



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

Permanent General Assurance Corporation

NAIC Group Code	3638	NAIC Company Code	37648	Employer's ID Number	13-2960609
	(Current Period)		(Prior Period)		
Organized under the Laws of	Ohio	State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States				
Incorporated/Organized	09/28/1994	Commenced Business	09/28/1994		
Statutory Home Office	9700 Rockside Road, Suite 250	Valley View, OH 44125			
	(Street and Number)	(City or Town, State and Zip Code)			
Main Administrative Office	2636 Elm Hill Pike, Suite 510	Nashville, TN 37214	615-242-1961		
	(Street and Number)	(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	P.O. Box 305054	Nashville, TN 37230-5054			
	(Street and Number or P.O. Box)	(City or Town, State and Zip Code)			
Primary Location of Books and Records	2636 Elm Hill Pike, Suite 510	Nashville, TN 37214	615-744-1221		
	(Street and Number)	(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Web Site Address	www.pgac.com				
Statutory Statement Contact	R Burton Barnes Jr	615-744-1221			
	(Name)	(Area Code) (Telephone Number) (Extension)			
	bbarnes@pgac.com	615-744-1608			
	(E-mail Address)	(Fax Number)			

OFFICERS

Name	Title	Name	Title
Randy Philip Parker	Chairman, President & CEO	David Lee Hettinger	Sr. V.P., Chief Information Officer
Brian Michael Donovan	CFO, Treasurer & Assistant Secretary		

OTHER OFFICERS

Robert Eugene Nelson	Assistant Secretary	Sherrill Cleek Kaiser	Secretary
Allison Walker Garretson	V.P., Underwriting & Premium Finance	Barry Scot Dice	V.P., Direct Sales & Marketing
Charles Wesley Kirkland Jr.	V.P., Claims	William Joseph Yeager	Sr. V.P., Claims
John Allen Hollar	V.P., Product Management	Eileen Mary Manners	Assistant V.P., Claims
Kenton Lee Fourman	V.P., Chief Information Officer	Eric William Bur	V.P., IA Sales & Distribution
Andrew Peter Martin	Sr. V.P., Company-wide Sales & Distribution	Elizabeth Ann Roberts	V.P., Human Resources
Todd Raymond Hakala	V.P., Actuary Services		

DIRECTORS OR TRUSTEES

Randy Philip Parker	David Lee Hettinger	Brian Michael Donovan	Andrew Peter Martin
Elizabeth Ann Roberts			

State ofTennessee.....
County ofDavidson.....ss

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

David Lee Hettinger Sr. V.P., Chief Administrative Officer	Brian Michael Donovan CFO, Treasurer, Assistant Secretary	Sherrill Cleek Kaiser Secretary
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Subscribed and sworn to before me this
12th day of November, 2012

Susan Hawk, Notary Public
May 15, 2015

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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Permanent General Assurance Corporation

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	114,570,930		114,570,930	120,819,559
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	767,821	767,821	0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$0), cash equivalents (\$0) and short-term investments (\$22,250,164)	22,250,164		22,250,164	11,740,367
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities	3,602,506		3,602,506	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	141,191,421	767,821	140,423,600	132,559,926
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	1,130,464		1,130,464	1,258,987
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	11,058,948	1,740	11,057,208	13,458,895
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	48,487,066		48,487,066	47,343,617
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,929,940		1,929,940	2,204,901
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	2,893,310
18.2 Net deferred tax asset	7,656,168	889,284	6,766,884	7,143,329
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	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	0
23. Receivables from parent, subsidiaries and affiliates	4,453,781		4,453,781	1,438,312
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	215,907,788	1,658,845	214,248,943	208,301,277
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	215,907,788	1,658,845	214,248,943	208,301,277
DETAILS OF WRITE-INS				
1101. Income due on security			0	0
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$29,248,118)	44,226,940	43,429,066
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	10,959,782	10,550,706
4. Commissions payable, contingent commissions and other similar charges	159,016	0
5. Other expenses (excluding taxes, licenses and fees)		0
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	494,146	1,134,908
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	448,743	0
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$46,286,137 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	66,065,769	64,360,301
10. Advance premium	272,867	275,205
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,720,867	3,001,319
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives		0
21. Payable for securities		3,984
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	124,348,130	122,755,489
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	124,348,130	122,755,489
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	5,000,000	5,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	34,274,183	34,274,183
35. Unassigned funds (surplus)	50,626,630	46,271,605
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	89,900,813	85,545,788
38. Totals (Page 2, Line 28, Col. 3)	214,248,943	208,301,277
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 137,418,968)	134,302,049	139,834,451	184,048,792
1.2 Assumed (written \$ 72,421,163)	72,271,559	74,865,595	98,453,388
1.3 Ceded (written \$ 86,594,530)	85,033,475	88,027,019	115,825,894
1.4 Net (written \$ 123,245,601)	121,540,133	126,673,027	166,676,286
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 71,098,266):			
2.1 Direct	79,759,764	87,429,772	119,087,573
2.2 Assumed	45,149,918	50,233,803	64,224,092
2.3 Ceded	53,209,938	58,274,168	75,378,014
2.4 Net	71,699,744	79,389,407	107,933,651
3. Loss adjustment expenses incurred	13,309,509	13,918,382	19,928,554
4. Other underwriting expenses incurred	51,208,163	51,879,662	66,784,541
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	136,217,416	145,187,451	194,646,746
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(14,677,283)	(18,514,424)	(27,970,460)
INVESTMENT INCOME			
9. Net investment income earned	3,998,838	4,352,864	5,692,410
10. Net realized capital gains (losses) less capital gains tax of \$	2,814,560	3,378,690	3,331,192
11. Net investment gain (loss) (Lines 9 + 10)	6,813,398	7,731,554	9,023,602
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	0	0	0
13. Finance and service charges not included in premiums	13,895,081	14,389,123	18,925,725
14. Aggregate write-ins for miscellaneous income	119,834	64,841	172,929
15. Total other income (Lines 12 through 14)	14,014,915	14,453,964	19,098,654
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,151,030	3,671,094	151,796
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	6,151,030	3,671,094	151,796
19. Federal and foreign income taxes incurred	1,738,264	258,251	(473,007)
20. Net income (Line 18 minus Line 19)(to Line 22)	4,412,766	3,412,843	624,803
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	85,545,788	83,095,694	83,095,694
22. Net income (from Line 20)	4,412,766	3,412,843	624,803
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	1,010,053	(1,648,453)	(958,695)
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	181,946	91,384	229,903
27. Change in nonadmitted assets	(1,303,875)	2,159,537	2,854,083
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles	54,722	0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		700,000	700,000
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	(1,000,000)
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(587)	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	4,355,025	4,715,311	2,450,094
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	89,900,813	87,811,005	85,545,788
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. FINANCE ROYALTY INCOME		508	508
1402. OTHER INTEREST (EXPENSE)	94,226	64,333	172,421
1403. OTHER INCOME		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	25,608	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	119,834	64,841	172,929
3701. OTHER INCREASES / (DECREASES)	(587)	0	0
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	(587)	0	0

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.....	123,281,074	128,927,323	165,876,722
2. Net investment income	5,135,775	4,812,383	6,242,394
3. Miscellaneous income	14,014,915	14,453,964	19,098,654
4. Total (Lines 1 to 3)	142,431,764	148,193,670	191,217,770
5. Benefit and loss related payments	70,626,909	77,040,017	103,323,702
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	64,590,342	64,175,514	82,596,834
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(1,603,789)	(1,133,876)	319,625
10. Total (Lines 5 through 9)	133,613,462	140,081,655	186,240,161
11. Net cash from operations (Line 4 minus Line 10)	8,818,302	8,112,015	4,977,609
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	45,540,571	48,471,706	57,560,016
12.2 Stocks	0	1,500,000	7,101,863
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	3,984
12.8 Total investment proceeds (Lines 12.1 to 12.7)	45,540,571	49,971,706	64,665,863
13. Cost of investments acquired (long-term only):			
13.1 Bonds	37,226,530	56,283,703	66,511,349
13.2 Stocks	0	4,994,781	4,994,781
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	3,606,490	2,966,091	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	40,833,020	64,244,575	71,506,130
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	4,707,551	(14,272,869)	(6,840,267)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	700,000	700,000
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	1,000,000
16.6 Other cash provided (applied).....	(3,016,056)	(6,527,071)	(957,795)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(3,016,056)	(5,827,071)	(1,257,795)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	10,509,797	(11,987,925)	(3,120,453)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	11,740,367	14,860,820	14,860,820
19.2 End of period (Line 18 plus Line 19.1)	22,250,164	2,872,895	11,740,367

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. The accompanying financial statements of Permanent General Assurance Corporation have been prepared in accordance with the NAIC Accounting Practices and Procedures Manual except to the extent that Ohio law differs. However, as of this Statement date, there have been no requests from the State of Ohio to depart from the prescribed NAIC guidelines.

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

	2012	2011
Net Income		
(1) Ohio company state basis (Page 4, Line 20, Column 1 & 2)	\$4,413	\$3,412
(2) State prescribed practices that increase / (decrease) NAIC SAP:		
(3) State permitted practices that increase / (decrease) NAIC SAP:		
(4) NAIC SAP	\$4,413	\$3,412
Surplus		
(5) Ohio company state basis (Page 3, Line 37, Column 1 & 2)	\$89,878	\$87,811
(6) State prescribed practices that increase / (decrease) NAIC SAP:		
(7) State permitted practices that increase / (decrease) NAIC SAP:		
(8) NAIC SAP	\$89,878	\$87,811

B. Use of Estimates in the Preparation of the 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 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.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

- (1) Short-term investments are stated at cost.
- (2) Bonds are stated at amortized cost using the yield to maturity method.
- (3) Common stocks, if owned are stated at lower of cost or market with exception to the stock of PGAC’s wholly owned subsidiary (which is valued as described in the NAIC Valuation of Securities Manual).
- (4) The Company holds no preferred stock as of the statement date.
- (5) The Company holds no mortgage loans.
- (6) The basis for loan backed securities is amortized cost or the lower of amortized cost or fair market value. The adjustment methodology used for each type of security is prospective for securities which an OTTI loss has been recognized and retrospective for all other securities.
- (7) The Company values PGA Service Corporation (a wholly owned subsidiary) in accordance with the NAIC policies and procedures manual.
- (8) The company has no investments in joint ventures, partnerships & limited liability company.
- (9) The company has no investments in derivatives.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation.
- (11) Reserve for losses represents the estimated liability for claims reported to the Company and an amount, based on actuarially determined reserves for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior year.
- (13) The Company has no pharmaceutical rebate receivables.

2. Accounting Changes and Corrections of Errors:

On November 6, 2011, SSAP No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10, was adopted by the NAIC. SSAP No. 101 contains changes to accounting for current and deferred federal and foreign income taxes, effective January 1, 2012. This guidance provides that the deferred tax asset admissibility guidance is no longer elective, and the reversal and surplus limitation parameters in the admissibility test are determined based on the risk-based capital level. It also requires gross deferred tax assets to be reduced by a statutory valuation allowance if it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Finally, the guidance set a more likely than not threshold for the recording of contingent tax liabilities. The cumulative effect of adopting this pronouncement is \$54,722.

The following summarizes the impact of the adoption (000's omitted).

	1/1/2012	12/31/2011	Change
Gross DTA	\$7,775	\$7,775	-
SVA	-	-	-
Adj. Gross DTA	\$7,775	\$7,775	-
Gross DTL	(301)	(301)	-
Non admitted DTA	(276)	(331)	55
Net Admitted DTA/(DTL)	\$7,198	\$7,143	\$55
Contingent tax liability	-	-	-
Penalty / Interest	-	-	-

NOTES TO FINANCIAL STATEMENTS

Net impact to surplus \$55 - \$55 **

** The net impact to surplus is the sum of any change in the net admitted DTA / (DTL), contingent tax liability, and penalty and interest.

3. Business Combinations and Goodwill
- None.
4. Discontinued Operations
- None.
5. Investments
- A) The Company has no mortgage loans.
- B) The Company did not restructure any debt.
- C) The Company has no reverse mortgages.
- D) Loan-Backed Securities
- (1) The source used to determine prepayment assumptions is Intex.
- (2) Not applicable.
- (3) Securities with recognized impairments currently held

Cusip	<u>Book / Adjusted Carry Value Before Current Perion OTTI</u>	<u>Present Value of Projected Cashflows</u>	<u>Recognized Other Than Temporary Impairment YTD</u>	<u>Amortized Cost At Report Date</u>	<u>Fair Value At Report Date</u>	<u>Date of Financial Statement Where Reported</u>
059511AH8	1,458,400	1,458,400	0	1,462,702	1,613,865	09/30/2012
12513YAF7	1,850,469	1,850,469	0	1,837,493	1,992,592	09/30/2012
12669GHZ7	132,729	132,729	0	129,000	106,575	09/30/2012
22545LAG4	938,494	938,494	0	946,303	1,048,960	09/30/2012
466247WV1	45,343	45,343	0	37,386	32,129	09/30/2012
61753JAE9	1,257,006	1,257,006	0	1,268,437	1,539,687	09/30/2012
73316PBB5	304,204	304,204	0	302,096	197,657	09/30/2012
73316PCK4	602,406	602,406	0	602,542	418,847	09/30/2012
92978YAD2	1,572,359	1,572,359	0	1,562,817	1,727,090	09/30/2012
Total	8,161,411	8,161,411	0	8,148,776	8,677,402	

(4) All impaired securities (fair value is less than 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):

Continuous Unrealized Loss	Less than 12 Months	\$ -
	12 Months or Longer	\$ -

Fair Value of Security with Continuous Unrealized Loss

Less than 12 Months	\$ -
12 Months or Longer	\$ -

(5) Not Applicable

- E) The Company has no repurchase agreements.
- F) The Company has no real estate investments.
- G) The Company has no low-income housing tax credits (LIHTC).

6. Joint Ventures, Partnerships and Limited Liability Companies
- None.
7. Investment Income
- All investment income due and accrued is admitted.
8. Derivative Instruments
- None.
9. Income Taxes

A. The components of the net deferred tax asset / (liability) at September 30 are as follows:

	30-Sept.-12			31-Dec-11			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total gross deferred tax assets	6,782,553	1,174,024	7,956,576	6,509,865	1,264,766	7,774,631	272,688	(90,742)	181,945
Stat valuation allowance adj	-	-	-	-	-	-	-	-	-
Adj gross deferred tax assets	6,782,553	1,174,024	7,956,576	6,509,865	1,264,766	7,774,631	272,688	(90,742)	181,945
Total gross deferred tax liab	(300,409)		(300,409)	(300,409)		(300,409)			
Net deferred tax assets	6,482,144	1,174,024	7,656,168	6,209,456	1,264,766	7,474,222	272,688	(90,742)	181,945
Def tax assets nonadmitted		(889,284)	(889,284)		(330,893)	(330,893)		(558,391)	(558,391)
Net admitted def tax asset	6,482,144	284,739	6,766,884	6,209,456	933,873	7,143,329	272,688	(649,134)	(376,445)

NOTES TO FINANCIAL STATEMENTS

The Company has not elected to admit additional DTAs pursuant to SSAP 10R, paragraph 10e. The current period election does not differ from the prior reporting period.

Admission Calculation Components SSAP 101	30-Sept.-12			31-Dec-11			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Federal income taxes paid in prior years recoverable through loss carrybacks	2,978,416		2,978,416	1,442,495		1,442,495	1,535,921		1,535,921
Adj gross deferred tax assets expected to be realized after application of the threshold limitation	3,503,728	284,739	3,788,467	4,766,961	933,873	5,700,834	(1,263,233)	(649,134)	(1,912,367)
1. Adj gross deferred tax assets expected to be realized following the balance sheet date	3,503,728	284,739	3,788,467	4,766,961	933,873	5,700,834	(1,263,233)	(649,134)	(1,912,367)
2. Adj gross dtas allowed per limitation threshold			12,466,638			8,111,468			4,355,170
Adj gross dtas offset by gross deferred tax liabilities	300,409		300,409	300,409		300,409			
Total	6,782,553	284,739	7,067,292	6,509,865	933,873	7,443,738	272,688	(649,134)	(376,446)

	30-Sept.-12	31-Dec-11
Ratio percentage used to determine recovery period and threshold limitation amount.	435%	410%

	30-Sept.-12	31-Dec-11
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation.	83,110,917	78,402,459

Impact of tax planning strategies:	30-Sept.-12			31-Dec-11			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted gross DTAs (% of Total Adjusted Gross DTAs)	0.0%	14.8%	14.8%	0.0%	16.3%	16.3%	0.0%	(1.5%)	(1.5%)
Net Admitted Gross DTAs (% of Total Net Admitted Adj Gross DTAs)	0.0%	4.2%	4.2%	0.0%	13.1%	13.1%	0.0%	(8.9%)	(8.9%)

The Company's tax strategies do not include the use of reinsurance.

B. Unrecognized DTLs
Not applicable

C. Current Tax and Change in Deferred Tax

Current income tax:	30-Sept.-12	31-Dec-11	Change
Current federal income tax provision	2,306,075	0	2,306,075
Prior year (overaccrual)/underaccrual	0	(439,631)	439,641
Other adjustments	(567,817)	(33,367)	(534,450)
Federal and foreign income taxes incurred	<u>1,738,259</u>	<u>(473,008)</u>	<u>2,211,267</u>

Deferred income tax:	30-Sept.-12	31-Dec-11	Change
Ordinary:			
Unearned premium reserve@ 20%	4,718,515	4,615,881	102,634
Discounted loss reserves	587,648	561,737	25,911
Guaranty fund accrual			
Allowance for Bad Debts	1,037,154	747,730	289,424
Accrued Bonus	423,567		423,567
Net Operating loss carryover		584,517	(584,517)
Unearned Provisional Commission	<u>15,670</u>	<u>15,670</u>	<u>0</u>
Subtotal	6,782,553	6,509,865	272,688
Statutory valuation allowance adjustment			
Nonadmitted	<u>0</u>	<u>0</u>	<u>0</u>
Admitted ordinary deferred tax assets	<u>6,782,553</u>	<u>6,509,865</u>	<u>272,688</u>

Capital:			
Impairment Loss on Investments	737,934	737,934	0
Capital loss carryover			
Net unrealized capital losses - SAP	<u>436,090</u>	<u>526,832</u>	<u>(90,743)</u>
Subtotal	1,174,024	1,264,766	(90,743)
Statutory valuation allowance adjustment			

NOTES TO FINANCIAL STATEMENTS

Nonadmitted	(889,284)	(330,893)	(558,391)
Admitted capital deferred tax assets	284,739	933,873	(649,134)
Admitted deferred tax assets	7,067,292	7,443,738	(376,446)
Deferred Tax Liabilities:	30-Sept.-12	31-Dec-11	Change
Ordinary:			
Sec. 481 adjustment	(300,409)	(300,409)	0
Subtotal	(300,409)	(300,409)	0
Capital:			
Subtotal			
Deferred tax liabilities	(300,409)	(300,409)	0
Net deferred tax assets / liabilities	6,766,884	7,143,329	(376,445)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	30-Sept.-12	Effective Rate
Provision computed at statutory rate	1,587,482	35.00%
Tax exempt interest	(103,546)	-2.28%
Other permanent differences	52,332	1.15%
State tax	(19,572)	-0.43%
Rate differential	(51,125)	-1.13%
Provision to return adjustment	-	0.00%
Total	1,465,571	32.31%

	30-Sept.-12	Effective Rate
Federal and foreign income taxes incurred	1,738,259	38.32%
Current taxes on realized capital gains	-	0.00%
Change in net deferred income taxes	(272,688)	-6.01%
Total statutory income taxes	1,465,571	32.31%

E. Operating Loss and Tax Credit Carryforwards
At the end of the year, the Company did not have any unused operating loss carryforwards generated in prior years available to offset against future taxable income.

Income tax expense for 2012 and 2011 in the amounts of \$6,782,574 and \$0 are available for recoupment in the event of future losses.

The company does not have any protective tax deposits under Sec. 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

1) The Company's federal income tax return will be consolidated with the following entities:

PGC Holdings Corp. (parent)	The General Automobile Insurance Services, Inc.
Permanent General Companies, Inc.	The General Automobile Insurance Services of Georgia, Inc.
Permanent General Assurance Corporation of Ohio	The General Automobile Insurance Services of Louisiana, Inc.
PGA Service Corporation	The General Automobile Insurance Services of Ohio, Inc.
The General Automobile Insurance Company, Inc.	The General Automobile Insurance Services of Texas, Inc.

2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled quarterly.

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

10. Information Concerning Parent, Subsidiaries Affiliates and Other Related Parties

- A,B,C. None.
- D. At September 30, 2012, the Company reported \$4,453,781 net receivable from it's parent and affiliates. The terms of the settlement require these amounts are settled within 90 days.
- E. The Company has made no guarantees or undertakings for the benefit of the parent or affiliates.
- F. PGAC is a affiliate of PGC Holdings Corp. and as such has a tax agreement in place with this affiliated company. PGAC also has

NOTES TO FINANCIAL STATEMENTS

a service agreement in place with its parent Permanent General Companies, Inc (PGC), which is also a wholly owned subsidiary of PGC Holdings Corp. Under this agreement PGC performs administrative services on behalf of PGAC. These services include; claims administration, underwriting, policy issuance and record keeping, legal services, data processing and accounting.

- G. All outstanding shares of the company are owned by the parent company, Permanent General Companies, Inc., a non-insurance holding company domiciled in the State of Tennessee.
- H. The Company wholly owns PGA Service Corporation, an insurance premium finance company domiciled in the State of Tennessee.
- I.J. The Company has no investments in an SCA entity that exceeds 10% of admitted assets.
- K. None.
- L. None.

- 11. **Debt**
None.
- 12. **Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.**
None.
- 13. **Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**
No change.
- 14. **Contingencies**
 - (A) The company has no contingent commitments to an SCA entity, joint ventures, partnerships, or limited liability companies.
 - (B) The company has not been notified of any assessments that could have a material financial effect.
 - (C) The company has no gain contingencies.
 - (D) Claims related extra contractual obligations and bad faith losses stemming from lawsuits.

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	<u>Direct</u>
Claim payments made during reporting period	\$0

Number of claims where amounts were paid to settle claims resulting from lawsuits during the reporting period.

(A)	(B)	(C)	(D)	(E)
0-25	26-50	51-100	101-500	More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or claimant.

- (F) Per Claim [X]
- (G) Per Claimant []
- (E) The company has no warranty liabilities.
- (F) All Other Contingencies.

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

- 15. **Leases.**
None.
- 16. **Information about Financial Instruments with Off-balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.**
None.
- 17. **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.**
None.
- 18. **Gain or Loss to the Report Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans.**
None.
- 19. **Direct Premium Written/Produced by MGA/3rd Party Administration**
None.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements.

A. (1) Fair Value Measurements at Reporting Date

Description	Balance @ 09/30/2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bonds	<u>2,947,124</u>	<u>0</u>	<u>500,000</u>	<u>2,447,124</u>
Total	<u>2,947,124</u>	<u>0</u>	<u>500,000</u>	<u>2,447,124</u>

(2) Fair Value Measurements in Level 3 of the Fair Value Hierachy

Description	Balance @ 12/31/2011	Transfers into Level 3	Transfers out of Level 3	Gains / (Losses) in Net Income	Gains / (Losses) in Surplus	Purchases / (Sales)	Balance @ 09/30/2012
Bonds	<u>2,100,415</u>	<u>106,575</u>	<u>(1,021,750)</u>	<u>0</u>	<u>241,884</u>	<u>1,020,000</u>	<u>2,447,124</u>
Total	<u>2,100,415</u>	<u>106,575</u>	<u>(1,021,750)</u>	<u>0</u>	<u>241,884</u>	<u>1,020,000</u>	<u>2,447,124</u>

- (3) Transfers between levels are recognized at the end of the reporting period.
- (4) As of September 30, 2012, the reported fair value of the reporting entity's investments in level 3 commercial and residential mortgage-backed securities was \$1,417,124. The company had one level 3 corporate bond with a fair value of \$1,030,000. These securities have a weighted average coupon rate of 5.40% and a weighted average maturity of 22.5 years. These securities are currently rated below investment grade. To measure the securities fair value the reporting entity uses an industry standard pricing model that uses the income approach. The input assumptions include but are not limited to prepayments, delinquency percentage, loan status, etc.

21. Other Items.

- A. Extraordinary Items
None.
- B. Troubled Debt Restructuring. Debtors
None.
- C. Other Disclosers
During the 3rd quarter of 2012 Capital Z Partners Ltd. signed an agreement to sell PGC Holdings Corp. and it's subsidiaries to American Family Insurance Company for cash equal to \$239 million. The transaction is expected to close at December 31, 2012 and is subject to regulatory approval and other customary closing conditions.
- D. The Company routinely assesses the collectibility of premium and agent balances. The uncollectible amounts are not material to the Company's financial condition.
- E. Business Interruption Insurance Recoveries.
None.
- F. State Transferable Tax Credits
None.
- G. Subprime Mortgage Related Risk Exposure
(1) Factors used to determine the investment in a specific sub-prime security include the quality of underwriter / loan servicer, types of loans (fixed, floating, hybrid ARM), loan quality (documentation, purpose, occupancy), loan origination year (vintage), loan geographic distribution, average loan to values, average FICO scores and the securities credit support level. Loan loss estimates are computed based on historical loan delinquency and foreclosure statistics and projecting future delinquencies and losses under multiple economic scenarios including various home price changes and employment estimates, as well as servicer style and the foreclosure rules for each state. Total projected losses for all mortgages in each deal are then compared to the credit support (subordination plus over collateralization) to determine the percentage of principal loss expected for each tranche. To minimize specific security risk and concentration risk to the sector, issue limitations and sector limitations as a percentage of the portfolio have been established.

(2) Direct Exposure through investment in subprime mortgage loans.

None.

(3) Direct Exposure through other investments.

Description	Cost	Book adjusted carry value	Fair value	OTTI to date
Other Assets	\$930,560	\$642,427	\$657,383	\$1,063,264

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

NOTES TO FINANCIAL STATEMENTS

None.

22. **Events Subsequent.**
None.

23. **Reinsurance**
No change.

24. **Retrospectively Rated Contracts & Contracts Subject to Redetermination.**
None.

25. **Change in Incurred Losses and Loss Adjustment Expenses**
Loss & lae reserves as of December 31, 2011 were \$53.980 million. As of September 30, 2012, \$34.488 million has been paid for incurred loss & lae expenses attributable to insured events or prior years. Reserves remaining for prior years are now \$20.093 million as a result of re-estimation of unpaid claims and lae expenses. Therefore, there has been a \$.602 million unfavorable prior year development from 12/31/2011 to 09/30/2012 principally on liability lines of business. \$1.282 million of the favorable development of accident year 2011 partially offset the unfavorable development of 2010 and prior, as the total deficiency through the 3rd quarter was \$.602 million.

For the 2011 accident year, liability reserves for Florida and New York saw improvement from calendar year end 2011 levels. Most other states showed decreases or small increases in ultimates for the 2011 year. For prior accident years, all of the unfavorable development was from accident years 2009 and 2010, as claim severity pushed unfavorable development in Florida and New York PIP.

The development is generally the result of an ongoing analysis of recent loss development trends and are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies that are subject to premium adjustments. The development is generally the result of an ongoing analysis of recent loss development trends and are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies that are subject to premium adjustments.

26. **Intercompany Pooling Arrangements**
Effective January 1, 2010, the Company (lead entity) entered into a reinsurance pooling agreement with PGAC of Ohio (NAIC company code - 22906) and The General Automobile Insurance Company, Inc. (GAIC) (NAIC company code - 13703), both of which are affiliated property and casualty insurance companies incorporated in Ohio. The business includes private passenger auto liability & auto physical damage with PGAC receiving 59%, PGAC-Ohio receiving 33%, & GAIC receiving 8%. This Agreement applies only to that portion of any insurance or reinsurance which the parties hereto retain net for their own account and in calculating the amount of any loss hereunder, only loss or losses in respect of that portion of any insurance or reinsurance which the parties hereto retain net for their own account shall be included. The Company has a net receivable balance of \$183,180 at 09/30/2012.

27. **Structured Settlements**
None.

28. **Health Care Receivables**
None.

29. **Participating Policies**
None.

30. **Premium Deficiency Reserves**
1. Liability carried for premium deficiency reserves. \$0
2. Date of the most recent evaluation of this liability. 09/30/2012
3. Was anticipated investment income utilized in the calculation? Yes ☐ No ☒

31. **High Deductibles**
None.

32. **Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**
None.

33. **Asbestos/Environmental Reserves**
None.

34. **Subscriber Savings accounts**
None.

35. **Multi Peril Crop Insurance**
None.

36. **Financial Guaranty Insurance**
None.

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 ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

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

1	2	3
Name of Entity	NAIC Company Code	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 ☒ NA ☐
- If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2009
- 6.2

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

12/31/2009
- 6.3

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

02/08/2011
- 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 ☐ NA ☐
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

If 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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [X] No []

9.11

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

9.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]

9.21

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

9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

9.31

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

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes [X] No []

10.2

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

INVESTMENT

11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]

11.2

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

12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:\$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 [X] No []

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$17,034	\$767,821
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$17,034	\$767,821
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.

GENERAL INTERROGATORIES

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 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, 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	2
Name of Custodian(s)	Custodian Address
Bank of America.....	225 Franklin Street, Boston, Ma. 02110.....

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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	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	2	3
Central Registration Depository	Name(s)	Address

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

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto.
.....

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent.....

0.0%

5.2 A&H cost containment percent

0.0%

5.3 A&H expense percent excluding cost containment expenses.....

0.0%

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

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

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

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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Permanent General Assurance Corporation

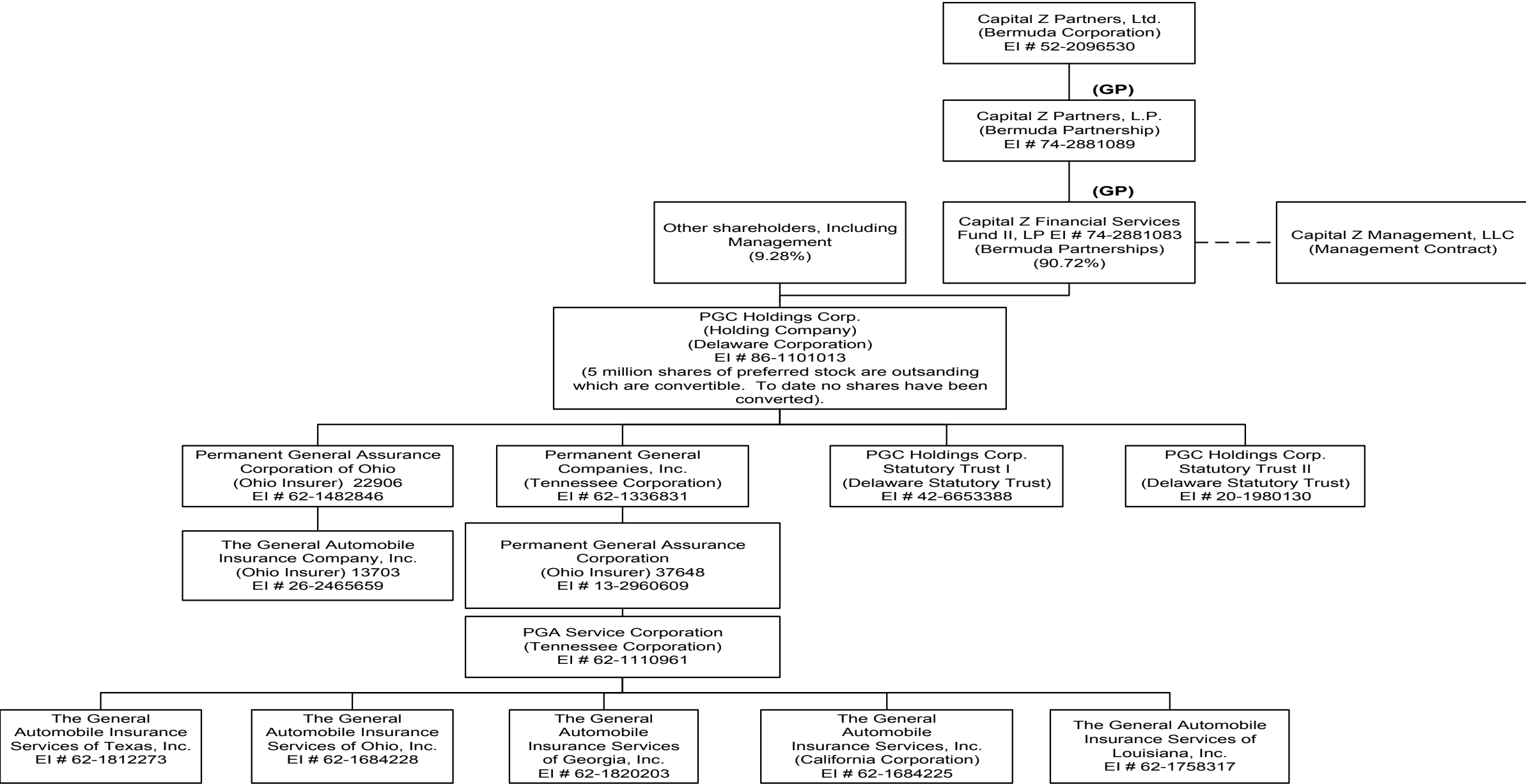
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L	1,238,692	12,583	270,732	.0	238,565	.0
2. Alaska	AK N		.0		.0		.0
3. Arizona	AZ L	9,020,022	8,974,177	4,690,659	5,006,507	3,499,821	2,605,568
4. Arkansas	AR N		.0		.0		.0
5. California	CA L	32,748,120	34,103,888	16,830,880	17,145,174	10,265,358	9,038,970
6. Colorado	CO L	5,476,351	4,455,914	3,166,346	2,784,814	2,183,356	1,782,066
7. Connecticut	CT L	1,615,166	1,346,216	554,689	276,952	632,498	237,315
8. Delaware	DE L		.0		.0		.0
9. District of Columbia	DC N		.0		.0		.0
10. Florida	FL L	15,118,519	19,866,922	10,575,012	12,758,164	6,340,791	6,797,336
11. Georgia	GA L	4,265,675	3,918,317	2,825,519	2,770,976	1,349,967	1,546,772
12. Hawaii	HI N		.0		.0		.0
13. Idaho	ID L		.0		.0		.0
14. Illinois	IL L	2,567,728	2,884,761	1,310,255	1,549,124	1,204,386	908,514
15. Indiana	IN L	5,895,118	6,751,974	3,762,933	4,201,312	2,448,658	1,836,078
16. Iowa	IA L		.0		.0		.0
17. Kansas	KS L		.0		.0		.0
18. Kentucky	KY N		.0		.0		.0
19. Louisiana	LA L	3,398,813	4,700,669	2,322,857	3,030,151	1,256,579	1,431,337
20. Maine	ME N		.0		.0		.0
21. Maryland	MD N		.0		.0		.0
22. Massachusetts	MA L		.0		.0		.0
23. Michigan	MI N		.0		.0		.0
24. Minnesota	MN N		.0		.0		.0
25. Mississippi	MS L	91,344	.0		433	11,300	.0
26. Missouri	MO L	2,829,573	3,192,880	1,543,481	1,375,873	927,192	912,446
27. Montana	MT L		.0		.0		.0
28. Nebraska	NE L		.0		.0		.0
29. Nevada	NV L	3,031,709	3,705,371	1,722,463	1,515,248	1,448,258	1,130,653
30. New Hampshire	NH N		.0		.0		.0
31. New Jersey	NJ L		.0		.0		.0
32. New Mexico	NM N		.0		.0		.0
33. New York	NY L	4,867,421	9,398,068	5,555,435	6,634,885	4,848,171	4,282,219
34. North Carolina	NC L		.0		.0		.0
35. North Dakota	ND L		.0		.0		.0
36. Ohio	OH L	3,069,171	3,407,057	2,048,205	3,796,760	1,119,601	1,801,041
37. Oklahoma	OK L	1,103,680	.0	122,975	.0	117,448	.0
38. Oregon	OR L		.0		.0		.0
39. Pennsylvania	PA L	15,546,560	15,661,999	7,293,908	7,257,746	6,049,803	4,228,052
40. Rhode Island	RI L		.0		.0		.0
41. South Carolina	SC L	1,884,537	1,548,019	1,277,600	712,823	714,361	470,701
42. South Dakota	SD L		.0		.0		.0
43. Tennessee	TN L	11,607,781	10,469,691	5,565,266	4,620,944	3,201,847	2,961,592
44. Texas	TX L	4,478,878	2,158,425	2,066,212	944,353	1,397,952	767,455
45. Utah	UT L		.0		.0		.0
46. Vermont	VT N		.0		.0		.0
47. Virginia	VA L	6,812,644	7,828,271	3,656,956	4,797,592	2,923,089	3,053,892
48. Washington	WA L	145,942	.0		.0	39,162	.0
49. West Virginia	WV L		.0		.0		.0
50. Wisconsin	WI L	605,524	.0	109,386	(9,640)	51,769	42,467
51. Wyoming	WY N		.0		.0		.0
52. American Samoa	AS N		.0		.0		.0
53. Guam	GU N		.0		.0		.0
54. Puerto Rico	PR N		.0		.0		.0
55. U.S. Virgin Islands	VI N		.0		.0		.0
56. Northern Mariana Islands	MP N		.0		.0		.0
57. Canada	CN N		.0		.0		.0
58. Aggregate Other Alien	OT XXX	.0	.0	.0	.0	.0	.0
59. Totals	(a) 38	137,418,968	144,385,202	77,271,769	81,170,191	52,269,932	45,834,474
DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	.0	.0	.0	.0	.0	.0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	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.

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
03638	Permanent General Holdings	00000					PGC Holdings Corporation	DE	UIP	Capital Z Fin. Services Fund II LP	Ownership	90.7	Capital Z Partners Ltd	
		00000					PGC Holdings Stat Trust 1	DE	NIA	PGC Holdings Corporation	Ownership	100.0	Capital Z Partners Ltd	
		00000					PGC Holdings Stat Trust 2	DE	NIA	PGC Holdings Corporation	Ownership	100.0	Capital Z Partners Ltd	
		22906	62-1482846				PGAC of Ohio	OH	IA	PGC Holdings Corporation	Ownership	100.0	Capital Z Partners Ltd	
		37648	13-2960609				Permanent General Assurance Corp.	OH		Permanent General Companies, Inc.	Ownership	100.0	Capital Z Partners Ltd	
		00000					Permanent General Companies, Inc.	TN	UDP	PGC Holdings Corporation	Ownership	100.0	Capital Z Partners Ltd	
		00000					PGA Service Corporation	TN	DS	Permanent General Assurance Corp.	Ownership	100.0	Capital Z Partners Ltd	
		00000					The General Auto Insurance Services of Ohio, Inc.	OH	DS	PGA Service Corporation	Ownership	100.0	Capital Z Partners Ltd	
		00000					The General Auto Insurance Services of Cal., Inc.	CA	DS	PGA Service Corporation	Ownership	100.0	Capital Z Partners Ltd	
		00000					The General Auto Insurance Services of La., Inc.	LA	DS	PGA Service Corporation	Ownership	100.0	Capital Z Partners Ltd	
03638	Permanent General Holdings	13703	26-2465659				The General Automobile Ins. Co., Inc.	OH	IA	PGAC of Ohio	Ownership	100.0	Capital Z Partners Ltd	
		00000					The General Auto Insurance Services of Ga., Inc.	GA	DS	PGA Service Corporation	Ownership	100.0	Capital Z Partners Ltd	
		00000					The General Auto Insurance Services of Tx., Inc.	TX	DS	PGA Service Corporation	Ownership	100.0	Capital Z Partners Ltd	

Asterisk	Explanation
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PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire			0.0	0.0
2.	Allied lines			0.0	0.0
3.	Farmowners multiple peril			0.0	0.0
4.	Homeowners multiple peril			0.0	0.0
5.	Commercial multiple peril			0.0	0.0
6.	Mortgage guaranty			0.0	0.0
8.	Ocean marine			0.0	0.0
9.	Inland marine			0.0	0.0
10.	Financial guaranty			0.0	0.0
11.1	Medical professional liability -occurrence			0.0	0.0
11.2	Medical professional liability -claims made			0.0	0.0
12.	Earthquake			0.0	0.0
13.	Group accident and health			0.0	0.0
14.	Credit accident and health			0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation			0.0	0.0
17.1	Other liability occurrence			0.0	0.0
17.2	Other liability-claims made			0.0	0.0
17.3	Excess Workers' Compensation			0.0	0.0
18.1	Products liability-occurrence			0.0	0.0
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability	102,996,279	62,811,957	61.0	64.9
19.3,19.4	Commercial auto liability			0.0	0.0
21.	Auto physical damage	31,305,770	16,947,807	54.1	54.6
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity			0.0	0.0
24.	Surety			0.0	0.0
26.	Burglary and theft			0.0	0.0
27.	Boiler and machinery			0.0	0.0
28.	Credit			0.0	0.0
29.	International			0.0	0.0
30.	Warranty			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	134,302,049	79,759,764	59.4	62.5
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	0		0
2.	Allied lines	0		0
3.	Farmowners multiple peril	0		0
4.	Homeowners multiple peril	0		0
5.	Commercial multiple peril	0		0
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	0		0
10.	Financial guaranty	0		0
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	0		0
12.	Earthquake	0		0
13.	Group accident and health	0		0
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	0		0
17.1	Other liability occurrence	0		0
17.2	Other liability-claims made	0		0
17.3	Excess Workers' Compensation	0		0
18.1	Products liability-occurrence	0		0
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	31,671,270	105,214,850	111,355,437
19.3,19.4	Commercial auto liability	0		0
21.	Auto physical damage	9,750,684	32,204,118	33,029,765
22.	Aircraft (all perils)	0		0
23.	Fidelity	0		0
24.	Surety	0		0
26.	Burglary and theft	0		0
27.	Boiler and machinery	0		0
28.	Credit	0		0
29.	International	0		0
30.	Warranty	0		0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	41,421,954	137,418,968	144,385,202
DETAILS OF WRITE-INS				
3401.	.....		
3402.	.....		
3403.	.....		
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior	2,177	(47)	2,130	1,705	17	1,722	1,124	11	(102)	1,033	652	(27)	625
2. 2010	6,262	2,464	8,726	5,691	57	5,748	3,014	30	1,192	4,236	2,443	(1,185)	1,258
3. Subtotals 2010 + prior	8,439	2,417	10,856	7,396	74	7,470	4,138	41	1,090	5,269	3,095	(1,212)	1,883
4. 2011.....	26,335	16,789	43,124	26,748	270	27,018	10,212	103	4,508	14,823	10,625	(11,908)	(1,283)
5. Subtotals 2011 + prior	34,774	19,206	53,980	34,144	344	34,488	14,350	144	5,598	20,092	13,720	(13,120)	600
6. 2012	XXX	XXX	XXX	XXX	49,314	49,314	XXX	22,175	12,919	35,094	XXX	XXX	XXX
7. Totals	34,774	19,206	53,980	34,144	49,658	83,802	14,350	22,319	18,517	55,186	13,720	(13,120)	600
8. Prior Year-End Surplus As Regards Policy-holders	85,546										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 39.5	2. (68.3)	3. 1.1
											Col. 13, Line 7 Line 8		
											4. 0.7		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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


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

Explanation:

- 1.
- 2.
- 3.
- 4.


Bar Code:

1.




37648201249000003

2.




37648201245500003

3.



37648201236500003

4.



37648201250500003

OVERFLOW PAGE FOR WRITE-INS

PQ004 Additional Aggregate Lines for Page 04 Line 14.
*STMTINCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1404. SUBROGATION FEES.....	25,608	0	0
1497. Summary of remaining write-ins for Line 14 from Page 04	25,608	0	0

SCHEDULE A – VERIFICATION

Real Estate

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

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		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	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	120,836,592	112,216,570
2. Cost of bonds and stocks acquired	37,226,531	71,506,130
3. Accrual of discount	204,477	193,687
4. Unrealized valuation increase (decrease)	301,996	(958,695)
5. Total gain (loss) on disposals	2,814,560	4,182,682
6. Deduct consideration for bonds and stocks disposed of	45,540,571	64,661,879
7. Deduct amortization of premium	504,834	790,410
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	851,493
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	115,338,751	120,836,592
11. Deduct total nonadmitted amounts	767,821	17,035
12. Statement value at end of current period (Line 10 minus Line 11)	114,570,930	120,819,556

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Permanent General Assurance Corporation

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).....	107,330,123	22,250,415	16,930,545	(3,387,644)	110,203,688	107,330,123	109,262,349	102,251,974
2. Class 2 (a).....	23,858,593	4,172,055	7,819,033	3,089,542	23,658,481	23,858,593	23,301,157	28,040,902
3. Class 3 (a).....	6,314,987		2,107,355	(179,829)	4,025,939	6,314,987	4,027,803	1,995,236
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0		49	229,836	246,839	0	229,786	214,410
6. Class 6 (a).....	36,099	256	(1,668)	(38,023)	0	36,099	0	57,404
7. Total Bonds	137,539,802	26,422,727	26,855,315	(286,119)	138,134,946	137,539,802	136,821,094	132,559,926
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	137,539,802	26,422,727	26,855,315	(286,119)	138,134,946	137,539,802	136,821,094	132,559,926

(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 \$; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	22,250,164	XXX	22,250,164	2,088	0

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	11,740,366	14,860,820
2. Cost of short-term investments acquired	38,984,522	43,755,852
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	28,474,724	46,876,306
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).....	22,250,164	11,740,366
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	22,250,164	11,740,366

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

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STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Permanent General Assurance Corporation

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	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
36241K-XF-0...	GNMA POOL#782478 5.000% 11/15/38.....		09/01/2012..	Paydown.....		115,339	115,339	116,276	116,381		(1,041)		(1,041)		115,339			.0	3,863	11/15/2038..	1.....
36290V-RT-3...	GNMA POOL #618898 5.500% 09/15/33.....		09/01/2012..	Paydown.....		2,237	2,237	2,278	2,294		(56)		(56)		2,237			.0	.81	09/15/2033..	1FE.....
36291C-AF-2...	GNMA POOL #623806 5.500% 11/15/33.....		09/01/2012..	Paydown.....		1,129	1,129	1,142	1,145		(16)		(16)		1,129			.0	.45	11/15/2033..	1FE.....
0599999 - Bonds - U.S. Governments						118,706	118,706	119,696	119,819	0	(1,114)	0	(1,114)	0	118,706	0	0	0	3,989	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128NH-W8-2...	FHARM ARM POOL #1J1571 3.100% 04/01/37.....		09/01/2012..	Paydown.....		.5	.5	.5	.5				.0		.5			.0	(.379)	04/01/2037..	1.....
312931-E7-9...	FHLMC GOLD POOL# A84658 4.500% 02/01/3.....		09/01/2012..	Paydown.....		185,217	185,217	185,738	185,805		(588)		(588)		185,217			.0	5,648	02/01/2039..	1FE.....
312933-ML-5...	FGLMC POOL# A86663 4.500% 06/01/39.....		09/01/2012..	Paydown.....		109,176	109,176	109,142	109,134		.43		.43		109,176			.0	3,508	06/01/2039..	1.....
312962-VE-0...	FHLMC POOL #B10613 4.500% 10/01/18.....		09/01/2012..	Paydown.....		1,358	1,358	1,352	1,356		.1		.1		1,358			.0	.39	10/01/2018..	1FE.....
31377U-BK-8...	FNMA POOL #387142 5.190% 10/01/14.....		09/01/2012..	Paydown.....		2,951	2,951	3,063	2,963		(11)		(11)		2,951			.0	.103	10/01/2014..	1FE.....
31377U-JH-7...	FNMA DUS POOL #387364 (TN) 5.005% 05/.....		09/01/2012..	Paydown.....		4,556	4,556	4,559	4,545		.11		.11		4,556			.0	.154	05/01/2015..	1FE.....
31387H-R9-3...	FNMA POOL #680142 6.500% 05/01/31.....		09/01/2012..	Paydown.....		.219	.219	.229	.235		(16)		(16)		.219			.0	.9	05/01/2031..	1FE.....
31391X-S7-5...	FNMA POOL #761545 (TENN) 5.000% 11/01/.....		09/01/2012..	Paydown.....		1,280	1,280	1,299	1,289		(9)		(9)		1,280			.0	.42	01/01/2018..	1FE.....
31392E-4Q-0...	FNR 2002-72 B 6.500% 11/25/17.....		09/01/2012..	Paydown.....		4,109	4,109	4,355	4,253		(144)		(144)		4,109			.0	.178	11/25/2017..	1FE.....
31395F-NK-6...	FHR 2853 EY 4.500% 09/15/24.....		09/01/2012..	Paydown.....		62,470	62,470	58,163	60,004		2,466		2,466		62,470			.0	1,897	09/15/2024..	1FE.....
31396J-NB-7...	FHR 3131 MC 5.500% 04/15/33.....		09/01/2012..	Paydown.....		17,244	17,244	17,172	17,193		.51		.51		17,244			.0	.711	04/15/2033..	1.....
31397H-SD-1...	FHR 3338 BK 5.000% 10/15/34.....		09/01/2012..	Paydown.....		86,892	86,892	80,973	84,928		1,965		1,965		86,892			.0	2,911	10/15/2034..	1.....
31401P-A6-1...	FNMA POOL #713829 4.500% 10/01/18.....		09/01/2012..	Paydown.....		2,366	2,366	2,385	2,380		(14)		(14)		2,366			.0	.70	10/01/2018..	1FE.....
31403Y-BN-2...	FNMA POOL #761545 (TENN) 5.000% 11/01/.....		09/01/2012..	Paydown.....		72,905	72,905	74,340	73,798		(893)		(893)		72,905			.0	2,297	11/01/2019..	1FE.....
31405A-3E-1...	FNMA POOL #783897 100% TN 5.000% 12/0.....		09/01/2012..	Paydown.....		5,292	5,292	5,273	5,274		.19		.19		5,292			.0	.177	12/01/2034..	1FE.....
31405C-XD-6...	FNMA POOL #785576 (TENN) 5.000% 11/01/.....		09/01/2012..	Paydown.....		13,890	13,890	14,155	14,028		(138)		(138)		13,890			.0	.463	11/01/2019..	1FE.....
31405C-XG-9...	FNMA POOL #785579 100% TN 5.000% 12/01.....		09/01/2012..	Paydown.....		12,437	12,437	12,698	12,600		(164)		(164)		12,437			.0	.414	12/01/2019..	1FE.....
31406B-M6-4...	FNMA POOL #805081 100% TN 5.000% 12/0.....		09/01/2012..	Paydown.....		6,970	6,970	7,096	7,036		(66)		(66)		6,970			.0	.232	12/01/2019..	1FE.....
31406B-N4-8...	FNMA POOL #805111 100% TN 5.500% 12/01.....		09/01/2012..	Paydown.....		66,561	66,561	67,851	67,567		(1,006)		(1,006)		66,561			.0	2,148	12/01/2034..	1FE.....
31413S-HT-4...	FNMA POOL #953942 100% TN 6.000% 11/01.....		09/01/2012..	Paydown.....		104,014	104,014	104,729	105,227		(1,212)		(1,212)		104,014			.0	4,160	11/01/2037..	1.....
31416N-TU-6...	FNMA POOL# AA5062 4.500% 03/01/39.....		09/01/2012..	Paydown.....		297,190	297,190	298,165	297,908		(718)		(718)		297,190			.0	9,034	03/01/2039..	1FE.....
31416P-WC-7...	FNMA POOL# AA6042 4.500% 05/01/39.....		09/01/2012..	Paydown.....		154,540	154,540	156,876	156,589		(2,050)		(2,050)		154,540			.0	4,684	05/01/2039..	1.....
88045R-DM-1...	TENNESSEE HSG DEV AGY CALLABLE 01/01/201.....		07/01/2012..	Call 100.0000.....		70,000	70,000	63,168	63,725		.82		.82		63,807		6,193	6,193	3,500	07/01/2032..	1FE.....
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						1,281,643	1,281,643	1,272,787	1,277,841	0	(2,391)	0	(2,391)	0	1,275,451	0	6,193	6,193	42,003	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
026874-CB-1...	AMERICAN INTERNATIONAL GROUP 4.875 09/15.....		08/24/2012..	STERNE AGEE & LEACH INC.....		874,288	800,000	751,032	751,710		5,976		5,976		757,686		116,602	116,602	37,483	09/15/2016..	2.....
031162-BQ-2...	AMGEN INC 2.125 05/15/2017.....		07/02/2012..	BANK OF NEW YORK.....		1,015,040	1,000,000	998,210			.48		.48		998,258		16,782	16,782	3,010	05/15/2017..	2.....
053332-AL-6...	AUTOZONE INC CALLABLE 08/15/2020 @ 100.0.....		07/12/2012..	SUNTRUST.....		1,076,620	1,000,000	1,040,270			(1,176)		(1,176)		1,039,094		37,526	37,526	26,889	11/15/2020..	2.....

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Permanent General Assurance Corporation

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	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's 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	NAIC Designation or Market Indicator (a)
05952A-AL-8...	BACM 2008-T B 6.248% 01/10/18...		09/30/2012	Basis Adjustment		(23)	43,100	(1,398)	(1,398)		1,375		1,375		(23)			.0		01/10/2018	1FM
06051G-DZ-9...	BANK OF AMERICA CORP 7.625 06/01/2019...		09/26/2012	WELLS FARGO ADVISORS		621,520	500,000	496,220	496,939		237		237		497,177		124,343	124,343	31,771	06/01/2019	1
06605H-AA-6...	BANKAMERICA INST CALLABLE 12/31/2009 @10...		07/25/2012	Call 102.0175		1,020,175	1,000,000	1,087,140	900,000	120,169	(2,251)		117,918		1,017,918		2,257	2,257	45,954	12/31/2026	3
07387W-AP-4...	BSCMS 2006-PW11 F 5.618% 03/11/39...		09/30/2012	Basis Adjustment		(352,606)	34,959	(1,774)	(1,774)		(350,833)		(350,833)		(352,606)			.0		03/11/2039	1FM
07388Y-AW-2...	BSCMS 2007-PW16 D 5.716% 06/11/40...		09/30/2012	Basis Adjustment		(16,489)	771,500	(5,560)	(5,560)		(10,928)		(10,928)		(16,489)			.0		06/11/2040	1FM
12669G-HZ-7...	CWHL 2004-29 1A2 1.136% 02/25/35...		09/25/2012	Paydown		1,515	1,515	1,512	1,512		.3		.3		1,515			.0	.13	02/25/2035	1FM
17307G-PJ-1...	CMLT1 2005-WF1 M3 5.850% 12/25/34...		09/30/2012	Basis Adjustment		(83)	946,603	2,369	2,369		(2,451)		(2,451)		(83)			.0		12/25/2034	1FM
20030N-BD-2...	COMCAST CORP 3.125 07/15/2022...		07/02/2012	GOLDMAN SACHS		509,635	500,000	499,570					.0		499,570		10,065	10,065	.174	07/15/2022	2FE
222862-AG-9...	COVENTRY HEALTH 5.95 03/15/2017...		08/29/2012	BANK OF AMERICA		1,776,168	1,525,000	1,718,541	1,707,641		(21,842)		(21,842)		1,685,799		90,369	90,369	87,965	03/15/2017	2FE
231021-AJ-5...	CUMMINS ENGINE 7.125 03/01/2028...		08/20/2012	BANK OF NEW YORK		993,317	752,000	912,749	910,866		(4,129)		(4,129)		906,737		86,580	86,580	52,389	03/01/2028	1FE
25459H-AV-7...	DIRECTV HOLDINGS/FING 3.125 02/15/2016...		07/25/2012	WELLS FARGO ADVISORS		1,050,680	1,000,000	997,410	997,776		295		295		998,071		52,609	52,609	29,948	02/15/2016	2FE
32051G-Y9-0...	FHASI 2006-AR1 B1 5.138% 04/25/36...		09/01/2012	Paydown			52,146	2,536	2,536		(2,536)		(2,536)					.0	1,747	04/25/2036	1FM
32051G-Y9-0...	FHASI 2006-AR1 B1 5.138% 04/25/36...		09/30/2012	Basis Adjustment		(2,209)	210,503	(249)	(249)		(1,961)		(1,961)		(2,209)			.0		04/25/2036	1FM
38141G-FG-4...	GOLDMAN SACHS 5.95 01/18/2018...		07/27/2012	KEYBANC CAPITAL MARKETS		1,106,670	1,000,000	1,025,410	1,019,332		(1,600)		(1,600)		1,017,731		88,939	88,939	61,649	01/18/2018	1FE
46069G-BH-2...	INTERPUBLIC GROUP COS INC 4.03/15/2022...		08/03/2012	JP MORGAN CHASE		259,265	250,000	248,000			52		52		248,052		11,213	11,213	4,333	03/15/2022	2FE
466247-WV-1...	JPMWT 2005-A7 B1 5.040% 10/25/35...		09/01/2012	Paydown			41,877	2,435	2,431		(2,435)		(2,435)					.0	1,032	10/25/2035	5FM
466247-WV-1...	JPMWT 2005-A7 B1 5.040% 10/25/35...		09/30/2012	Basis Adjustment		(2,042)	148,093	5,778	5,751		(7,820)		(7,820)		(2,042)			.0		10/25/2035	5FM
46625H-JA-9...	JP MORGAN CHASE & CO 3.15 07/05/2016...		08/24/2012	JEFFRIES & COMPANY		2,106,380	2,000,000	2,015,970	995,755		(404)		(404)		2,015,811		90,569	90,569	57,225	07/05/2016	1FE
46625H-JD-3...	JP MORGAN CHASE & CO 4.5 01/24/2022...		07/27/2012	RBS SECURITIES INC		553,305	500,000	497,335			113		113		497,448		55,857	55,857	11,750	01/24/2022	1FE
46630J-AC-3...	JPMCC 2007-LDPX A3 5.420% 01/15/49...		09/27/2012	GOLDMAN SACHS		2,302,031	2,000,000	2,089,922	2,083,769		(11,925)		(11,925)		2,071,843		230,188	230,188	81,594	01/15/2049	1FM
57629W-BH-2...	MASSMUTUAL GLOBAL FUNDING 11 3.625 07/16...		07/16/2012	Maturity		500,000	500,000	499,610	499,929		71		71		500,000			.0	18,175	07/16/2012	1FE
583334-AE-7...	MEADWESTVACO CORP 7.375 09/01/2019...		08/27/2012	JEFFRIES & COMPANY		1,255,000	1,000,000	1,101,570	1,095,236		(6,635)		(6,635)		1,088,601		166,399	166,399	73,545	09/01/2019	3FE
61757R-AD-9...	MSC 2007-H013 A3 5.569% 12/15/44...		09/27/2012	DEUTSCHE BANK		1,147,188	1,000,000	899,685	899,685		17,759		17,759		917,444		229,743	229,743	41,922	12/15/2044	1FM
73316P-BB-5...	POPLR 2004-5 M2 5.700% 12/25/34...		09/30/2012	Basis Adjustment		1,260	468,281	2,108	2,108		(848)		(848)		1,260			.0		12/25/2034	5FM
73316P-CK-4...	POPLR 2005-2 M1 5.417% 04/25/35...		09/30/2012	Basis Adjustment		(1)	606,897	(48)	(48)		47		47		(1)			.0		04/25/2035	1FM
76112B-DV-9...	RAMP 2004-RS10 M11 5.280% 10/25/34...		09/30/2012	Basis Adjustment		170	2,780	(154)	(154)		324		324		170			.0		10/25/2034	1FM
77669G-AC-0...	ROPER INDUSTRIES 6.25 09/01/2019...		08/30/2012	Various		963,812	797,000	882,362	524,462		(3,993)		(3,993)		874,077		89,735	89,735	41,085	09/01/2019	2FE
91324P-BS-0...	UNITEDHEALTH GROUP INC 1.875 11/15/2016...		07/09/2012	WELLS FARGO ADVISORS		512,160	500,000	495,590	495,710		446		446		496,156		16,004	16,004	6,302	11/15/2016	1FE
92276W-AW-5...	VENTAS REALTY LP/CAP CRP 4.75 06/01/2021...		09/27/2012	MILLENNIUM ADVISORS		823,980	750,000	715,275	716,309		2,118		2,118		718,427		105,553	105,553	29,786	06/01/2021	2FE
15134D-AA-6...	CEN11 2006-11A A1 0.726% 04/25/19...	F	07/25/2012	Paydown		14,038	14,038	13,335	11,380		628		628		14,038			.0	.71	04/25/2019	1FE
26243Y-AA-5...	DRYD 2005-BA A 0.717% 05/22/17...	F	08/22/2012	Paydown		71,788	71,788	69,454			2,333		2,333		71,788			.0	263	05/22/2017	1FE
881575-AF-1...	TESCO PLC 2.7 01/05/2017 2.700% 01/05/...	F	07/02/2012	JP MORGAN CHASE		307,764	300,000	299,670	299,671		39		39		299,710		8,054	8,054	4,748	01/05/2017	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						20,490,314	22,088,078	19,361,885	14,413,696	120,169	(401,905)	0	(281,736)	0	18,860,927	0	1,629,387	1,629,387	750,825		XXX
8399997 - Subtotals - Bonds - Part 4						21,890,663	23,488,427	20,754,368	15,811,357	120,169	(405,409)	0	(285,240)	0	20,255,084	0	1,635,579	1,635,579	796,816	XXX	XXX
8399999 - Subtotals - Bonds						21,890,663	23,488,427	20,754,368	15,811,357	120,169	(405,409)	0	(285,240)	0	20,255,084	0	1,635,579	1,635,579	796,816	XXX	XXX
9999999 Totals						21,890,663	XXX	20,754,368	15,811,357	120,169	(405,409)	0	(285,240)	0	20,255,084	0	1,635,579	1,635,579	796,816	XXX	XXX

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Permanent General Assurance Corporation

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	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

Schedule E - Part 1

NONE

Schedule E - Part 2

NONE