

**QUARTERLY STATEMENT**AS OF SEPTEMBER 30, 2007
OF THE CONDITION AND AFFAIRS OF THE**LUMBERMENS MUTUAL CASUALTY COMPANY**

| | | | | | | |
|---------------------------------------|---|------------------------|---|------------|---|------------|
| NAIC Group Code | 0108 (Current Period) | 0108 (Prior Period) | NAIC Company Code | 22977 | Employer's ID Number | 36-1410470 |
| Organized under the Laws of | Illinois | | State of Domicile or Port of Entry | Illinois | | |
| Country of Domicile | United States | | | | | |
| Incorporated/Organized | 11/18/1912 | | Commenced Business | 11/25/1912 | | |
| Statutory Home Office | 1 Kemper Drive (Street and Number) | | Long Grove, IL 60049-0001 (City or Town, State and Zip Code) | | | |
| Main Administrative Office | 1 Kemper Drive (Street and Number) | | Long Grove, IL 60049-0001 (City or Town, State and Zip Code) | | 847-320-2000 (Area Code) (Telephone Number) | |
| Mail Address | 1 Kemper Drive (Street and Number or P.O. Box) | | Long Grove, IL 60049-0001 (City or Town, State and Zip Code) | | Long Grove, IL 60049-0001 (City or Town, State and Zip Code) | |
| Primary Location of Books and Records | 1 Kemper Drive (Street and Number) | | Long Grove, IL 60049-0001 (City or Town, State and Zip Code) | | 847-320-3127 (Area Code) (Telephone Number) | |
| Internet Website Address | www.kemperinsurance.com | | | | | |
| Statutory Statement Contact | Fredrick Thomas Griffith (Name) | | 847-320-3127 (Area Code) (Telephone Number) (Extension) | | 847-320-3818 (Fax Number) | |
| | Fred.Griffith@kemperinsurance.com (E-Mail Address) | | | | | |
| Policyowner Relations Contact | 1 Kemper Dr., 12NW0301 (Street and Number) | | Long Grove, IL 60049-0001 (City or Town, State and Zip Code) | | 800-833-0355 (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.....
County of Lake.....

ss

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

| | | |
|---|----------------------------------|---|
| Douglas Sean Andrews President and CEO | John Keating Conway Secretary | Fredrick Thomas Griffith 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 LUMBERMENS MUTUAL CASUALTY COMPANY

ASSETS

| | Current Statement Date | | | 4 December 31 Prior Year Net Admitted Assets |
|---|------------------------|-------------------------|---|---|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds | 1,224,306,214 | | 1,224,306,214 | 1,394,363,713 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | 0 | 0 |
| 2.2 Common stocks | 90,269,501 | | 90,269,501 | 87,791,985 |
| 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 \$ 0 encumbrances) | | | 0 | 0 |
| 4.2 Properties held for the production of income (less \$ 0 encumbrances) | | | 0 | 0 |
| 4.3 Properties held for sale (less \$ 0 encumbrances) | | | 0 | 4,172,747 |
| 5. Cash (\$ (10,440,787)), cash equivalents (\$ 2,512,946) and short-term investments (\$ 78,093,436) | 70,165,595 | | 70,165,595 | 130,978,945 |
| 6. Contract loans, (including \$ 0 premium notes) | 29,114,896 | .0 | 29,114,896 | 28,898,383 |
| 7. Other invested assets | | | | |
| 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) | 1,413,856,206 | .0 | 1,413,856,206 | 1,646,205,773 |
| 11. Title plants less \$ 0 charged off (for Title insurers only) | | | 0 | 0 |
| 12. Investment income due and accrued | 11,972,951 | | 11,972,951 | 13,876,735 |
| 13. Premiums and considerations: | | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 36,370,276 | 19,990,551 | 16,379,725 | 27,374,791 |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums) | 30,353,428 | 5,949,014 | 24,404,414 | 29,607,577 |
| 13.3 Accrued retrospective premiums | 24,338,915 | 640,178 | 23,698,737 | 34,138,540 |
| 14. Reinsurance: | | | | |
| 14.1 Amounts recoverable from reinsurers | 166,251,568 | | 166,251,568 | 236,048,560 |
| 14.2 Funds held by or deposited with reinsured companies | 12,904,674 | | 12,904,674 | 12,677,226 |
| 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 | 715,359,600 | 715,359,600 | 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 (\$ 0) | | | 0 | 0 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 21. Receivables from parent, subsidiaries and affiliates | 6,645,713 | | 6,645,713 | 3,209,996 |
| 22. Health care (\$ 0) and other amounts receivable | | | 0 | 0 |
| 23. Aggregate write-ins for other than invested assets | 128,833,767 | 17,089,684 | 111,744,083 | 133,319,728 |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) | 2,546,887,098 | 759,029,027 | 1,787,858,071 | 2,136,458,926 |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | 0 |
| 26. Total (Lines 24 and 25) | 2,546,887,098 | 759,029,027 | 1,787,858,071 | 2,136,458,926 |
| DETAILS OF WRITE-INS | | | | |
| 0901. | | | | |
| 0902. | | | | |
| 0903. | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | .0 | 0 | 0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above) | 0 | 0 | 0 | 0 |
| 2301. Amounts receivable under high deductible policies | 32,548,474 | 4,870,672 | .27,677,802 | 28,306,088 |
| 2302. Reinsurance accounted for as a deposit | 753,113 | | 753,113 | 12,798,675 |
| 2303. Advance to claims service provider | 16,208,450 | | 16,208,450 | 12,254,905 |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 79,323,730 | 12,219,012 | .67,104,718 | 79,960,060 |
| 2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) | 128,833,767 | 17,089,684 | 111,744,083 | 133,319,728 |

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Statement Date | 2 December 31, Prior Year |
|---|--------------------------------|---------------------------------|
| 1. Losses (current accident year \$ 2,035,000) | 943,938,259 | 1,087,138,476 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses | 24,282,488 | 33,129,868 |
| 3. Loss adjustment expenses | 382,372,790 | 488,494,066 |
| 4. Commissions payable, contingent commissions and other similar charges | 1,450,381 | 1,414,716 |
| 5. Other expenses (excluding taxes, licenses and fees) | 14,840,179 | 22,763,756 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) | 39,689,636 | 43,722,214 |
| 7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) | 7,440,334 | 6,053,607 |
| 7.2 Net deferred tax liability | 0 | 0 |
| 8. Borrowed money \$ 0 and interest thereon \$ 0 | 0 | 0 |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 4,577,003 and including warranty reserves of \$ 563,855) | 6,948,571 | 9,463,192 |
| 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) | 8,887,880 | 12,639,888 |
| 13. Funds held by company under reinsurance treaties | 2,950,703 | 3,787,577 |
| 14. Amounts withheld or retained by company for account of others | 131,719,359 | 153,814,393 |
| 15. Remittances and items not allocated | 5,936,645 | 7,281,322 |
| 16. Provision for reinsurance | 0 | 0 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates | | 4,993,035 |
| 18. Drafts outstanding | 0 | 0 |
| 19. Payable to parent, subsidiaries and affiliates | 0 | 0 |
| 20. Payable for securities | 0 | 0 |
| 21. Liability for amounts held under uninsured plans | 0 | 0 |
| 22. Capital notes \$ 0 and interest thereon \$ 0 | 0 | 0 |
| 23. Aggregate write-ins for liabilities | 61,274,154 | 88,170,204 |
| 24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) | 1,631,731,379 | 1,962,866,314 |
| 25. Protected cell liabilities | 0 | 0 |
| 26. Total liabilities (Lines 24 and 25) | 1,631,731,379 | 1,962,866,314 |
| 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 | 698,355,598 | 698,355,598 |
| 32. Gross paid in and contributed surplus | 0 | 0 |
| 33. Unassigned funds (surplus) | (543,728,906) | (526,262,986) |
| 34. Less treasury stock, at cost: | | |
| 34.1 0 shares common (value included in Line 28 \$ 0) | 0 | 0 |
| 34.2 0 shares preferred (value included in Line 29 \$ 0) | 0 | 0 |
| 35. Surplus as regards policyholders (Lines 27 to 33, less 34) | 156,126,692 | 173,592,612 |
| 36. TOTALS | 1,787,858,071 | 2,136,458,926 |
| DETAILS OF WRITE-INS | | |
| 2301. Accounts payable and other liabilities | 61,274,154 | 88,170,204 |
| 2302. | | |
| 2303. | | |
| 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) | 61,274,154 | 88,170,204 |
| 2701. | | |
| 2702. | | |
| 2703. | | |
| 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. | | |
| 3003. | | |
| 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 LUMBERMENS MUTUAL CASUALTY COMPANY

STATEMENT OF INCOME

| | 1 Current Year to Date | 2 Prior Year to Date | 3 Prior Year Ended December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| UNDERWRITING INCOME | | | |
| 1. Premiums earned: | | | |
| 1.1 Direct (written \$(305,152)) | 32,433 | 1,122,269 | 3,659,038 |
| 1.2 Assumed (written \$3,529,816) | 6,214,729 | 17,023,792 | 21,207,479 |
| 1.3 Ceded (written \$(1,184,050)) | (676,173) | 5,398,085 | 5,622,751 |
| 1.4 Net (written \$4,408,714) | 6,923,335 | 12,747,976 | 19,243,766 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year \$2,587,000): | | | |
| 2.1 Direct | 36,265,408 | 118,395,855 | (28,176,323) |
| 2.2 Assumed | 94,275,253 | (11,389,526) | 139,184,016 |
| 2.3 Ceded | 29,584,747 | (9,775,309) | 18,322,603 |
| 2.4 Net | 100,955,914 | 116,781,638 | 92,685,090 |
| 3. Loss expenses incurred | (16,395,495) | (10,469,986) | 49,706,782 |
| 4. Other underwriting expenses incurred | 38,208,566 | 76,225,846 | 90,577,836 |
| 5. Aggregate write-ins for underwriting deductions | 0 | (1,574,700) | (1,574,700) |
| 6. Total underwriting deductions (Lines 2 through 5) | 122,768,985 | 180,962,798 | 231,395,008 |
| 7. Net income of protected cells | 0 | 0 | 0 |
| 8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7) | (115,845,650) | (168,214,822) | (212,151,242) |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned | 44,726,420 | 51,589,916 | 78,435,208 |
| 10. Net realized capital gains (losses) less capital gains tax of \$ 0 | (4,429,019) | (1,487,560) | 2,185,690 |
| 11. Net investment gain (loss) (Lines 9 + 10) | 40,297,401 | 50,102,356 | 80,620,898 |
| OTHER INCOME | | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$63,820 amount charged off \$74,863) | (11,043) | (15,987,259) | (32,330,053) |
| 13. Finance and service charges not included in premiums | 0 | 0 | 0 |
| 14. Aggregate write-ins for miscellaneous income | 6,821,037 | 5,267,041 | 35,954,782 |
| 15. Total other income (Lines 12 through 14) | 6,809,994 | (10,720,218) | 3,624,729 |
| 16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | (68,738,255) | (128,832,684) | (127,905,615) |
| 17. Dividends to policyholders | 3,974,537 | 3,682,100 | 6,910,195 |
| 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) | (72,712,792) | (132,514,784) | (134,815,810) |
| 19. Federal and foreign income taxes incurred | (1,672,348) | (2,176,292) | (28,425,559) |
| 20. Net income (Line 18 minus Line 19)(to Line 22) | (71,040,444) | (130,338,492) | (106,390,251) |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 21. Surplus as regards policyholders, December 31 prior year | 173,592,612 | 168,313,151 | 168,313,151 |
| 22. Net income (from Line 20) | (71,040,444) | (130,338,492) | (106,390,251) |
| 23. Net transfers (to) from Protected Cell accounts | 0 | 0 | 0 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0 | 5,879,151 | 7,760,473 | 1,986,345 |
| 25. Change in net unrealized foreign exchange capital gain (loss) | 4,993,035 | 768,855 | 346,641 |
| 26. Change in net deferred income tax | 13,670,073 | 18,670,656 | (58,278,929) |
| 27. Change in nonadmitted assets | 6,801,508 | 11,647,835 | 101,371,987 |
| 28. Change in provision for reinsurance | 0 | 0 | 0 |
| 29. Change in surplus notes | 0 | 0 | 0 |
| 30. Surplus (contributed to) withdrawn from protected cells | 0 | 0 | 0 |
| 31. Cumulative effect of changes in accounting principles | 0 | 0 | 0 |
| 32. Capital changes: | | | |
| 32.1 Paid in | 0 | 0 | 0 |
| 32.2 Transferred from surplus (Stock Dividend) | 0 | 0 | 0 |
| 32.3 Transferred to surplus | 0 | 0 | 0 |
| 33. Surplus adjustments: | | | |
| 33.1 Paid in | 0 | 0 | 0 |
| 33.2 Transferred to capital (Stock Dividend) | 0 | 0 | 0 |
| 33.3 Transferred from capital | 0 | 0 | 0 |
| 34. Net remittances from or (to) Home Office | 0 | 0 | 0 |
| 35. Dividends to stockholders | 0 | 0 | 0 |
| 36. Change in treasury stock | 0 | 0 | 0 |
| 37. Aggregate write-ins for gains and losses in surplus | 22,230,757 | 52,200,591 | 66,243,668 |
| 38. Change in surplus as regards policyholders (Lines 22 through 37) | (17,465,920) | (39,290,082) | 5,279,461 |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) | 156,126,692 | 129,023,069 | 173,592,612 |
| DETAILS OF WRITE-INS | | | |
| 0501. Change in premium deficiency reserve | 0 | (1,574,700) | (1,574,700) |
| 0502. | 0 | 0 | 0 |
| 0503. | 0 | 0 | 0 |
| 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 | (1,574,700) | (1,574,700) |
| 1401. Other income | 6,821,037 | 5,267,041 | 35,954,782 |
| 1402. | 0 | 0 | 0 |
| 1403. | 0 | 0 | 0 |
| 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) | 6,821,037 | 5,267,041 | 35,954,782 |
| 3701. Provision for uncollectible reinsurance | 22,230,757 | 52,200,591 | 66,243,668 |
| 3702. | 0 | 0 | 0 |
| 3703. | 0 | 0 | 0 |
| 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) | 22,230,757 | 52,200,591 | 66,243,668 |

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

CASH FLOW

| | 1 Current Year To Date | 2 Prior Year Ended December 31 |
|---|------------------------------|--------------------------------------|
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance..... | 24,388,691 | 94,366,123 |
| 2. Net investment income..... | 41,790,341 | 83,463,736 |
| 3. Miscellaneous income | 6,582,546 | 1,505,521 |
| 4. Total (Lines 1 to 3)..... | 72,761,578 | 179,335,380 |
| 5. Benefits and loss related payments | 183,206,519 | 324,948,791 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 139,753,183 | 246,597,315 |
| 8. Dividends paid to policyholders | (6,745,352) | (18,320,480) |
| 9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses) | (3,059,075) | (26,222,821) |
| 10. Total (Lines 5 through 9)..... | 313,155,275 | 527,002,805 |
| 11. Net cash from operations (Line 4 minus Line 10)..... | (240,393,697) | (347,667,425) |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 493,752,280 | 608,644,584 |
| 12.2 Stocks | 0 | 10,828,635 |
| 12.3 Mortgage loans | 0 | 768,916 |
| 12.4 Real estate | 4,015,225 | 0 |
| 12.5 Other invested assets | 2,026,125 | 1,250,908 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | (736,109) | (344,633) |
| 12.7 Miscellaneous proceeds | 10,000 | 32,476,418 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)..... | 499,067,521 | 653,624,828 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 326,831,635 | 458,499,032 |
| 13.2 Stocks | 0 | 0 |
| 13.3 Mortgage loans | 0 | 0 |
| 13.4 Real estate | 0 | 0 |
| 13.5 Other invested assets | 840,000 | 588,000 |
| 13.6 Miscellaneous applications | 0 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)..... | 327,671,635 | 459,087,032 |
| 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)..... | 171,395,886 | 194,537,796 |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock..... | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | 0 |
| 16.5 Dividends to stockholders | 0 | 0 |
| 16.6 Other cash provided (applied)..... | 8,184,461 | (24,162,328) |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)..... | 8,184,461 | (24,162,328) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)..... | (60,813,350) | (177,291,957) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year..... | 130,978,945 | 308,270,902 |
| 19.2 End of period (Line 18 plus Line 19.1)..... | 70,165,595 | 130,978,945 |

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Accounting Policy

At June 30, 2007, Lumbermens Mutual Casualty Company (the "Company") has recorded a net admitted asset for accrued ceded contingent commissions which includes amounts due to and from the Company under adjustable features of certain reinsurance agreements. See Note 23.C.2. Such amounts have been estimated based on actuarial techniques and as such are subject to periodic re-evaluation.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No change.

3. BUSINESS COMBINATIONS AND GOODWILL

No change.

4. DISCONTINUED OPERATIONS

In 2007, the Company and Kemper International Corporation, a wholly owned subsidiary of the Company, entered into definitive agreements to sell their wholly owned Australian and Belgium subsidiaries. The two transactions are subject to regulatory approvals in Illinois and in the respective foreign jurisdictions. The Company expects to close both sale transactions prior to year-end 2007.

Upon the closings of the sale transactions, the Company and the respective subsidiaries will commute and release the intercompany reinsurance agreements pursuant to which the subsidiaries currently have ceded approximately \$3.0 million of gross liabilities to the Company. The Company recognized a net loss (realized and unrealized losses) reducing the Company's surplus by approximately \$2.8 million as a result of the signing of the definitive sale agreements. The Company expects that the closings of both transactions will result in positive net liquidity (cash payments) to the Company totaling approximately \$3.0 million.

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, 2007 | December 31, 2006 |
|------------------------------------|----|-----------------------|----------------------|
| Total of gross deferred tax assets | \$ | 718,200,265 | 704,530,192 |
| Total of deferred tax liabilities | | (2,840,665) | (2,840,665) |
| Net deferred tax asset | | 715,359,600 | 701,689,527 |
| Deferred tax asset nonadmitted | | (715,359,600) | (701,689,527) |
| Net admitted deferred tax asset | | 0 | 0 |
| Increase in nonadmitted asset | \$ | (13,670,073) | |

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

| | September 30, 2007 | December 31, 2006 | Change |
|---|-----------------------|----------------------|---------------|
| Total deferred tax assets | \$ 718,200,265 | \$ 704,530,192 | \$ 13,670,073 |
| Total deferred tax liabilities | (2,840,665) | (2,840,665) | 0 |
| Net deferred tax asset | \$ 715,359,600 | \$ 701,689,527 | \$ 13,670,073 |
| Tax effect of unrealized gains (losses) | | | 0 |
| Changes in net deferred income tax | | | \$ 13,670,073 |

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, 2007 |
|---|-----------|-----------------------|
| Provision computed at statutory rate | \$ | (25,449,477) |
| Receivables | \$ | 9,417,713 |
| Loss carryforwards | | 834,128 |
| Prior period adjustments | | (144,785) |
| Total | \$ | (15,342,421) |
| | | |
| Federal and foreign income taxes incurred | \$ | (1,672,348) |
| Change in net deferred income taxes | | (13,670,073) |
| Total statutory income taxes | \$ | (15,342,421) |

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

Each payment of interest on and repayment of principal of the surplus notes issued by the Company in 1996 and 1997 may be made only with the prior approval of the Director of the Illinois Department of Financial and Professional Regulation - Division of Insurance (the "Division of Insurance"), which approval will only be granted if, in the judgment of the Director, the financial condition of the Company warrants the making of such payments and the Company's policyholders' surplus reflects sufficient funds to cover the amount of such payment. All payments of interest scheduled since January 1, 2003 have not been paid due to disapprovals by the Director based on the Company's financial condition. The cumulative amount of interest that was scheduled to be paid but is unpaid, plus the amount otherwise accruing in the third quarter of 2007 for which scheduled interest payment dates have not yet arrived, totaled \$294,925,000 as of September 30, 2007. In accordance with statutory accounting principles, this total amount is not reflected as a liability on the Company's statutory statement of assets, liabilities, surplus and other funds as of September 30, 2007. On May 14, 2007, the Division of Insurance disapproved the payments of interest due on June 1, 2007 and July 1, 2007 (and all previously disapproved interest payments) on the \$400,000,000 9.15% Surplus Notes due on July 1, 2026, the \$200,000,000 8.30% Surplus Notes due on December 1, 2037, and the \$100,000,000 8.45% Surplus Notes due on December 1, 2097.

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.

NOTES TO FINANCIAL STATEMENTS

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.

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

C. Reinsurance Assumed and Ceded

(2) Certain reinsurance agreements provide for additional or return commissions based on the actual loss experience of the reinsured business. At December 31, 2006, the accrual for ceded contingent commissions was estimated to be a net liability of approximately \$4.3 million and was included in line 12 under "Liabilities" of the Company's statement of assets, liabilities, surplus, and other funds (Balance Sheet). At September 30, 2007, based on then current estimates, the Company's accrual for ceded contingent commissions was a net asset of approximately \$12.9 million. This accrued amount is included in line 23 under "Assets" on the Company's September 30, 2007 Balance Sheet.

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

A. In limited circumstances to settle certain insurance claim liabilities, the Company from time to time has purchased from various life insurance companies structured settlement annuities naming the settling claimants as payees. In many of those settlements, the Company has remained the owner of the respective annuity and contingently liable to the claimant, that is, liable for the periodic payments in the event of the default or insolvency of the life insurance company. In a limited number of these settlements, the Company's purchase of annuities has resulted in a full release from the settling claimants without contingent liability. Where the Company's purchase of annuities has not fully released the Company from contingent liability, the Company has calculated the present value (at a 4.2% discount rate) of future unpaid annuity installments. As shown in the following table, at September 30, 2007, the Company reports that its contingent liabilities for future unpaid annuity installments totaled \$423.2 million. The Company is in the process of reviewing the annuities it owns. As a combined result of the Company's review, the terms of the annuities, and the mortality of claimants, the amount reported is expected to decrease slightly if not materially by the time the Company files its annual statement for the year ending December 31, 2007.

NOTES TO FINANCIAL STATEMENTS

B. The total value of annuities due from a life insurer in excess of 1% of the Company's surplus is shown in the table below.

| Life Insurance Company ⁽¹⁾ | Location | Amount |
|--|-------------------|----------------------|
| Genworth Life and Annuity Insurance Company | Richmond, VA | \$ 75,285,588 |
| AIG Annuity Insurance Company | New York, NY | 53,628,400 |
| Executive Life Insurance Company of New York ⁽²⁾ | New York, NY | 38,505,522 |
| Symetra Life Insurance Company | Seattle, WA | 30,490,115 |
| John Hancock Life Insurance Company | Boston, MA | 19,845,518 |
| Genworth Life Insurance Company | Richmond, VA | 18,602,135 |
| Fidelity Life Association | Oak Brook, IL | 16,482,017 |
| Metropolitan Life Insurance Company | New York, NY | 16,224,028 |
| Aviva Life Insurance Company | Quincy, MA | 15,753,114 |
| Security Benefit Life Insurance Company | Topeka, KS | 15,198,282 |
| Peoples Benefit Life Insurance Company | Cedar Rapids, IA | 10,082,572 |
| Presidential Life Insurance Company | Nyack, NY | 10,047,178 |
| Connecticut General Life Insurance Company | Bloomfield, CT | 9,962,700 |
| Midland National Life Insurance Company | Sioux Falls, SD | 9,731,355 |
| Protective Life Insurance Company | Birmingham, AL | 8,865,609 |
| Pacific Life & Annuity Company | Newport Beach, CA | 8,221,508 |
| Prudential Insurance Company of America | Newark, NJ | 7,722,624 |
| Transamerica Occidental Life Insurance Company | Cedar Rapids, IA | 6,477,836 |
| Allstate Life Insurance Company | Northbrook, IL | 5,620,921 |
| Lincoln National Life Insurance Company | Fort Wayne, IN | 4,729,978 |
| Sun Life Assurance Company of Canada | Toronto, ON | 4,294,783 |
| Monarch Life Insurance Company | Springfield, MA | 4,228,819 |
| William Penn Life Insurance Company of New York | Rockville, MD | 4,022,736 |
| Aurora National Life Assurance Company | Wethersfield, CT | 3,889,783 |
| United of Omaha Life Insurance Company | Omaha, NE | 2,409,410 |
| New York Life Insurance Company | New York, NY | 2,343,785 |
| AIG Life Insurance Company | Houston, TX | 1,828,091 |
| | | 404,494,407 |
| All other | | 18,747,451 |
| Total | | \$423,241,858 |
| | | <hr/> |
| <p>⁽¹⁾ All of the life insurance companies listed in the preceding table are rated A- or better, other than Presidential Life Insurance Company, which is rated B+, and Executive Life Insurance Company of New York ("ELNY"), which is not rated. In addition, all of the companies are licensed in the state of the Company's domicile, Illinois, other than ELNY and William Penn Life Insurance Company of New York.</p> | | |
| <p>Total</p> <p>⁽²⁾ ELNY was placed in rehabilitation under the supervision of the New York Liquidation Bureau 15 years ago, in 1992. ELNY has continued to pay 100% on all its annuities since then; however, the extent of ELNY's ability to continue to so pay its obligations as they mature is unknown. There is a reasonable possibility that a liability will be incurred, but the Company believes that an estimate of a liability currently can not be made with available information.</p> | | |

NOTES TO FINANCIAL STATEMENTS

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 LUMBERMENS MUTUAL CASUALTY 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 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] 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, 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 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 OTS | 6 FDIC | 7 SEC |
|---------------------|--------------------------------|----------|----------|----------|-----------|----------|
| | | | | | | |

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY 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 [X] No []

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 6,645,713

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: \$ 5,315,221

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 [X] No []

15.2 If yes, please complete the following:

| | 1 Prior Year-End Book/Adjusted Carrying Value | 2 Current Quarter Book/Adjusted Carrying Value |
|---|--|---|
| 15.21 Bonds | \$ | \$ |
| 15.22 Preferred Stock | \$ | \$ |
| 15.23 Common Stock | \$ 85,535,429 | \$ 88,010,787 |
| 15.24 Short-Term Investments | \$ | \$ |
| 15.25 Mortgage Loans on Real Estate | \$ | \$ |
| 15.26 All Other | \$ 27,666,041 | \$ 28,236,759 |
| 15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)..... | \$ 113,201,470 | \$ 116,247,546 |
| 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 LUMBERMENS MUTUAL CASUALTY 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 No

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

| 1 Name of Custodian(s) | 2 Custodian Address |
|--------------------------------|---|
| 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 Name(s) | 2 Location(s) | 3 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

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

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 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 Central Registration Depository | 2 Name(s) | 3 Address |
|--------------------------------------|---|---|
| 109875..... | Asset Allocation & Management Company, L.L.C..... | 30 N. 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 No

18.2 If no, list exceptions:

.....

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY 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 [X] No []

4.2 If yes, complete the following schedule:

| 1 Line of Business | 2 Maximum Interest | 3 Discount Rate | TOTAL DISCOUNT | | | | DISCOUNT TAKEN DURING PERIOD | | | |
|--|--------------------------|-----------------------|-----------------------|--------------------|-------------|-------------|------------------------------|--------------------|--------------|--------------|
| | | | 4 Unpaid Losses | 5 Unpaid LAE | 6 IBNR | 7 TOTAL | 8 Unpaid Losses | 9 Unpaid LAE | 10 IBNR | 11 TOTAL |
| 1.Homeowners / Farmowners | | .4.200 | | | 186,886 | 186,886 | | | (65,442) | (65,442) |
| 2.Private Passenger Auto | | .4.200 | | | 876,431 | 876,431 | | | (938,605) | (938,605) |
| 3.Commercial Auto Liability | | .4.200 | | | 14,487,866 | 14,487,866 | | | 3,498,831 | 3,498,831 |
| 4.Workers Compensation | | .4.200 | | | 205,570,758 | 205,570,758 | | | (27,651,007) | (27,651,007) |
| 5.Commercial Multiple Peril | | .4.200 | | | 17,703,023 | 17,703,023 | | | (3,194,957) | (3,194,957) |
| 6.Medical Malpractice-Occurrence | | .4.200 | | | 64,726 | 64,726 | | | 27,831 | 27,831 |
| 7.Medical Malpractice-Claims Made | | .4.200 | | | 124,144 | 124,144 | | | (130,902) | (130,902) |
| 8.Special Liability | | .4.200 | | | 758,466 | 758,466 | | | (1,709,043) | (1,709,043) |
| 9.Other Liability-Occurrence | | .4.200 | | | 57,768,292 | 57,768,292 | | | 7,484,065 | 7,484,065 |
| 10.Other Liability-Claims Made | | .4.200 | | | 8,008,605 | 8,008,605 | | | (3,875,316) | (3,875,316) |
| 11.Special Property | | .4.200 | | | (87,232) | (87,232) | | | 374,369 | 374,369 |
| 12.Auto Physical Damage | | .4.200 | | | (4,953) | (4,953) | | | 2,944 | 2,944 |
| 13.Fidelity/Surety | | .4.200 | | | 1,892,026 | 1,892,026 | | | (36,139) | (36,139) |
| 14.Other | | .4.200 | | | 76,215 | 76,215 | | | (20,372) | (20,372) |
| 17.Reinsurance Nonproportional Assumed Liability | | .4.200 | | | 17,864,729 | 17,864,729 | | | (4,962,928) | (4,962,928) |
| 19.Product Liability-Occurrence | | .4.200 | | | 15,488,784 | 15,488,784 | | | (6,793,688) | (6,793,688) |
| 20.Product Liability-Claims Made | | .4.200 | | | 9,476 | 9,476 | | | 9,476 | 9,476 |
| | | | TOTAL | 0 | 340,788,242 | 340,788,242 | 0 | 0 | (37,980,883) | (37,980,883) |

SCHEDULE A - VERIFICATION**Real Estate**

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | 4,172,747 | 4,241,182 |
| 2. Increase (decrease) by adjustment | (93,747) | (68,435) |
| 3. Cost of acquired | 0 | 0 |
| 4. Cost of additions to and permanent improvements | 0 | 0 |
| 5. Total profit (loss) on sales | (63,775) | 0 |
| 6. Increase (decrease) by foreign exchange adjustment | 0 | 0 |
| 7. Amount received on sales | 4,015,225 | 0 |
| 8. Book/adjusted carrying value at end of current period | 0 | 4,172,747 |
| 9. Total valuation allowance | 0 | 0 |
| 10. Subtotal (Lines 8 plus 9) | 0 | 4,172,747 |
| 11. Total nonadmitted amounts | 0 | 0 |
| 12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column) | 0 | 4,172,747 |

SCHEDULE B – VERIFICATION**Mortgage Loans**

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year | 0 | 804,176 |
| 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 | (35,260) | 0 |
| 6. Amounts paid on account or in full during the period | 768,916 | 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**Other Invested Assets**

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year | 28,898,383 | 31,487,812 |
| 2. Cost of acquisitions during period: | | |
| 2.1. Actual cost at time of acquisitions | 840,000 | 0 |
| 2.2. Additional investment made after acquisitions | 588,000 | 0 |
| 3. Accrual of discount | 123,836 | 0 |
| 4. Increase (decrease) by adjustment | 1,278,802 | (1,926,521) |
| 5. Total profit (loss) on sale | 0 | 0 |
| 6. Amounts paid on account or in full during the period | 2,026,125 | 1,250,908 |
| 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 | 29,114,896 | 28,898,383 |
| 10. Total valuation allowance | 0 | 0 |
| 11. Subtotal (Lines 9 plus 10) | 29,114,896 | 28,898,383 |
| 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) | 29,114,896 | 28,898,383 |

SCHEDULE D – VERIFICATION**Bonds and Stocks**

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 1,482,155,699 | 1,645,823,145 |
| 2. Cost of bonds and stocks acquired | 326,831,635 | 458,499,032 |
| 3. Accrual of discount | 2,586,648 | 1,492,857 |
| 4. Increase (decrease) by adjustment | 2,477,516 | (1,721,843) |
| 5. Increase (decrease) by foreign exchange adjustment | 0 | 0 |
| 6. Total profit (loss) on disposal | (2,758,193) | 2,518,671 |
| 7. Consideration for bonds and stocks disposed of | 493,752,280 | 619,473,217 |
| 8. Amortization of premium | 2,965,309 | 4,982,945 |
| 9. Book/adjusted carrying value, current period | 1,314,575,716 | 1,482,155,699 |
| 10. Total valuation allowance | 0 | 0 |
| 11. Subtotal (Lines 9 plus 10) | 1,314,575,716 | 1,482,155,699 |
| 12. Total nonadmitted amounts | 0 | 0 |
| 13. Statement value | 1,314,575,716 | 1,482,155,699 |

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY 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 Book/Adjusted Carrying Value Beginning of Current Quarter | 2 Acquisitions During Current Quarter | 3 Dispositions During Current Quarter | 4 Non-Trading Activity During Current Quarter | 5 Book/Adjusted Carrying Value End of First Quarter | 6 Book/Adjusted Carrying Value End of Second Quarter | 7 Book/Adjusted Carrying Value End of Third Quarter | 8 Book/Adjusted Carrying Value December 31 Prior Year |
|-------------------------------------|---|--|--|---|---|--|---|---|
| BONDS | | | | | | | | |
| 1. Class 1 | 1,332,846,805 | 402,841,533 | 441,869,017 | (8,638,698) | 1,427,864,540 | 1,332,846,805 | 1,285,180,623 | 1,527,247,264 |
| 2. Class 2 | 7,999,018 | 0 | 0 | 9,114,726 | 7,998,848 | 7,999,018 | 17,113,745 | 7,998,680 |
| 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 | 2,771,926 | 0 | 153,698 | 0 | 2,992,252 | 2,771,926 | 2,618,228 | 3,221,372 |
| 7. Total Bonds | 1,343,617,750 | 402,841,533 | 442,022,715 | 476,028 | 1,438,855,640 | 1,343,617,750 | 1,304,912,596 | 1,538,467,316 |
| PREFERRED STOCK | | | | | | | | |
| 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 | 1,343,617,750 | 402,841,533 | 442,022,715 | 476,028 | 1,438,855,640 | 1,343,617,750 | 1,304,912,596 | 1,538,467,316 |

SCHEDULE DA - PART 1

| Short-Term Investments Owned End of Current Quarter | | | | | |
|---|--------------------------------------|----------------|------------------|---|---|
| | 1 Book/Adjusted Carrying Value | 2 Par Value | 3 Actual Cost | 4 Interest Collected Year To Date | 5 Paid for Accrued Interest Year To Date |
| 82999999 Totals | 78,093,436 | XXX | 77,606,419 | 694,842 | 0 |

SCHEDULE DA - PART 2- VERIFICATION

| Short-Term Investments Owned | | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year..... | | 114,732,314 | 324,642,471 |
| 2. Cost of short-term investments acquired | | 587,802,185 | 1,207,700,340 |
| 3. Increase (decrease) by adjustment | | 1,221,711 | 910,898 |
| 4. Increase (decrease) by foreign exchange adjustment | | 0 | 0 |
| 5. Total profit (loss) on disposal of short-term investments | | (4) | (631) |
| 6. Consideration received on disposal of short-term investments | | 625,662,769 | 1,418,520,764 |
| 7. Book/adjusted carrying value, current period | | 78,093,436 | 114,732,314 |
| 8. Total valuation allowance | | 0 | 0 |
| 9. Subtotal (Lines 7 plus 8) | | 78,093,436 | 114,732,314 |
| 10. Total nonadmitted amounts | | 0 | 0 |
| 11. Statement value (Lines 9 minus 10) | | 78,093,436 | 114,732,314 |
| 12. Income collected during period | | 3,597,202 | 11,064,523 |
| 13. Income earned during period | | 3,286,676 | 9,121,789 |

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 LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

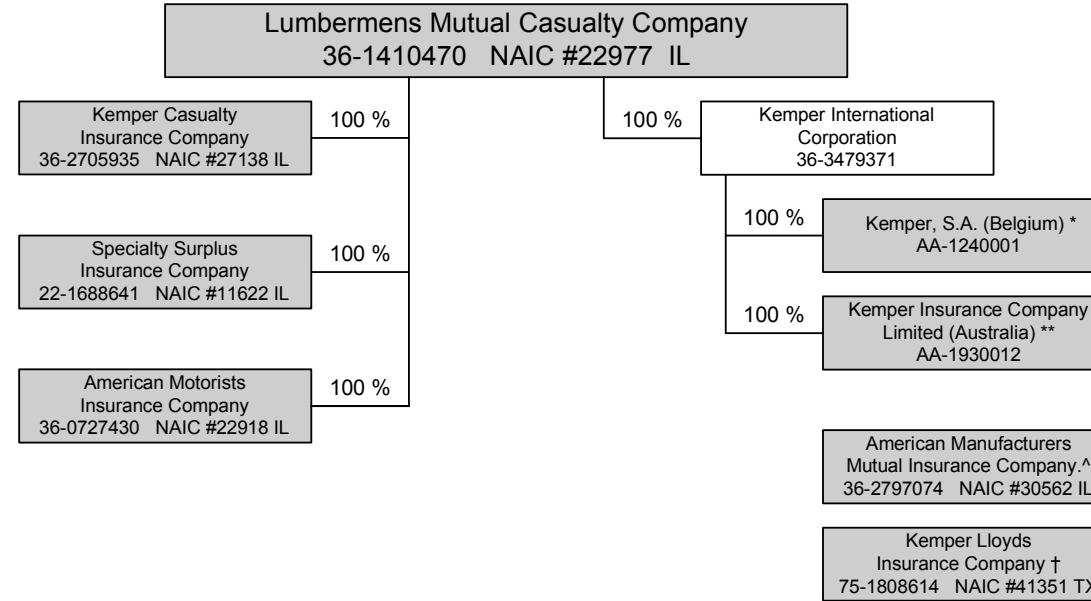
Current Year to Date - Allocated by States and Territories

| States, etc. | 1 Is Insurer Licensed? (Yes or No) | Direct Premiums Written | | Direct Losses Paid (Deducting Salvage) | | Direct Losses Unpaid | |
|---|--|------------------------------|----------------------------|--|----------------------------|------------------------------|----------------------------|
| | | 2 Current Year To Date | 3 Prior Year To Date | 4 Current Year To Date | 5 Prior Year To Date | 6 Current Year To Date | 7 Prior Year To Date |
| 1. Alabama | AL | Yes.....(1,518) | 609,811 | 784,806 | 12,386,098 | 8,808,037 | 9,799,398 |
| 2. Alaska | AK | Yes.....(618) | (61,938) | (559,932) | 266,072 | 1,830,380 | 1,824,976 |
| 3. Arizona | AZ | Yes.....(20,187) | 61,557 | 1,401,957 | 1,368,204 | 13,041,834 | 12,246,841 |
| 4. Arkansas | AR | Yes.....0 | 521 | 7,669,840 | 18,827,244 | 3,187,951 | 19,912,316 |
| 5. California | CA | Yes.....(338,336) | 60,307 | 27,671,325 | 44,347,505 | 87,302,877 | 133,639,704 |
| 6. Colorado | CO | Yes.....(26,906) | (31,230) | 479,996 | 1,739,831 | 2,638,884 | 1,973,272 |
| 7. Connecticut | CT | Yes.....5,959 | (28,775) | 5,897,008 | 9,485,987 | 14,740,832 | 42,567,611 |
| 8. Delaware | DE | Yes.....(8,473) | 66,958 | 209,026 | (1,761,569) | 1,349,891 | 1,665,191 |
| 9. District of Columbia | DC | Yes.....337 | 39,895 | 807,862 | 111,910 | 5,541,072 | 7,275,714 |
| 10. Florida | FL | No.....53,872 | (438,418) | 10,567,879 | (432,680) | 21,727,592 | 34,950,558 |
| 11. Georgia | GA | Yes.....(38,303) | (761,100) | 5,332,913 | 8,261,453 | 43,415,341 | 17,632,148 |
| 12. Hawaii | HI | Yes.....99,093 | 75,984 | 914,243 | 433,650 | 2,164,241 | 1,968,599 |
| 13. Idaho | ID | Yes.....(549) | 52,827 | (42,694) | 134,331 | 2,894 | 24,003 |
| 14. Illinois | IL | Yes.....(670,980) | 256,935 | 40,539 | 93,425,405 | 45,124,266 | 107,601,538 |
| 15. Indiana | IN | Yes.....13,697 | (40,917) | 889,332 | 4,246,252 | 6,248,432 | 3,738,404 |
| 16. Iowa | IA | Yes.....28,068 | (77,819) | 429,535 | 771,563 | 2,045,418 | 2,446,494 |
| 17. Kansas | KS | Yes.....(5,476) | (81,553) | (78,252) | 177,991 | 2,148,161 | 3,239,663 |
| 18. Kentucky | KY | Yes.....(5,249) | (200,142) | 700,628 | 1,287,912 | 19,153,560 | 21,243,692 |
| 19. Louisiana | LA | Yes.....(13,609) | 76,601 | 2,055,462 | (1,148,196) | 2,911,290 | 8,857,579 |
| 20. Maine | ME | Yes.....(10,915) | (1,497) | 183,244 | 1,770,700 | 173,250 | 189,343 |
| 21. Maryland | MD | Yes.....23,130 | 205,365 | 2,211,002 | 4,822,819 | 21,003,953 | 24,302,314 |
| 22. Massachusetts | MA | Yes.....212,126 | (62,386) | 8,578,932 | 14,136,751 | 21,464,566 | 18,813,139 |
| 23. Michigan | MI | Yes.....164,667 | 136,399 | 2,820,777 | 3,759,146 | 15,349,370 | 11,657,301 |
| 24. Minnesota | MN | Yes.....58,426 | 647 | 2,327,383 | 5,718,309 | 8,794,930 | 11,786,853 |
| 25. Mississippi | MS | Yes.....(2,457) | (217,266) | 481,134 | 103,380 | 1,969,094 | 2,065,036 |
| 26. Missouri | MO | Yes.....2,573 | (6,679) | 521,449 | 1,711,514 | 3,355,953 | 4,755,214 |
| 27. Montana | MT | Yes.....(2,866) | (1,570) | 130,050 | 215,937 | 525,443 | 548,329 |
| 28. Nebraska | NE | Yes.....12,732 | (5,247) | (14,886) | .81,585 | 1,704,238 | 1,943,126 |
| 29. Nevada | NV | Yes.....(10,583) | (59,337) | 3,309,235 | 1,369,197 | 2,013,985 | 1,933,373 |
| 30. New Hampshire | NH | Yes.....225,471 | 122,712 | .418,902 | 288,071 | 3,113,642 | 5,139,361 |
| 31. New Jersey | NJ | Yes.....16,217 | 26,823 | 6,785,602 | 19,369,543 | 54,436,617 | 83,848,564 |
| 32. New Mexico | NM | Yes.....6,341 | 85,279 | 145,281 | 229,625 | 577,587 | .979,624 |
| 33. New York | NY | Yes.....85,708 | (384,475) | 32,108,612 | 30,717,227 | 118,123,157 | 252,611,508 |
| 34. North Carolina | NC | Yes.....(194,947) | (950,113) | 1,858,607 | 1,419,553 | 11,390,672 | 13,283,100 |
| 35. North Dakota | ND | Yes.....(56) | 2,505 | (6,000) | 0 | 236,500 | 408,423 |
| 36. Ohio | OH | Yes.....(3,994) | 130,728 | 3,516,173 | 3,479,506 | 14,005,506 | 10,577,505 |
| 37. Oklahoma | OK | Yes.....593,814 | (92,305) | 146,748 | (469,872) | 1,487,339 | 2,281,900 |
| 38. Oregon | OR | Yes.....(215,059) | (575,086) | 304,328 | 3,280,938 | 7,019,602 | 7,480,749 |
| 39. Pennsylvania | PA | Yes.....3,899 | (113,255) | 7,653,153 | 22,137,824 | 20,064,040 | 37,655,793 |
| 40. Rhode Island | RI | Yes.....46,043 | (46,084) | 412,964 | (975,139) | 6,076,451 | 6,036,197 |
| 41. South Carolina | SC | Yes.....(31,964) | (9,223) | 4,517,664 | 459,160 | 11,020,042 | 17,957,831 |
| 42. South Dakota | SD | Yes.....(1,111) | (25,629) | 10,716 | .46,005 | 640,973 | .574,798 |
| 43. Tennessee | TN | Yes.....16,616 | 131,038 | 1,636,828 | (1,231,468) | 11,979,144 | 10,850,822 |
| 44. Texas | TX | Yes.....(1,887) | (344,235) | 5,449,013 | 2,679,765 | 89,040,009 | 102,922,453 |
| 45. Utah | UT | Yes.....(14,906) | 14,063 | (34,534) | 893,673 | 543,650 | .679,118 |
| 46. Vermont | VT | Yes.....1,153 | (3,990) | 139,757 | 111,015 | 809,721 | 1,114,044 |
| 47. Virginia | VA | Yes.....6,637 | .1,252 | 1,336,191 | 3,360,236 | 7,458,339 | 14,177,964 |
| 48. Washington | WA | Yes.....724 | 150,149 | 3,958,871 | 1,816,749 | 14,636,765 | 12,986,223 |
| 49. West Virginia | WV | Yes.....1,382 | (2,921) | 15,657 | 635,164 | 130,606 | .33,537 |
| 50. Wisconsin | WI | Yes.....(124,770) | 985,003 | 1,570,270 | 2,566,642 | 8,210,656 | 3,138,882 |
| 51. Wyoming | WY | Yes.....4 | 747 | 22,508 | 17,638 | 191,881 | (2,298) |
| 52. American Samoa | AS | No.....0 | 0 | 0 | 0 | 0 | 0 |
| 53. Guam | GU | Yes.....0 | 0 | 0 | 0 | 0 | 0 |
| 54. Puerto Rico | PR | No.....(40) | (312) | 1,028,174 | 1,322,456 | 1,433,311 | 3,722,458 |
| 55. U.S. Virgin Islands | VI | No.....0 | 0 | 0 | 0 | 0 | 0 |
| 56. Northern Mariana Islands | MP | Yes..... | 14,139 | 0 | 0 | 0 | 0 |
| 57. Canada | CN | Yes.....3,148 | 19,717 | 1,441 | 1,366,833 | 19,123,453 | .815,289 |
| 58. Aggregate Other Alien | OT | XXX.....(241,230) | (46,517) | 5,031,148 | .85,751 | (16,528,822) | 5,674,732 |
| 59. Totals | (a) | 52 | (305,152) | (1,342,057) | 163,747,867 | 321,225,196 | 744,958,576 |
| DETAILS OF WRITE-INS | | | | | | | |
| 5801. Asia..... | XXX..... | 34,470 | .5,567 | 702,713 | 0 | 872,353 | 2,922,867 |
| 5802. Australia..... | XXX..... | | (61,303) | | 0 | (17,370,669) | (2,280) |
| 5803. Europe..... | XXX..... | (721) | .9,219 | 4,328,547 | .85,751 | 35,681 | 2,761,701 |
| 5898. Summary of remaining write-ins for Line 58 from overflow page..... | XXX..... | (274,979) | 0 | (112) | 0 | (66,187) | (7,556) |
| 5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above) | XXX | (241,230) | (46,517) | 5,031,148 | 85,751 | (16,528,822) | 5,674,732 |

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

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

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



[^] American Manufacturers Mutual Insurance Company is a mutual company associated with Lumbermens Mutual Casualty Company.

[†] 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 LUMBERMENS MUTUAL CASUALTY COMPANY

PART 1 - LOSS EXPERIENCE

| Lines of Business | Current Year to Date | | | 4 Prior Year to Date Direct Loss Percentage |
|---|--------------------------------|--------------------------------|--------------------------------|--|
| | 1 Direct Premiums Earned | 2 Direct Losses Incurred | 3 Direct Loss Percentage | |
| 1. Fire | 133,731 | (867,344) | (648.6) | (152.2) |
| 2. Allied Lines | 42,239 | (4,538) | (10.7) | 1,136.4 |
| 3. Farmowners multiple peril | | | 0.0 | 0.0 |
| 4. Homeowners multiple peril | (64) | (249,403) | 389,692.2 | 2,033.6 |
| 5. Commercial multiple peril | (767,111) | 2,018,133 | (263.1) | (7,068.1) |
| 6. Mortgage guaranty | | | 0.0 | 0.0 |
| 8. Ocean marine | (216) | (28,552) | 13,218.5 | (50,753.0) |
| 9. Inland marine | 1,595 | 371,552 | 23,294.8 | 124,898.1 |
| 10. Financial guaranty | | | 0.0 | 0.0 |
| 11.1 Medical malpractice - occurrence | | 280 | 0.0 | 0.0 |
| 11.2 Medical malpractice - claims-made | | 182,714 | 0.0 | 0.0 |
| 12. Earthquake | | 2 | 0.0 | (3,460.0) |
| 13. Group accident and health | | (672,512) | 0.0 | 42.6 |
| 14. Credit accident and health | | | 0.0 | 0.0 |
| 15. Other accident and health | 12,372 | (839) | (6.8) | 0.0 |
| 16. Workers' compensation | (596,197) | 30,848,639 | (5,174.2) | (4,647.7) |
| 17.1 Other liability - occurrence | 2,539 | 29,620,318 | 1,166,613.5 | (29,794.8) |
| 17.2 Other liability - claims-made | 924,454 | (4,844,138) | (524.0) | 261.6 |
| 18.1 Products liability - occurrence | 7,060 | (1,829,899) | (25,919.2) | 88.4 |
| 18.2 Products liability - claims-made | | (9,476) | 0.0 | 0.0 |
| 19.1,19.2 Private passenger auto liability | 21 | 5,897,334 | 28,082,542.9 | 52,470.0 |
| 19.3,19.4 Commercial auto liability | (3,968) | (3,537,388) | 89,147.9 | (963.0) |
| 21. Auto physical damage | (977) | (341,933) | 34,998.3 | 561.8 |
| 22. Aircraft (all perils) | (122,693) | (266,483) | 217.2 | 0.0 |
| 23. Fidelity | | (442,665) | 0.0 | 4,780.7 |
| 24. Surety | 400,369 | (18,330,078) | (4,578.3) | (2,862.9) |
| 26. Burglary and theft | | (81) | 0.0 | 0.0 |
| 27. Boiler and machinery | | 117,927 | 0.0 | 0.0 |
| 28. Credit | (721) | (1,366,162) | 189,481.6 | 266.1 |
| 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 | 32,433 | 36,265,408 | 111,816.4 | 10,549.7 |
| DETAILS OF WRITE-INS | | | | |
| 3301. | | | 0.0 | 0.0 |
| 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 Current Quarter | 2 Current Year to Date | 3 Prior Year Year to Date |
|---|-------------------------|------------------------------|---------------------------------|
| | | | |
| 1. Fire | .0 | .85 | (7,512) |
| 2. Allied Lines | (1) | 186 | (6,154) |
| 3. Farmowners multiple peril | .0 | | 0 |
| 4. Homeowners multiple peril | .0 | (26) | (65) |
| 5. Commercial multiple peril | .0 | | 200 |
| 6. Mortgage guaranty | .0 | | 0 |
| 8. Ocean marine | .0 | (455) | (711) |
| 9. Inland marine | .0 | 1,552 | (24,588) |
| 10. Financial guaranty | .0 | | 0 |
| 11.1 Medical malpractice - occurrence | .0 | | 0 |
| 11.2 Medical malpractice - claims-made | .0 | | 0 |
| 12. Earthquake | .0 | | 0 |
| 13. Group accident and health | .0 | | 717,287 |
| 14. Credit accident and health | .0 | | 0 |
| 15. Other accident and health | .0 | 12,372 | 0 |
| 16. Workers' compensation | 42,257 | (596,201) | (2,160,189) |
| 17.1 Other liability - occurrence | 1,754 | 2,575 | (844,060) |
| 17.2 Other liability - claims-made | .0 | 12,407 | 542,979 |
| 18.1 Products liability - occurrence | (140) | (6,369) | 860,798 |
| 18.2 Products liability - claims-made | .0 | | 0 |
| 19.1,19.2 Private passenger auto liability | .0 | | (2,025) |
| 19.3,19.4 Commercial auto liability | (11,199) | (3,968) | (955,134) |
| 21. Auto physical damage | (641) | (977) | .63,064 |
| 22. Aircraft (all perils) | .0 | (122,693) | 0 |
| 23. Fidelity | .0 | | (28) |
| 24. Surety | 161,670 | 397,081 | 474,081 |
| 26. Burglary and theft | .0 | | 0 |
| 27. Boiler and machinery | .0 | | 0 |
| 28. Credit | .0 | (721) | 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 | 193,700 | (305,152) | (1,342,057) |
| DETAILS OF WRITE-INS | | | |
| 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 LUMBERMENS MUTUAL CASUALTY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

| Years in Which Losses Occurred | 1 Prior Year-End Known Case Loss and LAE Reserves | 2 Prior Year-End IBNR Loss and LAE Reserves | 3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2) | 4 2007 Loss and LAE Payments on Claims Reported as of Prior Year-End | 5 2007 Loss and LAE Payments on Claims Unreported as of Prior Year-End | 6 Total 2007 Loss and LAE Payments (Cols. 4 + 5) | 7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End | 8 Q.S. Date IBNR Loss and LAE Reserves | 9 | 10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9) | 11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1) | 12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2) | 13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12) | | | |
|--|--|--|---|---|---|---|---|---|----------|--|--|--|---|---|------|-----|
| 1. 2004 + Prior | 1,523,777 | 14,711 | 1,538,488 | 231,921 | 99,929 | 331,850 | 1,360,070 | 29,740 | (66,067) | 1,323,743 | 68,214 | 48,891 | 117,105 | | | |
| 2. 2005 | 3,736 | 28,821 | 32,557 | (260) | 163 | (97) | 592 | .565 | (14,260) | (13,103) | (3,404) | (42,353) | (45,757) | | | |
| 3. Subtotals 2005 + Prior | 1,527,513 | 43,532 | 1,571,045 | 231,661 | 100,092 | 331,753 | 1,360,662 | 30,305 | (80,327) | 1,310,640 | 64,810 | 6,538 | 71,348 | | | |
| 4. 2006 | 757 | 3,829 | 4,586 | 1,496 | 102 | 1,598 | 501 | .55 | 12,418 | 12,974 | 1,240 | 8,746 | 9,986 | | | |
| 5. Subtotals 2006 + Prior | 1,528,270 | 47,361 | 1,575,631 | 233,157 | 100,194 | 333,351 | 1,361,163 | 30,360 | (67,909) | 1,323,614 | 66,050 | 15,284 | 81,334 | | | |
| 6. 2007 | XXX | XXX | XXX | XXX | .531 | .531 | XXX | .448 | 2,247 | 2,695 | XXX | XXX | XXX | | | |
| 7. Totals | 1,528,270 | 47,361 | 1,575,631 | 233,157 | 100,725 | 333,882 | 1,361,163 | 30,808 | (65,662) | 1,326,309 | 66,050 | 15,284 | 81,334 | | | |
| 8. Prior Year-End's Surplus As Regards Policyholders | | 173,593 | | | | | | | | | 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. | 4.3 | 2. | 32.3 | 3. | 5.2 |
| | | | | | | | | | | | | | | Col. 13, Line 7 As a % of Col. 1 Line 8 | | |
| | | | | | | | | | | | | | | 4. | 46.9 | |

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY 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? | YES |
| 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | NO |

Explanation:

- 1.
- 3.

Bar Code:

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

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

OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 23.

*ASSETS

| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 December 31 Prior Year Net Admitted Assets |
|---|-------------|-------------------------|---|---|
| 2304. Insurance recoveries related to UBIC..... | 3,120,000 | 3,120,000 | 0 | 0 |
| 2305. Other admitted assets..... | 76,203,730 | 9,099,012 | 67,104,718 | 79,960,060 |
| 2397. Summary of remaining write-ins for Line 23 from Page 02 | 79,323,730 | 12,219,012 | 67,104,718 | 79,960,060 |

PQ015 Additional Aggregate Lines for Page 15 Line 58.

*SCT

| | 1 Is Insurer Licensed? (Yes or No) | 2 Current Year To Date | 3 Prior Year To Date | 4 Current Year To Date | 5 Prior Year To Date | 6 Current Year To Date | 7 Prior Year To Date |
|--|---|------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| 5804. Central & South America..... | XXX..... | 0 | 0 | 0 | 0 | (61,011) | (8,844) |
| 5805. Africa..... | XXX..... | (274,979) | 0 | (112) | 0 | (5,176) | 1,288 |
| 5897. Summary of remaining write-ins for Line 58 from Page 15 | XXX | (274,979) | 0 | (112) | 0 | (66,187) | (7,556) |

Schedule A - Part 2
NONE

Schedule A - Part 3
NONE

Schedule B - Part 1
NONE

Schedule B - Part 2
NONE

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE BA - PART 1

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

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

| 1 CUSIP Identification | 2 Name or Description | Location | | 5 | 6 | 7 Book/ Adjusted Carrying Value Less Encumbrances Prior Year | 8 Increase (Decrease) by Adjustment | 9 Increase (Decrease) by Foreign Exchange Adjustment | 10 Book/ Adjusted Carrying Value Less Encumbrances on Disposal | 11 Consideration Received | 12 Foreign Exchange Gain (Loss) on Disposal | 13 Realized Gain (Loss) on Disposal | 14 Total Gain (Loss) on Disposal | 15 Investment Income |
|---|---|----------|----|--------------------|------------|--|--|---|--|---------------------------------|---|--|---|----------------------------|
| 3 City | 4 State | | | | | | | | | | | | | |
| 000000-00-0... collateral receivables | Community Eldercare Svcs Nt Due 8/30/04 | Tupelo | MS | Debt Restructuring | 08/27/2004 | 840,000 | | | 840,000 | 840,000 | 840,000 | 0 | 0 | 0 |
| 2399999 - Collateral Loans - Unaffiliated | | | | | | 840,000 | | | 840,000 | 840,000 | 840,000 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| 3999999 - Total Unaffiliated | | | | | | 840,000 | 0 | 0 | 840,000 | 840,000 | 0 | 0 | 0 | 0 |
| 4099999 - Total Affiliated | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4199999 Totals | | | | | | 840,000 | 0 | 0 | 840,000 | 840,000 | 0 | 0 | 0 | 0 |

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 3

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

| 1 CUSIP Identification | 2 Description | 3 Foreign | 4 Date Acquired | 5 Name of Vendor | 6 Number of Shares of Stock | 7 Actual Cost | 8 Par Value | 9 Paid for Accrued Interest and Dividends | 10 NAIC Designation or Market Indicator ^(a) |
|---|-------------------------------|--------------|--------------------|---------------------------------|-----------------------------------|---------------------|------------------|---|--|
| 912827-5G-3..... | US TREASURY NOTE..... | | 09/26/2007..... | LEHMAN BROTHERS INC..... | | 25,277,941..... | 24,700,000..... | 498,363..... | |
| 0399999 - Total - Bonds - U.S. Government | | | | | | 25,277,941..... | 24,700,000..... | 498,363..... | XXX..... |
| 31393X-UZ-8..... | FNR 2004-26 PA..... | | 08/23/2007..... | JEFFERIES & CO..... | | 14,782,646..... | 14,985,180..... | 50,575..... | 1FE..... |
| 3199999 - Total - Bonds - Special Revenue | | | | | | 14,782,646..... | 14,985,180..... | 50,575..... | XXX..... |
| 02582J-CC-2..... | AMXCA 2002-5 A..... | | 08/16/2007..... | LEHMAN BROTHERS INC..... | | 9,994,531..... | 10,000,000..... | 9,635..... | 1FE..... |
| 02635P-SS-3..... | AMERICAN GENERAL FINANCE..... | | 08/17/2007..... | BEAR STEARNS & CO..... | | 4,860,850..... | 5,000,000..... | 75,885..... | 1FE..... |
| 05949A-JA-9..... | BOAMS 2004-F 2A6..... | | 08/28/2007..... | STIFEL NICOLAUS..... | | 14,667,188..... | 15,000,000..... | 51,812..... | 1FE..... |
| 12613X-CR-0..... | CNH 2005 - A A4B..... | | 09/13/2007..... | CREDIT SUISSE FIRST BOSTON..... | | 4,920,313..... | 5,000,000..... | 1,788..... | 1FE..... |
| 14912L-20-3..... | CATERPILLAR FIN SERV CRP..... | | 08/21/2007..... | BANK OF AMERICA..... | | 11,376,659..... | 11,475,000..... | 235,716..... | 1FE..... |
| 16163F-AH-8..... | CHASE 2007-S1 A8..... | | 08/24/2007..... | JP MORGAN SECURITIES..... | | 15,028,125..... | 15,000,000..... | 70,000..... | 1FE..... |
| 172967-CH-2..... | CITIGROUP INC..... | | 08/21/2007..... | JP MORGAN SECURITIES..... | | 14,707,350..... | 15,000,000..... | 22,656..... | 1FE..... |
| 17305E-DA-0..... | CCCIT 2006-A2 A2..... | | 08/22/2007..... | CREDIT SUISSE FIRST BOSTON..... | | 14,938,095..... | 15,000,000..... | 34,354..... | 1FE..... |
| 22541N-S6-7..... | CSFB 2003-CK A2..... | | 08/17/2007..... | MERRILL LYNCH..... | | 13,407,506..... | 13,574,000..... | 30,572..... | 1FE..... |
| 36962G-R4-8..... | GENERAL ELEC CAP CORP..... | | 08/20/2007..... | LEHMAN BROTHERS INC..... | | 11,805,960..... | 12,000,000..... | 236,500..... | 1FE..... |
| 55264T-CV-1..... | MBNAS 2004-A10 A..... | | 08/16/2007..... | CREDIT SUISSE FIRST BOSTON..... | | 7,880,559..... | 7,900,000..... | 7,493..... | 1FE..... |
| 78387G-AN-3..... | SBC COMMUNICATIONS..... | | 08/17/2007..... | GOLDMAN SACHS & CO..... | | 8,816,850..... | 9,000,000..... | 161,906..... | 1FE..... |
| 4599999 - Total - Bonds - Industrial, Misc. | | | | | | 132,403,986..... | 133,949,000..... | 938,318..... | XXX..... |
| 6099997 - Total - Bonds - Part 3 | | | | | | 172,464,573..... | 173,634,180..... | 1,487,255..... | XXX..... |
| 6099999 - Total - Bonds | | | | | | 172,464,573..... | 173,634,180..... | 1,487,255..... | 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 | | | | | | 172,464,573..... | XXX..... | 1,487,255..... | XXX..... |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY 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 CUSIP Identifi- cation | 2 Description | 3 For- eign | 4 Disposal Date | 5 Name of Purchaser | 6 Number of Shares of Stock | 7 Consideration | 8 Par Value | 9 Actual Cost | 10 Prior Year Book/Adjusted Carrying Value | 11 Unrealized Valuation Increase/ (Decrease) | 12 Current Year's Temporary Impairment Recognized | 13 Current Year's Other Than Temporary Impairment Recognized | 14 Total Change in B./A.C.V. (11 + 12 + 13) | 15 Total Foreign Exchange Change in B./A.C.V. | 16 Book/ Adjusted Carrying Value at Disposal Date | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Bond Interest/Stock Dividends Received During Year | 21 Maturity Date | 22 NAIC Design- ation or Market Indicator (a) | | |
|------------------------------------|----------------------------|-------------------|-----------------------|----------------------------|--------------------------------------|--------------------|----------------|------------------|--|--|---|---|--|---|--|---|--|---|--|------------------------|--|--------------|-------|
| 36225A-T9-1.. | GNMA 780576 | | 09/01/2007.. | MBS PAYDOWN.. | | .530 | .530 | .566 | .534 | .0 | .0 | .0 | .0 | .0 | .530 | .0 | .0 | .0 | .0 | 25 | 03/01/2022.. | 1FE.. | |
| 912828-AJ-9.. | US TREASURY NOTE.. | | 08/30/2007.. | VARIOUS.. | | 25,050,781 | 25,000,000 | 26,210,938 | 25,726,064 | .0 | (60,831) | .0 | .0 | .0 | .0 | .0 | .0 | (614,452) | (614,452) | .894,022 | 08/15/2012.. | 1.. | |
| 912828-AN-0.. | US TREASURY NOTE.. | | 09/14/2007.. | VARIOUS.. | | 66,775,969 | .67,000,000 | 66,629,609 | 66,886,702 | .0 | .0 | .84,696 | .0 | .0 | .0 | .0 | .0 | .0 | (195,429) | (195,429) | 1,607,579 | 11/15/2007.. | 1.. |
| 912828-DK-3.. | US TREASURY NOTE.. | | 08/28/2007.. | VARIOUS.. | | 30,135,008 | .30,300,000 | 29,778,035 | 30,199,158 | .0 | .0 | .8,792 | .0 | .0 | .0 | .0 | .0 | .0 | (72,942) | (72,942) | .525,555 | 02/15/2008.. | 1.. |
| 912828-DP-2.. | US TREASURY NOTE.. | | 08/15/2007.. | CREDIT SUISSE FIRST BOSTON | | 2,436,429 | 2,456,000 | 2,456,000 | 2,456,000 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | (19,571) | (19,571) | .90,231 | 03/15/2010.. | 1.. | | |
| 0399999 - Bonds - U.S. Governments | | | | | | 124,398,717 | 124,756,530 | 125,075,148 | 125,268,459 | .0 | .0 | 32,653 | .0 | .0 | .0 | 125,301,112 | .0 | (902,395) | (902,395) | 3,117,412 | XXX | XXX | |
| 31282R-5B-6.. | FG M80842.. | | 09/01/2007.. | MBS PAYDOWN.. | | .630,584 | .630,584 | .602,207 | .624,004 | .0 | .0 | .6,580 | .0 | .0 | .0 | .630,584 | .0 | .0 | .0 | .0 | 14,857 | 08/01/2010.. | 1FE.. |
| 31331G-Y9-4.. | FHR 2098 PG.. | | 09/01/2007.. | MBS PAYDOWN.. | | .172,350 | .172,350 | .173,751 | .172,350 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .6,794 | 01/01/2008.. | 1FE.. | |
| 31331L-W5-3.. | FHR 2188 PG.. | | 09/01/2007.. | MBS PAYDOWN.. | | .7,255 | .7,255 | .7,407 | .7,297 | .0 | .0 | .42 | .0 | .0 | .0 | .7,255 | .0 | .0 | .0 | .0 | .285 | 11/01/2007.. | 1FE.. |
| 31331V-G6-6.. | FHR 2355 V.. | | 09/01/2007.. | MBS PAYDOWN.. | | 15,375 | 15,375 | 15,945 | 15,496 | .0 | .0 | (121) | .0 | .0 | .0 | 15,375 | .0 | .0 | .0 | .0 | .564 | 10/01/2009.. | 1FE.. |
| 31371H-X2-9.. | FNMA 252797.. | | 09/01/2007.. | MBS PAYDOWN.. | | 3,551 | 3,551 | 3,771 | 3,601 | .0 | .0 | (50) | .0 | .0 | .0 | 3,551 | .0 | .0 | .0 | .0 | .177 | 02/01/2014.. | 1FE.. |
| 313840-TD-9.. | FNMA 531092.. | | 09/01/2007.. | MBS PAYDOWN.. | | .44 | .44 | .47 | .44 | .0 | .0 | .0 | .0 | .0 | .0 | .44 | .0 | .0 | .0 | .0 | .2 | 08/01/2029.. | 1FE.. |
| 31386F-4C-6.. | FNMA 652774.. | | 09/01/2007.. | MBS PAYDOWN.. | | .69 | .69 | .74 | .69 | .0 | .0 | .0 | .0 | .0 | .0 | .69 | .0 | .0 | .0 | .0 | .3 | 12/01/2030.. | 1FE.. |
| 313900-FP-5.. | FNMA 652774.. | | 09/01/2007.. | MBS PAYDOWN.. | | .57,895 | .57,895 | .60,768 | .58,047 | .0 | .0 | (152) | .0 | .0 | .0 | .57,895 | .0 | .0 | .0 | .0 | .2,469 | 01/01/2032.. | 1FE.. |
| 31392A-PS-1.. | FNR 2001-74 PD.. | | 07/01/2007.. | MBS PAYDOWN.. | | 1,040 | 1,040 | 1,053 | 1,040 | .0 | .0 | .0 | .0 | .0 | .0 | 1,040 | .0 | .0 | .0 | .0 | .42 | 07/01/2007.. | 1FE.. |
| 31392F-EZ-6.. | FNR 2002-73 OC.. | | 09/01/2007.. | MBS PAYDOWN.. | | 1,282,666 | 1,282,666 | 1,276,052 | 1,277,427 | .0 | .0 | 5,239 | .0 | .0 | .0 | 1,282,666 | .0 | .0 | .0 | .0 | .42,377 | 03/01/2008.. | 1FE.. |
| 31392R-S2-8.. | FNR 2468 TD.. | | 09/01/2007.. | MBS PAYDOWN.. | | .847,697 | .847,697 | .865,578 | .848,915 | .0 | .0 | (1,217) | .0 | .0 | .0 | .847,697 | .0 | .0 | .0 | .0 | .30,695 | 02/01/2008.. | 1FE.. |
| 31393C-GF-2.. | FNR 2003-54 OJ.. | | 09/01/2007.. | MBS PAYDOWN.. | | 1,358,053 | 1,358,053 | 1,346,223 | 1,350,060 | .0 | .0 | 7,993 | .0 | .0 | .0 | 1,358,053 | .0 | .0 | .0 | .0 | .40,377 | 03/01/2008.. | 1FE.. |
| 31393E-F9-5.. | FNR 2003-88 OP.. | | 09/01/2007.. | MBS PAYDOWN.. | | 4,592,923 | 4,592,923 | 4,539,459 | 4,550,977 | .0 | .0 | 41,946 | .0 | .0 | .0 | 4,592,923 | .0 | .0 | .0 | .0 | .119,601 | 05/01/2008.. | 1FE.. |
| 31393E-RP-6.. | FNR 2003-83 PB.. | | 09/01/2007.. | MBS PAYDOWN.. | | 1,390,826 | 1,390,826 | 1,359,967 | 1,378,942 | .0 | .0 | 11,884 | .0 | .0 | .0 | 1,390,826 | .0 | .0 | .0 | .0 | .32,414 | 01/01/2009.. | 1FE.. |
| 31393U-KB-8.. | FNR 2003-12 TU.. | | 09/01/2007.. | MBS PAYDOWN.. | | .310,778 | .310,778 | .306,116 | .310,778 | .0 | .0 | 2,159 | .0 | .0 | .0 | .310,778 | .0 | .0 | .0 | .0 | .7,234 | 12/01/2008.. | 1FE.. |
| 31393X-UZ-8.. | FNR 2004-26 PA.. | | 09/01/2007.. | MBS PAYDOWN.. | | .436,188 | .436,188 | .430,293 | .436,188 | .0 | .0 | .0 | .0 | .0 | .0 | .436,188 | .0 | .0 | .0 | .0 | .1,636 | 10/01/2010.. | 1FE.. |
| 31394H-2S-9.. | FNR 2662 DJ.. | | 09/01/2007.. | MBS PAYDOWN.. | | .2,092,131 | .2,092,131 | .2,059,197 | .2,092,131 | .0 | .0 | 14,888 | .0 | .0 | .0 | .2,092,131 | .0 | .0 | .0 | .0 | .28,352 | 09/01/2008.. | 1FE.. |
| 31394H-FV-7.. | FNR 2660 ML.. | | 09/01/2007.. | MBS PAYDOWN.. | | .9,125,933 | .9,125,933 | .9,003,303 | .9,125,933 | .0 | .0 | 62,362 | .0 | .0 | .0 | .9,125,933 | .0 | .0 | .0 | .0 | .132,993 | 07/01/2008.. | 1FE.. |
| 31394T-V8-6.. | FNR 2761 OB.. | | 09/01/2007.. | MBS PAYDOWN.. | | .731,997 | .731,997 | .716,022 | .731,997 | .0 | .0 | 4,698 | .0 | .0 | .0 | .731,997 | .0 | .0 | .0 | .0 | .18,697 | 05/01/2009.. | 1FE.. |
| 31394X-EB-8.. | FNR 2781 TX.. | | 09/01/2007.. | MBS PAYDOWN.. | | .2,662,301 | .2,662,301 | .2,594,287 | .2,662,301 | .0 | .0 | 18,170 | .0 | .0 | .0 | .2,662,301 | .0 | .0 | .0 | .0 | .24,273 | 04/01/2009.. | 1FE.. |
| 31395T-WA-8.. | FNR 2970 WY.. | | 09/01/2007.. | MBS PAYDOWN.. | | 1,011,666 | 1,011,666 | 1,007,714 | 1,009,564 | .0 | .0 | 2,102 | .0 | .0 | .0 | 1,011,666 | .0 | .0 | .0 | .0 | .33,747 | 09/01/2008.. | 1FE.. |
| 3199999 - Bonds - Special Revenues | | | | | | 26,731,321 | 26,731,321 | 26,369,233 | 26,782,755 | .0 | .0 | 176,439 | .0 | .0 | .0 | 26,731,321 | .0 | .0 | .0 | .0 | .537,589 | XXX | XXX |
| 186118-AJ-4.. | CLEVE ELEC/TOLEDO.. | | 07/01/2007.. | MATURITY.. | | 6,000,000 | 6,000,000 | 6,813,098 | 6,108,908 | .0 | .0 | (108,908) | .0 | .0 | .0 | 6,000,000 | .0 | .0 | .0 | .0 | .427,800 | 07/01/2007.. | 1FE.. |
| 3899999 - Bonds - Public Utilities | | | | | | 6,000,000 | 6,000,000 | 6,813,098 | 6,108,908 | .0 | .0 | (108,908) | .0 | .0 | .0 | 6,000,000 | .0 | .0 | .0 | .0 | .427,800 | XXX | XXX |
| 031905-AA-0.. | BP COMPANY NORTH AMERICA.. | | 08/01/2007.. | MATURITY.. | | 4,000,000 | 4,000,000 | 4,548,360 | 4,078,102 | .0 | .0 | (78,102) | .0 | .0 | .0 | 4,000,000 | .0 | .0 | .0 | .0 | .260,000 | 08/01/2007.. | 1FE.. |
| 12668X-AA-3.. | CWL 2006-S8 A1.. | | 09/25/2007.. | MBS PAYDOWN.. | | .971,584 | .971,584 | .971,584 | .971,584 | .0 | .0 | .0 | .0 | .0 | .0 | .971,584 | .0 | .0 | .0 | .0 | .34,917 | 03/25/2036.. | 1FE.. |
| 22540A-ES-3.. | CSFB 1997-C2 A3.. | | 09/06/2007.. | MBS PAYDOWN.. | | 7,799,141 | 7,799,141 | 7,800,890 | 7,799,141 | .0 | .0 | (14,447) | .0 | .0 | .0 | 7,799,141 | .0 | .0 | .0 | .0 | .184,541 | 09/06/2007.. | 1FE.. |
| 22540A-JE-6.. | CSFB 2001-CF2 A3.. | | 09/01/2007.. | MBS PAYDOWN.. | | .737,414 | .737,414 | .740,669 | .737,414 | .0 | .0 | (1,945) | .0 | .0 | .0 | .737,414 | .0 | .0 | .0 | .0 | .26,714 | 06/01/2008.. | 1FE.. |
| 22541N-S6-7.. | CSFB 2003-C2K A2.. | | 09/01/2007.. | MBS PAYDOWN.. | | 1,280,855 | 1,280,855 | 1,265,145 | 1,280,855 | .0 | .0 | .269 | .0 | .0 | .0 | 1,280,855 | .0 | .0 | .0 | .0 | .4,121 | 10/01/2009.. | 1FE.. |
| 23242M-AA-9.. | CWL 2006-S3 A1.. | | 09/25/2007.. | MBS PAYDOWN.. | | .913,315 | .913,315 | .913,315 | .913,315 | .0 | .0 | .0 | .0 | .0 | .0 | .913,315 | .0 | .0 | .0 | .0 | .33,074 | 06/25/2008.. | 1FE.. |
| 251510-FS-7.. | DBALT 2005-4 A1.. | | 09/01/2007.. | MBS PAYDOWN.. | | .6,058,230 | .6,058,230 | .6,026,046 | .6,058,230 | .0 | .0 | 33,357 | .0 | .0 | .0 | .6,058,230 | .0 | .0 | .0 | .0 | .144,922 | 11/01/2007.. | 1FE.. |
| 40430G-AG-5.. | HFCHC 2005-3 A1.. | | 09/20/2007.. | MBS PAYDOWN.. | | .554,241 | .554,241 | .554,241 | .554,241 | .0 | .0 | .0 | .0 | .0 | .0 | .554,241 | .0 | .0 | .0 | .0 | .20,889 | 02/20/2011.. | 1FE.. |
| 61745M-GJ-6.. | MSC 1998-XL1 A3.. | | 09/01/2007.. | MBS PAYDOWN.. | | 3,289,236 | 3,289,236 | 3,289,236 | 3,456,653 | .0 | .0 | (30,830) | .0 | .0 | .0 | 3,289,236 | .0 | .0 | .0 | .0 | .142,056 | 05/01/2008.. | 1FE.. |
| 63859C-D0-3.. | NLFC 1999-2 A2C.. | | 09/01/2007.. | MBS PAYDOWN.. | | 1,217,474 | 1,217,474 | 1,239,208 | 1,21 | | | | | | | | | | | | | | |

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 LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE E - PART 1 - CASH

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE E - PART 2 CASH EQUIVALENTS

Showing Investments Owned End of Current Quarter

60



**SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2007 OF THE
LUMBERMENS MUTUAL CASUALTY COMPANY**

MEDICARE PART D COVERAGE SUPPLEMENT

For The Quarter Ended SEPTEMBER 30, 2007

NAIC Group Code

NAIC Company Code

| | Individual Coverage | | Group Coverage | | 5 Total Cash |
|---|---------------------|----------------|----------------|----------------|--------------------|
| | 1 Insured | 2 Uninsured | 3 Insured | 4 Uninsured | |
| 1. Premiums Collected..... | | X | | XXX..... | 0 |
| 2. Earned Premiums..... | | X | | XXX..... | XXX |
| 3. Claims Paid..... | | XXX | | XXX..... | 0 |
| 4. Claims Incurred..... | | XXX | | XXX..... | XXX |
| 5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)..... | XXX | | XXX..... | | 0 |
| 6. Aggregate Policy Reserves - Change..... | | XXX | | XXX..... | XXX |
| 7. Expenses Paid..... | | XXX | | XXX..... | 0 |
| 8. Expenses Incurred..... | | XXX | | XXX..... | XXX |
| 9. Underwriting Gain or Loss..... | 0 | XXX | 0 | XXX..... | XXX |
| 10. Cash Flow Results..... | XXX | XXX | XXX | XXX..... | 0 |

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ due from CMS or \$ due to CMS

NONE



SUPPLEMENT FOR SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

Designate the type of health care providers
reported on this page

Physicians

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

| States, Etc. | 1 Direct Premiums Written | 2 Direct Premiums Earned | Direct Losses Paid | | 5 Direct Losses Incurred | Direct Losses Unpaid | | 8 Direct Losses Incurred But Not Reported |
|--|------------------------------------|-----------------------------------|--------------------|--------------------------|-----------------------------------|-------------------------|--------------------------|--|
| | | | 3 Amount | 4 Number of Claims | | 6 Amount Reported | 7 Number of Claims | |
| 1. Alabama | AL. | | | | | | | |
| 2. Alaska | AK. | | | | | | | |
| 3. Arizona | AZ. | | | | | | | |
| 4. Arkansas | AR. | | | | | | | |
| 5. California | CA. | | | | | | | |
| 6. Colorado | CO. | | | | | | | |
| 7. Connecticut | CT. | | | | | | | |
| 8. Delaware | DE. | | | | | | | |
| 9. District of Columbia | DC. | | | | | | | |
| 10. Florida | FL. | | | | | | | |
| 11. Georgia | GA. | | | | | | | |
| 12. Hawaii | HI. | | | | | | | |
| 13. Idaho | ID. | | | | | | | |
| 14. Illinois | IL. | | | | | | | |
| 15. Indiana | IN. | | | | | | | |
| 16. Iowa | IA. | | | | | | | |
| 17. Kansas | KS. | | | | | | | |
| 18. Kentucky | KY. | | | | | | | |
| 19. Louisiana | LA. | | | | | | | |
| 20. Maine | ME. | | | | | | | |
| 21. Maryland | MD. | | | | | | | |
| 22. Massachusetts | MA. | | | | | | | |
| 23. Michigan | MI. | | | | | | | |
| 24. Minnesota | MN. | | | | | | | |
| 25. Mississippi | MS. | | | | | | | |
| 26. Missouri | MO. | | | | | | | |
| 27. Montana | MT. | | | | | | | |
| 28. Nebraska | NE. | | | | | | | |
| 29. Nevada | NV. | | | | | | | |
| 30. New Hampshire | NH. | | | | | | | |
| 31. New Jersey | NJ. | | | | | | | |
| 32. New Mexico | NM. | | | | | | | |
| 33. New York | NY. | | | | | | | |
| 34. North Carolina | NC. | | | | | | | |
| 35. North Dakota | ND. | | | | | | | |
| 36. Ohio | OH. | | | | | | | |
| 37. Oklahoma | OK. | | | | | | | |
| 38. Oregon | OR. | | | | | | | |
| 39. Pennsylvania | PA. | | | | | | | |
| 40. Rhode Island | RI. | | | | | | | |
| 41. South Carolina | SC. | | | | | | | |
| 42. South Dakota | SD. | | | | | | | |
| 43. Tennessee | TN. | | | | | | | |
| 44. Texas | TX. | | | | | | | |
| 45. Utah | UT. | | | | | | | |
| 46. Vermont | VT. | | | | | | | |
| 47. Virginia | VA. | | | | | | | |
| 48. Washington | WA. | | | | | | | |
| 49. West Virginia | WV. | | | | | | | |
| 50. Wisconsin | WI. | | | | | | | |
| 51. Wyoming | WY. | | | | | | | |
| 52. American Samoa | AS. | | | | | | | |
| 53. Guam | GU. | | | | | | | |
| 54. Puerto Rico | PR. | | | | | | | |
| 55. U.S. Virgin Islands | VI. | | | | | | | |
| 56. Northern Mariana Islands | MP. | | | | | | | |
| 57. Canada | CN. | | | | | | | |
| 58. Aggregate other alien | OT. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5801. | | | | | | | | |
| 5802. | | | | | | | | |
| 5803. | | | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



SUPPLEMENT FOR SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

Designate the type of health care providers
reported on this page
Hospitals

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

| States, Etc. | 1 Direct Premiums Written | 2 Direct Premiums Earned | Direct Losses Paid | | 5 Direct Losses Incurred | Direct Losses Unpaid | | 8 Direct Losses Incurred But Not Reported |
|--|------------------------------------|-----------------------------------|--------------------|--------------------------|-----------------------------------|-------------------------|--------------------------|--|
| | | | 3 Amount | 4 Number of Claims | | 6 Amount Reported | 7 Number of Claims | |
| 1. Alabama | AL. | | | | | | | |
| 2. Alaska | AK. | | | | | | | |
| 3. Arizona | AZ. | | | | | | | |
| 4. Arkansas | AR. | | | | | | | |
| 5. California | CA. | | | | | | | |
| 6. Colorado | CO. | | | | | | | |
| 7. Connecticut | CT. | | | | | | | |
| 8. Delaware | DE. | | | | | | | |
| 9. District of Columbia | DC | | | | | | | |
| 10. Florida | FL. | | | | | | | |
| 11. Georgia | GA. | | | | | | | |
| 12. Hawaii | HI | | | | | | | |
| 13. Idaho | ID | | | | | | | |
| 14. Illinois | IL | | | | | | | |
| 15. Indiana | IN | | | | | | | |
| 16. Iowa | IA | | | | | | | |
| 17. Kansas | KS | | | | | | | |
| 18. Kentucky | KY | | | | | | | |
| 19. Louisiana | LA | | | | | | | |
| 20. Maine | ME | | | | | | | |
| 21. Maryland | MD | | | | | | | |
| 22. Massachusetts | MA | | | | | | | |
| 23. Michigan | MI | | | | | | | |
| 24. Minnesota | MN | | | | | | | |
| 25. Mississippi | MS | | | | | | | |
| 26. Missouri | MO | | | | | | | |
| 27. Montana | MT | | | | | | | |
| 28. Nebraska | NE | | | | | | | |
| 29. Nevada | NV | | | | | | | |
| 30. New Hampshire | NH | | | | | | | |
| 31. New Jersey | NJ | | | | | | | |
| 32. New Mexico | NM | | | | | | | |
| 33. New York | NY | | | | | | | |
| 34. North Carolina | NC | | | | | | | |
| 35. North Dakota | ND | | | | | | | |
| 36. Ohio | OH | | | | | | | |
| 37. Oklahoma | OK | | | | | | | |
| 38. Oregon | OR | | | | | | | |
| 39. Pennsylvania | PA | | | | | | | |
| 40. Rhode Island | RI | | | | | | | |
| 41. South Carolina | SC | | | | | | | |
| 42. South Dakota | SD | | | | | | | |
| 43. Tennessee | TN | | | | | | | |
| 44. Texas | TX | | | | | | | |
| 45. Utah | UT | | | | | | | |
| 46. Vermont | VT | | | | | | | |
| 47. Virginia | VA | | | | | | | |
| 48. Washington | WA | | | | | | | |
| 49. West Virginia | WV | | | | | | | |
| 50. Wisconsin | WI | | | | | | | |
| 51. Wyoming | WY | | | | | | | |
| 52. American Samoa | AS | | | | | | | |
| 53. Guam | GU | | | | | | | |
| 54. Puerto Rico | PR | | | | | | | |
| 55. U.S. Virgin Islands | VI | | | | | | | |
| 56. Northern Mariana Islands | MP | | | | | | | |
| 57. Canada | CN | | | | | | | |
| 58. Aggregate other alien | OT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5801. | | | | | | | | |
| 5802. | | | | | | | | |
| 5803. | | | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



SUPPLEMENT FOR SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

Designate the type of health care providers reported on this page

Other Health Care Professionals

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

| States, Etc. | 1 Direct Premiums Written | 2 Direct Premiums Earned | Direct Losses Paid | | 5 Direct Losses Incurred | Direct Losses Unpaid | | 8 Direct Losses Incurred But Not Reported |
|------------------------------|---|-----------------------------------|--------------------|--------------------------|-----------------------------------|-------------------------|--------------------------|--|
| | | | 3 Amount | 4 Number of Claims | | 6 Amount Reported | 7 Number of Claims | |
| 1. Alabama | AL | | | | (4) | | | (4) |
| 2. Alaska | AK | | | | (22) | | | (22) |
| 3. Arizona | AZ | | | | (5) | | | (5) |
| 4. Arkansas | AR | | | | 4,083 | | | (117) |
| 5. California | CA | | | | (13) | | | (13) |
| 6. Colorado | CO | | | | (6) | | | (7) |
| 7. Connecticut | CT | | | | | | | |
| 8. Delaware | DE | | | | | | | |
| 9. District of Columbia | DC | | | | | | | |
| 10. Florida | FL | | | | | | | |
| 11. Georgia | GA | | | | | | | |
| 12. Hawaii | HI | | | | | | | |
| 13. Idaho | ID | | | | | | | |
| 14. Illinois | IL | | | | 744,347 | | | (32) |
| 15. Indiana | IN | | | | 476,796 | | | (318) |
| 16. Iowa | IA | | | | 90,132 | | | (207) |
| 17. Kansas | KS | | | | 2,871 | | | (7) |
| 18. Kentucky | KY | | | | (1) | | | (1) |
| 19. Louisiana | LA | | | | | | | |
| 20. Maine | ME | | | | | | | |
| 21. Maryland | MD | | | | | | | |
| 22. Massachusetts | MA | | | | | | | |
| 23. Michigan | MI | | | | | | | |
| 24. Minnesota | MN | | | | | | | |
| 25. Mississippi | MS | | | | | | | |
| 26. Missouri | MO | | | | 8,987 | | | (1,042) |
| 27. Montana | MT | | | | | | | |
| 28. Nebraska | NE | | | | | | | |
| 29. Nevada | NV | | | | (23,433) | 5,000 | 1 | 19,434 |
| 30. New Hampshire | NH | | | | (7) | | | (7) |
| 31. New Jersey | NJ | | | | (9) | | | (9) |
| 32. New Mexico | NM | | | | (3) | | | (2) |
| 33. New York | NY | | | | 47,342 | .55,000 | 2 | .90,289 |
| 34. North Carolina | NC | | | | (2) | | | (2) |
| 35. North Dakota | ND | | | | | | | |
| 36. Ohio | OH | | | | | | | |
| 37. Oklahoma | OK | | | | | | | |
| 38. Oregon | OR | | 260,000 | 2 | 234,055 | 650,020 | 2 | 669,475 |
| 39. Pennsylvania | PA | | | | (61) | | | (61) |
| 40. Rhode Island | RI | | | | | | | |
| 41. South Carolina | SC | | | | | | | |
| 42. South Dakota | SD | | | | | | | |
| 43. Tennessee | TN | | 16,354 | 2 | (75,265) | | | |
| 44. Texas | TX | | | | (17) | | | |
| 45. Utah | UT | | | | (16) | | | |
| 46. Vermont | VT | | | | (6) | | | |
| 47. Virginia | VA | | | | (8) | | | |
| 48. Washington | WA | | | | (55) | | | |
| 49. West Virginia | WV | | | | (1) | | | |
| 50. Wisconsin | WI | | | | (21) | | | |
| 51. Wyoming | WY | | | | | | | |
| 52. American Samoa | AS | | | | | | | |
| 53. Guam | GU | | | | | | | |
| 54. Puerto Rico | PR | | | | | | | |
| 55. U.S. Virgin Islands | VI | | | | | | | |
| 56. Northern Mariana Islands | MP | | | | | | | |
| 57. Canada | CN | | | | | | | |
| 58. Aggregate other alien | OT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals | | 0 | 276,354 | 4 | 1,509,533 | 710,020 | 5 | 777,087 |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5801. | | | | | | | | |
| 5802. | | | | | | | | |
| 5803. | | | | | | | | |
| 5898. | Summary of remaining write-ins for Line 58 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5899. | Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



SUPPLEMENT FOR SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

Designate the type of health care providers
reported on this page

Other Health Care Facilities

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

| States, Etc. | 1 Direct Premiums Written | 2 Direct Premiums Earned | Direct Losses Paid | | 5 Direct Losses Incurred | Direct Losses Unpaid | | 8 Direct Losses Incurred But Not Reported |
|--|------------------------------------|-----------------------------------|--------------------|--------------------------|-----------------------------------|-------------------------|--------------------------|--|
| | | | 3 Amount | 4 Number of Claims | | 6 Amount Reported | 7 Number of Claims | |
| 1. Alabama | AL | | | | | | | |
| 2. Alaska | AK | | | | | | | |
| 3. Arizona | AZ | | | | | | | |
| 4. Arkansas | AR | | | | | | | |
| 5. California | CA | | | | | | | |
| 6. Colorado | CO | | | | | | | |
| 7. Connecticut | CT | | | | | | | |
| 8. Delaware | DE | | | | | | | |
| 9. District of Columbia | DC | | | | | | | |
| 10. Florida | FL | | | | | | | |
| 11. Georgia | GA | | | | | | | |
| 12. Hawaii | HI | | | | | | | |
| 13. Idaho | ID | | | | | | | |
| 14. Illinois | IL | | | | | | | |
| 15. Indiana | IN | | | | | | | |
| 16. Iowa | IA | | | | | | | |
| 17. Kansas | KS | | | | | | | |
| 18. Kentucky | KY | | | | | | | |
| 19. Louisiana | LA | | | | | | | |
| 20. Maine | ME | | | | | | | |
| 21. Maryland | MD | | | | | | | |
| 22. Massachusetts | MA | | | | | | | |
| 23. Michigan | MI | | | | | | | |
| 24. Minnesota | MN | | | | | | | |
| 25. Mississippi | MS | | | | | | | |
| 26. Missouri | MO | | | | | | | |
| 27. Montana | MT | | | | | | | |
| 28. Nebraska | NE | | | | | | | |
| 29. Nevada | NV | | | | | | | |
| 30. New Hampshire | NH | | | | | | | |
| 31. New Jersey | NJ | | | | | | | |
| 32. New Mexico | NM | | | | | | | |
| 33. New York | NY | | | | | | | |
| 34. North Carolina | NC | | | | | | | |
| 35. North Dakota | ND | | | | | | | |
| 36. Ohio | OH | | | | | | | |
| 37. Oklahoma | OK | | | | | | | |
| 38. Oregon | OR | | | | | | | |
| 39. Pennsylvania | PA | | | | | | | |
| 40. Rhode Island | RI | | | | | | | |
| 41. South Carolina | SC | | | | | | | |
| 42. South Dakota | SD | | | | | | | |
| 43. Tennessee | TN | | | | | | | |
| 44. Texas | TX | | | | | | | |
| 45. Utah | UT | | | | | | | |
| 46. Vermont | VT | | | | | | | |
| 47. Virginia | VA | | | | | | | |
| 48. Washington | WA | | | | | | | |
| 49. West Virginia | WV | | | | | | | |
| 50. Wisconsin | WI | | | | | | | |
| 51. Wyoming | WY | | | | | | | |
| 52. American Samoa | AS | | | | | | | |
| 53. Guam | GU | | | | | | | |
| 54. Puerto Rico | PR | | | | | | | |
| 55. U.S. Virgin Islands | VI | | | | | | | |
| 56. Northern Mariana Islands | MP | | | | | | | |
| 57. Canada | CN | | | | | | | |
| 58. Aggregate other alien | OT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals | | 0 | 0 | 0 | (1,326,541) | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5801. | | | | | | | | |
| 5802. | | | | | | | | |
| 5803. | | | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



SUPPLEMENT FOR SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

Designate the type of health care providers
reported on this page

Medical Malpractice Policies

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

| States, Etc. | 1 Direct Premiums Written | 2 Direct Premiums Earned | Direct Losses Paid | | 5 Direct Losses Incurred | Direct Losses Unpaid | | 8 Direct Losses Incurred But Not Reported |
|--|------------------------------------|-----------------------------------|--------------------|--------------------------|-----------------------------------|-------------------------|--------------------------|--|
| | | | 3 Amount | 4 Number of Claims | | 6 Amount Reported | 7 Number of Claims | |
| 1. Alabama | AL | | | | | | | |
| 2. Alaska | AK | | | | | | | |
| 3. Arizona | AZ | | | | | | | |
| 4. Arkansas | AR | | | | | | | |
| 5. California | CA | | | | | | | |
| 6. Colorado | CO | | | | | | | |
| 7. Connecticut | CT | | | | | | | |
| 8. Delaware | DE | | | | | | | |
| 9. District of Columbia | DC | | | | | | | |
| 10. Florida | FL | | | | | | | |
| 11. Georgia | GA | | | | | | | |
| 12. Hawaii | HI | | | | | | | |
| 13. Idaho | ID | | | | | | | |
| 14. Illinois | IL | | | | | | | |
| 15. Indiana | IN | | | | | | | |
| 16. Iowa | IA | | | | | | | |
| 17. Kansas | KS | | | | | | | |
| 18. Kentucky | KY | | | | | | | |
| 19. Louisiana | LA | | | | | | | |
| 20. Maine | ME | | | | | | | |
| 21. Maryland | MD | | | | | | | |
| 22. Massachusetts | MA | | | | | | | |
| 23. Michigan | MI | | | | | | | |
| 24. Minnesota | MN | | | | | | | |
| 25. Mississippi | MS | | | | | | | |
| 26. Missouri | MO | | | | | | | |
| 27. Montana | MT | | | | | | | |
| 28. Nebraska | NE | | | | | | | |
| 29. Nevada | NV | | | | | | | |
| 30. New Hampshire | NH | | | | | | | |
| 31. New Jersey | NJ | | | | | | | |
| 32. New Mexico | NM | | | | | | | |
| 33. New York | NY | | | | | | | |
| 34. North Carolina | NC | | | | | | | |
| 35. North Dakota | ND | | | | | | | |
| 36. Ohio | OH | | | | | | | |
| 37. Oklahoma | OK | | | | | | | |
| 38. Oregon | OR | | | | | | | |
| 39. Pennsylvania | PA | | | | | | | |
| 40. Rhode Island | RI | | | | | | | |
| 41. South Carolina | SC | | | | | | | |
| 42. South Dakota | SD | | | | | | | |
| 43. Tennessee | TN | | | | | | | |
| 44. Texas | TX | | | | | | | |
| 45. Utah | UT | | | | | | | |
| 46. Vermont | VT | | | | | | | |
| 47. Virginia | VA | | | | | | | |
| 48. Washington | WA | | | | | | | |
| 49. West Virginia | WV | | | | | | | |
| 50. Wisconsin | WI | | | | | | | |
| 51. Wyoming | WY | | | | | | | |
| 52. American Samoa | AS | | | | | | | |
| 53. Guam | GU | | | | | | | |
| 54. Puerto Rico | PR | | | | | | | |
| 55. U.S. Virgin Islands | VI | | | | | | | |
| 56. Northern Mariana Islands | MP | | | | | | | |
| 57. Canada | CN | | | | | | | |
| 58. Aggregate other alien | OT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5801. | | | | | | | | |
| 5802. | | | | | | | | |
| 5803. | | | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |