9 5 3 7 8 2 0 0 9 2 0 1 0 0 1 0 3

# HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2009
OF THE CONDITION AND AFFAIRS OF THE

# UnitedHealthcare Plan of the River Valley, Inc.

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 95378 Employer's ID Number 36-3379945

Organized under the Laws of Illinois, State of Domicile or Port of Entry IL

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized 08/05/1985 Commenced Business 12/19/1985

Statutory Home Office 1300 River Drive (Street and Number), Moline , IL 61265 (City or Town, State and Zip Code)

Main Administrative Office 1300 River Drive (Street and Number)
Moline , IL 61265 (City or Town, State and Zip Code), 309-736-4600 (Area Code) (Telephone Number)

Mail Address 1300 River Drive, Suite 200 (Street and Number or P.O. Box), Moline , IL 61265 (City or Town, State and Zip Code)

Primary Location of Books and Records 1300 River Drive (Street and Number)
Moline , IL 61265 (City or Town, State and Zip Code), 309-757-6285 (Area Code) (Telephone Number)

Internet Web Site Address UHCRiverValley.com

Statutory Statement Contact Joan G Mincer (Name), 309-757-6285 (Area Code) (Telephone Number)
Joan_G_Mincer@uhc.com (E-mail Address), 888-250-1769 (FAX Number)

## OFFICERS

| | | | |
|---|---|---|---|
| President | Daniel Roger Kueter | Treasurer | Robert Worth Oberrender |
| Secretary | Christina Regina Palm-Krizak # | | |

## OTHER

Bruce Chase Steffens M.D. Chief Medical Officer

## DIRECTORS OR TRUSTEES

| | | |
|---|---|---|
| James Edward Hecker | Bruce Chase Steffens M.D. | William Kenneth Appelgate |
| Daniel Roger Kueter | Cathie Sue Whiteside | Michael Paul Radu # |
| Victoria Jean Kauzlarich | Thomas Patrick Wiffler | Eric Paul # |

| | | | | | |
|---|---|---|---|---|---|
| State of | Illinois | State of | Minnesota | State of | NOT USED |
| County of | Rock Island | County of | Hennepin | County of | |

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.

| | | |
|---|---|---|
| Daniel Roger Kueter<br>President | Christina Regina Palme-Krizak<br>Secretary | NOT USED |
| Subscribed and sworn to before me this 10 day of November, 2009<br>Mary Ann Vickers | Subscribed and sworn to before me this 3rd day of November, 2009<br>Andria Schwanz | Subscribed and sworn to before me this _____ day of _____ |

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
MARY ANN VICKERS
MY COMMISSION EXPIRES
NOVEMBER 1, 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.....

ANDRIA SCHWANZ
NOTARY PUBLIC
MINNESOTA
My Commission Expires Jan. 31, 2013

JURAT

# ASSETS

| | Current Statement Date 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 Prior Year Net Admitted Assets |
|---|---|---|---|---|
| 1. Bonds | 438,019,201 | | 438,019,201 | 311,109,701 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | 0 | 0 |
| 2.2 Common stocks | | | 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 ($ 188,934,988 ), cash equivalents ($ 51,991,403 ), and short-term investments ($ 21,893,939 ) | 262,820,332 | | 262,820,332 | 154,118,441 |
| 6. Contract loans, (including $ ..... premium notes) | | | 0 | 0 |
| 7. Other invested assets | 0 | | 0 | 0 |
| 8. Receivables for securities | 1,441,585 | | 1,441,585 | 0 |
| 9. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | 702,281,119 | 0 | 702,281,119 | 465,228,142 |
| 11. Title plants less $ ..... charged off (for Title insurers only) | | | 0 | 0 |
| 12. Investment income due and accrued | 4,475,432 | | 4,475,432 | 3,489,631 |
| 13. Premiums and considerations: | | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 38,909,618 | | 38,909,618 | 17,702,790 |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums) | | | 0 | 0 |
| 13.3 Accrued retrospective premiums | 5,321,372 | | 5,321,372 | 5,033,653 |
| 14. Reinsurance: | | | | |
| 14.1 Amounts recoverable from reinsurers | 0 | | 0 | 1,000,466 |
| 14.2 Funds held by or deposited with reinsured companies | | | 0 | 0 |
| 14.3 Other amounts receivable under reinsurance contracts | | | 0 | 0 |
| 15. Amounts receivable relating to uninsured plans | 4,244,408 | | 4,244,408 | 8,795,639 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 | 2,278,454 |
| 16.2 Net deferred tax asset | 52,573,384 | 45,926,744 | 6,646,640 | 6,627,131 |
| 17. Guaranty funds receivable or on deposit | | | 0 | 0 |
| 18. Electronic data processing equipment and software | | | 0 | 0 |
| 19. Furniture and equipment, including health care delivery assets ($ ..... ) | | | 0 | 0 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 21. Receivables from parent, subsidiaries and affiliates | | | 0 | 0 |
| 22. Health care ($ 4,079,505 ) and other amounts receivable | 4,929,797 | 850,292 | 4,079,505 | 3,412,538 |
| 23. Aggregate write-ins for other than invested assets | 772,794 | 770,907 | 1,887 | 8,458 |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) | 813,507,924 | 47,547,943 | 765,959,981 | 513,576,902 |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | 0 |
| 26. Total (Lines 24 and 25) | 813,507,924 | 47,547,943 | 765,959,981 | 513,576,902 |
| **DETAILS OF WRITE-INS** | | | | |
| 0901. | | | | |
| 0902. | | | | |
| 0903. | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above) | 0 | 0 | | 0 |
| 2301. Prepaid Assets | 770,907 | 770,907 | 0 | |
| 2302. State Income Taxes Receivable | 1,887 | | 1,887 | 8,458 |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 | 0 |
| 2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) | 772,794 | 770,907 | 1,887 | 8,458 |

# LIABILITIES, CAPITAL AND SURPLUS

| | | Current Period | | | Prior Year |
|---|---|---|---|---|---|
| | | 1<br>Covered | 2<br>Uncovered | 3<br>Total | 4<br>Total |
| 1. | Claims unpaid (less $ 0 reinsurance ceded) | 247,165,892 | 17,182,656 | 264,348,548 | 224,544,575 |
| 2. | Accrued medical incentive pool and bonus amounts | 1,041,000 | | 1,041,000 | 2,062,000 |
| 3. | Unpaid claims adjustment expenses | 2,806,658 | | 2,806,658 | 2,273,488 |
| 4. | Aggregate health policy reserves | 2,298,789 | | 2,298,789 | 3,824,671 |
| 5. | Aggregate life policy reserves | 0 | | 0 | 0 |
| 6. | Property/casualty unearned premium reserve | 0 | | 0 | 0 |
| 7. | Aggregate health claim reserves | 301,635 | | 301,635 | 366,608 |
| 8. | Premiums received in advance | 11,200,285 | | 11,200,285 | 6,237,379 |
| 9. | General expenses due or accrued | 29,693,138 | | 29,693,138 | 10,124,245 |
| 10.1 | Current federal and foreign income tax payable and interest thereon (including $ on realized gains (losses)) | 4,539,246 | | 4,539,246 | 0 |
| 10.2 | Net deferred tax liability | 0 | | 0 | 0 |
| 11. | Ceded reinsurance premiums payable | 178,949 | | 178,949 | 0 |
| 12. | Amounts withheld or retained for the account of others | 0 | | 0 | 0 |
| 13. | Remittances and items not allocated | 0 | | 0 | 0 |
| 14. | Borrowed money (including $ current) and interest thereon $ (including $ current) | 0 | | 0 | 0 |
| 15. | Amounts due to parent, subsidiaries and affiliates | 170,403,980 | | 170,403,980 | 38,593,059 |
| 16. | Payable for securities | 0 | | 0 | 0 |
| 17. | Funds held under reinsurance treaties (with $ authorized reinsurers and $ unauthorized reinsurers) | | | 0 | 0 |
| 18. | Reinsurance in unauthorized companies | | | 0 | 0 |
| 19. | Net adjustments in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 20. | Liability for amounts held under uninsured plans | 0 | | 0 | 0 |
| 21. | Aggregate write-ins for other liabilities (including $ current) | 0 | 0 | 0 | 0 |
| 22. | Total liabilities (Lines 1 to 21) | 469,629,572 | 17,182,656 | 486,812,228 | 288,026,025 |
| 23. | Aggregate write-ins for special surplus funds | XXX | XXX | 0 | 0 |
| 24. | Common capital stock | XXX | XXX | 610,000 | 610,000 |
| 25. | Preferred capital stock | XXX | XXX | | |
| 26. | Gross paid in and contributed surplus | XXX | XXX | 37,441,000 | 37,441,000 |
| 27. | Surplus notes | XXX | XXX | | |
| 28. | Aggregate write-ins for other than special surplus funds | XXX | XXX | 1,500,000 | 1,500,000 |
| 29. | Unassigned funds (surplus) | XXX | XXX | 239,596,753 | 185,999,877 |
| 30. | Less treasury stock, at cost: | | | | |
| | 30.1 shares common (value included in Line 24 $ ) | XXX | XXX | | |
| | 30.2 shares preferred (value included in Line 25 $ ) | XXX | XXX | | |
| 31. | Total capital and surplus (Lines 23 to 29 minus Line 30) | XXX | XXX | 279,147,753 | 225,550,877 |
| 32. | Total liabilities, capital and surplus (Lines 22 and 31) | XXX | XXX | 765,959,981 | 513,576,902 |
| | **DETAILS OF WRITE-INS** | | | | |
| 2101. | | | | | |
| 2102. | | | | | |
| 2103. | | | | | |
| 2198. | Summary of remaining write-ins for Line 21 from overflow page | 0 | 0 | 0 | 0 |
| 2199. | Totals (Lines 2101 through 2103 plus 2198)(Line 21 above) | 0 | 0 | | 0 |
| 2301. | | XXX | XXX | | |
| 2302. | | XXX | XXX | | |
| 2303. | | XXX | XXX | | |
| 2398. | Summary of remaining write-ins for Line 23 from overflow page | XXX | XXX | 0 | 0 |
| 2399. | Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) | XXX | XXX | 0 | 0 |
| 2801. | Reserve and Restricted Funds | XXX | XXX | 1,500,000 | 1,500,000 |
| 2802. | | XXX | XXX | | |
| 2803. | | XXX | XXX | | |
| 2898. | Summary of remaining write-ins for Line 28 from overflow page | XXX | XXX | 0 | 0 |
| 2899. | Totals (Lines 2801 through 2803 plus 2898)(Line 28 above) | XXX | XXX | 1,500,000 | 1,500,000 |

# STATEMENT OF REVENUE AND EXPENSES

| | | Current Year To Date | | Prior Year To Date | Prior Year Ended December 31 |
|---|---|---|---|---|---|
| | | 1 Uncovered | 2 Total | 3 Total | 4 Total |
| 1. | Member Months | XXX | 6,144,385 | 3,355,325 | 4,390,043 |
| 2. | Net premium income ( including $ 0 non-health premium income) | XXX | 1,730,579,447 | 1,025,861,485 | 1,438,002,359 |
| 3. | Change in unearned premium reserves and reserve for rate credits | XXX | (787,112) | | 0 |
| 4. | Fee-for-service (net of $ medical expenses) | XXX | | | 0 |
| 5. | Risk revenue | XXX | | | 0 |
| 6. | Aggregate write-ins for other health care related revenues | XXX | 0 | 0 | 0 |
| 7. | Aggregate write-ins for other non-health revenues | XXX | 0 | 0 | 0 |
| 8. | Total revenues (Lines 2 to 7) | XXX | 1,729,792,335 | 1,025,861,485 | 1,438,002,359 |
| | **Hospital and Medical:** | | | | |
| 9. | Hospital/medical benefits | 70,739,848 | 1,377,758,599 | 767,791,898 | 1,107,868,002 |
| 10. | Other professional services | | 5,139,342 | 2,202,167 | 3,066,411 |
| 11. | Outside referrals | | | | 0 |
| 12. | Emergency room and out-of-area | | | | 0 |
| 13. | Prescription drugs | | 66,602,642 | 69,578,477 | 85,235,696 |
| 14. | Aggregate write-ins for other hospital and medical | 0 | 0 | 0 | 0 |
| 15. | Incentive pool, withhold adjustments and bonus amounts | | (316,655) | 278,830 | 2,727,861 |
| 16. | Subtotal (Lines 9 to 15) | 70,739,848 | 1,449,183,927 | 839,851,372 | 1,198,897,970 |
| | **Less:** | | | | |
| 17. | Net reinsurance recoveries | | | 368,281 | 1,141,657 |
| 18. | Total hospital and medical (Lines 16 minus 17) | 70,739,848 | 1,449,183,927 | 839,483,091 | 1,197,756,313 |
| 19. | Non-health claims (net) | | | | 0 |
| 20. | Claims adjustment expenses, including $ 8,941,515 cost containment expenses | | 45,951,873 | 25,317,027 | 38,125,705 |
| 21. | General administrative expenses | | 167,454,757 | 102,739,587 | 135,687,168 |
| 22. | Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only) | | | | 0 |
| 23. | Total underwriting deductions (Lines 18 through 22) | 70,739,848 | 1,662,590,557 | 967,539,705 | 1,371,569,186 |
| 24. | Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 67,201,778 | 58,321,780 | 66,433,173 |
| 25. | Net investment income earned | | 10,526,272 | 11,051,506 | 14,347,412 |
| 26. | Net realized capital gains (losses) less capital gains tax of $ 358,013 | | 1,120,215 | 1,931,182 | 1,855,876 |
| 27. | Net investment gains (losses) (Lines 25 plus 26) | 0 | 11,646,487 | 12,982,688 | 16,203,288 |
| 28. | Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ ) (amount charged off $ )] | | | | |
| 29. | Aggregate write-ins for other income or expenses | 0 | (535,360) | 0 | (16,139) |
| 30. | Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | XXX | 78,312,906 | 71,304,468 | 82,620,322 |
| 31. | Federal and foreign income taxes incurred | XXX | 26,414,749 | 28,921,490 | 25,625,111 |
| 32. | Net income (loss) (Lines 30 minus 31) | XXX | 51,898,157 | 42,382,978 | 56,995,211 |
| | **DETAILS OF WRITE-INS** | | | | |
| 0601. | | XXX | | | |
| 0602. | | XXX | | | |
| 0603. | | XXX | | | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | XXX | 0 | 0 | 0 |
| 0699. | Totals (Lines 0601 through 0603 plus 0698)(Line 6 above) | XXX | 0 | 0 | 0 |
| 0701. | | XXX | | | |
| 0702. | | XXX | | | |
| 0703. | | XXX | | | |
| 0798. | Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 | 0 |
| 0799. | Totals (Lines 0701 through 0703 plus 0798)(Line 7 above) | XXX | 0 | 0 | 0 |
| 1401. | | | | | |
| 1402. | | | | | |
| 1403 | | | | | |
| 1498. | Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 | 0 |
| 1499. | Totals (Lines 1401 through 1403 plus 1498)(Line 14 above) | 0 | 0 | 0 | 0 |
| 2901. | Fines & Penalties - Regulatory Authoities | | (535,360) | 0 | (16,139) |
| 2902. | | | | | |
| 2903 | | | | | |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 | 0 | 0 |
| 2999. | Totals (Lines 2901 through 2903 plus 2998)(Line 29 above) | 0 | (535,360) | 0 | (16,139) |

# STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
|---|---|---|---|---|
| | **CAPITAL AND SURPLUS ACCOUNT** | | | |
| 33. | Capital and surplus prior reporting year | 225,550,876 | 168,499,155 | 168,499,155 |
| 34. | Net income or (loss) from Line 32 | 51,898,157 | 42,382,978 | 56,995,211 |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of $ | | | |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | | |
| 38. | Change in net deferred income tax | 19,508 | (851,627) | (3,334,105) |
| 39. | Change in nonadmitted assets | (363,365) | 463,003 | 4,485,978 |
| 40 | Change in unauthorized reinsurance | 0 | 0 | 0 |
| 41. | Change in treasury stock | 0 | 0 | 0 |
| 42. | Change in surplus notes | 0 | 0 | 0 |
| 43. | Cumulative effect of changes in accounting principles | | | |
| 44. | Capital Changes: | | | |
| | 44.1 Paid in | 0 | 0 | 0 |
| | 44.2 Transferred from surplus (Stock Dividend) | 0 | 0 | 0 |
| | 44.3 Transferred to surplus | | | |
| 45. | Surplus adjustments: | | | |
| | 45.1 Paid in | 0 | 0 | 0 |
| | 45.2 Transferred to capital (Stock Dividend) | | | |
| | 45.3 Transferred from capital | | | |
| 46. | Dividends to stockholders | | 0 | 0 |
| 47. | Aggregate write-ins for gains or (losses) in surplus | 2,042,577 | (1,052,553) | (1,095,362) |
| 48. | Net change in capital & surplus (Lines 34 to 47) | 53,596,877 | 40,941,801 | 57,051,722 |
| 49. | Capital and surplus end of reporting period (Line 33 plus 48) | 279,147,753 | 209,440,956 | 225,550,877 |
| | **DETAILS OF WRITE-INS** | | | |
| 4701. | Corrections subsequesnt to issuance of prior annual statement | 2,042,577 | (1,052,553) | (1,052,553) |
| 4702. | Income Taxes to Surplus Adjustment | | | (42,809) |
| 4703. | | | | |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | 0 | 0 | 0 |
| 4799. | Totals (Lines 4701 through 4703 plus 4798)(Line 47 above) | 2,042,577 | (1,052,553) | (1,095,362) |

# CASH FLOW

| | | 1<br>Current Year<br>To Date | 2<br>Prior Year Ended<br>December 31 |
|---|---|---|---|
| | **Cash from Operations** | | |
| 1. | Premiums collected net of reinsurance | 1,713,260,694 | 1,430,822,904 |
| 2. | Net investment income | 7,895,744 | 15,914,225 |
| 3. | Miscellaneous income | 0 | 0 |
| 4. | Total (Lines 1 to 3) | 1,721,156,438 | 1,446,737,129 |
| 5. | Benefit and loss related payments | 1,412,253,424 | 1,145,562,951 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 193,837,737 | 173,608,074 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of $ tax on capital gains (losses) | 19,597,049 | 22,164,948 |
| 10. | Total (Lines 5 through 9) | 1,625,688,210 | 1,341,335,973 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 95,468,228 | 105,401,156 |
| | **Cash from Investments** | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| | 12.1 Bonds | 104,577,497 | 194,006,828 |
| | 12.2 Stocks | 0 | 0 |
| | 12.3 Mortgage loans | 0 | 0 |
| | 12.4 Real estate | 0 | 0 |
| | 12.5 Other invested assets | 0 | 0 |
| | 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 0 | 0 |
| | 12.7 Miscellaneous proceeds | 0 | 0 |
| | 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 104,577,497 | 194,006,828 |
| 13. | Cost of investments acquired (long-term only): | | |
| | 13.1 Bonds | 233,474,223 | 268,772,174 |
| | 13.2 Stocks | 0 | 0 |
| | 13.3 Mortgage loans | 0 | 0 |
| | 13.4 Real estate | 0 | 0 |
| | 13.5 Other invested assets | 0 | 0 |
| | 13.6 Miscellaneous applications | 0 | 0 |
| | 13.7 Total investments acquired (Lines 13.1 to 13.6) | 233,474,223 | 268,772,174 |
| 14. | Net increase (or decrease) in contract loans and premium notes | 0 | 0 |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | (128,896,726) | (74,765,346) |
| | **Cash from Financing and Miscellaneous Sources** | | |
| 16. | Cash provided (applied): | | |
| | 16.1 Surplus notes, capital notes | 0 | 0 |
| | 16.2 Capital and paid in surplus, less treasury stock | 0 | 0 |
| | 16.3 Borrowed funds | 0 | 0 |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | 0 |
| | 16.5 Dividends to stockholders | 0 | 0 |
| | 16.6 Other cash provided (applied) | 142,130,389 | (1,166,765) |
| 17. | Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | 142,130,389 | (1,166,765) |
| | **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) | 108,701,891 | 29,469,045 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| | 19.1 Beginning of year | 154,118,441 | 124,649,396 |
| | 19.2 End of period (Line 18 plus Line 19.1) | 262,820,332 | 154,118,441 |

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

| | | |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

# EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

| | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 2 Individual | 3 Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| **Total Members at end of:** | | | | | | | | | | |
| 1. Prior Year | 506,485 | 0 | 115,084 | 0 | 0 | 0 | 0 | 41,486 | 349,915 | 0 |
| 2. First Quarter | 660,018 | 0 | 111,304 | 0 | 0 | 0 | 4,538 | 37,078 | 507,098 | 0 |
| 3. Second Quarter | 675,501 | 0 | 104,673 | 0 | 0 | 0 | 4,574 | 37,690 | 528,564 | 0 |
| 4. Third Quarter | 681,923 | 0 | 109,254 | 0 | 0 | 0 | 4,563 | 51,218 | 516,888 | 0 |
| 5. Current Year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Current Year Member Months | 6,144,385 | 0 | 1,003,643 | 0 | 0 | 0 | 41,044 | 419,165 | 4,680,533 | 0 |
| **Total Member Ambulatory Encounters for Period:** | | | | | | | | | | |
| 7 Physician | 2,655,751 | 0 | 386,152 | 0 | 0 | 0 | 15,219 | 259,854 | 1,994,526 | 0 |
| 8. Non-Physician | 474,950 | 0 | 64,014 | 0 | 0 | 0 | 3,143 | 30,447 | 377,346 | 0 |
| 9. Total | 3,130,701 | 0 | 450,166 | 0 | 0 | 0 | 18,362 | 290,301 | 2,371,872 | 0 |
| 10. Hospital Patient Days Incurred | 441,250 | 0 | 22,280 | 0 | 0 | 0 | 775 | 115,750 | 302,445 | 0 |
| 11. Number of Inpatient Admissions | 67,470 | 0 | 4,796 | 0 | 0 | 0 | 193 | 8,460 | 54,021 | 0 |
| 12. Health Premiums Written (a) | 1,734,911,654 | 0 | 271,602,440 | 0 | 0 | 0 | 13,295,081 | 374,185,703 | 1,075,828,430 | 0 |
| 13. Life Premiums Direct | 0 | | | | | | | | | |
| 14. Property/Casualty Premiums Written | 0 | | | | | | | | | |
| 15. Health Premiums Earned | 1,734,911,654 | 0 | 271,602,440 | 0 | 0 | 0 | 13,295,081 | 374,185,703 | 1,075,828,430 | 0 |
| 16. Property/Casualty Premiums Earned | 0 | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 1,390,833,051 | 0 | 213,750,135 | 0 | 0 | 0 | 12,753,518 | 282,323,812 | 882,005,586 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 1,449,567,154 | 0 | 214,219,204 | 0 | 0 | 0 | 12,923,576 | 294,561,973 | 927,862,401 | 0 |

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $ 374,185,703

# CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

**Aging Analysis of Unpaid Claims**

| 1<br>Account | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>91 - 120 Days | 6<br>Over 120 Days | 7<br>Total |
|---|---|---|---|---|---|---|
| **Claims Unpaid (Reported)** | | | | | | |
| 0299999 Aggregate accounts not individually listed-uncovered | | | | | | 0 |
| 0399999 Aggregate accounts not individually listed-covered | | | | | | 0 |
| 0499999 Subtotals | 0 | 0 | 0 | 0 | 0 | 0 |
| 0599999 Unreported claims and other claim reserves | | | | | | 253,012,684 |
| 0699999 Total amounts withheld | | | | | | 11,335,864 |
| 0799999 Total claims unpaid | | | | | | 264,348,548 |
| 0899999 Accrued medical incentive pool and bonus amounts | | | | | | 1,041,000 |

# UNDERWRITING AND INVESTMENT EXHIBIT

## ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

| Line of Business | Claims Paid Year to Date | | Liability End of Current Quarter | | 5 | 6 |
|---|---|---|---|---|---|---|
| | 1<br>On Claims Incurred Prior to January 1 of Current Year | 2<br>On Claims Incurred During the Year | 3<br>On Claims Unpaid Dec. 31 of Prior Year | 4<br>On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| 1. Comprehensive (hospital and medical) | 29,798,904 | 202,539,097 | 150,430 | 29,991,963 | 29,949,334 | 29,396,364 |
| 2. Medicare Supplement | | | | | 0 | 0 |
| 3. Dental Only | | | | | 0 | 0 |
| 4. Vision Only | | | | | 0 | 0 |
| 5. Federal Employees Health Benefits Plan | 2,643,318 | 10,834,092 | 2,712 | 1,988,483 | 2,646,030 | 1,771,425 |
| 6. Title XVIII - Medicare | 39,476,882 | 242,846,930 | 180,660 | 44,179,215 | 39,657,542 | 40,265,907 |
| 7 Title XIX - Medicaid | 122,955,781 | 759,049,806 | 3,952,750 | 184,203,970 | 126,908,531 | 153,477,488 |
| 8. Other health | | | | | 0 | 0 |
| 9. Health subtotal (Lines 1 to 8) | 194,874,885 | 1,215,269,925 | 4,286,552 | 260,363,631 | 199,161,437 | 224,911,184 |
| 10. Healthcare receivables (a) | | | | | 0 | 0 |
| 11. Other non-health | | | | | 0 | 0 |
| 12. Medical incentive pools and bonus amounts | 667,945 | 36,400 | | 1,041,000 | 667,945 | 2,062,000 |
| 13. Totals | 195,542,830 | 1,215,306,325 | 4,286,552 | 261,404,631 | 199,829,382 | 226,973,184 |

(a) Excludes $ 0 loans or advances to providers not yet expensed.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Organization and Operation*** – United Healthcare Plan of the River Valley, Inc. ("Plan") is a wholly-owned subsidiary of United Healthcare Services Company of the River Valley, Inc. ("UHS-RV"). UHS-RV is a wholly owned subsidiary of UnitedHealthcare, Inc. ("UHC"), which is a wholly owned subsidiary of UnitedHealthcare Services, Inc. ("UHS"). UHS is a wholly owned subsidiary of UnitedHealth Group, Inc. ("UHG").

The Plan was incorporated on August 5, 1985 as a Health Maintenance Organization ("HMO"). Operations commenced in July 1986. The Plan is certified as an HMO by the Illinois Department of Financial and Professional Regulation Division of Insurance ("IDOI"), by the Iowa Department of Commerce-Division of Insurance, by the State of Tennessee Department of Commerce and Insurance and by the Commonwealth of Virginia Bureau of Insurance. The Plan has contracted with physicians, hospitals and other health care provider organizations to deliver health care services for all enrollees.

The Plan is designated as a Competitive Medical Plan and has contracts with the Department of Health and Human Services Centers for Medicare and Medicaid Services ("CMS") to provide healthcare to Medicare qualified HMO enrollees. The Plan also participates as a managed care organization in the State of Tennessee's Medicaid program, TennCare.

The Plan serves as a plan sponsor offering the Medicare Part D prescription drug insurance coverage under a contract with CMS. Under the Medicare Part D program, there are six separate elements of payment received by the Plan during the plan year, these payment elements are: CMS premium, member premium, low-income premium subsidy, catastrophic reinsurance subsidy, low-income member cost sharing subsidy, CMS risk share.

***A. Basis of Presentation*** – The Plan prepares its financial statements on the basis of accounting practices prescribed or permitted by the Illinois Department of Financial and Professional Regulation Division of Insurance (statutory basis). These practices differ from accounting principles generally accepted in the United States of America ("generally accepted accounting principles") as certain assets, including certain aged premium and health care receivables, are considered nonadmitted assets for statutory purposes and are excluded from the statements of admitted assets, liabilities, capital and surplus – statutory basis. The change in nonadmitted assets has been reflected in accumulated surplus in the accompanying statutory basis financial statements. Under generally accepted accounting principles, these amounts would be included in total assets on the balance sheet. In addition, certain debt investments that would be shown at market value under generally accepted accounting principles are presented in the accompanying statements of admitted assets, liabilities, capital and surplus – statutory basis at amortized cost.

The IDOI recognizes only statutory accounting practices prescribed or permitted by the state of Illinois for determining and reporting the financial condition and results of operations of an HMO and for determining its solvency under Illinois insurance law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") has been adopted with modifications as a component of prescribed or permitted practices by the state of Illinois. No significant differences exist between the statutory practices prescribed or permitted by the state of Illinois and those prescribed or permitted by the NAIC SAP which would materially affect the statutory basis capital and surplus.

***B. Use of Estimates*** – These statutory basis financial statements include certain amounts that are based on the Plan's estimates and judgments. These estimates require the Plan to apply complex assumptions and judgments, often because the Plan must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to total hospital and medical expenses and claims unpaid. The Plan adjusts these estimates each period, as more current information becomes available. The impact of any changes in estimates is included in the determination of income in the period in which the estimate is adjusted.

***C. Accounting Policy –***

***Cash, Cash Equivalents, and Short-term Investments*** — Cash, cash equivalents, and short-term investments represent cash held by the Plan in disbursement accounts, money market instruments, commercial paper, and bonds with a maturity of three months or less at the time of purchase. Claims and other payments are made from the disbursement accounts daily. Cash equivalents are reported at cost or amortized cost depending on the nature of the underlying security, which approximates market value. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments.

Short-term investments also consist of the Plan's share of an investment pool sponsored and administered by UHS for the benefit of the UHS-owned health plans. The investment pool consists principally of investments with original maturities of less than one year with the average life of the individual investments being less than 60 days. The Plan's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The investments within the pool have an

individual fund number to track those investments owned by the Plan. The pool is primarily invested in governmental obligations, commercial paper, certificates of deposit, and short-term agency notes and are recorded at cost. Interest income from the pool accrues daily to participating members based upon ownership percentage.

***(1),(2), (5), (6) Bonds and Short-term Investments*** — Bonds and short-term investments include government obligations and are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or market value if they meet an NAIC designation of three or higher. Amortization of bond premium or discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the NAIC National Securities Valuation Office (SVO) in accordance with the NAIC Valuations of Securities manual prepared by the SVO or external pricing service if NAIC values are not available.

Corporate bonds and government obligations include mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of mortgage-backed securities are based on a three-month constant prepayment rate history. The Plan's investment policy limits investments in other residential mortgage-backed securities, including home equity and subprime mortgages, to 10% of total cash and invested assets, and total investments in mortgage-backed securities to 30% of total cash and invested assets..

The Plan continually monitors the difference between the cost and estimated fair value of its investments. If any of the Plan's investments experience a decline in value that the Plan believes is other than temporary, the Plan records a realized loss net realized capital gains (losses) less capital gains tax in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for mortgage-backed securities for periods subsequent to the loss recognition.

***(11) Hospital and Medical Expenses and Claims Unpaid and Aggregate Health Policy Reserves*** — Hospital and medical expenses and corresponding liabilities include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, and estimates for the costs of health care services enrollees have received, but for which claims have not yet been submitted.

The estimates for health care services incurred but not yet reported are developed using actuarial methods based upon historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during the respective reporting period. Management believes the amount of claims unpaid is adequate to cover the Company's liability for unpaid claims as of the end of the reporting period; however, actual claim payments may differ from those established estimates. Adjustments to claims unpaid estimates are reflected in operating results in the period in which the change in estimate is identified.

***Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans*** — Liabilities for amounts held under uninsured plans represents the cost reimbursement under the Medicare Part D program for the Catastrophic Reinsurance Subsidy and the Low-Income Member Cost Sharing Subsidy. The Plan is fully reimbursed by CMS for costs incurred for these contract elements and, accordingly, there is no insurance risk to the Plan. Amounts received for these subsidies are not reflected as premium income, but rather are accounted for as deposits, with the related liability recorded in amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash provided by operations in the statutory basis statements of cash flows.

***Income Taxes*** — Statutory accounting requires an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets and liabilities, subject to limitations on deferred tax assets. The Plan's operations are included in the consolidated federal income tax return of UnitedHealth Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis. Income taxes incurred in the current and prior years will be available for recoupment by the Plan only in the event of future net losses of consolidated UnitedHealth Group. The Plan receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group (see Note 9). UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. Internal Revenue Service (IRS) has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2007 and prior. UnitedHealth Group's 2008 tax return is under advance review by the IRS under its Compliance Assurance Program (CAP). With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2002 in major state and foreign jurisdictions. The Plan does not believe any adjustments that may result from these examinations will be material to the Plan.

***(11) Claims Adjustment Expense*** — Claims adjustment expenses (CAE) as defined by Statement of Statutory Accounting Principles (SSAP) No. 85, *Claim Adjustment Expenses, Amendments to SSAP No. 55 — Unpaid Claims, Losses, and Loss Adjustment Expenses*, are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), the Plan pays a management fee to UHS-RV in exchange for administrative and management services. A detailed review of UHS-RV's and the Plan's administrative expenses is performed to determine the allocation between CAE and general administrative expenses in accordance with SSAP No. 85. It is the responsibility of UHS-RV to pay claims adjustment expenses in the event the Plan ceases operations. The Plan has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims. Management believes the amount of the liability for unpaid claims adjustment expenses as of the end of the reporting period, is adequate to cover the Plan's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. The method used for determining CAE is periodically reviewed and updated, and any adjustments are reflected in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus and the statutory basis statements of operations in the period in which the change in methodology is identified.

***Premiums*** —Net premium income is recognized in the period in which enrollees are entitled to receive health care services. Premiums received prior to the period of service are recorded premiums received in advance in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

Net premium income includes the Medicare Advantage CMS premium, and the CMS premium, member premium, and low-income premium subsidy for the Plan's insurance risk coverage under the Medicare Part D grogram. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive prescription drug benefits. The Plan estimates retrospective premiums adjustments based on guidelines determined by CMS.

The Plan also has an arrangement with CMS for certain Medicare products whereby periodic changes in member risk factor adjustment scores, for certain diagnoses codes, result in changes to its Medicare revenues. The Plan recognizes such changes when the amounts become determinable and supportable, and collectibility is reasonably assured.

Administrative fee revenues are recognized in the period in which the related services are performed based upon the fee charged to the customer for Administrative Services Only (ASO) contracts, for which the employer retains all health care service risk, while the Plan assumes administrative risk. Administrative fee revenue is netted against general administrative expenses in the statutory basis statements of operations.

***Reinsurance Ceded*** — The Plan has an insolvency-only reinsurance agreement. Reinsurance premiums paid are deducted from premium income in the accompanying statutory basis financial statements.

***Incentive Pool*** — The Plan has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Plan places monthly premiums payable for members assigned to the physician. The Plan manages the disbursement of funds from this account as well as reviews the utilization of non-primary care medical services of members assigned to the physicians. Any surpluses or deficits in the fund are shared by the Plan and the physician based upon predetermined risk-sharing percentages and liability or receivable is included in accrued medical incentive pool and bonus amounts or health care and other receivables in the statutory basis statements of assets, liabilities, and capital and surplus, and the corresponding expense or reduction to expense is included in incentive pool, withhold adjustments, and bonus amounts in the statutory basis statements of operations.

***Medical Risk Share —*** The Plan has settlements with CMS that is based on whether the ultimate per-member, per-month benefit costs of any Medicare Part D regional plan varies more than two and one half (2.5) percentage points above or below the level estimated in the original bid submitted by the Plan and approved by CMS. The estimated risk share adjustment, a payable of $5,321,850 in 2008 and a receivable of $2,272,256 in 2007, was recorded as an adjustment to premium income in the statutory basis statements of operations and aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities and capital and surplus.

***(13) Health Care Receivables*** — Health care receivables consist of pharmacy rebate receivables estimated based on the most currently available data from the Plan's claims processing systems and from data provided by the Plan's unaffiliated pharmaceutical benefit managers and affiliated pharmaceutical benefit manager, Rx Solutions, Inc. (Rx Solutions). Pharmacy rebate receivables are considered non-admitted assets for statutory purposes if they do not meet the criteria established in SSAP No. 84, *Certain Health Care Receivables and Receivables Under Government Insured Plans*. Accordingly, the Plan has excluded the receivables that do not meet the SSAP No. 84 criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

***(10) Premium Deficiency Reserve*** — Premium deficiency reserves and the related expense, as defined by SSAP No. 54, *Individual and Group Accident Health Contracts*, as well as actuarial practice guidelines, are recognized when it is probable that expected future health care expenses, claim adjustment expenses, and administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected in increase (decrease) in reserves for life and accident and health contracts in the accompanying statutory basis statements of operations in the period in which the change in estimate is identified. The Plan anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54 (see Note 29).

***Vulnerability Due to Certain Concentrations*** — The Plan is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Plan's existing products in new markets and offerings of new products, both of which may restrict the Plan's ability to expand its business.

***Restricted Cash Reserves*** — The IDOI, Commonwealth of Virginia Bureau of Insurance, and TennCare require the Plan to maintain a minimum regulatory deposit (equal to the minimum capital and surplus requirements). This restricted cash reserve consists principally of government obligations and is stated at amortized cost. This reserve is included in bonds in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on this reserve is accrued by the Plan.

***Minimum Capital and Surplus*** — Under the laws of the state of Illinois, the IDOI requires the Plan to provide a contingency reserve based on 2% of the net capitation revenue from risk contracts limited to $1,500,000. The Plan's accumulated reserve reached $1,500,000 during 1989 and such reserve has been recorded as a part of capital and surplus.

Risk-based capital (RBC) is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. Additionally, there were minimum capital and surplus requirements relating to risk based capital of $91,128,448 and $72,580,658 at December 31, 2008 and 2007, respectively. The Plan is in compliance with the required amounts.

***Recently Issued Accounting Standards —*** In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," (FAS 157). FAS 157 establishes a framework for measuring fair value. It does not require any new fair value measurements, but does require expanded disclosures to provide information about the extent to which fair value is used to measure assets and liabilities, the methods and assumptions to measure fair value, and the effect of fair value measures on earnings. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. GAAP pronouncements do not become part of Statutory Accounting Principles until and unless adopted by the NAIC. Upon adoption, the Plan will evaluate the impact on its statutory basis financial statements. However, the Plan determined the GAAP disclosure was relevant and significant and therefore has incorporated the GAAP required disclosure in Note 5.

In January 2009, the NAIC issued SSAP No. 98, *Treatment of Cash Flows When Quantifying Changes in Valuation and Impairments, an, Amendment to SSAP No. 43 —Loan-backed and Structured Securities (SSAP 98)*. SSAP 98 establishes statutory accounting principles for impairment analysis and subsequent valuation of loan-backed and structured securities. This statement is effective for quarterly and annual reporting periods beginning on or after January 1, 2009, with early adoption permitted and encouraged. A change resulting from the adoption of this statement shall be accounted for prospectively. No cumulative effect adjustments or application of the new guidance to prior events or periods are required, similar to a change in accounting estimate. The Plan adopted SSAP 98 as of December 31, 2008. The Plan has assessed the impact of SSAP 98 on its financial condition, results of operations and cash flows and has determined the result was not material to the statutory basis financial statements.

In September 2008, the NAIC issued SSAP No.99, Accounting for Certain Securities Subsequent to an Other Than Temporary Impairment (SSAP 99). SSAP 99 established statutory accounting principles for the treatment of premium or discount applicable to certain securities subsequent to the recognition of an other than temporary impairment. This statement is effective for quarterly and annual reporting periods beginning on or after January 1, 2009, with early adoption permitted. The Plan adopted SSAP 99 as of December 31, 2008. The Plan has assessed the impact of SSAP 99 on its financial condition, results of operations and cash flows and has determined the result was not material to the statutory basis financial statements.

***(3)*** Capital stock consists of common stock at stated value with no par value and no stated dividend rate. One thousand shares are authorized; ten shares are issued and outstanding

***(4)***None

*(7)*Not applicable

*(8)* Not applicable

*(9)* Not applicable

*(12)* Not applicable

## 2. ACCOUNTING CHANGES AND CORRECTIONS

No changes in accounting principles have been recorded during the respective reporting period.

## 3. BUSINESS COMBINATIONS AND GOODWILL

The Plan was not party to a business combination during the respective reporting period and does not carry goodwill on its statutory basis statements of admitted assets, liabilities and capital and surplus.

## 4. DISCONTINUED OPERATIONS

The Plan did not discontinue any operations during the respective reporting period.

## 5. INVESTMENTS

The Plan has no mortgage loans, restructured debt, reverse mortgages, repurchase agreements, or investments in low-income housing tax credits. For purposes of calculating the realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of investments totaled $2,989,000 for the year ended December 31, 2008. The realized gains and losses are included in net realized capital gains (losses) less capital gains tax in the accompanying statutory basis statements of operations.

As of December 31, 2008 and 2007, the amortized cost, fair value, gross unrealized holding gains and losses, and contractual maturities of the Plan's investments, excluding cash and cash equivalents of $75,924,754 and $53,625,399 in 2008 and 2007, respectively, were as follows (in thousands):

| | 2008 | | | | |
|---|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses < 1 Year | Gross Unrealized Losses > 1 Year | Fair Value |
| U.S. government and agency | 272,051 | 9,394 | (70) | | 281,375 |
| Corporate bonds | 117,252 | 379 | (733) | (276) | 116,622 |
| | 389,303 | 9,773 | (803) | (276) | 397,997 |
| Due in one year or less | 123,002 | 607 | (141) | (39) | 123,429 |
| Due one to five years | 100,559 | 2,637 | (430) | (127) | 102,639 |
| Due five to ten years | 90,941 | 3,586 | (24) | - | 94,503 |
| Over ten years | 74,801 | 2,943 | (208) | (110) | 77,426 |
| | 389,303 | 9,773 | (803) | (276) | 397,997 |

| | 2007 | | | | |
|---|---|---|---|---|---|
| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses < 1 Year | Gross Unrealized Losses > 1 Year | Fair Value |
| U.S. government and agency | 172,936 | 2,100 | | (38) | 174,998 |
| Corporate bonds | 134,471 | 265 | (136) | (124) | 134,476 |
| | 307,407 | 2,365 | (136) | (162) | 309,474 |
| Due in one year or less | 113,238 | 62 | (8) | (63) | 113,229 |
| Due one to five years | 152,394 | 1,842 | (71) | (55) | 154,110 |
| Due five to ten years | 7,639 | 155 | | (13) | 7,781 |
| Over ten years | 34,136 | 306 | (57) | (31) | 34,354 |
| | 307,407 | 2,365 | (136) | (162) | 309,474 |

Included within the tables for U.S. government and agency securities are mortgage-backed securities, which do not have a single maturity date. For the 2008 years to maturity table above, these securities have been

presented in the maturity group based on the securities' final maturity date and at an amortized cost of $42,411,000 and a fair value of $43,302,052.

The tables above show the gross unrealized losses and fair value of investments with unrealized losses that are not deemed to be other-than-temporarily impaired (OTTI), aggregated by investment type and length of time that individual securities have been in a continuous unrealized loss position.

The unrealized losses on investments in U.S. government and agency obligations, municipalities and local agency obligations, and corporate obligations at the end of the reporting period, were mainly caused by interest rate increases and not on unfavorable changes in the credit ratings associated with these securities. The Plan evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. government and agency obligations are either guaranteed by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, as the Plan has the ability to hold, and does not intend to sell the investment until the unrealized loss is fully recovered. The Plan evaluated the credit ratings of the municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors which may indicate an other-than-temporary impairment, such as the length of time and extent to which market value has been less than cost, the financial condition and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer, and our intent and ability to hold the investment for a sufficient time in order to enable recovery of our cost.

FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. The fair value hierarchy is as follows:

Level 1 – Quoted (unadjusted) prices for identical assets in active markets.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in non-active markets (few transactions, limited information, non-current prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.); and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

Fair values of short-term investments and bonds are based on quoted market prices, where applicable. The Plan obtains one price for each security primarily from the NAIC SVO or an independent pricing service, which generally uses Level 1 or Level 2 inputs for the determination of fair value in accordance with FAS 157. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. As the Plan is responsible for the determination of fair value, it performs quarterly analysis on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, the Plan has not historically adjusted the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Plan's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the assets.

D.4 and 5) There are no securities with a recognized other-than temporary impairment currently held by the reporting entity.

D.6) The Plan has loan backed securities with a fair value of $7,831,000 for which an other-than-temporary impairment has not been recognized. The gross unrealized losses on securities that have been in a continuous unrealized loss position for less than 12 months is $96,000. There are no gross unrealized losses that have been in a continuous unrealized loss position for greater than 12 months.

D.7) NA

D.8) NA

## 6. VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

The Plan has no investments in joint ventures, partnerships, or limited liability companies.

## 7. INVESTMENT INCOME

The Plan has admitted all investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

## 8. DERIVATIVE INSTRUMENTS

The Plan has no derivative instruments.

## 9. INCOME TAXES

The federal income taxes incurred for the years ended December 31, were as follows:

| | 2008 | 2007 |
|---|---|---|
| Total current federal income tax provision | 25,625,111 | 12,882,078 |

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, are as follows:

| Deferred tax assets | 2008 | 2007 | Change |
|---|---|---|---|
| Bad debt | 134,769 | 134,622 | 147 |
| Unpaid losses and CAE | 1,580,816 | 1,133,963 | 446,853 |
| Unearned premiums | 383,386 | 407,109 | (23,723) |
| Intangibles | 50,096,123 | 54,221,767 | (4,125,645) |
| Nonadmitted assets | 405,241 | 851,627 | (446,385) |
| Total deferred tax assets | 52,600,335 | 56,749,088 | (4,148,753) |
| Nonadmitted deferred tax assets | (45,926,743) | (49,237,336) | 3,310,593 |
| Admitted deferred tax assets | 6,673,592 | 7,511,752 | (838,160) |

| Deferred tax liabilities | 2008 | 2007 | Change |
|---|---|---|---|
| Accrued expenses | 0 | (139,283) | 139,283 |
| Investments | (46,461) | (721,828) | 675,367 |
| Total deferred tax liabilities | (46,461) | (861,111) | 814,650 |
| Net admitted deferred tax asset | 6,627,131 | 6,650,641 | (23,511) |

The change in net deferred income taxes for the years ended December 31, comprises the following:

| | 2008 | 2007 |
|---|---|---|
| Change in deferred tax assets | (4,148,753) | 56,815,302 |
| Change in deferred tax liabilities | 814,650 | 611,894 |
| Net deferred tax asset/(liability) | (3,334,103) | 57,427,196 |
| Less: Change in deferred on unrealized gain/(loss) | 0 | 0 |
| Change in net deferred income tax | (3,334,103) | 57,427,196 |

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to income before income taxes. The significant items causing this difference are as follows:

| | 2008 | | |
|---|---|---|---|
| Description | Amount | Tax Effect | Effective Tax Rate |
| Tax provision at the federal statutory rate | 82,620,325 | 28,917,114 | 35.00% |
| Tax-exempt interest | (1,353,948) | (473,882) | -0.57% |
| Other current year items | 639 | 224 | 0.00% |
| Tax effect of nonadmitted assets | 1,275,387 | 446,385 | 0.54% |
| Prior year true-up | 668,028 | 233,810 | 0.28% |
| Deferred corrections | (469,819) | (164,437) | -0.20% |
| Total | 82,740,611 | 28,959,214 | 35.05% |
| | | | |
| Current federal income tax provision | | 24,947,900 | 30.20% |
| Tax on capital gains/(losses) | | 677,211 | 0.82% |
| Change in net deferred income tax | | 3,334,103 | 4.04% |
| Total statutory income taxes | | 28,959,214 | 35.05% |

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

Administrative services including claims processing, broker fees, marketing, quality assurance, financial, accounting, insurance, legal, and data processing, are provided to the Plan by its parent. Under the terms of agreements between the Plan and the parent, and approved by the IDOI, the parent charges the Plan for such services based on a percentage of premiums for each line of business. Expenses charged to the Plan by the parent for the respective reporting period were $213,316,036 for the respective reporting period, and are reported as claims adjustment expenses and general administrative expenses.

Effective January 1, 2008, RxSolutions collects rebates on certain pharmaceutical products based on member utilization. Rebates related to these agreements of $15,170,554, are included as a reduction of prescription drugs in the accompanying statutory basis statements of operations.

The Plan has a contract with United Behavioral Health, a wholly owned subsidiary of UHS, to provide mental health and substance abuse services for its enrollees. Fees related to this agreement, which are calculated on a per-member per-month basis, of $4,875,690 for the respective reporting period are included in medical services expenses in the accompanying statutory basis statements of revenue and expenses.

The Plan has an agreement with OPTUM, a division of UHS, to provide a 24-hour call-in service, called Care24, to its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, of $1,568,365 for the respective reporting period are included in medical services expenses in the accompanying statutory basis statements of revenue and expenses.

The Plan contracts with United Resource Network, a division of UHS, to provide access to a network of transplant providers for its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, of $841,898 for the respective reporting period are included in medical services expenses in the accompanying statutory basis statements of revenue and expenses – statutory basis.

Effective January 1, 2007, the Plan has a contract with ACN Group, Inc., a wholly owned subsidiary of UHS, to provide chiropractic and physical therapy services for its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, were $263,401 for the respective reporting period and are included in medical services expenses in the accompanying statements of revenue and expenses – statutory basis.

The Plan has a contract with Spectera, Inc., a wholly owned subsidiary of UHS, to provide administrative services related to vision benefit management and claims processing for its enrollees. Fees related to this agreement of approximately $417,022 for the respective reporting period, are included in medical services expenses in the accompanying statutory basis statements of operations.

The Plan has an agreement with Dental Benefit Providers, Inc. (DBP), a wholly owned subsidiary of UHS, to provide dental care and assistance for its enrollees. Fees related to this agreement, which are calculated on a per-member, per-month basis, of approximately $23,394 for the respective reporting period are included in other professional services in the accompanying statutory basis statements of operations. Additionally, the Plan reimbursed DBP approximately $351,136 for claims not covered by the agreement above, which are also included in other professional services in the accompanying statutory basis statements of operations.

Upon acquisition, the Plan entered into a subordinated revolving credit agreement with UnitedHealth Group at and interest rate of LIBOR plus a margin of 0.50%. The aggregate principal amount that may be outstanding at any time is the lesser of 3% of the Plan's admitted assets or 25% of the Plan's policyholder surplus as of the preceding December 31. The credit agreement sis for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective December 31, 2008. No amounts were outstanding under the line of credit as of the end of the reporting period. No amounts were borrowed and no interest paid for the reporting period.

The Plan has an insolvency-only reinsurance agreement with United HealthCare Insurance Company ("UHIC"), a wholly owned subsidiary of UHIC Holdings, Inc., which is a wholly owned subsidiary of UHS, to provide insolvency protection for its enrollees. Reinsurance premiums, which are calculated on a percentage of member premium revenues, of $1,727,764 for the respective reporting period are netted against premium revenues in the accompanying statement of revenue and expenses – statutory basis. Reinsurance recoveries are netted against medical services expenses in the accompanying statutory basis statements of income. Reinsurance contracts do not relieve the Plan from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Plan.

As of the end of the respective reporting period, the Plan reported $168,689,874 as amounts due from parent, subsidiaries and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The balances are generally settled within 90 days from incurred date. Any balances due to the Plan that are not settled within 90 days are considered nonadmitted assets.

The Plan has an agreement with Ingenix, to provide subrogation services. Fees related to this agreement, which on a fee basis, of approximately $389,363 for the respective reporting period are included medical services expenses in the accompanying statutory basis statements of operations.

## 11. DEBT

The Plan had no outstanding debt during the reporting period with third parties.

## 12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

The Plan has no retirement plan, deferred compensation, and other benefit plans, since all personnel are employees of UHS, which provides services to the Plan under the terms of a management agreement (see Note 10).

## 13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

Capital stock consists of common stock at stated value with no par value and no stated dividend rate. One thousand shares are authorized; ten shares are issued and outstanding.

The Plan may make an ordinary dividend payment to its stockholder in an amount not to exceed the greater of ten percent of the Plan's capital and surplus or the Plan's net income for the previous year.

No dividend was granted in 2008. The Plan paid an ordinary dividend to UHS-RV of $41,500,000 on September 17, 2007, which required no approval.

## 14. CONTINGENCIES

Because of the nature of our business, we are routinely made party to a variety of legal actions related to the design and management of our service offerings. The Plan records liabilities for estimates of probable costs resulting from these matters. These matters include, but are not limited to, claims relating to health care benefits coverage, medical malpractice actions, contract disputes, and claims related to disclosure of certain business practices. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Plan. The Plan believes there are no assets that it considers to be impaired as of the end of the reporting period.

## 15. LEASES

According to the management agreement (see Note 10) between the Plan and UHS-RV, operating leases for the rental of office facilities and equipment are the responsibility of UHS-RV. Fees associated with the agreement are included in the Plan's management fee.

## 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Plan does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

## 17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

The Plan did not participate in any transfer of receivables, financial assets, or wash sales.

## 18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Medicare Part D is a partially insured plan. The Plan recorded a receivable of $2,319,446 in 2008 for deposits under the Medicare Part D program for the catastrophic reinsurance and low-income member cost sharing subsidies as described above in Summary of Significant Accounting Policies.

## 19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Plan did not have any direct premiums written or produced by managing general agents or third-party administrators.

## 20. OTHER ITEMS

***Subprime Mortgage Related Risk Disclosure –*** No significant change.

## 21. EVENTS SUBSEQUENT

There are no events subsequent to the end of the reporting period that require disclosure.

## 22. REINSURANCE

***Ceded Reinsurance Report —***

Section 1 — General Interrogatories

1) Are any non-affiliated reinsurers owned in excess of 10% or controlled, either directly or indirectly, by the Plan or by any representative, officer, trustee, or director of the Plan?

   Yes ( ) No (X)

2) Have any policies issued by the Plan been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or an insured or any other person not primarily engaged in the insurance business?

   Yes ( ) No (X)

Section 2 — Ceded Reinsurance — Part A

1) Does the Plan have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

   Yes ( ) No (X)

2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

   Yes ( ) No (X)

Section 3 — Ceded Reinsurance — Part B

1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of all

reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Plan may consider the current or anticipated experience of the business reinsured in making this estimate.

The Plan estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2008.

2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Plan as of the effective date of the agreement?

Yes ( ) No (X)

***Unsecured Reinsurance Recoverables*** — The Plan does not have an unsecured aggregate reinsurance recoverable with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Plan's policyholder surplus.

***Reinsurance Recoverable in Dispute*** — The Plan does not have a reinsurance recovery receivable balance that is being disputed by any individual reinsurer.

***Reinsurance Assumed and Ceded*** — The Plan does not have a provision in its reinsurance contract to return commissions to the reinsurer in the event that the Plan cancels its reinsurance policy.

***Uncollectible Reinsurance*** — During the reporting period, there were no uncollectible reinsurance recoverables.

***Commutation of Reinsurance*** — The Plan has an insolvency-only reinsurance agreement with UHIC to provide insolvency protection for its enrollees. There was no commutation of reinsurance during the reporting period.

***Retroactive Reinsurance*** — The Plan did not have a retroactive reinsurance agreement during the reporting period.

## 23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

The Plan has Medicare business which is subject to a retrospective rating feature related to Part D premiums. The Plan has estimated accrued retrospective premiums related to Part D premiums based on guidelines determined by CMS. The formula is tiered and based on bid medical loss ratio.

During 2008 and 2007, the Plan contracted with the federal government through the Office of Personnel Management to administer the FEHBP (Federal Employees Health Benefit Program). The Plan is subject to rate adjustments through audits of by the Office of Personnel Management.

Estimated accrued retrospective premiums due to (from) the Plan are recorded in uncollected premiums or aggregate health policy reserves on the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in unearned premium reserves and reserve for rate credits or net premium income on the statutory basis statements of operations.

The Plan does not have any other retrospectively rated contracts subject to redetermination as of the end of the reporting period.

## 24. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSE

Changes in estimates related to prior year incurred claims are included in total hospital and medical expenses in the current year in the accompanying statutory basis statements of operations.

The liability for claims unpaid at December 31, 2008, was less than actual claims incurred in 2008 related to prior years by approximately $2,881,527. The primary drivers consist of favorable development as a result of ongoing analysis of loss development trends and changes to the provider settlement reserves offset by changes in balance sheet only accruals for claims in settlement and provider withhold.

Claims adjustment expenses are included in the management service fees paid by the Plan to UHS-RV as a part of its management agreements (Note 10). The reserve for claims adjustment expenses was approximately $3,129,130 as of end of the respective reporting period.

## 25. INTERCOMPANY POOLING ARRANGEMENTS

The Plan did not have any intercompany pooling arrangements as of the respective reporting period.

## 26. STRUCTURED SETTLEMENTS

The Plan did not have any structured settlements in the respective reporting period.

## 27. HEALTH CARE RECEIVABLES

Of the amount reported as healthcare and other receivables $4,079,505 relates to pharmaceutical rebate receivables as of the respective reporting period.

The collection history of pharmacy rebates is summarized as (in thousands):

| Quarter | Estimated Pharmacy Rebates | PHARMACY BILLED | Rebates Collected Within 90 Days of Invoicing/ Confirmation | Rebates Received Within 91 to 180 Days of Invoicing/ Confirmation | Rebates Received More than 181 Days of Invoicing/ Confirmation |
|---|---|---|---|---|---|
| 9/30/2009 | 3,748,610 | - | - | - | - |
| 6/30/2009 | 3,102,575 | 3,307,138 | 2,891,369 | - | - |
| 3/31/2008 | 2,861,068 | 3,014,412 | 1,952,389 | 999,310 | - |
| | | | | | |
| 12/31/2008 | 3,449,717 | 3,849,716 | 2,519,075 | 894,996 | 221,948 |
| 9/30/2008 | 3,442,346 | 3,670,071 | 2,454,725 | 511,946 | 552,706 |
| 6/30/2008 | 2,993,917 | 3,106,043 | 2,330,683 | 593,507 | 124,082 |
| 3/31/2008 | 2,356,918 | 2,891,026 | 1,662,173 | 1,138,059 | 43,985 |
| | | | | | |
| 12/31/2007 | 1,695,619 | 1,729,315 | 1,171,060 | 527,079 | 2,897 |
| 9/30/2007 | 1,592,077 | 1,676,646 | 1,276,724 | 314,508 | 63,262 |
| 6/30/2007 | 1,578,637 | 1,626,258 | 908,030 | 770,472 | (52,243) |
| 3/31/2007 | - | 1,238,951 | 242,452 | 802,462 | 194,037 |

Pharmaceutical rebates receivable are recorded when reasonably estimated or billed by the pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

## 28. PARTICIPATING POLICIES

The Plan did not have any participating contracts in the reporting period.

## 29. PREMIUM DEFICIENCY RESERVE

The Plan had no premium deficiency reserves, as of the end of the respective reporting period. If applicable, premium deficiency reserves are included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Plan did consider anticipated investment income when calculating its premium deficiency reserves.

## 30. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Plan has no salvage. As of the end of the respective reporting period, the Plan had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of incurred but not yet reported claims.

# GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

## PART 1 - COMMON INTERROGATORIES
## GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ 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 [ X ] No [ ]
If yes, complete the Schedule Y - Part 1 - organizational chart.

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

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

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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. 12/31/2007

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. 06/22/2009

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/22/2009

6.4 By what department or departments?
Illinois 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 [ X ] No [ ] N/A [ ]

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

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

7.2 If yes, give full information:

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

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

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

8.4 If response to 8.3 is yes, please provide 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<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>OTS | 6<br>FDIC | 7<br>SEC |
|---|---|---|---|---|---|---|
| OptumHealth Bank Inc. | Salt Lake City, Utah | NO | NO | NO | YES | NO |
| | | | | | | |
| | | | | | | |

# 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? 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 ]

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

## FINANCIAL

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

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<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>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.

# 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 3, III Conducting Examinations, E - 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<br>Name of Custodian(s) | 2<br>Custodian Address |
|---|---|
| State Street Bank | 801 Pennsylvania, Kansas City, MO 64105 |

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<br>Name(s) | 2<br>Location(s) | 3<br>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 information relating thereto:

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|---|---|---|---|
| | | | |
| | | | |

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

| 1<br>Central Registration Depository | 2<br>Name(s) | 3<br>Address |
|---|---|---|
| 113972 | Standish Mellon Asset Management Company | One Boston Place, Suite 024-0344, Boston MA 02108 |

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:

# SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

| 1<br>NAIC Company Code | 2<br>Federal ID Number | 3<br>Effective Date | 4<br>Name of Reinsurer | 5<br>Location | 6<br>Type of Reinsurance Ceded | 7<br>Is Insurer Authorized? (Yes or No) |
|---|---|---|---|---|---|---|

NONE

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

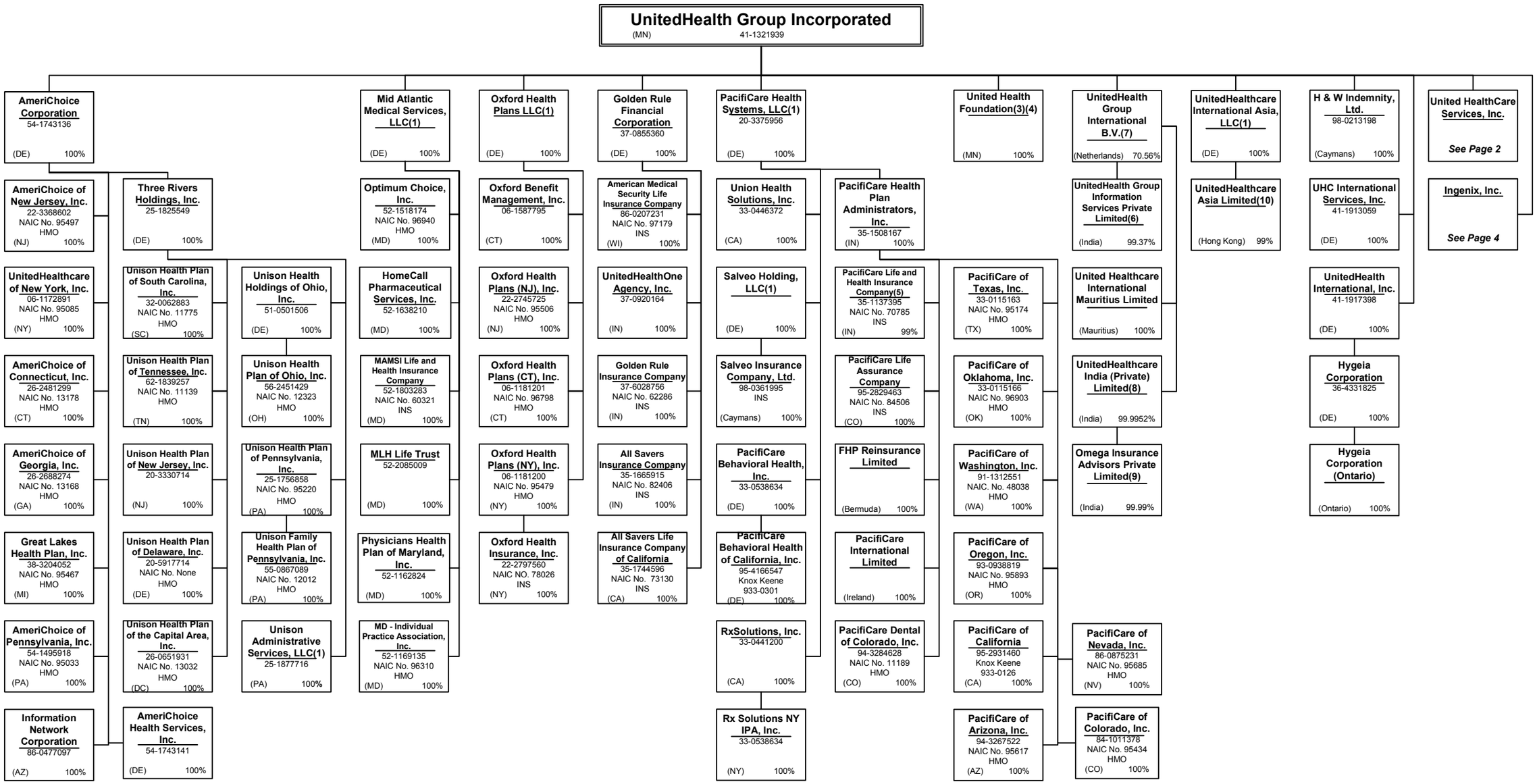
Current Year to Date - Allocated by States and Territories

| | | 1 | Direct Business Only | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | States, etc. | Active Status | Accident and Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Program Premiums | Life and Annuity Premiums & Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |
| 1. | Alabama AL | N | | | | | | | 0 | |
| 2. | Alaska AK | N | | | | | | | 0 | |
| 3. | Arizona AZ | N | | | | | | | 0 | |
| 4. | Arkansas AR | N | | | | | | | 0 | |
| 5. | California CA | N | | | | | | | 0 | |
| 6. | Colorado CO | N | | | | | | | 0 | |
| 7. | Connecticut CT | N | | | | | | | 0 | |
| 8. | Delaware DE | N | | | | | | | 0 | |
| 9. | District of Columbia DC | N | | | | | | | 0 | |
| 10. | Florida FL | N | | | | | | | 0 | |
| 11. | Georgia GA | N | | | | | | | 0 | |
| 12. | Hawaii HI | N | | | | | | | 0 | |
| 13. | Idaho ID | N | | | | | | | 0 | |
| 14. | Illinois IL | L | 28,022,554 | 11,306,659 | | | | | 39,329,213 | |
| 15. | Indiana IN | N | | | | | | | 0 | |
| 16. | Iowa IA | L | 131,796,309 | 25,891,658 | | 13,295,081 | | | 170,983,048 | |
| 17. | Kansas KS | N | | | | | | | 0 | |
| 18. | Kentucky KY | N | | | | | | | 0 | |
| 19. | Louisiana LA | N | | | | | | | 0 | |
| 20. | Maine ME | N | | | | | | | 0 | |
| 21. | Maryland MD | N | | | | | | | 0 | |
| 22. | Massachusetts MA | N | | | | | | | 0 | |
| 23. | Michigan MI | N | | | | | | | 0 | |
| 24. | Minnesota MN | N | | | | | | | 0 | |
| 25. | Mississippi MS | N | | | | | | | 0 | |
| 26. | Missouri MO | N | | | | | | | 0 | |
| 27. | Montana MT | N | | | | | | | 0 | |
| 28. | Nebraska NE | N | | | | | | | 0 | |
| 29. | Nevada NV | N | | | | | | | 0 | |
| 30. | New Hampshire NH | N | | | | | | | 0 | |
| 31. | New Jersey NJ | N | | | | | | | 0 | |
| 32. | New Mexico NM | N | | | | | | | 0 | |
| 33. | New York NY | N | | | | | | | 0 | |
| 34. | North Carolina NC | N | | | | | | | 0 | |
| 35. | North Dakota ND | N | | | | | | | 0 | |
| 36. | Ohio OH | N | | | | | | | 0 | |
| 37. | Oklahoma OK | N | | | | | | | 0 | |
| 38. | Oregon OR | N | | | | | | | 0 | |
| 39. | Pennsylvania PA | N | | | | | | | 0 | |
| 40. | Rhode Island RI | N | | | | | | | 0 | |
| 41. | South Carolina SC | N | | | | | | | 0 | |
| 42. | South Dakota SD | N | | | | | | | 0 | |
| 43. | Tennessee TN | L | 87,141,350 | 289,028,241 | 1,075,828,430 | | | | 1,451,998,021 | |
| 44. | Texas TX | N | | | | | | | 0 | |
| 45. | Utah UT | N | | | | | | | 0 | |
| 46. | Vermont VT | N | | | | | | | 0 | |
| 47. | Virginia VA | L | 24,642,228 | 47,959,145 | | | | | 72,601,373 | |
| 48. | Washington WA | N | | | | | | | 0 | |
| 49. | West Virginia WV | N | | | | | | | 0 | |
| 50. | Wisconsin WI | N | | | | | | | 0 | |
| 51. | Wyoming WY | N | | | | | | | 0 | |
| 52. | American Samoa AS | N | | | | | | | 0 | |
| 53. | Guam GU | N | | | | | | | 0 | |
| 54. | Puerto Rico PR | N | | | | | | | 0 | |
| 55. | U.S. Virgin Islands VI | N | | | | | | | 0 | |
| 56. | Nothern Mariana Islands MP | N | | | | | | | 0 | |
| 57. | Canada CN | N | | | | | | | 0 | |
| 58. | Aggregate Other Aliens OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. | Subtotal | XXX | 271,602,441 | 374,185,703 | 1,075,828,430 | 13,295,081 | 0 | 0 | 1,734,911,655 | 0 |
| 60. | Reporting Entity Contributions for Employee Benefit Plans | XXX | | | | | | | 0 | |
| 61. | Totals (Direct Business) | (a) 4 | 271,602,441 | 374,185,703 | 1,075,828,430 | 13,295,081 | 0 | 0 | 1,734,911,655 | 0 |
| | 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 | 0 | 0 |
| 5899. | Totals (Lines 5801 through 5803 plus 5898)(Line 58 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

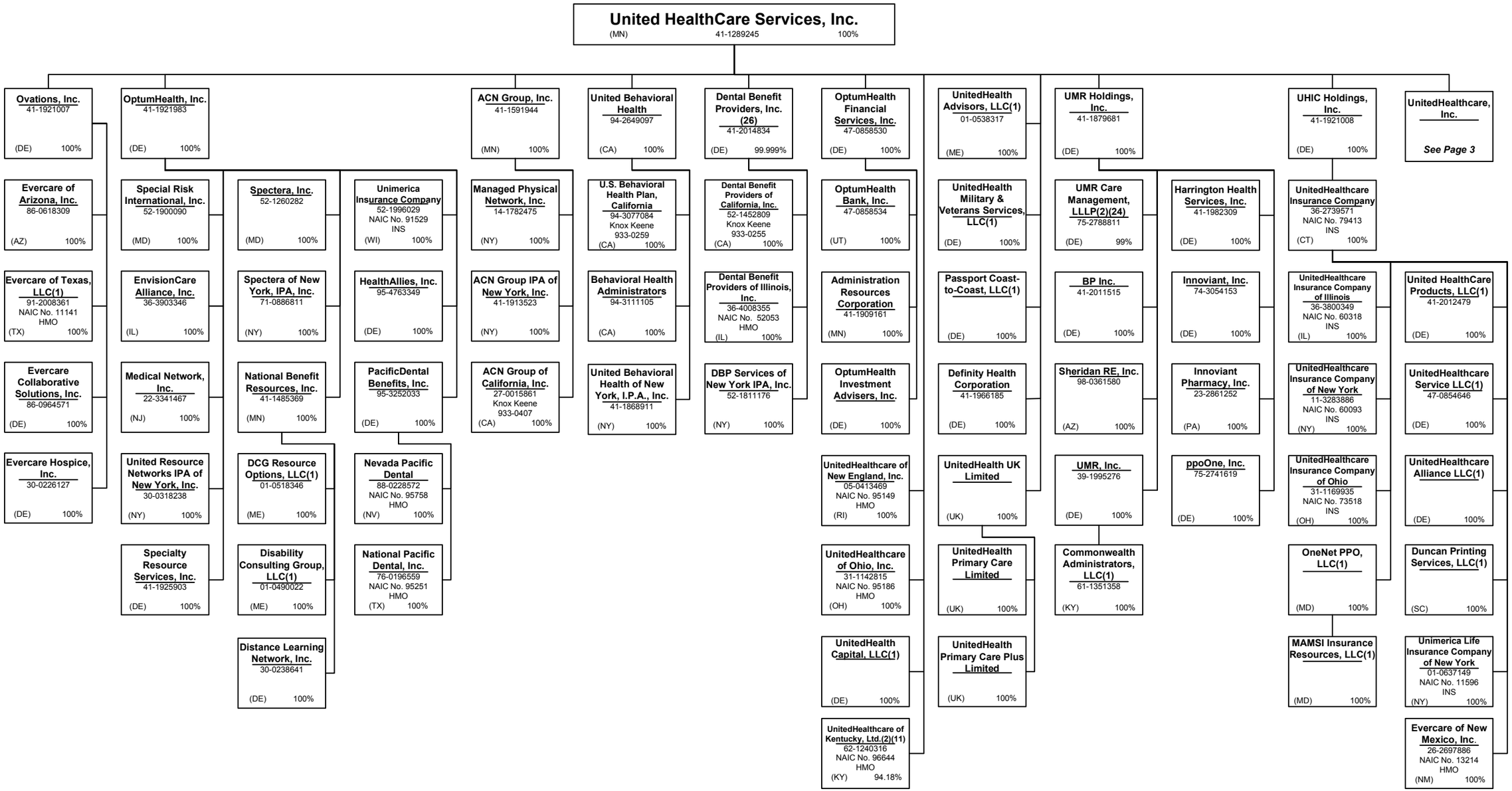
# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART



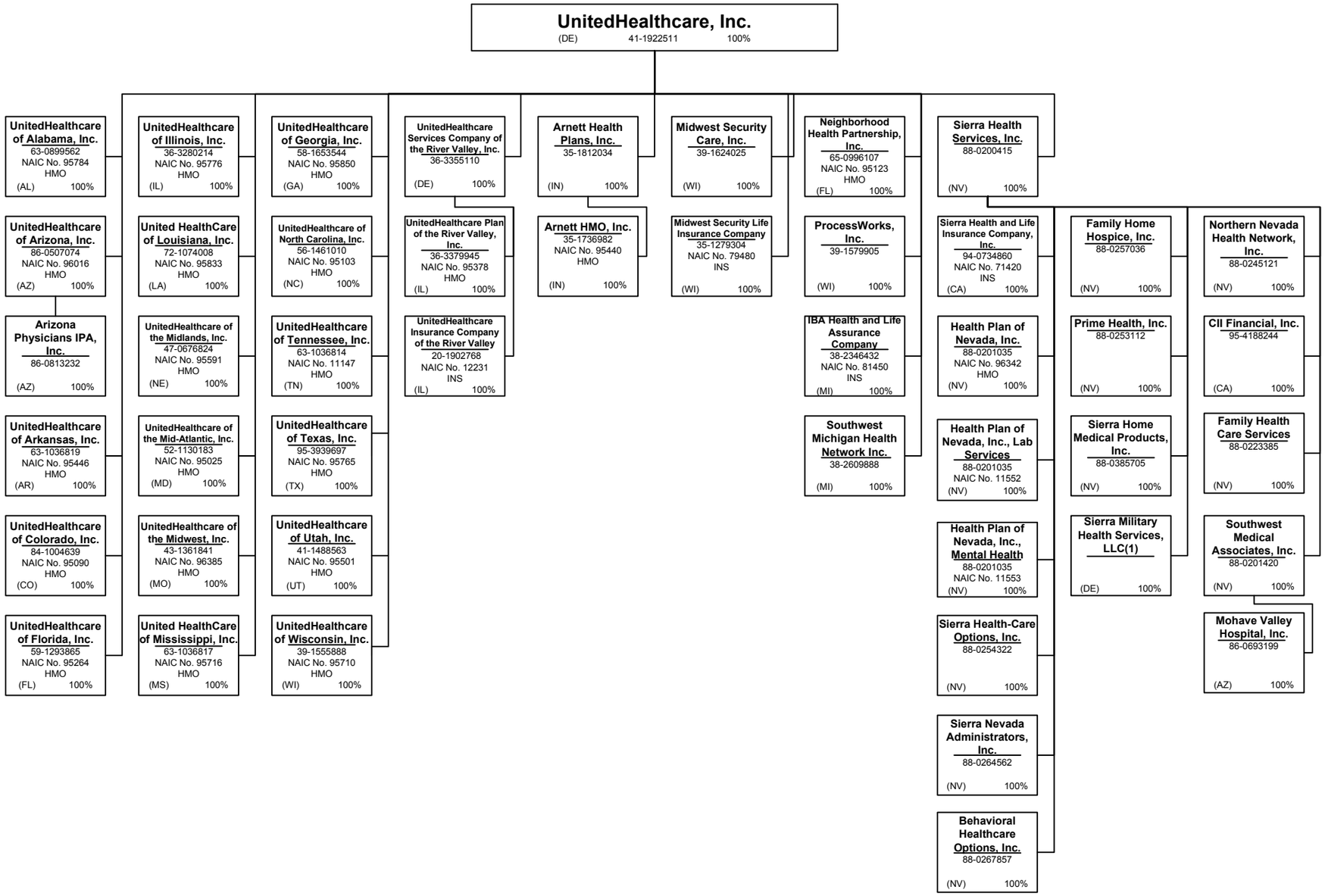
# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART



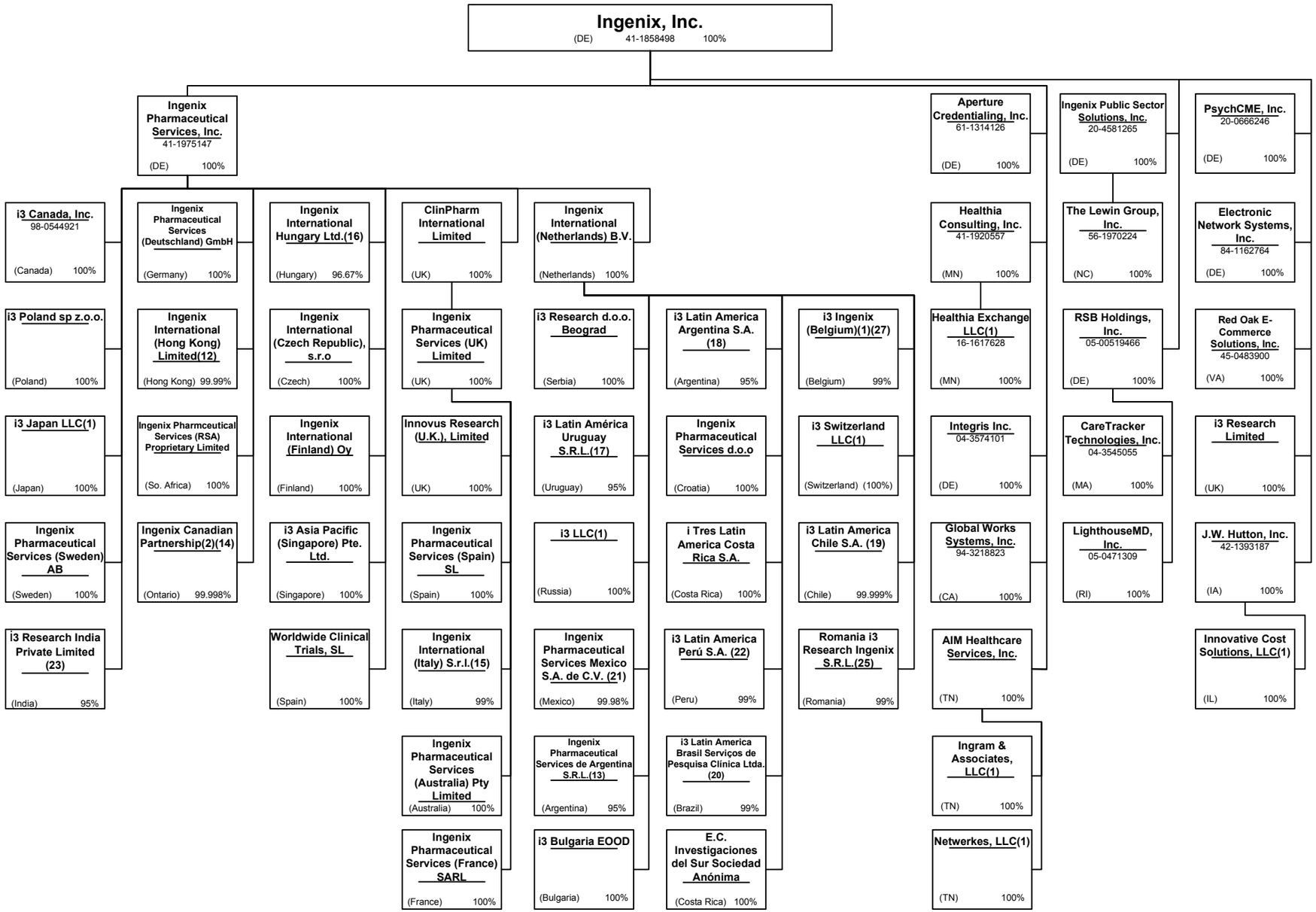
# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART



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

## PART 1 - ORGANIZATIONAL CHART



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

## PART 1 - ORGANIZATIONAL CHART

## Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) PacifiCare Life and Health Insurance Company is 99% owned by PacifiCare Health Plan Administrators, Inc. and 1% owned by PacifiCare Health Systems, LLC

(6) UnitedHealth Group Information Services Private Limited is 99.37% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) UnitedHealth Group International B.V. is 70.56% owned by UnitedHealth Group Incorporated and 29.44% owned by United HealthCare Services, Inc.

(8) United Healthcare India (Private) Limited is 99.9952% owned by UnitedHealth Group International B.V. and 0.0048% owned by UnitedHealth International, Inc.

(9) Omega Insurance Advisors Private Limited is 99.99% owned by United Healthcare India (Private) Limited and 0.01% owned by an individual shareholder

(10) UnitedHealthcare Asia Limited is 99% owned by UnitedHealthcare International Asia, LLC and 1% owned by UnitedHealth International, Inc.

(11) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(12) Ingenix International (Hong Kong) Limited is 99.99% owned by Ingenix Pharmaceutical Services, Inc. and 0.01% owned by Ingenix, Inc.

(13) Ingenix Pharmaceutical Services de Argentina S.R.L is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix, Inc.

(14) Ingenix Canada Partnership is 99.998% owned by Ingenix Pharmaceutical Services, Inc. and 0.002% owned by Ingenix, Inc.

(15) Ingenix International (Italy) S.r.l. is 99% owned by Ingenix Pharmaceutical Services (UK) Limited and 1% owned by Ingenix Pharmaceutical Services, Inc.

(16) Ingenix International Hungary Ltd. is 96.67% owned by Ingenix Pharmaceutical Services, Inc. and 3.33% owned by Ingenix, Inc.

(17) i3 Latin América Uruguay S.R.L. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix Pharmaceutical Services, Inc.

(18) i3 Latin America Argentina S.A. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix Pharmaceutical Services, Inc.

(19) i3 Latin America Chile S.A. is 99.9999% owned by Ingenix International (Netherlands) B.V. and 0.0001% owned by Ingenix Pharmaceutical Services, Inc.

(20) i3 Latin America Brasil Serviços de Pesquisa Clínica Ltda. Is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services, Inc.

(21) Ingenix Pharmaceutical Services Mexico S.A. de C.V. is 99.98% owned by Ingenix International (Netherlands) B.V. The remaining 0.02% is owned by i3 Latin America Argentina S.A..

(22) i3 Latin America Perú S.A. is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by i3 Latin America Argentina S.A.

(23) i3 Research India Private Limited is 95% owned by Ingenix Pharmaceutical Services, Inc. and 5% owned by Ingenix, Inc.

(24) Limited partnership interest is held by UMR Holdings, Inc.. (99%). General partnership interest is held by UMR, Inc. (1%)

(25) Romania i3 Research Ingenix S.R.L. is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services (UK) Limited

(26) Dental Benefit Providers, Inc. is 99.999% owned by United HealthCare Services, Inc. and 0.001% owned by PacificDental Benefits, Inc.

(27) i3 Ingenix (Belgium) is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services, Inc.

# 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 Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? ..... | NO |

Explanation:

1. Business not written.

Bar Code:

1. 9 5 3 7 8 2 0 0 9 3 6 5 0 0 0 3

Medicare Part D Coverage Supplement [Document Identifier 365]

# OVERFLOW PAGE FOR WRITE-INS

# SCHEDULE A - VERIFICATION

Real Estate

NONE

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

# SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

| | | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book value/recorded investment excluding accrued interest, December 31 of prior year | | |
| 2. | Cost of acquired: | | |
| | 2.1 Actual cost at time of acquisition | | |
| | 2.2 Additional investment made after acquisition | | |
| 3. | 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 | | |
| 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) | | |
| 12. | Total valuation allowance | | |
| 13. | Subtotal (Line 11 plus Line 12) | | |
| 14. | Deduct total nonadmitted amounts | | |
| 15. | Statement value at end of current period (Line 13 minus Line 14) | | |

# SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

| | | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | | |
| 2. | Cost of acquired: | | |
| | 2.1 Actual cost at time of acquisition | | |
| | 2.2 Additional investment made after acquisition | | |
| 3. | 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 | | |
| 8. | Deduct amortization of premium and depreciation | | |
| 9. | Total foreign exchange change in book/adjusted carrying value | | |
| 10. | Deduct current year's other than temporary impairment recognized | | |
| 11. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | | |
| 12. | Deduct total nonadmitted amounts | | |
| 13. | Statement value at end of current period (Line 11 minus Line 12) | | |

# SCHEDULE D - VERIFICATION

Bonds and Stocks

| | | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 311,109,698 | 236,382,934 |
| 2. | Cost of bonds and stocks acquired | 227,419,916 | 268,772,174 |
| 3. | Accrual of discount | 308,170 | 446,502 |
| 4. | Unrealized valuation increase (decrease) | | 0 |
| 5. | Total gain (loss) on disposals | 1,426,321 | 2,261,879 |
| 6. | Deduct consideration for bonds and stocks disposed of | 98,523,183 | 194,006,828 |
| 7. | Deduct amortization of premium | 3,126,327 | 2,135,553 |
| 8. | Total foreign exchange change in book/adjusted carrying value | | 0 |
| 9. | Deduct current year's other than temporary impairment recognized | 595,397 | 611,410 |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 438,019,198 | 311,109,698 |
| 11. | Deduct total nonadmitted amounts | | 0 |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 438,019,198 | 311,109,698 |

# 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<br>Book/Adjusted Carrying Value Beginning of Current Quarter | 2<br>Acquisitions During Current Quarter | 3<br>Dispositions During Current Quarter | 4<br>Non-Trading Activity During Current Quarter | 5<br>Book/Adjusted Carrying Value End of First Quarter | 6<br>Book/Adjusted Carrying Value End of Second Quarter | 7<br>Book/Adjusted Carrying Value End of Third Quarter | 8<br>Book/Adjusted Carrying Value December 31 Prior Year |
|---|---|---|---|---|---|---|---|---|
| BONDS | | | | | | | | |
| 1. Class 1 (a) | 629,745,158 | 912,310,400 | 1,062,665,703 | 1,051,049 | 550,785,839 | 629,745,158 | 480,440,904 | 453,641,645 |
| 2. Class 2 (a) | 16,862,784 | 21,316,730 | 4,606,237 | (2,109,637) | 10,776,245 | 16,862,784 | 31,463,640 | 9,660,447 |
| 3. Class 3 (a) | 0 | | | | 0 | 0 | 0 | 0 |
| 4. Class 4 (a) | 481,663 | 0 | 500,030 | 18,367 | 0 | 481,663 | 0 | 0 |
| 5. Class 5 (a) | 0 | | | | 0 | 0 | 0 | 0 |
| 6. Class 6 (a) | 0 | | | | 0 | 0 | 0 | 0 |
| 7. Total Bonds | 647,089,605 | 933,627,130 | 1,067,771,970 | (1,040,221) | 561,562,084 | 647,089,605 | 511,904,544 | 463,302,092 |
| 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 and Preferred Stock | 647,089,605 | 933,627,130 | 1,067,771,970 | (1,040,221) | 561,562,084 | 647,089,605 | 511,904,544 | 463,302,092 |

(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 $ 51,991,403 ; NAIC 2 $ 0 ; NAIC 3 $ 0 ; NAIC 4 $ 0 ; NAIC 5 $ 0 ; NAIC 6 $ 0

# SCHEDULE DA - PART 1

Short-Term Investments

| | 1<br>Book/Adjusted Carrying Value | 2<br>Par Value | 3<br>Actual Cost | 4<br>Interest Collected Year-to-Date | 5<br>Paid for Accrued Interest Year-to-Date |
|---|---|---|---|---|---|
| 9199999 Totals | 21,893,941 | XXX | 21,893,941 | 22,182 | 0 |

# SCHEDULE DA - VERIFICATION

Short-Term Investments

| | | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | 78,193,686 | 71,023,997 |
| 2. | Cost of short-term investments acquired | 2,794,140,390 | 3,475,077,361 |
| 3. | Accrual of discount | 9,776 | 79,083 |
| 4. | Unrealized valuation increase (decrease) | | 0 |
| 5. | Total gain (loss) on disposals | 190 | 45,180 |
| 6. | Deduct consideration received on disposals | 2,850,450,103 | 3,468,024,950 |
| 7. | Deduct amortization of premium | | 6,985 |
| 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) | 21,893,939 | 78,193,686 |
| 11. | Deduct total nonadmitted amounts | | 0 |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 21,893,939 | 78,193,686 |

Schedule DB - Part F - Section 1 - Replicated (Synthetic) Assets Open

N O N E

Schedule DB - Part F - Section 2 - Reconciliation of Replicated (Synthetic) Assets Open

N O N E

# SCHEDULE E - VERIFICATION

Cash Equivalents

| | | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | 73,998,704 | 50,467,137 |
| 2. | Cost of cash equivalents acquired | 218,935,289 | 811,781,165 |
| 3. | Accrual of discount | 43,438 | 1,059,431 |
| 4. | Unrealized valuation increase (decrease) | | 0 |
| 5. | Total gain (loss) on disposals | 2,090 | 159,541 |
| 6. | Deduct consideration received on disposals | 240,988,118 | 789,468,570 |
| 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) | 51,991,403 | 73,998,704 |
| 11. | Deduct total nonadmitted amounts | | 0 |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 51,991,403 | 73,998,704 |

Schedule A - Part 2 - Real Estate Acquired and Additions Made

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

# SCHEDULE D - PART 3

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

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator (a) |
|---|---|---|---|---|---|---|---|---|---|
| 235218-N8-3 | Dallas TX GO Cont Call 5.000% 02/15/17 | | 08/18/2009 | Chase Securities | | 2,225,420 | 2,000,000 | 1,667 | 1FE |
| 917542-QL-9 | UT State GO Non Call 5.000% 07/01/15 | | 09/16/2009 | Morgan Stanley | | 4,637,400 | 4,000,000 | 0 | 1FE |
| 1799999. Bonds - U.S. States, Territories and Possessions | | | | | | 6,862,820 | 6,000,000 | 1,667 | XXX |
| 584002-PC-7 | Mecklenburg Cnty NC GO Non Call 5.000% 03/01/16 | | 08/20/2009 | CitiGroup | | 5,252,285 | 4,520,000 | 0 | 1FE |
| 64971M-VS-8 | NYC Trans Fin Rev Bond Non Call 5.000% 11/01/17 | | 08/13/2009 | Morgan Stanley | | 5,708,500 | 5,000,000 | 0 | 1FE |
| 2499999. Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | 10,960,785 | 9,520,000 | 0 | XXX |
| 00440E-AG-2 | Ace INA Holdings Corporate Note Cont Callable 5.875% 06/15/14 | | 08/19/2009 | CitiGroup | | 899,300 | 825,000 | 9,290 | 1FE |
| 25477G-CR-4 | District Columbia Rev Rev Bond Non Call 5.000% 12/01/13 | | 08/19/2009 | Barclays Group Inc. | | 1,585,304 | 1,400,000 | 0 | 1FE |
| 3128PP-MC-4 | FHLMC Pool J10355 MBS 4.500% 07/01/24 | | 07/21/2009 | Barclays Capital Inc | | 4,720,391 | 4,600,000 | 13,225 | 1 |
| 31416S-M2-4 | FNMA Pool AA8476 MBS 5.000% 06/01/24 | | 06/30/2009 | UBS Sec/Warburg Dillion | | 2,629,301 | 2,528,174 | 5,267 | 1 |
| 31416S-QC-8 | FNMA POOL AA8550 MBS 4.500% 07/01/24 | | 07/21/2009 | Bank of America Sec | | 4,601,386 | 4,482,324 | 12,887 | 1 |
| 31416T-2S-7 | FNMA Pool AA9784 MBS 5.000% 07/01/24 | | 06/30/2009 | UBS Sec/Warburg Dillion | | 3,402,263 | 3,276,330 | 6,826 | 1 |
| 544712-R7-9 | LA Cnty Met Trans Rev Bond Non Call 5.000% 07/01/16 | | 07/24/2009 | Barclays Group Inc. | | 3,333,930 | 3,000,000 | 0 | 1FE |
| 875128-HP-8 | Tampa Bay FL Util Rev Bond Non Call 5.500% 10/01/21 | | 08/31/2009 | DEPFA First Albany | | 2,328,900 | 2,000,000 | 46,444 | 1FE |
| 3199999. Bonds - U.S. Special Revenues | | | | | | 23,500,775 | 22,111,828 | 93,939 | XXX |
| 032511-BC-0 | Anadarko Petroleum Corp Note MW 50BP 8.700% 03/15/19 | | 08/17/2009 | Chase Securities | | 1,200,810 | 1,000,000 | 39,875 | 2FE |
| 049560-AJ-4 | ATMOS Energy Corp Note MW 50BP 8.500% 03/15/19 | | 08/19/2009 | Jefferys and Company | | 613,430 | 500,000 | 17,472 | 2FE |
| 053332-AK-8 | AutoZone Inc Corp Note MW 50BP PPUT 5.750% 01/15/15 | | 08/26/2009 | CitiGroup | | 581,307 | 555,000 | 5,230 | 2FE |
| 053332-AK-8 | AutoZone Inc Corp Note MW 50BP PPUT 5.750% 01/15/15 | | 09/01/2009 | Chase Securities | | 576,886 | 545,000 | 5,397 | 2FE |
| 05348E-AH-2 | Avalonbay Community Corp Note MW 20BP 5.375% 04/15/14 | | 08/28/2009 | Wachovia Bank | | 647,878 | 640,000 | 13,091 | 2FE |
| 097023-AY-1 | Boeing Company Corp Note MW 25 BP 3.500% 02/15/15 | | 07/23/2009 | Morgan Stanley | | 912,244 | 920,000 | 0 | 1FE |
| 10112R-AB-0 | Boston Prop Note - Cont Call 6.250% 01/15/13 | | 08/28/2009 | Wachovia Bank | | 676,543 | 655,000 | 5,345 | 2FE |
| 126650-AV-2 | CVS Corp Corporate Note Cont Callable 4.875% 09/15/14 | | 09/21/2009 | CS First Boston Corp | | 1,095,962 | 1,035,000 | 1,261 | 2FE |
| 14912L-4E-8 | Caterpillar Fin Svc Corp Note Non Call 7.150% 02/15/19 | | 08/24/2009 | Stifel Nicolaus & Co. | | 1,153,050 | 1,000,000 | 2,383 | 1FE |
| 233835-AP-2 | Daimler Corp Note Non Call 7.750% 01/18/11 | | 07/23/2009 | Jefferys and Company | | 946,552 | 903,000 | 1,944 | 2FE |
| 25179S-AC-4 | Devon Financing Corp Note MW 30BP 6.875% 09/30/11 | | 07/08/2009 | Bank of America Sec | | 1,092,540 | 1,000,000 | 19,670 | 2FE |
| 29268B-AD-3 | Enel Finance Int Corp Note Non Call Priv Plc 3.875% 10/07/14 | | 09/30/2009 | Chase Securities | | 1,146,895 | 1,150,000 | 0 | 1FE |
| 437076-AR-3 | Home Depot Inc Corp Note Cont Call 5.250% 12/16/13 | | 07/23/2009 | Deutsche Bank | | 1,148,433 | 1,100,000 | 6,738 | 2FE |
| 501044-CM-1 | Kroger Company Corp Note MW 25BP P Put 3.900% 10/01/15 | | 09/24/2009 | Bank of America Sec | | 879,023 | 880,000 | 0 | 2FE |
| 565849-AG-1 | Marathon Oil Corp Note MW 50BPS 6.500% 02/15/14 | | 08/17/2009 | Morgan Stanley | | 445,273 | 405,000 | 366 | 2FE |
| 565849-AG-1 | Marathon Oil Corp Note MW 50BPS 6.500% 02/15/14 | | 08/24/2009 | Morgan Stanley | | 302,555 | 275,000 | 596 | 2FE |
| 565849-AG-1 | Marathon Oil Corp Note MW 50BPS 6.500% 02/15/14 | | 08/26/2009 | Morgan Stanley | | 297,359 | 270,000 | 780 | 2FE |
| 59562V-AU-1 | MidAmerican Energy Corp Note MW 30 BP Priv Plc 3.150% 07/15/12 | | 07/01/2009 | Chase Securities | | 1,199,652 | 1,200,000 | 0 | 2FE |
| 59562V-AV-9 | MidAmerican Energy Corp Note MW 30 BP 3.150% 07/15/12 | | 09/23/2009 | Tax Free Exchange | | 1,199,676 | 1,200,000 | 7,980 | 2FE |
| 655844-AZ-1 | Norfolk Southern Corp Note PPut MW 35BP 5.750% 04/01/18 | | 09/02/2009 | Ridge Clearing and Outsource | | 1,289,079 | 1,190,000 | 29,841 | 2FE |
| 693476-BF-9 | PNC Funding Corp Corp Note Non Call 6.700% 06/10/19 | | 08/24/2009 | Goldman Sachs | | 681,400 | 625,000 | 9,073 | 1FE |
| 693476-BF-9 | PNC Funding Corp Corp Note Non Call 6.700% 06/10/19 | | 08/25/2009 | Jefferys and Company | | 410,351 | 375,000 | 5,514 | 1FE |
| 74005P-AV-6 | Praxair Inc Corp Note MW 15BP 3.250% 09/15/15 | | 08/27/2009 | CitiGroup | | 812,905 | 815,000 | 0 | 1FE |
| 74432Q-BH-7 | Prudential Financial Corp Note Non Call 3.625% 09/17/12 | | 09/10/2009 | Barclays Group Inc. | | 699,881 | 700,000 | 0 | 1FE |
| 74432Q-BJ-3 | Prudential Financial Corp Note Non Call 4.750% 09/17/15 | | 09/10/2009 | Barclays Group Inc. | | 698,369 | 700,000 | 0 | 2FE |
| 94106L-AT-6 | Waste Management Corp Note MW 50BP 6.375% 03/11/15 | | 09/09/2009 | Bank of America Sec | | 234,879 | 215,000 | 114 | 2FE |
| 984121-BY-8 | Xerox Corp Corp Note MW 75BP P Put 8.250% 05/15/14 | | 07/07/2009 | Morgan Stanley | | 997,310 | 950,000 | 12,845 | 2FE |
| 15135U-AA-7 | Cenovus Energy Note MW 35BP Priv Plc PPut 4.500% 09/15/14 | A | 09/15/2009 | Bank of America Sec | | 924,103 | 925,000 | 0 | 2FE |
| 71644E-AH-5 | Petro Canada Corp Note MW 35BP 6.050% 05/15/18 | A | 07/22/2009 | CitiGroup | | 584,695 | 575,000 | 6,958 | 2FE |
| 73755L-AG-2 | Potash Corp Sas Corp Note MW 25BP 3.750% 09/30/15 | A | 09/23/2009 | Bank of America Sec | | 810,534 | 815,000 | 0 | 2FE |
| 05565Q-BH-0 | BP Capital Markets PLC Corp Note Non Call 3.875% 03/10/15 | F | 08/06/2009 | Morgan Stanley | | 1,246,462 | 1,220,000 | 19,829 | 1FE |
| 22303Q-AG-5 | Covidien Corp Note MW 25BP PPut 6.000% 10/15/17 | F | 08/28/2009 | Cantor Fitzgerald | | 1,234,710 | 1,125,000 | 25,688 | 1FE |
| 44841B-AA-4 | HUT WHAM Corp Note Non Call Prv Plc 5.750% 09/11/19 | F | 09/08/2009 | HSBC Securities Inc | | 1,143,365 | 1,150,000 | 0 | 1FE |
| 767201-AH-9 | Rio Tinto Fin USA Corp Note MW 50 BP 9.000% 05/01/19 | F | 07/21/2009 | CitiGroup | | 702,000 | 600,000 | 14,550 | 2FE |
| 822582-AH-5 | Shell Intl Fin Corp Note MW 15BP 0.000% 09/22/15 | F | 09/15/2009 | Morgan Stanley | | 1,551,812 | 1,555,000 | 0 | 1FE |
| 902118-AY-4 | Tyco Intl Grp Corp Note MW 25 BP 6.750% 02/15/11 | F | 07/10/2009 | Bank of America Sec | | 1,472,002 | 1,400,000 | 39,375 | 2FE |
| 3899999. Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 31,609,925 | 30,168,000 | 291,915 | XXX |
| 8399997. Total - Bonds - Part 3 | | | | | | 72,934,305 | 67,799,828 | 387,521 | XXX |
| 8399998. Total - Bonds - Part 5 | | | | | | XXX | XXX | XXX | XXX |
| 8399999. Total - Bonds | | | | | | 72,934,305 | 67,799,828 | 387,521 | XXX |
| 8999997. Total - Preferred Stocks - Part 3 | | | | | | 0 | XXX | 0 | XXX |
| 8999998. Total - Preferred Stocks - Part 5 | | | | | | XXX | XXX | XXX | XXX |
| 8999999. Total - Preferred Stocks | | | | | | 0 | XXX | 0 | XXX |
| 9799997. Total - Common Stocks - Part 3 | | | | | | 0 | XXX | 0 | XXX |
| 9799998. Total - Common Stocks - Part 5 | | | | | | XXX | XXX | XXX | XXX |

# SCHEDULE D - PART 3

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

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator (a) |
|---|---|---|---|---|---|---|---|---|---|
| 9799999. Total - Common Stocks | | | | | | 0 | XXX | 0 | XXX |
| 9899999. Total - Preferred and Common Stocks | | | | | | 0 | XXX | 0 | XXX |
| 9999999 - Totals | | | | | | 72,934,305 | XXX | 387,521 | XXX |

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

# SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change In Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Ident-ification | Description | For-eign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consid-eration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amor-tization)/ Accretion | Current Year's Other Than Temporary Impairment Recog-nized | Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13) | Total Foreign Exchange Change in Book /Adjusted Carrying Value | 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 DuringYear | Maturity Date | NAIC Desig-nation or Market In-dicator (a) |
| 312930-SF-8 | FHLMC Pool A84118 MBS 4.500% 01/01/39 | | 07/01/2009 | Paydown | | 1,960 | 1,960 | 2,011 | 0 | 0 | (50) | 0 | (50) | 0 | 1,960 | 0 | 0 | 0 | 44 | 01/01/2039 | 1 |
| 312930-SF-8 | FHLMC Pool A84118 MBS 4.500% 01/01/39 | | 08/01/2009 | Paydown | | 1,861 | 1,861 | 1,909 | 0 | 0 | (48) | 0 | (48) | 0 | 1,861 | 0 | 0 | 0 | 49 | 01/01/2039 | 1 |
| 312930-SF-8 | FHLMC Pool A84118 MBS 4.500% 01/01/39 | | 09/01/2009 | Paydown | | 1,872 | 1,872 | 1,920 | 0 | 0 | (48) | 0 | (48) | 0 | 1,872 | 0 | 0 | 0 | 56 | 01/01/2039 | 1 |
| 36220N-VU-8 | GNMA Pool 283327 (MBS) 9.000% 12/15/19 | | 07/01/2009 | Paydown | | 84 | 84 | 84 | 84 | 0 | 0 | 0 | 0 | 0 | 84 | 0 | 0 | 0 | 4 | 12/15/2019 | 1 |
| 36220N-VU-8 | GNMA Pool 283327 (MBS) 9.000% 12/15/19 | | 08/01/2009 | Paydown | | 241 | 241 | 241 | 240 | 0 | 0 | 0 | 0 | 0 | 241 | 0 | 0 | 0 | 14 | 12/15/2019 | 1 |
| 36220N-VU-8 | GNMA Pool 283327 (MBS) 9.000% 12/15/19 | | 09/01/2009 | Paydown | | 88 | 88 | 88 | 88 | 0 | 0 | 0 | 0 | 0 | 88 | 0 | 0 | 0 | 6 | 12/15/2019 | 1 |
| 912810-FT-0 | US Treasury Note 4.500% 02/15/36 | | 09/30/2009 | Barclays Capital Inc | | 3,449,112 | 3,200,000 | 3,601,263 | 0 | 0 | (5,162) | 0 | (5,162) | 0 | 3,596,100 | 0 | (146,988) | (146,988) | 90,391 | 02/15/2036 | 1 |
| 0399999. Bonds - U.S. Governments | | | | | | 3,455,218 | 3,206,106 | 3,607,516 | 412 | 0 | (5,308) | 0 | (5,308) | 0 | 3,602,206 | 0 | (146,988) | (146,988) | 90,564 | XXX | XXX |
| 246428-PE-0 | DE Trans Authority Rev Bond Non Call 5.000% 07/01/09 | | 07/01/2009 | Maturity | | 1,685,000 | 1,685,000 | 1,758,449 | 1,712,143 | 0 | (27,143) | 0 | (27,143) | 0 | 1,685,000 | 0 | 0 | 0 | 84,250 | 07/01/2009 | 1FE |
| 3128M6-AQ-1 | FHLMC Pool G04215 MBS 5.500% 05/01/38 | | 07/01/2009 | Paydown | | 52,878 | 52,878 | 52,828 | 52,828 | 0 | 50 | 0 | 50 | 0 | 52,878 | 0 | 0 | 0 | 1,697 | 05/01/2038 | 1 |
| 3128M6-AQ-1 | FHLMC Pool G04215 MBS 5.500% 05/01/38 | | 08/01/2009 | Paydown | | 37,859 | 37,859 | 37,823 | 37,823 | 0 | 36 | 0 | 36 | 0 | 37,859 | 0 | 0 | 0 | 1,388 | 05/01/2038 | 1 |
| 3128M6-AQ-1 | FHLMC Pool G04215 MBS 5.500% 05/01/38 | | 09/01/2009 | Paydown | | 24,401 | 24,401 | 24,378 | 24,378 | 0 | 23 | 0 | 23 | 0 | 24,401 | 0 | 0 | 0 | 1,007 | 05/01/2038 | 1 |
| 3128M6-HW-1 | FHLMC Pool G04445 MBS 5.500% 06/01/38 | | 07/01/2009 | Paydown | | 12,568 | 12,568 | 12,750 | 12,749 | 0 | (181) | 0 | (181) | 0 | 12,568 | 0 | 0 | 0 | 403 | 06/01/2038 | 1 |
| 3128M6-HW-1 | FHLMC Pool G04445 MBS 5.500% 06/01/38 | | 08/01/2009 | Paydown | | 8,494 | 8,494 | 8,617 | 8,616 | 0 | (122) | 0 | (122) | 0 | 8,494 | 0 | 0 | 0 | 311 | 06/01/2038 | 1 |
| 3128M6-HW-1 | FHLMC Pool G04445 MBS 5.500% 06/01/38 | | 09/01/2009 | Paydown | | 14,294 | 14,294 | 14,502 | 14,500 | 0 | (206) | 0 | (206) | 0 | 14,294 | 0 | 0 | 0 | 590 | 06/01/2038 | 1 |
| 3128MB-ZM-2 | FHLMC Pool G13248 MBS 5.000% 07/01/23 | | 06/30/2009 | UBS Sec/Warburg Dillion | | 2,965,024 | 2,865,622 | 2,858,907 | 2,858,919 | 0 | 0 | 0 | 0 | 0 | 2,858,919 | 0 | 106,105 | 106,105 | 76,417 | 07/01/2023 | 1 |
| 3128MB-ZM-2 | FHLMC Pool G13248 MBS 5.000% 07/01/23 | | 07/01/2009 | UBS Sec/Warburg Dillion | | (3,050,110) | (2,947,857) | (2,940,948) | (2,940,961) | 0 | 0 | 0 | 0 | 0 | (2,940,961) | 0 | (109,150) | (109,150) | (4,913) | 07/01/2023 | 1 |
| 3128MB-ZM-2 | FHLMC Pool G13248 MBS 5.000% 07/01/23 | | 07/01/2009 | Paydown | | 82,234 | 82,234 | 82,041 | 82,042 | 0 | 192 | 0 | 192 | 0 | 82,234 | 0 | 0 | 0 | 14,339 | 07/01/2023 | 1 |
| 3128MJ-K3-3 | FHLMC Pool G08313 MBS 5.000% 01/01/39 | | 07/01/2009 | Paydown | | 54,209 | 54,209 | 55,344 | 0 | 0 | (1,135) | 0 | (1,135) | 0 | 54,209 | 0 | 0 | 0 | 1,129 | 01/01/2039 | 1 |
| 3128MJ-K3-3 | FHLMC Pool G08313 MBS 5.000% 01/01/39 | | 08/01/2009 | Paydown | | 22,178 | 22,178 | 22,642 | 0 | 0 | (464) | 0 | (464) | 0 | 22,178 | 0 | 0 | 0 | 554 | 01/01/2039 | 1 |
| 3128MJ-K3-3 | FHLMC Pool G08313 MBS 5.000% 01/01/39 | | 09/01/2009 | Paydown | | 18,175 | 18,175 | 18,556 | 0 | 0 | (381) | 0 | (381) | 0 | 18,175 | 0 | 0 | 0 | 530 | 01/01/2039 | 1 |
| 3128MJ-LL-2 | FHLMC Pool G08330 MBS 4.500% 01/01/39 | | 07/01/2009 | Paydown | | 31,183 | 31,183 | 31,977 | 0 | 0 | (794) | 0 | (794) | 0 | 31,183 | 0 | 0 | 0 | 702 | 01/01/2039 | 1 |
| 3128MJ-LL-2 | FHLMC Pool G08330 MBS 4.500% 01/01/39 | | 08/01/2009 | Paydown | | 21,481 | 21,481 | 22,028 | 0 | 0 | (547) | 0 | (547) | 0 | 21,481 | 0 | 0 | 0 | 564 | 01/01/2039 | 1 |
| 3128MJ-LL-2 | FHLMC Pool G08330 MBS 4.500% 01/01/39 | | 09/01/2009 | Paydown | | 10,654 | 10,654 | 10,926 | 0 | 0 | (271) | 0 | (271) | 0 | 10,654 | 0 | 0 | 0 | 320 | 01/01/2039 | 1 |
| 3128PC-2X-9 | FHLMC Pool J01690 (MBS) 5.500% 04/01/21 | | 07/01/2009 | Paydown | | 3,798 | 3,798 | 3,797 | 3,796 | 0 | 2 | 0 | 2 | 0 | 3,798 | 0 | 0 | 0 | 122 | 04/01/2021 | 1 |
| 3128PC-2X-9 | FHLMC Pool J01690 (MBS) 5.500% 04/01/21 | | 08/01/2009 | Paydown | | 3,778 | 3,778 | 3,777 | 3,776 | 0 | 2 | 0 | 2 | 0 | 3,778 | 0 | 0 | 0 | 138 | 04/01/2021 | 1 |
| 3128PC-2X-9 | FHLMC Pool J01690 (MBS) 5.500% 04/01/21 | | 09/01/2009 | Paydown | | 10,807 | 10,807 | 10,804 | 10,802 | 0 | 5 | 0 | 5 | 0 | 10,807 | 0 | 0 | 0 | 446 | 04/01/2021 | 1 |
| 3128PE-4K-1 | FHLMC POOL J03526 MBS 6.000% 10/01/21 | | 07/01/2009 | Paydown | | 3,350 | 3,350 | 3,406 | 3,401 | 0 | (51) | 0 | (51) | 0 | 3,350 | 0 | 0 | 0 | 117 | 10/01/2021 | 1 |
| 3128PE-4K-1 | FHLMC POOL J03526 MBS 6.000% 10/01/21 | | 08/01/2009 | Paydown | | 3,916 | 3,916 | 3,981 | 3,976 | 0 | (60) | 0 | (60) | 0 | 3,916 | 0 | 0 | 0 | 157 | 10/01/2021 | 1 |
| 3128PE-4K-1 | FHLMC POOL J03526 MBS 6.000% 10/01/21 | | 09/01/2009 | Paydown | | 3,373 | 3,373 | 3,428 | 3,424 | 0 | (52) | 0 | (52) | 0 | 3,373 | 0 | 0 | 0 | 152 | 10/01/2021 | 1 |
| 3128PE-4P-0 | FHLMC Pool J03530 MBS 6.000% 10/01/21 | | 07/01/2009 | Paydown | | 41,220 | 41,220 | 41,800 | 41,763 | 0 | (542) | 0 | (542) | 0 | 41,220 | 0 | 0 | 0 | 1,443 | 10/01/2021 | 1 |
| 3128PE-4P-0 | FHLMC Pool J03530 MBS 6.000% 10/01/21 | | 08/01/2009 | Paydown | | 36,043 | 36,043 | 36,549 | 36,517 | 0 | (474) | 0 | (474) | 0 | 36,043 | 0 | 0 | 0 | 1,442 | 10/01/2021 | 1 |
| 3128PE-4P-0 | FHLMC Pool J03530 MBS 6.000% 10/01/21 | | 09/01/2009 | Paydown | | 3,153 | 3,153 | 3,198 | 3,195 | 0 | (42) | 0 | (42) | 0 | 3,153 | 0 | 0 | 0 | 142 | 10/01/2021 | 1 |
| 3128PE-KP-2 | FHLMC Pool J03002 (MBS) 5.500% 07/01/21 | | 07/01/2009 | Paydown | | 6,272 | 6,272 | 6,257 | 6,257 | 0 | 15 | 0 | 15 | 0 | 6,272 | 0 | 0 | 0 | 201 | 07/01/2021 | 1 |
| 3128PE-KP-2 | FHLMC Pool J03002 (MBS) 5.500% 07/01/21 | | 08/01/2009 | Paydown | | 5,723 | 5,723 | 5,710 | 5,710 | 0 | 13 | 0 | 13 | 0 | 5,723 | 0 | 0 | 0 | 210 | 07/01/2021 | 1 |
| 3128PE-KP-2 | FHLMC Pool J03002 (MBS) 5.500% 07/01/21 | | 09/01/2009 | Paydown | | 31,896 | 31,896 | 31,822 | 31,822 | 0 | 74 | 0 | 74 | 0 | 31,896 | 0 | 0 | 0 | 1,316 | 07/01/2021 | 1 |
| 3128PK-MU-5 | FHLMC Pool J07571 MBS 5.500% 04/01/23 | | 07/01/2009 | Paydown | | 9,029 | 9,029 | 9,131 | 9,130 | 0 | (101) | 0 | (101) | 0 | 9,029 | 0 | 0 | 0 | 290 | 04/01/2023 | 1 |
| 3128PK-MU-5 | FHLMC Pool J07571 MBS 5.500% 04/01/23 | | 08/01/2009 | Paydown | | 55,940 | 55,940 | 56,569 | 56,562 | 0 | (623) | 0 | (623) | 0 | 55,940 | 0 | 0 | 0 | 2,051 | 04/01/2023 | 1 |
| 3128PK-MU-5 | FHLMC Pool J07571 MBS 5.500% 04/01/23 | | 09/01/2009 | Paydown | | 17,434 | 17,434 | 17,630 | 17,628 | 0 | (194) | 0 | (194) | 0 | 17,434 | 0 | 0 | 0 | 719 | 04/01/2023 | 1 |
| 3128PL-PR-7 | FHLMC Pool J08532 MBS 5.500% 08/01/23 | | 07/01/2009 | Paydown | | 7,256 | 7,256 | 7,338 | 7,337 | 0 | (81) | 0 | (81) | 0 | 7,256 | 0 | 0 | 0 | 233 | 08/01/2023 | 1 |
| 3128PL-PR-7 | FHLMC Pool J08532 MBS 5.500% 08/01/23 | | 08/01/2009 | Paydown | | 9,935 | 9,935 | 10,047 | 10,046 | 0 | (111) | 0 | (111) | 0 | 9,935 | 0 | 0 | 0 | 364 | 08/01/2023 | 1 |
| 3128PL-PR-7 | FHLMC Pool J08532 MBS 5.500% 08/01/23 | | 09/01/2009 | Paydown | | 6,923 | 6,923 | 7,000 | 7,000 | 0 | (77) | 0 | (77) | 0 | 6,923 | 0 | 0 | 0 | 286 | 08/01/2023 | 1 |
| 3128PP-MC-4 | FHLMC Pool J10355 MBS 4.500% 07/01/24 | | 08/01/2009 | Paydown | | 17,454 | 17,454 | 17,910 | 0 | 0 | (457) | 0 | (457) | 0 | 17,454 | 0 | 0 | 0 | 65 | 07/01/2024 | 1 |
| 3128PP-MC-4 | FHLMC Pool J10355 MBS 4.500% 07/01/24 | | 09/01/2009 | Paydown | | 29,827 | 29,827 | 30,607 | 0 | 0 | (781) | 0 | (781) | 0 | 29,827 | 0 | 0 | 0 | 224 | 07/01/2024 | 1 |
| 312926-2P-2 | FHLMC Pool A80782 MBS 6.000% 08/01/38 | | 07/01/2009 | Paydown | | 164,312 | 164,312 | 167,341 | 167,333 | 0 | (3,021) | 0 | (3,021) | 0 | 164,312 | 0 | 0 | 0 | 5,751 | 08/01/2038 | 1 |
| 312926-2P-2 | FHLMC Pool A80782 MBS 6.000% 08/01/38 | | 08/01/2009 | Paydown | | 44,919 | 44,919 | 45,747 | 45,744 | 0 | (826) | 0 | (826) | 0 | 44,919 | 0 | 0 | 0 | 1,797 | 08/01/2038 | 1 |
| 312926-2P-2 | FHLMC Pool A80782 MBS 6.000% 08/01/38 | | 09/01/2009 | Paydown | | 78,994 | 78,994 | 80,450 | 80,446 | 0 | (1,452) | 0 | (1,452) | 0 | 78,994 | 0 | 0 | 0 | 3,555 | 08/01/2038 | 1 |
| 312972-LE-0 | FHLMC Pool B19325 (MBS) 5.000% 05/01/20 | | 07/01/2009 | Paydown | | 18,871 | 18,871 | 18,491 | 18,533 | 0 | 339 | 0 | 339 | 0 | 18,871 | 0 | 0 | 0 | 550 | 05/01/2020 | 1 |
| 312972-LE-0 | FHLMC Pool B19325 (MBS) 5.000% 05/01/20 | | 08/01/2009 | Paydown | | 31,282 | 31,282 | 30,651 | 30,721 | 0 | 561 | 0 | 561 | 0 | 31,282 | 0 | 0 | 0 | 1,043 | 05/01/2020 | 1 |
| 312972-LE-0 | FHLMC Pool B19325 (MBS) 5.000% 05/01/20 | | 09/01/2009 | Paydown | | 4,562 | 4,562 | 4,471 | 4,481 | 0 | 82 | 0 | 82 | 0 | 4,562 | 0 | 0 | 0 | 171 | 05/01/2020 | 1 |
| 31385X-EW-3 | FNMA Pool 555549 (MBS) 5.000% 06/01/18 | | 07/01/2009 | Paydown | | 123,536 | 123,536 | 128,014 | 0 | 0 | (4,478) | 0 | (4,478) | 0 | 123,536 | 0 | 0 | 0 | 515 | 06/01/2018 | 1 |
| 31385X-EW-3 | FNMA Pool 555549 (MBS) 5.000% 06/01/18 | | 08/01/2009 | Paydown | | 96,041 | 96,041 | 99,523 | 0 | 0 | (3,481) | 0 | (3,481) | 0 | 96,041 | 0 | 0 | 0 | 800 | 06/01/2018 | 1 |
| 31385X-EW-3 | FNMA Pool 555549 (MBS) 5.000% 06/01/18 | | 09/01/2009 | Paydown | | 90,511 | 90,511 | 93,792 | 0 | 0 | (3,281) | 0 | (3,281) | 0 | 90,511 | 0 | 0 | 0 | 1,131 | 06/01/2018 | 1 |
| 31392F-FA-0 | FNMA 2002-73 OD (CMO) 5.000% 06/25/16 | | 07/01/2009 | Paydown | | 30,979 | 30,979 | 31,608 | 31,071 | 0 | (92) | 0 | (92) | 0 | 30,979 | 0 | 0 | 0 | 904 | 01/25/2012 | 1 |
| 31392F-FA-0 | FNMA 2002-73 OD (CMO) 5.000% 06/25/16 | | 08/01/2009 | Paydown | | 36,352 | 36,352 | 37,091 | 36,461 | 0 | (108) | 0 | (108) | 0 | 36,352 | 0 | 0 | 0 | 1,212 | 01/25/2012 | 1 |

# SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change In Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Ident-ification | Description | For-eign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consid-eration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amor-tization)/ Accretion | Current Year's Other Than Temporary Impairment Recog-nized | Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13) | Total Foreign Exchange Change in Book /Adjusted Carrying Value | 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 DuringYear | Maturity Date | NAIC Desig-nation or Market In-dicator (a) |
| 31392F-FA-0 | FNMA 2002-73 OD (CMO) 5.000% 06/25/16 | | 09/01/2009 | Paydown | | 23,510 | 23,510 | 23,987 | 23,580 | 0 | (70) | 0 | (70) | 0 | 23,510 | 0 | 0 | 0 | 882 | 01/25/2012 | 1 |
| 31392H-S5-3 | FNMA 2003-8 OY (CMO) 4.500% 12/25/25 | | 07/01/2009 | Paydown | | 54,393 | 54,393 | 54,665 | 54,287 | 0 | 106 | 0 | 106 | 0 | 54,393 | 0 | 0 | 0 | 1,428 | 05/25/2010 | 1 |
| 31392H-S5-3 | FNMA 2003-8 OY (CMO) 4.500% 12/25/25 | | 08/01/2009 | Paydown | | 80,811 | 80,811 | 81,215 | 80,653 | 0 | 158 | 0 | 158 | 0 | 80,811 | 0 | 0 | 0 | 2,424 | 05/25/2010 | 1 |
| 31392H-S5-3 | FNMA 2003-8 OY (CMO) 4.500% 12/25/25 | | 09/01/2009 | Paydown | | 60,235 | 60,235 | 60,536 | 60,118 | 0 | 118 | 0 | 118 | 0 | 60,235 | 0 | 0 | 0 | 2,033 | 05/25/2010 | 1 |
| 31393A-G2-7 | FNMA 2003-24 LC (CMO) PAC 5.000% 12/25/15 | | 07/01/2009 | Paydown | | 49,525 | 49,525 | 49,525 | 49,525 | 0 | 0 | 0 | 0 | 0 | 49,525 | 0 | 0 | 0 | 1,444 | 12/25/2015 | 1 |
| 31393A-G2-7 | FNMA 2003-24 LC (CMO) PAC 5.000% 12/25/15 | | 08/01/2009 | Paydown | | 53,212 | 53,212 | 53,212 | 53,212 | 0 | 0 | 0 | 0 | 0 | 53,212 | 0 | 0 | 0 | 1,774 | 12/25/2015 | 1 |
| 31393A-G2-7 | FNMA 2003-24 LC (CMO) PAC 5.000% 12/25/15 | | 09/01/2009 | Paydown | | 40,875 | 40,875 | 40,875 | 40,875 | 0 | 0 | 0 | 0 | 0 | 40,875 | 0 | 0 | 0 | 1,533 | 12/25/2015 | 1 |
| 31393H-UF-7 | FHLMC 2548 HA (CMO) 4.500% 01/15/10 | | 07/01/2009 | Paydown | | 24,609 | 24,609 | 24,566 | 24,566 | 0 | 43 | 0 | 43 | 0 | 24,609 | 0 | 0 | 0 | 646 | 01/15/2010 | 1 |
| 31393K-F7-5 | FHLMC 2572 HG (CMO) 4.500% 02/15/17 | | 07/01/2009 | Paydown | | 20,262 | 20,262 | 20,072 | 20,167 | 0 | 95 | 0 | 95 | 0 | 20,262 | 0 | 0 | 0 | 532 | 02/15/2017 | 1 |
| 31393K-F7-5 | FHLMC 2572 HG (CMO) 4.500% 02/15/17 | | 08/01/2009 | Paydown | | 17,857 | 17,857 | 17,689 | 17,773 | 0 | 84 | 0 | 84 | 0 | 17,857 | 0 | 0 | 0 | 536 | 02/15/2017 | 1 |
| 31393K-F7-5 | FHLMC 2572 HG (CMO) 4.500% 02/15/17 | | 09/01/2009 | Paydown | | 16,260 | 16,260 | 16,107 | 16,184 | 0 | 76 | 0 | 76 | 0 | 16,260 | 0 | 0 | 0 | 549 | 02/15/2017 | 1 |
| 31393K-FA-8 | FHLMC 2572 HK (CMO) 4.000% 02/15/17 | | 07/01/2009 | Paydown | | 20,262 | 20,262 | 20,157 | 20,198 | 0 | 63 | 0 | 63 | 0 | 20,262 | 0 | 0 | 0 | 473 | 02/15/2017 | 1 |
| 31393K-FA-8 | FHLMC 2572 HK (CMO) 4.000% 02/15/17 | | 08/01/2009 | Paydown | | 17,857 | 17,857 | 17,765 | 17,801 | 0 | 56 | 0 | 56 | 0 | 17,857 | 0 | 0 | 0 | 476 | 02/15/2017 | 1 |
| 31393K-FA-8 | FHLMC 2572 HK (CMO) 4.000% 02/15/17 | | 09/01/2009 | Paydown | | 16,260 | 16,260 | 16,176 | 16,209 | 0 | 51 | 0 | 51 | 0 | 16,260 | 0 | 0 | 0 | 488 | 02/15/2017 | 1 |
| 31393K-G6-6 | FHLMC 2572 LF (CMO) 5.500% 07/15/27 | | 07/01/2009 | Paydown | | 100,845 | 100,845 | 106,328 | 101,352 | 0 | (507) | 0 | (507) | 0 | 100,845 | 0 | 0 | 0 | 3,235 | 06/15/2010 | 1 |
| 31393L-MY-6 | FHLMC 2564 OR (CMO) 4.500% 02/15/26 | | 07/01/2009 | Paydown | | 91,554 | 91,554 | 92,770 | 91,590 | 0 | (37) | 0 | (37) | 0 | 91,554 | 0 | 0 | 0 | 2,403 | 08/15/2010 | 1 |
| 31395W-WF-0 | FHLMC 3012 TM (CMO) 4.500% 03/15/25 | | 07/01/2009 | Paydown | | 20,154 | 20,154 | 20,100 | 20,113 | 0 | 41 | 0 | 41 | 0 | 20,154 | 0 | 0 | 0 | 529 | 03/15/2025 | 1 |
| 31395W-WF-0 | FHLMC 3012 TM (CMO) 4.500% 03/15/25 | | 08/01/2009 | Paydown | | 20,049 | 20,049 | 19,996 | 20,009 | 0 | 41 | 0 | 41 | 0 | 20,049 | 0 | 0 | 0 | 601 | 03/15/2025 | 1 |
| 31395W-WF-0 | FHLMC 3012 TM (CMO) 4.500% 03/15/25 | | 09/01/2009 | Paydown | | 19,945 | 19,945 | 19,892 | 19,905 | 0 | 40 | 0 | 40 | 0 | 19,945 | 0 | 0 | 0 | 673 | 03/15/2025 | 1 |
| 31402Q-R6-0 | FNMA Pool 735009 (MBS) 5.000% 05/01/19 | | 07/01/2009 | Paydown | | 17,862 | 17,862 | 17,549 | 17,579 | 0 | 283 | 0 | 283 | 0 | 17,862 | 0 | 0 | 0 | 521 | 05/01/2019 | 1 |
| 31402Q-R6-0 | FNMA Pool 735009 (MBS) 5.000% 05/01/19 | | 08/01/2009 | Paydown | | 16,145 | 16,145 | 15,862 | 15,889 | 0 | 256 | 0 | 256 | 0 | 16,145 | 0 | 0 | 0 | 538 | 05/01/2019 | 1 |
| 31402Q-R6-0 | FNMA Pool 735009 (MBS) 5.000% 05/01/19 | | 09/01/2009 | Paydown | | 15,266 | 15,266 | 14,999 | 15,025 | 0 | 242 | 0 | 242 | 0 | 15,266 | 0 | 0 | 0 | 572 | 05/01/2019 | 1 |
| 31407N-FK-4 | FNMA Pool 835470 (MBS) 5.000% 09/01/20 | | 07/01/2009 | Paydown | | 22,448 | 22,448 | 21,992 | 22,033 | 0 | 414 | 0 | 414 | 0 | 22,448 | 0 | 0 | 0 | 655 | 09/01/2020 | 1 |
| 31407N-FK-4 | FNMA Pool 835470 (MBS) 5.000% 09/01/20 | | 08/01/2009 | Paydown | | 18,306 | 18,306 | 17,934 | 17,968 | 0 | 338 | 0 | 338 | 0 | 18,306 | 0 | 0 | 0 | 610 | 09/01/2020 | 1 |
| 31407N-FK-4 | FNMA Pool 835470 (MBS) 5.000% 09/01/20 | | 09/01/2009 | Paydown | | 28,549 | 28,549 | 27,969 | 28,022 | 0 | 527 | 0 | 527 | 0 | 28,549 | 0 | 0 | 0 | 1,071 | 09/01/2020 | 1 |
| 31407S-GA-4 | FNMA Pool 839093 (MBS) 5.000% 10/01/20 | | 07/01/2009 | Paydown | | 22,454 | 22,454 | 22,016 | 22,036 | 0 | 419 | 0 | 419 | 0 | 22,454 | 0 | 0 | 0 | 655 | 10/01/2020 | 1 |
| 31407S-GA-4 | FNMA Pool 839093 (MBS) 5.000% 10/01/20 | | 08/01/2009 | Paydown | | 10,973 | 10,973 | 10,759 | 10,768 | 0 | 205 | 0 | 205 | 0 | 10,973 | 0 | 0 | 0 | 366 | 10/01/2020 | 1 |
| 31407S-GA-4 | FNMA Pool 839093 (MBS) 5.000% 10/01/20 | | 09/01/2009 | Paydown | | 8,084 | 8,084 | 7,926 | 7,933 | 0 | 151 | 0 | 151 | 0 | 8,084 | 0 | 0 | 0 | 303 | 10/01/2020 | 1 |
| 31410X-VR-4 | FNMA Pool 900724 (MBS) 5.500% 08/01/21 | | 07/01/2009 | Paydown | | 22,133 | 22,133 | 22,135 | 22,129 | 0 | 4 | 0 | 4 | 0 | 22,133 | 0 | 0 | 0 | 710 | 08/01/2021 | 1 |
| 31410X-VR-4 | FNMA Pool 900724 (MBS) 5.500% 08/01/21 | | 08/01/2009 | Paydown | | 13,200 | 13,200 | 13,201 | 13,198 | 0 | 2 | 0 | 2 | 0 | 13,200 | 0 | 0 | 0 | 484 | 08/01/2021 | 1 |
| 31410X-VR-4 | FNMA Pool 900724 (MBS) 5.500% 08/01/21 | | 09/01/2009 | Paydown | | 14,587 | 14,587 | 14,588 | 14,585 | 0 | 3 | 0 | 3 | 0 | 14,587 | 0 | 0 | 0 | 602 | 08/01/2021 | 1 |
| 31412M-X4-5 | FNMA Pool 929599 MBS 5.500% 06/01/38 | | 07/01/2009 | Paydown | | 30,108 | 30,108 | 30,465 | 30,462 | 0 | (354) | 0 | (354) | 0 | 30,108 | 0 | 0 | 0 | 966 | 06/01/2038 | 1 |
| 31412M-X4-5 | FNMA Pool 929599 MBS 5.500% 06/01/38 | | 08/01/2009 | Paydown | | 2,470 | 2,470 | 2,499 | 2,499 | 0 | (29) | 0 | (29) | 0 | 2,470 | 0 | 0 | 0 | 91 | 06/01/2038 | 1 |
| 31412M-X4-5 | FNMA Pool 929599 MBS 5.500% 06/01/38 | | 09/01/2009 | Paydown | | 28,157 | 28,157 | 28,491 | 28,488 | 0 | (331) | 0 | (331) | 0 | 28,157 | 0 | 0 | 0 | 1,161 | 06/01/2038 | 1 |
| 31412U-MN-7 | FNMA Pool 935165 MBS 5.000% 05/01/24 | | 07/01/2009 | Paydown | | 16,665 | 16,665 | 17,123 | 0 | 0 | (458) | 0 | (458) | 0 | 16,665 | 0 | 0 | 0 | 69 | 05/01/2024 | 1 |
| 31412U-MN-7 | FNMA Pool 935165 MBS 5.000% 05/01/24 | | 08/01/2009 | Paydown | | 16,074 | 16,074 | 16,516 | 0 | 0 | (442) | 0 | (442) | 0 | 16,074 | 0 | 0 | 0 | 134 | 05/01/2024 | 1 |
| 31412U-MN-7 | FNMA Pool 935165 MBS 5.000% 05/01/24 | | 09/01/2009 | Paydown | | 15,797 | 15,797 | 16,231 | 0 | 0 | (434) | 0 | (434) | 0 | 15,797 | 0 | 0 | 0 | 197 | 05/01/2024 | 1 |
| 31414F-K9-1 | FNMA Pool 964820 MBS 5.000% 08/01/23 | | 07/01/2009 | Paydown | | 62,700 | 62,700 | 63,288 | 63,273 | 0 | (573) | 0 | (573) | 0 | 62,700 | 0 | 0 | 0 | 1,829 | 08/01/2023 | 1 |
| 31414F-K9-1 | FNMA Pool 964820 MBS 5.000% 08/01/23 | | 08/01/2009 | Paydown | | 86,469 | 86,469 | 87,280 | 87,259 | 0 | (790) | 0 | (790) | 0 | 86,469 | 0 | 0 | 0 | 2,882 | 08/01/2023 | 1 |
| 31414F-K9-1 | FNMA Pool 964820 MBS 5.000% 08/01/23 | | 09/01/2009 | Paydown | | 59,166 | 59,166 | 59,721 | 59,707 | 0 | (541) | 0 | (541) | 0 | 59,166 | 0 | 0 | 0 | 2,219 | 08/01/2023 | 1 |
| 31415S-M4-1 | FNMA Pool 987879 MBS 5.500% 09/01/38 | | 06/30/2009 | Chase Securities | | 3,427,350 | 3,311,449 | 3,327,489 | 3,327,373 | 0 | 0 | 0 | 0 | 0 | 3,327,373 | 0 | 99,977 | 99,977 | 97,136 | 09/01/2038 | 1 |
| 31415S-M4-1 | FNMA Pool 987879 MBS 5.500% 09/01/38 | | 07/01/2009 | Chase Securities | | (3,484,662) | (3,366,824) | (3,383,132) | (3,383,014) | 0 | 0 | 0 | 0 | 0 | (3,383,014) | 0 | (101,649) | (101,649) | (6,173) | 09/01/2038 | 1 |
| 31415S-M4-1 | FNMA Pool 987879 MBS 5.500% 09/01/38 | | 07/01/2009 | Paydown | | 55,374 | 55,374 | 55,643 | 55,641 | 0 | (266) | 0 | (266) | 0 | 55,374 | 0 | 0 | 0 | 16,954 | 09/01/2038 | 1 |
| 31415W-BA-0 | FNMA Pool 991133 MBS 4.500% 01/01/39 | | 07/01/2009 | Paydown | | 67,671 | 67,671 | 69,500 | 0 | 0 | (1,829) | 0 | (1,829) | 0 | 67,671 | 0 | 0 | 0 | 1,523 | 01/01/2039 | 1 |
| 31415W-BA-0 | FNMA Pool 991133 MBS 4.500% 01/01/39 | | 08/01/2009 | Paydown | | 28,478 | 28,478 | 29,248 | 0 | 0 | (770) | 0 | (770) | 0 | 28,478 | 0 | 0 | 0 | 748 | 01/01/2039 | 1 |
| 31415W-BA-0 | FNMA Pool 991133 MBS 4.500% 01/01/39 | | 09/01/2009 | Paydown | | 15,930 | 15,930 | 16,361 | 0 | 0 | (431) | 0 | (431) | 0 | 15,930 | 0 | 0 | 0 | 478 | 01/01/2039 | 1 |
| 31415Y-WZ-8 | FNMA Pool 993564 MBS 4.500% 04/01/24 | | 07/01/2009 | Paydown | | 4,820 | 4,820 | 4,970 | 0 | 0 | (151) | 0 | (151) | 0 | 4,820 | 0 | 0 | 0 | 36 | 04/01/2024 | 1 |
| 31415Y-WZ-8 | FNMA Pool 993564 MBS 4.500% 04/01/24 | | 08/01/2009 | Paydown | | 11,611 | 11,611 | 11,974 | 0 | 0 | (363) | 0 | (363) | 0 | 11,611 | 0 | 0 | 0 | 131 | 04/01/2024 | 1 |
| 31415Y-WZ-8 | FNMA Pool 993564 MBS 4.500% 04/01/24 | | 09/01/2009 | Paydown | | 5,417 | 5,417 | 5,586 | 0 | 0 | (169) | 0 | (169) | 0 | 5,417 | 0 | 0 | 0 | 81 | 04/01/2024 | 1 |
| 31416A-7A-2 | FNMA Pool 994689 MBS 5.000% 02/01/39 | | 07/01/2009 | Paydown | | 2,808 | 2,808 | 2,862 | 0 | 0 | (54) | 0 | (54) | 0 | 2,808 | 0 | 0 | 0 | 47 | 02/01/2039 | 1 |
| 31416A-7A-2 | FNMA Pool 994689 MBS 5.000% 02/01/39 | | 08/01/2009 | Paydown | | 24,782 | 24,782 | 25,255 | 0 | 0 | (472) | 0 | (472) | 0 | 24,782 | 0 | 0 | 0 | 516 | 02/01/2039 | 1 |
| 31416A-7A-2 | FNMA Pool 994689 MBS 5.000% 02/01/39 | | 09/01/2009 | Paydown | | 21,237 | 21,237 | 21,642 | 0 | 0 | (405) | 0 | (405) | 0 | 21,237 | 0 | 0 | 0 | 531 | 02/01/2039 | 1 |
| 31416L-QY-5 | FNMA Pool AA3170 MBS 4.500% 04/01/24 | | 07/01/2009 | Paydown | | 7,467 | 7,467 | 7,733 | 0 | 0 | (266) | 0 | (266) | 0 | 7,467 | 0 | 0 | 0 | 84 | 04/01/2024 | 1 |
| 31416L-QY-5 | FNMA Pool AA3170 MBS 4.500% 04/01/24 | | 08/01/2009 | Paydown | | 14,595 | 14,595 | 15,115 | 0 | 0 | (520) | 0 | (520) | 0 | 14,595 | 0 | 0 | 0 | 219 | 04/01/2024 | 1 |
| 31416L-QY-5 | FNMA Pool AA3170 MBS 4.500% 04/01/24 | | 09/01/2009 | Paydown | | 7,470 | 7,470 | 7,736 | 0 | 0 | (266) | 0 | (266) | 0 | 7,470 | 0 | 0 | 0 | 140 | 04/01/2024 | 1 |
| 31416S-M2-4 | FNMA Pool AA8476 MBS 5.000% 06/01/24 | | 07/01/2009 | UBS Sec/Warburg Dillion | | 2,639,942 | 2,538,406 | 2,639,942 | 0 | 0 | 0 | 0 | 0 | 0 | 2,639,942 | 0 | 0 | 0 | 5,288 | 06/01/2024 | 1 |
| 31416S-M2-4 | FNMA Pool AA8476 MBS 5.000% 06/01/24 | | 08/01/2009 | Paydown | | 10,868 | 10,868 | 11,303 | 0 | 0 | (435) | 0 | (435) | 0 | 10,868 | 0 | 0 | 0 | 45 | 06/01/2024 | 1 |
| 31416S-M2-4 | FNMA Pool AA8476 MBS 5.000% 06/01/24 | | 09/01/2009 | Paydown | | 11,506 | 11,506 | 11,966 | 0 | 0 | (460) | 0 | (460) | 0 | 11,506 | 0 | 0 | 0 | 96 | 06/01/2024 | 1 |

# SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change In Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Ident-ification | Description | For-eign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consid-eration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amor-tization)/ Accretion | Current Year's Other Than Temporary Impairment Recog-nized | Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13) | Total Foreign Exchange Change in Book /Adjusted Carrying Value | 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 DuringYear | Maturity Date | NAIC Desig-nation or Market In-dicator (a) |
| 31416S-QC-8 | FNMA POOL AA8550 MBS 4.500% 07/01/24 | | 08/01/2009 | Paydown | | 40,848 | 40,848 | 41,933 | 0 | 0 | (1,085) | 0 | (1,085) | 0 | 40,848 | 0 | 0 | 0 | 153 | 07/01/2024 | 1 |
| 31416S-QC-8 | FNMA POOL AA8550 MBS 4.500% 07/01/24 | | 09/01/2009 | Paydown | | 36,433 | 36,433 | 37,401 | 0 | 0 | (968) | 0 | (968) | 0 | 36,433 | 0 | 0 | 0 | 273 | 07/01/2024 | 1 |
| 31416T-2S-7 | FNMA Pool AA9784 MBS 5.000% 07/01/24 | | 07/01/2009 | UBS Sec/Warburg Dillion | | 3,414,363 | 3,287,981 | 3,414,363 | 0 | 0 | 0 | 0 | 0 | 0 | 3,414,363 | 0 | 0 | 0 | 6,850 | 07/01/2024 | 1 |
| 31416T-2S-7 | FNMA Pool AA9784 MBS 5.000% 07/01/24 | | 08/01/2009 | Paydown | | 15,402 | 15,402 | 15,994 | 0 | 0 | (592) | 0 | (592) | 0 | 15,402 | 0 | 0 | 0 | 64 | 07/01/2024 | 1 |
| 31416T-2S-7 | FNMA Pool AA9784 MBS 5.000% 07/01/24 | | 09/01/2009 | Paydown | | 13,533 | 13,533 | 14,054 | 0 | 0 | (520) | 0 | (520) | 0 | 13,533 | 0 | 0 | 0 | 113 | 07/01/2024 | 1 |
| 38373M-J2-7 | GNMA 2007-52 A CMO 4.054% 01/16/48 | | 07/01/2009 | Paydown | | 2,098 | 2,098 | 2,038 | 2,041 | 0 | 57 | 0 | 57 | 0 | 2,098 | 0 | 0 | 0 | 50 | 01/16/2048 | 1 |
| 38373M-J2-7 | GNMA 2007-52 A CMO 4.054% 01/16/48 | | 08/01/2009 | Paydown | | 4,625 | 4,625 | 4,491 | 4,499 | 0 | 126 | 0 | 126 | 0 | 4,625 | 0 | 0 | 0 | 125 | 01/16/2048 | 1 |
| 38373M-J2-7 | GNMA 2007-52 A CMO 4.054% 01/16/48 | | 09/01/2009 | Paydown | | 18,609 | 18,609 | 18,070 | 18,102 | 0 | 507 | 0 | 507 | 0 | 18,609 | 0 | 0 | 0 | 566 | 01/16/2048 | 1 |
| 3199999. Bonds - U.S. Special Revenues | | | | | | 10,712,671 | 10,489,541 | 10,832,474 | 3,791,581 | 0 | (60,317) | 0 | (60,317) | 0 | 10,717,386 | 0 | (4,717) | (4,717) | 372,203 | XXX | XXX |
| 030615-AC-2 | Americredit Prime Auto 2007-1 A3 ABS 5.270% 11/08/11 | | 07/08/2009 | Paydown | | 91,621 | 91,621 | 91,907 | 91,693 | 0 | (72) | 0 | (72) | 0 | 91,621 | 0 | 0 | 0 | 2,817 | 10/08/2009 | 1FE |
| 030615-AC-2 | Americredit Prime Auto 2007-1 A3 ABS 5.270% 11/08/11 | | 08/08/2009 | Paydown | | 88,931 | 88,931 | 89,209 | 89,002 | 0 | (70) | 0 | (70) | 0 | 88,931 | 0 | 0 | 0 | 3,124 | 10/08/2009 | 1FE |
| 030615-AC-2 | Americredit Prime Auto 2007-1 A3 ABS 5.270% 11/08/11 | | 09/08/2009 | Paydown | | 86,397 | 86,397 | 86,667 | 86,465 | 0 | (68) | 0 | (68) | 0 | 86,397 | 0 | 0 | 0 | 3,415 | 10/08/2009 | 1FE |
| 079860-AF-9 | Bellsouth Corporation Corporate Note Cont Callable 4.200% 09/15/09 | | 09/15/2009 | Maturity | | 1,750,000 | 1,750,000 | 1,759,196 | 1,755,515 | 0 | (5,515) | 0 | (5,515) | 0 | 1,750,000 | 0 | 0 | 0 | 73,500 | 09/15/2009 | 1FE |
| 1248MB-AG-0 | Credit Based Asset Serv 2007-CB2 A2A ABS 5.891% 02/25/37 | | 07/01/2009 | Paydown | | 29,504 | 29,504 | 23,637 | 29,421 | 0 | 6,557 | 6,475 | 82 | 0 | 29,504 | 0 | 0 | 0 | 1,014 | 02/25/2037 | 4FE |
| 1248MB-AG-0 | Credit Based Asset Serv 2007-CB2 A2A ABS 5.891% 02/25/37 | | 08/01/2009 | Paydown | | 30,633 | 30,633 | 24,542 | 30,547 | 0 | 6,808 | 6,723 | 85 | 0 | 30,633 | 0 | 0 | 0 | 1,202 | 02/25/2037 | 4FE |
| 1248MB-AG-0 | Credit Based Asset Serv 2007-CB2 A2A ABS 5.891% 02/25/37 | | 09/01/2009 | Paydown | | 29,712 | 29,712 | 23,804 | 29,629 | 0 | 6,604 | 6,521 | 83 | 0 | 29,712 | 0 | 0 | 0 | 1,310 | 02/25/2037 | 4FE |
| 1248MB-AG-0 | Credit Based Asset Serv 2007-CB2 A2A ABS 5.891% 02/25/37 | | 09/25/2009 | Deutsche Bank | | 434,027 | 511,372 | 409,681 | 509,939 | 0 | 12,465 | 112,223 | (99,758) | 0 | 410,181 | 0 | 23,847 | 23,847 | 24,969 | 02/25/2037 | 4FE |
| 12628K-AA-0 | CSAB Mtg 2006-3 A1A ABS 6.000% 11/25/36 | | 07/01/2009 | Paydown | | 20,661 | 20,661 | 17,818 | 20,606 | 0 | 3,548 | 3,494 | 54 | 0 | 20,661 | 0 | 0 | 0 | 723 | 11/25/2036 | 2FE |
| 12628K-AA-0 | CSAB Mtg 2006-3 A1A ABS 6.000% 11/25/36 | | 08/01/2009 | Paydown | | 12,515 | 12,515 | 10,792 | 12,481 | 0 | 2,149 | 2,116 | 33 | 0 | 12,515 | 0 | 0 | 0 | 501 | 11/25/2036 | 2FE |
| 12628K-AA-0 | CSAB Mtg 2006-3 A1A ABS 6.000% 11/25/36 | | 09/01/2009 | Paydown | | 11,974 | 11,974 | 10,326 | 11,942 | 0 | 2,056 | 2,025 | 31 | 0 | 11,974 | 0 | 0 | 0 | 539 | 11/25/2036 | 2FE |
| 12628K-AA-0 | CSAB Mtg 2006-3 A1A ABS 6.000% 11/25/36 | | 09/29/2009 | CS First Boston Corp | | 104,487 | 189,976 | 163,833 | 189,471 | 0 | 6,618 | 32,123 | (25,505) | 0 | 163,967 | 0 | (59,480) | (59,480) | 9,467 | 11/25/2036 | 2FE |
| 126650-AU-4 | CVS Corp Corporate Note Cont Callable 4.000% 09/15/09 | | 09/15/2009 | Maturity | | 300,000 | 300,000 | 296,475 | 298,628 | 0 | 1,372 | 0 | 1,372 | 0 | 300,000 | 0 | 0 | 0 | 12,000 | 09/15/2009 | 2FE |
| 14312T-AC-4 | Carmax Auto Own 2007-2 A3 ABS 5.230% 12/15/11 | | 07/15/2009 | Paydown | | 20,117 | 20,117 | 20,113 | 20,115 | 0 | 1 | 0 | 1 | 0 | 20,117 | 0 | 0 | 0 | 614 | 12/15/2011 | 1FE |
| 14312T-AC-4 | Carmax Auto Own 2007-2 A3 ABS 5.230% 12/15/11 | | 08/15/2009 | Paydown | | 20,437 | 20,437 | 20,433 | 20,436 | 0 | 1 | 0 | 1 | 0 | 20,437 | 0 | 0 | 0 | 713 | 12/15/2011 | 1FE |
| 14312T-AC-4 | Carmax Auto Own 2007-2 A3 ABS 5.230% 12/15/11 | | 09/15/2009 | Paydown | | 19,927 | 19,927 | 19,923 | 19,926 | 0 | 1 | 0 | 1 | 0 | 19,927 | 0 | 0 | 0 | 782 | 12/15/2011 | 1FE |
| 20030N-AN-1 | Comcast Corp Note Cont Call Adj 0.805% 07/14/09 | | 07/14/2009 | Maturity | | 1,100,000 | 1,100,000 | 1,094,419 | 1,098,282 | 0 | 1,718 | 0 | 1,718 | 0 | 1,100,000 | 0 | 0 | 0 | 22,405 | 07/14/2009 | 2FE |
| 36962G-R4-8 | GE Cap Corp Corp Note Non Call 4.125% 09/01/09 | | 09/01/2009 | Maturity | | 1,475,000 | 1,475,000 | 1,458,188 | 1,469,231 | 0 | 5,769 | 0 | 5,769 | 0 | 1,475,000 | 0 | 0 | 0 | 60,844 | 09/01/2009 | 1FE |
| 40420Q-AN-9 | HSBC Bank USA Corporate Note - Non Call 3.875% 09/15/09 | | 09/15/2009 | Maturity | | 900,000 | 900,000 | 867,879 | 892,031 | 0 | 7,969 | 0 | 7,969 | 0 | 900,000 | 0 | 0 | 0 | 34,875 | 09/15/2009 | 1FE |
| 466302-AA-4 | JP Morgan Chase 2006-S4 A1A CMO 5.440% 12/25/36 | | 07/25/2009 | Paydown | | 24,294 | 24,294 | 21,662 | 24,293 | 0 | 3,896 | 3,895 | 1 | 0 | 24,294 | 0 | 0 | 0 | 771 | 12/25/2036 | 1FE |
| 466302-AA-4 | JP Morgan Chase 2006-S4 A1A CMO 5.440% 12/25/36 | | 08/25/2009 | Paydown | | 34,067 | 34,067 | 30,377 | 34,066 | 0 | 5,463 | 5,462 | 1 | 0 | 34,067 | 0 | 0 | 0 | 1,236 | 12/25/2036 | 1FE |
| 466302-AA-4 | JP Morgan Chase 2006-S4 A1A CMO 5.440% 12/25/36 | | 09/25/2009 | Paydown | | 49,571 | 49,571 | 44,202 | 49,571 | 0 | 7,949 | 7,949 | 0 | 0 | 49,571 | 0 | 0 | 0 | 2,022 | 12/25/2036 | 1FE |
| 46630L-AA-2 | JP Morgan Mtg 2007-CH1 AF1A ABS 0.326% 11/25/36 | | 07/27/2009 | Paydown | | 10,577 | 10,577 | 9,501 | 10,577 | 0 | 1,604 | 1,604 | 0 | 0 | 10,577 | 0 | 0 | 0 | 31 | 11/25/2036 | 1FE |
| 46630L-AA-2 | JP Morgan Mtg 2007-CH1 AF1A ABS 0.326% 11/25/36 | | 08/25/2009 | Paydown | | 12,741 | 12,741 | 11,445 | 12,741 | 0 | 1,932 | 1,932 | 0 | 0 | 12,741 | 0 | 0 | 0 | 41 | 11/25/2036 | 1FE |
| 46630L-AA-2 | JP Morgan Mtg 2007-CH1 AF1A ABS 0.326% 11/25/36 | | 09/25/2009 | Paydown | | 8,253 | 8,253 | 7,414 | 8,253 | 0 | 1,251 | 1,251 | 0 | 0 | 8,253 | 0 | 0 | 0 | 29 | 11/25/2036 | 1FE |
| 52109R-BM-2 | LB UBS Comm Mtg Trust 2007 C7 CMO COMM 5.866% 09/15/45 | | 09/24/2009 | Morgan Stanley | | 464,280 | 535,000 | 457,820 | 0 | 0 | 2,335 | 0 | 2,335 | 0 | 460,155 | 0 | 4,125 | 4,125 | 12,030 | 09/15/2045 | 1FE |

# SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change In Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Ident-ification | Description | For-eign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consid-eration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amor-tization)/ Accretion | Current Year's Other Than Temporary Impairment Recog-nized | Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13) | Total Foreign Exchange Change in Book /Adjusted Carrying Value | 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 DuringYear | Maturity Date | NAIC Desig-nation or Market In-dicator (a) |
| 571834-AE-0 | Marshall & Ilsley Corp Corp Note Non Callable 4.375% 08/01/09 | | 08/01/2009 | Maturity | | 500,000 | 500,000 | 497,785 | 499,644 | 0 | 356 | 0 | 356 | 0 | 500,000 | 0 | 0 | 0 | 21,875 | 08/01/2009 | 2FE |
| 571834-AF-7 | Marshall & Ilsley Corp Corp Note Non Call 5.626% 08/17/09 | | 08/17/2009 | Maturity | | 470,000 | 470,000 | 470,940 | 470,306 | 0 | (306) | 0 | (306) | 0 | 470,000 | 0 | 0 | 0 | 26,589 | 08/17/2009 | 2FE |
| 59562V-AU-1 | MidAmerican Energy Corp Note MW 30 BP Priv Plc 3.150% 07/15/12 | | 09/23/2009 | Tax Free Exchange | | 1,199,676 | 1,200,000 | 1,199,652 | 0 | 0 | 24 | 0 | 24 | 0 | 1,199,676 | 0 | 0 | 0 | 7,980 | 07/15/2012 | 2FE |
| 61750W-AR-4 | Morgan Stanley Cap MSC 2006-IQ12 A1 CMBS 5.257% 12/15/43 | | 07/01/2009 | Paydown | | 9,512 | 9,512 | 9,536 | 9,512 | 0 | 0 | 0 | 0 | 0 | 9,512 | 0 | 0 | 0 | 292 | 10/15/2011 | 1FE |
| 61750W-AR-4 | Morgan Stanley Cap MSC 2006-IQ12 A1 CMBS 5.257% 12/15/43 | | 08/01/2009 | Paydown | | 8,341 | 8,341 | 8,362 | 8,340 | 0 | 0 | 0 | 0 | 0 | 8,341 | 0 | 0 | 0 | 292 | 10/15/2011 | 1FE |
| 61750W-AR-4 | Morgan Stanley Cap MSC 2006-IQ12 A1 CMBS 5.257% 12/15/43 | | 09/01/2009 | Paydown | | 8,535 | 8,535 | 8,556 | 8,534 | 0 | 0 | 0 | 0 | 0 | 8,535 | 0 | 0 | 0 | 337 | 10/15/2011 | 1FE |
| 75970H-AD-2 | Renaissance Home Equity 2006-4 AF1 ABS 5.545% 01/25/37 | | 07/01/2009 | Paydown | | 8,026 | 8,026 | 7,672 | 8,026 | 0 | 474 | 474 | 0 | 0 | 8,026 | 0 | 0 | 0 | 260 | 01/25/2037 | 1FE |
| 75970H-AD-2 | Renaissance Home Equity 2006-4 AF1 ABS 5.545% 01/25/37 | | 08/01/2009 | Paydown | | 14,042 | 14,042 | 13,422 | 14,042 | 0 | 829 | 829 | 0 | 0 | 14,042 | 0 | 0 | 0 | 519 | 01/25/2037 | 1FE |
| 75970H-AD-2 | Renaissance Home Equity 2006-4 AF1 ABS 5.545% 01/25/37 | | 09/01/2009 | Paydown | | 7,611 | 7,611 | 7,275 | 7,611 | 0 | 450 | 450 | 0 | 0 | 7,611 | 0 | 0 | 0 | 317 | 01/25/2037 | 1FE |
| 75971E-AE-6 | Renaissance Home Equity 2006-3 AF2 (ABS) 5.580% 11/25/36 | | 07/01/2009 | Paydown | | 9,961 | 9,961 | 8,425 | 9,927 | 0 | 1,604 | 1,570 | 34 | 0 | 9,961 | 0 | 0 | 0 | 324 | 11/25/2036 | 2FE |
| 75971E-AE-6 | Renaissance Home Equity 2006-3 AF2 (ABS) 5.580% 11/25/36 | | 08/01/2009 | Paydown | | 25,374 | 25,374 | 21,461 | 25,288 | 0 | 4,086 | 4,000 | 86 | 0 | 25,374 | 0 | 0 | 0 | 944 | 11/25/2036 | 2FE |
| 75971E-AE-6 | Renaissance Home Equity 2006-3 AF2 (ABS) 5.580% 11/25/36 | | 09/01/2009 | Paydown | | 20,289 | 20,289 | 17,160 | 20,220 | 0 | 3,267 | 3,198 | 69 | 0 | 20,289 | 0 | 0 | 0 | 849 | 11/25/2036 | 2FE |
| 75971E-AE-6 | Renaissance Home Equity 2006-3 AF2 (ABS) 5.580% 11/25/36 | | 09/25/2009 | Deutsche Bank | | 531,638 | 644,331 | 544,969 | 642,150 | 0 | 4,908 | 101,565 | (96,657) | 0 | 545,493 | 0 | (13,856) | (13,856) | 29,862 | 11/25/2036 | 2FE |
| 83612Q-AA-6 | Soundview Home Eq 2007-NS1 A1 ABS 0.366% 01/25/37 | | 07/27/2009 | Paydown | | 9,323 | 9,323 | 7,756 | 9,323 | 0 | 1,801 | 1,801 | 0 | 0 | 9,323 | 0 | 0 | 0 | 29 | 01/25/2037 | 2FE |
| 83612Q-AA-6 | Soundview Home Eq 2007-NS1 A1 ABS 0.366% 01/25/37 | | 08/25/2009 | Paydown | | 12,826 | 12,826 | 10,670 | 12,826 | 0 | 2,478 | 2,478 | 0 | 0 | 12,826 | 0 | 0 | 0 | 45 | 01/25/2037 | 2FE |
| 83612Q-AA-6 | Soundview Home Eq 2007-NS1 A1 ABS 0.366% 01/25/37 | | 09/25/2009 | Paydown | | 12,151 | 12,151 | 10,109 | 12,151 | 0 | 2,347 | 2,347 | 0 | 0 | 12,151 | 0 | 0 | 0 | 46 | 01/25/2037 | 2FE |
| 83612Q-AA-6 | Soundview Home Eq 2007-NS1 A1 ABS 0.366% 01/25/37 | | 09/29/2009 | Bank of America Sec | | 207,691 | 230,368 | 191,652 | 230,368 | 0 | 6,163 | 44,502 | (38,339) | 0 | 192,030 | 0 | 15,662 | 15,662 | 891 | 01/25/2037 | 2FE |
| 92979F-AD-2 | Wachovia Bank Mtg Tr 2007-C34 A3 CMBS 5.678% 07/15/17 | | 08/13/2009 | Bank of America Sec | | 617,756 | 705,000 | 602,197 | 0 | 0 | 2,069 | 0 | 2,069 | 0 | 604,266 | 0 | 13,491 | 13,491 | 11,898 | 07/15/2017 | 1FE |
| 931142-BE-2 | Walmart Stores Inc Corporate Bond 6.875% 08/10/09 | | 08/10/2009 | Maturity | | 1,500,000 | 1,500,000 | 1,560,826 | 1,505,592 | 0 | (5,592) | 0 | (5,592) | 0 | 1,500,000 | 0 | 0 | 0 | 103,125 | 08/10/2009 | 1FE |
| 3899999. Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 12,302,478 | 12,758,970 | 12,269,688 | 10,308,721 | 0 | 107,299 | 357,007 | (249,708) | 0 | 12,318,691 | 0 | (16,211) | (16,211) | 477,448 | XXX | XXX |
| 8399997. Total - Bonds - Part 4 | | | | | | 26,470,367 | 26,454,617 | 26,709,678 | 14,100,714 | 0 | 41,674 | 357,007 | (315,333) | 0 | 26,638,283 | 0 | (167,916) | (167,916) | 940,215 | XXX | XXX |
| 8399998. Total - Bonds - Part 5 | | | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 8399999. Total - Bonds | | | | | | 26,470,367 | 26,454,617 | 26,709,678 | 14,100,714 | 0 | 41,674 | 357,007 | (315,333) | 0 | 26,638,283 | 0 | (167,916) | (167,916) | 940,215 | XXX | XXX |
| 8999997. Total - Preferred Stocks - Part 4 | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX |
| 8999998. Total - Preferred Stocks - Part 5 | | | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 8999999. Total - Preferred Stocks | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX |
| 9799997. Total - Common Stocks - Part 4 | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX |
| 9799998. Total - Common Stocks - Part 5 | | | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 9799999. Total - Common Stocks | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX |
| 9899999. Total - Preferred and Common Stocks | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | XXX |
| 9999999 - Totals | | | | | | 26,470,367 | XXX | 26,709,678 | 14,100,714 | 0 | 41,674 | 357,007 | (315,333) | 0 | 26,638,283 | 0 | (167,916) | (167,916) | 940,215 | XXX | XXX |

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

Schedule DB - Part A - Section 1 - Options, Caps, Floors and Insurance Futures Options Owned

N O N E

Schedule DB - Part B - Section 1 - Options, Caps, Floors and Insurance Futures Options Written and In Force

N O N E

Schedule DB - Part C - Section 1 - Collar, Swap and Forwards Open

N O N E

Schedule DB - Part D - Section 1 - Futures Contracts and Insurance Futures Contracts Open

N O N E

# SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|---|---|---|---|---|---|---|---|---|
| | | | | | 6 | 7 | 8 | |
| Depository | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | First Month | Second Month | Third Month | * |
| JP Morgan Chase Chicago, IL | | | | | 224,275,938 | 224,362,375 | 158,782,457 | XXX |
| JP Morgan Chase New York, NY | | | | | 1,366,299 | 4,674,269 | 30,152,531 | XXX |
| State Street Bank Kansas City, MO | | | | | 14,954 | 0 | 0 | XXX |
| 0199998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories | XXX | XXX | | | | | | XXX |
| 0199999. Totals - Open Depositories | XXX | XXX | 0 | 0 | 225,657,191 | 229,036,644 | 188,934,988 | XXX |
| 0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories | XXX | XXX | | | | | | XXX |
| 0299999. Totals - Suspended Depositories | XXX | XXX | 0 | 0 | 0 | 0 | 0 | XXX |
| 0399999. Total Cash on Deposit | XXX | XXX | 0 | 0 | 225,657,191 | 229,036,644 | 188,934,988 | XXX |
| 0499999. Cash in Company's Office | XXX | XXX | XXX | XXX | | | | XXX |
| 0599999. Total - Cash | XXX | XXX | 0 | 0 | 225,657,191 | 229,036,644 | 188,934,988 | XXX |

# SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due and Accrued | 8<br>Amount Received During Year |
|---|---|---|---|---|---|---|---|
| US Treasury Bill | | 08/06/2009 | 0.170 | 11/05/2009 | 51,991,403 | 0 | 13,503 |
| 0199999. U.S. Governments - Issuer Obligations | | | | | 51,991,403 | 0 | 13,503 |
| 0399999. Total - U.S. Government Bonds | | | | | 51,991,403 | 0 | 13,503 |
| 1099999. Total - All Other Government Bonds | | | | | 0 | 0 | 0 |
| 1799999. Total - U.S. States, Territories and Possessions Bonds | | | | | 0 | 0 | 0 |
| 2499999. Total - U.S. Political Subdivisions of States, Territories and Possessions Bonds | | | | | 0 | 0 | 0 |
| 3199999. Total - U.S. Special Revenues Bonds | | | | | 0 | 0 | 0 |
| 3899999. Total - Industrial and Miscellaneous Bonds (Unaffiliated) | | | | | 0 | 0 | 0 |
| 4199999. Total - Credit Tenant Loans | | | | | 0 | 0 | 0 |
| 4899999. Total - Hybrid Securities | | | | | 0 | 0 | 0 |
| 5599999. Total - Parent, Subsidiaries and Affiliates Bonds | | | | | 0 | 0 | 0 |
| 7799999. Total - Issuer Obligations | | | | | 51,991,403 | 0 | 13,503 |
| 7899999. Total - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | 0 | 0 | 0 |
| 7999999. Total - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | 0 | 0 | 0 |
| 8099999. Total - Other Multi-Class Residential Mortgage-Backed Securities | | | | | 0 | 0 | 0 |
| 8199999. Total - Defined Multi-Class Commercial Mortgage-Backed Securities | | | | | 0 | 0 | 0 |
| 8299999. Total - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities | | | | | 0 | 0 | 0 |
| 8399999. Total Bonds | | | | | 51,991,403 | 0 | 13,503 |
| 8699999 - Total Cash Equivalents | | | | | 51,991,403 | 0 | 13,503 |