ -	0.000%	$ -	$ -	$ -
b. Repurchase agreements	-	0.000%	352,616	120,211	103,011
c. Reverse repurchase agreements	-	0.000%	-	-	-
d. Dollar repurchase agreements	-	0.000%	-	-	-
e. Dollar reverse repurchase agreements	-	0.000%	-	-	-

Supplemental Investment Risks Interrogatories, continued

21. Following is the Company's amount and percentage of total admitted assets for warrants not attached to other financial instruments, options, caps and floors as of December 31, 2013:

	Owned		Written	
	Amount	Percentage of Total Admitted Assets	Amount	Percentage of Total Admitted Assets
a. Hedging	$ -	0.000%	$ -	0.00%
b. Income generation	-	0.000%	-	0.00%
c. Other	-	0.000%	-	0.00%

22. Following is the Company's potential exposure (defined as the amount determined in accordance with the NAIC *Annual Statement Instruction)* for collars, swaps, and forwards as of:

			Unaudited At End of Each Quarter		
	December 31, 2013 Amount	Percentage of Total Admitted Assets	March 31, 2013 Amount	June 30, 2013 Amount	September 30, 2013 Amount
a. Hedging	$ 25,935	0.278%	$ 21,541	$ 18,231	$ 23,715
b. Income Generation	-	0.000%	-	-	-
c. Replications	-	0.000%	-	-	-
d. Other	-	0.000%	-	-	-

23. Following is the Company's potential exposure (defined as the amount determined in accordance with the NAIC *Annual Statement Instructions*) for futures contracts as of:

			Unaudited At End of Each Quarter		
	December 31, 2013 Amount	Percentage of Total Admitted Assets	March 31, 2013 Amount	June 30, 2013 Amount	September 30, 2013 Amount
a. Hedging	$ 10,024	0.107%	$ 14,479	$ -	$ 3,085
b. Income Generation	-	0.000%	-	-	-
c. Replications	-	0.000%	-	-	-
d. Other	-	0.000%	-	-	-

Summary Investment Schedule

Investment Categories	Gross Investment Holdings	As a percentage of Gross Investment Holdings	Admitted Assets as Reported in the Annual Statement	As a percentage of Admitted Invested Assets
Bonds:				
US Treasury Securities	$ 3,226	-	$ 3,226	-
US government agency and corporate obligations (excluding mortgage-backed securities)				
Issued by US Government Agencies	84,817	1.0%	84,817	1.0%
Issued by US Government-sponsored agencies	31,158	0.4%	31,158	0.4%
Non-U.S. Government (including Canada, excluding mortgage-backed securities)	96,526	1.1%	96,526	1.1%
Securities issued by states, territories and possessions and political subdivisions in the US:				
States, territories and possessions general obligations	138,260	1.6%	138,260	1.6%
Political subdivisions of states, territories and possessions and political subdivisions general obligations	150,983	1.7%	150,983	1.7%
Revenue and assessment obligations	590,700	6.7%	590,700	6.7%
Industrial development and similar obligations	-	-	-	-
Mortgage-backed securities (includes residential and commercial MBS):				
Pass-through securities:				
Issued or guaranteed by GNMA	6,789	0.1%	6,789	0.1%
Issued or guaranteed by FNMA and FHLMC	259,361	2.9%	259,361	3.0%
All other (including privately issued)	15,284	0.2%	15,284	0.2%
CMOs and REMICs:				
Issued by or guaranteed by GNMA, FNMA, FHLMC or VA	141,097	1.6%	141,097	1.6%
Privately issued and collateralized by MBS issued or guaranteed by GNMA, FMNA, FHLMC or VA	-	-	-	-
All other	1,475,438	16.8%	1,475,438	16.8%
Other debt and other fixed income securities (excluding short term):				
Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	3,192,388	36.3%	3,192,388	36.3%
Unaffiliated foreign securities (including Canada)	1,057,500	12.0%	1,057,500	12.0%
Affiliated securities	155,000	1.8%	155,000	1.8%

- continued –

Summary Investment Schedule, continued

Investment Categories	Gross Investment Holdings	As a percentage of Gross Investment Holdings	Admitted Assets as Reported in the Annual Statement	As a percentage of Admitted Invested Assets
Equity interests:				
Investments in mutual funds	-	-	-	-
Preferred stocks:				
Affiliated	-	-	-	-
Unaffiliated	21,050	0.2%	21,050	0.2%
Publicly traded equity securities (excluding preferred stocks):				
Affiliated	-	-	-	-
Unaffiliated	-	-	-	-
Other equity securities:				
Affiliated	322,293	3.7%	321,494	3.7%
Unaffiliated	2,327	-	2,327	-
Other equity interests including tangible personal property under lease:				
Affiliated	205,818	2.3%	192,613	2.2%
Unaffiliated	99,228	1.1%	99,228	1.1%
Mortgage loans:				
Construction and land development	-	-	-	-
Agricultural	-	-	-	-
Single family residential properties	-	-	-	-
Multifamily residential properties	-	-	-	-
Commercial loans	-	-	-	-
Mezzanine real estate loans				
Real estate investments:				
Property occupied by company	19,238	0.2%	19,238	0.2%
Property held for production of income	-	-	-	-
Property held for sale	-	-	-	-
Policy loans	299,571	3.4%	299,571	3.4%
Derivatives	71,870	0.8%	71,870	0.8%
Receivables for securities	7,947	0.1%	7,947	0.1%
Securities lending	-	-	-	-
Cash and short-term investments	68,731	0.8%	68,731	0.8%
Other invested assets	281,620	3.2%	281,620	3.2%
Total invested assets	$ 8,798,220	100.0%	$ 8,784,216	100.0%

SUPPLEMENTAL SCHEDULE OF SELECTED STATUTORY FINANCIAL DATA, INVESTMENT RISKS INTERROGATORIES AND SUMMARY INVESTMENT SCHEDULE

1. Basis of Presentation

The accompanying schedules and interrogatories present selected statutory-basis financial data as of December 31, 2013 and for the year then ended for purposes of complying with paragraph 9 of the Annual Audited Financial Reports in the Annual Audited Report section of the National Association of Insurance Commissioners' Annual Statement Instructions and Appendix A-001 of the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual and agrees to or is included in the amounts reported in the Company's 2013 Annual Statement, as filed with the Pennsylvania Insurance Department.

PennMutual®

Our Noble Purpose

Since 1847, Penn Mutual has been driven by our noble purpose — to create a world of possibilities, one individual, one family and one small business at a time. As an original pioneer of mutual life insurance in America, we believe that life insurance is the most protective, responsible and rewarding action a person can take to build a solid foundation today and create a brighter future for generations to come.

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ANNUAL STATEMENT

OF THE

PENN MUTUAL LIFE INSURANCE COMPANY

Of

Philadelphia

in the state of PA

to the Insurance Department

of the state of

For the Year Ended

December 31, 2013

2013

LIFE AND ACCIDENT AND HEALTH

LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

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ANNUAL STATEMENT

For the Year Ended December 31, 2013

of the Condition and Affairs of the

PENN MUTUAL LIFE INSURANCE COMPANY

NAIC Group Code.....850, 850 (Current Period) (Prior Period) NAIC Company Code..... 67644 Employer's ID Number..... 23-0952300

Organized under the Laws of Pennsylvania State of Domicile or Port of Entry Pennsylvania Country of Domicile US

Incorporated/Organized..... February 24, 1847 Commenced Business..... May 25, 1847

Statutory Home Office: The Penn Mutual Life Insurance Company..... Philadelphia ..... PA ..... US 19172
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office: 600 Dresher Road..... Horsham ..... PA ..... US..... 19044 215-956-8000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address: The Penn Mutual Life Insurance Company..... Philadelphia ..... PA ..... US 19172
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records: 600 Dresher Road..... Horsham ..... PA ..... US 19044 215-956-8000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address: www.pennmutual.com

Statutory Statement Contact: Bethanne Doyle Adamsky 215-956-8120
(Name) (Area Code) (Telephone Number) (Extension)
adamsky.bethanne@pennmutual.com 215-956-8145
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Eileen Claire McDonnell	Chairman, President & Chief Executive Officer	2. Susan Twine Deakins #	Senior VP & Chief Financial Officer
3. Franklin Luther Best, Jr.	VP, General Counsel, Insurance Operations, and Corporate Secretary	4. David Michael O'Malley #	Chief Operating Officer

OTHER

Timothy Peter Demetres	VP, Chief Accounting Officer, & Treasurer	Peter Moffit Sherman	Executive VP & Chief Investment Officer
Thomas Henry Harris	Executive VP, Distribution	Kevin Terance Reynolds	Senior VP & Chief Legal Officer
Denise Claire Flannery	Senior VP Strategic Marketing, Planning & Communications	Nina Marie Mulrooney	Senior VP, General Auditor
Jay T. Lewellen #	VP & Chief Actuary		

DIRECTORS OR TRUSTEES

Edward George Boehne	Joan Pauline Carter	Robert Eugene Chappell	William Roland Cook
Charisse Ranielle Lillie	Anthony M Santomero	Edmond Felix Notebaert	Robert Henry Rock
Eileen Claire McDonnell	Helen Pomerantz Pudlin #	Susan Doenges Waring #	

State of..... Pennsylvania
County of..... Montgomery

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)
Eileen Claire McDonnell	Susan Twine Deakins	Franklin Luther Best, Jr.
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
Chairman, President & Chief Executive Officer	Senior VP & Chief Financial Officer	VP, General Counsel, Insurance Operations, and Corporate Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 31st day of January 2014

Marianne C. Becktel

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Marianne C. Becktel, Notary Public
Horsham Twp., Montgomery County
My Commission Expires Dec. 26, 2017
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

a. Is this an original filing? Yes [X] No [ ]
b. If no 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	7,243,115,642		7,243,115,642	7,101,318,638
2. Stocks (Schedule D):				
2.1 Preferred stocks	21,050,489		21,050,489	21,247,139
2.2 Common stocks	324,619,717	799,168	323,820,549	208,681,167
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)	19,238,268		19,238,268	16,024,937
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....14,480,461, Schedule E-Part 1), cash equivalents ($.....0, Schedule E-Part 2) and short-term investments ($.....54,250,678, Schedule DA)	68,731,139		68,731,139	77,798,910
6. Contract loans (including $.....0 premium notes)	299,570,660		299,570,660	303,545,012
7. Derivatives (Schedule DB)	71,869,382		71,869,382	39,124,405
8. Other invested assets (Schedule BA)	742,078,016	13,205,352	728,872,664	708,937,661
9. Receivables for securities	7,947,549		7,947,549	7,579,776
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	8,798,220,862	14,004,520	8,784,216,342	8,484,257,645
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	93,753,469		93,753,469	91,716,309
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	6,542,078		6,542,078	5,995,888
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	49,533,802		49,533,802	43,646,363
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	11,371,408		11,371,408	3,638,615
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts	2,460,518		2,460,518	1,386,322
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	11,847,433		11,847,433	14,130,550
18.2 Net deferred tax asset	251,066,899	58,540,953	192,525,946	171,404,743
19. Guaranty funds receivable or on deposit	1,796,487		1,796,487	2,601,407
20. Electronic data processing equipment and software	13,431,017		13,431,017	9,722,887
21. Furniture and equipment, including health care delivery assets ($.....0)	6,728,808	6,728,808	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	10,946,042		10,946,042	11,597,028
24. Health care ($.....0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	209,272,965	59,927,315	149,345,650	109,860,247
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	9,466,971,788	139,201,596	9,327,770,192	8,949,958,004
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	6,617,420,953		6,617,420,953	5,380,757,396
28. TOTALS (Lines 26 and 27)	16,084,392,741	139,201,596	15,945,191,145	14,330,715,400
DETAILS OF WRITE-INS				
1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Executive Benefit Plan	114,884,611		114,884,611	89,828,543
2502. Prepaid Pension Asset	44,364,907	44,364,907	0	
2503. Suspense	1,957,878	40,025	1,917,853	4,305,521
2598. Summary of remaining write-ins for Line 25 from overflow page	48,065,569	15,522,383	32,543,186	15,726,183
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	209,272,965	59,927,315	149,345,650	109,860,247

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Aggregate reserve for life contracts $.....6,903,862,147 (Exhibit 5, Line 9999999) less $.....0 included in Line 6.3 (including $.....0 Modco Reserve)	6,903,862,147	6,542,969,971
2.	Aggregate reserve for accident and health contracts (including $.....0 Modco Reserve)	10,597,607	10,748,474
3.	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including $.....0 Modco Reserve)	504,394,253	518,892,582
4.	Contract claims:		
	4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	37,425,730	46,955,436
	4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	183,484	199,022
5.	Policyholders' dividends $.....0 and coupons $.....0 due and unpaid (Exhibit 4, Line 10)	189,483	291,402
6.	Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
	6.1 Dividends apportioned for payment (including $.....0 Modco)	33,200,000	31,000,000
	6.2 Dividends not yet apportioned (including $.....0 Modco)		
	6.3 Coupons and similar benefits (including $.....0 Modco)		
7.	Amount provisionally held for deferred dividend policies not included in Line 6		
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less $.....0 discount; including $.....3,372 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	21,040,057	8,550,615
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts		
	9.2 Provision for experience rating refunds, including the liability of $.....0 accident and health experience rating refunds of which $.....0 is for medical loss ratio rebate per the Public Health Service Act	500,000	500,000
	9.3 Other amounts payable on reinsurance, including $.....0 assumed and $.....9,078,396 ceded	9,078,396	7,586,130
	9.4 Interest Maintenance Reserve (IMR, Line 6)	99,194,811	101,307,928
10.	Commissions to agents due or accrued - life and annuity contracts $.....0, accident and health $.....0 and deposit-type contract funds $.....0		
11.	Commissions and expense allowances payable on reinsurance assumed		
12.	General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	64,522,314	71,361,797
13.	Transfers to Separate Accounts due or accrued (net) (including $.....(197,937,438) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(197,937,438)	(164,319,747)
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	7,838,956	9,157,330
15.1	Current federal and foreign income taxes, including $.....0 on realized capital gains (losses)		
15.2	Net deferred tax liability		
16.	Unearned investment income		
17.	Amounts withheld or retained by company as agent or trustee		
18.	Amounts held for agents' account, including $.....0 agents' credit balances		2,179,639
19.	Remittances and items not allocated	24,389,846	25,519,108
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above	97,840,318	88,153,886
22.	Borrowed money $.....0 and interest thereon $.....7,137,500	7,137,500	7,137,500
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
	24.01 Asset valuation reserve (AVR Line 16, Col. 7)	50,206,579	52,080,638
	24.02 Reinsurance in unauthorized and certified ($.....0) companies		
	24.03 Funds held under reinsurance treaties with unauthorized and certified ($.....0) reinsurers		
	24.04 Payable to parent, subsidiaries and affiliates	1,164,013	1,260,497
	24.05 Drafts outstanding	26,911,489	29,449,155
	24.06 Liability for amounts held under uninsured plans		
	24.07 Funds held under coinsurance		
	24.08 Derivatives	107,998,790	17,842,404
	24.09 Payable for securities	364,571	
	24.10 Payable for securities lending		
	24.11 Capital notes $.....0 and interest thereon $.....0		
25.	Aggregate write-ins for liabilities	26,981,555	55,937,454
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	7,837,084,461	7,464,761,221
27.	From Separate Accounts Statement	6,617,420,953	5,370,563,381
28.	Total liabilities (Line 26 and 27)	14,454,505,414	12,835,324,602
29.	Common capital stock		
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds	0	0
32.	Surplus notes	389,063,219	388,907,308
33.	Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)		
34.	Aggregate write-ins for special surplus funds	0	0
35.	Unassigned funds (surplus)	1,101,622,512	1,106,483,490
36.	Less treasury stock, at cost:		
	36.1 .....0.000 shares common (value included in Line 29 $.....0)		
	36.2 .....0.000 shares preferred (value included in Line 30 $.....0)		
37.	Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including $.....0 in Separate Accounts Statement)	1,490,685,731	1,495,390,798
38.	Totals of Lines 29, 30 and 37 (Page 4, Line 55)	1,490,685,731	1,495,390,798
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	15,945,191,145	14,330,715,400

DETAILS OF WRITE-INS

2501.	Special Group Reserves	211,764	464,492
2502.	Derivative Collateral Payable	18,472,822	28,196,873
2503.	Interest Payable on Death Claims	630,774	2,581,934
2598.	Summary of remaining write-ins for Line 25 from overflow page	7,666,195	24,694,155
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	26,981,555	55,937,454
3101.			
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page	0	0
3199.	Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)	0	0
3401.			
3402.			
3403.			
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0

SUMMARY OF OPERATIONS

		1 Current Year	2 Prior Year
1.	Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	1,482,955,405	1,616,832,374
2.	Considerations for supplementary contracts with life contingencies	12,926,579	9,234,312
3.	Net investment income (Exhibit of Net Investment Income, Line 17)	468,948,098	434,082,630
4.	Amortization of Interest Maintenance Reserve (IMR) (Line 5)	3,236,600	4,000,370
5.	Separate Accounts net gain from operations excluding unrealized gains or losses		
6.	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	23,219,147	3,073,434
7.	Reserve adjustments on reinsurance ceded		
8.	Miscellaneous Income:		
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	161,467,083	142,338,281
	8.2 Charges and fees for deposit-type contracts	1,198,170	1,918,386
	8.3 Aggregate write-ins for miscellaneous income	10,050,942	10,563,355
9.	Totals (Lines 1 to 8.3)	2,164,002,024	2,222,043,142
10.	Death benefits	178,161,574	170,239,601
11.	Matured endowments (excluding guaranteed annual pure endowments)		
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	648,540,146	573,765,786
13.	Disability benefits and benefits under accident and health contracts	4,373,505	4,085,439
14.	Coupons, guaranteed annual pure endowments and similar benefits		
15.	Surrender benefits and withdrawals for life contracts	173,760,195	197,088,706
16.	Group conversions		
17.	Interest and adjustments on contract or deposit-type contract funds	14,668,275	21,846,651
18.	Payments on supplementary contracts with life contingencies	8,581,652	8,042,017
19.	Increase in aggregate reserves for life and accident and health contracts	360,741,310	504,576,104
20.	Totals (Lines 10 to 19)	1,388,826,657	1,479,644,304
21.	Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	113,488,638	109,469,188
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)		
23.	General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	225,283,635	207,449,558
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	32,996,143	27,218,458
25.	Increase in loading on deferred and uncollected premiums	950,179	(552,275)
26.	Net transfers to or (from) Separate Accounts net of reinsurance	310,909,692	344,279,924
27.	Aggregate write-ins for deductions	77,202,691	31,196,972
28.	Totals (Lines 20 to 27)	2,149,657,635	2,198,706,129
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	14,344,389	23,337,013
30.	Dividends to policyholders	35,120,035	31,741,887
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(20,775,646)	(8,404,874)
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	(3,477,247)	(17,100,122)
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(17,298,399)	8,695,248
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $.....(7,615,839) (excluding taxes of $.....7,615,839 transferred to the IMR)	(17,122,447)	(47,644,162)
35.	Net income (Line 33 plus Line 34)	(34,420,846)	(38,948,914)
	CAPITAL AND SURPLUS ACCOUNT		
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	1,495,390,798	1,542,747,721
37.	Net income (Line 35)	(34,420,846)	(38,948,914)
38.	Change in net unrealized capital gains (losses) less capital gains tax of $.....(23,751,298)	2,957,481	(41,870,843)
39.	Change in net unrealized foreign exchange capital gain (loss)	780,403	345,249
40.	Change in net deferred income tax	57,080,109	33,630,480
41.	Change in nonadmitted assets	(56,926,107)	5,988,330
42.	Change in liability for reinsurance in unauthorized and certified companies		
43.	Change in reserve on account of change in valuation basis, (increase) or decrease		
44.	Change in asset valuation reserve	1,874,060	(5,291,433)
45.	Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46.	Surplus (contributed to) withdrawn from Separate Accounts during period	10,030,344	
47.	Other changes in surplus in Separate Accounts Statement	(9,124,931)	1,566,766
48.	Change in surplus notes	155,911	144,841
49.	Cumulative effect of changes in accounting principles	(27,738,682)	
50.	Capital changes:		
	50.1 Paid in		
	50.2 Transferred from surplus (Stock Dividend)		
	50.3 Transferred to surplus		
51.	Surplus adjustment:		
	51.1 Paid in		
	51.2 Transferred to capital (Stock Dividend)		
	51.3 Transferred from capital		
	51.4 Change in surplus as a result of reinsurance	30,204,064	
52.	Dividends to stockholders		
53.	Aggregate write-ins for gains and losses in surplus	20,423,127	(2,921,399)
54.	Net change in capital and surplus for the year (Lines 37 through 53)	(4,705,067)	(47,356,923)
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	1,490,685,731	1,495,390,798
	DETAILS OF WRITE-INS		
08.301.	Subsidiary Service Fees & Management Fees	10,194,113	10,226,888
08.302.	Increase (Decrease) in Expense Charges	13,451	18,296
08.303.	Aggregate Other Income	(156,622)	318,171
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	10,050,942	10,563,355
2701.	Reinsurance Paid on Index Credits	77,446,230	28,169,291
2702.	Increase (Decrease) in Special Group Reserves	(252,728)	(14,829)
2703.	Other Settlements		2,500,000
2798.	Summary of remaining write-ins for Line 27 from overflow page	9,189	542,510
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	77,202,691	31,196,972
5301.	Net Change in Minimum Pension Liability	20,423,127	(2,921,399)
5302.			
5303.			
5398.	Summary of remaining write-ins for Line 53 from overflow page	0	0
5399.	Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above)	20,423,127	(2,921,399)

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	1,568,412,127	1,625,496,784
2.	Net investment income	421,831,658	377,135,681
3.	Miscellaneous income	151,835,342	157,893,456
4.	Total (Lines 1 through 3)	2,142,079,127	2,160,525,921
5.	Benefit and loss related payments	1,044,945,314	963,247,471
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	344,527,383	332,046,028
7.	Commissions, expenses paid and aggregate write-ins for deductions	484,153,027	412,675,078
8.	Dividends paid to policyholders	33,021,954	31,341,049
9.	Federal and foreign income taxes paid (recovered) net of $.....244,299 tax on capital gains (losses)	(5,760,364)	(17,565,984)
10.	Total (Lines 5 through 9)	1,900,887,314	1,721,743,642
11.	Net cash from operations (Line 4 minus Line 10)	241,191,813	438,782,279
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	1,045,405,044	1,326,700,573
	12.2 Stocks	6,861,399	3,252,208
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets	64,387,629	90,407,951
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		(14,504)
	12.7 Miscellaneous proceeds	364,571	332,072
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,117,018,643	1,420,678,300
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	1,136,966,556	1,686,968,274
	13.2 Stocks	31,990,218	38,951,255
	13.3 Mortgage loans		
	13.4 Real estate	3,920,277	3,307,434
	13.5 Other invested assets	118,481,491	129,121,537
	13.6 Miscellaneous applications	16,052,173	8,407,044
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,307,410,715	1,866,755,544
14.	Net increase (decrease) in contract loans and premium notes	(3,974,352)	(12,712,088)
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(186,417,720)	(433,365,156)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	(27,659,543)	(23,783,853)
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(36,182,321)	(15,756,933)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(63,841,864)	(39,540,786)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(9,067,771)	(34,123,663)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	77,798,910	111,922,573
	19.2 End of year (Line 18 plus Line 19.1)	68,731,139	77,798,910

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

20.0001	Non-cash portion of capital contribution to insurance affiliate	(8,867,232)	(45,014,843)
20.0002	Non-cash portion of non-recurring dividend		(16,728,543)
20.0003	Common stock acquired in the form of a dividend	(2,031,604)	(1,891,973)
20.0004	Amortization of discount on surplus notes	(155,911)	(144,841)
20.0005	Capitalized Interest	(3,783,985)	(2,499,397)

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance(a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	1,482,955,405		649,413,641	761,589,105			752,954	70,727,524			472,181	
2. Considerations for supplementary contracts with life contingencies	12,926,579				12,926,579							
3. Net investment income	468,948,098		313,027,985	121,362,991	12,883,249		62,141	21,052,344			559,388	
4. Amortization of Interest Maintenance Reserve (IMR)	3,236,600		2,185,544	826,016	81,869		362	139,546			3,263	
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6. Commissions and expense allowances on reinsurance ceded	23,219,147		21,880,925	5,025							1,333,197	
7. Reserve adjustments on reinsurance ceded	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A	161,467,083		56,993,704	104,400,444				72,935				
8.2 Charges and fees for deposit-type contracts	1,198,170			1,198,170								
8.3 Aggregate write-ins for miscellaneous income	10,050,942	0	1,292,897	8,265,574	0	0	(2,161)	494,632	0	0	0	0
9. Totals (Lines 1 to 8.3)	2,164,002,024	0	1,044,794,696	997,647,325	25,891,697	0	813,296	92,486,981	0	0	2,368,029	0
10. Death benefits	178,161,574		177,695,921				465,653					
11. Matured endowments (excluding guaranteed annual pure endowments)	0											
12. Annuity benefits	648,540,146			570,977,994	408			77,561,744				
13. Disability benefits and benefits under accident and health contracts	4,373,505		3,232,033	43,189							1,098,283	
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	173,760,195		173,766,632	(6,437)								
16. Group conversions	0											
17. Interest and adjustments on contract or deposit-type contract funds	14,668,275		4,322,212	8,179,682	2,177,998		4,053	(16,194)			524	
18. Payments on supplementary contracts with life contingencies	8,581,652				8,581,652							
19. Increase in aggregate reserves for life and accident and health contracts	360,741,310		414,202,475	(40,437,201)	6,701,814		(9,660)	(19,565,251)			(150,867)	
20. Totals (Lines 10 to 19)	1,388,826,657	0	773,219,273	538,757,227	17,461,872	0	460,046	57,980,299	0	0	947,940	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	113,488,638		71,499,037	40,852,644			37	38,800			1,098,120	
22. Commissions and expense allowances on reinsurance assumed	0											
23. General insurance expenses	225,283,635		182,020,003	41,365,154				1,175,811			722,667	
24. Insurance taxes, licenses and fees, excluding federal income taxes	32,996,143		28,491,968	3,809,342				136,708			558,125	
25. Increase in loading on deferred and uncollected premiums	950,179		950,179									
26. Net transfers to or (from) Separate Accounts net of reinsurance	310,909,692		(9,182,312)	282,738,445	(72,711)			37,426,270				
27. Aggregate write-ins for deductions	77,202,691	0	77,455,419	0	0	0	(252,728)	0	0	0	0	0
28. Totals (Lines 20 to 27)	2,149,657,635	0	1,124,453,567	907,522,812	17,389,161	0	207,355	96,757,888	0	0	3,326,852	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	14,344,389	0	(79,658,871)	90,124,513	8,502,536	0	605,941	(4,270,907)	0	0	(958,823)	0
30. Dividends to policyholders	35,120,035		34,562,844		557,191							
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(20,775,646)	0	(114,221,715)	90,124,513	7,945,345	0	605,941	(4,270,907)	0	0	(958,823)	0
32. Federal income taxes incurred (excluding tax on capital gains)	(3,477,247)		(5,431,320)	(956,473)	2,780,871		(15,335)	120,713			24,297	
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(17,298,399)	0	(108,790,395)	91,080,986	5,164,474	0	621,276	(4,391,620)	0	0	(983,120)	0
DETAILS OF WRITE-INS												
08.301. Subsidiary Service Fees & Management Fees	10,194,113		1,405,607	8,302,618				485,888				
08.302. Increase (Decrease) in Expense Charges	13,451		360	3,260				9,831				
08.303. Aggregate Other Income	(156,622)		(113,070)	(40,304)			(2,161)	(1,087)				
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	10,050,942	0	1,292,897	8,265,574	0	0	(2,161)	494,632	0	0	0	0
2701. Reinsurance Paid on Index Credits	77,446,230		77,446,230									
2702. Increase (Decrease) in Special Group Reserves	(252,728)						(252,728)					
2703. Other Settlements	0											
2798. Summary of remaining write-ins for Line 27 from overflow page	9,189	0	9,189	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above)	77,202,691	0	77,455,419	0	0	0	(252,728)	0	0	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1.....0 Line 10.....0 Line 16.....0 Line 23.....0 Line 24.....0.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1	2	Ordinary			6	Group	
			3	4	5	Credit Life (Group and Individual)	7	8
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts		Life Insurance	Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	6,542,969,971		4,077,496,043	2,090,744,077	55,523,303		1,112,669	318,093,879
2. Tabular net premiums or considerations	1,482,234,677		674,746,124	723,907,201	12,926,577		7,290	70,647,485
3. Present value of disability claims incurred	641,233		641,233		XXX			
4. Tabular interest	248,692,041		136,323,069	85,989,256	3,257,529		20,237	23,101,950
5. Tabular less actual reserve released	8,001,367		1,893,561	3,907,404	182,428			2,017,974
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	97,629,054		97,489,425	1,311,758	(576,586)			(595,543)
8. Totals (Lines 1 to 7)	8,380,168,343	0	4,988,589,455	2,905,859,696	71,313,251	0	1,140,196	413,265,745
9. Tabular cost	311,657,119		311,645,016		XXX		12,103	
10. Reserves released by death	69,203,250		69,203,250	XXX	XXX			XXX
11. Reserves released by other terminations (net)	177,215,889		177,185,933				29,956	
12. Annuity, supplementary contract, and disability payments involving life contingencies	660,397,020		3,232,033	571,021,183	8,582,060			77,561,744
13. Net transfers to or (from) Separate Accounts	257,832,915		(63,874,094)	284,270,475				37,436,534
14. Total deductions (Lines 9 to 13)	1,476,306,193	0	497,392,138	855,291,658	8,582,060	0	42,059	114,998,278
15. Reserve December 31, current year	6,903,862,150	0	4,491,197,317	2,050,568,038	62,731,191	0	1,098,137	298,267,467

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 6,627,022	6,401,107
1.1	Bonds exempt from U.S. tax	(a) 11,249	11,249
1.2	Other bonds (unaffiliated)	(a) 395,124,081	398,241,115
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 1,656,143	1,656,143
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	314,162	252,962
2.21	Common stocks of affiliates	7,000,000	7,000,000
3.	Mortgage loans	(c)	
4.	Real estate	(d) 2,760,000	2,760,000
5.	Contract loans	15,285,220	15,265,980
6.	Cash, cash equivalents and short-term investments	(e) 34,806	33,843
7.	Derivative instruments	(f) 11,612,947	8,215,760
8.	Other invested assets	76,136,798	76,136,318
9.	Aggregate write-ins for investment income	351,777	351,777
10.	Total gross investment income	516,914,205	516,326,254
11.	Investment expenses		(g) 15,609,485
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 1,579,437
13.	Interest expense		(h) 29,482,286
14.	Depreciation on real estate and other invested assets		(i) 706,946
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		47,378,154
17.	Net investment income (Line 10 minus Line 16)		468,948,100
	DETAILS OF WRITE-INS		
0901.	Other	351,777	351,777
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	351,777	351,777
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....45,383,507 accrual of discount less $.....4,508,182 amortization of premium and less $.....4,194,846 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(d) Includes $.....2,760,000 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....350 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $.....28,705,911 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....706,946 depreciation on real estate and $.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds	1,707,383		1,707,383		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	9,027,887	(585,000)	8,442,887	433,299	1,763,321
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)	(45,375)		(45,375)	(21,650)	
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	659,175		659,175	(9,922)	
2.21	Common stocks of affiliates			0	79,792,149	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments	(34,450,032)		(34,450,032)	(71,332,488)	(1,763,321)
8.	Other invested assets	8,224,528	(4,459,149)	3,765,379	(29,655,205)	780,403
9.	Aggregate write-ins for capital gains (losses)	3,921,617	0	3,921,617	0	0
10.	Total capital gains (losses)	(10,954,817)	(5,044,149)	(15,998,966)	(20,793,817)	780,403
	DETAILS OF WRITE-INS					
0901.	Sale of Lehman Claim	3,921,617		3,921,617		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	3,921,617	0	3,921,617	0	0

EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group & Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	45,944		45,944								
2. Deferred and accrued	10,092,552		10,092,552								
3. Deferred, accrued and uncollected:											
3.1 Direct	10,138,496		10,138,496								
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net (Line 1 + Line 2)	10,138,496	0	10,138,496	0	0	0	0	0	0	0	0
4. Advance	0										
5. Line 3.4 - Line 4	10,138,496	0	10,138,496	0	0	0	0	0	0	0	0
6. Collected during year:											
6.1 Direct	932,795,868		304,805,804	627,990,064							
6.2 Reinsurance assumed	0										
6.3 Reinsurance ceded	16,137,232		16,137,232								
6.4 Net	916,658,636	0	288,668,572	627,990,064	0	0	0	0	0	0	0
7. Line 5 + Line 6.4	926,797,132	0	298,807,068	627,990,064	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance)	7,988,171		7,988,171								
9. First year premiums and considerations:											
9.1 Direct	934,946,193		306,956,129	627,990,064							
9.2 Reinsurance assumed	0										
9.3 Reinsurance ceded	16,137,232		16,137,232								
9.4 Net (Line 7 - Line 8)	918,808,961	0	290,818,897	627,990,064	0	0	0	0	0	0	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	118,139,713		79,022,327	39,117,386							
10.2 Reinsurance assumed	0										
10.3 Reinsurance ceded	0										
10.4 Net	118,139,713	0	79,022,327	39,117,386	0	0	0	0	0	0	0
RENEWAL											
11. Uncollected	7,284,186		6,659,960							624,226	
12. Deferred and accrued	13,360									13,360	
13. Deferred, accrued and uncollected:											
13.1 Direct	7,297,896		6,659,960							637,936	
13.2 Reinsurance assumed	0										
13.3 Reinsurance ceded	350									350	
13.4 Net (Line 11 + Line 12)	7,297,546	0	6,659,960	0	0	0	0	0	0	637,586	0
14. Advance	21,040,057		21,036,685							3,372	
15. Line 13.4 - Line 14	(13,742,511)	0	(14,376,725)	0	0	0	0	0	0	634,214	0
16. Collected during year:											
16.1 Direct	686,335,178		507,852,971	94,512,475		894,396	70,727,524			12,347,812	
16.2 Reinsurance assumed	48,796,729		48,796,729								
16.3 Reinsurance ceded	242,605,083		230,404,447	30,820		141,442				12,028,374	
16.4 Net	492,526,824	0	326,245,253	94,481,655	0	752,954	70,727,524	0	0	319,438	0
17. Line 15 + Line 16.4	478,784,313	0	311,868,528	94,481,655	0	752,954	70,727,524	0	0	953,652	0
18. Prior year (uncollected + deferred and accrued - advance)	32,777,582		32,296,111							481,471	
19. Renewal premiums and considerations:											
19.1 Direct	599,305,388		420,813,543	94,512,475		894,396	70,727,524			12,357,450	
19.2 Reinsurance assumed	48,796,729		48,796,729								
19.3 Reinsurance ceded	202,095,386		190,037,855	30,820		141,442				11,885,269	
19.4 Net (Line 17 - Line 18)	446,006,731	0	279,572,417	94,481,655	0	752,954	70,727,524	0	0	472,181	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	1,652,391,294	0	806,791,999	761,619,925	0	894,396	70,727,524	0	0	12,357,450	0
20.2 Reinsurance assumed	48,796,729	0	48,796,729	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded	218,232,618	0	206,175,087	30,820	0	141,442	0	0	0	11,885,269	0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	1,482,955,405	0	649,413,641	761,589,105	0	752,954	70,727,524	0	0	472,181	0

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group & Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums	6,857,516		6,857,516								
22. All other	2,200,000		2,200,000								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	0										
23.2 Reinsurance assumed	0										
23.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	5,025			5,025							
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	5,025	0	0	5,025	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	23,214,122		21,880,925							1,333,197	
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	23,214,122	0	21,880,925	0	0	0	0	0	0	1,333,197	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	23,219,147	0	21,880,925	5,025	0	0	0	0	0	1,333,197	0
26.2 Reinsurance assumed (Page 6, Line 22)	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	23,219,147	0	21,880,925	5,025	0	0	0	0	0	1,333,197	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	86,035,042		59,042,779	26,982,378						9,885	
28. Single	0										
29. Renewal	27,453,596		12,456,258	13,870,266		37	38,800			1,088,235	
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	113,488,638	0	71,499,037	40,852,644	0	37	38,800	0	0	1,098,120	0

EXHIBIT 2 - GENERAL EXPENSES

		Insurance				5	6
		1	Accident and Health		4		
			2	3			
		Life	Cost Containment	All Other	All Other Lines of Business	Investment	Total
1.	Rent	9,399,804		37,355	2,203,954	810,606	12,451,719
2.	Salaries and wages	79,987,443		317,873	18,754,507	6,897,844	105,957,667
3.11	Contributions for benefit plans for employees	2,937,861		11,675	688,834	253,351	3,891,721
3.12	Contributions for benefit plans for agents	9,987,052		39,688	2,341,645	861,250	13,229,635
3.21	Payments to employees under non-funded benefit plans						0
3.22	Payments to agents under non-funded benefit plans						0
3.31	Other employee welfare	3,307		13	775	285	4,380
3.32	Other agent welfare	343,562		1,365	80,554	29,629	455,110
4.1	Legal fees and expenses	1,806,176		7,177	423,490	155,758	2,392,601
4.2	Medical examination fees	2,388,743		9,492	560,083	205,998	3,164,316
4.3	Inspection report fees	192,812		766	45,208	16,628	255,414
4.4	Fees of public accountants and consulting actuaries	1,535,292		6,101	359,977	132,399	2,033,769
4.5	Expense of investigation and settlement of policy claims	59,117		234	13,861	5,099	78,311
5.1	Traveling expenses	1,742,122		6,923	408,472	150,235	2,307,752
5.2	Advertising	2,397,911		9,529	562,233	206,790	3,176,463
5.3	Postage, express, telegraph and telephone	2,049,655		8,145	480,578	176,755	2,715,133
5.4	Printing and stationery	1,586,549		6,305	371,994	136,818	2,101,666
5.5	Cost or depreciation of furniture and equipment	1,081,510		4,297	253,579	93,265	1,432,651
5.6	Rental of equipment	733,795		2,916	172,051	63,279	972,041
5.7	Cost or depreciation of EDP equipment and software	8,920,573		35,450	2,091,590	769,279	11,816,892
6.1	Books and periodicals	289,291		1,149	67,829	24,947	383,216
6.2	Bureau and association fees	1,006,000		3,997	235,876	86,753	1,332,626
6.3	Insurance, except on real estate	952,066		3,783	223,228	82,102	1,261,179
6.4	Miscellaneous losses	533,886		2,121	125,178	46,040	707,225
6.5	Collection and bank service charges	834,762		3,317	195,725	71,987	1,105,791
6.6	Sundry general expenses	12,264,876		48,452	2,858,697	978,759	16,150,784
6.7	Group service and administration fees						0
6.8	Reimbursements by uninsured plans						0
7.1	Agency expense allowance	34,653,957		137,716	8,125,248	2,988,439	45,905,360
7.2	Agents' balances charged off (less $.....0 recovered)	25,235		100	5,916	2,176	33,427
7.3	Agency conferences other than local meetings	3,059,809		12,159	717,427	263,867	4,053,262
9.1	Real estate expenses	1,149,721		4,569	269,572	99,147	1,523,009
9.2	Investment expenses not included elsewhere						0
9.3	Aggregate write-ins for expenses	0	0	0	0	0	0
10.	General expenses Incurred	181,922,887	0	722,667	42,638,081	15,609,485	(a) 240,893,120
11.	General expenses unpaid December 31, prior year	48,954,193		214,085	16,841,384	5,352,135	71,361,797
12.	General expenses unpaid December 31, current year	48,707,894		193,566	11,420,449	4,200,402	64,522,311
13.	Amounts receivable relating to uninsured plans, prior year						0
14.	Amounts receivable relating to uninsured plans, current year						0
15.	General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	182,169,186	0	743,186	48,059,016	16,761,218	247,732,606
	DETAILS OF WRITE-INS						
09.301.							0
09.302.							0
09.303.							0
09.398.	Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0	0
09.399.	Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above)	0	0	0	0	0	0

(a) Includes management fees of $.....0 to affiliates and $.....0 to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

		Insurance			4	5
		1	2	3		
		Life	Accident and Health	All Other Lines of Business	Investment	Total
1.	Real estate taxes				326,079	326,079
2.	State insurance department licenses and fees	5,749,246	20,267	1,419,820	504,674	7,694,007
3.	State taxes on premiums	14,213,087	507,793	419,924		15,140,804
4.	Other state taxes, including $.....0 for employee benefits	641,130	2,257	158,178	56,224	857,789
5.	U.S. Social Security taxes	7,696,245	27,130	1,900,647	675,583	10,299,605
6.	All other taxes	192,261	678	47,480	16,877	257,296
7.	Taxes, licenses and fees incurred	28,491,969	558,125	3,946,049	1,579,437	34,575,580
8.	Taxes, licenses and fees unpaid December 31, prior year	8,011,011	224,102	860,914	61,303	9,157,330
9.	Taxes, licenses and fees unpaid December 31, current year	6,822,265	159,368	771,203	86,120	7,838,956
10.	Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	29,680,715	622,859	4,035,760	1,554,620	35,893,954

EXHIBIT 4 - DIVIDENDS OR REFUNDS

		1	2
		Life	Accident and Health
1.	Applied to pay renewal premiums	6,857,516	
2.	Applied to shorten the endowment or premium-paying period	16,567,910	
3.	Applied to provide paid-up additions		
4.	Applied to provide paid-up annuities		
5.	Total Lines 1 through 4	23,425,426	0
6.	Paid-in cash	2,822,655	
7.	Left on deposit	6,773,873	
8.	Aggregate write-ins for dividend or refund options	0	0
9.	Total Lines 5 through 8	33,021,954	0
10.	Amount due and unpaid	189,483	
11.	Provision for dividends or refunds payable in the following calendar year	33,200,000	
12.	Terminal dividends		
13.	Provision for deferred dividend contracts		
14.	Amount provisionally held for deferred dividend contracts not included in Line 13		
15.	Total Lines 10 through 14	33,389,483	0
16.	Total from prior year	31,291,402	
17.	Total dividends or refunds (Lines 9 + 15 - 16)	35,120,035	0
	DETAILS OF WRITE-INS		
0801.			
0802.			
0803.			
0898.	Summary of remaining write-ins for Line 8 from overflow page	0	0
0899.	Totals (Line 0801 thru 0803 plus 0898) (Line 8 above)	0	0

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
Life Insurance:					
0100001. ae 3%	1,225,003		1,225,003		
0100002. ae 4.5%	21,637,198		21,637,198		
0100003. 41cso 2.25	3,049,781		3,049,781		
0100004. 41 cso 2.5	23,935,599		23,935,599		
0100005. 41 cso 4.5	231,262,471		231,262,471		
0100006. 58 cso 2.5	28,387,338		28,387,338		
0100007. 58 cso 3.0	1,997,979		1,962,369		35,610
0100008. 58 cso 3.5/20/2.5	32,931,644		32,931,644		
0100009. 58 cso 3.5	774,621		774,621		
0100010. 58 cso 3.5/20/2.5 mod	42,604,091		42,604,091		
0100011. 58 cso 4.0 mod	16,965,136		16,965,136		
0100012. 58 cso 4.0	7,714,830		7,714,830		
0100013. 58 cso 4.0 crvm	199,614,171		199,614,171		
0100014. 58 cso 4.5 64-70	435,479,985		435,479,985		
0100015. 58 cso 4.5 80	147,303		147,303		
0100016. 58 cso 4.5 crvm mod	36,844,374		36,844,374		
0100017. 58 cso 4.5 crvm	78,783,432		78,783,432		
0100018. 80 cso 4.0 crvm	1,242,517,546		1,242,380,004		137,542
0100019. 80 cso 3.0 crvm	58,139,404		58,139,404		
0100020. 80 cso 4.5	92,936,572		92,936,572		
0100021. 80 cso 4.5 crvm	205,454,658		205,454,658		
0100022. 58 cet 2.5	664,190		664,190		
0100023. 58 cet 3.0	38,730		38,730		
0100024. 58 cet 3.5	161,630		161,630		
0100025. 58 cet 4.0	34,067		34,067		
0100026. 58 cet 4.5	14,369,450		14,369,450		
0100027. 80 cet 4.5	462,580		462,580		
0100028. 41 cet 2.25	2,702		2,702		
0100029. 41 cet 2.5	43,062		43,062		
0100030. 80 cso 4.5 reg xxx	74,378,017		74,378,017		
0100031. 2001 CSO XXX 4.5	38,466,974		38,466,974		
0100032. 80 CSO CRVM 4.0	45,264,857		45,264,857		
0100033. 2001 CSO 2.0	194,575,209		194,575,209		
0100034. 2001 CSO XXX 4.0	1,348,658,723		1,348,658,723		
0100035. 2001 CSO CRVM 4.0	244,057,767		244,057,767		
0100036. 2001 CSO XXX 3.5	168,322,741		168,322,741		
0100037. 2001 CSO CRVM 3.5	11,329,607		11,329,607		
0100038. 2001 CSO XXX 3.0	15,666,609		15,666,609		
0100039. ACCT BAL SPVL	0				
0199997. Totals (Gross)	4,918,900,051	0	4,918,726,899	0	173,152
0199998. Reinsurance ceded	484,244,759		484,244,759		
0199999. Totals (Net)	4,434,655,292	0	4,434,482,140	0	173,152
Annuities (excluding supplementary contracts with life contingencies):					
0200001. a-1949 3.5% MOD	913,874	XXX	913,874	XXX	
0200002. a-1949 2.25% MOD	58,095	XXX	58,095	XXX	
0200003. a-1949 2.50% MOD	191,273	XXX	191,273	XXX	
0200004. a-1949 2.50% MOD	982,199	XXX	982,199	XXX	
0200005. a-1949 3.00% MOD	389,486	XXX	389,486	XXX	
0200006. a-1949 3.00% MOD	340,260	XXX	340,260	XXX	
0200007. a-1949 3.50% MOD	374,064	XXX	374,064	XXX	
0200008. 71 IAM 6.00%	264,395	XXX	264,395	XXX	
0200009. 71 IAM 7.50%	271,738	XXX	271,738	XXX	
0200010. 71 IAM 13.25%	3,107	XXX	3,107	XXX	
0200011. 71 IAM 11.25%	235,133	XXX	235,133	XXX	
0200012. 71 IAM 11.00%	343,073	XXX	343,073	XXX	
0200013. 1983a 9.25%	22,376	XXX	22,376	XXX	
0200014. 1983a 8.00%	118,509	XXX	118,509	XXX	
0200015. 1983a 8.75%	1,447,146	XXX	1,447,146	XXX	
0200016. 1983a 8.25%	5,571,979	XXX	5,571,979	XXX	
0200017. 1983a 7.75%	6,835,590	XXX	6,835,590	XXX	
0200018. 1983a 7.00%	3,891,613	XXX	3,891,613	XXX	
0200019. 1983a 6.50%	5,825,272	XXX	5,825,272	XXX	
0200020. 1983a 7.25%	5,278,606	XXX	5,278,606	XXX	
0200021. 1983a 6.75%	6,583,554	XXX	6,583,554	XXX	
0200022. a-2000 6.25%	1,474,850	XXX	1,474,850	XXX	
0200023. a-2000 7.00%	1,703,342	XXX	1,703,342	XXX	
0200024. a-2000 6.75%	2,930,594	XXX	2,930,594	XXX	
0200025. a-2000 6.50%	637,693	XXX	637,693	XXX	
0200026. a-2000 6.00%	100,853,905	XXX	100,853,905	XXX	
0200027. a-2000 5.50%	78,024,764	XXX	78,024,764	XXX	
0200028. a-2000 5.25%	118,032,137	XXX	118,032,137	XXX	
0200029. a-2000 5.00%	106,852,019	XXX	106,852,019	XXX	

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0200030. a-2000 4.25%	113,631,711	XXX	113,631,711	XXX	
0200031. a-2000 4.00%	33,523,366	XXX	33,523,366	XXX	
0200032. 71 GAM 5.00%-13.25%	30,409,230	XXX		XXX	30,409,230
0200033. 83 GAM 5.00%-11.00%	252,305,121	XXX		XXX	252,305,121
0200034. 94 GAR 5.25%-7.00%	3,286,929	XXX		XXX	3,286,929
0200035. CERTAIN @ 3.0%	17,510	XXX	17,510	XXX	
0200036. Deferred; CARVM; 4.75% determined with dynamic valuation standards	24,836,609	XXX	24,836,609	XXX	
0200037. Deferred; CARVM; various interest rates from 4.50% to 5.75%; 58 CSO supplemental benefits 83-87	68,580,205	XXX	68,580,205	XXX	
0200038. Deferred; CARVM; various interest rates from 4.50% to 5.75%; 80 CSO supplemental benefits	1,337,167,362	XXX	1,337,167,362	XXX	
0200039. Deferred; interest rates from 4.75% to 6.00%	12,266,186	XXX		XXX	12,266,186
0299997. Totals (Gross)	2,326,474,875	XXX	2,028,207,409	XXX	298,267,466
0299998. Reinsurance ceded	4,166,858	XXX	4,166,858	XXX	
0299999. Totals (Net)	2,322,308,017	XXX	2,024,040,551	XXX	298,267,466
Supplementary Contracts with Life Contingencies:					
0300001. a-1949 3.5% MOD	517,849		517,849		
0300002. 71 IAM 6.00%	119,513		119,513		
0300003. 71 IAM 7.50%	157,731		157,731		
0300004. 71 IAM 13.25%	75,258		75,258		
0300005. 71 IAM 11.25%	302,144		302,144		
0300006. 71 IAM 11.00%	165,144		165,144		
0300007. 1983a 9.25%	333,692		333,692		
0300008. 1983a 8.00%	492,698		492,698		
0300009. 1983a 8.75%	1,701,208		1,701,208		
0300010. 1983a 8.25%	2,090,104		2,090,104		
0300011. 1983a 7.75%	1,896,623		1,896,623		
0300012. 1983a 7.00%	614,653		614,653		
0300013. 1983a 6.50%	822,387		822,387		
0300014. 1983a 7.25%	1,424,436		1,424,436		
0300015. 1983a 6.75%	2,706,125		2,706,125		
0300016. a-2000 6.25%	2,170,440		2,170,440		
0300017. a-2000 7.00%	1,513,806		1,513,806		
0300018. a-2000 6.75%	1,277,299		1,277,299		
0300019. a-2000 6.50%	515,938		515,938		
0300020. a-2000 6.00%	5,078,701		5,078,701		
0300021. a-2000 5.50%	6,122,852		6,122,852		
0300022. a-2000 5.25%	7,521,694		7,521,694		
0300023. a-2000 5.00%	5,631,388		5,631,388		
0300024. a-2000 4.25%	7,876,471		7,876,471		
0300025. a-2000 4.00%	11,603,036		11,603,036		
0399997. Totals (Gross)	62,731,190	0	62,731,190	0	0
0399999. Totals (Net)	62,731,190	0	62,731,190	0	0
Accidental Death Benefits:					
0400001. 26-32 MAD 3.00% 00-64	7,612		7,612		
0400002. 59 ADB 2.50% 64-78	191,336		191,336		
0400003. 59 ADB 3.50% 79-NB	162,674		162,674		
0499997. Totals (Gross)	361,622	0	361,622	0	0
0499998. Reinsurance ceded	7,746		7,746		
0499999. Totals (Net)	353,876	0	353,876	0	0
Disability - Active Lives:					
0500001. WP CLASS (3) 3.00% MOD 75% 54-64	1,615		1,615		
0500002. 52 DIS PER 2 BEN 5 2.50% WP 64-78	215,073		215,073		
0500003. 52 DIS PER 2 BEN 5 3.50% WP 79-NB	10,987,141		10,987,141		
0599997. Totals (Gross)	11,203,829	0	11,203,829	0	0
0599998. Reinsurance ceded	12,975		12,975		
0599999. Totals (Net)	11,190,854	0	11,190,854	0	0
Disability - Disabled Lives:					
0600001. CLASS (3) DIS TABLE 3.00% 00-64	129,470		129,470		
0600002. CLASS (3) DIS TABLE 3.00% MOD 00-64	32,367		32,367		
0600003. 52 DIS STUDY 2.50% 64-78	1,440,953		1,440,953		
0600004. 52 DIS STUDY 3.50% 79-NB	14,053,637		14,053,637		
0600005. 70 INTERCO DISA 3.00%	924,984				924,984
0699997. Totals (Gross)	16,581,411	0	15,656,427	0	924,984
0699998. Reinsurance ceded	5,096,018		5,096,018		
0699999. Totals (Net)	11,485,393	0	10,560,409	0	924,984
Miscellaneous Reserves:					
0700001. For excess of valuation net premiums over corresponding gross	31,475,660		31,475,660		
0700002. premiums on respective policies; computed according to the	0				
0700003. standard of valuation required by this state	0				
0700004. AG LXIII - Reserves in Excess of the Basic Adjusted Reserve	26,527,487		26,527,487		
0700005. SPVL Loan Collateral Account	4,565,622		4,565,622		
0799997. Totals (Gross)	62,568,769	0	62,568,769	0	0

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
0799998. Reinsurance ceded	1,431,244		1,431,244		
0799999. Totals (Net)	61,137,525	0	61,137,525	0	0
9999999. Totals (Net) - Page 3, Line 1	6,903,862,147	0	6,604,496,545	0	299,365,602

EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes [X] No [ ]
1.2 If not, state which kind is issued

2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [ ] No [X]
2.2 If not, state which kind is issued
PARTICIPATING

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [X] No [ ]
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state: Yes [ ] No [X]
4.1 Amount of insurance: $.....
4.2 Amount of reserve: $.....
4.3 Basis of reserve:

4.4 Basis of regular assessments:

4.5 Basis of special assessments:

4.6 Assessments collected during year: $.....

5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [ ] No [X]
6.1 If so, state the amount of reserve on such contracts on the basis actually held: $.....

6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: $.....
Attach statement of methods employed in their valuation.

7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [ ] No [X]
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: $.....
7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:

7.3 State the amount of reserves established for this business: $.....
7.4 Identify where the reserves are reported in the blank.

8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December of the current year? Yes [ ] No [X]
8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements. $.....
8.2 State the amount of reserves established for this business. $.....
8.3 Identify where the reserves are reported in the blank.

9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes [ ] No [X]
9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders. $.....
9.2 State the amount of reserves established for this business. $.....
9.3 Identify where the reserves are reported in the blank.

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1	Valuation Basis		4
	2	3	
Description of Valuation Class	Changed From	Changed To	Increase in Actuarial Reserve Due To Change

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	1,642,095				1,623,770	10,038	8,287		
2. Additional contract reserves (a)	39,630,784				39,344,732	80,504	205,548		
3. Additional actuarial reserves - Asset/Liability analysis	0								
4. Reserve for future contingent benefits	0								
5. Reserve for rate credits	0								
6. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
7. Totals (Gross)	41,272,879	0	0	0	40,968,502	90,542	213,835	0	0
8. Reinsurance ceded	39,619,322				39,328,178	86,920	204,224		
9. Totals (Net)	1,653,557	0	0	0	1,640,324	3,622	9,611	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	243,113,928				242,747,491	74,403	292,034		
11. Additional actuarial reserves - Asset/Liability analysis	0								
12. Reserve for future contingent benefits	0								
13. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
14. Totals (Gross)	243,113,928	0	0	0	242,747,491	74,403	292,034	0	0
15. Reinsurance ceded	234,169,880				233,820,281	71,863	277,736		
16. Totals (Net)	8,944,048	0	0	0	8,927,210	2,540	14,298	0	0
17. TOTALS (Net)	10,597,605	0	0	0	10,567,534	6,162	23,909	0	0
18. TABULAR FUND INTEREST	471,059				469,729	321	1,009		
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0	0	0	0
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 + 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	518,892,581		193,514,263	118,703,953	206,674,365	
2. Deposits received during the year	100,365,300		25,224,630	68,361,489	6,779,181	
3. Investment earnings credited to the account	15,586,340		9,382,890	2,185,906	4,017,544	
4. Other net change in reserves	(1,231,676)		(1,579,726)	(27,975)	376,025	
5. Fees and other charges assessed	1,198,170		1,198,170			
6. Surrender charges	0					
7. Net surrender or withdrawal payments	128,024,843		49,604,459	61,932,343	16,488,041	
8. Other net transfers to or (from) Separate Accounts	(4,721)			(4,721)		
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8)	504,394,253	0	175,739,428	127,295,751	201,359,074	0
10. Reinsurance balance at the beginning of the year	0					
11. Net change in reinsurance assumed	0					
12. Net change in reinsurance ceded	0					
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12)	0	0	0	0	0	0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13)	504,394,253	0	175,739,428	127,295,751	201,359,074	0

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and unpaid:											
1.1 Direct	0										
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other:											
2.21 Direct	35,400,014		33,403,791	133,949							1,862,274
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	7,710,800		6,032,010								1,678,790
2.24 Net	27,689,214	0	(b) 27,371,781	(b) 133,949	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 183,484
3. Incurred but unreported:											
3.1 Direct	12,220,000		12,170,000				50,000				
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	2,300,000		2,300,000								
3.4 Net	9,920,000	0	(b) 9,870,000	(b) 0	0	(b) 0	(b) 50,000	0	(b) 0	(b) 0	(b) 0
4. Totals:											
4.1 Direct	47,620,014	0	45,573,791	133,949	0	0	50,000	0	0	0	1,862,274
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	10,010,800	0	8,332,010	0	0	0	0	0	0	0	1,678,790
4.4 Net	37,609,214	(a) 0	(a) 37,241,781	133,949	0	0	(a) 50,000	0	0	0	183,484

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to $.....0 in Column 2, $.....0 in Column 3 and $.....0 in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance $.....0, Individual Annuities $.....0, Credit Life (Group and Individual) $.....0, and Group Life $.....0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health $.....0, Credit (Group and Individual) Accident and Health $.....0 and Other Accident and Health $.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct	1,014,167,571		325,547,788	571,426,871	8,582,062		465,653	77,561,744			30,583,453
1.2 Reinsurance assumed	2,298,667		2,302,567	(3,900)							
1.3 Reinsurance ceded	160,839,272		130,881,286	502,930							29,455,056
1.4 Net	(d) 855,626,966	0	196,969,069	570,920,041	8,582,062	0	465,653	77,561,744	0	0	1,128,397
2. Liability December 31, current year from Part 1:											
2.1 Direct	47,620,014		45,573,791	133,949			50,000				1,862,274
2.2 Reinsurance assumed	0										
2.3 Reinsurance ceded	10,010,800		8,332,010								1,678,790
2.4 Net	37,609,214	0	37,241,781	133,949	0	0	50,000	0	0	0	183,484
3. Amounts recoverable from reinsurers December 31, current year	11,447,211		11,368,527	2,881							75,803
4. Liability December 31, prior year:											
4.1 Direct	56,513,264		53,636,708	133,949			50,000				2,692,607
4.2 Reinsurance assumed	1,954,839		1,954,839								
4.3 Reinsurance ceded	11,313,645		8,820,060								2,493,585
4.4 Net	47,154,458	0	46,771,487	133,949	0	0	50,000	0	0	0	199,022
5. Amounts recoverable from reinsurers December 31, prior year	5,022,776		4,900,307	61,242							61,227
6. Incurred benefits:											
6.1 Direct	1,005,274,321	0	317,484,871	571,426,871	8,582,062	0	465,653	77,561,744	0	0	29,753,120
6.2 Reinsurance assumed	343,828	0	347,728	(3,900)	0	0	0	0	0	0	0
6.3 Reinsurance ceded	165,960,862	0	136,861,456	444,569	0	0	0	0	0	0	28,654,837
6.4 Net	839,657,287	0	180,971,143	570,978,402	8,582,062	0	465,653	77,561,744	0	0	1,098,283

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to $.....0 in Line 1.1, $.....0 in Line 1.4, $.....0 in Line 6.1 and $.....0 in line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to $.....0 in Line 1.1, $.....0 in Line 1.4, $.....0 in Line 6.1 and $.....0 in line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to $.....0 in Line 1.1, $.....0 in Line 1.4, $.....0 in Line 6.1 and $.....0 in line 6.4.

(d) Includes $.....0 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks		55,846	55,846
2.2 Common stocks	799,168	1,369,440	570,272
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)	13,205,352	13,217,446	12,094
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	14,004,520	14,642,732	638,212
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	58,540,953	9,829,037	(48,711,916)
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets	6,728,808	5,586,469	(1,142,339)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	59,927,315	52,217,251	(7,710,064)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	139,201,596	82,275,489	(56,926,107)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	139,201,596	82,275,489	(56,926,107)

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0
2501. Suspense	40,025	25,038	(14,987)
2502. Prepaid Pension Asset	44,364,907	38,413,776	(5,951,131)
2503. Expense Advances	7,401,587	7,353,773	(47,814)
2598. Summary of remaining write-ins for Line 25 from overflow page	8,120,796	6,424,664	(1,696,132)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	59,927,315	52,217,251	(7,710,064)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

(A) Accounting Practices

The financial statements of The Penn Mutual Life Insurance Company ("the Company") have been prepared in conformity with statutory accounting practices ("SAP") prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania. Insurance companies domiciled in Pennsylvania are required to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' *Accounting Practices and Procedures* manual, (referred to as NAIC SAP), subject to any deviations prescribed or permitted by the Pennsylvania Insurance Commissioner. The Company employs no permitted practices or significant prescribed practices, which differ from NAIC SAP in the preparation of its financial statements.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Pennsylvania is shown below:

	State of Domicile	December 31, 2013	December 31, 2012
NET INCOME			
(1) The Company state basis (Page 4, Line 35, Columns 1 & 2)	PA	$ (34,820,846)	$ (38,948,914)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(4) NAIC SAP (1-2-3=4)	PA	$ (34,820,846)	$ (38,948,914)
SURPLUS			
(5) The Company state basis (Page 3, Line 38, Columns 1&2)	PA	$ 1,490,685,731	$ 1,495,390,798
(6) State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP		-	-
(8) NAIC SAP (5-6-7=8)	PA	$ 1,490,685,731	$ 1,495,390,798

(B) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Included among the material reported amounts and disclosures that require extensive use of estimates are:

- Carrying value of certain invested assets and derivatives
- Liabilities for reserves and funds for payment of insurance and annuity benefits
- Accounting for income taxes and valuation of deferred income tax assets and liabilities and unrecognized tax benefits
- Litigation and other contingencies
- Pension and other postretirement and postemployment benefits

(C) Accounting Policy

Premiums on products with life contingencies are recognized as revenue over the premium payment period of the related policies. Annuity premium on policies with life contingencies are recognized as revenue as they are received. Both premium and annuity considerations are recorded net of reinsurance premiums. Commissions and other costs related to issuance of new policies, and policy maintenance and settlement costs are charged to current operations when incurred. Surrender fee charges on certain life and annuity products are recorded as a reduction of benefits and expenses. Benefit payments are reported net of the amounts received from reinsurers.

The liability for policyholders' dividends includes the estimated amount of annual dividends and settlement dividends to be paid to policyholders in the following year. Policyholders' dividends incurred are recorded in the Statements of Income. Dividends expected to be paid to policyholders in the following year are approved annually by the Company's Board of Trustees. The allocation of these dividends to policyholders reflects the relative contribution of each group of participating policies to surplus and considers, among other factors, investment returns, mortality and morbidity experience, expenses, and income tax charges.

In addition, the Company uses the following accounting policies:

(1) Short-term investments, which are carried at amortized cost and approximate fair value, consist primarily of money market funds and investments purchased with maturities of greater than three months and less than or equal to 12 months.

(2) Bonds with a NAIC designation of 1 to 5 are valued at amortized cost. All other bonds are valued at the lower of cost or market. In 2013 and 2012, fair value was determined using an external pricing service or management's pricing model.

For fixed income securities that do not have a fixed schedule of payments, including asset-backed and mortgage-backed securities, the effect on amortization or accretion is revalued quarterly based on the current estimated cash flows, using the retrospective method, except for favorable changes in expected cash flows for structured securities where the possibility of non-interest loss is other than remote. In these cases, income is recognized on the prospective method over the remaining life of the securities. Under the retrospective method, the recalculated effective yield equates the present value of the actual and anticipated cash flows, including new prepayment assumptions, to the original cost of the investment. Prepayment assumptions are based on borrower constraints and economic incentives such as original term, age, and coupon of the loan as affected by the interest rate environment. The current carrying value is then increased or decreased to the amount that would have resulted had the revised yield been applied since inception, and investment income is correspondingly decreased or increased. Cash flow assumptions for structured securities are obtained from broker dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment.

The carrying values of bonds, mortgage-backed and asset-backed securities are written down when a decline is considered to be other-than-temporary. The Company considers an impairment to be other than temporary ("OTTI") if: (a) the Company's intent is to sell, (b) the Company will more likely than not be required to sell, (c) the Company does not have the intent and ability to hold the security for a period of time sufficient to recover the amortized cost basis, or (d) the Company does not expect to recover the entire amortized cost basis. The Company conducts a periodic management review of all bonds including those in default, not-in-good standing, or otherwise designated by management. The Company also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value, estimated cash flows including default rates, delinquency rates, percentage of nonperforming loans, prepayments, and severities. If the impairment is other-than-temporary, the non-interest loss portion of the impairment is recorded through realized losses and the interest related portion of the loss would be disclosed in the notes to the financial statements.

The non-interest portion is determined based on the Company's "best estimate" of future cash flows discounted to a present value using the appropriate yield. The difference between the present value of the best estimate of cash flows and the amortized cost is the non-interest loss. The remaining difference between the amortized cost and the fair value is the interest loss.

(3) Common stock of the Company's insurance affiliate is carried at its underlying statutory equity. Common stock of audited non-insurance affiliates is admitted at the GAAP-basis equity. Common stock of unaudited non-insurance affiliates is nonadmitted. Common stock - Unaffiliated is valued at fair value. Dividends are recognized in net investment income on the ex-dividend date. Other changes in the carrying value of affiliates are recognized as changes in unrealized gains or losses in surplus.

(4) Preferred stocks with a NAIC designation of 1 to 3 are valued at amortized cost. All other preferred stocks are valued at the lower of cost or market. Fair value is determined using an external pricing service or management's pricing model.

(5) The Company has no investments in mortgage loans.

(6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or market. For loan and asset-backed securities of high credit quality, the impact of changes in expected cash flows are recognized on the retrospective adjustment method. For structured securities where the possibility of credit loss is other than remote, the impact of favorable changes in expected cash flows are recognized on the prospective method over the remaining life of the securities.

(7) The Company owns 100% of the common stock of the subsidiaries listed below, unless noted otherwise:

Subsidiary's Name	Carrying Method
Independence Capital Management, Inc.	Nonadmitted Asset
Independence Square Properties LLC (95.45%)*	GAAP Equity
The Penn Insurance and Annuity Company	Statutory Equity
Hornor, Townsend & Kent, Inc.	GAAP Equity
Penn Mutual Payroll Administration	Nonadmitted Asset
ILS Holdings, LLC	Nonadmitted Asset

* Independence Square Properties is admitted to the extent that underlying investments are audited.

Non-insurance affiliates are carried at their GAAP-basis equity, adjusted for the carrying value of goodwill. Other intangible assets are amortized over the shorter of their useful lives or ten years. Investments in certain affiliates are treated as non-admitted assets. The Company's unconsolidated subsidiaries had combined assets of $5,768,194,000 and $4,812,587,000 and combined liabilities of $5,064,039,000 and $4,103,794,000 as of December 31, 2013 and 2012, respectively. The admitted value of the Company's investments in subsidiaries includes goodwill of $47,722,000 and $51,077,000 and other intangible assets of $6,897,000 and $7,553,000 at December 31, 2013 and 2012, respectively.

(8) Alternative assets consist primarily of limited partnerships. The Company accounts for the value of its investments at their underlying GAAP equity. Dividends and income distributions from limited partnerships are recorded in investment income. Undistributed earnings are included in unrealized gains and losses and are reflected in surplus, net of deferred taxes. Distributions that are recorded as a return of capital reduce the carrying value of the limited partnership investment. Due to the timing of the valuation data received from the general partner, these investments are reported in accordance with the most recent valuations received which are primarily on a one quarter lag. Investments in Low Income Housing Tax Credits ("LIHTC") are included in Other Invested Assets and are accounted for under the cost method. The delayed equity contributions for these investments are unconditional and legally binding and therefore, have been recognized as a liability. LIHTC investments are reviewed for OTTI, which is accounted for as a realized loss.

(9) All derivatives are recognized at fair value. Derivatives with a positive fair value are reported in other invested assets. Derivatives with a negative fair value are reported in other liabilities**.** The accounting treatment of specific derivatives depends on whether management elects to follow hedge accounting. Derivatives used in hedging transactions that meet the criteria of a highly effective hedge are reported and valued in a manner that is consistent with the assets hedged.

(10) Not applicable.

(11) Not applicable.

(12) The Company has not modified its capitalization policy from the prior period.

(13) Not applicable.

2. Accounting Changes and Corrections of Errors

Effective January 1, 2013, the NAIC issued SSAP 92, *Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14* ("SSAP 92"). Under SSAP 92, the benefit obligation for postretirement plans is recognized on the Balance Sheet in the first quarter statutory financial statement after the transition date with a corresponding entry to unassigned funds.

At transition, the Company had $9,478,000 in additional liability resulting primarily from the addition of unvested participants to the liability. This additional liability will be amortized into surplus over a 10 year period, resulting in a January 1, 2013 decrease in surplus of $948,000.

The following provides the status of the Company's pension plan as of the January 1, 2013 transition date and December 31, 2012:

	January 1, 2013	December 31, 2012
Accumulated Benefit Obligation	$ 29,773,000	$ 29,773,000
Projected Benefit Obligation	25,182,000	25,182,000
Plus: Non-Vested liability	4,591,000	4,591,000
Total PBO	29,773,000	29,773000
Plan Assets at Fair Value	-	-
Funded Status	$ 29,773,000	$ 29,773,000
Transition Obligation / (Asset)	$ -	$ -
Prior Service Cost / (Credit)	-	(2,839,000)
Prior Service Cost (Non-Vested)	-	4,591,000
Unrecognized Losses / (Gains)	-	7,726,000
Total Unrecognized Items	-	9,478,000
Net Overfunded Plan Asset / (Liability for Benefits)	$ 29,773,000	$ 20,294,000

Effective January 1, 2013, the NAIC issued SSAP 102, *Accounting for Pensions, A Replacement of SSAP No. 89* ("SSAP 102"). Under SSAP No. 102, any underfunded defined benefit pension amounts, as determined when the projected benefit obligation exceeds the fair value of plan assets, to be recognized as a liability under SSAP No. 5R. Such liability is required to be reported in the first quarter statutory financial statement after the transition date with a corresponding entry to unassigned funds.

Qualified Plan - The adoption of SSAP 102 for the qualified plan did not have a surplus impact on the Company as the pension plan was overfunded by more than the transition liabilities. At transition, The Company recognized $25,938,000 in unrecognized transition obligations, prior service costs, and unrecognized losses as components of the ending balance of unassigned funds as of January 1, 2013. This recognition resulted in a financial presentation which reflects the actual $12,476,000 overfunded status of the plan (fair value of plan assets exceeds the projected benefit obligation). In accordance with SSAP No. 102, overfunded plan assets are nonadmitted.

Non-qualified Plans - At transition, The Company recognized through surplus a pretax decrease in the liability of $853,000 from unrecognized transition obligations/assets, prior service costs/credits, and unrecognized gains/losses as a component of the ending balance of unassigned funds as of January 1, 2013.

NOTES TO FINANCIAL STATEMENTS

The following provides the status of the Company's pension plan as of the January 1, 2013 transition date and December 31, 2012:

All Pension Plans	January 1, 2013	December 31, 2012
Accumulated Benefit Obligation	$ 175,601,000	$ 175,601,000
Projected Benefit Obligation	175,557,000	175,557,000
Plus: Non-Vested liability	44,000	44,000
Total PBO	175,601,000	175,601,000
Plan Assets at Fair Value	158,079,000	158,079,000
Funded Status	$ (17,522,000)	$ (17,522,000)
Transition Obligation / (Asset)	$ -	$ -
Prior Service Cost / (Credit)	-	426,000
Prior Service Cost (Non-Vested)	-	44,000
Unrecognized Losses / (Gains)	-	24,304,000
Total Unrecognized Items	-	24,774,000
Net Overfunded Plan Asset / (Liability for Benefits)	$ (17,522,000)	$ 7,252,000

The components of 2012 reclassified net deferred tax asset (DTAs) and deferred tax liabilities (DTLs) are as follows:

	2012 as Previously Reported			2012 as Adjusted		
Description	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	$ 220,611,000	$ 40,448,000	$ 261,059,000	$ 221,780,000	$ 44,719,000	$ 266,499,000
Statutory valuation allowance adjustment	-	-	-	-	-	-
Adjusted gross deferred tax assets	220,611,000	40,448,000	261,059,000	221,780,000	44,719,000	266,499,000
Adjusted gross deferred tax assets nonadmitted	36,585,000	(26,756,000)	9,829,000	(36,585,000)	26,756,000	(9,829,000)
Subtotal - admitted adjusted deferred tax asset	184,026,000	67,204,000	251,230,000	185,195,000	71,475,000	256,670,000
Gross deferred tax liabilities	53,070,000	26,756,000	79,826,000	(49,049,000)	(36,217,000)	(85,266,000)
Net admitted deferred tax asset	$ 130,956,000	$ 40,448,000	$ 171,404,000	$ 136,146,000	$ 35,258,000	$ 171,404,000

The reclassified 2012 tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

	2012 as Previously Reported	2012 as Adjusted
DTAs resulting in book/tax difference in:		
Ordinary:		
Future policy benefits	$ 55,689,000	$ 53,252,000
DAC	80,369,000	80,369,000
Deferred compensation	25,461,000	28,150,000
Other - ordinary	59,092,000	60,009,000
Subtotal - gross ordinary DTAs	220,611,000	221,780,000
Non-admitted ordinary DTAs	36,585,000	(36,585,000)
Admitted ordinary DTAs	184,025,000	185,195,000
Capital:		
Investments	2,756,000	2,756,000
OTTI on investments	37,692,000	41,963,000
Subtotal - gross capital DTAs	40,448,000	44,719,000
Non-admitted capital DTAs	(26,756,000)	26,756,000
Admitted capital DTAs	67,204,000	71,475,000
Admitted DTAs	$ 251,229,000	$ 256,670,000
DTLs resulting in book/tax differences in:		
Ordinatry:		
Investments - ordinary	$ 42,184,000	$ 44,159,000
Other	10,886,000	4,890,000
Ordinary DTLs	53,070,000	49,049,000
Capital:		
Alternative asset investments	10,873,000	20,334,000
Unrealized capital gains	15,883,000	15,883,000
Capital DTLs	26,756,000	36,217,000
DTLs	$ (79,826,000	$ 85,266,000
Net deferred tax asset	$ 171,404,000	$ 171,404,000

NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill

(A) Statutory Purchase Method
On September 14, 2012, the Company made a capital contribution of $24,450,000 to a non-insurance affiliate that was used to acquire Leap Inc, a privately held company, in a cash stock purchase for $22,450,000. The subsidiary now operates as Leap System, LLC. The purchase was accounted for in accordance with the purchase method of accounting. The total purchase price was allocated to net tangible and intangible assets based on their estimated fair values as of September 14, 2012. The fair value assigned to identifiable intangible assets acquired has been determined primarily by using valuation methods that discount expected future cash flows to present value using estimates and assumptions determined by management. The excess purchase price over the value of the net tangible and identifiable intangible assets was recorded as goodwill, which is fully deductible for income tax purposes.

The purchase resulted in an additional $6,500000 and $6,800,000 in intangibles and $14,153,000 and $17,653,000 in goodwill as of December 31, 2013 and 2012, respectively. The intangibles consist of trade name, customer relationships, non-compete agreements and developed technology. In 2013, the Company impaired the goodwill by $3,500,000.

In June 2005, Janney Montgomery Scott acquired Parker/Hunter, Incorporated, a Pennsylvania based Broker/Dealer. The transaction was accounted for under the statutory purchase method resulting in goodwill of $35,672,000 and $35,672,000 and other intangibles of $740,000 and $1,030,000 at December 31, 2013 and 2012, respectively. Other intangibles amortization for the period ended December 31, 2013 and 2012 is $290,000 and $374,000, respectively.

(B) Statutory Mergers
The Company had no mergers.

(C) Assumption Reinsurance
The Company has not entered into any assumption reinsurance treaties.

(D) Impairment Loss
The Company did not recognize an impairment loss during 2013.

4. Discontinued Operations

1. On April 10, 2013, the Board of Directors of Penn Janney Fund, Inc. and Penn Janney Fund Advisors, Inc. unanimously voted to dissolve the respective entities, as they had been dormant. The Company carried the investments in the respective entities at their GAAP basis equity, however, they were non-admitted as neither entity was audited.
2. The amounts related to the discontinued operations, and the effect on the Company's Balance Sheet and Summary of Operations is as follows:

a. Assets, Line 2.2	Common Stocks	$ -
b. Assets, Line 28	Total	$ 17,259
c. Liabilities, Surplus and Other Funds, Line 28	Total Liabilities	$ -
d. Liabilities, Surplus and Other Funds, Line 37	Surplus	17,259
e. Liabilites, Surplus and Other Funds, Line 38	Total	$ 17,259
f. Summary of Operations, Line 1	Premiums	$ -
g. Summary of Operations, Line 19	Increase in Aggregate Reserves for A&H	-
h. Summary of Operations, Line 32	Federal and Foreign Income Taxes Incurred	-
i. Summary of Operations, Line 34	Net Realized Capital Gains (Losses)	-
j. Summary of Operations, Line 35	Net Income	$ -

The financial statement impacts noted above were related to the return of capital in the form of cash from Penn Janney Advisors. The investment was originally non-admitted. The cash received increased total assets, and the offset was the reversal of the non-admit. There were no impacts related to the dissolution of Penn Janney Fund. The return of capital to the Company was in the form of a deferred tax asset, which was subsequently non-admitted. Therefore, the non-admit of the investment was replaced with the non-admit of the deferred tax asset, and as such, no financial statement impact.

5. Investments

(A) Mortgage Loans - The Company has no investments in mortgage loans.

(B) Debt Restructuring

	Current Year	Prior Year
(1) The total recorded investment in restructured loans, as of year end	$ 2,790,000	$ 2,473,000
(2) The realized capital losses related to these loans	4,401,000	4,401,000
(3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	-	-

(4) The Company accrued interest income on impared loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.

(C) Reverse Mortgages
The Company does not invest in reverse mortgages.

(D) Loan Backed Securities
(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were are obtained from broker dealer survey values or internal estimates.

(2) There were no other than temporary impairments recognized on loan-backed securities for the year ended December 31, 2013. For the year ended December 31, 2012, the Company recognized other than temporary impairments on loan-backed securities due to the Company's:

	(1) Amortized Cost Basis Before Other-Than-Temporary Impairment	(2) Other-Than-Temporary Impairment Recognized in Loss		(3)
		(2a) Interest	2(b) Non-Interest	Fair Value 1-(2a+2b)
OTTI Recognized 1st Quarter				
a. Intent to sell	$ -	$ -	$ -	$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	6,149,000	-	2,949,000	3,200,000
c. Total 1st Quarter	6,149,000	-	2,949,000	3,200,000
OTTI Recognized 2nd Quarter				
d. Intent to sell	-	-	-	-
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	37,562,000	6,467,000	9,376,000	21,539,000
f. Total 2nd Quarter	37,562,000	6,467,000	9,376,000	21,539,000
OTTI Recognized 3rd Quarter				
g. Intent to sell	-	-	-	-
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
i. Total 3rd Quarter	-	-	-	-
OTTI Recognized 4th Quarter				
j. Intent to sell	-	-	-	-
k. Inability or lack if intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
l. Total 4th Quarter	-	-	-	-
m. Annual Aggregate Total		$ 6,467,000	$ 12,325,000	

(3) There were no securities in 2013 in which the Company recognized the non-interest portion of other than temporary impairments. still held at December 31, 2013.

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

(a) The aggregate amount of unrealized losses:

1. Less than 12 Months	$ 19,282,000
2. 12 Months or Longer	10,066,000

(b) The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	$ 296,804,000
2. 12 Months or Longer	82,488,000

Included in the December 31, 2013 amounts above is the interest portion of other-than-temporary impairments on securities of $526,000.

Unrealized losses on debt securities that were in an unrealized loss position less than twelve months at December 31, 2013, totaled 77% of the Company's total fixed maturities unrealized loss, and unrealized losses on securities in an unrealized loss position greater than twelve months totaled 23% of the Company's total fixed maturities unrealized loss. Of the total amount of debt securities unrealized losses, $143,590,000 or 98% is related to unrealized losses on investment grade securities. Investment grade is defined as a security having a credit rating in accordance with the NAIC methodology of 1 or 2. Unrealized losses on fixed maturity securities with a rating below investment grade represent $2,630,000 or 2% of the Company's total fixed maturities unrealized losses.

The net increase in the number of securities with fair values below amortized cost and in the amount of unrealized capital losses is primarily related to the increase in the interest rate environment, particularly on current year purchases of corporate bonds, and an increase in illiquidity premium and spread widening of certain mortgage-backed securities. These were partially offset by a decrease in risk premium in certain corporate bond sectors and spread tightening on certain mortgage-backed securities.

(5) The Company also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value, default rates, delinquency rates, percentage of nonperforming loans, prepayments, and severities.

(E) Repurchase Agreements

The Company has entered into repurchase agreements with financial institutions in the normal course of investment activities, however there were no open positions as of December 31, 2013 and 2012.

(F) Real Estate
The Company did not invest in any real estate in 2013.

(G) Investments in low-income housing tax credits ("LIHTC"):
Investments in LIHTC are included in Other Invested Assets. LIHTC are accounted for under the cost method. The delayed equity contributions for these investments are unconditional and legally binding and, therefore, have been recognized as a liability. LIHTC investments are reviewed for OTTI, which is accounted for as a realized loss.

Investments in LIHTC do not exceed 10% of total admitted assets.

The Company had LIHTC available of $14,543,000 that will expire starting in 2030.

The Company has no LIHTC properties under regulatory review at December 31, 2013 and 2012, respectively. If the book value of the investment is higher than the present value of future tax benefits, an impairment is considered to have occurred and the investment is written down as a realized loss. There were no impairments or write-downs due to forfeiture of ineligibility in 2013 and 2012. Commitments of $6,910,000 have been recorded as Aggregate Write-Ins for Liabilities.

NOTES TO FINANCIAL STATEMENTS

(H) Restricted Assets

(1) Restricted Assets (Including Pledged)

				Gross Restricted				8	Percentage	
			Current Year			6	7		9	10
	1	2	3	4	5					
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subjected to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.000	0.000
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	0.000	0.000
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	0.000	0.000
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	0.000	0.000
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	0.000	0.000
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	0.000	0.000
g. Placed under option contracts	-	-	-	-	-	-	-	-	0.000	0.000
h. Letter stock or securities restricted as to sale	-	-	-	-	-	-	-	-	0.000	0.000
i. On deposit with states	3,818,000	-	-	-	3,818,000	3,882,000	(64,000)	3,818,000	0.024	0.024
j. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	0.000	0.000
k. Pledged as collateral not captured in other categories	75,410,000	-	-	-	75,410,000	53,701,000	21,709,000	75,410,000	0.469	0.473
l. Other restricted assets	-	-	-	-	-	-	-	-	0.000	0.000
m. Total Restricted Assets	$ 79,228,000	$ -	$ -	$ -	$ 79,228,000	$ 57,583,000	$ 21,645,000	$ 79,228,000	0.493	0.497

(a) Subset of column 1

(b) Subset of column 3

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

				Gross Restricted				8	Percentage	
			Current Year			6	7		9	10
	1	2	3	4	5					
Description of Assets	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Residential MBS	$ 42,610,000	$ -	$ -	$ -	$ 42,610,000	$ 40,544,000	$ 2,066,000	$ 42,610,000	0.265	0.267
Cash	32,800,000	-	-	-	32,800,000	13,157,000	19,643,000	32,800,000	0.204	0.206

(a) Subset of column 1

(b) Subset of column 3

(3) Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

(A) The Company had no investments in Joint Ventures, Partnerships and Limited Liability Companies that exceeded 10% of admitted assets.

(B) The Company recognized realized losses of $4,459,000 and $1,190,000 in 2013 and 2012, respectively, associated with other than temporary impairments of certain partnership investments. The Company considered the remaining life of the partnerships and the performance of the underlying assets when evaluating the facts and circumstances surrounding the recovery of the cost of the partnership investments.

7. Investment Income

(A) Due and accrued income is excluded from surplus on the following bases:
All investment due and accrued with amounts that are over 90 days past due.

(B) The Company did not exclude (non-admit) any investment income due and accrued in 2013.

8. Derivative Instruments

(A) The Company utilizes derivatives to achieve its risk management goals. Exposure to risk is monitored and analyzed as part of the Company's asset/liability management process, which focuses on risks that impact liquidity, capital, and income. The Company may enter into derivative transactions to hedge exposure to interest rate, credit, liability, currency, and cash flow risks. The Company uses forward contracts, swaps, futures, options, and caps to hedge these risks.

When entering into a derivative transaction, there are several risks, including but not limited to basis risk, credit risk, and market risk. Basis risk is the exposure to loss from imperfectly matched positions, and is monitored and minimized by modifying or terminating the transaction. Credit risk is the exposure to loss as a result of default or a decline in credit rating of a counterparty. Credit risk is addressed by establishing and monitoring guidelines on the amount of exposure to any particular counterparty. Market risk is the adverse effect that a change in interest rates, currency rates, implied volatility rates, or a change in certain equity indexes or instruments has on the value of a financial instrument. The Company manages the market risk by establishing and monitoring limits as to the types and degree of risk that may be undertaken. Also, the Company requires that an International Swaps and Derivatives Association Master agreement govern all Over-the-Counter ("OTC") derivative contracts. In addition, as a result of Dodd Frank Title VII, interest rate swaps are now centrally cleared through an exchange.

Investment income is recorded on an accrual basis. Amounts payable or receivable under total return, currency, credit default interest rate and inflation swap agreements are recognized as investment income or expense when incurred. The accounting treatment of specific derivatives depends on whether management elects to follow hedge accounting. The Company does not engage in derivative financial instrument transactions for speculative purposes.

CREDIT RISK
The Company is exposed to credit related losses in the event of non-performance by counterparties to derivative financial instruments. In order to minimize credit risk, the Company and its derivative counterparties require collateral to be posted in the amount owed under each transaction, subject to threshold and minimum transfer amounts that are functions of the counterparty's credit rating. As of December 31, 2013, and 2012, the Company was fully collateralized thereby eliminating the potential for an accounting loss. Additionally, the agreements with the counterparties allow for contracts in a positive position to be offset by contracts in a negative position. This right of offset also reduces the Company's exposure. As of December 31, 2013, the Company pledged collateral of $44,498,000; as of December 31, 2012, the Company held collateral of $27,519,000. The cash received is invested in an interest bearing money market fund and is reflected as a short-term investment.

As of December 31, 2013 and 2012, the Company pledged collateral for futures contracts of $10,882,000 and $40,544,000 respectively. Notional or contractual amounts of derivative financial instruments provide a measure of involvement in these types of transactions and do not represent the amounts exchanged between the parties engaged in the transaction. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivative financial instruments.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2013 and 2012, the Company maintained claims related to certain derivatives associated with the bankruptcy of Lehman Brother Holdings, Inc. in 2008. In July 2013, one claim associated with Lehman Brothers Finance was sold for net proceeds of $8,471,000, resulting in a realized gain of $3,922,000. As of December 31, 2013, one claim remains with a net carrying value of $432,000.

(B) The Company utilizes derivative financial instruments, including interest rate swaps, inflation swaps, financial futures, currency forwards, interest rate caps and put and call options, in the normal course of business to manage risk, in conjunction with its management of assets and liabilities and interest rate risk. Derivatives are recognized at fair value. Derivatives with a positive fair value are reported in other invested assets. Derivatives with a negative fair value are reported in other liabilities. The accounting treatment of specific derivatives depends on whether management elects to follow hedge accounting. Derivatives used in hedging transactions that meet the criteria of a highly effective hedge are reported and valued in a manner that is consistent with the assets hedged. The change in fair value of these derivatives is recognized as an unrealized capital gain or (loss) until they are closed, at which time they are recorded in realized capital gains/(losses). Derivatives used in risk management transactions that do not meet the criteria of an effective hedge are accounted for at fair value, with changes in fair value recorded in unrealized capital gains/(losses). Realized gains and losses that are recognized upon termination or maturity of the derivatives backing assets that are interest related are transferred, net of taxes, to the IMR. All other realized gains and losses are recognized in net income upon maturity or termination of derivative contracts.

The Company has entered into interest rate and currency swaps that qualify for hedge accounting. The swaps have been designated to qualify as cash flow hedges of cashflows associated with variable rate securities and foreign denominated securities in the investment portfolio.

The Company may enter into interest rate swaps, total return swaps, inflation swaps, financial futures and put and call options to hedge risks associated with the offering of equity market based guarantees in the Company's annuity and indexed universal life insurance product portfolio, which do not meet the criteria of an effective hedge.

The Company uses currency forwards to hedge the risk embedded in its foreign currency denominated alternative assets. They are carried at fair value and do not meet the criteria of an effective hedge.

Derivative Instruments Designated and Qualifying as Cash Flow Hedges

The Company has entered into interest rate swaps and currency swaps that qualify for hedge accounting. These have been designated as cash flow hedges of cash flows related to variable rate as well as foreign currency securities. These interest rate swaps are used to reduce market risks from changes in interest rates and foreign exchange rates. The net receipts/payments from these interest rate swaps are recorded on our Statement of Income as reported in the table above.

The hedging instruments are held at amortized cost. For the currency swaps, the change in value related to foreign exchange fluctuations is recognized as an unrealized gain or loss, as applicable. As of December 31, 2013, an unrealized loss of $1,763,000 was recorded.

The Company’s cash flow hedges are being used to hedge cash flows related to variable rate securities. The assessment of hedge effectiveness for cash flow hedges of interest rate risk excluded amounts relating to risks other than exposure to the benchmark interest rate. Derivative instruments used in cash flow hedges that meet the criteria of a highly effective hedge are valued and reported in a manner that is consistent with the hedged asset or liability. The maximum length of time over which the Company is hedging its exposure to the variability in future cash flows is 20 years. During the year ended December 31, 2013, the Company entered into cash flow hedge accounting for one interest rate swap and fair value hedge accounting for two interest rate swaps. Hedge accounting was subsequently terminated when the derivative instruments were closed. This resulted in the realized gain related to the cash flow hedge interest rate swap of $1,335,000 and a realized loss for the fair value hedge interest rate swaps of $8,606,000, which were deferred into the IMR and are being amortized into income over the duration of the derivative instruments.

During the year ended December 31, 2012, the Company discontinued cash flow hedge accounting for one interest rate swap because the forecasted transactions are no longer expected to occur. This resulted in the interest rate swap being carried at fair value on the Statements of Admitted Assets, Liabilities and Surplus with an unrealized gain of $174,000.

Derivative Instruments Not Designated and Not Qualifying as Hedging Instruments

The Company enters into interest rate caps, interest rate and equity futures, credit default swaps, forward contracts, interest rate swaps, inflation swaps and put and call options that do not qualify for hedge accounting.

These instruments are carried at fair value and are classified as either other invested assets or other liabilities in the Statements of Admitted Assets, Liabilities and Surplus. The Company’s use of interest rate caps is designed to manage risk associated with rising interest rates. Credit default swaps protect the Company from a decline in credit quality of a specified security resulting in bankruptcy or the failure to pay. The Company may use “to be announced” forward contracts to gain exposure to the investment risk and return of mortgage-backed securities.

The Company uses interest rate swaps to reduce market risks from changes in interest rates; the Company uses inflation swaps as an economic hedge to reduce inflation risk associated with inflation-indexed liabilities.

Total return swaps and equity futures are used to hedge the company’s liability risk exposure to declines in the equity markets.

Foreign currency forwards are used to hedge the risk embedded in the Company’s investment in Euro-denominated alternative assets.

The Company offers Indexed Universal Life products which have embedded options with guaranteed returns. The Company uses call spread options for protection from rising equity levels and rising volatility.

The change in unrealized capital gains/(losses) for derivative instruments designated and qualifying as hedging instruments for the years ended December 31, 2013 and 2012 were ($1,763,000) for a currency swap and $0, respectively.

(C) Included in Part B

(D) No component of the deriviaitve instruments' gain or loss was excluded from the assessment of hedge effectiveness

(E) During the year ended December 31, 2013, the Company entered into cash flow hedge accounting for one interest rate swap and fair value hedge accounting for two interest rate swaps. Hedge accounting was subsequently terminated when the derivative instruments were closed. This resulted in the realized gain related to the cash flow hedge interest rate swap of $1,335,000 and a realized loss for the fair value hedge interest rate swaps of $8,606,000, which were deferred into the IMR and are being amortized into income over the duration of the derivative instruments.There was not a gain or loss recognized in unrealized gains or losses during the current year related to deriviatives that no longer qualify for hedge accounting.

(F) The maximum length of time over which the Company is hedging its exposure to the variability in future cash flows is 20 years. There was no amount of gains and losses classified in unrealized gains/losses related to cash flow hedges that have been discontinued because it was no longer probable that the original forecasted transactions would occur by the end of the originally specified time period during the current period.

9. Federal Income Taxes

Effective for 2012, the NAIC issued SSAP 101, *Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10* ("SSAP 101"). Under SSAP 101, only adjusted gross deferred assets that are more likely than not to be realized shall be considered in calculating admitted adjusted gross deferred tax assets. This statement allows companies that meet a certain risk based capital ("RBC") threshold to admit gross deferred tax assets. Additionally, the statement requires that the character of the deferred tax item must be considered in the offsetting of deferred tax assets and deferred tax liabilities. The Company, under the provisions of SSAP No. 10R, had elected the three year option to admit deferred tax assets. The adoption of this pronouncement did not result in a material impact on the Company's financial results.

The Company is required to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carryback years as well as projected taxable income exclusive of reversing temporary differences and carryforwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Company would employ to avoid a tax benefit from expiring unused; although the realization is not assured, management believes it is more likely than not that the deferred tax assets, net valuation allowances, will be realized. The Company has not recorded a valuation allowance as of December 31, 2013 and 2012.

(A) (1). The components of the net deferred tax asset/(liability) at December 31 are as follows:

	12/31/2013			12/31/2012		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	$ 281,671,000	$ 48,103,000	$ 329,774,000	$ 221,780,000	$ 44,719,000	$ 266,499,000
(b) Statutory Valuation Allowance Adjustments	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	281,671,000	48,103,000	329,774,000	221,780,000	44,719,000	266,499,000
(d) Deferred Tax Assets Nonadmitted	47,039,000	11,502,000	58,541,000	36,585,000	(26,756,000)	9,829,000
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	234,632,000	36,601,000	271,233,000	185,195,000	71,475,000	256,670,000
(f) Deferred Tax Liabilities	57,218,000	21,489,000	78,707,000	49,049,000	36,217,000	85,266,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ 177,414,000	$ 15,112,000	$ 192,526,000	$ 136,146,000	$ 35,258,000	$ 171,404,000

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	$ 59,891,000	$ 3,384,000	$ 63,275,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	59,891,000	3,384,000	63,275,000
(d) Deferred Tax Assets Nonadmitted	10,454,000	38,258,000	48,712,000
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	49,437,000	(34,874,000)	14,563,000
(f) Deferred Tax Liabilities	8,169,000	(14,728,000)	(6,559,000)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability (1e - 1f)	$ 41,268,000	$ (20,146,000)	$ 21,121,000

NOTES TO FINANCIAL STATEMENTS

(2) The admission calculation components per SSAP No. 101, Income Taxes - A Replacement of SAP No. 10R and SSAP No. 10 are as follows:

	12/31/2013			12/31/2012		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	$ -	$ -	$ -	$ -	$ -	$ -
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b) 1 and 2(b) 2 Below)	234,632,000	36,601,000	271,233,000	185,195,000	71,475,000	256,670,000
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	193,236,000	15,112,000	208,348,000	136,146,000	35,258,000	171,404,000
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold			192,526,000			223,817,000
(c) Adjusted Gross Deferred Tax Assets (Excluding: The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	(57,218,000)	(21,489,000)	(78,707,000)	(49,049,000)	(36,217,000)	(85,266,000)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a)+2(b)+2(c))	$ 177,414,000	$ 15,112,000	$ 192,526,000	$ 136,146,000	$ 35,258,000	$ 171,404,000

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	$ -	$ -	$ -
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b) 1 and 2(b) 2 Below)	49,437,000	(34,874,000)	14,563,000
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	57,090,000	(20,146,000)	36,944,000
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold			(31,291,000)
(c) Adjusted Gross Deferred Tax Assets (Excluding: The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	(8,169,000)	14,728,000	6,559,000
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a)+2(b)+2(c))	$ 41,268,000	$ (20,146,000)	$ 21,122,000

(3) The ratio used to determine applicable period used in 9A(2)b1 for determining the amount of adjusted gross DTAs, expected to be realized and the amount of adjusted capital and surplus used to determine the percentage threshold limintation in 9A(2)b2 is as follows:

	2013	2012
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	623%	612%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	$ 1,283,506,000	$ 1,495,390,000

NOTES TO FINANCIAL STATEMENTS

(4) The impact of tax planning strategies as of December 31, 2013 and 2012 is as follows:

	12/31/2013 (1) Ordinary	(2) Capital	12/31/2012 (3) Ordinary	(4) Capital	Change (5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
(a) Determination of Adjusted Gross Defered Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	$ 281,671,000	$ 48,103,000	$ 221,780,000	$ 44,719,000	$ 59,891,000	$ 3,384,000
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	57%	97%	5%	93%	52%	4%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	$ 234,632,000	$ 36,601,000	$ 185,195,000	$ 71,475,000	$ 49,437,000	$ (34,874,000)
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because of the Impact of Tax Planning Strategies	72%	100%	9%	93%	63%	7%
(b) Does the Company's tax-planning strategies include the use of reinsurance?		Yes	X	No		

(B) There are no temporary differences for which a DTL has not been established.

NOTES TO FINANCIAL STATEMENTS

(C) Current income taxes incurred consist of the following major components:

	(1) 12/31/2013	(2) 12/31/2012	(3) (Col 1-2) Change
(1) Current Income Tax			
(a) Federal	$ (3,477,000)	$ (15,497,000)	$ 12,020,000
(b) Foreign	-	-	-
(c) Subtotal	(3,477,000)	(15,497,000)	12,020,000
(d) Federal income tax on net capital gains	-	-	-
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	(1,603,000)	1,603,000
(g) Federal and foreign income taxes incurred	$ (3,477,000)	$ (17,100,000)	$ 13,623,000
(2) Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ -	$ -	$ -
(2) Unearned premium reserve	-	-	-
(3) Policyholder reserves	46,725,000	53,252,000	(6,527,000)
(4) Investments	-	-	-
(5)Deferred acquisition costs	86,361,000	80,369,000	5,992,000
(6) Policyholder dividends accrual	11,620,000	-	11,620,000
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	25,360,000	28,150,000	(2,790,000)
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	-	-
(11) Net operating loss carry-forward	72,155,000	40,407,000	31,748,000
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	39,450,000	19,602,000	19,848,000
(99) Subtotal	281,671,000	221,781,000	59,891,000
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	47,039,000	36,585,000	10,454,000
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	234,632,000	185,195,000	49,437,000
(e) Capital:			
(1) Investments	1,818,000	2,756,000	(938,000)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (Including items <5% of total capital tax assets)	46,285,000	41,963,000	4,322,000
(99) Subtotal	48,103,000	44,719,000	3,384,000
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	11,502,000	(26,756,000)	38,258,000
(h) Admitted capital deferred tax assets (2e99-2f-2g)	$ 36,601,000	$ 71,475,000	$ (34,874,000)
(i) Admitted deferred tax assets (2d+2h)	$ 271,233,000	$ 256,670,000	$ 14,563,000
(3) Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	$ 50,823,000	$ 44,159,000	$ 6,664,000
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	6,395,000	4,890,000	1,505,000
(99) Subtotal	57,218,000	49,049,000	8,169,000
(b) Capital:			
(1) Investments	21,489,000	20,334,000	1,155,000
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities	-	15,883,000	(15,883,00)
(99) Subtotal	21,489,000	36,217,000	(14,728,000)
(c) Deferred tax liabilities (3a99+3b99)	$ 78,707,000	$ 85,266,000	$ (6,559,000)
(4) Net deferred tax assets/liabilites (2i-3c)	$ 192,526,000	$ 171,404,000	$ 21,122,000

(D) The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing the differences as of December 31, 2013 are as follows:

Description	Amount	Tax Effect	Effective Tax Rate
Loss before taxes	$ (36,755,000)	$ (12,871,000)	35.00%
Dividends received deduction	(23,593,000)	(8,258,000)	22.46%
Meals & entertainment	714,000	250,000	(0.68)%
Executive benefits	(10,904,000)	(3,816,000)	10.38%
IMR tax adjustment	(3,237,000)	(1,133,000)	3.08%
Income from affiliates	(48,988,000)	(17,146,000)	46.62%
Change in minimum pension liability	(31,420,000)	(10,997,000)	29.90%
LIHTC	-	(6,132,000)	16.67%
Other	(1,298,000)	(454,000)	1.24%
Total	$(155,481,000)	$ (60,557,000)	164.67%
Federal income tax benefit incurred		$ (3,477,000)	9.45%
Change in net deferred income tax benefit		(57,080,000)	155.21%
Total statutory taxes		$ (60,557,000)	164.67%

The effective tax rate is primarily driven by the following components: (1) the reversal of income from affiliates, the tax on which is recorded in their separate company financial statements, (2) the dividends received deduction, (3) low income housing tax credits, and (4) executive benefits.

The change in deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-admitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	2013	2012	Change
Total gross deferred tax assets	$ 329,774,000	$ 266,499,000	$ 63,275,000
Less: total gross deferred tax liabilities	(78,707,000)	(85,266,000)	6,559,000
Net deferred tax asset	$ 251,067,000	$ 181,233,000	69,834,000
Tax effect of unrealized losses			(23,750,000)
Tax effect of minimum pension liability			10,996,000
Change in net deferred income tax expense			$ 57,080,000

(E) At December 31, 2013, the Company had $206,157,000 of net operating loss carryforwards available that will begin to expire in 2026. In addition, the Company had LIHTC available of $14,543,000 that will expire starting in 2030.

At December 31, 2013, the Company had no Alternative Minimum Tax ("AMT") credit carryforwards.

There was no income tax expense for 2012, 2011 and 2010 that is available for recoupment in the event of future net losses.

The Company had no loss contingencies for which it is reasonably possible tyhat the total liability will significantly increase within the next twelve months of the reporting date.

(F) The Company's federal income tax return is consolidated with its majority owned subsidiaries. The method of tax allocation among the companies is subject to a written agreement, whereby the tax allocation is made on a separate return basis. Effective January 1, 2014, the Company's Tax allocation agreements have been modified.

A listing of teh companies included in the consolidated return is as follows:
The Penn Insurance and Annuity Company
PIA Reinsurance Company of Delaware I
Hornor, Townsend & Kent, Inc.
HTK Insurance Agency, Inc.
Independence Capital Management, Inc.

(G) The Company has not made any deposits regarding the suspension of running interest (protective deposits) pursuant to Internal Revenue Code Section 6603.

SSAP No. 101 requires that a valuation allowance be established to reduce gross deferred tax assets if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. A valuation allowance on the deferred tax assets are evaluated based on management's assessment of the recoverability. Management determined that a valuation allowance not was necessary at December 31, 2013 and 2012, as management anticipates that it is more likely than not that the Company will be able to recover all of the deferred tax assets.

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, & C. The Company entered into revolving loan agreements with an affiliate, Janney Montgomery Scott ("JMS") on March 13, 2009 and January 15, 2010, to provide funding in an amount not to exceed $65,000 and $50,000, respectively. Terms of the loans specify that semi-annual interest be paid on the outstanding balances based on market rates determined at the dates of the loans. The principal balances are due to mature in January 2029 and March 2029, respectively.

The Company entered into revolving loan agreement with an affiliate, Janney Montgomery Scott ("JMS") on January 25, 2013, to provide funding in an amount not to exceed $80,000. Terms of the loans specify the interest rate will be published 3-Month Libor +250bps as of the draw date and will subsequently reset on the 1st business day of every fiscal quarter. The principal balance is due to mature in January 2033.

The Company recorded $10,230,000 and $6,582,000 in interest income on these notes for the years ended December 31, 2013 and 2012, respectively. At December 31, 2013 and 2012, the Company had outstanding principle receivables from JMS of $155,000,000 and $105,000,000 and interest receivables of $2,715,000 and $2,071,000, respectively, relating to these agreements.

(D) Amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the rems and manner of settlement.

(E) In the normal course of business, the Company has undertaken to provide to Penn Insurance and Annuity Company (PIA), its wholly-owned affiliate, sufficient financial support so that PIA will have adequate capital and surplus as required by applicable laws to meet its obligations to its policyholders under terms of its policies and contracts. The Company made capital contributions to PIA of $38,867,000 and $80,000,000 during 2013 and 2012, respectively.

(F) A management agreement between The Penn Mutual Life Insurance Company and Penn Series Funds, Inc. (an open end, diversified management investment company which is wholly-owned by The Penn Mutual Life Insurance Company) provides for the payment of a quarterly fee by Penn Series Funds, Inc. at the annual rate of 15 basis points of the average daily net assets of Penn Series Funds, Inc. Under the terms of various agreements, the Company is reimbursed by The Penn Insurance and Annuity Company (PIA), Independence Capital Management, Inc. (ICMI), and Independence Square Properties (ISP) and its affiliate Janney Montgomery Scott (JMS), and Hornor, Townsend & Kent, Inc. (HTK) for services provided, including direct and allocated expenses and certain marketing arrangements. The Company is reimbursed by Independence Capital Management, Inc. (ICMI) for use of personnel for investment advisory services.

(G) The Company is not under common control or owned by any other enterprise.

(H) The Company does not, either directly or indirectly, own shares of any upstream intermediate entity or ultimate parent via a downstream subsidiary, controlled or affiliated entity.

(I) The Company did not have investments in Subsidiary, Controlled or Affiliated Companies that exceeded 10% of the admitted assets during the statement period.

(J) The Company had no affiliates which it considered impaired during 2013.

(K) The Company did not have any investments in foreign insurance subsidiaries in 2013.

(L) The Company utilizes the look-through approach in valuing its investment in Independence Square Properties ("ISP") at $192,613,000. ISP's financial statements are not audited and The Company has limited the value of its investmetn in ISP to the value contained in the audited financial statements of it's downstream investments. All liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance are reflected in The Company's determination of the carrying valus of the investment in ISP, if not already recorded in the financial statements of ISP.

11. Debt

(A) The Company has entered into repurchase agreements with financial institutions in the normal course of investment activities, however there were no open positions as of December 31, 2013 and 2012.

(B) The Company has no Federal Home Loan Bank agreements structures as debt as of December 31, 2013 and 2012.

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

The Company maintains both funded and unfunded non-contributory defined benefit pension plans covering all eligible employees. The Company also has other postretirement benefit plans (health care plans) covering eligible existing retirees and limited other eligible employees. The Company uses a measurement date of December 31 for all plans.

Pension Plans The Company has both funded and unfunded non-contributory defined benefit pension plans covering all eligible employees. The Company's policy is to fund qualified pension costs in accordance with the Employee Retirement Income Security Act of 1974. The Company may increase its contribution above the minimum based upon an evaluation of the Company's tax and cash positions and the plan's funded status.

The Company approved the freezing of benefits under its qualified and Tax Equity and Fiscal Responsibility Act ("TEFRA") pension plans effective December 31, 2005. Therefore, there no further benefits are accrued for participants.

Other Postretirement and Postemployment Benefits The Company provides certain life insurance and health care benefits ("other postretirement benefits") for its retirement employees and agents, and their beneficiaries and covered dependents.

Other Plans The Company has non-qualified deferred compensation plans that permit eligible key employees, producers and trustees to defer portions of their compensation to these plans. Certain company contributions in excess of allowable qualified plan limits may also be credited to these plans. The compensation that has been deferred and any excess company contributions have been accrued, and the other expense related to this plan is earnings on the deferred amounts. To hedge against volatility for the investment earnings credited, the Company purchased corporate-owned life insurance contracts.

NOTES TO FINANCIAL STATEMENTS

Benefit Obligations Accumulated benefit obligations represent the present value of pension benefits earned as of the measurement date based on service and compensation and do not take into consideration future salary increases.

Projected benefit obligations for defined benefit plans represent the present value of pension benefits earned as of the measurement date projected for estimated salary increases to an assumed date with respect to retirement, termination, disability or death.

(A) The following table sets forth the plans' change in benefit obligation of the defined benefit pension and other postretirement plans as of December 31, 2013 and 2012:

(1) Change in benefit obligation	Overfunded		Underfunded	
a. Pension Benefits	2013	2012	2013	2012
1. Benefit obligation at beginning of year	$ 144,577,000	$ 126,381,000	$ 30,980,000	$ 27,144,000
2. Service cost	-	-	-	47,000
3. Interest cost	5,708,000	6,212,000	1,224,000	1,428,000
4. Contribution by plan participants	-	-	-	-
5. Actuarial loss (gain)	(13,208,000)	17,319,000	(899,000)	5,038,000
6. Foreign currency exchange rate changes	-	-	-	-
7. Benefits paid	(5,769,000)	(5,335,000)	(2,739,000)	(2,677,000)
8. Plan amendments	-	-	51,000	-
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-
10. Benefit ogligation at end of year	$ 131,308,000	$ 144,577,000	$ 28,617,000	$ 30,980,000

	Overfunded		Underfunded	
b. Postretirement Benefits	2013	2012	2013	2012
1. Benefit obligation at beginning of year	$ -	$	$ 25,182,000	$ 23,632,000
2. Service cost	-	-	823,000	388,000
3. Interest cost	-	-	1,070,000	1,054,000
4. Contribution by plan participants	-	-	-	-
5. Actuarial loss (gain)	-	-	(3,465,000)	2,008,000
6. Foreign currency exchange rate changes	-	-	-	-
7. Benefits paid	-	-	(2,379,000)	(1,900,000)
8. Plan amendments	-	-	4,591,000	-
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-
10. Benefit obligation at end of year	$ -	$ -	$ 25,822,000	$ 25,182,000

	Overfunded		Underfunded	
b. Postemployment & Compensated Absence Benefits	2013	2012	2013	2012
1. Benefit obligation at beginning of year	$ -	$ -	$ -	$ -
2. Service cost	-	-	-	-
3. Interest cost	-	-	-	-
4. Contribution by plan participants	-	-	-	-
5. Actuarial loss (gain)	-	-	-	-
6. Foreign currency exchange rate changes	-	-	-	-
7. Benefits paid	-	-	-	-
8. Plan amendments	-	-	-	-
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-
10. Benefit obligation at end of year	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

(2) **Plan Assets** The change in plan assets represents a reconciliation of beginning and ending balances of the fair value of the plan assets used to fund future benefit payments. The following table sets forth the change in plan assets as of December 31, 2013 and 2012:

Change in plan assets	Pension Benefits		Other Benefits		Postemployment	
	2013	2012	2013	2012	2013	2012
a. Fair value of plan assets at beginning of year	$ 158,079,000	$ 145,704,000	$ -	$ -	$ -	$ -
b. Actual return on plan assets	23,363,000	17,710,000	-	-	-	-
c. Foreign currency exchange rate changes	-	-	-	-	-	-
d. Reporting entity contributions	2,739,000	2,677,000	2,379,000	1,900,000	-	-
e. Plan participants' contributions	-	-	-	-	-	-
f. Benefits paid	(8,508,000)	(8,012,000)	(2,379,000)	(1,900,000)	-	-
g. Business combinations, divestitures and settlements	-	-	-	-	-	-
h. Fair value of plan assets at end of year	$ 175,673,000	$ 158,079,000	$ -	$ -	$ -	$ -

(3) **Amounts Recognized in the Balance Sheet** The funded status of the defined benefit plans is a comparison of the projected benefit obligations to the assets related to the respective plan, if any. The difference between the two represents amounts that have been appropriately recognized as expenses in prior periods that appear as the net amount recognized or represent amounts that will be recognized as expenses in the future through the amortization of the unrecognized net actuarial loss, unrecognized prior service costs, and remaining initial transition. The following table sets forth the funded status of the plans as of December 31, 2013 and 2012 as of the measurement date, and then shows how the funded status is reconciled to the net asset and/or liability recognized in the Balance Sheet.

Funded status	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$ -	$ -	$ -	$ -
2. Overfunded plan assets	44,365,000	13,501,000	-	-
3. Total assets (nonadmitted)	$ 44,365,000	$ 13,501,000	$ -	$ -
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	$ -	$ -	$ -	$ -
2. Liability for pension benefits	28,617,000	30,980,000	20,757,000	20,294,000
3. Total liabilities recognized	$ 28,617,000	$ 30,980,000	$ 20,757,000	$ 20,294,000
c. Unrecognized liabilities	$ -	$ 44,000	$ -	$ 4,591,000

The qualified pension plan was over funded by $44,365,000 and $13,501,000 as of December 31, 2013 and 2012, respectively. The non-qualified pension plans are not funded and have total projected benefit obligations of $28,617,000 and $30,980,000 as of December 31, 2013 and 2012, respectively.

