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QUARTERLY STATEMENT

As of September 30, 2011

of the Condition and Affairs of the

CONTINENTAL GENERAL INSURANCE COMPANY

NAIC Group Code.....0084, 0084 (Current Period) (Prior Period) NAIC Company Code..... 71404 Employer's ID Number..... 47-0463747

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

Incorporated/Organized..... May 24, 1961 Commenced Business..... July 11, 1961

Statutory Home Office	301 East Fourth Street….. Cincinnati ..... OH ..... 45202 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	11200 Lakeline Blvd Ste 100….. Austin ..... TX ..... 78717 *(Street and Number) (City or Town, State and Zip Code)*	512-451-2224 *(Area Code) (Telephone Number)*
Mail Address	11200 Lakeline Blvd Ste 100….. Austin ..... TX ..... 78717 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	11200 Lakeline Blvd Ste 100….. Austin ..... TX ..... 78717 *(Street and Number) (City or Town, State and Zip Code)*	512-451-2224 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.continentalgeneral.com	
Statutory Statement Contact	Jesse Navarrete *(Name)*	512-807-4801 *(Area Code) (Telephone Number) (Extension)*
	austinfinrpt@gafri.com *(E-Mail Address)*	512-467-1399 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Bradley Allen Wolfram #	President	2. Byron Keith Buescher	Treasurer
3. Brenda Weigilia Hardison	Secretary	4. James Monroe Garvin III	Appointed Actuary

OTHER

David Lawrence Chambers #	Vice President	Tracy Eugene Maples	Chief Actuary
Paul Adolph Severt	Chief Financial Officer	Mark Francis Muething	Assistant Secretary
Christopher Patrick Miliano	Assistant Treasurer	Thomas Edward Mischell	Assistant Treasurer

DIRECTORS OR TRUSTEES

Bradley Allen Wolfram #	Christopher Patrick Miliano	Mark Francis Muething	Michael James Prager
Paul Adolph Severt #			

State of........ Texas
County of..... Williamson

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)
Bradley Allen Wolfram	Byron Keith Buescher	Brenda Weigilia Hardison
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 11 day of November, 2011

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	199,546,334		199,546,334	183,121,897
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens	3,939,065		3,939,065	4,036,825
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	714,491
5. Cash ($.....(3,740,704)), cash equivalents ($..........0) and short-term investments ($.....10,347,323)	6,606,619		6,606,619	5,974,911
6. Contract loans (including $..........0 premium notes)	3,288,710		3,288,710	3,261,046
7. Derivatives			0	
8. Other invested assets	3,648,723		3,648,723	3,703,129
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	217,029,451	0	217,029,451	200,812,299
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	2,443,719		2,443,719	2,488,747
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	(14,266,065)	104,151	(14,370,216)	(16,161,653)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	1,718,056		1,718,056	1,737,667
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
161. Amounts recoverable from reinsurers	11,505,276		11,505,276	12,814,001
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts	3,692,874		3,692,874	4,196,729
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	308,852		308,852	597,799
18.2 Net deferred tax asset	33,526,000	28,035,000	5,491,000	9,028,000
19. Guaranty funds receivable or on deposit	2,566,340		2,566,340	711,590
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	27,685		27,685	44,054
24. Health care ($..........0) and other amounts receivable	707,042	707,042	(0)	
25. Aggregate write-ins for other than invested assets	200,452	200,452	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	259,459,682	29,046,645	230,413,037	216,269,233
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	259,459,682	29,046,645	230,413,037	216,269,233

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. Other Amounts Receivable	23,567	23,567	0	
2502. Prepaids	176,885	176,885	0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	200,452	200,452	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts $.....77,142,700 less $..........0 included in Line 6.3 (including $..........0 Modco Reserve)	77,142,700	77,451,061
2. Aggregate reserve for accident and health contracts (including $.........0 Modco Reserve)	116,580,405	91,222,205
3. Liability for deposit-type contracts (including $..........0 Modco Reserve)	237,536	272,869
4. Contract claims:		
4.1 Life	930,187	809,026
4.2 Accident and health	4,204,343	4,794,860
5. Policyholders' dividends $..........0 and coupons $..........0 due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including $..........0 Modco)		
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 $.....(690,934) accident and health premiums	732,169	842,047
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including $..........0 accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance, including $.....10,397 assumed and $..........0 ceded	10,397	12,542
9.4 Interest Maintenance Reserve	228,938	
10. Commissions to agents due or accrued - life and annuity contracts $..........0, accident and health $..........0 and deposit-type contract funds $..........0	973,241	709,337
11. Commissions and expense allowances payable on reinsurance assumed	820	1,659
12. General expenses due or accrued	366,820	479,041
13. Transfers to Separate Accounts due or accrued (net) (including $..........0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	2,981,008	1,217,773
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	119,558	116,755
17. Amounts withheld or retained by company as agent or trustee	3,541	924
18. Amounts held for agents' account, including $..........0 agents' credit balances		
19. Remittances and items not allocated	278,821	453,730
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money $..........0 and interest thereon $..........0		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	494,196	314,471
24.02 Reinsurance in unauthorized companies		
24.03 Funds held under reinsurance treaties with unauthorized reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	388,523	92,567
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities	1,010,418	
24.10 Payable for securities lending		
24.11 Capital notes $..........0 and interest thereon $..........0		
25. Aggregate write-ins for liabilities	872,295	957,187
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	207,555,916	179,748,054
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	207,555,916	179,748,054
29. Common capital stock	4,196,559	4,196,559
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes		
33. Gross paid in and contributed surplus	7,638,870	2,638,870
34. Aggregate write-ins for special surplus funds	868,000	2,201,000
35. Unassigned funds (surplus)	10,153,692	27,484,750
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)	18,660,562	32,324,620
38. Totals of Lines 29, 30 and 37	22,857,121	36,521,179
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	230,413,037	216,269,233

DETAILS OF WRITE-INS

2501. Escheat	872,295	957,187
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	872,295	957,187
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. SSAP 10R Additional Surplus	868,000	2,201,000
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)	868,000	2,201,000

