



# QUARTERLY STATEMENT

AS OF MARCH 31, 2007  
OF THE CONDITION AND AFFAIRS OF THE

## LUMBERMENS MUTUAL CASUALTY COMPANY

NAIC Group Code 0108, 0108 NAIC Company Code 22977 Employer's ID Number 36-1410470  
(Current Period) (Prior Period)

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, Long Grove, IL 60049-0001  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1 Kemper Drive Long Grove, IL 60049-0001 847-320-2000  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1 Kemper Drive, Long Grove, IL 60049-0001  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1 Kemper Drive Long Grove, IL 60049-0001 847-320-3127  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.kemperinsurance.com

Statutory Statement Contact Fredrick Thomas Griffith 847-320-3127  
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### OFFICERS

Name	Title	Name	Title
<u>Douglas Sean Andrews</u>	<u>President and CEO</u>	<u>John Keating Conway</u>	<u>Secretary</u>
<u>Fredrick Thomas Griffith #</u>	<u>Chief Financial Officer</u>	<u>Geoffrey Andrew Cooke</u>	<u>Treasurer</u>

### OTHER OFFICERS

<u>Frederick Otto Kist</u>	<u>Senior Vice President</u>	<u>Benjamin David Schwartz</u>	<u>Senior Vice President</u>
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### DIRECTORS OR TRUSTEES

<u>Douglas Sean Andrews</u>	<u>John Thomas Chain Jr.</u>	<u>Peter Bannerman Hamilton</u>	<u>George Ralph Lewis</u>
<u>Arthur James Massolo</u>	<u>David Barrett Mathis</u>		

State of Illinois

ss

County of Lake

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

Douglas Sean Andrews  
President and CEO

John Keating Conway  
Secretary

Fredrick Thomas Griffith  
Chief Financial Officer

Subscribed and sworn to before me this  
7th day of May, 2007

a. Is this an original filing? Yes [ X ] No [ ]

b. If no,  
1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

STATEMENT AS OF MARCH 31, 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 .....	1,356,830,888		1,356,830,888	1,394,363,713
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	89,999,957		89,999,957	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) .....	4,079,000		4,079,000	4,172,747
5. Cash (\$ .....(3,023,454) ), cash equivalents (\$ .....497,401 ) and short-term investments (\$ .....81,527,351 ) .....	79,001,298		79,001,298	130,978,945
6. Contract loans, (including \$ .....0 premium notes)			0	0
7. Other invested assets .....	29,082,146	0	29,082,146	28,898,383
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) .....	1,558,993,289	0	1,558,993,289	1,646,205,773
11. Title plants less \$ .....0 charged off (for Title insurers only)			0	0
12. Investment income due and accrued .....	13,447,900		13,447,900	13,876,735
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	42,373,468	23,297,546	19,075,922	27,374,791
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	33,864,837	6,008,638	27,856,199	29,607,577
13.3 Accrued retrospective premiums .....	30,107,778	691,344	29,416,434	34,138,540
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	235,727,829		235,727,829	236,048,560
14.2 Funds held by or deposited with reinsured companies .....	12,631,893		12,631,893	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 .....	704,561,607	704,561,607	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 .....	5,536,311		5,536,311	3,209,996
22. Health care (\$ .....0 ) and other amounts receivable .....			0	0
23. Aggregate write-ins for other than invested assets .....	144,651,722	29,651,980	114,999,742	133,319,728
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	2,781,896,634	764,211,115	2,017,685,519	2,136,458,926
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25)	2,781,896,634	764,211,115	2,017,685,519	2,136,458,926
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Amounts receivable under high deductible policies.....	30,890,596	4,384,256	26,506,340	28,306,088
2302. Advance to claims service provider.....	16,485,700		16,485,700	12,254,905
2303. Reinsurance accounted for as a deposit.....	12,237,531		12,237,531	12,798,675
2398. Summary of remaining write-ins for Line 23 from overflow page .....	85,037,895	25,267,724	59,770,171	79,960,060
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	144,651,722	29,651,980	114,999,742	133,319,728

STATEMENT AS OF MARCH 31, 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 \$ .....931,000 ) .....	1,000,728,389	1,087,138,476
2. Reinsurance payable on paid losses and loss adjustment expenses .....	48,781,665	33,129,868
3. Loss adjustment expenses .....	458,629,789	488,494,066
4. Commissions payable, contingent commissions and other similar charges .....	1,873,205	1,414,716
5. Other expenses (excluding taxes, licenses and fees) .....	15,351,596	22,763,756
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	41,491,718	43,722,214
7.1 Current federal and foreign income taxes (including \$ .....0 on realized capital gains (losses)) .....	5,569,291	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 \$ .....4,870,120 and including warranty reserves of \$ .....713,421 ) .....	8,714,048	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) .....	8,065,845	12,639,888
13. Funds held by company under reinsurance treaties .....	3,787,577	3,787,577
14. Amounts withheld or retained by company for account of others .....	141,708,189	153,814,393
15. Remittances and items not allocated .....	14,324,136	7,281,322
16. Provision for reinsurance .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	4,280,274	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 .....	96,533,869	88,170,204
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	1,849,839,591	1,962,866,314
25. Protected cell liabilities .....	0	0
26. Total liabilities (Lines 24 and 25) .....	1,849,839,591	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) .....	(532,009,670)	(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) .....	167,845,928	173,592,612
36. TOTALS .....	2,017,685,519	2,136,458,926
<b>DETAILS OF WRITE-INS</b>		
2301. Accounts payable and other liabilities .....	96,533,869	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) .....	96,533,869	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 OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ .....(355,149) )	(163,289)	(339,310)	3,659,038
1.2 Assumed (written \$ .....2,261,308 )	3,033,351	12,669,430	21,207,479
1.3 Ceded (written \$ .....(639,356) )	(424,596)	6,164,383	5,622,751
1.4 Net (written \$ .....2,545,515 )	3,294,658	6,165,737	19,243,766
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ .....1,015,000 ):			
2.1 Direct .....	6,300,853	12,917,636	(28,176,323)
2.2 Assumed .....	5,781,039	13,120,253	139,184,016
2.3 Ceded .....	(3,426,133)	(204,635)	18,322,603
2.4 Net .....	15,508,025	26,242,524	92,685,090
3. Loss expenses incurred .....	399,952	(137,140)	49,706,782
4. Other underwriting expenses incurred .....	16,160,103	20,621,963	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) .....	32,068,080	45,152,647	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) .....	(28,773,422)	(38,986,910)	(212,151,242)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned .....	15,269,546	17,527,199	78,435,208
10. Net realized capital gains (losses) less capital gains tax of \$ .....0	(1,449,451)	(524,845)	2,185,690
11. Net investment gain (loss) (Lines 9 + 10) .....	13,820,095	17,002,354	80,620,898
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ .....30,406 amount charged off \$ .....4,064,380 ) .....	(4,033,974)	(1,723,420)	(32,330,053)
13. Finance and service charges not included in premiums .....	0	0	0
14. Aggregate write-ins for miscellaneous income .....	5,737,232	998,312	35,954,782
15. Total other income (Lines 12 through 14) .....	1,703,258	(725,108)	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) .....	(13,250,069)	(22,709,664)	(127,905,615)
17. Dividends to policyholders .....	3,067,614	169,996	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) .....	(16,317,683)	(22,879,660)	(134,815,810)
19. Federal and foreign income taxes incurred .....	(484,316)	(1,019,085)	(28,425,559)
20. Net income (Line 18 minus Line 19)(to Line 22) .....	(15,833,367)	(21,860,575)	(106,390,251)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year .....	173,592,612	168,313,151	168,313,151
22. Net income (from Line 20) .....	(15,833,367)	(21,860,575)	(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	2,645,937	2,661,015	1,986,345
25. Change in net unrealized foreign exchange capital gain (loss) .....	712,761	(852,986)	346,641
26. Change in net deferred income tax .....	2,872,080	0	(58,278,929)
27. Change in nonadmitted assets .....	1,619,420	767,939	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 .....	2,236,485	10,818,218	66,243,668
38. Change in surplus as regards policyholders (Lines 22 through 37) .....	(5,746,684)	(8,466,389)	5,279,461
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) .....	167,845,928	159,846,762	173,592,612
<b>DETAILS OF WRITE-INS</b>			
0501. Change in premium deficiency reserve .....	0	(1,574,700)	(1,574,700)
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	(1,574,700)	(1,574,700)
1401. Other income .....	5,737,232	998,312	35,954,782
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) .....	5,737,232	998,312	35,954,782
3701. Provision for uncollectible reinsurance .....	2,236,485	10,818,218	66,243,668
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page .....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above) .....	2,236,485	10,818,218	66,243,668

## CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	12,188,855	94,366,123
2. Net investment income .....	15,465,867	83,463,736
3. Miscellaneous income .....	1,748,591	1,505,521
4. Total (Lines 1 to 3) .....	29,403,313	179,335,380
5. Benefits and loss related payments .....	85,945,584	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 .....	55,627,834	246,597,315
8. Dividends paid to policyholders .....	(1,883,412)	(18,320,480)
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses)	0	(26,222,821)
10. Total (Lines 5 through 9) .....	139,690,006	527,002,805
11. Net cash from operations (Line 4 minus Line 10) .....	(110,286,693)	(347,667,425)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	152,278,500	608,644,584
12.2 Stocks .....	0	10,828,635
12.3 Mortgage loans .....	0	768,916
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	1,250,908
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(345,389)	(344,633)
12.7 Miscellaneous proceeds .....	0	32,476,418
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	151,933,111	653,624,828
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	116,216,901	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 .....	0	588,000
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	116,216,901	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) .....	35,716,210	194,537,796
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied).....	22,592,836	(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) .....	22,592,836	(24,162,328)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(51,977,647)	(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) .....	79,001,298	130,978,945

## NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

No change.

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

No change.

**3. BUSINESS COMBINATIONS AND GOODWILL**

No change.

**4. DISCONTINUED OPERATIONS**

No change.

**5. INVESTMENTS**

No change.

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

No change.

**7. INVESTMENT INCOME**

No change.

**8. DERIVATIVE INSTRUMENTS**

No change.

**9. INCOME TAXES**

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

		March 31, 2007		December 31, 2006
Total of gross deferred tax assets	\$	707,402,272		704,530,192
Total of deferred tax liabilities		(2,840,665)		(2,840,665)
Net deferred tax asset		704,561,607		701,689,527
Deferred tax asset nonadmitted		(704,561,607)		(701,689,527)
Net admitted deferred tax asset		0		0
Increase in nonadmitted asset	\$	(2,872,080)		

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

		March 31, 2007		December 31, 2006		Change
Total deferred tax assets	\$	707,402,272		704,530,192	\$	2,872,080
Total deferred tax liabilities		(2,840,665)		(2,840,665)		0
Net deferred tax asset	\$	704,561,607		701,689,527		2,872,080
Tax effect of unrealized gains (losses)						0
Changes in net deferred income tax					\$	2,872,080

## 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:

		March 31, 2007
Provision computed at statutory rate	\$	(5,711,189)
Receivables		2,354,793
Total	\$	(3,356,396)
Federal and foreign income taxes incurred	\$	(484,316)
Change in net deferred income taxes		(2,872,080)
Total statutory income taxes	\$	(3,356,396)

- 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 first quarter of 2007 for which scheduled interest payment dates have not yet arrived, totaled \$264,100,000 as of March 31, 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 March 31, 2007. On May 14, 2007, the Division of Insurance disapproved the payment 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

No change.

### 15. LEASES

No change.

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

No change.

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

No change.

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

No change.

## NOTES TO FINANCIAL STATEMENTS

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



## GENERAL INTERROGATORIES

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

### PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]
- 2.2 If yes, date of change: .....  
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. .... 12/31/2000
- 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). .... 11/18/2003
- 6.4 By what department or departments?  
Illinois, Delaware, Mississippi and Nevada.....
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]
- 8.4 If 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

**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: ..... \$ .....5,536,311

**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: ..... \$ .....
- 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	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21 Bonds .....	\$ .....	\$ .....
15.22 Preferred Stock .....	\$ .....	\$ .....
15.23 Common Stock .....	\$ .....85,535,429	\$ .....87,748,220
15.24 Short-Term Investments .....	\$ .....	\$ .....
15.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
15.26 All Other .....	\$ .....27,666,041	\$ .....27,849,804
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$ .....113,201,470	\$ .....115,598,024
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above .....	\$ .....0	\$ .....0

- 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.

**GENERAL INTERROGATORIES**

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? .....

Yes [X] No [ ]

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

1 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 [X]

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 [X] No [ ]

18.2 If no, list exceptions:

.....

STATEMENT AS OF MARCH 31, 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			246,379	246,379			(5,950)	(5,950)
2.Private Passenger Auto Liability.....		4.200			1,772,182	1,772,182			(42,855)	(42,855)
3.Commercial Auto Liability.....		4.200			10,715,681	10,715,681			(273,354)	(273,354)
4.Workers Compensation.....		4.200			226,333,296	226,333,296			(6,888,469)	(6,888,469)
5.Commercial Multiple Peril.....		4.200			20,391,596	20,391,596			(506,383)	(506,383)
6.Medical Malpractice - Occurrence.....		4.200			30,001	30,001			(6,894)	(6,894)
7.Medical Malpractice - Claims Made.....		4.200			255,046	255,046				0
8.Special Liability.....		4.200			2,416,020	2,416,020			(51,489)	(51,489)
9.Other Liability - Occurrence.....		4.200			48,090,117	48,090,117			(2,194,110)	(2,194,110)
10.Other Liability - Claims Made.....		4.200			11,883,921	11,883,921				0
11.Special Property.....		4.200			(464,295)	(464,295)			(2,694)	(2,694)
12.Auto Physical Damage.....		4.200			(7,711)	(7,711)			186	186
13.Fidelity/Surety.....		4.200			1,925,151	1,925,151			(3,015)	(3,015)
14.Other.....		4.200			94,308	94,308			(2,280)	(2,280)
17.Reinsurance Nonproportional Assumed Liability.....		4.200			22,623,330	22,623,330			(204,327)	(204,327)
19.Product Liability - Occurrence.....		4.200			20,217,103	20,217,103			(2,065,369)	(2,065,369)
<b>TOTAL</b>			0	0	366,522,125	366,522,125	0	0	(12,247,003)	(12,247,003)

**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 .....	0	0
6. Increase (decrease) by foreign exchange adjustment .....	0	0
7. Amount received on sales .....	0	0
8. Book/adjusted carrying value at end of current period .....	4,079,000	4,172,747
9. Total valuation allowance .....	0	0
10. Subtotal (Lines 8 plus 9) .....	4,079,000	4,172,747
11. Total nonadmitted amounts .....	0	0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	4,079,000	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 .....	0	(35,260)
6. Amounts paid on account or in full during the period .....	0	768,916
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 .....	0	0
2.2. Additional investment made after acquisitions .....	0	588,000
3. Accrual of discount .....	0	0
4. Increase (decrease) by adjustment .....	183,763	(1,926,521)
5. Total profit (loss) on sale .....	0	0
6. Amounts paid on account or in full during the period .....	0	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 .....	29,082,146	28,898,383
10. Total valuation allowance .....	0	0
11. Subtotal (Lines 9 plus 10) .....	29,082,146	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)	29,082,146	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 .....	116,216,901	458,499,032
3. Accrual of discount .....	640,663	1,492,857
4. Increase (decrease) by adjustment .....	2,207,972	(1,721,843)
5. Increase (decrease) by foreign exchange adjustment .....	0	0
6. Total profit (loss) on disposal .....	(1,010,315)	2,518,671
7. Consideration for bonds and stocks disposed of .....	152,278,500	619,473,217
8. Amortization of premium .....	1,101,575	4,982,945
9. Book/adjusted carrying value, current period .....	1,446,830,845	1,482,155,699
10. Total valuation allowance .....	0	0
11. Subtotal (Lines 9 plus 10) .....	1,446,830,845	1,482,155,699
12. Total nonadmitted amounts .....	0	0
13. Statement value .....	1,446,830,845	1,482,155,699

STATEMENT AS OF MARCH 31, 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
<b>BONDS</b>								
1. Class 1 .....	1,527,247,264	324,100,020	423,490,812	8,068	1,427,864,540	0	0	1,527,247,264
2. Class 2 .....	7,998,680	0	0	168	7,998,848	0	0	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 .....	3,221,372	0	229,120	0	2,992,252	0	0	3,221,372
7. Total Bonds	1,538,467,316	324,100,020	423,719,932	8,236	1,438,855,640	0	0	1,538,467,316
<b>PREFERRED STOCK</b>								
8. Class 1 .....	0	0	0	0	0	0	0	0
9. Class 2 .....	0	0	0	0	0	0	0	0
10. Class 3 .....	0	0	0	0	0	0	0	0
11. Class 4 .....	0	0	0	0	0	0	0	0
12. Class 5 .....	0	0	0	0	0	0	0	0
13. Class 6 .....	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	1,538,467,316	324,100,020	423,719,932	8,236	1,438,855,640	0	0	1,538,467,316

**SCHEDULE DA - PART 1****Short-Term Investments Owned End of Current Quarter**

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	81,527,351	XXX	81,041,803	267,740	0

**SCHEDULE DA - PART 2- VERIFICATION****Short-Term Investments Owned**

	1	2
	Year To Date	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 .....	207,385,944	1,207,700,340
3. Increase (decrease) by adjustment .....	440,210	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 .....	241,031,113	1,418,520,764
7. Book/adjusted carrying value, current period .....	81,527,351	114,732,314
8. Total valuation allowance .....	0	0
9. Subtotal (Lines 7 plus 8) .....	81,527,351	114,732,314
10. Total nonadmitted amounts .....	0	0
11. Statement value (Lines 9 minus 10) .....	81,527,351	114,732,314
12. Income collected during period .....	1,468,589	11,064,523
13. Income earned during period .....	1,280,984	9,121,789

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule F

**NONE**



STATEMENT AS OF MARCH 31, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

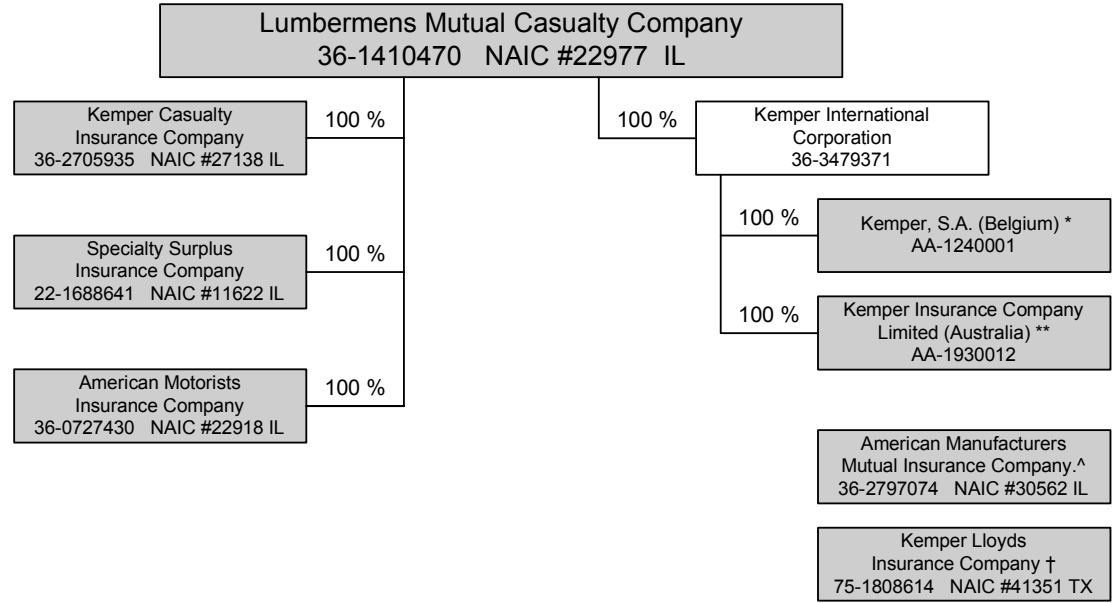
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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	(1,539)	26,973	286,147	919,951	9,280,453	28,330,746
2. Alaska	AK	Yes	(42)	(61,802)	80,959	114,995	1,337,744	1,208,176
3. Arizona	AZ	Yes	(33,412)	63,713	681,440	43,120	9,090,483	11,154,620
4. Arkansas	AR	Yes	0	7,130	1,719,974	5,745,401	4,502,268	9,335,233
5. California	CA	Yes	(233,843)	(1,000,258)	22,188,744	23,589,984	92,140,748	132,967,538
6. Colorado	CO	Yes	(45,832)	(21,738)	217,213	1,207,604	2,431,305	1,861,065
7. Connecticut	CT	Yes	21,283	(46,899)	2,637,610	4,036,346	18,518,943	28,781,078
8. Delaware	DE	Yes	2,441	34,883	56,351	(1,445,080)	2,109,229	1,619,642
9. District of Columbia	DC	Yes	(669)	41,372	224,472	(543,608)	5,944,034	7,121,379
10. Florida	FL	Yes	14,843	(374,291)	6,810,376	(1,738,106)	27,263,769	31,731,585
11. Georgia	GA	Yes	(37,996)	(25,748)	207,243	1,698,198	34,504,553	29,968,835
12. Hawaii	HI	Yes	26,821	(55,455)	197,548	101,321	2,196,451	1,932,200
13. Idaho	ID	Yes	44	(3,547)	7,954	87,755	(52,845)	137,127
14. Illinois	IL	Yes	(538,793)	(440,262)	(5,584,533)	6,961,195	42,640,262	248,638,064
15. Indiana	IN	Yes	17,075	(46,848)	373,000	1,361,101	7,054,493	5,200,872
16. Iowa	IA	Yes	28,625	(66,564)	200,581	474,331	2,546,275	2,247,692
17. Kansas	KS	Yes	(8,933)	(56,349)	94,974	(1,885)	2,158,867	2,881,677
18. Kentucky	KY	Yes	(4,009)	(15,672)	205,088	(288,227)	14,907,648	18,604,717
19. Louisiana	LA	Yes	(19,081)	4,923	72,727	(2,139,863)	7,392,631	6,990,533
20. Maine	ME	Yes	(11,380)	(5,569)	12,049	1,751,181	140,218	147,000
21. Maryland	MD	Yes	16,418	221,496	654,811	433,287	20,694,593	22,036,510
22. Massachusetts	MA	Yes	191,499	17,513	758,003	11,394,999	20,700,496	19,494,791
23. Michigan	MI	Yes	139,177	(32,361)	522,154	2,820,292	10,323,908	9,554,499
24. Minnesota	MN	Yes	(18,500)	63,916	315,722	5,140,760	9,705,940	17,299,077
25. Mississippi	MS	Yes	(437)	7,073	95,732	145,222	3,533,811	3,079,604
26. Missouri	MO	Yes	457	(2,261)	234,884	748,827	3,865,344	4,300,914
27. Montana	MT	Yes	133	(3,277)	21,395	157,333	502,963	508,865
28. Nebraska	NE	Yes	(333)	(565)	27,306	(32,913)	1,726,059	1,550,900
29. Nevada	NV	Yes	26,514	(56,232)	112,379	365,431	3,709,289	3,020,122
30. New Hampshire	NH	Yes	(165)	128,583	100,986	73,960	2,875,837	3,618,807
31. New Jersey	NJ	Yes	(28,559)	(112,095)	2,034,608	7,869,190	56,095,529	69,021,776
32. New Mexico	NM	Yes	(2,222)	(3,138)	138,660	170,880	353,123	935,544
33. New York	NY	Yes	19,069	(15,165)	12,336,688	12,553,101	168,391,292	247,333,247
34. North Carolina	NC	Yes	(699,453)	(54,599)	560,449	357,289	10,912,319	12,389,723
35. North Dakota	ND	Yes	0	5,942	(6,000)	0	209,467	194,207
36. Ohio	OH	Yes	764	(16,778)	1,919,361	1,421,178	20,210,638	13,035,963
37. Oklahoma	OK	Yes	608,780	(20,434)	48,616	(370,312)	1,318,826	1,118,325
38. Oregon	OR	Yes	(19,477)	(104,323)	105,293	2,142,068	5,930,005	7,219,312
39. Pennsylvania	PA	Yes	7,215	(21,138)	2,637,672	12,987,217	23,460,301	41,245,331
40. Rhode Island	RI	Yes	85,818	2,649	82,796	(1,172,647)	5,363,776	5,671,899
41. South Carolina	SC	Yes	(4,595)	(8,513)	1,046,123	144,929	14,355,715	12,761,070
42. South Dakota	SD	Yes	11	(20,132)	4,437	1,700	376,883	571,760
43. Tennessee	TN	Yes	9,711	179,559	701,739	(1,892,505)	10,902,210	16,379,671
44. Texas	TX	Yes	31,314	(436,073)	89,647	(783,409)	85,328,745	94,997,403
45. Utah	UT	Yes	(14,771)	36,413	(25,468)	885,225	465,375	602,543
46. Vermont	VT	Yes	564	(2,136)	49,869	36,238	821,078	897,741
47. Virginia	VA	Yes	2,280	12,107	684,546	2,084,137	6,862,207	12,818,621
48. Washington	WA	Yes	443	63,172	2,359,764	136,416	11,794,445	12,415,317
49. West Virginia	WV	Yes	(24)	(895)	9,407	(26,758)	29,753	(99,980)
50. Wisconsin	WI	Yes	357,778	500,934	610,759	741,210	7,470,990	9,575,915
51. Wyoming	WY	Yes	10	53	12,119	57,483	189,134	(10,438)
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	0	0	538,343	742,918	1,114,535	1,946,964
55. U.S. Virgin Islands	VI	No	0	0	0	0	0	0
56. Northern Mariana Islands	MP	Yes	0	0	0	0	0	0
57. Canada	CN	Yes	2,810	23,782	1,152,881	1,152,881	20,224,943	(489,927)
58. Aggregate Other Alien	OT	XXX	(242,981)	(46,155)	712,075	21,326	2,630,042	2,998,761
59. Totals	(a)	53	(355,149)	(1,735,086)	60,184,792	102,442,667	818,557,100	1,218,854,616
<b>DETAILS OF WRITE-INS</b>								
5801. Asia	XXX		0	19,706	702,713	0	987,878	651,568
5802. Australia	XXX		0	(75,080)	0	0	(6,587)	(6,409)
5803. Europe	XXX		(721)	9,219	9,474	21,326	1,908,227	2,454,695
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		(242,260)	0	(112)	0	(259,476)	(101,093)
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		(242,981)	(46,155)	712,075	21,326	2,630,042	2,998,761

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

**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 03/31/2007.

**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	115,853	(40,269)	(34.8)	1.3
2. Allied Lines	36,083	21,365	59.2	(7.1)
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	0	2,191	0.0	29.0
5. Commercial multiple peril	(285,289)	(51,105)	17.9	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine	0	636	0.0	(115.3)
9. Inland marine	542	720	132.8	(451.2)
10. Financial guaranty			0.0	0.0
11.1 Medical malpractice - occurrence	0	5,112	0.0	0.0
11.2 Medical malpractice - claims-made	0	8,020	0.0	0.0
12. Earthquake	0	(15)	0.0	(875.0)
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health	12,372	2,280	18.4	0.0
16. Workers' compensation	(527,246)	4,553,254	(863.6)	(328.2)
17.1 Other liability - occurrence	(4,249)	7,388,662	(173,891.8)	23,686.7
17.2 Other liability - claims-made	372,526	(6,659,083)	(1,787.5)	48.4
18.1 Products liability - occurrence	(2,926)	1,326,482	(45,334.3)	5.3
18.2 Products liability - claims-made			0.0	0.0
19.1,19.2 Private passenger auto liability	21	18,490	88,047.6	780.9
19.3,19.4 Commercial auto liability	18,786	198,385	1,056.0	(45.2)
21. Auto physical damage	(913)	(1,737)	190.3	(21.7)
22. Aircraft (all perils)	0	50,436	0.0	0.0
23. Fidelity	0	93	0.0	51.2
24. Surety	101,872	(522,425)	(512.8)	(311.9)
26. Burglary and theft			0.0	0.0
27. Boiler and machinery	0	(639)	0.0	0.0
28. Credit	(721)	0	0.0	12.1
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	(163,289)	6,300,853	(3,858.7)	(3,807.0)
<b>DETAILS OF WRITE-INS</b>				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0.0	0.0

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0		(4,802)
2. Allied Lines	0		(2,690)
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	0		78
5. Commercial multiple peril	0		0
6. Mortgage guaranty	0		0
8. Ocean marine	0		(917)
9. Inland marine	502	502	(3,047)
10. Financial guaranty	0		0
11.1 Medical malpractice - occurrence	0	0	0
11.2 Medical malpractice - claims-made	0		0
12. Earthquake	0		0
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	12,372	12,372	0
16. Workers' compensation	(527,247)	(527,247)	(1,528,551)
17.1 Other liability - occurrence	(2,666)	(2,666)	(724,182)
17.2 Other liability - claims-made	10,645	10,645	817
18.1 Products liability - occurrence	(7,353)	(7,353)	854,787
18.2 Products liability - claims-made	0		0
19.1,19.2 Private passenger auto liability	0		(1,377)
19.3,19.4 Commercial auto liability	18,786	18,786	(549,939)
21. Auto physical damage	(913)	(913)	27,619
22. Aircraft (all perils)	0		0
23. Fidelity	0		(28)
24. Surety	141,446	141,446	197,146
26. Burglary and theft	0		0
27. Boiler and machinery	0		0
28. Credit	(721)	(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	(355,149)	(355,149)	(1,735,086)
<b>DETAILS OF WRITE-INS</b>			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0

STATEMENT AS OF MARCH 31, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2007 Loss and LAE Payments on Claims Reported as of Prior Year-End	2007 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2007 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2004 + Prior	1,523,777	14,711	1,538,488	123,914	4,244	128,158	1,447,305	4,795	(173)	1,451,927	47,442	(5,845)	41,597
2. 2005	3,736	28,821	32,557	43	0	43	3,115	0	12,281	15,396	(578)	(16,540)	(17,118)
3. Subtotals 2005 + Prior	1,527,513	43,532	1,571,045	123,957	4,244	128,201	1,450,420	4,795	12,108	1,467,323	46,864	(22,385)	24,479
4. 2006	757	3,829	4,586	1,440	1	1,441	683	0	(7,021)	(6,338)	1,366	(10,849)	(9,483)
5. Subtotals 2006 + Prior	1,528,270	47,361	1,575,631	125,397	4,245	129,642	1,451,103	4,795	5,087	1,460,985	48,230	(33,234)	14,996
6. 2007	XXX	XXX	XXX	XXX	2,540	2,540	XXX	136	(1,764)	(1,628)	XXX	XXX	XXX
7. Totals	1,528,270	47,361	1,575,631	125,397	6,785	132,182	1,451,103	4,931	3,323	1,459,357	48,230	(33,234)	14,996
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. 3.2	2. (70.2)	3. 1.0
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 8.6

# 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:**



**OVERFLOW PAGE FOR WRITE-INS**

PQ002 Additional Aggregate Lines for Page 02 Line 23.

\*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2304. Insurance recoveries related to UBIC.....	11,675,000	11,675,000	0	0
2305. Other admitted assets.....	73,362,895	13,592,724	59,770,171	79,960,060
2397. Summary of remaining write-ins for Line 23 from Page 02	85,037,895	25,267,724	59,770,171	79,960,060

PQ015 Additional Aggregate Lines for Page 15 Line 58.

\*SCT

	1	2	3	4	5	6	7
	Is Insurer Licensed? (Yes or No)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
5804. Central & South America.....	XXX	0	0	0	0	(256,236)	(98,717)
5805. Africa.....	XXX	(242,260)	0	(112)	0	(3,240)	(2,376)
5897. Summary of remaining write-ins for Line 58 from Page 15	XXX	(242,260)	0	(112)	0	(259,476)	(101,093)

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

STATEMENT AS OF MARCH 31, 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)
31393U-KB-8	FNR 2003-122 TU		.01/04/2007	AMHERST SECURITIES		2,461,896	2,499,387	2,222	1FE
31394H-2S-9	FHR 2662 DJ		.03/12/2007	UBS SECURITIES INC.		11,816,359	12,005,349	15,173	1FE
31394H-FV-8	FHR 2660 ML		.03/09/2007	UBS SECURITIES INC.		46,859,891	47,498,147	60,032	1FE
31394T-V8-5	FHR 2764 OB		.01/24/2007	PERFORMANCE TRUST		1,964,375	2,000,000	6,222	1FE
3199999 - Total	- Bonds - Special Revenue					63,102,520	64,002,883	83,650	XXX
084670-C@-5	BERKSHIRE HATHAWAY INC BONDING FACILITY		.01/18/2007	DIRECT		20,000	20,000	0	1
22540A-J6-6	CSFB 2001-CF2 A3		.01/04/2007	WACHOVIA BANK		7,499,512	7,466,554	10,350	1FE
251510-FS-7	DBALT 2005-4 A1		.02/09/2007	CITIGROUP		19,731,912	19,837,298	34,743	1FE
589929-QE-1	MLMI 1998-C2 D		.01/17/2007	MERRILL LYNCH		10,303,992	10,200,000	41,819	1FE
63859C-DQ-3	NLFC 1999-2 A2C		.01/12/2007	MERRILL LYNCH		8,392,533	8,245,341	28,147	1FE
655356-JF-1	NASC 1998-D6 A1B		.03/13/2007	MERRILL LYNCH		7,166,431	7,100,145	6,499	1FE
4599999 - Total	- Bonds - Industrial, Misc.					53,114,381	52,869,337	121,558	XXX
6099997 - Total	- Bonds - Part 3					116,216,901	116,872,220	205,207	XXX
6099999 - Total	- Bonds					116,216,901	116,872,220	205,207	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						116,216,901	XXX	205,207	XXX

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

E04



STATEMENT AS OF MARCH 31, 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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31359W-LZ-4	FANNIE MAE		01/15/2007	MATURITY		1,600,000	1,600,000	1,708,000	1,601,429	0	(1,429)	0	(1,429)	0	1,600,000	0	0	0	40,000	01/15/2007	1FE
36225A-T9-1	GNMA 780576		03/01/2007	MBS PAYDOWN		446	446	477	446	0	0	0	0	0	446	0	0	0	5	03/01/2022	1FE
912828-BY-5	US TREASURY NOTE		02/15/2007	MATURITY		1,000,000	1,000,000	971,563	998,101	0	1,899	0	1,899	0	1,000,000	0	0	0	11,250	02/15/2007	1
912828-CG-3	US TREASURY NOTE		02/09/2007	CREDIT SUISSE FIRST BOSTON		9,949,219	10,000,000	9,992,313	9,998,842	0	363	0	363	0	9,999,205	0	(49,986)	(49,986)	76,830	05/15/2007	1
912828-CJ-7	US TREASURY NOTE		02/09/2007	GREENWICH CAPITAL MARKETS		9,978,125	10,000,000	10,455,859	10,375,550	0	(5,087)	0	(5,087)	0	10,370,462	0	(392,337)	(392,337)	116,782	05/15/2014	1
912828-DC-1	US TREASURY NOTE		02/28/2007	GREENWICH CAPITAL MARKETS		20,607,070	21,000,000	21,211,676	21,178,212	0	(3,150)	0	(3,150)	0	21,175,062	0	(567,992)	(567,992)	261,340	11/15/2014	1
0399999	Bonds - U.S. Governments					43,134,860	43,600,446	44,339,887	44,152,580	0	(7,405)	0	(7,405)	0	44,145,175	0	(1,010,315)	(1,010,315)	506,207	XXX	XXX
57582N-3A-1	MASSACHUSETTS ST		01/01/2007	MATURITY		20,000,000	20,000,000	20,000,000	20,000,000	0	0	0	0	0	20,000,000	0	0	0	443,000	01/01/2007	1FE
1799999	Bonds - States, Territories and Possessions					20,000,000	20,000,000	20,000,000	20,000,000	0	0	0	0	0	20,000,000	0	0	0	443,000	XXX	XXX
31282R-5B-6	FG M80842		03/01/2007	MBS PAYDOWN		517,146	517,146	493,874	516,440	0	705	0	705	0	517,146	0	0	0	2,984	08/01/2010	1FE
313315-LK-7	FHR 1727 HL		03/01/2007	MBS PAYDOWN		596,675	596,675	617,734	596,619	0	56	0	56	0	596,675	0	0	0	5,298	03/01/2007	1FE
313316-Y9-4	FHR 2098 PG		03/01/2007	MBS PAYDOWN		189,568	189,568	191,108	189,568	0	0	0	0	0	189,568	0	0	0	1,868	01/01/2008	1FE
31331L-WS-3	FHR 2186 PG		03/01/2007	MBS PAYDOWN		8,635	8,635	8,816	8,643	0	(9)	0	(9)	0	8,635	0	0	0	74	06/01/2007	1FE
31331V-GB-6	FHR 2355 V		03/01/2007	MBS PAYDOWN		14,959	14,959	15,513	14,971	0	(12)	0	(12)	0	14,959	0	0	0	137	10/01/2009	1FE
31371H-X2-9	FNMA 252797		03/01/2007	MBS PAYDOWN		942	942	1,000	943	0	(1)	0	(1)	0	942	0	0	0	12	02/01/2014	1FE
31384Q-7D-9	FNMA 531092		03/01/2007	MBS PAYDOWN		42	42	45	42	0	0	0	0	0	42	0	0	0	1	08/01/2029	1FE
31386F-4C-6	FNMA 562519		03/01/2007	MBS PAYDOWN		63	63	67	63	0	0	0	0	0	63	0	0	0	1	12/01/2030	1FE
31390Q-FP-5	FNMA 652774		03/01/2007	MBS PAYDOWN		44,807	44,807	47,030	44,822	0	(15)	0	(15)	0	44,807	0	0	0	603	01/01/2032	1FE
31392A-PS-1	FNR 2001-74 PD		03/01/2007	MBS PAYDOWN		11,154	11,154	11,298	11,154	0	0	0	0	0	11,154	0	0	0	106	04/01/2007	1FE
31392E-AE-0	FNR 2002-55 QC		01/01/2007	MBS PAYDOWN		108,157	108,157	111,740	108,157	0	0	0	0	0	108,157	0	0	0	496	01/01/2007	1FE
31392F-EZ-6	FNR 2002-73 OC		03/01/2007	MBS PAYDOWN		1,239,305	1,239,305	1,232,915	1,238,706	0	600	0	600	0	1,239,305	0	0	0	9,914	03/01/2008	1FE
31392R-S2-8	FHR 2468 TD		03/01/2007	MBS PAYDOWN		1,400,117	1,400,117	1,429,649	1,400,518	0	(401)	0	(401)	0	1,400,117	0	0	0	12,319	02/01/2008	1FE
31393C-GP-2	FNR 2003-54 OJ		03/01/2007	MBS PAYDOWN		1,180,399	1,180,399	1,170,117	1,179,593	0	806	0	806	0	1,180,399	0	0	0	8,659	03/01/2008	1FE
31393E-F9-5	FNR 2003-86 OP		03/01/2007	MBS PAYDOWN		6,182,375	6,182,375	6,110,408	6,175,390	0	6,985	0	6,985	0	6,182,375	0	0	0	40,782	05/01/2008	1FE
31393E-RP-6	FNR 2003-83 PB		03/01/2007	MBS PAYDOWN		1,444,736	1,444,736	1,412,681	1,443,009	0	1,727	0	1,727	0	1,444,736	0	0	0	8,413	01/01/2009	1FE
31393U-KB-8	FNR 2003-122 TU		03/01/2007	MBS PAYDOWN		216,769	216,769	213,517	216,625	0	144	0	144	0	216,769	0	0	0	1,079	12/01/2008	1FE
31393V-WD-3	FNR 2004-45 AV		03/01/2007	MBS PAYDOWN		3,186,800	3,186,800	3,163,148	3,179,504	0	7,296	0	7,296	0	3,186,800	0	0	0	23,121	04/01/2007	1FE
31394T-V8-5	FHR 2764 OB		03/01/2007	MBS PAYDOWN		160,193	160,193	156,698	160,019	0	174	0	174	0	160,193	0	0	0	1,424	05/01/2009	1FE
31395T-WA-8	FHR 2970 WY		03/01/2007	MBS PAYDOWN		874,695	874,695	871,279	874,477	0	218	0	218	0	874,695	0	0	0	7,360	09/01/2008	1FE
3199999	Bonds - Special Revenues					17,377,537	17,377,537	17,258,637	17,359,263	0	18,274	0	18,274	0	17,377,537	0	0	0	124,650	XXX	XXX
084670-C*-7	BERKSHIRE HATHAWAY, INC. BOND		01/24/2007	SECURITY CALLED BY ISSUER at 100.000		20,235,368	20,235,368	20,235,368	20,235,368	0	0	0	0	0	20,235,368	0	0	0	117,299	03/31/2025	1
084670-C@-5	BERKSHIRE HATHAWAY INC BONDING FACILITY		02/06/2007	SECURITY CALLED BY ISSUER at 100.000		6,793,968	6,793,968	6,793,968	6,793,968	0	0	0	0	0	6,793,968	0	0	0	101,844	07/01/2033	1
097014-AF-1	BOEING CAPITAL CORP		02/15/2007	MATURITY		8,000,000	8,000,000	8,070,960	8,008,460	0	(8,460)	0	(8,460)	0	8,000,000	0	0	0	230,000	02/15/2007	1FE
126671-2U-9	CWL 2004-BC1 M1		03/25/2007	MBS PAYDOWN		1,374,942	1,374,942	1,380,528	1,375,424	0	(481)	0	(481)	0	1,374,942	0	0	0	17,106	05/25/2009	1FE
12668X-AA-3	CWL 2006-S8 A1		03/25/2007	MBS PAYDOWN		589,788	589,788	589,788	589,788	0	0	0	0	0	589,788	0	0	0	5,453	03/25/2036	1FE
13973A-AA-1	CARAT 2006-2 A1		03/15/2007	MBS PAYDOWN		3,035,318	3,035,318	3,035,318	3,035,318	0	0	0	0	0	3,035,318	0	0	0	24,861	05/15/2007	1FE
152314-PD-6	CXHE 2005-D AF1		03/01/2007	MBS PAYDOWN		1,272,452	1,272,452	1,272,452	1,272,452	0	0	0	0	0	1,272,452	0	0	0	10,267	09/01/2007	1FE
22540A-J6-6	CSFB 2001-CF2 A3		03/01/2007	MBS PAYDOWN		188,558	188,558	189,391	188,638	0	(80)	0	(80)	0	188,558	0	0	0	1,597	06/01/2008	1FE
23242W-AA-9	CWL 2006-S3 A1		03/25/2007	MBS PAYDOWN		1,019,339	1,019,339	1,019,339	1,019,339	0	0	0	0	0	1,019,339	0	0	0	9,576	06/25/2008	1FE
251510-FS-7	DBALT 2005-4 A1		03/01/2007	MBS PAYDOWN		2,568,470	2,568,470	2,554,825	2,568,406	0	64	0	64	0	2,568,470	0	0	0	10,381	09/01/2007	1FE
40430G-AG-5	HFCBC 2005-3 A1		03/20/2007	MBS PAYDOWN		916,846	916,846	916,846	916,846	0	0	0	0	0	916,846	0	0	0	8,327	02/20/2011	1FE
441812-GK-4	HOUSEHOLD FINANCE CORP		03/01/2007	MATURITY		4,100,000	4,100,000	4,686,902	4,125,249	0	(25,249)	0	(25,249)	0	4,100,000	0	0	0	161,438	03/01/2007	1FE
52525P-AS-9	WILT 2005-1 A2		03/20/2007	MBS PAYDOWN		2,727,949	2,727,949	2,727,710	2,723,090	0	4,859	0	4,859	0	2,727,949	0	0	0	21,453	04/20/2007	1FE
61745M-GJ-6	MSC 1998-XL1 A3		03/01/2007	MBS PAYDOWN		144,122	144,122	151,458	144,328	0	(206)	0	(206)	0	144,122	0	0	0	1,610	05/01/2008	1FE
63859C-DO-3	NLFC 1999-2 A2C		03/01/2007	MBS PAYDOWN		130,265	130,265	132,590	130,342	0	(77)	0	(77)	0	130,265	0	0	0	1,240	09/01/2008	1FE
903278-CD-9	USAOT 2005-3 A2		03/15/2007	MBS PAYDOWN		1,710,759	1,710,759	1,710,659	1,708,840	0	1,920	0	1,920	0	1,710,759	0	0	0	12,958	03/15/2007	1FE
92927A-AE-4	WESTO 2003-3 A4		02/20/2007	MBS PAYDOWN		765,835	765,835	765,292	763,209	0	2,626	0	2,626	0	765,835	0	0	0	6,222	08/20/2007	1FE
92927F-AA-1	WINM 2006-A A1		03/15/2007	MBS PAYDOWN		1,158,545	1,158,545	1,156,390	1,156,390	0	2,155	0	2,155	0	1,158,545	0	0	0	10,043	07/15/2009	1FE
92977A-AA-1	WALOT 2006-1 A1		03/20/2007	MBS PAYDOWN		14,804,460	14,804,460	14,804,460	14,804,460	0	0	0	0	0	14,804,460	0	0	0	135,968	04/20/2007	1FE
54265N-30-4	LONG GROVE CLO LTD RESIDUAL INTEREST	</																			

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**







**SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2007 OF THE  
LUMBERMENS MUTUAL CASUALTY COMPANY**

**MEDICARE PART D COVERAGE SUPPLEMENT**

For The Quarter Ended MARCH 31, 2007

NAIC Group Code .....0108

NAIC Company Code .....22977

	Individual Coverage		Group Coverage		5 Total Cash	
	1 Insured	2 Uninsured	3 Insured	4 Uninsured		
1. Premiums Collected.....	<b>NONE</b>			.XXX	.0	
2. Earned Premiums.....				.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
10. Cash Flow Results			.XXX	.XXX	.XXX	.XXX

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



**SUPPLEMENT FOR MARCH 31, 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	0
59. Totals	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>								
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

**NONE**



**SUPPLEMENT FOR MARCH 31, 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	0
59. Totals	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>								
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

**NONE**



**SUPPLEMENT FOR MARCH 31, 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				.944	0		.944
2. Alaska	AK							0
3. Arizona	AZ				25,010	8,000	1	17,010
4. Arkansas	AR				1,424	0		1,424
5. California	CA				54,875	0		50,675
6. Colorado	CO				10,610	0		10,610
7. Connecticut	CT				3,057	0		3,057
8. Delaware	DE				4,257	0		4,257
9. District of Columbia	DC				214	0		214
10. Florida	FL				27,840	0		27,840
11. Georgia	GA				6,366	0		6,366
12. Hawaii	HI				1,088	0		1,088
13. Idaho	ID				4,399	0		4,399
14. Illinois	IL				52,548	0		(691,831)
15. Indiana	IN				23,007	0		(454,107)
16. Iowa	IA				290,918	0		200,580
17. Kansas	KS				1,387	0		(1,491)
18. Kentucky	KY				1,186	0		1,186
19. Louisiana	LA							
20. Maine	ME				1,677	0		1,677
21. Maryland	MD				1,348	0		1,348
22. Massachusetts	MA				2,581	0		2,581
23. Michigan	MI				15,280	0		15,280
24. Minnesota	MN				7,904	0		7,904
25. Mississippi	MS				437	0		437
26. Missouri	MO				19,570	0		9,542
27. Montana	MT				810	0		810
28. Nebraska	NE				711	0		711
29. Nevada	NV				(43,169)	5,000	1	(302)
30. New Hampshire	NH				2,600	0		2,600
31. New Jersey	NJ				4,163	0		4,163
32. New Mexico	NM				30,463	0		30,463
33. New York	NY				102,715	45,000	2	155,661
34. North Carolina	NC				2,407	0		2,407
35. North Dakota	ND				304	0		304
36. Ohio	OH				5,778	0		5,778
37. Oklahoma	OK				96,925	0		96,925
38. Oregon	OR		260,000	2	(837,920)	225,000	1	22,520
39. Pennsylvania	PA				16,889	0		16,889
40. Rhode Island	RI				118	0		118
41. South Carolina	SC				1,611	0		1,611
42. South Dakota	SD				268	0		268
43. Tennessee	TN		12,354	1	7,056	20	1	86,294
44. Texas	TX				6,490	0		6,490
45. Utah	UT				2,589	0		2,589
46. Vermont	VT				483	0		483
47. Virginia	VA				3,027	0		3,027
48. Washington	WA				46,559	0		46,559
49. West Virginia	WV				303	0		303
50. Wisconsin	WI				3,946	0		3,946
51. Wyoming	WY				77	0		77
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	272,354	3	13,130	283,020	6	(288,316)
<b>DETAILS OF WRITE-INS</b>								
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 MARCH 31, 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								4,200
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								741,981
15. Indiana IN								477,114
16. Iowa IA								90,339
17. Kansas KS								2,878
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								10,029
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	0
59. Totals	0	0	0	0	0	0	0	1,326,541
<b>DETAILS OF WRITE-INS</b>								
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 MARCH 31, 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	0
59. Totals	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>								
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

**NONE**