

**QUARTERLY STATEMENT**

**OF THE**

**SeaBright Insurance Company**

**Of**

**Chicago**

**in the state of IL**

**to the Insurance Department**

**of the State of**

For the Period Ended

September 30, 2011

**2011**



# QUARTERLY STATEMENT

As of September 30, 2011  
of the Condition and Affairs of the

## SeaBright Insurance Company

NAIC Group Code.....	NAIC Company Code..... 15563	Employer's ID Number..... 43-1436329
(Current Period) (Prior Period)		
Organized under the Laws of Illinois	State of Domicile or Port of Entry Illinois	Country of Domicile US
Incorporated/Organized..... July 26, 1986	Commenced Business..... July 26, 1986	
Statutory Home Office	161 N. Clark Street, Suite 3525..... Chicago ..... IL ..... 60601 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	1501 4th Avenue, Suite 2600..... Seattle ..... WA ..... 98101 <i>(Street and Number) (City or Town, State and Zip Code)</i>	206-269-8500 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 91100..... Seattle ..... WA ..... 98111 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	1501 4th Avenue, Suite 2600..... Seattle ..... WA ..... 98101 <i>(Street and Number) (City or Town, State and Zip Code)</i>	206-269-8500 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.sbic.com	
Statutory Statement Contact	Nafeh Etemadi <i>(Name)</i> nafeh.etemadi@sbic.com <i>(E-Mail Address)</i>	206-269-8500 <i>(Area Code) (Telephone Number) (Extension)</i> 206-269-8904 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. Richard John Gergasko	President and Chief Operating Officer	2. Debra Drue Wax	Senior Vice President and Secretary
3. Neal Andrew Fuller #	Senior Vice President and Chief Financial Officer	4. John Gilbert Pasqualetto	Chief Executive Officer

### OTHER

Marc Burl Miller M.D.	Senior Vice President and Chief Medical Officer	Miles Philip Romney	Vice President and Principal Accounting Officer
Richard William Seelinger	Senior Vice President	Jeffrey Cass Wanamaker	Senior Vice President

### DIRECTORS OR TRUSTEES

Joseph Albert Edwards	William Morley Feldman	Mural Robert Josephson	George Michael Morvis
John Gilbert Pasqualetto	Michael Dennis Rice		

State of..... Washington  
County of..... King

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

_____ (Signature) Richard John Gergasko _____ 1. (Printed Name) President and Chief Operating Officer _____ (Title)	_____ (Signature) Debra Drue Wax _____ 2. (Printed Name) Senior Vice President and Secretary _____ (Title)	_____ (Signature) Neal Andrew Fuller _____ 3. (Printed Name) Senior Vice President and Chief Financial Officer _____ (Title)
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Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_

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

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	660,590,755		660,590,755	665,766,587
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....7,663,094), cash equivalents (\$.....11,496,254) and short-term investments (\$.....328).....	19,159,676		19,159,676	3,312,298
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....	3,415,430		3,415,430	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	683,165,861	0	683,165,861	669,078,885
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	6,293,291		6,293,291	7,084,720
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	12,805,735	3,214,169	9,591,566	6,335,777
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....345,802 earned but unbilled premiums).....	129,844,919	34,580	129,810,339	144,795,248
15.3 Accrued retrospective premiums.....	9,676,951	649,814	9,027,137	10,348,303
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,138,217		1,138,217	1,032,115
16.2 Funds held by or deposited with reinsured companies.....	4,647,404		4,647,404	4,420,290
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	13,153,150		13,153,150	7,937,483
18.2 Net deferred tax asset.....	32,531,505	8,129,000	24,402,505	24,016,283
19. Guaranty funds receivable or on deposit.....	231,466		231,466	349,089
20. Electronic data processing equipment and software.....	603,046	135,191	467,855	494,604
21. Furniture and equipment, including health care delivery assets (\$.....0).....	2,291,801	2,291,801	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	160,977		160,977	213,263
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	12,390,714	4,596,551	7,794,163	4,567,337
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	908,935,037	19,051,106	889,883,931	880,673,397
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	908,935,037	19,051,106	889,883,931	880,673,397

## DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Assessments receivable.....	4,611,603		4,611,603	3,818,323
2502. Private placement securities.....	2,000,000		2,000,000	
2503. Amounts receivable under high deductible policies.....	744,501		744,501	355,964
2598. Summary of remaining write-ins for Line 25 from overflow page.....	5,034,610	4,596,551	438,059	393,050
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	12,390,714	4,596,551	7,794,163	4,567,337

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$...81,962,845).....	319,202,569	289,713,350
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	95,419,373	94,856,005
4. Commissions payable, contingent commissions and other similar charges.....	12,201,303	13,483,230
5. Other expenses (excluding taxes, licenses and fees).....	3,854,254	4,248,176
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	5,926,152	5,944,986
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$...3,717,657 and including warranty reserves of \$.....0).....	123,660,821	139,986,949
10. Advance premium.....	179,177	362,234
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	389,894	615,919
12. Ceded reinsurance premiums payable (net of ceding commissions).....	7,505,137	6,516,194
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	304,543	306,242
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	747,000	747,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....	6,309,063	
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	25,063,221	22,559,307
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	600,762,507	579,339,592
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	600,762,507	579,339,592
29. Aggregate write-ins for special surplus funds.....	10,782,165	10,043,805
30. Common capital stock.....	3,500,000	3,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	12,000,000	12,000,000
34. Gross paid in and contributed surplus.....	166,343,564	166,343,564
35. Unassigned funds (surplus).....	96,495,695	109,446,436
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	289,121,424	301,333,805
38. Totals.....	889,883,931	880,673,397

## DETAILS OF WRITE-INS

2501. Accrued retrospective premiums payable.....	22,755,137	22,551,924
2502. Security deposits held.....	3,253,780	2,919,066
2503. Private placement securities.....	2,000,000	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(2,945,696)	(2,911,683)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	25,063,221	22,559,307
2901. SSAP 10R increase in admitted deferred tax asset.....	7,817,179	7,078,819
2902. Special surplus funds - KEIC.....	2,964,986	2,964,986
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	10,782,165	10,043,805
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$....194,140,522).....	209,771,015	204,614,106	277,032,545
1.2 Assumed..... (written \$....2,410,913).....	2,942,637	3,105,452	4,275,707
1.3 Ceded..... (written \$....29,349,677).....	29,901,799	16,360,503	26,982,776
1.4 Net..... (written \$....167,201,758).....	182,811,853	191,359,055	254,325,476
DEDUCTIONS:			
2. Losses incurred (current accident year \$....99,962,890):			
2.1 Direct.....	170,987,968	149,680,169	196,669,394
2.2 Assumed.....	2,137,329	2,288,576	3,150,342
2.3 Ceded.....	34,560,779	15,988,184	25,430,192
2.4 Net.....	138,564,518	135,980,561	174,389,544
3. Loss adjustment expenses incurred.....	24,457,851	35,836,619	46,894,106
4. Other underwriting expenses incurred.....	53,482,834	51,742,014	70,204,600
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	216,505,203	223,559,194	291,488,250
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(33,693,350)	(32,200,139)	(37,162,774)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	15,440,035	17,370,776	22,939,637
10. Net realized capital gains (losses) less capital gains tax of \$....232,190.....	431,213	14,286,926	15,266,508
11. Net investment gain (loss) (Lines 9 + 10).....	15,871,248	31,657,702	38,206,145
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....22,666 amount charged off \$....152,852).....	(130,186)	15,562	(530,063)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	(35,213)	11,495	(44,256)
15. Total other income (Lines 12 through 14).....	(165,399)	27,057	(574,319)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(17,987,501)	(515,380)	469,052
17. Dividends to policyholders.....		219,057	968,755
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(17,987,501)	(734,437)	(499,703)
19. Federal and foreign income taxes incurred.....	(7,007,909)	(4,787,894)	(6,457,281)
20. Net income (Line 18 minus Line 19) (to Line 22).....	(10,979,592)	4,053,457	5,957,578
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	301,333,805	306,910,602	306,910,602
22. Net income (from Line 20).....	(10,979,592)	4,053,457	5,957,578
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....		137,702	137,702
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	1,402,966	(2,069,739)	(2,936,354)
27. Change in nonadmitted assets.....	(3,374,115)	(553,283)	(821,426)
28. Change in provision for reinsurance.....			346,000
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....		(5,758,000)	(5,758,000)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	738,360	(2,445,186)	(2,502,297)
38. Change in surplus as regards policyholders (Lines 22 through 37).....	(12,212,381)	(6,635,049)	(5,576,797)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	289,121,424	300,275,553	301,333,805
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Miscellaneous income (expense).....	(35,213)	11,495	866
1402. Change in guaranteed reserves.....			(45,122)
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(35,213)	11,495	(44,256)
3701. Change in admitted deferred tax asset pursuant to SSAP 10R par. 10(e).....	738,360	(2,250,186)	(2,307,297)
3702. Prior year correction of bonus payable.....		(195,000)	(195,000)
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	738,360	(2,445,186)	(2,502,297)

## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	178,423,342	197,154,357	255,048,431
2. Net investment income.....	21,397,283	20,774,082	27,530,307
3. Miscellaneous income.....	(35,213)	11,495	866
4. Total (Lines 1 through 3).....	199,785,412	217,939,934	282,579,604
5. Benefit and loss related payments.....	109,664,728	90,110,650	126,147,448
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	75,926,185	72,773,866	96,374,054
8. Dividends paid to policyholders.....	226,025	386,447	1,218,801
9. Federal and foreign income taxes paid (recovered) net of \$.....232,190 tax on capital gains (losses).....	(1,560,052)		
10. Total (Lines 5 through 9).....	184,256,886	163,270,963	223,740,303
11. Net cash from operations (Line 4 minus Line 10).....	15,528,526	54,668,971	58,839,301
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	114,302,856	343,453,791	440,502,228
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	1,239	217	1,432
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	114,304,095	343,454,008	440,503,660
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	110,737,046	379,440,304	487,564,094
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	110,737,046	379,440,304	487,564,094
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	3,567,049	(35,986,296)	(47,060,434)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....		5,758,000	5,758,000
16.6 Other cash provided (applied).....	(3,248,197)	(3,462,861)	(5,822,762)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(3,248,197)	(9,220,861)	(11,580,762)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	15,847,378	9,461,814	198,105
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	3,312,298	3,114,193	3,114,193
19.2 End of period (Line 18 plus Line 19.1).....	19,159,676	12,576,007	3,312,298

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

20.0001 .....			
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**NOTES TO FINANCIAL STATEMENTS****Note 1 - Summary of Significant Accounting Policies**

## A. Accounting Practices

The accompanying financial statements of SeaBright Insurance Company (the Company) have been prepared in conformity with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*. The Company is domiciled in the State of Illinois.

**Note 2 - Accounting Changes and Corrections of Errors**

No significant change.

**Note 3 - Business Combinations and Goodwill**

No significant change.

**Note 4 - Discontinued Operations**

No significant change.

**Note 5 - Investments**

## D. Loan-Backed Securities

Prepayment assumptions for single based and multi-class mortgage-backed/asset-backed securities are based on Bloomberg information.

The Company's loan-backed securities in an unrealized loss position at September 30, 2011, are summarized as follows (in thousands):

<u>Less than 12 months</u>		<u>12 months or more</u>		<u>Total</u>	
<u>Market Value</u>	<u>Unrealized Loss</u>	<u>Market Value</u>	<u>Unrealized Loss</u>	<u>Market Value</u>	<u>Unrealized Loss</u>
\$8,706	\$(22)	\$699	\$(40)	\$9,405	\$(62)

The Company regularly reviews its investment portfolio to evaluate the necessity of recording impairment losses for other-than-temporary declines in the fair value of its investments. A number of criteria are considered during this process including, but not limited to: the current fair value as compared to amortized cost or cost, as appropriate, of the security; the length of time the security's fair value has been below amortized cost or cost; the likelihood that the Company will be required to sell the security before recovery of its cost basis; objective information supporting recovery in a reasonable period of time; specific credit issues related to the issuer; and current economic conditions. The Company has the ability and intent to hold impaired investments to maturity or for a period of time sufficient for recovery of their carrying amount. For the nine months ended September 30, 2011, the Company recognized no other-than-temporary impairment losses related to investments in debt securities.

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

**Note 7 - Investment Income**

No significant change.

**Note 8 - Derivative Instruments**

No significant change.

**Note 9 - Income Taxes**

No significant change.

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

## A. Nature of Relationships

The Company is a wholly owned subsidiary of SeaBright Holdings, Inc., a publicly traded company incorporated in the state of Delaware.

The Company places business through an affiliated broker, PointSure Insurance Services (PointSure).

The Company contracts with an affiliated company, Paladin Managed Care Services, Inc. (PMCS) (formerly known as Total Healthcare Management, Inc. or THM), to provide medical bill review and utilization review services to the Company. The corporate name change from THM to PMCS was effective May 11, 2011.

## **NOTES TO FINANCIAL STATEMENTS**

### **Note 11 - Debt**

No significant change.

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

No significant change.

### **Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No significant change.

### **Note 14 - Contingencies**

No significant change.

### **Note 15 - Leases**

No significant change.

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

No significant change.

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

- C. Wash Sales
- None

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

No significant change.

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

No significant change.

### **Note 20 - Fair Value**

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

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

The Company groups its financial assets and financial liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 — Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 consists of U.S. Treasury securities that are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 — Valuations for assets and liabilities traded in less active dealer or broker markets. Level 2 valuations are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market. Level 2 includes government sponsored agency securities, corporate fixed-income securities, municipal bonds, mortgage pass-through securities, collateralized mortgage obligations and asset-backed securities.

Level 3 — Valuations for assets and liabilities that are derived from other valuation methodologies, including discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

At September 30, 2011, the Company had no assets or liabilities measured at fair value in any category.

- 2. Rollforward of Level 3 Items

Not applicable; the Company has no assets or liabilities measured at fair value in the Level 3 category.

- 3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

**NOTES TO FINANCIAL STATEMENTS**

## 4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

Not applicable; the Company has no assets or liabilities measured at fair value in the Level 2 or Level 3 categories.

## C. Other Fair Value Disclosures

None

## D. Reasons Not Practical to Estimate Fair Values

None

**Note 21 - Other Items**

No significant change.

**Note 22 - Events Subsequent**

No significant change.

**Note 23 - Reinsurance**

## E. Commutation of Ceded Reinsurance

In the current year, the Company commuted the \$5M xs \$5M layer of the 2008-2009 reinsurance agreement. The Company recognized the amounts received from the reinsurers as a reduction of losses paid in the current year. At the time of the commutation, the Company had no ceded reserves associated with this layer. The net effect of the commutation was a decrease in incurred losses of approximately \$535,000.

**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No significant change.

**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

Activity in the liabilities for losses and loss adjustment expenses is summarized as follows:

	<b>Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
	(in thousands)	
Balance as of January 1, net of reinsurance recoverables of \$56,350 in 2011 and \$34,080 in 2010	\$384,569	\$317,811
Incurred related to:		
Current accident year	132,384	141,359
Prior accident years	30,638	30,458
Total incurred	<u>163,022</u>	<u>171,817</u>
Paid related to:		
Current year	(25,426)	(28,192)
Prior years	(107,543)	(81,924)
Total paid	<u>(132,969)</u>	<u>(110,116)</u>
Balance as of September 30, net of reinsurance recoverables of \$88,274 in 2011 and \$49,111 in 2010	<u>\$414,622</u>	<u>\$379,512</u>

As a result of changes in estimates of insured events in prior periods, unpaid loss and loss adjustment expenses increased by \$31.2 million due to development on previously reported claims during the first nine months of 2011, compared to \$30.5 million during the first nine months of 2010. This development related to prior accident years as follows:

<b>Accident year</b>	<b>Calendar year (first nine months)</b>	
	<b>2011</b>	<b>2010</b>
	Development (in thousands)	
2010	\$6,893	\$ —
2009	7,775	11,449
2008	8,394	10,145
2007	6,445	5,772
Prior	1,666	3,092
Total	<u>\$31,173</u>	<u>\$30,458</u>

The \$31.2 million of adverse development was offset by the \$535,000 commutation discussed above.

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## NOTES TO FINANCIAL STATEMENTS

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**Note 26 - Intercompany Pooling Arrangements**

No significant change.

**Note 27 - Structured Settlements**

No significant change.

**Note 28 - Health Care Receivables**

No significant change.

**Note 29 - Participating Policies**

No significant change.

**Note 30 - Premium Deficiency Reserves**

No significant change.

**Note 31 - High Deductibles**

No significant change.

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

No significant change.

**Note 33 - Asbestos/Environmental Reserves**

No significant change.

**Note 34 - Subscriber Savings Accounts**

No significant change.

**Note 35 - Multiple Peril Crop Insurance**

No significant change.

**Note 36 - Financial Guaranty Insurance**

B. Schedule of Insured Financial Obligations

None

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

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

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

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

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

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

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

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

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

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

\_\_\_\_\_

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010.....

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

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 7/21/2007.....

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 [ ] No [ X ]

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

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

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

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

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

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

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

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**FINANCIAL**

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

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

**INVESTMENT**

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$ .....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

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.

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

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

1	2
Name of Custodian(s)	Custodian Address
Wells Fargo Bank, N.A.	999 3rd Avenue, 14th Floor, Seattle WA 98104

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

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

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

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

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

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

1	2	3
Central Registration Depository	Name(s)	Address
107680	Prime Advisors, Inc.	22635 NE Marketplace Dr Ste 160 Redmond WA 98053

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

17.2 If no, list exceptions:

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**SeaBright Insurance Company**  
**GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

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

---

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

---

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

3.2 If yes, give full and complete information thereto:

---

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
						0				0
Total.....	XXX..	XXX.....	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent 0.0 %

5.2 A&H cost containment percent 0.0 %

5.3 A&H expense percent excluding cost containment expenses 0.0 %

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

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

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

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

**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3  Name of Reinsurer	4  Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
<b>U.S. Insurers</b>				
10033.....	87-0407018.....	Workers Compensation Fund of Utah.....	UT.....	NO.....

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	L	2,066,545	2,752,473	539,433	535,480	1,662,291	2,207,332
2. Alaska.....AK	L	8,531,227	9,223,343	6,567,022	5,374,088	13,092,539	21,069,406
3. Arizona.....AZ	L	2,114,494	3,875,330	1,664,048	2,654,297	4,682,958	7,167,377
4. Arkansas.....AR	L	5,969	381,167	99,723	110,189	51,281	189,399
5. California.....CA	L	96,829,290	93,681,690	52,838,143	38,403,937	261,285,200	146,517,539
6. Colorado.....CO	L	487,768	286,395	435,011	412,197	418,996	747,543
7. Connecticut.....CT	L	5,485,323	1,041,124	1,194,424	203,173	1,595,590	655,174
8. Delaware.....DE	L	737,066	331,948	564,445	520,021	1,372,190	2,297,973
9. District of Columbia.....DC	L	80,103	(2,340)	41,615	710	97,988	60,453
10. Florida.....FL	L	5,920,205	6,250,437	3,243,007	3,935,323	5,315,384	9,748,564
11. Georgia.....GA	L	906,618	263,196	583,875	186,064	728,899	786,380
12. Hawaii.....HI	L	3,348,120	4,613,465	2,727,233	3,101,279	7,782,423	10,657,335
13. Idaho.....ID	L	255,944	111,096	2,289		17,100	53,514
14. Illinois.....IL	L	630,691	1,742,245	11,205,064	8,757,309	16,472,128	25,700,499
15. Indiana.....IN	L	237,653	306,598	133,795	414,832	91,423	367,853
16. Iowa.....IA	L	6,026	(48,187)	79,782	25,710	32,939	197,794
17. Kansas.....KS	L	346,392	83,756	77,714	206,081	183,757	280,837
18. Kentucky.....KY	L	619,556	650,417	348,087	56,257	745,002	1,291,590
19. Louisiana.....LA	L	16,290,202	21,241,135	10,583,604	9,775,687	24,931,947	32,967,873
20. Maine.....ME	L	29,619	17,137	1,373		687	9,473
21. Maryland.....MD	L	1,133,101	957,857	685,393	296,797	1,335,224	934,618
22. Massachusetts.....MA	L	1,232,677	712,349	543,805	134,948	720,501	829,868
23. Michigan.....MI	L	385,651	249,101	166,892	71,258	182,621	381,466
24. Minnesota.....MN	L	808,993	200,303	232,907	139,765	64,434	309,963
25. Mississippi.....MS	L	2,282,677	1,513,508	554,552	427,478	993,325	1,925,143
26. Missouri.....MO	L	965,985	80,157	161,591	285,669	366,795	568,095
27. Montana.....MT	L	1,062,152	126,095	33,415	26,106	79,052	139,973
28. Nebraska.....NE	L	185,730	203,202	30,107	23,169	190,413	164,849
29. Nevada.....NV	L	861,521	1,304,809	793,689	1,451,823	1,554,055	2,985,993
30. New Hampshire.....NH	L	897,886	86,798	60,920		45,452	10,919
31. New Jersey.....NJ	L	7,350,262	6,184,419	2,178,723	1,282,092	4,356,634	4,210,370
32. New Mexico.....NM	L	365,475	536,380	322,899	303,488	842,146	1,199,406
33. New York.....NY	L	306,653	977,910	186,897	96,222	513,477	722,864
34. North Carolina.....NC	L	361,043	1,170,931	490,322	254,146	611,287	905,582
35. North Dakota.....ND	N						
36. Ohio.....OH	L	77,222	41,631			23,127	19,051
37. Oklahoma.....OK	L	657,452	889,236	316,227	160,184	265,768	381,171
38. Oregon.....OR	L	1,232,333	661,679	456,393	483,914	1,229,077	1,981,078
39. Pennsylvania.....PA	L	7,682,394	6,872,469	3,914,413	1,767,905	6,005,931	5,632,586
40. Rhode Island.....RI	L	902,890	104,554	73,061		307,058	26,158
41. South Carolina.....SC	L	652,206	796,308	726,744	430,301	3,556,224	1,228,085
42. South Dakota.....SD	L	43,132	50,883			90	8,040
43. Tennessee.....TN	L	928,171	712,408	367,665	207,213	976,381	1,200,858
44. Texas.....TX	L	8,331,921	10,180,886	4,196,547	3,346,123	8,630,811	14,256,881
45. Utah.....UT	L	692,169	385,774	170,878	164,160	117,743	532,518
46. Vermont.....VT	L	15,355	29,325		296		3,217
47. Virginia.....VA	L	261,322	88,880	302,094	81,734	336,895	823,386
48. Washington.....WA	L	9,081,077	7,935,501	2,988,884	4,115,161	12,439,778	14,688,962
49. West Virginia.....WV	L	178,943	34,152				4,067
50. Wisconsin.....WI	L	266,636	(27,518)	4,230	521	65,154	58,416
51. Wyoming.....WY	L						
52. American Samoa.....AS	N						
53. Guam.....GU	L	8,682					
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a).....51	194,140,522	189,862,412	112,888,935	90,223,107	386,370,175	319,107,491

**DETAILS OF WRITE-INS**

5801.....	XXX						
5802.....	XXX						
5803.....	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.....	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above).....	XXX	0	0	0	0	0	0

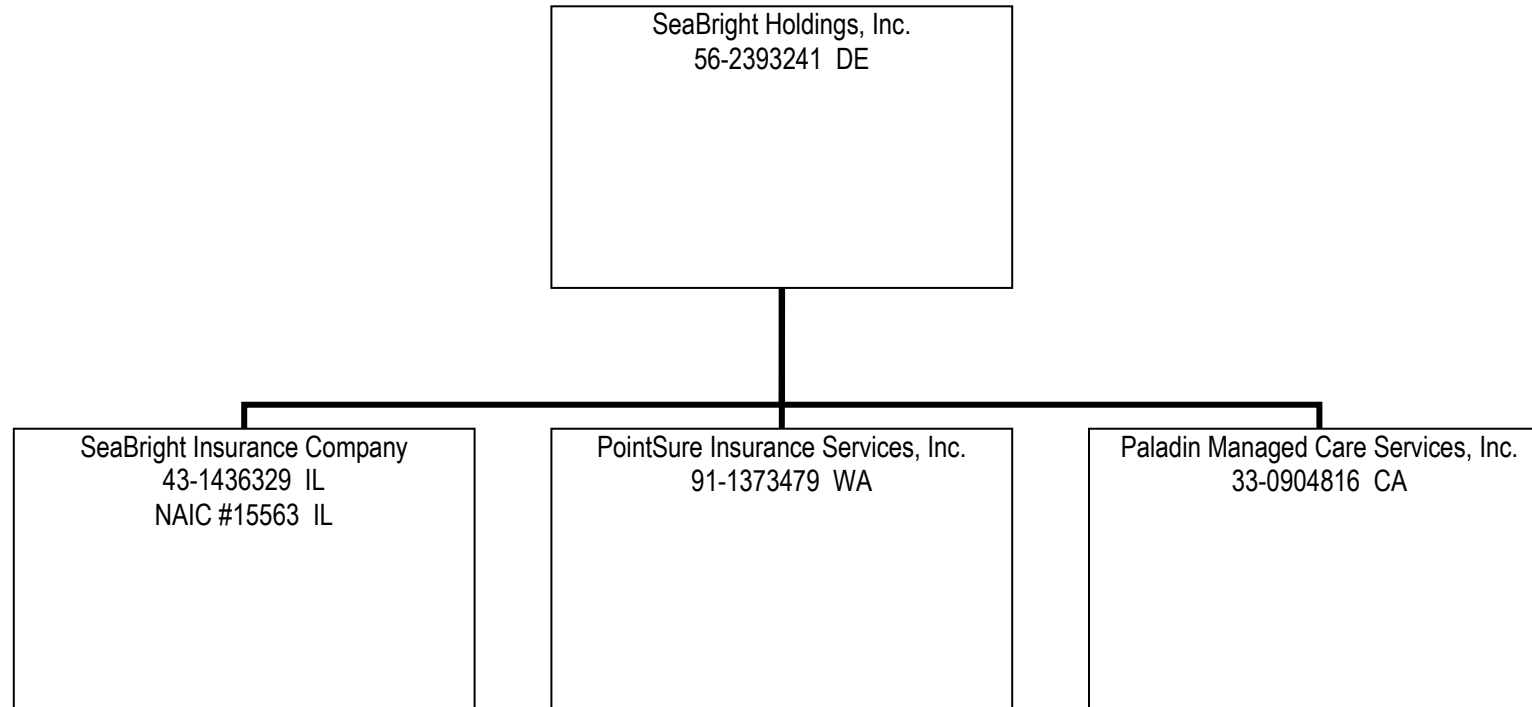
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

### PART 1 - ORGANIZATIONAL CHART



## SeaBright Insurance Company PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....	1,332,691	1,379,829	103.5	89.5
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....	207,942,891	169,360,422	81.4	73.1
17.1. Other liability-occurrence.....	495,433	247,717	50.0	50.0
17.2. Other liability-claims made.....			0.0	
17.3. Excess workers' compensation.....			0.0	
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2. Private passenger auto liability.....			0.0	
19.3, 19.4. Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	209,771,015	170,987,968	81.5	73.2
<b>DETAILS OF WRITE-INS</b>				
3401.....			0.0	
3402.....			0.0	
3403.....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

## PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....	198,817	792,775	1,467,656
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	54,068,796	193,153,216	188,040,553
17.1. Other liability-occurrence.....	194,531	194,531	354,203
17.2. Other liability-claims made.....			
17.3. Excess workers' compensation.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1 19.2. Private passenger auto liability.....			
19.3 19.4. Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	54,462,144	194,140,522	189,862,412
<b>DETAILS OF WRITE-INS</b>			
3401.....			
3402.....			
3403.....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + Prior.....	115,943	32,511	148,454	36,329	1,399	37,728	92,305	7,924	26,869	127,098	12,691	3,681	16,372
2. 2009.....	61,512	31,673	93,185	26,720	1,132	27,852	49,409	4,689	18,608	72,706	14,617	(7,244)	7,373
3. Subtotals 2009 + Prior.....	177,455	64,184	241,639	63,049	2,531	65,580	141,714	12,613	45,477	199,804	27,308	(3,563)	23,745
4. 2010.....	80,463	62,467	142,930	37,634	4,331	41,965	72,976	11,647	23,236	107,859	30,147	(23,253)	6,894
5. Subtotals 2010 + Prior.....	257,918	126,651	384,569	100,683	6,862	107,545	214,690	24,260	68,713	307,663	57,455	(26,816)	30,639
6. 2011.....	XXX	XXX	XXX	XXX	25,426	25,426	XXX	58,197	48,762	106,959	XXX	XXX	XXX
7. Totals.....	257,918	126,651	384,569	100,683	32,288	132,971	214,690	82,457	117,475	414,622	57,455	(26,816)	30,639
8. Prior Year-End's Surplus As Regards Policyholders	301,334										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....22.3 %	2. ....(21.2)%	3. ....8.0 %
													Col. 13, Line 7 Line 8
													4. ....10.2 %

Q13

# 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.

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

**Explanation:**

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

**Bar Code:**



## SeaBright Insurance Company Overflow Page for Write-Ins

**Additional Write-ins for Assets:**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. State income tax recoverable.....	254,906		254,906	270,296
2505. Miscellaneous receivable.....	131,436		131,436	
2506. Service income receivable.....	51,717		51,717	122,754
2507. Prepaid expenses and deposits.....	4,425,603	4,425,603	0	
2508. Prepaid claims services.....	170,948	170,948	0	
2597. Summary of remaining write-ins for Line 25.....	5,034,610	4,596,551	438,059	393,050

**Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
2504. Escheatables.....	19,290	53,303
2505. Guaranteed reserves.....	(2,964,986)	(2,964,986)
2597. Summary of remaining write-ins for Line 25.....	(2,945,696)	(2,911,683)

**SeaBright Insurance Company**  
**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
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 end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
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).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
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).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	665,766,587	608,011,014
2. Cost of bonds and stocks acquired.....	117,046,108	487,564,094
3. Accrual of discount.....	202,244	445,332
4. Unrealized valuation increase (decrease).....		211,849
5. Total gain (loss) on disposals.....	662,165	15,423,399
6. Deduct consideration for bonds and stocks disposed of.....	117,718,286	440,502,228
7. Deduct amortization of premium.....	5,368,063	5,386,873
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	660,590,755	665,766,587
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	660,590,755	665,766,587

### 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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	601,754,095	34,400,691	24,618,642	(1,747,524)	603,927,634	601,754,095	609,788,621	617,430,309
2. Class 2 (a).....	52,239,224	1,996,640	3,344,955	(88,446)	57,462,745	52,239,224	50,802,462	48,336,607
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	653,993,319	36,397,331	27,963,597	(1,835,970)	661,390,379	653,993,319	660,591,083	665,766,916
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	653,993,319	36,397,331	27,963,597	(1,835,970)	661,390,379	653,993,319	660,591,083	665,766,916

QS102

(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 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE DA - PART 1**

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	.....328	.....XXX.....	.....328	.....73,784	.....45,283

**SCHEDULE DA - VERIFICATION**

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....328	.....6,131,375
2. Cost of short-term investments acquired.....	.....2,058,960	.....52,136,391
3. Accrual of discount.....	.....	.....
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....1,239	.....1,432
6. Deduct consideration received on disposals.....	.....2,035,770	.....58,216,209
7. Deduct amortization of premium.....	.....24,429	.....52,661
8. Total foreign exchange change in book/adjusted carrying value.....	.....	.....
9. Deduct current year's other than temporary impairment recognized.....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....328	.....328
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	.....328	.....328

**Sch. DB-Pt A-Verification  
NONE**

**Sch. DB-Pt B-Verification  
NONE**

**Sch. DB-Pt C-Sn 1  
NONE**

**Sch. DB-Pt C-Sn 2  
NONE**

**Sch. DB-Verification  
NONE**

**SCHEDULE E- VERIFICATION**

## Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	5,442,009	1,550,671
2. Cost of cash equivalents acquired.....	110,988,461	266,480,079
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	104,934,216	262,588,741
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	11,496,254	5,442,009
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	11,496,254	5,442,009

**Sch. A-Pt 2  
NONE**

**Sch. A-Pt 3  
NONE**

**Sch. B-Pt 2  
NONE**

**Sch. B-Pt 3  
NONE**

**Sch. BA-Pt 2  
NONE**

**Sch. BA-Pt 3  
NONE**

### SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>									
313374 RW 2	FHLB.....		07/08/2011	MK.....		1,000,000	1,000,000		1.....
0599999.	Total - Bonds - U.S. Government.....					1,000,000	1,000,000	0	XXX.....
<b>Bonds - U.S. States, Territories and Possessions</b>									
677521 MU 7	OHIO ST.....		07/20/2011	DEAN WITTER.....		1,166,990	1,000,000		1FE.....
1799999.	Total - Bonds - U.S. States, Territories & Possessions.....					1,166,990	1,000,000	0	XXX.....
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
544644 3T 2	LOS ANGELES CA UNI SCH DIST.....		07/27/2011	CITICORP/SMITHBARNEY.....		1,255,278	1,115,000	4,646	1FE.....
602409 GF 5	MILWAUKEE WI MET SEW DIST.....		07/21/2011	RAYMOND JAMES.....		1,245,794	1,050,000	16,771	1FE.....
2499999.	Total - Bonds - U.S. Political Subdivision of States, Territories & Possessions.....					2,501,072	2,165,000	21,417	XXX.....
<b>Bonds - U.S. Special Revenue and Special Assessment</b>									
04780T CL 6	ATLANTA GA AIRPORT REV.....		09/22/2011	CITICORP/SMITHBARNEY.....		2,259,420	2,000,000	23,889	1FE.....
052414 FX 2	AUSTIN TX ELEC UTIL SYS REV.....		09/28/2011	DAD.....		1,151,730	1,000,000	19,167	1FE.....
196558 QZ 6	COLORADO RIVER TX MUN WTR.....		07/22/2011	BARCLAYS AMERICAN.....		1,149,620	1,000,000		1FE.....
235416 2U 7	DALLAS TX WTRWKS & SWR SYS REV.....		07/07/2011	JP MORGAN.....		2,299,340	2,000,000		1FE.....
3138AF C2 4	FNMA #A11888.....		07/01/2011	BNP-MTGS.....		1,746,519	1,690,265	2,747	1.....
3138AJ K5 0	FNMA #A14815.....		08/23/2011	BNP-MTGS.....		1,799,476	1,698,621	2,548	1.....
3138EG FA 7	FNMA #AL0160.....		08/30/2011	JPM-MTGS.....		1,021,420	964,741	1,447	1.....
31398W LZ 5	FHLMC 3636 EB.....		08/11/2011	GX CLARK.....		942,794	926,010	772	1.....
31418U 4W 1	FNMA #AD7136.....		08/30/2011	CANTOR FITZGERALD & CO.....		2,083,662	1,933,512	3,223	1.....
360066 MU 5	FULTON CNTY GA WTR & SWR.....		09/07/2011	CITICORP/SMITHBARNEY.....		1,854,656	1,600,000		1FE.....
495289 ZZ 6	KING CNTY WA SWR REV.....		08/23/2011	JP MORGAN.....		2,329,360	2,000,000		1FE.....
63968A JW 6	NEBRASKA PUB PWR DIST.....		08/22/2011	MCTR.....		28,198	25,000	188	1FE.....
679087 FD 3	OKLAHOMA ST CAP IMPT AUTH.....		09/20/2011	FIRST SOUTHWEST COMPANY.....		1,184,740	1,000,000	12,163	1FE.....
736742 PV 3	PORTLAND OR SWR SYS.....		08/31/2011	MCTR.....		98,113	85,000	1,122	1FE.....
79575D P5 3	SALT RIVER PROJ AZ AGRIC IMPT.....		09/30/2011	PIPER, JAFFRAY & HOPWOOD.....		2,808,484	2,325,000	323	1FE.....
797412 AJ 2	SAN DIEGO CNTY CA WTR AUTH.....		07/28/2011	BOA/ML-MUN.....		2,355,220	2,000,000		1FE.....
875124 DK 2	TAMPA BAY FL WTR UTIL.....		07/19/2011	CITICORP/SMITHBARNEY.....		1,137,880	1,000,000		1FE.....
927781 VU 5	VIRGINIA COLLEGE BLDG AUTH.....		09/20/2011	GRIFFIN.....		1,425,575	1,250,000	3,628	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments.....					27,676,207	24,498,149	71,217	XXX.....
<b>Bonds - Industrial and Miscellaneous</b>									
200340 AN 7	COMERICA INC.....		07/15/2011	RAYMOND JAMES.....		157,933	155,000	1,602	1FE.....
25179M AK 9	DEVON ENERGY CORPORATION.....		07/07/2011	MORGAN STANLEY.....		995,830	1,000,000		2FE.....
458140 AH 3	INTEL CORP.....		09/15/2011	GOLDMAN SACHS.....		499,235	500,000		1FE.....
863667 AC 5	STRYKER CORP.....		09/13/2011	WELLSCORP.....		399,256	400,000		1FE.....
94106L AX 7	WASTE MANAGEMENT INC.....		09/26/2011	MK.....		1,000,810	1,000,000	2,167	2FE.....
Q0832* AB 2	AUS PAC AIRPORT.....		09/15/2011	BANK OF AMERICA.....		1,000,000	1,000,000		1Z.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					4,053,064	4,055,000	3,769	XXX.....
8399997.	Total - Bonds - Part 3.....					36,397,333	32,718,149	96,403	XXX.....
8399999.	Total - Bonds.....					36,397,333	32,718,149	96,403	XXX.....

QE04

### SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
9999999.	Total - Bonds, Preferred and Common Stocks.....					.....36,397,333	.....XXX.....	.....96,403	.....XXX.....

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

**SCHEDULE D - PART 4**

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							

**Bonds - U.S. Government**

3133MG	YH	3	FHLB	08/15/2011	MATURITY	1,000,000	1,000,000	1,087,800	1,004,756	(4,756)		(4,756)		1,000,000			0	28,750	08/15/2011	1	
3133XG	DD	3	FHLB	08/19/2011	MATURITY	700,000	700,000	747,606	710,656	(10,656)		(10,656)		700,000			0	37,625	08/19/2011	1	
36291P	C8	7	GNMA #633795	09/01/2011	MBS PMT	8,300	8,300	8,484	8,312	(11)		(11)		8,300			0	309	11/01/2034	1	
36295A	B6	1	GNMA #664361	09/01/2011	MBS PMT	23,258	23,258	23,538	23,279	(21)		(21)		23,258			0	930	09/01/2037	1	
36295P	UY	6	GNMA #676599	09/01/2011	MBS PMT	13,338	13,338	13,272	13,328	11		11		13,338			0	480	11/01/2037	1	
36295S	C8	7	GNMA #678795	09/01/2011	MBS PMT	11,313	11,313	11,506	11,356	(43)		(43)		11,313			0	415	12/01/2037	1	
36296D	EE	4	GNMA #687833	09/01/2011	MBS PMT	25,688	25,688	26,081	25,696	(8)		(8)		25,688			0	1,060	08/01/2038	1	
36296D	LE	6	GNMA #688025	09/01/2011	MBS PMT	30,645	30,645	31,090	30,669	(25)		(25)		30,645			0	1,268	10/01/2038	1	
0599999	Total - Bonds - U.S. Government					1,812,542	1,812,542	1,949,377	1,828,052	0	(15,509)	0	(15,509)	0	1,812,542	0	0	0	70,837	XXX	XXX

**Bonds - U.S. States, Territories and Possessions**

20772G	JC	3	CONNECTICUT ST	07/22/2011	FIRST SOUTHWEST COMPANY	1,016,740	1,000,000	1,058,690	1,010,681	(4,476)		(4,476)		1,006,204		10,536	10,536	32,778	12/01/2011	1FE	
1799999	Total - Bonds - U.S. States, Territories & Possessions					1,016,740	1,000,000	1,058,690	1,010,681	0	(4,476)	0	(4,476)	0	1,006,204	0	10,536	10,536	32,778	XXX	XXX

**Bonds - U.S. Political Subdivisions of States, Territories and Possessions**

735371	JQ	0	PORT SEATTLE WA	09/22/2011	MK	1,050,300	1,000,000	1,056,890	1,025,428	(10,039)		(10,039)		1,015,389		34,911	34,911	47,542	11/01/2012	1FE	
904139	BE	1	UMATILLA CNTY OR SCH DIST	07/01/2011	MATURITY	1,000,000	1,000,000	1,073,910	1,002,532	(2,532)		(2,532)		1,000,000			0	25,000	07/01/2011	1FE	
2499999	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					2,050,300	2,000,000	2,130,800	2,027,960	0	(12,571)	0	(12,571)	0	2,015,389	0	34,911	34,911	72,542	XXX	XXX

**Bonds - U.S. Special Revenue and Special Assessment**

033177	WK	8	ANCHORAGE AK ELEC UTIL REV	07/28/2011	VARIOUS	801,788	790,000	852,552	799,172	(5,376)		(5,376)		793,796		7,991	7,991	26,269	12/01/2011	1FE
31283H	4S	1	FHLMC G01733	09/01/2011	MBS PMT	7,788	7,788	8,103	7,824	(36)		(36)		7,788			0	322	10/01/2034	1
31283K	3G	1	FHLMC G11699	09/01/2011	MBS PMT	18,322	18,322	17,782	18,227	95		95		18,322			0	547	02/01/2019	1
3128H4	SY	6	FHLMC E96835	09/01/2011	MBS PMT	897	897	871	893	5		5		897			0	26	06/01/2018	1
3128H6	MY	7	FHLMC E98475	09/01/2011	MBS PMT	1,636	1,636	1,588	1,627	9		9		1,636			0	50	08/01/2018	1
3128H6	WN	0	FHLMC E98753	09/01/2011	MBS PMT	656	656	637	653	3		3		656			0	20	08/01/2018	1
3128HD	7M	5	FHLMC 847200	08/01/2011	MBS PMT	9,858	9,858	9,669	9,842	15		15		9,858			0	178	10/01/2033	1
3128K0	E8	2	FHLMC A40159	09/01/2011	MBS PMT	521	521	513	520	1		1		521			0	20	11/01/2035	1
3128K2	B9	9	FHLMC A41864	09/01/2011	MBS PMT	16,216	16,216	15,768	16,131	85		85		16,216			0	551	01/01/2036	1
3128K7	H3	5	FHLMC A46550	09/01/2011	MBS PMT	51	51	50	51	0		0		51			0	2	08/01/2035	1
3128LX	A6	7	FHLMC G01829	09/01/2011	MBS PMT	5,188	5,188	5,296	5,202	(14)		(14)		5,188			0	209	03/01/2035	1
3128M1	B9	9	FHLMC G11964	09/01/2011	MBS PMT	12,391	12,391	12,046	12,322	69		69		12,391			0	416	04/01/2021	1
3128M1	Q8	5	FHLMC G12379	09/01/2011	MBS PMT	28,174	28,174	27,196	27,985	189		189		28,174			0	843	06/01/2021	1
3128M5	ED	8	FHLMC G03432	09/01/2011	MBS PMT	52,851	52,851	53,164	52,901	(51)		(51)		52,851			0	1,950	11/01/2037	1
3128M6	VJ	4	FHLMC G04817	09/01/2011	MBS PMT	130,994	130,994	139,365		(192)		(192)		130,994			0	1,108	09/01/2038	1
3128M7	4J	2	FHLMC G05925	09/01/2011	MBS PMT	28,569	28,569	29,716	28,735	(166)		(166)		28,569			0	867	07/01/2040	1
3128M7	NY	8	FHLMC G05507	09/01/2011	MBS PMT	35,287	35,287	37,431		(53)		(53)		35,287			0	301	02/01/2039	1
3128MJ	AG	5	FHLMC G08006	09/01/2011	MBS PMT	8,766	8,766	8,885	8,783	(17)		(17)		8,766			0	353	08/01/2034	1

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**SCHEDULE D - PART 4**

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
3128MJ AL 4	FHLMC G08010.....		09/01/2011	MBS PMT.....		6,751	6,751	6,681	6,740		11		11		6,751			0	250	09/01/2034	1.....
3128MJ D4 9	FHLMC G08122.....		09/01/2011	MBS PMT.....		41,145	41,145	39,581	40,999		146		146		41,145			0	1,547	04/01/2036	1.....
3128MJ DT 4	FHLMC G08113.....		09/01/2011	MBS PMT.....		9,175	9,175	9,372	9,184		(9)		(9)		9,175			0	382	02/01/2036	1.....
3128MM AU 7	FHLMC G18018.....		09/01/2011	MBS PMT.....		4,797	4,797	4,979	4,815		(18)		(18)		4,797			0	191	10/01/2019	1.....
3128MM BP 7	FHLMC G18045.....		09/01/2011	MBS PMT.....		8,180	8,180	8,206	8,183		(3)		(3)		8,180			0	273	03/01/2020	1.....
3128MM CQ 4	FHLMC G18078.....		09/01/2011	MBS PMT.....		9,940	9,940	9,805	9,915		25		25		9,940			0	328	10/01/2020	1.....
3128PC BD 3	FHLMC J00936.....		09/01/2011	MBS PMT.....		30,107	30,107	30,203	30,124		(17)		(17)		30,107			0	1,020	01/01/2021	1.....
3128PD 2C 3	FHLMC J02571.....		09/01/2011	MBS PMT.....		9,903	9,903	10,324	9,986		(83)		(83)		9,903			0	463	06/01/2014	1.....
3128PH RM 5	FHLMC J05892.....		09/01/2011	MBS PMT.....		2,355	2,355	2,289	2,347		8		8		2,355			0	78	02/01/2021	1.....
3128PR CH 0	FHLMC J11872.....		09/01/2011	MBS PMT.....		53,234	53,234	55,497	53,694		(459)		(459)		53,234			0	1,448	03/01/2025	1.....
31292K 2Y 2	FHLMC C03491.....		09/01/2011	MBS PMT.....		19,672	19,672	20,883			(15)		(15)		19,672			0	145	08/01/2040	1.....
31292K ZP 5	FHLMC C03450.....		09/01/2011	MBS PMT.....		47,271	47,271	47,832	47,342		(71)		(71)		47,271			0	1,440	03/01/2040	1.....
312939 3G 4	FHLMC A91699.....		09/01/2011	MBS PMT.....		32,491	32,491	33,541	32,631		(141)		(141)		32,491			0	1,078	04/01/2040	1.....
312939 RF 0	FHLMC A91386.....		09/01/2011	MBS PMT.....		77,759	77,759	78,547	77,877		(118)		(118)		77,759			0	2,370	03/01/2040	1.....
312942 UA 1	FHLMC A94177.....		09/01/2011	MBS PMT.....		11,964	11,964	12,324	11,992		(28)		(28)		11,964			0	326	10/01/2040	1.....
312945 ZL 5	FHLMC A97047.....		09/01/2011	MBS PMT.....		44,421	44,421	45,282			(64)		(64)		44,421			0	869	02/01/2041	1.....
31294K P5 8	FHLMC E01344.....		09/01/2011	MBS PMT.....		1,105	1,105	1,073	1,099		7		7		1,105			0	33	04/01/2018	1.....
312964 AC 3	FHLMC B11803.....		09/01/2011	MBS PMT.....		3,688	3,688	3,579	3,668		20		20		3,688			0	113	01/01/2019	1.....
312967 T3 6	FHLMC B15070.....		09/01/2011	MBS PMT.....		3,127	3,127	3,198	3,135		(8)		(8)		3,127			0	115	06/01/2019	1.....
312972 CA 8	FHLMC B19065.....		09/01/2011	MBS PMT.....		14,843	14,843	14,243	14,726		118		118		14,843			0	432	04/01/2020	1.....
31297B 5T 5	FHLMC A24458.....		09/01/2011	MBS PMT.....		24,246	24,246	24,826	24,317		(71)		(71)		24,246			0	1,029	07/01/2034	1.....
31297B CH 3	FHLMC A23672.....		09/01/2011	MBS PMT.....		3,843	3,843	3,946	3,854		(11)		(11)		3,843			0	154	06/01/2034	1.....
31297H 6U 8	FHLMC A29883.....		09/01/2011	MBS PMT.....		31,253	31,253	31,478	31,281		(28)		(28)		31,253			0	1,014	02/01/2035	1.....
31297L NT 3	FHLMC A31302.....		09/01/2011	MBS PMT.....		169	169	173	169		0		0		169			0	7	02/01/2035	1.....
31297T 6N 8	FHLMC A38077.....		09/01/2011	MBS PMT.....		269	269	265	269		0		0		269			0	11	10/01/2035	1.....
31297T CU 5	FHLMC A37283.....		09/01/2011	MBS PMT.....		12,649	12,649	12,453	12,626		23		23		12,649			0	466	09/01/2035	1.....
31297V PZ 5	FHLMC A39440.....		09/01/2011	MBS PMT.....		10,612	10,612	10,450	10,602		10		10		10,612			0	385	10/01/2035	1.....
31297V XX 1	FHLMC A39694.....		09/01/2011	MBS PMT.....		9,962	9,962	9,811	9,940		22		22		9,962			0	365	11/01/2035	1.....
31335H 5Y 5	FHLMC C90863.....		09/01/2011	MBS PMT.....		13,256	13,256	13,372	13,272		(16)		(16)		13,256			0	444	11/01/2024	1.....
31335H XU 2	FHLMC C90691.....		09/01/2011	MBS PMT.....		12,751	12,751	12,872	12,773		(23)		(23)		12,751			0	474	07/01/2023	1.....
3133XE 5D 7	FHLMC 0606 Y.....		09/28/2011	MBS PMT.....		34,187	34,187	36,238	34,764		(578)		(578)		34,187			0	1,204	12/28/2012	1.....
31371K VF 5	FNMA #254514.....		09/01/2011	MBS PMT.....		7,389	7,389	7,456	7,401		(12)		(12)		7,389			0	275	11/01/2032	1.....
31371L SJ 9	FNMA #255321.....		09/01/2011	MBS PMT.....		14,998	14,998	15,029	15,003		(5)		(5)		14,998			0	552	07/01/2024	1.....
31371L VD 8	FNMA #255412.....		09/01/2011	MBS PMT.....		18,778	18,778	18,893	18,794		(16)		(16)		18,778			0	746	10/01/2034	1.....
31371L WT 2	FNMA #255458.....		09/01/2011	MBS PMT.....		10,695	10,695	10,730	10,698		(3)		(3)		10,695			0	386	11/01/2034	1.....