SUMMARY OF OPERATIONS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	42,650,153	46,040,798	60,474,990
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	8,531,211	9,122,786	12,447,486
4. Amortization of Interest Maintenance Reserve (IMR)	(122,921)	(217,703)	(281,150)
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	9,678,471	12,708,847	16,427,016
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			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	69,430	88,928	103,232
9. Totals (Lines 1 to 8.3)	60,806,344	67,743,656	89,171,574
10. Death benefits	3,555,055	3,214,655	4,245,902
11. Matured endowments (excluding guaranteed annual pure endowments)	6,325	2,996	2,996
12. Annuity benefits	1,043,172	978,736	1,408,353
13. Disability benefits and benefits under accident and health contracts	26,782,568	30,771,952	40,338,605
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	3,808,101	4,333,829	5,556,931
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	7,693	14,138	22,852
18. Payments on supplementary contracts with life contingencies	78,468	79,609	103,983
19. Increase in aggregate reserves for life and accident and health contracts	7,447,052	329,826	(39,744)
20. Totals (Lines 10 to 19)	42,728,434	39,725,741	51,639,878
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	5,925,281	8,344,403	10,524,233
22. Commissions and expense allowances on reinsurance assumed	48,969	870,063	1,125,192
23. General insurance expenses	6,133,715	6,035,931	8,219,071
24. Insurance taxes, licenses and fees, excluding federal income taxes	1,947,762	1,962,813	2,612,682
25. Increase in loading on deferred and uncollected premiums	(22,429)	(103,273)	(120,016)
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	2,777	3,418	3,450
28. Totals (Lines 20 to 27)	56,764,509	56,839,096	74,004,490
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	4,041,835	10,904,560	15,167,084
30. Dividends to policyholders	1,563	2,579	5,444
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	4,040,272	10,901,981	15,161,640
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	578,890	742,553	1,466,602
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)	3,461,382	10,159,428	13,695,038
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $.....(85,964) (excluding taxes of $.....85,955 transferred to the IMR)	811,599	(1,450,089)	(1,219,386)
35. Net income (Line 33 plus Line 34)	4,272,981	8,709,339	12,475,652
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	36,521,179	32,144,441	32,144,441
37. Net income (Line 35)	4,272,981	8,709,339	12,475,652
38. Change in net unrealized capital gains (losses) less capital gains tax of $.....(8,201)	(24,812)	(186,989)	(385,949)
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	5,586,029	(1,492,957)	(2,054,746)
41. Change in nonadmitted assets	(6,991,362)	1,406,273	2,901,703
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease	(17,602,787)		
44. Change in asset valuation reserve	(179,725)	(196,968)	(288,718)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in	5,000,000		
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance	(2,391,382)	(2,891,402)	(3,855,204)
52. Dividends to stockholders		(3,200,000)	(3,200,000)
53. Aggregate write-ins for gains and losses in surplus	(1,333,000)	(2,352,000)	(1,216,000)
54. Net change in capital and surplus (Lines 37 through 53)	(13,664,058)	(204,704)	4,376,738
55. Capital and surplus as of statement date (Lines 36 + 54)	22,857,121	31,939,737	36,521,179

DETAILS OF WRITE-INS

08.301.	Miscellaneous Income		(24,800)	69,166
08.302.	Express Scripts Rebates	62,265		65,909
08.303.	Interest on Agent Balances	7,132	113,728	(31,843)
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	33	0	0
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	69,430	88,928	103,232
2701.	Penalties	2,777	3,418	3,434
2702.	Other Expenses			16
2703.				
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	2,777	3,418	3,450
5301.	SSAP 10R Additional Surplus	(1,333,000)	(2,352,000)	(1,216,000)
5302.				
5303.				
5398.	Summary of remaining write-ins for Line 53 from overflow page	0	0	0
5399.	Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above)	(1,333,000)	(2,352,000)	(1,216,000)

CASH FLOW

		1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance	40,933,728	43,849,422	59,415,768
2.	Net investment income	8,273,353	8,715,046	11,178,520
3.	Miscellaneous income	7,356,519	9,906,372	12,675,045
4.	Total (Lines 1 through 3)	56,563,600	62,470,840	83,269,333
5.	Benefit and loss related payments	33,932,610	37,883,545	49,937,419
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	14,084,067	18,872,368	24,486,791
8.	Dividends paid to policyholders	1,563	2,069	4,898
9.	Federal and foreign income taxes paid (recovered) net of $..........0 tax on capital gains (losses)	289,934	(2,664,046)	(2,064,204)
10.	Total (Lines 5 through 9)	48,308,174	54,093,936	72,364,904
11.	Net cash from operations (Line 4 minus Line 10)	8,255,426	8,376,904	10,904,429
	CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	22,914,458	19,064,401	26,804,423
	12.2 Stocks		47,880	47,880
	12.3 Mortgage loans	97,760	395,634	424,828
	12.4 Real estate	1,463,545		
	12.5 Other invested assets			
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
	12.7 Miscellaneous proceeds			
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	24,475,763	19,507,915	27,277,131
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	37,797,000	3,077,403	31,423,976
	13.2 Stocks			
	13.3 Mortgage loans			
	13.4 Real estate			
	13.5 Other invested assets			
	13.6 Miscellaneous applications			
	13.7 Total investments acquired (Lines 13.1 to 13.6)	37,797,000	3,077,403	31,423,976
14.	Net increase (decrease) in contract loans and premium notes	27,664	170,572	216,494
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(13,348,901)	16,259,940	(4,363,339)
	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	5,000,000		
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	(42,385)	(51,676)	(71,787)
	16.5 Dividends to stockholders		3,200,000	3,200,000
	16.6 Other cash provided (applied)	767,568	1,387,608	2,052,149
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	5,725,183	(1,864,068)	(1,219,638)
	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)	631,708	22,772,776	5,321,452
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	5,974,911	653,459	653,459
	19.2 End of period (Line 18 plus Line 19.1)	6,606,619	23,426,235	5,974,911

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

20.0001				

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance	9,146,621	9,985,921	12,801,819
3. Ordinary individual annuities	3,921,838	1,602,107	1,889,303
4. Credit life (group and individual)			
5. Group life insurance		77,802	78,802
6. Group annuities			
7. A&H - group	273,125	13,913,998	14,288,005
8. A&H - credit (group and individual)			
9. A&H - other	76,585,140	90,252,450	117,618,853
10. Aggregate of all other lines of business	0	0	0
11. Subtotal	89,926,724	115,832,278	146,676,782
12. Deposit-type contracts			
13. Total	89,926,724	115,832,278	146,676,782

DETAILS OF WRITE-INS

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

a. Accounting Practices and Procedures

The financial statements of Continental General Insurance Company ("CGIC" or "the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Ohio.