(4) **Net Periodic Cost** The components of net periodic benefit cost (excluding the minimum pension liability adjustment) at December 31, were as follows:

Components of net periodic benefit cost	Pension Benefits		Other Benefits		Postemployment & Compensated Absence Benefits	
	2013	2012	2013	2012	2013	2012
a. Service cost	$ -	$ 48,000	$ 823,000	$ 388,000	$ -	$ -
b. Interest cost	5,708,000	7,640,000	1,070,000	1,054,000	-	-
c. Expected return on plan assets	(9,638,000)	(10,017,000)	-	-	-	-
d. Transition asset or obligation	-	-	-	-	-	-
e. Gains and losses	2,372,000	915,000	396,000	324,000	-	-
f. Prior service cost or credit	36,000	-	(1,000)	(442,000)	-	-
g. Gain or loss recognized due to a settlement or curtailment	-	-	-	-	-	-
h. Total net periodic benefit cost	$ (1,522,000)	$ (1,414,000)	$ 2,288,000	$ 1,324,000	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
a. Items not yet recognized as a component of net periodic cost - prior year	$ 34,335,000	$ 20,587,000	$ 4,887,000	N/A
b. Net transition asset or obligation recognized	-	-	-	N/A
c. Net prior service cost or credit arising during the period	51,000	-	-	N/A
d. Net prior service cost or credit recognized	(36,000)	-	4,591,000	N/A
e. Net gain and loss arising during the period	(26,608,000)	14,664,000	(3,465,000)	N/A
f. Net gain and loss recognized	(2,372,000)	(916,000)	(394,000)	N/A
g. Items not yet recognized as a component of net periodic cost - current year	$ 5,370,000	$ 34,335,000	$ 5,619,000	N/A

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodoc benefit cost

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
a. Net transition asset or obligation	$ -	$ -	$ -	$ -
b. Net prior service cost or credit	15,000	-	(1,000)	-
c. Net recognized gains and losses	789,000	-	(108,000)	-

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodoc benefit cost

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
a. Net transition asset or obligation	$ -	$ -	$ -	$ -
b. Net prior service cost or credit	15,000	-	1,753,000	(2,839,000)
c. Net recognized gains and losses	5,354,000	34,335,000	3,866,000	7,726,000

(8)

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31				
a. Weighted-average discount rate	4.00%	5.00%	3.75%	4.50%
b. Expected long-term rate of return on plan assets	7.00%	7.00%	N/A	N/A
c. Rate of compensation increase	N/A	N/A	N/A	N/A
Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31				
d. Weighted-average discount rate	4.85%	4.00%	4.50%	3.75%
e. Rate of compensation increase	N/A	N/A	N/A	N/A

The discount rate is determined at the annual measurement date of the plans and is therefore subject to change each year. The rate reflects prevailing market rates for high quality fixed-income debt instruments with maturities corresponding to expected duration of the benefit obligations on the measurement date. The rate is used to discount the future cashflows of benefit obligations back to the measurement date.

(9) The amount of the accumulated benefit obligation for the defined pension plans was $159,925,000 for the current year and $175,557,000 for the prior year.

(10) The Company has multiple non-pension post retirement benefit plans. The health care plans are contributory, with participans' contributions adjusted annually, the life insurance plans are noncontributory. The accounting for the health care plans anticipates future cost-sharing changes to the written plan that are consistent with the company's expressed intent to increase retiree contributions each year based upon historical trends and renewal information.

NOTES TO FINANCIAL STATEMENTS

The assumed health care cost trend rates used in determining net periodic costs at December 31 were:

	2013		2012	
	Pre-65	Post-65	Pre-65	Post-65
Health care cost trend rate assumed for next year	7.75%	7.00%	8.30%	6.20%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend	2019	2022	2019	2019

(11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect of total service and interest cost	$ 135,000	$ (117,000)
b. Effect on postretirement benefit obligation	1,550,000	(1,377,000)

(12) The estimated future benefit payments are based on the same assumptions as used to measure the benefit obligations at December 31, 2013 and 2012. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Pension Benefits	Other Benefits	Total
2014	$ 8,744,000	$ 2,285,000	$ 11,029,000
2015	8,821,000	2,257,000	11,078,000
2016	8,920,000	2,201,000	11,121,000
2017	9,032,000	2,144,000	11,176,000
2018	9,133,000	2,086,000	11,219,000
Years 2019 - 2023	45,516,000	9,486,000	55,002,000
Total	$ 90,166,000	$ 20,459,000	$ 110,625,000

(13) In 2014, the Company expects to the minimum required contribution to the funded pension plan to be $0 and expects to make contributions to the unfunded pension and postretirement plans in an amount equal to benefit costs of approximately $0 and $2,285,000, respectively.

(14) Not applicable

(15) Not applicable

(16) Not applicable

(17) Not applicable

(18) Not applicable

(19) Not applicable

(20) The qualified pension plan was over funded by $44,365,000 and $13,501,000 as of December 31, 2013 and 2012 respectively. The non-qualified pension plans are not funded and have total projected benefit obligations of $28,617,000 and $30,980,000 as of December 31, 2013 and 2012, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligation in excess of plan assets were $28,617,000, $28,617,000, and $0, respectively, as of December 31, 2013. The projected benefit obligation, accumualted benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $30,980,000, $30,980,000, and $0, respectively, as of December 31, 2012.

As of December 31, 2013, the projected benefit obligation for all pension benefit plans exceeds the fair value of plan assets and the accumulated postretirement benefit obligations exceeds plan assets for all of the Company's other postretirement benefit plans.

A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets. In 2013 and 2012, the change in the minimum pension liability, net of the change in the related intangible asset, of $31,026,000 and $(4,494,000), respectively, was reported in surplus.

(21) Qualified Plan - The adoption of SSAP 102 for the qualified plan did not have a surplus impact on the Company as the pension plan was overfunded by more than the transition liabilities. At transition, The Company recognized $25,938,000 in unrecognized transition obligations, prior service costs, and unrecognized losses as components of the ending balance of unassigned funds as of January 1, 2013. This recognition resulted in a financial presentation which reflects the actual $12,476,000 overfunded status of the plan (fair value of plan assets exceeds the projected benefit obligation). In accordance with SSAP No. 102, overfunded plan assets are nonadmitted.

Non-qualified Plans - At transition, The Company recognized through surplus a pretax decrease in the liability of $853,000 from unrecognized transition obligations/assets, prior service costs/credits, and unrecognized gains/losses as a component of the ending balance of unassigned funds as of January 1, 2013.

B. The defined benefit pension plan asset allocation as of the measurement date, December 31, and the target asset allocation, persented as a percentage of total plan assets were as follows:

	Percentage of Plan assets as of December 31, 2013	2012	2014 Target Allocation
Asset Category			
a. Equity funds	51.4%	0.0%	50.0%
b. Bond funds	47.7%	0.0%	50.0%
c. Money market funds	0.9%	0.0%	0.0%
d. Equity securities	0.0%	63.8%	0.0%
e. Corporate securities	0.0%	16.5%	0.0%
f. U.S. Treasury securities	0.0%	19.7%	0.0%
Total	100.0%	100.0%	100.0%

The Company's overall investment strategy with respect to pension assets are growth, preservation of principal, preservation of purchasing power and partial immunization through asset/liability matching while maintaining return objective over the long term. To achieve these objectives, the Company has established a strategic asset allocation policy. Plan assets are diversified both by asset class and within each asset class in order to provide reasonable assurance that no single security or class of security will have a disproportionate impact on the plan. Fixed income assets are to be managed on a buy-and-hold basis to achieve durations consistent with the liability matching strategy yet allow for appropriate liquidity for benefit payments. In 2013, the Company changed the target allocation of the plan from a 60/20/20 target allocation between equity securities, corporate bonds, and treasuries to a target allocation of 50/50 between equity and bond funds. The Company will continue its policy to rebalance the portfolio on an annual basis. Performance of investment managers, liability measurement and investment objectives are reviewed on a regular basis.

C. (1) The fair values of the Company's pension plan assets, by asset category, are as follows:

Fair Value Measurements at December 31, 2013

Asset Category	Level 1	Level 2	Level 3	Total
Equity funds	$ 90,329,000	$ -	$ -	$ 90,329,000
Bond funds	83,859,000	-	-	83,859,000
Money market funds	1,485,000	-	-	1,485,000
Total	$ 175,673,000	$ -	$ -	$ 175,673,000

Fair Value Measurements at December 31, 2012

Asset Category	Level 1	Level 2	Level 3	Total
Equity securities	$ 100,910,000	$ -	$ -	$ 100,910,000
Corporate securities	25,991,000	-	-	25,991,000
U.S. Treasury securities	31,136,000	-	-	31,136,000
Total	$ 158,037,000	$ -	$ -	$ 158,037,000

(2) Not applicable

(3) At December 31, 2013, the plan assets are invested in equity funds, bond funds and money market funds. These are valued using quoted prices in active markets.

D. The expected rate of return on plan assets was estimated utilizing a variety of factors including the historical investment returns achieved over a long-term period, the targeted allocation of plan assets and expectations concerning future returns in the marketplace for both equity and debt securities. Lower returns on plan assets result in higher pension expense.

E. **Defined Contribution Plans** The Company maintains four defined contribution pension plans for substantially all of its employees and full-time agents. For two plans, designated contributions of up to 6% or 8% of annual compensation are eligible to be matched by the Company. Contributions for the third plan are based on tiered earnings of full-time agents. The last plan, which covers employees of a subsidiary, is determined on a discretionary basis by the Board of Directors of that subsidiary. For the years ended December 31, 2013, and 2012, the expense recognized for these plans was $7,456,000 and $7,385,000, respectively. The estimated fair value of the defined contribution plans' assets at December 31, 2013 and 2012 was $275,081,000 and $237,547,000, respectively.

At December 31, 2013 and 2012, $126,943,000 and $109,942,000 respectively, of the plans assets were invested in the company's group annuity contracts.

F. Not applicable

G. Not applicable

H. Not applicable

I. Not applicable

NOTES TO FINANCIAL STATEMENTS

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

(1) As a mutual company, no common stock is issued.

(2) As a mutual company, no preferred stock is issued.

(3) As a mutual company no stock is issued, therefore, there are no dividend restrictions.

(4) Not applicable

(5) Not applicable

(6) There are no restrictions to unassigned surplus funds.

(7) There were no advances to surplus.

(8) As a mutual company, no stock is issued for employee stock options, or any other special purpose funds.

(9) Changes in balances of special surplus funds from the prior years are due to a higher contingency reserve for Group Life Insurance from lower premiums.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized losses is $(110,845,200).

(11) The Company issued the following surplus notes:

Date Issued	Interest Rate	Par Value	Carrying Value of Note	Principal and/or Interest Paid Current Year	Total Principal and/or Interest Paid	Unapproved Interest and/or Principal	Date of Maturity
6/15/2004	6.650%	$ 200,000,000	$ 197,207,350	$ 13,300,000	$ 123,321,000	$ -	6/15/2034
7/1/2010	7.625%	200,000,000	191,855,869	15,250,000	49,562,500	-	6/15/2040
1311999 Total		$ 400,000,000	$ 389,063,219	$ 28,550,000	$ 172,883,500	$ -	

The Surplus Notes were issued for cash.

Notes sold in reliance upon Rule 144A under the Securities Act will be represented by global certificates deposited with or on behalf of the Depository Trust Company. Notes sold in reliance on Regulation S under the Securities Act will be represented by separate global certificates deposited with or on behalf of the Depository Trust Company. The 2004 Surplus Notes were underwritten by Goldman, Sachs & Co., Janney Montgomery Scott LLC, J.P. Morgan and Lehman Brothers. The 2010 Surplus Notes were underwritten by Goldman, Sachs & Co., Janney Montgomery Scott LLC, and J.P. Morgan.

Interest shall not be recorded as a liability nor an expense until approval for payment of such interest has been granted by the Insurance Commissioner of the Pennsylvania Insurance Department. Unapproved interest shall not be reported through operations, shall not be represented as an addition to the principal or notional amount of the instrument, and shall not accrue further interest.

The Surplus Note issued June 15, 2004 will rank pari passu with the Surplus Note issued July 1, 2010, or any future surplus notes or similar obligations. The notes will be expressly subordinate in right of payment to all indebtedness and policy and other creditor claims of the Company.

Each payment of interest on and principal of the 2004 and 2010 notes is subject to prior approval by the Insurance Commissioner of Pennsylvania.

Bank of New York, JPMCBNA, and SSB&T Co. each owned more than 10% of the outstanding 2004 surplus notes as of December 31, 2013, distributed pursuant to Rule 144A under the Securities Act of 1933. Bank of New York, Nrthrn TR, and SSB&T Co. each owned more than 10% of the outstanding 2010 surplus notes as of December 31, 2013, distributed pursuant to Rule 144A under the Securities Act of 1933.

(12) There have been no quasi-reorganizations in the past 10 years.

(13) Not applicable

14. Contingencies

(A) Contingent Commitments:
(1) In the normal course of business, the Company extends commitments relating to its investment activities. As of December 31, 2013, the Company had outstanding commitments totaling $205,420,000 relating to these investment activities. The fair value of these commitments approximates the face amount.

(2) In the normal course of business, the Company has undertaken on behalf of its wholly-owned subsidiary, PIA, to provide sufficient financial support so that PIA will have adequate capital and surplus as required by applicable laws to meet its obligations to its policyholders under the terms of PIA's policies and contracts.

(3) Not applicable

(B) The Company is subject to insurance guaranty fund laws in the states in which it does business. These laws assess insurance companies amounts to be used to pay benefits to policyholders and policy claimants of insolvent insurance companies. Many states allow these assessments to be credited against future premium taxes. The liability for estimated guaranty fund assessments net of applicable premium tax credits as of December 31, 2013 and 2012 was $750,000 and $750,000, respectively. The Company monitors sales materials and compliance procedures and makes extensive efforts to minimize any potential liabilities in this area. The Company believes such assessments in excess of amounts accrued will not materially impact its financial statement position, results of operation, or liquidity.

(C) The Company is not aware of any gain contingencies not recognized in the financial statements.

(D) Not applicable

(E) The Company and its subsidiaries are involved in litigation arising in and out of the normal course of business, which seek both compensatory and punitive damages. In addition, the regulators within the insurance and brokerage industries continue to focus on market conduct and compliance issues. While the Company is not aware of any actions or allegations that should reasonably give rise to a material adverse impact to the Company's financial position or liquidity, the outcome of litigation cannot be foreseen with certainty.

In 2012, a putative class action complaint was filed against the Company in federal court alleging that the Company breached its contracts by allegedly failing to distribute surplus in excess of an alleged statutorily prescribed limit. After the complaint was filed, the Company moved to dismiss the complaint and plaintiffs opposed the Company's motion. We continue to await the court's decision on the motion. The Company believes that it has substantial defenses and will vigorously defend itself. No reasonable estimate can be made at this time regarding the potential liability, if any, or the amount or range of any loss that may result from this claim.

Unclaimed Property Significant attention has been focused on life insurance companies' processes and procedures used to identify unreported death claims and whether life insurance companies use the Social Security Master Death File ("SSMDF") to identify deceased policy and contract holders. During 2012, the Company completed a review of its inforce policies to match all policies inforce over the last 25 years to the SSMDF and recognized the related expense in the year ended December 31, 2012, in the amount of $11,181,000 in Benefits paid to policyholders and beneficiaries.

The Company received notification from 14 states of their intent to examine compliance with their respective abandoned and unclaimed property acts. It is possible that other jurisdictions may pursue similar examinations. These actions may result in additional payments to beneficiaries, additional escheatment of funds deemed abandoned under state laws, administrative penalties, interest, and/or further changes to the Company's procedures. While the Company is not currently able to estimate these additional possible costs, the Company does not believe they will have a material impact to its financial position or liquidity.

Low Interest Rate Environment A period of sustained low interest rates could negatively impact the Company's profitability as the interest margin could decline. The interest margin is the difference between the earned rate on general account assets and the credited rate on policyholder funds. As interest rates decline, cash received is reinvested in lower yielding instruments. Our products such as fixed annuities and fixed universal life have guaranteed credited rates. Declines in our interest margin or instances where the returns on our general account investments are not enough to support the interest rate guarantees on these products could have a material adverse effect on our businesses or results of operations.

In periods when interest rates are declining or remain at low levels, we may have to reinvest the cash we receive as interest or return of principal on our investments in lower yielding instruments reducing our interest margin. Moreover, borrowers may prepay fixed-income securities and mortgage-backed securities in our general account in order to borrow at lower market rates, which exacerbates this risk. Lowering interest crediting rates helps to mitigate the effect of margin compression on some of our products. However, because we are entitled to reset the interest rates on our fixed rate annuities and fixed universal life only at limited, pre-established intervals, and since many of our contracts have guaranteed minimum interest or crediting rates, our margin could still decrease and potentially become negative.

During periods of low interest rates, policy reserves may not be sufficient to meet future obligations and may need to be strengthened, which would reduce net income in that reporting period. No additional policyholder reserves were established in 2013 or 2012 as a result of the low interest rate environment.

15. Leases

(A) (1) In 2013, the Company entered into agreements to sell and subsequently leaseback certain assets. Computer equipment was sold for $1,070,000 with two different leaseback arrangements of $17,000 for 30 months and $15,000 for 36 months. Furniture and equipment was sold for $4,005,000 with a leaseback arrangement of $72,000 for 60 months. At the end of the lease terms, the Company has the option to return the equipment, purchase it at fair value or extend the leases. The Company has also entered into other leases, primarily for field offices.

(2) As of December 31, 2013, future minimum payments under noncancellable leases are as follows:

Year Ending December 31,	Operating Leases
2014	$ 15,767,000
2015	13,280,000
2016	10,653,000
2017	8,088,000
2018	4,604,000
Thereafter	5,852,000
Total	$ 58,244,000

(3) See above.

(B) The Company does not conduct business as a lessor.

16. Information about financial instruments with Off-Balance sheet risk and financial instruments with concentrations of Credit Risk

(1) The table below summarizes the notional values of the Company's financial instruments with off-balance sheet risk.

	Assets		Liabilities	
	2013	2012	2013	2012
	Notional Value	Notional Value	Notional Value	Notional Value
a. Swaps	$ -	$ 100,000,000	$ 31,846,000	$ 100,000,000
b. Futures	-	-	-	-
c. Options	-	-	-	-
d. Total	$ -	$ 100,000,000	$ 31,846,000	$ 100,000,000

See Schedule DB of the Company's annual statement for additional detail.

(2) The Company utilizes derivative financial instruments, including interest rate swaps, inflation swaps, financial futures, currency forwards, interest rate caps and put and call options, in the normal course of business to manage risk, in conjunction with its management of assets and liabilities and interest rate risk. Derivatives are recognized at fair value. Derivatives with a positive fair value are reported in other invested assets. Derivatives with a negative fair value are reported in other liabilities. The accounting treatment of specific derivatives depends on whether management elects to follow hedge accounting. Derivatives used in hedging transactions that meet the criteria of a highly effective hedge are reported and valued in a manner that is consistent with the assets hedged. The change in fair value of these derivatives is recognized as an unrealized capital gain or (loss) until they are closed, at which time they are recorded in realized capital gains/(losses). Derivatives used in risk management transactions that do not meet the criteria of an effective hedge are accounted for at fair value, with changes in fair value recorded in unrealized capital gains/(losses). Realized gains and losses that are recognized upon termination or maturity of the derivatives backing assets that are interest related are transferred, net of taxes, to the IMR. All other realized gains and losses are recognized in net income upon maturity or termination of derivative contracts.

The Company has entered into interest rate and currency swaps that qualify for hedge accounting. The swaps have been designated to qualify as cash flow hedges of cashflows associated with variable rate securities and foreign denominated securities in the investment portfolio.

The Company may enter into interest rate swaps, total return swaps, inflation swaps, financial futures and put and call options to hedge risks associated with the offering of equity market based guarantees in the Company's annuity and indexed universal life insurance product portfolio, which do not meet the criteria of an effective hedge.

The Company uses currency forwards to hedge the risk embedded in its foreign currency denominated alternative assets. They are carried at fair value and do not meet the criteria of an effective hedge.

Interest rate caps and credit default swaps are carried at fair value. The Company’s use of interest rate caps is designed to manage risk associated with rising interest rates. Credit default swaps protect the Company from a decline in credit quality of a specified security. These do not meet the criteria of an effective hedge.

(3) The Company is exposed to credit related losses in the event of non-performance by counterparties to derivative financial instruments. In order to minimize credit risk, the Company and its derivative counterparties require collateral to be posted in the amount owed under each transaction, subject to threshold and minimum transfer amounts that are functions of the counterparty’s credit rating. As of December 31, 2013, and 2012, the Company was fully collateralized thereby eliminating the potential for an accounting loss. Additionally, the agreements with the counterparties allow for contracts in a positive position to be offset by contracts in a negative position. This right of offset also reduces the Company’s exposure. As of December 31, 2013, the Company pledged collateral of $44,498,000; as of December 31, 2012, the Company held collateral of $27,519,000. The cash received is invested in an interest bearing money market fund and is reflected as a short-term investment.

At December 31, 2013 and 2012, the Company maintained claims related to certain derivatives associated with the bankruptcy of Lehman Brother Holdings, Inc. in 2008. In July 2013, one claim associated with Lehman Brothers Finance was sold for net proceeds of $8,471,000, resulting in a realized gain of $3,922,000. As of December 31, 2013, one claim remains with a net carrying value of $432,000.

Because exchange traded futures are affected through a regulated exchange and positons are marked to market on a daily basis, the Company has little exposureto credit related losses in the event of nonperformance by counterparties to such finanacial instruments.

(4) The Company is required to put up collateral for some futures contracts. As of December 31, 2013 and 2012, the Company pledged collateral for futures contracts of $10,882,000 and $40,544,000, respectively. Notional or contractual amounts of derivative financial instruments provide a measure of involvement in these types of transactions and do not represent the amounts exchanged between the parties engaged in the transaction. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivative financial instruments.

100% of the net exposure for the Company from derivaitve contracts is with investment grade counterparties.

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

(A) Transfers of Receivables reported as Sales
There have been no transfers of receivables reported as sales.

(B) Transfer and Servicing of Financial Assets
There have been no transfer or servicing of financial assets.

(C) Wash Sales
(1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.

(2) The Company did not sell any NAIC designation 3 or below, or unrated securities during the year ended December 31, 2013, and reacquired within 30 days of the sale date.

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

Not applicable.

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

The Company does not have managing general agents or third party administrators that write premium.

20. Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on assumptions market participants would make in pricing an asset or liability. Inputs to valuation techniques to measure fair value are prioritized by establishing a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to prices derived from unobservable inputs. An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its fair value measurement. The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs. The following summarizes the types of assets and liabilities included within the three-level hierarchy:

Level 1 Fair value is based on unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. These generally provide the most reliable evidence and are used to measure fair value whenever available. Active markets are defined as having the following for the measured asset/liability: i) many transactions, ii) current prices, iii) price quotes not varying substantially among market makers, iv) narrow bid/ask spreads and v) most information publicly available. Prices are obtained from readily available sources for market transactions involving identical assets and liabilities.

Level 2 Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data. In circumstances where prices from pricing services are reviewed for reasonability but cannot be validated to observable market data as noted above, these security values are recorded in Level 3 in our fair value hierarchy.

Level 3 Fair value is based on significant inputs that are unobservable for the asset or liability. These inputs reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability. These are typically less liquid fixed maturity securities with very limited trading activity. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models, market approach and other similar techniques. Prices may be based upon non-binding quotes from brokers or other market makers that are reviewed for reasonableness, based on the Company's understanding of the market but are not further corroborated with other additional observable market information.

The determination of fair value, which for certain assets and liabilities is dependent on the application of estimates and assumptions, can have a significant impact on our results of operations. The following sections describe the key estimates and assumptions surrounding certain assets and liabilities, measured at fair value on a recurring basis, that could have a significant impact on our results of operations or involve the use of significant unobservable inputs.

The fair value process is monitored by an internal Valuation Group which meets at least quarterly. The Valuation Group consists of financial and investment professionals and utilizes additional subject matter experts as applicable. The purpose of the Valuation Group is to monitorthe Company's asset valuation policies and procedures by ensuring objective and reliable valuation practices and pricing of financial instruments, as well as addressing fair valuation issues, changes to valuation methodologies and pricing sources. To assess the continuing appropriateness of third party pricing service security valuations, the Valuation Group regularly monitors the prices, reviews price variance reports and compares prices to alternate sources for a sample of securities on a periodic basis. In addition, the Company performs an initial and ongoing review of the third party pricing services methodologies, reviews inputs and assumptions used for a sample of securities on a periodic basis and performs back testing on recent trades. Pricing challenges are raised on valuations considered not reflective of market and are monitored by the Valuation Group.

Bonds The fair values of the Company's debt securities are generally based on quoted market prices or prices obtained from independent pricing services. In order to validate reasonability, prices are reviewed by internal investment professionals through comparison with directly observed recent market trades or color or by comparison of significant inputs used by the pricing service to the Company's observations of those inputs in the market. Consistent with the fair value hierarchy described above, securities with quoted market prices or corroborated valuations from pricing services are generally reflected within Level 2. Inputs considered to be standard for valuations by the independent pricing service include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. In circumstances where prices from pricing services are reviewed for reasonability but cannot be corroborated to observable market data as noted above, these security values are recorded in Level 3 in the Company's fair value hierarchy.

In circumstances where market data such as quoted market prices or vendor pricing is not available, internal estimates based on significant observable inputs are used to determine fair value. This category also includes fixed income securities priced internally. Inputs considered include: public debt, industrial comparables, underlying assets, credit ratings, yield curves, type of deal structure, collateral performance, loan characteristics and various indices, as applicable. Also included in Level 2 are private placement securities. There are several private placement bonds that are priced externally by an asset management firm with expertise in the security type utilizing the discounted cash flows methodology applied through an industry standard analytical and valuation platform. Inputs considered are: public corporate bond spreads, industry sectors, average life, internal ratings, security structure, liquidity spreads, credit spreads and yield curves, as applicable. If the discounted cash flow model incorporates significant unobservable inputs, these securities would be reflected within Level 3 in the Company's fair value hierarchy.

In circumstances where significant observable inputs are not available, estimated fair value is calculated internally by using unobservable inputs. These inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset, and are therefore included in Level 3 in the Company's fair value hierarchy. Circumstances where observable market data is not available may include events such as market illiquidity and credit events related to the security.

The Company's Level 3 debt securities generally include certain privately placed commercial mortgage backed, asset backed trust preferred, public debt and certain private debt securities priced internally based on observable and unobservable inputs. Under certain conditions, the Company may conclude pricing information received from third party pricing services is not reflective of market activity and may over-ride that information with an internally developed valuation. As of December 31, 2013 and 2012, there were no such over-rides that in aggregate were material. Significant inputs used in valuing the Company's Level 3 debt securities include: issue specific credit adjustments, illiquidity premiums, estimation of future collateral performance cash flows, default rate assumptions, acquisition cost, market activity for securities considered comparable and non-binding quotes from certain market participants. Certain of these inputs are considered unobservable, as not all market participants will have access to this data

The methodologies followed for valuing the Company's significant Level 3 debt securities include:

- Privately placed commercial mortgage backed securities - These assets are valued based upon broker quotes which are updated regularly. The quoted valuation is based upon a discounted cash flow model and the assumptions underlying the model include swap curve rates, prepayment and default assumptions and an illiquidity premium. On a periodic basis, management reviews the underlying assumptions with the quoting broker and reviews the final quotes for reasonableness

- Asset backed trust preferred securities - The process used to value these assets consists of determining the current market price and credit spread of the underlying floating rate security that will be received at maturity of the trust. That value is then discounted based upon a rate consisting of the applicable swap yield to maturity, the discount margin and an illiquidity premium established by management.

EquitySecurities Equity securities consist principally of investments in common and preferred stock of publicly traded companies, as well as common stock mutual fund shares. The fair values of most publicly traded equity securities are based on quoted market prices in active markets for identical assets and are classified within Level 1 in the Company's fair value hierarchy. The fair values of common stock mutual fund shares that transact regularly (but do not trade in active markets because they are not publicly available) are based on transaction prices of identical fund shares and are classified within Level 2 in the Company's fair value hierarchy. The fair values of preferred equity securities are based on prices obtained from independent pricing services and, in order to validate reasonability, are compared with recent market trades we have directly observed. Accordingly, these securities are classified within Level 2 in the Company's fair value hierarchy.

Cash and Short-Term Investments Short-term investments carried at Level 1 consist of money market funds and investments purchased with maturities of greater than three months and less than or equal to 12 months. These are carried at amortized cost and approximate fair value.

NOTES TO FINANCIAL STATEMENTS

Separate Account Assets Separate Account assets primarily consist of mutual funds. The fair value of mutual funds is based upon quoted prices in an active market, resulting in classification in Level 1.

The following table presents the financial instruments carried at fair value as of December 31, 2013, by caption on the balance sheets and by valuation hierarchy (as described above).

	FV Level 1	FV Level 2	FV Level 3	Total
a. Assets at fair value				
Perpetual Preferred stock				
Industrial and Misc	$ -	$ 764,000	$ -	$ 764,000
Total Perpetual Preferred Stocks	-	764,000	-	764,000
Bonds				
Corporate securities	-	188,000	-	188,000
Asset-backed securities	-	9,716,000	1,743,000	11,459,000
Total Bonds	-	9,904,000	1,743,000	11,647,000
Common Stock				
Industrial and Misc	1,356,000	-	971,000	2,327,000
Total Common Stocks	1,356,000	-	971,000	2,327,000
Derivative Assets				
Interest rate swaps	-	181,000	-	181,000
Interest rate futures	68,000	-	-	68,000
Equity options	-	70,968,000	-	70,968,000
Total return swaps	-	652,000	-	652,000
Swaptions	-	1,000	-	1,000
Total Derivatives	68,000	71,802,000	-	71,870,000
Total investments	1,424,000	82,470,000	2,714,000	86,608,000
Separate account assets(1)	6,617,421,000	-	-	6,617,421,000
Total assets at fair value	$ 6,618,845,000	$ 82,470,000	$ 2,714,000	$ 6,704,029,000
b. Liabilities at fair value				
Derivatives	$ 3,377,000	$ 102,859,000	$ -	$ 106,236,000
Total liabilities at fair value	$ 3,377,000	$ 102,859,000	$ -	$ 106,236,000

The following table presents the financial instruments carried at fair value as of December 31, 2012, by caption on the balance sheets and by valuation hierarchy (as described above).

	FV Level 1	FV Level 2	FV Level 3	Total
a. Assets at fair value				
Perpetual Preferred stock				
Industrial and Misc	$ -	$ 786,000	$ -	$ 786,000
Total Perpetual Preferred Stocks	-	786,000	-	786,000
Bonds				
Corporate securities	-	840,000	-	840,000
Asset-backed securities	-	9,577,000	1,726,000	11,303,000
Total Bonds	-	10,417,000	1,726,000	12,143,000
Common Stock	-	-	-	-
Industrial and Misc	5,050,000	-	960,000	6,010,000
Total Common Stocks	5,050,000	-	960,000	6,010,000
Derivative Assets				
Interest rate swaps	-	174,000	-	174,000
Interest rate contracts	-	612,000	-	612,000
Foreign ecurrency	-	9,889,000	-	9,889,000
Equity futures	400,000	-	-	400,000
Equity options	-	28,049,000	-	28,049,000
Total Derivatives	400,000	38,724,000	-	39,124,000
Total investments	5,450,000	49,927,000	2,686,000	58,063,000
Separate account assets(1)	5,380,757,000	-	-	5,380,757,000
Total assets at fair value	$ 5,386,207,000	$ 49,927,000	$ 2,686,000	$ 5,438,820,000
b. Liabilities at fair value				
Derivatives	$ 4,649,000	$ 13,193,000	$ -	$ 17,842,000
Total liabilities at fair value	$ 4,649,000	$ 13,193,000	$ -	$ 17,842,000

(1) Separate account assets represent segregated funds that are invested for certain customers. Investment risks associated with market value changes are borne by the customers, except to the extent of minimum guarantees made by the Company with respect to certain accounts. Separate account liabilities are not included in the above table as they are reported at contract value and not fair value in the Company's Balance Sheets.

Significant Transfers Between Level 1 and Level 2 There were no significant transfers between Level 1 and Level 2.

NOTES TO FINANCIAL STATEMENTS

(2) and (3) **Changes In Level 3 Recurring Fair Value Measurements** The tables below include a rollforward of the balance sheet amounts for the years ended December 31, 2013 and 2012 (including the change in fair value), for financial instruments classified by the Company within Level 3 of the valuation hierarchy. When a determination is made to classify a financial instrument within Level 3, the determination is based upon the significance of the unobservable parameters to the overall fair value measurement. However, Level 3 financial instruments typically include, in addition to the unobservable or Level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology. There were no assets transferred out of Level 3 for the years ended, December 31, 2013 and 2012. Also, the Company manages the risk of the observable components of Level 3 financial instruments using securities and derivative positions that are classified within Level 1 or 2 of the valuation hierarchy; as these Level 1 and Level 2 risk management instruments are not included below, the gains or losses in the tables do not reflect the effect of the Company's risk management activities related to such Level 3 instruments.

Description	Beginning Balance at 1/1/2013	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	Settlements	Ending Balance at 12/31/2013
Asset-Backed Securities	$ 1,726,000	$ -	$ -	$ (198,000)	$ 307,000	$ -	$ -	$(92,000)	$ -	$ 1,743,000
Common Stock	960,000	-	-	-	-	11,000	-	-	-	971,000
Total Assets	$ 2,686,000	$ -	$ -	$ (198,000)	$ 307,000	$ 11,000	$ -	$(92,000)	$ -	$ 2,714,000
Total Libilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(4) The following summarized the fair value, valuation techniques and significant unobservable inputs of the Level 3 fair value measurements that were developed as of December 31, 2013:

Description	Fair Value	Valuation Technique	Significant Unobservable Inputs	Rate/Range or Weighted Average
Assets:				
Investments				
Bonds				
Asset-Backed securities	1,743,000	Broker quote (1)	Not available	N/A
Common Stock	971,000	Enterprise valuation multiple (2)	Enterprise valuation multiple	6.0 multiple

(1) Broker quoted fair values on these asset backed securities represent indicative, non-binding quotes developed by a single market maker. The significant inputs are not developed by the Company and are not reasonably available.
(2) The Company estimates the fair value using a model which applies an enterprise valuation multiplier to estimated earnings before income taxes, depreciation, and amortization

Derivative Instruments Derivatives with a positive fair value are recorded as other invested assets. Derivatives with negative fair values are reported as other liabilities. The fair values of derivative contracts are determined based on quoted prices in active exchanges or prices provided by counterparties, exchanges or clearing members as applicable, utilizing valuation models. The fair values of derivative contracts can be affected by changes in interest rates, foreign exchange rates, commodity prices, credit spreads, market volatility, expected returns and liquidity as well as other factors. In order to validate reasonability, prices are reviewed by our internal investment professionals through comparison with directly observed recent market trades, comparison with internal valuations estimated through use of valuation models maintained on an industry standard analytical and valuation platform, or comparison of all significant inputs used by the pricing service to our observations of those inputs in the market. Fair values can also be affected by changes in estimates and assumptions including those related to counterparty behavior used in valuation models.

The Company's exchange traded futures include index futures that are valued using quoted prices in active markets and are classified within Level 1 in our fair value hierarchy. Derivative positions traded in the over-the-counter ("OTC") derivative market are classified within Level 2. These investments include: interest rate swaps, interest rate caps, total return swaps, swaptions, call options and put options. OTC derivatives classified within Level 2 are valued using models generally accepted in the financial services industry that use actively quoted or observable market input values from external market data providers, broker-dealer quotations, third-party pricing vendors and/or recent trading activity.

(C) The following table summarizes the aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall, for which it is practicable to estimate fair value, at December 31, 2013.

	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable Carrying Value
Financial Assets:						
Bonds	$7,639,640,000	$ 7,243,116,000	$ 4,658,000	$ 7,259,124,000	$ 375,858,000	$ -
Redeemable Preferred Stock	23,493,000	21,050,000	-	22,302,000	1,191,000	-
Common Stock-Unaffiliated	2,327,000	2,327,000	1,356,000	-	971,000	-
Cash and Short-Term Investments	68,731,000	68,731,000	68,731,000	-	-	-
Derivatives	71,870,000	71,870,000	68,000	71,802,000	-	-
Separate Account Assets	6,617,421,000	6,617,421,000	6,617,421,000	-	-	-
Financial Liabilities:						
Investment-Type Contracts						
Individual Annuities	2,412,259,000	2,345,751,000	-	-	2,412,259,000	-
Derivatives	109,008,000	107,999,000	3,377,000	105,631,000	-	-
Separate Account Liabilities	6,617,421,000	6,617,421,000	6,617,421,000	-	-	-

The fair values of the Company's liabilities for individual annuities and other group annuities are estimated by discounting the cash flows associated with the contracts, using an interest rate currently offered for similar contracts with maturities similar to those remaining for the contracts being valued. The statement value for certain of the other group annuities approximates the fair value due to the nature of the contracts. The statement values of dividends to policyholders payable in the following year and separate account liabilities approximate their fair values.

(D) The Company had no financial instruments for which it is not practicable to estimate fair value at December 31, 2013.

21. Other Items

(A) Extraordinary Items

There have been no extraordinary events or transactions, which have a material effect on the financial condition of the Company.

(B) Troubled Debt Restructuring: Debtors

There were no securities restructured during 2013.

(C) Other Disclosures and Unusual Items

The amounts in this statement are rounded.

The amounts in this statement pertain to the entire Company's business including, as appropriate, its Separate Account (including Variable Life Insurance) business. Investments on deposit with regulatory authorities as required by law were $3,818,000 and $3,882,000 respectively, at December 31, 2013 and 2012. These investments are not available for use by the Company. Investments on deposit with regulatory authorities as required by law were $4,098,000 and $4,099,000 respectively, at December 31, 2013 and 2012. These investments are not available for use by the Company.

(D) Business Interuption Insurance Recoveries

Not applicable.

(E) (1) State Transferable and Non-Transferrable Tax Credits

The following table summarizes the transferable state tax credits held by the Company as of December 31, 2013:

Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
CT Insurance Reinvestment Fund Credit	CT	$ 800,000	$ 1,600,000

(2) The Company estimated the utilization of the remaining transferrable State Tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates, and tax credits, and comparing projected future tax liability to the availability of remaining Transferrable State Tax Credits.

(3) There were no impairments related to these credits during 2013.

(4) State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferrable	$ 800,000	$ -
b. Non-transferrable	-	-

(F) Subprime Mortgage Related Risk Exposure

(1) Penn Mutual's exposure to subprime mortgage related risk is defined as loans (non-government agency) with a weighted average FICO score below approximately 660. The unrealized losses on our subprime portfolio are due to changes in asset values. The Company did not recognize any impairments during 2013. The Company does not invest heavily in subprime loans (less than 1% of bond portfolio) and all of those loans are rated NAIC 1.

(2) The Company had no direct exposure through investments in subprime mortgage loans.

(3) The Company had direct exposure through other investments as follows:

	Actual Cost	Book/Adjusted Carrying Value (excluding Interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	$ 18,263,000	$ 15,284,000	$ 17,846,000	$ 4,275,000
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investment in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	$ 18,263,000	$ 15,284,000	$ 17,846,000	$ 4,275,000

(4) The Company had no underwriting exposute to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

(G) Retained Assets

(1) Retained asset accounts are similar to an interest-bearing checking account and are opened in the beneficiary's name for the full amount of insurance proceeds. The account earns a competitive rate of interest and allows complete access to the proceeds. Checks may be written at any time to the beneficiary or others for any amount over $250 up to the full amount of the account. No deposits may be made to the account and there are no fees associated with the account. The balances of retained asset accounts are reflected in supplemental contracts without life contingencies. The current interest rate paid to retained asset account holders is 0.75% and is evaluated on a weekly basis. In satisfying life insurance claims for amounts of $10,000 or more, unless otherwise requested, the Company will initiate a retained asset account for the beneficiary unless a lump sum payment is requested.

(2) The number and balance of retained asset accounts in force as of December 31,:

	Inforce 2013 Number	Balance	2012 Number	Balance
Up to and Including 12 Months	395	$ 20,42,000	414	$ 25,247,000
13 to 24 Months	253	9,142,000	295	12,914,000
25 to 37 Months	233	9,437,000	257	9,810,000
38 to 48 Months	213	8,278,000	154	4,019,000
49 to 60 Months	129	3,363,000	143	3,495,000
Over 60 Months	818	20,138,000	795	20,526,000
Total	2,041	$ 70,778,000	2,058	$ 76,011,000

(3)

	Individual Number	Balance/Amount	Group Number	Balance/Amount
a. Number/balance of retained asset accounts at the beginning of the year	2,058	$ 76,011,000	-	-
b. Number/amount of retained asset accounts issued/added during the year	710	48,927,000	-	-
c. Investment earnings credited to retained asset accounts during the year	N/A	517,000	N/A	-
d. Fees and other charges assessed to retained asset accounts during the year	N/A	-	N/A	-
e. Number/amount of retained asset accounts transferred to state unclaimed property funds during the year				
f. Number/amount of retained asset accounts closed/withdrawn during the year	(727)	(54,677,000)	-	-
g. Number/balance of retained asset accounts at the end of the year	2,041	$ 70,778,000	-	-

22. Events Subsequent

The Company has evaluated events subsequent to December 31, 2013, and has determined that there were no significant events requiring recognition of disclosure in the financial statements.

23. Reinsurance

(A) Ceded Reinsurance Report

Section 1 - General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company ? Yes ( ) No (X)

(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or an insured or any other person not primarily engaged in the insurance business? Yes ( ) No (X)

Section 2 - Ceded Reinsurance Report - Part A

(1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes ( ) No (X)
(a) If yes, what is the estimated amount of aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. $0

(b) What is the total amount of reinsurance credits taken, whether as an asset or a reduction of liability, for these agreements in this statement ? $0

(2) Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes ( ) No (X)

Section 3 - Ceded Reinsurance Report - Part B

(1) What is the estimated amount of the aggregate reduction in surplus, for agreements not reflected in Section 2 above, of the termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. $0

(2) Have any new agreements been executed or existing agreements been amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the Company as of the effective date of the agreement? Yes (X) No ( ) If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments ? $67,424,509

(B) Uncollectible Reinsurance
(1) There was no uncollectible reinsurance written off during the year.

(C) Commutation of Ceded Reinsurance
(1) There was no commutation of ceded reinsurance during the year.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have any retrospectively rated contracts.

25. Change in Incurred Losses and Loss Adjustment Expenses

Not applicable.

26. Intercompany Pooling Arrangements

The Company is not part of a group of affiliated insurers that utilizes a pooling arrangement.

27. Structured Settlements

Not applicable

28. Health Care Receivables

Not applicable

29. Participating Policies

Most of the Company's insurance products are issued on a participating basis. As of December 31, 2013, participating insurance as a percentage of insurance inforce is 86%.

The liability for policyholders' dividends includes the estimated amount of annual dividends and settlement dividends to be paid to policyholders in the following year. Policyholders' dividends incurred are recorded in the Statements of Income. Dividends expected to be paid to policyholders in the following year are approved annually by the Company's Board of Trustees. The allocation of these dividends to policyholders reflects the relative contribution of each group of participating policies to surplus and considers, among other factors, investment returns, mortality and morbidity experience, expenses, and income tax charges.

At December 31, 2013, the Company established a liability of $33,2000,000 for dividends to be paid or credited to policyholders in 2014.

30. Premium Deficiency Reserves

Not applicable

NOTES TO FINANCIAL STATEMENTS

31. Reserves for Life Contracts and Deposit -Type Contracts

(1) The Company waives deduction of deferred fractional premium at death and returns any portion of the final premium beyond the date of death. Reserves are computed using continuous functions to reflect these practices. Surrender values are not promised in excess of the legally computed reserves. The valuation method used by the Company employs continuous functions which provide for the benefits under the foregoing practice.

(2) Substandard reserves are based on appropriate multiples of standard rates of mortality.

(3) As of December 31, 2013, the Company had $6,023,717,000 of insurance in force for which the gross premiums are less than the net premiums according to the standards of valuation set by the Commonwealth of Pennsylvania.

(4) The tabular interest has been determined from the basic data for the calculation of policy reserves. The tabular less actual reserve released has been determined by formula as described in the instructions for Page 7.

(5) The tabular interest for funds not involving life contingencies is determined as the change in reserves less funds added during the year less other increases, plus funds withdrawn during the year.

(6) The nature of the other reserve changes for the year ended December 31, 2013 is as follows:

		ORDINARY				GROUP		
Item	Total	Industrial Life	Life Ins.	Individual Annuities	Supplementary Contracts	Credit Life Group and Individual	Life Ins.	Annuities
Reserve strain	$ 168,967,000	$ -	$ 168,967,000	$ -	$ -	$ -	$ -	$ -
Traditional Reinsurance Ceded	(67,500,000)	-	(67,500,000)	-	-	-	-	-
Other	(3,839,000)	-	(3,978,000)	1,312,000	(577,000)	-	-	(596,000)
3106999 Total	$ 97,628,000	$ -	$ 97,489,000	$ 1,312,000	$ (577,000)	$ -	$ -	$ (596,000)

Reserves for living and death benefits are based on the methodology specified in Actuarial Guideline XLIII (VACARVM), which specifies the final reserve as the greater of standard and stochastic scenario floored at the basic adjusted reserve and cash value. The standard scenario is based on a single path, deterministic projection with stipulated assumptions. The stochastic scenario is based on the Conditional Tail Expectation ("CTE") 70% of 1000 stochastically generated interest rate scenarios. Prudent estimate assumptions including margins for uncertainty are used to calculate the stochastic amount. Key assumptions needed in valuing the liability include full withdrawals, partial withdrawals, mortality, CPI, investment management fees and revenue sharing, expenses, fund allocations and other policyholder behavior. In addition, a method for projecting interest rates and equity returns is required. The stochastic process also requires the projection of in-force general account assets, assets from reinvested cash flows and in-force hedge assets that support the liabilities. The key assumptions needed in valuing the assets include reinvestment asset mix, reinvestment credit spreads, default rates, implied volatility and swap interest rates. At December 31, 2013 and 2012, the standard scenario was the greater of the two measures and was used as the final reserve. The final reserve balance for policies that fall within the scope of Actuarial Guideline XLIII, which covers both Living and Death Benefit guarantees, is $5,346,764,000 and $4,343,747,000, as of December 31, 2013 and 2012, respectively . In 2013, as a result of the annual assumption review, there was a release of reserves of $23,700,000. In 2012, as a result of a rigorous internal review of the models as well as external audits, there was a release of $50,000,000. The review also led to assumption changes that increased the reserve by $14,800,000 in 2012.

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

Withdrawal Characteristics of Annuity Actuarial Reserves and Deposit-Type Contract Funds and other Liabilities Without Life or Disability Contingencies:

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretional withdrawal:					
(1) With fair value adjustment	$ -	$ -	$ -	$ -	0%
(2) At book value less current surrender charges of 5% or more	667,616,000	-	-	667,616,000	8%
(3) At fair value	-	-	5,397,519,000	5,397,519,000	64%
(4) Total with adjustment or at market value (total of 1 through 3)	667,616,000	-	5,397,519,000	6,065,135,000	72%
(5) At book value without adjustment (minimal or no charge or adjustment)	1,302,000,000	-	-	1,302,000,000	15%
B. Not subject to discretionary withdrawal	950,512,000	-	126,837,000	1,077,349,000	13%
C. Total (gross: direct + assumed)	2,920,128,000	-	5,524,356,000	8,444,484,000	100%
D. Reinsurance ceded	(4,167,000)	-	-	(4,167,000)	
E. Total (net)* (C) - (D)	$ 2,915,961,000	$ -	$5,524,356,000	$ 8,440,317,000	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities

		Amount
F.	Life & Accident & Health Statement:	
1.	Exhibit 5, Annuities Section, Total (net)	$ 2,322,308,000
2.	Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	62,731,000
3.	Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	504,394,000
4.	Subtotal	2,889,433,000
	Separate Accounts Annual Statement:	
5.	Exhibit 3, Line 0299999, Column 2	5,524,179,000
6.	Exhibit 3, Line 0399999, Column 2	160,000
7.	Policyholder dividend and coupon accumulations	-
8.	Policyholder premiums	-
9.	Guaranteed interest contracts	-
10.	Other contract deposit funds	26,545,000
11.	Subtotal	5,550,884,000
12.	Combined Total	$ 8,440,317,000

(G) The Company does not have any Federal Home Loan Bank agreements.

33 Premium and Annuity Considerations Deferred and Uncollected

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2013, were as follows:

	Gross	Net of Loading
(1) Industrial	$ -	$ -
(2) Ordinary new business	10,139,000	2,278,000
(3) Ordinary renewal	46,012,000	55,354,000
(4) Credit Life	-	-
(5) Group Life	-	-
(6) Group Annuity	-	-
(7) Totals	$ 56,151,000	$ 55,632,000

34 Separate Accounts

(A) (1) The Company has separate account assets and liabilities representing segregated funds administered and invested by the Company primarily for the benefit of variable life insurance policyholders and annuity and pension contractholders, including the Company's benefit plans. The assets of each account are legally segregated and are generally not subject to claims that arise out of any other business of the Company. The separate accounts have varying investment objectives.

Separate account assets are stated at the fair value of the underlying assets, which are shares of mutual funds. The value of the assets in the Separate Accounts reflects the actual investment performance of the respective accounts and is not guaranteed by the Company. The liability represents the policyholders' interest in the account and includes accumulated net investment income and realized and unrealized capital gains/(losses) on the assets, which reflects fair value. The investment income and realized capital gains/(losses) from separate account assets accrue to the policyholders and are not included in the Statements of Income. Mortality, policy administration, surrender charges assessed and asset management fees charged against the accounts are included in Other revenue in the accompanying Statements of Income.

The Company invested seed money in Penn Series Funds, Inc. The seed money is maintained in a segregated account, and is included in the total Separate account assets. The changes in the market value of the funds are recorded through surplus. Seed money was $0 as of December 31, 2013. The balance at December 31, 2012 was $10,194,000 and was invested in one fund.

Separate Accounts Registered with the SEC
The Company maintains separate accounts, which are registered with the Securities and Exchange Commission ("SEC"), for its individual variable life and annuity products with assets of $6,302,011,000 and $5,146,826,000 at December 31, 2013 and 2012, respectively. The assets for these separate accounts, which are carried at fair value, represent investments in shares of the Company's Penn Series Funds and other non-proprietary funds.

Separate Accounts Not Registered with the SEC
The Company also maintains separate accounts, which are not registered with the SEC, with assets of $315,410,000 and $233,931,000 which includes $0 and $10,194,000 of seed money, at December 31, 2013 and 2012, respectively. While the product itself is not registered with the SEC, the underlying assets are comprised of SEC registered mutual funds. The assets in these separate accounts are carried at fair value.

NOTES TO FINANCIAL STATEMENTS

(2) In accordance with the products/transactions recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general account. The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account. The assets, which are legally insulated from the general account, as of December 31:

	2013		2012	
Product/Transaction	Legally Insulated Assets	Separate Account Assets not Legally Insulated)	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
Enhanced Deferred Individual Annuity	$ 4,948,248,000	$ -	$ 3,938,855,000	$ -
Single Life Variable Universal Life	606,870,000	-	537,557,000	-
Basic Deferred Individual Annuity	441,325,000	-	399,725,000	-
Joint Life Variable Universal Life	305,568,000	-	270,689,000	-
Deferred Group Annuity	315,410,000	-	223,737,000	-
Seed Money	-	-	-	10,194,000
Total	$ 6,617,421,000	$ -	$ 5,370,563,000	$ 10,194,000

(3) In accordance with the products recorded within the separate account, some separate account liabilities are guaranteed by the general account.

As of December 31, 2013 and 2012, the general account of the Company had a maximum guarantee for separate account liabilities of $115,569,000 and $201,555,000, respectively. To compensate the general account for the risk taken, the separate account has paid risk charges as follows:

a. 2013	$ 33,532,000
b. 2012	24,190,000
c. 2011	18,363,000
d. 2010	10,576,000
e. 2009	5,196,000

As of December 31, 2013, the general account of the Company has paid $8,149,000 cumulatively towards separate account guarantees. The total separate account guarantees paid by the general account for the years ended December 31, 2013 and 2012 are $1,296,000 and $1,378,000, respectively.

(B) Information regarding the separate accounts of the Company, all of which are nonguaranteed, is as follows:

	Indexed	Nonindexed Guarantee Less Than/Equal to 4%	Nonindexed Guarantee More Than 4%	Nonguaranteed Separate Accounts	Total
(1) Premiums and annuity considerations and deposits for the year ended December 31, 2013	$ -	$ -	$ -	$ 629,366,000	$ 629,366,000
Reserves at December 31, 2013					
(2) For accounts with assets at:					
a. Fair value	$ -	$ -	$ -	$ 6,419,466,000	$ 6,419,466,000
b. Amortized cost	-	-	-	-	-
c. Total reserves*	$ -	$ -	$ -	$ 6,419,466,000	$ 6,419,466,000
(3) By withdrawal characteristics:					
a. Subject to discretionaly withdrawal:	$ -	$ -	$ -	$ 6,419,466,000	$ 6,419,466,000
b. With FV adjustment	-	-	-	-	-
c. At book value without FV adjustment and with current surrender charge of 5% or more	-	-	-	-	-
d. At fair value	-	-	-	-	-
e. At book value without FV adjustment and with current surrender charge less than 5%	-	-	-	-	-
f. Subtotal	-	-	-	6,419,466,000	6,419,466,000
g. Not subject to discretionaly withdrawal	-	-	-	-	-
h. Total	$ -	$ -	$ -	$ 6,419,466,000	$ 6,419,466,000
(4) Reserves for asset Default Risk in Lieu of AVR	$ -	$ -	$ -	$ -	$ -

* Line 2(c) should equal Line 3(h)

(C) The following table reconciles the amounts transferred to and from the separate accounts as reported in the financial statements of the separate accounts to the amount reported in the Summary of Operations for the year ended December 31, 2013:

(1)	Transfers as reported in the Summary of Operations of the Separate Accounts Statement:	
a.	Transfers to Separate Accounts (Page 4, Line 1.4)	$ 629,367,000
b.	Transfers from Separate Accounts (Page 4, Line 10)	318,457,000
c.	Net transfers to or (from) Separate Accounts (a) - (b)	310,910,000
(2)	Reconciling Adjustments:	-
(3)	Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)	$ 310,910,000

35. Loss/Claim Adjustment Expenses

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? Pennsylvania

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:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010

3.2 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. 12/31/2010

3.3 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). 07/18/2012

3.4 By what department or departments?
Pennsylvania Insurance Department

3.5 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]

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

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

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

5.2 If yes, provide the name of the 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 Co. Code	3 State of Domicile

6.1 Has the 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]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control .....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality		2 Type of Entity

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Hornor, Townsend & Kent, LLC	Horsham, PA	NO	NO	NO	YES
Janney Montgomery Scott, LLC	Philadelphia, PA	NO	NO	NO	YES

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers, LLP Two Commerce Square, Suite 1700, 2001 Market Street, Philadelphia, PA 19103

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the answer to 10.5 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Eric C. Johnson, Assistant Vice President & Appointed Actuary, 600 Dresher Road, Horsham, PA 19044

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value .....

12.2 If yes, provide explanation.

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

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

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $.....0

20.12 To stockholders not officers $.....0

20.13 Trustees, supreme or grand (Fraternal only) $.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $.....0

20.22 To stockholders not officers $.....0

20.23 Trustees, supreme or grand (Fraternal only) $.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others .....

21.22 Borrowed from others .....

21.23 Leased from others .....

21.24 Other .....

PART 1 - COMMON INTERROGATORIES - FINANCIAL

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment .....

22.22 Amount paid as expenses .....

22.23 Other amounts paid .....

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [ ] No [X]

24.02 If no, give full and complete information relating thereto.

Cash and securities held as collateral as part of the derivative program, disclosed in 25.25 below.

Cash and securities on deposit with state insurance departments, disclosed in 25.28 below.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. .....

24.06 If answer to 24.04 is no, report amount of collateral for other programs. .....

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .....

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .....

24.103 Total payable for securities lending reported on the liability page. .....

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements $.....0

25.22 Subject to reverse repurchase agreements $.....0

25.23 Subject to dollar repurchase agreements $.....0

25.24 Subject to reverse dollar repurchase agreements $.....0

25.25 Pledged as collateral $.....46,079,569

25.26 Placed under option agreements $.....0

25.27 Letter stock or securities restricted as to sale $.....0

25.28 On deposit with state or other regulatory body $.....3,817,911

25.29 Other $.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [X] No [ ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [X] No [ ] N/A [ ]

If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year: .....

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

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

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

28.05 Identify all investment advisors, brokers/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 Number(s)	2 Name	3 Address

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999. TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	7,243,115,642	7,639,639,818	396,524,176
30.2 Preferred stocks	21,050,489	23,493,641	2,443,152
30.3 Totals	7,264,166,131	7,663,133,459	398,967,328

30.4 Describe the sources or methods utilized in determining the fair values:
Fair value was determined using an external pricing service or management's pricing model.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

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

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $.....0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? $.....3,354,707

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
NONE	

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $.....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only .....

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. .....

1.6 Individual policies:

Most current three years:

1.61 Total premium earned .....

1.62 Total incurred claims .....

1.63 Number of covered lives .....

All years prior to most current three years:

1.64 Total premium earned .....

1.65 Total incurred claims .....

1.66 Number of covered lives .....

1.7 Group policies:

Most current three years:

1.71 Total premium earned .....

1.72 Total incurred claims .....

1.73 Number of covered lives .....

All years prior to most current three years:

1.74 Total premium earned .....

1.75 Total incurred claims .....

1.76 Number of covered lives .....

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	0	0
2.2 Premium Denominator	1,482,955,405	1,616,832,374
2.3 Premium Ratio (2.1/2.2)	0.0	0.0
2.4 Reserve Numerator	1,825,579	1,950,989
2.5 Reserve Denominator	6,890,931,443	6,512,117,991
2.6 Reserve Ratio (2.4/2.5)	0.0	0.0

3.1 Does this reporting entity have Separate Accounts? Yes [X] No [ ]

3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes [X] No [ ] N/A [ ]

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? $.....0

3.4 State the authority under which Separate Accounts are maintained:

Chapter 90a, Title 31 of the Pennsylvania Code

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [ ] No [X]

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [ ] No [X]

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?" .....

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [X] No [ ]

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid $.....0

4.22 Received $.....24,522,587

5.1 Does the reporting entity write any guaranteed interest contracts? Yes [ ] No [X]

5.2 If yes, what amount pertaining to these items is included in:

5.21 Page 3, Line 1 .....

5.22 Page 4, Line 1 .....

6. For stock reporting entities only:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: $.....0

7. Total dividends paid stockholders since organization of the reporting entity:

7.11 Cash $.....0

7.12 Stock $.....0

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [ ] No [X]
Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes [ ] No [ ]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium			
8.32 Paid claims			
8.33 Claim liability and reserve (beginning of year)			
8.34 Claim liability and reserve (end of year)			
8.35 Incurred claims			

8.4 If reinsurance assumed included amounts with attachment points below $1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Col. (1) are:

Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41 < $25,000		
8.42 $25,000 -- 99,999		
8.43 $100,000 -- 249,999		
8.44 $250,000 -- 999,999		
8.45 $1,000,000 or more		

8.5 What portion of earned premium reported in 8.31, Col. 1 was assumed from pools? .....

9.1 Does the company have variable annuities with guaranteed benefits? Yes [X] No [ ]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
Seven year reset and return of net purchase payments	None	N/A	N/A	405,609,000	268,000	Exhibit 5	None	0
Return of net purchase payments	None	N/A	N/A	747,126,000	2,528,000	Exhibit 5	None	0
Return of net purchase payments and rising floor ENHDB rider	None	N/A	N/A	13,871,000	159,000	Exhibit 5	Rider Benefit	0
Return of net purchase payments and step-up ENHDB rider	None	N/A	N/A	161,678,000	539,000	Exhibit 5	Rider Benefit	0
Return of net purchase payments	GMAB Rider	N/A	N/A	129,752,000	757,000	Exhibit 5	None	0
Return of net purchase payments and GMDB rider	GMWB Rider	N/A	N/A	3,295,175,000	19,435,000	Exhibit 5	None	0
Return of net purchase payments and GMDB rider	GMWB\AB Rider	N/A	N/A	749,580,000	2,842,000	Exhibit 5	None	0

10. For reporting entities having sold annuities to another insurer when the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year? $.....0

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
	$

11.1 Do you act as a custodian for health savings account? Yes [ ] No [X]
11.2 If yes, please provide the amount of custodial funds held as of the reporting date. .....
11.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]
11.4 If yes, please provide the balance of the funds administered as of the reporting date. .....

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

Show amounts of life insurance in this exhibit in thousands (omit $000)

		1 2013	2 2012	3 2011	4 2010	5 2009
	Life Insurance in Force (Exhibit of Life Insurance)					
1.	Ordinary - whole life and endowment (Line 34, Col. 4)	50,059,920	45,416,010	42,281,685	38,909,159	38,531,960
2.	Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	40,489,826	37,201,348	33,291,905	30,552,700	26,194,306
3.	Credit life (Line 21, Col. 6)					
4.	Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	235,774	240,477	169,921	178,430	169,201
5.	Industrial (Line 21, Col. 2)					
6.	FEGLI/SGLI (Lines 43 & 44, Col. 4)					
7.	Total (Line 21, Col. 10)	90,785,520	82,857,835	75,743,511	69,640,289	64,895,467
	New Business Issued (Exhibit of Life Insurance)					
8.	Ordinary - whole life and endowment (Line 34, Col. 2)	6,915,301	5,961,970	4,990,632	4,417,014	2,826,427
9.	Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	5,889,422	6,510,537	6,231,488	5,585,714	4,899,802
10.	Credit life (Line 2, Col. 6)					
11.	Group (Line 2, Col. 9)					
12.	Industrial (Line 2, Col. 2)					
13.	Total (Line 2, Col. 10)	12,804,723	12,472,507	11,222,120	10,002,728	7,726,229
	Premium Income - Lines of Business (Exhibit 1-Part 1)					
14.	Industrial life (Line 20.4, Col. 2)					
15.1	Ordinary life insurance (Line 20.4, Col.. 3)	649,413,641	651,950,845	534,062,629	456,707,265	439,073,407
15.2	Ordinary individual annuities (Line 20.4, Col. 4)	761,589,105	942,374,745	906,454,773	922,752,388	833,867,278
16.	Credit life (group and individual) (Line 20.4, Col. 5)					
17.1	Group life insurance (Line 20.4, Col. 6)	752,954	702,779	701,180	532,058	523,606
17.2	Group annuities (Line 20.4, Col. 7)	70,727,524	21,415,082	43,160,869	24,844,657	43,466,411
18.1	A&H - group (Line 20.4, Col. 8)					
18.2	A&H - credit (group and individual) (Line 20.4, Col. 9)					
18.3	A&H - other (Line 20.4, Col. 10)	472,181	388,923	563,722	571,739	616,784
19.	Aggregate of all other lines of business (Line 20.4, Col. 11)					
20.	Total	1,482,955,405	1,616,832,374	1,484,943,173	1,405,408,107	1,317,547,486
	Balance Sheet (Pages 2 and 3)					
21.	Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	9,327,770,192	8,949,958,004	8,473,573,245	7,751,788,996	7,230,132,632
22.	Total liabilities excluding Separate Accounts business (Page 3, Line 26)	7,837,084,461	7,464,761,221	6,939,452,774	6,240,729,908	5,894,385,539
23.	Aggregate life reserves (Page 3, Line 1)	6,903,862,147	6,542,969,971	6,038,083,196	5,468,885,427	5,116,424,501
24.	Aggregate A&H reserves (Page 3, Line 2)	10,597,607	10,748,474	11,110,326	11,087,506	11,472,301
25.	Deposit-type contract funds (Page 3, Line 3)	504,394,253	518,892,582	531,038,020	505,409,756	483,575,762
26.	Asset valuation reserve (Page 3, Line 24.01)	50,206,579	52,080,638	46,789,206	53,934,937	32,489,108
27.	Capital (Page 3, Lines 29 & 30)					
28.	Surplus (Page 3, Line 37)	1,490,685,731	1,495,390,798	1,542,747,721	1,520,931,715	1,364,334,763
	Cash Flow (Page 5)					
29.	Net Cash from operations (Line 11)	241,191,813	438,782,279	610,006,433	226,194,754	289,865,510
	Risk-Based Capital Analysis					
30.	Total adjusted capital	1,566,380,999	1,568,800,362	1,609,131,492	1,593,360,331	1,413,881,468
31.	Authorized control level risk-based capital	125,785,971	128,173,460	122,722,535	117,233,226	111,175,200
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32.	Bonds (Line 1)	82.5	83.7	83.5	82.8	77.3
33.	Stocks (Lines 2.1 and 2.2)	3.9	2.7	2.1	2.2	2.5
34.	Mortgage loans on real estate (Lines 3.1 and 3.2)					
35.	Real estate (Line 4.1, 4.2 and 4.3)	0.2	0.2	0.2	0.2	0.2
36.	Cash, cash equivalents and short-term investments (Line 5)	0.8	0.9	1.4	0.8	3.6
37.	Contract loans (Line 6)	3.4	3.6	3.9	4.5	4.8
38.	Derivatives (Line 7)	0.8	0.5	0.4	0.0	XXX
39.	Other invested assets (Line 8)	8.3	8.4	8.5	9.4	9.0
40.	Receivables for securities (Line 9)	0.1	0.1	0.1	0.0	0.4
41.	Securities lending reinvested collateral assets (Line 10)					XXX
42.	Aggregate write-ins for invested assets (Line 11)					2.1
43.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(continued)

		1 2013	2 2012	3 2011	4 2010	5 2009
	Investments in Parent, Subsidiaries and Affiliates					
44.	Affiliated bonds (Sch. D Summary, Line 12 Col. 1)					
45.	Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1)					
46.	Affiliated common stocks (Sch. D Summary, Line 24 Col. 1)	322,292,686	204,040,954	144,686,400	134,982,791	133,348,145
47.	Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10)					
48.	Affiliated mortgage loans on real estate					
49.	All other affiliated	192,613,101	224,545,721	222,350,285	247,688,541	247,894,497
50.	Total of above Lines 44 to 49	514,905,787	428,586,675	367,036,685	382,671,332	381,242,642
51.	Total investment in parent included in Lines 44 to 49 above					
	Total Nonadmitted and Admitted Assets					
52.	Total nonadmitted assets (Page 2, Line 28, Col. 2)	139,201,596	82,275,489	88,552,832	117,122,648	123,994,926
53.	Total admitted assets (Page 2, Line 28, Col. 3)	15,945,191,145	14,330,715,400	13,059,814,071	12,217,488,051	10,939,522,821
	Investment Data					
54.	Net investment income (Exhibit of Net Investment Income)	468,948,100	434,082,632	414,124,750	363,512,016	354,512,663
55.	Realized capital gains (losses) (Page 4, Line 34, Column 1)	(17,122,447)	(47,644,162)	6,734,679	(29,454,616)	(1,554,359)
56.	Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	2,957,481	(41,870,843)	(27,839,181)	(1,455,480)	(100,633,609)
57.	Total of above Lines 54, 55 and 56	454,783,134	344,567,627	393,020,248	332,601,920	252,324,695
	Benefits and Reserve Increase (Page 6)					
58.	Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11)	1,003,737,137	943,989,085	892,435,720	875,409,371	765,552,839
59.	Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11)	1,098,283	1,190,447	1,340,015	1,478,315	1,241,883
60.	Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3)	414,202,475	409,331,823	283,944,396	206,190,312	183,456,336
61.	Increase in A&H reserves (Line 19, Cols. 9, 10 & 11)	(150,867)	(376,681)	22,820	(384,795)	199,546
62.	Dividends to policyholders (Line 30, Col 1)	35,120,035	31,741,887	31,844,792	30,348,215	30,862,592
	Operating Percentages					
63.	Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00	21.3	19.4	19.4	19.3	19.5
64.	Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00	4.7	5.8	5.8	6.4	7.4
65.	A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	206.6	265.1	198.0	162.7	220.1
66.	A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)					
67.	A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	227.0	262.4	217.7	148.5	(797.1)
	A&H Claim Reserve Adequacy					
68.	Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2)					
69.	Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2)					
70.	Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)	8,788,784	9,025,604	9,115,986	9,247,635	9,310,144
71.	Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2)	9,204,576	8,872,473	9,044,388	9,341,548	9,211,634
	Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72.	Industrial life (Col. 2)					
73.	Ordinary - life (Col. 3)	(108,790,395)	(77,516,676)	(11,958,594)	29,368,394	5,997,466
74.	Ordinary - individual annuities (Col. 4)	91,080,986	86,543,675	16,165,331	(16,581,406)	61,952,983
75.	Ordinary - supplementary contracts (Col. 5)	5,164,474	4,464,253	3,787,545	4,022,867	3,487,596
76.	Credit life (Col. 6)					
77.	Group life (Col. 7)	621,276	(88,064)	164,636	220,052	109,045
78.	Group annuities (Col. 8)	(4,391,620)	(3,813,658)	(2,696,723)	(2,894,639)	(3,720,045)
79.	A&H - group (Col. 9)					
80.	A&H - credit (Col. 10)					
81.	A&H - other (Col. 11)	(983,120)	(894,282)	243,108	143,525	4,483,142
82.	Aggregate of all other lines of business (Col. 12)					
83.	Total (Col. 1)	(17,298,399)	8,695,248	5,705,303	14,278,793	72,310,187

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

* 6 7 6 4 4 2 0 1 3 4 3 0 5 9 1 0 0 *

DIRECT BUSINESS IN GRAND TOTAL DURING THE YEAR

NAIC Group Code.....850 NAIC Company Code.....67644

LIFE INSURANCE

		1 Ordinary	2 Credit Life (Group and Individual)	3 Group	4 Industrial	5 Total
	DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS					
1.	Life insurance	768,553,500		894,396		769,447,896
2.	Annuity considerations	39,183,448				39,183,448
3.	Deposit-type contract funds	25,224,631	XXX		XXX	25,224,631
4.	Other considerations	722,563,682		70,661,747		793,225,429
5.	Totals (Sum of Lines 1 to 4)	1,555,525,261	0	71,556,143	0	1,627,081,404
	DIRECT DIVIDENDS TO POLICYHOLDERS					
	Life insurance:					
6.1	Paid in cash or left on deposit	9,039,336				9,039,336
6.2	Applied to pay renewal premiums	9,057,515				9,057,515
6.3	Applied to provide paid-up additions or shorten the endowment or premium-paying period	16,567,545				16,567,545
6.4	Other					0
6.5	Totals (Sum of Lines 6.1 to 6.4)	34,664,396	0	0	0	34,664,396
	Annuities:					
7.1	Paid in cash or left on deposit	557,192				557,192
7.2	Applied to provide paid-up annuities					0
7.3	Other					0
7.4	Totals (Sum of Lines 7.1 to 7.3)	557,192	0	0	0	557,192
8.	Grand Totals (Lines 6.5 + 7.4)	35,221,588	0	0	0	35,221,588
	DIRECT CLAIMS AND BENEFITS PAID					
9.	Death benefits	279,144,160		460,653		279,604,813
10.	Matured endowments					0
11.	Annuity benefits	621,089,691		77,561,743		698,651,434
12.	Surrender values and withdrawals for life contracts	179,314,533				179,314,533
13.	Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14.	All other benefits, except accident and health	3,244,938				3,244,938
15.	Totals	1,082,793,322	0	78,022,396	0	1,160,815,718
	DETAILS OF WRITE-INS					
1301.						0
1302.						0
1303.						0
1398.	Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0
1399.	Total (Lines 1301 thru 1303 plus 1398)(Line 13 above)	0	0	0	0	0

		Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
		1 No.	2 Amount	3 No. of Ind. Pols. & Gr. Certifs.	4 Amount	5 No. of Certifs.	6 Amount	7 No.	8 Amount	9 No.	10 Amount
	DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED										
16.	Unpaid December 31, prior year	1,111	40,319,240			8	(5,000)			1,119	40,314,240
17.	Incurred during current year	5,017	271,507,470			33	465,653			5,050	271,973,123
	Settled during current year:										
18.1	By payment in full	5,424	279,144,160			41	460,653			5,465	279,604,813
18.2	By payment on compromised claims									0	0
18.3	Totals paid	5,424	279,144,160	0	0	41	460,653	0	0	5,465	279,604,813
18.4	Reduction by compromise									0	0
18.5	Amount rejected									0	0
18.6	Total settlements	5,424	279,144,160	0	0	41	460,653	0	0	5,465	279,604,813
19.	Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)	704	32,682,550	0	0	0	0	0	0	704	32,682,550
	POLICY EXHIBIT					No. of Pol.					
20.	In force December 31, prior year	292,672	79,273,871,428		(a)	1,972	240,477,368			294,644	79,514,348,796
21.	Issued during year	17,314	11,775,684,109							17,314	11,775,684,109
22.	Other changes to in force (Net)	(17,741)	(4,698,269,216)			(59)	(4,703,825)			(17,800)	(4,702,973,041)
23.	In force December 31 of current year	292,245	86,351,286,321	0	(a) 0	1,913	235,773,543	0	0	294,158	86,587,059,864

(a) Includes Individual Credit Life Insurance, prior year $.....0 current year $.....0.
Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year $.....0 current year $.....0.
Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year $.....0 current year $.....0.

ACCIDENT AND HEALTH INSURANCE

		1 Direct Premiums	2 Direct Premiums Earned	3 Dividends Paid Or Credited on Direct Business	4 Direct Losses Paid	5 Direct Losses Incurred
24.	Group policies (b)					
24.1	Federal Employee Health Benefits Plan premium (b)					
24.2	Credit (group and individual)					
24.3	Collectively renewable policies (b)					
24.4	Medicare Title XVIII exempt from state taxes or fees					
	Other Individual Policies:					
25.1	Non-cancelable (b)	12,243,107	12,248,306		31,132,354	34,486,228
25.2	Guaranteed renewable (b)	20,327	20,213		42,755	17,253
25.3	Non-renewable for stated reasons only (b)	84,379	90,595		238,677	214,763
25.4	Other accident only					
25.5	All other (b)					
25.6	Totals (Sum of Lines 25.1 to 25.5)	12,347,813	12,359,114	0	31,413,786	34,718,244
26.	Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6)	12,347,813	12,359,114	0	31,413,786	34,718,244

(b) For health business on indicated lines report: Number of persons insured under PPO managed products.....0 and number of persons insured under indemnity only products.....0.

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
							Number of		9	Total
	1	2	3	4	5	6	7	8	Amount	Amount
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	Policies	Certificates	of Insurance (a)	of Insurance (a)
1. In force end of prior year			295,091	82,617,358			9	1,972	240,477	82,857,835
2. Issued during year			18,073	12,804,723						12,804,723
3. Reinsurance assumed										0
4. Revived during year			239	107,949						107,949
5. Increased during year (net)				187,808						187,808
6. Subtotals, Lines 2 to 5	0	0	18,312	13,100,480	0	0	0	0	0	13,100,480
7. Additions by dividends during year	XXX		XXX	194,448	XXX		XXX	XXX		194,448
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	0	0	313,403	95,912,286	0	0	9	1,972	240,477	96,152,763
Deductions during year:										
10. Death			4,999	271,649			XXX	34	4,248	275,897
11. Maturity			258	1,288			XXX			1,288
12. Disability							XXX			0
13. Expiry			1,130	1,540						1,540
14. Surrender			9,689	3,582,883				1	25	3,582,908
15. Lapse			1,522	506,394				3	123	506,517
16. Conversion			419	335,416			XXX	XXX	XXX	335,416
17. Decreased (net)			132	663,370				21	307	663,677
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19)	0	0	18,149	5,362,540	0	0	0	59	4,703	5,367,243
21. In force end of year (Line 9 minus Line 20)	0	0	295,254	90,549,746	0	0	9	1,913	235,774	90,785,520
22. Reinsurance ceded end of year	XXX		XXX	41,878,039	XXX		XXX	XXX	45,359	41,923,398
23. Line 21 minus Line 22	XXX	0	XXX	48,671,707	XXX	(b) 0	XXX	XXX	190,415	48,862,122
DETAILS OF WRITE-INS										
0801.										0
0802.										0
0803.										0
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0	0	0	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0	0	0	0	0	0	0
1901.										0
1902.										0
1903.										0
1998. Summary of remaining write-ins for Line 19 from overflow page	0	0	0	0	0	0	0	0	0	0
1999. Totals (Lines 1901 thru 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) Group $.....0; Individual $.....0.

EXHIBIT OF LIFE INSURANCE (continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	XXX		XXX	826,268
25. Other paid-up insurance			20,501	112,572
26. Debit ordinary insurance	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
Term Insurance Excluding Extended Term Insurance	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing				
28. Term policies-other	6,406	5,889,422	54,664	39,643,025
29. Other term insurance-decreasing	XXX		XXX	689,702
30. Other term insurance	XXX		XXX	760
31. Totals (Lines 27 to 30)	6,406	5,889,422	54,664	40,333,487
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	12,243
33. Totals, extended term insurance	XXX	XXX	7,635	144,096
34. Totals, whole life and endowment	11,667	6,915,301	232,955	50,059,920
35. Totals (Lines 31 to 34)	18,073	12,804,723	295,254	90,549,746

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary		12,804,723		90,549,746
38. Credit Life (Group and Individual)				
39. Group				235,774
40. Totals (Lines 36 to 39)	0	12,804,723	0	90,785,520

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis		XXX	1,913	XXX
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21			54	1,172

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	256,519

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.

NONE

47.1

47.2

POLICIES WITH DISABILITY PROVISIONS

	Industrial		Ordinary		Credit		Group	
Disability Provision	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			54,952	4,334,960			1,859	234,602
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total	0	(b) 0	54,952	(b) 4,334,960	0	(b) 0	1,859	(b) 234,602

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	2,257	3,537		
2. Issued during year	76	830		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	2,333	4,367	0	0
Deductions during year:				
6. Decreased (net)	228	900		
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	228	900	0	0
9. In force end of year	2,105	3,467	0	0
10. Amount on deposit		(a) 102,597,154		(a)
11. Income now payable	2,105	374		
12. Amount of income payable	(a) 8,581,652	(a) 6,261,179	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	7,611	62,206	544	17,884
2. Issued during year	418	4,699		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	8,029	66,905	544	17,884
Deductions during year:				
6. Decreased (net)	431	4,223	22	831
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	431	4,223	22	831
9. In force end of year	7,598	62,682	522	17,053
Income now payable:				
10. Amount of income payable	(a) 114,903,566	XXX	XXX	(a) 44,033,487
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a) 1,445,852,380	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in force	3 Policies	4 Premiums in force	5 Policies	6 Premiums in force
1. In force end of prior year					7,454	531,433
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Total (Lines 1 to 4)	0	XXX	0	XXX	7,454	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)		XXX		XXX	529	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	0	XXX	0	XXX	529	XXX
10. In force end of year	0	(a)	0	(a)	6,925	(a) 319,438

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1 Deposit Funds	2 Dividend Accumulations
	Contracts	Contracts
1. In force end of prior year	435	51,326
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)	435	51,326
Deductions during year:		
6. Decreased (net)	42	2,339
7. Reinsurance ceded		
8. Totals (Lines 6 and 7)	42	2,339
9. In force end of year	393	48,987
10. Amount of account balance	(a) 12,266,185	(a) 198,888,317

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE

Interest Maintenance Reserve

	1 Amount
1. Reserve as of December 31, prior year	101,307,929
2. Current year's realized pre-tax capital gains/(losses) of $.....8,739,321 transferred into the reserve net of taxes of $.....7,615,838	1,123,482
3. Adjustment for current year's liability gains/(losses) released from the reserve	
4. Balance before reduction for amount transferred to Summary of Operations (Line 1 + Line 2 + Line 3)	102,431,411
5. Current year's amortization released to Summary of Operations (Amortization, Line 1, Column 4)	3,236,599
6. Reserve as of December 31, current year (Line 4 minus Line 5)	99,194,813

Amortization

Year of Amortization	1 Reserve as of December 31, Prior Year	2 Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes	3 Adjustment for Current Year's Liability Gains/(Losses) Released from the Reserve	4 Balance Before Reduction for the Current Year's Amortization (Cols. 1 + 2 + 3)
1. 2013	4,598,675	(1,362,076)		3,236,599
2. 2014	4,995,560	(1,027,183)		3,968,377
3. 2015	5,410,010	(262,400)		5,147,610
4. 2016	5,920,348	(144,214)		5,776,133
5. 2017	6,380,667	(31,181)		6,349,485
6. 2018	6,561,489	97,945		6,659,434
7. 2019	6,480,963	192,693		6,673,656
8. 2020	6,201,796	238,185		6,439,981
9. 2021	5,876,273	291,350		6,167,623
10. 2022	5,292,072	345,468		5,637,540
11. 2023	4,576,543	409,225		4,985,768
12. 2024	3,943,665	408,984		4,352,649
13. 2025	3,193,608	359,220		3,552,827
14. 2026	2,405,875	311,804		2,717,679
15. 2027	2,076,854	251,271		2,328,125
16. 2028	2,034,970	191,889		2,226,860
17. 2029	1,986,730	161,844		2,148,574
18. 2030	2,023,171	157,708		2,180,879
19. 2031	2,152,836	153,852		2,306,688
20. 2032	2,244,442	152,714		2,397,156
21. 2033	2,305,182	147,558		2,452,740
22. 2034	2,397,452	128,300		2,525,751
23. 2035	2,484,152	90,256		2,574,408
24. 2036	2,495,054	49,215		2,544,269
25. 2037	2,346,040	6,106		2,352,147
26. 2038	1,950,989	(37,933)		1,913,056
27. 2039	1,431,687	(54,785)		1,376,903
28. 2040	953,487	(43,414)		910,073
29. 2041	477,212	(32,044)		445,168
30. 2042	110,131	(20,673)		89,458
31. 2043 and Later		(6,202)		(6,202)
32. Total (Lines 1 to 31)	101,307,931	1,123,482	0	102,431,413

ASSET VALUATION RESERVE

	Default Component			Equity Component			7
	1 Other Than Mortgage Loans	2 Mortgage Loans	3 Total (Cols. 1 + 2)	4 Common Stock	5 Real Estate and Other Invested Assets	6 Total (Cols. 4 + 5)	Total Amount (Cols. 3 + 6)
1. Reserve as of December 31, prior year	17,583,608	0	17,583,608	2,915,524	31,581,506	34,497,029	52,080,637
2. Realized capital gains/(losses) net of taxes - General Account	734,150		734,150	400,758	4,676,736	5,077,494	5,811,644
3. Realized capital gains/(losses) net of taxes - Separate Accounts			0			0	0
4. Unrealized capital gains/(losses) - net of deferred taxes - General Account	1,413,731		1,413,731	(1,661,565)	(31,908,408)	(33,569,973)	(32,156,242)
5. Unrealized capital gains/(losses) - net of deferred taxes - Separate Accounts			0			0	0
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves			0			0	0
7. Basic contribution	7,024,116		7,024,116		1,828,850	1,828,850	8,852,965
8. Accumulated balances (Lines 1 through 5, minus 6 plus 7)	26,755,604	0	26,755,604	1,654,717	6,178,684	7,833,400	34,589,004
9. Maximum reserve	40,459,922		40,459,922	2,185,727	83,101,638	85,287,365	125,747,288
10. Reserve objective	29,525,201		29,525,201	2,185,727	80,965,940	83,151,667	112,676,868
11. 20% of (Line 10 minus Line 8)	553,919	(0)	553,919	106,202	14,957,451	15,063,653	15,617,573
12. Balance before transfers (Lines 8 + 11)	27,309,524	0	27,309,524	1,760,919	21,136,135	22,897,054	50,206,577
13. Transfers			0			0	XXX
14. Voluntary contribution			0			0	0
15. Adjustment down to maximum/up to zero			0			0	0
16. Reserve as of December 31, current year (Lines 12 + 13 + 14 + 15)	27,309,524	0	27,309,524	1,760,919	21,136,135	22,897,054	50,206,577

ASSET VALUATION RESERVE

Basic Contribution, Reserve Objective and Maximum Reserve Calculations

Default Component

Line Number	NAIC Desig-nation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution 5 Factor	Basic Contribution 6 Amount (Cols. 4 x 5)	Reserve Objective 7 Factor	Reserve Objective 8 Amount (Cols. 4 x 7)	Maximum Reserve 9 Factor	Maximum Reserve 10 Amount (Cols. 4 x 9)
		LONG-TERM BONDS										
1		Exempt obligations	172,496,272	XXX	XXX	172,496,272	0.0000	0	0.0000	0	0.0000	0
2	1	Highest quality	5,489,695,220	XXX	XXX	5,489,695,220	0.0004	2,195,878	0.0023	12,626,299	0.0030	16,469,086
3	2	High quality	1,427,710,418	XXX	XXX	1,427,710,418	0.0019	2,712,650	0.0058	8,280,720	0.0090	12,849,394
4	3	Medium quality	92,954,072	XXX	XXX	92,954,072	0.0093	864,473	0.0230	2,137,944	0.0340	3,160,438
5	4	Low quality	32,658,407	XXX	XXX	32,658,407	0.0213	695,624	0.0530	1,730,896	0.0750	2,449,381
6	5	Lower quality	11,404,348	XXX	XXX	11,404,348	0.0432	492,668	0.1100	1,254,478	0.1700	1,938,739
7	6	In or near default	16,196,904	XXX	XXX	16,196,904	0.0000	0	0.2000	3,239,381	0.2000	3,239,381
8		Total unrated multi-class securities acquired by conversion		XXX	XXX	0	XXX	0	XXX	0	XXX	
9		Total bonds (sum of Lines 1 through 8)	7,243,115,641	XXX	XXX	7,243,115,641	XXX	6,961,293	XXX	29,269,718	XXX	40,106,418
		PREFERRED STOCKS										
10	1	Highest quality	20,286,414	XXX	XXX	20,286,414	0.0004	8,115	0.0023	46,659	0.0030	60,859
11	2	High quality		XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
12	3	Medium quality		XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
13	4	Low quality		XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
14	5	Lower quality	764,075	XXX	XXX	764,075	0.0432	33,008	0.1100	84,048	0.1700	129,893
15	6	In or near default		XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
16		Affiliated life with AVR		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
17		Total preferred stocks (sum of Lines 10 through 16)	21,050,489	XXX	XXX	21,050,489	XXX	41,123	XXX	130,707	XXX	190,752
		SHORT-TERM BONDS										
18		Exempt obligations		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
19	1	Highest quality	54,250,678	XXX	XXX	54,250,678	0.0004	21,700	0.0023	124,777	0.0030	162,752
20	2	High quality		XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
21	3	Medium quality		XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
22	4	Low quality		XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
23	5	Lower quality		XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
24	6	In or near default		XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
25		Total short-term bonds (sum of Lines 18 thru 24)	54,250,678	XXX	XXX	54,250,678	XXX	21,700	XXX	124,777	XXX	162,752

ASSET VALUATION RESERVE (continued)

Basic Contribution, Reserve Objective and Maximum Reserve Calculations

Default Component

Line Number	NAIC Desig-nation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
		DERIVATIVE INSTRUMENTS										
26		Exchange-traded		XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
27	1	Highest quality	1,216,844	XXX	XXX	1,216,844	0.0004	487	0.0023	2,799	0.0030	3,651
28	2	High quality		XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
29	3	Medium quality		XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
30	4	Low quality		XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
31	5	Lower quality		XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
32	6	In or near default		XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
33		Total derivative instruments	1,216,844	XXX	XXX	1,216,844	XXX	487	XXX	2,799	XXX	3,651
34		TOTAL (Lines 9 + 17 + 25 + 33)	7,319,633,652	XXX	XXX	7,319,633,652	XXX	7,024,602	XXX	29,528,000	XXX	40,463,573
		MORTGAGE LOANS										
		In good standing:										
35		Farm mortgages			XXX	0	0.0035	0	0.0100	0	0.0130	0
36		Residential mortgages-insured or guaranteed			XXX	0	0.0003	0	0.0006	0	0.0010	0
37		Residential mortgages-all other			XXX	0	0.0013	0	0.0030	0	0.0040	0
38		Commercial mortgages-insured or guaranteed			XXX	0	0.0003	0	0.0006	0	0.0010	0
39		Commercial mortgages-all other			XXX	0	0.0035	0	0.0100	0	0.0130	0
40		In good standing with restructured terms			XXX	0	0.0035	0	0.0100	0	0.0130	0
		Overdue, not in process:										
41		Farm mortgages			XXX	0	0.0420	0	0.0760	0	0.1200	0
42		Residential mortgages-insured or guaranteed			XXX	0	0.0005	0	0.0012	0	0.0020	0
43		Residential mortgages-all other			XXX	0	0.0025	0	0.0058	0	0.0090	0
44		Commercial mortgages-insured or guaranteed			XXX	0	0.0005	0	0.0012	0	0.0020	0
45		Commercial mortgages-all other			XXX	0	0.0420	0	0.0760	0	0.1200	0
		In process of foreclosure:										
46		Farm mortgages			XXX	0	0.0000	0	0.1700	0	0.1700	0
47		Residential mortgages-insured or guaranteed			XXX	0	0.0000	0	0.0040	0	0.0040	0
48		Residential mortgages-all other			XXX	0	0.0000	0	0.0130	0	0.0130	0
49		Commercial mortgages-insured or guaranteed			XXX	0	0.0000	0	0.0040	0	0.0040	0
50		Commercial mortgages-all other			XXX	0	0.0000	0	0.1700	0	0.1700	0
51		Total Schedule B mortgages (sum of Lines 35 through 50)	0	0	XXX	0	XXX	0	XXX	0	XXX	0
52		Schedule DA mortgages			XXX	0	0.0030	0	0.0100	0	0.0130	0
53		Total mortgage loans on real estate (Lines 51 + 52)	0	0	XXX	0	XXX	0	XXX	0	XXX	0

ASSET VALUATION RESERVE

Basic Contribution, Reserve Objective and Maximum Reserve Calculations

Equity and Other Invested Asset Component

Line Number	NAIC Desig-nation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution 5 Factor	Basic Contribution 6 Amount (Cols. 4 x 5)	Reserve Objective 7 Factor	Reserve Objective 8 Amount (Cols. 4 x 7)	Maximum Reserve 9 Factor	Maximum Reserve 10 Amount (Cols. 4 x 9)
		COMMON STOCK										
1		Unaffiliated public	2,327,032	XXX	XXX	2,327,032	0.0000	0	(a) 0.2000	465,406	(a) 0.2000	465,406
2		Unaffiliated private		XXX	XXX	0	0.0000	0	0.1600	0	0.1600	0
3		Federal Home Loan Bank		XXX	XXX	0	0.0000	0	0.0050	0	0.0080	0
4		Affiliated life with AVR	310,741,514	XXX	XXX	310,741,514	0.0000	0	0.0000	0	0.0000	0
		Affiliated Investment Subsidiary:										
5		Fixed income exempt obligations				0	XXX		XXX		XXX	
6		Fixed income highest quality				0	XXX		XXX		XXX	
7		Fixed income high quality				0	XXX		XXX		XXX	
8		Fixed income medium quality				0	XXX		XXX		XXX	
9		Fixed income low quality				0	XXX		XXX		XXX	
10		Fixed income lower quality				0	XXX		XXX		XXX	
11		Fixed income in or near default				0	XXX		XXX		XXX	
12		Unaffiliated common stock public				0	0.0000	0	(a)	0	(a)	0
13		Unaffiliated common stock private				0	0.0000	0	0.1600	0	0.1600	0
14		Mortgage loans				0	0.0030	0	0.0100	0	0.0130	0
15		Real estate				0	(b)	0	(b)	0	(b)	0
16		Affiliated - certain other (see SVO Purposes and Procedures manual)		XXX	XXX	0	0.0000	0	0.1300	0	0.1300	0
17		Affiliated - all other	10,752,003	XXX	XXX	10,752,003	0.0000	0	0.1600	1,720,320	0.1600	1,720,320
18		Total common stock (sum of Lines 1 through 17)	323,820,549	0	0	323,820,549	XXX	0	XXX	2,185,727	XXX	2,185,727
		REAL ESTATE										
19		Home office property (General Account only)	19,238,268			19,238,268	0.0000	0	0.0750	1,442,870	0.0750	1,442,870
20		Investment properties				0	0.0000	0	0.0750	0	0.0750	0
21		Properties acquired in satisfaction of debt				0	0.0000	0	0.1100	0	0.1100	0
22		Total real estate (sum of Lines 19 through 21)	19,238,268	0	0	19,238,268	XXX	0	XXX	1,442,870	XXX	1,442,870
		OTHER INVESTED ASSETS										
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS										
23		Exempt obligations		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
24	1	Highest quality	1,210,671	XXX	XXX	1,210,671	0.0004	484	0.0023	2,785	0.0030	3,632
25	2	High quality		XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
26	3	Medium quality		XXX	XXX	0	0.0093	0	0.0230	0	0.0340	0
27	4	Low quality		XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
28	5	Lower quality		XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
29	6	In or near default		XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
30		Total with bond characteristics (sum of Lines 23 through 29)	1,210,671	XXX	XXX	1,210,671	XXX	484	XXX	2,785	XXX	3,632

ASSET VALUATION RESERVE (continued)

Basic Contribution, Reserve Objective and Maximum Reserve Calculations

Equity and Other Invested Asset Component

Line Number	NAIC Desig-nation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS										
31	1	Highest quality		XXX	XXX	0	0.0004	0	0.0023	0	0.0030	0
32	2	High quality		XXX	XXX	0	0.0019	0	0.0058	0	0.0090	0
33	3	Medium quality	155,000,000	XXX	XXX	155,000,000	0.0093	1,441,500	0.0230	3,565,000	0.0340	5,270,000
34	4	Low quality		XXX	XXX	0	0.0213	0	0.0530	0	0.0750	0
35	5	Lower quality		XXX	XXX	0	0.0432	0	0.1100	0	0.1700	0
36	6	In or near default		XXX	XXX	0	0.0000	0	0.2000	0	0.2000	0
37		Affiliated life with AVR		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
38		Total with preferred stock characteristics (sum of Lines 31 through 37)	155,000,000	XXX	XXX	155,000,000	XXX	1,441,500	XXX	3,565,000	XXX	5,270,000
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS										
		In Good Standing:										
39		Farm mortgages			XXX	0	0.0030	0	0.0100	0	0.0130	0
40		Residential mortgages-insured or guaranteed			XXX	0	0.0003	0	0.0006	0	0.0010	0
41		Residential mortgages-all other		XXX	XXX	0	0.0013	0	0.0030	0	0.0040	0
42		Commercial mortgages-insured or guaranteed			XXX	0	0.0003	0	0.0006	0	0.0010	0
43		Commercial mortgages-all other			XXX	0	0.0030	0	0.0100	0	0.0130	0
44		In good standing with restructured terms			XXX	0	0.0030	0	0.0100	0	0.0130	0
		Overdue, Not in Process:										
45		Farm mortgages			XXX	0	0.0420	0	0.0760	0	0.1200	0
46		Residential mortgages-insured or guaranteed			XXX	0	0.0005	0	0.0012	0	0.0020	0
47		Residential mortgages-all other			XXX	0	0.0025	0	0.0058	0	0.0090	0
48		Commercial mortgages-insured or guaranteed			XXX	0	0.0005	0	0.0012	0	0.0020	0
49		Commercial mortgages-all other			XXX	0	0.0420	0	0.0760	0	0.1200	0
		In Process of foreclosure:										
50		Farm mortgages			XXX	0	0.0000	0	0.1700	0	0.1700	0
51		Residential mortgages-insured or guaranteed			XXX	0	0.0000	0	0.0040	0	0.0040	0
52		Residential mortgages-all other			XXX	0	0.0000	0	0.0130	0	0.0130	0
53		Commercial mortgages-insured or guaranteed			XXX	0	0.0000	0	0.0040	0	0.0040	0
54		Commercial mortgages-all other			XXX	0	0.0000	0	0.1700	0	0.1700	0
55		Total with mortgage loan characteristics (sum of Lines 39 through 54)	0	0	XXX	0	XXX	0	XXX	0	XXX	0

ASSET VALUATION RESERVE (continued)

Basic Contribution, Reserve Objective and Maximum Reserve Calculations

Equity and Other Invested Asset Component

Line Number	NAIC Desig-nation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Cols. 4 x 5)	7 Factor	8 Amount (Cols. 4 x 7)	9 Factor	10 Amount (Cols. 4 x 9)
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK										
56		Unaffiliated public		XXX	XXX	0	0.0000	0	(a)	0	(a)	0
57		Unaffiliated private	99,227,503	XXX	XXX	99,227,503	0.0000	0	0.1600	15,876,400	0.1600	15,876,400
58		Affiliated life with AVR		XXX	XXX	0	0.0000	0	0.0000	0	0.0000	0
59		Affiliated certain other (see SVO Purposes and Procedures manual)		XXX	XXX	0	0.0000	0	0.1300	0	0.1300	0
60		Affiliated other - all other	192,613,501	XXX	XXX	192,613,501	0.0000	0	0.1600	30,818,160	0.1600	30,818,160
61		Total with common stock characteristics (sum of Lines 56 through 60)	291,841,004	XXX	XXX	291,841,004	XXX	0	XXX	46,694,561	XXX	46,694,561
		INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE										
62		Home office property (general account only)				0	0.0000	0	0.0750	0	0.0750	0
63		Investment properties				0	0.0000	0	0.0750	0	0.0750	0
64		Properties acquired in satisfaction of debt				0	0.0000	0	0.1100	0	0.1100	0
65		Total with real estate characteristics (Lines 62 through 64)	0	0	0	0	XXX	0	XXX	0	XXX	0
		LOW INCOME HOUSING TAX CREDIT INVESTMENTS										
66		Guaranteed federal low income housing tax credit				0	0.0003	0	0.0006	0	0.0010	0
67		Non-guaranteed federal low income housing tax credit	61,407,249			61,407,249	0.0063	386,866	0.0120	736,887	0.0190	1,166,738
68		Guaranteed state low income housing tax credit				0	0.0003	0	0.0006	0	0.0010	0
69		Non-guaranteed state low income housing tax credit				0	0.0063	0	0.0120	0	0.0190	0
70		All other low income housing tax credit				0	0.0273	0	0.0600	0	0.0975	0
71		Total LIHTC	61,407,249	0	0	61,407,249	XXX	386,866	XXX	736,887	XXX	1,166,738
		ALL OTHER INVESTMENTS										
72		NAIC 1 working capital finance investments		XXX		0	0.0000	0	0.0037	0	0.0037	0
73		NAIC 2 working capital finance investments		XXX		0	0.0000	0	0.0120	0	0.0120	0
74		Other invested assets - Schedule BA	219,414,137	XXX		219,414,137	0.0000	0	0.1300	28,523,838	0.1300	28,523,838
75		Other short-term invested assets - Schedule DA		XXX		0	0.0000	0	0.1300	0	0.1300	0
76		Total all other (sum of Lines 72, 73, 74 and 75)	219,414,137	XXX	0	219,414,137	XXX	0	XXX	28,523,838	XXX	28,523,838
77		Total other invested assets - Schedule BA & DA (Sum of Lines 30, 38, 55, 61, 65, 71 and 76)	728,873,061	0	0	728,873,061	XXX	1,828,850	XXX	79,523,070	XXX	81,658,768

(a) Times the company's weighted average portfolio beta (Minimum .10, Maximum .20).

(b) Determined using same factors and breakdowns used for directly owned real estate.

AVR-Replications (Synthetic) Assets
NONE

Sch. F
NONE

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT

	Total		Group Accident and Health		Credit Accident and Health (Group and Individual)		Collectively Renewable		Other Individual Contracts									
									Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other	
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %
PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS																		
1. Premiums written	509,195	XXX		XXX		XXX		XXX	504,649	XXX	988	XXX	3,558	XXX		XXX		XXX
2. Premiums earned	460,706	XXX		XXX		XXX		XXX	455,802	XXX	1,011	XXX	3,893	XXX		XXX		XXX
3. Incurred claims	1,103,948	239.6		0.0		0.0		0.0	1,090,585	239.3	892	88.2	12,471	320.3		0.0		0.0
4. Cost containment expenses	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
5. Incurred claims and cost containment expenses (Lines 3 and 4)	1,103,948	239.6	0	0.0	0	0.0	0	0.0	1,090,585	239.3	892	88.2	12,471	320.3	0	0.0	0	0.0
6 Increase in contract reserves	(152,073)	(33.0)		0.0		0.0		0.0	(149,301)	(32.8)	(434)	(42.9)	(2,338)	(60.1)		0.0		0.0
7 Commissions (a)	(235,077)	(51.0)		0.0		0.0		0.0	(234,520)	(51.5)	(557)	(55.1)		0.0		0.0		0.0
8 Other general insurance expenses	722,667	156.9		0.0		0.0		0.0	715,036	156.9	1,573	155.6	6,058	155.6		0.0		0.0
9 Taxes, licenses and fees	558,125	121.1		0.0		0.0		0.0	556,900	122.2	1,225	121.2		0.0		0.0		0.0
10 Total other expenses incurred	1,045,715	227.0	0	0.0	0	0.0	0	0.0	1,037,416	227.6	2,241	221.7	6,058	155.6	0	0.0	0	0.0
11. Aggregate write-ins for deductions	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
12. Gain from underwriting before dividends or refunds	(1,536,884)	(333.6)	0	0.0	0	0.0	0	0.0	(1,522,898)	(334.1)	(1,688)	(167.0)	(12,298)	(315.9)	0	0.0	0	0.0
13. Dividends or refunds	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
14. Gain from underwriting after dividends or refunds	(1,536,884)	(333.6)	0	0.0	0	0.0	0	0.0	(1,522,898)	(334.1)	(1,688)	(167.0)	(12,298)	(315.9)	0	0.0	0	0.0
DETAILS OF WRITE-INS																		
1101.	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
1102.	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
1103.	0	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0
1198. Summary of remaining write-ins for Line 11 from overflow page	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
1199. Total (Lines 1101 thru 1103 plus 1198) (Line 11 above)	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

(a) Includes $.....0 reported as 'Contract, membership and other fees retained by agents.'

SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (continued)

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
PART 2 - RESERVES AND LIABILITIES									
A. Premium Reserves:									
1. Unearned premiums	(11,462)				(11,816)	23	331		
2. Advance premiums	3,372				3,351	1	20		
3. Reserve for rate credits	0								
4. Total premium reserves, current year	(8,090)	0	0	0	(8,465)	24	351	0	0
5. Total premium reserves, prior year	(56,580)				(57,178)	37	561		
6. Increase in total premium reserves	48,490	0	0	0	48,713	(13)	(210)	0	0
B. Contract Reserves:									
1. Additional reserves (a)	1,596,631				1,583,752	3,598	9,281		
2. Reserve for future contingent benefits	0								
3. Total contract reserves, current year	1,596,631	0	0	0	1,583,752	3,598	9,281	0	0
4. Total contract reserves, prior year	1,748,704				1,733,053	4,032	11,619		
5. Increase in contract reserves	(152,073)	0	0	0	(149,301)	(434)	(2,338)	0	0
C. Claim Reserves and Liabilities:									
1. Total current year	9,194,703				9,177,680	2,587	14,436		
2. Total prior year	9,204,576				9,187,976	2,645	13,955		
3. Increase	(9,873)	0	0	0	(10,296)	(58)	481	0	0

PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES

1. Claims Paid During the Year:									
1.1 On claims incurred prior to current year	1,112,072				1,099,248	834	11,990		
1.2 On claims incurred during current year	1,749				1,633	116			
2. Claim Reserves and Liabilities, December 31, Current Year:									
2.1 On claims incurred prior to current year	7,676,712				7,660,417	1,859	14,436		
2.2 On claims incurred during current year	1,517,991				1,517,263	728			
3. Test:									
3.1 Lines 1.1 and 2.1	8,788,784	0	0	0	8,759,665	2,693	26,426	0	0
3.2 Claim reserves and liabilities, December 31, prior year	9,204,576				9,187,976	2,645	13,955		
3.3 Line 3.1 minus Line 3.2	(415,792)	0	0	0	(428,311)	48	12,471	0	0

PART 4 - REINSURANCE

A. Reinsurance Assumed:									
1. Premiums written	0								
2. Premiums earned	0								
3. Incurred claims	0								
4. Commissions	0								
B. Reinsurance Ceded:									
1. Premiums written	18,937,220				18,802,539	55,147	79,534		
2. Premiums earned	20,018,208				19,874,709	57,413	86,086		
3. Incurred claims	33,614,296				33,375,113	29,560	209,623		
4. Commissions	1,333,197				1,331,310	1,887			

(a) Includes $.....0 premium deficiency reserve.

SCHEDULE H - PART 5 - HEALTH CLAIMS

		1 Medical	2 Dental	3 Other	4 Total
A.	Direct:				
1.	Incurred claims			34,718,244	34,718,244
2.	Beginning claim reserves and liabilities			239,153,988	239,153,988
3.	Ending claim reserves and liabilities			243,288,780	243,288,780
4.	Claims paid	0	0	30,583,452	30,583,452
B.	Assumed Reinsurance:				
5.	Incurred claims				0
6.	Beginning claim reserves and liabilities				0
7.	Ending claim reserves and liabilities				0
8.	Claims paid	0	0	0	0
C.	Ceded Reinsurance:				
9.	Incurred claims			33,614,296	33,614,296
10.	Beginning claim reserves and liabilities			230,010,639	230,010,639
11.	Ending claim reserves and liabilities			234,169,879	234,169,879
12.	Claims paid	0	0	29,455,056	29,455,056
D.	Net:				
13.	Incurred claims	0	0	1,103,948	1,103,948
14.	Beginning claim reserves and liabilities	0	0	9,143,349	9,143,349
15.	Ending claim reserves and liabilities	0	0	9,118,901	9,118,901
16.	Claims paid	0	0	1,128,396	1,128,396
E.	Net Incurred Claims and Cost Containment Expenses:				
17.	Incurred claims and cost containment expenses			1,103,948	1,103,948
18.	Beginning reserves and liabilities			9,143,349	9,143,349
19.	Ending reserves and liabilities			9,118,900	9,118,900
20.	Paid claims and cost containment expenses	0	0	1,128,397	1,128,397

SCHEDULE S - PART 1 - SECTION 1

Reinsurance Assumed Life Insurance, Annuities, Deposit Funds and Other Liabilities
Without Life or Disability Contingencies, and Related Benefits Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Amount of In Force at End of Year	8 Reserve	9 Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
General Account - Affiliates - U.S. - Other											
93262	23-2142731	10/01/2008	Penn Insurance and Annuity Company	DE	CO/I	4,153,736,949	200,686	2,823,685			
93262	23-2142731	07/01/2009	Penn Insurance and Annuity Company	DE	OTH/I		20,294,026	40,588,052			
0299999.	Total - General Account - Affiliates - U.S. - Other					4,153,736,949	20,494,712	43,411,737	0	0	0
0399999.	Total - General Account - Affiliates - U.S. - Totals					4,153,736,949	20,494,712	43,411,737	0	0	0
0799999.	Total - General Account - Affiliates					4,153,736,949	20,494,712	43,411,737	0	0	0
General Account - Non-Affiliates - Non-U.S. Non-Affiliates											
00000	AA-3194153	12/28/1995	GTE Life Insurance Company, Ltd	BMU	YRT/I	44,722,247	130,450	3,461,949			
00000	AA-3190773	03/31/2003	Transamerica International Re (Bermuda) Ltd	BMU	YRT/I	1,038,371,473	3,055,177	1,923,043			
0999999.	Total - General Account - Non-Affiliates - Non-U.S. Non-Affiliates					1,083,093,720	3,185,627	5,384,992	0	0	0
1099999.	Total - General Account - Non-Affiliates					1,083,093,720	3,185,627	5,384,992	0	0	0
1199999.	Total - General Account					5,236,830,669	23,680,339	48,796,729	0	0	0
2399999.	Total U.S.					4,153,736,949	20,494,712	43,411,737	0	0	0
2499999.	Total Non-U.S.					1,083,093,720	3,185,627	5,384,992	0	0	0
9999999.	Total					5,236,830,669	23,680,339	48,796,729	0	0	0

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
Life and Annuity - Affiliates - U.S. - Other						
93262	23-2142731	02/01/1982	Penn Insurance & Annuity Company	DE		500,000
0299999.	Total - Life and Annuity Affiliates - U.S. - Other				0	500,000
0399999.	Total - Life and Annuity Affiliates - U.S. - Total				0	500,000
0799999.	Total - Life and Annuity Affiliates				0	500,000
Life and Annuity - Non-Affiliates - U.S. Non-Affiliates						
86258	13-2572994	08/01/2004	General Re Life Health	CT	1,225,557	554,993
65676	35-0472300	02/01/1982	Lincoln National Life Insurance Company	IN	1,141,241	1,292,330
93572	43-1235868	01/01/1995	RGA Reinsurance Company	MO	5,424,265	1,695,342
87572	23-2038295	01/01/1981	Security Life of Denver	CO	821,031	232,460
87572	23-2038295	01/01/1981	Scottish Re US Inc	CO	2,881	
82627	06-0839705	10/01/2006	Swiss Re Life & Health America Inc	IN	1,334,071	2,512,489
70688	36-6071399	07/01/1986	Transamerica Financial Life Insurance Company	IA	1,346,559	1,544,396
0899999.	Total - Life and Annuity Non-Affiliates - U.S. Non-Affiliates				11,295,605	7,832,010
1099999.	Total - Life and Annuity Non-Affiliates				11,295,605	7,832,010
1199999.	Total - Life and Annuity				11,295,605	8,332,010
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
65676	35-0472300	02/01/1982	Lincoln National Life Insurance Company	IN		314,966
82627	06-0839705	10/01/2006	Swiss Re Life & Health America Inc	CT		59,535
1999999.	Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates				0	374,501
Accident and Health - Non-Affiliates - Non-U.S. Non-Affiliates						
00000	AA-3194217	07/01/1999	ACE INA Overseas Ins. Co, Ltd	BMU	75,803	1,304,290
2099999.	Total - Accident and Health Non-Affiliates - Non-U.S. Non-Affiliates				75,803	1,304,290
2199999.	Total - Accident and Health Non-Affiliates				75,803	1,678,791
2299999.	Total - Accident and Health				75,803	1,678,791
2399999.	Total U.S.				11,295,605	8,706,511
2499999.	Total Non-U.S.				75,803	1,304,290
9999999.	Total				11,371,408	10,010,801

SCHEDULE S - PART 3 - SECTION 1

Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities
Without Life or Disability Contingencies, and Related Benefits Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	Reserve Credit Taken		10	Outstanding Surplus Relief		13	14
							8	9		11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Amount In Force at End of Year	Current Year	Prior Year	Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Affiliates - U.S. - Other													
93262	23-2142731	02/01/1982	Penn Insurance and Annuity Company	DE	ADB/I		7,746	8,539					
93262	23-2142731	02/01/1982	Penn Insurance and Annuity Company	DE	CO/I	3,266,770,199	305,591,807	271,032,482	40,830,438				
93262	23-2142731	02/01/1982	Penn Insurance and Annuity Company	DE	DIS/I		1,764,154	1,684,383					
0299999	Total - General Account - Authorized - Affiliates - U.S. - Other					3,266,770,199	307,363,707	272,725,404	40,830,438	0	0	0	0
0399999	Total - General Account - Authorized - Affiliates - U.S. - Total					3,266,770,199	307,363,707	272,725,404	40,830,438	0	0	0	0
0799999	Total - General Account - Authorized - Affiliates					3,266,770,199	307,363,707	272,725,404	40,830,438	0	0	0	0
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates													
86258	13-2572994	09/01/1978	General Re Life Corp	CT	DIS/I		65,453	65,210					
86258	13-2572994	09/01/1978	General Re Life Corp	CT	YRT/I	407,810,645	1,096,329	1,063,421	6,875,041				
88340	59-2859797	06/01/2011	Hannover Life Reassurance Company of America	FL	YRT/I	988,270,033	828,283	626,407	416,610				
65676	35-0472300	01/01/1999	Lincoln National Life Insurance Co	IN	CO/I	462,582,381	5,776,298	5,923,103	613,486				
65676	35-0472300	02/01/1982	Lincoln National Life Insurance Co	IN	DIS/I		845,501	887,823					
65676	35-0472300	01/01/1978	Lincoln National Life Insurance Co	IN	YRT/I	814,972,522	941,270	967,265	5,615,264				
65676	35-0472300	07/01/1991	Lincoln National Life Insurance Co	IN	YRT/G	45,358,500							
76694	23-2044256	01/01/1999	London Life Reinsurance Co	PA	OTH/I				11,040				
93572	43-1235868	01/01/1995	RGA Reinsurance Co	MO	CO/I	21,966,766	211,405	196,369	127,722				
93572	43-1235868	01/01/1995	RGA Reinsurance Co	MO	DIS/I		619,482	622,231					
93572	43-1235868	01/01/1995	RGA Reinsurance Co	MO	YRT/I	2,982,050,111	5,300,231	5,441,640	22,498,315				
87572	23-2038295	01/01/1981	Scottish Re US Inc	DE	ACO/I		4,166,858	4,446,689	19,781				
68713	84-0499703	08/01/1995	Security Life of Denver Ins Co (ING)	CO	CO/I	16,410,701	247,100	248,102	30,721				
68713	84-0499703	08/01/1995	Security Life of Denver Ins Co (ING)	CO	YRT/I	764,407,281	1,029,327	1,056,712	4,485,822				
82627	06-0839705	10/01/2006	Swiss Re Health & Life America, Inc	CT	YRT/I	2,319,678,189	2,599,548	2,340,680	6,097,886				
82627	06-0839705	01/01/2013	Swiss Re Health & Life America, Inc	CT	CO/I	20,644,466,815	86,065,161		88,733,712				
70688	36-6071399	07/01/1986	Transamerica Financial Life Ins Co	NY	CO/I	6,296,628,367	71,955,103	72,976,045	9,654,624				
70688	36-6071399	07/01/1986	Transamerica Financial Life Ins Co	NY	DIS/I		1,814,405	1,843,641					
70688	36-6071399	07/01/1986	Transamerica Financial Life Ins Co	NY	YRT/I	2,892,025,206	4,034,139	3,925,083	20,336,887				
0899999	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates					38,656,627,517	187,595,893	102,630,421	165,516,911	0	0	0	0
1099999	Total - General Account - Authorized - Non-Affiliates					38,656,627,517	187,595,893	102,630,421	165,516,911	0	0	0	0
1199999	Total - General Account - Authorized					41,923,397,716	494,959,600	375,355,825	206,347,349	0	0	0	0
3499999	Total - General Account - Authorized, Unauthorized and Certified					41,923,397,716	494,959,600	375,355,825	206,347,349	0	0	0	0
6999999	Total U.S.					41,923,397,716	494,959,600	375,355,825	206,347,349	0	0	0	0
9999999	Total					41,923,397,716	494,959,600	375,355,825	206,347,349	0	0	0	0

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates												
65676	35-0472300	02/01/1982	Lincoln National Life Insurance Company	IN	CO/I	2,270,262	363,453	51,983,476				
65676	35-0472300	02/01/1982	Lincoln National Life Insurance Company	IN	CO/I	121,986	27,523	6,723,911				
82627	06-0839705	10/01/2006	Swiss Re Life & Health America Inc	CT	CO/I	693,124	122,388	13,953,233				
61425	36-0792925	12/01/1986	Trustmark Insurance Company	IL	CO/I	33,235	9,721	75,865				
62235	01-0278678	06/24/1994	UNUM Life Insurance Co of America	ME	CO/I	137,156	2,732	112,752				
0899999.	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates					3,255,763	525,817	72,849,237	0	0	0	0
1099999.	Total - General Account - Authorized - Non-Affiliates					3,255,763	525,817	72,849,237	0	0	0	0
1199999.	Total - General Account - Authorized					3,255,763	525,817	72,849,237	0	0	0	0
General Account - Unauthorized - Non-Affiliates - Non-U.S. Non-Affiliates												
00000	AA-3194217	07/01/1999	ACE INA Overseas Ins. Co., Ltd	BMU	CO/I	8,629,506	2,104,349	198,309,798				
2099999.	Total - General Account - Unauthorized - Non-Affiliates - Non-U.S. Non-Affiliates					8,629,506	2,104,349	198,309,798	0	0	0	0
2199999.	Total - General Account - Unauthorized - Non-Affiliates					8,629,506	2,104,349	198,309,798	0	0	0	0
2299999.	Total - General Account - Unauthorized					8,629,506	2,104,349	198,309,798	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified					11,885,269	2,630,166	271,159,035	0	0	0	0
6999999.	Total - U.S.					3,255,763	525,817	72,849,237	0	0	0	0
7099999.	Total - Non-U.S.					8,629,506	2,104,349	198,309,798	0	0	0	0
9999999.	Total					11,885,269	2,630,166	271,159,035	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8
General Account - Accident and Health - Non-Affiliates - Non-U.S. Non-Affiliates														
00000	AA-3194217	07/01/1999	ACE INA Overseas Ins. Co. Ltd	200,414,147	1,754,593		202,168,740			210,613,839				202,168,740
2099999.	Total - General Account - Accident and Health - Non-Affiliates - Non-U.S. Non-Affiliates			200,414,147	1,754,593	0	202,168,740	0	XXX	210,613,839	0	0	0	202,168,740
2199999.	Total - General Account - Accident and Health - Non-Affiliates			200,414,147	1,754,593	0	202,168,740	0	XXX	210,613,839	0	0	0	202,168,740
2299999.	Total - General Account - Accident and Health			200,414,147	1,754,593	0	202,168,740	0	XXX	210,613,839	0	0	0	202,168,740
2399999.	Total - General Account			200,414,147	1,754,593	0	202,168,740	0	XXX	210,613,839	0	0	0	202,168,740
3699999.	Total - Non-U.S.			200,414,147	1,754,593	0	202,168,740	0	XXX	210,613,839	0	0	0	202,168,740
9999999.	Total			200,414,147	1,754,593	0	202,168,740	0	XXX	210,613,839	0	0	0	202,168,740

Sch. S-Pt. 5
NONE

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

		1 2013	2 2012	3 2011	4 2010	5 2009
A.	**OPERATIONS ITEMS**					
1.	Premiums and annuity considerations for life and accident and health contracts	218,233	140,700	115,514	116,088	93,358
2.	Commissions and reinsurance expense allowances	23,219	3,073	2,527	7,574	10,372
3.	Contract claims	165,961	79,682	105,993	122,218	82,335
4.	Surrender benefits and withdrawals for life contracts	5,554	6,394	11,203	5,381	12,275
5.	Dividends to policyholders					
6.	Reserve adjustments on reinsurance ceded					
7.	Increase in aggregate reserves for life and accident and health contracts	119,550	41,979	5,150	18,756	(5,362)
B.	**BALANCE SHEET ITEMS**					
8.	Premiums and annuity considerations for life and accident and health contracts deferred and uncollected	0	(467)	(613)	(618)	(645)
9.	Aggregate reserves for life and accident and health contracts	768,749	649,199	607,220	602,070	583,313
10.	Liability for deposit-type contracts					
11.	Contract claims unpaid	10,011	11,314	16,969	18,624	4,285
12.	Amounts recoverable on reinsurance	11,371	3,639	5,393	1,661	3,375
13.	Experience rating refunds due or unpaid					
14.	Policyholders' dividends (not included in Line 10)					
15.	Commissions and reinsurance expense allowances due					
16.	Unauthorized reinsurance offset					
17.	Offset for reinsurance with certified reinsurers			XXX	XXX	XXX
C.	**UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
18.	Funds deposited by and withheld from (F)					
19.	Letters of credit (L)					
20.	Trust agreements (T)	210,614	220,409	245,552	241,902	238,828
21.	Other (O)					
D.	**REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
22.	Multiple beneficiary trust			XXX	XXX	XXX
23.	Funds deposited by and withheld from (F)			XXX	XXX	XXX
24.	Letters of credit (L)			XXX	XXX	XXX
25.	Trust agreements (T)			XXX	XXX	XXX
26.	Other (O)			XXX	XXX	XXX

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 12)	8,784,216,342		8,784,216,342
2.	Reinsurance (Line 16)	13,831,926	(13,831,926)	0
3.	Premiums and considerations (Line 15)	56,075,880	350	56,076,230
4.	Net credit for ceded reinsurance	XXX	792,591,178	792,591,178
5.	All other admitted assets (balance)	473,646,044		473,646,044
6.	Total assets excluding Separate Accounts (Line 26)	9,327,770,192	778,759,602	10,106,529,794
7.	Separate Account Assets (Line 27)	6,617,420,953		6,617,420,953
8.	Total assets (Line 28)	15,945,191,145	778,759,602	16,723,950,747
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
9.	Contract reserves (Lines 1 and 2)	6,914,459,754	768,748,802	7,683,208,556
10.	Liability for deposit-type contracts (Line 3)	504,394,253		504,394,253
11.	Claim reserves (Line 4)	37,609,214	10,010,800	47,620,014
12.	Policyholder dividends/reserves (Lines 5 through 7)	33,389,483		33,389,483
13.	Premium & annuity considerations received in advance (Line 8)	21,040,057		21,040,057
14.	Other contract liabilities (Line 9)	108,773,207		108,773,207
15.	Reinsurance in unauthorized companies (Line 24.02 minus inset amount)			0
16.	Funds held under reinsurance treaties with unauthorized reinsurers (Line 24.03 minus inset amount)			0
17.	Reinsurance with certified reinsurers (Line 24.02 inset amount)			0
18.	Funds held under reinsurance treaties with certified reinsurers (Line 24.03 inset amount)			0
19.	All other liabilities (balance)	217,418,493		217,418,493
20.	Total liabilities excluding Separate Accounts (Line 26)	7,837,084,461	778,759,602	8,615,844,063
21.	Separate Account liabilities (Line 27)	6,617,420,953		6,617,420,953
22.	Total liabilities (Line 28)	14,454,505,414	778,759,602	15,233,265,016
23.	Capital & surplus (Line 38)	1,490,685,731	XXX	1,490,685,731
24.	Total liabilities, capital & surplus (Line 39)	15,945,191,145	778,759,602	16,723,950,747
	NET CREDIT FOR CEDED REINSURANCE			
25.	Contract reserves	768,748,802		
26.	Claim reserves	10,010,800		
27.	Policyholder dividends/reserves	0		
28.	Premium & annuity considerations received in advance	0		
29.	Liability for deposit-type contracts	0		
30.	Other contract liabilities	0		
31.	Reinsurance ceded assets	13,831,926		
32.	Other ceded reinsurance recoverables	0		
33.	Total ceded reinsurance recoverables	792,591,528		
34.	Premiums and considerations	350		
35.	Reinsurance in unauthorized companies	0		
36.	Funds held under reinsurance treaties with unauthorized reinsurers	0		
37.	Reinsurance with certified reinsurers	0		
38.	Funds held under reinsurance treaties with certified reinsurers	0		
39.	Other ceded reinsurance payables/offsets	0		
40.	Total ceded reinsurance payables/offsets	350		
41.	Total net credit for ceded reinsurance	792,591,178		

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only					
		Life Contracts		4	5	6	7
		2 Life Insurance Premiums	3 Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama AL	L	4,037,335	452,996	48,556	1,512,625	6,051,512	
2. Alaska AK	L	242,209		15,952	129,063	387,224	
3. Arizona AZ	L	15,658,880	125,676	116,526	21,030,636	36,931,718	643,597
4. Arkansas AR	L	3,930,717	300,070	13,393	3,674,982	7,919,162	
5. California CA	L	45,066,659	2,740,856	1,128,449	21,387,380	70,323,344	1,323,985
6. Colorado CO	L	7,853,825	581,748	47,076	3,971,247	12,453,896	
7. Connecticut CT	L	18,931,842	985,329	333,957	10,488,141	30,739,269	147,064
8. Delaware DE	L	19,764,457	533,513	60,178	17,633,593	37,991,741	
9. District of Columbia DC	L	1,620,273		27,106	1,166,833	2,814,212	
10. Florida FL	L	28,727,478	6,481,045	1,252,183	34,337,356	70,798,062	386,736
11. Georgia GA	L	10,743,491	50,770	62,623	11,300,911	22,157,795	1,379,173
12. Hawaii HI	L	1,613,819	283,258	7,139	1,408,647	3,312,863	311,384
13. Idaho ID	L	2,862,916		1,979	1,723,482	4,588,377	
14. Illinois IL	L	29,786,544	3,078,705	198,845	29,402,912	62,467,006	2,737,419
15. Indiana IN	L	6,599,861	50,000	48,550	4,330,090	11,028,501	
16. Iowa IA	L	4,109,866	33,186	103,766	3,992,901	8,239,719	150,000
17. Kansas KS	L	9,878,201	60,002	251,919	14,377,252	24,567,374	
18. Kentucky KY	L	1,577,854		64,981	3,451,514	5,094,349	
19. Louisiana LA	L	3,015,836	114,714	50,648	2,868,884	6,050,082	71,168
20. Maine ME	L	1,568,173		21,963	2,492,306	4,082,442	500,000
21. Maryland MD	L	13,246,889	1,260,018	385,421	23,912,630	38,804,958	64,091
22. Massachusetts MA	L	21,061,424	2,371,444	188,484	16,058,938	39,680,290	2,921,664
23. Michigan MI	L	20,900,056	628,820	395,315	7,400,277	29,324,468	736,216
24. Minnesota MN	L	23,804,123	549,235	192,324	3,733,749	28,279,431	145,545
25. Mississippi MS	L	1,460,410		13,936	90,000	1,564,346	
26. Missouri MO	L	6,519,431	142,241	101,533	6,032,800	12,796,005	
27. Montana MT	L	481,475	310,000	13,757	336,912	1,142,144	
28. Nebraska NE	L	3,041,370	103,412	26,598	357,830	3,529,210	
29. Nevada NV	L	4,272,515	63,283	18,444	4,141,782	8,496,024	24,000
30. New Hampshire NH	L	2,229,632		28,724	2,901,330	5,159,686	266,385
31. New Jersey NJ	L	57,448,439	952,376	984,964	71,511,698	130,897,477	2,477,528
32. New Mexico NM	L	5,170,093	330,000	27,924	1,879,190	7,407,207	
33. New York NY	L	146,255,842	5,261,798	3,824,968	75,029,539	230,372,147	3,787,355
34. North Carolina NC	L	14,309,977	1,500,000	196,946	13,887,744	29,894,667	505,057
35. North Dakota ND	L	683,844		10,022	232,921	926,787	
36. Ohio OH	L	26,928,006	1,017,875	241,796	48,614,880	76,802,557	616,233
37. Oklahoma OK	L	10,345,908	827,710	34,152	22,541,241	33,749,011	625,129
38. Oregon OR	L	4,593,928	516,724	68,859	2,391,641	7,571,152	256,000
39. Pennsylvania PA	L	53,523,094	1,500,907	759,538	155,164,260	210,947,799	802,264
40. Rhode Island RI	L	4,896,211	365,813	41,117	3,031,469	8,334,610	200,000
41. South Carolina SC	L	4,159,878	929,656	69,391	6,017,502	11,176,427	152,107
42. South Dakota SD	L	386,845		27,049	50,000	463,894	
43. Tennessee TN	L	3,693,497		92,785	6,238,668	10,024,950	25,000
44. Texas TX	L	43,531,129	1,437,884	261,406	30,703,441	75,933,860	702,924
45. Utah UT	L	30,030,697	699,102	6,610	25,625,158	56,361,567	1,232,760
46. Vermont VT	L	2,364,590	634,341	40,352	3,314,152	6,353,435	190,778
47. Virginia VA	L	12,358,900	419,157	209,007	28,064,891	41,051,955	159,391
48. Washington WA	L	22,208,450	1,055,999	140,089	28,478,951	51,883,489	276,123
49. West Virginia WV	L	1,810,376		3,083	5,212,297	7,025,756	
50. Wisconsin WI	L	7,257,691	433,785	57,951	8,989,751	16,739,178	1,407,555
51. Wyoming WY	L	1,782,257			599,032	2,381,289	
52. American Samoa AS	N					0	
53. Guam GU	N					0	
54. Puerto Rico PR	N	31,344				31,344	
55. US Virgin Islands VI	N					0	
56. Northern Mariana Islands MP	N					0	
57. Canada CAN	N	1,068		428		1,496	
58. Aggregate Other Alien OT	XXX	1,068,271	0	29,050	0	1,097,321	0
59. Subtotal	(a) 51	769,447,896	39,183,448	12,347,812	793,225,429	1,614,204,585	25,224,631
90. Reporting entity contributions for employee benefit plans	XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX	16,692,406				16,692,406	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions	XXX	1,775,354				1,775,354	
94. Aggregate other amounts not allocable by State	XXX	14,265,046	0	0	0	14,265,046	0
95. Totals (Direct Business)	XXX	802,180,702	39,183,448	12,347,812	793,225,429	1,646,937,391	25,224,631
96. Plus reinsurance assumed	XXX	48,796,729				48,796,729	
97. Totals (All Business)	XXX	850,977,431	39,183,448	12,347,812	793,225,429	1,695,734,120	25,224,631
98. Less reinsurance ceded	XXX	206,175,087		12,028,374	92,242	218,295,703	
99. Totals (All Business) less reinsurance ceded	XXX	644,802,344	39,183,448	(b) 319,438	793,133,187	1,477,438,417	25,224,631
DETAILS OF WRITE-INS							
58001. Military APO/FPO	XXX	1,068,271		29,050		1,097,321	
58002.	XXX					0	
58003.	XXX					0	
58998. Summ. of remaining write-ins for line 58 from overflow page	XXX	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above)	XXX	1,068,271	0	29,050	0	1,097,321	0
9401. Internal Replacements	XXX	14,265,046				14,265,046	
9402.	XXX					0	
9403.	XXX					0	
9498. Summ. of remaining write-ins for line 94 from overflow page	XXX	0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above)	XXX	14,265,046	0	0	0	14,265,046	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, etc., of premiums and annuity considerations.

The life and annuity premiums are applied to the respective states based on the state of residence* of the premium payor**.
*Residence: the place a party actually lives/is located as distinguished from a domicile or place of temporary sojourn.
**Premium payor: party responsible for paying life and/or annuity premium.

(a) Insert the number of "L" responses except for Canada and Other Alien.
(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9, and 10, or with Schedule H, Part 1, Column 1, Line 1. Indicate which:
Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10

SCHEDULE T - PART 2

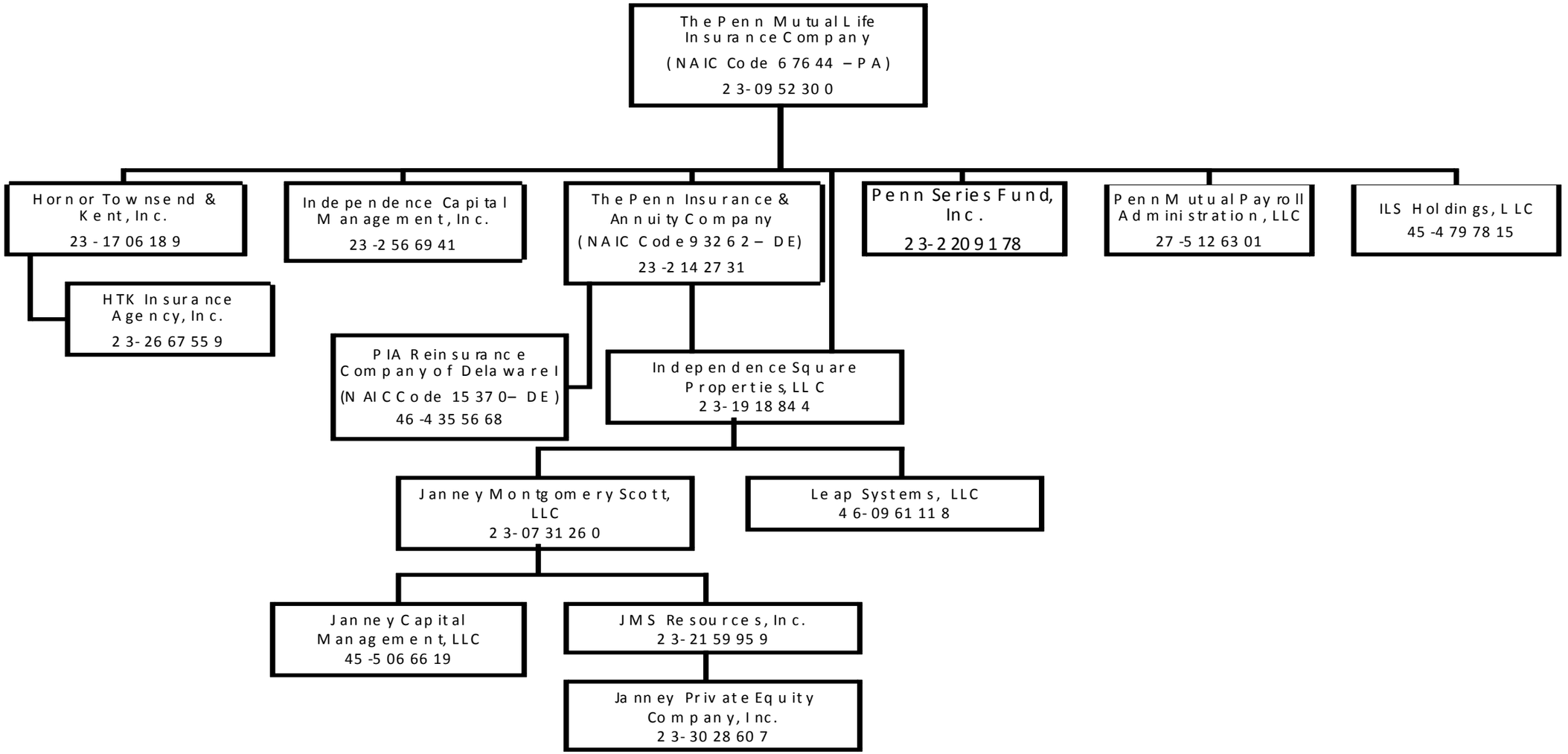
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.		Direct Business Only					
		1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama	AL	4,037,335	452,996				4,490,331
2. Alaska	AK	242,209					242,209
3. Arizona	AZ	15,658,880	125,676			643,597	16,428,153
4. Arkansas	AR	3,930,717	300,070				4,230,787
5. California	CA	45,066,659	2,740,856			1,323,985	49,131,500
6. Colorado	CO	7,853,825	581,748				8,435,573
7. Connecticut	CT	18,931,842	985,329			147,064	20,064,235
8. Delaware	DE	19,764,457	533,513				20,297,970
9. District of Columbia	DC	1,620,273					1,620,273
10. Florida	FL	28,727,478	6,481,045			386,736	35,595,259
11. Georgia	GA	10,743,491	50,770			1,379,173	12,173,434
12. Hawaii	HI	1,613,819	283,258			311,384	2,208,461
13. Idaho	ID	2,862,916					2,862,916
14. Illinois	IL	29,786,544	3,078,705			2,737,419	35,602,668
15. Indiana	IN	6,599,861	50,000				6,649,861
16. Iowa	IA	4,109,866	33,186			150,000	4,293,052
17. Kansas	KS	9,878,201	60,002				9,938,203
18. Kentucky	KY	1,577,854					1,577,854
19. Louisiana	LA	3,015,836	114,714			71,168	3,201,718
20. Maine	ME	1,568,173				500,000	2,068,173
21. Maryland	MD	13,246,889	1,260,018			64,091	14,570,998
22. Massachusetts	MA	21,061,424	2,371,444			2,921,664	26,354,532
23. Michigan	MI	20,900,056	628,820			736,216	22,265,092
24. Minnesota	MN	23,804,123	549,235			145,545	24,498,903
25. Mississippi	MS	1,460,410					1,460,410
26. Missouri	MO	6,519,431	142,241				6,661,672
27. Montana	MT	481,475	310,000				791,475
28. Nebraska	NE	3,041,370	103,412				3,144,782
29. Nevada	NV	4,272,515	63,283			24,000	4,359,798
30. New Hampshire	NH	2,229,632				266,385	2,496,017
31. New Jersey	NJ	57,448,439	952,376			2,477,528	60,878,343
32. New Mexico	NM	5,170,093	330,000				5,500,093
33. New York	NY	146,255,842	5,261,798			3,787,355	155,304,995
34. North Carolina	NC	14,309,977	1,500,000			505,057	16,315,034
35. North Dakota	ND	683,844					683,844
36. Ohio	OH	26,928,006	1,017,875			616,233	28,562,114
37. Oklahoma	OK	10,345,908	827,710			625,129	11,798,747
38. Oregon	OR	4,593,928	516,724			256,000	5,366,652
39. Pennsylvania	PA	53,523,094	1,500,907			802,264	55,826,265
40. Rhode Island	RI	4,896,211	365,813			200,000	5,462,024
41. South Carolina	SC	4,159,878	929,656			152,107	5,241,641
42. South Dakota	SD	386,845					386,845
43. Tennessee	TN	3,693,497				25,000	3,718,497
44. Texas	TX	43,531,129	1,437,884			702,924	45,671,937
45. Utah	UT	30,030,697	699,102			1,232,760	31,962,559
46. Vermont	VT	2,364,590	634,341			190,778	3,189,709
47. Virginia	VA	12,358,900	419,157			159,391	12,937,448
48. Washington	WA	22,208,450	1,055,999			276,123	23,540,572
49. West Virginia	WV	1,810,376					1,810,376
50. Wisconsin	WI	7,257,691	433,785			1,407,555	9,099,031
51. Wyoming	WY	1,782,257					1,782,257
52. American Samoa	AS						0
53. Guam	GU						0
54. Puerto Rico	PR	31,344					31,344
55. US Virgin Islands	VI						0
56. Northern Mariana Islands	MP						0
57. Canada	CAN	1,068					1,068
58. Aggregate Other Alien	OT	1,068,271					1,068,271
59. Totals		769,447,896	39,183,448	0	0	25,224,631	833,855,975

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

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
0850.....	The Penn Mutual Life Insurance Company	67644.....	23-0952300	.....	.....	.....	The Penn Mutual Life Insurance Company.....	PA.....	UDP.....	.....	.....	.....	.....	.....
0850.....	The Penn Mutual Life Insurance Company	93262.....	23-2142731	.....	.....	.....	The Penn Insurance and Annuity Company.....	DE.....	IA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	15370.....	46-4355668	.....	.....	.....	PIA Reinsurance Company of Delaware I.....	DE.....	IA.....	The Penn Insurance and Annuity Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	23-1706189	.....	0000077131	.....	Hornor Townsend & Kent, Inc.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	23-2667559	.....	.....	.....	HTK Insurance Agency, Inc.....	DE.....	DS.....	Hornor Townsend & Kent, Inc.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	23-1918844	.....	.....	.....	Independence Square Properties, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	.....95.450	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	23-2566941	.....	.....	.....	Independence Capital Management, Inc.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	23-2209178	.....	.....	.....	Penn Series Fund, Inc.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	27-5126301	.....	.....	.....	Penn Mutual Payroll Administration, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	45-4797815	.....	.....	.....	ILS Holdings, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	23-0731260	.....	0000200401	.....	Janney Montgomery Scott, LLC.....	PA.....	DS.....	Independence Square Properties, LLC.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	46-0961118	.....	.....	.....	Leap Systems, LLC.....	PA.....	DS.....	Independence Square Properties, LLC.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	45-5066619	.....	.....	.....	Janney Capital Management, LLC.....	PA.....	DS.....	Janney Montgomery Scott, LLC.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	23-2159959	.....	.....	.....	JMS Resources, Inc.....	PA.....	DS.....	Janney Montgomery Scott, LLC.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....
0850.....	The Penn Mutual Life Insurance Company	.....	23-3028607	.....	.....	.....	Janney Private Equity Company, Inc.....	DE.....	DS.....	JMS Resources, Inc.....	Ownership.....	...100.000	The Penn Mutual Life Insurance Company.....	.....

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
67644	23-0952300	The Penn Mutual Life Insurance Company	48,988,068	(38,180,656)			12,317,001	(32,031,082)			(8,906,669)	(307,363,707)
	23-1918844	Independence Square Properties	(43,989,595)				10,361				(43,979,234)	
	23-0731260	Janney Montgomery Scott, LLC					(8,012,193)				(8,012,193)	
	23-2585508	Penn Janney Fund, Inc		(669,317)			5,696				(663,621)	
	23-2566941	Independence Capital Management, Inc	(7,000,000)				(5,910,787)				(12,910,787)	
	23-2861466	Penn Janney Advisory, Inc		(17,259)							(17,259)	
	23-1706189	Hornor Townsend & Kent, Inc					(2,346,398)				(2,346,398)	
93262	23-2142731	The Penn Insurance & Annuity Company	2,001,527	37,867,232			3,936,320	32,031,082			75,836,161	(56,123,109)
15370	46-4355668	PIA Reinsurance Company of Delaware I		1,000,000							1,000,000	363,486,816
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

		Responses
	MARCH FILING	
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
4.	Will an actuarial opinion be filed with this statement by March 1?	YES
	APRIL FILING	
5.	Will Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?	YES
7.	Will the Adjustment Form (if required) be filed with state of domicile and the NAIC by April 1?	YES
8.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
	JUNE FILING	
9.	Will an audited financial report be filed by June 1?	YES
10.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
11.	Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	YES

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.

	MARCH FILING	
12.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
13.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
14.	Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	NO
15.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 to Exhibit 5 be filed with the state of domicile and electronically with the NAIC by March 1?	YES
16.	Will the actuarial opinion on non-guaranteed elements as required in interrogatory #3 to Exhibit 5 be filed with the state of domicile and electronically with the NAIC by March 1?	YES
17.	Will the actuarial opinion on X-Factors be filed with the state of domicile and electronically with the NAIC by March 1?	YES
18.	Will the actuarial opinion on Separate Accounts Funding Guaranteed Minimum Benefit be filed with the state of domicile and electronically with the NAIC by March 1?	NO
19.	Will the actuarial opinion on Synthetic Guaranteed Investment Contracts be filed with the state of domicile and electronically with the NAIC by March 1?	NO
20.	Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC by March 1?	NO
21.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC by March 1?	NO
22.	Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC by March 1?	NO
23.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC by March 1?	YES
24.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC by March 1?	NO
25.	Will the C-3 RBC Certifications required under C-3 Phase I be filed with the state of domicile and electronically with the NAIC by March 1?	YES
26.	Will the C-3 RBC Certifications required under C-3 Phase II be filed with the state of domicile and electronically with the NAIC by March 1?	YES
27.	Will the Actuarial Certifications Related to Annuity Nonforfeiture Ongoing Compliance for Equity Indexed Annuities be filed with the state of domicile and electronically with the NAIC by March 1?	NO
28.	Will the actuarial opinion required by the Modified Guaranteed Annuity Model Regulation be filed with the state of domicile and electronically with the NAIC by March 1?	NO
29.	Will the Actuarial Certifications Related to Hedging required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1?	NO
30.	Will the Financial Officer Certification Related to Clearly Defined Hedging Strategy required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1?	NO
31.	Will the Management Certification That the Valuation Reflects Management's Intent required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1?	YES
32.	Will the Actuarial Certification Related to the Reserves required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1?	YES
33.	Will the Actuarial Certification regarding the use of 2001 Preferred Class Tables required by the Model Regulation Permitting the Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities be filed with the state of domicile and electronically with the NAIC by March 1?	YES
34.	Will the Workers' Compensation Carve-Out Supplement be filed by March 1?	NO
35.	Will Supplemental Schedule O be filed with the state of domicile and the NAIC by March 1?	YES
36.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
37.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partners be filed electronically with the NAIC by March 1?	NO
38.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
39.	Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
	APRIL FILING	
40.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
41.	Will the Interest-Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1?	YES
42.	Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	NO
43.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
44.	Will the Analysis of Annuity Operations by Lines of Business be filed with the state of domicile and the NAIC by April 1?	YES
45	Will the Analysis of Increase in Annuity Reserves During the Year be filed with the state of domicile and the NAIC by April 1?	YES
46.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	NO
47.	Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	NO
	AUGUST FILING	
48.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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EXPLANATIONS:

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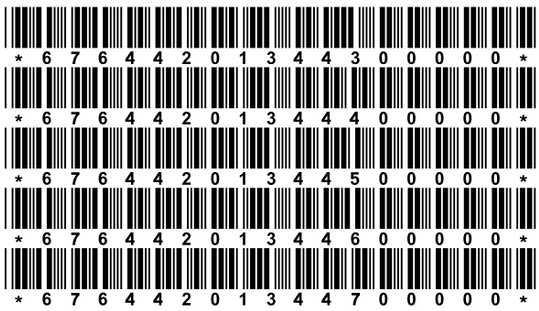

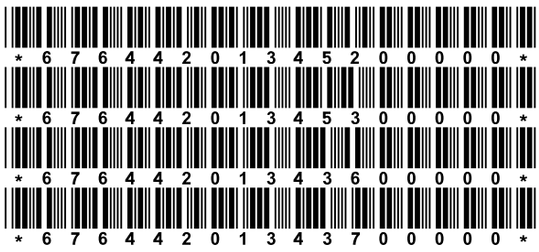

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Expense Advances	7,401,587	7,401,587	0	
2505. Advance to Agents	4,695,583	4,695,583	0	
2506. Other Assets	2,160,770	11,308	2,149,462	11,292,266
2507. Agents Receivable	8,723,275	3,413,905	5,309,370	4,433,917
2508. Collateral for Interest Rate Swaps/Futures	25,084,354		25,084,354	
2597. Summary of remaining write-ins for Line 25	48,065,569	15,522,383	32,543,186	15,726,183

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31 Prior Year
2504. Low Income Housing Tax Credits Payable	6,909,764	24,287,173
2505. Other Liabilities	756,431	406,982
2597. Summary of remaining write-ins for Line 25	7,666,195	24,694,155

Additional Write-ins for Summary of Operations:

	1 Current Year	2 Prior Year
2704. Other Expenses	9,189	542,510
2797. Summary of remaining write-ins for Line 27	9,189	542,510

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Advance To Agents	4,695,583	2,528,021	(2,167,562)
2505. Agents Receivable	3,413,905	3,896,643	482,738
2506. Other Assets	11,308		(11,308)
2597. Summary of remaining write-ins for Line 25	8,120,796	6,424,664	(1,696,132)

Overflow Page for Write-Ins

Additional Write-ins for Analysis of Operations:

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance(a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
2704. Other Expenses	9,189		9,189									
2797. Summary of remaining write-ins for Line 27	9,189	0	9,189	0	0	0	0	0	0	0	0	0

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	3,225,574	0.0	3,225,574		3,225,574	0.0
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	84,817,213	1.0	84,817,213		84,817,213	1.0
1.22 Issued by U.S. government sponsored agencies	31,157,989	0.4	31,157,989		31,157,989	0.4
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	96,525,587	1.1	96,525,587		96,525,587	1.1
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	138,259,552	1.6	138,259,552		138,259,552	1.6
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	150,982,922	1.7	150,982,922		150,982,922	1.7
1.43 Revenue and assessment obligations	590,700,270	6.7	590,700,270		590,700,270	6.7
1.44 Industrial development and similar obligations		0.0			0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	6,788,768	0.1	6,788,768		6,788,768	0.1
1.512 Issued or guaranteed by FNMA and FHLMC	259,360,900	2.9	259,360,900		259,360,900	3.0
1.513 All other	15,283,617	0.2	15,283,617		15,283,617	0.2
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	141,097,365	1.6	141,097,365		141,097,365	1.6
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521		0.0			0	0.0
1.523 All other	1,475,437,710	16.8	1,475,437,710		1,475,437,710	16.8
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	3,192,388,488	36.3	3,192,388,488		3,192,388,488	36.3
2.2 Unaffiliated non-U.S. securities (including Canada)	1,057,500,359	12.0	1,057,500,359		1,057,500,359	12.0
2.3 Affiliated securities	155,000,000	1.8	155,000,000		155,000,000	1.8
3. Equity interests:						
3.1 Investments in mutual funds		0.0			0	0.0
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated	21,050,489	0.2	21,050,489		21,050,489	0.2
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.0			0	0.0
3.32 Unaffiliated		0.0			0	0.0
3.4 Other equity securities:						
3.41 Affiliated	322,292,686	3.7	321,493,518		321,493,518	3.7
3.42 Unaffiliated	2,327,032	0.0	2,327,032		2,327,032	0.0
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated	205,818,453	2.3	192,613,101		192,613,101	2.2
3.52 Unaffiliated	99,227,503	1.1	99,227,503		99,227,503	1.1
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company	19,238,268	0.2	19,238,268		19,238,268	0.2
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)		0.0			0	0.0
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans	299,570,660	3.4	299,570,660		299,570,660	3.4
7. Derivatives	71,869,382	0.8	71,869,382		71,869,382	0.8
8. Receivables for securities	7,947,549	0.1	7,947,549		7,947,549	0.1
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	68,731,139	0.8	68,731,139		68,731,139	0.8
11. Other invested assets	281,621,386	3.2	281,621,386		281,621,386	3.2
12. Total invested assets	8,798,220,861	100.0	8,784,216,341	0	8,784,216,341	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		16,024,937
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 6)		
	2.2 Additional investment made after acquisition (Part 2, Column 9)	3,920,277	3,920,277
3.	Current year change in encumbrances:		
	3.1 Totals, Part 1, Column 13		
	3.2 Totals, Part 3, Column 11		0
4.	Total gain (loss) on disposals, Part 3, Column 18		
5.	Deduct amounts received on disposals, Part 3, Column 15		
6.	Total foreign exchange change in book/adjusted carrying value:		
	6.1 Totals, Part 1, Column 15		
	6.2 Totals, Part 3, Column 13		0
7.	Deduct current year's other-than-temporary impairment recognized:		
	7.1 Totals, Part 1, Column 12		
	7.2 Totals, Part 3, Column 10		0
8.	Deduct current year's depreciation:		
	8.1 Totals, Part 1, Column 11	706,946	
	8.2 Totals, Part 3, Column 9		706,946
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)		19,238,268
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		19,238,268

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		(0)
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 7)		
	2.2 Additional investment made after acquisition (Part 2, Column 8)		0
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 12		
	3.2 Totals, Part 3, Column 11		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 9		
	5.2 Totals, Part 3, Column 8		0
6.	Total gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, Column 15		
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:		
	9.1 Totals, Part 1, Column 13		
	9.2 Totals, Part 3, Column 13		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 11		
	10.2 Totals, Part 3, Column 10		0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		(0)
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		(0)
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		(0)

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		722,155,105
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 8)	70,111,305	
2.2	Additional investment made after acquisition (Part 2, Column 9)	48,370,186	118,481,491
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 16		
3.2	Totals, Part 3, Column 12		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 13	(22,919,167)	
5.2	Totals, Part 3, Column 9	(6,736,040)	(29,655,207)
6.	Total gain (loss) on disposals, Part 3, Column 19		8,224,528
7.	Deduct amounts received on disposals, Part 3, Column 16		66,539,233
8.	Deduct amortization of premium and depreciation		6,909,925
9.	Total foreign exchange change in book/adjusted carrying value:		
9.1	Totals, Part 1, Column 17	780,403	
9.2	Totals, Part 3, Column 14		780,403
10.	Deduct current year's other-than-temporary impairment recognized:		
10.1	Totals, Part 1, Column 15	3,858,377	
10.2	Totals, Part 3, Column 11	600,772	4,459,149
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		742,078,013
12.	Deduct total nonadmitted amounts		13,205,352
13.	Statement value at end of current period (Line 11 minus Line 12)		728,872,661

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		7,332,672,181
2.	Cost of bonds and stocks acquired, Part 3, Column 7		1,183,661,178
3.	Accrual of discount		45,383,507
4.	Unrealized valuation increase (decrease):		
4.1	Part 1, Column 12	376,241	
4.2	Part 2, Section 1, Column 15	(21,650)	
4.3	Part 2, Section 2, Column 13	79,567,497	
4.4	Part 4, Column 11	271,789	80,193,877
5.	Total gain (loss) on disposals, Part 4, Column 19		11,349,072
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		1,061,144,147
7.	Deduct amortization of premium		4,508,182
8.	Total foreign exchange change in book/adjusted carrying value:		
8.1	Part 1, Column 15	1,763,322	
8.2	Part 2, Section 1, Column 19		
8.3	Part 2, Section 2, Column 16		
8.4	Part 4, Column 15		1,763,322
9.	Deduct current year's other-than-temporary impairment recognized:		
9.1	Part 1, Column 14	585,000	
9.2	Part 2, Section 1, Column 17		
9.3	Part 2, Section 2, Column 14		
9.4	Part 4, Column 13		585,000
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		7,588,785,808
11.	Deduct total nonadmitted amounts		799,168
12.	Statement value at end of current period (Line 10 minus Line 11)		7,587,986,640

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	172,496,272	157,572,518	172,574,006	183,728,552
Governments (Including all obligations	2. Canada	93,525,587	96,328,985	93,519,865	93,500,000
guaranteed by governments)	3. Other Countries	3,000,000	3,000,000	3,000,000	3,000,000
	4. Totals	269,021,859	256,901,503	269,093,871	280,228,552
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	108,753,360	116,715,033	108,658,379	109,535,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	150,982,922	162,168,515	151,069,289	150,765,000
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals	974,158,002	1,027,389,652	994,664,102	972,350,746
Industrial and Miscellaneous and Hybrid	8. United States	4,872,150,632	5,151,808,990	4,811,563,996	5,082,209,599
Securities (Unaffiliated)	9. Canada	110,548,535	119,121,277	109,868,336	113,856,000
	10. Other Countries	757,500,334	805,534,851	727,140,168	854,922,102
	11. Totals	5,740,199,501	6,076,465,118	5,648,572,500	6,050,987,701
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	7,243,115,644	7,639,639,821	7,172,058,141	7,563,866,999
PREFERRED STOCKS	14. United States	21,050,489	23,493,641	21,086,414	
Industrial and Miscellaneous (Unaffiliated)	15. Canada				
	16. Other Countries				
	17. Totals	21,050,489	23,493,641	21,086,414	
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	21,050,489	23,493,641	21,086,414	
COMMON STOCKS	20. United States	2,327,032	2,327,032	2,937,210	
Industrial and Miscellaneous (Unaffiliated)	21. Canada				
	22. Other Countries				
	23. Totals	2,327,032	2,327,032	2,937,210	
Parent, Subsidiaries and Affiliates	24. Totals	322,292,686	322,292,686	320,342,931	
	25. Total Common Stocks	324,619,718	324,619,718	323,280,141	
	26. Total Stocks	345,670,207	348,113,359	344,366,555	
	27. Total Bonds and Stocks	7,588,785,851	7,987,753,180	7,516,424,696	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments**											
1.1 NAIC 1	3,384,198	25,199,715	18,234,246	70,983,829	54,694,285	172,496,273	2.4	205,333,373	2.9	156,348,108	16,148,164
1.2 NAIC 2						0	0.0		0.0		
1.3 NAIC 3						0	0.0		0.0		
1.4 NAIC 4						0	0.0		0.0		
1.5 NAIC 5						0	0.0		0.0		
1.6 NAIC 6						0	0.0		0.0		
1.7 Totals	3,384,198	25,199,715	18,234,246	70,983,829	54,694,285	172,496,273	2.4	205,333,373	2.9	156,348,108	16,148,164
2. **All Other Governments**											
2.1 NAIC 1	1,996,820	94,528,767				96,525,587	1.3	108,531,735	1.5	13,494,515	83,031,072
2.2 NAIC 2						0	0.0		0.0		
2.3 NAIC 3						0	0.0		0.0		
2.4 NAIC 4						0	0.0		0.0		
2.5 NAIC 5						0	0.0		0.0		
2.6 NAIC 6						0	0.0		0.0		
2.7 Totals	1,996,820	94,528,767	0	0	0	96,525,587	1.3	108,531,735	1.5	13,494,515	83,031,072
3. **U.S. States, Territories and Possessions, etc., Guaranteed**											
3.1 NAIC 1				59,071,948	49,681,412	108,753,360	1.5	106,745,597	1.5	108,753,360	
3.2 NAIC 2						0	0.0		0.0		
3.3 NAIC 3						0	0.0		0.0		
3.4 NAIC 4						0	0.0		0.0		
3.5 NAIC 5						0	0.0		0.0		
3.6 NAIC 6						0	0.0		0.0		
3.7 Totals	0	0	0	59,071,948	49,681,412	108,753,360	1.5	106,745,597	1.5	108,753,360	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 NAIC 1			865,200	81,215,444	66,902,278	148,982,922	2.0	153,884,063	2.1	148,982,922	
4.2 NAIC 2			2,000,000			2,000,000	0.0		0.0	2,000,000	
4.3 NAIC 3						0	0.0		0.0		
4.4 NAIC 4						0	0.0		0.0		
4.5 NAIC 5						0	0.0		0.0		
4.6 NAIC 6						0	0.0		0.0		
4.7 Totals	0	0	2,865,200	81,215,444	66,902,278	150,982,922	2.1	153,884,063	2.1	150,982,922	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 NAIC 1	104,112,087	149,400,223	65,841,816	233,727,344	416,194,395	969,275,865	13.3	1,119,578,608	15.6	969,275,865	
5.2 NAIC 2			241,381	4,590,753	50,000	4,882,134	0.1	275,000	0.0	4,882,134	
5.3 NAIC 3						0	0.0		0.0		
5.4 NAIC 4						0	0.0		0.0		
5.5 NAIC 5						0	0.0		0.0		
5.6 NAIC 6						0	0.0		0.0		
5.7 Totals	104,112,087	149,400,223	66,083,197	238,318,097	416,244,395	974,157,999	13.3	1,119,853,608	15.6	974,157,999	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 NAIC 1	342,503,718	1,396,483,498	559,526,289	361,611,295	1,558,724,649	4,218,849,449	57.8	4,057,322,885	56.7	3,043,707,989	1,175,141,460
6.2 NAIC 2	55,540,286	350,464,694	280,299,409	271,018,812	463,505,083	1,420,828,284	19.5	1,258,012,381	17.6	964,672,274	456,156,010
6.3 NAIC 3	13,020,820	26,318,007	25,074,447	19,556,807	8,983,990	92,954,071	1.3	87,539,754	1.2	73,788,190	19,165,882
6.4 NAIC 4	1,935,972	11,193,574	11,901,533	3,356,735		28,387,814	0.4	30,316,684	0.4	21,307,825	7,079,989
6.5 NAIC 5	48,370	4,356,595	266,944	6,732,440		11,404,349	0.2	11,304,422	0.2	8,737,924	2,666,424
6.6 NAIC 6		6,481,042		9,715,862		16,196,904	0.2	12,142,420	0.2	14,454,014	1,742,890
6.7 Totals	413,049,166	1,795,297,410	877,068,622	671,991,951	2,031,213,722	5,788,620,871	79.3	5,456,638,546	76.2	4,126,668,216	1,661,952,655
7. **Hybrid Securities**											
7.1 NAIC 1					1,558,715	1,558,715	0.0	2,490,567	0.0	1,558,715	
7.2 NAIC 2						0	0.0		0.0		
7.3 NAIC 3						0	0.0		0.0		
7.4 NAIC 4				4,270,593		4,270,593	0.1	4,278,151	0.1	4,270,593	
7.5 NAIC 5						0	0.0		0.0		
7.6 NAIC 6						0	0.0		0.0		
7.7 Totals	0	0	0	4,270,593	1,558,715	5,829,308	0.1	6,768,718	0.1	5,829,308	0
8. **Parent, Subsidiaries and Affiliates**											
8.1 NAIC 1						0	0.0		0.0		
8.2 NAIC 2						0	0.0		0.0		
8.3 NAIC 3						0	0.0		0.0		
8.4 NAIC 4						0	0.0		0.0		
8.5 NAIC 5						0	0.0		0.0		
8.6 NAIC 6						0	0.0		0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. **Total Bonds Current Year**											
9.1 NAIC 1	(d) 451,996,823	1,665,612,203	644,467,551	806,609,860	2,147,755,734	5,716,442,171	78.3	XXX	XXX	4,442,121,474	1,274,320,696
9.2 NAIC 2	(d) 55,540,286	350,464,694	282,540,790	275,609,565	463,555,083	1,427,710,418	19.6	XXX	XXX	971,554,408	456,156,010
9.3 NAIC 3	(d) 13,020,820	26,318,007	25,074,447	19,556,807	8,983,990	92,954,071	1.3	XXX	XXX	73,788,190	19,165,882
9.4 NAIC 4	(d) 1,935,972	11,193,574	11,901,533	7,627,328	0	32,658,407	0.4	XXX	XXX	25,578,418	7,079,989
9.5 NAIC 5	(d) 48,370	4,356,595	266,944	6,732,440	0	(c) 11,404,349	0.2	XXX	XXX	8,737,924	2,666,424
9.6 NAIC 6	(d) 0	6,481,042	0	9,715,862	0	(c) 16,196,904	0.2	XXX	XXX	14,454,014	1,742,890
9.7 Totals	522,542,271	2,064,426,115	964,251,265	1,125,851,862	2,620,294,807	(b) 7,297,366,320	100.0	XXX	XXX	5,536,234,428	1,761,131,891
9.8 Line 9.7 as a % of Col. 6	7.2	28.3	13.2	15.4	35.9	100.0	XXX	XXX	XXX	75.9	24.1
10. **Total Bonds Prior Year**											
10.1 NAIC 1	458,525,978	1,673,874,729	750,593,009	738,301,909	2,132,591,203	XXX	XXX	5,753,886,828	80.4	4,594,278,634	1,159,608,193
10.2 NAIC 2	94,383,334	311,593,357	310,136,508	143,209,358	398,964,824	XXX	XXX	1,258,287,381	17.6	994,387,691	263,899,691
10.3 NAIC 3	6,623,767	25,529,533	27,447,305	14,951,093	12,988,056	XXX	XXX	87,539,754	1.2	74,203,086	13,336,668
10.4 NAIC 4	2,918,262	9,005,621	13,344,066	5,048,735	4,278,151	XXX	XXX	34,594,835	0.5	23,307,632	11,287,202
10.5 NAIC 5	42,943	3,155,245	1,304,306	6,801,928		XXX	XXX	(c) 11,304,422	0.2	6,801,928	4,502,493
10.6 NAIC 6		840,000	1,725,757	9,576,663		XXX	XXX	(c) 12,142,420	0.2	10,416,663	1,725,757
10.7 Totals	562,494,284	2,023,998,485	1,104,550,951	917,889,686	2,548,822,234	XXX	XXX	(b) 7,157,755,640	100.0	5,703,395,634	1,454,360,004
10.8 Line 10.7 as a % of Col. 8	7.9	28.3	15.4	12.8	35.6	XXX	XXX	100.0	XXX	79.7	20.3
11. **Total Publicly Traded Bonds**											
11.1 NAIC 1	405,392,917	1,240,771,311	254,173,063	642,856,483	1,898,927,699	4,442,121,473	60.9	4,594,278,634	64.2	4,442,121,473	XXX
11.2 NAIC 2	30,523,452	269,151,320	129,606,375	187,013,833	355,259,429	971,554,409	13.3	994,387,691	13.9	971,554,409	XXX
11.3 NAIC 3	12,177,667	17,633,726	17,033,946	17,958,861	8,983,990	73,788,190	1.0	74,203,086	1.0	73,788,190	XXX
11.4 NAIC 4		11,156,101	6,794,990	7,627,328		25,578,419	0.4	23,307,632	0.3	25,578,419	XXX
11.5 NAIC 5		1,755,483	250,000	6,732,440		8,737,923	0.1	6,801,928	0.1	8,737,923	XXX
11.6 NAIC 6		4,738,152		9,715,862		14,454,014	0.2	10,416,663	0.1	14,454,014	XXX
11.7 Totals	448,094,036	1,545,206,093	407,858,374	871,904,807	2,263,171,118	5,536,234,428	75.9	5,703,395,634	79.7	5,536,234,428	XXX
11.8 Line 11.7 as a % of Col. 6	8.1	27.9	7.4	15.7	40.9	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	6.1	21.2	5.6	11.9	31.0	75.9	XXX	XXX	XXX	75.9	XXX
12. **Total Privately Placed Bonds**											
12.1 NAIC 1	46,603,904	424,840,891	390,294,489	163,753,376	248,828,035	1,274,320,695	17.5	1,159,608,193	16.2	XXX	1,274,320,695
12.2 NAIC 2	25,016,835	81,313,375	152,934,415	88,595,731	108,295,654	456,156,010	6.3	263,899,691	3.7	XXX	456,156,010
12.3 NAIC 3	843,153	8,684,282	8,040,501	1,597,947		19,165,883	0.3	13,336,668	0.2	XXX	19,165,883
12.4 NAIC 4	1,935,972	37,474	5,106,543			7,079,989	0.1	11,287,202	0.2	XXX	7,079,989
12.5 NAIC 5	48,370	2,601,111	16,944			2,666,425	0.0	4,502,493	0.1	XXX	2,666,425
12.6 NAIC 6		1,742,890				1,742,890	0.0	1,725,757	0.0	XXX	1,742,890
12.7 Totals	74,448,234	519,220,023	556,392,892	253,947,054	357,123,689	1,761,131,892	24.1	1,454,360,004	20.3	XXX	1,761,131,892
12.8 Line 12.7 as a % of Col. 6	4.2	29.5	31.6	14.4	20.3	100.0	XXX	XXX	XXX	XXX	100.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	1.0	7.1	7.6	3.5	4.9	24.1	XXX	XXX	XXX	XXX	24.1

(a) Includes $.....1,387,813,730 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....142,069,023 current year, $.....35,000,000 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....1,931,370 current year, $.....219,819 prior year of bonds with 5* designations and $.....1,742,890 current year, $.....1,725,757 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments**											
1.1 Issuer Obligations		484,734	2,563,725	181,430	1,985,660	5,215,549	0.1	45,374,804	0.6	5,215,549	
1.2 Residential Mortgage-Backed Securities	(815,431)	(6,384,471)	(12,447,817)	49,811,493	52,299,736	82,463,510	1.1	66,512,064	0.9	82,463,510	
1.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
1.4 Other Loan-Backed and Structured Securities	4,199,629	31,099,452	28,118,338	20,990,905	408,889	84,817,213	1.2	93,446,506	1.3	68,669,049	16,148,164
1.5 Totals	3,384,198	25,199,715	18,234,246	70,983,828	54,694,285	172,496,272	2.4	205,333,374	2.9	156,348,108	16,148,164
2. **All Other Governments**											
2.1 Issuer Obligations	1,996,820	94,528,767				96,525,587	1.3	108,531,735	1.5	13,494,515	83,031,072
2.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
2.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
2.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
2.5 Totals	1,996,820	94,528,767	0	0	0	96,525,587	1.3	108,531,735	1.5	13,494,515	83,031,072
3. **U.S. States, Territories and Possessions, Guaranteed**											
3.1 Issuer Obligations				59,071,948	49,681,412	108,753,360	1.5	106,745,597	1.5	108,753,360	
3.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
3.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
3.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
3.5 Totals	0	0	0	59,071,948	49,681,412	108,753,360	1.5	106,745,597	1.5	108,753,360	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 Issuer Obligations			2,865,200	81,215,444	66,902,278	150,982,922	2.1	153,884,063	2.1	150,982,922	
4.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
4.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
4.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
4.5 Totals	0	0	2,865,200	81,215,444	66,902,278	150,982,922	2.1	153,884,063	2.1	150,982,922	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 Issuer Obligations	25,000	6,041	15,552,478	216,802,080	412,036,205	644,421,804	8.8	574,824,073	8.0	644,421,804	
5.2 Residential Mortgage-Backed Securities	104,016,646	149,077,878	50,044,611	20,007,705	1,636,684	324,783,524	4.5	540,012,086	7.5	324,783,523	
5.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
5.4 Other Loan-Backed and Structured Securities	70,441	316,305	486,109	1,508,312	2,571,507	4,952,674	0.1	5,017,450	0.1	4,952,673	
5.5 Totals	104,112,087	149,400,224	66,083,198	238,318,097	416,244,396	974,158,002	13.3	1,119,853,609	15.6	974,158,000	0
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 Issuer Obligations	157,693,665	687,762,470	502,699,764	550,708,015	1,904,513,808	3,803,377,722	52.1	3,444,035,055	48.1	3,010,830,806	792,546,916
6.2 Residential Mortgage-Backed Securities	1,323,346	12,888,932	9,078,853	12,534,911	7,762,871	43,588,913	0.6	58,563,087	0.8	36,060,453	7,528,460
6.3 Commercial Mortgage-Backed Securities	235,342,145	970,477,862	233,428,385	6,884,777	999,243	1,447,132,412	19.8	1,435,599,478	20.1	929,804,490	517,327,923
6.4 Other Loan-Backed and Structured Securities	18,690,009	124,168,146	131,861,621	101,864,247	117,937,799	494,521,822	6.8	518,440,922	7.2	149,972,467	344,549,356
6.5 Totals	413,049,165	1,795,297,410	877,068,623	671,991,950	2,031,213,721	5,788,620,869	79.3	5,456,638,542	76.2	4,126,668,216	1,661,952,655
7. **Hybrid Securities**											
7.1 Issuer Obligations						0	0.0	930,531	0.0		
7.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
7.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
7.4 Other Loan-Backed and Structured Securities				4,270,593	1,558,715	5,829,308	0.1	5,838,188	0.1	5,829,308	
7.5 Totals	0	0	0	4,270,593	1,558,715	5,829,308	0.1	6,768,719	0.1	5,829,308	0
8. **Parent, Subsidiaries and Affiliates**											
8.1 Issuer Obligations						0	0.0		0.0		
8.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
8.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
8.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
8.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. **Total Bonds Current Year**											
9.1 Issuer Obligations	159,715,485	782,782,012	523,681,167	907,978,917	2,435,119,363	4,809,276,944	65.9	XXX	XXX	3,933,698,956	875,577,988
9.2 Residential Mortgage-Backed Securities	104,524,561	155,582,339	46,675,647	82,354,109	61,699,291	450,835,947	6.2	XXX	XXX	443,307,486	7,528,460
9.3 Commercial Mortgage-Backed Securities	235,342,145	970,477,862	233,428,385	6,884,777	999,243	1,447,132,412	19.8	XXX	XXX	929,804,490	517,327,923
9.4 Other Loan-Backed and Structured Securities	22,960,079	155,583,903	160,466,068	128,634,057	122,476,910	590,121,017	8.1	XXX	XXX	229,423,497	360,697,520
9.5 Totals	522,542,270	2,064,426,116	964,251,267	1,125,851,860	2,620,294,807	7,297,366,320	100.0	XXX	XXX	5,536,234,429	1,761,131,891
9.6 Line 9.5 as a % of Col. 6	7.2	28.3	13.2	15.4	35.9	100.0	XXX	XXX	XXX	75.9	24.1
10. **Total Bonds Prior Year**											
10.1 Issuer Obligations	165,215,947	656,733,685	629,022,997	684,320,178	2,299,033,051	XXX	XXX	4,434,325,858	62.0	3,712,753,189	721,572,669
10.2 Residential Mortgage-Backed Securities	165,749,051	227,814,400	61,327,494	109,888,128	100,308,164	XXX	XXX	665,087,237	9.3	654,897,795	10,189,442
10.3 Commercial Mortgage-Backed Securities	182,199,839	983,452,088	261,946,476	8,001,075		XXX	XXX	1,435,599,478	20.1	1,016,644,455	418,955,022
10.4 Other Loan-Backed and Structured Securities	49,329,448	155,998,312	152,253,983	115,680,303	149,481,020	XXX	XXX	622,743,066	8.7	319,100,197	303,642,871
10.5 Totals	562,494,285	2,023,998,485	1,104,550,950	917,889,684	2,548,822,235	XXX	XXX	7,157,755,639	100.0	5,703,395,636	1,454,360,004
10.6 Line 10.5 as a % of Col. 8	7.9	28.3	15.4	12.8	35.6	XXX	XXX	100.0	XXX	79.7	20.3
11. **Total Publicly Traded Bonds**											
11.1 Issuer Obligations	127,506,768	611,258,270	291,039,083	716,827,086	2,187,067,750	3,933,698,957	53.9	3,712,753,189	51.9	3,933,698,957	XXX
11.2 Residential Mortgage-Backed Securities	104,524,560	148,368,158	46,675,647	82,354,110	61,385,011	443,307,486	6.1	654,897,795	9.1	443,307,486	XXX
11.3 Commercial Mortgage-Backed Securities	204,840,032	716,292,643	8,671,815			929,804,490	12.7	1,016,644,455	14.2	929,804,490	XXX
11.4 Other Loan-Backed and Structured Securities	11,222,676	69,287,022	61,471,829	72,723,612	14,718,358	229,423,497	3.1	319,100,197	4.5	229,423,497	XXX
11.5 Totals	448,094,036	1,545,206,093	407,858,374	871,904,808	2,263,171,119	5,536,234,430	75.9	5,703,395,636	79.7	5,536,234,430	XXX
11.6 Line 11.5 as a % of Col. 6	8.1	27.9	7.4	15.7	40.9	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	6.1	21.2	5.6	11.9	31.0	75.9	XXX	XXX	XXX	75.9	XXX
12. **Total Privately Placed Bonds**											
12.1 Issuer Obligations	32,208,717	171,523,742	232,642,084	191,151,832	248,051,614	875,577,989	12.0	721,572,669	10.1	XXX	875,577,989
12.2 Residential Mortgage-Backed Securities		7,214,180			314,280	7,528,460	0.1	10,189,442	0.1	XXX	7,528,460
12.3 Commercial Mortgage-Backed Securities	30,502,113	254,185,220	224,756,569	6,884,777	999,243	517,327,922	7.1	418,955,022	5.9	XXX	517,327,922
12.4 Other Loan-Backed and Structured Securities	11,737,404	86,296,880	98,994,239	55,910,446	107,758,552	360,697,521	4.9	303,642,871	4.2	XXX	360,697,521
12.5 Totals	74,448,234	519,220,022	556,392,892	253,947,055	357,123,689	1,761,131,892	24.1	1,454,360,004	20.3	XXX	1,761,131,892
12.6 Line 12.5 as a % of Col. 6	4.2	29.5	31.6	14.4	20.3	100.0	XXX	XXX	XXX	XXX	100.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	1.0	7.1	7.6	3.5	4.9	24.1	XXX	XXX	XXX	XXX	24.1

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	56,437,000			56,437,000	
2. Cost of short-term investments acquired	1,932,191,622			1,932,191,622	
3. Accrual of discount	0				
4. Unrealized valuation increase (decrease)	0				
5. Total gain (loss) on disposals	0				
6. Deduct consideration received on disposals	1,934,377,943			1,934,377,943	
7. Deduct amortization of premium	0				
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other-than-temporary impairment recognized	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	54,250,679	0	0	54,250,679	0
11. Deduct total nonadmitted amounts	0				
12. Statement value at end of current period (Line 10 minus Line 11)	54,250,679	0	0	54,250,679	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)		25,530,393
2.	Cost paid/(consideration received) on additions:		
2.1	Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12	41,159,377	
2.2	Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14	3,903,035	45,062,412
3.	Unrealized valuation increase/(decrease):		
3.1	Section 1, Column 17	(67,331,921)	
3.2	Section 2, Column 19	(4,940,354)	(72,272,275)
4.	Total gain (loss) on termination recognized, Section 2, Column 22		12,837,022
5.	Considerations received/(paid) on terminations, Section 2, Column 15		42,215,026
6.	Amortization:		
6.1	Section 1, Column 19		
6.2	Section 2, Column 21		0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item:		
7.1	Section 1, Column 20		
7.2	Section 2, Column 23		0
8.	Total foreign exchange change in Book/Adjusted Carrying Value:		
8.1	Section 1, Column 18	(1,763,321)	
8.2	Section 2, Column 20		(1,763,321)
9.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)		(32,820,795)
10.	Deduct nonadmitted assets		
11.	Statement value at end of current period (Line 9 minus Line 10)		(32,820,795)

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 6 prior year)				(4,248,388)
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change Column)				939,786
3.1	Add:				
	Change in variation margin on open contracts - highly effective hedges:				
3.11	Section 1, Column 15, current year minus				
3.12	Section 1, Column 15, prior year		0		
	Change in the valuation margin on open contracts - all other:				
3.13	Section 1, Column 18, current year minus	(3,308,602)			
3.14	Section 1, Column 18, prior year	(4,248,388)	939,786	939,786	
3.2	Add:				
	Change in adjustment to basis of hedged item:				
3.21	Section 1, Column 17, current year to date minus				
3.22	Section 1, Column 17, prior year		0		
	Change in amount recognized:				
3.23	Section 1, Column 19, current year to date minus	(3,308,602)			
3.24	Section 1, Column 19, prior year	(4,248,388)	939,786	939,786	
3.3	Subtotal (Line 3.1 minus Line 3.2)				(0)
4.1	Cumulative variation margin on terminated contracts during the year (Section 2, Column 15)		(47,287,057)		
4.2	Less:				
4.21	Amount used to adjust basis of hedged item (Section 2, Column 17)				
4.22	Amount recognized (Section 2, Column 16)	(47,287,055)	(47,287,055)		
4.3	Subtotal (Line 4.1 minus Line 4.2)				(2)
5.	Dispositions gains (losses) on contracts terminated in prior year:				
5.1	Total gain (loss) recognized for terminations in prior year				
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)				(3,308,600)
7.	Deduct nonadmitted assets				
8.	Statement value at end of current period (Line 6 minus Line 7)				(3,308,600)

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

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

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

			Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14	(32,820,797)	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote-Total Ending Cash Balance	(3,308,602)	
3.	Subtotal (Line 1 plus Line 2)		(36,129,399)
4.	Part D, Section 1, Column 5	71,869,390	
5.	Part D, Section 1, Column 6	(107,998,789)	
6.	Total (Line 3 minus Line 4 minus Line 5)		(0)
			Fair Value Check
7.	Part A, Section 1, Column 16	(33,829,536)	
8.	Part B, Section 1, Column 13	(3,308,602)	
9.	Total (Line 7 plus Line 8)		(37,138,138)
10.	Part D, Section 1, Column 8	71,869,390	
11.	Part D, Section 1, Column 9	(109,007,528)	
12.	Total (Line 9 minus Line 10 minus Line 11)		(0)
			Potential Exposure Check
13.	Part A, Section 1, Column 21	25,935,493	
14.	Part B, Section 1, Column 20	10,023,750	
15.	Part D, Section 1, Column 11	35,959,240	
16.	Total (Line 13 plus Line 14 minus Line 15)		3

SCHEDULE E - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	0		
2. Cost of cash equivalents acquired	1,999,650	1,999,650	
3. Accrual of discount	350	350	
4. Unrealized valuation increase (decrease)	0		
5. Total gain (loss) on disposals	0		
6. Deduct consideration received on disposals	2,000,000	2,000,000	
7. Deduct amortization of premium	0		
8. Total foreign exchange change in book/adjusted carrying value	0		
9. Deduct current year's other-than-temporary impairment recognized	0		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0	0
11. Deduct total nonadmitted amounts	0		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:.....

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	Change in Book/Adjusted Carrying Value Less Encumbrances					16	17
		3	4							11	12	13	14	15		
Description of Property	Code	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V (13 - 11 - 12)	Total Foreign Exchange Change in B./A.C.V	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred
Properties Occupied by the Reporting Entity - Administrative																
Independence Place		Horsham	PA	12/01/1987	06/21/2013	33,558,349		19,238,268	18,500,000	706,946			(706,946)		2,760,000	1,849,088
0299999. Properties Occupied by the Reporting Entity - Administrative						33,558,349	0	19,238,268	18,500,000	706,946	0	0	(706,946)	0	2,760,000	1,849,088
0399999. Total - Properties Occupied by the Reporting Entity						33,558,349	0	19,238,268	18,500,000	706,946	0	0	(706,946)	0	2,760,000	1,849,088
0699999. Totals						33,558,349	0	19,238,268	18,500,000	706,946	0	0	(706,946)	0	2,760,000	1,849,088

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3					Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances		
Acquired by Purchase								
Capital Improvements	Horsham	PA	01/07/2013	DelVal Soil and Environmental				900
Capital Improvements	Horsham	PA	01/17/2013	DelVal Soil and Environmental				350
Capital Improvements	Horsham	PA	01/17/2013	The Verve Partnership				4,000
Capital Improvements	Horsham	PA	01/17/2013	The Verve Partnership				7,384
Capital Improvements	Horsham	PA	01/17/2013	The Verve Partnership				3,194
Capital Improvements	Horsham	PA	01/17/2013	The Verve Partnership				3,550
Capital Improvements	Horsham	PA	01/17/2013	The Verve Partnership				2,178
Capital Improvements	Horsham	PA	01/24/2013	Charles E. Shoemaker Engineers/Surveyors				7,158
Capital Improvements	Horsham	PA	01/30/2013	PMDI Signs				20,454
Capital Improvements	Horsham	PA	02/12/2013	Colonial BMS				1,309
Capital Improvements	Horsham	PA	02/13/2013	The Verve Partnership				5,283
Capital Improvements	Horsham	PA	02/13/2013	The Verve Partnership				4,260
Capital Improvements	Horsham	PA	02/13/2013	The Verve Partnership				5,880
Capital Improvements	Horsham	PA	02/13/2013	The Verve Partnership				19,028
Capital Improvements	Horsham	PA	02/14/2013	The Verve Partnership				3,150
Capital Improvements	Horsham	PA	02/14/2013	Glackin Thomas Panzak				1,392
Capital Improvements	Horsham	PA	02/27/2013	Paul Restall Company				219,119
Capital Improvements	Horsham	PA	02/27/2013	Paul Restall Company				191,622
Capital Improvements	Horsham	PA	02/27/2013	Charles E. Shoemaker Engineers/Surveyors				3,830
Capital Improvements	Horsham	PA	02/27/2013	Charles E. Shoemaker Engineers/Surveyors				3,250
Capital Improvements	Horsham	PA	02/27/2013	Charles E. Shoemaker Engineers/Surveyors				210
Capital Improvements	Horsham	PA	03/05/2013	PMDI Signs				39,978
Capital Improvements	Horsham	PA	03/07/2013	Corporate Interiors				27,542
Capital Improvements	Horsham	PA	03/07/2013	Getty Images				318
Capital Improvements	Horsham	PA	03/07/2013	The Verve Partnership				781
Capital Improvements	Horsham	PA	03/07/2013	The Verve Partnership				6,837
Capital Improvements	Horsham	PA	03/07/2013	The Verve Partnership				5,000
Capital Improvements	Horsham	PA	03/07/2013	The Verve Partnership				2,840
Capital Improvements	Horsham	PA	03/07/2013	The Verve Partnership				2,556
Capital Improvements	Horsham	PA	03/07/2013	The Verve Partnership				105
Capital Improvements	Horsham	PA	03/13/2013	DelVal Soil and Environmental				800
Capital Improvements	Horsham	PA	03/21/2013	Glackin Thomas Panzak				1,116
Capital Improvements	Horsham	PA	03/27/2013	Charles E. Shoemaker Engineers/Surveyors				13,190
Capital Improvements	Horsham	PA	04/04/2013	The Verve Partnership				21,765
Capital Improvements	Horsham	PA	04/04/2013	The Verve Partnership				6,947
Capital Improvements	Horsham	PA	04/04/2013	The Verve Partnership				3,135
Capital Improvements	Horsham	PA	04/04/2013	The Verve Partnership				4,785
Capital Improvements	Horsham	PA	04/04/2013	The Verve Partnership				5,000
Capital Improvements	Horsham	PA	04/04/2013	The Verve Partnership				(10,640)
Capital Improvements	Horsham	PA	04/10/2013	DelVal Soil and Environmental				1,200
Capital Improvements	Horsham	PA	04/10/2013	A.L.N.				1,908
Capital Improvements	Horsham	PA	04/19/2013	Paul Restall Company				443,498
Capital Improvements	Horsham	PA	04/19/2013	Horsham Township				5,000
Capital Improvements	Horsham	PA	04/19/2013	Horsham Township				1,488

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3					Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances		
Capital Improvements	Horsham	PA	04/19/2013	Horsham Township				288
Capital Improvements	Horsham	PA	04/19/2013	Horsham Township				64
Capital Improvements	Horsham	PA	04/19/2013	Horsham Township				364
Capital Improvements	Horsham	PA	05/03/2013	Glackin Thomas Panzak				4,157
Capital Improvements	Horsham	PA	05/03/2013	Horsham Township				3,202
Capital Improvements	Horsham	PA	05/03/2013	Horsham Township				119
Capital Improvements	Horsham	PA	05/10/2013	Charles E. Shoemaker Engineers/Surveyors				5,222
Capital Improvements	Horsham	PA	05/29/2013	The Verve Partnership				9,210
Capital Improvements	Horsham	PA	05/29/2013	The Verve Partnership				6,624
Capital Improvements	Horsham	PA	05/29/2013	The Verve Partnership				10,517
Capital Improvements	Horsham	PA	05/29/2013	The Verve Partnership				2,160
Capital Improvements	Horsham	PA	06/06/2013	A.L.N.				2,581
Capital Improvements	Horsham	PA	06/06/2013	Glackin Thomas Panzak				1,325
Capital Improvements	Horsham	PA	06/10/2013	Paul Restall Company				210,772
Capital Improvements	Horsham	PA	06/10/2013	Charles E. Shoemaker Engineers/Surveyors				200
Capital Improvements	Horsham	PA	06/10/2013	Montgomery County				500
Capital Improvements	Horsham	PA	06/10/2013	Montgomery County				975
Capital Improvements	Horsham	PA	06/13/2013	Paul Restall Company				272,959
Capital Improvements	Horsham	PA	06/14/2013	The Verve Partnership				5,860
Capital Improvements	Horsham	PA	06/14/2013	The Verve Partnership				11,865
Capital Improvements	Horsham	PA	06/14/2013	The Verve Partnership				4,364
Capital Improvements	Horsham	PA	06/14/2013	The Verve Partnership				2,505
Capital Improvements	Horsham	PA	06/19/2013	Horsham Township				71
Capital Improvements	Horsham	PA	06/19/2013	Horsham Township				117
Capital Improvements	Horsham	PA	06/19/2013	Horsham Township				212
Capital Improvements	Horsham	PA	07/11/2013	Horsham Township				841
Capital Improvements	Horsham	PA	07/12/2013	Advanced Power				371
Capital Improvements	Horsham	PA	07/12/2013	Horsham Township				520
Capital Improvements	Horsham	PA	07/19/2013	Colonial Electric				1,238
Capital Improvements	Horsham	PA	07/19/2013	Charles E. Shoemaker Engineers/Surveyors				15,222
Capital Improvements	Horsham	PA	07/19/2013	Glackin Thomas Panzak				2,727
Capital Improvements	Horsham	PA	07/29/2013	Seibel Group				1,140
Capital Improvements	Horsham	PA	07/31/2013	Paul Restall Company				330,544
Capital Improvements	Horsham	PA	07/31/2013	The Verve Partnership				1,770
Capital Improvements	Horsham	PA	07/31/2013	The Verve Partnership				13,492
Capital Improvements	Horsham	PA	07/31/2013	The Verve Partnership				14,265
Capital Improvements	Horsham	PA	08/07/2013	Budget Maintenance				1,034
Capital Improvements	Horsham	PA	08/08/2013	Horsham Township				728
Capital Improvements	Horsham	PA	08/08/2013	Horsham Township				246
Capital Improvements	Horsham	PA	08/08/2013	Horsham Township				225
Capital Improvements	Horsham	PA	08/08/2013	Horsham Township				600
Capital Improvements	Horsham	PA	08/20/2013	Horsham Township				188
Capital Improvements	Horsham	PA	08/22/2013	Paul Restall Company				254,877
Capital Improvements	Horsham	PA	08/30/2013	The Verve Partnership				5,268
Capital Improvements	Horsham	PA	08/30/2013	The Verve Partnership				10,162

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3					Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances		
Capital Improvements	Horsham	PA	08/30/2013	The Verve Partnership				4,810
Capital Improvements	Horsham	PA	08/30/2013	The Verve Partnership				2,850
Capital Improvements	Horsham	PA	09/09/2013	Horsham Township				1,998
Capital Improvements	Horsham	PA	09/09/2013	Horsham Township				5,000
Capital Improvements	Horsham	PA	09/23/2013	The Verve Partnership				5,878
Capital Improvements	Horsham	PA	09/23/2013	The Verve Partnership				21,390
Capital Improvements	Horsham	PA	09/23/2013	The Verve Partnership				4,350
Capital Improvements	Horsham	PA	09/24/2013	Paul Restall Company				266,686
Capital Improvements	Horsham	PA	09/24/2013	PMDI Signs				16,821
Capital Improvements	Horsham	PA	09/24/2013	Glackin Thomas Panzak				3,584
Capital Improvements	Horsham	PA	10/04/2013	A.L.N.				13,593
Capital Improvements	Horsham	PA	10/04/2013	Horsham Township				1,798
Capital Improvements	Horsham	PA	10/07/2013	Paul Restall Company				3,958
Capital Improvements	Horsham	PA	10/07/2013	Paul Restall Company				13,104
Capital Improvements	Horsham	PA	10/07/2013	Paul Restall Company				7,175
Capital Improvements	Horsham	PA	10/14/2013	Paul Restall Company				377,621
Capital Improvements	Horsham	PA	10/14/2013	Horsham Township				557
Capital Improvements	Horsham	PA	10/14/2013	Horsham Township				1,044
Capital Improvements	Horsham	PA	10/22/2013	Charles E. Shoemaker Engineers/Surveyors				9,993
Capital Improvements	Horsham	PA	10/23/2013	The Verve Partnership				540
Capital Improvements	Horsham	PA	10/23/2013	The Verve Partnership				21,385
Capital Improvements	Horsham	PA	10/23/2013	The Verve Partnership				5,283
Capital Improvements	Horsham	PA	10/23/2013	PMDI Signs				5,278
Capital Improvements	Horsham	PA	10/24/2013	A.L.N.				4,464
Capital Improvements	Horsham	PA	10/24/2013	PMDI Signs				16,782
Capital Improvements	Horsham	PA	11/06/2013	Horsham Township				563
Capital Improvements	Horsham	PA	11/06/2013	Total Comfort				26,200
Capital Improvements	Horsham	PA	11/07/2013	Paul Restall Company				107,871
Capital Improvements	Horsham	PA	11/19/2013	Paul Restall Company				251,873
Capital Improvements	Horsham	PA	11/22/2013	PMDI Signs				4,203
Capital Improvements	Horsham	PA	11/22/2013	PMDI Signs				16,821
Capital Improvements	Horsham	PA	12/03/2013	A.L.N.				23,827
Capital Improvements	Horsham	PA	12/03/2013	The McGee Company				1,665
Capital Improvements	Horsham	PA	12/03/2013	Horsham Township				3,331
Capital Improvements	Horsham	PA	12/03/2013	Horsham Township				899
Capital Improvements	Horsham	PA	12/05/2013	The Verve Partnership				2,520
Capital Improvements	Horsham	PA	12/05/2013	The Verve Partnership				4,581
Capital Improvements	Horsham	PA	12/05/2013	The Verve Partnership				10,392
Capital Improvements	Horsham	PA	12/12/2013	Charles E. Shoemaker Engineers/Surveyors				2,328
Capital Improvements	Horsham	PA	12/12/2013	Charles E. Shoemaker Engineers/Surveyors				2,051
Capital Improvements	Horsham	PA	12/12/2013	Glackin Thomas Panzak				162
Capital Improvements	Horsham	PA	12/12/2013	Glackin Thomas Panzak				1,510
Capital Improvements	Horsham	PA	12/12/2013	Horsham Township				3,227
Capital Improvements	Horsham	PA	12/12/2013	Horsham Township				358
Capital Improvements	Horsham	PA	12/12/2013	Horsham Township				292

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3					Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances		
Capital Improvements	Horsham	PA	12/16/2013	Paul Restall Company				308,490
Capital Improvements	Horsham	PA	12/16/2013	Horsham Township				138
Capital Improvements	Horsham	PA	12/16/2013	Horsham Township				11
Capital Improvements	Horsham	PA	12/16/2013	Horsham Township				369
Capital Improvements	Horsham	PA	12/19/2013	Corporate Interior				4,233
Capital Improvements	Horsham	PA	12/20/2013	The Verve Partnership				9,489
Capital Improvements	Horsham	PA	12/20/2013	The Verve Partnership				2,791
Capital Improvements	Horsham	PA	12/20/2013	The Verve Partnership				1,770
Capital Improvements	Horsham	PA	12/24/2013	Horsham Township				7,511
Capital Improvements	Horsham	PA	12/24/2013	Horsham Township				518
0199999. Total - Acquired by Purchase					0	0	0	3,920,277
0399999. Totals					0	0	0	3,920,277

Sch. A-Pt. 3
NONE

Sch. B-Pt. 1
NONE

Sch. B-Pt. 2
NONE

Sch. B-Pt. 3
NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	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 Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Bonds - Unaffiliated																			
29248# AA 5	Enhanced New York Fund II, LLC	O	New York	NY	Enhanced Capital Partners, LLC	1	12/10/2004		208,573	208,573	208,573						19,075		
29334@ AA 2	Enhanced New York Fund III, LLC	O	New York	NY	Enhanced Capital Partners, LLC	1	11/18/2005		202,098	202,098	202,098						19,143		
0799999. Total - Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Bonds - Unaffiliated									410,671	410,671	410,671	0	0	0	0	0	38,218	0	XXX
Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Other Fixed Income Instruments - Affiliated																			
47088@ AA 2	Janney Montgomery Scott, LLC	O	Philadelphia	PA		RP3A	03/26/2009		55,000,000	55,000,000	55,000,000						5,272,222		100.0
47088@ AB 0	Janney Montgomery Scott, LLC	O	Philadelphia	PA		RP3A	01/27/2010		50,000,000	50,000,000	50,000,000						4,106,250		100.0
47088@ AD 6	Janney Montgomery Scott, LLC	O	Philadelphia	PA		RP3A	01/25/2013		50,000,000	50,000,000	50,000,000						854,083		100.0
1299999. Total - Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Other Fixed Income Instruments - Affiliated									155,000,000	155,000,000	155,000,000	0	0	0	0	0	10,232,555	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	.406 Ventures II, L.P.	O	Boston	MA	.406 Ventures Management, LLC		12/13/2011	1	861,506	630,552	630,552	(55,532)						3,128,000	2.3
000000 00 0	Ampersand 2011, L.P.	O	Boston	MA	Ampersand Capital Group		03/11/2011	1	1,720,000	1,919,567	1,919,567	(9,121)						280,000	0.8
000000 00 0	Battery Ventures X, L.P.	O	Waltham	MA	Battery Ventures		06/13/2013	1	517,538	505,252	505,252	(12,286)						3,482,462	0.3
000000 00 0	Cross Creek Capital Partners II, LP	O	Salt Lake City	UT	Cross Creek Capital Partners, LLC		02/03/2011	1	1,750,000	1,740,876	1,740,876	48,864						3,250,000	10.0
000000 00 0	Cross Creek Capital Partners III, LP	O	Salt Lake City	UT	Cross Creek Capital Partners, LLC		08/29/2013	1	150,000	148,584	148,584	(1,416)						4,850,000	5.0
000000 00 0	Crosslink Ventures VI, LP	O	San Francisco	CA	Crosslink Capital, Inc		06/11/2010	1	3,317,082	3,917,750	3,917,750	535,936						1,150,417	3.6
000000 00 0	Delphi Ventures V, L.P.	O	Menlo Park	CA	Delphi Management Partners V, LLC		04/11/2000	1		687,420	687,420	(208,240)					351,004		2.8
000000 00 0	Dominion Fund IV	O	San Francisco	CA	Dominion Management IV, LLC		03/31/1997	1	528,714	774,796	774,796	(8,512)							4.6
000000 00 0	Dominion Fund V	O	San Francisco	CA	Dominion Management V, LLC		09/22/1999	1	86,334	86,334	86,334			9,038				90,000	2.2
000000 00 0	Edison Venture Fund IV, L.P.	O	Lawrenceville	NJ	EdisonPartners IV, L.P.		09/25/1998	1	3,424,254	5,164,355	5,164,355	1,026,703					2,069,532		4.8
000000 00 0	Edison Venture Fund V, L.P.	O	Lawrenceville	NJ	EdisonPartners V, L.P.		05/13/2002	1	3,292,060	4,535,144	4,535,144	69,722							6.2
000000 00 0	Frazier Healthcare IV, L.P.	O	Seattle	WA	FHM IV, L.P.		09/27/2001	1	700,518	952,421	952,421	(73,545)						55,000	1.2
000000 00 0	Frazier Healthcare V, L.P.	O	Seattle	WA	FHM V, L.P.		05/24/2005	1	1,778,668	2,050,598	2,050,598	(172,304)					742,495	105,000	1.1
000000 00 0	Frazier Healthcare VI, L.P.	O	Seattle	WA	FHM VI, L.P.		03/26/2008	1	2,111,378	3,071,686	3,071,686	618,674					240,369	680,000	0.8
000000 00 0	Frazier Healthcare VII, L.P.	O	Seattle	WA	FHM VII, L.P.		08/01/2013	1	172,500	112,554	112,554	(59,946)						4,827,500	1.3
000000 00 0	Grotech Partners VI, L.P.	O	Timonium	MD	Grotech Capital Group VI, LLC		11/20/2000	1	659,400	2,049,899	2,049,899	(306,018)							2.4
000000 00 0	Liberty Ventures II, LP	O	New York	NY	Liberty Venture Partners II, LLC		01/19/2000	1	612,894	1,942,540	1,942,540	281,190							13.2
000000 00 0	Lightspeed Venture Partners IX, L.P.	O	Grand Cayman		Lightspeed General Partner IX, L.P.		03/12/2012	1	3,570,000	4,085,539	4,085,539	629,542						3,430,000	1.0
000000 00 0	Lightstone Ventures, L.P.	O	Boston	MA	Lightstone Ventures, LP		10/22/2013	1	562,500	562,500	562,500							3,937,500	1.8
000000 00 0	Longitude Venture Partners, LP	O	Menlo Park	CA	Longitude Capital Partners, LLC		11/20/2007	1	4,477,213	7,573,395	7,573,395	(441,473)					739,428	1,191,096	2.2
000000 00 0	Longitude Venture Partners II, L.P.	O	Menlo Park	CA	Longitude Capital Partners, LLC		04/25/2013	1	427,957	360,101	360,101	(67,856)						5,572,043	1.8
000000 00 0	MedVenture Associates IV	O	Orinda	CA	MedVenture Associates IV Mngt Co. LLC		03/12/2002	1	539,047	962,419	962,419	322,188							5.8
000000 00 0	Mid-Atlantic Venture Fund III, L.P.	O	Bethlehem	PA	MAVF III Partners, L.P.		04/10/1998	1				(37,717)							7.0
000000 00 0	Mid-Atlantic Venture Fund IV, L.P.	O	Bethlehem	PA	MAVF IV Partners, L.P.		05/01/2000	1		276,977	276,977	135,140					436,026		3.6
000000 00 0	New Leaf Healthcare Ventures I, L.P.	O	New York	NY	New Leaf Venture Management I, L.P.		07/20/2005	1	7,707,442	7,870,833	7,870,833	516,395					2,137,446	100,000	3.2
000000 00 0	New Leaf Healthcare Ventures II, L.P.	O	New York	NY	New Leaf Venture Associates II, L.P.		04/08/2008	1	2,954,961	3,855,933	3,855,933	613,798					410,604	575,000	1.1
000000 00 0	Omega Fund IV, L.P.	O	Boston	MA	Omega Fund IV GP Manager, Ltd		06/20/2013	1	345,784	571,596	571,596	225,811					8,619	1,579,990	0.8
000000 00 0	Point Judith Venture Fund III, L.P.	O	Providence	RI	Point Judith Capital Partners III, LLC		11/21/2011	1	930,000	864,854	864,854	55,341						2,070,000	2.4
000000 00 0	Rembrandt Venture Partners Two, LP	O	Menlo Park	CA	Rembrandt Venture Partners Two, LLC		06/10/2008	1	2,819,111	3,959,922	3,959,922	492,794						655,000	3.3
000000 00 0	Rembrandt Venture Partners Fund Three, LP	O	Menlo Park	CA	Rembrandt Venture Partners Fund Three, LLC		04/02/2012	1	1,400,000	1,128,583	1,128,583	(129,933)						3,600,000	3.3
000000 00 0	Sanderling Venture Partners VI	O	San Mateo	CA	Middleton, McNeil, Mills & Assoc VI, LLC		03/31/2005	1	1,745,174	3,186,752	3,186,752	128,122							1.0
000000 00 0	Sanderling Venture Partners VI Co-Investment Fund	O	San Mateo	CA	Middleton, McNeil, Mills & Assoc VI, LLC		03/31/2005	1	1,757,730	2,201,851	2,201,851	74,051					163,583		1.4

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	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 Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
000000 00 0	Sanderling Venture Partners VII	O	San Mateo	CA	Middleton, McNeil, Mills & Assoc VI, LLC		09/03/2013	1	400,000	231,213	231,213	(168,787)						4,600,000	1.0
000000 00 0	Seaport Capital Partners II, L.P.	O	New York	NY	Communications Equity Associates, LLC		01/31/2000	1	272,967	272,967	272,967	(49,394)		105,095			367,147	135,000	1.1
000000 00 0	Shasta Ventures III, L.P.	O	Menlo Park	CA	Shasta Ventures III GP, LLC		01/25/2012	1	1,350,000	960,214	960,214	(336,543)						1,650,000	1.5
000000 00 0	Sigma Partners III, L.P.	O	Menlo Park	CA	Sigma Management III, L.P.		05/27/1994	1	81,495	119,181	119,181	(100,146)							5.0
000000 00 0	Sigma Partners IV, L.P.	O	Menlo Park	CA	Sigma Management IV, LLC		01/07/1998	1	886,308	1,220,539	1,220,539	75,169							5.4
000000 00 0	Sigma Partners V, L.P.	O	Menlo Park	CA	Sigma Management V, LLC		10/07/1999	1	281,951	281,951	281,951	(47,877)		305,182				364,928	4.6
000000 00 0	Sigma Partners 6, L.P.	O	Menlo Park	CA	Sigma Management 6, LLC		03/20/2001	1	4,707,705	4,940,971	4,940,971	(1,466,847)					1,450,576	237,250	2.1
000000 00 0	Sigma Partners 7, L.P.	O	Menlo Park	CA	Sigma Management 7, LLC		11/22/2005	1	7,244,125	7,340,464	7,340,464	(743,887)						285,625	2.5
000000 00 0	Sigma Partners 8, L.P.	O	Menlo Park	CA	Sigma Management 8, LLC		08/30/2007	1	7,415,433	7,081,146	7,081,146	2,687						2,278,000	2.0
000000 00 0	Sigma 9 West, L.P.	O	Palo Alto	CA	Sigma 9 West Capital Management, LLC		11/28/2011	1	1,138,444	1,099,390	1,099,390	19,870						1,861,556	1.5
000000 00 0	Sigma Prime Partners IX, L.P.	O	Menlo Park	CA	Sigma management 9, LLC		05/29/2012	1	1,717,729	1,541,698	1,541,698	(79,572)						5,282,271	2.8
000000 00 0	Summit Partners Growth Equity Fund VIII-A, L.P.	O	Boston	MA	Summit Partners		06/14/2012	1	1,650,000	1,580,360	1,580,360	(69,640)						4,350,000	0.2
000000 00 0	Trinity Ventures Fund XI, L.P.	O	Menlo Park	CA	Trinity Ventures		04/04/2013	1	618,750	559,127	559,127	(59,623)						3,881,250	1.4
000000 00 0	Upfront IV, L.P.	O	Los Angeles	CA	GRP Partners		06/21/2012	1	1,241,163	1,018,998	1,018,998	(80,486)						3,747,236	2.0
000000 00 0	Warburg Pincus Private Equity XI, L.P.	O	New York	NY	Warburg Pincus Partners		05/24/2012	1	3,300,000	3,500,668	3,500,668	200,668					40,800	8,700,000	0.1
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated									83,225,835	99,500,470	99,500,470	1,285,964	0	419,315	0	0	9,157,629	81,982,124	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Affiliated																			
000000 00 0	Independence Square Properties LLC	O	Philadelphia	PA					195,967,501	205,818,453	205,818,453	(31,944,715)					41,988,068		95.5
1699999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Affiliated									195,967,501	205,818,453	205,818,453	(31,944,715)	0	0	0	0	41,988,068	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	3i Eurofund IV	O	London		3i EF4 GPLimited		12/10/2003		473,603	473,603	473,603	133,810		35,925		14,212		284,771	2.3
000000 00 0	3i Europartners Va LP	O	London		3i EFV GP Limited		10/25/2006		2,521,723	2,699,705	2,699,705	(43,060)				134,038		292,341	0.5
000000 00 0	ABRY Advanced Securities Fund II, L.P.	O	Boston	MA	ABRY ASF Investors II, L.P.		05/04/2011	2	3,548,657	4,670,429	4,670,429	616,271						3,451,343	0.5
000000 00 0	ABRY Mezzanine Partners, L.P.	O	Boston	MA	ABRY Partners, LLC		03/15/2002	2	192,221	594,026	594,026	(193,146)					53,678	534,231	2.0
000000 00 0	ABRY Partners VI, L.P.	O	Boston	MA	ABRY VI Capital Partners, L.P.		03/26/2008		3,900,575	5,928,613	5,928,613	1,028,958					1,095,001	1,402,191	0.7
000000 00 0	ABRY Partners VII, L.P.	O	Boston	MA	ABRY VII Capital Partners, L.P.		08/10/2011		5,724,319	6,573,228	6,573,228	621,211						2,275,681	0.5
000000 00 0	ABRY Senior Equity Partners II, L.P.	O	Boston	MA	ABRY Senior Equity Investors II, L.P.		07/27/2006	2	2,415,612	2,528,517	2,528,517	(461,633)					360,559	1,185,671	1.5
00384@ 10 4	ABRY Senior Equity Partners III, L.P.	O	Boston	MA	ABRY Senior Equity Investors III, L.P.		08/09/2010	2	7,279,915	8,765,781	8,765,781	166,126					1,635,071	1,063,902	1.3
000000 00 0	ABRY Senior Equity Partners IV, L.P.	O	Boston	MA	ABRY Senior Equity Investors IV, L.P.		12/28/2012	2	2,918,401	3,036,176	3,036,176	117,775						7,081,599	1.3
000000 00 0	Apollo European Principal Finance Fund II (Dollar A), L.P.	O	Purchase	NY	Apollo EPF Management II, L.P.		07/23/2012		4,216,229	4,067,225	4,067,225	(149,004)				4,215		8,783,771	0.5
05360# 10 9	Avenue Special Situations Fund IV, L.P.	O	New York	NY	Avenue Capital Partners IV, LLC		03/27/2006			106,255	106,255	(90,343)					202,999		0.3
05360* 10 3	Avenue Special Situations Fund V, L.P.	O	New York	NY	Avenue Capital Partners V, LLC		06/04/2007			141,854	141,854	(337,773)					470,284		0.2
05360@ 10 1	Avenue Special Situations Fund VI, L.P.	O	New York	NY	Avenue Capital Partners VI, LLC		06/15/2010		2,945,187	3,288,822	3,288,822	165,882					134,686	26	0.8
000000 00 0	Avenue Asia Special Situations Fund IV, L.P.	O	New York	NY	Avenue Asia Capital Partners IV, LTD		07/24/2006		1,752,474	2,844,880	2,844,880	461,447						680,138	0.3
G0676* 10 6	Avenue Europe Special Situations Fund, L.P.	O	New York	NY	Avenue Europe Capital Partners, LLC		10/30/2008			351,047	351,047	(716,663)				9,412	845,101	2,818,085	0.6
G0676@ 10 4	Avenue Europe Special Situations Fund II (U.S.), L.P.	O	New York	NY	Avenue Europe Capital Partners II, LLC		10/04/2011		7,772,899	8,429,555	8,429,555	431,901						2,227,101	0.5
000000 00 0	BlueBay Direct Lending Fund I, L.P.	O	Guernsey		Blue Bay Direct Lending Fund I GP, Ltd		06/25/2013		1,248,620	1,344,114	1,344,114	56,937				38,556		3,111,403	0.8
000000 00 0	Bradford Equities Fund, L.P.	O	New York	NY	Bradford Equities Fund, LLC		11/04/1997			371,273	371,273	8,509					422,611		7.9
000000 00 0	Bradford Equities Fund III, L.P.	O	New York	NY	Bradford Equities Group III, LLC		01/01/2000		1,358,367	1,827,174	1,827,174	335,759							6.9
000000 00 0	Bridgewater Pure Alpha Trading Company LTD	O	Tortola		Bridgewater Associates, Inc		12/01/2004	4	594,705	974,083	974,083	(379,378)							0.2
000000 00 0	Brynwood Partners VI, L.P.	O	Greenwich	CT	Brynwood Partners, L.P.		06/18/2010		2,885,214	3,875,566	3,875,566	(634,117)					702,183		2.3

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	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 Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
000000 00 0	Brynwood Partners VII, L.P.	O	Greenwich	CT	Brynwood Partners, L.P.		12/27/2013		664,639	664,639	664,639							6,335,361	3.3
000000 00 0	Carlyle Strategic Partners III, L.P.	O	Wilmington	DE	CSP III General Partner, L.P.		10/04/2012		1,710,843	2,120,883	2,120,883	410,040					44,156	3,289,157	0.3
000000 00 0	Century Focused Fund III, L.P.	O	Boston	MA	Century Capital		12/22/2011		1,117,131	1,102,689	1,102,689	97,032						1,882,869	1.0
000000 00 0	Colony American Homes Holdings III, L.P.	O	Santa Monica	CA	ColonyGP American Homes, LLC		01/30/2013		5,003,944	5,342,244	5,342,244	338,300					3,969		0.3
000000 00 0	Cypress Merchant Banking Partners II, L.P.	O	New York	NY	Cypress Associates II, LLC		03/29/1999		684,024	854,460	854,460	302,240					309,540		0.4
000000 00 0	EIF United States Power Fund IV, L.P.	O	Needham	MA	Energy Investors Funds		11/28/2011		2,309,207	1,995,996	1,995,996	(112,994)						3,484,584	0.3
000000 00 0	EnCap Energy Capital Fund V, LP	O	Houston	TX	EnCap Equity Fund V GP, L.P.		08/18/2004		651,536	651,536	651,536	5,572		153,137					1.1
000000 00 0	EnCap Energy Capital Fund VI, LP	O	Houston	TX	EnCap Equity Fund VI GP, L.P.		07/17/2006		1,126,322	841,544	841,544	1,038,991		1,400,000			116,927	46,357	0.5
000000 00 0	EnCap Energy Capital Fund VII, LP	O	Houston	TX	EnCap Equity Fund VII GP, L.P.		09/17/2007		2,010,869	1,437,936	1,437,936	25,903		600,000			55,342	555,199	0.2
000000 00 0	EnCap Energy Capital Fund VIII, LP	O	Houston	TX	EnCap Equity Fund VIII GP, L.P.		11/30/2010		3,756,679	4,291,025	4,291,025	197,049					2,429	2,954,893	0.3
000000 00 0	EnCap Energy Capital Fund IX, LP	O	Houston	TX	EnCap Equity Fund IX GP, LP		01/08/2013		1,550,978	1,404,336	1,404,336	(146,643)						10,449,022	0.3
000000 00 0	FIA Timber Partners Special Situation Fund	O	Atlanta	GA	FIA Special Situation Fund Management, LLC		09/29/2006		4,654,239	4,816,992	4,816,992	190,849					182,320		1.8
000000 00 0	GMO Forestry Fund 8-A LP	O	Boston	MA	RR Fund 8, LLC		12/13/2004		2,744,544	2,701,856	2,701,856	3,615							2.5
000000 00 0	GMO Forestry Fund 9 LP	O	Boston	MA	GMO Renewable Resources, LLC		08/10/2010		4,920,000	4,904,626	4,904,626	24,896						80,000	1.5
000000 00 0	Graham Partners Annex, L.P.	O	Newtown Square	PA	Graham Partners, Inc		03/15/2010		743,200	1,727,147	1,727,147	67,604					13,247	256,800	10.1
000000 00 0	Graham Partners Investments II Co-Investments, LP	O	Newtown Square	PA	Graham Partners General Partner 2, LP		09/22/2005		795,060	825,930	825,930	(8,929)					348,126	1,125,293	1.3
000000 00 0	Graham Partners Investments II, L.P.	O	Newtown Square	PA	Graham Partners General Partner 2, LP		01/11/2005		4,138,615	4,479,041	4,479,041	(519,955)					1,632,432	50,505	1.2
000000 00 0	Graham Partners Investments III, L.P.	O	Newtown Square	PA	Graham Partners General Partner III, L.P.,		11/01/2008		3,275,872	3,797,342	3,797,342	93,224					469,387	3,447,799	1.5
000000 00 0	GS Global Infrastructure Partners I, L.P.	O	New York	NY	GS Infrastructure Advisors 2006, LLC		02/09/2007		2,936,704	2,571,938	2,571,938	867,665		750,000				154,696	0.3
000000 00 0	GS Mezzanine Partners 2006 LP	O	New York	NY	GS Mezzanine Advisors, 2006 LLC		04/07/2006	2	1,899,991	1,373,177	1,373,177	504,978		500,000				1,676,065	0.2
000000 00 0	GS Mezzanine Partners III LP	O	New York	NY	GS Mezzanine Advisors III, LLC		09/25/2003	2		149,851	149,851	(260,262)					491,243	583,986	0.4
000000 00 0	GS Vintage Fund V, LP	O	New York	NY	GS Vintage Fund V Advisors, LLC		10/29/2008		2,208,322	3,264,247	3,264,247	168,660					416,390	1,315,724	0.2
000000 00 0	Halcyon Partners, L.P.	O	New York	NY	Halcyon Asset Management, LLC		02/01/2013	13	7,000,000	7,287,524	7,287,524	287,524							0.7
000000 00 0	Highbridge Specialty Loan Fund III Plc	O	New York	NY	Highbridge Capital Management, LLC		05/06/2013		3,450,349	3,494,455	3,494,455	44,106					36,341	4,549,651	0.8
000000 00 0	Industry Ventures Fund V, LP	O	San Francisco	CA	Industry Ventures Management V, LLC		10/15/2008		1,086,727	2,734,075	2,734,075	707,274					293,728	150,000	1.1
000000 00 0	JP Morgan Infrastructure Investment Fund	O	New York	NY	IIF Manager, LLC		04/30/2007		7,782,373	8,229,659	8,229,659	543,144							0.4
000000 00 0	Kelso Investment Associates VII, L.P.	O	New York	NY	Kelso GP VII, L.P.		07/01/2004		1,790,017	2,135,378	2,135,378	(814,752)					1,720,791		0.3
000000 00 0	Kelso Investment Associates VIII, L.P.	O	New York	NY	Kelso GP VIII, L.P.		11/29/2007		3,682,848	4,014,517	4,014,517	467,440					21,588	1,184,539	0.1
000000 00 0	Legg Mason Real Estate Capital	O	Los Angeles	CA	LM Realty Associates, LLC		12/04/2002			12,059	12,059	12,059					61,125		2.2
000000 00 0	Macquarie Infrastructure Partners	O	New York	NY	Macquarie Infrastructure Partners US GP, LLC		12/22/2006		8,776,820	10,522,133	10,522,133	(54,262)					3,910,678	47,793	0.6
000000 00 0	MatlinPatterson Global Opportunities Partners III L.P.	O	New York	NY	MatlinPatterson Global Partners III, LLC		06/22/2007		5,774,427	6,430,843	6,430,843	350,158					227,086	14,352	0.2
000000 00 0	MatlinPatterson Global Opportunities Partners L.P.	O	New York	NY	MatlinPatterson Global Advisors, LLC		05/31/2001			3,920	3,920	(262)						1,175,589	0.4
000000 00 0	Morgan Stanley Private Market Funds III, LP	O	New York	NY	Morgan Stanley Alternative Investment Partners, LP		04/26/2006		3,520,744	3,488,071	3,488,071	2,624					451,866	10,731	0.5
000000 00 0	Natural Gas Partners IX, LP	O	Irving	TX	G.F.W. Energy IX, L.P.		03/28/2008		4,023,579	4,023,579	4,023,579	(177,726)					1,319,978	281,061	0.1
000000 00 0	Natural Gas Partners X, L.P.	O	Irving	TX	G.F.W. Energy X, L.P.		01/27/2012		919,580	1,046,355	1,046,355	137,037					13,796	1,080,092	0.1
000000 00 0	New Canaan Funding Mezzanine V, L.P.	O	New Canaan	CT	New Canaan Funding Mezzanine V GP, LLC		08/05/2011	2	2,493,948	2,697,232	2,697,232	275,744					216,514	3,849,047	3.5
65250@ 10 8	Newstone Capital Partners II, L.P.	O	Los Angeles	CA	Newstone Capital Partners, LLC		12/10/2010	2	2,721,109	2,626,338	2,626,338	(224,544)					303,581	4,122,681	0.9
000000 00 0	Newstone Capital Partners, L.P.	O	Los Angeles	CA	Newstone Partners, LLC		05/31/2006	2	2,041,671	1,943,766	1,943,766	284,774					128,686		0.9
000000 00 0	P1234 Limited	O	Guernsey		Schroder Ventures (London) Limited		09/29/2003		4,686,000	12,342,859	12,342,859	(532,441)				539,893	1,874,140		5.6

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	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 Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
000000 00 0	RFE Investment Partners VIII, L.P.	O	New Canaan	CT	RFE Investment Partners VIII, LLC		06/29/2012		841,527	670,603	670,603	(95,600)						2,157,892	1.0
000000 00 0	RMK Global Timberland Resources Fund (U.S.).	O	Luxembourg		RMK Timberland Group		08/09/2012		265,839	305,081	305,081	39,344						134,162	0.1
000000 00 0	RMK Global Timberland Resources Fund	O	Luxembourg		RMK Timberland Group		01/13/2011		955,077	915,438	915,438	(54,752)				44,292	636	635,864	1.0
000000 00 0	RMK Select Timberland Investment Fund I, LLC.	O	Winston-Salem	NC	RMK Timberland Group		12/15/2004		4,285,950	6,072,483	6,072,483	1,031,998							3.0
000000 00 0	RMK Select Timberland Investment Fund II, LLC.	O	Atlanta	GA	RMK Timberland Group		05/02/2007		5,000,000	4,824,473	4,824,473	(105,389)							3.1
000000 00 0	RREP Recovery Partners, L.P.	O	New York	NY	RREP Recovery Partners GP, LLC		02/03/2012		2,264,095	2,598,824	2,598,824	316,522					42,092	2,735,905	1.0
000000 00 0	Selene Residential Mortgage Opportunity Fund II LP	O	Uniondale	NY	Selene Investment Partners II, LLC		12/27/2010		9,410,708	10,070,505	10,070,505	564,894					280,135		1.2
000000 00 0	Selene Residential Mortgage Opportunity Fund LP	O	Uniondale	NY	Selene Investment Partners, LLC		04/21/2008		1,982,429	2,094,379	2,094,379	111,950					290,707	3,750,000	1.8
87311@ 10 9	TCW/Crescent Mezzanine Trust III	O	Los Angeles	CA	TCW/Crescent Mezzanine Partner III, LLC		03/30/2001	2	93,709	147,803	147,803	4,723						4,746,156	0.6
000000 00 0	TCW/Crescent Mezzanine Trust IV	O	Los Angeles	CA	TCW/Crescent Mezzanine Partner IV, LLC		05/12/2006	2	3,741,193	2,815,628	2,815,628	190,693						17,159	0.4
000000 00 0	Sargasso Mutual Insurance Company	O	Hamilton	ONT.			12/31/1985		1,381,828	1,381,828	1,381,828								
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated									190,623,987	219,141,169	219,141,169	7,739,584	0	3,439,062	0	780,403	21,205,364	103,523,238	XXX
Non-Guaranteed Federal Low Income Housing Tax Credit - Unaffiliated																			
000000 00 0	Boston Capital Corporate Tax Credit Fund XXXIII	O	Boston	MA	Boston Capital Corporation		10/01/2010		7,000,000	5,366,926	5,366,926		(654,984)						2.8
000000 00 0	Boston Capital Corporate Tax Credit Fund XXXIV	O	Boston	MA	Boston Capital Corporation		03/31/2011		7,000,000	5,732,577	5,732,577		(637,447)						3.5
000000 00 0	PNC Real Estate Tax Credit Capital Fund 45, LP	O	Portland	OR	PNC Financial Services Group		11/22/2010		7,000,000	5,269,194	5,269,194		(697,382)						2.7
000000 00 0	PNC Real Estate Tax Credit Capital Fund 46, LP	O	Portland	OR	PNC Real Estate Tax Credit Capital Fund 46 Inc.		06/10/2011		7,000,000	5,531,294	5,531,294		(738,334)						4.5
000000 00 0	Raymond James Tax Credit Fund 36, LLC	O	St. Petersburg	FL	Raymond James Tax Credit Funds, Inc		08/23/2010		12,000,000	9,126,941	9,126,941		(1,040,399)						6.0
000000 00 0	Raymond James Tax Credit Fund 37, LLC	O	St. Petersburg	FL	Raymond James Tax Credit Funds, Inc		06/06/2011		10,000,000	8,316,405	8,316,405		(838,447)						4.3
000000 00 0	Stratford Fund III, LP	O	Peabody	MA	Stratford Capital Group, LLC		09/01/2010		5,000,000	3,906,687	3,906,687		(457,890)						10.6
000000 00 0	Stratford Fund V, LP	O	Peabody	MA	Stratford Capital Group, LLC		10/04/2011		5,000,000	4,210,811	4,210,811		(434,123)						6.3
000000 00 0	U.S.A. Institutional Tax Credit Fund LXXX LP	O	Greenwich	CT	Richman U.S.A. Tax Credit LXXX, LLC		08/05/2010		10,000,000	8,070,290	8,070,290		(833,597)						4.7
000000 00 0	U.S.A. Institutional Tax Credit Fund LXXXIV LP	O	Greenwich	CT	Richman U.S.A. Tax Credit LXXXIV, LLC		04/01/2011		7,000,000	5,876,124	5,876,124		(577,322)						2.8
3399999. Total - Non-Guaranteed Federal Low Income Housing Tax Credit - Unaffiliated									77,000,000	61,407,249	61,407,249	0	(6,909,925)	0	0	0	0	0	XXX
Any Other Class of Assets - Unaffiliated																			
000000 00 0	CT Insurance Reinvestment Fund Credit	O	Granby	CT	Townsend Insurance Investment, LLC		06/20/2011		800,000	800,000	800,000								
4299999. Total - Any Other Class of Asset - Unaffiliated									800,000	800,000	800,000	0	0	0	0	0	0	0	XXX
4499999. Subtotal - Unaffiliated									352,060,493	381,259,559	381,259,559	9,025,548	(6,909,925)	3,858,377	0	780,403	30,401,211	185,505,362	XXX
4599999. Subtotal - Affiliated									350,967,501	360,818,453	360,818,453	(31,944,715)	0	0	0	0	52,220,623	0	XXX
4699999. Totals									703,027,994	742,078,012	742,078,012	(22,919,167)	(6,909,925)	3,858,377	0	780,403	82,621,834	185,505,362	XXX

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership
Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Bonds - Unaffiliated										
29248# AA 5	Enhanced New York Fund II, LLC	New York	NY	Enhanced Capital Partners, LLC	12/10/2004			19,359		
29334@ AA 2	Enhanced New York Fund III, LLC	New York	NY	Enhanced Capital Partners, LLC	11/18/2005			19,339		
0799999. Total - Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Bonds - Unaffiliated							0	38,698	0	XXX
Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Other Fixed Income Instruments - Affiliated										
47088@ AD 6	Janney Montgomery Scott, LLC	Philadelphia	PA		01/25/2013		50,000,000			100.0
1299999. Total - Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Other Fixed Income Instruments - Affiliated							50,000,000	0	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated										
000000 00 0	.406 Ventures II, L.P.	Boston	MA	.406 Ventures Management, LLC	12/13/2011	1		456,000		2.3
000000 00 0	Ampersand 2011, L.P.	Boston	MA	Ampersand Capital Group	03/11/2011	1		620,000		0.8
000000 00 0	Battery Ventures X, L.P.	Waltham	MA	Battery Ventures	06/13/2013	1	180,000	337,538		0.3
000000 00 0	Cross Creek Capital Partners II, LP	Salt Lake City	UT	Cross Creek Capital Partners, LLC	02/03/2011	1		825,000		10.0
000000 00 0	Cross Creek Capital Partners III, LP	Salt Lake City	UT	Cross Creek Capital Partners, LLC	08/29/2013	1	150,000			5.0
000000 00 0	Crosslink Ventures VI, LP	San Francisco	CA	Crosslink Capital, Inc	06/11/2010	1		545,088		3.6
000000 00 0	Frazier Healthcare V, L.P.	Seattle	WA	FHM V, L.P.	05/24/2005	1		32,500		1.1
000000 00 0	Frazier Healthcare VI, L.P.	Seattle	WA	FHM VI, L.P.	03/26/2008	1		605,000		0.8
000000 00 0	Frazier Healthcare VII, L.P.	Seattle	WA	FHM VII, L.P.	08/01/2013	1	70,000	102,500		1.3
000000 00 0	Lightspeed Venture Partners IX, L.P.	Grand Cayman		Lightspeed General Partner IX, L.P.	03/12/2012	1		2,100,000		1.0
000000 00 0	Lightstone Ventures, L.P.	Boston	MA	Lightstone Ventures, LP	10/22/2013	1	562,500			1.8
000000 00 0	Longitude Venture Partners, LP	Menlo Park	CA	Longitude Capital Partners, LLC	11/20/2007	1		457,287		2.2
000000 00 0	Longitude Venture Partners II, L.P.	Menlo Park	CA	Longitude Capital Partners, LLC	04/25/2013	1	143,377	284,580		1.8
000000 00 0	New Leaf Healthcare Ventures II, L.P.	New York	NY	New Leaf Venture Associates II, L.P.	04/08/2008	1		750,000		1.1
000000 00 0	Omega Fund IV, L.P.	Boston	MA	Omega Fund IV GP Manager, Ltd	06/20/2013	1	292,010	128,000		0.8
000000 00 0	Point Judith Venture Fund III, L.P.	Providence	RI	Point Judith Capital Partners III, LLC	11/21/2011	1		405,000		2.4
000000 00 0	Rembrandt Venture Partners Two, LP	Menlo Park	CA	Rembrandt Venture Partners Two, LLC	06/10/2008	1		375,000		3.3
000000 00 0	Rembrandt Venture Partners Fund Three, LP	Menlo Park	CA	Rembrandt Venture Partners Fund Three, LLC	04/02/2012	1		855,000		3.3
000000 00 0	Sanderling Venture Partners VII	San Mateo	CA	Middleton, McNeil, Mills & Assoc VI, LLC	09/03/2013	1	400,000			1.0
000000 00 0	Shasta Ventures III, L.P.	Menlo Park	CA	Shasta Ventures III GP, LLC	01/25/2012	1		750,000		1.5
000000 00 0	Sigma Partners 6, L.P.	Menlo Park	CA	Sigma Management 6, LLC	03/20/2001	1		214,500		2.1
000000 00 0	Sigma Partners 7, L.P.	Menlo Park	CA	Sigma Management 7, LLC	11/22/2005	1		309,375		2.5
000000 00 0	Sigma Partners 8, L.P.	Menlo Park	CA	Sigma Management 8, LLC	08/30/2007	1		792,000		2.0
000000 00 0	Sigma 9 West, L.P.	Palo Alto	CA	Sigma 9 West Capital Management, LLC	11/28/2011	1		694,632		1.5
000000 00 0	Sigma Prime Partners IX, L.P.	Menlo Park	CA	Sigma management 9, LLC	05/29/2012	1		1,140,229		2.8
000000 00 0	Summit Partners Growth Equity Fund VIII-A, L.P.	Boston	MA	Summit Partners	06/14/2012	1		1,230,000		0.2
000000 00 0	Trinity Ventures Fund XI, L.P.	Menlo Park	CA	Trinity Ventures	04/04/2013	1	101,250	517,500		1.4
000000 00 0	Upfront IV, L.P.	Los Angeles	CA	GRP Partners	06/21/2012	1		426,764		2.0
000000 00 0	Warburg Pincus Private Equity XI, L.P.	New York	NY	Warburg Pincus Partners	05/24/2012	1		690,000		0.1
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							1,899,137	15,643,493	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated										
000000 00 0	3i Europartners Va LP	London		3i EFV GP Limited	10/25/2006			201,735		0.5
000000 00 0	ABRY Advanced Securities Fund II, L.P.	Boston	MA	ABRY ASF Investors II, L.P.	05/04/2011	2		867,412		0.5
000000 00 0	ABRY Mezzanine Partners, L.P.	Boston	MA	ABRY Partners, LLC	03/15/2002	2		19,081		2.0
000000 00 0	ABRY Partners VI, L.P.	Boston	MA	ABRY VI Capital Partners, L.P.	03/26/2008			(212,186)		0.7
000000 00 0	ABRY Partners VII, L.P.	Boston	MA	ABRY VII Capital Partners, L.P.	08/10/2011			1,636,249		0.5

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1 CUSIP Identification	2 Name or Description	Location 3 City	Location 4 State	5 Name of Vendor or General Partner	6 Date Originally Acquired	7 Type and Strategy	8 Actual Cost at Time of Acquisition	9 Additional Investment Made After Acquisition	10 Amount of Encumbrances	11 Percentage of Ownership
000000 00 0	ABRY Senior Equity Partners II, L.P.	Boston	MA	ABRY Senior Equity Investors II, L.P.	07/27/2006	2		61,780		1.5
00384@ 10 4	ABRY Senior Equity Partners III, L.P.	Boston	MA	ABRY Senior Equity Investors III, L.P.	08/09/2010	2		285,605		1.3
000000 00 0	ABRY Senior Equity Partners IV, L.P.	Boston	MA	ABRY Senior Equity Investors IV, L.P.	12/28/2012	2		1,444,103		1.3
000000 00 0	Apollo European Principal Finance Fund II (Dollar A), L.P.	Purchase	NY	Apollo EPF Management II, L.P.	07/23/2012			3,176,595		0.5
05360@ 10 1	Avenue Special Situations Fund VI, L.P.	New York	NY	Avenue Capital Partners VI, LLC	06/15/2010			278,734		0.8
G0676@ 10 4	Avenue Europe Special Situations Fund II (U.S.), L.P.	New York	NY	Avenue Europe Capital Partners II, LLC	10/04/2011			2,800,000		0.5
000000 00 0	BlueBay Direct Lending Fund I, L.P.	Guernsey		Blue Bay Direct Lending Fund I GP, Ltd.	06/25/2013		615,557	653,637		0.8
000000 00 0	Brynwood Partners VI, L.P.	Greenwich	CT	Brynwood Partners, L.P.	06/18/2010			1,334,007		2.3
000000 00 0	Brynwood Partners VII, L.P.	Greenwich	CT	Brynwood Partners, L.P.	12/27/2013		664,639			3.3
000000 00 0	Carlyle Strategic Partners III, L.P.	Wilmington	DE	CSP III General Partner, L.P.	10/04/2012			301,972		0.3
000000 00 0	Century Focused Fund III, L.P.	Boston	MA	Century Capital	12/22/2011			252,479		1.0
000000 00 0	Colony American Homes Holdings III, L.P.	Santa Monica	CA	ColonyGP American Homes, LLC	01/30/2013		1,047,911	3,956,033		0.3
000000 00 0	Davidson Kempner Partners	New York	NY	Davidson Kempner Capital Management , LLC	02/01/2013		7,000,000			1.0
000000 00 0	EIF United States Power Fund IV, L.P.	Needham	MA	Energy Investors Funds	11/28/2011			1,261,802		0.3
000000 00 0	EnCap Energy Capital Fund V, LP.	Houston	TX	EnCap Equity Fund V GP, L.P.	08/18/2004			22,534		1.1
000000 00 0	EnCap Energy Capital Fund VI, LP.	Houston	TX	EnCap Equity Fund VI GP, L.P.	07/17/2006			5,902		0.5
000000 00 0	EnCap Energy Capital Fund VII, LP.	Houston	TX	EnCap Equity Fund VII GP, L.P.	09/17/2007			190,999		0.2
000000 00 0	EnCap Energy Capital Fund VIII, LP.	Houston	TX	EnCap Equity Fund VIII GP, L.P.	11/30/2010			1,550,448		0.3
000000 00 0	EnCap ENERGY CAPITAL FUND IX, LP.	Houston	TX	EnCap Equity Fund IX GP, LP	01/08/2013		72,000	1,478,978		0.3
000000 00 0	GMO Forestry Fund 9 LP	Boston	MA	GMO Renewable Resources, LLC	08/10/2010			1,200,000		1.5
000000 00 0	Graham Partners Annex, L.P.	Newtown Square	PA	Graham Partners, Inc.	03/15/2010			123,183		10.1
000000 00 0	Graham Partners Investments II Co-Investments, LP.	Newtown Square	PA	Graham Partners General Partner 2, LP	09/22/2005			9,416		1.3
000000 00 0	Graham Partners Investments II, L.P.	Newtown Square	PA	Graham Partners General Partner 2, LP	01/11/2005			47,644		1.2
000000 00 0	Graham Partners Investments III, L.P.	Newtown Square	PA	Graham Partners General Partner III, L.P.,	11/01/2008			(460,564)		1.5
000000 00 0	GS Global Infrastructure Partners I, L.P.	New York	NY	GS Infrastructure Advisors 2006, LLC	02/09/2007			27,354		0.3
000000 00 0	GS Mezzanine Partners 2006 LP	New York	NY	GS Mezzanine Advisors, 2006 LLC	04/07/2006	2		16,862		0.2
000000 00 0	GS Mezzanine Partners III LP	New York	NY	GS Mezzanine Advisors III, LLC	09/25/2003	2		8,315		0.4
000000 00 0	GS Vintage Fund V, LP.	New York	NY	GS Vintage Fund V Advisors, LLC	10/29/2008			369,206		0.1
000000 00 0	Halcyon Partners, L.P.	New York	NY	Halcyon Asset Management, LLC	02/01/2013	13	7,000,000			0.7
000000 00 0	Highbridge Specialty Loan Fund III Plc.	New York	NY	Highbridge Capital Management, LLC	05/06/2013		1,812,061	1,638,288		0.8
000000 00 0	Kelso Investment Associates VIII, L.P.	New York	NY	Kelso GP VIII, L.P.	11/29/2007			430,179		0.1
000000 00 0	MatlinPatterson Global Opportunities Partners III L.P.	New York	NY	MatlinPatterson Global Partners III, LLC	06/22/2007			189,659		0.2
000000 00 0	Morgan Stanley Private Market Funds III, LP.	New York	NY	Morgan Stanley Alternative Investment Partners, LP.	04/26/2006			141,990		0.5
000000 00 0	Natural Gas Partners IX, LP.	Irving	TX	G.F.W. Energy IX, L.P.	03/28/2008			203,488		0.1
000000 00 0	Natural Gas Partners X, L.P.	Irving	TX	G.F.W. Energy X, L.P.	01/27/2012			464,155		0.1
000000 00 0	New Canaan Funding Mezzanine V, L.P.	New Canaan	CT	New Canaan Funding Mezzanine V GP, LLC	08/05/2011	2		664,490		3.5
65250@ 10 8	Newstone Capital Partners II, L.P.	Los Angeles	CA	Newstone Capital Partners, LLC	12/10/2010	2		181,725		0.9
000000 00 0	Newstone Capital Partners, L.P.	Los Angeles	CA	Newstone Partners, LLC	05/31/2006	2		3,043		0.9
000000 00 0	RFE Investment Partners VIII, L.P.	New Canaan	CT	RFE Investment Partners VIII, LLC	06/29/2012			171,105		1.0
000000 00 0	RMK Global Timberland Resources Fund	Luxembourg		RMK Timberland Group	01/13/2011			460,084		1.0
000000 00 0	RREP Recovery Partners, L.P.	New York	NY	RREP Recovery Partners GP, LLC	02/03/2012			82,257		1.0
000000 00 0	Selene Residential Mortgage Opportunity Fund II LP	Uniondale	NY	Selene Investment Partners II, LLC	12/27/2010			5,100,365		1.2
87311@ 10 9	TCW/Crescent Mezzanine Trust III	Los Angeles	CA	TCW/Crescent Mezzanine Partner III, LLC	03/30/2001	2		47,852		0.6

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							18,212,168	32,687,995	0	XXX
4499999. Subtotal - Unaffiliated							20,111,305	48,370,186	0	XXX
4599999. Subtotal - Affiliated							50,000,000	0	0	XXX
4699999. Totals							70,111,305	48,370,186	0	XXX

SCHEDULE BA - PART 3

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

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 Identification	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
Fixed or Variable Interest Rate Investments That Have Underlying Characteristics of Other Fixed Income Instruments - Unaffiliated																			
29248# AA 5	Enhanced New York Fund II, LLC	New York	NY	Return of Capital	10/10/2004	12/15/2013	112,952					0		112,952	112,952			0	
29334@ AA 2	Enhanced New York Fund III, LLC	New York	NY	Return of Capital	11/18/2005	12/15/2013	76,580					0		76,580	76,580			0	
1199999. Total - Fixed or Variable Interest Rate Investments That Have Underlying Char. of Other Fixed Income Instr. - Unaffiliated							189,532	0	0	0	0	0	0	189,532	189,532	0	0	0	0
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	.406 Ventures II, L.P.	Boston	MA	Return of Capital	12/13/2011	01/10/2013	10,494					0		10,494	10,494			0	
000000 00 0	Delphi Ventures V, L.P.	Menlo Park	CA	Return of Capital	04/11/2000	04/12/2013	45,554					0		45,554	45,554			0	
000000 00 0	Dominion Fund V	San Francisco	CA	Return of Capital	09/22/1999	08/07/2013	80,772					0		80,772	80,772			0	
000000 00 0	Edison Venture Fund IV, L.P.	Lawrenceville	NJ	Return of Capital	09/25/1998	06/17/2013	575,746					0		575,746	575,746			0	
000000 00 0	Edison Venture Fund V, L.P.	Lawrenceville	NJ	Return of Capital	05/13/2002	03/21/2013	124,411					0		124,411	124,411			0	
000000 00 0	Frazier Healthcare IV, L.P.	Seattle	WA	Return of Capital	09/27/2001	12/13/2013	222,942					0		222,942	222,942			0	
000000 00 0	Frazier Healthcare V, L.P.	Seattle	WA	Return of Capital	05/24/2005	09/23/2013	449,894					0		449,894	449,894			0	
000000 00 0	Frazier Healthcare VI, L.P.	Seattle	WA	Return of Capital	03/26/2008	12/16/2013	981,591					0		981,591	981,591			0	
000000 00 0	Liberty Ventures II, LP	New York	NY	Return of Capital	01/19/2000	07/24/2013	1,214,302					0		1,214,302	1,214,302			0	
000000 00 0	MedVentures Associates III	Orinda	CA	Partnership Liquidated	09/01/1998	07/10/2013	197,968	110,917		214,672		(103,755)		94,213	94,213			0	
000000 00 0	MedVenture Associates IV	Orinda	CA	Return of Capital	03/12/2002	07/10/2013	581,213					0		581,213	581,213			0	
000000 00 0	Mid-Atlantic Venture Fund IV, L.P.	Bethlehem	PA	Return of Capital	05/01/2000	09/25/2013	509,994					0		509,994	509,994			0	
000000 00 0	New Leaf Healthcare Ventures I, L.P.	New York	NY	Return of Capital	07/20/2005	06/28/2013	370,455					0		370,455	370,455			0	
000000 00 0	New Leaf Healthcare Ventures II, L.P	New York	NY	Return of Capital	04/08/2008	12/27/2013	812,100					0		812,100	812,100			0	
000000 00 0	Omega Fund IV, L.P.	Boston	MA	Return of Capital	06/20/2013	12/30/2013	74,226					0		74,226	74,226			0	
000000 00 0	Rembrandt Venture Partners Two, LP	Menlo Park	CA	Return of Capital	06/10/2008	01/03/2013	1,525,889					0		1,525,889	1,525,889			0	
000000 00 0	Sanderling Venture Partners VI	San Mateo	CA	Return of Capital	03/31/2005	06/06/2013	66,863					0		66,863	66,863			0	
000000 00 0	Sanderling Venture Partners VI Co-Investment Fund L.P.	San Mateo	CA	Return of Capital	03/31/2005	06/06/2013	303,133					0		303,133	303,133			0	
000000 00 0	Seaport Capital Partners II, L.P.	New York	NY	Return of Capital	01/31/2000	05/23/2013	379,210					0		379,210	379,210			0	
000000 00 0	Sigma Partners V, L.P.	Menlo Park	CA	Return of Capital	10/07/1999	12/19/2013	230,472					0		230,472	230,472			0	
000000 00 0	Sigma Partners 6, L.P.	Menlo Park	CA	Return of Capital	03/20/2001	08/06/2013	844,037					0		844,037	844,037			0	
000000 00 0	Sigma Partners 8, L.P.	Menlo Park	CA	Return of Capital	08/30/2007	07/18/2013	306,567					0		306,567	306,567			0	
000000 00 0	Upfront IV, L.P.	Los Angeles	CA	Return of Capital	06/21/2012	09/30/2013	11,601					0		11,601	11,601			0	
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							9,919,434	110,917	0	214,672	0	(103,755)	0	9,815,679	9,815,679	0	0	0	0
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	3i Eurofund IV	London		Return of Capital	12/10/2003	02/15/2013	265,643					0		265,643	265,643			0	
000000 00 0	3i Europartners Va LP	London		Return of Capital	10/25/2006	10/15/2013	964,365					0		964,365	964,365			0	
000000 00 0	ABRY Mezzanine Partners, L.P.	Boston	MA	Return of Capital	03/15/2002	06/14/2013	432,342					0		432,342	432,342			0	
000000 00 0	ABRY Partners VI, L.P.	Boston	MA	Return of Capital	03/26/2008	10/31/2013	1,520,949					0		1,520,949	1,520,949			0	
000000 00 0	ABRY Senior Equity Partners II, L.P.	Boston	MA	Return of Capital	07/27/2006	11/26/2013	757,819					0		757,819	757,819			0	
00384@ 10 4	ABRY Senior Equity Partners III, L.P.	Boston	MA	Return of Capital	08/09/2010	10/04/2013	1,633,328					0		1,633,328	1,633,328			0	
000000 00 0	Avenue Asia Special Situations Fund IV, L.P.	New York	NY	Return of Capital	07/24/2006	12/30/2013	1,280,495					0		1,280,495	1,280,495			0	
000000 00 0	BlueBay Direct Lending Fund I, L.P.	Guernsey		Return of Capital	06/25/2013	06/25/2013	20,574					0		20,574	20,574			0	
000000 00 0	Bradford Equities Fund, L.P.	New York	NY	Return of Capital	11/04/1997	09/16/2013	1,002,237					0		1,002,237	1,002,237			0	
000000 00 0	Bradford Equities Fund III, L.P.	New York	NY	Return of Capital	01/01/2000	09/16/2013	601,714					0		601,714	601,714			0	
000000 00 0	Bridgewater Pure Alpha Major Markets LTD	Tortola		Partnership Redemption	11/01/2011	11/30/2013	2,570,901	(70,901)				(70,901)		2,500,000	2,615,130		115,130	115,130	
000000 00 0	Bridgewater Pure Alpha Trading Company LTD	Tortola		Partnership Redemption	12/01/2004	08/31/2013	19,490,796	(6,232,040)				(6,232,040)		11,905,295	19,500,000		7,594,705	7,594,705	
000000 00 0	Brynwood Partners VI, L.P.	Greenwich	CT	Return of Capital	06/18/2010	12/19/2013	908,567					0		908,567	908,567			0	

SCHEDULE BA - PART 3

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

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 Identification	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
000000 00 0	Cypress Merchant Banking Partners II, L.P.	New York	NY	Return of Capital	03/29/1999	09/06/2013	906,737					0		906,737	906,737			0	
000000 00 0	Davidson Kempner Partners	New York	NY	Partnership Redemption	02/01/2013	12/31/2013						0		7,000,000	7,514,693		514,693	514,693	
000000 00 0	EIF United States Power Fund IV, L.P.	Needham	MA	Return of Capital	11/28/2011	09/30/2013	165,323					0		165,323	165,323			0	
000000 00 0	EnCap Energy Capital Fund IV, LP	Houston	TX	Partnership Liquidated	05/13/2002	06/30/2013	10,023	44,971		54,994		(10,023)						0	
000000 00 0	EnCap Energy Capital Fund V, LP	Houston	TX	Return of Capital	08/18/2004	12/19/2013	261,924					0		261,924	261,924			0	
000000 00 0	EnCap Energy Capital Fund VI, LP	Houston	TX	Return of Capital	07/17/2006	12/17/2013	657,755					0		657,755	657,755			0	
000000 00 0	EnCap Energy Capital Fund VII, LP	Houston	TX	Return of Capital	09/17/2007	12/20/2013	318,481					0		318,481	318,481			0	
000000 00 0	EnCap Energy Capital Fund VIII, LP	Houston	TX	Return of Capital	11/30/2010	12/10/2013	104,422					0		104,422	104,422			0	
000000 00 0	GMO Forestry Fund 8-A LP	Boston	MA	Return of Capital	12/13/2004	06/26/2013	33,288					0		33,288	33,288			0	
000000 00 0	Graham Partners Investments II Co-Investments, LP	Newtown Square	PA	Return of Capital	09/22/2005	12/11/2013	63,547					0		63,547	63,547			0	
000000 00 0	Graham Partners Investments II, L.P.	Newtown Square	PA	Return of Capital	01/11/2005	12/11/2013	26,122					0		26,122	26,122			0	
000000 00 0	Graham Partners Investments III, L.P.	Newtown Square	PA	Return of Capital	11/01/2008	06/06/2013	100,215					0		100,215	100,215			0	
000000 00 0	GS Global Infrastructure Partners I, L.P.	New York	NY	Return of Capital	02/09/2007	03/27/2013	214,536					0		214,536	214,536			0	
000000 00 0	GS Mezzanine Partners 2006 LP	New York	NY	Return of Capital	04/07/2006	12/19/2013	884,188					0		884,188	884,188			0	
000000 00 0	GS Mezzanine Partners III LP	New York	NY	Return of Capital	09/25/2003	08/19/2013	147,837					0		147,837	147,837			0	
000000 00 0	GS Mortgage Credit Opportunities Fund	New York	NY	Partnership Liquidated	02/01/2008	09/25/2013	332,717	(332,717)				(332,717)						0	361,283
000000 00 0	GS Vintage Fund V, LP	New York	NY	Return of Capital	10/29/2008	12/31/2013	687,007					0		687,007	687,007			0	
000000 00 0	Industry Ventures Fund V, LP	San Francisco	CA	Return of Capital	10/15/2008	12/20/2013	520,973					0		520,973	520,973			0	
000000 00 0	JP Morgan Infrastructure Investment Fund	New York	NY	Return of Capital	04/30/2007	12/30/2013	409,694					0		409,694	409,694			0	
000000 00 0	Kelso Investment Associates VII, L.P.	New York	NY	Return of Capital	07/01/2004	10/09/2013	934,246					0		934,246	934,246			0	
000000 00 0	Kelso Investment Associates VIII, L.P.	New York	NY	Return of Capital	11/29/2007	12/02/2013	92,431					0		92,431	92,431			0	
000000 00 0	Legg Mason Real Estate Capital	Los Angeles	CA	Return of Capital	12/04/2002	12/02/2013	296,375					0		296,375	296,375			0	
000000 00 0	MatlinPatterson Global Opportunities Partners III L.P.	New York	NY	Return of Capital	06/22/2007	09/12/2013	305,025					0		305,025	305,025			0	
000000 00 0	Morgan Stanley Private Market Funds III, LP	New York	NY	Return of Capital	04/26/2006	11/25/2013	461,383					0		461,383	461,383			0	
000000 00 0	Natural Gas Partners IX, LP	Irving	TX	Return of Capital	03/28/2008	12/23/2013	644,488					0		644,488	644,488			0	
000000 00 0	New Canaan Funding Mezzanine V, L.P.	New Canaan	CT	Return of Capital	08/05/2011	12/23/2013	645,254					0		645,254	645,254			0	
65250@ 10 8	Newstone Capital Partners II, L.P.	Los Angeles	CA	Return of Capital	12/10/2010	12/04/2013	308,707					0		308,707	308,707			0	
000000 00 0	Newstone Capital Partners, L.P.	Los Angeles	CA	Return of Capital	05/31/2006	11/26/2013	1,358,268					0		1,358,268	1,358,268			0	
000000 00 0	RMK Select Timberland Investment Fund I, LLC	Winston-Salem	NC	Return of Capital	12/15/2004	12/23/2013	121,410					0		121,410	121,410			0	
000000 00 0	Selene Residential Mortgage Opportunity Fund II LP	Uniondale	NY	Return of Capital	12/27/2010	12/24/2013	1,468,031					0		1,468,031	1,468,031			0	
000000 00 0	Selene Residential Mortgage Opportunity Fund LP	Uniondale	NY	Return of Capital	04/21/2008	05/01/2013	2,874,891					0		2,874,891	2,874,891			0	
000000 00 0	SMS II, L.P.	New York	NY	Partnership Liquidated	01/27/1998	09/30/2013	54,398	(34,100)				(34,100)		20,298	20,298			0	65,680
000000 00 0	TCW/Crescent Mezzanine Trust IV	Los Angeles	CA	Return of Capital	05/12/2006	12/30/2013	330,715					0		330,715	330,715			0	
000000 00 0	TCW Special Mortgage Credits Master Fund, L.P.	Los Angeles	CA	Partnership Liquidated	07/31/2007	03/31/2013	2,505,871	(222,170)		331,106		(553,276)		1,952,595	1,952,595			0	
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							49,696,012	(6,846,957)	0	386,100	0	(7,233,057)	0	48,109,494	56,334,022	0	8,224,528	8,224,528	426,963
Working Capital Finance Investment - Unaffiliated																			
000000 00 0	CT Insurance Reinvestment Fund Credit	Granby	CT		06/20/2011	12/15/2013	200,000					0		200,000	200,000			0	
4199999. Total - Working Capital Finance Investment - Unaffiliated							200,000	0	0	0	0	0	0	200,000	200,000	0	0	0	0
4499999. Subtotal - Unaffiliated							60,004,978	(6,736,040)	0	600,772	0	(7,336,812)	0	58,314,705	66,539,233	0	8,224,528	8,224,528	426,963
4699999. Totals							60,004,978	(6,736,040)	0	600,772	0	(7,336,812)	0	58,314,705	66,539,233	0	8,224,528	8,224,528	426,963

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
U.S. Government - Issuer Obligations																					
863871 AM 1	SALLIE MAE	@	..		..1FE	1,746,379	72.193	2,025,736	2,806,000	1,989,975		76,547				3.950	N/A			10/05/2010	10/03/2022
912810 DS 4	US TREASURY		..		1	608,920	116.637	501,539	430,000	484,734		(32,642)			10.625	2.560	FA	17,257	45,688	01/20/2010	08/15/2015
912810 EL 8	UNITED STATES TREASURY		..		1	622,969	138.906	625,077	450,000	573,749		(13,196)			8.000	3.900	MN	4,674	36,000	01/20/2010	11/15/2021
912810 FD 5	TREASURY INFLATION INDEX	SD	..		1	181,752	132.281	238,781	180,510	181,430		(55)			3.625	3.580	AO	4,663	4,973	09/21/2000	04/15/2028
912810 QQ 4	UNITED STATES TREASURY	SD	..		1	2,052,754	108.500	1,736,000	1,600,000	1,985,660		(10,168)			4.375	2.930	MN	12,838	70,107	11/29/2011	05/15/2041
0199999. U.S. Government - Issuer Obligations						5,212,774	XXX	5,127,133	5,466,510	5,215,548	0	20,486	0	0	XXX	XXX	XXX	39,432	156,768	XXX	XXX
U.S. Government - Residential Mortgage-Backed Securities																					
36220T A8 7	GN 287231		..	2	1	15,930	103.641	15,566	15,019	15,926		(103)			9.500	6.850	MON	119	1,427	10/18/1991	04/15/2020
36296U ZX 1	GNSF POOL 701958		..	2	1	6,674,658	104.043	7,390,238	7,103,061	6,772,841		108,496			4.000	5.280	MON	23,677	284,122	06/10/2009	06/01/2039
38378B 2W 8	GNR 2012-150 Z		..	2	1	11,663,708	66.636	9,147,191	13,726,937	11,709,731		41,070			2.698	3.530	MON	30,795	365,266	12/21/2012	10/16/2054
38378B 3F 4	GNR 2012-147 Z		..	2	1	3,576,368	62.299	2,858,650	4,588,568	3,602,179		23,606			2.396	3.740	MON	9,145	108,568	12/11/2012	04/16/2054
38378B 3Z 0	GNR 2013-2 Z		..	2	1	4,652,977	72.426	3,725,169	5,143,407	4,662,980		10,003			3.086	3.620	MON	13,194	143,407	01/02/2013	05/16/2054
38378B 7J 2	GNR 2013-33 Z		..	2	1	9,060,703	63.265	7,556,092	11,943,407	9,113,404		52,701			2.560	3.990	MON	25,425	251,828	02/12/2013	04/16/2054
38378B 7X 1	GNR 2013-17 Z		..	2	1	2,745,495	72.122	2,220,497	3,078,777	2,751,507		6,012			3.115	3.720	MON	7,973	78,777	01/29/2013	06/01/2054
38378B E3 9	GNR 2012-114 Z		..	2	1	13,069,824	68.231	10,606,389	15,544,824	13,128,736		42,866			2.854	3.720	MON	36,893	437,498	09/17/2012	08/16/2054
38378B F5 3	GNR 2012-112 Z		..	2	1	9,776,858	71.367	7,457,759	10,449,842	9,786,878		6,699			3.201	3.490	MON	27,801	329,329	09/06/2012	05/01/2053
38378B M6 3	GNR 2012-120 Z		..	2	1	7,186,728	68.021	5,636,099	8,285,736	7,214,330		21,621			2.794	3.520	MON	19,247	228,217	10/16/2012	01/16/2055
38378B N5 4	GNR 2012-125 Z		..	2	1	9,576,432	66.700	7,056,914	10,579,955	9,591,644		11,058			2.946	3.370	MON	25,917	307,286	09/25/2012	12/16/2053
38378B X8 7	GNR 2012-132 Z		..	2	1	4,107,289	73.186	3,218,133	4,397,143	4,113,353		4,914			3.165	3.500	MON	11,569	135,932	11/06/2012	09/01/2054
0299999. U.S. Government - Residential Mortgage-Backed Securities						82,106,970	XXX	66,888,697	94,856,676	82,463,509	0	328,943	0	0	XXX	XXX	XXX	231,755	2,671,657	XXX	XXX
U.S. Government - Other Loan-Backed and Structured Securities																					
26854P AA 4	EJM AIRPORT LLC		..		1	11,794,259	115.295	12,361,992	10,722,054	11,435,413		(190,701)			6.271	4.220	MN	85,915	672,380	05/24/2010	05/15/2020
30250W AB 9	SSGN 2010-S2 2A		..		1	12,148,164	99.500	12,087,423	12,148,164	12,148,164					2.570	2.570	MON	27,752	311,302	10/14/2010	07/29/2047
33803W AA 7	FISHERS LANE		..		..1FE	4,000,000	93.289	3,731,560	4,000,000	4,000,000					3.666	3.660	MON	10,591	146,640	06/20/2012	08/05/2030
49549C AA 6	EXIM - KING INTL LEASING LLC		..		1	10,498,537	102.044	10,713,127	10,498,537	10,498,537					2.754	2.750	JAJO	61,038	289,130	11/10/2010	10/15/2022
690353 SQ 1	OPIC - OVERSEAS PRIVATE INV COR		..		1	10,000,000	96.139	9,613,900	10,000,000	10,000,000					3.430	3.430	MN	43,828	343,000	10/13/2010	05/15/2030
797224 AC 6	EXIM - SAN CLEMENTE LEASING LLC		..		1	11,650,336	103.240	12,027,807	11,650,336	11,650,336					3.030	3.030	FMAN	38,242	353,005	12/01/2010	11/22/2022
805649 AA 8	EXIM - SAYARRA LTD		F		1	3,017,771	102.650	3,097,742	3,017,771	3,017,771					2.774	2.770	JAJO	14,417	83,713	09/17/2010	10/29/2021
805649 AB 6	EXIM - SAYARRA LTD		F		1	11,282,664	101.618	11,465,217	11,282,664	11,282,664					2.575	2.570	JAJO	62,141	290,529	10/15/2010	04/14/2022
92188P AA 3	VANE LINE BUNKER 92188PAA3		..		1	3,595,110	108.744	3,490,595	3,209,920	3,556,339		(42,671)			5.480	4.420	AO	29,806	175,904	09/30/2011	10/30/2027
92188P AB 1	VANE LINE BUNKER		..		1	3,587,420	108.744	3,475,371	3,195,920	3,547,988		(43,397)			5.480	4.400	AO	29,676	175,136	10/03/2011	10/30/2027
925387 AF 9	VESSEL MGMT SERVICES		..		1	3,680,000	94.890	3,491,952	3,680,000	3,680,000					3.432	3.430	FA	47,712	126,298	12/08/2011	08/15/2036
0499999. U.S. Government - Other Loan-Backed and Structured Securities						85,254,261	XXX	85,556,686	83,405,366	84,817,212	0	(276,769)	0	0	XXX	XXX	XXX	451,118	2,967,037	XXX	XXX
0599999. Total - U.S. Government						172,574,005	XXX	157,572,516	183,728,552	172,496,269	0	72,660	0	0	XXX	XXX	XXX	722,305	5,795,462	XXX	XXX
All Other Governments - Issuer Obligations																					
063679 BV 5	BANK OF MONTREAL		A		..1FE	24,007,860	103.380	24,811,200	24,000,000	24,002,382		(1,601)			2.850	2.840	JD	41,800	684,000	06/10/2010	06/09/2015
110709 8W 5	BRITISH COLUMBIA		A		..1FE	5,496,975	103.595	5,697,725	5,500,000	5,499,065		621			2.850	2.860	JD	6,967	156,750	04/20/2010	06/15/2015
136069 DM 0	CANADIAN IMPERIAL BANK		A		..1FE	21,141,150	103.150	21,661,500	21,000,000	21,044,853		(29,008)			2.600	2.450	JJ	271,483	546,000	07/27/2010	07/02/2015
563469 TL 9	MANITOBA (PROVINCE OF)		A		..1FE	2,997,030	103.373	3,101,190	3,000,000	2,999,052		596			2.625	2.640	JJ	36,313	78,750	05/19/2010	07/15/2015
683234 8Y 7	ONTARIO PROVINCE		A		..1FE	2,998,620	103.289	3,098,670	3,000,000	2,999,578		280			2.700	2.700	JD	3,375	81,000	06/09/2010	06/16/2015
748148 RM 7	QUEBEC PROVINCE		A		..1FE	1,927,580	101.560	2,031,200	2,000,000	1,996,820		8,949			4.875	5.340	MN	15,167	97,500	05/24/2004	05/05/2014

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
891145 LV 4	TORONTO-DOMINION BANK		A		1FE	34,950,650	102.650	35,927,500	35,000,000	34,983,836		9,958			2.200	2.230	JJ	325,111	770,000	07/22/2010	07/29/2015
46513A F7 0	STATE OF ISRAEL		F		1FE	3,000,000	100.000	3,000,000	3,000,000	3,000,000					2.760	2.760	MN	13,800	31,532	06/03/2013	06/01/2018
0699999. All Other Governments - Issuer Obligations						96,519,865	XXX	99,328,985	96,500,000	96,525,586	0	(10,205)	0	0	XXX	XXX	XXX	714,016	2,445,532	XXX	XXX
1099999. Total - All Other Governments						96,519,865	XXX	99,328,985	96,500,000	96,525,586	0	(10,205)	0	0	XXX	XXX	XXX	714,016	2,445,532	XXX	XXX
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
20772G 4Z 8	CONNETICUT STATE				1FE	4,000,000	107.504	4,300,160	4,000,000	4,000,000					5.632	5.630	JD	18,773	225,280	12/15/2009	12/01/2029
20772G F4 5	CONNETICUT STATE-SER A				1FE	3,629,209	111.536	3,887,030	3,485,000	3,613,060		(4,530)			5.850	5.510	MS	60,029	203,873	02/01/2010	03/15/2032
34153P PU 6	FLORIDA ST BRD ED			1	1FE	19,841,600	104.134	20,826,800	20,000,000	19,850,662		2,462			5.750	5.800	JD	95,833	1,150,000	10/14/2009	06/01/2039
419791 YX 0	HI ST-TXB-DX-BABS				1FE	7,038,500	111.837	7,828,590	7,000,000	7,033,692		(1,279)			5.530	5.480	FA	161,292	387,100	02/10/2010	02/01/2030
575827 R6 9	MA ARS-CONS LN-SER D				1FE	125,000	85.000	106,250	125,000	125,000					0.160	0.160	RES			12/03/2008	12/01/2030
575827 R7 7	MA ARS-CONS LN-SER E				1FE	300,000	86.000	258,000	300,000	300,000					0.160	0.160	RES			12/04/2008	12/01/2030
575827 R8 5	MA ARS-CONS LN-SER F				1FE	250,000	87.000	217,500	250,000	250,000					0.160	0.160	RES			10/31/2008	12/01/2030
575827 R9 3	MA ARS-CONS LN-SER G				1FE	375,000	87.750	329,063	375,000	375,000					0.160	0.160	RES			12/02/2008	12/01/2030
57582P UE 8	MASSACHUSETTS ST CONS				1FE	15,000,000	107.029	16,054,350	15,000,000	15,000,000					5.456	5.450	JJ	409,200	818,400	12/01/2009	12/01/2039
605580 4X 4	MS ST-TAXABLE-SER G				1FE	10,034,080	108.574	10,857,400	10,000,000	10,031,061		(823)			5.669	5.640	AO	141,725	566,900	12/03/2009	10/01/2034
70914P NE 8	PENNSYLVANIA STATE 2ND SERIES			1	1FE	17,347,860	104.810	18,865,800	18,000,000	17,427,453		24,036			5.350	5.660	MN	160,500	963,000	05/27/2010	05/01/2030
79560C AL 3	SALT LAKE CITY UTAH REDEV AGY MUNICIPAL			1	1FE	1,978,600	99.889	1,997,780	2,000,000	1,978,694		94			6.000	6.100	AO	20,333		09/18/2013	04/01/2031
882722 KD 2	TEXAS STATE SERIES B-2			1	1FE	5,000,000	109.466	5,473,300	5,000,000	5,000,000					6.072	6.070	AO	75,900	303,600	08/12/2009	10/01/2029
882722 KF 7	TEXAS STATE TRANS COMM				1FE	11,000,000	111.858	12,304,380	11,000,000	11,000,000					5.517	5.510	AO	151,718	606,870	08/19/2009	04/01/2039
93974C RF 9	WASHINGTON ST-F-BABS				1FE	9,811,100	102.967	10,296,700	10,000,000	9,832,274		6,523			5.090	5.240	FA	212,083	509,000	05/27/2010	08/01/2033
97705L WH 6	WISCONSIN STATE			1	1FE	2,927,430	103.731	3,111,930	3,000,000	2,936,464		2,681			5.400	5.610	MN	27,000	162,000	06/23/2010	05/01/2030
1199999. U.S. States, Territories & Possessions - Issuer Obligations						108,658,379	XXX	116,715,033	109,535,000	108,753,360	0	29,164	0	0	XXX	XXX	XXX	1,534,386	5,896,023	XXX	XXX
1799999. Total - U.S. States, Territories & Possessions (Direct and Guaranteed)						108,658,379	XXX	116,715,033	109,535,000	108,753,360	0	29,164	0	0	XXX	XXX	XXX	1,534,386	5,896,023	XXX	XXX
U.S. Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
088365 DU 2	BEXAR COUNTY TEX HOSP DIST			1	1FE	10,000,000	109.196	10,919,600	10,000,000	10,000,000					6.904	6.900	FA	260,818	690,400	08/05/2009	02/15/2039
122062 SE 3	BURLINGTON-A-TXBL				2FE	2,000,000	91.807	1,836,140	2,000,000	2,000,000					4.625	4.620	MN	15,674	47,792	04/19/2013	11/01/2023
167486 HN 2	CHICAGO TXB-D-RECOVER				1FE	5,000,000	90.605	4,530,250	5,000,000	5,000,000					6.257	6.250	JJ	156,425	312,850	01/14/2010	01/01/2040
167560 PL 9	CHICAGO WTR TXB IL				1FE	12,000,000	106.329	12,759,480	12,000,000	12,000,000					5.720	5.710	JD	57,200	686,400	08/11/2009	12/01/2038
213185 BP 5	COOK COUNTY ILLINOIS				1FE	9,305,612	100.404	9,488,178	9,450,000	9,321,632		4,140			6.310	6.440	MN	76,193	596,295	07/23/2009	11/15/2031
213185 BQ 3	COOK COUNTY RECOVERY ZONE ECONOMIC DEV				1FE	2,792,664	98.804	2,766,512	2,800,000	2,793,257		177			6.360	6.380	MN	22,755	178,080	07/29/2009	11/15/2033
220147 W5 7	CORPUS CHRISTI TEX INDPT SCH DIST			1	1FE	6,205,000	110.128	6,833,442	6,205,000	6,205,000					5.924	5.920	FA	138,865	367,584	12/21/2010	08/15/2029
220147 W6 5	CORPUS CHRISTI TEX INDPT SCH DIST			1	1FE	2,000,000	110.483	2,209,660	2,000,000	2,000,000					6.124	6.120	FA	46,270	122,480	12/21/2010	08/15/2032
232760 T5 7	CYPRESS-FAIRBANKS ISD			1	1FE	12,390,513	111.314	13,752,845	12,355,000	12,376,793		(3,493)			6.629	6.580	FA	309,405	819,013	08/03/2009	02/15/2038
234667 JL 8	DALLAS HOSP-BAB-C				1FE	5,000,000	109.491	5,474,550	5,000,000	5,000,000					5.620	5.620	FA	108,497	281,050	08/27/2009	08/15/2044
235308 RA 3	DALLAS TEX INDPT SCH DIST			1	1FE	25,375,000	111.238	27,809,500	25,000,000	25,290,537		(31,538)			6.450	6.240	FA	609,167	1,612,500	11/16/2010	02/15/2035
249164 LJ 1	DENVER CITY & CO BABS			1	1FE	5,000,000	106.188	5,309,400	5,000,000	5,000,000					5.650	5.650	FA	117,708	282,500	06/10/2010	08/01/2030
438670 VJ 7	HONOLULU CITY & CO -E			1	1FE	2,455,000	108.805	2,671,163	2,455,000	2,455,000					6.280	6.280	MS	51,391	154,174	11/04/2009	09/01/2032
438670 VL 2	HONOLULU CITY & CO -E			1	1FE	1,000,000	108.385	1,083,850	1,000,000	1,000,000					6.300	6.300	MS	21,000	63,000	11/04/2009	09/01/2034
442331 QR 8	HOUSTON REF-TXB-B			1	1FE	7,500,000	107.468	8,060,100	7,500,000	7,500,000					6.080	6.080	MS	154,533	456,600	08/21/2009	03/01/2029
442403 FR 7	HOUSTON ISD-A2-BABS			1	1FE	7,000,000	110.812	7,756,840	7,000,000	7,000,000					6.160	6.160	FA	166,491	431,760	10/22/2009	02/15/2034
592112 DR 4	NASHVILLE GOVT-BABS				1FE	6,045,500	106.020	6,361,200	6,000,000	6,040,703		(1,472)			5.707	5.640	JJ	171,210	342,420	07/01/2010	07/01/2034
64966H TX 8	NEW YORK CITY-D-BABS				1FE	14,500,000	110.913	16,082,385	14,500,000	14,500,000					5.985	5.980	JD	72,319	867,825	12/11/2009	12/01/2036

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
718814 ZZ 2	PHOENIX ARIZONA		..		..1FE	7,500,000	100.196	7,514,700	7,500,000	7,500,000					5.269	5.260	JJ	197,588	395,175	10/07/2009	07/01/2034
796269 UC 0	SAN ANTONIO INDEP SCH DIST		..	1	..1FE	8,000,000	111.859	8,948,720	8,000,000	8,000,000					6.397	6.390	FA	193,332	511,760	12/15/2010	08/15/2040
1899999. U.S. Political Subdivisions of States, Territories & Possessions - Issuer Obligations						151,069,289	XXX	162,168,515	150,765,000	150,982,922	0	(32,186)	0	0	XXX	XXX	XXX	2,946,841	9,219,658	XXX	XXX
2499999. Total - U.S. Political Subdivisions of States, Territories & Possessions						151,069,289	XXX	162,168,515	150,765,000	150,982,922	0	(32,186)	0	0	XXX	XXX	XXX	2,946,841	9,219,658	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																					
02765U EQ 3	AMERN MUN PWR-E-RMKT		..		..1FE	6,094,980	105.197	6,311,820	6,000,000	6,091,044		(1,869)			6.270	6.140	FA	142,120	376,200	05/19/2011	02/15/2050
03255M QA 8	ANAHEIM FING-WTR-B-BA		..		..1FE	5,000,000	104.115	5,205,750	5,000,000	5,000,000					5.525	5.520	AO	69,063	276,250	10/21/2010	10/01/2034
03255M QB 6	ANAHEIM FING-WTR-B-BA		..		..1FE	4,000,000	106.230	4,249,200	4,000,000	4,000,000					5.685	5.680	AO	56,850	227,400	10/21/2010	10/01/2040
033177 XV 3	ANCHORAGE ALASKA ELEC UTIL REV		..	1	..1FE	2,500,000	103.288	2,582,200	2,500,000	2,500,000					6.558	6.550	JD	13,663	163,950	11/20/2009	12/01/2039
052451 AP 6	AUSTIN RENTAL CAR-TXB		..		..2FE	3,881,080	95.857	3,834,280	4,000,000	3,882,134		1,054			5.460	5.790	MN	28,513		12/19/2013	11/15/2032
052476 XD 5	AUSTIN WTR & WASTEWATER		..		..1FE	6,750,000	107.475	7,254,563	6,750,000	6,750,000					5.768	5.760	MN	49,749	389,340	11/18/2010	11/15/2030
052476 XE 3	AUSTIN TEX WTR & WASTEWATER		..		..1FE	1,125,000	109.555	1,232,494	1,125,000	1,125,000					6.018	6.010	MN	8,651	67,703	11/18/2010	11/15/2040
072024 ND 0	BAY AREA TOLL-F-2		..		..1FE	10,000,000	119.931	11,993,100	10,000,000	10,000,000					6.260	6.260	AO	159,978	626,300	10/28/2009	04/01/2049
13124J AN 2	CALLEGUAS FING-TXB-B		..		..1FE	13,968,490	105.028	12,078,220	11,500,000	13,913,615		(54,875)			5.944	4.510	JJ	349,375	341,780	01/31/2013	07/01/2040
155675 CL 3	CENTRAL UTAH WTR CONSERV SER A		..	1	..1FE	5,000,000	104.588	5,229,400	5,000,000	5,000,000					5.700	5.700	AO	71,250	285,000	05/27/2010	10/01/2040
172311 GB 2	CINCINNATI WTR-BABS		..	1	..1FE	3,000,000	108.126	3,243,780	3,000,000	3,000,000					6.450	6.450	JD	16,125	193,740	07/22/2009	12/01/2034
19625A AG 7	COLONY LOCAL DEV-A		..		..1FE	10,426,600	90.753	9,075,300	10,000,000	10,424,076		(2,524)			4.881	4.610	AO	122,025	298,283	04/23/2013	10/01/2047
235241 LS 3	DALLAS RAPID TRN SR		..		..1FE	14,048,140	115.282	16,139,480	14,000,000	14,045,463		(706)			5.990	5.960	JD	69,883	839,860	07/29/2009	12/01/2044
235241 LT 1	DALLAS RAPID TRN SR		..	1	..1FE	5,842,500	107.651	6,459,060	6,000,000	5,862,602		5,023			6.240	6.470	JD	31,200	374,940	07/24/2009	12/01/2034
249182 AQ 9	DENVER ARPT		..		..1FE	2,000,000	104.187	2,083,740	2,000,000	2,000,000					6.414	6.410	MN	16,748	128,280	10/21/2009	11/15/2039
270618 CN 9	E BATON ROUGE		..	1	..1FE	8,000,000	102.924	8,233,920	8,000,000	8,000,000					6.087	6.080	FA	202,900	486,960	05/21/2010	02/01/2045
271014 TU 6	E BAY MUD-BABS		..		..1FE	8,891,472	113.738	7,779,679	6,840,000	8,850,615		(40,857)			5.874	4.050	JD	34,598	401,782	01/31/2013	06/01/2040
3136F9 RQ 8	FANNIE MAE		..		1	1,293,970	99.850	1,556,662	1,559,000	1,362,711		(18,329)			2.434	4.700	MON	3,393	45,944	12/09/2008	06/10/2020
342816 NG 6	FL PWR REF-STANTON II		..		..1FE	50,000	85.500	42,750	50,000	50,000					0.160	0.160	RES			11/13/2008	10/01/2027
342816 TH 8	FL ST PWR-ARS-REF		..		..1FE	100,000	86.650	86,650	100,000	100,000					0.160	0.160	RES			11/07/2008	10/01/2027
343136 L7 0	FLORIDA ST TPK AUTH REVENUE BONDS		..	1	..1FE	10,165,800	107.758	10,775,800	10,000,000	10,105,392		(15,453)			6.800	6.560	JJ	340,000	680,000	08/06/2009	07/01/2039
362848 QZ 9	GAINESVILLE FLA UTILS SYS REV		..		..1FE	7,930,000	106.437	8,440,454	7,930,000	7,930,000					5.874	5.870	AO	116,452	465,808	11/10/2010	10/01/2030
386442 UH 8	GRAND RVR DAM AUTH-B		..		..1FE	5,000,000	108.066	5,403,300	5,000,000	5,000,000					6.930	6.930	JD	28,875	346,500	11/18/2010	06/01/2030
407288 WT 2	HAMILTON SWR TXB-B		..	1	..1FE	4,987,000	110.941	5,547,050	5,000,000	4,987,925		399			6.500	6.520	JD	27,083	325,000	08/11/2009	12/01/2034
409327 DS 9	HAMPTON ROADS WASTEWATER		..		..1FE	8,000,000	109.863	8,789,040	8,000,000	8,000,000					5.860	5.860	MN	78,133	469,120	11/04/2009	11/01/2039
438701 PT 5	HONOLULU WSTWTR-TXB-B		..	1	..1FE	6,500,000	108.158	7,030,270	6,500,000	6,500,000					6.330	6.330	JJ	205,725	412,035	09/16/2009	07/01/2035
438701 PU 2	HONOLULU WSTWTR-TXB-C		..	1	..1FE	3,500,000	107.405	3,759,175	3,500,000	3,500,000					6.330	6.330	JJ	110,775	221,865	09/16/2009	07/01/2039
452024 HJ 4	IL MUN ELECTRIC AGENCY POWER		..		..1FE	11,005,000	106.393	11,703,230	11,000,000	11,004,350		(300)			6.399	6.390	FA	293,288	703,890	11/22/2010	02/01/2025
452252 FH 7	ILLINOIS ST TOLL HWY AUTH		..		..1FE	4,301,200	112.985	4,813,161	4,260,000	4,297,738		(998)			6.184	6.100	JJ	131,719	263,438	07/29/2009	01/01/2034
452252 FJ 3	ILLINOIS ST TOLL HWY AUTH		..	1	..1FE	4,619,724	105.054	4,937,538	4,700,000	4,645,560		6,065			5.293	5.490	JJ	124,386	248,771	05/22/2009	01/01/2024
455167 3Q 7	IN UNIV REVS		..		..1FE	2,500,000	104.614	2,615,350	2,500,000	2,500,000					5.636	5.630	JD	11,742	140,900	05/20/2010	06/01/2035
455167 3R 5	IN UNIV REVS		..		..1FE	2,500,000	104.331	2,608,275	2,500,000	2,500,000					5.536	5.530	JD	11,533	138,400	05/20/2010	06/01/2030
463632 4P 1	IRVINE RANCH CA WTR DISTRICT		..		..1FE	10,000,000	118.383	11,838,300	10,000,000	10,000,000					6.622	6.620	MN	110,367	662,200	12/08/2010	05/01/2040
46615M AT 8	JEA ENERGY SYS-A-TXBL		..	1	..1FE	6,830,000	92.128	6,292,342	6,830,000	6,830,000					4.538	4.530	AO	79,208	87,818	06/07/2013	10/01/2034
517840 U9 3	LAS VEGAS VY WTR-BABS		..		..1FE	5,040,476	105.374	5,284,506	5,015,000	5,037,366		(874)			5.600	5.550	MS	93,613	280,840	07/01/2010	03/01/2031
537011 BB 3	LITTLE BLUE VY SWR-BA		..	1	..1FE	10,000,000	112.107	11,210,700	10,000,000	10,000,000					6.750	6.750	MS	225,000	675,000	11/18/2010	09/01/2040
544495 VX 9	L A WTR/PWR-TXB-C		..		..1FE	5,000,000	109.033	5,451,650	5,000,000	5,000,000					5.516	5.510	JJ	137,900	275,800	08/18/2010	07/01/2027

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
544495 VZ 4	LA DEPT WTR & PWR-BAB			1	1FE	9,000,000	113.746	10,237,140	9,000,000	9,000,000					7.000	7.000	JJ	315,000	630,000	11/24/2010	07/01/2041
544495 WB 6	LA DEPT WTR/PWR-BABS			1	1FE	14,000,000	110.309	15,443,260	14,000,000	14,000,000					7.003	7.000	JJ	490,210	980,420	12/01/2010	07/01/2041
544652 6E 5	LOS ANGELES WSTWTR-A				1FE	4,195,000	106.140	4,452,573	4,195,000	4,195,000					5.713	5.710	JD	20,637	239,660	10/14/2010	06/01/2039
546589 QY 1	LOUISVILLE/JEFFERSON CNTY KY MET SWR				1FE	10,000,000	114.374	11,437,400	10,000,000	10,000,000					6.250	6.250	MN	79,861	625,000	11/17/2010	05/15/2043
574300 HZ 5	MD TRANS AUTH BABS				1FE	5,000,000	112.571	5,628,550	5,000,000	5,000,000					5.888	5.880	JJ	147,200	294,400	12/10/2009	07/01/2043
574300 JQ 3	MD TRANSN-TXB-B-BABS				1FE	3,000,000	106.732	3,201,960	3,000,000	3,000,000					5.754	5.750	JJ	86,310	172,620	07/14/2010	07/01/2041
575579 VP 9	MASS BAY TRANS-C				1FE	8,250,000	109.590	9,041,175	8,250,000	8,250,000					5.560	5.560	JJ	229,350	459,443	10/20/2009	07/01/2039
575765 TY 8	MASSACHUSETTS MUN WHSL ELEC C MUNICIPAL				1FE	25,000	86.650	21,663	25,000	25,000					0.160	0.160	JJ			12/09/2008	07/01/2014
575765 UC 4	MA ELEC-VAR-6-1				1FE	75,000	86.650	64,988	75,000	75,000					0.160	0.160	MON			10/31/2008	07/01/2019
57604P 5P 5	MASSACHUSETTS ST WTR POLLUTION				1FE	12,395,000	105.968	13,134,734	12,395,000	12,395,000					5.192	5.190	FA	268,145	643,548	06/30/2010	08/01/2040
592098 G4 3	MET GOVT W/S-B-BABS				1FE	5,000,000	115.365	5,768,250	5,000,000	5,000,000					6.393	6.390	JJ	159,825	319,650	12/09/2010	07/01/2030
592566 AS 2	METRO ST CLG TXB-RECOVERY				1FE	8,000,000	102.046	8,163,680	8,000,000	8,000,000					6.240	6.240	JD	41,600	499,200	11/18/2009	12/01/2039
59259R EF 7	MET TRN VAR-REF-B-2				1FE	145,000	95.250	138,113	145,000	145,000					0.160	0.160	MON			10/09/2008	11/01/2022
59266T BJ 9	METROPOLITAN WTR DIST			1	1FE	10,847,018	105.890	11,594,955	10,950,000	10,857,042		2,319			6.250	6.320	JJ	342,188	684,375	08/03/2009	07/01/2039
59266T CJ 8	METROPOLITAN WTR DIST			1	1FE	5,000,000	107.557	5,377,850	5,000,000	5,000,000					6.538	6.530	JJ	163,450	326,900	07/31/2009	07/01/2039
610763 PG 3	MONROE CNTY WTR-B-BAB				1FE	5,000,000	112.529	5,626,450	5,000,000	5,000,000					6.259	6.250	FA	130,396	312,950	12/14/2010	08/01/2030
626207 YF 5	MUNICIPAL ELECT AUTH GA VOGTLE UNITS				1FE	2,000,000	105.114	2,102,280	2,000,000	2,000,000					6.637	6.630	AO	33,185	132,740	03/04/2010	04/01/2057
626207 YS 7	MUNI ELEC-BABS-TXB				1FE	17,631,735	99.953	15,515,704	15,523,000	17,606,712		(24,650)			7.055	6.130	AO	279,871	1,095,148	01/30/2013	04/01/2057
646139 RE 7	NJ TPK-VAR-SER E				1FE	250,000	86.650	216,625	250,000	250,000					0.160	0.160	RES			10/07/2008	01/01/2030
646139 RF 4	NJ TPK-VAR-SER F				1FE	100,000	86.650	86,650	100,000	100,000					0.160	0.160	RES			10/02/2008	01/01/2030
646139 RG 2	NJ TPK-VAR-SER G				1FE	175,000	88.000	154,000	175,000	175,000					0.160	0.160	RES			10/03/2008	01/01/2030
649713 CK 8	NYC TRN-VAR-SUBSER A5				2	125,000	86.650	108,313	125,000	125,000					0.160	0.160	MON			10/14/2008	01/01/2030
64971M ZG 0	NYC FIN-BABS-TXB FUTU				1FE	5,000,000	112.714	5,635,700	5,000,000	5,000,000					5.760	5.760	FA	120,000	288,350	10/16/2009	08/01/2036
64983W NM 4	NY DORM-B-PARS-MERCY				2FE	775,000	87.500	678,125	775,000	775,000					0.160	0.160	RES			11/07/2008	07/01/2029
649842 BM 2	NY ENERGY VAR-A1-BROO				1FE	300,000	89.250	267,750	300,000	300,000					0.160	0.160	RES			10/06/2008	12/01/2020
649842 BN 0	NY ENERGY VAR-A2-BROO				1FE	50,000	86.650	43,325	50,000	50,000					0.160	0.160	RES			10/07/2008	12/01/2020
649845 FA 7	NEW YORK ST ENERGY RESH & DEV POLLUTION			1	2FE	50,000	86.650	43,325	50,000	50,000					2.970	2.970	RES	355		11/21/2008	10/01/2028
64989K GR 1	NY PWR-B				1FE	3,421,784	111.307	2,944,070	2,645,000	3,409,173		(12,611)			5.985	4.270	MN	20,667	158,303	02/05/2013	11/15/2043
649902 H4 8	NYS DORMS-BABS				1FE	3,000,000	107.354	3,220,620	3,000,000	3,000,000					5.420	5.490	MS	48,780	162,810	10/08/2009	03/15/2039
649902 ZQ 9	NY ST DORM AUTH ST PERS INCOME TAX REV				1FE	9,000,000	109.688	9,871,920	9,000,000	9,000,000					5.628	5.620	MS	149,142	506,520	08/18/2009	03/15/2039
66285W FB 7	NORTH TEXT TWY AUTH REV				1FE	2,000,000	119.203	2,384,060	2,000,000	2,000,000					6.718	6.710	JJ	67,180	134,360	08/03/2009	01/01/2049
663903 DN 9	NE OH SWR-TXB-BABS-IM				1FE	10,000,000	106.501	10,650,100	10,000,000	10,000,000					5.438	5.430	MN	69,486	543,800	11/05/2010	11/15/2032
665250 BW 5	NORTHERN IL POWER SER C				1FE	2,500,000	106.338	2,658,450	2,500,000	2,500,000					6.859	6.850	JJ	85,738	171,475	08/05/2009	01/01/2039
67766W QG 0	OH WTR-TXB-B2-LN FD				1FE	10,000,000	102.390	10,239,000	10,000,000	10,000,000					4.879	4.870	JD	40,658	487,900	08/12/2010	12/01/2034
681793 4Q 5	OMAHA PUB PWR DT-BABS				1FE	5,000,000	100.029	5,001,450	5,000,000	5,000,000					5.431	5.430	FA	113,146	271,550	11/05/2010	02/01/2041
68428T AD 9	ORANGE CNTY CA WSTWTR REV				1FE	15,338,550	115.868	17,380,200	15,000,000	15,320,576		(5,715)			6.400	6.220	FA	400,000	960,000	11/30/2010	02/01/2044
688022 CN 0	OSCEOLA IMPT TXB-B			1	1FE	1,000,000	103.520	1,035,200	1,000,000	1,000,000					6.940	6.940	AO	17,350	69,460	09/24/2009	10/01/2039
702541 GS 6	PASCO W/S TXB-B-BABS			1	1FE	7,022,900	106.276	7,439,320	7,000,000	7,014,768		(2,045)			6.760	6.710	AO	118,300	473,200	09/08/2009	10/01/2039
709221 TF 2	PA ST TPK COMM OIL FRANCHISE TAX				1FE	4,921,675	105.033	5,251,650	5,000,000	4,927,668		1,613			5.848	5.960	JD	24,367	292,400	10/16/2009	12/01/2037
709223 VZ 1	PENNSYLVANIA ST TPK				1FE	1,547,823	112.572	1,733,609	1,540,000	1,547,285		(136)			6.105	6.060	JD	7,835	94,017	07/29/2009	12/01/2039
73358W JA 3	PORT AUTH-174TH				1FE	14,944,575	85.188	12,778,200	15,000,000	14,946,122		1,547			4.458	4.540	AO	170,890	651,983	01/30/2013	10/01/2062
769047 HB 0	RIVERSIDE CALIFORNIA SWR REV			1	1FE	5,598,810	106.533	5,997,808	5,630,000	5,600,704		573			7.200	7.240	FA	168,900	405,360	08/06/2009	08/01/2039

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
769076 UG 3	RIVERSIDE WTR-BABS-B				1FE	5,000,000	105.545	5,277,250	5,000,000	5,000,000					6.349	6.340	AO	79,363	317,450	12/10/2009	10/01/2039
786005 PM 4	SACRAMENTO CA MUNI UTIL				1FE	2,572,875	108.382	2,709,550	2,500,000	2,566,493		(1,673)			6.320	6.080	MN	20,189	158,050	07/31/2009	05/15/2036
786005 PN 2	SACRAMENTO CALIF MUN UTIL DIS ELEC REV				1FE	3,000,000	106.456	3,193,680	3,000,000	3,000,000					6.156	6.150	MN	23,598	184,680	07/22/2010	05/15/2036
786134 RM 0	SACRAMENTO SAN-A				1FE	3,000,000	111.259	3,337,770	3,000,000	3,000,000					6.125	6.120	FA	78,094	183,750	07/30/2010	08/01/2030
786134 RN 8	SACRAMENTO SAN-A				1FE	7,000,000	111.354	7,794,780	7,000,000	7,000,000					6.325	6.320	FA	188,169	442,750	07/30/2010	08/01/2040
796253 U9 1	SAN ANTONIO ELEC				1FE	3,168,300	113.037	2,825,925	2,500,000	3,153,784		(14,516)			5.718	4.050	FA	60,754	71,475	01/31/2013	02/01/2041
79642B HU 0	SAN ANTONIO TEX WTR REV				1FE	7,000,000	108.110	7,567,700	7,000,000	7,000,000					5.602	5.600	MN	50,107	392,140	11/18/2009	05/15/2039
79642B LL 5	SAN ANTONIO TEX WTR REV				1FE	7,590,000	112.666	8,551,349	7,590,000	7,590,000					5.920	5.920	MN	57,414	449,328	11/10/2010	05/15/2040
79642B LS 0	SAN ANTONIO WTR			1	1FE	2,000,000	108.588	2,171,760	2,000,000	2,000,000					6.170	6.170	MN	15,768	123,400	11/15/2010	05/15/2032
79642B LT 8	SAN ANTONIO TEX WTR REV			1	1FE	1,000,000	108.460	1,084,600	1,000,000	1,000,000					6.220	6.220	MN	7,948	62,200	11/10/2010	05/15/2034
79765R SV 2	SAN FRANCISCO UTILS-B				1FE	10,552,210	113.861	11,955,405	10,500,000	10,553,126		(1,533)			6.000	5.950	MN	105,000	630,000	01/31/2013	11/01/2040
79765R TL 3	SAN FRANCISCO WTR-BAB				1FE	5,050,250	126.051	6,302,550	5,000,000	5,048,052		(571)			6.950	6.870	MN	57,917	347,500	12/15/2010	11/01/2050
837151 AA 7	SC PUB SVC-TXB-C-BABS				1FE	10,500,000	106.876	11,221,980	10,500,000	10,500,000					6.454	6.450	JJ	338,835	677,670	12/09/2010	01/01/2050
837151 JB 6	SC PUB SVC AUTH-C-TXB				1FE	5,000,000	101.507	5,075,350	5,000,000	5,000,000					5.784	5.780	JD	24,903	80,333	08/08/2013	12/01/2041
842475 F7 5	SO CA PUB PWER-BABS				1FE	1,789,667	106.640	1,764,892	1,655,000	1,789,659		(8)			5.943	5.390	JJ	50,271		12/20/2013	07/01/2040
84247P EP 2	STHRN CAL PUB PWR-BAB				1FE	2,381,280	106.518	2,130,360	2,000,000	2,371,103		(10,177)			5.921	4.560	JJ	60,526	59,210	01/31/2013	07/01/2035
843375 ZQ 2	STHRN MN PWR-BABS-A				1FE	2,165,000	102.410	2,217,177	2,165,000	2,165,000					5.776	5.770	JJ	63,915	125,050	10/14/2010	01/01/2032
849007 AL 3	SPOKANE COUNTY WASH WASTEWATER SYS REV			1	1FE	4,000,000	109.132	4,365,280	4,000,000	4,000,000					6.474	6.470	JD	21,580	258,960	08/12/2009	12/01/2029
871720 BN 7	SYRACUSE IDA PARS-A				1FE	3,250,000	86.650	2,816,125	3,250,000	3,250,000					0.160	0.160	RES		11,249	11/18/2008	12/01/2029
871720 BP 2	SYRACUSE IDA PARS-B				1FE	375,000	78.000	292,500	375,000	375,000					0.160	0.160	RES			10/02/2008	12/01/2029
873547 GW 7	TACOMA WTR SYS				1FE	10,000,000	109.382	10,938,200	10,000,000	10,000,000					5.750	5.750	JD	47,917	575,100	10/21/2009	12/01/2039
873547 HN 6	TACOMA WTR-TXB-B-BABS				1FE	2,000,000	103.968	2,079,360	2,000,000	2,000,000					5.371	5.370	JD	8,952	107,420	08/11/2010	12/01/2030
873547 HP 1	TACOMA WTR-TXB-B-BABS				1FE	8,000,000	102.927	8,234,160	8,000,000	8,000,000					5.621	5.620	JD	37,473	449,680	08/11/2010	12/01/2040
880591 ED 0	TENN VALLEY AUTHORITY				1FE	22,963,488	109.835	24,347,124	22,167,000	22,902,630		(14,644)			5.500	5.250	JD	54,186	1,219,185	05/22/2009	06/15/2038
91412F 7Y 7	UNIVERSITY OF CALIFORNIA				1FE	4,995,800	110.201	5,510,050	5,000,000	4,996,727		239			5.770	5.850	MN	37,665	288,500	08/19/2009	05/15/2043
914440 KK 7	UNIV MA BLDG-BABS			1	1FE	6,000,000	106.928	6,415,680	6,000,000	6,000,000					6.570	6.570	MN	65,700	394,380	10/15/2009	05/01/2039
914713 C8 3	UNIV NC UNIV REV			1	1FE	12,308,717	105.085	13,093,591	12,460,000	12,321,071		3,303			5.757	5.840	JD	59,777	717,322	12/11/2009	12/01/2039
915115 3X 5	UNIV TX				1FE	10,000,000	107.375	10,737,500	10,000,000	10,000,000					5.260	5.330	JJ	268,844	526,200	09/10/2009	07/01/2039
915137 5E 9	UNIV TX REVS-D-BABS				1FE	7,072,380	105.850	7,409,500	7,000,000	7,066,673		(2,754)			5.094	5.070	FA	137,680	356,580	07/21/2010	08/15/2030
91523N FQ 4	UNIV WA REV-BABS				1FE	4,794,200	107.219	5,360,950	5,000,000	4,809,295		4,126			5.400	5.700	JD	22,500	270,000	12/16/2009	06/01/2036
917565 LB 7	UTAH TRAN AUTH SALES TAX REV				1FE	7,987,460	113.008	9,040,640	8,000,000	7,988,664		241			5.937	5.940	JD	21,109	474,960	05/19/2009	06/15/2039
958697 HP 2	WESTERN MUN PWR-BABS				1FE	10,000,000	118.151	11,815,100	10,000,000	10,000,000					6.770	6.770	JJ	338,500	677,000	11/17/2010	01/01/2046
975700 KV 6	WINSTON-SALEM W/S			1	1FE	5,026,210	104.835	5,524,805	5,270,000	5,038,885		4,364			5.694	6.040	JD	25,006	300,074	11/09/2010	06/01/2040
977123 ZM 3	WI TRANSP-B-BABS			1	1FE	5,500,000	108.325	5,957,875	5,500,000	5,500,000					6.000	6.000	JJ	165,000	330,000	11/23/2010	07/01/2031
2599999. U.S. Special Revenue & Assessment Obligations - Issuer Obligations		XXX			XXX	644,579,139	XXX	683,062,902	635,289,000	644,421,803	0	(196,952)	0	0	XXX	XXX	XXX	10,576,565	36,270,235	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Residential Mortgage-Backed Securities																					
3128JM YY 7	FH ARM 1B2626			2	1	2,078,164	105.499	2,250,913	2,133,587	2,133,587		48,895			2.625	4.350	MON	20,186	55,896	02/21/2006	12/01/2034
3128JR U5 3	FHARM 847804	C		2	1	5,043,379	106.208	5,294,632	4,985,154	4,985,154					2.546	4.400	MON	24,408	143,261	11/30/2007	10/01/2037
3128PK WJ 9	FGCI J07849			2	1	2,673,880	107.273	2,953,258	2,753,030	2,695,593		33,086			4.500	5.440	MON	10,324	123,886	07/14/2008	05/01/2023
3128PL AW 2	FGCI J08121			2	1	1,706,071	107.975	1,855,320	1,718,287	1,708,463		5,493			5.000	5.200	MON	7,160	85,914	07/14/2008	06/01/2023
3128PR J4 2	FG J12083	C		2	1	14,778,099	105.571	14,990,073	14,199,045	14,599,939		(164,483)			4.000	2.460	MON	20,980	566,219	04/30/2010	04/01/2020
3128QL QW 4	FHARM 1H2569	C		2	1	7,376,985	106.449	7,892,188	7,414,056	7,414,056		33,701			2.480	2.690	MON	30,465	184,742	02/24/2006	09/01/2035

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
3128QL RC 7	FH 1H2583			2	1	3,991,323	108.001	4,379,092	4,054,678	4,014,196		19,440			5.369	5.600	MON	36,101	218,321	03/10/2006	01/01/2036
312903 KY 2	FHR 117 G			2	1	66,563	110.517	78,123	70,689	70,689					8.500	9.190	MON	267	6,862	01/05/1990	01/15/2021
312945 DN 5	FG A96409			2	1	14,920,263	99.335	15,802,528	15,908,318	15,002,579		72,758			3.500	4.910	MON	46,399	556,791	04/14/2011	01/01/2041
3133T4 FT 8	FHR 1680 PK			2	1	2,562,742	110.899	2,972,586	2,680,430	2,645,462		9,239			6.500	6.920	MON	14,519	174,228	01/24/1994	02/15/2024
31342A B5 7	FHARM 780060	C		2	1	3,173,787	105.696	3,380,713	3,198,525	3,198,525		10,626			2.375	2.570	MON	12,635	76,233	02/21/2006	01/01/2033
31358N W4 0	FNR 92-129 L			2	1	345,793	109.649	414,381	377,916	366,127		4,515			6.000	7.220	MON	1,890	22,675	12/07/1995	07/25/2022
31359S 6Y 1	FNGT 2001-T7 IO			24	1	18,764,890		1,089,206		653,288		(247,643)			0.909	22.330	MON	32,477	425,462	06/22/2001	02/25/2041
31371N V2 8	FN 257233			2	1	29,656	106.504	32,478	30,495	29,892		356			4.500	5.420	MON	114	1,372	08/14/2008	06/01/2023
3137AD FW 2	FHR 3888 PF			2	1	14,874,099	99.999	14,886,161	14,886,310	14,874,099		4,503			0.516	0.580	MON	3,418	81,091	08/24/2011	05/15/2040
31385X CM 7	FNARM 555476			2	1	1,331,481	106.683	1,423,411	1,334,244	1,331,753		557			2.368	2.420	MON	2,654	31,796	02/21/2006	04/01/2033
3138A2 BE 8	FN AH0936			2	1	16,679,881	99.448	17,704,622	17,802,894	16,779,894		72,161			3.500	4.860	MON	51,925	623,101	03/03/2011	12/01/2040
3138A5 4N 9	FN AH4428			2	1	39,794,822	99.452	41,680,834	41,910,504	40,037,865		190,018			3.500	4.460	MON	80,092	1,466,933	01/27/2011	01/01/2041
3138A5 6C 1	FN AH4466			2	1	16,163,944	99.442	17,036,723	17,132,322	16,263,407		50,611			3.500	4.600	MON	49,969	599,631	02/02/2011	02/01/2041
313920 UM 0	FNGT 2001-T8 IO			24	1	3,180,507		160,607		56,004		(44,456)			0.391	30.030	MON	5,175	68,992	07/25/2001	07/25/2041
31393W WV 7	FHR 2638 CE			2	1	60,278	102.437	65,722	64,158	63,183		1,107			3.750	5.380	MON	200	2,406	05/24/2004	08/15/2032
31393Y AV 7	FNR 2004-31 ME			2	1	3,667,513	106.792	4,362,413	4,084,943	3,918,164		38,829			4.250	5.270	MON	14,468	173,610	07/14/2004	05/25/2034
31394E UD 8	FNR 2005-59 KA			2	1	676,976	104.094	710,328	682,387	678,733		2,367			4.500	4.670	MON	2,559	30,707	09/15/2005	07/25/2035
31395B 5U 3	FNR 2006-32 FP			2	1	13,827,832	99.926	13,845,793	13,855,977	13,827,833		6,465			0.466	2.410	MON	1,076	68,293	05/18/2006	03/25/2036
31395D 7E 3	FNR 2006-46 FW			2	1	3,177,367	100.065	3,181,930	3,179,851	3,179,851		(344)			0.566	0.610	MON	300	18,846	05/18/2006	06/25/2034
31395T 6G 4	FHR 2956 WE			2	1	2,307,325	102.768	2,330,772	2,267,989	2,267,989		(4,328)			5.500	5.200	MON	10,395	124,739	05/11/2005	01/15/2034
31396R BZ 9	FHR 3150 FA			2	1	6,904,853	99.382	6,885,865	6,928,671	6,904,853		8,440			0.516	2.580	MON	1,591	37,693	05/17/2006	05/15/2036
31396T LQ 4	FHR 3174 FM			2	1	762,138	99.942	766,491	766,931	764,780		1,710			0.406	0.680	MON	139	3,327	09/10/2009	05/15/2036
31396T P6 4	FHR 3174 LF			2	1	9,452,490	100.135	9,477,097	9,464,320	9,452,490		1,302			0.516	0.990	MON	2,173	51,389	01/28/2008	05/15/2036
31397F RH 7	FHR 3292 FB			2	1	2,571,933	99.724	2,572,888	2,579,996	2,571,933		2,762			0.416	1.530	MON	478	11,442	08/23/2007	03/15/2037
31397U V7 1	FNR 2011-66 FA			2	1	3,126,580	100.053	3,131,195	3,129,514	3,127,146		294			0.566	0.680	MON	295	18,526	08/15/2011	11/25/2039
31402C 5S 7	FN 725457			2	1	752,548	99.754	751,078	752,930	752,548		292			4.667	4.610	MON	2,928	35,006	07/21/2005	04/01/2014
31402D J9 2	FN 725788	C		2	1	915,874	99.972	922,899	923,158	920,018		5,874			4.560	4.640	MON	10,762	48,845	07/21/2005	03/01/2019
31403C 4R 9	FNARM 745232			2	1	2,349,992	105.052	2,510,291	2,389,570	2,389,570		38,145			2.195	4.280	MON	4,439	56,163	02/21/2006	08/01/2035
31408G 4M 6	FNARM 851428	C		2	1	7,705,441	106.662	8,208,517	7,695,821	7,695,821					2.590	2.640	MON	50,381	167,237	02/24/2006	09/01/2035
31410W H9 2	FN 899456			2	1	4,137,448	107.529	4,496,025	4,181,221	4,145,556		25,160			6.000	6.220	MON	20,906	250,873	10/11/2007	06/01/2047
31412B DS 8	FN 920013			2	1	2,721,512	107.520	2,942,722	2,736,907	2,723,186		8,891			6.000	6.050	MON	13,685	164,214	10/04/2007	10/01/2047
31412M 2X 5	FN 929690			2	1	118,989	106.557	130,376	122,354	119,770		1,117			4.500	5.370	MON	459	5,506	08/14/2008	07/01/2023
31412M K9 8	FN 929220			2	1	41,217	106.561	45,164	42,383	41,414		358			4.500	5.480	MON	159	1,907	08/14/2008	03/01/2023
31412M VJ 4	FN 929517			2	1	23,601	106.413	25,824	24,268	23,784		426			4.500	5.400	MON	91	1,092	08/14/2008	05/01/2023
31412T CJ 0	FN 933973			2	1	1,503	106.449	1,645	1,545	1,518		95			4.500	5.580	MON	6	70	08/14/2008	07/01/2023
31412W WB 8	FN 937242			2	1	519,784	107.519	564,067	524,621	520,976		5,038			6.000	6.200	MON	2,623	31,477	10/05/2007	05/01/2047
31412W WC 6	FN 937243	C		2	1	963,960	107.541	1,046,298	972,929	965,300		2,895			6.000	6.170	MON	4,865	58,372	10/05/2007	05/01/2047
31412X K4 5	FN 937815			2	1	2,896,729	107.519	3,141,036	2,921,378	2,902,177		22,306			6.000	6.140	MON	14,607	175,283	10/05/2007	06/01/2047
31413K RV 5	FN 947900			2	1	3,529,104	107.514	3,835,028	3,567,003	3,535,667		8,117			6.000	6.170	MON	17,835	214,020	10/11/2007	10/01/2047
31413M G6 8	FN 949421			2	1	11,500	106.576	12,603	11,825	11,595		184			4.500	5.380	MON	44	532	08/14/2008	03/01/2023
31414B AN 0	FN 960913			2	1	28,557	106.403	31,245	29,365	28,762		737			4.500	5.480	MON	110	1,321	08/14/2008	03/01/2023
31414B H2 9	FN 961149			2	1	68,937	106.572	75,545	70,886	69,534		1,206			4.500	5.250	MON	266	3,190	08/14/2008	05/01/2023

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
31414C 4H 8	FN 962624			2	1	13,080	106.571	14,333	13,449	13,161		117			4.500	5.350	MON	50	605	08/14/2008	04/01/2023
31414D 6P 6	FN 963578			2	1	115,737	106.554	126,809	119,009	116,161		363			4.500	5.280	MON	446	5,355	08/14/2008	06/01/2023
31414D X8 4	FN 963403			2	1	79,042	106.550	86,601	81,278	79,533		689			4.500	5.340	MON	305	3,658	08/14/2008	05/01/2023
31414D Z3 3	FN 963462			2	1	39,187	106.554	42,936	40,295	39,466		422			4.500	5.340	MON	151	1,813	08/14/2008	06/01/2023
31414E 2V 5	FNCI 964388	C		2	1	2,829,068	107.987	3,072,911	2,845,631	2,830,978		7,386			5.000	5.080	MON	11,857	142,282	07/14/2008	07/01/2023
31414E BQ 6	FN 963647			2	1	108,537	106.546	118,911	111,606	109,311		1,316			4.500	5.400	MON	419	5,022	08/14/2008	06/01/2023
31414E DA 9	FN 963697			2	1	18,947	106.549	20,759	19,483	19,056		55			4.500	5.310	MON	73	877	08/14/2008	06/01/2023
31414E JB 1	FN 963858			2	1	25,918	106.543	28,394	26,651	26,148		321			4.500	5.270	MON	100	1,199	08/14/2008	06/01/2023
31414E Q6 4	FN 964077			2	1	40,798	106.557	44,702	41,951	41,108		434			4.500	5.350	MON	157	1,888	08/14/2008	07/01/2023
31414E V5 0	FN 964236			2	1	42,850	106.560	46,952	44,062	43,259		670			4.500	5.270	MON	165	1,983	08/14/2008	07/01/2023
31414F GF 2	FN 964698			2	1	129,462	106.541	141,831	133,123	130,302		590			4.500	5.290	MON	499	5,991	08/14/2008	08/01/2023
31414M DH 6	FN 970004			2	1	44,452	106.569	48,712	45,709	44,848		453			4.500	5.170	MON	171	2,057	08/14/2008	06/01/2023
31414M LZ 7	FN 970244			2	1	22,178	106.424	24,271	22,806	22,180		(188)			4.500	5.470	MON	86	1,026	08/14/2008	05/01/2023
31414Q X2 8	FN 973297			2	1	94,485	106.536	103,507	97,157	95,099		1,073			4.500	5.410	MON	364	4,372	08/14/2008	03/01/2023
31414R CF 0	FN 973570			2	1	6,978	106.526	7,643	7,175	7,010		88			4.500	5.620	MON	27	323	08/14/2008	03/01/2023
31414S NB 5	FN 974786			2	1	29,532	106.560	32,360	30,367	29,685		183			4.500	5.430	MON	114	1,367	08/14/2008	04/01/2023
31414T 7H 8	FN 976196			2	1	14,029	106.550	15,371	14,426	14,121		204			4.500	5.590	MON	54	649	08/14/2008	05/01/2023
31414T T6 8	FN 975873			2	1	10,458	106.430	11,445	10,753	10,553		275			4.500	5.550	MON	40	484	08/14/2008	05/01/2023
31414U K9 8	FN 976520			2	1	59,646	106.553	65,352	61,333	60,033		1,294			4.500	5.470	MON	230	2,760	08/14/2008	05/01/2023
31414U LQ 9	FN 976535			2	1	162,478	106.389	177,746	167,072	163,757		1,950			4.500	5.230	MON	627	7,518	08/14/2008	05/01/2023
31414V DM 5	FN 977208			2	1	14,833	106.646	16,266	15,252	14,940		26			4.500	5.160	MON	57	686	08/14/2008	04/01/2023
31415A 5E 7	FN 981545			2	1	34,089	106.550	37,349	35,053	34,298		360			4.500	5.430	MON	131	1,577	08/14/2008	05/01/2023
31415A TV 3	FN 981264			2	1	14,783	106.826	16,238	15,201	14,911		138			4.500	5.270	MON	57	684	08/14/2008	03/01/2023
31415B 4Z 9	FN 982440			2	1	28,142	106.468	30,810	28,938	28,453		629			4.500	5.320	MON	109	1,302	08/14/2008	06/01/2023
31415B AN 9	FN 981613			2	1	27,330	106.635	29,967	28,102	27,492		339			4.500	5.440	MON	105	1,265	08/14/2008	06/01/2023
31415B DY 2	FN 981719			2	1	105,221	106.554	115,287	108,196	106,118		2,218			4.500	5.400	MON	406	4,869	08/14/2008	07/01/2023
31415B K5 7	FN 981916			2	1	65,306	106.542	71,546	67,152	65,845		595			4.500	5.310	MON	252	3,022	08/14/2008	06/01/2023
31415B R4 3	FN 982107			2	1	3,281	106.419	3,591	3,374	3,306		124			4.500	5.610	MON	13	152	08/14/2008	05/01/2023
31415C ND 5	FN 982888			2	1	62,612	106.604	68,634	64,382	63,052		408			4.500	5.360	MON	241	2,897	08/14/2008	05/01/2023
31415C NH 6	FN 982892			2	1	4,050	106.561	4,438	4,164	4,072		58			4.500	5.720	MON	16	187	08/14/2008	05/01/2023
31415L 5E 3	FN 983845			2	1	6,124	106.427	6,702	6,297	6,169		59			4.500	5.550	MON	24	283	08/14/2008	06/01/2023
31415L GB 7	FN 983194			2	1	69,156	106.380	75,649	71,112	69,823		1,020			4.500	5.220	MON	267	3,200	08/14/2008	05/01/2023
31415M 5T 8	FN 984758			2	1	97,679	106.558	107,028	100,441	98,166		263			4.500	5.280	MON	377	4,606	08/14/2008	06/01/2023
31415M YH 2	FN 984612			2	1	52,126	106.409	57,036	53,600	52,728		1,308			4.500	5.350	MON	201	2,412	08/14/2008	05/01/2023
31415M ZE 8	FN 984641			2	1	4,387,595	107.962	4,732,897	4,383,854	4,364,091		9,650			5.000	5.050	MON	18,266	217,388	08/14/2008	06/01/2023
31415M ZS 7	FN 984653			2	1	91,414	106.510	100,118	93,999	92,093		1,013			4.500	5.260	MON	353	4,230	08/14/2008	07/01/2023
31415P JD 1	FN 985060			2	1	4,319	106.408	4,726	4,441	4,362		40			4.500	5.220	MON	17	200	08/14/2008	05/01/2023
31415P U5 5	FN 985404			2	1	13,466	106.403	14,734	13,847	13,628		429			4.500	5.450	MON	52	623	08/14/2008	06/01/2023
31415Q ME 3	FN 986057			2	1	105,765	106.407	115,724	108,756	106,556		408			4.500	5.190	MON	408	4,894	08/14/2008	08/01/2023
31415R P7 3	FN 987046			2	1	7,733	106.568	8,474	7,952	7,811		89			4.500	5.150	MON	30	358	08/14/2008	07/01/2023
31415R UJ 1	FN 987185			2	1	102,375	106.363	111,969	105,270	103,682		2,489			4.500	5.160	MON	395	4,737	08/14/2008	07/01/2023
31415T NP 1	FN 988798			2	1	39,193	106.394	42,878	40,301	39,580		829			4.500	5.370	MON	151	1,814	08/14/2008	08/01/2023

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
31417Y N7 8	FN MA0413			2	1	21,643,986	106.125	22,094,752	20,819,554	21,396,151		(273,428)			4.000	2.410	MON	69,399	832,782	05/04/2010	05/01/2020
31419E XR 5	FN AE4287			2	1	12,461,146	99.467	13,175,478	13,246,080	12,499,943		113,243			3.500	5.080	MON	38,634	463,613	04/14/2011	09/01/2040
31419J SC 3	FN AE7714			2	1	32,364,351	99.456	34,229,617	34,416,845	32,526,791		149,029			3.500	4.860	MON	100,382	1,204,590	02/22/2011	11/01/2040
31419L YA 5	FN AE9704			2	1	26,487,030	99.462	27,528,376	27,677,280	26,584,960		69,059			3.500	4.530	MON	80,725	968,786	01/04/2011	12/01/2040
31421D WD 5	FN MC3343			2	1	94,013	108.408	100,721	92,909	94,013		673			5.000	4.490	MON	387	4,645	12/08/2008	12/01/2038
2699999. U.S. Special Revenue - Residential Mortgage-Backed Securities						345,132,290	XXX	339,481,257	332,109,073	324,783,526	0	377,585	0	0	XXX	XXX	XXX	956,388	11,196,523	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Other Loan-Backed and Structured Securities																					
478045 AA 5	JOHN SEVIER COMB				1FE	4,902,673	97.950	4,802,168	4,902,673	4,902,673					4.626	4.620	JJ	104,579	226,798	01/11/2012	01/15/2042
709163 GS 2	PA STD LN ARS-LL-8				2FE	50,000	86.650	43,325	50,000	50,000					0.160	0.160	RES	1,806	1,806	10/02/2008	04/01/2047
2899999. U.S. Special Revenue - Other Loan-Backed and Structured Securities						4,952,673	XXX	4,845,493	4,952,673	4,952,673	0	0	0	0	XXX	XXX	XXX	104,579	228,604	XXX	XXX
3199999. Total - U.S. Special Revenue & Special Assessment Obligations						994,664,102	XXX	1,027,389,652	972,350,746	974,158,002	0	180,633	0	0	XXX	XXX	XXX	11,637,532	47,695,362	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
00003# AA 1	A&E TELEVISION NETWORKS LLC				2	6,000,000	99.818	5,989,128	6,000,000	6,000,000					3.110	3.110	FA	66,865	184,393	08/07/2012	08/22/2019
00037B AC 6	ABB FINANCE USA				1FE	8,366,963	91.640	7,129,592	7,780,000	8,355,127		(10,545)			4.375	3.930	MN	50,111	340,375	01/04/2013	05/08/2042
00038A AB 9	ABB TREASURY CENTER USA				1FE	10,087,672	102.572	10,351,566	10,092,000	10,088,840		355			4.000	4.000	JD	17,941	403,680	10/18/2011	06/15/2021
00114* AH 6	AEP TRANSMISSION COMPANY LLC				2Z	2,000,000	96.556	1,931,130	2,000,000	2,000,000					5.320	5.320	MN	15,960		10/17/2013	11/07/2043
001192 AE 3	AGL CAPITAL CORPORATION				2FE	2,996,100	104.004	3,120,120	3,000,000	2,999,521		439			4.950	4.960	JJ	68,475	148,500	12/15/2004	01/15/2015
001192 AF 0	AGL CAPITAL CORP				2FE	1,099,195	111.505	1,466,291	1,315,000	1,225,941		29,750			6.375	9.430	JJ	38,656	83,831	11/24/2008	07/15/2016
001192 AH 6	AGL CAPITAL CORP				2FE	1,996,660	109.683	2,193,660	2,000,000	1,996,759		47			5.875	5.880	MS	34,597	117,500	03/16/2011	03/15/2041
00139P AA 6	AIG SUNAMERICA GLOB FIN X				1FE	3,430,000	121.239	4,243,365	3,500,000	3,436,024		1,687			6.900	7.080	MS	71,108	241,500	04/15/2010	03/15/2032
001814 AR 3	ANR PIPELINE				1FE	3,728,775	135.020	5,063,250	3,750,000	3,738,168		973			9.625	9.680	MN	60,156	360,938	10/24/1991	11/01/2021
001957 BD 0	AT&T CORP				1FE	10,200,000	133.093	13,309,300	10,000,000	10,000,000					8.000	8.550	MN	102,222	800,000	12/03/2002	11/15/2031
00206R AS 1	AT&T CORP				1FE	5,939,660	113.530	6,811,800	6,000,000	5,943,859		854			6.550	6.620	FA	148,467	393,000	06/04/2009	02/15/2039
00206R BA 9	AT&T INC				1FE	3,973,440	101.486	4,059,440	4,000,000	3,974,293		384			5.550	5.590	FA	83,867	222,000	08/15/2011	08/15/2041
00287Y AM 1	ABBVIE INC				2FE	10,209,030	93.267	9,326,700	10,000,000	10,204,915		(3,639)			4.400	4.270	MN	67,222	437,556	11/08/2012	11/06/2042
00434N AA 3	ACMP/ACMP FIN			1	3FE	1,480,000	96.500	1,447,500	1,500,000	1,480,909		909			4.875	5.040	MN	9,344	46,448	06/07/2013	05/15/2023
00440E AJ 6	ACE INA HOLDINGS				1FE	330,584	112.135	448,540	400,000	368,059		8,571			5.700	8.670	FA	8,613	22,800	10/27/2008	02/15/2017
00440E AK 3	ACE INA HOLDINGS				1FE	2,957,520	113.906	3,417,180	3,000,000	2,979,311		4,211			5.800	5.980	MS	51,233	174,000	02/19/2008	03/15/2018
00440E AL 1	ACE INA HOLDINGS				1FE	1,731,680	106.661	2,133,220	2,000,000	1,931,417		45,441			5.600	8.290	MN	14,311	112,000	10/28/2008	05/15/2015
00817Y AE 8	AETNA INC				2FE	2,982,150	111.775	3,353,250	3,000,000	2,994,604		1,981			6.000	6.080	JD	8,000	180,000	06/06/2006	06/15/2016
00817Y AJ 7	AETNA INC				2FE	7,184,348	92.961	6,645,782	7,149,000	7,183,953		(395)			4.500	4.460	MN	41,107	321,705	08/22/2012	05/15/2042
00846U AC 5	AGILENT TECHNOLOGIES INC				2FE	4,649,574	115.834	5,733,783	4,950,000	4,781,811		32,801			6.500	7.340	MN	53,625	321,750	12/18/2008	11/01/2017
00846U AJ 0	AGILENT TECH INC				2FE	1,990,880	94.781	1,895,620	2,000,000	1,991,325		445			3.875	3.920	JJ	40,903		06/18/2013	07/15/2023
010392 FJ 2	ALABAMA POWER CO				1FE	2,991,000	85.299	2,558,970	3,000,000	2,991,164		154			3.850	3.860	JD	9,625	114,217	11/27/2012	12/01/2042
013078 AA 8	ALBERTO-CULVER CO				1FE	3,998,360	110.573	4,422,920	4,000,000	3,998,809		153			5.150	5.150	JD	17,167	206,000	05/18/2010	06/01/2020
013817 AQ 4	ALCOA INC				3FE	1,230,555	103.216	1,548,240	1,500,000	1,304,097		16,459			5.870	8.090	FA	31,307	88,050	10/01/2008	02/23/2022
018490 AM 4	ALLERGAN, INC				1FE	4,985,850	110.622	5,531,100	5,000,000	4,996,041		1,604			5.750	5.780	AO	71,875	287,500	04/06/2006	04/01/2016
01886* AA 5	ALLIANT ENERGY RESOURCES				2	2,000,000	94.147	1,882,956	2,000,000	2,000,000					3.450	3.450	MS	19,550	68,264	08/21/2012	09/19/2022
020002 AS 0	ALLSTATE CORP				1FE	1,743,860	109.310	2,186,200	2,000,000	1,768,630		4,869			5.550	6.560	MN	16,033	111,000	02/14/2008	05/09/2035
020002 AT 8	ALLSTATE CORP				1FE	2,760,210	114.639	3,439,170	3,000,000	2,781,783		4,247			5.950	6.570	AO	44,625	178,500	02/22/2008	04/01/2036
02209S AD 5	ALTRIA GROUP INC				2FE	6,039,840	131.439	7,886,340	6,000,000	6,023,855		(3,731)			9.700	9.590	MN	82,450	582,000	11/06/2008	11/10/2018
02209S AR 4	ALTRIA GROUP INC				2FE	4,978,700	100.414	5,020,700	5,000,000	4,978,700					5.375	5.400	JJ	45,538		10/28/2013	01/31/2044

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
02360F AA 4	UNION ELECTRIC CO				1FE	2,001,847	111.357	2,227,140	2,000,000	2,000,888		(130)			5.100	5.090	AO	25,500	102,000	09/20/2004	10/01/2019
02360F AB 2	UNION ELECTRIC				1FE	2,491,525	107.083	2,677,075	2,500,000	2,492,649		153			5.300	5.320	FA	55,208	132,500	07/18/2005	08/01/2037
02360F AC 0	UNION ELECTRIC				1FE	1,948,620	108.281	2,165,620	2,000,000	1,985,712		6,283			5.400	5.760	FA	45,000	108,000	01/18/2007	02/01/2016
025816 AW 9	AMERICAN EXPRESS COMPANY				1FE	1,989,820	111.228	2,224,560	2,000,000	1,996,685		1,110			5.500	5.560	MS	33,306	110,000	09/08/2006	09/12/2016
0258M0 BZ 1	AMERICAN EXPRESS CREIDT				1FE	1,976,620	108.502	2,170,040	2,000,000	1,994,385		2,705			5.300	5.450	JD	8,539	106,000	03/28/2006	12/02/2015
02666Q J7 9	AMERICAN HONDA FINANCE				1FE	2,992,080	101.631	3,048,930	3,000,000	2,993,632		697			3.800	3.830	MS	31,983	114,000	09/13/2011	09/20/2021
026874 AZ 0	AMERICAN INTERNATIONAL GROUP				2FE	1,638,000	115.878	4,519,242	3,900,000	1,680,842		11,777			6.250	15.280	MN	40,625	243,750	05/12/2009	05/01/2036
03040W AB 1	AMERICAN WATER WORKS CO, INC				2FE	10,000,000	113.107	11,310,700	10,000,000	10,000,000					6.085	6.080	AO	128,461	608,500	10/16/2007	10/15/2017
03040W AJ 4	AMERICAN WATER				2FE	1,996,360	90.846	1,816,920	2,000,000	1,996,388		28			4.300	4.310	JD	7,167	82,178	12/12/2012	12/01/2042
031162 AJ 9	AMGEN INC				2FE	6,695,290	103.717	7,260,190	7,000,000	6,962,103		40,961			4.850	5.480	MN	40,551	339,500	03/28/2006	11/18/2014
031162 AW 0	AMGEN INC				2FE	2,970,746	114.686	3,354,566	2,925,000	2,967,528		(794)			6.375	6.250	JD	15,539	186,469	05/19/2009	06/01/2037
031162 BA 7	AMGEN INC				2FE	1,990,660	114.476	2,289,520	2,000,000	1,991,347		136			6.400	6.430	FA	53,333	128,000	01/13/2009	02/01/2039
031162 BE 9	AMGEN				2FE	3,955,440	95.006	3,800,240	4,000,000	3,957,529		694			4.950	5.020	AO	49,500	198,000	09/15/2010	10/01/2041
031162 BH 2	AMGEN INC				2FE	2,985,300	105.904	3,177,120	3,000,000	2,985,688		199			5.650	5.680	JD	7,533	169,500	06/27/2011	06/15/2042
031162 BK 5	AMGEN INC				2FE	1,983,360	99.629	1,992,580	2,000,000	1,983,870		253			5.150	5.200	MN	13,161	103,000	11/07/2011	11/15/2041
032511 BF 3	ANADARKO PETRO CORP				2FE	988,810	119.023	1,190,230	1,000,000	992,957		1,025			6.950	7.100	JD	3,089	69,500	06/09/2009	06/15/2019
035229 DA 8	ANHEUSER-BUSCH COS INC				1FE	5,180,400	111.503	5,575,150	5,000,000	5,170,393		(3,848)			5.750	5.480	AO	71,875	287,500	04/01/2011	04/01/2036
035229 DC 4	ANHEUSER BUSCH COMPANIES, INC				1FE	6,157,710	121.804	7,308,240	6,000,000	6,143,942		(2,612)			6.450	6.250	MS	129,000	387,000	09/06/2007	09/01/2037
035229 DD 2	ANHEUSER BUSCH COMPANIES, INC				1FE	995,900	113.679	1,136,790	1,000,000	998,056		419			5.500	5.550	JJ	25,361	55,000	11/27/2007	01/15/2018
03523T BG 2	ANHEISER BUSCH INBEV NV				1FE	998,770	104.153	1,041,530	1,000,000	999,781		239			5.375	5.400	MN	6,868	53,750	05/11/2009	11/15/2014
03523T BQ 0	ANHEUSER-BUSCH				1FE	8,901,420	84.809	7,632,810	9,000,000	8,904,036		1,889			3.750	3.810	JJ	155,625	336,563	12/20/2012	07/15/2042
035242 AB 2	ABIBB 4 01/17/43				1FE	6,966,050	88.899	6,222,930	7,000,000	6,966,622		572			4.000	4.020	JJ	127,556	140,000	01/14/2013	01/17/2043
037411 AR 6	APACHE CORPORATION				1FE	2,066,220	113.365	2,267,300	2,000,000	2,059,258		(1,211)			6.000	5.760	JJ	55,333	120,000	02/27/2007	01/15/2037
037411 AW 5	APACHE CORPORATION				1FE	3,957,440	101.533	4,061,320	4,000,000	3,959,566		694			5.100	5.170	MS	68,000	204,000	08/17/2010	09/01/2040
037411 BA 2	APACHE CORP				1FE	10,982,300	96.995	9,699,500	10,000,000	10,959,940		(17,177)			4.750	4.170	AO	100,278	475,000	08/21/2012	04/15/2043
037411 BC 8	APACHE CORP				1FE	3,978,580	89.907	3,596,280	4,000,000	3,979,191		555			4.250	4.280	JJ	78,389	104,833	11/28/2012	01/15/2044
037833 AL 4	APPLE INC				1FE	2,566,110	83.542	2,506,260	3,000,000	2,567,331		1,221			3.850	4.760	MN	18,288	58,071	10/23/2013	05/04/2043
038222 AG 0	APPLIED MATERIAL				1FE	4,603,354	103.554	4,350,304	4,201,000	4,599,920		(3,434)			5.850	5.190	JD	10,923	201,884	06/27/2013	06/15/2041
03938L AX 2	ARCELORMITTAL		F		3FE	977,500	108.750	1,087,500	1,000,000	979,683		1,864			6.750	7.080	FA	23,625	67,500	11/06/2012	02/25/2022
039483 AT 9	ARCHER DANIELS				1FE	1,973,780	110.700	2,214,000	2,000,000	1,978,614		603			5.935	6.030	AO	29,675	118,700	09/16/2003	10/01/2032
039483 AU 6	ARCHER DANIELS				1FE	2,922,060	106.366	3,190,980	3,000,000	2,932,754		1,570			5.375	5.550	MS	47,479	161,250	09/19/2005	09/15/2035
039483 BC 5	ARCHER DANIELS				1FE	5,036,900	111.054	5,552,700	5,000,000	5,035,787		(542)			5.765	5.710	MS	96,083	288,250	03/30/2011	03/01/2041
04010L AN 3	ARES CAPITAL CORP				2FE	3,977,920	102.357	4,094,280	4,000,000	3,978,392		472			4.875	5.000	MN	22,750		11/14/2013	11/30/2018
046353 AG 3	ASTRAZENECA PLC		F		1FE	1,987,540	86.968	1,739,360	2,000,000	1,987,824		222			4.000	4.030	MS	22,889	80,000	09/11/2012	09/18/2042
04650N AB 0	AT&T INC				1FE	1,880,320	98.943	1,978,860	2,000,000	1,880,917		597			5.350	5.790	MS	35,667		09/10/2013	09/01/2040
048303 CD 1	ATLANTIC CITY ELECTRIC				1FE	3,525,645	123.467	4,321,345	3,500,000	3,514,831		(2,441)			7.750	7.640	MN	34,660	271,250	11/12/2008	11/15/2018
049560 AA 3	ATMOS ENERGY				2FE	4,951,595	111.799	5,589,950	5,000,000	4,965,055		1,372			6.750	6.820	JJ	155,625	337,500	07/22/1998	07/15/2028
049560 AL 9	ATMOS ENERGY				2FE	2,994,360	89.947	2,698,410	3,000,000	2,994,468		108			4.150	4.160	JJ	57,408	63,633	01/08/2013	01/15/2043
054303 AU 6	AVON PRODUCTS				2FE	2,989,650	107.569	3,227,070	3,000,000	2,994,955		1,043			5.750	5.790	MS	57,500	172,500	02/27/2008	03/01/2018
054937 AE 7	BB&T CORPORATION				2FE	2,004,060	108.051	2,161,020	2,000,000	2,000,852		(399)			5.200	5.170	JD	2,311	104,000	12/19/2003	12/23/2015
05541V AF 3	BG ENERGY CAP		F		1FE	14,136,360	102.544	14,356,160	14,000,000	14,131,899		(2,570)			5.125	5.050	AO	151,472	717,500	12/14/2011	10/15/2041

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
055482 AJ 2	BJ SERVICES CO				1FE	1,990,860	114.908	2,298,160	2,000,000	1,995,332		897			6.000	6.060	JD	10,000	120,000	05/14/2008	06/01/2018
05565Q BU 1	BP CAPITAL PLC		F		1FE	3,018,900	100.781	3,023,430	3,000,000	3,015,499		(1,694)			3.561	3.480	MN	17,805	106,830	11/28/2011	11/01/2021
05607M AA 5	BAA FUNDING LTD		F		1FE	7,935,200	104.310	8,344,800	8,000,000	7,948,353		5,523			4.875	4.970	JJ	179,833	390,000	06/22/2011	07/15/2021
057224 AY 3	BAKER HUGHES INC				1FE	7,935,520	123.206	9,856,480	8,000,000	7,963,068		6,056			7.500	7.610	MN	76,667	600,000	10/24/2008	11/15/2018
057224 AZ 0	BAKER HUGHES INC				1FE	3,795,160	105.870	4,234,800	4,000,000	3,803,657		3,194			5.125	5.470	MS	60,361	205,000	03/30/2011	09/15/2040
059165 DX 5	BALITIMORE GAS & ELECTRIC				2FE	4,489,715	100.059	4,502,655	4,500,000	4,509,416		(757)			5.200	5.160	JD	10,400	234,000	11/10/2011	06/15/2033
060077 J@ 4	BANGOR HYDRO-ELECTRIC CO				2Z	7,992,000	96.501	7,720,120	8,000,000	7,992,192		192			3.610	3.620	JJ	121,136		10/30/2013	01/31/2022
06050T JZ 6	BANK OF AMERICA				2FE	5,905,164	114.766	7,172,875	6,250,000	5,923,697		6,187			6.000	6.440	AO	79,167	375,000	11/10/2010	10/15/2036
067316 AA 7	BACARDI LTD		F		2FE	4,995,450	101.669	5,083,450	5,000,000	4,999,734		1,025			7.450	7.470	AO	93,125	372,500	03/24/2009	04/01/2014
067383 AA 7	BARD (C.R.) INC				1FE	7,140,847	118.592	8,657,216	7,300,000	7,167,677		6,026			6.700	6.910	JD	40,758	489,100	12/18/2008	12/01/2026
071813 AX 7	BAXTER INTERNATIONAL INC				1FE	3,993,600	118.652	4,746,080	4,000,000	3,994,087		105			6.250	6.260	JD	20,833	250,000	12/04/2007	12/01/2037
071813 BE 8	BAXTER INTERNATIONAL				1FE	8,203,032	82.951	6,636,080	8,000,000	8,198,889		(3,821)			3.650	3.510	FA	110,311	293,622	11/13/2012	08/15/2042
071813 BG 3	BAXTER INTERNATIONAL				1FE	999,340	96.750	967,500	1,000,000	999,351		11			4.500	4.500	JD	2,000	23,000	06/04/2013	06/15/2043
071813 BL 2	BAXTER INTERNATIONAL				1FE	5,981,100	95.535	5,732,100	6,000,000	5,982,014		914			3.200	3.230	JD	8,533	98,133	06/04/2013	06/15/2023
072732 AC 4	BAYER CORP				1FE	437,643	115.393	519,269	450,000	439,675		421			6.650	6.900	FA	11,305	29,925	07/08/2008	02/15/2028
073902 CD 8	BEAR STEARNS COMPANIES INC				1FE	11,117,580	108.887	13,066,440	12,000,000	11,545,506		86,431			4.650	5.610	JJ	277,450	558,000	12/29/2008	07/02/2018
075887 AQ 2	BECTON DICKINSON				1FE	5,464,100	118.640	5,932,000	5,000,000	5,391,146		(16,563)			6.700	5.890	FA	139,583	335,000	01/27/2009	08/01/2028
084664 BE 0	BERKSHIRE HATHAWAY INC				1FE	4,091,840	115.023	4,600,920	4,000,000	4,050,086		(9,996)			5.400	5.070	MN	27,600	216,000	06/02/2009	05/15/2018
084664 BL 4	BERKSHIRE HATHAWAY INC				1FE	1,061,030	110.619	1,106,190	1,000,000	1,058,627		(1,024)			5.750	5.330	JJ	26,514	57,500	07/15/2011	01/15/2040
084664 BU 4	BERKSHIRE HATHAWAY INC				1FE	5,246,100	91.448	4,572,400	5,000,000	5,240,680		(4,418)			4.400	4.110	MN	28,111	220,000	09/05/2012	05/15/2042
091797 AN 0	BLACK & DECKER				1FE	1,994,670	113.497	2,269,940	2,000,000	1,998,146		578			5.750	5.780	MN	14,694	115,000	11/14/2006	11/15/2016
09256B AE 7	BLACKSTONE HOLDINGS				1FE	3,293,940	109.288	3,278,640	3,000,000	3,289,326		(3,954)			6.250	5.570	FA	70,833	186,458	10/10/2012	08/15/2042
097023 AX 3	BOEING CO				1FE	4,895,650	132.186	6,609,300	5,000,000	4,901,575		1,394			6.875	7.040	MS	101,215	343,750	03/10/2009	03/15/2039
097023 BA 2	BOEING CO			1	1FE	5,504,254	118.665	6,051,915	5,100,000	5,487,081		(6,723)			5.870	5.320	FA	113,095	299,625	04/04/2011	02/15/2040
099514 A@ 0	BORAL LIMITED				2	5,000,000	116.487	5,824,365	5,000,000	5,000,000					7.120	7.120	AO	75,156	354,161	02/21/2008	04/15/2018
100743 AJ 2	BOSTON GAS CO				1FE	5,482,900	94.531	4,726,550	5,000,000	5,471,446		(9,009)			4.487	3.930	FA	84,754	224,350	09/12/2012	02/15/2042
101137 AD 9	BOSTON SCIENTIFIC				2FE	2,936,167	108.986	3,269,580	3,000,000	2,979,990		5,930			5.125	5.360	JJ	72,177	153,750	11/15/2004	01/12/2017
10373Q AA 8	BP CAP MARKETS AMERICA				1FE	1,018,989	106.959	1,257,838	1,176,000	1,100,287		14,479			4.200	5.860	JD	2,195	49,392	06/07/2007	06/15/2018
110122 AA 6	BRISTOL MYERS SQUIBB				1FE	4,528,303	124.532	4,981,280	4,000,000	4,323,017		(24,739)			7.150	6.010	JD	12,711	286,000	01/08/2003	06/15/2023
110122 AB 4	BRISTOL-MYER SQUIBB				1FE	2,688,525	125.683	3,142,075	2,500,000	2,633,947		(6,648)			6.800	6.190	MN	21,722	170,000	01/06/2003	11/15/2026
110122 AP 3	BRISTOL MEYERS SQUIBB				1FE	9,391,000	114.442	10,299,780	9,000,000	9,368,297		(7,989)			5.875	5.550	MN	67,563	528,750	02/08/2011	11/15/2036
110122 AX 6	BMY 4 1/2 03/01/44				1FE	4,954,500	95.784	4,789,200	5,000,000	4,954,500					4.500	4.550	MS	38,125		10/24/2013	03/01/2044
11133T AA 1	BROADRIDGE FINANCIAL SOL				2FE	1,981,460	108.918	2,178,360	2,000,000	1,992,359		1,949			6.125	6.250	JD	10,208	122,500	05/23/2007	06/01/2017
115637 AL 4	BROWN - FORMAN			1	1FE	4,570,794	84.266	4,366,664	5,182,000	4,576,186		5,392			3.750	4.470	JJ	89,605	114,976	06/20/2013	01/15/2043
11778B AB 8	BSKYB FINANCE UK		F		2FE	3,049,170	111.574	3,347,220	3,000,000	3,044,177		(919)			6.500	6.370	AO	41,167	195,000	05/02/2007	10/15/2035
118230 AE 1	BUCKEYE PARTNERS				2FE	2,511,536	106.876	2,885,652	2,700,000	2,617,648		20,516			5.125	6.100	JJ	69,188	138,375	01/08/2008	07/01/2017
120568 AM 2	BUNGE LTD FIN				2FE	2,825,910	101.271	3,038,130	3,000,000	2,991,875		27,204			5.350	6.310	AO	33,883	160,500	08/17/2006	04/15/2014
12189L AK 7	BURLINGTON NORTHERN				2FE	9,891,900	89.344	8,934,400	10,000,000	9,894,421		1,825			4.375	4.440	MS	145,833	447,222	08/20/2012	09/01/2042
12189L AN 1	BURLINGTON NORTHERN				2FE	2,999,490	90.671	2,720,130	3,000,000	2,999,509		19			4.450	4.450	MS	39,308	67,863	03/05/2013	03/15/2043
12189T AD 6	BURLINGTON NORTHERN SANTA FE				2FE	8,066,044	125.379	10,030,320	8,000,000	8,057,902		(1,019)			7.290	7.220	JD	48,600	583,200	07/25/2000	06/01/2036
12541W A@ 9	CH ROBINSON WORLDWIDE INC				1Z	5,000,000	100.810	5,040,500	5,000,000	5,000,000					4.260	4.260	FA	73,367		08/20/2013	08/27/2028
125509 AZ 2	CIGNA CORP				2FE	9,751,669	124.366	10,564,892	8,495,000	9,406,417		(42,269)			7.875	6.620	MN	85,481	668,981	01/09/2003	05/15/2027

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
126408 GY 3	CSX CORP				2FE	5,561,170	84.740	4,745,440	5,600,000	5,561,746		533			4.100	4.130	MS	67,604	206,002	10/25/2012	03/15/2044
12673P AC 9	CA INC				2FE	3,074,010	111.193	3,335,790	3,000,000	3,048,943		(6,938)			5.375	5.050	JD	13,438	161,250	01/28/2010	12/01/2019
131347 CA 2	CALPINE CORP				3FE	495,965	102.500	512,500	500,000	496,049		84			6.000	6.120	JD	5,083		10/17/2013	01/15/2022
13342B AC 9	CAMERON INTL CORP				2FE	1,997,980	116.294	2,325,880	2,000,000	1,998,990		186			6.375	6.380	JJ	58,792	127,500	06/23/2008	07/15/2018
13466* AA 8	CAMPUSPARC LP				2Z	2,400,000	91.228	2,189,472	2,400,000	2,400,000					5.138	5.130	MS	4,453		11/26/2013	12/31/2043
136375 BW 1	CANADIAN NATIONAL RAILWAY		A	1	1FE	3,656,503	80.671	3,468,853	4,300,000	3,662,016		5,513			3.500	4.410	MN	19,231	75,250	07/10/2013	11/15/2042
136375 BZ 4	CANADIAN NATIONAL RR		A		1FE	2,946,660	96.571	2,897,130	3,000,000	2,946,786		126			4.500	4.610	MN	20,250		10/29/2013	11/07/2043
13645R AK 0	CANADIAN PACIFIC RR CO		A	1	2FE	2,190,400	103.230	2,064,600	2,000,000	2,169,218		(15,951)			4.450	3.340	MS	26,206	89,000	08/27/2012	03/15/2023
14149Y AG 3	CARDINAL HEALTH INC				2FE	1,838,760	104.657	2,093,140	2,000,000	1,974,246		16,671			4.000	4.920	JD	3,556	80,000	12/18/2003	06/15/2015
14170T AB 7	CAREFUSION				2FE	983,580	113.172	1,131,720	1,000,000	989,551		1,504			6.370	6.590	FA	26,542	63,750	07/14/2009	08/01/2019
14170T AG 6	CFN 3.3 03/01/23				2FE	2,898,390	91.380	2,741,400	3,000,000	2,903,294		4,904			3.300	3.710	MS	33,000	46,750	06/11/2013	03/01/2023
141781 AU 8	CARGIL INC				1FE	4,051,870	113.028	4,521,120	4,000,000	4,046,469		(953)			6.125	6.020	MS	72,139	245,000	03/26/2007	09/15/2036
141781 AX 2	CARGILL INC				1FE	1,990,500	114.181	2,283,620	2,000,000	1,995,606		970			6.000	6.060	MN	11,333	120,000	11/19/2007	11/27/2017
141781 BC 7	CARGILL INC				1FE	9,982,630	85.719	8,571,900	10,000,000	9,983,011		321			4.100	4.110	MN	68,333	412,278	10/25/2012	11/01/2042
144141 CU 0	CAROLINA POWER & LIGHT				1FE	1,970,180	112.038	2,240,760	2,000,000	1,975,153		629			6.125	6.230	MS	36,069	122,500	09/08/2003	09/15/2033
144141 CW 6	CAROLINA POWER & LIGHT				1FE	1,998,100	105.704	2,114,080	2,000,000	1,999,712		218			5.150	5.160	AO	25,750	103,000	03/17/2005	04/01/2015
144141 CY 2	PROGRESS ENERGY				1FE	998,210	121.429	1,214,290	1,000,000	998,400		27			6.300	6.310	AO	15,750	63,000	03/10/2008	04/01/2038
14911R AJ 8	CATERPILLAR FIN SERV				1FE	3,977,040	105.627	4,225,080	4,000,000	3,996,044		2,642			4.625	4.690	JD	15,417	185,000	06/09/2005	06/01/2015
149123 BN 0	CATERPILLAR INC				1FE	2,021,620	114.196	2,283,920	2,000,000	2,019,229		(395)			6.050	5.970	FA	45,711	121,000	08/07/2006	08/15/2036
149123 BS 9	CATERPILLAR INC				1FE	4,989,450	103.343	5,167,150	5,000,000	4,989,859		164			5.200	5.210	MN	24,556	260,000	05/24/2011	05/27/2041
14912L 3K 5	CATERPILLAR FIN SERV				1FE	1,999,560	113.994	2,279,880	2,000,000	1,999,803		47			5.850	5.850	MS	39,000	117,000	08/29/2007	09/01/2017
14912L 4D 0	CATERPILLAR FIN SERV CRP				1FE	1,993,460	120.649	2,412,980	2,000,000	1,996,350		628			7.050	7.090	MS	35,642	141,000	09/23/2008	10/01/2018
151020 AF 1	CELGENE CORP				2FE	6,957,754	106.201	6,899,879	6,497,000	6,947,266		(8,115)			5.700	5.200	AO	78,181	370,329	08/23/2012	10/15/2040
151020 AH 7	CELGENE CORP				2FE	3,916,360	94.676	3,787,040	4,000,000	3,926,109		7,234			3.250	3.500	FA	49,111	132,167	08/21/2012	08/15/2022
15135U AH 2	CENOVUS ENERGY		A		2FE	9,645,090	90.045	8,779,388	9,750,000	9,647,885		1,944			4.450	4.510	MS	127,752	467,621	08/22/2012	09/15/2042
15189Y AC 0	CENTERPOINT ENERGY				2FE	2,403,000	110.439	3,313,170	3,000,000	2,766,851		84,927			6.150	9.960	MN	30,750	184,500	10/15/2008	05/01/2016
15189Y AE 6	CENTERPOINT ENERGY				2FE	1,514,660	115.213	2,304,260	2,000,000	1,722,461		48,528			6.000	9.990	MN	15,333	120,000	10/16/2008	05/15/2018
15361G BC 8	CENTRAL HUDSON GAS & ELECTRIC				1FE	2,499,675	82.577	2,064,425	2,500,000	2,499,675					4.065	4.060	AO	25,406	87,793	11/15/2012	10/01/2042
15639K AB 8	CENTRICA PLC		F		1FE	5,105,980	100.705	5,035,250	5,000,000	5,105,721		(259)			5.375	5.230	AO	55,990		10/23/2013	10/16/2043
156700 AM 8	CENTURYLINK INC				3FE	962,900	89.000	890,000	1,000,000	964,066		421			7.600	7.920	MS	22,378	76,000	06/30/2011	09/15/2039
166764 AH 3	CHEVRON CORP				1FE	4,000,000	95.995	3,839,800	4,000,000	4,000,000					3.191	3.190	JD	2,482	63,820	06/17/2013	06/24/2023
171232 AR 2	CHUBB CORP				1FE	2,534,010	114.943	3,448,290	3,000,000	2,742,952		47,275			5.750	8.110	MN	22,042	172,500	10/22/2008	05/15/2018
17252M AG 5	CINTAS CORPORATION				1FE	4,967,600	112.902	5,645,100	5,000,000	4,971,034		576			6.150	6.190	FA	116,167	307,500	08/17/2006	08/15/2036
17275R AC 6	CISCO SYSTEMS				1FE	12,965,810	110.013	15,401,820	14,000,000	13,649,069		146,959			5.500	6.760	FA	275,917	770,000	10/10/2008	02/22/2016
17275R AF 9	CSCO 5 1/2 01/15/40				1FE	7,830,880	105.803	8,261,098	7,808,000	7,830,414		(429)			5.500	5.470	JJ	198,020	429,440	07/07/2011	01/15/2040
172967 EC 1	CITIGROUP INC				1FE	6,782,380	109.145	8,731,600	8,000,000	6,872,351		18,159			5.875	7.110	MN	41,778	470,000	04/10/2008	05/29/2037
177342 AL 6	CITIZENS UTILITY CO				3FE	5,043,940	84.000	4,200,000	5,000,000	5,038,227		(817)			7.450	7.370	JJ	186,250	372,500	02/24/2004	07/01/2035
185508 AE 8	CLECO POWER LLC				2FE	1,984,860	114.098	2,281,960	2,000,000	1,986,614		269			6.500	6.550	JD	10,833	130,000	11/22/2005	12/01/2035
189054 AS 8	CLOROX CO				2FE	2,972,910	100.635	3,019,050	3,000,000	2,977,817		2,364			3.800	3.910	MN	14,567	114,000	11/14/2011	11/15/2021
191219 AQ 7	COCA-COLA ENTERPRISES INC				1FE	4,843,660	127.397	6,369,850	5,000,000	4,883,160		8,827			8.000	8.380	MS	117,778	400,000	10/29/2008	09/15/2022
1912EQ AD 4	COCA-COLA HBC BV EEEKGA		F		2FE	2,999,880	106.824	3,204,720	3,000,000	3,000,000					5.500	5.500	MS	47,667	165,000	04/04/2007	09/17/2015
19416Q CE 8	COLGATE PALMOLIVE CO				1FE	4,709,687	121.080	6,054,000	5,000,000	4,791,108		8,222			6.450	6.910	JD	26,875	322,500	06/11/1998	06/16/2028

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
195869 AL 6	COLONIAL PIPELINE CO				1FE	9,960,500	119.774	11,977,400	10,000,000	9,963,778		647			6.375	6.400	FA	265,625	637,500	08/08/2007	08/01/2037
20029P AG 4	COMCAST CABLE				1FE	2,865,000	122.800	3,684,000	3,000,000	2,952,007		11,757			8.875	9.440	MN	44,375	266,250	09/06/2002	05/01/2017
20030N BH 3	COMCAST CORP				1FE	6,941,270	92.892	6,502,440	7,000,000	6,943,109		1,839			4.250	4.310	JJ	137,181	149,576	01/08/2013	01/15/2033
202795 HS 2	COMMONWEALTH EDISON				1FE	873,990	115.554	1,155,540	1,000,000	936,313		14,195			6.150	8.170	MS	18,108	61,500	11/07/2008	09/15/2017
205363 AL 8	COMPUTER SCIENCE				2FE	7,180,900	114.747	9,179,760	8,000,000	7,542,273		84,186			6.500	8.000	MS	153,111	520,000	10/20/2008	03/15/2018
205887 AF 9	CONAGRA INC				2FE	2,450,100	119.570	3,587,100	3,000,000	2,531,229		18,726			7.125	9.230	AO	53,438	213,750	10/31/2008	10/01/2026
205887 AR 3	CONAGRA INC				2FE	1,676,680	117.392	2,347,840	2,000,000	1,716,652		9,190			7.000	8.720	AO	35,000	140,000	11/20/2008	10/01/2028
205887 BL 5	RALCORP HOLDINGS				2FE	3,013,600	107.359	3,220,770	3,000,000	3,009,753		(1,223)			4.950	4.890	FA	56,100	163,912	07/23/2010	08/15/2020
205887 BS 0	CONAGRA INC				2FE	8,765,148	91.871	8,060,762	8,774,000	8,765,326		177			4.650	4.650	JJ	176,796	203,996	01/25/2013	01/25/2043
207597 CZ 6	CONNECTICUT LIGHT & POWER				1FE	3,066,330	124.082	3,722,460	3,000,000	3,043,430		(2,527)			7.875	7.670	AO	59,063	236,250	09/23/1999	10/01/2024
207597 DR 3	CONNETICUT LIGHT & POWER				1FE	998,040	102.977	1,029,770	1,000,000	999,829		233			4.800	4.820	MS	14,133	48,000	09/13/2004	09/15/2014
207597 DS 1	CONNETICUT LIGHT & POWER				1FE	1,985,580	107.643	2,152,860	2,000,000	1,987,791		299			5.750	5.800	MS	33,861	115,000	09/13/2004	09/15/2034
207597 DV 4	CONNETICUT LIGHT & PWR				1FE	1,998,960	120.435	2,408,700	2,000,000	1,999,046		19			6.350	6.350	JD	10,583	127,000	06/01/2006	06/01/2036
20825C AF 1	CONOCO PHILLIPS				1FE	3,078,810	112.246	3,367,380	3,000,000	3,064,465		(1,877)			5.900	5.710	AO	37,367	177,000	02/24/2004	10/15/2032
20825C AP 9	CONOCO PHILLIPS				1FE	5,281,250	117.377	5,868,850	5,000,000	5,268,126		(5,147)			5.900	5.490	MN	37,694	295,000	03/30/2011	05/15/2038
209111 EJ 8	CON EDISON NY				1FE	1,188,940	102.672	1,026,720	1,000,000	1,182,659		(5,295)			5.250	3.970	JJ	26,250	52,500	10/15/2012	07/01/2035
209111 FC 2	CON EDISON NY				1FE	4,965,200	88.229	4,411,450	5,000,000	4,965,720		520			3.950	3.990	MS	65,833	100,396	02/25/2013	03/01/2043
209115 A* 5	CONSOLIDATED EDISON OF NY				1	4,931,856	135.796	6,697,310	4,931,856	4,931,856					8.710	8.710	JD	1,193	427,751	06/30/2008	07/01/2022
21017# AB 9	GLOBAL CONTAINER TERMINAL				2Z	4,000,000	94.707	3,788,280	4,000,000	4,000,000					4.930	4.930	JD	10,408		12/09/2013	12/12/2025
21036P AL 2	CONSTELLATION BR				3FE	935,000	93.250	932,500	1,000,000	937,665		2,665			4.250	5.090	MN	7,083	19,715	06/25/2013	05/01/2023
210518 CG 9	CONSUMERS ENERGY				1FE	1,991,200	110.697	2,213,940	2,000,000	1,997,212		803			5.150	5.190	FA	38,911	103,000	01/14/2005	02/15/2017
210518 CQ 7	CONSUMERS ENERGY				1FE	1,992,340	115.388	2,307,760	2,000,000	1,996,011		720			5.650	5.690	MS	33,272	113,000	03/10/2008	09/15/2018
210518 CR 5	CMS ENERGY				1FE	2,997,900	117.964	3,538,920	3,000,000	2,998,808		189			6.125	6.130	MS	54,104	183,750	09/08/2008	03/15/2019
212015 AL 5	CONTINENTAL RES				2FE	950,000	101.375	1,013,750	1,000,000	952,110		2,110			4.500	5.150	AO	9,500	23,750	06/24/2013	04/15/2023
216871 AC 7	COOPER US INC				2FE	4,395,496	114.186	4,807,231	4,210,000	4,289,503		(20,142)			6.100	5.490	JJ	128,405	256,810	01/23/2008	07/01/2017
21987B AQ 1	CODELCO INC		F		1FE	2,872,650	89.952	2,698,560	3,000,000	2,879,376		6,726			3.000	3.540	JJ	41,000	45,000	06/06/2013	07/17/2022
22303Q AG 5	COVIDIEN LTD		F		1FE	5,013,340	114.556	5,727,800	5,000,000	5,005,978		(1,376)			6.000	5.960	AO	63,333	300,000	11/07/2007	10/15/2017
224044 AN 7	COX COMMUNICATIONS INC				2FE	4,134,800	105.640	5,524,972	5,230,000	4,349,196		28,496			6.800	8.870	FA	148,183	355,640	09/06/2002	08/01/2028
22404Q AG 3	COX COMMUNICATIONS INC				2FE	2,542,464	106.419	2,979,732	2,800,000	2,601,437		7,519			6.950	7.780	JJ	89,732	194,600	11/15/2002	01/15/2028
23311R AA 4	DCP MIDSTREAM LP				2FE	1,988,420	106.838	2,136,760	2,000,000	1,989,354		178			6.750	6.790	MS	39,750	135,000	09/13/2007	09/15/2037
23338V AA 4	DTE ELECTRIC CO				1FE	1,990,980	89.003	1,780,060	2,000,000	1,991,109		129			4.000	4.020	AO	20,000	40,889	03/19/2013	04/01/2043
233851 AM 6	DAIMLER FINANCE				1FE	10,000,000	100.179	10,017,900	10,000,000	10,000,000					1.020	1.020	JAJO	23,594	109,586	04/02/2012	04/10/2014
235851 AG 7	DANAHER CORP				1FE	6,957,370	113.995	7,979,650	7,000,000	6,980,289		4,228			5.625	5.700	JJ	181,563	393,750	12/06/2007	01/15/2018
235851 AM 4	DANAHER CORP			1	1FE	2,999,250	103.467	3,104,010	3,000,000	2,999,413		66			3.900	3.900	JD	2,600	117,000	06/20/2011	06/23/2021
237194 AE 5	DARDEN RESTAURANTS				2FE	4,945,750	89.804	4,490,200	5,000,000	4,952,817		1,035			6.000	6.070	FA	113,333	300,000	08/09/2005	08/15/2035
23918K AP 3	DVA 5 3/4 08/15/22				4FE	1,000,000	101.250	1,012,500	1,000,000	1,000,000					5.750	5.750	FA	21,722	55,424	08/14/2012	08/15/2022
244199 BF 1	DEERE & CO			1	1FE	6,575,528	87.734	5,658,843	6,450,000	6,573,494		(2,034)			3.900	3.780	JD	15,373	251,550	01/24/2013	06/09/2042
24422E QR 3	JOHN DEERE CAPITAL CORP				1FE	3,007,860	113.292	3,398,760	3,000,000	3,003,844		(787)			5.350	5.310	AO	39,233	160,500	03/31/2008	04/03/2018
250847 DV 9	DETROIT EDISON CO				1FE	2,998,530	102.650	3,079,500	3,000,000	2,999,899		166			5.400	5.400	FA	67,500	162,000	07/08/2004	08/01/2014
250847 EK 2	DETROIT EDISON				1FE	3,073,140	88.369	2,651,070	3,000,000	3,071,900		(1,240)			3.950	3.810	JD	5,267	118,500	01/14/2013	06/15/2042
25156P AH 6	DEUTSCHE TELECOM		F		2FE	3,881,660	109.796	4,391,840	4,000,000	3,967,062		13,412			5.750	6.150	MS	62,611	230,000	04/07/2006	03/23/2016
25156P AL 7	DEUTSCHE TELECOM		F		2FE	1,999,700	118.538	2,370,760	2,000,000	1,999,843		28			6.750	6.750	FA	49,125	135,000	08/11/2008	08/20/2018

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
25179M AL 7	DEVON ENERGY CORP			1	2FE	4,984,100	104.210	5,210,500	5,000,000	4,984,676		229			5.600	5.620	JJ	129,111	280,000	07/05/2011	07/15/2041
25245B AA 5	DIAGEO INV CORP				1FE	6,045,933	91.741	5,399,875	5,886,000	6,043,426		(2,389)			4.250	4.080	MN	34,744	250,155	02/05/2013	05/11/2042
25271C AG 7	DIAMOND OFFSHORE				1FE	6,070,841	102.974	6,178,440	6,000,000	6,005,873		(8,473)			5.150	4.990	MS	103,000	309,000	08/24/2004	09/01/2014
25468P CB 0	DISNEY (WALT) CO				1FE	2,010,100	116.232	2,324,640	2,000,000	2,003,838		(840)			5.875	5.820	JD	5,222	117,500	04/30/2004	12/15/2017
25468P CP 9	WALT DISNEY CO				1FE	7,833,947	93.604	6,772,249	7,235,000	7,815,389		(11,264)			4.375	3.890	FA	118,699	316,531	01/16/2013	08/16/2041
25468P CR 5	WALT DISNEY CO				1FE	7,906,320	90.749	7,259,920	8,000,000	7,909,729		1,679			4.125	4.190	JD	27,500	330,000	11/29/2011	12/01/2041
25468P CX 2	WALT DISNEY CO				1FE	13,242,738	83.514	11,307,796	13,540,000	13,248,157		5,362			3.700	3.820	JD	41,748	502,372	01/30/2013	12/01/2042
25470D AC 3	DISCOVERY COMMUNICATIONS				2FE	2,970,750	109.155	3,274,650	3,000,000	2,979,549		2,626			5.050	5.170	JD	12,625	151,500	05/27/2010	06/01/2020
256747 A* 7	DOLLAR TREE STORES INC				2	3,700,000	101.420	3,752,540	3,700,000	3,700,000					4.030	4.030	JJ	43,490		08/19/2013	09/16/2020
257469 AJ 5	DOMINION RESOURCES INC				2FE	1,992,840	105.473	2,109,460	2,000,000	1,994,348		162			5.250	5.270	FA	43,750	105,000	09/30/2003	08/01/2033
25746U BQ 1	DOMINION RESOURCES				2FE	994,320	84.725	847,250	1,000,000	994,452		101			4.050	4.080	MS	11,925	40,725	09/10/2012	09/15/2042
260003 AF 5	DOVER CORP				1FE	2,824,220	106.937	3,208,110	3,000,000	2,845,693		3,413			5.375	5.790	AO	34,042	161,250	08/07/2006	10/15/2035
260003 AK 4	DOVER CORP				1FE	11,924,900	107.164	12,859,680	12,000,000	11,928,516		1,080			5.375	5.410	MS	215,000	645,000	07/08/2011	03/01/2041
26138E AH 2	DR PEPPER SNAPPLE GROUP				2FE	1,999,700	118.034	2,360,680	2,000,000	1,999,848		29			6.820	6.820	MN	22,733	136,400	04/25/2008	05/01/2018
26138E AJ 8	DR PEPPER SNAPPLE GROUP				2FE	2,749,290	127.650	3,829,500	3,000,000	2,762,973		3,015			7.450	8.200	MN	37,250	223,500	10/01/2008	05/01/2038
263534 BN 8	EI DUPONT DE NEMOURS				1FE	2,877,300	101.453	3,043,590	3,000,000	2,993,893		17,905			4.875	5.500	AO	24,781	146,250	03/28/2006	04/30/2014
263534 BR 9	DUPONT EI NEMOURS				1FE	4,725,968	107.636	5,381,800	5,000,000	4,753,828		4,900			5.600	5.990	JD	12,444	280,000	05/16/2007	12/15/2036
263534 CC 1	DUPONT EI NEMOUR				1FE	14,376,650	98.599	14,789,850	15,000,000	14,401,914		9,990			4.900	5.170	JJ	338,917	735,000	06/09/2011	01/15/2041
263534 CJ 6	DUPONT EI NEMOUR				1FE	8,989,290	88.218	7,939,620	9,000,000	8,989,452		162			4.150	4.150	FA	141,100	186,750	02/12/2013	02/15/2043
263901 AD 2	DUKE ENERGY IND				1FE	3,039,510	92.301	2,769,030	3,000,000	3,038,966		(544)			4.200	4.120	MS	37,100	126,000	01/29/2013	03/15/2042
263901 AF 7	DUKE ENERGY IND				1FE	1,990,940	103.584	2,071,680	2,000,000	1,991,016		76			4.900	4.920	JJ	46,278		07/08/2013	07/15/2043
26439X AH 6	DCP MIDSTREAM LP				2FE	6,125,500	101.855	6,111,300	6,000,000	6,111,620		(2,357)			6.450	6.290	MN	62,350	387,000	02/12/2008	11/03/2036
264416 AN 8	DUKE UNIV TXB-A				1FE	9,007,984	112.831	9,686,541	8,585,000	8,985,407		(8,268)			5.850	5.570	AO	128,346	502,223	01/13/2011	04/01/2037
26442C AG 9	DUKE ENERGY CAROLINAS				1FE	1,994,200	121.848	2,436,960	2,000,000	1,996,668		556			7.000	7.040	MN	17,889	140,000	11/12/2008	11/15/2018
26442C AH 7	DUKE ENERGY CAROLINAS				1FE	2,987,190	108.572	3,257,160	3,000,000	2,987,742		213			5.300	5.320	FA	60,067	159,000	11/16/2009	02/15/2040
26442C AN 4	DUKE ENERGY				1FE	3,968,160	90.261	3,610,440	4,000,000	3,968,919		584			4.000	4.040	MS	40,444	164,000	09/18/2012	09/30/2042
26824K AA 2	EADS FINANCE BV		F		1FE	5,464,684	91.708	5,183,336	5,652,000	5,474,233		9,549			2.700	3.090	AO	31,369	76,302	05/30/2013	04/17/2023
268648 AN 2	EMC CORP				1FE	7,994,000	96.080	7,686,400	8,000,000	7,994,262		262			3.375	3.380	JD	22,500	131,250	06/04/2013	06/01/2023
26875P AA 9	EOG RESOURCES INC				1FE	5,016,370	114.381	5,719,050	5,000,000	5,008,119		(1,915)			5.875	5.820	MS	86,493	293,750	03/11/2009	09/15/2017
26884L AB 5	EQT CORP				2FE	3,963,400	102.551	4,102,040	4,000,000	3,969,766		3,068			4.875	4.990	MN	24,917	195,000	11/02/2011	11/15/2021
278062 AD 6	TURLOCK CORP				2FE	3,987,520	91.841	3,673,640	4,000,000	3,987,919		370			4.000	4.020	MN	26,222	152,000	11/14/2012	11/02/2032
278642 AC 7	EBAY				1FE	4,971,000	101.736	5,086,800	5,000,000	4,979,202		2,690			3.250	3.310	AO	34,306	162,500	10/21/2010	10/15/2020
278865 AH 3	ECOLAB INC				2FE	3,992,200	104.401	4,176,040	4,000,000	3,998,578		1,205			4.875	4.900	FA	73,667	195,000	02/05/2008	02/15/2015
278865 AL 4	ECOLAB INC				2FE	3,997,440	103.693	4,147,720	4,000,000	3,997,882		219			4.350	4.350	JD	11,117	174,000	12/05/2011	12/08/2021
283677 AY 8	EL PASO ELECTRIC CO				2FE	2,993,640	92.946	2,788,380	3,000,000	2,994,242		562			3.300	3.320	JD	4,400	101,475	12/03/2012	12/15/2022
28501* AU 9	ELECTRIC TRANSMISSION TEXAS LLC				2	3,000,000	87.594	2,627,826	3,000,000	3,000,000					4.710	4.710	JD	7,065	70,650	05/24/2013	06/13/2043
290408 AB 9	ELWOOD ENERGY				3FE	2,628,593	107.250	2,806,304	2,616,600	2,628,593		(1,414)			8.159	8.060	JJ	104,372	252,737	10/05/2012	07/05/2026
291011 AQ 7	EMERSON ELECTRIC				1FE	1,779,435	113.394	1,984,395	1,750,000	1,774,968		(724)			6.000	5.870	FA	39,667	105,000	08/08/2006	08/15/2032
291011 AU 8	EMERSON ELECTRIC				1FE	2,977,320	106.917	3,207,510	3,000,000	2,995,229		2,497			4.750	4.840	AO	30,083	142,500	08/17/2005	10/15/2015
291011 AX 2	EMERSON ELECTRIC CO				1FE	2,992,200	113.354	3,400,620	3,000,000	2,995,854		743			5.250	5.280	AO	33,250	157,500	01/10/2008	10/15/2018
292505 AE 4	ENCANA CORP		A		2FE	1,986,080	110.600	2,212,000	2,000,000	1,987,265		218			6.625	6.670	FA	50,056	132,500	08/08/2007	08/15/2037
29250N AF 2	ENBRIDGE INC		A		1FE	4,950,050	98.207	4,910,350	5,000,000	4,951,058		1,008			4.000	4.120	AO	49,444		09/25/2013	10/01/2023

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
29268B AF 8	ENEL FINANCE INTL NV		F		..2FE	4,819,260	95.913	5,754,780	6,000,000	4,848,035		13,893			6.000	7.720	AO	84,000	360,000	11/17/2011	10/07/2039
29273R AK 5	ENERGY TRANSFER PARTNERS				..2FE	2,997,840	129.476	3,884,280	3,000,000	3,000,000					9.700	9.700	MS	85,683	291,000	12/18/2008	03/15/2019
29273R AM 1	ENERGY TRANSFER PARTNERS				..2FE	999,960	126.388	1,263,880	1,000,000	1,000,000					9.000	8.990	AO	19,000	90,000	04/02/2009	04/15/2019
29364D AL 4	ENTERGY ARKANSAS				..1FE	999,730	103.464	1,034,640	1,000,000	999,834		11			5.660	5.660	FA	23,583	56,600	01/14/2005	02/01/2025
293791 AF 6	ENTERPRISE PRODUCTS				..2FE	2,022,220	119.545	2,390,900	2,000,000	2,018,929		(471)			6.875	6.780	MS	45,833	137,500	12/18/2003	03/01/2033
29379V AA 1	ENTERPRISE PRODUCTS				..2FE	1,713,660	115.119	2,302,380	2,000,000	1,852,622		32,476			6.300	8.660	MS	37,100	126,000	12/17/2008	09/15/2017
29379V AC 7	ENTERPRISE PRODUCTS				..2FE	2,018,995	117.305	2,932,625	2,500,000	2,204,016		43,573			6.500	9.490	JJ	68,160	162,500	12/03/2008	01/31/2019
29379V AG 8	ENTERPRISE PRODUCTS				..2FE	993,860	110.391	1,103,910	1,000,000	994,184		90			6.120	6.160	AO	12,920	61,250	09/24/2009	10/15/2039
29379V AW 3	ENTERPRISE PRODUCTS				..2FE	9,124,650	94.177	8,475,930	9,000,000	9,122,038		(2,026)			4.850	4.760	FA	164,900	436,500	08/21/2012	08/15/2042
294429 AF 2	EQUIFAX INC				..2FE	4,011,600	113.985	4,559,400	4,000,000	4,005,200		(1,291)			6.300	6.250	JJ	126,000	252,000	09/21/2007	07/01/2017
294829 AA 4	ERICSSON LM		F		..2FE	2,032,260	97.197	1,943,940	2,000,000	2,028,012		(2,777)			4.125	3.920	MN	10,542	82,500	06/01/2012	05/15/2022
29736R AA 8	ESTEE LAUDER CO				..1FE	2,878,680	108.097	3,242,910	3,000,000	2,899,318		2,589			5.750	6.040	AO	36,417	172,500	10/15/2003	10/15/2033
29736R AC 4	ESTEE LAUDER CO				..1FE	2,961,660	113.015	3,390,450	3,000,000	2,965,483		656			6.000	6.090	MN	23,000	180,000	04/26/2007	05/15/2037
30215* AQ 1	EXPLORER PIPELINE COMPANY				2	1,275,000	112.384	1,432,902	1,275,000	1,275,000					6.150	6.150	AO	13,504	77,944	10/29/2007	10/29/2017
30219G AF 5	EXPRESS SCRIPTS HOLDING				..2FE	4,095,740	100.095	4,003,800	4,000,000	4,085,112		(9,299)			3.900	3.580	FA	58,933	156,000	08/21/2012	02/15/2022
30219G AG 3	ARISTOTLE HOLDING INC				..2FE	2,993,100	112.490	3,374,700	3,000,000	2,993,241		90			6.125	6.140	MN	23,479	183,750	11/14/2011	11/15/2041
30251B AC 2	FIDELITY INVESTMENTS				..1FE	4,025,059	114.818	4,627,165	4,030,000	4,025,704		50			6.500	6.500	JD	12,370	261,950	02/25/2011	12/14/2040
30251B AD 0	FMR LLC				..1FE	1,997,480	98.122	1,962,440	2,000,000	1,997,550		70			4.950	4.960	FA	41,250	49,500	01/29/2013	02/01/2033
30257G AA 9	FPL ENERGY NATL WIND				..3FE	1,816,827	97.884	2,212,607	2,260,438	1,875,812		74,163			5.608	10.260	MS	39,086	126,765	03/27/2009	03/10/2024
31428X AT 3	FEDEX CORP				..2FE	2,839,860	82.129	2,463,870	3,000,000	2,842,448		2,588			3.875	4.190	FA	48,438	58,125	01/29/2013	08/01/2042
31428X AU 0	FEDEX CORP				..2FE	3,989,680	85.077	3,403,080	4,000,000	3,989,791		111			4.100	4.110	AO	34,622	83,822	04/08/2013	04/15/2043
31677A AA 2	FIFTH THIRD BANCORP				..2FE	7,778,440	104.159	8,332,720	8,000,000	7,966,826		28,952			4.750	5.130	FA	158,333	380,000	03/28/2006	02/01/2015
337738 AG 3	FISERV INC				..2FE	4,983,550	115.220	5,761,000	5,000,000	4,992,274		1,683			6.800	6.840	MN	38,722	340,000	11/15/2007	11/20/2017
340711 AV 2	FLORIDA GAS TRANS				1	2,388,150	97.999	2,347,076	2,395,000	2,388,589		356			3.875	3.910	JJ	42,794	68,577	07/09/2013	07/15/2022
341081 EQ 6	FLORIDA POWER & LIGHT				..1FE	1,995,760	113.474	2,269,480	2,000,000	1,996,643		87			5.625	5.630	AO	28,125	112,500	12/19/2003	04/01/2034
341081 EV 5	FLORIDA POWER & LIGHT				..1FE	7,463,180	112.608	9,008,640	8,000,000	7,514,234		9,373			5.650	6.140	FA	188,333	452,000	09/26/2007	02/01/2037
341081 EX 1	FLORIDA POWER & LIGHT				..1FE	1,999,500	120.565	2,411,300	2,000,000	1,999,759		5			6.200	6.200	JD	10,333	124,000	04/19/2006	06/01/2036
341081 FD 4	FLORIDA POWER & LIGHT				..1FE	8,908,196	108.454	9,965,838	9,189,000	8,920,104		4,272			5.250	5.450	FA	201,009	482,423	02/08/2011	02/01/2041
341081 FF 9	FLORIDA POWER & LIGHT				..1FE	5,003,530	92.035	4,169,186	4,530,000	4,992,008		(9,754)			4.125	3.540	FA	77,859	186,863	10/12/2012	02/01/2042
341081 FH 5	FLORIDA POWER AND LIGHT				..1FE	995,040	87.342	873,420	1,000,000	995,129		86			3.800	3.820	JD	1,689	37,472	12/17/2012	12/15/2042
341099 CD 9	FLORIDA POWER CORP				..1FE	4,827,250	108.470	5,423,500	5,000,000	4,952,334		22,939			5.100	5.630	JD	21,250	255,000	09/25/2007	12/01/2015
341099 CH 0	FLORIDA POWER CORP				..1FE	2,996,040	122.687	3,680,610	3,000,000	2,996,363		65			6.350	6.360	MS	56,092	190,500	09/13/2007	09/15/2037
341099 CR 8	FLORIDA POWER CORP				..1FE	1,949,300	87.573	1,751,460	2,000,000	1,950,236		936			3.850	3.990	MN	9,839	75,931	01/15/2013	11/15/2042
34354P AC 9	FLOWSERVE CORP				..2FE	3,476,559	94.200	3,259,320	3,460,000	3,475,163		(1,383)			3.500	3.440	MS	35,657	122,446	12/20/2012	09/15/2022
344775 AC 5	FOOD LION INC				..2FE	5,092,000	110.565	5,528,250	5,000,000	5,065,939		(2,735)			8.050	7.880	AO	84,972	402,500	05/21/1997	04/15/2027
34486* AA 0	NATIONAL FOOTBALL LEAGUE				..1FE	1,200,000	94.424	1,133,092	1,200,000	1,200,000					3.410	3.400	AO	9,775	41,275	07/30/2012	10/05/2024
34488@ AA 6	NATIONAL FOOTBALL LEAGUE				..1FE	2,000,000	96.095	1,921,900	2,000,000	2,000,000					3.560	3.550	AO	17,009	67,893	09/20/2012	10/05/2024
349631 AN 1	FORTUNE BRANDS				..2FE	5,904,550	102.242	5,112,100	5,000,000	5,874,891		(22,518)			5.875	4.600	JJ	135,451	293,750	08/24/2012	01/15/2036
35802X AF 0	FRESENIUS MED CARE II				..3FE	2,077,500	105.500	2,110,000	2,000,000	2,069,521		(5,154)			5.875	5.330	JJ	49,285	88,125	07/09/2013	01/31/2022
358070 AA 8	FRESNILLO PLC		F		..2FE	2,974,240	97.000	2,910,000	3,000,000	2,974,498		258			5.500	5.610	MN	22,000		11/08/2013	11/13/2023
36158F AA 8	SWISS REINSURANCE				..1FE	2,939,970	119.155	3,574,650	3,000,000	2,951,779		2,427			7.000	7.200	FA	79,333	210,000	06/25/2008	02/15/2026
36186C AE 3	GM - UNITS	@			..3FE	84,545	96.000	230,400	240,000	238,951		718				0.300	N/A			04/23/1998	06/15/2015

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
362333 AH 9	GTE FLORIDA INC	SD..	..		..2FE	3,312,698	105.115	3,573,910	3,400,000	3,337,661		2,506			6.860	7.060	FA	97,183	233,073	09/01/1998	02/01/2028
364725 AZ 4	GANNETT CO		..		..3FE	495,430	103.500	517,500	500,000	495,495		65			6.375	6.500	AO	6,729		09/26/2013	10/15/2023
368710 AC 3	DNA FINANCE CORP		..		..1FE	19,080,468	105.377	20,627,548	19,575,000	19,149,520		9,407			5.250	5.410	JJ	473,878	1,027,688	05/12/2011	07/15/2035
36877* AA 2	GENCONN ENERGY LLC		..		....2Z	7,000,000	98.894	6,922,601	7,000,000	7,000,000					4.730	4.730	JJ	95,651		08/19/2013	07/25/2041
369550 AT 5	GENERAL DYNAMICS		..	1	..1FE	6,755,260	81.692	5,718,440	7,000,000	6,759,940		4,567			3.600	3.790	MN	32,200	258,300	01/09/2013	11/15/2042
369604 BC 6	GENERAL ELECTRIC COMPANY		..		..1FE	1,992,440	113.194	2,263,880	2,000,000	1,996,559		769			5.250	5.290	JD	7,292	105,000	12/11/2007	12/06/2017
369604 BF 9	GENERAL ELECTRIC CO		..		..1FE	5,148,396	92.386	4,757,879	5,150,000	5,148,515		98			4.125	4.120	AO	48,389	212,438	01/17/2013	10/09/2042
36962G 3P 7	GENERAL ELECTRIC CAPITAL CORP		..		..1FE	18,744,810	113.911	21,643,090	19,000,000	18,766,961		4,277			5.875	5.970	JJ	517,816	1,116,250	01/08/2008	01/14/2038
36962G XZ 2	GENERAL ELECTRIC CAPITAL CORP		..		..1FE	5,941,460	123.831	6,191,550	5,000,000	5,771,918		(24,571)			6.750	5.400	MS	99,375	337,500	08/07/2006	03/15/2032
370334 BF 0	GENERAL MILLS INC		..		..2FE	3,990,960	105.437	4,217,480	4,000,000	3,998,195		1,409			5.200	5.230	MS	60,089	208,000	03/12/2008	03/17/2015
37331N AD 3	GEORGIA PACIFIC		..		..2FE	4,886,523	96.248	4,860,524	5,050,000	4,886,828		305			3.734	4.140	JJ	86,950		12/19/2013	07/15/2023
375558 AQ 6	GILEAD SCIENCES		..		..1FE	4,029,165	106.505	4,190,972	3,935,000	4,011,337		(8,844)			4.500	4.180	AO	44,269	177,075	11/28/2011	04/01/2021
377372 AA 5	GLAXOSMITHKLINE		..		..1FE	5,707,740	101.117	6,067,020	6,000,000	5,987,511		42,078			4.375	5.110	AO	55,417	262,500	02/23/2006	04/15/2014
377372 AJ 6	GLAXOSMITHKLINE		..		..1FE	1,973,440	91.429	1,828,580	2,000,000	1,973,792		352			4.200	4.270	MS	24,033	42,000	03/13/2013	03/18/2043
380956 AD 4	GOLDCORP INC		A		..2FE	1,762,600	89.436	1,788,720	2,000,000	1,771,693		9,093			3.700	5.280	MS	21,789	35,972	07/09/2013	03/15/2023
38143Y AC 7	GOLDMAN SACHS GRP		..		..2FE	1,965,460	107.092	2,141,840	2,000,000	1,966,580		644			6.450	6.590	MN	21,500	129,000	08/15/2012	05/01/2036
39121J AE 0	GREAT RIVER ENERGY		..		..1FE	980,000	113.241	1,132,410	1,000,000	983,840		952			6.254	6.450	JJ	31,270	62,540	08/19/2009	07/01/2038
40049J AZ 0	GRUPO TELEVISA		F		..2FE	4,105,837	106.194	3,929,178	3,700,000	4,102,619		(3,218)			6.625	5.800	JJ	113,030	89,438	07/10/2013	01/15/2040
402479 CD 9	SO 5 06/15/43		..		..1FE	1,996,920	92.133	1,842,660	2,000,000	1,996,934		14			5.000	5.010	JD	4,444	49,167	06/10/2013	06/15/2043
402524 AC 6	GULF SOUTH PIPELINE		..		..2FE	4,252,550	112.925	5,646,250	5,000,000	4,624,270		84,752			6.300	8.760	FA	119,000	315,000	10/16/2008	08/15/2017
40256# AK 9	GULF STATES TOYOTA & FRIEDKIN COMPANIES		..		....2Z	5,000,000	100.900	5,045,000	5,000,000	5,000,000					4.160	4.160	JD	578		07/19/2013	12/31/2025
404132 AH 5	HCC INSURANCE HOLDINGS INC I		..		..1FE	1,989,760	115.669	2,313,380	2,000,000	1,993,225		925			6.300	6.370	MN	16,100	126,000	11/10/2009	11/15/2019
406216 AW 1	HALLIBURTON CO		..		..1FE	4,958,400	123.214	6,160,700	5,000,000	4,961,249		598			6.700	6.760	MS	98,639	335,000	09/10/2008	09/15/2038
406216 BA 8	HALLIBURTON CO		..		..1FE	5,002,090	95.045	4,752,250	5,000,000	5,002,019		(38)			4.500	4.490	MN	28,750	225,000	11/14/2011	11/15/2041
406216 BE 0	HALLIBURTON CO		..		..1FE	4,879,150	98.205	4,910,250	5,000,000	4,879,782		632			4.750	4.900	FA	96,319		09/10/2013	08/01/2043
413875 AE 5	HARRIS CORP		..		..2FE	2,166,590	119.872	2,517,312	2,100,000	2,147,648		(2,501)			7.000	6.720	JJ	73,500	147,000	09/25/2003	01/15/2026
413875 AK 1	HARRIS CORP		..		..2FE	2,990,010	111.448	3,343,440	3,000,000	2,995,349		1,025			5.950	5.990	JD	14,875	178,500	04/15/2008	12/01/2017
418056 AH 0	HASBRO INC		..		..2FE	2,208,900	106.313	2,360,149	2,220,000	2,211,511		339			6.600	6.640	JJ	67,562	146,520	08/10/2004	07/15/2028
42218S AC 2	HEALTHCARE CARE SERVICES		..		..1FE	6,994,216	103.907	7,144,645	6,876,000	6,971,997		(11,760)			4.700	4.450	JJ	149,018	323,172	12/14/2011	01/15/2021
423012 AA 1	HEINEKEN NV		F		..2FE	2,217,941	97.632	2,072,727	2,123,000	2,208,769		(9,050)			3.400	2.840	AO	18,046	72,182	12/20/2012	04/01/2022
423012 AE 3	HEINEKEN NV		F		..2FE	18,415,570	84.228	16,003,320	19,000,000	18,426,088		10,031			4.000	4.180	AO	190,000	741,000	01/29/2013	10/01/2042
427866 AP 3	HERSHEY COMPANY		..		..1FE	2,990,610	111.615	3,348,450	3,000,000	2,996,990		1,022			5.450	5.490	MS	54,500	163,500	08/23/2006	09/01/2016
428236 AS 2	HEWLETT PACK CO		..		..2FE	2,552,430	111.213	3,336,390	3,000,000	2,761,802		46,794			5.500	7.760	MS	55,000	165,000	10/09/2008	03/01/2018
428236 AT 0	HEWLETT PACK CO		..		..2FE	3,982,440	100.847	4,033,880	4,000,000	3,999,340		3,862			6.125	6.220	MS	81,667	245,000	12/02/2008	03/01/2014
43474T AB 9	HOLICOM CAPITALCORP		F		..2FE	2,316,617	104.807	2,290,033	2,185,000	2,310,141		(1,878)			6.875	6.410	MS	38,389	150,219	01/22/2010	09/29/2039
438516 AP 1	HONEYWELL INC		..		..1FE	6,956,740	109.631	7,674,170	7,000,000	6,988,381		4,832			5.400	5.480	MS	111,300	378,000	03/28/2006	03/15/2016
438516 AT 3	HONEYWELL INC		..		..1FE	4,857,250	113.035	5,651,750	5,000,000	4,872,000		2,532			5.700	5.900	MS	83,917	285,000	04/03/2007	03/15/2037
441060 AJ 9	HOSPIRA INC		..		..3FE	1,980,960	110.339	2,206,780	2,000,000	1,992,229		2,101			6.050	6.180	MS	30,586	121,000	10/02/2007	03/30/2017
444859 AY 8	HUMANA INC		..		..2FE	2,996,730	118.305	3,549,150	3,000,000	2,998,318		310			7.200	7.210	JD	9,600	216,000	06/02/2008	06/15/2018
444859 BB 7	HUMANA INC		..		..2FE	1,998,740	90.137	1,802,740	2,000,000	1,998,740					4.625	4.620	JD	7,708	90,188	12/05/2012	12/01/2042
448055 AC 7	HUSKY ENERGY INC		A		..2FE	5,029,270	113.997	5,699,850	5,000,000	5,013,029		(3,060)			6.200	6.110	MS	91,278	310,000	10/04/2007	09/15/2017
45138L AN 3	IDAHO POWER CO		..		..1FE	977,890	105.555	1,055,550	1,000,000	981,963		508			5.500	5.650	AO	13,750	55,000	01/21/2004	04/01/2033

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
45138L AS 2	IDAHO POWER CORP				1FE	3,024,320	116.380	3,491,400	3,000,000	3,022,137		(420)			6.300	6.230	JD	8,400	189,000	09/25/2007	06/15/2037
45138L AT 0	IDAHO POWER CORP				1FE	997,320	115.053	1,150,530	1,000,000	997,546		44			6.250	6.270	AO	13,194	62,500	10/15/2007	10/15/2037
45138L AU 7	IDAHO POWER CORP				1FE	1,000,000	114.620	1,146,200	1,000,000	1,000,000					6.025	6.020	JJ	27,782	60,250	07/07/2008	07/15/2018
452308 AQ 2	ILLINOIS TOOL WORK			1	1FE	10,769,140	98.500	9,850,000	10,000,000	10,740,037		(14,867)			4.875	4.390	MS	143,542	487,500	12/14/2011	09/15/2041
456866 AK 8	INGERSOLL-RAND				2FE	7,854,357	114.156	9,360,792	8,200,000	7,958,218		10,276			6.391	6.720	MN	66,963	524,062	08/10/1998	11/15/2027
456866 AM 4	INGERSOLL-RAND				2FE	5,046,740	114.239	5,711,950	5,000,000	5,032,341		(1,430)			6.443	6.370	MN	41,164	322,150	08/10/1998	11/15/2027
45687A AF 9	INGERSOLL-RAND		F		2FE	3,983,600	101.497	2,029,939	1,999,999	1,991,833		34			5.750	5.770	JD	5,111	55,903	06/17/2013	06/15/2043
458140 AK 6	INTEL CORP				1FE	26,018,340	97.523	24,380,750	25,000,000	25,982,452		(18,869)			4.800	4.540	AO	300,000	1,200,000	12/20/2011	10/01/2041
459200 AR 2	IBM CORPORATION				1FE	6,955,377	118.274	7,983,495	6,750,000	6,903,894		(7,187)			6.220	5.970	FA	174,938	419,850	08/07/2006	08/01/2027
459200 AS 0	IBM CORP				1FE	4,059,388	121.862	4,694,124	3,852,000	4,015,211		(7,218)			6.500	6.040	JJ	115,453	250,380	08/10/2006	01/15/2028
459200 BB 6	IBM CORP				1FE	4,901,380	115.362	5,768,100	5,000,000	4,916,223		2,326			5.875	6.020	MN	26,111	293,750	08/11/2006	11/29/2032
459200 GM 7	IBM CORP				1FE	1,992,560	125.086	2,501,720	2,000,000	1,995,744		711			7.625	7.670	AO	32,194	152,500	10/09/2008	10/15/2018
459200 GS 4	IBM CORP				1FE	9,821,584	111.867	10,202,270	9,120,000	9,791,385		(12,300)			5.600	5.080	MN	43,979	510,720	06/06/2011	11/30/2039
459200 HF 1	IBM CORP				1FE	2,558,109	89.292	2,251,051	2,521,000	2,557,581		(528)			4.000	3.910	JD	3,081	100,840	02/04/2013	06/20/2042
460377 AB 0	ARCELORMITTAL USA LLC				3FE	5,866,087	101.312	5,843,676	5,768,000	5,773,530		(18,532)			6.500	6.150	AO	79,150	374,920	07/09/2008	04/15/2014
46051M AE 2	INTERNATIONAL TRANSMISSION				1FE	998,390	97.632	976,320	1,000,000	998,401		11			4.625	4.630	FA	17,601		08/07/2013	08/15/2043
461202 AB 9	INTUIT INC				2FE	5,428,700	111.809	6,708,540	6,000,000	5,734,680		69,005			5.750	7.210	MS	101,583	345,000	10/14/2008	03/15/2017
46507M AD 4	ISRAEL ELECTRIC		F		3FE	2,000,000	105.775	2,115,500	2,000,000	2,000,000					5.625	5.620	JD	3,125	56,250	06/18/2013	06/21/2018
465685 AH 8	ITC HOLDINGS CORP				2FE	2,991,960	98.317	2,949,510	3,000,000	2,992,004		44			5.300	5.310	JJ	78,617		06/26/2013	07/01/2043
46625H HV 5	JPMORGAN CHASE & CO				1FE	2,972,610	108.654	3,259,620	3,000,000	2,973,831		417			5.500	5.560	AO	34,833	165,000	10/14/2010	10/15/2040
478115 AA 6	JOHNS HOPKINS UNIVERSITY				1FE	999,300	112.852	1,128,520	1,000,000	999,529		72			5.250	5.260	JJ	26,250	56,219	03/19/2009	07/01/2019
478160 AL 8	JOHNSON AND JOHNSON				1FE	10,342,200	107.591	11,297,055	10,500,000	10,388,740		2,094			4.950	5.010	MN	66,413	519,750	12/30/2008	05/15/2033
478160 AV 6	JOHNSON & JOHNSON				1FE	5,741,000	98.393	4,919,650	5,000,000	5,710,378		(15,517)			4.500	3.660	MS	75,000	225,000	12/19/2011	09/01/2040
478160 BA 1	JOHNSON AND JOHNSON				1FE	18,223,220	104.746	19,220,891	18,350,000	18,228,355		2,082			4.850	4.890	MN	113,719	889,975	06/03/2011	05/15/2041
478165 AF 0	JOHNSON (SC) & SON				1FE	3,470,704	107.937	3,793,986	3,515,000	3,482,484		819			5.750	5.820	FA	76,354	202,113	03/23/2011	02/15/2033
478165 AG 8	JOHNSON (SC) & SON				1FE	14,983,680	95.719	15,315,040	16,000,000	15,027,277		16,493			4.800	5.220	MS	256,000	768,000	06/09/2011	09/01/2040
481165 AF 5	JOY GLOBAL INC				2FE	4,023,600	110.602	4,424,080	4,000,000	4,009,278		(2,893)			6.000	5.910	MN	30,667	240,000	01/31/2008	11/15/2016
482480 AA 8	KLA INSTRUMENTS CORP				2FE	4,975,875	117.014	5,850,700	5,000,000	4,987,571		2,381			6.900	6.960	MN	57,500	345,000	05/21/2008	05/01/2018
485260 BL 6	KANSAS GAS & ELECTRIC CO				1FE	499,095	119.829	599,145	500,000	499,438		83			6.700	6.720	JD	1,489	33,500	06/08/2009	06/15/2019
486606 J@ 6	KAYNE ANDERSON MLP INVESTMENTS COMPANY				1FE	4,000,000	98.994	3,959,792	4,000,000	4,000,000					3.570	3.560	JD	4,760	85,085	03/26/2013	04/16/2023
487836 AT 5	KELLOGG CO				2FE	3,408,780	126.134	3,784,020	3,000,000	3,349,946		(10,958)			7.450	6.320	AO	55,875	223,500	09/04/2007	04/01/2031
491674 BG 1	KENTUCKY UTILITIES			1	1FE	11,517,630	105.728	12,687,360	12,000,000	11,538,764		7,472			5.125	5.390	MN	102,500	615,000	02/08/2011	11/01/2040
492386 AK 3	KERR-MCGEE CORP				2FE	1,011,260	112.589	1,125,890	1,000,000	1,009,531		(400)			7.125	7.010	AO	15,042	71,250	07/15/2008	10/15/2027
49245P AA 4	KERRY GROUP FIN SERVICES		F	1	2FE	1,993,380	90.547	1,810,940	2,000,000	1,993,794		414			3.200	3.230	AO	14,578	32,000	04/02/2013	04/09/2023
494368 AY 9	KIMBERLY-CLARK				1FE	4,980,800	106.945	5,347,250	5,000,000	4,996,230		2,182			4.875	4.920	FA	92,083	243,750	08/08/2005	08/15/2015
494368 BC 6	KIMBERLY-CLARK				1FE	1,985,070	125.345	2,506,900	2,000,000	1,986,341		234			6.625	6.680	FA	55,208	132,500	07/26/2007	08/01/2037
494368 BD 4	KIMBERLY-CLARK				1FE	5,550,050	123.958	6,817,690	5,500,000	5,528,596		(4,784)			7.500	7.360	MN	68,750	412,500	10/30/2008	11/01/2018
494550 AT 3	KINDER MORGAN ENERGY				2FE	4,987,300	102.518	5,125,900	5,000,000	4,989,116		256			5.800	5.810	MS	85,389	290,000	03/08/2005	03/15/2035
50075N AS 3	KRAFT FOODS INC				2FE	6,717,730	116.197	7,552,805	6,500,000	6,594,915		(22,891)			6.500	6.040	FA	164,306	422,500	10/03/2007	08/11/2017
50076Q AE 6	KRAFT FOODS GROUP				2FE	6,365,850	98.579	5,914,740	6,000,000	6,360,880		(4,647)			5.000	4.610	JD	22,500	300,000	03/08/2013	06/04/2042
501044 CF 6	KROGER CO				2FE	1,878,700	104.332	2,086,640	2,000,000	1,982,453		15,936			4.950	5.830	JJ	45,650	99,000	02/21/2006	01/15/2015
501044 CH 2	KROGER CO				2FE	1,994,980	113.974	2,279,480	2,000,000	1,997,018		397			6.150	6.180	JJ	56,717	123,000	01/09/2008	01/15/2020

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Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
50540R AL 6	LABORATORY CORP				2FE	6,011,380	96.864	5,811,840	6,000,000	6,010,018		(1,023)			3.750	3.720	FA	80,000	225,000	08/20/2012	08/23/2022
511546 AA 1	LAKEHEAD PIPE LINE CO				2FE	5,156,049	116.334	5,816,700	5,000,000	5,057,294		(9,942)			7.000	6.710	AO	87,500	350,000	09/28/1998	10/01/2018
524660 AT 4	LEGGETT & PLATT INC				2FE	2,325,232	104.832	2,620,800	2,500,000	2,431,668		13,199			4.400	5.080	JJ	55,000	110,000	12/23/2003	07/01/2018
530715 AD 3	LIBERTY MEDIA				3FE	9,399,480	107.750	9,374,250	8,700,000	9,259,983		(18,099)			8.500	7.770	JJ	340,992	739,500	01/02/2003	07/15/2029
532457 AX 6	ELI LILLY				1FE	1,902,040	109.234	2,184,680	2,000,000	1,963,687		7,586			4.500	4.980	MS	26,500	90,000	12/18/2003	03/15/2018
532457 BA 5	ELI LILLY				1FE	18,082,840	109.753	19,755,540	18,000,000	18,081,991		(1,765)			5.550	5.510	MS	294,150	999,000	02/08/2011	03/15/2037
532716 AU 1	LIMITED BRANDS				3FE	1,024,375	102.250	1,022,500	1,000,000	1,020,882		(2,020)			5.625	5.300	FA	21,250	56,250	03/14/2012	02/15/2022
532776 AX 9	LIN TELEVISION				4FE	1,000,000	104.000	1,040,000	1,000,000	1,000,000					6.375	6.370	JJ	29,396	48,344	10/04/2012	01/15/2021
536022 AH 9	LINN ENERGY LLC				4FE	999,890	101.000	1,010,000	1,000,000	999,890					6.250	6.250	MN	10,417	65,034	02/28/2012	11/01/2019
539830 AU 3	LOCKHEED MARTIN CORP				2FE	4,958,650	106.228	5,311,400	5,000,000	4,961,131		663			5.500	5.550	MN	35,139	275,000	11/13/2009	11/15/2039
539830 AZ 2	LOCKHEED MARTIN CORP				1FE	5,956,740	98.274	5,896,440	6,000,000	5,958,362		697			4.850	4.890	MS	85,683	291,000	09/06/2011	09/15/2041
546676 AU 1	LOUISVILLE GAS & ELECTRIC			1	1FE	3,810,400	105.419	4,216,760	4,000,000	3,818,792		2,928			5.125	5.440	MN	26,194	205,000	02/07/2011	11/15/2040
546676 AV 9	LOUISVILLE GAS AND ELECTRIC				1FE	4,964,000	99.278	4,963,900	5,000,000	4,964,075		75			4.650	4.690	MN	30,354		11/06/2013	11/15/2043
548661 CH 8	LOWES COMPANIES				1FE	2,911,800	107.692	3,230,760	3,000,000	2,979,911		10,433			5.000	5.390	AO	31,667	150,000	03/28/2006	10/15/2015
548661 CX 3	LOWES COMPANIES			1	1FE	7,530,179	96.710	6,939,910	7,176,000	7,522,975		(6,102)			4.650	4.340	AO	70,444	333,684	01/30/2013	04/15/2042
55263E CJ 2	MBNA CORP				1FE	2,987,490	105.633	3,168,990	3,000,000	2,998,004		1,290			5.000	5.040	JD	6,667	150,000	02/24/2004	06/15/2015
552953 BX 8	MGM RESORTS				4FE	2,007,500	111.750	2,235,000	2,000,000	2,006,732		(571)			7.750	7.690	MS	45,639	155,000	08/14/2012	03/15/2022
55616X AB 3	MACYS RETAIL HLDGS INC				2FE	2,036,920	111.428	2,228,560	2,000,000	2,027,956		(1,245)			6.790	6.630	JJ	62,619	135,800	06/02/2004	07/15/2027
565849 AD 8	MARATHON OIL CORP				2FE	3,124,440	113.328	3,399,840	3,000,000	3,056,065		(13,147)			6.000	5.440	AO	45,000	180,000	01/17/2008	10/01/2017
565849 AE 6	MARATHON OIL CORP				2FE	2,068,080	119.806	2,396,120	2,000,000	2,062,641		(1,113)			6.600	6.340	AO	33,000	132,000	02/01/2008	10/01/2037
56585A AF 9	MARATHON PETRO				2FE	1,100,250	113.971	1,139,710	1,000,000	1,099,786		(464)			6.500	5.760	MS	21,667		09/04/2013	03/01/2041
570506 AQ 8	MARKWEST ENERGY				3FE	990,150	100.750	1,007,500	1,000,000	991,159		727			5.500	5.620	FA	20,778	55,764	08/06/2012	02/15/2023
570506 AR 6	MARKWEST ENERGY				3FE	985,000	93.750	937,500	1,000,000	985,691		691			4.500	4.680	JJ	20,750	23,125	06/07/2013	07/15/2023
57169* AU 1	MARS INC			1		10,000,000	93.657	9,365,770	10,000,000	10,000,000					3.740	3.740	AO	83,111	350,321	09/19/2012	10/11/2027
574599 BC 9	MASCO CORP				3FE	994,810	104.250	1,042,500	1,000,000	999,081		595			4.800	4.860	JD	2,133	48,000	06/07/2005	06/15/2015
574599 BF 2	MASCO CORP				3FE	2,303,400	109.750	3,830,275	3,490,000	2,884,322		145,484			5.850	12.600	MS	60,115	204,165	12/19/2008	03/15/2017
577081 AW 2	MATTEL INC			1	2FE	2,751,048	99.922	2,448,089	2,450,000	2,745,970		(5,049)			5.450	4.660	MN	22,254	133,525	01/07/2013	11/01/2041
578454 AB 6	MAYO CLINIC				1FE	10,000,000	79.704	7,970,400	10,000,000	10,000,000					3.774	3.770	MN	48,223	377,400	08/23/2012	11/15/2043
578454 AC 4	MAYO CLINIC				1FE	5,000,000	81.477	4,073,850	5,000,000	5,000,000					4.000	4.000	MN	25,556	126,111	02/26/2013	11/15/2047
579780 AD 9	MCCORMICK & CO INC				1FE	1,998,580	108.346	2,166,920	2,000,000	1,999,655		163			5.200	5.200	JD	4,622	104,000	12/01/2005	12/15/2015
579780 AF 4	MCCORMICK & CO				1FE	1,999,200	113.578	2,271,560	2,000,000	1,999,646		78			5.750	5.750	JD	5,111	115,000	12/04/2007	12/15/2017
58013M EF 7	MCDONALDS CORP				1FE	2,107,429	121.555	2,443,256	2,010,000	2,100,293		(1,650)			6.300	5.940	MS	42,210	126,630	02/26/2009	03/01/2038
58013M EH 3	MCDONALDS CORP				1FE	8,418,562	112.332	9,138,208	8,135,000	8,406,334		(5,052)			5.700	5.450	FA	193,206	463,695	04/08/2011	02/01/2039
58013M EK 6	MCDONALDS CORP				1FE	8,517,140	102.103	9,189,270	9,000,000	8,538,597		7,900			4.875	5.230	JJ	202,313	438,750	03/30/2011	07/15/2040
583334 AB 3	MEADWESTVACO CORP				2FE	4,690,824	98.478	4,923,900	5,000,000	4,740,514		6,250			6.800	7.310	MN	43,444	340,000	01/09/2003	11/15/2032
58405U AD 4	MEDCO HEALTH SOLUTIONS				2FE	1,010,600	118.827	1,188,270	1,000,000	1,005,350		(1,061)			7.125	6.970	MS	20,979	71,250	03/14/2008	03/15/2018
585055 AH 9	MEDTRONIC INC				1FE	13,112,130	107.089	14,805,054	13,825,000	13,664,057		87,727			4.750	5.470	MS	193,358	656,688	10/11/2006	09/15/2015
585055 AT 3	MEDTRONIC INC				1FE	3,089,100	109.137	3,274,110	3,000,000	3,085,326		(1,469)			5.550	5.340	MS	49,025	166,500	03/29/2011	03/15/2040
585055 AW 6	MEDTRONIC INC				1FE	9,015,760	94.721	7,577,680	8,000,000	8,997,746		(18,014)			4.500	3.770	MS	106,000	360,000	01/18/2013	03/15/2042
585055 AY 2	MEDTRONIC INC				1FE	3,917,720	88.135	3,525,400	4,000,000	3,918,829		1,109			4.000	4.120	AO	40,000	82,222	03/19/2013	04/01/2043
586054 AB 4	MEMORIAL SLOAN				1FE	15,033,880	82.265	12,339,750	15,000,000	15,034,009		89			4.125	4.110	JJ	309,375	354,063	12/04/2012	07/01/2052

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Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
589331 AD 9	MERCK & CO INC				1FE	1,040,570	120.955	1,209,550	1,000,000	1,032,024		(1,396)			6.400	6.060	MS	21,333	64,000	08/07/2006	03/01/2028
589331 AE 7	MERCK & CO INC				1FE	8,900,550	116.625	10,496,250	9,000,000	8,921,131		3,188			5.950	6.040	JD	44,625	535,500	08/07/2006	12/01/2028
589331 AK 3	MERCK & CO INC				1FE	1,918,720	104.957	2,099,140	2,000,000	1,987,215		10,365			4.750	5.320	MS	31,667	95,000	02/21/2006	03/01/2015
589331 AM 9	MERCK & CO INC				1FE	1,538,709	112.423	1,641,376	1,460,000	1,534,547		(1,633)			5.750	5.360	MN	10,727	83,950	04/08/2011	11/15/2036
589331 AQ 0	MERCK & CO INC				1FE	6,227,812	116.243	6,678,160	5,745,000	6,206,437		(8,462)			5.850	5.270	JD	934	336,083	04/18/2011	06/30/2039
594918 AD 6	MICROSOFT CORP				1FE	19,682,300	105.910	21,182,000	20,000,000	19,704,921		5,263			5.200	5.300	JD	86,667	1,040,000	05/22/2009	06/01/2039
594918 AJ 3	MICROSOFT CORP				1FE	6,424,700	94.997	6,649,790	7,000,000	6,449,113		9,600			4.500	5.030	AO	78,750	315,000	06/14/2011	10/01/2040
594918 AM 6	MSFT 5.3 02/08/41				1FE	7,893,200	107.137	8,570,960	8,000,000	7,897,738		1,641			5.300	5.390	FA	168,422	424,000	02/04/2011	02/08/2041
59562V BC 0	MIDAMERICAN ENERGY HOLDINGS				2FE	5,964,540	100.833	6,049,980	6,000,000	5,964,636		96			5.150	5.180	MN	45,492		11/05/2013	11/15/2043
598326 B@ 4	MIDWEST IND TRANS SYS				1	5,000,000	91.468	4,573,445	5,000,000	5,000,000					3.960	3.960	MS	52,250	99,000	03/15/2013	03/26/2033
605417 BY 9	MISSISSIPPI POWER CO				1FE	11,000,860	91.433	10,057,630	11,000,000	11,000,766		(13)			4.750	4.740	AO	110,306	522,500	10/12/2011	10/15/2041
608190 AH 7	MOHAWK INDUSTRIES				2FE	2,989,050	109.500	3,285,000	3,000,000	2,989,050		(6,739)			6.375	6.670	JJ	88,188	191,250	10/31/2006	01/15/2016
610202 BP 7	MONONGAHELA POWER				2FE	1,996,380	103.867	2,077,340	2,000,000	1,996,398		18			5.400	5.410	JD	10,200		11/19/2013	12/15/2043
61166W AE 1	MONSANTO CORPORATION				1FE	2,839,350	112.774	3,383,220	3,000,000	2,879,646		7,002			5.500	5.980	FA	62,333	165,000	04/04/2007	08/15/2025
61166W AG 6	MONSANTO CO				1FE	2,043,173	114.137	2,271,326	1,990,000	2,039,986		(939)			5.875	5.680	AO	24,682	116,913	03/09/2010	04/15/2038
61166W AJ 0	MONSANTO CO			1	1FE	3,431,440	81.526	3,261,040	4,000,000	3,433,243		1,803			3.600	4.480	JJ	66,400		10/28/2013	07/15/2042
61166W AK 7	MONSANTO CO				1FE	14,992,650	97.550	14,632,500	15,000,000	14,992,650					4.650	4.650	MN	89,125		11/04/2013	11/15/2043
61746B CY 0	MORGAN STANLEY				2FE	3,972,040	115.580	4,623,200	4,000,000	3,978,656		1,082			6.250	6.310	FA	98,611	250,000	08/02/2006	08/09/2026
61945C AB 9	MOSAIC CO				2FE	4,962,630	90.544	4,527,200	5,000,000	4,963,935		591			4.875	4.920	MN	31,146	243,750	12/13/2011	11/15/2041
61945C AD 5	MOSIAC CO				2FE	2,490,650	101.885	2,547,125	2,500,000	2,490,688		38			5.450	5.480	MN	18,167		11/07/2013	11/15/2033
61980A AC 7	MOTIVA ENTERPRISES LLC				2FE	1,996,080	113.562	2,271,240	2,000,000	1,997,363		356			5.750	5.770	JJ	53,028	115,000	01/06/2010	01/15/2020
626717 AG 7	MURPHY OIL COMPANY				2FE	4,987,050	85.092	4,254,600	5,000,000	4,987,264		196			5.125	5.140	JD	21,354	256,962	11/27/2012	12/01/2042
629377 BU 5	NRG ENERGY INC			1	4FE	1,047,500	100.750	1,007,500	1,000,000	1,044,638		(2,862)			6.625	5.810	MS	19,507	33,125	06/07/2013	03/15/2023
629527 AU 6	NABISCO INC				2FE	7,261,639	109.506	6,570,360	6,000,000	6,192,123		(123,908)			7.550	5.230	JD	20,133	453,000	12/12/2002	06/15/2015
629568 AQ 9	NABORS INDUSTRIES INC				2FE	1,942,740	112.373	2,247,460	2,000,000	1,971,018		5,946			6.150	6.550	FA	46,467	123,000	07/18/2008	02/15/2018
631005 BF 1	NARRAGANSETT EL				1FE	1,685,873	87.444	1,486,548	1,700,000	1,686,158		285			4.170	4.210	JD	4,135	70,890	01/03/2013	12/10/2042
636180 BK 6	NATIONAL FUEL GAS				2FE	2,996,010	104.043	3,121,290	3,000,000	2,996,690		335			4.900	4.910	JD	12,250	147,000	11/28/2011	12/01/2021
637071 AK 7	NATIONAL OILWELL			1	1FE	23,907,600	88.278	21,186,720	24,000,000	23,909,725		1,877			3.950	3.970	JD	79,000	976,967	11/15/2012	12/01/2042
637432 DC 6	NATIONAL RURAL UTILITIES				1FE	1,504,830	100.714	1,510,710	1,500,000	1,500,100		(589)			4.750	4.700	MS	23,750	76,445	02/25/2004	03/01/2014
63946B AG 5	NBC UNIVERSAL				1FE	1,994,420	109.384	2,187,680	2,000,000	1,994,641		77			5.950	5.970	AO	29,750	119,000	09/27/2010	04/01/2041
63946B AJ 9	NBC UNIVERSAL MED				1FE	6,078,060	89.582	5,374,920	6,000,000	6,076,563		(1,311)			4.450	4.370	JJ	123,117	207,667	11/19/2012	01/15/2043
641423 BS 6	NEVADA POWER CO				1FE	1,994,060	117.870	2,357,400	2,000,000	1,997,303		518			6.500	6.530	MN	16,611	130,000	05/09/2006	05/15/2018
641423 BW 7	NEVADA POWER CO				1FE	2,990,190	118.405	3,552,150	3,000,000	2,994,726		958			6.500	6.540	FA	81,250	195,000	07/25/2008	08/01/2018
641423 CA 4	NEVADA POWER CO				1FE	10,676,961	108.315	9,656,282	8,915,000	10,647,483		(29,478)			5.450	4.240	MN	62,083	485,868	01/30/2013	05/15/2041
650094 CJ 2	NEW YORK TELEPHONE				2FE	4,156,091	98.565	4,435,425	4,500,000	4,252,326		9,747			6.500	7.120	AO	61,750	292,500	04/21/1998	04/15/2028
651229 AG 1	NEWELL RUBBERMAID INC				2FE	1,994,020	113.242	2,264,840	2,000,000	1,997,039		585			6.250	6.280	AO	26,389	125,000	03/25/2008	04/15/2018
652478 AV 0	NEWS AMERICA HOLDINGS				2FE	1,508,220	130.848	1,766,448	1,350,000	1,452,504		(5,867)			9.500	8.400	JJ	59,138	128,250	01/27/1997	07/15/2024
652478 AW 8	NEWS AMERICA HOLDINGS				2FE	4,460,089	129.651	5,574,993	4,300,000	4,438,950		(2,563)			8.450	8.120	FA	151,396	363,350	09/15/2000	08/01/2034
652478 AX 6	NEWS AMERICA HOLDINGS				2FE	1,790,000	126.015	2,255,669	1,790,000	1,790,000					8.500	8.500	FA	54,098	152,150	02/15/1995	02/23/2025
65364U AE 6	NIAGARA MOHAWK				1FE	6,000,000	87.365	5,241,900	6,000,000	6,000,000					4.119	4.110	MN	22,655	247,140	11/20/2012	11/28/2042
65473Q BB 8	NISOURCE FINANCE CORP				2FE	5,137,200	97.184	4,859,200	5,000,000	5,135,702		(1,890)			5.250	5.060	FA	99,167	306,979	12/21/2012	02/15/2043
655044 AA 3	NOBLE ENERGY INC				2FE	3,007,070	101.237	3,037,110	3,000,000	3,000,274		(924)			5.250	5.210	AO	33,250	157,500	09/16/2004	04/15/2014

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
655044 AG 0	NOBLE ENERGY INC				2FE	2,982,900	99.918	2,997,540	3,000,000	2,982,947		47			5.250	5.280	MN	23,188		11/05/2013	11/15/2043
65504L AC 1	NOBLE HDLG INTL		F		2FE	2,991,750	105.537	3,166,110	3,000,000	2,994,155		735			4.900	4.930	FA	61,250	147,000	07/21/2010	08/01/2020
655844 AE 8	NORFOLK SOUTHERN CORP				2FE	1,979,080	118.695	2,373,900	2,000,000	1,990,106		2,474			7.700	7.870	MN	19,678	154,000	10/30/2008	05/15/2017
655844 AZ 1	NORFOLK SOUTHERN CORP				2FE	2,946,270	113.932	3,417,960	3,000,000	2,972,795		5,471			5.750	5.990	AO	43,125	172,500	07/16/2008	04/01/2018
655844 BH 0	NORFOLK SOUTHERN				2FE	5,388,778	95.470	4,911,932	5,145,000	5,380,777		(4,178)			4.837	4.540	AO	62,216	248,864	12/13/2011	10/01/2041
655844 BM 9	NORFOLK SOUTHERN			1	2FE	6,004,870	84.141	5,048,460	6,000,000	6,004,919		(18)			3.950	3.940	AO	59,250	252,800	09/04/2012	10/01/2042
665228 CB 6	NORTHERN ILL GAS				1FE	2,501,150	109.055	2,726,375	2,500,000	2,501,142		(8)			5.900	5.890	JD	12,292	147,500	06/22/2009	12/01/2032
665501 AK 8	NORTHERN NAT GAS				1FE	4,933,900	86.426	4,321,300	5,000,000	4,935,113		1,213			4.100	4.170	MS	60,361	215,250	02/05/2013	09/15/2042
665772 CE 7	NORTHERN ST PR-M				1FE	1,750,565	109.738	1,892,981	1,725,000	1,749,483		(439)			5.350	5.240	MN	15,381	92,288	04/05/2011	11/01/2039
665772 CG 2	NORTHERN STATES POWER				1FE	4,888,950	102.338	5,116,900	5,000,000	4,893,903		1,879			4.850	4.990	FA	91,611	242,500	06/08/2011	08/15/2040
665789 AW 3	NORTHERN STATES POWER				1FE	1,984,700	121.055	2,421,100	2,000,000	1,985,735		232			6.375	6.430	MS	42,500	127,500	09/03/2008	09/01/2038
665789 AX 1	NORTHERN STATES POWER				1FE	1,983,540	81.663	1,633,260	2,000,000	1,983,900		299			3.700	3.740	AO	18,500	72,150	10/02/2012	10/01/2042
666807 BH 4	NORTHROP GRUMMAN				2FE	2,997,120	94.768	2,843,040	3,000,000	2,997,151		31			4.750	4.750	JD	11,875	71,646	05/28/2013	06/01/2043
667748 AF 4	NORTHWEST PIPELINE				2FE	5,896,240	120.337	8,423,590	7,000,000	6,190,246		37,580			7.125	8.700	JD	41,563	498,750	02/14/2002	12/01/2025
668444 AC 6	NORTHWESTERN UNIVERSITY				1FE	2,000,000	98.446	1,968,920	2,000,000	2,000,000					4.643	4.640	JD	15,993		10/22/2013	12/01/2044
67021C AB 3	NSTAR ELECTRIC				1FE	2,484,575	101.247	2,531,175	2,500,000	2,499,443		1,878			4.875	4.950	AO	25,729	121,875	04/13/2004	04/15/2014
670346 AG 0	NUCOR CORP				2FE	5,973,480	113.167	6,790,020	6,000,000	5,987,764		2,709			5.750	5.800	JD	28,750	345,000	11/28/2007	12/01/2017
67059T AA 3	NUSTAR LOGISTICS				3FE	2,994,060	113.250	3,397,500	3,000,000	2,996,967		574			7.900	7.920	AO	50,033	244,500	04/01/2008	04/15/2018
67059T AC 9	NSUS 4 3/4 02/01/22				3FE	935,000	88.232	882,320	1,000,000	942,488		5,485			4.750	5.640	FA	19,792	47,500	08/13/2012	02/01/2022
67704L AA 9	OGLETHORPE PWR 1ST				1FE	1,970,760	94.950	1,899,000	2,000,000	1,973,213		775			5.534	5.650	JJ	55,340	110,680	11/05/2010	01/01/2035
677050 AG 1	OGLETHORPE POWER CORP				1FE	8,655,410	109.156	9,278,260	8,500,000	8,646,389		(2,459)			5.950	5.810	MN	84,292	505,750	12/08/2009	11/01/2039
678858 BL 4	OKLAHOMA GAS & ELECTRIC				1FE	1,176,420	113.261	1,132,610	1,000,000	1,174,818		(1,602)			5.850	4.680	JD	4,875	29,250	06/28/2013	06/01/2040
68233J AD 6	ONCOR ELECTRIC DELIVERY				2FE	1,997,900	117.522	2,350,440	2,000,000	1,998,821		208			6.800	6.810	MS	45,333	136,000	09/03/2008	09/01/2018
68233J AT 1	ONCOR ELECTRIC DELIVERY				2FE	2,994,120	94.053	2,821,590	3,000,000	2,994,358		99			4.550	4.560	JD	11,375	136,500	11/18/2011	12/01/2041
68268N AC 7	ONEOK PARTNERS LP				2FE	3,485,055	110.047	3,851,645	3,500,000	3,486,478		249			6.650	6.680	AO	58,188	232,750	09/20/2006	10/01/2036
68389X AE 5	ORACLE CORP				1FE	7,117,400	121.835	8,528,450	7,000,000	7,108,251		(1,865)			6.500	6.370	AO	96,056	455,000	04/07/2008	04/15/2038
68389X AM 7	ORACLE CORP				1FE	14,228,980	106.778	13,881,140	13,000,000	14,203,983		(26,081)			5.375	4.720	JJ	322,201	698,750	12/07/2012	07/15/2040
68402L AC 8	ORACLE CORP				1FE	7,701,960	109.160	8,732,800	8,000,000	7,922,053		34,943			5.250	5.750	JJ	193,667	420,000	06/06/2006	01/15/2016
684065 BH 7	ORNG & RKLND UTL				1FE	1,168,450	103.632	1,036,320	1,000,000	1,165,961		(2,489)			5.500	4.430	FA	20,778	27,500	03/14/2013	08/15/2040
693304 AL 1	PECO ENERGY				1FE	1,516,741	113.454	1,991,118	1,755,000	1,628,344		25,122			5.350	7.390	MS	31,298	93,893	11/13/2008	03/01/2018
69349L AD 0	PNC BANK NA				1FE	3,582,705	113.955	3,988,425	3,500,000	3,545,001		(9,960)			6.000	5.630	JD	14,000	210,000	11/05/2009	12/07/2017
69351U AH 6	PPL ELECTRIC UTILITIES CO				1FE	2,999,190	121.624	3,648,720	3,000,000	2,999,276		13			6.450	6.450	FA	73,100	193,500	08/08/2007	08/15/2037
694308 GE 1	PACIFIC GAS & ELEC				1FE	2,382,175	114.549	2,863,725	2,500,000	2,400,028		2,381			6.050	6.400	MS	50,417	151,250	04/21/2004	03/01/2034
694308 GN 1	PACIFIC GAS & ELECTRIC				1FE	2,950,290	125.068	3,752,040	3,000,000	2,971,010		4,731			8.250	8.490	AO	52,250	247,500	10/16/2008	10/15/2018
694308 GY 7	PACIFIC GAS & ELECTRIC				1FE	11,107,250	94.018	10,341,980	11,000,000	11,103,441		(1,882)			4.500	4.440	JD	22,000	495,000	12/14/2011	12/15/2041
694308 GZ 4	PACIFIC GAS & ELECTRIC				1FE	3,747,313	93.801	3,145,148	3,353,000	3,738,003		(7,774)			4.450	3.770	AO	31,500	149,209	10/11/2012	04/15/2042
694308 HF 7	PCG 5 1/8 11/15/43				1FE	4,992,350	103.266	5,163,300	5,000,000	4,992,350					5.125	5.130	MN	32,743		11/06/2013	11/15/2043
695114 BX 5	PACIFICORP				1FE	1,992,780	109.520	2,190,400	2,000,000	1,993,849		149			5.900	5.920	FA	44,578	118,000	08/19/2004	08/15/2034
695114 CD 8	PACIFICORP				1FE	7,999,680	114.360	9,148,800	8,000,000	7,999,680					5.750	5.750	AO	115,000	460,000	03/09/2007	04/01/2037
695114 CN 6	PACIFIC CORP				1FE	4,931,106	90.336	4,315,351	4,777,000	4,928,420		(2,686)			4.100	3.910	FA	81,607	97,929	01/29/2013	02/01/2042
695156 AN 9	PACKAGING CORP				2FE	1,999,180	113.557	2,271,140	2,000,000	1,999,563		88			6.500	6.500	MS	38,278	130,000	03/19/2008	03/15/2018
696429 AC 3	PALL CORPORATION				2FE	1,989,300	104.444	2,088,880	2,000,000	1,992,486		962			5.000	5.060	JD	4,444	100,000	06/15/2010	06/15/2020

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date
69888P AB 2	SKY GROWTH HOLDINGS				5FE	1,006,563	103.375	1,033,750	1,000,000	1,005,483		(969)			7.375	7.230	AO	15,569	77,233	10/18/2012	10/15/2020
713448 BJ 6	PEPSICO INC				1FE	15,504,600	124.998	18,749,700	15,000,000	15,288,950		(48,319)			7.900	7.410	MN	197,500	1,185,000	10/28/2008	11/01/2018
713448 BS 6	PEPSICO INC				1FE	10,561,588	99.995	11,164,442	11,165,000	10,587,484		9,681			4.875	5.230	MN	90,716	544,294	04/14/2011	11/01/2040
714264 AK 4	PERNOD-RICHARD SA		F		2FE	2,466,646	102.238	2,231,856	2,183,000	2,462,382		(4,264)			5.500	4.670	JJ	55,363	60,033	01/30/2013	01/15/2042
71713U AT 9	PHARMACIA CORP				1FE	7,853,894	122.351	8,613,510	7,040,000	7,675,270		(28,922)			6.750	5.790	JD	21,120	475,200	08/08/2006	12/15/2027
717265 AJ 1	PHELPS DODGE CORP				2FE	1,480,000	107.665	2,153,300	2,000,000	1,582,383		13,671			7.125	9.930	MN	23,750	142,500	11/20/2001	11/01/2027
717265 AL 6	PHELPS DODGE CORP				2FE	6,905,000	127.241	8,906,870	7,000,000	6,915,075		1,255			9.500	9.630	JD	55,417	665,000	01/10/2003	06/01/2031
718172 AM 1	PHILLIP MORRIS IN				1FE	4,897,650	91.143	4,557,150	5,000,000	4,901,282		1,749			4.375	4.500	MN	27,951	218,750	11/08/2011	11/15/2041
718172 AW 9	PHILIP MORRIS IN				1FE	4,859,850	87.542	4,377,100	5,000,000	4,861,793		1,943			4.125	4.290	MS	67,031	103,125	02/26/2013	03/04/2043
718172 BD 0	PHILLIP MORRIS IN				1FE	8,947,980	99.063	8,915,670	9,000,000	8,948,097		117			4.875	4.910	MN	59,719		11/04/2013	11/15/2043
723456 AP 4	PINNACLE ENTERTAINMENT				4FE	250,000	109.000	272,500	250,000	250,000					7.750	7.750	AO	4,844	19,375	03/05/2012	04/01/2022
723787 AE 7	PIONEER NATURAL RESOURCE				2FE	3,000,960	110.929	3,327,870	3,000,000	3,000,282		(100)			5.875	5.870	JJ	81,271	176,250	07/21/2004	07/15/2016
723787 AF 4	PIONEER NATURAL				2FE	1,998,060	117.091	2,341,820	2,000,000	1,999,114		170			6.875	6.880	MN	22,917	137,500	04/26/2006	05/01/2018
72447X AA 5	PITNEY BOWES INC				2FE	2,901,420	105.422	3,689,770	3,500,000	3,296,132		88,844			4.750	7.890	JJ	76,660	166,250	10/27/2008	01/15/2016
726505 AM 2	PLAINS EXPLORATION				2FE	1,000,000	109.370	1,093,700	1,000,000	1,000,000					6.125	6.120	JD	2,722	61,250	04/24/2012	06/15/2019
726505 AP 5	PLAINS EXPLORATION				2FE	1,000,000	111.500	1,115,000	1,000,000	1,000,000					6.875	6.870	FA	25,972	55,191	10/23/2012	02/15/2023
72650R BA 9	PLAINS ALL AMER PIPELINE			1	2FE	4,505,483	98.602	4,394,691	4,457,000	4,505,098		(385)			5.150	5.070	JD	19,128	114,768	06/24/2013	06/01/2042
72650R BC 5	PLAINS ALL AMERICAN PIPELINE				2FE	2,659,150	86.648	2,599,440	3,000,000	2,661,923		2,773			4.300	5.040	JJ	54,108	82,775	06/21/2013	01/31/2043
73102Q AA 4	POLAR TANKERS INC				1FE	10,692,500	108.524	11,937,640	11,000,000	10,739,902		8,599			5.951	6.170	MN	92,736	654,610	08/06/2007	05/10/2037
737662 BS 4	POTOMAC EDISON				2FE	2,851,530	109.481	3,284,430	3,000,000	2,940,699		18,798			5.800	6.580	AO	36,733	174,000	07/23/2008	10/15/2016
737679 DB 3	POTOMAC ELECTRIC POWER				1FE	2,992,530	124.076	3,722,280	3,000,000	2,993,137		118			6.500	6.510	MN	24,917	195,000	11/13/2007	11/15/2037
737679 DC 1	POTOMAC ELECTRIC POWER				1FE	1,000,000	141.173	1,411,730	1,000,000	1,000,000					7.900	7.900	JD	3,511	79,000	12/03/2008	12/15/2038
737679 DF 4	POTOMAC ELECTRIC POWER				1FE	2,977,770	98.539	2,956,170	3,000,000	2,977,800		30			4.950	4.990	MN	16,500		11/14/2013	11/15/2043
74005P BD 5	PRAXAIR INC			1	1FE	4,852,476	81.189	3,978,261	4,900,000	4,853,472		892			3.550	3.600	MN	26,093	173,950	01/30/2013	11/07/2042
740816 AD 5	HARVARD PRES & FEL				1FE	9,147,792	113.520	9,503,894	8,372,000	9,120,144		(15,427)			5.625	4.980	AO	117,731	470,925	01/29/2013	10/01/2038
740816 AG 8	HARVARD PRES & FEL				1FE	19,728,276	127.284	21,281,885	16,720,000	19,588,322		(55,915)			6.500	5.250	JJ	501,136	1,086,800	07/20/2011	01/15/2039
740816 AH 6	HARVARD PRES & FEL				1FE	6,978,524	102.730	7,607,157	7,405,000	6,997,365		6,817			4.875	5.260	AO	76,210	360,994	04/05/2011	10/15/2040
742718 DB 2	PROCTOR & GAMBLE				1FE	14,468,845	115.358	16,726,910	14,500,000	14,473,115		662			5.800	5.810	FA	317,711	841,000	08/07/2006	08/15/2034
742718 DF 3	PROCTOR & GAMBLE				1FE	20,786,551	114.302	22,598,648	19,771,000	20,740,246		(22,523)			5.550	5.170	MS	353,571	1,097,291	06/06/2011	03/05/2037
743263 AG 0	PROGRESS ENERGY				2FE	4,430,960	120.809	4,832,360	4,000,000	4,373,329		(11,306)			7.000	6.130	AO	47,444	280,000	01/17/2008	10/30/2031
744448 BZ 3	PUBLIC SERVICE COLORADO				1FE	3,959,560	122.232	4,889,280	4,000,000	3,963,316		658			6.250	6.320	MS	83,333	250,000	08/09/2007	09/01/2037
74456Q AR 7	PUBLIC SERVICE ELECTRIC & GAS				1FE	10,598,570	114.782	12,626,020	11,000,000	10,636,023		6,870			5.800	6.060	MN	106,333	638,000	09/17/2007	05/01/2037
74531E AC 6	PUGET SOUND ENERGY INC				1FE	3,812,800	121.757	4,870,280	4,000,000	3,859,169		4,918			7.000	7.390	AO	59,111	280,000	06/03/1999	03/09/2029
745332 CB 0	PUGET SOUND ENERGY				1FE	2,500,000	114.008	2,850,200	2,500,000	2,500,000					5.795	5.790	MS	42,658	144,875	03/03/2010	03/15/2040
745332 CD 6	PUGET SOUND ENERGY				1FE	2,499,875	111.928	2,798,200	2,500,000	2,499,993					5.638	5.630	AO	29,756	140,950	03/22/2011	04/15/2041
74834L AQ 3	QUEST DIAGNOSTIC INC				2FE	1,950,600	97.947	1,958,940	2,000,000	1,953,191		740			5.750	5.920	JJ	48,236	115,000	11/12/2009	01/30/2040
74836H AD 9	STR 4 7/8 12/01/41				1FE	1,978,860	92.540	1,850,800	2,000,000	1,979,521		336			4.875	4.940	JD	8,125	97,500	12/01/2011	12/01/2041
74836J AE 3	QUESTAR MARKET RESOURCES				3FE	3,997,560	105.000	4,200,000	4,000,000	3,998,748		309			6.800	6.810	MS	90,667	272,000	04/01/2008	04/01/2018
74941@ AA 3	RDO EQUIPMENT CO				2Z	3,200,000	98.010	3,136,320	3,200,000	3,200,000					3.810	3.810	MJSD	35,560	32,080	07/18/2013	09/16/2025
755111 BW 0	RAYTHEON COMPANY				1FE	4,976,000	97.047	4,852,350	5,000,000	4,976,732		394			4.700	4.730	JD	10,444	235,000	11/29/2011	12/15/2041
75886A AG 3	REGENCY ENERGY				3FE	1,033,750	97.500	975,000	1,000,000	1,029,688		(3,738)			5.500	4.970	AO	11,611	56,986	11/07/2012	04/15/2023
759509 AD 4	RELIANCE STEEL & ALUMINUM				2FE	3,038,250	109.547	3,286,410	3,000,000	3,013,890		(4,309)			6.200	6.020	MN	23,767	186,000	04/23/2007	11/15/2016

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
760759 AF 7	REPUBLIC SERVICE INC		..		..2FE	3,017,100	109.324	5,466,200	5,000,000	3,116,300		23,378			6.086	10.570	MS	89,599	304,300	11/03/2008	03/15/2035
761713 AY 2	REYNOLDS AMERICA		..		..2FE	3,003,000	103.231	3,096,930	3,000,000	3,002,928		(72)			4.850	4.830	MS	42,033		09/13/2013	09/15/2023
771196 AS 1	ROCHE HOLDINGS INC		..		..1FE	4,484,380	117.023	5,331,568	4,556,000	4,513,690		6,757			6.000	6.210	MS	91,120	285,362	02/18/2009	03/01/2019
771196 AU 6	ROCHE HOLDINGS INC		..		..1FE	2,918,340	131.135	3,934,050	3,000,000	2,922,926		1,064			7.000	7.220	MS	70,000	210,000	02/18/2009	03/01/2039
77340R AC 1	ROCKIES EXPRESS		..		..3FE	1,833,960	97.250	1,945,000	2,000,000	1,906,256		16,492			6.850	8.100	JJ	63,172	137,000	11/20/2008	07/15/2018
773903 AD 1	ROCKWELL AUTOMATION		..		..1FE	6,024,420	111.720	6,703,200	6,000,000	6,011,160		(2,490)			5.650	5.590	JD	28,250	339,000	11/29/2007	12/01/2017
775109 AW 1	ROGERS COMM INC		A		..2FE	975,880	92.247	922,470	1,000,000	977,120		1,240			3.000	3.290	MS	8,833	15,667	05/31/2013	03/15/2023
775109 AX 9	ROGERS COMMUNICATION INC		A		..2FE	1,903,540	87.574	1,751,480	2,000,000	1,904,471		931			4.500	4.800	MS	26,500	47,000	06/19/2013	03/15/2043
775371 AV 9	ROHM & HAAS CO		..		..2FE	3,986,980	113.443	4,537,720	4,000,000	3,994,281		1,339			6.000	6.040	MS	70,667	240,000	09/07/2007	09/15/2017
78387G AL 7	SBC COMMUNICATIONS		..		..1FE	1,996,686	110.358	2,207,160	2,000,000	1,999,076		342			5.625	5.640	JD	5,000	112,500	08/11/2004	06/15/2016
78387G AM 5	SBC COMMUNICATIONS		..		..1FE	2,992,470	112.303	3,369,090	3,000,000	2,993,257		155			6.450	6.470	JD	8,600	193,500	08/11/2004	06/15/2034
78390X AC 5	SAIC INC		..		..2FE	3,994,040	95.548	3,821,920	4,000,000	3,994,127		87			5.950	5.960	JD	19,833	238,000	12/14/2010	12/01/2040
78412D AN 9	SEMCO ENERGY INC		..		..1FE	5,438,550	103.770	5,188,500	5,000,000	5,306,753		(41,939)			5.150	4.030	AO	50,069	257,500	09/13/2010	04/21/2020
78413H AA 7	SESGFP		F		..2FE	1,885,240	93.172	1,863,440	2,000,000	1,890,209		4,969			3.600	4.320	AO	17,400	36,000	06/25/2013	04/04/2023
78442F AZ 1	SLM CORP		..		..3FE	2,656,380	82.875	2,486,250	3,000,000	2,712,489		7,130			5.625	6.490	FA	70,313	168,750	08/01/2003	08/01/2033
784635 AL 8	SPX CORPORATION		..		..3FE	500,000	105.250	526,250	500,000	500,000					7.625	7.620	JD	1,694	38,125	12/10/2007	12/15/2014
78572M AF 2	SABMILLER PLC		F		..2FE	2,998,920	118.048	3,541,440	3,000,000	2,999,415		108			6.500	6.500	JJ	89,917	195,000	07/10/2008	07/15/2018
78573A AC 4	SABMILLER HLD IN		..		..2FE	9,120,748	99.325	8,197,292	8,253,000	9,101,717		(15,868)			4.950	4.300	JJ	188,375	408,524	12/10/2012	01/15/2042
790849 AK 9	ST JUDE MEDICAL		..		..2FE	6,811,370	94.775	6,634,250	7,000,000	6,813,255		1,885			4.750	4.920	AO	70,194	178,257	06/20/2013	04/15/2043
797440 BJ 2	SAN DIEGO G&E		..		..1FE	12,006,060	119.506	14,340,720	12,000,000	12,005,548		(104)			6.125	6.120	MS	216,417	735,000	09/25/2007	09/15/2037
797440 BM 5	SAN DIEGO GAS & ELECTRIC		..		..1FE	1,807,180	98.850	1,977,000	2,000,000	1,815,731		3,187			4.500	5.130	FA	34,000	90,000	03/18/2011	08/15/2040
80007P AN 9	SANDRIDGE ENERGY		..		..4FE	492,500	104.750	523,750	500,000	493,620		641			7.500	7.730	MS	11,042	37,500	04/02/2012	03/15/2021
803111 AR 4	SARA LEE CORP		..		..2FE	3,497,865	102.832	3,599,120	3,500,000	3,499,237		431			2.750	2.760	MS	28,340	96,250	08/30/2010	09/15/2015
806605 AG 6	SCHERING PLOUGH CORP		..		..1FE	5,601,360	124.676	7,480,560	6,000,000	5,629,203		7,487			6.500	7.060	JD	32,500	390,000	10/10/2008	12/01/2033
806605 AJ 0	SCHERING PLOUGH CORP		..		..1FE	8,337,554	115.603	9,124,545	7,893,000	8,117,997		(54,577)			6.000	5.120	MS	139,443	473,580	08/11/2009	09/15/2017
806854 AB 1	SCHLUMBERGER INV		F		..1FE	12,964,991	99.420	12,749,621	12,824,000	12,939,313		(13,240)			3.300	3.160	MS	125,782	423,192	12/19/2011	09/14/2021
80687P AA 4	SCHNEIDER ELECTRIC		F		..1FE	2,002,800	93.122	1,862,440	2,000,000	2,002,602		(198)			2.950	2.930	MS	15,406	59,000	01/08/2013	09/27/2022
80808# AG 7	SCHREIBER FOODS INC		..		2	4,375,000	101.530	4,441,938	4,375,000	4,375,000					4.390	4.390	AO	46,949		09/04/2013	10/03/2025
808626 AG 0	SCIENCE APPLICATION		..		..2FE	1,460,239	92.197	1,442,883	1,565,000	1,478,159		2,304			5.500	5.980	JJ	43,038	86,075	01/08/2004	07/01/2033
822582 AD 4	SHELL INTL FINANCE		F		..1FE	7,385,573	124.199	9,221,776	7,425,000	7,388,274		586			6.375	6.410	JD	21,038	473,344	12/08/2008	12/15/2038
822582 AN 2	SHELL INTL FIN		F		..1FE	25,011,398	111.094	24,118,507	21,710,000	24,948,995		(60,270)			5.500	4.490	MS	318,413	1,091,200	06/12/2013	03/25/2040
826552 AA 9	SIGMA-ALDRICH		..		..1FE	6,994,050	100.417	7,029,190	7,000,000	6,995,738		546			3.375	3.380	MN	39,375	236,250	10/25/2010	11/01/2020
829259 AN 0	SINCLAIR TELEVISION		..		..4FE	1,000,000	101.000	1,010,000	1,000,000	1,000,000					6.125	6.120	AO	15,313	59,378	09/27/2012	10/01/2022
834628 AA 7	SOMERSET CAYUGA HOLDING COMPANY INC		..		....5*	1,830,398	200.000	3,660,796	1,830,398	1,830,398					20.000	14.380	JD	16,270	317,672	06/29/2012	06/15/2017
83614K AA 7	SOURCE GAS LLC		..		..2FE	5,819,130	106.048	6,362,880	6,000,000	5,925,890		19,921			5.900	6.320	JAJO	88,500	354,000	09/19/2007	04/01/2017
837004 BW 9	SOUTH CAROLINA ELEC & GAS		..		..1FE	4,892,720	112.453	5,060,385	4,500,000	4,860,299		(11,240)			5.800	5.120	JJ	120,350	261,000	10/07/2010	01/15/2033
837004 BY 5	SOUTH CAROL E&G		..		..1FE	5,080,054	113.717	5,685,850	5,000,000	5,032,611		(5,814)			5.250	5.090	MN	43,750	262,500	10/30/2003	11/01/2018
837004 CB 4	SOUTH CAROLINA ELEC & GAS		..		..1FE	1,003,580	117.000	1,170,000	1,000,000	1,003,283		(60)			6.050	6.020	JJ	27,897	60,500	01/15/2008	01/15/2038
837004 CC 2	SOUTH CAROLINA ELEC & GAS		..		..1FE	2,991,390	119.609	3,588,270	3,000,000	2,995,062		844			6.500	6.540	MN	32,500	195,000	09/25/2008	11/01/2018
837004 CG 3	SCG 4.6 06/15/43		..		..1FE	1,994,840	97.712	1,954,240	2,000,000	1,994,882		42			4.600	4.610	JD	4,089	46,256	06/10/2013	06/15/2043
842400 EV 1	SOUTHERN CAL ED		..		..1FE	5,309,150	114.080	5,834,051	5,114,000	5,297,210		(4,486)			5.750	5.460	AO	73,514	294,055	02/07/2011	04/01/2035
842400 EZ 2	SOUTHERN CAL EDISON		..		..1FE	7,742,470	110.202	8,816,160	8,000,000	7,769,337		4,859			5.550	5.770	JJ	204,733	444,000	09/26/2007	01/15/2036

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
842400 FC 2	SOUTHERN CAL ED				1FE	3,586,547	111.664	3,911,590	3,503,000	3,581,637		(1,807)			5.625	5.440	FA	82,102	197,044	02/07/2011	02/01/2036
842400 FF 5	SOUTHERN CAL ED				1FE	8,105,358	110.459	8,816,837	7,982,000	8,098,840		(2,499)			5.550	5.430	JJ	204,273	443,001	02/08/2011	01/15/2037
842400 FL 2	SOUTHERN CAL EDISON				1FE	991,810	117.421	1,174,210	1,000,000	992,337		126			6.050	6.110	MS	17,814	60,500	03/17/2009	03/15/2039
842434 CD 2	SOUTHERN CAL GAS				1FE	2,994,060	113.932	3,417,960	3,000,000	2,997,734		457			5.450	5.470	AO	34,517	163,500	10/14/2003	04/15/2018
842434 CG 5	SOUTHERN CALIFORNIA GAS CO				1FE	1,890,380	115.069	2,301,380	2,000,000	1,901,738		2,088			5.750	6.160	MN	14,694	115,000	09/26/2007	11/15/2035
842434 CJ 9	SOUTHERN CAL GAS				1FE	6,970,838	107.000	7,757,500	7,250,000	6,983,391		4,352			5.125	5.380	MN	47,477	371,563	02/08/2011	11/15/2040
843452 BC 6	SOUTHERN NATURAL GAS				2FE	1,996,680	112.068	2,241,360	2,000,000	1,998,714		349			5.900	5.920	AO	29,500	118,000	03/14/2007	04/01/2017
845743 BJ 1	SOUTHWESTERN PUBLIC SRV				2FE	4,959,500	104.185	5,209,250	5,000,000	4,966,290		868			6.000	6.050	AO	75,000	300,000	10/01/2003	10/01/2033
845743 BN 2	SOUTHWESTERN PUBLIC SERVICE			1	1FE	4,515,104	96.248	4,283,036	4,450,000	4,512,974		(1,187)			4.500	4.410	FA	75,650	200,250	12/13/2011	08/15/2041
84756N AE 9	SPECTRA PARTNERS				2FE	2,006,540	106.904	2,138,080	2,000,000	2,006,518		(22)			5.950	5.920	MS	31,733		09/16/2013	09/25/2043
85207U AB 1	S 7 7/8 09/15/23				4FE	1,000,000	107.500	1,075,000	1,000,000	1,000,000					7.875	7.870	MS	23,188		09/04/2013	09/15/2023
85234# AB 1	STADIUM FUNDING TRUST				2FE	1,900,000	91.189	1,732,591	1,900,000	1,900,000					5.000	5.000	AO	23,750	26,917	06/06/2013	04/01/2039
854403 AD 4	STANFORD UNIVERSITY				1FE	5,875,314	87.527	4,825,364	5,513,000	5,868,580		(6,735)			4.013	3.640	MN	36,873	221,237	01/02/2013	05/01/2042
85771P AQ 5	STATOIL ASA		F		1FE	1,989,920	101.029	2,020,580	2,000,000	1,989,942		22			4.800	4.830	MN	14,133		11/05/2013	11/08/2043
863667 AE 1	STRYKER CORP				1FE	9,858,800	88.553	8,855,300	10,000,000	9,860,721		1,921			4.100	4.180	AO	102,500	211,833	03/20/2013	04/01/2043
86764P AD 1	SUNOCO INC				2FE	2,988,870	108.715	3,261,450	3,000,000	2,996,038		1,160			5.750	5.790	JJ	79,542	172,500	12/11/2006	01/15/2017
86765B AH 2	SUNOCO LOGISTICS				2FE	4,924,570	110.921	5,546,050	5,000,000	4,928,107		953			6.850	6.970	FA	129,389	342,500	02/22/2010	02/15/2040
87164K AB 0	SYNGENTA FINANCE		F		1FE	4,946,470	92.805	4,477,841	4,825,000	4,942,936		(3,329)			4.375	4.210	MS	54,533	154,656	09/13/2013	03/28/2042
871829 AJ 6	SYSCO CORP				1FE	4,047,160	104.995	4,199,800	4,000,000	4,043,588		(1,052)			5.375	5.290	MS	59,722	215,000	12/16/2009	09/21/2035
872287 AC 1	TCI COMMUNICATIONS INC				1FE	6,851,423	112.466	8,434,950	7,500,000	7,370,611		72,120			8.750	9.950	FA	273,438	656,250	10/04/2002	08/01/2015
87236@ EM 9	TCW/CRESCENT MEZZANINE				5	436,765	100.000	436,765	436,765	436,765					11.500	11.500	JJ	48,212	24,913	09/01/2006	05/03/2016
87264A AE 5	T-MOBILE USA INC				3FE	245,000	103.750	259,375	250,000	245,105		105			6.836	7.120	JJ	7,263		10/08/2013	04/28/2023
87264A AH 8	T-MOBILE USA INC				3FE	250,000	101.750	254,375	250,000	250,000					6.125	6.120	JJ	1,701		11/18/2013	01/15/2022
87305Q CB 5	TTX CO				2FE	6,944,210	105.304	7,371,280	7,000,000	6,946,411		796			5.875	5.930	JD	34,271	411,250	11/18/2010	12/01/2040
87612E AK 2	TARGET CORP				1FE	3,278,064	117.079	3,641,157	3,110,000	3,253,384		(4,053)			6.350	5.940	MN	32,914	197,485	08/08/2006	11/01/2032
87612E AN 6	TARGET CORP				1FE	2,998,860	112.528	3,375,840	3,000,000	2,999,648		125			5.875	5.880	JJ	81,271	176,250	07/11/2006	07/15/2016
878742 AE 5	TECK COMINCO		A		2FE	1,975,900	98.573	1,971,460	2,000,000	1,978,920		449			6.125	6.210	AO	30,625	122,500	09/23/2005	10/01/2035
881575 AC 8	TESCO PLC		F		2FE	5,843,600	108.365	6,501,900	6,000,000	5,857,155		2,512			6.150	6.340	MN	47,150	369,000	11/27/2007	11/15/2037
88163V AD 1	TEVA PHARACEUTICALS				1FE	2,896,890	109.534	3,286,020	3,000,000	2,908,858		1,841			6.150	6.400	FA	76,875	184,500	03/23/2006	02/01/2036
88165F AF 9	TEVA PHARMACEUTICALS		F		1FE	6,974,450	98.082	6,865,740	7,000,000	6,979,171		2,247			3.650	3.690	MN	36,702	255,500	11/07/2011	11/10/2021
88165F AG 7	TEVA PHARM FIN		F		1FE	4,990,100	90.537	4,526,850	5,000,000	4,990,998		865			2.950	2.970	JD	5,673	147,500	12/13/2012	12/18/2022
882330 AG 8	TEXAS UTILITIES ELECTRIC			1	6FE	450,000	6.250	187,500	3,000,000	187,500	(67,500)		585,000		10.250		MN	51,250	307,500	02/06/2008	11/01/2015
88319Q G5 6	TEXTRON FIN CORP				2FE	4,979,250	102.666	5,133,300	5,000,000	4,998,369		2,520			5.125	5.170	FA	96,806	256,250	08/23/2004	08/15/2014
883203 BL 4	TEXTRON INC				2FE	2,999,790	110.747	3,322,410	3,000,000	2,999,895		23			5.600	5.600	JD	14,000	168,000	11/29/2007	12/01/2017
883556 BC 5	THERMO FISHER			1	2FE	8,020,060	93.061	7,444,880	8,000,000	8,018,591		(1,800)			3.150	3.110	JJ	116,413	226,100	01/09/2013	01/15/2023
884903 BB 0	THOMSON REUTERS CORP		I.		2FE	2,572,920	115.943	3,478,290	3,000,000	2,756,722		42,095			6.500	8.700	JJ	89,917	195,000	11/04/2008	07/15/2018
88579E AC 9	3M COMPANY				1FE	11,668,540	115.347	13,841,640	12,000,000	11,701,191		5,889			5.700	5.890	MS	201,400	684,000	08/31/2007	03/15/2037
887315 BM 0	TIME WARNER INC				2FE	5,019,950	117.983	5,899,150	5,000,000	5,016,460		(678)			6.950	6.910	JJ	160,236	347,500	05/04/2006	01/15/2028
88732J AL 2	TIME WARNER CABLE INC				2FE	6,049,800	112.144	6,728,640	6,000,000	6,026,666		(4,954)			6.750	6.630	JJ	202,500	405,000	07/10/2008	07/01/2018
89153U AF 8	TOTAL CAP CANADA		A		1FE	1,996,380	92.382	1,847,640	2,000,000	1,996,666		286			2.750	2.770	JJ	25,361	27,194	01/10/2013	07/15/2023
89233P 5T 9	TOYOTA MOTOR CREDIT				1FE	7,970,320	100.029	8,002,320	8,000,000	7,975,415		2,628			3.300	3.340	JJ	123,933	264,000	01/09/2012	01/12/2022
893830 AY 5	TRANSOCEAN		F		2FE	1,998,600	114.194	2,283,880	2,000,000	1,998,796		135			6.500	6.510	MN	16,611	130,000	09/16/2010	11/15/2020

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
893830 BB 4	TRANSOCEAN INC		F		2FE	2,998,380	112.372	3,371,160	3,000,000	2,998,709		121			6.375	6.380	JD	8,500	191,250	11/30/2011	12/15/2021
89417E AE 9	TRAVELERS GROUP INC				1FE	4,185,123	115.195	5,759,750	5,000,000	4,549,283		82,482			5.800	8.300	MN	37,056	290,000	10/20/2008	05/15/2018
89417E AH 2	TRAVELERS COS INC				1FE	3,975,160	107.848	4,313,920	4,000,000	3,976,319		387			5.350	5.390	MN	35,667	214,000	10/27/2010	11/01/2040
89837L AB 1	PRINCETON UNIVERSITY				1FE	20,686,177	114.848	21,791,260	18,974,000	20,607,343		(31,570)			5.700	5.080	MS	360,506	1,081,518	06/15/2011	03/01/2039
902133 AF 4	TYCO ELECTRONICS		F		2FE	2,989,950	114.440	3,433,200	3,000,000	2,995,484		1,030			6.550	6.590	AO	49,125	196,500	09/20/2007	10/01/2017
902133 AG 2	TYCO ELECTRONICS		F		2FE	4,063,800	117.028	4,681,120	4,000,000	4,059,342		(957)			7.125	6.990	AO	71,250	285,000	03/03/2008	10/01/2037
9021EQ AD 6	TYCO INTERNATIONAL GROUP SA		F		2FE	3,127,680	115.419	3,462,570	3,000,000	3,070,138		(7,656)			6.875	6.450	JJ	95,104	206,250	02/24/2004	01/15/2021
906548 CD 2	UNION ELECTRIC CO				1FE	1,974,640	107.095	2,141,900	2,000,000	1,987,383		1,728			5.000	5.120	FA	41,667	100,000	01/24/2005	02/01/2020
907818 CS 5	UNION PACIFIC CORP				1FE	3,198,840	102.181	3,525,245	3,450,000	3,243,417		5,579			5.375	5.890	JD	15,453	185,438	10/01/2003	06/01/2033
907818 DA 3	UNION PACIFIC CORP				1FE	1,992,660	115.111	2,302,220	2,000,000	1,996,309		679			5.700	5.740	FA	43,067	114,000	03/28/2008	08/15/2018
907818 DL 9	UNION PACIFIC CORP				1FE	5,927,706	90.488	5,270,926	5,825,000	5,926,310		(1,395)			4.300	4.190	JD	11,132	250,475	01/31/2013	06/15/2042
907834 AG 0	UNION PACIFIC RESOURCES				2FE	3,003,960	115.952	3,478,560	3,000,000	3,003,743		(146)			7.150	7.130	MN	27,408	214,500	07/30/2008	05/15/2028
911312 AN 6	UNITED PARCEL SERVICE				1FE	18,180,276	102.728	19,605,639	19,085,000	18,219,741		14,486			4.875	5.180	MN	118,884	930,394	04/18/2011	11/15/2040
911684 AD 0	US CELLULAR CORP				2FE	5,136,490	94.796	4,739,800	5,000,000	5,115,779		(2,792)			6.700	6.490	JD	14,889	335,000	01/22/2004	12/15/2033
913017 BJ 7	UNITED TECHNOLOGIES CORP				1FE	23,310,460	112.327	25,835,210	23,000,000	23,282,309		(7,036)			5.400	5.300	MN	207,000	1,242,000	04/14/2011	05/01/2035
913017 BK 4	UNITED TECHNOLOGIES CORP				1FE	6,114,740	117.425	7,045,500	6,000,000	6,102,132		(2,151)			6.050	5.910	JD	30,250	363,000	08/18/2006	06/01/2036
913017 BM 0	UNITED TECHNOLOGIES CORP				1FE	1,996,140	113.956	2,279,120	2,000,000	1,998,242		389			5.375	5.400	JD	4,778	107,500	12/04/2007	12/15/2017
913017 BS 7	UNITED TECH CORP				1FE	833,618	113.598	919,008	809,000	832,604		(395)			5.700	5.480	AO	9,735	46,113	02/08/2011	04/15/2040
91324P AQ 5	UNITED HEALTH GROUP				1FE	4,787,950	109.462	5,473,100	5,000,000	4,941,126		24,305			5.375	5.950	MS	79,132	268,750	06/13/2006	03/15/2016
91324P BJ 0	UNITED HEALTH GROUP				1FE	2,988,770	115.531	3,465,930	3,000,000	2,994,604		1,121			6.000	6.040	FA	68,000	180,000	02/13/2008	02/15/2018
91324P CA 8	UNITED HEALTHCARE GROUP			1	1FE	2,871,270	84.806	2,544,180	3,000,000	2,873,457		2,187			3.950	4.200	AO	25,017	116,196	01/25/2013	10/15/2042
91324P CD 2	UNITEDHEALTHCARE GROUP				1FE	4,932,200	89.743	4,487,150	5,000,000	4,933,244		1,044			4.250	4.330	MS	62,569	116,285	02/25/2013	03/15/2043
91412N AF 7	UNIVERSITY OF CHICAGO				1FE	15,441,500	106.302	15,945,300	15,000,000	15,397,188		(18,366)			5.420	5.150	AO	203,250	813,000	06/13/2011	10/01/2030
91412N AH 3	UNIVERSITY OF CHICAGO			1	1FE	1,000,450	93.345	872,776	935,000	993,148		(5,497)			4.683	3.830	AO	10,947	43,786	08/23/2012	10/01/2042
91412N AJ 9	UNIVERSITY OF CHICAGO			1	1FE	7,073,078	86.627	6,237,144	7,200,000	7,074,094		1,016			4.151	4.250	AO	74,718	112,907	05/24/2013	10/01/2045
914744 AB 3	UNIVERSITY OF NOTRE DAME				1FE	9,278,822	101.428	9,732,017	9,595,000	9,291,823		4,939			4.900	5.110	MS	156,718	470,155	06/09/2011	03/01/2041
918436 AF 3	VWR FUNDING INC				5FE	1,000,000	107.250	1,072,500	1,000,000	1,000,000					7.250	7.250	MS	21,347	74,715	08/20/2012	09/15/2017
91911X AS 3	VALEANT PHARAMCEUTICALS			1	4FE	1,002,500	107.625	1,076,250	1,000,000	1,002,128		(303)			7.250	7.200	JJ	33,431	72,500	03/20/2012	07/15/2022
91913Y AE 0	VALERO ENERGY				2FE	4,956,500	121.622	6,081,100	5,000,000	4,964,202		886			7.500	7.570	AO	79,167	375,000	01/31/2003	04/15/2032
92239M C@ 8	VECTREN UTILITY HOLDINGS INC				1Z	3,875,000	97.100	3,762,625	3,875,000	3,875,000					3.720	3.720	JD	10,411		07/26/2013	12/05/2023
92343V BG 8	VERIZON COMM INC				2FE	3,994,360	81.680	3,267,200	4,000,000	3,994,455		87			3.850	3.850	MN	25,667	151,433	11/02/2012	11/01/2042
92343V BS 2	VERIZON COMM INC				2FE	4,995,000	115.012	5,750,600	5,000,000	4,995,013		13			6.400	6.400	MS	91,556		09/11/2013	09/15/2033
92343V BT 0	VERIZON COMM INC				2FE	7,356,360	116.996	8,189,720	7,000,000	7,355,116		(1,244)			6.550	6.170	MS	131,182		09/11/2013	09/15/2043
925524 BB 5	VIACOM INC				2FE	2,214,585	111.507	2,508,908	2,250,000	2,239,504		4,051			6.250	6.460	AO	23,828	140,625	08/17/2006	04/30/2016
92553P AB 8	VIACOM INC				2FE	992,860	113.158	1,131,580	1,000,000	996,794		736			6.125	6.220	AO	14,632	61,250	10/02/2007	10/05/2017
927804 FC 3	VIRGINIA ELECTRIC POWER				1FE	1,992,240	115.307	2,306,140	2,000,000	1,996,592		799			5.950	6.000	MS	35,039	119,000	09/06/2007	09/15/2017
931142 BY 8	WAL-MART STORES				1FE	4,917,350	106.112	5,305,600	5,000,000	4,985,054		9,400			4.500	4.700	JJ	112,500	225,000	06/14/2005	07/01/2015
931142 CV 3	WAL-MART STORES				1FE	13,594,025	101.951	11,724,365	11,500,000	13,547,588		(42,954)			4.875	3.800	JJ	269,411	438,750	01/25/2013	07/08/2040
931142 CY 7	WAL-MART STORES				1FE	945,980	104.619	1,046,190	1,000,000	948,281		850			5.000	5.360	AO	9,167	50,000	03/18/2011	10/25/2040
931142 DB 6	WAL-MART STORES				1FE	4,950,700	113.547	5,677,350	5,000,000	4,952,513		715			5.625	5.690	AO	59,375	281,250	04/11/2011	04/15/2041
931142 DG 5	WALMART STORES			1	1FE	3,986,120	88.998	3,559,920	4,000,000	3,986,296		176			4.000	4.020	AO	35,556	80,000	04/04/2013	04/11/2043
931422 AK 5	WALGREEN CO				2FE	11,956,410	88.885	10,666,200	12,000,000	11,957,019		463			4.400	4.420	MS	155,467	464,200	05/24/2013	09/15/2042

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
94106L AS 8	WASTE MANAGEMENT INC				2FE	6,971,860	115.057	8,053,990	7,000,000	6,986,182		2,800			6.100	6.150	MS	125,728	427,000	03/03/2008	03/15/2018
942683 AH 6	WATSON PHARM INC			1	2FE	3,831,000	90.980	3,639,200	4,000,000	3,832,853		1,685			4.625	4.890	AO	46,250	161,490	06/24/2013	10/01/2042
947074 AJ 9	WEATHERFORD INTL				2FE	999,200	113.051	1,130,510	1,000,000	999,662		85			6.350	6.360	JD	2,822	63,500	06/13/2007	06/15/2017
947075 AE 7	WEATHERFORD INTL		F		2FE	3,986,200	110.686	4,427,440	4,000,000	3,987,061		200			7.000	7.020	MS	82,444	280,000	03/19/2008	03/15/2038
94973V AL 1	WELLPOINT INC				2FE	3,009,750	107.848	3,235,440	3,000,000	3,008,863		(194)			5.850	5.820	JJ	80,925	175,500	02/27/2007	01/15/2036
94973V AT 4	WELLPOINT INC				2FE	3,827,420	106.417	3,724,595	3,500,000	3,820,717		(5,972)			5.800	5.140	FA	76,689	203,000	10/09/2012	08/15/2040
94973V AY 3	WELLPOINT INC				2FE	4,998,000	92.421	4,621,050	5,000,000	4,998,362		28			4.625	4.620	MN	29,549	231,250	08/22/2012	05/15/2042
94973V BB 2	WELLPOINT INC				2FE	6,959,470	92.580	6,480,600	7,000,000	6,962,401		1,966			4.650	4.680	JJ	150,092	275,771	09/05/2012	01/15/2043
955278 BH 8	WEST PENN POWER				2FE	5,829,422	112.352	7,207,381	6,415,000	6,110,835		63,235			5.950	7.310	JD	16,964	381,693	10/10/2008	12/15/2017
95709T AD 2	WESTAR ENERGY INC				1FE	2,992,440	111.772	3,353,160	3,000,000	2,996,049		497			5.100	5.120	JJ	70,550	153,000	06/27/2005	07/15/2020
95709T AG 5	WESTAR ENERGY INC				1FE	4,958,700	127.521	6,376,050	5,000,000	4,975,454		3,849			8.625	8.750	JD	35,938	431,250	11/18/2008	12/01/2018
95709T AK 6	WR 4 5/8 09/01/43				1FE	999,980	98.408	984,080	1,000,000	999,980					4.625	4.620	MS	15,417		08/12/2013	09/01/2043
958254 AB 0	WESTERN GAS				2FE	2,975,820	95.442	2,863,260	3,000,000	2,978,858		2,041			4.000	4.090	JJ	60,000	121,000	06/21/2012	07/01/2022
960386 AH 3	WESTINGHOUSE AIR				2FE	1,498,185	98.830	1,482,450	1,500,000	1,498,230		45			4.375	4.390	FA	24,792		08/05/2013	08/15/2023
962166 BT 0	WEYERHAEUSER CO				2FE	4,963,600	117.945	5,897,250	5,000,000	4,968,355		720			6.875	6.930	JD	15,278	343,750	10/30/2006	12/15/2033
976707 AN 9	WISCONSIN GAS CO				1FE	1,496,325	107.467	1,612,005	1,500,000	1,499,245		366			5.200	5.220	JD	6,500	78,000	12/03/2003	12/01/2015
976843 BJ 0	WISC PUB SERVICE				1FE	2,000,000	100.923	2,018,460	2,000,000	2,000,000					4.752	4.750	MN	10,560		11/14/2013	11/01/2044
980236 AE 3	WOODSIDE FINANCE LTD		F		2FE	2,965,410	126.606	3,798,180	3,000,000	2,978,415		3,167			8.750	8.920	MS	87,500	262,500	02/24/2009	03/01/2019
980745 D# 7	WOODWARD INC				2Z	3,000,000	98.770	2,963,100	3,000,000	3,000,000					4.180	4.180	AO	31,350		08/12/2013	11/15/2025
982526 AB 1	WM WRIGLEY JR CO				2	2,491,875	105.267	2,631,675	2,500,000	2,498,493		923			4.650	4.690	JJ	53,604	116,250	07/11/2005	07/15/2015
982526 AQ 8	WM WRIGLEY JR CO				2FE	2,997,030	98.852	2,965,560	3,000,000	2,997,104		74			3.375	3.390	AO	19,688		10/16/2013	10/21/2020
983024 AJ 9	WYETH				1FE	5,994,480	109.812	6,588,720	6,000,000	5,998,452		670			5.500	5.510	FA	124,667	330,000	11/08/2005	02/15/2016
983024 AL 4	WYETH				1FE	6,113,489	116.014	6,467,781	5,575,000	6,079,858		(11,798)			6.000	5.300	FA	126,367	334,500	12/09/2010	02/15/2036
983024 AN 0	WYETH				1FE	3,770,720	115.919	3,970,226	3,425,000	3,750,628		(7,052)			5.950	5.230	AO	50,947	203,788	12/09/2010	04/01/2037
98385X AD 8	XTO ENERGY INC				1FE	1,964,020	100.350	2,007,000	2,000,000	1,999,621		4,468			4.900	5.130	FA	40,833	98,000	03/02/2004	02/01/2014
98385X AG 1	XTO ENERGY INC				1FE	2,990,490	107.181	3,215,430	3,000,000	2,998,220		1,113			5.300	5.340	JD	442	159,000	04/06/2005	06/30/2015
98419M AB 6	XYLEM INC				2FE	1,998,700	104.244	2,084,880	2,000,000	1,998,916		113			4.875	4.880	AO	24,375	97,500	09/15/2011	10/01/2021
984588 AA 1	YALE-NEW HAVEN				1FE	5,000,000	90.462	4,523,100	5,000,000	5,000,000					4.366	4.360	JJ	109,150	83,075	01/31/2013	07/01/2043
98956P AB 8	ZIMMER HOLDINGS INC				2FE	4,043,604	110.282	4,460,907	4,045,000	4,043,746		20			5.750	5.750	MN	20,028	232,588	01/19/2011	11/30/2039
98956P AC 6	ZIMMER HOLDINGS			1	2FE	4,212,006	95.758	4,021,836	4,200,000	4,209,900		(1,103)			3.375	3.340	MN	12,206	141,750	12/22/2011	11/30/2021
C2918* AC 8	D&H LTD				2	4,800,000	103.010	4,944,480	4,800,000	4,800,000					5.510	5.510	MN	25,713	72,311	08/14/2013	08/26/2023
R2284# AC 4	STATNETT SF				1	15,000,000	85.785	12,867,825	15,000,000	15,000,000					3.510	3.510	JJ	232,538	263,250	10/31/2012	01/22/2033
008916 AG 3	AGRIUM INC		A		2FE	2,054,720	117.961	2,359,220	2,000,000	2,049,555		(910)			7.125	6.900	MN	15,042	142,500	08/15/2006	05/23/2036
008916 AJ 7	AGRIUM INC		A		2FE	2,967,270	107.633	3,228,990	3,000,000	2,968,739		439			6.125	6.200	JJ	84,729	183,750	12/15/2010	01/15/2041
013716 AU 9	ALCAN INC		A		1FE	1,976,140	112.535	2,250,700	2,000,000	1,980,020		496			6.125	6.210	JD	5,444	122,500	12/03/2003	12/15/2033
013716 AW 5	ALCAN INC		A		1FE	2,844,565	104.862	3,145,860	3,000,000	2,865,200		2,987			5.750	6.120	JD	14,375	172,500	05/25/2005	06/01/2035
067901 AA 6	BARRICK GOLD CRP		A		2FE	2,978,880	84.609	2,538,270	3,000,000	2,982,053		431			5.800	5.850	MN	22,233	174,000	11/08/2004	11/15/2034
136375 BL 5	CANADIAN NATIONAL RAILROAD		A		1FE	2,992,530	118.313	3,549,390	3,000,000	2,993,796		145			6.250	6.260	FA	78,125	187,500	07/06/2004	08/01/2034
136375 BP 6	CANADIAN NATIONAL RAILWAY		A		1FE	3,047,530	113.710	3,411,300	3,000,000	3,021,841		(4,937)			5.850	5.630	MN	22,425	175,500	11/20/2007	11/15/2017
136385 AE 1	CANADIAN NATURAL RESOURCES		A		2FE	5,144,972	113.280	5,782,944	5,105,000	5,140,025		(887)			6.450	6.380	JD	915	329,273	01/10/2007	06/30/2033
136385 AL 5	CANADIAN NATURAL RESOURCES		A		2FE	1,986,460	112.053	2,241,060	2,000,000	1,987,655		213			6.250	6.300	MS	36,806	125,000	03/12/2007	03/15/2038
13645R AE 4	CANADIAN PACIFIC		A		2FE	1,996,740	105.808	2,116,160	2,000,000	1,997,462		71			5.750	5.760	MS	33,861	115,000	01/20/2004	03/15/2033

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
13645R AH 7	CANADIAN PACIFIC RR CO		A		2FE	2,690,820	116.554	3,496,620	3,000,000	2,827,822		31,694			6.500	8.080	MN	24,917	195,000	12/17/2008	05/15/2018
65334H AG 7	NEXEN INC		A		1FE	2,982,300	113.831	3,414,930	3,000,000	2,984,048		288			6.400	6.440	MN	24,533	195,000	05/16/2007	05/15/2037
655422 AT 0	FALCONBRIDGE		A		2FE	2,495,025	108.286	2,707,150	2,500,000	2,499,040		494			6.000	6.020	AO	31,667	150,000	09/24/2003	10/15/2015
716442 AH 1	PETRO-CANADA		A		2FE	4,004,078	101.887	4,503,405	4,420,000	4,076,250		9,041			5.350	6.030	JJ	109,039	236,470	09/29/2003	07/15/2033
725906 AN 1	PLACER DOME INC		A		2FE	996,490	92.418	924,180	1,000,000	996,984		62			6.450	6.470	AO	13,617	64,500	10/07/2003	10/15/2035
73755L AD 9	POTASH CORPORATION		A		1FE	2,774,310	107.642	3,229,260	3,000,000	2,794,991		3,841			5.875	6.450	JD	14,688	176,250	10/03/2007	12/01/2036
763169 C* 8	RICHARDSON INTERNATIONAL LTD		A		2Z	4,831,000	99.140	4,789,453	4,831,000	4,831,000					4.750	4.740	JD	15,936		12/06/2013	12/18/2025
775109 AK 7	ROGERS COMMUNICATIONS		A		2FE	998,540	119.184	1,191,840	1,000,000	999,221		139			6.800	6.810	FA	25,689	68,000	07/30/2008	08/15/2018
775109 AZ 4	ROGERS COMM INC		A		2FE	2,485,025	102.606	2,565,150	2,500,000	2,485,072		47			5.450	5.490	AO	33,684		09/25/2013	10/01/2043
77531Q AD 0	ROGERS WIRELESS INC		A		2FE	4,034,000	100.954	4,038,160	4,000,000	4,001,051		(6,148)			6.375	6.210	MS	85,000	255,000	10/01/2007	03/01/2014
78009C AA 8	ROYAL BANK OF CANADA		A		1FE	11,064,350	103.370	11,370,700	11,000,000	11,017,617		(13,249)			3.125	2.990	AO	73,524	343,750	04/23/2010	04/14/2015
820439 B* 7	SHAWCOR LTD		A		2	1,000,000	89.228	892,288	1,000,000	1,000,000					4.070	4.070	MS	11,532	21,594	02/21/2013	03/19/2028
867229 AD 8	SUNCOR ENERGY		A		2FE	2,039,020	108.885	2,177,700	2,000,000	2,032,914		(792)			5.950	5.810	JD	9,917	119,000	12/22/2003	12/01/2034
867229 AE 6	SUNCOR ENERGY INC		A		2FE	2,005,920	116.414	2,328,280	2,000,000	2,005,617		(92)			6.500	6.470	JD	5,778	130,000	09/19/2007	06/15/2038
884903 BM 6	THOMSON REUTERS		I.		2FE	5,213,445	84.649	4,655,695	5,500,000	5,215,827		2,382			4.500	4.820	MN	26,125	123,750	06/19/2013	05/23/2043
893526 BY 8	TRANSCANADA PIPELINES		A		1FE	11,342,689	136.088	13,608,800	10,000,000	10,655,028		(65,853)			9.875	8.600	JJ	493,750	987,500	09/09/1991	01/01/2021
92849T AJ 7	VITERRA INC		A		2FE	994,810	106.210	1,062,100	1,000,000	996,243		453			5.950	6.020	FA	24,792	59,500	07/30/2010	08/01/2020
98417E AC 4	XSTRATA FINANCE CANADA		A		2FE	3,925,980	105.558	4,222,320	4,000,000	3,931,566		1,067			6.900	7.040	MN	35,267	276,000	01/31/2008	11/15/2037
00168@ AG 1	ALS GROUP GENERAL PARTNERSHIP		F		2	3,000,000	101.070	3,032,100	3,000,000	3,000,000					3.710	3.710	JD	7,420	22,569	08/16/2013	12/07/2020
00386S AB 8	TAQA ABU DHABI NATIONAL		F		1FE	5,083,280	114.750	5,737,500	5,000,000	5,075,447		(1,443)			6.500	6.370	AO	57,778	325,000	05/16/2007	10/27/2036
02364W AW 5	AMERICA MOVIL SA		F		1FE	5,332,800	105.812	5,290,600	5,000,000	5,321,530		(5,253)			6.125	5.650	MS	77,413	306,250	10/04/2011	03/30/2040
02364W BD 6	AMXLMM 3 1/8 07/16/22		F		1FE	2,870,370	92.315	2,769,450	3,000,000	2,877,212		6,842			3.125	3.680	JJ	42,969	46,875	06/05/2013	07/16/2022
02666Q D7 5	AMERICAN HONDA FINANCE				1FE	3,000,000	122.357	3,670,710	3,000,000	3,000,000					7.625	7.620	AO	57,188	228,750	09/24/2008	10/01/2018
02666Q G7 2	AMERICAN HONDA FINANCE				1FE	2,992,110	103.705	3,111,150	3,000,000	2,994,369		720			3.875	3.900	MS	32,292	116,250	09/14/2010	09/21/2020
046353 AA 6	ASTRAZENECA PLC		F		1FE	5,012,433	102.093	5,104,650	5,000,000	5,000,661		(1,532)			5.400	5.360	JD	22,500	270,000	05/19/2004	06/01/2014
046353 AB 4	ASTRAZENECA PLC		F		1FE	9,993,200	114.347	11,434,700	10,000,000	9,997,044		695			5.900	5.900	MS	173,722	590,000	09/05/2007	09/15/2017
049255 AG 7	ATLAS COPCO AB		F		1FE	8,935,830	111.255	10,012,950	9,000,000	8,973,318		6,901			5.600	5.690	MN	54,600	504,000	09/20/2007	05/22/2017
05257H AF 8	AUSTRALIAN GAS LIGHT CO		F		2FE	1,995,600	105.436	2,108,720	2,000,000	1,999,182		440			5.300	5.320	MS	28,267	106,000	09/22/2003	09/25/2015
05330K AA 3	AUTO METRO PR		F		2FE	3,000,000	92.729	2,781,870	3,000,000	3,000,000					6.750	6.750	MS	51,188	79,313	08/02/2013	06/30/2035
05530Q AB 6	BAT INTL FINANCE PLC		F		1FE	2,972,870	131.689	3,950,670	3,000,000	2,983,562		2,539			9.500	9.640	MN	36,417	285,000	11/17/2008	11/15/2018
05541V AA 4	BG ENERGY CAPITAL PLC		F		1FE	5,930,820	104.143	6,248,580	6,000,000	5,949,077		6,217			4.000	4.140	JD	14,667	240,000	12/02/2010	12/09/2020
055451 AR 9	BHP FINANCE USA		F		1FE	9,421,150	88.859	8,885,900	10,000,000	9,429,262		6,341			4.125	4.480	FA	145,521	309,375	06/25/2013	02/24/2042
055451 AV 0	BHP FINANCE USA		F		1FE	6,072,880	101.674	6,100,440	6,000,000	6,072,720		(160)			5.000	4.920	MS	75,833		10/24/2013	09/30/2043
05565Q BJ 6	BP CAPITAL MARKETS PLC		F		1FE	2,641,622	111.464	2,978,318	2,672,000	2,654,242		2,938			4.750	4.890	MS	39,134	126,920	05/19/2009	03/10/2019
05565Q CJ 5	BP CAPITAL PLC		F		1FE	3,000,000	101.027	3,030,810	3,000,000	3,000,000					3.994	3.990	MS	31,619		09/23/2013	09/26/2023
11041R AL 2	BRITISH AEROSPACE FIN				2FE	4,338,320	121.497	4,859,880	4,000,000	4,234,926		(10,340)			7.500	6.820	JJ	150,000	300,000	03/18/1998	07/01/2027
111021 AE 1	BRITISH TEL PLC		F		2FE	2,958,660	149.224	4,476,720	3,000,000	2,968,908		702			9.625	9.750	JD	12,833	288,750	10/08/2008	12/15/2030
111022 AA 7	BRITISH TRANSCO FIN. INC				1FE	995,280	118.059	1,180,590	1,000,000	998,372		308			6.625	6.660	JD	5,521	66,250	06/01/1998	06/01/2018
11102A AA 9	BRITISH TEL PLC		F		2FE	1,930,000	114.347	2,286,940	2,000,000	1,966,049		7,149			5.950	6.430	JJ	54,872	119,000	03/19/2008	01/15/2018
12615T AB 4	CNOOC FINANCE 2003 LTD		F		1FE	6,386,290	102.095	7,146,650	7,000,000	6,462,634		14,067			5.500	6.180	MN	42,778	385,000	09/18/2007	05/21/2033
12626P AF 0	CRH AMERICA INC				2FE	995,320	97.851	978,510	1,000,000	996,111		95			6.400	6.430	AO	13,511	64,000	09/22/2003	10/15/2033

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
12626P AG 8	CRH AMERICA INC				2FE	4,987,600	111.712	5,585,600	5,000,000	4,996,008		1,300			6.000	6.030	MS	75,833	300,000	10/17/2006	09/30/2016
12656* AH 5	CSLB HOLDINGS INC		F		1	6,000,000	91.108	5,466,522	6,000,000	6,000,000					3.320	3.320	MS	52,567	99,600	03/05/2013	03/26/2025
17163H AB 5	CIBA-GEIGY CORP				1	3,123,365	111.726	3,394,405	3,038,134	3,064,036		(22,413)			7.240	6.770	JJ	109,369	212,276	02/13/2001	01/02/2016
191241 AF 5	COCA COLA FEMSA		F		1FE	2,949,720	102.363	3,070,890	3,000,000	2,949,787		67			5.250	5.360	MN	15,313		11/19/2013	11/26/2043
200447 AD 2	COM FED ELECTRIC		F		2FE	2,982,810	99.250	2,977,500	3,000,000	2,982,875		65			4.875	4.940	JJ	27,219		10/17/2013	01/15/2024
25156P AR 4	DEUTSCHE TELECOM		F		2FE	2,112,540	95.429	1,908,580	2,000,000	2,110,858		(1,682)			4.875	4.520	MS	31,146	97,500	01/25/2013	03/06/2042
25243E AF 0	DIAGEO CAPITAL PLC		F		1FE	1,932,560	110.157	2,203,140	2,000,000	1,974,091		5,156			4.850	5.180	MN	12,394	97,000	12/23/2003	05/15/2018
25243Y AJ 8	DIAGEO CAPITAL PLC		F		1FE	7,507,030	111.894	8,951,520	8,000,000	7,793,878		64,541			5.500	6.460	MS	111,222	440,000	10/16/2008	09/30/2016
268317 AC 8	ELECTRICITE DE FRANCE		F		1FE	4,998,750	122.179	6,108,950	5,000,000	4,998,824		17			6.950	6.950	JJ	149,618	347,500	01/21/2009	01/26/2039
268317 AE 4	ELECTRICITE DE FRANCE		F		1FE	991,240	103.706	1,037,060	1,000,000	991,734		137			5.600	5.660	JJ	23,956	56,000	01/21/2010	01/27/2040
26874R AC 2	ENI SPA		F		1FE	6,367,998	97.252	5,757,318	5,920,000	6,360,459		(6,957)			5.700	5.180	AO	84,360	337,440	01/29/2013	10/01/2040
268789 AB 0	E.ON INTL FINANCE BV		F		1FE	9,957,200	120.113	12,011,300	10,000,000	9,960,564		635			6.650	6.680	AO	112,681	665,000	04/15/2008	04/30/2038
278058 F* 8	EATON CORP		F		2	9,000,000	95.163	8,564,697	9,000,000	9,000,000					3.680	3.680	JD	14,720	327,889	06/19/2012	06/28/2023
29244T AB 7	ENDESA - CHILE		F		2FE	2,296,981	110.876	2,738,637	2,470,000	2,470,000					7.325	8.440	FA	75,386	180,928	03/20/2000	02/01/2037
29268B AB 7	ENEL FINANCE INTL		F		2FE	998,110	111.682	1,116,820	1,000,000	999,155		197			6.250	6.270	MS	18,403	62,500	09/13/2007	09/15/2017
29268B AC 5	ENEL FINANCE INTL		F		2FE	2,992,050	103.652	3,109,560	3,000,000	2,992,652		122			6.800	6.820	MS	60,067	204,000	09/13/2007	09/15/2037
30239X AD 9	FBG FINANCE LTD		F		2FE	1,859,100	109.415	2,188,300	2,000,000	1,873,094		2,697			5.875	6.420	JD	5,222	117,500	12/11/2007	06/15/2035
344419 AB 2	FEMSA		F		2FE	4,554,690	82.506	4,125,300	5,000,000	4,558,582		3,892			4.375	4.940	MN	30,990	109,375	06/07/2013	05/10/2043
350259 AB 3	FOSTER\S FINANCE CORP				2FE	999,300	103.068	1,030,680	1,000,000	999,934		84			4.875	4.880	AO	12,188	48,750	09/28/2004	10/01/2014
35177P AL 1	ORANGE SA		F		2FE	8,153,970	138.067	11,045,360	8,000,000	8,136,961		(3,671)			8.500	8.300	MS	226,667	680,000	10/29/2008	03/01/2031
377372 AB 3	GLAXOSMITHKLINE				1FE	14,527,237	108.827	16,125,985	14,818,000	14,572,118		6,112			5.375	5.500	AO	168,143	796,468	03/24/2011	04/15/2034
378272 AA 6	GLENCORE FDG LLC				2FE	3,739,440	101.438	4,057,520	4,000,000	3,989,635		34,595			6.000	6.920	AO	50,667	240,000	07/13/2004	04/15/2014
40052V AA 2	GRUPO BIMBO SAB DE CV		F		2FE	2,991,780	103.480	3,104,400	3,000,000	2,994,219		739			4.875	4.910	JD	406	146,250	06/23/2010	06/30/2020
40052V AB 0	GRUPO BIMBO SAB DE CV		F		2FE	2,975,700	99.159	2,974,770	3,000,000	2,979,579		2,049			4.500	4.600	JJ	58,500	135,000	01/18/2012	01/25/2022
449786 AA 0	INTERNATIONAL BANK OF NETHERL		F		2FE	2,092,905	104.005	2,080,100	2,000,000	2,013,629		(9,704)			5.125	4.590	MN	17,083	102,500	01/16/2004	05/01/2015
45605P AG 3	INDUSTRIAL DPR FUNDING LTD		F		2FE	5,000,000	101.590	5,079,500	5,000,000	5,000,000					5.000	5.000	JAJO	52,778	32,639	08/06/2013	07/15/2023
49337W AH 3	KEYSPAN CORP				1FE	1,005,900	104.714	1,047,140	1,000,000	1,004,938		(136)			5.875	5.830	AO	14,688	58,750	12/24/2003	04/01/2033
50066A AD 5	KOREA GAS CORP		F		1FE	4,903,150	113.870	5,693,500	5,000,000	4,905,402		1,191			6.250	6.390	JJ	139,757	312,500	01/12/2012	01/20/2042
505861 AC 8	LAFARGE SA		F		3FE	2,979,810	104.250	3,127,500	3,000,000	2,981,697		319			7.125	7.180	JJ	98,563	213,750	07/13/2006	07/15/2036
524671 AA 2	LEGRAND		F		1FE	2,152,613	129.009	2,702,739	2,095,000	2,143,414		(2,592)			8.500	8.170	FA	67,273	178,075	10/16/2009	02/15/2025
62983P AA 3	NAKILAT INC		F		1FE	3,000,000	104.500	3,135,000	3,000,000	3,000,000					6.067	6.060	JD	506	182,010	12/07/2006	12/31/2033
636274 AC 6	NATIONAL GRID		F		2FE	3,049,050	112.458	3,373,740	3,000,000	3,017,330		(6,034)			6.300	6.050	FA	78,750	189,000	11/30/2007	08/01/2016
656531 AF 7	NORSK HYDRO A/S		F		1FE	3,894,560	117.758	4,710,320	4,000,000	3,965,309		7,211			6.700	6.950	JJ	123,578	268,000	11/19/1998	01/15/2018
656531 AG 5	NORSK HYDRO A/S		F		1FE	5,529,350	123.197	6,159,850	5,000,000	5,422,065		(18,880)			6.800	5.900	JJ	156,778	340,000	04/12/2007	01/15/2028
66989G AA 8	NOVARTIS SEC INV		F		1FE	14,067,890	113.237	15,853,180	14,000,000	14,039,651		(6,661)			5.125	5.060	FA	281,021	717,500	05/19/2009	02/10/2019
66989H AC 2	NOVARTIS CAPITAL				1FE	4,976,100	103.334	5,166,700	5,000,000	4,993,478		4,799			2.900	3.000	AO	26,986	145,000	03/09/2010	04/24/2015
68620Y AA 0	ORIGIN ENERGY FINANCE LTD		F		2FE	11,963,400	104.794	12,575,280	12,000,000	11,969,892		3,027			5.450	5.490	AO	139,883	654,000	10/06/2011	10/14/2021
714264 AH 1	PERNOD-RICARD SA		F		2FE	3,983,200	99.745	3,989,800	4,000,000	3,985,818		1,349			4.250	4.300	JJ	78,389	170,000	01/05/2012	07/15/2022
71645W AP 6	PETROBRAS INTL FINANCE CO		F		2FE	2,936,250	102.894	3,086,820	3,000,000	2,956,892		5,745			5.750	6.030	JJ	77,146	172,500	02/10/2010	01/20/2020
71645W AS 0	PETROBRAS INTL FIN CO		F		2FE	4,158,000	93.043	3,721,720	4,000,000	4,152,919		(2,055)			6.750	6.440	JJ	115,500	270,000	03/04/2011	01/27/2041
759470 A# 4	RELIANCE INDUSTRIES LTD		F		2	3,015,000	114.337	3,430,125	3,000,000	3,010,163		(2,762)			6.240	6.120	MS	423,800	(1,108)	01/30/2012	03/26/2017
767201 AD 8	RIO TINTO FINANCE		F		1FE	5,011,440	122.986	6,149,300	5,000,000	5,010,019		(397)			7.125	7.100	JJ	164,271	356,250	07/10/2008	07/15/2028

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
780153 AG 7	ROYAL CARIBBEAN		R		..3FE	531,250	106.750	533,750	500,000	530,991		(259)			7.500	6.800	AO	7,917		10/17/2013	10/15/2027
780641 AH 9	KPN-NV		F		..2FE	1,847,180	126.775	2,535,500	2,000,000	1,862,023		3,385			8.375	9.190	AO	41,875	167,500	12/03/2008	10/01/2030
78413H AB 5	SES		F		..2FE	1,842,140	93.724	1,874,480	2,000,000	1,842,842		702			5.300	5.860	AO	25,617	53,000	09/09/2013	04/04/2043
78467K A# 4	SSE PLC		F		1	5,000,000	101.682	5,084,130	5,000,000	5,000,000					3.890	3.890	AO	40,521	192,661	02/14/2012	04/16/2022
78572M AA 3	SABMILLER PLC		F		..2FE	2,953,320	118.831	3,564,930	3,000,000	2,959,555		970			6.625	6.750	FA	75,083	198,750	06/27/2006	08/15/2033
78572M AD 7	SABMILLER PLC		F		..2FE	2,089,540	112.816	2,256,320	2,000,000	2,030,900		(11,170)			6.500	5.820	JJ	65,000	130,000	12/11/2007	07/01/2016
80105N AG 0	SANOFI-AVENTIS		F		..1FE	2,969,280	104.761	3,142,830	3,000,000	2,976,538		2,728			4.000	4.120	MS	30,667	120,000	03/22/2011	03/29/2021
81013T AC 5	SCOTTISH POWER		F		..2FE	3,998,160	105.071	4,202,840	4,000,000	3,998,685		81			5.810	5.810	MS	68,429	232,400	03/16/2005	03/15/2025
826200 AD 9	SIEMENS FINANCE		F		..1FE	30,083,910	115.393	34,617,900	30,000,000	30,064,673		(3,418)			6.125	6.090	FA	683,958	1,837,500	03/09/2007	08/17/2026
83238P AB 0	SMITHS GROUP PLC		F		..2FE	4,190,680	115.384	5,076,896	4,400,000	4,267,348		19,158			7.200	7.890	MN	40,480	316,800	07/01/2009	05/15/2019
85771P AC 6	STATOIL ASA		F		..1FE	2,609,741	103.788	2,419,298	2,331,000	2,599,198		(5,254)			5.100	4.360	FA	44,250	118,881	11/28/2011	08/17/2040
85771P AE 2	STATOIL ASA		F		..1FE	8,933,743	91.663	7,729,024	8,432,000	8,923,776		(9,643)			4.250	3.900	MN	37,827	358,360	12/20/2012	11/23/2041
85771P AF 9	STATOIL ASA		F		..1FE	3,993,200	97.658	3,906,320	4,000,000	3,994,346		607			3.150	3.170	JJ	55,300	126,000	11/16/2011	01/23/2022
87927V AF 5	TELECOM ITALIA		F		..3FE	4,977,900	90.500	4,525,000	5,000,000	4,981,616		449			6.375	6.400	MN	40,729	318,750	10/22/2003	11/15/2033
87927V AL 2	TELECOM ITALIA		F		..3FE	4,575,650	102.375	5,118,750	5,000,000	4,953,091		59,650			4.950	6.250	MS	62,563	247,500	04/12/2006	09/30/2014
87938W AB 9	TELEFONICA EUROPE		F		..2FE	4,139,041	111.435	4,485,259	4,025,000	4,064,297		(14,401)			6.421	5.980	JD	7,897	258,445	07/29/2008	06/20/2016
87938W AG 8	TELEFONICA EMISIONES		F		..2FE	2,071,440	112.732	2,254,640	2,000,000	2,030,791		(7,722)			6.221	5.730	JJ	61,519	124,420	12/05/2007	07/03/2017
87969N AC 9	TELSTRA CORP LTD		F		..1FE	2,977,560	107.677	3,230,310	3,000,000	2,982,331		1,827			4.800	4.890	AO	31,600	144,000	04/07/2011	10/12/2021
89152U AF 9	TOTAL CAPITAL SA		F		..1FE	10,080,686	105.772	10,735,858	10,150,000	10,098,071		6,182			4.125	4.200	JJ	177,942	418,688	01/26/2011	01/28/2021
91311Q AC 9	UNITED UTILITIES		F		..2FE	6,188,760	107.359	6,441,540	6,000,000	6,152,096		(6,035)			6.875	6.600	FA	155,833	412,500	05/10/2006	08/15/2028
91911T AH 6	VALE OVERSEAS LIMITED		F		..2FE	6,567,820	103.275	6,712,875	6,500,000	6,564,593		(1,170)			6.875	6.780	MN	49,653	446,875	01/28/2010	11/21/2036
92334N AB 9	VEOLIA ENVIRONMENT		F		..2FE	7,069,250	113.473	9,077,840	8,000,000	7,484,946		93,660			6.000	7.720	JD	40,000	480,000	10/22/2008	06/01/2018
92852E AL 9	VIVENDI		F		..2FE	3,981,520	113.357	4,534,280	4,000,000	3,990,654		1,841			6.625	6.680	AO	64,042	265,000	04/03/2008	04/04/2018
92857W AG 5	VODAFONE GROUP PLC		F		..1FE	5,747,050	106.929	6,415,740	6,000,000	5,939,747		32,746			5.000	5.620	MS	88,333	300,000	02/06/2007	09/15/2015
92857W AP 5	VODAFONE GROUP PLC		F		..1FE	795,280	111.868	1,118,680	1,000,000	904,341		25,099			5.625	9.180	FA	19,375	56,250	10/17/2008	02/27/2017
92857W BD 1	VODAFONE GROUP PLC		F		..1FE	17,768,880	86.413	15,554,340	18,000,000	17,772,156		3,276			4.375	4.450	FA	288,750	393,750	02/11/2013	02/19/2043
92931N AB 6	WPP FINANCE CORP		F		..2FE	2,497,350	102.374	3,071,220	3,000,000	2,948,531		105,628			5.875	9.820	JD	7,833	176,250	10/30/2008	06/15/2014
984851 AA 3	YARA INTERNATIONAL ASA		F		..2FE	4,684,400	103.709	5,185,450	5,000,000	4,956,288		43,121			5.250	6.200	JD	11,667	262,500	05/03/2006	12/15/2014
G0369@ AU 0	ANGLIAN WATER SERVICES FINANCING PLC		F		....1Z	3,000,000	99.239	2,977,173	3,000,000	3,000,000					3.840	3.840	AO	24,320		06/26/2013	10/15/2023
G0566* AB 5	ARQIVA PP FINANCING PLC		D	5	..2FE	6,067,600	154.350	6,174,040	6,622,517	6,622,517				554,917	4.101	4.100	JD	754		06/01/2013	06/30/2025
G1128* AB 4	BIRMINGTON AIRPORT		D	5	...2Z	3,206,000	155.655	3,113,113	3,311,258	3,311,258				105,258	4.557	4.550	JD	11,736		10/31/2013	12/03/2028
G2956@ AC 5	ABP AQUISITIONS UK LIMITED		D	5	2	9,667,350	165.562	10,430,464	10,430,464	10,430,464				763,114	2.684	2.680	JD	3,889	293,243	06/11/2013	12/26/2033
G2956@ AD 3	ABP AQUISITIONS UK LIMITED		D	5	...2Z	4,912,500	165.562	4,966,887	4,966,887	4,966,887				54,387	2.684	2.680	JD	7,408		12/06/2013	12/26/2033
G3646# AC 7	FORTH PORTS FINANCE LTD		D	5	...2Z	7,992,500	157.778	7,888,907	8,278,146	8,278,146				285,646	5.030	5.030	JD	30,073		11/13/2013	12/05/2031
G7815@ AJ 0	SAP IRELAND US-FINANCIAL SRVS LTD		F		1	13,000,000	89.016	11,572,184	13,000,000	13,000,000					3.530	3.530	MN	58,637	434,118	11/05/2012	11/15/2027
G8781# AA 5	THAMES WATER UTILITIES CAYMAN FINANCE		F		1	13,000,000	101.716	13,223,093	13,000,000	13,000,000					3.870	3.870	FA	188,663	478,318	01/20/2012	02/16/2022
N1492@ AE 6	BOSKALIS FINANCE BV		F		2	2,000,000	92.822	1,856,444	2,000,000	2,000,000					3.660	3.660	JJ	32,330		05/08/2013	07/22/2023
N4281@ BW 4	KONINKLIJKE VOPAK NV		F		2	5,000,000	90.826	4,541,310	5,000,000	5,000,000					4.140	4.130	JD	6,900	216,661	09/28/2012	06/19/2027
N4282* AB 2	FRIESLAND CAMPINA		F		2	7,000,000	111.205	7,784,413	7,000,000	7,000,000					5.670	5.670	AO	82,688	392,986	02/04/2010	04/16/2020
Q2107# AH 9	CONTACT ENERGY LIMITED		F		2	3,000,000	97.050	2,911,521	3,000,000	3,000,000					4.090	4.080	JD	34,765		06/13/2013	12/19/2023
Q3393* AA 9	ELECTRANET PTY LTD		F		2	7,145,950	101.708	7,119,567	7,000,000	7,045,237		(70,951)			3.640	2.580	FA	95,550	252,182	07/16/2012	08/16/2014
Q3393* AJ 0	ELECTRANET PTY LTD		F		2	10,000,000	89.153	8,915,360	10,000,000	10,000,000					3.910	3.910	MN	49,961	195,500	02/13/2013	05/15/2028

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
Q7794# AB 9	QPH FINANCE CPO PRPERTY LTD		F		..2FE	4,000,000	98.863	3,954,524	4,000,000	4,000,000					3.980	3.970	FA	57,047	157,729	06/28/2012	08/22/2022
Q8277* AK 7	SANTOS FINANCE LTD		F		2	3,585,498	112.274	3,648,921	3,250,000	3,528,599		(56,898)			6.200	3.620	FA	83,399	100,750	02/08/2013	08/02/2017
3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations		XXX	XXX	XXX	XXX	3,739,778,805	XXX	3,945,074,155	3,750,093,462	3,749,127,059	(67,500)	1,671,512	585,000	1,763,322	XXX	XXX	XXX	51,704,852	182,697,299	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities																					
03215P EQ 8	AMRES 1998-2 A5		..	2	.1FM	1,389,442	99.706	1,385,364	1,389,442	1,389,442					7.300	6.920	MON	8,452	101,431	05/28/1998	02/25/2028
17312D AC 2	CMSI 2007-8 1A3		..	2	.1FM	7,193,320	102.351	7,899,759	7,718,301	6,687,823		202,032			6.000	12.920	MON	38,592	462,608	10/04/2007	10/25/2037
36244W AA 7	GSAMP 2006-S5 A1		..	2	.1FM	224,805	3.156	197,387	6,253,355	224,805					0.256	1.860	MON	267	5,584	11/19/2007	09/25/2036
65536H BE 7	NHELI 2005-HE1 M3		..	2	.1FM	2,789,032	84.811	3,517,366	4,147,260	3,316,623		217,641			0.665	7.190	MON	384	28,222	07/13/2011	09/25/2035
65536W AA 3	NAA 2006-S3 A1		..	2	.1FM	314,280	68.342	686,179	1,004,030	314,280					0.326	6.610	MON	55	9,242	11/13/2007	08/25/2036
785778 FK 2	SACO 2005-4 M1		..	2	.1FM	7,154,862	95.123	8,091,874	8,506,668	7,214,180		471,411			0.766	15.800	MON	1,086	95,302	05/23/2012	06/25/2035
805564 GA 3	SAST 2000-2 MF2		..	2	.1FM	2,735,801	93.786	3,167,652	3,377,532	2,824,286		127,960			9.004	18.330	MON	25,343	282,984	06/14/2011	07/25/2030
94982D AA 4	WFMBS 2005-AR14 A1		..	2	.1FM	5,222,327	102.280	5,836,694	5,706,545	4,376,385		130,143			5.330	13.460	MON	25,290	304,055	02/24/2006	08/25/2035
949834 AA 3	WFMBS 2007-14 1A1		..	2	.1FM	6,302,639	99.249	6,818,153	6,869,689	5,740,013		147,323			6.000	11.480	MON	34,348	412,211	09/28/2007	10/25/2037
94983D AL 9	WFMBS 2005-AR13 4A1		..	2	.1FM	6,998,577	99.314	7,661,046	7,713,933	5,964,413		(99,810)			5.326	7.970	MON	19,313	410,631	02/24/2006	05/25/2035
94986L AK 0	WFMBS 2007-16 2A1		..	2	.1FM	6,341,582	96.963	6,520,779	6,725,018	5,536,663		(133,891)			6.000	10.080	MON	33,625	412,299	11/21/2007	07/01/2038
3399999. Industrial & Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities						46,666,667	XXX	51,782,253	59,411,773	43,588,913	0	1,062,809	0	0	XXX	XXX	XXX	186,755	2,524,569	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
045424 EX 2	ASC 1997-D4 B4		..	2	.1FM	1,471,971	102.826	1,536,624	1,494,387	1,481,649		3,872			7.525	7.900	MON	6,247	116,179	09/16/2011	04/14/2029
05947U 2V 9	BACM 2005-5 B		..	2	.1FM	8,257,500	102.522	9,226,980	9,000,000	8,550,603		193,621			5.231	8.230	MON	39,233	477,037	05/17/2012	10/10/2045
05947U 4E 5	BACM 2005-6 AM		..	2	.1FM	15,135,168	107.443	18,286,867	17,020,000	16,442,429		264,062			5.179	7.010	MON	73,463	894,873	02/07/2008	09/10/2047
05947U B5 6	BACM 2004-6 A3		..	2	.1FM	568,640	100.164	601,904	600,915	600,915					4.512	5.640	MON	2,259	27,113	05/31/2006	12/10/2042
05947U C3 0	BACM 2004-6 B		..	2	.1FM	9,737,500	102.108	10,210,810	10,000,000	9,884,981		85,341			4.902	6.110	MON	40,850	490,200	02/03/2012	12/10/2042
05947U C5 5	BACM 2004-6 D		..	2	.1FM	8,195,625	99.642	8,967,843	9,000,000	8,604,694		210,713			4.986	8.130	MON	37,395	448,740	11/04/2011	12/10/2042
05947U C9 7	BACM 2005-1 A4		..	2	.1FM	3,677,883	101.553	3,850,081	3,791,173	3,791,173					4.987	5.570	MON	15,757	205,949	06/01/2006	11/10/2042
05947U M2 1	BACM 2005-2 A5		..	2	.1FM	10,001,953	104.034	10,403,450	10,000,000	10,000,000					4.857	4.830	MON	40,475	485,700	09/15/2005	07/10/2043
05947U MB 1	BACM 2003-2 D		..	2	.1FM	4,116,549	102.102	4,316,331	4,227,457	4,221,830		(1,609)			5.270	5.240	MON	18,566	224,873	11/13/2003	03/11/2041
05947U MC 9	BACM 2003-2 E		..	2	.1FM	2,456,748	101.389	2,534,748	2,500,000	2,491,623		5,330			5.334	5.500	MON	11,113	134,659	11/13/2003	03/11/2041
05947U MG 0	BACM 2003-2 F		..	2	.1FM	2,923,196	102.393	3,071,808	3,000,000	2,981,961		9,300			5.334	5.710	MON	13,336	161,590	11/13/2003	03/11/2041
05947U N3 8	BACM 2005-2 F		..	2	.1FM	4,439,400	103.632	4,694,534	4,530,000	4,465,698		22,450			5.338	6.040	MON	20,154	245,170	10/10/2012	07/10/2043
05947U S4 1	BACM 2005-3 B		..	2	.6FM	4,450,000	93.349	4,667,450	5,000,000	4,550,652		91,901			4.846	9.680	MON	20,192	242,300	11/08/2012	07/10/2043
05947U VU 9	BACM 2004-4 E		..	2	.1FM	2,970,000	94.398	2,831,949	3,000,000	2,982,106		9,127			5.162	5.360	MON	12,905	154,860	09/27/2012	07/10/2042
05947U VV 7	BACM 2004-4 F		..	2	.1FM	3,640,000	93.414	3,736,564	4,000,000	3,728,054		82,193			5.861	8.350	MON	19,540	230,357	12/03/2012	07/10/2042
05947U W9 5	BACM 2005-4 A4		..	2	.1FM	15,032,813	100.949	15,142,440	15,000,000	15,000,000					5.153	5.110	MON	64,424	790,373	12/18/2006	07/10/2045
05947U X8 6	BACM 2005-4 B		..	2	.1FM	8,387,500	99.525	9,952,560	10,000,000	8,882,117		341,709			5.118	10.990	MON	42,650	480,657	08/30/2012	07/10/2045
05947U XZ 6	BACM 2004-5 G		..	2	.1FM	2,882,344	99.472	2,984,172	3,000,000	2,946,009		39,308			5.564	7.560	MON	13,910	169,239	04/03/2012	11/10/2041
059513 AG 6	BACM 2007-4 AM		..	2	.1FM	16,571,094	110.275	22,055,100	20,000,000	18,336,477		372,764			5.811	8.450	MON	96,862	1,178,240	03/12/2008	02/10/2051
05952C AG 5	BACM 2007-5 AM		..	2	.1FM	14,198,044	106.859	21,371,960	20,000,000	16,528,716		678,518			5.772	11.350	MON	96,200	1,154,400	03/11/2008	02/10/2051
07383F 3Z 9	BSCMS 2005-PWR7 A3		..	2	.1FM	8,043,970	103.560	8,284,824	8,000,000	8,000,000		(2,252)			5.116	5.020	MON	33,419	409,280	03/10/2005	02/11/2041
07383F 5N 4	BSCMS 2005-T18 B		..	2	.1FM	3,219,205	103.666	3,569,251	3,443,000	3,315,638		67,357			5.035	7.760	MON	14,446	173,355	06/21/2012	02/13/2042
07383F 7W 2	BSCMS 2005-PWR8 A4		..	2	.1FM	18,934,759	104.001	20,467,069	19,679,666	19,537,139		90,734			4.674	5.160	MON	76,320	919,828	11/01/2005	06/11/2041
07383F 7Z 5	BSCMS 2005-PWR8 B		..	2	.1FM	11,212,272	101.700	12,204,036	12,000,000	11,476,036		191,702			4.819	7.150	MON	48,190	578,280	10/02/2012	06/11/2041
07387B AH 6	BSCMS 2005-PWR9 A4A		..	2	.1FM	9,622,266	104.902	10,490,270	10,000,000	9,917,005		43,445			4.871	5.350	MON	40,592	487,100	11/03/2005	09/15/2042

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
07387B AM 5	BSCMS 2005-PWR9 B			2	1FM	7,723,025	99.774	8,682,333	8,702,000	7,896,208		104,461			5.035	9.660	MON	36,512	438,146	03/21/2012	09/11/2042
07387B CR 2	BSCMS 2005-T20 D			2	1FM	922,500	100.069	1,000,692	1,000,000	941,130		16,863			5.302	7.960	MON	4,418	52,066	11/13/2012	10/12/2042
07387B ED 1	BSCMS 2005-PW10 AM			2	1FM	6,990,625	106.775	10,677,580	10,000,000	8,907,129		466,456			5.449	11.670	MON	45,408	544,900	10/31/2008	12/11/2040
07388L AG 5	BSCMS 2006-PW13 AM			2	1FM	23,121,432	109.178	26,197,453	23,995,000	23,654,139		104,130			5.582	6.100	MON	111,617	1,339,401	01/30/2008	09/11/2041
073945 AE 7	BSCMS 2007-T28 A4			2	1FM	15,383,178	112.846	22,778,147	20,185,000	17,700,989		547,679			5.742	9.790	MON	96,585	1,159,023	11/12/2008	09/11/2042
096821 AA 1	BHP 2013-BOCA A			2	1FM	2,954,425	100.170	2,959,471	2,954,425	2,954,425					1.316	1.310	MON	1,729	8,687	09/19/2013	08/15/2026
12527E AD 0	CFCRE 2011-C1 A4			2	1FM	8,120,024	107.683	8,614,664	8,000,000	8,088,928		(12,111)			4.961	4.740	MON	33,075	396,904	04/19/2011	04/15/2044
126175 AM 0	COMM 2003-LB1A H			2	1FM	4,221,900	95.888	4,498,115	4,691,000	4,412,735		164,909			4.820	14.870	MON	18,842	229,916	10/05/2012	06/10/2038
173067 AH 2	CGCMT 2004-C1 E			2	1FM	7,741,615	101.166	8,398,843	8,302,000	8,048,551		170,802			5.367	8.470	MON	37,136	455,239	11/03/2011	04/15/2040
173067 EQ 8	CGCMT 2004-C2 E			2	1FM	5,460,000	103.313	6,715,391	6,500,000	5,682,439		111,934			5.023	8.860	MON	27,208	326,495	12/01/2011	10/15/2041
173067 GP 8	CGCMT 2005-C3 A3			2	1FM	21,120,789	101.484	22,125,801	21,802,105	21,802,105					4.738	5.320	MON	86,082	1,032,984	02/24/2006	05/15/2043
173067 GR 4	CGCMT 2005-C3 ASB			2	1FM	4,344,884	101.089	4,370,426	4,323,311	4,323,311					4.755	4.630	MON	17,131	205,573	06/15/2005	05/15/2043
173067 GT 0	CGCMT 2005-C3 A4			2	1FM	25,123,275	103.434	25,858,625	25,000,000	25,000,000					4.860	4.770	MON	101,250	1,215,000	06/15/2005	05/15/2043
17310M AG 5	CGCMT 2006-C5 AM			2	1FM	18,967,756	109.583	22,004,367	20,080,000	19,629,450		129,856			5.462	6.250	MON	91,235	1,096,770	01/31/2008	10/15/2049
17311Q BK 5	CGCMT 2007-C6 A4			2	1FM	9,862,986	111.838	11,183,840	10,000,000	9,930,423		14,696			5.700	5.880	MON	47,500	577,514	07/25/2007	12/10/2049
20047B AC 2	COMM 2004-LB2A F			2	1FM	4,937,500	96.371	4,818,590	5,000,000	4,950,250		7,291			5.540	5.730	MON	23,083	277,000	03/14/2012	03/10/2039
20047N AD 4	COMM 2004-LB4A A4			2	1FM	3,613,022	100.183	3,768,788	3,761,881	3,761,881		26,236			4.584	5.320	MON	14,370	172,445	02/24/2006	10/15/2037
20047P AE 7	COMM 2005-LP5 A4			2	1FM	9,910,156	104.220	10,422,050	10,000,000	9,975,806		9,556			4.982	5.080	MON	41,517	498,200	10/24/2005	05/10/2043
20047P AP 2	COMM 2005-LP5 F			2	1FM	2,715,000	103.898	3,116,958	3,000,000	2,825,456		71,216			5.295	7.860	MON	13,238	160,975	04/05/2012	05/10/2043
20047P AQ 0	COMM 2005-LP5 G			2	1FM	8,106,000	99.541	8,361,486	8,400,000	8,171,013		54,320			5.302	6.270	MON	37,115	450,734	10/10/2012	05/10/2043
20173V AE 0	GCCFC 2007-GG11 A4			2	1FM	8,580,962	111.676	12,368,150	11,075,000	9,811,836		291,123			5.736	9.520	MON	52,939	635,262	11/04/2008	08/10/2017
22541N UR 8	CSFB 2002-CP5 H			2	4FM	1,895,000	97.460	1,949,200	2,000,000	1,973,446		56,380			6.326	7.460	MON	10,543	160,077	01/05/2012	12/15/2035
22541Q J6 0	CSFB 2003-C5 E			2	1FM	7,342,500	101.578	8,126,264	8,000,000	7,678,738		172,206			5.207	8.150	MON	34,713	416,560	10/19/2011	12/15/2036
22541Q V6 6	CSFB 2003-C5 F			2	1FM	7,670,000	101.278	8,102,304	8,000,000	7,892,596		75,271			5.506	6.360	MON	36,707	440,480	11/27/2012	12/15/2036
22541S 2X 5	CSFB 2004-C5 D			2	1FM	1,897,500	100.714	2,014,284	2,000,000	1,953,668		32,791			5.018	7.320	MON	8,363	100,360	02/13/2012	11/15/2037
225470 DP 5	CSFB 2005-C5 F			2	1FM	3,375,000	96.282	4,332,731	4,500,000	3,620,044		207,943			5.100	15.160	MON	19,125	229,500	09/18/2012	08/15/2038
225470 G4 9	CSMC 2006-C1 C			2	1FM	1,968,750	102.620	2,052,412	2,000,000	1,974,834		5,481			5.410	5.840	MON	9,017	109,663	11/09/2012	02/15/2039
225470 G5 6	CSMC 2006-C1 D			2	1FM	4,800,000	100.797	5,039,865	5,000,000	4,838,705		34,942			5.410	6.660	MON	22,542	274,159	11/14/2012	02/15/2039
225470 NQ 2	CSFB 2005-C6 C			2	1FM	3,121,403	101.311	3,218,660	3,177,000	3,135,335		11,796			5.230	5.730	MON	13,846	165,390	10/16/2012	12/15/2040
30261F AL 1	FREMF 2011-K16 B			2	1FM	8,368,300	99.581	9,958,150	10,000,000	8,611,781		125,994			4.750	7.010	MON	39,589	465,951	12/09/2011	11/25/2046
30261G AN 5	FREMF 2012-K705 C			2	1FM	12,949,022	96.482	14,528,260	15,058,000	13,450,398		271,808			4.163	6.730	MON	52,244	635,796	01/24/2012	09/25/2044
30261K AQ 9	FREMF 2012-K711 C			2	1FM	4,614,215	91.351	4,567,555	5,000,000	4,667,866		48,264			3.562	4.860	MON	14,844	180,660	11/13/2012	08/25/2045
30261M AG 7	FREMF 2012-K710 C			2	1FM	3,522,572	93.277	3,731,092	4,000,000	3,605,170		58,448			3.949	6.030	MON	13,163	154,916	07/13/2012	05/25/2019
30261U AL 8	FREMF 2013-K713 C			2	1FM	6,824,922	87.909	7,032,784	8,000,000	6,889,342		64,420			3.165	5.750	MON	21,100	107,533	07/15/2013	04/25/2046
30290D AQ 0	FREMF 2012-K706 C			2	1FM	5,219,292	96.696	5,801,796	6,000,000	5,396,970		98,998			4.022	6.350	MON	20,114	244,866	02/14/2012	11/25/2018
30290F AG 7	FREMF 2012-K707 C			2	1FM	15,476,801	95.882	16,147,504	16,841,000	15,635,805		121,817			4.020	5.600	MON	56,417	368,307	07/12/2013	01/25/2047
30290H AG 3	FREMF 2012-K708 C			2	1FM	5,346,211	93.888	5,959,097	6,347,000	5,541,349		126,871			3.758	6.650	MON	19,880	242,054	05/31/2012	02/25/2045
30290K AQ 4	FREMF 2012-K709 C			2	1FM	8,397,280	94.657	9,465,740	10,000,000	8,692,263		198,412			3.740	6.640	MON	31,168	379,524	06/19/2012	04/25/2045
30290M AQ 0	FREMF 2012-K19 C			2	1FM	8,435,230	90.246	9,024,640	10,000,000	8,603,104		122,984			4.176	6.310	MON	34,808	409,502	07/31/2012	05/25/2045
30290Q AH 1	FREMF 2012-K20 C			2	1FM	3,805,892	86.699	3,875,454	4,470,000	3,872,004		52,557			3.868	5.840	MON	14,409	175,447	09/10/2012	05/25/2040
30290T AQ 5	FREMF 2012-K21 C			2	1FM	1,941,491	86.869	1,989,318	2,289,999	1,954,559		13,068			4.071	6.250	MON	7,770	38,342	07/16/2013	07/25/2045
30290U AL 3	FREMF 2012-K22 C			2	1FM	3,578,272	84.419	3,376,780	4,000,000	3,613,999		33,875			3.686	5.020	MON	12,289	149,552	11/27/2012	08/25/2045

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
30290W AG 0	FREMF 2012-K23 C			2	1FM	12,841,378	83.352	11,769,401	14,120,000	12,947,978		103,681			3.655	4.790	MON	43,007	523,601	12/11/2012	10/25/2045
30291E AG 9	FREMF 2013-K712 C			2	1FM	1,745,625	89.663	1,793,276	2,000,000	1,760,410		14,785			3.482	5.810	MON	5,804	28,638	07/12/2013	05/25/2045
30291J AJ 2	FREMF 2013-K29 B			2	1FM	13,120,080	89.127	13,369,170	15,000,000	13,184,363		64,283			3.600	5.210	MON	45,011	222,057	07/17/2013	05/25/2046
30291J AL 7	FREMF 2013-K29 C			2	1FM	9,500,370	81.499	9,733,485	11,943,000	9,579,441		79,071			3.600	6.390	MON	35,838	176,802	07/17/2013	05/25/2046
30291N AG 9	FREMF 2013-K32 C			2	1FM	1,340,734	81.158	1,426,176	1,757,275	1,348,606		7,871			3.535	6.810	MON	5,178	15,701	09/17/2013	07/25/2023
30291Q AJ 6	FREMF 2013-KF02 C			2	1FM	999,243	101.475	1,013,991	999,243	999,243					0.566	0.560	MON	94	4,859	11/01/2013	12/25/2045
337368 AJ 3	FUBOA 2001-C1 H			2	1FM	1,189,980	104.173	1,264,942	1,214,265	1,214,265		42,606			7.039	9.760	MON	8,547	40,461	03/20/2012	03/15/2033
361849 D2 5	GMACC 2004-C1 D			2	1FM	4,943,575	100.026	5,331,418	5,330,000	5,171,813		134,867			5.070	9.320	MON	22,519	270,231	11/17/2011	03/10/2038
361849 D3 3	GMACC 2004-C1 E			2	1FM	4,200,000	99.651	4,982,565	5,000,000	4,652,023		277,067			5.169	15.650	MON	21,538	258,450	10/06/2011	03/10/2038
361849 D4 1	GMACC 2004-C1 A4			2	1FM	2,331,057	99.994	2,310,004	2,310,122	2,310,122		(677)			4.908	4.760	MON	9,448	113,381	05/20/2005	03/10/2038
36228C CS 0	GSMS 1998-C1 F			2	1FM	641,942	99.897	643,695	644,359	644,359		2,567			6.000	6.210	MON	3,222	38,662	12/14/2011	10/18/2030
36228C VF 7	GSMS 2005-ROCK H			2	1FM	3,921,500	100.167	4,006,684	4,000,000	3,930,352		4,009			5.713	5.920	MON	19,043	228,520	01/26/2012	05/03/2032
36228C VT 7	GSMS 2005-GG4 A4			2	1FM	42,549,697	103.623	45,380,717	43,794,016	43,546,415		157,181			4.761	5.140	MON	173,753	2,109,499	03/03/2006	07/10/2039
36228C VY 6	GSMS 2005-GG4 B			2	1FM	1,455,000	99.681	1,495,229	1,500,000	1,471,057		15,234			4.841	5.870	MON	6,051	72,615	12/10/2012	07/10/2039
36228C WX 7	GSMS 2006-GG6 A4			2	1FM	7,034,832	107.680	7,537,635	7,000,000	7,000,794		(5,237)			5.553	5.460	MON	32,393	388,710	03/07/2006	04/10/2038
36828Q PE 0	GECMC 2005-C3 E			2	1FM	6,740,100	102.091	7,013,714	6,870,000	6,774,542		31,054			5.298	5.930	MON	30,332	359,274	11/13/2012	07/10/2045
36828Q PW 0	GECMC 2005-C3 A7A			2	1FM	9,932,422	104.933	10,493,300	10,000,000	9,977,529		6,533			4.974	5.040	MON	41,450	497,400	10/11/2005	07/10/2045
396789 FY 0	GCCFC 2004-GG1 F			2	1FM	3,800,000	101.981	4,079,268	4,000,000	3,954,516		63,187			5.911	8.720	MON	19,704	193,105	08/16/2011	06/10/2036
396789 FZ 7	GCCFC 2004-GG1 G			2	1FM	2,806,000	101.266	3,088,619	3,050,000	2,995,176		78,617			5.911	10.140	MON	15,025	147,243	08/16/2011	06/10/2036
396789 JZ 3	GCCFC 2005-GG3 D			2	1FM	12,975,000	99.759	13,966,358	14,000,000	13,305,927		246,708			4.986	8.040	MON	58,170	736,410	10/02/2012	08/10/2042
396789 LJ 6	GCCFC 2005-GG5 A41			2	1FM	18,327,316	100.017	18,802,835	18,799,507	18,799,507					5.243	5.700	MON	82,138	985,658	05/31/2006	04/10/2037
396789 LL 1	GCCFC 2005-GG5 A5			2	1FM	9,969,141	105.457	10,545,780	10,000,000	9,983,374		2,060			5.224	5.240	MON	43,533	522,400	10/28/2005	04/10/2037
43289U AY 1	HILT 2013-HLT DFX			2	3AM	2,763,747	100.081	2,752,244	2,750,000	2,763,607		(141)			4.406	4.280	MON	10,098		11/22/2013	11/05/2030
46625M DA 4	JPMCC 2001-CIB2 E			2	1FM	16,621,338	100.260	16,974,120	16,930,000	16,720,700		47,417			6.901	7.150	MON	97,369	1,145,104	09/17/2012	04/15/2035
46625M PU 7	JPMCC 2002-C2 F			2	1FM	7,250,000	88.385	7,070,816	8,000,000	7,502,969		142,571			5.879	7.210	MON	39,199	491,077	02/13/2012	12/12/2034
46625M XF 1	JPMCC 2003-CB6 G			2	1FM	5,614,875	107.082	6,746,198	6,300,000	5,810,021		105,835			5.531	8.010	MON	29,040	365,844	02/15/2012	07/12/2037
46625M ZE 2	JPMCC 2003-PM1A F			2	1FM	5,000,100	102.102	7,293,160	7,143,000	6,580,164		1,250,880			5.530	10.470	MON	32,920	266,814	10/21/2011	08/12/2040
46625Y CW 1	JPMCC 2004-LN2 B			2	1FM	7,260,000	102.062	8,164,976	8,000,000	7,477,772		114,169			5.306	10.630	MON	35,379	416,786	01/25/2012	07/15/2041
46625Y CX 9	JPMCC 2004-LN2 C			2	1FM	5,580,000	97.386	5,843,172	6,000,000	5,661,930		45,493			5.162	13.280	MON	25,814	314,989	03/21/2012	07/15/2041
46625Y DG 5	JPMCC 2004-CBX B			2	1FM	4,105,500	101.655	4,676,139	4,600,000	4,308,120		118,472			5.021	9.750	MON	19,247	230,966	10/12/2011	01/12/2037
46625Y FB 4	JPMCC 2004-C3 B			2	1FM	2,356,120	102.789	2,632,426	2,561,000	2,486,516		53,468			4.961	7.790	MON	10,588	127,051	08/08/2011	01/15/2042
46625Y FC 2	JPMCC 2004-C3 C			2	1FM	4,692,188	100.881	5,044,060	5,000,000	4,857,728		99,142			4.981	7.640	MON	20,754	249,050	03/06/2012	01/15/2042
46625Y FD 0	JPMCC 2004-C3 D			2	1FM	3,800,000	98.952	4,947,610	5,000,000	4,257,852		273,514			5.011	16.390	MON	20,879	250,573	09/15/2011	01/15/2042
46625Y GP 2	JPMCC 2005-LDP1 A4			2	1FM	9,794,141	103.140	10,314,070	10,000,000	9,956,221		23,789			5.038	5.290	MON	41,983	503,800	10/26/2005	03/15/2046
46625Y GT 4	JPMCC 2005-LDP1 B			2	1FM	1,001,250	102.961	1,029,616	1,000,000	1,000,000		(686)			5.230	5.040	MON	4,359	51,445	04/24/2012	03/15/2046
46625Y NB 5	JPMCC 2005-LDP2 A3			2	1FM	3,387,821	101.688	3,638,456	3,578,044	3,578,044		27,543			4.697	5.700	MON	14,005	168,061	05/31/2006	07/15/2042
46625Y NE 9	JPMCC 2005-LDP2 AM			2	1FM	6,564,844	104.551	10,455,110	10,000,000	9,017,756		606,004			4.780	12.450	MON	39,833	478,000	11/04/2008	07/15/2042
46625Y NK 5	JPMCC 2005-LDP2 C			2	1FM	4,275,000	100.275	5,013,795	5,000,000	4,495,181		156,944			4.911	10.530	MON	20,463	245,550	05/22/2012	07/15/2042
46625Y QT 3	JPMCC 2005-CB12 AM			2	1FM	6,582,422	105.162	10,516,210	10,000,000	8,940,352		582,789			4.948	12.480	MON	41,233	494,800	11/04/2008	09/12/2037
46625Y QX 4	JPMCC 2005-CB12 B			2	1FM	4,100,000	94.856	4,742,840	5,000,000	4,223,387		116,689			5.145	11.140	MON	21,438	252,198	11/30/2012	09/12/2037
46625Y SQ 7	JPMCC 2005-LDP3 D			2	1FM	3,911,375	97.524	4,047,250	4,150,000	3,974,106		53,708			5.194	6.960	MON	17,964	218,506	10/15/2012	08/15/2042
46625Y XP 3	JPMCC 2005-LDP5 A4			2	1FM	13,064,259	106.543	13,850,681	13,000,000	13,000,000					5.179	5.110	MON	56,108	685,055	12/16/2005	12/15/2044

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
46625Y XX 6	JPMCC 2005-LDP5 C			2	1FM	9,370,000	102.483	10,248,340	10,000,000	9,602,142		147,061			5.526	7.520	MON	46,056	542,465	05/01/2012	12/15/2044
46625Y XY 4	JPMCC 2005-LDP5 D			2	1FM	4,637,500	99.723	4,986,170	5,000,000	4,756,031		90,491			5.516	8.000	MON	22,984	271,233	09/04/2012	12/15/2044
46629P AC 2	JPMCC 2006-LDP9 A3			2	1FM	1,892,891	109.470	2,189,400	2,000,000	1,957,597		11,835			5.336	6.060	MON	8,893	106,720	08/10/2007	05/15/2047
46629P AE 8	JPMCC 2006-LDP9 AM			2	1FM	14,960,273	105.649	20,073,329	19,000,000	17,253,283		484,104			5.372	8.830	MON	85,057	1,020,680	03/11/2008	05/15/2047
46630J AC 3	JPMCC 2007-LDPX A3			2	1FM	9,586,328	109.696	10,969,620	10,000,000	9,827,848		43,924			5.420	5.960	MON	45,167	542,000	07/25/2007	01/15/2049
46630J AE 9	JPMCC 2007-LDPX AM			2	1FM	4,506,722	103.306	5,764,480	5,580,000	5,094,708		123,278			5.464	8.490	MON	25,408	304,891	03/12/2008	01/15/2049
52108H 3F 9	LBUBS 2005-C2 A4			2	1FM	6,119,909	100.985	6,398,126	6,335,719	6,335,719		(496)			4.998	5.670	MON	26,388	316,659	06/01/2006	04/15/2030
52108H 5T 7	LBUBS 2005-C3 CBM2			2	1FM	8,154,989	97.163	8,015,044	8,249,028	8,188,743		31,826			5.367	5.760	MON	24,599	448,924	12/07/2012	05/15/2020
52108H 5U 4	LBUBS 2005-C3 CBM3			2	1FM	7,237,200	95.747	7,085,300	7,400,000	7,269,562		31,380			5.753	6.760	MON	23,652	431,642	12/07/2012	11/15/2020
52108H DP 6	LBUBS 2001-C2 H			2	1FM	1,485,488	100.250	1,555,302	1,551,423	1,499,753		116,803			6.366	8.160	MON	5,487	65,842	06/13/2012	09/15/2034
52108H Q7 2	LBUBS 2004-C7 H			2	1FM	1,365,000	101.967	1,529,511	1,500,000	1,425,590		43,304			5.416	9.650	MON	4,514	79,611	06/19/2012	10/15/2036
52108H TN 4	LBUBS 2003-C5 K			2	1FM	2,167,181	99.684	2,203,030	2,210,000	2,199,487		26,080			5.250	6.030	MON	6,446	116,994	10/09/2012	04/15/2037
52108H V5 0	LBUBS 2004-C8 F			2	1FM	1,900,845	97.682	2,335,598	2,391,000	2,212,685		136,845			5.005	13.290	MON	6,648	119,670	09/06/2011	12/15/2039
52108M DF 7	LBUBS 2006-C1 A3			2	1FM	30,644,168	102.255	31,242,504	30,553,463	30,553,463					5.207	5.130	MON	88,384	1,590,919	12/19/2006	02/15/2031
52108M FU 2	LBUBS 2006-C3 AM			2	1FM	19,461,719	107.608	21,521,720	20,000,000	19,823,297		69,903			5.712	6.120	MON	63,467	1,142,400	02/01/2008	03/15/2039
55312V AH 1	MLCFC 2006-4 AM			2	1FM	14,635,559	109.198	20,037,998	18,350,000	16,792,658		452,206			5.204	8.490	MON	79,578	954,544	03/12/2008	12/12/2049
55312Y AE 2	MLCFC 2007-5 A4			2	1FM	18,957,344	108.899	21,779,960	20,000,000	19,584,432		114,859			5.378	6.080	MON	89,633	1,075,523	08/10/2007	08/12/2048
589929 PW 2	MLMI 1998-C1 C			2	1FM	5,260,938	107.472	5,373,605	5,000,000	5,180,202		(42,703)			6.750	5.670	MON	28,125	337,500	12/22/2011	11/15/2026
589929 PX 0	MLMI 1998-C1 D			2	1FM	14,250,000	105.294	15,794,205	15,000,000	14,421,286		83,371			6.750	7.590	MON	84,375	1,012,500	10/24/2011	11/15/2026
589929 SR 0	MLMI 1998-C3 F			2	1FM	2,900,238	105.731	3,097,451	2,929,533	2,910,069		34,877			6.000	6.280	MON	14,648	175,772	01/04/2012	12/15/2030
59022H EZ 1	MLMT 2004-BPC1 B			2	1FM	11,446,963	101.491	13,209,145	13,015,000	12,136,261		362,099			4.952	10.150	MON	53,709	644,503	10/12/2011	10/12/2041
59022H HQ 8	MLMT 2005-MCP1 D			2	1FM	4,437,500	99.041	4,952,055	5,000,000	4,612,543		131,391			5.023	8.760	MON	20,929	251,150	07/13/2012	06/12/2043
60687U AG 2	MLCFC 2006-2 AM			2	1FM	7,266,563	110.009	8,800,768	8,000,000	7,724,629		94,221			5.916	7.380	MON	39,442	478,326	02/22/2008	06/12/2046
617451 AK 5	MSC 2005-IQ10 B			2	1FM	5,835,000	102.171	6,130,314	6,000,000	5,858,908		20,295			5.445	6.270	MON	27,229	321,062	10/03/2012	09/15/2042
617451 AL 3	MSC 2005-IQ10 C			2	1FM	7,892,731	94.978	8,169,066	8,601,000	8,069,159		46,701			5.494	7.250	MON	39,379	461,790	03/27/2012	09/15/2042
617451 BU 2	MSC 2005-HQ7 C			2	4FM	4,775,000	98.875	4,943,770	5,000,000	4,832,132		52,554			5.380	6.830	MON	22,418	263,945	11/20/2012	11/14/2042
617451 FM 6	MSC 2006-HQ8 AM			2	1FM	17,967,188	107.718	21,543,720	20,000,000	19,338,408		277,849			5.435	7.100	MON	90,590	1,108,273	02/08/2008	03/12/2044
61745M 2K 8	MSC 2005-IQ9 C			2	1FM	2,619,375	105.064	3,151,926	3,000,000	2,727,678		58,663			4.910	7.790	MON	12,275	147,300	01/13/2012	07/15/2056
61745M 2M 4	MSC 2005-IQ9 E			2	1FM	8,974,205	100.840	10,403,745	10,317,000	9,223,288		177,122			5.110	8.080	MON	43,933	527,199	07/24/2012	07/15/2056
61745M 3F 8	MSC 2005-HQ5 A4			2	1FM	21,846,140	102.452	21,861,402	21,338,002	21,350,849		(71,682)			5.168	4.810	MON	91,896	1,102,748	09/22/2005	01/14/2042
61745M 6G 3	MSC 2005-HQ6 A4A			2	1FM	19,769,531	104.498	20,899,600	20,000,000	19,933,325		24,698			4.989	5.120	MON	83,150	997,800	11/04/2005	08/13/2042
61745M W7 4	MSC 2005-T17 B			2	1FM	4,999,395	97.564	5,789,466	5,934,000	5,382,740		211,373			4.880	8.900	MON	24,132	289,579	10/11/2011	12/13/2041
61746W AJ 9	MSDWC 2000-LIFE H			2	1FM	1,115,239	100.160	1,151,578	1,149,730	1,142,408		12,763			6.500	7.250	MON	6,225	74,701	02/27/2012	11/15/2036
61750C AG 2	MSC 2006-HQ9 AM			2	1FM	8,485,059	109.118	10,366,277	9,500,000	9,113,914		127,848			5.773	7.460	MON	45,703	548,435	02/22/2008	07/12/2044
61750W AX 1	MSC 2006-IQ12 A4			2	1FM	3,693,102	109.134	5,301,061	4,857,348	4,340,020		155,819			5.332	9.630	MON	21,583	258,994	11/07/2008	12/15/2043
817521 AA 5	RRT 2012-1A	@		2	1AM	79,706,959	81.250	94,371,875	116,150,000	85,916,154		5,908,880				7.140	N/A			12/11/2012	09/25/2018
817521 AE 7	RRT 2012-1 2A	@		2	1AM	41,987,247	68.250	58,865,625	86,250,000	45,659,528		3,495,421				7.990	N/A			12/11/2012	12/01/2021
81753L AA 0	RRT 2013-1 A	@		2	1AM	33,191,900	53.250	35,615,134	66,882,880	34,422,334		1,230,434				7.140	N/A			06/24/2013	06/25/2046
81753L AE 2	RRT 2013-1 C	@		2	1AM	3,456,742	43.000	3,758,307	8,740,248	3,624,673		167,931				9.310	N/A			06/24/2013	06/25/2046
929766 4Q 3	WBCMT 2005-C20 A7			2	1FM	9,219,186	105.381	9,914,003	9,407,708	9,357,620		23,764			5.118	5.350	MON	40,124	481,487	11/03/2005	07/15/2042
929766 4X 8	WBCMT 2005-C20 D			2	1FM	7,000,000	93.035	9,303,560	10,000,000	7,637,214		510,149			5.261	20.480	MON	43,845	533,578	06/05/2012	07/15/2042
929766 7N 7	WBCMT 2005-C21 D			2	1FM	9,850,990	102.708	10,659,078	10,378,000	10,062,293		131,709			5.204	6.890	MON	45,011	551,325	04/05/2012	10/15/2044

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date
929766 C3 5	WBCMT 2005-C17 A4			2	1FM	10,115,625	103.383	10,338,370	10,000,000	10,000,000		(14,983)			5.083	4.900	MON	42,358	508,300	09/16/2005	03/15/2042
929766 KS 1	WBCMT 2003-C7 G			2	1FM	2,935,732	86.437	2,593,110	3,000,000	2,975,321		9,776			5.385	5.510	MON	13,464	150,605	10/16/2003	10/15/2035
929766 NY 5	WBCMT 2004-C10 H			2	1FM	4,193,961	100.023	4,239,992	4,239,000	4,212,545		17,364			5.726	6.380	MON	20,227	236,936	11/16/2012	02/15/2041
929766 NZ 2	WBCMT 2004-C10 J			2	1FM	1,575,025	99.666	2,501,629	2,510,000	1,927,421		318,431			5.007	48.620	MON	10,473	125,676	10/27/2011	02/15/2041
929766 TM 5	WBCMT 2004-C12 A4			2	1FM	6,492,379	100.886	6,281,282	6,226,069	6,226,069		(32,000)			5.231	4.650	MON	27,143	343,615	05/26/2005	07/15/2041
929766 TV 5	WBCMT 2004-C14 G			2	1FM	1,692,750	101.366	1,875,280	1,850,000	1,753,238		37,298			5.650	10.400	MON	8,710	105,892	03/05/2012	08/15/2041
929766 WK 5	WBCMT 2004-C15 A3			2	1FM	1,875,855	100.789	1,905,631	1,890,700	1,887,007		7,254			4.502	4.600	MON	7,093	85,119	05/18/2005	10/15/2041
929766 WU 3	WBCMT 2004-C15 F			2	1FM	1,418,438	96.978	1,454,675	1,500,000	1,462,446		30,149			5.297	8.210	MON	6,621	79,455	06/19/2012	10/15/2041
929766 WV 1	WBCMT 2004-C15 G			2	1FM	2,907,923	95.107	3,322,101	3,493,000	3,112,213		159,276			5.395	14.010	MON	15,704	188,447	06/26/2012	10/15/2041
92976B AA 0	WBCMT 2005-C21 E			2	1FM	2,898,000	99.970	3,219,063	3,220,000	3,028,053		80,884			5.204	8.690	MON	13,966	171,061	03/28/2012	10/15/2044
94988D AG 5	WFRR 2013-FRR1 A706	@		2	1Z	32,080,386	71.674	32,080,386	44,758,481	32,317,950		237,564				6.650	N/A	50		11/12/2013	12/27/2043
94988D AU 4	WFRR 2013-FRR1 AK26			2	1Z	25,784,618	77.241	25,784,618	33,381,863	25,923,600		138,982			3.795	7.100	MON	211,174	105,588	11/12/2013	01/27/2045
3499999. Industrial & Miscellaneous - Commercial Mortgage-Backed Securities						1,389,708,078	XXX	1,557,434,801	1,637,725,345	1,447,132,419	0	28,295,341	0	0	XXX	XXX	XXX	5,557,675	64,290,949	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
00103X AC 7	AES IRONWOOD LLC				4	3,356,735	114.000	3,826,677	3,356,735	3,356,735					8.857	8.850	FMAN	25,601	298,105	05/12/2000	11/30/2025
02376T AA 6	AM AIRLINE 13-2 B				3FE	1,000,000	101.000	1,010,000	1,000,000	1,000,000					5.600	5.600	JJ	5,289		11/21/2013	07/15/2020
023772 AA 4	AM AIRLINE 13-1 A				1FE	500,000	96.750	483,750	500,000	500,000					4.000	4.000	JJ	9,222	6,833	03/05/2013	07/15/2025
02377U AA 2	AMERICAN AIRLINES 20				2FE	250,000	104.250	260,625	250,000	250,000					4.950	4.950	JJ	5,191		07/24/2013	01/15/2023
03235M AA 0	AMTRAK SERIES-2001				1	2,140,417	115.250	2,466,830	2,140,417	2,140,417					9.500	9.500	JD	16,945	203,340	06/13/2001	06/15/2017
04248N AA 1	ARMY HAWAII FAMILY				1FE	4,139,052	95.973	3,838,920	4,000,000	4,135,110		(3,280)			5.524	5.260	JD	9,820	220,960	08/29/2012	06/15/2050
048677 AB 4	ATLANTIC MARINE				1FE	3,642,885	90.601	3,370,875	3,720,571	3,645,595		1,648			5.343	5.490	JD	16,566	198,790	10/27/2011	12/01/2050
05524* AC 0	BA LEASING & CAPITAL CORP.: LESSOR				1	1,283,481	115.156	1,464,229	1,271,507	1,283,481					8.450	8.450	JJ	53,721	107,948	10/14/1994	01/01/2017
05524* AD 8	BA LEASING & CAPITAL CORP.: LESSOR				1	1,926,543	115.646	2,227,978	1,926,543	1,926,543					8.530	8.530	AO	41,084	162,984	10/27/1994	04/01/2017
11042A AA 2	BRITISH AIRWAYS		F		1FE	1,007,500	102.250	1,022,500	1,000,000	1,007,139		(361)			4.625	4.500	MJSD	1,413	21,455	07/18/2013	06/20/2024
126410 LN 7	CSX CORPORATION				1FE	3,985,716	105.548	4,206,844	3,985,716	3,985,716					8.375	8.370	AO	70,470	333,804	10/21/2008	10/15/2014
126650 BP 4	CVS				2FE	6,611,219	110.011	7,490,367	6,808,743	6,641,238		13,080			6.036	6.370	MON	23,974	410,971	12/23/2008	12/10/2028
126650 BQ 2	CVS CORP				2FE	1,708,257	114.610	1,969,116	1,718,102	1,709,660		546			6.943	6.990	MON	6,958	119,288	12/27/2007	01/10/2030
126650 BY 5	CVS PASSTHRU				2FE	955,046	108.986	1,040,867	955,046	955,046					5.926	5.920	MON	3,301	56,596	12/07/2011	01/10/2034
134011 AG 0	CAMP PENDLETON				2FE	4,979,392	94.606	4,569,470	4,830,000	4,976,609		(6,978)			5.354	5.100	AO	64,650	258,598	08/29/2012	10/01/2048
134011 AJ 4	CAMP PENDLETON				2FE	4,452,600	96.957	4,770,284	4,920,000	4,477,131		9,877			5.572	6.350	AO	68,536	274,140	07/28/2010	10/01/2050
15200W AC 9	CNP 2012-1 A3			2	1FE	19,999,858	96.178	19,235,660	20,000,000	20,000,000					3.028	3.040	AO	127,857	605,640	01/12/2012	10/15/2025
161571 BR 4	CHAIT 2007-B1 B1			2	1FE	9,814,063	98.794	9,879,450	10,000,000	9,921,024		76,700			0.416	1.470	MON	1,967	44,718	03/02/2012	04/15/2019
210795 QA 1	CONTINENTAL AIRLINES				3FE	1,943,342	104.500	1,984,086	1,898,647	1,935,445		(5,189)			6.250	5.720	AO	26,370	118,714	09/14/2012	04/11/2020
210795 QC 7	CONTINENTAL AIRLINES				2FE	3,632,500	103.000	3,605,000	3,500,000	3,614,139		(13,964)			5.500	4.710	AO	33,153	174,931	05/02/2013	10/29/2020
21079R AA 0	CONTINENTAL AIRLINES				3FE	687,702	105.120	679,589	646,489	686,967		(834)			6.903	6.200	AO	8,925	44,627	10/02/2012	04/19/2022
21079V AB 9	CONTINENTAL AIRLINES				3FE	2,427,917	101.000	2,381,381	2,357,803	2,421,755		(18,945)			6.000	4.810	JJ	66,411	141,468	12/11/2012	01/12/2019
210805 DK 0	CONTINENTAL AIRLINES				3FE	474,780	106.750	474,780	444,759	464,089		(9,188)			7.373	5.010	JD	1,457	32,792	10/24/2012	12/15/2015
22536# AA 1	KINDER MORGAN ENERGY PTNR LP				2	9,831,941	85.588	8,414,969	9,831,846	9,831,941					3.967	3.960	MON	22,752	370,112	12/10/2012	12/10/2035
247367 AX 3	DELTA AIR 2002 1G				2FE	3,211,871	111.000	3,230,058	2,909,962	3,188,787		(36,602)			6.718	4.820	JJ	97,203	195,491	10/09/2012	01/02/2023
247367 BH 7	DELTA AIR 2007 1A				2FE	5,093,125	112.750	5,110,184	4,532,314	5,040,952		(80,363)			6.821	3.950	FA	121,083	309,150	02/01/2013	08/10/2022
247367 BJ 3	DELTA AIR 2007 1B				3FE	989,275	112.500	989,275	879,356	989,275		(5,203)			8.021	5.220	FA	27,625	35,267	05/02/2013	08/10/2022
247817 AA 7	DELTA AIR 2010-B				3FE	689,000	106.750	693,875	650,000	676,961		(12,040)			6.750	4.440	MN	4,631	43,875	02/01/2013	11/23/2015

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
268617 AC 1	EMAC 1998-1 A3			2	6*	1,857,444	74.625	1,742,890	2,335,531	1,742,890	250,441				6.630	9.600	MON	6,882	146,793	06/14/2007	01/15/2025
268617 BJ 5	EMAC 2000-1 A2			2	3AM	2,052,692	72.731	1,942,916	2,671,354	2,058,804					7.458	4.150	MON	15,811	236,503	08/29/2007	01/15/2027
302471 CA 3	FMACT 1998-BA A2			2	5*	103,102	91.518	114,959	125,614	100,972					6.740	17.740	MON	693	6,795	10/03/2005	09/15/2027
313305 AA 2	FEDEX CORP 2012 PASS TST				2FE	1,238,924	101.000	1,251,314	1,238,924	1,238,924					2.625	2.620	JJ	14,996	32,522	01/20/2012	01/15/2018
31331F AB 7	FEDERAL EXPRESS				1FE	1,248,910	103.000	1,286,378	1,248,910	1,248,910					8.760	8.760	MN	11,852	109,405	02/04/1993	05/22/2015
33903* DC 0	TEXACO OVERSEAS TANKSHIPS LTD				1	3,660,280	111.728	4,089,591	3,660,280	3,660,280					7.170	7.170	JJ	130,492	262,442	12/19/1996	01/02/2018
36159J CZ 2	GEMNT 2012-3 B			2	1FE	17,704,918	99.364	17,592,421	17,704,918	17,704,918					1.166	2.010	MON	9,754	213,436	04/11/2012	03/15/2017
36186X AD 9	GMACN 2012 BLIS A				1FE	7,500,000	86.502	6,487,716	7,500,000	7,500,000					5.174	5.170	MON	22,636	408,530	11/26/2012	07/10/2050
36298G AA 7	GSPA MONETIZATION TRUST				1FE	6,777,771	98.200	6,525,266	6,644,873	6,757,153		(8,338)			6.422	6.180	MON	26,078	426,734	09/29/2010	10/09/2029
36312K AA 0	GENERAL ELECTRIC COMPANY				1	3,278,796	100.000	3,207,840	3,207,840	3,210,514		(9,579)			7.010	6.690	MON	12,493	227,993	03/23/2001	04/11/2014
393505 JM 5	GT 1995-7 B1			2	4FE	6,067,807	106.739	6,750,173	6,323,969	6,323,969					7.350	5.040	MON	20,658	464,812	08/06/2004	10/15/2026
393505 MR 0	GT 1996-4 M1			2	6FE	9,775,501	96.593	9,715,862	10,058,505	9,715,862	193,300	(54,100)			7.750	7.510	MON	34,646	779,534	05/11/2004	06/15/2027
393505 NC 2	GT 1996-5 M1			2	5FE	6,895,790	98.853	6,971,980	7,052,848	6,732,440		(69,488)			8.050	8.000	MON	25,234	567,754	07/29/2004	07/15/2027
52465# AA 3	LEGG MASON MTG CAP CORP				5	194,926	91.018	362,079	397,808	298,289		28,308			7.300	19.740	MON	1,694	29,041	01/11/2001	03/10/2019
52465# AZ 8	LEGG MASON MTG CAP CORP				1	3,275,056	116.147	3,803,794	3,274,962	3,275,056					7.560	7.560	MON	15,818	189,475	06/15/2001	06/10/2021
59524E AB 8	MIDATLANTIC MILITARY CO				1FE	8,199,314	86.925	8,533,793	9,817,421	8,241,465		30,952			5.240	6.630	FA	214,347	514,433	09/15/2011	08/01/2050
605275 EH 5	MISSISSIPPI BUSINESS FINANCE CORP				2	3,820,000	106.845	4,081,479	3,820,000	3,820,000					8.370	8.370	MS	94,144	319,734	09/15/1994	09/15/2019
61911B AA 3	MECA 2010-1A A				1FE	6,400,676	95.000	6,189,933	6,515,719	6,515,719					4.000	4.000	MON	21,719	286,969	08/03/2010	07/25/2060
63860# AA 1	POTOMAC ELECTRIC POWER CO				2	2,292,485	121.880	2,794,083	2,292,485	2,292,485					8.880	8.880	JD	5,655	203,573	11/16/1994	12/21/2019
667294 BE 1	NORTHWEST AIR 07-1				2FE	2,698,253	111.000	2,789,205	2,512,797	2,793,131		86,157			7.027	4.700	MN	29,429	141,439	11/19/2013	11/01/2019
667294 BF 8	NORTHWEST AIR 07				3FE	209,569	108.250	216,830	200,305	208,248		(2,001)			8.028	6.690	MN	2,680	16,080	11/19/2012	11/01/2017
677071 AC 6	OHANA MILITARY COMM				1FE	2,786,274	97.036	2,886,821	2,975,000	2,793,263		1,949			6.190	6.660	AO	46,038	184,242	07/06/2011	04/01/2049
677071 AG 7	OHANA MILITARY COMM LLC				1FE	4,351,391	101.186	5,489,341	5,425,000	4,444,235		24,350			5.780	7.630	AO	78,391	313,565	04/28/2010	10/01/2036
677071 AM 4	OHANA MILITARY COMM				1FE	3,164,758	104.093	3,669,598	3,525,307	3,247,923		31,938			5.462	6.960	AO	48,138	192,553	01/06/2011	10/01/2026
71880* AD 8	PHL FUNDING CO			1	1	196,835	100.000	224,875	224,875	217,932		8,869			9.250	10.640	JAJO	4,102	20,801	01/29/1988	07/20/2016
72650T AA 6	PLAINS END FINANCING LLC				3FE	4,109,108	92.000	3,989,847	4,336,790	4,171,211		16,066			6.010	6.660	JAJO	55,024	282,548	01/04/2008	04/15/2028
73019# AA 0	PNC EQUIPMENT FINANCE LLC				1	1,211,389	98.143	1,188,899	1,211,389	1,211,389					3.000	3.000	MS	10,903	35,896	07/12/2012	09/13/2027
73019# AB 8	PNC EQUIPMENT FINANCE LLC				1	1,256,983	98.143	1,233,647	1,256,983	1,256,983					3.000	3.000	MS	11,313	37,248	07/13/2012	09/13/2027
73019# AC 6	PNC EQUIPMENT FINANCE LLC				1	1,148,219	98.143	1,126,902	1,148,219	1,148,219					3.000	3.000	MS	10,334	34,024	07/12/2012	09/13/2027
74955D AA 9	AEP GENERATING				2FE	6,075,771	118.183	6,717,079	5,683,625	5,809,190		(26,791)			9.810	9.100	JD	37,379	557,766	09/09/1991	12/07/2022
74955D AB 7	AEP GENERATING				2FE	3,186,614	121.877	3,629,579	2,978,067	3,100,689		(27,023)			9.820	9.130	JD	19,496	292,838	01/01/1994	12/07/2022
74955E AA 7	INDIANA MICHIGAN POWER				2FE	8,134,519	118.183	9,235,453	7,814,536	8,002,630		(16,721)			9.810	9.400	JD	51,371	766,928	09/09/1991	12/07/2022
767759 AB 9	RAID 1999-1 I A2			2	4FE	1,627,500	98.250	2,947,500	3,000,000	2,104,526		72,471			6.795	13.380	MON	16,990	203,774	01/31/2001	01/02/2021
80629Q AA 3	SCHAHIN II FINANCE		F		2FE	2,874,000	95.500	2,744,670	2,874,000	2,874,000					5.875	5.870	MS	45,026	171,193	03/21/2012	09/25/2022
85172B AA 6	SLFT 2013-AA A			2	1FE	3,991,250	99.854	3,994,180	4,000,000	3,991,250					2.580	2.730	MON	4,587	60,200	05/30/2013	09/15/2021
85172E AA 0	SLFT 2013-BA A			2	1FE	2,995,376	101.500	3,045,000	3,000,000	2,996,255		878			3.920	4.030	MON	5,227	57,493	06/14/2013	01/16/2023
86212U AB 2	STR 2013-1A A2			2	1FE	1,976,324	96.692	1,911,607	1,976,992	1,976,728		365			4.650	4.750	MON	2,809	67,160	03/20/2013	03/20/2043
90272* AA 0	UNITED HEALTHCARE SERVICES				1	3,954,180	88.974	3,518,195	3,954,161	3,954,180					3.500	3.500	MON	5,382	78,831	05/03/2013	05/17/2033
90345W AA 2	LCC 5.9 10/01/24				1FE	1,516,814	109.000	1,518,014	1,392,674	1,506,650		(15,265)			5.900	4.490	AO	20,542	82,168	10/24/2012	10/01/2024
90345W AD 6	US AIR 2012-2A				1FE	3,563,166	101.500	3,590,883	3,537,816	3,561,199		(2,048)			4.625	4.510	JD	12,726	159,079	03/20/2013	06/03/2025
90345W AE 4	US AIR 2012-2B				3FE	1,075,784	106.250	1,058,352	996,096	1,070,939		(5,140)			6.750	5.500	JD	5,230	65,369	05/21/2013	06/03/2021
90346W AB 9	US AIR 2013-1B				3FE	977,500	98.500	985,000	1,000,000	977,887		387			5.375	5.790	MN	6,868	30,010	11/07/2013	11/15/2021

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date
90783W AA 1	UNION PACIFIC CORP		..		..1FE	1,599,727	115.143	1,841,973	1,599,727	1,599,727					5.866	5.860	JJ	46,659	93,840	07/20/2006	07/02/2030
909287 AA 2	UAL 2007 TRUST		..		..3FE	757,387	106.000	759,178	716,206	754,675		(4,960)			6.636	5.410	JJ	23,632	47,527	10/02/2012	07/02/2022
91474@ AA 2	UNIVERSITY OF MICHIGAN		..		1	7,000,000	85.797	6,005,853	7,000,000	7,000,000					3.530	3.530	MON	10,982	236,975	11/06/2012	06/15/2039
917435 AA 7	UT MILITARY-TXB-BOYER		..		..1FE	3,882,697	90.429	3,558,015	3,934,595	3,884,909		1,345			5.392	5.570	JJ	108,434	212,153	10/20/2011	07/01/2050
95829T AA 3	WESTERN GROUP		..		..1FE	2,000,000	107.017	2,140,340	2,000,000	2,000,000					6.750	6.750	MS	39,750	135,000	03/06/2012	03/15/2057
G0014F AB 9	AABS 2013-1 A		..	2	..1FE	2,872,188	94.250	2,680,234	2,843,750	2,843,750		(28,438)			4.875	4.875	MON	17,778	92,085	01/25/2013	01/15/2038
380881 BP 6	GCCT 2012-3A A		A	2	..1FE	15,000,000	100.244	15,036,602	15,000,000	15,000,000					0.608	0.700	MON	4,357	97,411	07/18/2012	07/17/2017
493739 AM 8	KIAWAH ISSUER TRUST	@	A		1	1,000,727	45.655	2,282,750	5,000,000	2,211,896		102,636				4.830	N/A			01/17/2003	12/31/2020
34988W AL 8	FOSSM 2012-1A 2A2		F	2	..1FE	9,345,612	101.199	9,457,722	9,345,612	9,345,612					1.636	3.510	JAJO	31,610	160,395	05/16/2012	10/18/2025
34988W AS 3	FOSSM 2012-1A 2B1		F	2	..1FE	10,000,000	101.507	10,150,740	10,000,000	10,000,000					2.186	5.290	JAJO	45,124	227,390	05/16/2012	10/18/2054
38406C AT 0	GMFM 2011-1A 2A1		F	2	..1FE	12,369,183	101.165	12,407,010	12,264,061	12,264,061					1.787	2.630	FMAN	25,574	237,080	04/26/2012	11/20/2056
43641N BU 7	HMI 2012-3A B1		F	2	..1FE	15,000,000	103.299	15,494,850	15,000,000	15,000,000					2.660	5.490	JAJO	84,233	379,810	05/30/2012	10/15/2054
48206P AA 3	JUPITER ISSUER TRUST	@	F		2	7,612,902	57.056	11,411,200	20,000,000	8,319,006		537,812				7.990	N/A			06/17/1999	07/24/2017
48206P AC 9	JUPITER ISSUER TRUST	@	F		2	2,250,725	54.288	8,686,080	16,000,000	7,880,751		200,568				3.150	N/A			06/17/1999	09/29/2017
48206P AE 5	JUPITER ISSUER TRUST	@	F		2	2,251,061	50.907	8,145,120	16,000,000	7,788,493		184,408				3.200	N/A			06/17/1999	11/30/2017
493739 AC 0	KIAWAH ISSUER TRUST	@	F		1	1,499,801	45.166	3,224,852	7,140,000	3,207,432		110,462				3.770	N/A			01/17/2003	10/30/2020
493739 AE 6	KIAWAH ISSUER TRUST	@	F		3	302,403	42.348	423,480	1,000,000	329,129		19,254				6.720	N/A			01/17/2003	11/30/2020
493739 AG 1	KIAWAH ISSUER TRUST	@	F		2	1,034,469	43.129	2,156,450	5,000,000	2,176,231		64,660				3.340	N/A			01/17/2003	03/31/2021
493739 AH 9	KIAWAH ISSUER TRUST	@	F		2	1,307,152	42.908	1,823,590	4,250,000	1,423,462		84,466				6.890	N/A			01/17/2003	11/27/2020
493739 AJ 5	KIAWAH ISSUER TRUST	@	F		1	2,277,460	71.241	5,343,075	7,500,000	4,616,378		300,276				7.090	N/A			01/17/2003	12/31/2020
493739 AK 2	KIAWAH ISSUER TRUST	@	F		1	862,791	47.594	2,379,700	5,000,000	1,974,545		90,437				5.570	N/A			01/17/2003	10/30/2020
493739 AN 6	KIAWAH ISSUER TRUST	@	F		2	2,425,890	41.746	4,905,155	11,750,000	5,125,611		147,138				3.410	N/A			01/17/2003	11/30/2020
493739 AR 7	KIAWAH ISSUER TRUST	@	F		1	1,463,762	44.816	3,137,120	7,000,000	3,211,178		91,877				3.050	N/A			01/17/2003	03/31/2020
513770 AW 7	LAN 2012-2A 1A		F	2	..1FE	23,789,795	101.522	24,152,066	23,789,795	23,789,795					1.636	1.640	FMAN	42,179	405,032	07/20/2012	12/22/2054
653358 BN 0	NIAGARA COUNT IND. DEVL. AUTH		F		2	1,371,661	100.000	1,369,831	1,369,831	1,371,661					8.650	8.650	MON	20,830	136,313	06/21/1994	11/06/2014
67576G AA 5	ODBRCHT OFFSHORE DRILL FIN		F		..2FE	1,969,082	102.350	2,015,476	1,969,200	1,969,083		3			6.750	6.750	JAJO	33,500	42,461	07/26/2013	10/01/2022
69913D AD 4	PARGN 13A A2C		F	2	..1FE	13,356,653	89.070	15,239,657	17,109,657	13,541,024		204,214			0.455	2.370	JAJO	16,871	82,933	03/15/2012	01/15/2039
786354 AA 8	SAEC 11A A1A		F	2	..1FE	23,212,846	101.309	23,492,009	23,188,266	23,188,266					1.786	4.640	JAJO	72,469	433,609	05/01/2012	07/30/2092
787048 AC 1	SAGUARO ISSUER TRUST	@	F		2	2,483,454	49.988	3,769,095	7,540,000	2,718,400		174,131				7.660	N/A			05/03/1999	08/30/2019
787048 AD 9	SAGUARO ISSUER TRUST	@	F		2	744,459	49.047	3,129,199	6,380,000	2,715,989		111,725				4.080	N/A			05/03/1999	05/31/2019
787048 AF 4	SAGUARO ISSUER TRUST	@	F		2	3,694,782	50.389	5,845,124	11,600,000	4,043,010		252,249				7.240	N/A			05/03/1999	06/27/2019
787048 AG 2	SAGUARO ISSUER TRUST	@	F		2	3,809,451	51.040	5,920,640	11,600,000	4,145,027		244,207				6.860	N/A			05/03/1999	05/31/2019
787048 AM 9	SAGUARO ISSUER TRUST	@	F		2	5,531,498	46.794	9,227,777	19,720,000	6,127,476		451,587				9.120	N/A			05/03/1999	08/30/2019
82846G AG 5	SMI 2012-1A 1A		F	2	..1FE	6,005,600	101.483	6,088,998	6,000,000	6,002,261		(3,339)			1.814	2.650	JAJO	21,776	111,676	04/04/2012	01/21/2055
82846G AH 3	SMI 2012-1A 2A1		F	2	..1FE	19,888,650	103.681	20,477,156	19,750,000	19,888,650					1.914	2.540	JAJO	75,631	387,569	04/10/2012	01/21/2055
85746* BG 4	STATE STREET BK & TRUST CO		F		1	193,158	100.000	193,158	193,158	193,158					6.570	6.570	JJ	6,345	12,620	01/31/1996	01/01/2014
85746* BJ 8	STATE STREET BK & TRUST CO		F		1	252,117	100.000	252,117	252,117	252,117					6.570	6.570	JJ	8,282	16,637	01/31/1996	01/01/2014
3599999.	Industrial & Miscellaneous - Other Loan-Backed and Structured Securities					466,579,329	XXX	516,476,975	596,757,124	494,521,825	443,741	3,311,818	0	0	XXX	XXX	XXX	2,913,778	17,616,796	XXX	XXX
3899999.	Total - Industrial & Miscellaneous (Unaffiliated)					5,642,732,879	XXX	6,070,768,184	6,043,987,704	5,734,370,216	376,241	34,341,480	585,000	1,763,322	XXX	XXX	XXX	60,363,060	267,129,613	XXX	XXX
Hybrid Securities - Other Loan-Backed and Structured Securities																					
20035A AA 2	COMED FIN III		..		.4AM	4,324,640	97.000	3,880,000	4,000,000	4,270,593		(7,558)			6.350	5.760	MS	74,789	254,000	01/31/2005	

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
ZZ2064 24 9	WESTPAC BANKING		F	1	1FE	1,515,000	60.564	1,816,947	3,000,000	1,558,715		(1,322)			0.517	2.580	MS	3,924	22,223	12/05/2008	
4599999. Hybrid Securities - Other Loan-Backed and Structured Securities						5,839,640	XXX	5,696,947	7,000,000	5,829,308	0	(8,880)	0	0	XXX	XXX	XXX	78,713	276,223	XXX	XXX
4899999. Total - Hybrid Securities						5,839,640	XXX	5,696,947	7,000,000	5,829,308	0	(8,880)	0	0	XXX	XXX	XXX	78,713	276,223	XXX	XXX
Totals																					
7799999. Total - Issuer Obligations						4,745,818,251	XXX	5,011,476,723	4,747,648,972	4,755,026,278	(67,500)	1,481,819	585,000	1,763,322	XXX	XXX	XXX	67,516,092	236,685,515	XXX	XXX
7899999. Total - Residential Mortgage-Backed Securities						473,905,927	XXX	458,152,207	486,377,522	450,835,948	0	1,769,337	0	0	XXX	XXX	XXX	1,374,898	16,392,749	XXX	XXX
7999999. Total - Commercial Mortgage-Backed Securities						1,389,708,078	XXX	1,557,434,801	1,637,725,345	1,447,132,419	0	28,295,341	0	0	XXX	XXX	XXX	5,557,675	64,290,949	XXX	XXX
8099999. Total - Other Loan-Backed and Structured Securities						562,625,903	XXX	612,576,101	692,115,163	590,121,018	443,741	3,026,169	0	0	XXX	XXX	XXX	3,548,188	21,088,660	XXX	XXX
8399999. Grand Total - Bonds						7,172,058,159	XXX	7,639,639,832	7,563,867,002	7,243,115,663	376,241	34,572,666	585,000	1,763,322	XXX	XXX	XXX	77,996,853	338,457,873	XXX	XXX

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Par Value Per Share	Rate Per Share	Book/ Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Desig-nation	Date Acquired
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																				
001190 20 6	NICHOLAS-APPLE CVT & INC			5.000	25,000.00		125,000	#########	124,108	125,000							0		RP1UFE	10/07/2008
001190 30 5	NICHOLAS-APPLE CVT & INC			11.000	25,000.00		275,000	#########	273,037	275,000		2,643					0		RP1UFE	10/08/2008
001190 40 4	NICHOLAS-APPLE CVT & INC			1.000	25,000.00		25,000	#########	24,822	25,000							0		RP1UFE	10/02/2008
001190 50 3	NICHOLAS-APPLE CVT & INC			2.000	25,000.00		50,000	#########	49,643	50,000							0		RP1UFE	10/03/2008
001190 60 2	NICHOLAS-APPLE CVT & INC			2.000	25,000.00		50,000	#########	49,643	50,000							0		RP1UFE	09/01/2010
001191 20 4	NICHOLAS-APP CVT INC II			2.000	25,000.00		50,000	#########	49,643	50,000							0		RP1UFE	10/07/2008
001191 30 3	NICHOLAS-APP CVT INC II			3.000	25,000.00		75,000	#########	74,465	75,000							0		RP1UFE	10/08/2008
001191 40 2	NICHOLAS-APP CVT INC II			1.000	25,000.00		25,000	#########	24,822	25,000							0		RP1UFE	10/02/2008
001191 50 1	NICHOLAS-APP CVT INC II			2.000	25,000.00		50,000	#########	49,643	50,000							0		RP1UFE	10/03/2008
001191 60 0	NICHOLAS-APP CVT INC II			1.000	25,000.00		25,000	#########	24,822	25,000							0		RP1UFE	10/06/2008
01864V 40 1	ALLIANCEBERNSTEIN NATL			6.000	25,000.00		150,000	#########	148,929	150,000							0		RP1UFE	10/02/2008
02005N 60 5	ALLY FINANCIAL INC			800.000			764,075	955.094	764,075	800,000		56,000		(21,650)			(21,650)		RP5UFE	12/31/2008
24823A 20 1	DENALI FUND/THE			1.000	25,000.00		25,000	#########	24,822	25,000							0		RP1UFE	10/02/2008
27828Q 30 3	EATON VANCE SR FLOATING			2.000	25,000.00		50,000	#########	49,643	50,000							0		RP1UFE	10/07/2008
33765A 20 2	FIRSTAR REALTY			18,000.000			19,086,414	1,196.560	21,538,134	19,086,414		1,597,500					0		RP1UFE	05/23/2001
36240A 30 9	GABELLI UTILITY TRUST			1.000	25,000.00		25,000	#########	24,822	25,000							0		RP1UFE	10/08/2008
72200T 30 1	PIMCO NEW YORK MUNI FUND			3.000	25,000.00		75,000	#########	74,465	75,000							0		RP1UFE	10/08/2008
72200U 50 6	PIMCO CORP INCOME FUND			1.000	25,000.00		25,000	#########	24,822	25,000							0		RP1UFE	10/03/2008
72201B 30 9	PIMCO CORP OPPORTUNITY			1.000	25,000.00		25,000	#########	24,822	25,000							0		RP1UFE	10/08/2008
72201E 20 4	PIMCO NY MUNI INC FD III			3.000	25,000.00		75,000	#########	74,465	75,000							0		RP1UFE	10/07/2008
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)						21,050,489	XXX	23,493,647	21,086,414	0	1,656,143	0	(21,650)	0	0	(21,650)	0	XXX	XXX
8999999.	Total - Preferred Stocks						21,050,489	XXX	23,493,647	21,086,414	0	1,656,143	0	(21,650)	0	0	(21,650)	0	XXX	XXX

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/ Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																	
035710 40 9	ANNALY CAPITAL MANAGEMENT INC			136,000.000	1,355,920	9.970	1,355,920	1,966,098		224,400		(553,520)		(553,520)		L	12/20/2012
827655 30 9	SILVER DINER			52.000										0		U	09/30/2013
834628 10 9	SOMERSET CAYUGA HLDG CO INC			34,310.000	960,000	27.980	960,000	960,000						0		U	06/29/2012
TDH333 33 9	TDH3 HOLDINGS, INC			50.000	11,112	222.240	11,112	11,112						0		U	09/02/2013
9099999.	Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)				2,327,032	XXX	2,327,032	2,937,210	0	224,400	0	(553,520)	0	(553,520)	0	XXX	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																	
44065# 10 6	HORNOR TOWNSEND AND KENT INC			1,000.000	10,752,004	10,752.004	10,752,004	27,675,446				(1,492,586)		(1,492,586)		U	12/01/2005
45341* 10 3	IND CAP - MANAGEMENT INC			10,000.000	799,168	79.907	799,168	505,790		7,000,000		166,337		166,337		U	07/13/1989
707432 10 0	PENN INS & ANNUITY CO			1,000.000	310,741,514	310,741.514	310,741,514	292,161,695				81,447,266		81,447,266		U	06/30/1981
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates				322,292,686	XXX	322,292,686	320,342,931	0	7,000,000	0	80,121,017	0	80,121,017	0	XXX	XXX
9799999.	Total - Common Stock				324,619,718	XXX	324,619,718	323,280,141	0	7,224,400	0	79,567,497	0	79,567,497	0	XXX	XXX
9899999.	Total Common and Preferred Stock				345,670,207	XXX	348,113,365	344,366,555	0	8,880,543	0	79,545,847	0	79,545,847	0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....6, the total $ value (included in Column 8) of all such issues $.....323,263,798.

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Government								
38378B 2W 8	GNR 2012-150 Z		12/01/2013	CAPITALIZED INTEREST		365,266	365,266	
38378B 3F 4	GNR 2012-147 Z		12/01/2013	CAPITALIZED INTEREST		108,568	108,568	
38378B 3Z 0	GNR 2013-2 Z		12/01/2013	VARIOUS		4,652,977	5,143,407	12,430
38378B 7J 2	GNR 2013-33 Z		12/01/2013	VARIOUS		9,060,703	11,943,407	22,448
38378B 7X 1	GNR 2013-17 Z		12/01/2013	VARIOUS		2,745,495	3,078,777	7,010
38378B E3 9	GNR 2012-114 Z		12/01/2013	CAPITALIZED INTEREST		437,498	437,498	
38378B F5 3	GNR 2012-112 Z		12/01/2013	CAPITALIZED INTEREST		329,329	329,329	
38378B M6 3	GNR 2012-120 Z		12/01/2013	CAPITALIZED INTEREST		228,217	228,217	
38378B N5 4	GNR 2012-125 Z		12/01/2013	CAPITALIZED INTEREST		307,286	307,286	
38378B X8 7	GNR 2012-132 Z		12/01/2013	CAPITALIZED INTEREST		135,932	135,932	
912810 FD 5	TREASURY INFLATION INDEX		12/31/2013	CAPITALIZED INTEREST		1,735	1,735	
0599999.	Total - Bonds - U.S. Government					18,373,006	22,079,422	41,888
Bonds - All Other Government								
46513A F7 0	STATE OF ISRAEL	F	06/03/2013	DIRECT ISSUER		3,000,000	3,000,000	
1099999.	Total - Bonds - All Other Government					3,000,000	3,000,000	0
Bonds - U.S. States, Territories and Possessions								
79560C AL 3	SALT LAKE CITY UTAH REDEV AGY MUNICIPAL		09/18/2013	US BANCORP/PIPER JAFFRAY		1,978,600	2,000,000	
1799999.	Total - Bonds - U.S. States, Territories & Possessions					1,978,600	2,000,000	0
Bonds - U.S. Political Subdivisions of States								
122062 SE 3	BURLINGTON-A-TXBL		04/19/2013	US BANCORP/PIPER JAFFRAY		2,000,000	2,000,000	
2499999.	Total - Bonds - U.S. Political Subdivisions of States					2,000,000	2,000,000	0
Bonds - U.S. Special Revenue and Special Assessment								
052451 AP 6	AUSTIN RENTAL CAR-TXB		12/19/2013	WELLS FARGO/WACHOVIA		3,881,080	4,000,000	23,660
13124J AN 2	CALLEGUAS FING-TXB-B		01/31/2013	GOLDMAN SACHS & CO		13,968,490	11,500,000	62,825
19625A AG 7	COLONY LOCAL DEV-A		04/23/2013	VARIOUS		10,426,600	10,000,000	87,587
271014 TU 6	E BAY MUD-BABS		01/31/2013	SALOMON/CITIGROUP		8,891,472	6,840,000	71,428
3136A8 D6 4	FNR 2012-103 ZC		04/01/2013	CAPITALIZED INTEREST		177,697	177,697	
3136A9 2X 5	FNR 2012-118 ZV		04/22/2013	CAPITALIZED INTEREST		263,911	263,911	
3137AS RU 0	FHR 4099 BZ		04/01/2013	CAPITALIZED INTEREST		285,468	285,468	
46615M AT 8	JEA ENERGY SYS-A-TXBL		06/07/2013	MORGAN KEEGAN		6,830,000	6,830,000	
626207 YS 7	MUNI ELEC-BABS-TXB		01/30/2013	BARCLAYS CAPITAL		5,672,550	5,000,000	120,523
64989K GR 1	NY PWR-B		02/05/2013	WELLS FARGO/WACHOVIA		3,421,784	2,645,000	36,498
73358W JA 3	PORT AUTH-174TH		01/30/2013	SALOMON/CITIGROUP		4,862,600	5,000,000	70,585
796253 U9 1	SAN ANTONIO ELEC		01/31/2013	SALOMON/CITIGROUP		3,168,300	2,500,000	1,588
79765R SV 2	SAN FRANCISCO UTILS-B		01/31/2013	JANNEY MONTGOMERY SCOTT		605,860	500,000	7,833
837151 JB 6	SC PUB SVC AUTH-C-TXB		08/08/2013	BARCLAYS CAPITAL		5,000,000	5,000,000	
842475 F7 5	SO CA PUB PWER-BABS		12/20/2013	WELLS FARGO/WACHOVIA		1,789,667	1,655,000	47,812
84247P EP 2	STHRN CAL PUB PWR-BAB		01/31/2013	WELLS FARGO/WACHOVIA		2,381,280	2,000,000	11,184
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					71,626,759	64,197,076	541,523
Bonds - Industrial and Miscellaneous								
00037B AC 6	ABB FINANCE USA		01/04/2013	RBC/DAIN RAUSCHER		5,320,000	5,000,000	37,066
00114* AH 6	AEP TRANSMISSION COMPANY LLC		10/17/2013	PRINCIPAL		2,000,000	2,000,000	
00434N AA 3	ACMP/ACMP FIN		06/07/2013	BARCLAYS CAPITAL		980,000	1,000,000	3,656
00846U AJ 0	AGILENT TECH INC		06/18/2013	BANK OF AMERICA		1,990,880	2,000,000	
02209S AR 4	ALTRIA GROUP INC		10/28/2013	GOLDMAN SACHS & CO		4,978,700	5,000,000	
02376T AA 6	AM AIRLINE 13-2 B		11/21/2013	MORGAN STANLEY		1,000,000	1,000,000	

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
023772 AA 4	AM AIRLINE 13-1 A		03/05/2013	DEUTSCHE BANK		500,000	500,000	
02377U AA 2	AMERICAN AIRLINES 20		07/24/2013	MORGAN STANLEY		250,000	250,000	
035242 AB 2	ABIBB 4 01/17/43		01/14/2013	BANK OF AMERICA		6,966,050	7,000,000	
037833 AL 4	APPLE INC		10/23/2013	BANK OF AMERICA		2,566,110	3,000,000	56,146
038222 AG 0	APPLIED MATERIAL		06/27/2013	VARIOUS		4,603,354	4,201,000	82,709
04010L AN 3	ARES CAPITAL CORP		11/14/2013	BANK OF AMERICA		3,977,920	4,000,000	
04650N AB 0	AT&T INC		09/10/2013	GOLDMAN SACHS & CO		1,880,320	2,000,000	3,567
049560 AL 9	ATMOS ENERGY		01/08/2013	JP MORGAN CHASE		2,994,360	3,000,000	
060077 J@ 4	BANGOR HYDRO-ELECTRIC CO		10/30/2013	PRINCIPAL		7,992,000	8,000,000	99,476
071813 BG 3	BAXTER INTERNATIONAL		06/04/2013	BANK OF AMERICA		999,340	1,000,000	
071813 BL 2	BAXTER INTERNATIONAL		06/04/2013	JP MORGAN CHASE		8,971,650	9,000,000	
096821 AA 1	BHP 2013-BOCA A		09/19/2013	JP MORGAN CHASE		3,800,000	3,800,000	
110122 AX 6	BMY 4 1/2 03/01/44		10/24/2013	JP MORGAN CHASE		4,954,500	5,000,000	
11042A AA 2	BRITISH AIRWAYS	F	07/18/2013	BARCLAYS CAPITAL		1,007,500	1,000,000	2,569
115637 AL 4	BROWN - FORMAN		06/20/2013	VARIOUS		4,570,794	5,182,000	104,180
12189L AN 1	BURLINGTON NORTHERN		03/05/2013	WELLS FARGO/WACHOVIA		2,999,490	3,000,000	
12541W A@ 9	CH ROBINSON WORLDWIDE INC		08/20/2013	PRUDENTIAL BACHE SECURITIES		5,000,000	5,000,000	
131347 CA 2	CALPINE CORP		10/17/2013	SALOMON/CITIGROUP		495,965	500,000	
13466* AA 8	CAMPUSPARC LP		11/26/2013	METLIFE		2,400,000	2,400,000	
136375 BW 1	CANADIAN NATIONAL RAILWAY	A	07/10/2013	VARIOUS		3,656,503	4,300,000	20,650
136375 BZ 4	CANADIAN NATIONAL RR	A	10/29/2013	JP MORGAN CHASE		2,946,660	3,000,000	
14170T AG 6	CFN 3.3 03/01/23		06/11/2013	BARCLAYS CAPITAL		2,898,390	3,000,000	25,575
15639K AB 8	CENTRICA PLC	F	10/23/2013	VARIOUS		5,105,980	5,000,000	4,181
166764 AH 3	CHEVRON CORP		06/17/2013	BARCLAYS CAPITAL		4,000,000	4,000,000	
20030N BH 3	COMCAST CORP		01/08/2013	GOLDMAN SACHS & CO		6,941,270	7,000,000	
205887 BS 0	CONAGRA INC		01/25/2013	VARIOUS		8,765,148	8,774,000	4,375
209111 FC 2	CON EDISON NY		02/25/2013	JP MORGAN CHASE		4,965,200	5,000,000	
21017# AB 9	GLOBAL CONTAINER TERMINAL		12/09/2013	METLIFE		4,000,000	4,000,000	
21036P AL 2	CONSTELLATION BR		06/25/2013	CREDIT SUISSE/FIRST BOSTON		935,000	1,000,000	5,194
210795 QC 7	CONTINENTAL AIRLINES		05/02/2013	DEUTSCHE BANK		1,057,500	1,000,000	1,222
212015 AL 5	CONTINENTAL RES		06/24/2013	BARCLAYS CAPITAL		950,000	1,000,000	10,250
21987B AQ 1	CODELCO INC	F	06/06/2013	MORGAN STANLEY		2,872,650	3,000,000	36,000
23338V AA 4	DTE ELECTRIC CO		03/19/2013	JP MORGAN CHASE		1,990,980	2,000,000	
244199 BF 1	DEERE & CO		01/24/2013	VARIOUS		11,674,028	11,450,000	61,864
247367 BH 7	DELTA AIR 2007 1A		02/01/2013	SALOMON/CITIGROUP		801,955	709,695	23,666
247367 BJ 3	DELTA AIR 2007 1B		05/02/2013	SALOMON/CITIGROUP		1,036,099	920,977	17,852
247817 AA 7	DELTA AIR 2010-B		02/01/2013	SALOMON/CITIGROUP		689,000	650,000	8,897
250847 EK 2	DETROIT EDISON		01/14/2013	MITSUBISHI SECURITIES		3,073,140	3,000,000	10,533
25245B AA 5	DIAGEO INV CORP		02/05/2013	VARIOUS		5,550,304	5,417,000	54,475
25468P CP 9	WALT DISNEY CO		01/16/2013	WELLS FARGO/WACHOVIA		2,435,547	2,235,000	42,372
25468P CX 2	WALT DISNEY CO		01/30/2013	VARIOUS		8,278,638	8,540,000	50,575
256747 A* 7	DOLLAR TREE STORES INC		08/19/2013	PRUDENTIAL BACHE SECURITIES		3,700,000	3,700,000	
263534 CJ 6	DUPONT EI NEMOUR		02/12/2013	CREDIT SUISSE/FIRST BOSTON		8,989,290	9,000,000	
263901 AD 2	DUKE ENERGY IND		01/29/2013	BANK OF AMERICA		3,039,510	3,000,000	47,600
263901 AF 7	DUKE ENERGY IND		07/08/2013	WELLS FARGO/WACHOVIA		1,990,940	2,000,000	
26824K AA 2	EADS FINANCE BV	F	05/30/2013	VARIOUS		5,464,684	5,652,000	19,923
268648 AN 2	EMC CORP		06/04/2013	JP MORGAN CHASE		7,994,000	8,000,000	

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
28501* AU 9	ELECTRIC TRANSMISSION TEXAS LLC		05/24/2013	SALOMON/CITIGROUP		3,000,000	3,000,000	
29250N AF 2	ENBRIDGE INC	A	09/25/2013	JP MORGAN CHASE		4,950,050	5,000,000	
30251B AD 0	FMR LLC		01/29/2013	SALOMON/CITIGROUP		1,997,480	2,000,000	
30261U AL 8	FREMF 2013-K713 C		07/15/2013	VARIOUS		6,824,922	8,000,000	11,693
30290F AG 7	FREMF 2012-K707 C		07/12/2013	DEUTSCHE BANK		11,985,410	12,900,000	23,039
30290T AQ 5	FREMF 2012-K21 C		07/16/2013	BANK OF AMERICA		1,941,491	2,290,000	4,662
30291E AG 9	FREMF 2013-K712 C		07/12/2013	CREDIT SUISSE/FIRST BOSTON		1,745,625	2,000,000	3,096
30291J AJ 2	FREMF 2013-K29 B		07/17/2013	WELLS FARGO/WACHOVIA		13,120,080	15,000,000	34,509
30291J AL 7	FREMF 2013-K29 C		07/17/2013	WELLS FARGO/WACHOVIA		9,500,370	11,943,000	27,476
30291N AG 9	FREMF 2013-K32 C		09/17/2013	JP MORGAN CHASE		1,340,734	1,757,275	4,315
30291Q AJ 6	FREMF 2013-KF02 C		11/01/2013	WELLS FARGO/WACHOVIA		1,000,000	1,000,000	
31428X AT 3	FEDEX CORP		01/29/2013	CREDIT SUISSE/FIRST BOSTON		2,839,860	3,000,000	
31428X AU 0	FEDEX CORP		04/08/2013	BANK OF AMERICA		3,989,680	4,000,000	
340711 AV 2	FLORIDA GAS TRANS		07/09/2013	JP MORGAN CHASE		1,389,420	1,395,000	26,578
341099 CR 8	FLORIDA POWER CORP		01/15/2013	GOLDMAN SACHS & CO		1,949,300	2,000,000	12,406
35802X AF 0	FRESENIUS MED CARE II		07/09/2013	BARCLAYS CAPITAL		1,032,500	1,000,000	26,438
358070 AA 8	FRESNILLO PLC	F	11/08/2013	SALOMON/CITIGROUP		2,974,240	3,000,000	306
364725 AZ 4	GANNETT CO		09/26/2013	JP MORGAN CHASE		495,430	500,000	
36877* AA 2	GENCONN ENERGY LLC		08/19/2013	PRINCIPAL		7,000,000	7,000,000	
369550 AT 5	GENERAL DYNAMICS		01/09/2013	GOLDMAN SACHS & CO		2,829,840	3,000,000	20,400
369604 BF 9	GENERAL ELECTRIC CO		01/17/2013	BARCLAYS CAPITAL		4,154,026	4,150,000	49,454
37331N AD 3	GEORGIA PACIFIC		12/19/2013	VARIOUS		4,886,523	5,050,000	95,855
377372 AJ 6	GLAXOSMITHKLINE		03/13/2013	JP MORGAN CHASE		1,973,440	2,000,000	
380956 AD 4	GOLDCORP INC	A	07/09/2013	CANTOR FITZGERALD		1,762,600	2,000,000	23,022
40049J AZ 0	GRUPO TELEVISA	F	07/10/2013	VARIOUS		4,105,837	3,700,000	79,500
402479 CD 9	SO 5 06/15/43		06/10/2013	WELLS FARGO/WACHOVIA		1,996,920	2,000,000	
40256# AK 9	GULF STATES TOYOTA & FRIEDKIN COMPANIES		07/19/2013	PRUDENTIAL BACHE SECURITIES		5,000,000	5,000,000	
406216 BE 0	HALLIBURTON CO		09/10/2013	VARIOUS		4,879,150	5,000,000	15,042
423012 AE 3	HEINEKEN NV	F	01/29/2013	VARIOUS		7,613,400	8,000,000	98,111
43289U AY 1	HILT 2013-HLT DFX		11/22/2013	JP MORGAN CHASE		2,763,747	2,750,000	3,703
45687A AF 9	INGERSOLL-RAND	F	06/17/2013	SALOMON/CITIGROUP		1,991,800	2,000,000	
459200 HF 1	IBM CORP		02/04/2013	SUN TRUST		2,558,109	2,521,000	13,165
46051M AE 2	INTERNATIONAL TRANSMISSION		08/07/2013	GOLDMAN SACHS & CO		998,390	1,000,000	
46507M AD 4	ISRAEL ELECTRIC	F	06/18/2013	SALOMON/CITIGROUP		2,000,000	2,000,000	
465685 AH 8	ITC HOLDINGS CORP		06/26/2013	MORGAN STANLEY		6,981,240	7,000,000	
486606 J@ 6	KAYNE ANDERSON MLP INVESTMENTS COMPANY		03/26/2013	BANK OF AMERICA		4,000,000	4,000,000	
49245P AA 4	KERRY GROUP FIN SERVICES	F	04/02/2013	BANK OF AMERICA		1,993,380	2,000,000	
50076Q AE 6	KRAFT FOODS GROUP		03/08/2013	SALOMON/CITIGROUP		5,328,550	5,000,000	68,750
546676 AV 9	LOUISVILLE GAS AND ELECTRIC		11/06/2013	SALOMON/CITIGROUP		4,964,000	5,000,000	
548661 CX 3	LOWES COMPANIES		01/30/2013	WELLS FARGO/WACHOVIA		2,097,700	2,000,000	28,158
56585A AF 9	MARATHON PETRO		09/04/2013	MIZUHO SECURITIES USA		1,100,250	1,000,000	1,444
570506 AR 6	MARKWEST ENERGY		06/07/2013	BARCLAYS CAPITAL		985,000	1,000,000	19,000
577081 AW 2	MATTEL INC		01/07/2013	JANNEY MONTGOMERY SCOTT		1,552,866	1,390,000	14,520
578454 AC 4	MAYO CLINIC		02/26/2013	BANK OF AMERICA		5,000,000	5,000,000	
585055 AW 6	MEDTRONIC INC		01/18/2013	BNP PARIBAS		9,015,760	8,000,000	129,000
585055 AY 2	MEDTRONIC INC		03/19/2013	JP MORGAN CHASE		3,917,720	4,000,000	

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59562V BC 0	MIDAMERICAN ENERGY HOLDINGS		11/05/2013	ROYAL BANK OF SCOTLAND		5,964,540	6,000,000	
598326 B@ 4	MIDWEST IND TRANS SYS		03/15/2013	JP MORGAN CHASE		5,000,000	5,000,000	
610202 BP 7	MONONGAHELA POWER		11/19/2013	JP MORGAN CHASE		1,996,380	2,000,000	
61166W AJ 0	MONSANTO CO		10/28/2013	BANK OF AMERICA		3,431,440	4,000,000	42,400
61166W AK 7	MONSANTO CO		11/04/2013	MORGAN STANLEY		14,992,650	15,000,000	
61945C AD 5	MOSIAC CO		11/07/2013	GOLDMAN SACHS & CO		2,490,650	2,500,000	
629377 BU 5	NRG ENERGY INC		06/07/2013	CREDIT SUISSE/FIRST BOSTON		1,047,500	1,000,000	16,010
631005 BF 1	NARRAGANSETT EL		01/03/2013	SCOTIA CAPITAL (USA) INC		1,685,873	1,700,000	5,514
641423 CA 4	NEVADA POWER CO		01/30/2013	BNP PARIBAS		10,676,961	8,915,000	106,621
655044 AG 0	NOBLE ENERGY INC		11/05/2013	SALOMON/CITIGROUP		2,982,900	3,000,000	
665501 AK 8	NORTHERN NAT GAS		02/05/2013	BANK OF AMERICA		4,933,900	5,000,000	91,681
666807 BH 4	NORTHROP GRUMMAN		05/28/2013	JP MORGAN CHASE		2,997,120	3,000,000	
667294 BE 1	NORTHWEST AIR 07-1		11/19/2013	FTN FINANCIAL		463,774	500,000	1,701
668444 AC 6	NORTHWESTERN UNIVERSITY		10/22/2013	WELLS FARGO/WACHOVIA		2,000,000	2,000,000	
678858 BL 4	OKLAHOMA GAS & ELECTRIC		06/28/2013	WELLS FARGO/WACHOVIA		1,176,420	1,000,000	5,200
684065 BH 7	ORNG & RKLND UTL		03/14/2013	KEY BANK		1,168,450	1,000,000	5,194
694308 HF 7	PCG 5 1/8 11/15/43		11/06/2013	WELLS FARGO/WACHOVIA		4,992,350	5,000,000	
695114 CN 6	PACIFIC CORP		01/29/2013	WELLS FARGO/WACHOVIA		4,931,106	4,777,000	
714264 AK 4	PERNOD-RICHARD SA	F	01/30/2013	VARIOUS		2,466,646	2,183,000	6,337
718172 AW 9	PHILIP MORRIS IN		02/26/2013	HSBC		4,859,850	5,000,000	
718172 BD 0	PHILLIP MORRIS IN		11/04/2013	CREDIT SUISSE/FIRST BOSTON		8,947,980	9,000,000	
72650R BA 9	PLAINS ALL AMER PIPELINE		06/24/2013	VARIOUS		4,505,483	4,457,000	13,243
72650R BC 5	PLAINS ALL AMERICAN PIPELINE		06/21/2013	RBC/DAIN RAUSCHER		2,659,150	3,000,000	69,875
737679 DF 4	POTOMAC ELECTRIC POWER		11/14/2013	BANK OF AMERICA		2,977,770	3,000,000	
74005P BD 5	PRAXAIR INC		01/30/2013	KEY BANK		140,021	150,000	1,287
740816 AD 5	HARVARD PRES & FEL		01/29/2013	MORGAN KEEGAN		1,519,573	1,185,000	22,219
74941@ AA 3	RDO EQUIPMENT CO		07/18/2013	PRUDENTIAL BACHE SECURITIES		3,200,000	3,200,000	
761713 AY 2	REYNOLDS AMERICA		09/13/2013	GOLDMAN SACHS & CO		3,003,000	3,000,000	135
775109 AW 1	ROGERS COMM INC	A	05/31/2013	BANK OF AMERICA		975,880	1,000,000	7,333
775109 AX 9	ROGERS COMMUNICATION INC	A	06/19/2013	BANK OF AMERICA		1,903,540	2,000,000	26,750
78413H AA 7	SESGFP	F	06/25/2013	CREDIT SUISSE/FIRST BOSTON		1,885,240	2,000,000	16,800
790849 AK 9	ST JUDE MEDICAL		06/20/2013	VARIOUS		6,811,370	7,000,000	32,854
80687P AA 4	SCHNEIDER ELECTRIC	F	01/08/2013	RBC/DAIN RAUSCHER		2,002,800	2,000,000	17,044
80808# AG 7	SCHREIBER FOODS INC		09/04/2013	PRUDENTIAL BACHE SECURITIES		4,375,000	4,375,000	
81753L AA 0	RRT 2013-1 A		06/24/2013	CREDIT SUISSE/FIRST BOSTON		33,191,900	66,882,880	
81753L AE 2	RRT 2013-1 C		06/24/2013	CREDIT SUISSE/FIRST BOSTON		3,456,742	8,740,248	
822582 AN 2	SHELL INTL FIN	F	06/12/2013	VARIOUS		18,116,579	14,405,000	220,453
834628 AA 7	SOMERSET CAYUGA HOLDING COMPANY INC		12/15/2013	CAPITALIZED INTEREST		317,671	317,671	
837004 CG 3	SCG 4.6 06/15/43		06/10/2013	VARIOUS		1,994,840	2,000,000	
84756N AE 9	SPECTRA PARTNERS		09/16/2013	VARIOUS		2,006,540	2,000,000	
850228 AA 5	SCFT 2013-1A A		04/09/2013	BANK OF AMERICA		4,000,000	4,000,000	6,667
85172B AA 6	SLFT 2013-AA A		05/30/2013	ROYAL BANK OF SCOTLAND		3,991,250	4,000,000	5,447
85172E AA 0	SLFT 2013-BA A		06/14/2013	SALOMON/CITIGROUP		2,995,376	3,000,000	
85207U AB 1	S 7 7/8 09/15/23		09/04/2013	JP MORGAN CHASE		1,000,000	1,000,000	
85234# AB 1	STADIUM FUNDING TRUST		06/06/2013	METLIFE		1,900,000	1,900,000	
854403 AD 4	STANFORD UNIVERSITY		01/02/2013	MORGAN STANLEY		5,875,314	5,513,000	40,560
85771P AQ 5	STATOIL ASA	F	11/05/2013	BANK OF AMERICA		1,989,920	2,000,000	

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86212U AB 2	STR 2013-1A A2		03/20/2013	CREDIT SUISSE/FIRST BOSTON		1,999,324	2,000,000	
863667 AE 1	STRYKER CORP		03/20/2013	BARCLAYS CAPITAL		9,858,800	10,000,000	
87164K AB 0	SYNGENTA FINANCE	F	09/13/2013	SUN TRUST		2,485,934	2,580,000	38,208
87236@ EM 9	TCW/CRESCENT MEZZANINE		08/01/2013	CAPITALIZED INTEREST		1,083	1,083	
87264A AE 5	T-MOBILE USA INC		10/08/2013	DEUTSCHE BANK		245,000	250,000	3,703
87264A AH 8	T-MOBILE USA INC		11/18/2013	JP MORGAN CHASE		250,000	250,000	
883556 BC 5	THERMO FISHER		01/09/2013	CREDIT SUISSE/FIRST BOSTON		2,034,920	2,000,000	24,850
89153U AF 8	TOTAL CAP CANADA	A	01/10/2013	BARCLAYS CAPITAL		4,990,950	5,000,000	
90272* AA 0	UNITED HEALTHCARE SERVICES		05/03/2013	MESIROW FINANCIAL		4,000,000	4,000,000	
90345W AD 6	US AIR 2012-2A		03/20/2013	SALOMON/CITIGROUP		575,438	550,000	7,207
90345W AE 4	US AIR 2012-2B		05/21/2013	GOLDMAN SACHS & CO		1,080,000	1,000,000	30,188
90346W AB 9	US AIR 2013-1B		11/07/2013	GOLDMAN SACHS & CO		977,500	1,000,000	29,712
907818 DL 9	UNION PACIFIC CORP		01/31/2013	VARIOUS		5,927,706	5,825,000	34,788
91324P CA 8	UNITED HEALTHCARE GROUP		01/25/2013	CREDIT SUISSE/FIRST BOSTON		2,871,270	3,000,000	32,258
91324P CD 2	UNITEDHEALTHCARE GROUP		02/25/2013	WELLS FARGO/WACHOVIA		8,877,960	9,000,000	
91412N AJ 9	UNIVERSITY OF CHICAGO		05/24/2013	WELLS FARGO/WACHOVIA		7,073,078	7,200,000	7,264
92239M C@ 8	VECTREN UTILITY HOLDINGS INC		07/26/2013	PRUDENTIAL BACHE SECURITIES		3,875,000	3,875,000	
92343V BS 2	VERIZON COMM INC		09/11/2013	MORGAN STANLEY		4,995,000	5,000,000	
92343V BT 0	VERIZON COMM INC		09/11/2013	VARIOUS		7,356,360	7,000,000	
931142 CV 3	WAL-MART STORES		01/25/2013	GOLDMAN SACHS & CO		5,731,950	5,000,000	14,896
931142 DG 5	WALMART STORES		04/04/2013	BARCLAYS CAPITAL		3,986,120	4,000,000	
931422 AK 5	WALGREEN CO		05/24/2013	UBS SECURITIES		2,919,330	3,000,000	27,500
942683 AH 6	WATSON PHARM INC		06/24/2013	BARCLAYS CAPITAL		875,520	1,000,000	11,049
94988D AG 5	WFRR 2013-FRR1 A706		11/12/2013	WELLS FARGO/WACHOVIA		32,080,386	44,758,481	
94988D AU 4	WFRR 2013-FRR1 AK26		11/12/2013	WELLS FARGO/WACHOVIA		25,784,618	33,381,863	70,391
95709T AK 6	WR 4 5/8 09/01/43		08/12/2013	WELLS FARGO/WACHOVIA		999,980	1,000,000	
960386 AH 3	WESTINGHOUSE AIR		08/05/2013	JP MORGAN CHASE		1,498,185	1,500,000	
976843 BJ 0	WISC PUB SERVICE		11/14/2013	DEUTSCHE BANK		2,000,000	2,000,000	
980745 D# 7	WOODWARD INC		08/12/2013	PRUDENTIAL BACHE SECURITIES		3,000,000	3,000,000	
982526 AQ 8	WM WRIGLEY JR CO		10/16/2013	SALOMON/CITIGROUP		2,997,030	3,000,000	
984588 AA 1	YALE-NEW HAVEN		01/31/2013	BARCLAYS CAPITAL		5,000,000	5,000,000	
C2918* AC 8	D&H LTD		08/14/2013	PRUDENTIAL BACHE SECURITIES		4,800,000	4,800,000	
G0014F AB 9	AABS 2013-1 A		01/25/2013	GOLDMAN SACHS & CO		2,998,438	2,968,750	4,333
763169 C* 8	RICHARDSON INTERNATIONAL LTD	A	12/06/2013	PRUDENTIAL BACHE SECURITIES		4,831,000	4,831,000	
775109 AZ 4	ROGERS COMM INC	A	09/25/2013	JP MORGAN CHASE		2,485,025	2,500,000	
820439 B* 7	SHAWCOR LTD	A	02/21/2013	JP MORGAN CHASE		1,000,000	1,000,000	
884903 BM 6	THOMSON REUTERS	I	06/19/2013	VARIOUS		5,213,445	5,500,000	9,688
00168@ AG 1	ALS GROUP GENERAL PARTNERSHIP	F	08/16/2013	PRUDENTIAL BACHE SECURITIES		3,000,000	3,000,000	
02364W BD 6	AMXLMM 3 1/8 07/16/22	F	06/05/2013	SALOMON/CITIGROUP		2,870,370	3,000,000	37,500
05330K AA 3	AUTO METRO PR	F	08/02/2013	GOLDMAN SACHS & CO		7,000,000	7,000,000	
055451 AR 9	BHP FINANCE USA	F	06/25/2013	VARIOUS		4,544,800	5,000,000	70,813
055451 AV 0	BHP FINANCE USA	F	10/24/2013	VARIOUS		6,072,880	6,000,000	8,056
05565Q CJ 5	BP CAPITAL PLC	F	09/23/2013	SALOMON/CITIGROUP		3,000,000	3,000,000	
12656* AH 5	CSLB HOLDINGS INC	F	03/05/2013	SALOMON/CITIGROUP		6,000,000	6,000,000	
17163H AB 5	CIBA-GEIGY CORP		07/02/2013	CAPITALIZED INTEREST		106,138	106,138	
191241 AF 5	COCA COLA FEMSA	F	11/19/2013	SALOMON/CITIGROUP		2,949,720	3,000,000	

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200447 AD 2	COM FED ELECTRIC	F	10/17/2013	SALOMON/CITIGROUP		2,982,810	3,000,000	
25156P AR 4	DEUTSCHE TELECOM	F	01/25/2013	BARCLAYS CAPITAL		2,112,540	2,000,000	39,000
26874R AC 2	ENI SPA	F	01/29/2013	BARCLAYS CAPITAL		2,156,780	2,000,000	38,000
344419 AB 2	FEMSA	F	06/07/2013	GOLDMAN SACHS & CO		4,554,690	5,000,000	18,958
45605P AG 3	INDUSTRIAL DPR FUNDING LTD	F	08/06/2013	PRUDENTIAL BACHE SECURITIES		5,000,000	5,000,000	
67576G AA 5	ODBRCHT OFFSHORE DRILL FIN	F	07/26/2013	MORGAN STANLEY		1,999,880	2,000,000	
780153 AG 7	ROYAL CARIBBEAN	R	10/17/2013	SALOMON/CITIGROUP		531,250	500,000	729
78413H AB 5	SES	F	09/09/2013	GOLDMAN SACHS & CO		1,842,140	2,000,000	46,522
92857W BD 1	VODAFONE GROUP PLC	F	02/11/2013	MORGAN STANLEY		17,768,880	18,000,000	
G0369@ AU 0	ANGLIAN WATER SERVICES FINANCING PLC	F	06/26/2013	COMMONWEALTH BANK OF AUSTRALIA		3,000,000	3,000,000	
G0566* AB 5	ARQIVA PP FINANCING PLC	D	06/01/2013	METLIFE		6,067,600	6,622,517	
G1128* AB 4	BIRMINGTON AIRPORT	D	10/31/2013	METLIFE		3,206,000	3,311,258	
G2956@ AC 5	ABP AQUISITIONS UK LIMITED	D	06/11/2013	METLIFE		9,667,350	10,430,464	
G2956@ AD 3	ABP AQUISITIONS UK LIMITED	D	12/06/2013	METLIFE		4,912,500	4,966,887	
G3646# AC 7	FORTH PORTS FINANCE LTD	D	11/13/2013	METLIFE		7,992,500	8,278,146	
N1492@ AE 6	BOSKALIS FINANCE BV	F	05/08/2013	RABO SECURITIES USA		2,000,000	2,000,000	
Q2107# AH 9	CONTACT ENERGY LIMITED	F	06/13/2013	JP MORGAN CHASE		3,000,000	3,000,000	
Q3393* AJ 0	ELECTRANET PTY LTD	F	02/13/2013	JP MORGAN CHASE		10,000,000	10,000,000	
Q8277* AK 7	SANTOS FINANCE LTD	F	02/08/2013	PERSHING LLC		3,585,498	3,250,000	24,068
R2284# AC 4	STATNETT SF		01/22/2013	BARCLAYS CAPITAL		15,000,000	15,000,000	
3899999.	Total - Bonds - Industrial and Miscellaneous					901,130,314	965,465,333	3,059,221
8399997.	Total - Bonds - Part 3					998,108,679	1,058,741,831	3,642,632
8399998.	Total - Bonds - Summary Item from Part 5					142,641,862	148,956,024	552,214
8399999.	Total - Bonds					1,140,750,541	1,207,697,855	4,194,846
Common Stocks - Industrial and Miscellaneous								
827655 30 9	SILVER DINER		09/30/2013	DIRECT ISSUER	52.000		XXX	
TDH333 33 9	TDH3 HOLDINGS, INC		09/02/2013	DIRECT ISSUER	50.000	11,112	XXX	
9099999.	Total - Common Stocks - Industrial and Miscellaneous					11,112	XXX	0
Common Stocks - Parent, Subsidiaries and Affiliates								
707432 10 0	PENN INSURANCE AND ANNUITY CO		12/31/2013	DIRECT		38,867,232	XXX	
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					38,867,232	XXX	0
9799997.	Total - Common Stocks - Part 3					38,878,344	XXX	0
9799998.	Total - Common Stocks - Summary Item from Part 5					4,032,293	XXX	
9799999.	Total - Common Stocks					42,910,637	XXX	0
9899999.	Total - Preferred and Common Stocks					42,910,637	XXX	0
9999999.	Total - Bonds, Preferred and Common Stocks					1,183,661,178	XXX	4,194,846

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Government																				
26854P AA 4	EJM AIRPORT LLC		11/15/2013.	SINKING FUND REDEMPTION		1,300,054	1,300,054	1,430,059	1,310,553		(10,499)		(10,499)		1,300,054			0	61,459	05/15/2020.
30250W AB 9	SSGN 2010-S2 2A		11/01/2013.	MBS PAYDOWN		2,764,359	2,764,359	2,764,359	2,764,359				0		2,764,359			0	39,056	07/29/2047.
36220T A8 7	GN 287231		12/01/2013.	MBS PAYDOWN		1,735	1,735	1,841	1,741		(5)		(5)		1,735			0	90	04/15/2020.
36296U ZX 1	GNSF POOL 701958		12/01/2013.	MBS PAYDOWN		2,763,806	2,763,806	2,597,114	2,747,027		16,778		16,778		2,763,806			0	45,211	06/01/2039.
49549C AA 6	EXIM - KING INTL LEASING LLC		10/15/2013.	SINKING FUND REDEMPTION		1,017,199	1,017,199	1,017,199	1,017,199				0		1,017,199			0	17,567	10/15/2022.
797224 AC 6	EXIM - SAN CLEMENTE LEASING LLC		11/22/2013.	SINKING FUND REDEMPTION		1,148,745	1,148,745	1,148,745	1,148,745				0		1,148,745			0	21,832	11/22/2022.
805649 AA 8	EXIM - SAYARRA LTD	F.	10/29/2013.	SINKING FUND REDEMPTION		315,523	315,523	315,523	315,523				0		315,523			0	5,497	10/29/2021.
805649 AB 6	EXIM - SAYARRA LTD	F.	10/01/2013.	SINKING FUND REDEMPTION		1,176,208	1,176,208	1,176,208	1,176,208				0		1,176,208			0	18,989	04/14/2022.
912810 EQ 7	US TREASURY		04/05/2013.	VARIOUS		1,426,461	995,000	1,211,568	1,174,193		(3,678)		(3,678)		1,170,515		255,945	255,945	40,370	08/15/2023.
912810 FP 8	UNITED STATES TREASURY		04/05/2013.	VARIOUS		1,587,296	1,110,000	1,250,138	1,237,454		(1,257)		(1,257)		1,236,197		351,098	351,098	38,731	02/15/2031.
912810 QQ 4	UNITED STATES TREASURY		04/05/2013.	VARIOUS		40,731,403	31,055,000	39,892,860	39,683,256		(52,693)		(52,693)		39,630,563		1,100,340	1,100,340	542,795	05/15/2041.
92188P AA 3	VANE LINE BUNKER 92188PAA3		10/30/2013.	SINKING FUND REDEMPTION		229,280	229,280	256,794	230,458		(1,178)		(1,178)		229,280			0	9,423	10/30/2027.
92188P AB 1	VANE LINE BUNKER		10/30/2013.	SINKING FUND REDEMPTION		228,280	228,280	256,244	229,478		(1,198)		(1,198)		228,280			0	9,382	10/30/2027.
925387 AF 9	VESSEL MGMT SERVICES		08/15/2013.	SINKING FUND REDEMPTION		160,000	160,000	160,000	160,000				0		160,000			0	4,118	08/15/2036.
0599999.	Total - Bonds - U.S. Government					54,850,349	44,265,189	53,478,652	53,196,194	0	(53,730)	0	(53,730)	0	53,142,464	0	1,707,383	1,707,383	854,520	XXX
Bonds - All Other Government																				
064149 C3 9	BANK OF NOVA SCOTIA	A.	07/26/2013.	VARIOUS		15,037,000	15,000,000	14,979,000	14,995,943		2,539		2,539		14,998,481		38,519	38,519	171,181	07/26/2013.
1099999.	Total - Bonds - All Other Government					15,037,000	15,000,000	14,979,000	14,995,943	0	2,539	0	2,539	0	14,998,481	0	38,519	38,519	171,181	XXX
Bonds - U.S. Political Subdivisions of States																				
544646 XZ 0	LOS ANGELES USD-BABS		08/06/2013.	BARCLAYS CAPITAL		5,566,000	5,000,000	4,859,300	4,868,955		2,143		2,143		4,871,098		694,902	694,902	317,847	07/01/2034.
2499999.	Total - Bonds - U.S. Political Subdivisions of States					5,566,000	5,000,000	4,859,300	4,868,955	0	2,143	0	2,143	0	4,871,098	0	694,902	694,902	317,847	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
059231 QN 3	BALTIMORE REV-REF-B		12/31/2013.	DIRECT ISSUER		25,000	25,000	25,000	25,000				0		25,000			0		07/01/2032.
13033W PH 0	CA DEV-VAR-B4-WORKERS		12/31/2013.	DIRECT ISSUER		50,000	50,000	50,000	50,000				0		50,000			0		10/01/2022.
16007Y AS 3	CHARLESTON-B-VAR-CARE		09/30/2013.	DIRECT ISSUER		875,000	875,000	875,000	875,000				0		875,000			0		08/15/2028.
3128JM YY 7	FH ARM 1B2626		11/01/2013.	VARIOUS		421,889	421,889	410,930	418,196		3,693		3,693		421,889			0	5,829	12/01/2034.
3128JR U5 3	FHARM 847804		11/01/2013.	VARIOUS		1,859,001	1,859,001	1,880,713	1,859,001				0		1,859,001			0	34,622	10/01/2037.
3128PK WJ 9	FGCI J07849		12/01/2013.	MBS PAYDOWN		1,907,742	1,907,742	1,852,894	1,899,517		8,225		8,225		1,907,742			0	39,209	05/01/2023.
3128PL AW 2	FGCI J08121		12/01/2013.	MBS PAYDOWN		1,326,572	1,326,572	1,317,141	1,325,249		1,323		1,323		1,326,572			0	32,022	06/01/2023.
3128PR J4 2	FG J12083		12/01/2013.	MBS PAYDOWN		6,807,836	6,807,836	7,085,469	6,837,575		(29,738)		(29,738)		6,807,836			0	127,413	04/01/2020.
3128QL QW 4	FHARM 1H2569		11/01/2013.	VARIOUS		1,125,981	1,125,981	1,120,351	1,123,003		2,978		2,978		1,125,981			0	19,536	09/01/2035.
3128QL RC 7	FH 1H2583		11/01/2013.	VARIOUS		2,834,978	2,834,978	2,790,681	2,829,798		5,179		5,179		2,834,978			0	92,580	01/01/2036.
312903 KY 2	FHR 117 G		12/01/2013.	MBS PAYDOWN		37,755	37,755	35,552	37,755				0		37,755			0	1,699	01/15/2021.
312945 DN 5	FG A96409		12/01/2013.	MBS PAYDOWN		3,885,294	3,885,294	3,643,981	3,875,038		10,256		10,256		3,885,294			0	57,009	01/01/2041.
3133T4 FT 8	FHR 1680 PK		12/01/2013.	MBS PAYDOWN		740,145	740,145	707,648	739,374		771		771		740,145			0	24,287	02/15/2024.
31342A B5 7	FHARM 780060		11/01/2013.	VARIOUS		536,538	536,538	532,388	534,802		1,736		1,736		536,538			0	7,862	01/01/2033.
31358N W4 0	FNR 92-129 L		12/01/2013.	MBS PAYDOWN		120,314	120,314	110,088	119,817		498		498		120,314			0	4,017	07/25/2022.
3136A8 D6 4	FNR 2012-103 ZC		04/17/2013.	BNP PARIBAS		15,639,075	15,353,464	15,774,086	15,769,127		(3,218)		(3,218)		15,765,909		(126,834)	(126,834)	209,042	09/25/2042.
3136A9 2X 5	FNR 2012-118 ZV		04/22/2013.	BARCLAYS CAPITAL		24,914,141	26,572,704	25,562,248	25,567,302		4,543		4,543		25,571,845		(657,704)	(657,704)	317,055	11/25/2042.
31371N V2 8	FN 257233		12/01/2013.	MBS PAYDOWN		26,203	26,203	25,483	26,092		111		111		26,203			0	527	06/01/2023.
3137AD FW 2	FHR 3888 PF		12/15/2013.	MBS PAYDOWN		9,191,499	9,191,499	9,183,959	9,188,462		3,037		3,037		9,191,499			0	21,548	05/15/2040.
3137AS RU 0	FHR 4099 BZ		04/17/2013.	BARCLAYS CAPITAL		26,964,954	28,743,276	26,968,942	26,994,794		19,980		19,980		27,014,774		(49,820)	(49,820)	335,768	08/15/2042.

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Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
31385X CM 7	FNARM 555476	...	12/01/2013.	MBS PAYDOWN		258,201	258,201	257,667	258,160		42		42		258,201			0	2,193	04/01/2033.
3138A2 BE 8	FN AH0936	...	12/01/2013.	MBS PAYDOWN		4,301,456	4,301,456	4,030,119	4,288,620		12,836		12,836		4,301,456			0	61,328	12/01/2040.
3138A5 4N 9	FN AH4428	...	12/01/2013.	MBS PAYDOWN		9,424,110	9,424,110	8,943,783	9,401,236		22,874		22,874		9,424,110			0	138,847	01/01/2041.
3138A5 6C 1	FN AH4466	...	12/01/2013.	MBS PAYDOWN		3,618,625	3,618,625	3,414,088	3,606,254		12,371		12,371		3,618,625			0	48,440	02/01/2041.
31393W WV 7	FHR 2638 CE	...	12/01/2013.	MBS PAYDOWN		54,084	54,084	50,813	53,684		400		400		54,084			0	1,046	08/15/2032.
31394E UD 8	FNR 2005-59 KA	...	12/01/2013.	MBS PAYDOWN		500,064	500,064	496,099	499,341		723		723		500,064			0	11,326	07/25/2035.
31394H 3X 7	FHR 2662 MO	...	05/01/2013.	MBS PAYDOWN		11,471	11,471	11,170	11,425		46		46		11,471			0	76	08/15/2033.
31395B 5U 3	FNR 2006-32 FP	...	12/01/2013.	MBS PAYDOWN		7,718,529	7,718,529	7,702,850	7,709,316		9,213		9,213		7,718,529			0	20,205	03/25/2036.
31395D 7E 3	FNR 2006-46 FW	...	12/01/2013.	VARIOUS		12,536,564	12,523,801	12,514,017	12,523,457		344		344		12,523,801		12,762	12,762	19,375	06/25/2034.
31395T 6G 4	FHR 2956 WE	...	12/01/2013.	MBS PAYDOWN		3,767,747	3,767,747	3,833,094	3,770,459		(2,711)		(2,711)		3,767,747			0	96,785	01/15/2034.
31396R BZ 9	FHR 3150 FA	...	12/15/2013.	MBS PAYDOWN		4,166,409	4,166,409	4,152,087	4,160,528		5,882		5,882		4,166,409			0	10,932	05/15/2036.
31396T LQ 4	FHR 3174 FM	...	12/15/2013.	VARIOUS		6,378,046	6,383,076	6,343,181	6,361,923		9,486		9,486		6,371,409		6,637	6,637	18,188	05/15/2036.
31396T P6 4	FHR 3174 LF	...	12/15/2013.	MBS PAYDOWN		1,557,412	1,557,412	1,555,465	1,556,768		644		644		1,557,412			0	4,427	05/15/2036.
31396U 3A 6	FHRR R008 FK	...	06/01/2013.	MBS PAYDOWN		580,767	580,767	581,766	580,767				0		580,767			0	876	07/15/2023.
31397F RH 7	FHR 3292 FB	...	12/15/2013.	MBS PAYDOWN		1,291,991	1,291,991	1,287,954	1,290,716		1,275		1,275		1,291,991			0	2,865	03/15/2037.
31397U V7 1	FNR 2011-66 FA	...	12/01/2013.	MBS PAYDOWN		4,648,287	4,648,287	4,643,929	4,646,175		2,112		2,112		4,648,287			0	11,503	11/25/2039.
31402C 5S 7	FN 725457	...	12/01/2013.	MBS PAYDOWN		674,465	674,465	674,123	674,415		50		50		674,465			0	25,091	04/01/2014.
31402D J9 2	FN 725788	...	11/01/2013.	MBS PAYDOWN		1,198,281	1,198,281	1,188,826	1,194,746		3,535		3,535		1,198,281			0	31,333	03/01/2019.
31403C 4R 9	FNARM 745232	...	12/01/2013.	MBS PAYDOWN		1,528,877	1,528,877	1,503,555	1,522,691		6,187		6,187		1,528,877			0	20,168	08/01/2035.
31408G 4M 6	FNARM 851428	...	11/01/2013.	MBS PAYDOWN		1,924,846	1,924,846	1,927,252	1,924,846				0		1,924,846			0	26,068	09/01/2035.
31410W H9 2	FN 899456	...	12/01/2013.	MBS PAYDOWN		2,899,263	2,899,263	2,868,912	2,895,341		3,922		3,922		2,899,263			0	129,914	06/01/2047.
31412B DS 8	FN 920013	...	12/01/2013.	MBS PAYDOWN		2,072,517	2,072,517	2,060,859	2,070,092		2,425		2,425		2,072,517			0	67,767	10/01/2047.
31412M 2X 5	FN 929690	...	12/01/2013.	MBS PAYDOWN		71,875	71,875	69,898	71,616		259		259		71,875			0	1,273	07/01/2023.
31412M K9 8	FN 929220	...	12/01/2013.	MBS PAYDOWN		23,953	23,953	23,294	23,868		85		85		23,953			0	435	03/01/2023.
31412M VJ 4	FN 929517	...	12/01/2013.	MBS PAYDOWN		22,575	22,575	21,954	22,470		105		105		22,575			0	485	05/01/2023.
31412M VQ 8	FN 929523	...	12/01/2013.	MBS PAYDOWN		39,122	39,122	38,046	38,344		777		777		39,122			0	479	05/01/2023.
31412T CJ 0	FN 933973	...	12/01/2013.	MBS PAYDOWN		4,453	4,453	4,330	4,445		8		8		4,453			0	36	07/01/2023.
31412W WB 8	FN 937242	...	12/01/2013.	MBS PAYDOWN		1,052,257	1,052,257	1,042,556	1,049,005		3,252		3,252		1,052,257			0	34,456	05/01/2047.
31412W WC 6	FN 937243	...	12/01/2013.	VARIOUS		491,047	491,047	486,520	490,637		409		409		491,047			0	13,208	05/01/2047.
31412X K4 5	FN 937815	...	12/01/2013.	MBS PAYDOWN		3,572,200	3,572,200	3,542,059	3,562,701		9,499		9,499		3,572,200			0	83,105	06/01/2047.
31413K RV 5	FN 947900	...	12/01/2013.	MBS PAYDOWN		1,142,773	1,142,773	1,130,631	1,141,787		986		986		1,142,773			0	32,573	10/01/2047.
31413M G6 8	FN 949421	...	12/01/2013.	MBS PAYDOWN		10,765	10,765	10,469	10,715		50		50		10,765			0	248	03/01/2023.
31414B AN 0	FN 960913	...	12/01/2013.	MBS PAYDOWN		35,017	35,017	34,054	34,794		223		223		35,017			0	661	03/01/2023.
31414B H2 9	FN 961149	...	12/01/2013.	MBS PAYDOWN		53,501	53,501	52,029	53,215		286		286		53,501			0	705	05/01/2023.
31414C 4H 8	FN 962624	...	12/01/2013.	MBS PAYDOWN		6,937	6,937	6,746	6,914		23		23		6,937			0	147	04/01/2023.
31414D 6P 6	FN 963578	...	12/01/2013.	MBS PAYDOWN		24,575	24,575	23,899	24,538		38		38		24,575			0	559	06/01/2023.
31414D X8 4	FN 963403	...	12/01/2013.	MBS PAYDOWN		41,777	41,777	40,628	41,633		144		144		41,777			0	742	05/01/2023.
31414D Z3 3	FN 963462	...	12/01/2013.	MBS PAYDOWN		25,156	25,156	24,465	25,059		98		98		25,156			0	557	06/01/2023.
31414E 2V 5	FNCI 964388	...	12/01/2013.	MBS PAYDOWN		1,704,402	1,704,402	1,694,482	1,702,741		1,660		1,660		1,704,402			0	37,891	07/01/2023.
31414E BQ 6	FN 963647	...	12/01/2013.	MBS PAYDOWN		79,978	79,978	77,778	79,711		267		267		79,978			0	2,004	06/01/2023.
31414E DA 9	FN 963697	...	12/01/2013.	MBS PAYDOWN		7,133	7,133	6,937	7,123		10		10		7,133			0	129	06/01/2023.
31414E JB 1	FN 963858	...	12/01/2013.	MBS PAYDOWN		19,459	19,459	18,923	19,375		84		84		19,459			0	430	06/01/2023.
31414E Q6 4	FN 964077	...	12/01/2013.	MBS PAYDOWN		26,930	26,930	26,189	26,826		103		103		26,930			0	597	07/01/2023.

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										11	12	13	14	15						
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31414E V5 0	FN 964236	...	12/01/2013.	MBS PAYDOWN		37,969	37,969	36,924	37,790		179		179		37,969			0	875	07/01/2023.
31414F GF 2	FN 964698	...	12/01/2013.	MBS PAYDOWN		53,827	53,827	52,347	53,720		107		107		53,827			0	1,243	08/01/2023.
31414M DH 6	FN 970004	...	12/01/2013.	MBS PAYDOWN		23,993	23,993	23,334	23,903		90		90		23,993			0	562	06/01/2023.
31414M LZ 7	FN 970244	...	12/01/2013.	MBS PAYDOWN		2,234	2,234	2,173	2,246		(12)		(12)		2,234			0	56	05/01/2023.
31414Q X2 8	FN 973297	...	12/01/2013.	MBS PAYDOWN		64,160	64,160	62,396	63,902		258		258		64,160			0	1,201	03/01/2023.
31414R CF 0	FN 973570	...	12/01/2013.	MBS PAYDOWN		5,720	5,720	5,563	5,693		27		27		5,720			0	103	03/01/2023.
31414S NB 5	FN 974786	...	12/01/2013.	MBS PAYDOWN		14,906	14,906	14,496	14,867		38		38		14,906			0	354	04/01/2023.
31414T 7H 8	FN 976196	...	12/01/2013.	MBS PAYDOWN		14,440	14,440	14,042	14,365		75		75		14,440			0	236	05/01/2023.
31414T T6 8	FN 975873	...	12/01/2013.	MBS PAYDOWN		18,167	18,167	17,668	18,108		59		59		18,167			0	475	05/01/2023.
31414U K9 8	FN 976520	...	12/01/2013.	MBS PAYDOWN		56,460	56,460	54,907	56,071		389		389		56,460			0	1,177	05/01/2023.
31414U LQ 9	FN 976535	...	12/01/2013.	MBS PAYDOWN		91,954	91,954	89,425	91,531		423		423		91,954			0	1,659	05/01/2023.
31414V DM 5	FN 977208	...	12/01/2013.	MBS PAYDOWN		3,759	3,759	3,656	3,755		4		4		3,759			0	89	04/01/2023.
31415A 5E 7	FN 981545	...	12/01/2013.	MBS PAYDOWN		22,188	22,188	21,578	22,096		92		92		22,188			0	439	05/01/2023.
31415A TV 3	FN 981264	...	12/01/2013.	MBS PAYDOWN		8,467	8,467	8,234	8,455		11		11		8,467			0	257	03/01/2023.
31415B 4Z 9	FN 982440	...	12/01/2013.	MBS PAYDOWN		41,365	41,365	40,227	41,236		128		128		41,365			0	450	06/01/2023.
31415B AN 9	FN 981613	...	12/01/2013.	MBS PAYDOWN		17,743	17,743	17,255	17,667		76		76		17,743			0	363	06/01/2023.
31415B DY 2	FN 981719	...	12/01/2013.	MBS PAYDOWN		117,839	117,839	114,599	116,942		897		897		117,839			0	2,948	07/01/2023.
31415B K5 7	FN 981916	...	12/01/2013.	MBS PAYDOWN		44,320	44,320	43,101	44,150		169		169		44,320			0	854	06/01/2023.
31415B R4 3	FN 982107	...	12/01/2013.	MBS PAYDOWN		4,787	4,787	4,656	4,775		12		12		4,787			0	40	05/01/2023.
31415C ND 5	FN 982888	...	12/01/2013.	MBS PAYDOWN		34,790	34,790	33,833	34,695		95		95		34,790			0	524	05/01/2023.
31415C NH 6	FN 982892	...	12/01/2013.	MBS PAYDOWN		4,366	4,366	4,246	4,343		22		22		4,366			0	81	05/01/2023.
31415L 5E 3	FN 983845	...	12/01/2013.	MBS PAYDOWN		5,796	5,796	5,637	5,791		5		5		5,796			0	33	06/01/2023.
31415L GB 7	FN 983194	...	12/01/2013.	MBS PAYDOWN		54,076	54,076	52,589	53,920		157		157		54,076			0	1,665	05/01/2023.
31415M 5T 8	FN 984758	...	12/01/2013.	MBS PAYDOWN		28,359	28,359	27,579	28,302		57		57		28,359			0	507	06/01/2023.
31415M FW 0	FN 984081	...	05/01/2013.	MBS PAYDOWN		1,843	1,843	1,792	1,815		28		28		1,843			0	34	05/01/2023.
31415M YH 2	FN 984612	...	12/01/2013.	MBS PAYDOWN		97,864	97,864	95,173	97,165		699		699		97,864			0	1,627	05/01/2023.
31415M ZE 8	FN 984641	...	12/01/2013.	VARIOUS		2,508,536	2,508,536	2,471,142	2,506,370		2,166		2,166		2,508,536			0	69,878	06/01/2023.
31415M ZS 7	FN 984653	...	12/01/2013.	MBS PAYDOWN		48,292	48,292	46,964	48,199		93		93		48,292			0	1,307	07/01/2023.
31415P JD 1	FN 985060	...	12/01/2013.	MBS PAYDOWN		2,828	2,828	2,750	2,825		4		4		2,828			0	80	05/01/2023.
31415P U5 5	FN 985404	...	12/01/2013.	MBS PAYDOWN		36,506	36,506	35,502	36,261		244		244		36,506			0	331	06/01/2023.
31415Q ME 3	FN 986057	...	12/01/2013.	MBS PAYDOWN		40,058	40,058	38,956	39,983		75		75		40,058			0	912	08/01/2023.
31415R P7 3	FN 987046	...	12/01/2013.	MBS PAYDOWN		4,839	4,839	4,706	4,825		15		15		4,839			0	79	07/01/2023.
31415R UJ 1	FN 987185	...	12/01/2013.	MBS PAYDOWN		127,918	127,918	124,400	127,472		445		445		127,918			0	3,866	07/01/2023.
31415T NP 1	FN 988798	...	12/01/2013.	MBS PAYDOWN		52,292	52,292	50,854	52,001		291		291		52,292			0	1,276	08/01/2023.
31417Y N7 8	FN MA0413	...	12/01/2013.	MBS PAYDOWN		11,516,429	11,516,429	11,972,467	11,574,079		(57,650)		(57,650)		11,516,429			0	221,557	05/01/2020.
31419E XR 5	FN AE4287	...	12/01/2013.	MBS PAYDOWN		4,813,659	4,813,659	4,528,412	4,788,579		25,080		25,080		4,813,659			0	63,591	09/01/2040.
31419J SC 3	FN AE7714	...	12/01/2013.	MBS PAYDOWN		9,394,092	9,394,092	8,833,863	9,363,292		30,801		30,801		9,394,092			0	131,152	11/01/2040.
31419L YA 5	FN AE9704	...	12/01/2013.	MBS PAYDOWN		8,356,144	8,356,144	7,991,014	8,336,612		19,532		19,532		8,356,144			0	115,245	12/01/2040.
31421D WD 5	FN MC3343	...	12/01/2013.	MBS PAYDOWN		1,589	1,589	1,608	1,586		3		3		1,589			0	43	12/01/2038.
478045 AA 5	JOHN SEVIER COMB	...	07/15/2013.	SINKING FUND REDEMPTION		64,777	64,777	64,777	64,777				0		64,777			0	2,256	01/15/2042.
575851 WC 0	MA H/E REG STARS	...	09/30/2013.	DIRECT ISSUER		100,000	100,000	100,000	100,000				0		100,000			0		06/18/2020.
59259R EF 7	MET TRN VAR-REF-B-2	...	12/31/2013.	DIRECT ISSUER		30,000	30,000	30,000	30,000				0		30,000			0		11/01/2022.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
64983W NM 4	NY DORM-B-PARS-MERCY	...	09/30/2013.	DIRECT ISSUER		25,000	25,000	25,000	25,000				0		25,000			0		07/01/2029.
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					216,852,165	219,995,706	215,539,895	217,502,543	0	164,580	0	164,580	0	217,667,123	0	(814,959)	(814,959)	2,918,923	XXX
Bonds - Industrial and Miscellaneous																				
00103X AC 7	AES IRONWOOD LLC	...	11/30/2013.	SINKING FUND REDEMPTION		192,000	192,000	192,000	192,000				0		192,000			0	9,851	11/30/2025.
013817 AQ 4	ALCOA INC	...	07/25/2013.	JP MORGAN CHASE		995,000	1,000,000	820,370	858,425		6,254		6,254		864,679		130,321	130,321	54,950	02/23/2022.
020002 AS 0	ALLSTATE CORP	...	11/06/2013.	WELLS FARGO/WACHOVIA		2,233,340	2,000,000	1,803,880	1,819,859		3,295		3,295		1,823,154		410,186	410,186	111,925	05/09/2035.
02360F AB 2	UNION ELECTRIC	...	11/04/2013.	USB		2,750,975	2,500,000	2,491,525	2,492,496		130		130		2,492,626		258,349	258,349	167,833	08/01/2037.
03215P EQ 8	AMRES 1998-2 A5	...	12/01/2013.	MBS PAYDOWN		252,492	252,492	252,492	252,492				0		252,492			0	10,278	02/25/2028.
032166 AQ 3	AMSOUTH BANK NA	...	04/01/2013.	MATURITY		2,000,000	2,000,000	2,003,000	2,000,103		(103)		(103)		2,000,000			0	48,500	04/01/2013.
03235M AA 0	AMTRAK SERIES-2001	...	12/01/2013.	SINKING FUND REDEMPTION		364,333	364,333	364,333	364,333				0		364,333			0	26,157	06/15/2017.
035229 CP 6	ANHEUSER BUSCH COMPANIES, INC	...	01/15/2013.	MATURITY		2,000,000	2,000,000	1,950,280	1,999,539		461		461		2,000,000			0	43,750	01/15/2013.
048677 AB 4	ATLANTIC MARINE	...	12/01/2013.	SINKING FUND REDEMPTION		18,865	18,865	18,471	18,860		5		5		18,865			0	767	12/01/2050.
053611 AC 3	AVERY DENNISON CORP	...	01/15/2013.	MATURITY		1,310,000	1,310,000	1,319,406	1,310,049		(49)		(49)		1,310,000			0	31,931	01/15/2013.
05522R AD 0	BACCT 2006-C5 C5	...	08/01/2013.	CALL at 100.000		20,000,000	20,000,000	19,846,875	19,936,698		63,302		63,302		20,000,000			0	80,343	01/15/2016.
05524* AC 0	BA LEASING & CAPITAL CORP.: LESSOR	...	01/02/2013.	SINKING FUND REDEMPTION		922,796	922,796	910,823	910,823				0		910,823		11,974	11,974	38,482	01/01/2017.
05524* AD 8	BA LEASING & CAPITAL CORP.: LESSOR	...	04/01/2013.	SINKING FUND REDEMPTION		399,441	399,441	399,441	399,441				0		399,441			0	16,909	04/01/2017.
055921 AA 8	BMC SOFTWARE INC	...	06/24/2013.	ROBERT W BAIRD		5,080,000	5,000,000	4,723,010	4,817,967		13,219		13,219		4,831,186		248,814	248,814	206,524	06/01/2018.
057224 AZ 0	BAKER HUGHES INC	...	11/04/2013.	GOLDMAN SACHS & CO		2,142,160	2,000,000	1,991,400	1,991,638		119		119		1,991,758		150,402	150,402	117,306	09/15/2040.
05947U B5 6	BACM 2004-6 A3	...	12/01/2013.	MBS PAYDOWN		3,731,409	3,731,409	3,530,991	3,731,409				0		3,731,409			0	71,809	12/10/2042.
05947U C9 7	BACM 2005-1 A4	...	10/01/2013.	MBS PAYDOWN		5,408,827	5,408,827	5,247,196	5,408,827				0		5,408,827			0	129,706	11/10/2042.
05947U MB 1	BACM 2003-2 D	...	12/01/2013.	MBS PAYDOWN		272,543	272,543	265,393	272,666		(122)		(122)		272,543			0	14,498	03/11/2041.
05956K AA 6	BALL 2010-HLTN HLTN	...	11/01/2013.	MBS PAYDOWN		24,717,596	24,717,596	22,934,153	23,575,802		1,141,795		1,141,795		24,717,596			0	562,320	11/15/2015.
06406H BK 4	BANK OF NEW YORK	...	08/27/2013.	MATURITY		2,000,000	2,000,000	1,992,940	1,998,970		1,030		1,030		2,000,000			0	102,500	08/27/2013.
071813 BE 8	BAXTER INTERNATIONAL	...	04/05/2013.	BANK OF AMERICA		3,165,803	3,290,000	3,311,944	3,311,944		(18)		(18)		3,311,926		(146,124)	(146,124)	79,056	08/15/2042.
071813 BL 2	BAXTER INTERNATIONAL	...	10/30/2013.	JP MORGAN CHASE		2,968,080	3,000,000	2,990,550			327		327		2,990,877		(22,797)	(22,797)	38,133	06/15/2023.
07383F 7W 2	BSCMS 2005-PWR8 A4	...	12/01/2013.	MBS PAYDOWN		320,335	320,335	308,209	319,277		1,057		1,057		320,335			0	12,185	06/11/2041.
084664 BL 4	BERKSHIRE HATHAWAY INC	...	11/05/2013.	VARIOUS		6,734,880	6,000,000	6,366,180	6,357,902		(5,224)		(5,224)		6,352,678		382,202	382,202	453,292	01/15/2040.
09643P AB 4	BLYTH INC	...	07/10/2013.	CALL at 100.000		3,000,000	3,000,000	2,475,000	2,918,262		81,738		81,738		3,000,000			0	162,455	11/01/2013.
096821 AA 1	BHP 2013-BOCA A	...	12/15/2013.	MBS PAYDOWN		845,575	845,575	845,575					0		845,575			0	2,486	08/15/2026.
101137 AB 3	BOSTON SCIENTIFIC	...	09/01/2013.	CALL at 103.934		1,039,340	1,000,000	1,012,640	1,002,297		37,044		37,044		1,039,340			0	40,421	06/15/2014.
110122 AP 3	BRISTOL MEYERS SQUIBB	...	10/24/2013.	ROYAL BANK OF SCOTLAND		5,941,200	5,000,000	5,337,300	5,325,614		(5,723)		(5,723)		5,319,891		621,310	621,310	280,694	11/15/2036.
115637 AL 4	BROWN - FORMAN	...	05/02/2013.	SALOMON/CITIGROUP		4,047,440	4,000,000	3,999,120	3,999,134		93		93		3,999,226		48,214	48,214	60,417	01/15/2043.
118230 AA 9	BUCKEYE PARTNERS	...	07/15/2013.	MATURITY		2,000,000	2,000,000	1,924,500	1,994,807		5,193		5,193		2,000,000			0	92,500	07/15/2013.
12572Q AA 3	CME GROUP INC	...	08/01/2013.	MATURITY		3,000,000	3,000,000	2,999,670	2,999,949		51		51		3,000,000			0	162,000	08/01/2013.
126408 GL 1	CSX CORPORATION	...	03/15/2013.	MATURITY		3,000,000	3,000,000	2,992,230	2,999,670		330		330		3,000,000			0	86,250	03/15/2013.
126410 LN 7	CSX CORPORATION	...	04/15/2013.	SINKING FUND REDEMPTION		211,675	211,675	211,675	211,675				0		211,675			0	8,864	10/15/2014.
126634 AC 8	CVR REF/COFF FIN INC	...	09/27/2013.	JP MORGAN CHASE		243,750	250,000	250,000	250,000				0		250,000		(6,250)	(6,250)	15,302	11/01/2022.
126650 BP 4	CVS	...	12/10/2013.	SINKING FUND REDEMPTION		274,563	274,563	266,579	274,019		544		544		274,563			0	9,058	12/10/2028.
126650 BQ 2	CVS CORP	...	12/01/2013.	SINKING FUND REDEMPTION		56,263	56,263	55,941	56,247		16		16		56,263			0	2,138	01/10/2030.
126650 BY 5	CVS PASSTHRU	...	12/10/2013.	SINKING FUND REDEMPTION		24,089	24,089	24,089	24,089				0		24,089			0	780	01/10/2034.
12707P AA 3	CABOT CORP	F.	09/01/2013.	MATURITY		3,620,000	3,620,000	3,658,806	3,623,353		(3,353)		(3,353)		3,620,000			0	190,050	09/01/2013.
134011 AG 0	CAMP PENDLETON	...	10/01/2013.	SINKING FUND REDEMPTION		140,000	140,000	144,330	140,070		(70)		(70)		140,000			0	5,622	10/01/2048.
134011 AJ 4	CAMP PENDLETON	...	10/01/2013.	SINKING FUND REDEMPTION		40,000	40,000	36,200	39,967		33		33		40,000			0	1,674	10/01/2050.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
136375 BW 1	CANADIAN NATIONAL RAILWAY	A.	04/29/2013.	BANK OF AMERICA		6,780,270	7,000,000	6,926,950	6,927,101		445		445		6,927,546		(147,276)	(147,276)	110,250	11/15/2042.
141784 DE 5	CARGILL INC		11/15/2013.	MATURITY		2,000,000	2,000,000	2,000,180	2,000,033		(33)		(33)		2,000,000			0	100,000	11/15/2013.
141784 DG 0	CARGILL INC		01/22/2013.	MATURITY		3,000,000	3,000,000	2,997,510	2,999,967		33		33		3,000,000			0	78,000	01/22/2013.
161137 AT 1	CSMT 2007-1A B1		01/01/2013.	CALL at 100.000		5,000,000	5,000,000	5,006,250	5,000,000				0		5,000,000			0	8,897	09/15/2017.
165167 CH 8	CHESAPEAKE ENERGY CORP		05/13/2013.	CALL at 100.000		2,000,000	2,000,000	1,977,500	1,979,591		20,409		20,409		2,000,000			0	89,581	03/15/2019.
172441 AW 7	CINEMARK USA INC		01/04/2013.	BARCLAYS CAPITAL		305,250	300,000	300,000	300,000				0		300,000		5,250	5,250	897	12/15/2022.
173067 GM 5	CGCMT 2005-C3 A2		11/01/2013.	MBS PAYDOWN		15,458,141	15,458,141	15,146,563	15,458,141				0		15,458,141			0	301,083	05/15/2043.
173067 GP 8	CGCMT 2005-C3 A3		11/01/2013.	MBS PAYDOWN		1,064,895	1,064,895	1,031,617	1,064,895				0		1,064,895			0	46,250	05/15/2043.
173067 GR 4	CGCMT 2005-C3 ASB		12/01/2013.	MBS PAYDOWN		5,101,806	5,101,806	5,127,264	5,101,806				0		5,101,806			0	132,976	05/15/2043.
1730T0 EP 0	CITIGROUP FUNDING		05/28/2013.	MATURITY		1,134,000	1,134,000	847,665	1,103,902		30,098		30,098		1,134,000			0	12,995	05/28/2013.
17312D AC 2	CMSI 2007-8 1A3		12/01/2013.	MBS PAYDOWN		3,236,732	3,236,732	3,016,577	3,221,238		15,494		15,494		3,236,732			0	89,271	10/25/2037.
20047N AD 4	COMM 2004-LB4A A4		12/01/2013.	MBS PAYDOWN		5,051,322	5,051,322	4,851,440	5,032,089		19,233		19,233		5,051,322			0	123,308	10/15/2037.
209115 A* 5	CONSOLIDATED EDISON OF NY		12/30/2013.	SINKING FUND REDEMPTION		24,213	24,213	24,213	24,213				0		24,213			0	1,584	07/01/2022.
210795 QA 1	CONTINENTAL AIRLINES		10/11/2013.	SINKING FUND REDEMPTION		101,353	101,353	102,908	100,943		217		217		101,160		193	193	6,286	04/11/2020.
21079R AA 0	CONTINENTAL AIRLINES		10/01/2013.	SINKING FUND REDEMPTION		14,321	14,321	15,234	14,363		(42)		(42)		14,321			0	744	04/19/2022.
21079V AB 9	CONTINENTAL AIRLINES		07/12/2013.	SINKING FUND REDEMPTION		454,087	454,087	467,591	454,808		(720)		(720)		454,087			0	20,405	01/12/2019.
22303Q AH 3	COVIDIEN LTD	F.	11/04/2013.	CREDIT SUISSE/FIRST BOSTON		6,261,150	5,000,000	5,106,050	5,099,488		(1,454)		(1,454)		5,098,034		1,163,116	1,163,116	347,514	10/15/2037.
22536# AA 1	KINDER MORGAN ENERGY PTNR LP		12/10/2013.	VARIOUS		168,154	168,154	168,059	168,059				0		168,059		95	95	3,345	12/10/2035.
22541Q EE 8	CSFB 2003-C3 G		12/01/2013.	MBS PAYDOWN		5,975,000	5,975,000	5,198,250	5,352,689		622,311		622,311		5,975,000			0	258,336	05/15/2038.
22541Q SN 3	CSFB 2003-C4 G		09/01/2013.	MBS PAYDOWN		4,000,000	4,000,000	3,850,000	3,886,721		113,279		113,279		4,000,000			0	168,624	08/15/2036.
22541Q SP 8	CSFB 2003-C4 H		12/01/2013.	MBS PAYDOWN		3,211,000	3,211,000	2,873,845	2,881,369		329,631		329,631		3,211,000			0	169,343	08/15/2036.
232820 AE 0	CYTEC INDUSTRIES		03/27/2013.	VARIOUS		2,340,000	2,340,000	2,095,587	2,319,075		20,925		20,925		2,340,000			0	105,859	07/01/2013.
23311R AB 2	DCP MIDSTREAM LP		12/01/2013.	MATURITY		2,000,000	2,000,000	1,996,020	1,999,146		854		854		2,000,000			0	194,000	12/01/2013.
240019 BQ 1	DAYTON POWER & LIGHT		10/01/2013.	MATURITY		2,000,000	2,000,000	1,992,260	1,999,275		725		725		2,000,000			0	102,500	10/01/2013.
244199 BF 1	DEERE & CO		05/16/2013.	GOLDMAN SACHS & CO		4,950,100	5,000,000	5,098,500			(436)		(436)		5,098,064		(147,964)	(147,964)	87,750	06/09/2042.
247367 AX 3	DELTA AIR 2002 1G		01/02/2013.	SINKING FUND REDEMPTION		130,297	130,297	143,815	130,297				0		130,297			0	4,377	01/02/2023.
247367 BH 7	DELTA AIR 2007 1A		08/10/2013.	SINKING FUND REDEMPTION		248,900	248,900	279,698	212,938		(1,066)		(1,066)		248,900			0	12,009	08/10/2022.
247367 BJ 3	DELTA AIR 2007 1B		08/01/2013.	SINKING FUND REDEMPTION		41,621	41,621	46,823					0		41,621			0	1,669	08/10/2022.
25468P CR 5	WALT DISNEY CO		10/21/2013.	GOLDMAN SACHS & CO		1,861,380	2,000,000	1,976,580	1,977,012		340		340		1,977,353		(115,973)	(115,973)	74,021	12/01/2041.
25746U BQ 1	DOMINION RESOURCES		10/15/2013.	RBC/DAIN RAUSCHER		1,710,260	2,000,000	1,988,640	1,988,702		161		161		1,988,863		(278,603)	(278,603)	88,875	09/15/2042.
257867 AT 8	RR DONNELLEY & SONS		03/13/2013.	TENDER OFFER		2,070,000	2,000,000	1,984,200	1,992,467		342		342		1,992,809		77,191	77,191	141,326	01/15/2017.
263534 BS 7	EI DUPONT DE NEMOURS		01/15/2013.	MATURITY		333,000	333,000	332,274	332,994		6		6		333,000			0	8,325	01/15/2013.
268617 AC 1	EMAC 1998-1 A3		12/15/2013.	MBS PAYDOWN		92,147	365,104	290,367	233,309	57,058			57,058		290,367		(198,220)	(198,220)	14,930	01/15/2025.
268617 BJ 5	EMAC 2000-1 A2		12/01/2013.	MBS PAYDOWN		264,513	344,083	264,397	265,184				0		265,184		(671)	(671)	15,347	01/15/2027.
290408 AB 9	ELWOOD ENERGY		07/05/2013.	SINKING FUND REDEMPTION		309,240	309,240	310,657	309,243		(3)		(3)		309,240			0	12,927	07/05/2026.
291011 AT 1	EMERSON ELECTRIC		05/01/2013.	MATURITY		2,105,000	2,105,000	2,073,046	2,103,615		1,385		1,385		2,105,000			0	47,363	05/01/2013.
302471 CA 3	FMACT 1998-BA A2		12/01/2013.	MBS PAYDOWN		147,859	147,859	121,353	118,847				0		118,847		29,012	29,012	5,869	09/15/2027.
30257G AA 9	FPL ENERGY NATL WIND		09/10/2013.	SINKING FUND REDEMPTION		447,766	447,766	359,892	443,353		4,413		4,413		447,766			0	18,448	03/10/2024.
30291Q AJ 6	FREMF 2013-KF02 C		12/01/2013.	MBS PAYDOWN		757	757	757					0		757			0	4	12/25/2045.
313305 AA 2	FEDEX CORP 2012 PASS TST		01/15/2013.	SINKING FUND REDEMPTION		261,076	261,076	261,076	261,076				0		261,076			0	3,427	01/15/2018.
31331F AB 7	FEDERAL EXPRESS		11/01/2013.	SINKING FUND REDEMPTION		1,037,368	1,037,368	1,037,368	1,037,368				0		1,037,368			0	47,696	05/22/2015.
337368 AJ 3	FUBOA 2001-C1 H		05/01/2013.	MBS PAYDOWN		2,241,887	2,241,887	2,197,049	2,228,817		13,070		13,070		2,241,887			0	36,154	03/15/2033.
33736X EP 0	FUNBC 2001-C4 L		08/01/2013.	MBS PAYDOWN		7,437,145	7,437,145	7,381,366	7,405,614		31,531		31,531		7,437,145			0	290,590	12/12/2033.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
33903* DC 0	TEXACO OVERSEAS TANKSHIPS LTD		01/02/2013.	SINKING FUND REDEMPTION		810,125	810,125	810,125	810,125				0		810,125			0	29,043	01/02/2018.
33903* DK 2	TEXACO REFINING AND MARKETING INC:LESSEE		12/16/2013.	SINKING FUND REDEMPTION		54,680	54,680	55,648	54,909		(229)		(229)		54,680			0	(1,894)	12/16/2019.
340711 B@ 8	FLORIDA GAS TRANSMISSION		04/01/2013.	VARIOUS		3,000,000	3,000,000	3,000,000	3,000,000				0		3,000,000			0	151,650	04/01/2013.
341081 EV 5	FLORIDA POWER & LIGHT		11/04/2013.	SCOTIA CAPITAL (USA) INC		2,305,180	2,000,000	1,985,760	1,987,256		217		217		1,987,474		317,706	317,706	143,133	02/01/2037.
341081 FD 4	FLORIDA POWER & LIGHT		09/25/2013.	WELLS FARGO/WACHOVIA		2,213,240	2,000,000	1,951,880	1,953,207		548		548		1,953,755		259,485	259,485	122,208	02/01/2041.
341081 FH 5	FLORIDA POWER AND LIGHT		11/14/2013.	BANK OF AMERICA		879,560	1,000,000	995,040	995,042		76		76		995,118		(115,558)	(115,558)	34,728	12/15/2042.
349631 AK 7	FORTUNE BRANDS		12/01/2013.	MATURITY		2,000,000	2,000,000	1,985,740	1,998,337		1,663		1,663		2,000,000			0	97,500	12/01/2013.
361849 D4 1	GMACC 2004-C1 A4		12/01/2013.	MBS PAYDOWN		3,689,878	3,689,878	3,723,318	3,690,960		(1,082)		(1,082)		3,689,878			0	153,573	03/10/2038.
36228C CS 0	GSMS 1998-C1 F		12/01/2013.	MBS PAYDOWN		1,701,308	1,701,308	1,694,929	1,696,183		5,126		5,126		1,701,308			0	46,780	10/18/2030.
36228C VR 1	GSMS 2005-GG4 AABA		12/01/2013.	MBS PAYDOWN		6,765,834	6,833,263	6,773,606			(7,772)		(7,772)		6,765,834			0	374,554	07/10/2039.
36228C VT 7	GSMS 2005-GG4 A4		12/01/2013.	MBS PAYDOWN		500,984	500,984	486,750	499,371		1,613		1,613		500,984			0	24,132	07/10/2039.
36244W AA 7	GSAMP 2006-S5 A1		11/01/2013.	MBS PAYDOWN		37,339	37,339	1,342	1,342				0		1,342		35,997	35,997	20	09/25/2036.
36298G AA 7	GSPA MONETIZATION TRUST		12/09/2013.	SINKING FUND REDEMPTION		107,756	107,756	109,911	107,821		(65)		(65)		107,756			0	3,853	10/09/2029.
36312K AA 0	GENERAL ELECTRIC COMPANY		12/11/2013.	SINKING FUND REDEMPTION		612,419	612,419	625,966	613,265		(846)		(846)		612,419			0	23,965	04/11/2014.
369550 AT 5	GENERAL DYNAMICS		05/16/2013.	VARIOUS		3,680,680	4,000,000	3,951,920	3,008,620		165		165		3,952,065		(271,385)	(271,385)	72,600	11/15/2042.
370334 BM 5	GENERAL MILLS INC		10/30/2013.	VARIOUS		5,983,650	6,000,000	6,054,700	6,049,910		(4,047)		(4,047)		6,045,862		(62,212)	(62,212)	164,063	12/15/2021.
375558 AS 2	GILEAD SCIENCES		11/04/2013.	VARIOUS		4,518,840	4,000,000	4,078,800	4,077,566		(978)		(978)		4,076,588		442,252	442,252	208,108	12/01/2041.
396789 LJ 6	GCCFC 2005-GG5 A41		10/01/2013.	MBS PAYDOWN		6,200,493	6,200,493	6,044,754	6,200,493				0		6,200,493			0	199,265	04/10/2037.
40416G AC 2	HERTZ GLOBAL HOLDINGS		01/04/2013.	GOLDMAN SACHS & CO		268,125	250,000	250,000	250,000				0		250,000		18,125	18,125	3,559	10/15/2022.
406216 BA 8	HALLIBURTON CO		05/01/2013.	SALOMON/CITIGROUP		5,710,250	5,000,000	5,627,700	5,626,909		(4,118)		(4,118)		5,622,791		87,459	87,459	106,875	11/15/2041.
423074 AJ 2	HEINZ (H.J.) CO		07/15/2013.	MATURITY		1,095,000	1,095,000	995,366	1,081,751		13,249		13,249		1,095,000			0	58,495	07/15/2013.
452308 AR 0	ILLINOIS TOOL WORK		05/16/2013.	JP MORGAN CHASE		9,742,800	10,000,000	9,903,800	9,904,402		679		679		9,905,081		(162,281)	(162,281)	284,917	09/01/2042.
465685 AH 8	ITC HOLDINGS CORP		08/07/2013.	USB		4,045,340	4,000,000	3,989,280			7		7		3,989,287		56,053	56,053	12,956	07/01/2043.
46625Y EW 9	JPMCC 2004-C3 A3		06/01/2013.	VARIOUS		3,634,439	3,634,439	3,542,148	3,634,439				0		3,634,439			0	50,114	01/15/2042.
46625Y NB 5	JPMCC 2005-LDP2 A3		11/01/2013.	MBS PAYDOWN		2,402,992	2,402,992	2,275,239	2,398,013		4,979		4,979		2,402,992			0	30,437	07/15/2042.
46625Y VQ 3	JPMCC 2005-LDP4 A3A2		09/01/2013.	MBS PAYDOWN		13,446,458	13,446,458	13,242,135	13,446,458				0		13,446,458			0	285,376	10/15/2042.
478115 AA 6	JOHNS HOPKINS UNIVERSITY		02/01/2013.	CALL at 120.442		1,204,424	1,000,000	999,300	999,457		204,968		204,968		1,204,424			0	29,969	07/01/2019.
494368 AX 1	KIMBERLY-CLARK		08/15/2013.	MATURITY		2,000,000	2,000,000	2,016,540	2,001,366		(1,366)		(1,366)		2,000,000			0	100,000	08/15/2013.
494492 AA 9	KINCAID GENERATION L.L.C.		05/21/2013.	CALL at 124.075		4,801,642	3,869,940	3,869,940	3,869,940		931,702		931,702		4,801,642			0	122,922	06/15/2020.
50540R AD 4	LABORATORY CP		02/01/2013.	MATURITY		5,000,000	5,000,000	4,854,510	4,997,875		2,125		2,125		5,000,000			0	137,500	02/01/2013.
513075 BE 0	LAMR 5 05/01/23		04/22/2013.	SALOMON/CITIGROUP		503,125	500,000	500,000	500,000				0		500,000		3,125	3,125	12,153	05/01/2023.
52108H 3F 9	LBUBS 2005-C2 A4		08/11/2013.	MBS PAYDOWN		465,977	465,977	450,105	465,481		496		496		465,977			0	13,680	04/15/2030.
52108H 5T 7	LBUBS 2005-C3 CBM2		12/11/2013.	MBS PAYDOWN		972	972	961	967		5		5		972			0	53	05/15/2020.
52108H DP 6	LBUBS 2001-C2 H		08/11/2013.	MBS PAYDOWN		5,948,577	5,948,577	5,695,762	5,826,355		122,222		122,222		5,948,577			0	199,292	09/15/2034.
52108H US 1	LBUBS 2003-C7 E		06/19/2013.	CALL at 100.000		1,000,000	1,000,000	973,750	981,191		18,809		18,809		1,000,000			0	27,524	07/15/2037.
52108M AB 9	LBUBS 2005-C7 A2		09/01/2013.	MBS PAYDOWN		491,923	491,923	486,273	491,923				0		491,923			0	18,447	11/15/2030.
52108M DF 7	LBUBS 2006-C1 A3		12/11/2013.	MBS PAYDOWN		176,537	176,537	177,061	176,537				0		176,537			0	8,675	02/15/2031.
52465# AA 3	LEGG MASON MTG CAP CORP		12/10/2013.	SINKING FUND REDEMPTION		60,061	60,061	29,430	57,831		2,231		2,231		60,061			0	2,401	03/10/2019.
52465# AZ 8	LEGG MASON MTG CAP CORP		12/08/2013.	SINKING FUND REDEMPTION		154,171	154,171	154,078	154,078				0		154,078		93	93	6,354	06/10/2021.
532457 BA 5	ELI LILLY		11/06/2013.	SUSQUEHANNA INTL		2,228,640	2,000,000	2,036,260	2,035,100		(627)		(627)		2,034,473		194,167	194,167	128,575	03/15/2037.
536022 AH 9	LINN ENERGY LLC		11/22/2013.	BARCLAYS CAPITAL		996,250	1,000,000	999,890	999,890				0		999,890		(3,640)	(3,640)	70,090	11/01/2019.
542515 AA 9	LBMLT 2006-A A1		04/25/2013.	VARIOUS		915,700	3,875,642	120,015	120,015				0		120,015		795,686	795,686	1,745	05/25/2036.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
546676 AU 1	LOUISVILLE GAS & ELECTRIC		11/04/2013.	BANK OF AMERICA		5,452,420	5,000,000	4,821,250	4,826,412		2,293		2,293		4,828,705		623,715	623,715	247,993	11/15/2040.
552953 CA 7	MGM 6 5/8 12/15/21		04/24/2013.	GOLDMAN SACHS & CO		266,875	250,000	250,000	250,000				0		250,000		16,875	16,875	5,935	12/15/2021.
58013M EK 6	MCDONALDS CORP		11/14/2013.	BANK OF AMERICA		1,025,610	1,000,000	950,160	951,576		722		722		952,298		73,312	73,312	65,542	07/15/2040.
589929 SR 0	MLMI 1998-C3 F		12/01/2013.	MBS PAYDOWN		9,493,467	9,493,467	9,398,532	9,451,402		42,065		42,065		9,493,467			0	386,699	12/15/2030.
59524E AB 8	MIDATLANTIC MILITARY CO		08/01/2013.	SINKING FUND REDEMPTION		64,102	64,102	53,536	64,045		57		57		64,102			0	2,390	08/01/2050.
600388 AB 8	MILLER BREWING CO	F	08/15/2013.	MATURITY		2,000,000	2,000,000	2,054,780	2,004,407		(4,407)		(4,407)		2,000,000			0	110,000	08/15/2013.
605275 EH 5	MISSISSIPPI BUSINESS FINANCE CORP		09/15/2013.	SINKING FUND REDEMPTION		636,000	636,000	636,000	636,000				0		636,000			0	53,233	09/15/2019.
61745M 3F 8	MSC 2005-HQ5 A4		12/01/2013.	MBS PAYDOWN		844,998	844,998	865,120	847,567		(2,570)		(2,570)		844,998			0	43,669	01/14/2042.
61745M L3 5	MSC 2004-T15 A3		08/01/2013.	MBS PAYDOWN		4,406,144	4,406,144	4,348,141	4,393,307		12,836		12,836		4,406,144			0	169,670	06/13/2041.
61746W AJ 9	MSDWC 2000-LIFE H		12/01/2013.	MBS PAYDOWN		133,220	133,220	129,224	132,443		778		778		133,220			0	5,333	11/15/2036.
61750W AX 1	MSC 2006-IQ12 A4		12/01/2013.	MBS PAYDOWN		32,652	32,652	24,826	31,793		859		859		32,652			0	1,605	12/15/2043.
61911B AA 3	MECA 2010-1A A		12/01/2013.	MBS PAYDOWN		776,440	776,440	762,731	776,440				0		776,440			0	21,224	07/25/2060.
628530 AV 9	MYLAN INC		08/05/2013.	VARIOUS		3,336,585	3,500,000	3,492,755	3,492,775		283		283		3,493,059		(156,474)	(156,474)	46,224	01/15/2023.
629377 BU 5	NRG ENERGY INC		01/04/2013.	CREDIT SUISSE/FIRST BOSTON		269,375	250,000	250,000	250,000				0		250,000		19,375	19,375	4,831	03/15/2023.
637071 AK 7	NATIONAL OILWELL		07/29/2013.	VARIOUS		6,651,310	7,000,000	6,973,050	6,973,122		214		214		6,973,336		(322,026)	(322,026)	127,497	12/01/2042.
637432 DC 6	NATIONAL RURAL UTILITIES		12/16/2013.	CALL at 100.946		504,730	500,000	501,610	500,230		4,500		4,500		504,730			0	25,482	03/01/2014.
63860# AA 1	POTOMAC ELECTRIC POWER CO		12/21/2013.	SINKING FUND REDEMPTION		278,816	278,816	278,816	278,816				0		278,816			0	18,704	12/21/2019.
652482 CE 8	NEWS AMERICA INC		10/28/2013.	SUN TRUST		2,266,900	2,000,000	1,989,700	1,989,934		115		115		1,990,049		276,851	276,851	148,967	02/15/2041.
65536W AA 3	NAA 2006-S3 A1		12/01/2013.	MBS PAYDOWN		149,163	162,381	50,828	50,828				0		50,828		98,335	98,335	395	08/25/2036.
664397 AH 9	NORTHEAST UTILITIES		09/20/2013.	MATURITY		3,000,000	3,000,000	3,000,000	3,000,000				0		3,000,000			0	23,677	09/20/2013.
665772 CE 7	NORTHERN ST PR-M		11/05/2013.	WELLS FARGO/WACHOVIA		848,354	765,000	765,942	765,939		(14)		(14)		765,925		82,429	82,429	41,723	11/01/2039.
667294 BE 1	NORTHWEST AIR 07-1		11/01/2013.	VARIOUS		1,024,620	925,242	1,030,454	1,018,074		(1,302)		(1,302)		1,016,772		7,848	7,848	17,132	11/01/2019.
667294 BF 8	NORTHWEST AIR 07		11/01/2013.	SINKING FUND REDEMPTION		19,712	19,712	20,624	19,761		(49)		(49)		19,712			0	1,149	11/01/2017.
66989H AF 5	NOVARTIS CAPITAL		05/16/2013.	CREDIT SUISSE/FIRST BOSTON		11,074,250	11,000,000	11,107,990	11,107,866		(542)		(542)		11,107,324		(33,074)	(33,074)	255,711	09/21/2042.
677071 AM 4	OHANA MILITARY COMM		10/01/2013.	SINKING FUND REDEMPTION		181,742	181,742	163,154	180,862		881		881		181,742			0	7,478	10/01/2026.
69351U AM 5	PPL ELECTRIC UTILITIES		11/04/2013.	FTN FINANCIAL		1,241,610	1,000,000	993,980	994,242		75		75		994,317		247,293	247,293	61,111	05/15/2039.
71880* AD 8	PHL FUNDING CO		10/01/2013.	SINKING FUND REDEMPTION		239,674	239,674	209,789	236,492		3,182		3,182		239,674			0	13,139	07/20/2016.
72650T AA 6	PLAINS END FINANCING LLC		10/15/2013.	SINKING FUND REDEMPTION		169,510	169,510	160,611	168,832		678		678		169,510			0	7,206	04/15/2028.
73019# AA 0	PNC EQUIPMENT FINANCE LLC		09/13/2013.	SINKING FUND REDEMPTION		86,528	86,528	86,528	86,528				0		86,528			0	1,915	09/13/2027.
73019# AB 8	PNC EQUIPMENT FINANCE LLC		09/13/2013.	SINKING FUND REDEMPTION		89,785	89,785	89,785	89,785				0		89,785			0	1,987	09/13/2027.
73019# AC 6	PNC EQUIPMENT FINANCE LLC		09/13/2013.	SINKING FUND REDEMPTION		82,016	82,016	82,016	82,016				0		82,016			0	1,815	09/13/2027.
74005P BD 5	PRAXAIR INC		05/16/2013.	SUSQUEHANNA INTL		2,810,010	3,000,000	2,990,790	2,990,820		70		70		2,990,889		(180,879)	(180,879)	57,392	11/07/2042.
740189 AH 8	PRECISION CAST		05/16/2013.	VARIOUS		5,053,780	5,000,000	5,013,890	5,013,898		27		27		5,013,925		39,855	39,855	78,542	01/15/2043.
743947 AA 1	PHMS 1992-C 1B1		10/01/2013.	VARIOUS		9,051	9,051	8,900	9,051				0		9,051			0	580	08/28/2022.
74438W AK 2	PMCF 2001-ROCK J		07/01/2013.	MBS PAYDOWN		8,352,000	8,352,000	7,809,120	7,874,409		477,591		477,591		8,352,000			0	405,238	05/10/2034.
74955D AA 9	AEP GENERATING		12/07/2013.	SINKING FUND REDEMPTION		108,685	108,685	116,184	109,017		(332)		(332)		108,685			0	8,303	12/07/2022.
74955D AB 7	AEP GENERATING		12/01/2013.	SINKING FUND REDEMPTION		454,084	454,084	485,883	455,650		(1,566)		(1,566)		454,084			0	34,126	12/07/2022.
74955E AA 7	INDIANA MICHIGAN POWER		12/01/2013.	SINKING FUND REDEMPTION		149,442	149,442	155,561	149,631		(189)		(189)		149,442			0	11,417	12/07/2022.
750754 AB 9	RAILL 1 A2		01/15/2013.	MATURITY		1,393,267	1,393,267	1,335,178	1,393,267				0		1,393,267			0	24,818	01/15/2013.
771196 AS 1	ROCHE HOLDINGS INC		08/29/2013.	CALL at 120.235		533,843	444,000	437,020	439,218		94,625		94,625		533,843			0	14,490	03/01/2019.
77340R AC 1	ROCKIES EXPRESS		06/07/2013.	RBC/DAIN RAUSCHER		1,015,000	1,000,000	1,018,480	1,011,763		(802)		(802)		1,010,961		4,039	4,039	62,221	07/15/2018.
774341 AA 9	ROCKWELL COLLINS INC		12/01/2013.	MATURITY		2,215,000	2,215,000	2,212,940	2,214,783		217		217		2,215,000			0	105,213	12/01/2013.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
776696 AB 2	ROPER INDUSTRIES INC	...	08/15/2013.	MATURITY		5,000,000	5,000,000	4,998,800	4,999,854		146		146		5,000,000			0	331,250	08/15/2013.
780153 AU 6	ROYAL CARIBBEAN	R	10/17/2013.	BARCLAYS CAPITAL		497,500	500,000	500,000	500,000				0		500,000		(2,500)	(2,500)	25,156	11/15/2022.
78442G EW 2	SLMA 2002-7 A10	...	09/30/2013.	DIRECT ISSUER		250,000	250,000	250,000	250,000				0		250,000			0		03/15/2028.
785778 FK 2	SACO 2005-4 M1	...	12/25/2013.	MBS PAYDOWN		3,157,033	3,157,033	2,655,345	3,081,565		75,469		75,469		3,157,033			0	17,683	06/25/2035.
797440 BF 0	SAN DIEGO GAS	...	11/06/2013.	WELLS FARGO/WACHOVIA		2,230,380	2,000,000	1,997,640	1,997,928		42		42		1,997,971		232,409	232,409	105,514	05/15/2035.
805564 GA 3	SAST 2000-2 MF2	...	12/01/2013.	MBS PAYDOWN		590,334	590,334	478,170	583,006		7,327		7,327		590,334			0	20,396	07/25/2030.
80629Q AA 3	SCHAHIN II FINANCE	F.	09/01/2013.	SINKING FUND REDEMPTION		126,000	126,000	126,000	126,000				0		126,000			0	5,824	09/25/2022.
822582 AN 2	SHELL INTL FIN	F.	04/05/2013.	VARIOUS		5,157,580	4,000,000	4,867,360	1,023,993		(4,499)		(4,499)		4,862,194		295,386	295,386	117,028	03/25/2040.
824348 AQ 9	SHERWIN-WILLIAMS CO	...	05/16/2013.	SUN TRUST		3,962,880	4,000,000	3,979,880	3,979,908		163		163		3,980,071		(17,191)	(17,191)	72,889	12/15/2042.
826418 BH 7	SIERRA PAC RES	...	09/01/2013.	MATURITY		5,000,000	5,000,000	4,990,500	4,998,581		1,419		1,419		5,000,000			0	272,500	09/01/2013.
842400 FK 4	SOUTHERN CAL EDISON	...	10/15/2013.	CALL at 102.115		1,021,150	1,000,000	994,920	998,716		22,434		22,434		1,021,150			0	62,451	03/15/2014.
850228 AA 5	SCFT 2013-1A A	...	10/24/2013.	VARIOUS		3,997,957	4,000,000	4,000,000					0		4,000,000		(2,043)	(2,043)	80,140	04/05/2021.
85571N AB 5	STARZ LLC/FIN CO	...	04/24/2013.	SUN TRUST		260,000	250,000	250,000	250,000				0		250,000		10,000	10,000	7,847	09/15/2019.
86212U AB 2	STR 2013-1A A2	...	12/20/2013.	MBS PAYDOWN		23,008	23,008	23,000			47		47		23,008			0	429	03/20/2043.
87164K AB 0	SYNGENTA FINANCE	F.	05/16/2013.	SUN TRUST		8,492,000	8,000,000	8,950,254	8,948,696		(6,838)		(6,838)		8,941,858		(449,858)	(449,858)	226,528	03/28/2042.
88163V AC 3	TEVA PHARMACEUTICALS	...	03/01/2013.	CALL at 114.151		5,707,550	5,000,000	4,963,250	4,986,447		721,103		721,103		5,707,550			0	178,063	02/01/2016.
88652Y AA 9	TIERS WYE 2004-21	...	12/16/2013.	CALL at 100.000		5,450,000	5,450,000	3,924,000	5,035,492		414,508		414,508		5,450,000			0	200,093	02/01/2014.
887315 AK 5	TIME WARNER INC	...	01/15/2013.	MATURITY		4,195,000	4,195,000	3,947,411	4,193,904		1,096		1,096		4,195,000			0	191,397	01/15/2013.
88732J AK 4	TIME WARNER CABLE INC	...	07/01/2013.	MATURITY		3,000,000	3,000,000	2,993,640	2,999,288		712		712		3,000,000			0	186,000	07/01/2013.
88947E AC 4	TOLL BROTHERS INC	...	09/15/2013.	MATURITY		156,000	156,000	162,151	156,561		(561)		(561)		156,000			0	9,282	09/15/2013.
89153U AF 8	TOTAL CAP CANADA	A.	09/25/2013.	WELLS FARGO/WACHOVIA		2,811,660	3,000,000	2,994,570			314		314		2,994,884		(183,224)	(183,224)	57,979	07/15/2023.
89837L AB 1	PRINCETON UNIVERSITY	...	11/04/2013.	MORGAN KEEGAN		6,521,625	5,500,000	6,200,290	6,181,330		(11,300)		(11,300)		6,170,030		351,595	351,595	370,975	03/01/2039.
900212 AC 5	TURLOCK CORP	...	05/16/2013.	GOLDMAN SACHS & CO		4,923,800	5,000,000	5,052,450	5,052,336		(411)		(411)		5,051,925		(128,125)	(128,125)	104,326	11/02/2042.
90272* AA 0	UNITED HEALTHCARE SERVICES	...	12/17/2013.	SINKING FUND REDEMPTION		45,839	45,839	45,820					0		45,820		18	18	558	05/17/2033.
90345W AA 2	LCC 5.9 10/01/24	...	10/01/2013.	VARIOUS		675,389	607,326	661,936	656,835		(9)		(9)		656,826		18,563	18,563	18,989	10/01/2024.
90345W AD 6	US AIR 2012-2A	...	12/03/2013.	SINKING FUND REDEMPTION		12,184	12,184	12,271	10,296		(6)		(6)		12,184			0	548	06/03/2025.
90345W AE 4	US AIR 2012-2B	...	12/03/2013.	SINKING FUND REDEMPTION		3,904	3,904	4,216			(16)		(16)		3,904			0	256	06/03/2021.
906548 CJ 9	UNION ELECTRIC	...	05/16/2013.	GOLDMAN SACHS & CO		4,979,850	5,000,000	4,973,700	4,973,855		192		192		4,974,047		5,803	5,803	135,417	09/15/2042.
90783W AA 1	UNION PACIFIC CORP	...	07/02/2013.	SINKING FUND REDEMPTION		75,350	75,350	75,350	75,350				0		75,350			0	3,324	07/02/2030.
909287 AA 2	UAL 2007 TRUST	...	07/02/2013.	SINKING FUND REDEMPTION		41,880	41,880	44,288	41,973		(94)		(94)		41,880			0	2,098	07/02/2022.
911312 AN 6	UNITED PARCEL SERVICE	...	10/28/2013.	VARIOUS		5,407,460	5,000,000	4,880,100	4,884,038		1,396		1,396		4,885,434		522,026	522,026	204,615	11/15/2040.
911312 AR 7	UNITED PARCEL	...	04/23/2013.	CREDIT SUISSE/FIRST BOSTON		4,474,080	4,500,000	4,500,810	4,500,810				0		4,500,810		(26,730)	(26,730)	94,703	10/01/2042.
913017 BS 7	UNITED TECH CORP	...	10/24/2013.	WELLS FARGO/WACHOVIA		2,342,160	2,000,000	2,066,800	2,065,097		(884)		(884)		2,064,213		277,947	277,947	118,433	04/15/2040.
91324P CA 8	UNITED HEALTHCARE GROUP	...	05/01/2013.	GOLDMAN SACHS & CO		3,937,600	4,000,000	3,909,200	3,909,489		523		523		3,910,013		27,587	27,587	84,486	10/15/2042.
91324P CD 2	UNITEDHEALTHCARE GROUP	...	02/26/2013.	VARIOUS		3,951,900	4,000,000	3,945,760			1		1		3,945,761		6,139	6,139	472	03/15/2043.
917435 AA 7	UT MILITARY-TXB-BOYER	...	07/01/2013.	SINKING FUND REDEMPTION		33,514	33,514	33,071	33,507		7		7		33,514			0	1,355	07/01/2050.
92343V AL 8	VERIZON COMMUNICATIONS	...	09/11/2013.	BNP PARIBAS		5,480,700	5,000,000	4,987,800	4,992,950		861		861		4,993,812		486,888	486,888	298,681	02/15/2018.
929766 4Q 3	WBCMT 2005-C20 A7	...	12/01/2013.	MBS PAYDOWN		592,292	592,292	580,423	591,213		1,079		1,079		592,292			0	27,897	07/15/2042.
929766 TL 7	WBCMT 2004-C12 A3	...	09/01/2013.	MBS PAYDOWN		2,693,069	2,693,069	2,678,972	2,687,033		6,036		6,036		2,693,069			0	47,511	07/15/2041.
929766 TM 5	WBCMT 2004-C12 A4	...	12/01/2013.	MBS PAYDOWN		5,973,931	5,973,931	6,229,457	6,003,456		(29,525)		(29,525)		5,973,931			0	320,788	07/15/2041.
929766 WK 5	WBCMT 2004-C15 A3	...	12/01/2013.	MBS PAYDOWN		4,442,717	4,442,717	4,407,835	4,437,378		5,339		5,339		4,442,717			0	126,913	10/15/2041.
931142 CS 0	WAL-MART STORES	...	11/04/2013.	GOLDMAN SACHS & CO		3,391,950	3,000,000	3,039,900	3,039,017		(541)		(541)		3,038,476		353,474	353,474	185,625	04/01/2040.
931142 CY 7	WAL-MART STORES	...	03/20/2013.	VARIOUS		3,400,540	3,000,000	2,837,940	2,842,291		570		570		2,842,861		557,679	557,679	61,806	10/25/2040.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
931422 AK 5	WALGREEN CO	...	05/16/2013.	GOLDMAN SACHS & CO		2,964,750	3,000,000	3,084,450	3,084,203		(507)		(507)		3,083,696		(118,946)	(118,946)	90,933	09/15/2042.
942683 AH 6	WATSON PHARM INC	...	05/16/2013.	BARCLAYS CAPITAL		2,918,130	3,000,000	3,127,500	3,127,480		(683)		(683)		3,126,798		(208,668)	(208,668)	88,260	10/01/2042.
94403* AU 0	WAWA INC	...	03/28/2013.	SINKING FUND REDEMPTION		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	68,528	05/17/2014.
94982D AA 4	WFMBS 2005-AR14 A1	...	12/01/2013.	MBS PAYDOWN		2,270,424	2,270,424	2,077,772	2,285,568		(15,144)		(15,144)		2,270,424			0	67,867	08/25/2035.
949834 AA 3	WFMBS 2007-14 1A1	...	12/01/2013.	MBS PAYDOWN		2,701,405	2,701,405	2,478,421	2,698,563		2,842		2,842		2,701,405			0	86,337	10/25/2037.
94983D AL 9	WFMBS 2005-AR13 4A1	...	12/01/2013.	MBS PAYDOWN		1,547,324	1,547,324	1,403,832	1,568,328		(21,004)		(21,004)		1,547,324			0	41,246	05/25/2035.
94986L AK 0	WFMBS 2007-16 2A1	...	12/01/2013.	MBS PAYDOWN		2,120,306	2,120,306	1,999,414	2,164,946		(44,640)		(44,640)		2,120,306			0	67,256	07/01/2038.
960386 AG 5	WESTINGHOUSE AIR	...	07/31/2013.	MATURITY		2,000,000	2,000,000	1,970,000	1,996,538		3,462		3,462		2,000,000			0	137,500	07/31/2013.
971807 AC 6	WILMINGTON TRUST CO	...	04/15/2013.	MATURITY		3,000,000	3,000,000	2,979,630	2,999,239		761		761		3,000,000			0	73,125	04/15/2013.
976843 BH 4	WISC PUB SERVICE	...	04/05/2013.	BANK OF AMERICA		5,077,950	5,000,000	5,000,000	5,000,000				0		5,000,000		77,950	77,950	64,752	12/01/2042.
G0014F AB 9	AABS 2013-1 A	...	11/15/2013.	MBS PAYDOWN		125,000	125,000	126,250			(1,250)		(1,250)		125,000			0	2,334	01/15/2038.
292505 AB 0	ENCANA CORP	A.	10/15/2013.	MATURITY		3,500,000	3,500,000	3,420,260	3,489,577		10,423		10,423		3,500,000			0	166,250	10/15/2013.
73755L AC 1	POTASH CORPORATION	A.	03/01/2013.	MATURITY		2,000,000	2,000,000	1,903,440	1,997,720		2,280		2,280		2,000,000			0	48,750	03/01/2013.
884903 AZ 8	THOMSON CORPORATION	I.	12/01/2013.	CALL at 104.197		5,209,850	5,000,000	4,960,850	4,988,693		221,157		221,157		5,209,850			0	344,383	10/01/2014.
02666Q D6 7	AMERICAN HONDA FINANCE	...	10/01/2013.	MATURITY		1,000,000	1,000,000	999,040	999,835		165		165		1,000,000			0	67,000	10/01/2013.
05330K AA 3	AUTO METRO PR	F.	09/11/2013.	GOLDMAN SACHS & CO		3,852,480	4,000,000	4,000,000					0		4,000,000		(147,520)	(147,520)	24,000	06/30/2035.
055451 AR 9	BHP FINANCE USA	F.	04/30/2013.	WELLS FARGO/WACHOVIA		6,228,867	5,818,000	6,042,365	6,041,258		(1,358)		(1,358)		6,039,899		188,968	188,968	165,328	02/24/2042.
127210 AB 8	CADBURY SCHWEPPES PLC	...	10/01/2013.	MATURITY		4,000,000	4,000,000	3,989,020	3,998,972		1,028		1,028		4,000,000			0	205,000	10/01/2013.
17163H AB 5	CIBA-GEIGY CORP	...	01/02/2013.	SINKING FUND REDEMPTION		972,187	972,187	1,000,449	972,187				0		972,187			0	35,193	01/02/2016.
268317 AC 8	ELECTRICITE DE FRANCE	F.	10/23/2013.	VARIOUS		6,153,520	5,000,000	5,056,900	5,054,285		(634)		(634)		5,053,651		1,099,869	1,099,869	430,514	01/26/2039.
268317 AE 4	ELECTRICITE DE FRANCE	F.	10/17/2013.	BARCLAYS CAPITAL		3,137,030	3,000,000	2,973,720	2,974,791		325		325		2,975,116		161,914	161,914	205,800	01/27/2040.
34988W AL 8	FOSSM 2012-1A 2A2	F.	10/01/2013.	MBS PAYDOWN		654,388	654,388	654,388	654,388				0		654,388			0	11,231	10/18/2025.
38406C AT 0	GMFM 2011-1A 2A1	F.	11/01/2013.	MBS PAYDOWN		2,735,939	2,735,939	2,756,067	2,735,939				0		2,735,939			0	22,414	11/20/2056.
513770 AW 7	LAN 2012-2A 1A	F.	11/22/2013.	MBS PAYDOWN		1,210,205	1,210,205	1,210,205	1,210,205				0		1,210,205			0	20,604	12/22/2054.
653358 BN 0	NIAGARA COUNT IND. DEVL. AUTH	F.	11/06/2013.	VARIOUS		1,455,832	1,455,832	1,454,003	1,454,003				0		1,454,003		1,830	1,830	81,857	11/06/2014.
67576G AA 5	ODBRCHT OFFSHORE DRILL FIN	F.	12/01/2013.	SINKING FUND REDEMPTION		30,800	30,800	30,798					0		30,800			0	664	10/01/2022.
69913D AD 4	PARGN 13A A2C	F.	10/01/2013.	MBS PAYDOWN		434,985	434,985	339,571	433,138		1,847		1,847		434,985			0	1,169	01/15/2039.
71645W AR 2	PETROBRAS INTL	F.	07/26/2013.	SALOMON/CITIGROUP		3,008,430	3,000,000	3,125,430	3,115,120		(6,918)		(6,918)		3,108,202		(99,772)	(99,772)	162,594	01/27/2021.
78462Q AB 5	SINGAPORE POWER	F.	10/22/2013.	MATURITY		2,000,000	2,000,000	1,987,260	1,998,719		1,281		1,281		2,000,000			0	100,000	10/22/2013.
786354 AA 8	SAEC 11A A1A	F.	10/01/2013.	MBS PAYDOWN		1,197,198	1,197,198	1,198,467	1,197,198				0		1,197,198			0	12,621	07/30/2092.
85746* BG 4	STATE STREET BK & TRUST CO	F.	01/01/2013.	SINKING FUND REDEMPTION		537,334	537,334	537,334	537,334				0		537,334			0	17,611	01/01/2014.
85746* BJ 8	STATE STREET BK & TRUST CO	F.	01/01/2013.	SINKING FUND REDEMPTION		535,899	535,899	535,899	535,899				0		535,899			0	17,642	01/01/2014.
85771P AA 0	STATOIL ASA	F.	01/01/2013.	CALL at 106.048		5,302,400	5,000,000	4,995,300	4,999,235		303,165		303,165		5,302,400			0	62,639	04/30/2014.
3899999.	Total - Bonds - Industrial and Miscellaneous					615,303,318	605,181,999	593,874,490	567,982,967	57,058	6,145,265	0	6,202,323	0	607,146,555	0	8,156,765	8,156,765	20,583,664	XXX
Bonds - Hybrid Securities																				
ZZ2050 92 5	ROYAL BANK OF CANADA	A.	10/28/2013.	CANACCOR LTD		1,340,000	2,000,000	1,010,000	930,531		5,887		5,887		936,417		403,583	403,583	8,337	06/29/2085.
4899999.	Total - Bonds - Hybrid Securities					1,340,000	2,000,000	1,010,000	930,531	0	5,887	0	5,887	0	936,417	0	403,583	403,583	8,337	XXX
8399997.	Total - Bonds - Part 4					908,948,832	891,442,894	883,741,337	859,477,133	57,058	6,266,684	0	6,323,742	0	898,762,138	0	10,186,193	10,186,193	24,854,472	XXX
8399998.	Total - Bonds - Summary Item from Part 5					143,226,914	148,956,024	142,641,862			35,975		35,975		142,677,836		549,079	549,079	1,769,562	XXX
8399999.	Total - Bonds					1,052,175,746	1,040,398,918	1,026,383,199	859,477,133	57,058	6,302,659	0	6,359,717	0	1,041,439,974	0	10,735,272	10,735,272	26,624,034	XXX
Preferred Stocks - Industrial and Miscellaneous																				
00764C 20 8	ADVENT CLAYMORE CVT SEC	...	09/30/2013.	DIRECT ISSUER	3.000	75,000		75,000	75,000				0		75,000			0		XXX
037344 70 2	ANVIL HOLDINGS	...	04/01/2013.	REORGANIZATION OF SECURITY	5,584.563	10,471		55,846	55,846				0		55,846		(45,375)	(45,375)		XXX

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
23334J 20 6	DTF TAX-FREE INCOME INC	...	09/30/2013.	DIRECT ISSUER	2.000	100,000	50,000.00	100,000	100,000				0		100,000			0		XXX
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous					185,471	XXX	230,846	230,846	0	0	0	0	0	230,846	0	(45,375)	(45,375)	0	XXX
8999997.	Total - Preferred Stocks - Part 4					185,471	XXX	230,846	230,846	0	0	0	0	0	230,846	0	(45,375)	(45,375)	0	XXX
8999999.	Total - Preferred Stocks					185,471	XXX	230,846	230,846	0	0	0	0	0	230,846	0	(45,375)	(45,375)	0	XXX
Common Stocks - Industrial and Miscellaneous																				
629491 10 1	NYSE EURONEXT	...	11/14/2013.	TENDER OFFER	99,560.000	1,110,534	XXX	3,683,720	3,140,122	543,598			543,598		3,683,720		(2,573,186)	(2,573,186)	89,604	XXX
9099999.	Total - Common Stocks - Industrial and Miscellaneous					1,110,534	XXX	3,683,720	3,140,122	543,598	0	0	543,598	0	3,683,720	0	(2,573,186)	(2,573,186)	89,604	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																				
70754# 10 7	PENN JANNEY ADVISORY, INC	...	09/30/2013.	DIRECT		17,259	XXX	17,259	17,259				0					0		XXX
70754@ 10 9	PENN JANNEY FUND INC	...	09/30/2013.	DIRECT		390,483	XXX	390,483	390,483	(328,867)			(328,867)					0		XXX
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					407,742	XXX	407,742	407,742	(328,867)	0	0	(328,867)	0	0	0	0	0	0	XXX
9799997.	Total - Common Stocks - Part 4					1,518,276	XXX	4,091,462	3,547,864	214,731	0	0	214,731	0	3,683,720	0	(2,573,186)	(2,573,186)	89,604	XXX
9799998	Total - Common Stocks - Summary Item from Part 5					7,264,654	XXX	4,032,293					0		4,032,293		3,232,361	3,232,361	158	XXX
9799999.	Total - Common Stocks					8,782,930	XXX	8,123,755	3,547,864	214,731	0	0	214,731	0	7,716,013	0	659,175	659,175	89,762	XXX
9899999.	Total - Preferred and Common Stocks					8,968,401	XXX	8,354,601	3,778,710	214,731	0	0	214,731	0	7,946,859	0	613,800	613,800	89,762	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					1,061,144,147	XXX	1,034,737,800	863,255,843	271,789	6,302,659	0	6,574,448	0	1,049,386,833	0	11,349,072	11,349,072	26,713,796	XXX

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Special Revenue and Special Assessment																				
3136AA WE 1	FNR 2012-134 ZC	...	01/28/2013	DEUTSCHE BANK	04/17/2013	RBC/DAIN RAUSCHER	19,159,252	16,526,294	16,644,672	16,551,334		25,040		25,040			93,339	93,339	147,106	39,667
3137AW PR 0	FHR 4136 ZL	...	01/29/2013	DEUTSCHE BANK	04/22/2013	DEUTSCHE BANK	5,908,773	5,615,502	5,493,346	5,618,902		3,400		3,400			(125,556)	(125,556)	55,876	14,662
3137AY 5X 5	FHR 4150 JZ	...	02/04/2013	DEUTSCHE BANK	03/20/2013	GOLDMAN SACHS & CO	7,850,104	7,529,236	7,222,096	7,531,726		2,490		2,490			(309,630)	(309,630)	35,277	3,915
3137AY C2 5	FHR 4150 ZA	...	02/04/2013	DEUTSCHE BANK	03/13/2013	DEUTSCHE BANK	4,022,322	3,806,818	3,620,090	3,808,037		1,219		1,219			(187,947)	(187,947)	15,729	2,006
3137AY C3 3	FHR 4150 ZB	...	02/04/2013	DEUTSCHE BANK	03/19/2013	SALOMON/CITIGROUP	3,537,192	3,344,785	3,243,163	3,346,011		1,226		1,226			(102,848)	(102,848)	15,011	1,764
3137AY D4 0	FHR 4166 PZ	...	01/28/2013	MIZUHO SECURITIES USA	04/08/2013	VARIOUS	7,892,521	7,696,215	7,755,542	7,695,548		(666)		(666)			59,994	59,994	48,920	19,134
3199999. Total - Bonds - U.S. Special Revenue and Special Assessments							48,370,164	44,518,850	43,978,909	44,551,558	0	32,709	0	32,709	0	0	(572,648)	(572,648)	317,919	81,148
Bonds - Industrial and Miscellaneous																				
00101J AG 1	ADT CORP	...	08/01/2013	VARIOUS	09/11/2013	VARIOUS	1,470,000	1,105,525	1,053,740	1,105,940		415		415			(52,200)	(52,200)	11,148	4,180
03512T AD 3	ANGLOGOLD HOLDS	F.	07/25/2013	SALOMON/CITIGROUP	09/11/2013	SALOMON/CITIGROUP	1,000,000	1,000,000	990,900	1,000,000				0			(9,100)	(9,100)	9,681	
059165 EF 3	BALTIMORE GAS & ELECTRIC	...	06/12/2013	SCOTIA CAPITAL (USA) INC	10/30/2013	GOLDMAN SACHS & CO	2,000,000	1,999,140	1,979,400	1,999,183		43		43			(19,783)	(19,783)	25,497	
15189X AM 0	CENTERPOINT HOUSING	...	01/08/2013	WELLS FARGO/WACHOVIA	05/01/2013	BANK OF AMERICA	3,000,000	2,837,880	2,955,270	2,838,879		999		999			116,391	116,391	78,692	44,671
228189 AA 4	CROWN AMER / CAP	...	01/03/2013	DEUTSCHE BANK	05/02/2013	WELLS FARGO/WACHOVIA	1,000,000	1,000,000	1,027,500	1,000,000				0			27,500	27,500	14,750	
25470X AR 6	DISH DBS CORP	...	05/15/2013	BARCLAYS CAPITAL	06/19/2013	VARIOUS	1,000,000	1,000,000	1,000,000	1,000,000				0				0	4,861	
337932 AC 1	FIRSTENERGY CORP	...	08/06/2013	JEFFERIES & CO	09/11/2013	JEFFERIES & CO	1,000,000	1,016,300	990,460	1,016,300				0			(25,840)	(25,840)	23,764	17,208
36160B AA 3	GDF SUEZ	F.	01/24/2013	VARIOUS	04/02/2013	VARIOUS	7,000,000	6,929,740	6,930,980	6,931,102		1,362		1,362			(122)	(122)	92,958	55,184
364725 AX 9	GCI 5 1/8 07/15/20	...	07/24/2013	JP MORGAN CHASE	09/27/2013	JP MORGAN CHASE	250,000	246,415	245,938	246,488		73		73			(551)	(551)	2,242	
370334 BP 8	GIS 4.15 02/15/43	...	04/24/2013	VARIOUS	04/26/2013	BANK OF AMERICA	5,000,000	5,025,400	5,235,600	5,025,210		(190)		(190)			210,390	210,390	52,451	
459200 HF 1	IBM CORP	...	02/04/2013	STERNE , AGEE & LEACH	10/23/2013	MITSUBISHI SECURITIES	3,000,000	3,055,230	2,742,120	3,054,595		(635)		(635)			(312,475)	(312,475)	102,667	15,667
561234 AA 3	MALLINCKRODT INT	F.	04/08/2013	GOLDMAN SACHS & CO	04/10/2013	STERNE , AGEE & LEACH	2,000,000	1,993,680	2,046,200	1,993,685		5		5			52,515	52,515	1,056	
69353X AA 3	PNK FINANCE CORP	...	07/31/2013	JP MORGAN CHASE	08/07/2013	JP MORGAN CHASE	250,000	250,000	250,313	250,000				0			313	313	310	
694308 HD 2	PACIFIC GAS & ELECTRIC	...	06/12/2013	BANK OF AMERICA	08/12/2013	SCOTIA CAPITAL (USA) INC	3,000,000	2,997,570	2,970,960	2,997,578		8		8			(26,618)	(26,618)	23,383	
740189 AH 8	PRECISION CAST	...	01/25/2013	USB	05/16/2013	CREDIT SUISSE/FIRST BOSTON	3,788,000	3,737,620	3,767,318	3,738,053		433		433			29,265	29,265	61,965	16,415
74456Q BA 3	PUBLIC SERVICE ELECTRIC & GAS	...	06/20/2013	WELLS FARGO/WACHOVIA	08/06/2013	BANK OF AMERICA	3,000,000	2,641,950	2,623,560	2,642,791		841		841			(19,231)	(19,231)	48,058	34,675
74456Q BB 1	PUBLIC SERVICE ELECTRIC & GAS	...	06/21/2013	VARIOUS	08/06/2013	VARIOUS	22,000,000	21,571,200	22,251,720	21,572,349		1,149		1,149			679,371	679,371	272,122	52,250
822582 AN 2	SHELL INTL FIN	F.	01/03/2013	SUN TRUST	03/19/2013	GOLDMAN SACHS & CO	1,315,000	1,675,455	1,647,011	1,673,983		(1,472)		(1,472)			(26,971)	(26,971)	35,560	20,693
842400 FZ 1	SOUTHERN CAL ED	...	09/25/2013	JP MORGAN CHASE	11/14/2013	SALOMON/CITIGROUP	3,000,000	2,979,360	2,978,280	2,979,401		41		41			(1,121)	(1,121)	18,213	
89153U AF 8	TOTAL CAP CANADA	A.	01/17/2013	RBC/DAIN RAUSCHER	09/25/2013	VARIOUS	5,000,000	5,035,900	4,660,500	5,033,869		(2,031)		(2,031)			(373,369)	(373,369)	95,715	2,292
911312 AR 7	UNITED PARCEL	...	02/04/2013	CREDIT SUISSE/FIRST BOSTON	04/26/2013	VARIOUS	4,000,000	3,827,200	3,989,490	3,828,076		876		876			161,414	161,414	85,943	52,361
914744 AC 1	UNIVERSITY OF NOTRE DAME	...	02/05/2013	FTN FINANCIAL	05/16/2013	WELLS FARGO/WACHOVIA	5,000,000	4,756,300	4,904,350	4,757,621		1,321		1,321			146,729	146,729	134,333	81,117
927804 FL 3	VIRGINIA ELECTRIC & POWER	...	01/03/2013	VARIOUS	04/26/2013	BANK OF AMERICA	7,500,000	7,484,662	7,885,500	7,484,769		107		107			400,731	400,731	94,167	
95709T AH 3	WESTAR ENERGY	...	01/25/2013	USB	05/16/2013	WELLS FARGO/WACHOVIA	3,000,000	3,105,600	3,103,890	3,105,057		(543)		(543)			(1,167)	(1,167)	89,375	51,219
95709T AJ 9	WESTAR ENERGY INC	...	03/21/2013	BANK OF AMERICA	05/16/2013	WELLS FARGO/WACHOVIA	2,000,000	1,992,460	2,062,020	1,992,481		21		21			69,539	69,539	12,072	
976843 BH 4	WISC PUB SERVICE	...	01/24/2013	SUSQUEHANNA INTL	04/26/2013	WELLS FARGO/WACHOVIA	4,000,000	3,927,880	4,024,440	3,928,323		443		443			96,117	96,117	60,368	22,842
009503 AA 1	AIRSP 2007-1A G1	F.	11/14/2013	GOLDMAN SACHS & CO	11/18/2013	GOLDMAN SACHS & CO	6,012,860	4,930,545	4,930,545	4,930,545				0				0	292	292
3899999. Total - Bonds - Industrial and Miscellaneous							100,585,860	98,123,012	99,248,005	98,126,278	0	3,266	0	3,266	0	0	1,121,727	1,121,727	1,451,643	471,066
8399998. Total - Bonds							148,956,024	142,641,862	143,226,914	142,677,836	0	35,975	0	35,975	0	0	549,079	549,079	1,769,562	552,214
Common Stocks - Industrial and Miscellaneous																				
02503X 10 5	AMERICAN CAPITAL AGENCY	...	08/02/2013	JANNEY MONTGOMERY SCOTT	09/11/2013	JANNEY MONTGOMERY SCOTT	44,000.000	991,703	1,000,560	991,703				0			8,857	8,857		

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
037344 80 1	ANVIL HOLDINGS COMMON STK		04/01/2013	REORGANIZATION OF SECURITY	04/01/2013	REORGANIZATION OF SECURITY	356.000	10,471	1,331	10,471				0			(9,140)	(9,140)		
41902R 10 3	HATTERAS FINANCIAL CORP		08/02/2013	JANNEY MONTGOMERY SCOTT	09/11/2013	JANNEY MONTGOMERY SCOTT	50,000.000	998,515	910,500	998,515				0			(88,015)	(88,015)		
45866F 10 4	INTERCONTINENTAL EXCHANGE		11/14/2013	TENDER OFFER	11/18/2013	VARIOUS	17,044.000		3,460,443					0			3,460,443	3,460,443	158	
555555 55 6	PACIRA PHARMACEUTICALS COMMON STK		06/06/2013	DISTRIBUTION	06/06/2013	DEUTSCHE BANK	18,067.000	533,579	494,263	533,579				0			(39,316)	(39,316)		
761248 10 3	RESPONSYS INC		08/07/2013	DISTRIBUTION	08/07/2013	MORGAN STANLEY	53,144.000	832,235	784,247	832,235				0			(47,988)	(47,988)		
98933Q 10 8	ZELTIQ AESTHETICS COMMON STK		09/24/2013	DISTRIBUTION	09/26/2013	MERRILL LYNCH	74,408.000	665,790	613,310	665,790				0			(52,480)	(52,480)		
9099999.	Total - Common Stocks - Industrial and Miscellaneous							4,032,293	7,264,654	4,032,293	0	0	0	0	0	0	3,232,361	3,232,361	158	0
9799998.	Total - Common Stocks							4,032,293	7,264,654	4,032,293	0	0	0	0	0	0	3,232,361	3,232,361	158	0
9899999.	Total - Preferred and Common Stocks							4,032,293	7,264,654	4,032,293	0	0	0	0	0	0	3,232,361	3,232,361	158	0
9999999.	Total - Bonds, Preferred and Common Stocks							146,674,155	150,491,568	146,710,129	0	35,975	0	35,975	0	0	3,781,440	3,781,440	1,769,720	552,214

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	Stock of Such Company Owned by Insurer on Statement Date	
								9	10
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	NAIC Company Code or Alien Insurer Identification Number	NAIC Valuation Method (See SVO Purposes and Procedures Manual)	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Number of Shares	% of Outstanding
Common Stocks - U.S. Life Insurer									
707432 10 0	The Penn Insurance and Annuity Company		93262	2ciB1	...NO		310,741,514	1,000.000	100.0
1299999.	Total - Common Stocks - U.S. Life Insurer					0	310,741,514	XXX	XXX
Common Stocks - Other Affiliates									
44065# 10 6	Hornor Townsend & Kent			2ciB3	...NO		10,752,004	1,000.000	100.0
45341* 10 3	Independence Capital Management, Inc			2CiB3	...NO		799,068	10,000.000	100.0
1799999.	Total - Common Stocks - Other Affiliates					0	11,551,072	XXX	XXX
1899999.	Total - Common Stocks					0	322,292,586	XXX	XXX
1999999.	Total - Preferred and Common Stock					0	322,292,586	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: $.....0.

2. Total amount of intangible assets nonadmitted $.....0.

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Number of Shares	% of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest						21
		3	4					9	10	11	12			15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
Class One Money Market Mutual Funds																				
09248U 61 9	BLACKROCK LIQ FUND TEMPFUND			12/26/2013.	DIRECT ISSUER	XXX	35,780,118						35,780,118	953				MON..		
4812A0 36 7	JP MORGAN PRIME MMF-CAP			12/31/2013.	VARIOUS	XXX	18,470,560						18,470,560	1,528				MON..	97	
8999999. Total - Class One Money Market Mutual Funds							54,250,678	0	0	0	0	XXX	54,250,678	2,481	0	XXX	XXX	XXX	97	0
9199999. Total - Short-Term Investments							54,250,678	0	0	0	0	XXX	54,250,678	2,481	0	XXX	XXX	XXX	97	0

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate of Indexed Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization) Accretion	20 Adjustment to Carrying Value of Hedged Items	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Year-end (b)
Purchased Options - Hedging Other - Call Options and Warrants																						
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	05/23/2013	05/21/2014	16,026	26,750,000	1702.54/1869.46		873,923		1,862,073		1,862,073	988,150						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse Intl E58DKGMJYYYJLN8C3868	06/04/2013	05/30/2014	3,652	6,000,000	1685/1850		197,733		436,291		436,291	238,558						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	06/10/2013	06/09/2014	16,435	27,000,000	1675.67/1839.95		942,300		1,995,045		1,995,045	1,052,745						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	06/21/2013	06/23/2014	20,723	33,000,000	1624.2786/1783.5216		1,204,500		2,639,885		2,639,885	1,435,384						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	07/01/2013	06/30/2014	6,189	10,000,000	1645.00/1805.00		365,786		767,310		767,310	401,525						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse Intl E58DKGMJYYYJLN8C3868	07/08/2013	07/07/2014	18,745	30,750,000	1673.27/1825.01		1,030,125		2,093,432		2,093,432	1,063,307						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09	07/22/2013	07/21/2014	18,283	31,000,000	1729.44/1886.28		976,500		1,803,981		1,803,981	827,481						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09	08/06/2013	07/31/2014	5,892	10,000,000	1720.00/1875.00		326,960		590,603		590,603	263,643						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	08/12/2013	08/11/2014	16,425	27,750,000	1723.26/1879.54		879,573		1,628,979		1,628,979	749,406						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	08/21/2013	08/21/2014	1,871	31,000,000	1675.66/1827.62		1,004,488		2,022,867		2,022,867	1,018,379						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse Intl E58DKGMJYYYJLN8C3868	09/05/2013	08/29/2014	7,250	5,000,000	1695.00/1850.00		366,633		757,310		757,310	390,678						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse Intl E58DKGMJYYYJLN8C3868	09/09/2013	08/29/2014	22,731	38,000,000	1705.14/1859.78		1,261,600		2,301,151		2,301,151	1,039,551						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09	09/23/2013	09/22/2014	14,690	25,000,000	1735.88/1893.3		805,000		1,396,064		1,396,064	591,064						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	10/01/2013	09/30/2014	7,900	3,000,000	1730/1885		421,386		753,328		753,328	331,942						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	10/10/2013	10/08/2014	24,163	40,000,000	1688.56/1841.69		1,377,200		2,497,131		2,497,131	1,119,931						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09	10/23/2013	10/21/2014	17,195	30,000,000	1779.5532/1940.9343		942,000		1,443,215		1,443,215	501,215						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09	11/01/2013	10/31/2014	6,980	12,600,000	1764/1902		406,655		548,033		548,033	141,378						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	11/12/2013	11/07/2014	20,033	35,000,000	1782.09/1952.44		1,158,500		1,737,099		1,737,099	578,599						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09	11/21/2013	11/21/2014	14,478	26,000,000	1831.767/1975.435		759,200		922,400		922,400	163,200						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Deutsche Bank.. 7LTWFZYICNSX8D621K86	12/04/2013	11/28/2014	9,581	17,245,800	1833/1976		505,302		605,518		605,518	100,216						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09	12/12/2013	12/08/2014	20,526	37,000,000	1838.6724/1982.882		1,065,600		1,283,101		1,283,101	217,501						001

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate of Indexed Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization) Accretion	20 Adjustment to Carrying Value of Hedged Items	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Year-end (b)
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse Intl E58DKGMJYYYJLN8C3868	12/26/2013	12/22/2014	24,070	44,000,000	1864.55/2010.79		1,280,412		1,367,117		1,367,117	86,705						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	01/08/2013	01/08/2014	24,026	35,000,000	1485.86/1631.54		1,231,834		3,492,704		3,492,704	2,260,869						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	01/22/2013	01/21/2014	23,450	35,000,000	1522.41/1671.67		1,169,000		3,476,824		3,476,824	2,307,824						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	02/01/2013	01/31/2014	16,522	25,500,000	1543.43/1694.75		795,020		2,469,915		2,469,915	1,674,895						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09	02/07/2013	02/07/2014	21,863	33,000,000	1539.5778/1690.5168		1,082,400		3,236,778		3,236,778	2,154,378						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	02/21/2013	02/21/2014	22,630	34,000,000	1532.47/1682.71		1,132,187		3,328,423		3,328,423	2,196,237						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	03/01/2013	02/28/2014	10,000	15,000,000	1555/1705		482,600		1,449,003		1,449,003	966,403						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	03/07/2013	03/07/2014	19,427	30,000,000	1575.15/1729.57		969,008		2,842,187		2,842,187	1,873,179						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	03/21/2013	03/20/2015	6,469	10,000,000	1623.09/1854.96		410,500		979,771		979,771	569,271						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse International E58DKGMJYYYJLN8C3868	03/21/2013	03/21/2014	12,938	20,000,000	1576.72/1731.3		660,000		1,860,483		1,860,483	1,200,483						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	04/01/2013	03/28/2014	15,800	24,650,000	1587/1743		837,400		2,260,229		2,260,229	1,422,829						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	04/08/2013	04/07/2014	17,274	27,000,000	1594.33/1750.64		904,500		2,427,939		2,427,939	1,523,439						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528	04/22/2013	04/21/2014	17,600	27,500,000	1593.75/1750		921,360		2,438,142		2,438,142	1,516,782						001
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11	05/07/2013	05/07/2014	16,452	26,750,000	1658.48/1821.08		835,938		2,112,986		2,112,986	1,277,048						001
0089999. Total-Purchased Options-Hedging Other-Call Options and Warrants										0	29,583,122	0	63,827,317	XXX	63,827,317	34,244,195	0	0	0	0	XXX	XXX
Purchased Options - Hedging Other - Put Options																						
Put Spread	Equity Risk Exposure	N/A	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09	07/18/2013	01/04/2026	59,152	100,000,000	1200/1500		4,583,715		2,883,785		2,883,785	(1,699,930)						008
Put Spread	Equity Risk Exposure	N/A	Equity/Index	Credit Suisse Intl E58DKGMJYYYJLN8C3868	07/18/2013	01/04/2026	88,760	150,000,000	1200/1500		6,897,540		4,257,084		4,257,084	(2,640,456)						008
0099999. Total-Purchased Options-Hedging Other-Put Options										0	11,481,255	0	7,140,869	XXX	7,140,869	(4,340,386)	0	0	0	0	XXX	XXX
Purchased Options - Hedging Other - Caps																						
INTEREST RATE OPTIONS	Interest Rate Risk	N/A	Interest..	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	01/28/2004	01/30/2014		100,000,000	7.0, CMS 7 YR	4,713,957						(93)						002
INTEREST RATE OPTIONS	Interest Rate Risk	N/A	Interest..	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	01/28/2004	01/30/2014		100,000,000	7.0, CMS 10 YR	4,736,043						(113)						002
0109999. Total-Purchased Options-Hedging Other-Caps										9,450,000	0	0	0	XXX	0	(206)	0	0	0	0	XXX	XXX
Purchased Options - Hedging Other - Other																						

E18.1

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

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Swaption	Interest Rate exposure	N/A	Interest..	Credit Suisse International 7LTWFZYICNSX8D621K86	10/17/2013	01/21/2018		50,000,000	0.0110		95,000		895		895	(94,105)						004
0139999. Total-Purchased Options-Hedging Other-Other										0	95,000	0	895	XXX	895	(94,105)	0	0	0	0	XXX	XXX
0149999. Total-Purchased Options-Hedging Other										9,450,000	41,159,377	0	70,969,081	XXX	70,969,081	29,809,498	0	0	0	0	XXX	XXX
0369999. Total-Purchased Options-Call Options and Warrants										0	29,583,122	0	63,827,317	XXX	63,827,317	34,244,195	0	0	0	0	XXX	XXX
0379999. Total-Purchased Options-Put Options										0	11,481,255	0	7,140,869	XXX	7,140,869	(4,340,386)	0	0	0	0	XXX	XXX
0389999. Total-Purchased Options-Caps										9,450,000	0	0	0	XXX	0	(206)	0	0	0	0	XXX	XXX
0419999. Total-Purchased Options-Other										0	95,000	0	895	XXX	895	(94,105)	0	0	0	0	XXX	XXX
0429999. Total-Purchased Options										9,450,000	41,159,377	0	70,969,081	XXX	70,969,081	29,809,498	0	0	0	0	XXX	XXX
Swaps - Hedging Effective - Foreign Exchange																						
Foreign Currency Swap	GBP Denominated Bond	NA	F/X	Credit Suisse International 7LTWFZYICNSX8D621K86	06/11/2013	12/26/2033		9,667,350	5.6/ (Interp : LIBOR 6M & LIBOR 1yr)			2,988	(763,114)		(1,857,241)		(763,114)			216,169		007
Foreign Currency Swap	GBP Denominated Bond	NA	F/X	Credit Suisse International 7LTWFZYICNSX8D621K86	12/11/2013	12/26/2033		4,912,500	6.12/ (Interp : LIBOR 6M & LIBOR 1yr)			9,882	(54,387)		(97,217)		(54,387)			109,847		007
Foreign Currency Swap	GBP Denominated Bond	NA	F/X	Deutsche Bank.. E58DKGMJYYYJLN8C3868	12/05/2013	12/05/2031		7,992,500	5.49/ (5.03% - Fixed)			1,105	(285,646)		(276,549)		(285,646)			169,262		007
Foreign Currency Swap	GBP Denominated Bond	NA	F/X	Deutsche Bank.. E58DKGMJYYYJLN8C3868	12/03/2013	12/03/2028		3,206,000	5/ (4.557%- Fixed)			2,655	(105,258)		(98,412)		(105,258)			61,948		007
Foreign Currency Swap	GBP Denominated Bond	NA	F/X	Deutsche Bank.. E58DKGMJYYYJLN8C3868	06/27/2013	06/30/2025		6,067,600	4.61/ (4.101%- Fixed)			15,785	(554,917)		(442,641)		(554,917)			102,900		007
0879999. Total-Swaps-Hedging Effective-Foreign Exchange										0	0	32,415	(1,763,321)	XXX	(2,772,060)	0	(1,763,321)	0	0	660,126	XXX	XXX
0909999. Total-Swaps-Hedging Effective										0	0	32,415	(1,763,321)	XXX	(2,772,060)	0	(1,763,321)	0	0	660,126	XXX	XXX
Swaps - Hedging Other - Interest Rate																						
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo / CME KJNXBSWZVIKEX4NFOL81	06/14/2013	06/14/2023		5,000,000	2.421/ (LIBOR 3M)			59,961	(251,306)		(251,306)	(251,306)				76,883		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo / CME KJNXBSWZVIKEX4NFOL81	08/28/2013	08/28/2022		100,000,000	LIBOR 3M/ (2.84)			(897,282)	180,609		180,609	180,609				1,471,650		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo / CME KJNXBSWZVIKEX4NFOL81	09/09/2013	09/09/2028		90,000,000	LIBOR 3M/ (3.62)			(977,794)	(441,005)		(441,005)	(441,005)				1,725,406		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo / CME KJNXBSWZVIKEX4NFOL81	10/21/2013	10/21/2023		110,000,000	2.72/ (LIBOR 3M)			559,552	(3,371,605)		(3,371,605)	(3,371,605)				1,722,735		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo / CME KJNXBSWZVIKEX4NFOL81	10/31/2013	10/31/2017		50,000,000	1.048/ (LIBOR 3M)			213,043	(555,185)		(555,185)	(555,185)				489,618		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo / CME KJNXBSWZVIKEX4NFOL81	11/04/2013	11/04/2018		200,000,000	1.47/ (LIBOR 3M)			407,989	(2,449,269)		(2,449,269)	(2,449,269)				2,201,494		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo / CME KJNXBSWZVIKEX4NFOL81	11/08/2013	11/08/2017		50,000,000	1.06/ (LIBOR 3M)			62,742	(416,399)		(416,399)	(416,399)				491,015		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo / CME KJNXBSWZVIKEX4NFOL81	11/22/2013	11/22/2018		200,000,000	1.435/ (LIBOR 3M)			272,627	(2,989,304)		(2,989,304)	(2,989,304)				2,212,666		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Credit Suisse / CME KJNXBSWZVIKEX4NFOL81	09/17/2013	09/17/2016		170,000,000	LIBOR 3M/ (1.01625)			(388,454)	(1,203,368)		(1,203,368)	(1,203,368)				1,400,585		004

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate of Indexed Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization) Accretion	20 Adjustment to Carrying Value of Hedged Items	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Year-end (b)
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Credit Suisse / CME KJNXBSWZVIKEX4NFOL81...	09/10/2013	09/10/2022		50,000,000	LIBOR 3M/ (2.934)			(427,856)	(246,790)		(246,790)	(246,790)				737,336		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Credit Suisse / CME KJNXBSWZVIKEX4NFOL81...	12/24/2013	12/24/2023		100,000,000	2.99125/ (LIBOR 3M)			53,334	(889,550)		(889,550)	(889,550)				1,580,055		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo Bank KB1H1DSPRFMYMCUFXT09.	10/02/2012	10/02/2027		200,000,000	2.176/ (LIBOR 3M)			3,786,632	(30,442,177)		(30,442,177)	(26,313,416)				3,709,669		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Wells Fargo Bank KB1H1DSPRFMYMCUFXT09.	04/29/2013	05/01/2025		110,000,000	2.097/ (LIBOR 3M)			1,341,905	(12,707,188)		(12,707,188)	(12,707,188)				1,852,098		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Credit Suisse International E58DKGMJYYYJLN8C3868...	04/30/2013	04/30/2020		150,000,000	1.3025/ (LIBOR 3M)			1,035,490	(8,721,715)		(8,721,715)	(8,721,715)				1,887,595		004
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest..	Credit Suisse International E58DKGMJYYYJLN8C3868...	06/04/2013	06/04/2018		100,000,000	1.227/ (LIBOR 3M)			551,674	(1,309,831)		(1,309,831)	(1,309,831)				1,052,069		004
0919999. Total-Swaps-Hedging Other-Interest Rate										0	0	5,653,563	(65,814,083)	XXX	(65,814,083)	(61,685,323)	0	0	0	22,610,874	XXX	XXX
Swaps - Hedging Other - Credit Default																						
Credit Default Swap	530715AD3 Liberty Media LLC	D1	Credit....	Bank of America	07/10/2009	09/20/2019		5,000,000	Credit event/(5.00)	232,770		(252,778)	(797,646)	#	(797,646)	(138,236)					3FE	005
Credit Default Swap	237194AE5 Darden Restaurants	D1	Credit....	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02...	02/17/2009	03/20/2014		4,000,000	Credit Event/(2.34)			(94,640)	(20,113)	#	(20,113)	76,854					2FE	005
0929999. Total-Swaps-Hedging Other-Credit Default										232,770	0	(347,418)	(817,759)	XXX	(817,759)	(61,382)	0	0	0	0	XXX	XXX
0969999. Total-Swaps-Hedging Other										232,770	0	5,306,146	(66,631,842)	XXX	(66,631,842)	(61,746,705)	0	0	0	22,610,874	XXX	XXX
Swaps - Other - Total Return																						
Total Return Swap	VAGLB Hedge	NA	Equity Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	06/24/2013	06/27/2014		120,836,877	3L+26bps/(S&P)			318,060	(23,544,184)		(23,544,184)	(23,544,184)				421,923		008
Total Return Swap	VAGLB Hedge	NA	Equity Index	JP Morgan Chase 7H6GLXDRUGQFU57RNE97.	06/25/2013	06/30/2014		49,999,973	3L+48.5bps/(EAFE)			190,839	(10,291,829)		(10,291,829)	(10,291,829)				176,049		008
Total Return Swap	VAGLB Hedge	NA	Equity Index	JP Morgan Chase 7H6GLXDRUGQFU57RNE97.	10/31/2013	11/04/2014		20,000,013	3L+20bps/(EAFE)			15,224	651,721		651,721	651,721				70,420		008
1129999. Total-Swaps-Other-Total Return										0	0	524,124	(33,184,293)	XXX	(33,184,293)	(33,184,293)	0	0	0	668,392	XXX	XXX
Swaps - Other - Other																						
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation.	Credit Suisse International E58DKGMJYYYJLN8C3868...	04/25/2013	04/29/2023		75,000,000	US CPI/(2.66%)			(845,843)	(1,064,824)		(1,064,824)	(1,064,824)				1,145,532		009
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation.	Deutsche Bank.. 7LTWFZYICNSX8D621K86...	04/25/2013	04/29/2023		50,000,000	US CPI/(2.64%)			(567,212)	(741,720)		(741,720)	(741,720)				763,688		009
1139999. Total-Swaps-Other-Other										0	0	(1,413,054)	(1,806,544)	XXX	(1,806,544)	(1,806,544)	0	0	0	1,909,220	XXX	XXX
1149999. Total-Swaps-Other										0	0	(888,931)	(34,990,837)	XXX	(34,990,837)	(34,990,837)	0	0	0	2,577,612	XXX	XXX
1159999. Total-Swaps-Interest Rate										0	0	5,653,563	(65,814,083)	XXX	(65,814,083)	(61,685,323)	0	0	0	22,610,874	XXX	XXX
1169999. Total-Swaps-Credit Default										232,770	0	(347,418)	(817,759)	XXX	(817,759)	(61,382)	0	0	0	0	XXX	XXX
1179999. Total-Swaps-Foreign Exchange										0	0	32,415	(1,763,321)	XXX	(2,772,060)	0	(1,763,321)	0	0	660,126	XXX	XXX
1189999. Total-Swaps-Total Return										0	0	524,124	(33,184,293)	XXX	(33,184,293)	(33,184,293)	0	0	0	668,392	XXX	XXX
1199999. Total-Swaps-Other										0	0	(1,413,054)	(1,806,544)	XXX	(1,806,544)	(1,806,544)	0	0	0	1,909,220	XXX	XXX
1209999. Total-Swaps										232,770	0	4,449,630	(103,386,000)	XXX	(104,394,739)	(96,737,542)	(1,763,321)	0	0	25,848,612	XXX	XXX
Forwards - Hedging Other																						
Foreign Currency Forward	Euro denominated investments	N/A	Currency	Goldman Sachs International W22LROWP2IHZNBB6K528...	11/14/2013	11/18/2014		18,185,918	1.347 USD/EUR				(403,878)		(403,878)	(403,878)				86,881		006

SCHEDULE DB - PART A - SECTION 1

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1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate of Indexed Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization) Accretion	20 Adjustment to Carrying Value of Hedged Items	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Year-end (b)
12229999. Total-Forwards-Hedging Other										0	0	0	(403,878)	XXX	(403,878)	(403,878)	0	0	0	86,881	XXX	XXX
1269999. Total-Forwards										0	0	0	(403,878)	XXX	(403,878)	(403,878)	0	0	0	86,881	XXX	XXX
1399999. Total-Hedging Effective										0	0	32,415	(1,763,321)	XXX	(2,772,060)	0	(1,763,321)	0	0	660,126	XXX	XXX
1409999. Total-Hedging Other										9,682,770	41,159,377	5,306,146	3,933,361	XXX	3,933,361	(32,341,084)	0	0	0	22,697,755	XXX	XXX
1439999. Total-Other										0	0	(888,931)	(34,990,837)	XXX	(34,990,837)	(34,990,837)	0	0	0	2,577,612	XXX	XXX
1449999. TOTAL										9,682,770	41,159,377	4,449,630	(32,820,797)	XXX	(33,829,536)	(67,331,921)	(1,763,321)	0	0	25,935,493	XXX	XXX

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
1	The objective of the derivative is to hedge the embedded option within the Indexed Universal Life product to transfer the market risk, thus protecting the Company from rising equity levels (delta risk), rising implied volatility (vega risk), and rising risk free rates (rho risk). For the period ended December 31, 2013, the hedge has been effecti
2	The objective of the derivative is to hedge against margin compression due to rising interest rates. For the period ended December 31, 2013, the hedge has been effective at achieving its objective.
3	The objective of the derivative is to balance the company's equity risk exposure. For the period ended December 31, 2013, the hedge has been effective at achieving its objective.
4	The derivative is part of the Company's Equity Hedging program. The objective of the derivative is to hedge the rho risk (change in price of option for corresponding change in interest rates) of the variable annuity rider liabilities. For the period ended December 31, 2013, the hedge has been effective at achieving its objective.
5	The objective of the derivative is to protect the Company from a decline in credit quality associated with a bond position. For the period ended December 31, 2013, the hedge has been effective at achieving its objective.
6	The objective of the derivative is to hedge the currency risk embedded in the Company's investments in Euro-denominated alternative assets. For the period ended December 31, 2013, the hedge has been effective at achieving its objective
7	The objective of the derivative is to hedge the currency risk associated with the Company's investments in GBP-denominated bond holdings. For the period ended December 31, 2013, the hedge has been effective at achieving its objective.
8	The derivative is part of the Company's Equity Hedging program. The objective of the derivative is to hedge the delta risk (change in price of option for corresponding change in equity index) of Penn Mutual's Living Benefits block of business. For the period ended December 31, 2013; the hedge has been effective at achieving its objective.
9	The derivative is part of the Company's Equity Hedging program. The objective of the derivative is to hedge the rho risk (change in price of option for corresponding change in interest rates) of the variable annuity rider liabilities. For the period ended December 31+, 2013, the hedge has been effective at achieving its objective.

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Termination Date	9 Indicate Exercise, Expiration, Maturity or Sale	10 Number of Contracts	11 Notional Amount	12 Strike Price, Rate of Index Received (Paid)	13 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	14 Current Year Initial Cost of Premium (Received) Paid	15 Consideration Received (Paid) on Termination	16 Current Year Income	17 Book/ Adjusted Carrying Value	18 Code	19 Unrealized Valuation Increase (Decrease)	20 Total Foreign Exchange Change in B./A.C.V.	21 Current Year's (Amortization)/ Accretion	22 Gain (Loss) on Termination Recognized	23 Adjustment to Carrying Value of Hedged Item	24 Gain (Loss) on Termination Deferred	25 Hedge Effectiveness at Inception and at Termination (b)
Purchased Options - Hedging Other - Call Options and Warrants																								
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	01/13/2012	01/15/2013	01/15/2013	Maturity	19,502	25,000,000	1307.54/1448.55	1,132,499		2,750,019		2,750,019		(1,040,230)			1,617,521			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse International E58DKGMJYYYJLN8C3868...	02/07/2012	02/07/2013	02/07/2013	Maturity	13,371	18,000,000	1373.09/1480.79	601,172		1,440,086		1,440,086		(198,832)			838,913			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse International E58DKGMJYYYJLN8C3868...	02/21/2012	02/21/2013	02/21/2013	Maturity	19,851	27,000,000	1387.35/1496.17	934,176		2,160,159		2,160,159		(110,868)			1,225,982			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09.	03/06/2012	03/06/2013	03/06/2013	Maturity	14,898	20,000,000	1369.35/1476.75	716,000		1,600,000		1,600,000		(186,921)			884,000			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09.	03/21/2012	03/21/2013	03/21/2013	Maturity	17,785	25,000,000	1433.814/1546.27	835,000		1,991,641		1,991,641		255,773			1,156,641			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09.	02/01/2013	03/28/2013	03/28/2013	Maturity	33,043	50,000,000	1513.17/1588.83		760,000	1,851,081		1,851,081					1,091,081			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	04/09/2012	04/09/2013	04/03/2013	Sale	18,033	25,000,000	1414.1/1525.00	837,439		1,974,040		1,974,040		25,230			1,136,601			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse International E58DKGMJYYYJLN8C3868...	04/20/2012	04/19/2013	04/03/2013	Sale	21,713	30,000,000	1409.3/1519.84	1,023,000		2,300,694		2,300,694		(19,704)			1,277,694			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09.	05/07/2012	05/07/2013	05/07/2013	Maturity	17,486	24,000,000	1400.00/1509.81	808,800		1,920,000		1,920,000		(93,507)			1,111,200			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	JP Morgan Chase....	05/21/2012	05/21/2013	04/03/2013	Sale	16,717	22,000,000	1342.31/1473.91	930,600		2,090,016		2,090,016		(393,270)			1,159,416			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	JP Morgan Chase....	06/07/2012	06/07/2013	06/07/2013	Maturity	14,405	19,000,000	1345.38/1477.28	811,300		1,900,000		1,900,000		(309,173)			1,088,700			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	06/21/2012	06/21/2013	06/21/2013	Maturity	18,600	25,000,000	1370.99/1505.40	1,035,090		2,500,026		2,500,026		(285,476)			1,464,936			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	12/14/2012	06/28/2013	06/28/2013	Maturity	24,052	34,000,000	1413.58/1512.5306	1,020,063		2,380,000		2,380,000		(87,178)			1,359,938			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09.	02/01/2013	05/31/2013	05/31/2013	Maturity	33,043	50,000,000	1513.17/1619.09		1,165,000	3,500,000		3,500,000					2,335,000			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	JP Morgan Chase....	07/09/2012	07/09/2013	07/09/2013	Maturity	19,964	27,000,000	1379.51/1515.76	1,090,800		2,700,080		2,700,080		(260,197)			1,609,280			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A. KB1H1DSPRFMYMCUFXT09.	07/23/2012	07/23/2013	07/23/2013	Maturity	23,791	32,000,000	1371.95/1506.46	1,280,000		3,200,000		3,200,000		(385,770)			1,920,000			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	08/07/2012	08/07/2013	08/07/2013	Maturity	21,408	30,000,000	1429.38/1541.49	996,111		2,400,043		2,400,043		(3,543)			1,403,932			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11.....	08/21/2012	08/21/2013	08/21/2013	Maturity	22,639	32,000,000	1441.76/1554.84	1,081,600		2,560,018		2,560,018		88,719			1,478,418			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11.....	02/01/2013	08/30/2013	08/30/2013	Maturity	16,522	25,000,000	1513.17/1619.09		692,500	1,749,969		1,749,969					1,057,469			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	09/07/2012	09/06/2013	09/06/2013	Maturity	27,818	40,000,000	1452.3/1567.33	1,380,049		3,199,900		3,199,900		216,323			1,819,851			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11.....	09/24/2012	09/24/2013	09/24/2013	Maturity	18,876	27,500,000	1486.03/1602.58	869,000		2,199,977		2,199,977		212,674			1,330,977			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suisse International E58DKGMJYYYJLN8C3868...	01/11/2013	09/30/2013	09/30/2013	Maturity	20,380	30,000,000	1472.05/1604.53		1,074,000	2,699,908		2,699,908					1,625,908			009

SCHEDULE DB - PART A - SECTION 2

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Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	10/08/2012	10/08/2013	10/08/2013	Maturity	19,229	28,000,000	1485.22/1601.71	876,478		2,240,000		2,240,000		201,818			1,363,522			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Credit Suissse 7LTWFZYICNSX8D621K86....	05/22/2013	10/18/2013	10/18/2013	Maturity	15,103	25,000,000	1671.9/1771.22		527,500	1,096,445		1,096,445					568,945			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	10/22/2012	10/22/2013	10/22/2013	Maturity	27,898	40,000,000	1462.49/1577.191	1,260,139		3,200,000		3,200,000		110,452			1,939,861			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo KB1H1DSPRFMYMCUFXT09.	11/07/2012	11/07/2013	11/07/2013	Maturity	32,269	45,000,000	1422.42/1561.87	1,665,000		4,500,000		4,500,000		(222,113)			2,835,000			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	11/26/2012	11/26/2013	11/26/2013	Maturity	24,888	35,000,000	1434.42/1575.04	1,245,653		3,500,000		3,500,000		(144,833)			2,254,346			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11.....	12/07/2012	12/06/2013	12/06/2013	Maturity	28,207	40,000,000	1446.43/1588.24	1,416,000		4,000,084		4,000,084		(87,508)			2,584,084			009
Call Spread	Embedded option within IUL products	N/A	Equity/Index	RBC Capital Markets ES7IP3U3RHIGC71XBU11.....	12/20/2012	12/23/2013	12/23/2013	Maturity	31,170	45,000,000	1472.56/1616.93	1,629,000		4,500,032		4,500,032		144,022			2,871,032			009
Call Spread	Equity Risk Exposure	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	05/20/2013	02/21/2014	11/06/2013	Sale	23,986	40,000,000	1701.0234/1917.8205		1,287,785	2,013,828		2,013,828					726,043			003
0089999. Total-Purchased Options-Hedging Other-Call Options and Warrants												25,474,970	5,506,785	76,118,046	0	76,118,046	XXX	(2,574,112)	0	0	45,136,292	0	0	XXX
Purchased Options - Hedging Other - Other																								
Swaptions	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse International 7LTWFZYICNSX8D621K86....	08/27/2013	11/27/2013	09/24/2013	sale		100,000,000	2.3%		680,000	945,000		945,000					265,000			0010
Swaptions	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank.... KB1H1DSPRFMYMCUFXT09.	10/17/2013	01/21/2018	11/06/2013	sale		100,000,000	1.20%		182,500	212,500		212,500					30,000			0010
0139999. Total-Purchased Options-Hedging Other-Other												0	862,500	1,157,500	0	1,157,500	XXX	0	0	0	295,000	0	0	XXX
0149999. Total-Purchased Options-Hedging Other												25,474,970	6,369,285	77,275,546	0	77,275,546	XXX	(2,574,112)	0	0	45,431,292	0	0	XXX
0369999. Total-Purchased Options-Call Options and Warrants												25,474,970	5,506,785	76,118,046	0	76,118,046	XXX	(2,574,112)	0	0	45,136,292	0	0	XXX
0419999. Total-Purchased Options-Other												0	862,500	1,157,500	0	1,157,500	XXX	0	0	0	295,000	0	0	XXX
0429999. Total-Purchased Options												25,474,970	6,369,285	77,275,546	0	77,275,546	XXX	(2,574,112)	0	0	45,431,292	0	0	XXX
Written Options - Hedging Other - Put Options																								
Put Spread	Equity Risk Exposure	N/A	Equity/Index	Goldman Sachs International W22LROWP2IHZNBB6K528...	05/20/2013	02/21/2014	11/06/2013	sale	24,000	40,000,000	1333.344/1633.3464		(1,560,000)	(376,980)		(376,980)					1,183,020			003
0519999. Total-Written Options-Hedging Other-Put Options												0	(1,560,000)	(376,980)	0	(376,980)	XXX	0	0	0	1,183,020	0	0	XXX
Written Options - Hedging Other - Other																								
Swaptions	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse International 7LTWFZYICNSX8D621K86....	08/27/2013	11/27/2013	09/24/2013	sale		100,000,000	2.75%		(822,500)	(250,000)		(250,000)					572,500			0010

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

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Swaptions	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse International 7LTWFZYICNSX8D621K86	10/17/2013	01/21/2018	10/29/2013	sale		50,000,000	1.20%		(83,750)	(32,500)		(32,500)					51,250			0010
0559999. Total-Written Options-Hedging Other-Other												0	(906,250)	(282,500)	0	(282,500)	XXX	0	0	0	623,750	0	0	XXX
0569999. Total-Written Options-Hedging Other												0	(2,466,250)	(659,480)	0	(659,480)	XXX	0	0	0	1,806,770	0	0	XXX
0799999. Total-Written Options-Put Options												0	(1,560,000)	(376,980)	0	(376,980)	XXX	0	0	0	1,183,020	0	0	XXX
0839999. Total-Written Options-Other												0	(906,250)	(282,500)	0	(282,500)	XXX	0	0	0	623,750	0	0	XXX
0849999. Total-Written Options												0	(2,466,250)	(659,480)	0	(659,480)	XXX	0	0	0	1,806,770	0	0	XXX
Swaps - Hedging Effective - Interest Rate																								
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest	Deutsche Bank 7LTWFZYICNSX8D621K86	01/28/2013	01/30/2043	04/24/2013			150,000,000	3L/(3.003)			(5,771,963)	(968,038)							(5,771,963)			100/99.5
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest	Wells Fargo Bank KB1H1DSPRFMYMCUFXT09	02/25/2013	02/27/2043	04/24/2013			150,000,000	3L/(2.911)			(2,834,141)	(646,359)							(2,834,141)			100/103
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	NA	Interest	Wells Fargo Bank KB1H1DSPRFMYMCUFXT09	02/25/2013	02/27/2028	04/24/2013			140,000,000	2.486/(3L)			1,334,745	505,755							1,334,745			99/98.8
0859999. Total-Swaps-Hedging Effective-Interest Rate												0	0	(7,271,358)	(1,108,642)	0	XXX	0	0	0	(7,271,358)	0	0	XXX
0909999. Total-Swaps-Hedging Effective												0	0	(7,271,358)	(1,108,642)	0	XXX	0	0	0	(7,271,358)	0	0	XXX
Swaps - Hedging Other - Interest Rate																								
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09	11/16/2012	11/20/2015	01/07/2013	Sale		110,000,000	.453/(3M LIBOR)			(140,234)	2,507	(140,234)		47,091			(140,234)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse International E58DKGMJYYYJLN8C3868	05/17/2012	05/21/2037	01/11/2013	Sale		32,000,000	2.453/(3M LIBOR)			(2,157,515)	26,650	(2,157,515)		1,393,979			(2,157,515)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09	12/05/2012	12/07/2016	01/11/2013	Sale		30,000,000	.561/(3M LIBOR)			(140,674)	2,664	(140,674)		67,869			(140,674)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	09/28/2012	10/02/2027	01/11/2013	Sale		55,000,000	2.180/(3M LIBOR)			(1,761,930)	39,415	(1,761,930)		1,057,981			(1,761,930)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	09/28/2012	10/02/2022	01/16/2013	Sale		70,000,000	1.675/(3M LIBOR)			(873,654)	44,392	(873,654)		54,032			(873,654)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09	06/01/2012	06/07/2042	01/24/2013	Sale		25,000,000	2.285/(3M LIBOR)			(2,989,715)	36,806	(2,989,715)		2,588,828			(2,989,715)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09	11/16/2012	11/20/2015	01/28/2013	Sale		110,000,000	.453/(3M LIBOR)			(327,313)	11,587	(327,313)		47,091			(327,313)			0010

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule /Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/ Adjusted Carrying Value	Code	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization)/ Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination Deferred	Hedge Effectiveness at Inception and at Termination (b)
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09.	06/01/2012	06/07/2042	01/28/2013	Sale		7,000,000	2.285/(3M LIBOR)			(1,006,288)	11,074	(1,006,288)		724,872			(1,006,288)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse International E58DKGMJYYYJLN8C3868	10/04/2012	10/09/2019	01/30/2013	Sale		130,000,000	1.175/(3M LIBOR)			(2,309,890)	91,784	(2,309,890)		413,192			(2,309,890)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09.	01/07/2013	01/09/2020	01/30/2013	Sale		50,000,000	1.375/(3M LIBOR)			(506,271)	32,271	(506,271)					(506,271)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	09/28/2012	10/02/2027	02/28/2013	Sale		35,000,000	2.180/(3M LIBOR)			(1,414,889)	114,562	(1,414,889)		673,261			(1,414,889)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse International E58DKGMJYYYJLN8C3868	03/08/2013	03/12/3023	03/12/2013	Sale		100,000,000	2.145/(3M LIBOR)			333,918	31,082	333,918					333,918			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	09/28/2012	10/02/2022	03/19/2013	Sale		40,000,000	1.675/(3M LIBOR)			(952,834)	121,399	(952,834)		30,875			(952,834)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo KB1H1DSPRFMYMCUFXT09.	04/05/2013	04/09/2043	04/09/2013	Sale		20,000,000	2.851/(3M LIBOR)			180,000		180,000					180,000			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse E58DKGMJYYYJLN8C3868	03/20/2013	03/22/2023	04/10/2013	Sale		40,000,000	1.9828/(3M LIBOR)			404,018	38,982	404,018					404,018			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	10/02/2012	10/02/2022	04/17/2013	Sale		50,000,000	1.675/(3M LIBOR)			(527,853)	205,058	(527,853)		1,209,436			(527,853)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Deutsche Bank 7LTWFZYICNSX8D621K86	04/10/2013	04/12/2043	04/26/2013	Sale		20,000,000	2.9175/(3M LIBOR)			514,596	26,404	514,596					514,596			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo (novated with DB) KB1H1DSPRFMYMCUFXT09.	01/03/2013	01/07/2033	04/29/2013	Sale		60,000,000	2.67/(3M LIBOR)			773,449	450,293	773,449					773,449			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse E58DKGMJYYYJLN8C3868	04/25/2013	04/25/2043	04/30/2013	Sale		20,000,000	2.827/(3M LIBOR)			100,078	9,922	100,078					100,078			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo KB1H1DSPRFMYMCUFXT09.	04/08/2013	04/09/2043	05/01/2013	Sale		100,000,000	1.928/(3M LIBOR)			1,102,583	114,417	1,102,583					1,102,583			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Deutsche Bank 7LTWFZYICNSX8D621K86	01/07/2013	01/07/2033	05/03/2013	Sale		30,000,000	2.6575/(3M LIBOR)			59,045	237,825	59,045					59,045			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo KB1H1DSPRFMYMCUFXT09.	05/15/2013	05/17/2018	05/16/2013	Sale		100,000,000	0.989/(3M LIBOR)			129,043	5,958	129,043					129,043			0010

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

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Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse E58DKGMJYYYJLN8C3868	05/22/2013	05/22/2043	05/28/2013	Sale		40,000,000	3M LIBOR/(3.055)			1,533,728	(24,728)	1,533,728					1,533,728			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse E58DKGMJYYYJLN8C3868	05/14/2013	05/14/2023	05/28/2013	Sale		70,000,000	2.040/(3M LIBOR)			(1,779,908)	54,908	(1,779,908)					(1,779,908)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse / Wells Fargo KB1H1DSPRFMYMCUFXT09	05/20/2013	05/20/2023	05/29/2013	Sale		50,000,000	1.997/(3M LIBOR)			(1,469,322)	26,322	(1,469,322)					(1,469,322)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo KB1H1DSPRFMYMCUFXT09	05/23/2013	05/23/2043	05/29/2013	Sale		25,000,000	3M LIBOR/(3.090)			625,644	(15,644)	625,644					625,644			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Deutsche Bank 7LTWFZYICNSX8D621K86	05/22/2013	05/22/2043	05/29/2013	Sale		20,000,000	3M LIBOR/(3.064)			667,955	(13,955)	667,955					667,955			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Credit Suisse KB1H1DSPRFMYMCUFXT09	05/02/2013	05/02/2020	05/29/2013	Sale		60,000,000	1.28/(3M LIBOR)			(1,780,667)	48,667	(1,780,667)					(1,780,667)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo KB1H1DSPRFMYMCUFXT09	05/08/2013	05/08/2023	05/31/2013	Sale		70,000,000	1.917/(3M LIBOR)			(2,172,472)	82,472	(2,172,472)					(2,172,472)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo KB1H1DSPRFMYMCUFXT09	05/01/2013	05/03/2023	06/25/2013	Sale		100,000,000	1.82/(3M LIBOR)			(8,286,276)	231,276	(8,286,276)					(8,286,276)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo KB1H1DSPRFMYMCUFXT09	05/03/2013	05/08/2018	06/26/2013	Sale		100,000,000	0.857/(3M LIBOR)			(3,485,055)	80,055	(3,485,055)					(3,485,055)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	JP Morgan Chase	06/01/2010	06/03/2013	06/03/2013	Maturity		100,000,000	1.496/(1M L)				541,706									0012
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	JP Morgan Chase	06/04/2010	06/08/2013	06/08/2013	Maturity		30,000,000	1.531/(1M L)				174,822			(174,380)						0013
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank KB1H1DSPRFMYMCUFXT09	01/28/2013	01/30/2028	04/24/2013	Sale		160,000,000	2.546/(1M L)			3,773,117	895,408	3,773,117					3,773,117			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank KB1H1DSPRFMYMCUFXT09	06/25/2013	06/27/2023	07/01/2013	Sale		100,000,000	2.76/(3M L)			171,501	34,499	171,501					171,501			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	05/29/2013	05/29/2033	07/08/2013	Sale		70,000,000	2.91/(3M L)			(6,944,717)	209,717	(6,944,717)					(6,944,717)			0010

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Termination Date	9 Indicate Exercise, Expiration, Maturity or Sale	10 Number of Contracts	11 Notional Amount	12 Strike Price, Rate of Index Received (Paid)	13 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	14 Current Year Initial Cost of Premium (Received) Paid	15 Consideration Received (Paid) on Termination	16 Current Year Income	17 Book/ Adjusted Carrying Value	18 Code	19 Unrealized Valuation Increase (Decrease)	20 Total Foreign Exchange Change in B./A.C.V.	21 Current Year's (Amortization)/ Accretion	22 Gain (Loss) on Termination Recognized	23 Adjustment to Carrying Value of Hedged Item	24 Gain (Loss) on Termination Deferred	25 Hedge Effectiveness at Inception and at Termination (b)
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	07/02/2013	07/04/2038	07/08/2013	Sale		47,000,000	3.4/(3M L)			(1,925,406)	20,406	(1,925,406)					(1,925,406)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	07/02/2013	07/04/2022	08/26/2013	Sale		100,000,000	3ML/(2.54)			2,227,225	(326,565)	2,227,225					2,227,225			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	07/01/2013	07/03/2016	08/27/2013	Sale		200,000,000	0.84/(3M L)			(96,042)	171,702	(96,042)					(96,042)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	Wells Fargo Bank KB1H1DSPRFMYMCUFXT09	06/26/2013	06/28/2017	09/05/2013	Sale		100,000,000	1.25/(3M L)			(873,862)	182,522	(873,862)					(873,862)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	08/29/2013	09/03/2033	09/05/2013	Sale		65,000,000	3.65/(3M L)			1,257,053	(18,392)	1,257,053					1,257,053			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	09/09/2013	09/11/2017	09/16/2013	Sale		100,000,000	1.439/(3M L)			290,942	19,718	290,942					290,942			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	09/13/2013	09/17/2043	09/18/2013	Sale		30,000,000	3.833/(3M L)			577,695	5,965	577,695					577,695			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	08/02/2013	08/06/2023	09/20/2013	Sale		5,000,000	3ML/(2.7825)			42,047	(16,386)	42,047					42,047			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	08/29/2013	09/03/2023	09/23/2013	Sale		100,000,000	3.0/(3ML)			1,426,798	159,863	1,426,798					1,426,798			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	09/23/2013	09/25/2023	10/09/2013	Sale		100,000,000	2.85/(3ML)			596,902	108,308	596,902					596,902			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	09/26/2013	09/26/2018	10/09/2013	Sale		100,000,000	1.577/(3ML)			131,452	51,598	131,452					131,452			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	09/20/2013	09/20/2020	10/10/2013	Sale		90,000,000	2.24/(3ML)			47,909	104,346	47,909					47,909			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	10/10/2013	10/15/2017	10/17/2013	Sale		150,000,000	1.21/(3ML)			571,865	12,080	571,865					571,865			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	10/11/2013	10/11/2017	10/17/2013	Sale		220,000,000	1.177/(3ML)			843,667	39,843	843,667					843,667			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81	09/25/2013	09/25/2017	10/17/2013	Sale		50,000,000	1.22/(3ML)			272,438	31,087	272,438					272,438			0010

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Termination Date	9 Indicate Exercise, Expiration, Maturity or Sale	10 Number of Contracts	11 Notional Amount	12 Strike Price, Rate of Index Received (Paid)	13 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	14 Current Year Initial Cost of Premium (Received) Paid	15 Consideration Received (Paid) on Termination	16 Current Year Income	17 Book/ Adjusted Carrying Value	18 Code	19 Unrealized Valuation Increase (Decrease)	20 Total Foreign Exchange Change in B./A.C.V.	21 Current Year's (Amortization)/ Accretion	22 Gain (Loss) on Termination Recognized	23 Adjustment to Carrying Value of Hedged Item	24 Gain (Loss) on Termination Deferred	25 Hedge Effectiveness at Inception and at Termination (b)
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81...	10/10/2013	10/15/2018	10/21/2013	Sale		40,000,000	1.594/(3ML)			156,517	10,503	156,517					156,517			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81...	10/11/2013	10/11/2023	10/31/2013	Sale		100,000,000	2.97/(3ML)			915,122	140,673	915,122					915,122			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81...	06/14/2013	06/18/2018	11/20/2013	Sale		100,000,000	1.22/(3ML)			443,048	404,874	443,048					443,048			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81...	10/17/2013	10/21/2018	11/20/2013	Sale		100,000,000	1.507/(3ML)			(110,090)	104,740	(110,090)					(110,090)			0010
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81...	10/23/2013	10/23/2043	11/20/2013	Sale		80,000,000	(3.7)/3ML			1,957,930	(212,108)	1,957,930					1,957,930			0015
Interest Rate Swap	Floating Rate Bonds - 3 month LIBOR	N/A	Interest	CME KJNXBSWZVIKEX4NFOL81...	10/21/2013	10/25/2043	11/20/2013	Sale		80,000,000	(3.6)/3ML			(19,642)	(191,330)	(19,642)					(19,642)			0015
0919999. Total-Swaps-Hedging Other-Interest Rate												0	0	(21,925,235)	4,784,024	(21,925,233)	XXX	8,134,126	0	0	(21,925,235)	0	0	XXX
Swaps - Hedging Other - Total Return																								
Total Return Swap	VAGLB Hedge	N/A	Equity	Goldman Sachs International W22LROWP2IHZNBB6K528...	06/24/2013	06/27/2014	07/18/2013	Sale		93,441,432	3ML (S&P)			(6,732,246)	36,179	(6,696,067)					(6,732,246)			0014
Total Return Swap	VAGLB Hedge	N/A	Equity	Goldman Sachs International W22LROWP2IHZNBB6K528...	06/24/2013	06/27/2014	07/26/2013	Sale		40,000,000	3ML (S&P)			(2,515,297)	18,991	(2,496,306)					(2,515,297)			0014
Total Return Swap	VAGLB Hedge	N/A	Equity	Goldman Sachs International W22LROWP2IHZNBB6K528...	06/24/2013	06/27/2014	08/01/2013	Sale		19,998,956	3ML (S&P)			(1,492,247)	11,032	(1,481,215)					(1,492,247)			0014
Total Return Swap	VAGLB Hedge	N/A	Equity	Goldman Sachs International W22LROWP2IHZNBB6K528...	06/24/2013	06/27/2014	08/05/2013	Sale		20,000,698	3ML (S&P)			(1,540,524)	11,556	(1,528,967)					(1,540,524)			0014
Total Return Swap	VAGLB Hedge	N/A	Equity	Goldman Sachs International W22LROWP2IHZNBB6K528...	06/24/2013	06/27/2014	08/08/2013	Sale		19,998,855	3ML (S&P)			(1,453,546)	12,989	(1,440,557)					(1,453,546)			0014
0949999. Total-Swaps-Hedging Other-Total Return												0	0	(13,733,860)	90,747	(13,643,113)	XXX	0	0	0	(13,733,860)	0	0	XXX
Swaps - Hedging Other - Other																								
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation	Credit Suisse International E58DKGMJYYYJLN8C3868...	06/01/2012	06/07/2042	01/11/2013	Sale		25,000,000	US CPI/(2.610)			2,272,083		2,272,083		(2,328,256)			2,272,083			0011
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation	Credit Suisse International E58DKGMJYYYJLN8C3868...	05/08/2012	05/10/2042	01/11/2013	Sale		25,000,000	US CPI/(2.695)			1,734,852		1,734,852		(1,700,011)			1,734,852			0011
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation	Credit Suisse International E58DKGMJYYYJLN8C3868...	09/18/2012	09/20/2042	01/16/2013	Sale		25,000,000	US CPI/(2.945)			(273,660)		(273,660)		(36,131)			(273,660)			0011
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation	Wells Fargo Bank NA KB1H1DSPRFMYMCUFXT09.	03/29/2012	04/02/2022	01/23/2013	Sale		25,000,000	US CPI/(3M LIBOR+34.75 bps)			1,305,300		1,305,300		(1,490,089)			1,305,300			0011

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Termination Date	9 Indicate Exercise, Expiration, Maturity or Sale	10 Number of Contracts	11 Notional Amount	12 Strike Price, Rate of Index Received (Paid)	13 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	14 Current Year Initial Cost of Premium (Received) Paid	15 Consideration Received (Paid) on Termination	16 Current Year Income	17 Book/ Adjusted Carrying Value	18 Code	19 Unrealized Valuation Increase (Decrease)	20 Total Foreign Exchange Change in B./A.C.V.	21 Current Year's (Amortization)/ Accretion	22 Gain (Loss) on Termination Recognized	23 Adjustment to Carrying Value of Hedged Item	24 Gain (Loss) on Termination Deferred	25 Hedge Effectiveness at Inception and at Termination (b)
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation	Credit Suisse International E58DKGMJYYYJLN8C3868	04/17/2012	04/19/2042	01/24/2013	Sale		20,000,000	US CPI/(2.720)			1,087,014		1,087,014		(1,204,283)			1,087,014			0011
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation	Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	03/29/2012	04/02/2022	01/29/2013	Sale		25,000,000	US CPI/(3M LIBOR+34.75 bps)			955,300		955,300		(1,323,670)			955,300			0011
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation	Credit Suisse International E58DKGMJYYYJLN8C3868	04/17/2012	04/19/2042	01/30/2013	Sale		30,000,000	US CPI/(2.720)			1,703,022		1,703,022		(1,806,425)			1,703,022			0011
Inflation Swap	Inflation-Floating Rate Zero Coupon Swap	N/A	Inflation	Deutsche Bank 7LTWFZYICNSX8D621K86	04/26/2013	04/30/2023	05/21/2013	Sale		50,000,000	US CPI/(2.640)			(575,000)		(575,000)					(575,000)			0011
0959999. Total-Swaps-Hedging Other-Other												0	0	8,208,911	0	8,208,911	XXX	(9,888,866)	0	0	8,208,911	0	0	XXX
0969999. Total-Swaps-Hedging Other												0	0	(27,450,184)	4,874,771	(27,359,435)	XXX	(1,754,739)	0	0	(27,450,184)	0	0	XXX
1159999. Total-Swaps-Interest Rate												0	0	(29,196,593)	3,675,382	(21,925,233)	XXX	8,134,126	0	0	(29,196,593)	0	0	XXX
1189999. Total-Swaps-Total Return												0	0	(13,733,860)	90,747	(13,643,113)	XXX	0	0	0	(13,733,860)	0	0	XXX
1199999. Total-Swaps-Other												0	0	8,208,911	0	8,208,911	XXX	(9,888,866)	0	0	8,208,911	0	0	XXX
1209999. Total-Swaps												0	0	(34,721,542)	3,766,129	(27,359,435)	XXX	(1,754,739)	0	0	(34,721,542)	0	0	XXX
Forwards - Hedging Other																								
Foreign Currency Forward	Euro denominated investments	N/A	Currency	Goldman Sachs International W22LROWP2IHZNBB6K528	11/10/2011	11/14/2013	11/14/2013	maturity		20,323,600	1.364 USD/EUR			320,502		320,502		(672,187)			320,502			15
Foreign Currency Forward	Euro denominated investments	N/A	Currency	Goldman Sachs International W22LROWP2IHZNBB6K528	11/10/2011	11/14/2013	11/14/2013	maturity		(1,834,798)	1.364 USD/EUR							60,685						15
12229999. Total-Forwards-Hedging Other												0	0	320,502	0	320,502	XXX	(611,503)	0	0	320,502	0	0	XXX
1269999. Total-Forwards												0	0	320,502	0	320,502	XXX	(611,503)	0	0	320,502	0	0	XXX
1399999. Total-Hedging Effective												0	0	(7,271,358)	(1,108,642)	0	XXX	0	0	0	(7,271,358)	0	0	XXX
1409999. Total-Hedging Other												25,474,970	3,903,035	49,486,384	4,874,771	49,577,133	XXX	(4,940,354)	0	0	20,108,380	0	0	XXX
1449999. TOTAL												25,474,970	3,903,035	42,215,026	3,766,129	49,577,133	XXX	(4,940,354)	0	0	12,837,022	0	0	XXX

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
9	The objective of the derivative was to hedge the embedded option within the Indexed Universal Life product to transfer the market risk, thus protecting the Company from rising equity levels (delta risk), rising implied volatility (vega risk), and rising risk free rates (rho risk). The hedge was effective at achieving its objective.
10	The derivative was part of the Company's Equity Hedging programand the objective was to hedge the rho risk (change in price of option for corresponding change in interest rates) of the variable annuity rider liabilities. The hedge was effective at achieving its objective.
11	The derivative was part of the Company's Equity Hedging program and the objective was to hedge the rho risk (change in price of option for corresponding change in interest rates) of the variable annuity rider liabilities. The hedge was effective at achieving its objective.
12	This derivative was used in a cash flow hedge, which was dedesignated in 1/2013. Effectiveness was 98 at inception and 105 at 12/31/2012. The derivative has matured.
13	This derivative was used in a cash flow hedge, which was dedesignated in 12/2012 due to the sale of hedged assets. Effectiveness was 98 at inception and 102 at termination. The derivative has matured.
14	The derivative is part of the Company's Equity Hedging program. The objective of the derivative is to hedge the delta risk (change in price of option for corresponding change in equity index) of Penn Mutual's Living Benefits block of business. For the period ended September 30, 2013; the hedge has been effective at achieving its objective.
3	The objective of the derivative is to balance the company's equity risk exposure. The hedge has been effective at achieving its objective.
16	The objective of the derivative is to hedge the currency risk embedded in the Company's investments in Euro-denominated alternative assets. The hedge was been effective at achieving its objective

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			All Other	19	20	21	22
														15	16	17	18				
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point
Long Futures																					
Hedging Other																					
USH4	200	25,663,250	CBOT T-Bond	VAGLB Hedge	N/A	Interest Rate	03/20/2014	Chicago Board of Trade	12/10/2013	130.1600	128.3163	(368,750)	(368,750)				(368,750)	(368,750)	500,000	16	1,000
USH4	1,250	#########	CBOT T-Bond	VAGLB Hedge	N/A	Interest Rate	03/20/2014	Chicago Board of Trade	12/20/2013	129.8100	128.3100	(1,875,000)	(1,875,000)				(1,875,000)	(1,875,000)	3,125,000	16	1,000
TYH4	1,250	#########	CBOT 10yr	VAGLB Hedge	N/A	Interest Rate	03/20/2014	Chicago Board of Trade	12/20/2013	123.8500	123.0479	(1,002,652)	(1,002,652)				(1,002,652)	(1,002,652)	1,843,750	16	1,000
																	0				
																	0				
																	0				
																	0				
12829999. Total-Long Futures-Hedging Other												(3,246,402)	(3,246,402)	0	0	0	(3,246,402)	(3,246,402)	5,468,750	XXX	XXX
1329999. Total-Long Futures												(3,246,402)	(3,246,402)	0	0	0	(3,246,402)	(3,246,402)	5,468,750	XXX	XXX
Short Futures																					
Hedging Other																					
RTAH4	200	23,228,020	Russell 2000	VAGLB Hedge		Equity Index	03/20/2014	NYF-ICE Futures	12/30/2013	1,156.7200	1,161.4010	(93,620)	(93,620)				(93,620)	(93,620)	960,000	15	100
FVH4	1,300	#########	CBOT 5yr	VAGLB Hedge		Interest Rate	03/20/2014	Chicago Board of Trade	12/31/2013	119.3400	119.3118	36,720	36,720				36,720	36,720	1,170,000	16	1,000
TUH4	1,000	#########	CBOT 2yr	VAGLB Hedge		Interest Rate	03/20/2014	Chicago Board of Trade	12/31/2013	109.9000	109.9078	(15,620)	(15,620)				(15,620)	(15,620)	250,000	16	2,000
FVH4	2,000	#########	CBOT 5yr	VAGLB Hedge		Interest Rate	03/20/2014	Chicago Board of Trade	12/31/2013	119.3300	119.3144	31,260	31,260				31,260	31,260	1,800,000	16	1,000
TUH4	1,500	#########	CBOT 2yr	VAGLB Hedge		Interest Rate	03/20/2014	Chicago Board of Trade	12/31/2013	109.9000	109.9070	(20,940)	(20,940)				(20,940)	(20,940)	375,000	16	2,000
																	0				
																	0				
13429999. Total-Short Futures-Hedging Other												(62,200)	(62,200)	0	0	0	(62,200)	(62,200)	4,555,000	XXX	XXX
1389999. Total-Short Futures												(62,200)	(62,200)	0	0	0	(62,200)	(62,200)	4,555,000	XXX	XXX
1409999. Total-Hedging Other												(3,308,602)	(3,308,602)	0	0	0	(3,308,602)	(3,308,602)	10,023,750	XXX	XXX
1449999. TOTAL												(3,308,602)	(3,308,602)	0	0	0	(3,308,602)	(3,308,602)	10,023,750	XXX	XXX

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
15	The derivative is part of the Company's Equity Hedging program. The objective of the derivative is to hedge the delta risk (change in price of option for corresponding change in equity index) of the variable annuity rider liabilities. For the period ended December 31, 2013, the hedge has been effective at achieving its objective.
16	The derivative was part of the Company's Equity Hedging program and the objective was to hedge the rho risk (change in price of option for corresponding change in interest rates) of the variable annuity rider liabilities. For the period ended December 31, 2013, the hedge has been effective at achieving its objective.

Broker Name	Beginning Cash Balance	Cumulative Cash Change	Ending Cash Balance
Brokers			
Bank of America Merrill Lynch	(500,000)	410,136	(1,443,922)
JP Morgan Chase	(427,978)	(2,931)	10,320
Royal Bank of Canada		532,581	(1,875,000)
Total Net Cash Deposits	(927,978)	939,786	(3,308,602)

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjusted Basis of Hedged Item	Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
Long Futures																			
Hedging Other																			
ESU3	250	20,881,250	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	07/16/2013.	1,670.6160	07/26/2013.	1,671.5000	Sale	11,050	11,050			15	50
ESU3	250	21,046,875	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	08/07/2013.	1,683.8304	08/08/2013.	1,688.5000	Sale	58,370	58,370			15	50
EDZ5	1,500	368,995,000	EURO DLR	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	08/19/2013.	98.4004	09/18/2013.	98.6478	Sale	927,769	927,770			16	2,500
EDZ5	1,000	246,031,250	EURO DLR	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	08/19/2013.	98.4143	09/19/2013.	98.6500	Sale	589,330	589,330			16	2,500
EDU5	500	121,912,500	EURO DLR	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade	08/21/2013.	97.5308	09/12/2013.	97.4950	Sale	(44,705)	(44,705)			16	2,500
EDZ5	500	123,075,000	EURO DLR	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	09/16/2013.	98.4617	09/18/2013.	98.6164	Sale	193,378	193,378			16	2,500
USH4	500	64,544,219	CBOT T-Bond	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/05/2013.	129.0916	12/19/2013.	129.0938	Sale	1,076	1,076			16	1,000
USH4	200	25,837,500	CBOT T-Bond	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/06/2013.	129.1954	12/30/2013.	128.6875	Sale	(101,580)	(101,580)			16	1,000
USH4	200	25,856,250	CBOT T-Bond	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/06/2013.	129.2813	12/30/2013.	128.6875	Sale	(118,750)	(118,750)			16	1,000
ESZ3	150	13,482,687	S&P	VAGLB Hedge	N/A		12/21/2013.		12/06/2013.	1,797.7721	12/11/2013.	1,803.7500	Sale	44,834	44,835			15	50
USH4	100	13,015,625	CBOT T-Bond	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/10/2013.	130.1563	12/30/2013.	128.6875	Sale	(146,875)	(146,875)			16	1,000
FVH4	1,250	149,635,935	CBOT 5yr	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/20/2013.	119.7119	12/30/2013.	119.3438	Sale	(460,204)	(460,204)			16	1,000
NQH4	300	21,086,965	Nasdaq	VAGLB Hedge	N/A		03/20/2014.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	12/20/2013.	3,514.6952	12/30/2013.	3,566.6300	Sale	311,609	311,609			15	20
1289999. Total-Long Futures-Hedging Other														1,265,302	1,265,303	0	0	XXX	XXX
1329999. Total-Long Futures														1,265,302	1,265,303	0	0	XXX	XXX
Short Futures																			
Hedging Other																			
RTAH3	201	16,744,305	Russell	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices	12/12/2012.	833.0098	03/08/2013.	934.7000	Sale	(2,043,973)	(2,043,973)			15	100
RTAH3	27	2,249,235	Russell	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices	12/12/2012.	832.9756	01/24/2013.	899.7000	Sale	(180,156)	(180,156)			15	100
RTAH3	20	1,666,100	Russell	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices	12/12/2012.	833.0500	01/24/2013.	900.4000	Sale	(134,700)	(134,700)			15	100
RTAH3	3	249,915	Russell	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices	12/12/2012.	833.0500	01/24/2013.	900.5000	Sale	(20,235)	(20,235)			15	100
RTAH3	54	4,498,470	Russell	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices	12/12/2012.	832.9904	01/30/2013.	893.5000	Sale	(326,752)	(326,752)			15	100
RTAH3	26	2,165,930	Russell	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices	12/12/2012.	833.0500	01/30/2013.	893.6000	Sale	(157,430)	(157,430)			15	100

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Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange		Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
ESH3	378	26,939,115	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	1,425.0936	03/08/2013.	1,542.8000	Sale	(2,224,652)	(2,224,652)			15	50
ESH3	50	3,563,375	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	1,425.3500	03/08/2013.	1,547.5000	Sale	(305,375)	(305,375)			15	50
ESH3	300	21,380,250	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	1,425.2646	02/25/2013.	1,502.0000	Sale	(1,151,031)	(1,151,031)			15	50
ESH3	200	14,253,500	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	1,425.2646	01/29/2013.	1,499.7500	Sale	(744,854)	(744,854)			15	50
ESH3	200	14,253,500	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	1,425.2646	02/14/2013.	1,511.7500	Sale	(864,854)	(864,854)			15	50
ESH3	50	3,563,375	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	1,425.3500	03/06/2013.	1,542.2500	Sale	(292,250)	(292,250)			15	50
ESH3	100	7,126,750	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	1,425.2219	03/06/2013.	1,543.5000	Sale	(591,391)	(591,391)			15	50
NQH3	50	2,680,800	Nasdaq	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	2,680.6390	03/08/2013.	2,799.2500	Sale	(118,611)	(118,611)			15	20
NQH3	59	3,163,344	Nasdaq	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	2,680.5214	01/24/2013.	2,719.0000	Sale	(45,405)	(45,405)			15	20
NQH3	18	965,088	Nasdaq	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/12/2012.	2,680.8000	01/24/2013.	2,719.7500	Sale	(14,022)	(14,022)			15	20
MFSH3	95	7,542,525	MSCI	VAGLB Hedge	N/A		03/15/2013.	NYSE Liffe US Exchange		12/12/2012.	1,587.8288	02/15/2013.	1,663.7095	Sale	(360,433)	(360,433)			15	50
RTAH3	796	65,252,100	Russell	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices		12/14/2012.	819.7210	03/08/2013.	934.7000	Sale	(9,152,328)	(9,152,328)			15	100
RTAH3	50	4,098,750	Russell	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices		12/14/2012.	819.7210	02/21/2013.	908.3000	Sale	(442,895)	(442,895)			15	100
ESH3	1,383	97,646,715	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/14/2012.	1,412.0420	03/08/2013.	1,542.8000	Sale	(9,041,916)	(9,041,916)			15	50
NQH3	257	13,606,865	Nasdaq	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	12/14/2012.	2,647.1050	03/08/2013.	2,799.2500	Sale	(782,025)	(782,025)			15	20
MFSH3	303	24,038,505	MSCI	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices		12/14/2012.	1,586.5121	03/08/2013.	1,683.6000	Sale	(1,470,882)	(1,470,882)			15	50

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1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange		Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
MFSH3	297	23,562,495	MSCI	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices		12/14/2012.	1,586.7000	03/08/2013.	1,684.9000	Sale	(1,458,270)	(1,458,270)			15	50
MFSH3	103	8,172,020	MSCI	VAGLB Hedge	N/A		03/15/2013.	ICE Futures US Indices		12/14/2012.	1,586.8000	03/08/2013.	1,684.9000	Sale	(505,215)	(505,215)			15	50
ESH3	200	14,500,000	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	01/02/2013.	1,450.0000	03/08/2013.	1,542.8000	Sale	(928,000)	(928,000)			15	50
ESH3	100	7,525,000	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	02/22/2013.	1,505.0000	03/08/2013.	1,542.8000	Sale	(189,000)	(189,000)			15	50
ESH3	200	15,062,500	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	02/22/2013.	1,506.2500	03/08/2013.	1,542.8000	Sale	(365,500)	(365,500)			15	50
ESH3	300	22,691,250	S&P	VAGLB Hedge	N/A		03/15/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/01/2013.	1,512.7500	03/08/2013.	1,542.8000	Sale	(450,750)	(450,750)			15	50
RTAM3	446	41,531,520	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.1062	06/18/2013.	989.5000	Sale	(2,604,362)	(2,604,362)			15	100
RTAM3	2	186,240	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	929.3150	05/01/2013.	927.7000	Sale	323	323			15	100
RTAM3	28	2,607,360	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.2000	05/01/2013.	927.8000	Sale	9,520	9,520			15	100
RTAM3	100	9,312,000	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.2000	05/01/2013.	932.0000	Sale	(8,000)	(8,000)			15	100
RTAM3	38	3,538,560	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.1466	04/10/2013.	929.9000	Sale	4,737	4,737			15	100
RTAM3	15	1,396,800	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.2000	04/10/2013.	930.0000	Sale	1,800	1,800			15	100
RTAM3	17	1,583,040	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.2000	04/10/2013.	930.2000	Sale	1,700	1,700			15	100
RTAM3	100	9,312,000	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.1565	04/05/2013.	915.4000	Sale	157,565	157,565			15	100
RTAM3	50	4,656,000	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.2000	04/05/2013.	915.5000	Sale	78,500	78,500			15	100
ESM3	483	37,137,870	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.5559	05/30/2013.	1,655.0000	Sale	(2,836,276)	(2,836,276)			15	50
ESM3	100	7,689,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.7420	05/24/2013.	1,637.2500	Sale	(497,540)	(497,540)			15	50
ESM3	50	3,844,500	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.5100	05/22/2013.	1,658.2500	Sale	(301,850)	(301,850)			15	50
ESM3	50	3,844,500	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.8000	05/22/2013.	1,659.0000	Sale	(303,000)	(303,000)			15	50

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1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange		Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
ESM3	150	11,533,500	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.8000	05/22/2013.	1,671.2500	Sale	(1,000,875)	(1,000,875)			15	50
ESM3	400	30,756,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.7420	05/08/2013.	1,621.7500	Sale	(1,680,160)	(1,680,160)			15	50
ESM3	150	11,533,500	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.7420	03/11/2013.	1,548.7500	Sale	(82,560)	(82,560)			15	50
NQM3	7	391,363	Nasdaq	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	2,789.9814	06/18/2013.	2,970.0000	Sale	(25,203)	(25,203)			15	20
NQM3	100	5,590,900	Nasdaq	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	2,795.3050	05/09/2013.	2,963.5000	Sale	(336,390)	(336,390)			15	20
NQM3	150	8,386,350	Nasdaq	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	2,795.3048	04/05/2013.	2,766.2733	Sale	87,095	87,095			15	20
MFSM3	203	16,872,345	MSCI	VAGLB Hedge	N/A		06/21/2013.	NYSE Liffe US Exchange		03/08/2013.	1,661.7789	06/18/2013.	1,715.7000	Sale	(547,299)	(547,299)			15	50
MFSM3	100	8,311,500	MSCI	VAGLB Hedge	N/A		06/21/2013.	NYSE Liffe US Exchange		03/08/2013.	1,662.2190	05/14/2013.	1,763.8930	Sale	(508,370)	(508,370)			15	50
MFSM3	400	33,272,000	MSCI	VAGLB Hedge	N/A		06/21/2013.	NYSE Liffe US Exchange		03/08/2013.	1,663.6000	06/18/2013.	1,715.7000	Sale	(1,042,000)	(1,042,000)			15	50
RTAM3	51	4,749,120	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.1598	04/03/2013.	916.1000	Sale	76,805	76,805			15	100
RTAM3	12	1,117,440	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	930.8650	03/15/2013.	947.2000	Sale	(19,602)	(19,602)			15	100
RTAM3	88	8,194,560	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.2000	03/15/2013.	947.3000	Sale	(141,680)	(141,680)			15	100
RTAM3	50	4,656,000	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		03/08/2013.	931.1598	03/18/2013.	942.8000	Sale	(58,201)	(58,201)			15	100
ESM3	78	5,997,420	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.6846	04/29/2013.	1,590.7500	Sale	(206,955)	(206,955)			15	50
ESM3	300	23,067,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.7146	04/16/2013.	1,562.0000	Sale	(364,281)	(364,281)			15	50
ESM3	100	7,689,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.1168	04/17/2013.	1,544.0000	Sale	(34,416)	(34,416)			15	50
ESM3	100	7,689,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.8000	04/17/2013.	1,552.0000	Sale	(71,000)	(71,000)			15	50

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1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange		Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
ESM3	100	7,689,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.8000	04/17/2013.	1,553.5000	Sale	(78,500)	(78,500)			15	50
ESM3	100	7,689,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.8000	04/17/2013.	1,553.7500	Sale	(79,750)	(79,750)			15	50
ESM3	400	30,756,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	1,537.8000	04/17/2013.	1,557.0000	Sale	(384,000)	(384,000)			15	50
NQM3	50	2,795,450	Nasdaq	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	03/08/2013.	2,794.2215	06/14/2013.	2,962.2500	Sale	(168,029)	(168,029)			15	20
NQM3	100	5,582,000	Nasdaq	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/04/2013.	2,791.0000	06/14/2013.	2,962.2500	Sale	(342,500)	(342,500)			15	20
NQM3	50	2,791,250	Nasdaq	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/04/2013.	2,791.2500	06/14/2013.	2,962.2500	Sale	(171,000)	(171,000)			15	20
RTAM3	31	2,851,380	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		04/08/2013.	919.7065	06/18/2013.	989.5000	Sale	(216,360)	(216,360)			15	100
RTAM3	2	183,980	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		04/08/2013.	919.9000	06/18/2013.	989.5000	Sale	(13,920)	(13,920)			15	100
RTAM3	56	5,153,120	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		04/08/2013.	920.2000	06/18/2013.	989.5000	Sale	(388,080)	(388,080)			15	100
RTAM3	11	1,012,440	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		04/08/2013.	920.4000	06/18/2013.	989.5000	Sale	(76,010)	(76,010)			15	100
ESM3	33	2,550,075	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/10/2013.	1,542.1911	06/18/2013.	1,639.7000	Sale	(160,890)	(160,890)			15	50
ESM3	167	12,904,925	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/10/2013.	1,545.5000	05/30/2013.	1,655.0000	Sale	(914,325)	(914,325)			15	50
ESM3	178	14,130,975	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/11/2013.	1,587.5707	05/03/2013.	1,610.5000	Sale	(204,071)	(204,071)			15	50
ESM3	22	1,746,525	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/11/2013.	1,587.7500	04/29/2013.	1,590.7500	Sale	(3,300)	(3,300)			15	50
ESM3	100	7,857,500	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/15/2013.	1,571.5000	05/03/2013.	1,610.5000	Sale	(195,000)	(195,000)			15	50
ESM3	22	1,729,200	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/15/2013.	1,572.0000	05/03/2013.	1,610.5000	Sale	(42,350)	(42,350)			15	50
ESM3	28	2,200,800	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/15/2013.	1,570.8600	05/15/2013.	1,646.7500	Sale	(106,246)	(106,246)			15	50

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Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange		Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
ESM3	100	7,872,500	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/15/2013.	1,574.5000	05/15/2013.	1,646.7500	Sale	(361,250)	(361,250)			15	50
ESM3	50	3,941,250	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/15/2013.	1,576.5000	05/15/2013.	1,646.7500	Sale	(175,625)	(175,625)			15	50
NQM3	100	5,602,000	Nasdaq	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/15/2013.	2,801.0000	06/14/2013.	2,962.2500	Sale	(322,500)	(322,500)			15	20
ESM3	228	17,832,450	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/16/2013.	1,564.1100	05/16/2013.	1,655.7500	Sale	(1,044,696)	(1,044,696)			15	50
ESM3	50	3,910,625	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/16/2013.	1,564.2500	05/16/2013.	1,652.0000	Sale	(219,375)	(219,375)			15	50
ESM3	22	1,720,675	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/16/2013.	1,564.2500	05/15/2013.	1,646.7500	Sale	(90,750)	(90,750)			15	50
ESM3	100	7,821,250	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/16/2013.	1,564.2500	05/15/2013.	1,659.0000	Sale	(473,750)	(473,750)			15	50
ESM3	250	19,270,950	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/19/2013.	1,541.6064	06/18/2013.	1,639.7000	Sale	(1,226,170)	(1,226,170)			15	50
ESM3	50	3,866,875	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/19/2013.	1,546.7500	06/18/2013.	1,639.7000	Sale	(232,375)	(232,375)			15	50
RTAM3	100	9,108,000	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		04/22/2013.	910.7710	06/18/2013.	989.5000	Sale	(787,290)	(787,290)			15	100
ESM3	100	7,722,500	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/22/2013.	1,544.3260	06/18/2013.	1,639.7000	Sale	(476,870)	(476,870)			15	50
ESM3	200	15,471,875	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	04/22/2013.	1,547.1875	06/18/2013.	1,639.7000	Sale	(925,125)	(925,125)			15	50
ESM3	400	32,440,000	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	05/10/2013.	1,621.9420	06/18/2013.	1,639.7000	Sale	(355,160)	(355,160)			15	50
ESM3	22	1,818,575	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	05/15/2013.	1,653.2500	05/16/2013.	1,655.7500	Sale	(2,750)	(2,750)			15	50
ESM3	278	22,980,175	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	05/15/2013.	1,653.1492	06/10/2013.	1,646.1667	Sale	97,057	97,057			15	50

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Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange		Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
ESM3	200	16,542,500	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	05/28/2013.	1,654.0615	06/18/2013.	1,639.7000	Sale	143,615	143,615			15	50
ESM3	450	37,276,875	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	05/28/2013.	1,656.7500	06/18/2013.	1,639.7000	Sale	383,625	383,625			15	50
ESM3	103	8,362,313	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/05/2013.	1,623.3501	06/14/2013.	1,636.8000	Sale	(69,267)	(69,267)			15	50
ESM3	22	1,786,125	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/05/2013.	1,623.7500	06/10/2013.	1,646.1667	Sale	(24,658)	(24,658)			15	50
ESM3	125	10,151,563	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/05/2013.	1,624.2500	06/14/2013.	1,636.8000	Sale	(78,437)	(78,438)			15	50
ESM3	100	8,126,250	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/05/2013.	1,625.2500	06/14/2013.	1,636.8000	Sale	(57,750)	(57,750)			15	50
RTAM3	100	9,676,620	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		06/06/2013.	967.5816	06/14/2013.	989.5000	Sale	(219,184)	(219,184)			15	100
ESM3	27	2,195,775	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/07/2013.	1,626.5000	06/14/2013.	1,636.8000	Sale	(13,905)	(13,905)			15	50
ESM3	173	14,071,388	S&P	VAGLB Hedge	N/A		06/21/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/07/2013.	1,626.7500	06/14/2013.	1,636.8000	Sale	(86,932)	(86,933)			15	50
RTAM3	87	8,541,660	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		06/11/2013.	981.8000	06/14/2013.	989.5000	Sale	(66,990)	(66,990)			15	100
RTAM3	13	1,276,600	Russell	VAGLB Hedge	N/A		06/21/2013.	ICE Futures US Indices		06/11/2013.	982.0000	06/14/2013.	989.5000	Sale	(9,750)	(9,750)			15	100
RTAU3	200	19,719,000	Russell	VAGLB Hedge	N/A		09/20/2013.	ICE Futures US Indices		06/14/2013.	985.9098	06/24/2013.	953.1565	Sale	655,066	655,066			15	100
ESU3	528	43,055,760	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/14/2013.	1,630.7667	06/24/2013.	1,576.5000	Sale	1,432,641	1,432,641			15	50
ESU3	117	9,393,638	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/13/2013.	1,605.7500	06/24/2013.	1,576.5000	Sale	171,113	171,113			15	50
ESU3	83	6,664,900	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/13/2013.	1,606.0000	06/24/2013.	1,576.5000	Sale	122,425	122,425			15	50
ESU3	100	8,051,250	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/13/2013.	1,610.2500	06/24/2013.	1,576.7500	Sale	167,500	167,500			15	50

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Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange		Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
ESU3	100	7,916,250	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/21/2013.	1,583.2500	06/24/2013.	1,576.7500	Sale	32,500	32,500			15	50
NQU3	300	17,742,300	Nasdaq	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/14/2013.	2,956.8690	06/24/2013.	2,859.0000	Sale	587,214	587,214			15	20
RTAU3	646	63,672,990	Russell	VAGLB Hedge	N/A		09/20/2013.	ICE Futures US Indices		06/18/2013.	985.5920	06/24/2013.	952.7622	Sale	2,120,803	2,120,803			15	100
ESU3	1,683	137,480,063	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/18/2013.	1,633.6341	06/24/2013.	1,575.1915	Sale	4,917,945	4,917,945			15	50
NQU3	7	415,072	Nasdaq	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	06/18/2013.	2,964.5100	06/24/2013.	2,854.5000	Sale	15,401	15,401			15	20
MFSU3	603	51,562,530	MSCI	VAGLB Hedge	N/A		09/20/2013.	NYSE Liffe US Exchange		06/18/2013.	1,710.0380	06/25/2013.	1,603.8000	Sale	3,203,076	3,203,076			15	50
ESU3	200	16,120,000	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	07/02/2013.	1,611.9196	07/02/2013.	1,605.2500	Sale	66,696	66,696			15	50
RTAU3	100	9,862,220	Russell	VAGLB Hedge	N/A		09/20/2013.	ICE Futures US Indices		07/02/2013.	986.1640	09/17/2013.	1,055.5000	Sale	(693,360)	(693,360)			15	100
TYU3	100	12,657,813	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		07/03/2013.	126.5560	07/05/2013.	124.9063	Sale	164,977	164,977			16	1,000
TYU3	200	25,318,750	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		07/03/2013.	126.5938	07/05/2013.	124.9063	Sale	337,500	337,500			16	1,000
TYU3	200	25,337,500	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		07/03/2013.	126.6875	07/05/2013.	124.9063	Sale	356,250	356,250			16	1,000
TYU3	200	24,928,125	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		07/05/2013.	124.6406	07/05/2013.	124.9063	Sale	(53,125)	(53,125)			16	1,000
TYU3	200	25,153,125	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		07/05/2013.	125.7467	08/19/2013.	124.6406	Sale	221,208	221,208			16	1,000
TYU3	600	74,784,375	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		07/05/2013.	124.6406	08/19/2013.	124.6406	Sale	0	-			16	1,000
TYU3	200	25,246,875	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		07/11/2013.	126.2314	07/31/2013.	125.8281	Sale	80,648	80,648			16	1,000
FVU3	400	48,352,500	CBOT 5yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		08/01/2013.	120.8715	08/15/2013.	120.6822	Sale	75,732	75,732			16	1,000
FVU3	200	24,239,316	CBOT 5yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		08/01/2013.	121.1966	08/15/2013.	120.6822	Sale	102,879	102,879			16	1,000
FVU3	200	24,239,316	CBOT 5yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		08/01/2013.	121.1966	08/15/2013.	120.7094	Sale	97,441	97,441			16	1,000
FVU3	400	48,565,000	CBOT 5yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade		08/02/2013.	121.4104	08/15/2013.	120.7094	Sale	280,410	280,410			16	1,000
ESU3	300	25,245,000	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange	KJNXBSWZVIKEX4NFOL81...	08/09/2013.	1,682.9196	08/21/2013.	1,654.0000	Sale	433,794	433,794			15	50

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Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
RTAU3	100	10,250,610	Russell	VAGLB Hedge	N/A		09/20/2013.	ICE Futures US Indices	08/16/2013.	1,024.9806	09/17/2013.	1,055.5000	Sale	(305,194)	(305,194)			15	100
NQU3	150	9,218,250	Nasdaq	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	08/16/2013.	3,072.5490	09/16/2013.	3,201.0900	Sale	(385,623)	(385,623)			15	20
TYU3	400	49,906,250	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade	08/19/2013.	124.7656	08/19/2013.	124.6406	Sale	50,000	50,000			16	1,000
RTAU3	100	10,202,240	Russell	VAGLB Hedge	N/A		09/20/2013.	ICE Futures US Indices	08/19/2013.	1,020.2240	09/17/2013.	1,055.5000	Sale	(352,760)	(352,760)			15	100
TYU3	100	12,490,625	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade	08/21/2013.	124.8864	08/21/2013.	124.9375	Sale	(5,106)	(5,106)			16	1,000
TYU3	300	37,481,250	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade	08/21/2013.	124.9375	08/21/2013.	124.9375	Sale	0	-			16	1,000
TYU3	300	37,420,313	CBOT 10yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade	08/21/2013.	124.7312	08/27/2013.	125.0469	Sale	(94,698)	(94,698)			16	1,000
ESU3	191	15,733,625	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	08/21/2013.	1,647.3948	08/29/2013.	1,641.0000	Sale	61,070	61,070			15	50
ESU3	9	741,488	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	08/21/2013.	1,647.7500	08/29/2013.	1,641.0000	Sale	3,038	3,038			15	50
ESU3	50	4,106,875	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	08/22/2013.	1,642.7500	08/29/2013.	1,641.0000	Sale	4,375	4,375			15	50
ESU3	250	20,588,125	S&P	VAGLB Hedge	N/A		09/20/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	08/22/2013.	1,646.9776	09/17/2013.	1,698.0000	Sale	(637,780)	(637,780)			15	50
FVU3	1,000	120,074,219	CBOT 5yr	VAGLB Hedge	N/A		09/20/2013.	Chicago Board of Trade	08/22/2013.	120.0711	08/27/2013.	120.3906	Sale	(319,570)	(319,570)			16	1,000
TYZ3	300	37,174,219	CBOT 10yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	08/27/2013.	123.9109	09/03/2013.	123.2188	Sale	207,645	207,645			16	1,000
FVZ3	300	35,847,656	CBOT 5yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	08/27/2013.	119.4890	09/05/2013.	118.4609	Sale	308,427	308,427			16	1,000
FVZ3	700	83,644,531	CBOT 5yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	08/27/2013.	119.4890	09/16/2013.	119.8594	Sale	(259,245)	(259,245)			16	1,000
TYZ3	400	49,395,313	CBOT 10yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	09/04/2013.	123.4851	09/05/2013.	122.4063	Sale	431,549	431,549			16	1,000
TYZ3	300	37,063,800	CBOT 10yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	09/04/2013.	123.5386	11/21/2013.	126.3590	Sale	(846,114)	(846,114)			16	1,000
TYZ3	400	49,312,500	CBOT 10yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	09/06/2013.	123.2813	11/21/2013.	126.3590	Sale	(1,231,100)	(1,231,100)			16	1,000
ESZ3	250	21,021,875	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	09/13/2013.	1,681.6756	09/18/2013.	1,696.7500	Sale	(188,430)	(188,430)			15	50

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Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjusted Basis of Hedged Item	18 Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
TYZ3	300	37,190,625	CBOT 10yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	09/16/2013.	123.9662	11/21/2013.	126.3594	Sale	(717,957)	(717,957)			16	1,000
ESZ3	200	16,960,000	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	09/17/2013.	1,695.9163	10/01/2013.	1,675.7500	Sale	201,663	201,663			15	50
ESZ3	50	4,240,000	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	09/17/2013.	1,695.8140	10/07/2013.	1,676.0000	Sale	49,535	49,535			15	50
ESZ3	250	21,138,750	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	09/17/2013.	1,691.0276	10/02/2013.	1,675.7500	Sale	190,970	190,970			15	50
RTAZ3	100	10,516,000	Russell	VAGLB Hedge	N/A		12/21/2013.	ICE Futures US Indices	09/17/2013.	1,051.5598	09/18/2013.	1,073.5840	Sale	(220,242)	(220,242)			15	100
RTAZ3	100	10,516,000	Russell	VAGLB Hedge	N/A		12/21/2013.	ICE Futures US Indices	09/17/2013.	1,051.5598	10/11/2013.	1,065.1050	Sale	(135,452)	(135,452)			15	100
RTAZ3	100	10,516,000	Russell	VAGLB Hedge	N/A		12/21/2013.	ICE Futures US Indices	09/17/2013.	1,051.5420	11/06/2013.	1,097.8620	Sale	(463,200)	(463,200)			15	100
ESZ3	200	16,885,000	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	09/25/2013.	1,688.4628	10/07/2013.	1,676.0000	Sale	124,628	124,628			15	50
EDH6	700	172,436,250	EURO DLR	VAGLB Hedge	N/A		03/14/2016.	Chicago Board of Trade	10/07/2013.	98.5332	12/05/2013.	98.7946	Sale	(457,457)	(457,456)			16	2,500
EDH6	300	73,901,250	EURO DLR	VAGLB Hedge	N/A		03/14/2016.	Chicago Board of Trade	10/07/2013.	98.5332	10/10/2013.	98.5277	Sale	4,136	4,137			16	2,500
EDU5	1,000	247,531,250	EURO DLR	VAGLB Hedge	N/A		09/14/2015.	Chicago Board of Trade	10/08/2013.	99.0107	12/30/2013.	99.1500	Sale	(348,170)	(348,170)			16	2,500
ESZ3	300	25,057,500	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/08/2013.	1,670.4196	10/10/2013.	1,664.5000	Sale	88,794	88,794			15	50
NQZ3	200	12,591,244	Nasdaq	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/09/2013.	3,147.6103	12/16/2013.	3,475.7500	Sale	(1,312,559)	(1,312,559)			15	20
ESZ3	150	12,401,250	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/09/2013.	1,653.3760	10/21/2013.	1,737.0000	Sale	(627,180)	(627,180)			15	50
ESZ3	100	8,267,500	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/09/2013.	1,653.4628	10/17/2013.	1,712.7500	Sale	(296,436)	(296,436)			15	50
MESZ3	200	10,311,580	MSCI	VAGLB Hedge	N/A		12/21/2013.	NYSE Liffe US Exchange	10/11/2013.	1,031.0660	10/31/2013.	1,045.6000	Sale	(145,340)	(145,340)			15	50
MESZ3	200	10,318,800	MSCI	VAGLB Hedge	N/A		12/21/2013.	NYSE Liffe US Exchange	10/15/2013.	1,031.8800	10/31/2013.	1,045.7000	Sale	(138,200)	(138,200)			15	50
ESZ3	200	17,123,750	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/16/2013.	1,712.2946	10/17/2013.	1,708.0000	Sale	42,946	42,946			15	50

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjusted Basis of Hedged Item	Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point
ESZ3	100	8,694,038	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/18/2013.	1,738.7145	10/21/2013.	1,737.0000	Sale	8,573	8,573			15	50
ESZ3	150	13,042,500	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/18/2013.	1,738.9504	10/30/2013.	1,769.0000	Sale	(225,372)	(225,372)			15	50
ESZ3	150	13,072,500	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/22/2013.	1,742.9196	11/05/2013.	1,755.5000	Sale	(94,353)	(94,353)			15	50
ESZ3	100	8,715,000	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/22/2013.	1,742.9196	12/05/2013.	1,787.0000	Sale	(220,402)	(220,402)			15	50
ESZ3	50	4,411,250	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/29/2013.	1,764.3512	10/30/2013.	1,769.0000	Sale	(11,622)	(11,622)			15	50
ESZ3	150	13,233,750	S&P	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	10/29/2013.	1,764.4538	12/11/2013.	1,803.7500	Sale	(294,722)	(294,722)			15	50
TYH4	300	37,502,352	CBOT 10yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	11/21/2013.	125.0053	12/06/2013.	124.0781	Sale	278,144	278,144			16	1,000
TYH4	700	87,505,487	CBOT 10yr	VAGLB Hedge	N/A		12/21/2013.	Chicago Board of Trade	11/21/2013.	125.0047	12/06/2013.	124.0938	Sale	637,645	637,646			16	1,000
TYH4	1,000	124,453,125	CBOT 10yr	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/05/2013.	124.4500	12/19/2013.	123.5469	Sale	903,085	903,085			16	1,000
NQZ3	200	13,889,885	Nasdaq	VAGLB Hedge	N/A		12/21/2013.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	12/05/2013.	3,472.2698	12/17/2013.	3,464.3170	Sale	31,811	31,811			15	20
TYH4	500	62,109,375	CBOT 10yr	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/12/2013.	124.2078	12/19/2013.	123.7344	Sale	236,695	236,695			16	1,000
TYH4	500	62,117,188	CBOT 10yr	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/12/2013.	124.2223	12/30/2013.	123.1875	Sale	517,410	517,410			16	1,000
FVH4	1,000	120,046,875	CBOT 5yr	VAGLB Hedge	N/A		03/20/2014.	Chicago Board of Trade	12/12/2013.	120.0437	12/19/2013.	119.6716	Sale	372,098	372,098			16	1,000
ESH4	200	17,955,000	S&P	VAGLB Hedge	N/A		03/20/2014.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	12/19/2013.	1,795.2990	12/30/2013.	1,835.5000	Sale	(402,010)	(402,010)			15	50
ESH4	300	26,936,250	S&P	VAGLB Hedge	N/A		03/20/2014.	Chicago Mercantile Exchange KJNXBSWZVIKEX4NFOL81...	12/19/2013.	1,795.7500	12/30/2013.	1,836.5208	Sale	(611,562)	(611,563)			15	50
1349999. Total-Short Futures-Hedging Other														(48,552,359)	(48,552,358)	0	0	XXX	XXX
1389999. Total-Short Futures														(48,552,359)	(48,552,358)	0	0	XXX	XXX
1409999. Total-Hedging Other														(47,287,057)	(47,287,055)	0	0	XXX	XXX
1449999. TOTAL														(47,287,057)	(47,287,055)	0	0	XXX	XXX

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjusted Basis of Hedged Item	Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
15	The derivative is part of the Company's Equity Hedging program. The objective of the derivative is to hedge the delta risk (change in price of option for corresponding change in equity index) of the variable annuity rider liabilities. The hedge has been effective at achieving its objective.
16	The derivative was part of the Company's Equity Hedging program and the objective was to hedge the rho risk (change in price of option for corresponding change in interest rates) of the variable annuity rider liabilities. The hedge has been effective at achieving its objective.

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1		2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
					5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse		Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts With Book Adjusted Carrying Value > 0	Contracts With Book Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts With Fair Value > 0	Contracts With Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
Exchange Traded Derivatives												
0199999. Aggregate Sum of Exchange Traded		XXX	XXX	XXX	67,980	(3,376,582)	67,980	67,980	(3,376,582)	67,980	10,023,750	
NAIC 1 Designation												
Bank of America		Y	Y	(590,000)		(797,646)	0		(797,646)	0		0
Credit Suisse	E58DKGMJYYYJLN8C3868	Y	Y	(159,966)	13,073,763	(11,913,871)	1,319,858	13,073,763	(13,050,828)	182,901	4,411,211	4,411,211
Deutsche Bank	7LTWFZYICNSX8D621K86	Y	Y	(4,427,011)	605,518	(1,687,540)	3,344,989	605,518	(1,559,322)	3,473,207	1,097,798	1,097,798
Goldman Sachs Bank	KD3XUN7C6T14HNAYLU02	Y	Y	(100,000)		(20,113)	79,887		(20,113)	79,887		0
Goldman Sachs International	W22LROWP2IHZNBB6K528	Y	Y	1,600,000	24,572,333	(23,948,062)	0	24,572,333	(23,948,062)	0	508,804	0
JP Morgan Chase	7H6GLXDRUGQFU57RNE97	Y	Y	(9,841,416)	651,721	(10,291,829)	201,308	651,721	(10,291,829)	201,308	246,468	246,468
Royal Bank of Canada	ES7IP3U3RHIGC71XBU11	Y	Y	18,430,000	18,609,506		179,506	18,609,506		179,506		0
Wells Fargo	KB1H1DSPRFMYMCUFXT09	Y	Y	(31,249,805)	14,107,960	(43,149,364)	2,208,401	14,107,960	(43,149,364)	2,208,401	5,561,767	5,561,767
0299999. Total NAIC 1 Designation				(26,338,198)	71,620,801	(91,808,425)	7,333,949	71,620,801	(92,817,164)	6,325,210	11,826,047	11,317,244
0899999. Aggregate Sum of Central Clearinghouse	XXX	XXX	XXX	(20,357,791)	180,609	(12,813,782)	7,724,618	180,609	(12,813,782)	7,724,618	14,109,443	14,109,443
0999999. Totals				(46,695,988)	71,869,390	(107,998,789)	15,126,546	71,869,390	(109,007,528)	14,117,807	35,959,240	25,426,687

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open December 31 of Current Year

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
Collateral Pledged by Reporting Entity								
Royal Bank of Canada ES7IP3U3RHIGC71XBU11	Cash		Cash	18,430,000	18,430,000			V
Goldman Sachs International W22LROWP2IHZNBB6K528	Cash		Cash	1,600,000	1,600,000			V
0199999. Totals				20,030,000	20,030,000	0	XXX	XXX
Collateral Pledged to Reporting Entity								
Bank of America	Cash		Cash	590,000	590,000	XXX		V
CME KJNXBSWZVIKEX4NFOL81	Cash		Cash	20,357,791	20,357,791	XXX		V
Credit Suisse E58DKGMJYYYJLN8C3868	Cash		Cash	159,966	159,966	XXX		V
Deutsche Bank 7LTWFZYICNSX8D621K86	MBS	31412W	FN 937243	1,046,298	972,929	XXX	05/01/2047	V
Deutsche Bank 7LTWFZYICNSX8D621K86	MBS	31342A	FHARM 780060	3,380,713	3,198,525	XXX	01/01/2033	V
Goldman Sachs Bank KD3XUN7C6T14HNAYLU02	Cash			100,000	100,000	XXX		V
Wells Fargo KB1H1DSPRFMYMCUFXT09	MBS	31414E	FNCI 964388	3,072,911	2,845,631	XXX	07/01/2023	V
Wells Fargo KB1H1DSPRFMYMCUFXT09	MBS	3128JR	FHARM 847804	5,294,632	4,985,154	XXX	10/01/2037	V
Wells Fargo KB1H1DSPRFMYMCUFXT09	MBS	3128QL	FHARM 1H2569	7,892,188	7,414,056	XXX	09/01/2035	V
Wells Fargo KB1H1DSPRFMYMCUFXT09	MBS	3128PR	FG J12083	14,990,073	14,199,045	XXX	04/01/2020	V
JP Morgan Chase 7H6GLXDRUGQFU57RNE97	Cash		Cash	710,000	710,000	XXX		V
JP Morgan Chase 7H6GLXDRUGQFU57RNE97	MBS	31402D	FN 725788	922,899	923,158	XXX	03/01/2019	V
JP Morgan Chase 7H6GLXDRUGQFU57RNE97	MBS	31408G	FNARM 851428	8,208,517	7,695,821	XXX	09/01/2035	V
0299999. Totals				66,725,988	64,152,076	XXX	XXX	XXX

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
Open Depositories						
State Street					95,250	XXX
JP Morgan Chase Springfield, IL					107,052	XXX
Northern Trust Chicago, IL					24,191	XXX
PNC Bank Philadelphia, PA					6,985,206	XXX
JP Morgan Futures	O				(7,360)	XXX
JP Morgan Futures						XXX
JP Morgan Futures Excess	O					XXX
JP Morgan Futures Excess					383,016	XXX
Bank of America Merrill Lynch	O				3,477,139	XXX
Bank of America Merrill Lynch					2,685,328	XXX
Wells Fargo					730,639	XXX
0199999. Total - Open Depositories	XXX	XXX	0	0	14,480,461	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	14,480,461	XXX
0599999. Total Cash	XXX	XXX	0	0	14,480,461	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	23,461,051	4. April	19,371,899	7. July	6,473,471	10. October	18,931,347
2. February	(12,565,185)	5. May	30,331,923	8. August	15,434,159	11. November	13,620,980
3. March	21,015,515	6. June	9,107,984	9. September	27,449,335	12. December	14,480,461

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama AL						
2. Alaska AK						
3. Arizona AZ						
4. Arkansas AR	B	Ins. Dept. AR RSD by GEN LAWS Art. 148 Sec 23-64/ Held:Regions Bank, Little Rock			107,553	115,627
5. California CA						
6. Colorado CO						
7. Connecticut CT						
8. Delaware DE						
9. District of Columbia DC						
10. Florida FL						
11. Georgia GA	ST	Ins. Dept GA RSD by GEN LAWS Sec. 33-8/Held:Wachovia Bank, Winston-Salem, NC			100,000	100,000
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	B	State Treasurer, MA RSD by GEN LAWS, Rule1975/Held:State Street B&T, Boston...			488,875	525,575
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	B	Ins. Dept. NM RSD by INS CODE Article 59A/Held:Wells Fargo Bank, Santa Fe...			309,034	347,281
33. New York NY	ST	WC Board, NY RSD for WC Sec. 211-3/Held:WC Board, New York...			25,000	25,000
34. North Carolina NC	ST	Ins. Dept. NC RSD by GEN LAWS, Chapter 58-8-50/Held:Wachovia Bank, Winston-Sa			475,000	475,000
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
39. Pennsylvania PA	B	Pa. Stat., Title 40, Section 181	1,858,056	1,627,500		
40. Rhode Island RI						
41. South Carolina SC	B	Ins.Dept. SC RSD by GEN LAWS 38-9-80/Held:Wachovia Bank, Winston-Salem, NC.			127,108	136,650
42. South Dakota SD						
43. Tennessee TN						
44. Texas TX						
45. Utah UT						
46. Vermont VT						
47. Virginia VA	ST	Bureau of Ins. VA RSD by GEN CODE 38.2-1045/Held:Suntrust Bank, Richmand...			327,285	327,285
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 CAN						
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	1,858,056	1,627,500	1,959,855	2,052,418
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

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