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**SCHEDULE D - PART 4**

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

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										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
31371M	CF 2	FNMA #255770	09/01/2011	MBS PMT		24,733	24,733	24,555	24,709		24		24		24,733			0	902	07/01/2035	1
31371M	DT 1	FNMA #255814	09/01/2011	MBS PMT		21,735	21,735	21,956	21,753		(18)		(18)		21,735			0	795	08/01/2035	1
31371M	GG 6	FNMA #255899	09/01/2011	MBS PMT		40,547	40,547	40,025	40,486		60		60		40,547			0	1,512	10/01/2035	1
31371M	PB 7	FNMA #256118	09/01/2011	MBS PMT		26,945	26,945	27,577	26,977		(32)		(32)		26,945			0	1,204	01/01/2036	1
31371M	R7 4	FNMA #256210	09/01/2011	MBS PMT		9,745	9,745	9,817	9,752		(7)		(7)		9,745			0	362	04/01/2021	1
31371N	MG 7	FNMA #256959	09/01/2011	MBS PMT		68,592	68,592	69,213	68,675		(83)		(83)		68,592			0	2,764	11/01/2037	1
31385J	RN 0	FNMA #545993	09/01/2011	MBS PMT		7,688	7,688	7,901	7,718		(30)		(30)		7,688			0	308	11/01/2032	1
31385X	BW 6	FNMA #555453	09/01/2011	MBS PMT		6,574	6,574	6,653	6,585		(11)		(11)		6,574			0	220	05/01/2018	1
31385X	NR 4	FNMA #555800	09/01/2011	MBS PMT		13,175	13,175	13,319	13,194		(19)		(19)		13,175			0	485	10/01/2033	1
3138AF	C2 4	FNMA #AI1888	09/01/2011	MBS PMT		29,808	29,808	30,800			(17)		(17)		29,808			0	168	05/01/2041	1
3138AH	XV 3	FNMA #AI4291	09/01/2011	MBS PMT		41,244	41,244	42,855			(46)		(46)		41,244			0	354	06/01/2041	1
31391C	LG 8	FNMA #662827	09/01/2011	MBS PMT		4,875	4,875	4,998	4,885		(11)		(11)		4,875			0	209	10/01/2032	1
31391J	QJ 2	FNMA #668357	09/01/2011	MBS PMT		19,447	19,447	19,477	19,451		(4)		(4)		19,447			0	655	12/01/2017	1
31393K	PF 6	FHLMC 2575 DC	09/01/2011	MBS PMT		53,580	53,580	55,456	54,373		(793)		(793)		53,580			0	1,416	08/01/2014	1
31394W	DC 9	FHLMC 2773 ED	09/01/2011	MBS PMT		153,524	153,524	162,064	155,362		(1,838)		(1,838)		153,524			0	4,667	03/01/2013	1
31395G	ZT 2	FHLMC 2874 BA	09/15/2011	VARIOUS		474,626	463,930	476,035	474,003		(4,731)		(4,731)		469,272		5,355	5,355	13,958	04/01/2013	1
31395M	H9 3	FHLMC 2937 VC	09/01/2011	MBS PMT		29,283	29,283	29,671	29,330		(46)		(46)		29,283			0	976	10/01/2013	1
31396P	ZQ 7	FNMA 2007-14 VA	09/01/2011	MBS PMT		51,173	51,173	54,219	51,722		(550)		(550)		51,173			0	1,536	08/01/2013	1
31397F	S2 9	FHLMC 3294 DA	09/01/2011	MBS PMT		37,029	37,029	38,939	37,828		(798)		(798)		37,029			0	1,116	01/01/2014	1
31397N	E5 0	FNMA 2009-31 A	09/01/2011	MBS PMT		137,722	137,722	142,025	138,740		(1,018)		(1,018)		137,722			0	3,671	07/01/2017	1
31397N	TP 0	FNMA 2009-27 EC	09/01/2011	MBS PMT		43,069	43,069	45,182	43,625		(556)		(556)		43,069			0	1,156	04/01/2018	1
31398J	MT 7	FHLMC 3573 KA	09/01/2011	MBS PMT		121,470	121,470	125,589	122,718		(1,248)		(1,248)		121,470			0	3,281	02/01/2015	1
31398J	MU 4	FHLMC 3573 KB	09/01/2011	MBS PMT		121,470	121,470	125,570	122,716		(1,245)		(1,245)		121,470			0	3,281	02/01/2015	1
31398J	N4 1	FHLMC 3573 MA	09/01/2011	MBS PMT		28,643	28,643	30,039	29,022		(380)		(380)		28,643			0	776	06/01/2014	1
31398J	WK 5	FHLMC 3578 KA	09/01/2011	MBS PMT		69,067	69,067	72,326	70,029		(963)		(963)		69,067			0	1,864	08/01/2014	1
31398K	6Q 8	FHLMC 3589 CA	09/01/2011	MBS PMT		94,682	94,682	98,242	95,399		(717)		(717)		94,682			0	2,530	05/01/2016	1
31398W	AZ 7	FHLMC 3620 A	09/01/2011	MBS PMT		66,264	66,264	68,526	67,133		(869)		(869)		66,264			0	1,802	04/01/2014	1
31398W	LZ 5	FHLMC 3636 EB	09/01/2011	MBS PMT		29,463	29,463	29,997			0		0		29,463			0	49	06/01/2018	1
31401M	GL 9	FNMA #712203	09/01/2011	MBS PMT		31,301	31,301	30,655	31,201		99		99		31,301			0	1,020	06/01/2018	1
31401X	C6 2	FNMA #721093	09/01/2011	MBS PMT		13,051	13,051	13,210	13,073		(22)		(22)		13,051			0	477	11/01/2033	1
31402D	F7 0	FNMA #725690	09/01/2011	MBS PMT		20,628	20,628	20,819	20,656		(29)		(29)		20,628			0	826	08/01/2034	1
31402F	DL 6	FNMA #727407	09/01/2011	MBS PMT		13,362	13,362	12,955	13,246		116		116		13,362			0	411	08/01/2018	1
31402N	PV 4	FNMA #734036	09/01/2011	MBS PMT		5,131	5,131	5,135	5,131		0		0		5,131			0	157	10/01/2018	1
31402Q	J2 8	FNMA #734781	09/01/2011	MBS PMT		3,579	3,579	3,643	3,587		(8)		(8)		3,579			0	119	09/01/2018	1
31402R	SH 3	FNMA #735920	09/01/2011	MBS PMT		13,562	13,562	12,976	13,445		117		117		13,562			0	407	10/01/2020	1
31402X	5C 6	FNMA #741643	09/01/2011	MBS PMT		7,531	7,531	7,624	7,552		(21)		(21)		7,531			0	281	10/01/2033	1