Note 2 - Accounting Changes and Corrections of Errors

The Ohio Department of Insurance has adopted minimum reserving standards for long-term care insurance, which differ from standards promulgated by Appendix A-010 of the NAIC Accounting Practices and Procedures Manual. Specifically, under NAIC guidelines, the mortality basis used for computing contract reserves on policies issued on or after January 1, 1997 through December 31, 2006, is the 1983 Group Annuity Mortality Table without projection ("1983 GAM'"). Under Ohio standards, the 1983 GAM is effective for policies issued on or after January 1, 2004.

As of September 30, 2011, CGIC elected to adopt the NAIC guidelines and certain other changes resulting in an increase in long-term care reserves of $20,659,986 over that which would have been recorded under the prior procedures. The impact of the change on reserve balances as of January 1, 2011, ($17,602,787) has been recorded as a direct charge to surplus on line 43 of the accompanying Summary of Operations.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

D. Loan-Backed Securities

1. The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.

2. The Company does not currently hold any securities with a recognized other-than-temporary impairment where there is an intent to sell or an inability or lack of intent to hold the securities for a sufficient period of time necessary to recover the amortized cost basis of the securities.

3. The following table shows each security with an other-than-temporary ("OTTI") impairment recognized:

CUSIP	Amortized Cost Before OTTI	Present Value of Projected Cash Flows	OTTI Charge Recognized in Income Statement	Amortized Cost After OTTI	Fair Value	Date Reported
12667GAC7	694,147	686,699	7,448	686,699	664,548	3/31/11
12667GAC7	660,836	636,464	15,971	644,865	644,865	6/30/11

4. The following table shows all loan-backed securities with a an unrealized loss:

Less Than 12 Months		12 Months or More	
Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
$14,206,264	$ (468,641)	$4,349,586	$ (395,621)

5. Based on cash flow projections received from independent sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at September 30, 2011. The Company has the intent to hold such securities until they recover in value or mature.

NOTES TO FINANCIAL STATEMENTS

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

a. No significant change.

b. No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

On September 30, 2011 Ceres Group Inc, the parent company, made a $5,000,000 capital contribution to Continental General Insurance Company.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

Not applicable.

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

Not applicable.

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

c. The Company was not involved in any wash sale transactions in 2011.

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

Not applicable.

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

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurements

The Company does not have any material assets or liabilities held at fair value.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

Management has evaluated the financial statements for subsequent events through November 11, 2011, the date financial statements were available to be issued.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were 28,179,685. As of September 30, 2011, $7,146,115 has been paid for incurred claims and claim adjustments expenses attributable to insured events of prior years. Reserves remaining for prior years are now $19,223,461 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicare Supplement and Long Term Care lines of insurance. Therefore, there has been a $1,810,109 favorable prior year development since December 31, 2010 to September 30, 2011.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

Not applicable.

Note 31 - Reserves for Life Contracts and Annuity Contracts

No significant change.

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

No significant change.

Note 33 - Premiums and Annuity Considerations Deferred and Uncollected

No significant change.

Note 34 - Separate Accounts

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 35 - Loss/Claim Adjustment Expenses

No significant change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: ....

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

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.......................

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006.......................

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 1/25/2008........................

6.4 By what department or departments?
Ohio Department of Insurance

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

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

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

7.2 If yes, give full information:

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Great American Advisors	Cincinnati, OH	NO	NO	NO	NO	YES

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

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

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

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

16. Excluding items in Schedule E-Part 3-Special Deposits, real estate, 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 3, III. Conducting Examinations, F-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

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

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
N/A	American Money Management Corporation	One East Fourth Street, Cincinnati, OH 45202

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

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - LIFE & HEALTH

		1
1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	Amount
1.1	Long-term mortgages in good standing	
1.11	Farm mortgages	$
1.12	Residential mortgages	$
1.13	Commercial mortgages	$3,939,065
1.14	Total mortgages in good standing	$3,939,065
1.2	Long-term mortgages in good standing with restructured terms	
1.21	Total mortgages in good standing with restructured terms	$
1.3	Long-term mortgage loans upon which interest is overdue more than three months	
1.31	Farm mortgages	$
1.32	Residential mortgages	$
1.33	Commercial mortgages	$
1.34	Total mortgages with interest overdue more than three months	$0
1.4	Long-term mortgage loans in process of foreclosure	
1.41	Farm mortgages	$
1.42	Residential mortgages	$
1.43	Commercial mortgages	$
1.44	Total mortgages in process of foreclosure	$0
1.5	Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	$3,939,065
1.6	Long-term mortgages foreclosed, properties transferred to real estate in current quarter	
1.61	Farm mortgages	$
1.62	Residential mortgages	$
1.63	Commercial mortgages	$
1.64	Total mortgages foreclosed and transferred to real estate	$0

2. Operating Percentages:

2.1	A&H loss percent	89.1
2.2	A&H cost containment percent	
2.3	A&H expense percent excluding cost containment expenses	14.0

3.1	Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
3.2	If yes, please provide the amount of custodial funds held as of the reporting date	$
3.3	Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
3.4	If yes, please provide the balance of the funds administered as of the reporting date	$

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)

NONE

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only					
		Life Contracts		4	5	6	7
		2	3	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees		Total	
States, Etc.	Active Status	Life Insurance Premiums	Annuity Considerations		Other Considerations	Columns 2 through 5	Deposit-Type Contracts
1. Alabama AL	L	298,324	4,573	747,077		1,049,974	
2. Alaska AK	L	4,506	-	13,824		18,330	
3. Arizona AZ	L	87,993	4,550	552,544		645,087	
4. Arkansas AR	L	78,021	450	220,584		299,055	
5. California CA	L	130,179	-	369,844		500,023	
6. Colorado CO	L	90,830	3,323	1,714,694		1,808,847	
7. Connecticut CT	L	15,709	900	253,706		270,315	
8. Delaware DE	L	345	-	34,257		34,602	
9. District of Columbia DC	L	1,446	2,000	2,263		5,709	
10. Florida FL	L	240,735	2,263	8,096,990		8,339,988	
11. Georgia GA	L	395,405	13,433	2,887,023		3,295,861	
12. Hawaii HI	L	491	-	197,927		198,418	
13. Idaho ID	L	22,783	400	127,282		150,465	
14. Illinois IL	L	345,582	9,795	3,344,987		3,700,364	
15. Indiana IN	L	217,145	27,920	2,992,997		3,238,062	
16. Iowa IA	L	325,822	67,777	3,872,619		4,266,218	
17. Kansas KS	L	253,784	206,585	3,415,678		3,876,047	
18. Kentucky KY	L	254,454	5,175	1,304,322		1,563,951	
19. Louisiana LA	L	223,786	15,994	688,683		928,463	
20. Maine ME	L	4,231	-	66,405		70,636	
21. Maryland MD	L	37,316	-	348,166		385,482	
22. Massachusetts MA	L	4,404	-	105,745		110,149	
23. Michigan MI	L	234,682	1,752	2,681,282		2,917,716	
24. Minnesota MN	L	288,217	3,122,701	4,491,170		7,902,088	
25. Mississippi MS	L	119,938	950	588,432		709,320	
26. Missouri MO	L	295,500	4,800	1,674,935		1,975,235	
27. Montana MT	L	41,313	-	833,220		874,533	
28. Nebraska NE	L	1,018,735	199,076	5,625,676		6,843,487	
29. Nevada NV	L	18,380	18,150	159,313		195,843	
30. New Hampshire NH	L		-	50,593		50,593	
31. New Jersey NJ	L	5,870	-	112,768		118,638	
32. New Mexico NM	L	17,262	19,479	178,418		215,159	
33. New York NY	N	8,284	-	172,481		180,765	
34. North Carolina NC	L	430,333	4,002	1,293,188		1,727,523	
35. North Dakota ND	L	54,318	25,679	516,318		596,315	
36. Ohio OH	L	397,836	13,150	4,661,826		5,072,812	
37. Oklahoma OK	L	154,505	7,200	867,513		1,029,218	
38. Oregon OR	L	82,074	2,700	142,522		227,296	
39. Pennsylvania PA	L	164,431	7,300	3,816,447		3,988,178	
40. Rhode Island RI	L	529	-	14,761		15,290	
41. South Carolina SC	L	381,392	1,575	811,261		1,194,228	
42. South Dakota SD	L	174,406	11,064	793,848		979,318	
43. Tennessee TN	L	450,755	11,407	1,341,743		1,803,905	
44. Texas TX	L	829,355	82,746	6,907,950		7,820,051	
45. Utah UT	L	96,734	-	97,323		194,057	
46. Vermont VT	L	28	-	11,526		11,554	
47. Virginia VA	L	342,278	12,000	2,962,666		3,316,944	
48. Washington WA	L	95,614	-	714,601		810,215	
49. West Virginia WV	L	170,440	7,344	823,839		1,001,623	
50. Wisconsin WI	L	195,967	2,450	1,618,628		1,817,045	
51. Wyoming WY	L	73,665	1,175	662,848		737,688	
52. American Samoa AS	N					0	
53. Guam GU	N					0	
54. Puerto Rico PR	N	513		9,406		9,919	
55. US Virgin Islands VI	L			13,168		13,168	
56. Northern Mariana Islands MP	N					0	
57. Canada CN	N					0	
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59. Subtotal	(a) 51	9,176,645	3,921,838	76,007,287	0	89,105,770	0
90. Reporting entity contributions for employee benefit plans	XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX					0	
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	4,407		1,252,604		1,257,011	
94. Aggregate other amounts not allocable by State	XXX	0	0	0	0	0	0
95. Totals (Direct Business)	XXX	9,181,052	3,921,838	77,259,891	0	90,362,781	0
96. Plus Reinsurance Assumed	XXX	365,144	250	135,510		500,904	
97. Totals (All Business)	XXX	9,546,196	3,922,088	77,395,401	0	90,863,685	0
98. Less Reinsurance Ceded	XXX	4,848,657	1,808,399	43,276,713		49,933,769	
99. Totals (All Business) less Reinsurance Ceded	XXX	4,697,539	2,113,689	34,118,688	0	40,929,916	0

DETAILS OF WRITE-INS

5801.	XXX					0	
5802.	XXX					0	
5803.	XXX					0	
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0
9401.	XXX					0	
9402.	XXX					0	
9403.	XXX					0	
9498. Summary of remaining write-ins for line 94 from overflow page	XXX	0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above)	XXX	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

		Response
1.	Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
3.	Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
4.	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?	NO
5.	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?	NO
6.	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?	NO
7.	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?	NO

Explanations:

1.
2.
3.
4.
5.
6.
7.

Bar Code:

71404201149000003

71404201136500003

71404201144500003

71404201144600003

71404201144700003

71404201144800003

71404201144900003

Overflow Page for Write-Ins

Additional Write-ins for Summary of Operations:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
08.304. IRS Interest Refund	33		
08.397. Summary of remaining write-ins for Line 8.3	33	0	0

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	714,490	714,490
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals	749,055	
5. Deduct amounts received on disposals	1,463,545	
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	714,490
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	714,490

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	4,036,825	4,461,653
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	97,760	424,828
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	3,939,065	4,036,825
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	3,939,065	4,036,825
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	3,939,065	4,036,825

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	3,703,129	5,349,826
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		35
5. Unrealized valuation increase (decrease)	(50,772)	(95,738)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation	3,635	4,591
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		1,546,402
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	3,648,723	3,703,129
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	3,648,723	3,703,129

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	183,121,897	176,383,459
2. Cost of bonds and stocks acquired	38,807,418	31,423,976
3. Accrual of discount	582,120	1,603,958
4. Unrealized valuation increase (decrease)	(11)	(1)
5. Total gain (loss) on disposals	245,586	974,254
6. Deduct consideration for bonds and stocks disposed of	22,914,458	26,852,303
7. Deduct amortization of premium	272,797	389,089
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	23,419	22,357
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	199,546,335	183,121,897
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	199,546,335	183,121,897

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	157,887,350	53,621,843	44,862,004	94,987	154,625,781	157,887,350	166,742,176	148,922,004
2. Class 2 (a)	37,973,089	2,995,890		(813,640)	37,458,372	37,973,089	40,155,339	40,201,159
3. Class 3 (a)	1,492,419			826,201	1,962,763	1,492,419	2,318,620	1,961,090
4. Class 4 (a)	654,241			(246)	654,483	654,241	653,995	1,566,978
5. Class 5 (a)	26,037		2,287	(232)	27,374	26,037	23,518	29,974
6. Class 6 (a)	18			(10)	18	18	8	18
7. Total Bonds	198,033,154	56,617,733	44,864,291	107,060	194,728,791	198,033,154	209,893,657	192,681,223
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	198,033,154	56,617,733	44,864,291	107,060	194,728,791	198,033,154	209,893,657	192,681,223

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $.....10,347,323; NAIC 2 $..........0; NAIC 3 $..........0; NAIC 4 $..........0; NAIC 5 $..........0; NAIC 6 $..........0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	10,347,323	XXX	10,347,323	3,591	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,559,326	4,855,919
2. Cost of short-term investments acquired	66,029,065	90,287,436
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	65,241,068	85,584,029
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	10,347,323	9,559,326
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	10,347,323	9,559,326

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

Sch. E-Verification
NONE

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition

NONE

SCHEDULE A - PART 3

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

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	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. (11 - 9 - 10)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred
Property Disposed																			
Senior Division Building	Mission	KS	09/19/2011	W & R Corporate LLC			714,491				0		714,491	1,420,299		749,055	749,055		43,246
0199999. Totals					0	0	714,491	0	0	0	0	0	714,491	1,420,299	0	749,055	749,055	0	43,246
0399999. Totals					0	0	714,491	0	0	0	0	0	714,491	1,420,299	0	749,055	749,055	0	43,246

SCHEDULE B - PART 2

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

1	Location		4	5	6	7	8	9
	2	3				Actual	Additional	
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Cost at Time of Acquisition	Investment Made After Acquisition	Value of Land and Buildings

NONE

SCHEDULE B - PART 3

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

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
Mortgages With Partial Repayments																	
2005-03-1104	Lenexa	KS		09/26/2005	09/01/2011	787					0		787	787			0
2005-03-1106	Charlotte	NC		10/03/2005	09/12/2011	519					0		519	519			0
2005-03-1107	South Portland	ME		10/17/2005	08/30/2011	2,223					0		2,223	2,223			0
2005-03-1108	Albuquerque	NM		10/28/2005	09/08/2011	876					0		876	876			0
2005-03-1109	Albuquerque	NM		11/04/2005	09/06/2011	1,455					0		1,455	1,455			0
2005-03-1110	Albuquerque	NM		11/04/2005	09/06/2011	939					0		939	939			0
2005-03-1111	Concord	NC		09/26/2005	09/12/2011	902					0		902	902			0
2005-03-1113	Bakersfield	CA		11/17/2005	09/13/2011	1,028					0		1,028	1,028			0
2005-03-1115	Naples	FL		11/02/2005	09/14/2011	1,560					0		1,560	1,560			0
2005-03-1116	Escondido	CA		11/30/2005	09/01/2011	1,048					0		1,048	1,048			0
2005-03-1117	Naples	FL		12/05/2005	09/02/2011	227					0		227	227			0
2005-04-1118	Kansas City	MO		12/05/2005	09/02/2011	1,789					0		1,789	1,789			0
2005-04-1119	Austin	TX		12/29/2005	09/01/2011	1,692					0		1,692	1,692			0
2005-04-1120	Prattville	AL		12/21/2005	09/12/2011	2,996					0		2,996	2,996			0
2005-04-1121	Shakopee	MN		02/09/2006	09/08/2011	2,280					0		2,280	2,280			0
2005-04-1122	Minneapolis	MN		01/18/2006	09/07/2011	2,431					0		2,431	2,431			0
2005-04-1123	Pocatello	ID		02/01/2006	09/07/2011	1,824					0		1,824	1,824			0
2005-04-1124	Tulsa	OK		02/28/2006	09/08/2011	1,246					0		1,246	1,246			0
2005-04-1125	Tulsa	OK		03/17/2006	09/07/2011	847					0		847	847			0
2005-04-1126	Columbus	OH		03/02/2006	09/02/2011	1,339					0		1,339	1,339			0
2005-04-1127	Quicy	MA		03/16/2006	09/07/2011	2,407					0		2,407	2,407			0
2005-04-1128	Columbus	OH		03/06/2006	09/06/2011	1,351					0		1,351	1,351			0
0299999. Total - Mortgages With Partial Repayments						31,766	0	0	0	0	0	0	31,766	31,766	0	0	0
0599999. Total Mortgages						31,766	0	0	0	0	0	0	31,766	31,766	0	0	0

SCHEDULE BA - PART 2

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

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership

NONE

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Changes 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

NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
796269 VA 3	SAN ANTONIO ISD TX 4.006 08-15-28		08/24/2011	RBC CAPITAL		1,000,000	1,000,000		1FE
2499999.	Total - Bonds - U.S. Political Subdivision of States, Territories & Possessions					1,000,000	1,000,000	0	XXX
Bonds - Industrial and Miscellaneous									
00173P AA 3	AMMC 2005-4A A1 CLO FLT 03-17	R	08/24/2011	CANTOR FITZGERALD & CO.		1,840,776	1,945,337	1,814	1Z*
00206R AZ 5	AT&T INC 3.875 08-15-21 NC		08/15/2011	BARCLAYS AMERICA		997,050	1,000,000		1FE
05377R AV 6	AESOP 2011-5A A SEQ 3.27 2-18		08/19/2011	RBS SECURITIES/GREENWICH		1,999,272	2,000,000		1Z*
06406H BY 4	BANK OF NY MELLON 3.55 09-23-21 C21		09/16/2011	DEUTSCHE BANK		999,330	1,000,000		1FE
09247X AH 4	BLACKROCK INC 4.25 05-24-21 NC		09/08/2011	MIZUHO SECURITIES USA		1,045,010	1,000,000	12,868	1FE
12527E AD 0	CFCRE 2011-C1 A4 SEQ CSTR 04-44		08/04/2011	CANTOR FITZGERALD & CO.		2,050,000	2,000,000	2,205	1Z*
12667G AC 7	CWALT 2005-13CB A3 SEQ 5.5 5-25-35		09/06/2011	WELLS FARGO BROKERAGE		596,789	684,244	836	1Z*
23305Y AC 3	DBUBS 2011-LC3A A3 SEQ 4.638 04-21		08/11/2011	DEUTSCHE MORGAN GRENFELL		2,019,957	2,000,000	7,472	1Z*
23305Y AJ 8	DBUBS 2011-LC3A AM SEQ CSTR 07-21		08/11/2011	DEUTSCHE MORGAN GRENFELL		486,223	500,000	2,244	1Z*
233851 AF 1	DAIMLER FINANCE 3.875 09-15-21		09/15/2011	BNP PARIBAS		980,500	1,000,000	646	1FE
25468P CN 4	DISNEY (WALT) CO 2.75 08-16-21 NC		08/17/2011	GOLDMAN SACHS & CO.		987,170	1,000,000		1FE
458140 AJ 9	INTEL CORP 3.30 10-01-21		09/14/2011	GOLDMAN SACHS & CO.		997,620	1,000,000		1FE
46629P AC 2	JPMCC 2006-LDP9 A3 SEQ 5.336 5-47		08/24/2011	J. P. MORGAN SECURITIES		2,063,750	2,000,000	8,300	1Z*
46636V AC 0	JPMCC 2011-C5 A3 SEQ 4.1712 08-46		09/16/2011	J. P. MORGAN SECURITIES		1,009,998	1,000,000	3,244	1Z*
539830 AY 5	LOCKHEED MARTIN 3.35 09-15-21		09/07/2011	NOMURA SECURITIES INTL		994,440	1,000,000	279	1FE
59748T AA 7	MIDLAND COGEN 6.00 03-15-25 AL20		08/17/2011	CS FIRST BOSTON CORP		1,000,000	1,000,000		2FE
61760R BA 9	MSC 2011-C3 A3 SEQ 4.054 07-49		09/14/2011	MORGAN STANLEY & CO.		1,009,967	1,000,000	450	1Z*
629568 AW 6	NABORS INDS INC 4.625 09-15-21 NC		08/16/2011	CITIGROUP		996,540	1,000,000		2FE
674599 CC 7	OCCIDENTAL PETE 3.125 02-15-22 C21		08/15/2011	CITIGROUP		980,930	1,000,000		1FE
69351U AP 8	PPL ELECTRIC UTIL 3.00 09-15-21 NC		08/18/2011	J. P. MORGAN SECURITIES		991,910	1,000,000		1FE
713448 BW 7	PEPSICO INC 3.00 08-25-21 NC		08/22/2011	MORGAN STANLEY & CO.		993,930	1,000,000		1FE
742651 DM 1	PRIVATE EXPT FDG 2.80 05-15-22 NC		09/26/2011	BANK OF AMER / ML		2,990,610	3,000,000		1FE
806854 AB 1	SCHLUMBERGER INV 3.30 09-14-21	R	09/07/2011	CITIGROUP		996,790	1,000,000		1FE
81375W JE 7	SABR 2006-OP1 A2C SEQ FLT 10-35		09/20/2011	MORGAN STANLEY & CO.		715,146	808,360	338	1Z*
918204 AV 0	VF CORP 3.50 09-01-21 NC		08/17/2011	BANK OF AMER / ML		996,900	1,000,000		1FE
92936C AJ 8	WFRBS 2011-C4 A4 SEQ SSNR 4.90 6-44		08/23/2011	RBS SECURITIES/GREENWICH		2,072,500	2,000,000	6,808	1Z*
98419M AE 0	XYLEM INC 4.875 10-01-21		09/15/2011	J. P. MORGAN SECURITIES		999,350	1,000,000		2FE
3899999.	Total - Bonds - Industrial & Miscellaneous					33,812,458	33,937,941	47,504	XXX
8399997.	Total - Bonds - Part 3					34,812,458	34,937,941	47,504	XXX
8399999.	Total - Bonds					34,812,458	34,937,941	47,504	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					34,812,458	XXX	47,504	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	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	Maturity Date	NAIC Desig-nation or Market Indicator (a)
Bonds - U.S. Government																					
3128GL WV 0	FGCI E84260 PT 6.0 7-01-16		09/15/2011	PAYDOWNS		4,984	4,984	4,951	4,967		17		17		4,984			0	198	07/01/2016	1
31298W FC 4	FGLMC C59163 PT 7.0 10-01-31		09/15/2011	PAYDOWNS		28,560	28,560	29,213	29,125		(566)		(566)		28,560			0	1,358	10/01/2031	1
31388T QZ 9	FNCL 614372 PT 7.0 1-01-32		09/26/2011	PAYDOWNS		182	182	186	185		(3)		(3)		182			0	8	01/01/2032	1
31389C FZ 7	FNCL 621284 PT 6.50 12-01-31		09/26/2011	PAYDOWNS		7,614	7,614	7,937	7,892		(278)		(278)		7,614			0	368	12/01/2031	1
31389N N7 6	FNCL 630514 PT 6.0 1-1-32		09/26/2011	PAYDOWNS		975	975	966	969		6		6		975			0	39	01/01/2032	1
36203R TF 6	GNSF 357050 PT 8.0 5-15-23		09/15/2011	PAYDOWNS		462	462	483	462				0		462			0	24	05/15/2023	1
36204C J6 9	GNSF 365785 PT 7.0 1-15-24		09/15/2011	PAYDOWNS		424	424	435	427		(3)		(3)		424			0	20	01/15/2024	1
36204H EF 3	GNSF 370134 PT 6.50 12-15-23		09/15/2011	PAYDOWNS		803	803	814	794		9		9		803			0	35	12/15/2023	1
36205C FH 8	GNSF 386368 PT 7.0 2-15-24		09/15/2011	PAYDOWNS		230	230	234	230				0		230			0	10	02/15/2024	1
36205C KY 5	GNSF 386511 PT 7.50 5-15-24		09/15/2011	PAYDOWNS		1,647	1,647	1,703	1,599		48		48		1,647			0	83	05/15/2024	1
36205F YX 5	GNSF 389626 PT 8.0 10-15-24		09/15/2011	PAYDOWNS		882	882	922	851		31		31		882			0	48	10/15/2024	1
36205P 5J 6	GNSF 396949 PT 8.0 8-15-24		09/15/2011	PAYDOWNS		112	112	117	112				0		112			0	6	08/15/2024	1
36206A HZ 9	GNSF 405348 PT 8.0 11-15-24		09/15/2011	PAYDOWNS		337	337	353	325		12		12		337			0	18	11/15/2024	1
36209C 6Y 7	GNSF 468087 PT 7.0 7-15-28		09/15/2011	PAYDOWNS		432	432	444	438		(6)		(6)		432			0	20	07/15/2028	1
36209U AE 6	GNSF 481605 PT 7.0 7-15-29		09/15/2011	PAYDOWNS		109	109	106	109				0		109			0	5	07/15/2029	1
36224T NQ 9	GNSF 337999 PT 7.0 3-15-23		09/15/2011	PAYDOWNS		1,028	1,028	1,056	1,028				0		1,028			0	48	03/15/2023	1
36225B PV 4	GNSF 781336 PT 6.0 10-15-31		09/15/2011	PAYDOWNS		12,440	12,440	12,666	12,629		(189)		(189)		12,440			0	500	10/15/2031	1
36241K BU 1	GNSF 781851 PT 7.50 12-15-28		09/15/2011	PAYDOWNS		878	878	853	857		21		21		878			0	47	12/15/2028	1
912827 7B 2	U.S. TREASURY NOTES 5.00 8-15-11		08/15/2011	REDEEMED		60,000	60,000	63,609	60,338		(338)		(338)		60,000			0	3,000	08/15/2011	1
0599999.	Total - Bonds - U.S. Government					122,098	122,098	127,047	123,337	0	(1,239)	0	(1,239)	0	122,098	0	0	0	5,835	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
31340Y FN 4	FHR 19 F PAC 8.50 3-15-20		09/15/2011	PAYDOWNS		2,556	2,556	2,642	2,556		(1)		(1)		2,556			0	149	03/15/2020	1
31392E 4T 4	FNR 2002-72 DB SEQ 4.50 11-25-17		09/26/2011	PAYDOWNS		25,027	25,027	24,194	24,834		193		193		25,027			0	754	11/25/2017	1
31392W 4L 1	FHR 2508 UL SEQ 5.0 12-15-16		08/15/2011	PAYDOWNS		37,220	37,220	37,458	37,234		(14)		(14)		37,220			0	1,120	12/15/2016	1
31393Q YC 0	FHR 2611 UH SEQ 4.50 5-15-18		09/15/2011	PAYDOWNS		97,946	97,946	90,968	94,965		2,981		2,981		97,946			0	2,966	05/15/2018	1
31393V MS 7	FHR 2628 AD NSJ ZX 4.0 6-15-18		09/15/2011	PAYDOWNS		30,585	30,585	30,850	31,160		(575)		(575)		30,585			0	831	06/15/2018	1
31393Y Q6 5	FNR 2004-46 WB SEQ 4.50 1-25-18		09/26/2011	PAYDOWNS		163,766	163,766	152,917	160,982		2,784		2,784		163,766			0	4,920	01/25/2018	1
31394M JG 6	FHR 2721 PD PAC 5.0 4-15-21		09/15/2011	PAYDOWNS		173,853	173,853	173,941	173,853				0		173,853			0	5,949	04/15/2021	1
31395A ZP 3	FHR 2823 EL SEQ 4.5 5-15-18		09/15/2011	PAYDOWNS		124,157	124,157	117,106	122,198		1,959		1,959		124,157			0	3,759	05/15/2018	1
31395M RP 6	FHR 2933 BC PAC 5.50 7-15-17		09/15/2011	PAYDOWNS		39,524	39,524	40,686	39,835		(311)		(311)		39,524			0	1,450	07/15/2017	1
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					694,633	694,633	670,762	687,617	0	7,016	0	7,016	0	694,633	0	0	0	21,898	XXX	XXX
Bonds - Industrial and Miscellaneous																					
00173P AA 3	AMMC 2005-4A A1 CLO FLT 03-17	R	09/28/2011	PAYDOWN		6,583	6,583	6,229			6		6		6,235		348	348	9	03/25/2017	1Z*
006346 AK 6	ADMSO 2010-1 A ABS 5.438 12-20-40		09/20/2011	PAYDOWNS		2,955	2,955	2,955	2,955				0		2,955			0	107	12/20/2040	1Z*
05948X L9 0	BOAMS 2003-10 1B1 SUB 5.50 1-25-34		09/26/2011	PAYDOWNS		70,677	70,677	70,914	68,972		1,705		1,705		70,677			0	2,532	01/25/2034	1Z*

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	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	Maturity Date	NAIC Designation or Market Indicator (a)
07383F XH 6	BSCMS 2003-PWR2 A3 SEQ 4.834 051139		09/12/2011	PAYDOWNS		43,251	43,251	44,625	43,251				0		43,251			0	1,351	05/11/2039	1Z*
12667G AC 7	CWALT 2005-13CB A3 SEQ 5.5 5-25-35		09/26/2011	PAYDOWNS		26,198	26,198	24,207	13,660		12,538		12,538		26,198			0	776	05/25/2035	1Z*
12669E UJ 3	CWHL 2003-29 M MEZ 5.50 8-25-33		09/26/2011	PAYDOWNS		16,379	16,379	16,161	13,727		2,652		2,652		16,379			0	566	08/25/2033	1Z*
14574K AE 2	CAUTO 2010-1A A ABS 5.73 12-38		09/15/2011	PAYDOWNS		3,391	3,391	3,391	3,391				0		3,391			0	130	12/15/2038	1Z*
172973 RR 2	CMSI 2003-8 A14 SEQ 5.50 8-25-33		09/26/2011	PAYDOWNS		78,497	78,497	76,216	76,842		1,655		1,655		78,497			0	3,025	08/25/2033	1Z*
17309L AD 7	CMLTI 2006-HE2 A2C SEQ FLT 08-36		09/26/2011	PAYDOWNS		28,895	28,895	23,803	23,879		5,016		5,016		28,895			0	78	08/25/2036	1Z*
17312H AF 6	CRMSI 2007-2 A6 NAS 6.265 06-37		09/26/2011	PAYDOWNS		14,435	14,435	13,948	13,950		485		485		14,435			0	601	06/25/2037	1Z*
201730 AC 2	CMAT 1999-C1 A3 SEQ 6.64 01-17-32		09/20/2011	PAYDOWNS		38,962	38,962	43,829	38,962				0		38,962			0	1,838	01/17/2032	1Z*
22541L AC 7	CS FIRST BOSTON USA 6.50 01-15-12 NC		09/22/2011	GOLDMAN SACHS & CO		1,317,030	1,300,000	1,291,953	1,298,898		763		763		1,299,661		17,369	17,369	101,400	01/15/2012	1FE
241912 AA 2	DWMC 1 P-O SEQ 6.50 12-1-16		09/02/2011	PAYDOWNS		15	15	15	15				0		15			0		12/01/2016	5Z
39121J AG 5	GREAT RIV ENRGY 7.233 070138 NC A29		07/01/2011	SINKING FUND PAYMENT		21,493	21,493	21,493	21,493				0		21,493			0	1,555	07/01/2038	1FE
466247 AV 5	JPMMT 2003-A2 2A2 SEQ CSTR 11-25-33		09/26/2011	PAYDOWNS		14,249	14,249	14,138	14,249				0		14,249			0	495	11/25/2033	1Z*
46625M CU 1	JPMCC 2001-CIB2 A3 SEQ 6.429 041535		08/16/2011	PAYDOWNS		7,610	7,610	8,575	8,226		(616)		(616)		7,610			0	304	04/15/2035	1Z*
46625M GQ 6	JPMCC 2001-CIB3 A3 SEQ 6.465 111535		09/15/2011	PAYDOWNS		39,471	39,471	44,585	39,907		(436)		(436)		39,471			0	1,787	11/15/2035	1Z*
46625M RB 7	JPMCC 2002-C3 A2 SEQ 4.994 071235		09/12/2011	PAYDOWNS		4,312	4,312	4,464	4,347		(35)		(35)		4,312			0	146	07/12/2035	1Z*
46632T AA 3	JPMMT 2008-R2 1A1 SEQ SSNR CSTR 37RE		09/28/2011	PAYDOWNS		29,273	29,273	21,809	22,008		7,265		7,265		29,273			0	1,080	07/27/2037	1Z*
46633K AY 9	JPMRR 2009-5 3A1 SEQ SSNR CSTR 37 RE		09/27/2011	PAYDOWNS		25,361	25,361	24,029	24,207		1,154		1,154		25,361			0	1,072	05/26/2037	1Z*
47233A AW 7	JMAC 2009-R7 11A1 SEQ SSNR CSTR 37RE		09/29/2011	PAYDOWNS		25,847	25,847	23,843	24,079		1,768		1,768		25,847			0	611	03/26/2037	1Z*
76111X HN 6	RFMSI 2004-S4 2A6 PAC 4.50 4-25-19		09/26/2011	PAYDOWNS		124,224	124,224	122,635	123,512		712		712		124,224			0	3,717	04/25/2019	1Z*
76111X J4 6	RFMSI 2006-S1 1A3 SSNR NAS 5.75 0136		09/26/2011	PAYDOWNS		21,119	21,119	21,012	21,030		89		89		21,119			0	813	01/25/2036	1Z*
77876N AK 4	LFR 6 I PAC 9.4 08-20-19		09/20/2011	PAYDOWNS		2,272	2,272	2,426	2,503		(231)		(231)		2,272			0	146	08/20/2019	5*
81375W JE 7	SABR 2006-OP1 A2C SEQ FLT 10-35		09/26/2011	PAYDOWN		11,070	11,070	9,793			1,277		1,277		11,070			0	5	10/25/2035	1Z*
86359D SW 8	SASC 2005-17 B1 SUB CSTR 10-25-35		09/26/2011	PAYDOWNS			134,280	131,952	7,131		(7,131)		(7,131)					0	4,703	10/25/2035	1Z*
89655Y AA 4	TRL 2009-1A A ABS 6.657 11-16-39		09/16/2011	PAYDOWNS		11,376	11,376	11,376	11,376				0		11,376			0	508	11/16/2039	1Z*
89656C AA 1	TRL 2010-1A A ABS 5.194 10-16-40		09/19/2011	PAYDOWNS		8,849	8,849	8,849	8,849				0		8,849			0	306	10/16/2040	1Z*
94983Q AL 0	WFMBS 2006-3 A11 SSNR NAS 5.50 03-36		09/26/2011	PAYDOWNS		23,630	23,630	22,886	23,007		623		623		23,630			0	861	03/25/2036	1Z*
949832 AA 7	WFMBS 2005-14 1A1 SSNR NAS 5.5 12-35		09/26/2011	PAYDOWNS		21,534	21,534	20,741	20,879		655		655		21,534			0	814	12/25/2035	1Z*
3899999.	Total - Bonds - Industrial & Miscellaneous					2,038,957	2,156,207	2,132,851	1,975,305	0	29,913	0	29,913	0	2,021,240	0	17,717	17,717	131,335	XXX	XXX
8399997.	Total - Bonds - Part 4					2,855,688	2,972,938	2,930,660	2,786,259	0	35,690	0	35,690	0	2,837,971	0	17,717	17,717	159,068	XXX	XXX
8399999.	Total - Bonds					2,855,688	2,972,938	2,930,660	2,786,259	0	35,690	0	35,690	0	2,837,971	0	17,717	17,717	159,068	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					2,855,688	XXX	2,930,660	2,786,259	0	35,690	0	35,690	0	2,837,971	0	17,717	17,717	159,068	XXX	XXX

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

Sch. DB-Pt A-Sn 1
NONE

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

Sch. DB-Pt B-Sn 1
NONE

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

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

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
			Rate	Amount of Interest	Amount of Interest Accrued	6	7	8	
Depository		Code	of Interest	Received During Current Quarter	at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
JP Morgan Chase	Austin, Tx					(4,688,261)	(3,510,052)	(3,937,395)	XXX
Wachovia Bank	Winston Salem, NC					320,870	130,155	70,298	XXX
Bank of New York Mellon	New York, NY					4,001	503	499	XXX
Wachovia Bank	Columbia, SC					125,894	125,894	125,894	XXX
0199999. Total Open Depositories		XXX	XXX	0	0	(4,237,496)	(3,253,500)	(3,740,704)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	(4,237,496)	(3,253,500)	(3,740,704)	XXX
0599999. Total Cash		XXX	XXX	0	0	(4,237,496)	(3,253,500)	(3,740,704)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE