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## PROPERTY AND CASUALTY COMPANIES —ASSOCIATION EDITION

## QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2007  
OF THE CONDITION AND AFFAIRS OF THE

## AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

|                                       |                          |                        |   |  |                      |   |            |
|---------------------------------------|--------------------------|------------------------|---|--|----------------------|---|------------|
| NAIC Group Code                       | 0108<br>(Current Period) | 0108<br>(Prior Period) | NAIC Company Code   | 30562  | Employer's ID Number |   | 36-2797074 |
| Organized under the Laws of           |                          |                        | Illinois  | State of Domicile or Port of Entry   |                      | Illinois  |            |
| Country of Domicile                   |                          |                        | United States   |  |                      |   |            |
| Incorporated/Organized                |                          |                        | 03/29/1837  | Commenced Business   |                      | 08/13/1837  |            |
| Statutory Home Office                 |                          |                        | 1 Kemper Drive<br>(Street and Number)   | Long Grove, IL 60049-0001<br>(City or Town, State and Zip Code)                            |                      |   |            |
| Main Administrative Office            |                          |                        | 1 Kemper Drive<br>(Street and Number)   | Long Grove, IL 60049-0001<br>(City or Town, State and Zip Code)                            |                      | 847-320-2000<br>(Area Code) (Telephone Number)                  |            |
| Mail Address                          |                          |                        | 1 Kemper Drive<br>(Street and Number or P.O. Box)   | Long Grove, IL 60049-0001<br>(City or Town, State and Zip Code)                            |                      | Long Grove, IL 60049-0001<br>(City or Town, State and Zip Code) |            |
| Primary Location of Books and Records |                          |                        | 1 Kemper Drive<br>(Street and Number)   | Long Grove, IL 60049-0001<br>(City or Town, State and Zip Code)                            |                      | 847-320-3127<br>(Area Code) (Telephone Number)                  |            |
| Internet Website Address              |                          |                        | www.kemperinsurance.com   |  |                      |   |            |
| Statutory Statement Contact           |                          |                        | Fredrick Thomas Griffith<br>(Name)<br>Fred.Griffith@kemperinsurance.com<br>(E-Mail Address) | 847-320-3127<br>(Area Code) (Telephone Number) (Extension)<br>847-320-3818<br>(Fax Number) |                      |   |            |
| Policyowner Relations Contact         |                          |                        | 1 Kemper Dr., 12NW0301<br>(Street and Number)   | Long Grove, IL 60049-0001<br>(City or Town, State and Zip Code)                            |                      | 800-833-0355<br>(Area Code) (Telephone Number) (Extension)      |            |

## OFFICERS

| Name                       | Title                   | Name                  | Title     |
|----------------------------|-------------------------|-----------------------|-----------|
| Douglas Sean Andrews       | President and CEO       | John Keating Conway   | Secretary |
| Fredrick Thomas Griffith # | Chief Financial Officer | Geoffrey Andrew Cooke | Treasurer |

## OTHER OFFICERS

|                     |                       |                         |                       |
|---------------------|-----------------------|-------------------------|-----------------------|
| Frederick Otto Kist | Senior Vice President | Benjamin David Schwartz | Senior Vice President |
|---------------------|-----------------------|-------------------------|-----------------------|

## DIRECTORS OR TRUSTEES

|                      |                          |                    |                      |
|----------------------|--------------------------|--------------------|----------------------|
| Douglas Sean Andrews | Peter Bannerman Hamilton | George Ralph Lewis | Arthur James Massolo |
| David Barrett Mathis |                          |                    |                      |

State of ..... Illinois.....  
ss  
County of ..... Lake.....

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.

|   |                                  |   |
|---|----------------------------------|---|
| Douglas Sean Andrews<br>President and CEO | John Keating Conway<br>Secretary | Fredrick Thomas Griffith<br>Chief Financial Officer |
|---|----------------------------------|---|

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 \_\_\_\_\_

Subscribed and sworn to before me this  
12th day of November, 2007

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**ASSETS**

|   | Current Statement Date |                         |   | 4<br>December 31<br>Prior Year Net<br>Admitted Assets |
|---|------------------------|-------------------------|---|---|
|   | 1<br>Assets            | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) |   |
| 1. Bonds .....  | 9,403,767              |                         | 9,403,767                                 | 8,897,195   |
| 2. Stocks:  |                        |                         |   |   |
| 2.1 Preferred stocks .....  |                        |                         | 0   | 0   |
| 2.2 Common stocks .....   |                        |                         | 0   | 0   |
| 3. Mortgage loans on real estate:   |                        |                         |   |   |
| 3.1 First liens .....   |                        |                         | 0   | 0   |
| 3.2 Other than first liens .....  |                        |                         | 0   | 0   |
| 4. Real estate:   |                        |                         |   |   |
| 4.1 Properties occupied by the company (less<br>\$ ..... encumbrances) .....  |                        |                         | 0   | 0   |
| 4.2 Properties held for the production of income<br>(less \$ ..... encumbrances) .....  |                        |                         | 0   | 0   |
| 4.3 Properties held for sale (less<br>\$ ..... encumbrances) .....  |                        |                         | 0   | 0   |
| 5. Cash (\$ ..... 0 ),<br>cash equivalents (\$ ..... 0 )<br>and short-term investments (\$ ..... 1,763,185 ) .....  |                        | 1,763,185               | 1,763,185                                 | 1,511,650   |
| 6. Contract loans, (including \$ ..... premium notes)   |                        |                         | 0   | 0   |
| 7. Other invested assets .....  | 0                      | .0                      | 0   | 0   |
| 8. Receivables for securities .....   |                        |                         | 0   | 0   |
| 9. Aggregate write-ins for invested assets .....  | 0                      | .0                      | 0   | 0   |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) .....  | 11,166,952             | .0                      | 11,166,952                                | 10,408,845  |
| 11. Title plants less \$ ..... charged off (for Title insurers<br>only) .....   |                        |                         | 0   | 0   |
| 12. Investment income due and accrued .....   | 119,811                |                         | .119,811                                  | 149,460   |
| 13. Premiums and considerations:  |                        |                         |   |   |
| 13.1 Uncollected premiums and agents' balances in the course of<br>collection .....   |                        |                         | 0   | 0   |
| 13.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due (including \$ ..... earned<br>but unbilled premiums) ..... |                        |                         | 0   | 0   |
| 13.3 Accrued retrospective premiums .....   |                        |                         | 0   | 0   |
| 14. Reinsurance:  |                        |                         |   |   |
| 14.1 Amounts recoverable from reinsurers .....  |                        |                         | 0   | 0   |
| 14.2 Funds held by or deposited with reinsured companies .....  |                        |                         | 0   | 0   |
| 14.3 Other amounts receivable under reinsurance contracts .....   |                        |                         | 0   | 0   |
| 15. Amounts receivable relating to uninsured plans .....  |                        |                         | 0   | 0   |
| 16.1 Current federal and foreign income tax recoverable and interest thereon .....  |                        |                         | 0   | 0   |
| 16.2 Net deferred tax asset .....   | 88,644,550             | .88,644,550             | 0   | 0   |
| 17. Guaranty funds receivable or on deposit .....   |                        |                         | 0   | 0   |
| 18. Electronic data processing equipment and software .....   |                        |                         | 0   | 0   |
| 19. Furniture and equipment, including health care delivery assets<br>(\$ ..... ) .....   |                        |                         | 0   | 0   |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates .....  |                        |                         | 0   | 0   |
| 21. Receivables from parent, subsidiaries and affiliates .....  |                        |                         | 0   | 0   |
| 22. Health care (\$ ..... ) and other amounts receivable .....  |                        |                         | 0   | 0   |
| 23. Aggregate write-ins for other than invested assets .....  | .18,667                | .18,667                 | 0   | 0   |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 10 to 23) .....                                     | 99,949,980             | 88,663,217              | 11,286,763                                | 10,558,305  |
| 25. From Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts .....  |                        |                         | 0   | 0   |
| 26. Total (Lines 24 and 25) .....   | 99,949,980             | 88,663,217              | 11,286,763                                | 10,558,305  |
| <b>DETAILS OF WRITE-INS</b>   |                        |                         |   |   |
| 0901. ....  |                        |                         |   |   |
| 0902. ....  |                        |                         |   |   |
| 0903. ....  |                        |                         |   |   |
| 0998. Summary of remaining write-ins for Line 9 from overflow page .....  | 0                      | .0                      | 0   | 0   |
| 0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above) .....  | 0                      | 0                       | 0   | 0   |
| 2301. Prepaid expenses .....  | .18,667                | .18,667                 | 0   | 0   |
| 2302. ....  |                        |                         |   |   |
| 2303. ....  |                        |                         |   |   |
| 2398. Summary of remaining write-ins for Line 23 from overflow page .....   | 0                      | .0                      | 0   | 0   |
| 2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) .....   | 18,667                 | .18,667                 | 0   | 0   |

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

|  | 1<br>Current<br>Statement Date | 2<br>December 31,<br>Prior Year |
|--|--------------------------------|---------------------------------|
| 1. Losses (current accident year \$ ..... ) .....  | 0                              | 0                               |
| 2. Reinsurance payable on paid losses and loss adjustment expenses .....   | 0                              | 0                               |
| 3. Loss adjustment expenses .....  | 0                              | 0                               |
| 4. Commissions payable, contingent commissions and other similar charges .....   | 0                              | 0                               |
| 5. Other expenses (excluding taxes, licenses and fees) .....   | 900                            | 900                             |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....   | 0                              | 0                               |
| 7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)).  | 0                              | 0                               |
| 7.2 Net deferred tax liability .....   | 0                              | 0                               |
| 8. Borrowed money \$ ..... and interest thereon \$ .....   | 0                              | 0                               |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... 481,450 and including warranty reserves of \$ ..... ). | 0                              | 0                               |
| 10. Advance premium .....  | 0                              | 0                               |
| 11. Dividends declared and unpaid:   |                                |                                 |
| 11.1 Stockholders .....  | 0                              | 0                               |
| 11.2 Policyholders .....   | 0                              | 0                               |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) .....   | 0                              | 0                               |
| 13. Funds held by company under reinsurance treaties .....   | 0                              | 0                               |
| 14. Amounts withheld or retained by company for account of others .....  | 0                              | 0                               |
| 15. Remittances and items not allocated .....  | 0                              | 0                               |
| 16. Provision for reinsurance .....  | 0                              | 0                               |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates .....  | 0                              | 0                               |
| 18. Drafts outstanding .....   | 0                              | 0                               |
| 19. Payable to parent, subsidiaries and affiliates .....   | 476,396                        | 74,329                          |
| 20. Payable for securities .....   | 0                              | 0                               |
| 21. Liability for amounts held under uninsured plans .....   | 0                              | 0                               |
| 22. Capital notes \$ ..... and interest thereon \$ .....   | 0                              | 0                               |
| 23. Aggregate write-ins for liabilities .....  | 0                              | 0                               |
| 24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....  | 477,296                        | 75,229                          |
| 25. Protected cell liabilities .....   | 0                              | 0                               |
| 26. Total liabilities (Lines 24 and 25) .....  | 477,296                        | 75,229                          |
| 27. Aggregate write-ins for special surplus funds .....  | 0                              | 0                               |
| 28. Common capital stock .....   | 0                              | 0                               |
| 29. Preferred capital stock .....  | 0                              | 0                               |
| 30. Aggregate write-ins for other than special surplus funds .....   | 1,500,000                      | 1,500,000                       |
| 31. Surplus notes .....  | 0                              | 0                               |
| 32. Gross paid in and contributed surplus .....  | 0                              | 0                               |
| 33. Unassigned funds (surplus) .....   | 9,309,467                      | 8,983,076                       |
| 34. Less treasury stock, at cost:  |                                |                                 |
| 34.1 ..... shares common (value included in Line 28 \$ ..... ) .....   | 0                              | 0                               |
| 34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....  | 0                              | 0                               |
| 35. Surplus as regards policyholders (Lines 27 to 33, less 34) .....   | 10,809,467                     | 10,483,076                      |
| 36. TOTALS   | 11,286,763                     | 10,558,305                      |
| <b>DETAILS OF WRITE-INS</b>  |                                |                                 |
| 2301. ....   | 0                              | 0                               |
| 2302. ....   | 0                              | 0                               |
| 2303. ....   | 0                              | 0                               |
| 2398. Summary of remaining write-ins for Line 23 from overflow page .....  | 0                              | 0                               |
| 2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)  | 0                              | 0                               |
| 2701. ....   | 0                              | 0                               |
| 2702. ....   | 0                              | 0                               |
| 2703. ....   | 0                              | 0                               |
| 2798. Summary of remaining write-ins for Line 27 from overflow page .....  | 0                              | 0                               |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)  | 0                              | 0                               |
| 3001. Guaranty fund.....   | 1,500,000                      | 1,500,000                       |
| 3002. ....   | 0                              | 0                               |
| 3003. ....   | 0                              | 0                               |
| 3098. Summary of remaining write-ins for Line 30 from overflow page .....  | 0                              | 0                               |
| 3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)  | 1,500,000                      | 1,500,000                       |

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**STATEMENT OF INCOME**

|  | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| <b>UNDERWRITING INCOME</b>   |                              |                            |                                      |
| 1. Premiums earned:  |                              |                            |                                      |
| 1.1 Direct (written \$ 874,680 )   | 918,146                      | 1,485,022                  | 2,016,109                            |
| 1.2 Assumed (written \$ )  | 0                            | 0                          | 0                                    |
| 1.3 Ceded (written \$ 874,680 )  | 918,146                      | 1,485,022                  | 2,016,109                            |
| 1.4 Net (written \$ .0 )   | 0                            | 0                          | 0                                    |
| <b>DEDUCTIONS:</b>   |                              |                            |                                      |
| 2. Losses incurred (current accident year \$ ):  |                              |                            |                                      |
| 2.1 Direct   | 21,327,662                   | (21,003,734)               | (4,895,192)                          |
| 2.2 Assumed  | 0                            | 0                          | 0                                    |
| 2.3 Ceded  | 21,327,662                   | (21,003,734)               | (4,895,192)                          |
| 2.4 Net  | 0                            | 0                          | 0                                    |
| 3. Loss expenses incurred  |                              |                            |                                      |
| 4. Other underwriting expenses incurred  | 95,667                       | 83,500                     | 95,166                               |
| 5. Aggregate write-ins for underwriting deductions   | 0                            | 0                          | 0                                    |
| 6. Total underwriting deductions (Lines 2 through 5)   | 95,667                       | 83,500                     | 95,166                               |
| 7. Net income of protected cells   |                              |                            |                                      |
| 8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)  | (95,667)                     | (83,500)                   | (95,166)                             |
| <b>INVESTMENT INCOME</b>   |                              |                            |                                      |
| 9. Net investment income earned  | 382,391                      | 273,007                    | 371,823                              |
| 10. Net realized capital gains (losses) less capital gains tax of \$   |                              | (3,960)                    | (12,670)                             |
| 11. Net investment gain (loss) (Lines 9 + 10)  | 382,391                      | 269,047                    | 359,153                              |
| <b>OTHER INCOME</b>  |                              |                            |                                      |
| 12. Net gain or (loss) from agents' or premium balances charged off<br>(amount recovered \$ ..... amount charged off \$ ..... )                        |                              | 0                          | 0                                    |
| 13. Finance and service charges not included in premiums   |                              | 0                          | 0                                    |
| 14. Aggregate write-ins for miscellaneous income   | 0                            | 0                          | 0                                    |
| 15. Total other income (Lines 12 through 14)   | 0                            | 0                          | 0                                    |
| 16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)     | 286,724                      | 185,547                    | 263,987                              |
| 17. Dividends to policyholders   |                              | 0                          | 0                                    |
| 18. Net income, after dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | 286,724                      | 185,547                    | 263,987                              |
| 19. Federal and foreign income taxes incurred  |                              | 0                          | 0                                    |
| 20. Net income (Line 18 minus Line 19)(to Line 22)   | 286,724                      | 185,547                    | 263,987                              |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                              |                            |                                      |
| 21. Surplus as regards policyholders, December 31 prior year   | 10,483,076                   | 10,272,869                 | 10,272,869                           |
| 22. Net income (from Line 20)  | 286,724                      | 185,547                    | 263,987                              |
| 23. Net transfers (to) from Protected Cell accounts  |                              | 0                          | 0                                    |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$  |                              | 4,554                      | 4,554                                |
| 25. Change in net unrealized foreign exchange capital gain (loss)  |                              | 0                          | 0                                    |
| 26. Change in net deferred income tax  | (114,237)                    | (66,328)                   | (11,878,193)                         |
| 27. Change in nonadmitted assets   | 153,904                      | 66,328                     | 11,819,859                           |
| 28. Change in provision for reinsurance  |                              | 0                          | 0                                    |
| 29. Change in surplus notes  |                              | 0                          | 0                                    |
| 30. Surplus (contributed to) withdrawn from protected cells  |                              | 0                          | 0                                    |
| 31. Cumulative effect of changes in accounting principles  |                              | 0                          | 0                                    |
| 32. Capital changes:   |                              |                            |                                      |
| 32.1 Paid in   |                              | 0                          | 0                                    |
| 32.2 Transferred from surplus (Stock Dividend)   |                              | 0                          | 0                                    |
| 32.3 Transferred to surplus  |                              | 0                          | 0                                    |
| 33. Surplus adjustments:   |                              |                            |                                      |
| 33.1 Paid in   |                              | 0                          | 0                                    |
| 33.2 Transferred to capital (Stock Dividend)   |                              | 0                          | 0                                    |
| 33.3 Transferred from capital  |                              | 0                          | 0                                    |
| 34. Net remittances from or (to) Home Office   |                              | 0                          | 0                                    |
| 35. Dividends to stockholders  |                              | 0                          | 0                                    |
| 36. Change in treasury stock   |                              | 0                          | 0                                    |
| 37. Aggregate write-ins for gains and losses in surplus  | 0                            | 0                          | 0                                    |
| 38. Change in surplus as regards policyholders (Lines 22 through 37)   | 326,391                      | 190,101                    | 210,207                              |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)  | 10,809,467                   | 10,462,970                 | 10,483,076                           |
| <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.  |                              |                            |                                      |
| 1402.  |                              |                            |                                      |
| 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)  | 0                            | 0                          | 0                                    |
| 3701.  |                              |                            |                                      |
| 3702.  |                              |                            |                                      |
| 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)  | 0                            | 0                          | 0                                    |

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**CASH FLOW**

|   | 1<br>Current Year<br>To Date | 2<br>Prior Year Ended<br>December 31 |
|---|------------------------------|--------------------------------------|
| <b>Cash from Operations</b>   |                              |                                      |
| 1. Premiums collected net of reinsurance.....   | 0                            | 0                                    |
| 2. Net investment income.....   | 436,557                      | 278,368                              |
| 3. Miscellaneous income.....  | 0                            | 0                                    |
| 4. Total (Lines 1 to 3).....  | 436,557                      | 278,368                              |
| 5. Benefits and loss related payments.....  | 0                            | 0                                    |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                             | 0                            | 0                                    |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....   | 95,667                       | 95,166                               |
| 8. Dividends paid to policyholders.....   | 0                            | 0                                    |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)                            | 0                            | 0                                    |
| 10. Total (Lines 5 through 9).....  | 95,667                       | 95,166                               |
| 11. Net cash from operations (Line 4 minus Line 10).....  | 340,890                      | 183,202                              |
| <b>Cash from Investments</b>  |                              |                                      |
| 12. Proceeds from investments sold, matured or repaid:  |                              |                                      |
| 12.1 Bonds.....   | 4,755,042                    | 3,652,951                            |
| 12.2 Stocks.....  | 0                            | 3,080                                |
| 12.3 Mortgage loans.....  | 0                            | 0                                    |
| 12.4 Real estate.....   | 0                            | 0                                    |
| 12.5 Other invested assets.....   | 0                            | 0                                    |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....                                    | 0                            | 0                                    |
| 12.7 Miscellaneous proceeds.....  | 0                            | 0                                    |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....  | 4,755,042                    | 3,656,031                            |
| 13. Cost of investments acquired (long-term only):  |                              |                                      |
| 13.1 Bonds.....   | 5,286,131                    | 5,725,742                            |
| 13.2 Stocks.....  | 0                            | 0                                    |
| 13.3 Mortgage loans.....  | 0                            | 0                                    |
| 13.4 Real estate.....   | 0                            | 0                                    |
| 13.5 Other invested assets.....   | 0                            | 0                                    |
| 13.6 Miscellaneous applications.....  | 0                            | 0                                    |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....   | 5,286,131                    | 5,725,742                            |
| 14. Net increase (or decrease) in contract loans and premium notes.....   | 0                            | 0                                    |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....  | (531,089)                    | (2,069,711)                          |
| <b>Cash from Financing and Miscellaneous Sources</b>  |                              |                                      |
| 16. Cash provided (applied):  |                              |                                      |
| 16.1 Surplus notes, capital notes.....  | 0                            | 0                                    |
| 16.2 Capital and paid in surplus, less treasury stock.....  | 0                            | 0                                    |
| 16.3 Borrowed funds.....  | 0                            | 0                                    |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....  | 0                            | 0                                    |
| 16.5 Dividends to stockholders.....   | 0                            | 0                                    |
| 16.6 Other cash provided (applied).....   | 441,734                      | (606,848)                            |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)..... | 441,734                      | (606,848)                            |
| <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 Lines 15 and 17).....                | 251,535                      | (2,493,357)                          |
| 19. Cash, cash equivalents and short-term investments:  |                              |                                      |
| 19.1 Beginning of year.....   | 1,511,650                    | 4,005,007                            |
| 19.2 End of period (Line 18 plus Line 19.1).....  | 1,763,185                    | 1,511,650                            |

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

No change.

**2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS**

No change.

**3. BUSINESS COMBINATIONS AND GOODWILL**

No change.

**4. DISCONTINUED OPERATIONS**

No change.

**5. INVESTMENTS**

No change.

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

No change.

**7. INVESTMENT INCOME**

No change.

**8. DERIVATIVE INSTRUMENTS**

No change.

**9. INCOME TAXES**

A. The components of the Company's net deferred tax asset are as follows:

|                                    |               | September 30,<br>2007 | December 31,<br>2006 |
|------------------------------------|---------------|-----------------------|----------------------|
| Total of gross deferred tax assets | \$ 88,659,429 | 88,771,649            |                      |
| Total of deferred tax liabilities  | (14,879)      | (12,862)              |                      |
| Net deferred tax asset             | 88,644,550    | 88,758,787            |                      |
| Deferred tax asset nonadmitted     | (88,644,550)  | (88,758,787)          |                      |
| Net admitted deferred tax asset    | 0             | 0                     |                      |
| Decrease in nonadmitted asset      | \$ 114,237    |                       |                      |

C2. The change in net deferred income taxes is comprised of the following:

|   | September 30,<br>2007 | December 31,<br>2006 | Change       |
|---|-----------------------|----------------------|--------------|
| Total deferred tax assets               | \$ 88,659,429         | 88,771,649           | \$ (112,220) |
| Total deferred tax liabilities          | (14,879)              | (12,862)             | (2,017)      |
| Net deferred tax asset                  | \$ 88,644,550         | 88,758,787           | (114,237)    |
| Tax effect of unrealized gains (losses) |                       |                      | 0            |
| Changes in net deferred income tax      |                       |                      | \$ (114,237) |

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

- D. The provision for Federal and foreign income taxes incurred plus the change in deferred income taxes is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

|   |    | September 30,<br>2007 |
|---|----|-----------------------|
| Provision computed at statutory rate      | \$ | 100,353               |
| Receivables                               |    | 13,884                |
| Total                                     | \$ | <u>114,237</u>        |
|   |    |                       |
| Federal and foreign income taxes incurred | \$ | 0                     |
| Change in net deferred income taxes       |    | 114,237               |
| Total statutory income taxes              | \$ | 114,237               |

F. No change.

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

No change.

**11. DEBT**

No change.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POST EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

No change.

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

No change.

**14. CONTINGENCIES**

D. In May 2007, the Florida Office of Insurance Regulation notified the Company that its license (certificate of authority to conduct insurance business in Florida) expired by operation of law due to the prior suspension of the license in 2004 (after the Company had entered run-off status). The license is not required for the Company to continue to handle claims, or to liquidate assets or liabilities, from its prior operations.

**15. LEASES**

No change.

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

No change.

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

No change.

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

No change.

## NOTES TO FINANCIAL STATEMENTS

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS  
No change.
20. SEPTEMBER 11 EVENTS  
No change.
21. OTHER ITEMS  
No change.
22. EVENTS SUBSEQUENT  
No change.
23. REINSURANCE  
No change.
24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION  
No change.
25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES  
No change.
26. INTERCOMPANY POOLING ARRANGEMENTS  
No change.
27. STRUCTURED SETTLEMENTS  
No change.
28. HEALTH CARE RECEIVABLES  
No change.
29. PARTICIPATING POLICIES  
No change.
30. PREMIUM DEFICIENCY RESERVES  
No change.
31. HIGH DEDUCTIBLES  
No change.
32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSE  
No change.
33. ASBESTOS/ENVIRONMENTAL RESERVES  
No change.
34. SUBSCRIBER SAVINGS ACCOUNT  
No change.
35. MULTIPLE PERIL CROP INSURANCE  
No change.

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

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

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]  
1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]  
  
2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [X] No [ ]  
2.2 If yes, date of change: ..... 05/22/2007  
If not previously filed, furnish herewith a certified copy of the instrument as amended.  
  
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 the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
|                     |                        |                        |

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [X]  
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. ..... 12/31/2005  
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). ..... 07/11/2007  
6.4 By what department or departments?  
Illinois, Delaware, Mississippi and Nevada  
.....
- 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 [X] No [ ]  
7.2 If yes, give full information:  
Information provided in Financial Note 14D  
.....
- 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 response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:  
.....
- 9.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
.....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
.....

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ ] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

**INVESTMENT**

- 11.1 Has there been any change in the reporting entity's own preferred or common stock? ..... Yes [ ] No [X]
- 11.2 If yes, explain:  
.....

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

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

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

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

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

15.2 If yes, please complete the following:

|   | 1<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>Carrying Value |
|---|--|---|
| 15.21 Bonds .....   | \$ .....   | \$ .....  |
| 15.22 Preferred Stock .....   | \$ .....   | \$ .....  |
| 15.23 Common Stock .....  | \$ .....   | \$ .....  |
| 15.24 Short-Term Investments .....  | \$ .....   | \$ .....  |
| 15.25 Mortgage Loans on Real Estate .....   | \$ .....   | \$ .....  |
| 15.26 All Other .....   | \$ .....   | \$ .....  |
| 15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal<br>Lines 15.21 to 15.26)..... | \$ .....0  | \$ .....0   |
| 15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above ....                          | \$ .....   | \$ .....  |

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

- 16.2 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.

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

17. Excluding items in Schedule E, 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 Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? .....

Yes [X] No [ ]

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

| 1<br>Name of Custodian(s)      | 2<br>Custodian Address                              |
|--------------------------------|---|
| BNY Midwest Trust Company..... | 209 W. Jackson Blvd., Suite 800, Chicago, IL, 60606 |

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

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
|              |                  |                              |

- 17.3 Have there been any changes, including name changes in the custodian(s) identified in 17.1 during the current quarter? .....

Yes [ ] No [X]

- 17.4 If yes, give full and complete information relating thereto:

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

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

| 1<br>Central Registration Depository | 2<br>Name(s)                                      | 3<br>Address  |
|--------------------------------------|---|---|
| 109875.....                          | Asset Allocation & Management Company, L.L.C..... | 30 North LaSalle St., 35th Floor, Chicago, IL 60602 |

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

Yes [X] No [ ]

- 18.2 If no, list exceptions:

.....

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

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

**PART 2  
PROPERTY & CASUALTY INTERROGATORIES**

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

If yes, attach an explanation.

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

If yes, attach an explanation.

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

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

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

- 4.2 If yes, complete the following schedule:

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

**SCHEDULE A - VERIFICATION**

Real Estate

|   | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|-------------------|--------------------------------------|
| <b>NONE</b>   |                   |                                      |
| 1. Book/adjusted carrying value, December 31 of prior year .....                            | 0                 | 0                                    |
| 2. Increase (decrease) by adjustment .....  | 0                 | 0                                    |
| 3. Cost of acquired .....   | 0                 | 0                                    |
| 4. Cost of additions to and permanent improvements .....                                    | 0                 | 0                                    |
| 5. Total profit (loss) on sales .....   | 0                 | 0                                    |
| 6. Increase (decrease) by foreign exchange adjustment .....                                 | 0                 | 0                                    |
| 7. Amount received on sales .....   | 0                 | 0                                    |
| 8. Book/adjusted carrying value at end of current period .....                              | 0                 | 0                                    |
| 9. Total valuation allowance .....  | 0                 | 0                                    |
| 10. Subtotal (Lines 8 plus 9) .....   | 0                 | 0                                    |
| 11. Total nonadmitted amounts .....   | 0                 | 0                                    |
| 12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column) | 0                 | 0                                    |

**SCHEDULE B – VERIFICATION**

Mortgage Loans

|  | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| <b>NONE</b>  |                   |                                      |
| 1. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....       | 0                 | 0                                    |
| 2. Amount loaned during period:  |                   |                                      |
| 2.1. Actual cost at time of acquisitions .....   | 0                 | 0                                    |
| 2.2. Additional investment made after acquisitions .....   | 0                 | 0                                    |
| 3. Accrual of discount and mortgage interest points and commitment fees .....  | 0                 | 0                                    |
| 4. Increase (decrease) by adjustment .....   | 0                 | 0                                    |
| 5. Total profit (loss) on sale .....   | 0                 | 0                                    |
| 6. Amounts paid on account or in full during the period .....  | 0                 | 0                                    |
| 7. Amortization of premium .....   | 0                 | 0                                    |
| 8. Increase (decrease) by foreign exchange adjustment .....  | 0                 | 0                                    |
| 9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....       | 0                 | 0                                    |
| 10. Total valuation allowance .....  | 0                 | 0                                    |
| 11. Subtotal (Lines 9 plus 10) .....   | 0                 | 0                                    |
| 12. Total nonadmitted amounts .....  | 0                 | 0                                    |
| 13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column) | 0                 | 0                                    |

**SCHEDULE BA – VERIFICATION**

|  | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| <b>NONE</b>  |                   |                                      |
| 1. Book/adjusted carrying value of long-term invested assets at end of December 31 of prior year ..... | 0                 | 0                                    |
| 2. Cost of acquisitions during period:   |                   |                                      |
| 2.1. Actual cost at time of acquisitions .....   | 0                 | 0                                    |
| 2.2. Additional investment made after acquisitions .....   | 0                 | 0                                    |
| 3. Accrual of discount .....   | 0                 | 0                                    |
| 4. Increase (decrease) by adjustment .....   | 0                 | 0                                    |
| 5. Total profit (loss) on sale .....   | 0                 | 0                                    |
| 6. Amounts paid on account or in full during the period .....  | 0                 | 0                                    |
| 7. Amortization of premium .....   | 0                 | 0                                    |
| 8. Increase (decrease) by foreign exchange adjustment .....  | 0                 | 0                                    |
| 9. Book/adjusted carrying value of long-term invested assets at end of current period .....            | 0                 | 0                                    |
| 10. Total valuation allowance .....  | 0                 | 0                                    |
| 11. Subtotal (Lines 9 plus 10) .....   | 0                 | 0                                    |
| 12. Total nonadmitted amounts .....  | 0                 | 0                                    |
| 13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)   | 0                 | 0                                    |

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

|  | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| <b>NONE</b>  |                   |                                      |
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year ..... | 8,897,195         | 6,812,043                            |
| 2. Cost of bonds and stocks acquired .....   | 5,286,131         | 5,725,742                            |
| 3. Accrual of discount .....   | 17,393            | 33,422                               |
| 4. Increase (decrease) by adjustment .....   | 0                 | 4,554                                |
| 5. Increase (decrease) by foreign exchange adjustment .....                          | 0                 | 0                                    |
| 6. Total profit (loss) on disposal .....   | 0                 | (12,670)                             |
| 7. Consideration for bonds and stocks disposed of .....                              | 4,755,042         | 3,656,031                            |
| 8. Amortization of premium .....   | 41,910            | 9,866                                |
| 9. Book/adjusted carrying value, current period .....                                | 9,403,767         | 8,897,195                            |
| 10. Total valuation allowance .....  | 0                 | 0                                    |
| 11. Subtotal (Lines 9 plus 10) .....   | 9,403,767         | 8,897,195                            |
| 12. Total nonadmitted amounts .....  | 0                 | 0                                    |
| 13. Statement value .....  | 9,403,767         | 8,897,195                            |

## STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1B**

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

|   | 1<br>Book/Adjusted<br>Carrying Value<br>Beginning of<br>Current Quarter | 2<br>Acquisitions<br>During<br>Current Quarter | 3<br>Dispositions<br>During<br>Current Quarter | 4<br>Non-Trading<br>Activity<br>During<br>Current Quarter | 5<br>Book/Adjusted<br>Carrying Value<br>End of<br>First Quarter | 6<br>Book/Adjusted<br>Carrying Value<br>End of<br>Second Quarter | 7<br>Book/Adjusted<br>Carrying Value<br>End of<br>Third Quarter | 8<br>Book/Adjusted<br>Carrying Value<br>December 31<br>Prior Year |
|---|---|--|--|---|---|--|---|---|
| <b>BONDS</b>                              |   |  |  |   |   |  |   |   |
| 1. Class 1 .....                          | 10,844,555  | 6,161,601                                      | 5,831,793                                      | (7,410)   | 10,753,934  | 10,844,555   | 11,166,952  | 10,408,846  |
| 2. Class 2 .....                          | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 3. Class 3 .....                          | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 4. Class 4 .....                          | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 5. Class 5 .....                          | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 6. Class 6 .....                          | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 7. Total Bonds .....                      | 10,844,555  | 6,161,601                                      | 5,831,793                                      | (7,410)   | 10,753,934  | 10,844,555   | 11,166,952  | 10,408,846  |
| <b>PREFERRED STOCK</b>                    |   |  |  |   |   |  |   |   |
| 8. Class 1 .....                          | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 9. Class 2 .....                          | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 10. Class 3 .....                         | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 11. Class 4 .....                         | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 12. Class 5 .....                         | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 13. Class 6 .....                         | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 14. Total Preferred Stock .....           | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 15. Total Bonds and Preferred Stock ..... | 10,844,555  | 6,161,601                                      | 5,831,793                                      | (7,410)   | 10,753,934  | 10,844,555   | 11,166,952  | 10,408,846  |

**SCHEDULE DA - PART 1**

| Short-Term Investments Owned End of Current Quarter |                                      |                |                  |   |   |
|---|--------------------------------------|----------------|------------------|---|---|
|   | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Par Value | 3<br>Actual Cost | 4<br>Interest Collected<br>Year To Date | 5<br>Paid for Accrued<br>Interest<br>Year To Date |
| 82999999 Totals                                     | 1,763,185                            | XXX            | 1,763,185        | 0                                       | 0   |

**SCHEDULE DA - PART 2- VERIFICATION**

| Short-Term Investments Owned  |  | 1<br>Year To Date | 2<br>Prior Year Ended<br>December 31 |
|---|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year.....       |  | 1,511,650         | 3,005,943                            |
| 2. Cost of short-term investments acquired .....                      |  | 9,925,434         | 7,691,603                            |
| 3. Increase (decrease) by adjustment .....                            |  | 2,606             | 3,233                                |
| 4. Increase (decrease) by foreign exchange adjustment .....           |  |                   | 0                                    |
| 5. Total profit (loss) on disposal of short-term investments .....    |  |                   | 0                                    |
| 6. Consideration received on disposal of short-term investments ..... |  | 9,676,505         | 9,189,129                            |
| 7. Book/adjusted carrying value, current period .....                 |  | 1,763,185         | 1,511,650                            |
| 8. Total valuation allowance .....                                    |  |                   | 0                                    |
| 9. Subtotal (Lines 7 plus 8) .....                                    |  | 1,763,185         | 1,511,650                            |
| 10. Total nonadmitted amounts .....                                   |  |                   | 0                                    |
| 11. Statement value (Lines 9 minus 10) .....                          |  | 1,763,185         | 1,511,650                            |
| 12. Income collected during period .....                              |  | 107,137           | 111,832                              |
| 13. Income earned during period                                       |  | 101,477           | 110,535                              |

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule F

**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

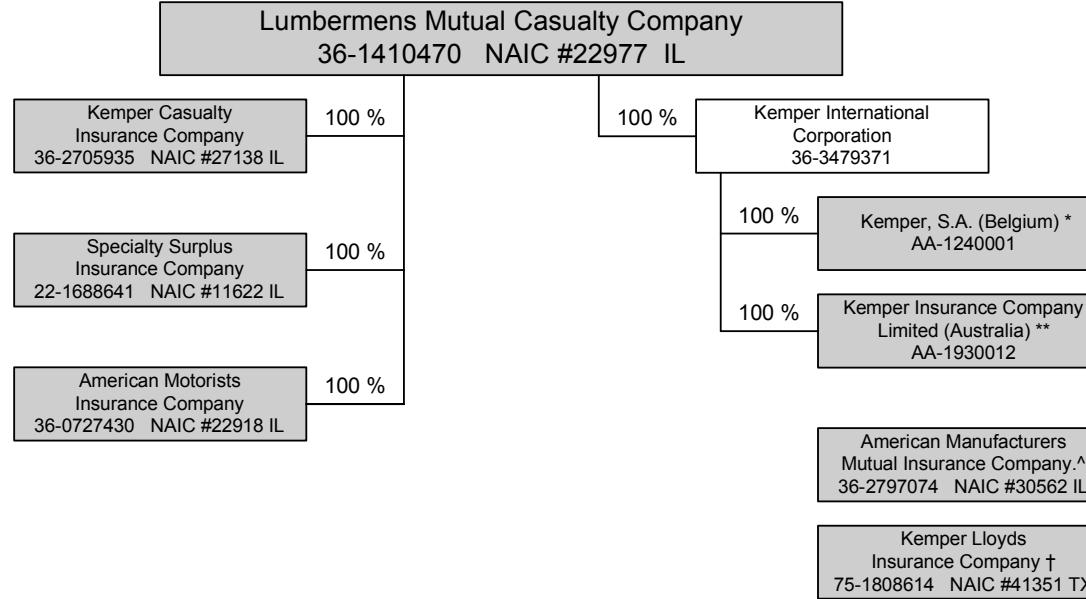
Current Year to Date - Allocated by States and Territories

| States, etc.   | 1<br>Is Insurer<br>Licensed?<br>(Yes or<br>No) | Direct Premiums Written      |                            | Direct Losses Paid<br>(Deducting Salvage) |                            | Direct Losses Unpaid         |                            |
|--|--|------------------------------|----------------------------|---|----------------------------|------------------------------|----------------------------|
|  |  | 2<br>Current Year<br>To Date | 3<br>Prior Year<br>To Date | 4<br>Current Year<br>To Date              | 5<br>Prior Year<br>To Date | 6<br>Current Year<br>To Date | 7<br>Prior Year<br>To Date |
| 1. Alabama   | AL   | Yes.....                     | 6,092                      | (85).....                                 | 380,483                    | 1,136,507                    | 562,823.....               |
| 2. Alaska  | AK   | Yes.....                     | 9,023                      | (8,397).....                              | (1).....                   | .71,231                      | 112,366.....               |
| 3. Arizona   | AZ   | Yes.....                     | 7,220                      | 12,215.....                               | 186,702                    | .979,768                     | 4,804,396.....             |
| 4. Arkansas  | AR   | Yes.....                     | 0                          | (3).....                                  | 3,847,461                  | .536,247                     | 5,490,030.....             |
| 5. California  | CA   | Yes.....                     | 218,503                    | (155,309).....                            | 13,249,906                 | 17,788,148                   | 45,809,865.....            |
| 6. Colorado  | CO   | Yes.....                     | 11,650                     | .4,459.....                               | 2,125,313                  | .874,070                     | 673,760.....               |
| 7. Connecticut   | CT   | Yes.....                     | 10,931                     | .8,504.....                               | 1,553,476                  | 2,262,551                    | 6,116,801.....             |
| 8. Delaware  | DE   | Yes.....                     | 2,381                      | .2,538.....                               | .214,404                   | .527,119                     | 1,568,576.....             |
| 9. District of Columbia  | DC   | Yes.....                     | (61).....                  | .2,082.....                               | (35,472).....              | .6,482                       | 482,748.....               |
| 10. Florida  | FL   | No.....                      | 87,741                     | .92,962.....                              | .923,467                   | 1,148,714                    | 4,399,064.....             |
| 11. Georgia  | GA   | Yes.....                     | 27,531                     | .564.....                                 | .163,859                   | 2,617,424                    | 2,788,949.....             |
| 12. Hawaii   | HI   | Yes.....                     | (191).....                 | .6,074.....                               | (12,454).....              | .56,841                      | 130,907.....               |
| 13. Idaho  | ID   | Yes.....                     | 1,270                      | (2,875).....                              | .0.....                    | 164,026                      | (9,274).....               |
| 14. Illinois   | IL   | Yes.....                     | 52,872                     | .6,213.....                               | 4,335,424                  | 2,472,717                    | 4,895,134.....             |
| 15. Indiana  | IN   | Yes.....                     | 1,414                      | .2,620.....                               | .87,367                    | .226,408                     | .967,730.....              |
| 16. Iowa   | IA   | Yes.....                     | 8,782                      | 356,028.....                              | .132,527                   | .302,692                     | .927,936.....              |
| 17. Kansas   | KS   | Yes.....                     | 4,075                      | (8,898).....                              | .56,985                    | .249,446                     | .213,677.....              |
| 18. Kentucky   | KY   | Yes.....                     | .450                       | .274.....                                 | .225,617                   | .432,322                     | .2,210,836.....            |
| 19. Louisiana  | LA   | Yes.....                     | 4,953                      | .1,452.....                               | .284,441                   | .699,400                     | .939,634.....              |
| 20. Maine  | ME   | Yes.....                     | (229).....                 | .1,584.....                               | .19,004                    | .223,791                     | .634,202.....              |
| 21. Maryland   | MD   | Yes.....                     | (3,257).....               | .51,517.....                              | .877,698                   | .923,306                     | 1,778,351.....             |
| 22. Massachusetts  | MA   | Yes.....                     | (80,743).....              | .33,439.....                              | .712,978                   | 1,026,839                    | .8,574,525.....            |
| 23. Michigan   | MI   | Yes.....                     | 14,749                     | .6,437.....                               | .847,366                   | .927,415                     | .5,005,126.....            |
| 24. Minnesota  | MN   | Yes.....                     | 20,382                     | .19,212.....                              | .945,426                   | .326,445                     | .1,271,529.....            |
| 25. Mississippi  | MS   | Yes.....                     | 2,273                      | .16,948.....                              | .593,417                   | .92,482                      | .1,042,311.....            |
| 26. Missouri   | MO   | Yes.....                     | 2,131                      | (3,225).....                              | .134,792                   | 1,015,103                    | .1,511,594.....            |
| 27. Montana  | MT   | Yes.....                     | 1,920                      | (11,211).....                             | .344,897                   | .175,000                     | .934,406.....              |
| 28. Nebraska   | NE   | Yes.....                     | 6,095                      | .1,516.....                               | .133,382                   | (53,716).....                | .906,520.....              |
| 29. Nevada   | NV   | Yes.....                     | 2,650                      | .4,636.....                               | .1,490,101                 | .92,065                      | .764,720.....              |
| 30. New Hampshire  | NH   | Yes.....                     | 7,286                      | .5,700.....                               | .408,706                   | .463,061                     | .1,233,094.....            |
| 31. New Jersey   | NJ   | Yes.....                     | 53,721                     | .27,169.....                              | .1,088,530                 | .2,393,454                   | .5,338,596.....            |
| 32. New Mexico   | NM   | Yes.....                     | 6,213                      | .2,302.....                               | .81,328                    | .507,239                     | .542,609.....              |
| 33. New York   | NY   | Yes.....                     | 338,999                    | 301,927.....                              | .10,560,113                | 14,710,069                   | .49,854,419.....           |
| 34. North Carolina   | NC   | Yes.....                     | .6,738                     | .4,832.....                               | .954,554                   | .2,323,730                   | .1,352,718.....            |
| 35. North Dakota   | ND   | Yes.....                     | .11                        | .35.....                                  | .0.....                    | .0                           | (2,806).....               |
| 36. Ohio   | OH   | Yes.....                     | 2,850                      | (14,861).....                             | .613,201                   | .852,546                     | .2,221,747.....            |
| 37. Oklahoma   | OK   | Yes.....                     | .0                         | .0.....                                   | .41,074                    | .78,960                      | .588,918.....              |
| 38. Oregon   | OR   | Yes.....                     | 16,849                     | (20,515).....                             | .187,385                   | .445,205                     | .2,356,269.....            |
| 39. Pennsylvania   | PA   | Yes.....                     | (30,480).....              | .10,097.....                              | .2,629,180                 | .4,635,509                   | .7,626,945.....            |
| 40. Rhode Island   | RI   | Yes.....                     | .645                       | (19).....                                 | .97,394                    | .87,140                      | .7,199.....                |
| 41. South Carolina   | SC   | Yes.....                     | (807).....                 | .6,582.....                               | (79,961).....              | .407,154                     | .1,463,285.....            |
| 42. South Dakota   | SD   | Yes.....                     | .224                       | .4,458.....                               | .89,402                    | .22,901                      | .312,568.....              |
| 43. Tennessee  | TN   | Yes.....                     | 10,075                     | .5,642.....                               | .142,189                   | .292,275                     | .1,728,559.....            |
| 44. Texas  | TX   | Yes.....                     | (3,654).....               | .9,956.....                               | .845,343                   | .776,986                     | .3,622,720.....            |
| 45. Utah   | UT   | Yes.....                     | 4,133                      | .587.....                                 | .46.....                   | (1,383).....                 | .88,259.....               |
| 46. Vermont  | VT   | Yes.....                     | (365).....                 | (1,005).....                              | .140,549                   | .16,315                      | .786,761.....              |
| 47. Virginia   | VA   | Yes.....                     | 26,283                     | .11,872.....                              | .239,586                   | .674,339                     | .2,830,211.....            |
| 48. Washington   | WA   | Yes.....                     | .220                       | .8,180.....                               | .94,409                    | .515,233                     | .527,374.....              |
| 49. West Virginia  | WV   | Yes.....                     | .344                       | .116.....                                 | .200,000                   | .99,000                      | (12,272).....              |
| 50. Wisconsin  | WI   | Yes.....                     | 13,355                     | (123).....                                | .690,122                   | .701,890                     | .758,853.....              |
| 51. Wyoming  | WY   | Yes.....                     | .105                       | .292.....                                 | .0.....                    | .0                           | (1,575).....               |
| 52. American Samoa   | AS   | No.....                      | .0                         | .0.....                                   | .0.....                    | .0                           | .0                         |
| 53. Guam   | GU   | No.....                      | .0                         | .0.....                                   | .0.....                    | .0                           | .0                         |
| 54. Puerto Rico  | PR   | No.....                      | .0                         | .0.....                                   | .0.....                    | .0                           | .0                         |
| 55. U.S. Virgin Islands  | VI   | No.....                      | .0                         | .0.....                                   | .0.....                    | .0                           | .0                         |
| 56. Northern Mariana Islands   | MP   | No.....                      | .0                         | .0.....                                   | .0.....                    | .0                           | .0                         |
| 57. Canada   | CN   | No.....                      | .0                         | .0.....                                   | .0.....                    | .0                           | .0                         |
| 58. Aggregate Other Alien  | OT   | XXX.....                     | 1,328                      | .0.....                                   | .0.....                    | .0                           | (1,389).....               |
| 59. Totals   |  | (a) 50                       | 874,680                    | 804,495                                   | 52,841,716                 | 67,302,466                   | 188,732,304                |
| <b>DETAILS OF WRITE-INS</b>  |  |                              |                            |   |                            |                              |                            |
| 5801. Europe   |  | XXX                          |                            | 0   |                            | 0                            | (643).....                 |
| 5802. Asia   |  | XXX                          |                            | 0   |                            | 0                            | (746).....                 |
| 5803. Africa   |  | XXX                          | 1,328                      | 0   |                            | 0                            | 0                          |
| 5898. Summary of remaining write-ins<br>for Line 58 from overflow page |  | XXX                          | 0                          | 0   | 0                          | 0                            | 0                          |
| 5899. Totals (Lines 5801 through<br>5803 plus 5898) (Line 58<br>above) |  | XXX                          | 1,328                      | 0   | 0                          | 0                            | (1,389).....               |
|  |  |                              |                            |   |                            |                              | (984).....                 |

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

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

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



<sup>^</sup> American Manufacturers Mutual Insurance Company is a mutual company associated with Lumbermens Mutual Casualty Company.

<sup>†</sup> Kemper Lloyds Insurance Company is a Texas Lloyds association of underwriters under the sponsorship of Lumbermens Mutual Casualty Company.

\* Percentage includes one minority shareholder.

\*\* Percentage includes director qualifying shares.

Insurers are identified by shaded boxes. Percentages show common stock ownership as of 09/30/2007.

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**PART 1 - LOSS EXPERIENCE**

| Lines of Business   | Current Year to Date           |                                |                                | 4<br>Prior Year to<br>Date Direct Loss<br>Percentage |
|---|--------------------------------|--------------------------------|--------------------------------|--|
|   | 1<br>Direct Premiums<br>Earned | 2<br>Direct Losses<br>Incurred | 3<br>Direct Loss<br>Percentage |  |
| 1. Fire .....   | (1,921)                        | (826)                          | .43.0                          | (200.6)  |
| 2. Allied Lines .....   | (570)                          | (1,478)                        | .259.3                         | (46.7)   |
| 3. Farmowners multiple peril .....  |                                |                                | .0.0                           | .0.0   |
| 4. Homeowners multiple peril .....  | (1,929)                        | (172,196)                      | .8,926.7                       | (2,361.5)  |
| 5. Commercial multiple peril .....  | (2,182)                        | .950,273                       | (43,550.5)                     | (13,367.1)   |
| 6. Mortgage guaranty .....  |                                |                                | .0.0                           | .0.0   |
| 8. Ocean marine .....   | .258                           | (125)                          | (48.4)                         | 4,160.6  |
| 9. Inland marine .....  | 2,259                          | .975                           | .43.2                          | .9.9   |
| 10. Financial guaranty .....  |                                |                                | .0.0                           | .0.0   |
| 11.1 Medical malpractice - occurrence .....                               |                                |                                | .0.0                           | .0.0   |
| 11.2 Medical malpractice - claims-made .....                              |                                |                                | .0.0                           | .0.0   |
| 12. Earthquake .....  | (67)                           | (1)                            | .1.5                           | .12.1  |
| 13. Group accident and health .....                                       |                                |                                | .0.0                           | .0.0   |
| 14. Credit accident and health .....                                      |                                |                                | .0.0                           | .0.0   |
| 15. Other accident and health .....                                       |                                |                                | .0.0                           | .0.0   |
| 16. Workers' compensation .....   | 502,213                        | .20,727,251                    | .4,127.2                       | .54,494.2  |
| 17.1 Other liability - occurrence .....                                   | 7,869                          | .9,032,385                     | .114,784.4                     | (973.7)  |
| 17.2 Other liability - claims-made .....                                  |                                | .6,037                         | .0.0                           | .0.0   |
| 18.1 Products liability - occurrence .....                                | .6,904                         | (6,904,808)                    | (100,011.7)                    | (69.1)   |
| 18.2 Products liability - claims-made .....                               |                                |                                | .0.0                           | .0.0   |
| 19.1,19.2 Private passenger auto liability .....                          | .230                           | (2,626,850)                    | (1,142,108.7)                  | (1,402.8)  |
| 19.3,19.4 Commercial auto liability .....                                 | .719                           | .1,597,417                     | .222,172.0                     | .9.5   |
| 21. Auto physical damage .....  | .10                            | (231,107)                      | (2,311,070.0)                  | .428.5   |
| 22. Aircraft (all perils) .....   |                                |                                | .0.0                           | .0.0   |
| 23. Fidelity .....  |                                | (3,026)                        | .0.0                           | (5,697.7)  |
| 24. Surety .....  | 404,353                        | (1,046,259)                    | (258.7)                        | (123.3)  |
| 26. Burglary and theft .....  |                                |                                | .0.0                           | .0.0   |
| 27. Boiler and machinery .....  |                                |                                | .0.0                           | .0.0   |
| 28. Credit .....  |                                |                                | .0.0                           | .0.0   |
| 29. International .....   |                                |                                | .0.0                           | .0.0   |
| 30. Reinsurance - Nonproportional Assumed Property .....                  | XXX                            | XXX                            | XXX                            | XXX  |
| 31. Reinsurance - Nonproportional Assumed Liability .....                 | XXX                            | XXX                            | XXX                            | XXX  |
| 32. Reinsurance - Nonproportional Assumed Financial Lines .....           | XXX                            | XXX                            | XXX                            | XXX  |
| 33. Aggregate write-ins for other lines of business .....                 | 0                              | .0                             | .0.0                           | .0.0   |
| 34. Totals .....  | 918,146                        | 21,327,662                     | 2,322.9                        | (1,414.4)  |
| <b>DETAILS OF WRITE-INS</b>   |                                |                                |                                |  |
| 3301. ....  |                                |                                |                                |  |
| 3302. ....  |                                |                                |                                |  |
| 3303. ....  |                                |                                |                                |  |
| 3398. Summary of remaining write-ins for Line 33 from overflow page ..... | 0                              | .0                             | .0.0                           | .0.0   |
| 3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above) .....       | 0                              | 0                              | 0.0                            | 0.0  |

**PART 2 - DIRECT PREMIUMS WRITTEN**

|   | 1<br>Current<br>Quarter | 2<br>Current<br>Year to Date | 3<br>Prior Year<br>Year to Date |
|---|-------------------------|------------------------------|---------------------------------|
| 1. Fire .....   | (421)                   | (4,568)                      | (1,318)                         |
| 2. Allied Lines .....   | (100)                   | (1,306)                      | (507)                           |
| 3. Farmowners multiple peril .....  | 0                       |                              | 0                               |
| 4. Homeowners multiple peril .....  | .0                      | (1,920)                      | (2,674)                         |
| 5. Commercial multiple peril .....  | .0                      | (2,182)                      | .5,680                          |
| 6. Mortgage guaranty .....  | .0                      |                              | 0                               |
| 8. Ocean marine .....   | .0                      | 258                          | (33)                            |
| 9. Inland marine .....  | (52)                    | (2)                          | (15,154)                        |
| 10. Financial guaranty .....  | .0                      |                              | 0                               |
| 11.1 Medical malpractice - occurrence .....                               | .0                      |                              | 0                               |
| 11.2 Medical malpractice - claims-made .....                              | .0                      |                              | 0                               |
| 12. Earthquake .....  | .0                      | (2,169)                      | .4,833                          |
| 13. Group accident and health .....                                       | .0                      |                              | 0                               |
| 14. Credit accident and health .....                                      | .0                      |                              | 0                               |
| 15. Other accident and health .....                                       | .0                      |                              | 0                               |
| 16. Workers' compensation .....   | 47,762                  | .502,180                     | (24,347)                        |
| 17.1 Other liability - occurrence .....                                   | .4                      | .7,606                       | 161,534                         |
| 17.2 Other liability - claims-made .....                                  | .0                      |                              | 0                               |
| 18.1 Products liability - occurrence .....                                | .0                      | .6,904                       | (37,362)                        |
| 18.2 Products liability - claims-made .....                               | .0                      |                              | 0                               |
| 19.1,19.2 Private passenger auto liability .....                          | (212)                   | .216                         | .18,073                         |
| 19.3,19.4 Commercial auto liability .....                                 | (8,840)                 | .719                         | .3,216                          |
| 21. Auto physical damage .....  | .0                      | .2                           | .15,319                         |
| 22. Aircraft (all perils) .....   | .0                      |                              | 0                               |
| 23. Fidelity .....  | .0                      |                              | 0                               |
| 24. Surety .....  | 92,084                  | .368,942                     | .677,235                        |
| 26. Burglary and theft .....  | .0                      |                              | 0                               |
| 27. Boiler and machinery .....  | .0                      |                              | 0                               |
| 28. Credit .....  | .0                      |                              | 0                               |
| 29. International .....   | .0                      |                              | 0                               |
| 30. Reinsurance - Nonproportional Assumed Property .....                  | XXX                     | XXX                          | XXX                             |
| 31. Reinsurance - Nonproportional Assumed Liability .....                 | XXX                     | XXX                          | XXX                             |
| 32. Reinsurance - Nonproportional Assumed Financial Lines .....           | XXX                     | XXX                          | XXX                             |
| 33. Aggregate write-ins for other lines of business .....                 | .0                      | .0                           | 0                               |
| 34. Totals .....  | 130,225                 | 874,680                      | 804,495                         |
| <b>DETAILS OF WRITE-INS</b>   |                         |                              |                                 |
| 3301. ....  |                         |                              |                                 |
| 3302. ....  |                         |                              |                                 |
| 3303. ....  |                         |                              |                                 |
| 3398. Summary of remaining write-ins for Line 33 from overflow page ..... | .0                      | .0                           | 0                               |
| 3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above) .....       | 0                       | 0                            | 0                               |

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

## **PART 3 (000 omitted)**

## **LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

| Years in Which Losses Occurred                       | 1<br>Prior Year-End Known Case Loss and LAE Reserves | 2<br>Prior Year-End IBNR Loss and LAE Reserves | 3<br>Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2) | 4<br>2007 Loss and LAE Payments on Claims Reported as of Prior Year-End | 5<br>2007 Loss and LAE Payments on Claims Unreported as of Prior Year-End | 6<br>Total 2007 Loss and LAE Payments (Cols. 4 + 5) | 7<br>Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End | 8<br>Q.S. Date IBNR Loss and LAE Reserves | 9<br>Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9) | 10<br>Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1) | 11<br>Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2) | 12<br>Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12) | 13<br>Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12) |     |
|--|--|--|---|---|---|---|---|---|---|---|---|--|--|-----|
| 1. 2004 + Prior                                      |  |  | 0   |   |   | 0   |   |   | 0   | 0   | 0   | 0  | 0  |     |
| 2. 2005  |  |  | 0   |   |   | 0   |   |   | 0   | 0   | 0   | 0  | 0  |     |
| 3. Subtotals 2005 + Prior                            | .0   | 0  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0  |     |
| 4. 2006  |  |  | 0   |   |   | 0   |   |   | 0   | 0   | 0   | 0  | 0  |     |
| 5. Subtotals 2006 + Prior                            | .0   | 0  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0  |     |
| 6. 2007  | XXX  | XXX  | XXX   | XXX   |   | 0   | XXX   |   | 0   | XXX   | XXX   | XXX  |  |     |
| 7. Totals  | 0  | 0  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0  |     |
| 8. Prior Year-End's Surplus As Regards Policyholders |  | 10,483   |   |   |   |   |   |   |   | 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.  | 0.0   | 2.   | 0.0  |     |
|  |  |  |   |   |   |   |   |   |   | 3.  | 0.0   |  | Col. 13, Line 7 As a % of Col. 1 Line 8  |     |
|  |  |  |   |   |   |   |   |   |   | 4.  | 0.0   |  | 4.   | 0.0 |

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**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 on "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 question.

**RESPONSE**

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? .....NO.....
2. Will Supplement A to Schedule T (Medical Malpractice 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.....

**Explanation:**

- 1.
- 2.
- 3.

**Bar Code:**

1.   
3 0 5 6 2 2 0 0 7 4 9 0 0 0 0 0 3
2.   
3 0 5 6 2 2 0 0 7 4 5 0 0 0 0 0 3
3.   
3 0 5 6 2 2 0 0 7 3 6 5 0 0 0 0 0 3

**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

## STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 3**

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

| 1<br>CUSIP<br>Identification                  | 2<br>Description      | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor             | 6<br>Number of<br>Shares of Stock | 7<br>Actual<br>Cost | 8<br>Par Value | 9<br>Paid for Accrued<br>Interest and Dividends | 10<br>NAIC<br>Designation or<br>Market<br>Indicator <sup>(a)</sup> |
|---|-----------------------|--------------|--------------------|---------------------------------|-----------------------------------|---------------------|----------------|---|--|
| 3134A3-EM-4.....                              | FREDDIE MAC.....      |              | .09/25/2007.....   | CREDIT SUISSE FIRST BOSTON..... | 508,964                           | 500,000             |                | .878  | 1FE  |
| 31359M-K6-9.....                              | FANNIE MAE.....       |              | .09/25/2007.....   | LEHMAN BROTHERS INC.....        | 503,075                           | 500,000             |                | 10,901  | 1FE  |
| 912827-5G-3.....                              | US TREASURY NOTE..... |              | .09/25/2007.....   | LEHMAN BROTHERS INC.....        | 296,978                           | 290,000             |                | 5,808   | 1  |
| 0399999 - Total - Bonds - U.S. Government     |                       |              |                    |                                 | 1,309,017                         | 1,290,000           |                | 17,587  | XXX  |
| 6099997 - Total - Bonds - Part 3              |                       |              |                    |                                 | 1,309,017                         | 1,290,000           |                | 17,587  | XXX  |
| 6099999 - Total - Bonds                       |                       |              |                    |                                 | 1,309,017                         | 1,290,000           |                | 17,587  | XXX  |
| 6599999 - Total - Preferred Stocks            |                       |              |                    |                                 | 0                                 | XXX                 |                | 0   | XXX  |
| 7299999 - Total - Common Stocks               |                       |              |                    |                                 | 0                                 | XXX                 |                | 0   | XXX  |
| 7399999 - Total - Preferred and Common Stocks |                       |              |                    |                                 | 0                                 | XXX                 |                | 0   | XXX  |
| 7499999 - Totals                              |                       |              |                    |                                 |                                   | 1,309,017           | XXX            | 17,587  | XXX  |

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

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

**SCHEDULE D - PART 4**

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

| 1<br>CUSIP<br>Identifi-<br>cation              | 2<br>Description | 3<br>For<br>eign | 4<br>Disposal<br>Date | 5<br>Name of Purchaser | 6<br>Number of<br>Shares of<br>Stock | 7<br>Consideration | 8<br>Par Value | 9<br>Actual Cost | 10<br>Prior Year<br>Book/Adjusted<br>Carrying<br>Value | Change in Book/Adjusted Carrying Value                   |   |   |  |   | 16<br>Book/<br>Adjusted<br>Carrying Value<br>at<br>Disposal Date | 17<br>Foreign<br>Exchange Gain<br>(Loss) on<br>Disposal | 18<br>Realized Gain<br>(Loss) on<br>Disposal | 19<br>Total Gain<br>(Loss) on<br>Disposal | 20<br>Bond<br>Interest/Stock<br>Dividends<br>Received<br>During Year | 21<br>Maturity<br>Date | 22<br>NAIC<br>Design-<br>ation<br>or<br>Market<br>Indicator<br>(a) |    |         |        |
|--|------------------|------------------|-----------------------|------------------------|--------------------------------------|--------------------|----------------|------------------|--|--|---|---|--|---|--|---|--|---|--|------------------------|--|----|---------|--------|
|  |                  |                  |                       |                        |                                      |                    |                |                  |  | 11<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 12<br>Current Year's<br>Temporary<br>Impairment<br>Recognized | 13<br>Current Year's<br>Other Than<br>Temporary<br>Impairment<br>Recognized | 14<br>Total Change in<br>B./A.C.V.<br>(11 + 12 + 13) | 15<br>Total Foreign<br>Exchange<br>Change in<br>B./A.C.V. |  |   |  |   |  |                        |  |    |         |        |
| 31394H-FV-8..                                  | FHR 2660 ML      |                  | .09/01/2007.          | MBS PAYDOWN..          |                                      | .83,724            | .83,724        | .82,599          | .0   | .0   | .572  | .0  | .572   | .0  | .83,724  | .0  | .0   | .0  | .0   | .0                     | .0   | .0 | .0      |        |
| 31394L-U7-5..                                  | FHR 2707 ON      |                  | .09/01/2007.          | MBS PAYDOWN..          |                                      | .81,866            | .81,866        | .80,830          | .0   | .0   | .82   | .0  | .82  | .0  | .81,866  | .0  | .0   | .0  | .0   | .0                     | .0   | .0 | .539    |        |
| 31394X-EB-8..                                  | FHR 2781 TX      |                  | .09/01/2007.          | MBS PAYDOWN..          |                                      | .54,333            | .54,333        | .52,945          | .0   | .0   | .371  | .0  | .371   | .0  | .54,333  | .0  | .0   | .0  | .0   | .0                     | .0   | .0 | .495    |        |
| 31395M-G7-8..                                  | FHR 2937 JC      |                  | .09/01/2007.          | MBS PAYDOWN..          |                                      | .40,671            | .40,671        | .40,391          | .0   | .0   | .14   | .0  | .14  | .0  | .40,671  | .0  | .0   | .0  | .0   | .0                     | .0   | .0 | .338    |        |
| 3199999 - Bonds - Special Revenues             |                  |                  |                       |                        |                                      | 260,594            | 260,594        | 256,765          | 0  | 0  | 1,039   | 0   | 1,039  | 0   | 260,594  | 0   | 0  | 0   | 0  | 0                      | 0  | 0  | 2,593   |        |
| 139732-EK-3..                                  | CARAT 2003-3 B1  |                  | .08/15/2007.          | MBS PAYDOWN..          |                                      | .500,000           | .500,000       | .489,941         | .495,948   | .0   | .4,052  | .0  | .4,052   | .0  | .500,000   | .0  | .0   | .0  | .0   | .0                     | .0   | .0 | .12,367 |        |
| 22540A-ES-3..                                  | CSFB 1997-C2 A3  |                  | .09/06/2007.          | MBS PAYDOWN..          |                                      | .351,471           | .351,471       | .351,910         | .351,471   | .0   | .0  | .(651)  | .0   | .(651)  | .0   | .351,471  | .0   | .0  | .0   | .0                     | .0   | .0 | .0      | .8,316 |
| 361849-DY-5..                                  | GMACC 1998-C2 A2 |                  | .09/01/2007.          | MBS PAYDOWN..          |                                      | .4,210             | .4,210         | .4,229           | .0   | .0   | .0  | .0  | .0   | .0  | .4,210   | .0  | .0   | .0  | .0   | .0                     | .0   | .0 | .46     |        |
| 655356-JF-1..                                  | NASC 1998-D6 A1B |                  | .09/11/2007.          | MBS PAYDOWN..          |                                      | .32,134            | .32,134        | .32,434          | .0   | .0   | .0  | .(69)   | .0   | .(69)   | .0   | .32,134   | .0   | .0  | .0   | .0                     | .0   | .0 | .0      | .909   |
| 92927F-AA-1..                                  | WINA 2006-A A    |                  | .09/15/2007.          | MBS PAYDOWN..          |                                      | .34,008            | .34,008        | .34,005          | .33,967  | .0   | .0  | .41   | .0   | .41   | .0   | .34,008   | .0   | .0  | .0   | .0                     | .0   | .0 | .0      | .1,113 |
| 4599999 - Bonds - Industrial and Miscellaneous |                  |                  |                       |                        |                                      | 921,823            | 921,823        | 912,520          | 529,915  | 0  | 3,372   | 0   | 3,372  | 0   | 921,823  | 0   | 0  | 0   | 0  | 0                      | 0  | 0  | 22,751  |        |
| 6099997 - Bonds - Part 4                       |                  |                  |                       |                        |                                      | 1,182,417          | 1,182,417      | 1,169,285        | 529,915  | 0  | 4,411   | 0   | 4,411  | 0   | 1,182,417  | 0   | 0  | 0   | 0  | 0                      | 0  | 0  | 25,344  |        |
| 6099999 - Total - Bonds                        |                  |                  |                       |                        |                                      | 1,182,417          | 1,182,417      | 1,169,285        | 529,915  | 0  | 4,411   | 0   | 4,411  | 0   | 1,182,417  | 0   | 0  | 0   | 0  | 0                      | 0  | 0  | 25,344  |        |
| 6599999 - Total - Preferred Stocks             |                  |                  |                       |                        |                                      | 0                  | XXX            | 0                | 0  | 0  | 0   | 0   | 0  | 0   | 0  | 0   | 0  | 0   | 0  | 0                      | 0  | 0  | 0       |        |
| 7299999 - Total - Common Stocks                |                  |                  |                       |                        |                                      | 0                  | XXX            | 0                | 0  | 0  | 0   | 0   | 0  | 0   | 0  | 0   | 0  | 0   | 0  | 0                      | 0  | 0  | 0       |        |
| 7399999 - Total - Preferred and Common Stocks  |                  |                  |                       |                        |                                      | 0                  | XXX            | 0                | 0  | 0  | 0   | 0   | 0  | 0   | 0  | 0   | 0  | 0   | 0  | 0                      | 0  | 0  | 0       |        |
| 7499999 Totals                                 |                  |                  |                       |                        |                                      | 1,182,417          | XXX            | 1,169,285        | 529,915  | 0  | 4,411   | 0   | 4,411  | 0   | 1,182,417  | 0   | 0  | 0   | 0  | 0                      | 0  | 0  | 25,344  |        |

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

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

## **SCHEDULE E - PART 1 - CASH**

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE  
COMPANY**

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Schedule E - Part 2

**NONE**