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### SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31403B 4N 0	FNMA #744329.....		09/01/2011	MBS PMT.....		25,951	25,951	25,675	25,898		53		53		25,951			0	877	09/01/2033	1.....
31403D DX 4	FNMA #745418.....		09/01/2011	MBS PMT.....		29,959	29,959	30,175	29,997		(37)		(37)		29,959			0	1,099	04/01/2036	1.....
31403G 6X 5	FNMA #748886.....		09/01/2011	MBS PMT.....		5,468	5,468	5,616	5,481		(13)		(13)		5,468			0	200	11/01/2018	1.....
31403J 7L 4	FNMA #750699.....		09/01/2011	MBS PMT.....		17,357	17,357	17,449	17,361		(4)		(4)		17,357			0	626	11/01/2033	1.....
31403K 3N 1	FNMA #751505.....		09/01/2011	MBS PMT.....		1,613	1,613	1,598	1,613		1		1		1,613			0	27	01/01/2034	1.....
31403L DU 2	FNMA #751715.....		09/01/2011	MBS PMT.....		28,014	28,014	27,502	27,950		64		64		28,014			0	950	11/01/2033	1.....
31403M HE 2	FNMA #752729.....		09/01/2011	MBS PMT.....		9,212	9,212	9,315	9,223		(11)		(11)		9,212			0	277	01/01/2019	1.....
31403V RT 8	FNMA #759298.....		09/01/2011	MBS PMT.....		28,554	28,554	28,612	28,559		(5)		(5)		28,554			0	939	01/01/2034	1.....
31404V CK 2	FNMA #779574.....		09/01/2011	MBS PMT.....		1,463	1,463	1,461	1,463		0		0		1,463			0	25	06/01/2034	1.....
31405F 3X 8	FNMA #788414.....		09/01/2011	MBS PMT.....		41,716	41,716	40,826	41,443		273		273		41,716			0	1,356	08/01/2019	1.....
31405N PQ 2	FNMA #794331.....		09/01/2011	MBS PMT.....		19,783	19,783	19,873	19,809		(26)		(26)		19,783			0	811	09/01/2034	1.....
31406F TS 0	FNMA #808861.....		09/01/2011	MBS PMT.....		16,706	16,706	16,844	16,722		(16)		(16)		16,706			0	610	01/01/2035	1.....
31406H G5 0	FNMA #810320.....		09/01/2011	MBS PMT.....		7,917	7,917	7,850	7,911		7		7		7,917			0	130	04/01/2034	1.....
31406L HN 1	FNMA #813037.....		09/01/2011	MBS PMT.....		7,392	7,392	7,444	7,400		(8)		(8)		7,392			0	246	04/01/2020	1.....
31406M B5 4	FNMA #813760.....		09/01/2011	MBS PMT.....		423	423	419	424		0		0		423			0	7	03/01/2035	1.....
31406M TN 6	FNMA #814257.....		09/01/2011	MBS PMT.....		3,787	3,787	3,811	3,789		(2)		(2)		3,787			0	126	01/01/2020	1.....
31406R DS 1	FNMA #817413.....		09/01/2011	MBS PMT.....		14,577	14,577	14,575	14,577		0		0		14,577			0	557	08/01/2035	1.....
31406T B4 2	FNMA #819159.....		09/01/2011	MBS PMT.....		14,883	14,883	14,690	14,860		22		22		14,883			0	409	04/01/2020	1.....
31407B XL 8	FNMA #826083.....		09/01/2011	MBS PMT.....		27,727	27,727	27,463	27,715		12		12		27,727			0	488	07/01/2035	1.....
31407H 5Y 8	FNMA #831663.....		09/01/2011	MBS PMT.....		13,366	13,366	13,283	13,350		16		16		13,366			0	549	08/01/2036	1.....
31407H V3 7	FNMA #831434.....		09/01/2011	MBS PMT.....		2,613	2,613	2,539	2,599		14		14		2,613			0	90	03/01/2021	1.....
31407J 7F 3	FNMA #832594.....		09/01/2011	MBS PMT.....		44,053	44,053	44,048	44,051		2		2		44,053			0	1,418	09/01/2035	1.....
31407J PW 6	FNMA #832137.....		09/01/2011	MBS PMT.....		3,832	3,832	3,813	3,832		0		0		3,832			0	129	07/01/2035	1.....
31407N QM 8	FNMA #835760.....		09/01/2011	MBS PMT.....		10,981	10,981	10,317	10,868		113		113		10,981			0	331	09/01/2035	1.....
31407T 2L 3	FNMA #840579.....		09/01/2011	MBS PMT.....		27,563	27,563	27,094	27,479		85		85		27,563			0	943	10/01/2020	1.....
31407Y 5V 7	FNMA #845160.....		09/01/2011	MBS PMT.....		20,507	20,507	19,917	20,371		136		136		20,507			0	648	01/01/2021	1.....
31408A EN 6	FNMA #845341.....		09/01/2011	MBS PMT.....		16,148	16,148	15,992	16,127		22		22		16,148			0	606	01/01/2036	1.....
31409E LS 8	FNMA #868937.....		09/01/2011	MBS PMT.....		8,233	8,233	8,332	8,237		(4)		(4)		8,233			0	355	05/01/2036	1.....
31409J EW 6	FNMA #872349.....		09/01/2011	MBS PMT.....		41,330	41,330	43,732	41,758		(428)		(428)		41,330			0	1,488	05/01/2036	1.....
31409J MR 8	FNMA #872568.....		09/01/2011	MBS PMT.....		6,616	6,616	6,430	6,605		11		11		6,616			0	198	05/01/2021	1.....
31409U VY 8	FNMA #879131.....		09/01/2011	MBS PMT.....		9,537	9,537	9,268	9,495		42		42		9,537			0	328	06/01/2021	1.....
31409W B7 5	FNMA #880362.....		09/01/2011	MBS PMT.....		4,348	4,348	4,231	4,317		31		31		4,348			0	145	12/01/2020	1.....
31410C JP 8	FNMA #885070.....		09/01/2011	MBS PMT.....		6,692	6,692	6,512	6,629		63		63		6,692			0	226	05/01/2021	1.....
31410K 6F 6	FNMA #890170.....		09/01/2011	MBS PMT.....		52,449	52,449	54,842	52,983		(534)		(534)		52,449			0	1,586	09/01/2019	1.....
31410K Q9 8	FNMA #889780.....		09/01/2011	MBS PMT.....		30,375	30,375	30,688	30,433		(58)		(58)		30,375			0	1,107	03/01/2023	1.....
31410Q A7 6	FNMA #893830.....		09/01/2011	MBS PMT.....		54,773	54,773	53,977	54,636		137		137		54,773			0	2,006	10/01/2036	1.....

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### SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31410U NH 1	FNMA #897792.....		09/01/2011	MBS PMT.....		27,291	27,291	27,409	27,308		(17)		(17)		27,291			0	1,131	09/01/2036	1.....
31410W W9 5	FNMA #899872.....		09/01/2011	MBS PMT.....		24,506	24,506	24,828	24,565		(59)		(59)		24,506			0	971	11/01/2037	1.....
31411E ZB 6	FNMA #906238.....		09/01/2011	MBS PMT.....		90,247	90,247	93,928	90,991		(744)		(744)		90,247			0	3,093	01/01/2037	1.....
31412P 2U 4	FNMA #931487.....		09/01/2011	MBS PMT.....		19,050	19,050	19,758			(11)		(11)		19,050			0	221	07/01/2039	1.....
31412Q KM 0	FNMA #931900.....		09/01/2011	MBS PMT.....		77,877	77,877	82,647	78,853		(976)		(976)		77,877			0	2,128	09/01/2019	1.....
31412X 2W 3	FNMA #938289.....		09/01/2011	MBS PMT.....		23,441	23,441	23,151	23,397		44		44		23,441			0	870	07/01/2037	1.....
31413J X5 8	FNMA #947200.....		09/01/2011	MBS PMT.....		20,243	20,243	20,326	20,252		(8)		(8)		20,243			0	824	10/01/2037	1.....
31413S HC 1	FNMA #953927.....		09/01/2011	MBS PMT.....		27,532	27,532	28,130	27,617		(84)		(84)		27,532			0	1,085	12/01/2037	1.....
31413T JP 8	FNMA #954870.....		09/01/2011	MBS PMT.....		47,375	47,375	46,845	47,285		89		89		47,375			0	1,765	11/01/2037	1.....
31415P ZX 9	FNMA #985558.....		09/01/2011	MBS PMT.....		50,920	50,920	51,023	50,933		(13)		(13)		50,920			0	1,833	06/01/2038	1.....
31416C CH 7	FNMA #995672.....		09/01/2011	MBS PMT.....		63,242	63,242	65,505			(46)		(46)		63,242			0	529	04/01/2039	1.....
31416R RG 0	FNMA #AA7686.....		09/01/2011	MBS PMT.....		27,666	27,666	28,064	27,700		(34)		(34)		27,666			0	821	06/01/2039	1.....
31416W H6 2	FNMA #AB1152.....		09/01/2011	MBS PMT.....		93,812	93,812	98,239	94,721		(909)		(909)		93,812			0	2,494	06/01/2025	1.....
31416W JK 9	FNMA #AB1165.....		09/01/2011	MBS PMT.....		33,671	33,671	35,260	33,888		(216)		(216)		33,671			0	1,064	06/01/2040	1.....
31417T NK 0	FNMA #AC6693.....		09/01/2011	MBS PMT.....		54,930	54,930	57,402	55,241		(312)		(312)		54,930			0	1,680	01/01/2040	1.....
31417Y AL 1	FNMA #MA0010.....		09/01/2011	MBS PMT.....		62,392	62,392	64,546	62,872		(480)		(480)		62,392			0	1,900	03/01/2019	1.....
31417Y BP 1	FNMA #MA0045.....		09/01/2011	MBS PMT.....		69,943	69,943	73,615	70,777		(834)		(834)		69,943			0	1,891	04/01/2019	1.....
31417Y BR 7	FNMA #MA0047.....		09/01/2011	MBS PMT.....		122,627	122,627	129,448	124,267		(1,640)		(1,640)		122,627			0	3,703	04/01/2019	1.....
31417Y GM 3	FNMA #MA0203.....		09/01/2011	MBS PMT.....		40,858	40,858	42,147	41,132		(274)		(274)		40,858			0	1,090	10/01/2019	1.....
31417Y HM 2	FNMA #MA0235.....		09/01/2011	MBS PMT.....		62,200	62,200	65,446	62,993		(793)		(793)		62,200			0	1,666	11/01/2019	1.....
31417Y JM 0	FNMA #MA0267.....		09/01/2011	MBS PMT.....		117,870	117,870	122,566	118,922		(1,052)		(1,052)		117,870			0	3,144	12/01/2019	1.....
31417Y PJ 0	FNMA #MA0424.....		09/01/2011	MBS PMT.....		60,600	60,600	63,403	61,284		(684)		(684)		60,600			0	1,406	05/01/2020	1.....
31417Y SC 2	FNMA #MA0514.....		09/01/2011	MBS PMT.....		62,979	62,979	64,957	63,179		(201)		(201)		62,979			0	1,734	09/01/2040	1.....
31417Y SK 4	FNMA #MA0521.....		09/01/2011	MBS PMT.....		46,776	46,776	48,881	47,317		(541)		(541)		46,776			0	1,084	09/01/2020	1.....
31417Y TE 7	FNMA #MA0548.....		09/01/2011	MBS PMT.....		149,812	149,812	156,787	151,302		(1,491)		(1,491)		149,812			0	3,482	10/01/2020	1.....
31417Y TT 4	FNMA #MA0561.....		09/01/2011	MBS PMT.....		56,249	56,249	58,183	56,415		(166)		(166)		56,249			0	1,503	11/01/2040	1.....
31419F D6 0	FNMA #AE4624.....		09/01/2011	MBS PMT.....		71,144	71,144	73,812	71,407		(263)		(263)		71,144			0	1,972	10/01/2040	1.....
31419K KH 7	FNMA #AE8395.....		09/01/2011	MBS PMT.....		52,719	52,719	54,819	52,923		(204)		(204)		52,719			0	1,440	11/01/2040	1.....
38373M NL 0	GNMA 2005-12 C.....		09/01/2011	MBS PMT.....		33,207	33,207	36,097	33,762		(555)		(555)		33,207			0	1,032	01/01/2017	1.....
38373M PM 6	GNMA 2005-32 D.....		09/01/2011	MBS PMT.....		665,680	665,680	714,774	678,322		(12,642)		(12,642)		665,680			0	22,570	05/01/2015	1.....
38373M QT 0	GNMA 2005-52 C.....		09/01/2011	MBS PMT.....		395,632	395,632	417,824	401,654		(6,022)		(6,022)		395,632			0	12,909	03/01/2016	1.....
38373S RL 3	GNMA 2003-22 C.....		09/01/2011	MBS PMT.....		36,271	36,271	39,263	38,254		(1,983)		(1,983)		36,271			0	1,323	09/01/2018	1.....
38376T RM 6	GNMA 2010-7 BC.....		09/01/2011	MBS PMT.....		85,286	85,286	88,297	85,814		(528)		(528)		85,286			0	2,375	07/01/2021	1.....
454624 S6 5	INDIANA BD BK REV.....		09/22/2011	STIFEL NICHOLAUS & CO, INC		802,313	750,000	763,481	763,089		(1,913)		(1,913)		761,176		41,137	41,137	43,333	02/01/2013	1.....
60412P AU 4	MINNESOTA ST MUN PWR AGY ELEC.....		07/22/2011	OPCO.....		503,600	500,000	525,000	503,406		(2,594)		(2,594)		500,812		2,788	2,788	18,500	10/01/2011	1FE.....
68608J HD 6	OREGON ST FACS AUTH REV.....		07/28/2011	RBCCM.....		1,284,375	1,250,000	1,303,650	1,266,556		(7,669)		(7,669)		1,258,887		25,488	25,488	52,257	04/01/2012	2FE.....

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## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
717893 VA 6	PHILADELPHIA PA WTR.....		09/30/2011	GOLDMAN SACHS.....		1,829,411	1,785,000	1,865,254	1,862,181		(40,231)		(40,231)		1,821,949		7,461	7,461	57,517	06/15/2012	1FE.....
72316M DY 2	PINNELAS CNTY FL HLTH FACS.....		09/30/2011	RBCM.....		1,046,370	1,000,000	1,085,120	1,019,482		(7,317)		(7,317)		1,012,164		34,206	34,206	44,444	11/15/2012	1FE.....
976834 FH 9	WISCONSIN PUB PWR INC PWR SUPPLY.....		09/12/2011	DAD.....		1,033,020	1,000,000	1,063,270	1,024,061		(11,185)		(11,185)		1,012,876		20,144	20,144	60,278	07/01/2012	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....					13,760,311	13,523,738	14,125,474	13,329,251		0		(127,135)		13,615,740		144,570	144,570	495,135	....XXX...	....XXX...
<b>Bonds - Industrial and Miscellaneous</b>																					
05947U HM 3	BACM 2002-2 A3.....		09/01/2011	MBS PMT.....		819,416	819,416	815,895	818,970		447		447		819,416				30,274	06/01/2012	1Z*.....
126650 BP 4	CVS PASS-THROUGH TRUST.....		09/10/2011	SINK.....		3,640	3,640	3,759	3,644		(3)		(3)		3,640				147	12/10/2028	2FE.....
14041N DA 6	COMET 2006-A10 A10.....		08/15/2011	MBS PMT.....		800,000	800,000	819,156			(19,156)		(19,156)		800,000				24,033	08/15/2011	1FE.....
22541S 2P 2	CSFB 2004-C5 A2.....		09/01/2011	MBS PMT.....		51,846	51,846	50,901	51,846				0		51,846				1,449	10/01/2011	1Z*.....
25179M AH 6	DEVON ENERGY CORPORATION.....		07/07/2011	MORGAN STANLEY.....		1,172,788	1,000,000	1,118,770	1,108,704		(5,997)		(5,997)		1,102,708		70,080	70,080	62,475	01/15/2019	2FE.....
36159J BQ 3	GEMNT 2009-3 A.....		09/15/2011	MBS PMT.....		1,000,000	1,000,000	1,016,523	1,010,042		(10,042)		(10,042)		1,000,000				19,050	10/15/2011	1FE.....
361849 TQ 5	GMACC 2002-C1 A2.....		09/01/2011	MBS PMT.....		261,293	261,293	273,868	262,241		(948)		(948)		261,293				10,882	11/01/2011	1Z*.....
373334 JU 6	GEORGIA POWER COMPANY.....		09/20/2011	WELLS CORP.....		2,000,400	2,000,000	2,000,000					0		2,000,000		400	400	7,528	01/15/2013	1FE.....
396789 DV 8	GCCFC 2003-C1 A4.....		09/01/2011	MBS PMT.....		38,482	38,482	36,045	38,206		276		276		38,482				1,127	06/01/2013	1Z*.....
46625Y EV 1	JPMCC 2004-C3 A2.....		09/15/2011	MBS PMT.....		208,644	208,644	207,267	207,811		834		834		208,644				6,493	10/01/2011	1FE.....
58405U AG 7	MEDCO HEALTH SOLUTIONS.....		07/07/2011	JEFFERIES & COMPANY.....		967,920	1,000,000	978,610	978,727		994		994		979,720		(11,800)	(11,800)	34,604	09/15/2020	2FE.....
617446 6Q 7	MORGAN STANLEY.....		09/30/2011	STIFEL NICHOLAUS & CO, INC.....		498,020	500,000	514,615	511,556		(984)		(984)		510,572		(12,552)	(12,552)	16,931	04/01/2018	1FE.....
61745M XA 6	MSC 2004-HQ3 A3.....		09/01/2011	MBS PMT.....		38,055	38,055	36,762	37,905		150		150		38,055				1,129	08/01/2012	1Z*.....
61746W HF 0	MSDWC 2001-TOP3 A4.....		09/01/2011	MBS PMT.....		197,947	197,947	207,342	198,658		(711)		(711)		197,947				8,482	10/01/2011	1Z*.....
61746W PF 1	MSDWC 2002-TOP7 A2.....		09/01/2011	MBS PMT.....		45,774	45,774	45,538	45,763		12		12		45,774				1,912	05/01/2012	1Z*.....
863667 AA 9	STRYKER CORP.....		09/26/2011	VARIOUS.....		1,471,614	1,400,000	1,466,668	1,462,591		(11,039)		(11,039)		1,451,552		20,062	20,062	50,200	01/15/2015	1FE.....
92922F R7 5	WAMU 2005-AR8 2A1A.....		09/25/2011	MBS PMT.....		4,072	4,072	4,072	4,072				0		4,072				14	04/25/2044	1Z*.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					9,579,911	9,369,169	9,595,791	6,740,736		0		(46,167)		9,513,721		66,190	66,190	276,730	....XXX...	....XXX...
8399997.	Total - Bonds - Part 4.....					28,219,804	27,705,449	28,860,132	24,936,680		0		(205,858)		27,963,596		256,207	256,207	948,022	....XXX...	....XXX...
8399999.	Total - Bonds.....					28,219,804	27,705,449	28,860,132	24,936,680		0		(205,858)		27,963,596		256,207	256,207	948,022	....XXX...	....XXX...
9999999.	Total - Bonds, Preferred and Common Stocks.....					28,219,804	XXX.....	28,860,132	24,936,680		0		(205,858)		27,963,596		256,207	256,207	948,022	....XXX...	....XXX...

QE05.5

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

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

**Sch. DB-Pt A-Sn 1-Footer  
NONE**

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

**Sch. DB-Pt B-Sn 1-Footer  
NONE**

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

**Sch. DB-Pt D  
NONE**

**Sch. DL-Pt. 1  
NONE**

**Sch. DL-Pt. 2  
NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
Wells Fargo.....	San Francisco, CA.....				5,764,882	10,185,030	12,668,931	XXX..
Wells Fargo.....	San Francisco, CA.....				1,735,055	967,141	1,340,575	XXX..
Wells Fargo.....	San Francisco, CA.....							XXX..
Wells Fargo.....	San Francisco, CA.....				(5,611,980)	(5,642,752)	(5,450,827)	XXX..
Wells Fargo.....	San Francisco, CA.....				397,927	410,826	379,526	XXX..
Wells Fargo.....	San Francisco, CA.....							XXX..
Wells Fargo.....	San Francisco, CA.....				(2,101,295)	(1,109,843)	(1,275,861)	XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	.....0	.....0	184,589	4,810,402	7,662,344	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	.....0	.....0	184,589	4,810,402	7,662,344	XXX..
0499999. Cash in Company's Office.....	...XXX.....	...XXX.....	...XXX.....	...XXX.....	750	750	750	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	.....0	.....0	185,339	4,811,152	7,663,094	XXX..

### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>Sweep Accounts</b>							
WELLS FARGO BK INST.....		09/30/2011	0.150		11,496,254		11,527
8499999. Total - Sweep Accounts.....					11,496,254	0	11,527
8699999. Total - Cash Equivalents.....					11,496,254	0	11,527

QE12