



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2004
OF THE CONDITION AND AFFAIRS OF THE
AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

NAIC Group Code 0108 0108 NAIC Company Code 30562 Employer's ID Number 36-2797074
Organized under the Laws of Illinois, State of Domicile or Port of Entry Illinois
Country of Domicile United States of America
Incorporated 03/29/1837 Commenced Business 08/13/1837
Statutory Home Office 1 Kemper Drive, Long Grove, IL 60049-0001
Main Administrative Office 1 Kemper Drive, Long Grove, IL 60049-0001
Mail Address 1 Kemper Drive, Long Grove, IL 60049-0001
Primary Location of Books and Records 1 Kemper Drive, Long Grove, IL 60049-0001
Internet Website Address www.kemperinsurance.com
Statutory Statement Contact John Foster Snyder, 847-320-3247
Policyowner Relations Contact Customer Relations, 1 Kemper Dr, ML-11SE, Long Grove, IL 60049-0001

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Includes Douglas Sean Andrews (CEO & President), Dennis Andrew Wong (Treasurer), John Keating Conway (Secretary).

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Includes Frederick Otto Kist (Senior Vice President), John Foster Snyder (Senior Vice President), Benjamin David Schwartz (Senior Vice President).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Includes John Thomas Chain Jr., David Barrett Mathis, James Robert Edgar, Zachary Layne Stamp, Roberta Segal Karmel, Arthur James Massolo.

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
CEO and President

John Keating Conway
Secretary

John Foster Snyder
Senior Vice President

Subscribed and sworn to before me this
15th day of February, 2005

- 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

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	6,122,574		6,122,574	4,331,528
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$156,534 , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$19,636,632 , Schedule DA).....	19,793,166		19,793,166	5,585,585
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivable 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)	25,915,740	0	25,915,740	9,917,113
11. Investment income due and accrued	72,002		72,002	137,367
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection			0	0
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premium).....			0	0
12.3 Accrued retrospective premium.....			0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers			0	0
13.2 Funds held by or deposited with reinsured companies			0	0
13.3 Other amounts receivable under reinsurance contracts			0	0
14. Amounts receivable relating to uninsured plans			0	0
15.1 Current federal and foreign income tax recoverable and interest thereon			0	0
15.2 Net deferred tax asset.....	100,423,253	100,423,253	0	0
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software			0	0
18. Furniture and equipment, including health care delivery assets (\$)			0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivables from parent, subsidiaries and affiliates			0	0
21. Health care (\$) and other amounts receivable.....			0	0
22. Other assets nonadmitted			0	0
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	126,410,995	100,423,253	25,987,742	10,054,480
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	126,410,995	100,423,253	25,987,742	10,054,480
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 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	0	0
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	0	0
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	1,300	54,480
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 3,740,332 and including warranty reserves of \$ 0)	0	0
10. Advance premiums	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (Schedule F, Part 7)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	15,577,425	0
20. Payable for securities	0	0
21. Liability for amounts held under uninsured accident and health plans	0	0
22. Capital Notes \$ and interest thereon \$	0	0
23. Aggregate write-ins for liabilities	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	15,578,725	54,480
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	15,578,725	54,480
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	0	0
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	1,500,000	1,500,000
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	0	0
33. Unassigned funds (surplus)	8,909,017	8,500,000
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)	0	0
34.2 shares preferred (value included in Line 29 \$)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38)	10,409,017	10,000,000
36. TOTALS (Page 2, Line 26, Col. 3)	25,987,742	10,054,480
DETAILS OF WRITE-INS		
2301.		
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)	0	0
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

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	0	34,399,165
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	0	(2,087,926)
3. Loss expenses incurred (Part 3, Line 25, Column 1)	0	(2,290,836)
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	0	27,706,563
5. Aggregate write-ins for underwriting deductions	0	678,841
6. Total underwriting deductions (Lines 2 through 5)	0	24,006,642
7. Net income of protected cells	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	0	10,392,523
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	409,017	17,991,949
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	0	7,642,079
11. Net investment gain or (loss) (Lines 9 + 10)	409,017	25,634,028
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		(1,078,294)
13. Finance and service charges not included in premiums		114,590
14. Aggregate write-ins for miscellaneous income	0	(269,616,229)
15. Total other income (Lines 12 through 14)	0	(270,579,933)
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	409,017	(234,553,382)
17. Dividends to policyholders		1,488,287
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	409,017	(236,041,669)
19. Federal and foreign income taxes incurred		(9,534,383)
20. Net income (Line 18 minus Line 19) (to Line 22)	409,017	(226,507,286)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	10,000,000	230,739,341
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	409,017	(226,507,286)
23. Change in net unrealized capital gains or (losses)		(910,745)
24. Change in net unrealized foreign exchange capital gain (loss)		0
25. Change in net deferred income tax	(3,922,998)	80,102,524
26. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	3,922,998	(73,423,834)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
28. Change in surplus notes		0
29. Surplus (contributed to) withdrawn from protected cells		0
30. Cumulative effect of changes in accounting principles		0
31. Capital changes:		
31.1. Paid in		0
31.2. Transferred from surplus (Stock Dividend)		0
31.3. Transferred to surplus		0
32. Surplus adjustments:		
32.1. Paid in		0
32.2. Transferred to capital (Stock Dividend)		0
32.3. Transferred from capital		0
33. Net remittances from or (to) Home Office		0
34. Dividends to stockholders		0
35. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)	0	0
36. Aggregate write-ins for gains and losses in surplus	0	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36)	409,017	(220,739,341)
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	10,409,017	10,000,000
DETAILS OF WRITE-INS		
0501. Change in premium deficiency reserve		678,841
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	678,841
1401. Finance and service charges not included in premiums - intercompany pool.....		267
1402. Retroactive reinsurance loss.....		(40,922,235)
1403. Income/(loss) related to reinsurance transaction		(229,183,168)
1498. Summary of remaining write-ins for Line 14 from overflow page	0	488,907
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	(269,616,229)
3601.		
3602.		
3603.		
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	0	106,416,678
2. Net investment income	414,383	22,666,005
3. Miscellaneous income	0	(270,579,933)
4. Total (Lines 1 to 3)	414,383	(141,497,250)
5. Benefits and loss related payments	0	280,229,932
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	0	129,844,380
8. Dividends paid to policyholders	0	(9,196,359)
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	0	(11,612,880)
10. Total (Lines 5 through 9)	0	389,265,073
11. Net cash from operations (Line 4 minus Line 10)	414,383	(530,762,323)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	3,148,000	499,210,776
12.2 Stocks	0	1,348,123
12.3 Mortgage loans	0	3,767,104
12.4 Real estate	0	0
12.5 Other invested assets	0	13,345,068
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,148,000	517,671,071
13. Cost of investments acquired (long-term only):		
13.1 Bonds	4,932,227	68,781,875
13.2 Stocks	0	175,313
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	499,786
13.6 Miscellaneous applications	0	7,370,261
13.7 Total investments acquired (Lines 13.1 to 13.6)	4,932,227	76,827,235
14. Net increase (or decrease) in policy loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,784,227)	440,843,836
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).....	15,577,425	75,919,983
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	15,577,425	75,919,983
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	14,207,581	(13,998,504)
19. Cash and short-term investments:		
19.1 Beginning of year	5,585,585	19,584,089
19.2 End of period (Line 18 plus Line 19.1).....	19,793,166	5,585,585

Part 1
NONE

Part 1A
NONE

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B - PREMIUMS WRITTEN**

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	476,138	(100,190)		375,948		0
2. Allied lines	142,934	(157,686)		(14,752)		0
3. Farmowners multiple peril						0
4. Homeowners multiple peril	525,242	(122,366)		402,876		0
5. Commercial multiple peril	(91,894)	(193,409)		(285,303)		0
6. Mortgage guaranty						0
8. Ocean marine	(1,759)	(2,251)		(4,010)		0
9. Inland marine	(1,042,916)	(320,752)		(1,363,668)		0
10. Financial guaranty						0
11.1 Medical malpractice - occurrence		(173,283)		(173,283)		0
11.2 Medical malpractice - claims-made		142,779		142,779		0
12. Earthquake	25,107	(7,086)		18,021		0
13. Group accident and health						0
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation	2,555,131	(1,764,523)		790,608		0
17.1 Other liability - occurrence	(744,314)	(3,843,640)		(4,587,954)		0
17.2 Other liability - claims-made	(21,833)	393,095		371,262		0
18.1 Products liability - occurrence	(455,322)	(23,857)		(479,179)		0
18.2 Products liability - claims-made		5,222		5,222		0
19.1,19.2 Private passenger auto liability	1,645,822	(288,345)		1,357,477		0
19.3,19.4 Commercial auto liability	(39,504)	(497,768)		(537,272)		0
21. Auto physical damage	1,330,703	(126,407)		1,204,296		0
22. Aircraft (all perils)						0
23. Fidelity	(1,477)	(40,768)		(42,245)		0
24. Surety	1,595,576	(1,552,610)		42,966		0
26. Burglary and theft		(837)		(837)		0
27. Boiler and machinery	639	(365)		274		0
28. Credit		(9,077)		(9,077)		0
29. International						0
30. Reinsurance - Nonproportional Assumed Property	XXX	(262)		(262)		0
31. Reinsurance - Nonproportional Assumed Liability	XXX	(148,250)		(148,250)		0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	5,898,273	(8,832,636)	0	(2,934,363)	0	0
DETAILS OF WRITE-INS						
3301. Novations						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

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Previous Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	1,056,196	249,738	1,305,934	.0	.0	.0	.0	
2. Allied lines	135,111	173,972	309,083	.0	.0	.0	.0	
3. Farmowners multiple peril		333	333	.0	.0	.0	.0	
4. Homeowners multiple peril	16,695,481	1,234,594	17,930,075	.0	.0	.0	.0	
5. Commercial multiple peril	31,782,680	15,287,056	47,069,736	.0	.0	.0	.0	
6. Mortgage guaranty				.0	.0	.0	.0	
8. Ocean marine	70,540	(752,008)	(681,468)	.0	.0	.0	.0	
9. Inland marine	1,152,044	1,784,529	2,936,573	.0	.0	.0	.0	
10. Financial guaranty				.0	.0	.0	.0	
11.1 Medical malpractice - occurrence		22,950	22,950	.0	.0	.0	.0	
11.2 Medical malpractice - claims-made		366,156	366,156	.0	.0	.0	.0	
12. Earthquake	27,049	(142,490)	(115,441)	.0	.0	.0	.0	
13. Group accident and health		3,178,934	3,178,934	.0	.0	.0	.0	
14. Credit accident and health (group and individual)				.0	.0	.0	.0	
15. Other accident and health		135,492	135,492	.0	.0	.0	.0	
16. Workers' compensation	89,423,707	127,134,703	216,558,410	.0	.0	.0	.0	
17.1 Other liability - occurrence	13,979,701	55,605,791	69,585,492	.0	.0	.0	.0	
17.2 Other liability - claims-made	20,000	11,311,916	11,331,916	.0	.0	.0	.0	
18.1 Products liability - occurrence	3,193,535	(8,464,561)	(5,271,026)	.0	.0	.0	.0	
18.2 Products liability - claims-made		885,462	885,462	.0	.0	.0	.0	
19.1,19.2 Private passenger auto liability	62,099,837	8,858,689	70,958,526	.0	.0	.0	.0	
19.3,19.4 Commercial auto liability	27,811,298	13,816,164	41,627,462	.0	.0	.0	.0	
21. Auto physical damage	4,756,017	(262,060)	4,493,957	.0	.0	.0	.0	
22. Aircraft (all perils)		830,991	830,991	.0	.0	.0	.0	
23. Fidelity	(3,230)	103,935	100,705	.0	.0	.0	.0	
24. Surety	13,619,501	5,335,020	18,954,521	.0	.0	.0	.0	
26. Burglary and theft		3,228	3,228	.0	.0	.0	.0	
27. Boiler and machinery	(165,151)	102,922	(62,229)	.0	.0	.0	.0	
28. Credit		(86,611)	(86,611)	.0	.0	.0	.0	
29. International				.0	.0	.0	.0	
30. Reinsurance - Nonproportional Assumed Property	XXX	65,567	65,567	.0	.0	.0	.0	
31. Reinsurance - Nonproportional Assumed Liability	XXX	10,069,097	10,069,097	.0	.0	.0	.0	
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	.0	.0	.0	
33. Aggregate write-ins for other lines of business	0	0	0	.0	.0	.0	.0	
34. TOTALS	265,654,316	246,849,509	512,503,825	0	0	0	0.0	
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	.0	.0	.0	.0	
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0.0	

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ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 +5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	211,910		211,910	.0	344,941		344,941	.0	
2. Allied lines	12,286		12,286	.0	18,134		18,134	.0	
3. Farmowners multiple peril				.0				.0	
4. Homeowners multiple peril	7,114,366		7,114,366	.0	2,892,278		2,892,278	.0	
5. Commercial multiple peril	34,509,123		34,509,123	.0	233,594		233,594	.0	
6. Mortgage guaranty				.0				.0	
8. Ocean marine	606		606	.0	1,209		1,209	.0	
9. Inland marine	86		86	.0	10,600		10,600	.0	
10. Financial guaranty				.0				.0	
11.1 Medical malpractice - occurrence				.0				.0	
11.2 Medical malpractice - claims-made				.0				.0	
12. Earthquake	49,433		49,433	.0	3,638		3,638	.0	
13. Group accident and health				.0				.0	(a)
14. Credit accident and health (group and individual)				.0				.0	
15. Other accident and health				.0				.0	(a)
16. Workers' compensation	235,699,600		235,699,600	.0	21,961,208		21,961,208	.0	
17.1 Other liability - occurrence	16,779,793		16,779,793	.0	10,567,500		10,567,500	.0	
17.2 Other liability - claims-made	2,570		2,570	.0	(39,194)		(39,194)	.0	
18.1 Products liability - occurrence	7,611,811		7,611,811	.0	4,291,835		4,291,835	.0	
18.2 Products liability - claims-made				.0				.0	
19.1,19.2 Private passenger auto liability	48,023,994		48,023,994	.0	16,232,903		16,232,903	.0	
19.3,19.4 Commercial auto liability	20,824,139		20,824,139	.0	8,049,501		8,049,501	.0	
21. Auto physical damage	164,773		164,773	.0	(763,808)		(763,808)	.0	
22. Aircraft (all perils)				.0				.0	
23. Fidelity	25,060		25,060	.0	10,737		10,737	.0	
24. Surety	21,070,424		21,070,424	.0	(212,863)		(212,863)	.0	
26. Burglary and theft				.0				.0	
27. Boiler and machinery	12,911		12,911	.0	128,121		128,121	.0	
28. Credit				.0				.0	
29. International				.0				.0	
30. Reinsurance - Nonproportional Assumed Property	XXX			.0	XXX			.0	
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	XXX			.0	
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	XXX			.0	
33. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0	.0
34. TOTALS	392,112,885	0	392,112,885	0	63,730,334	0	63,730,334	0	0
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

(a) Including \$ for present value of life indemnity claims.

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ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	(4,690,673)			(4,690,673)
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	(4,690,673)			(4,690,673)
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	0	0	0	0
2. Commission and brokerage:				
2.1 Direct excluding contingent		917,073		917,073
2.2 Reinsurance assumed excluding contingent				0
2.3 Reinsurance ceded excluding contingent		917,073		917,073
2.4 Contingent-direct				0
2.5 Contingent-reinsurance assumed				0
2.6 Contingent-reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	0	0	0
3. Allowances to managers and agents				0
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries			8,101	8,101
8.2 Payroll taxes			565	565
9. Employee relations and welfare			845	845
10. Insurance				0
11. Directors' fees				0
12. Travel and travel items			5	5
13. Rent and rent items				0
14. Equipment			1	1
15. Cost or depreciation of EDP equipment and software				0
16. Printing and stationery			61	61
17. Postage, telephone and telegraph, exchange and express			485	485
18. Legal and auditing			17,064	17,064
19. Totals (Lines 3 to 18)	0	0	27,127	27,127
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$				0
20.2 Insurance department licenses and fees				0
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	0	0	0
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured accident and health plans				0
24. Aggregate write-ins for miscellaneous expenses	0	0	8,129	8,129
25. Total expenses incurred	0	0	35,256	35,256 (a)
26. Less unpaid expenses - current year	0		1,300	1,300
27. Add unpaid expenses - prior year	0		54,480	54,480
28. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	0	0	88,436	88,436
DETAILS OF WRITE-INS				
2401. All other			8,129	8,129
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	0	8,129	8,129

(a) Includes management fees of \$ 12,000 paid to affiliates and \$ paid to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 294,770	229,405
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 29,789	29,789
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 151,770	151,770
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	33,309	33,309
10. Total gross investment income	509,638	444,273
11. Investment expenses		(g) 35,256
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		35,256
17. Net Investment Income - (Line 10 minus Line 16)		409,017
DETAILS OF WRITE-INS		
0901. Income from other sources	33,309	33,309
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	33,309	33,309
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 18,610 accrual of discount less \$ 11,790 amortization of premium and less \$ 24,416 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ 525 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds				0
1.1 Bonds exempt from U.S. tax				0
1.2 Other bonds (unaffiliated)				0
1.3 Bonds of affiliates				0
2.1 Preferred stocks (unaffiliated)				0
2.11 Preferred stocks of affiliates				0
2.2 Common stocks (unaffiliated)				0
2.21 Common stocks of affiliates				0
3. Mortgage loans				0
4. Real estate				0
5. Contract loans				0
6. Cash, cash equivalents and short-term investments				0
7. Derivative instruments				0
8. Other invested assets				0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0
10. Total capital gains (losses)	0	0	0	0
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

NONE

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash, (Schedule E, Part 1), cash equivalents (Schedule E, Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivable for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Investment income due and accrued	0	0	0
12. Premiums and considerations:			
12.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
12.3 Accrued retrospective premium.....	0	0	0
13. Reinsurance:			
13.1 Amounts recoverable from reinsurers	0	0	0
13.2 Funds held by or deposited with reinsured companies	0	0	0
13.3 Other amounts receivable under reinsurance contracts	0	0	0
14. Amounts receivable relating to uninsured plans	0	0	0
15.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
15.2 Net deferred tax asset.....	100,423,253	104,346,251	3,922,998
16. Guaranty funds receivable or on deposit	0	0	0
17. Electronic data processing equipment and software.....	0	0	0
18. Furniture and equipment, including health care delivery assets.....	0	0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
20. Receivables from parent, subsidiaries and affiliates	0	0	0
21. Health care and other amounts receivable.....	0	0	0
22. Other assets nonadmitted	0	0	0
23. Aggregate write-ins for other than invested assets	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	100,423,253	104,346,251	3,922,998
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	100,423,253	104,346,251	3,922,998
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The accompanying financial statements of American Manufacturers Mutual Insurance Company (the Company) have been prepared in conformity with the National Association of Insurance Commissioners (the NAIC) *Accounting Practices and Procedures Manual* (the Manual) and in conformity with accounting practices prescribed or permitted by the Illinois Department of Financial and Professional Regulation – Division of Insurance (the Division of Insurance). The Company is a mutual insurance company under common management with Lumbermens Mutual Casualty Company (LMC) and its subsidiaries.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The Company's significant accounting policies are as follows:

Bonds and short-term investments are valued generally at amortized cost.

The amortized cost of bonds is adjusted for amortization of premiums and accretion of discounts using a level effective yield method to maturity.

Premiums are earned on a daily pro rata basis over the term of the policies and are net of reinsurance placed with reinsurers. Unearned premiums are stated after deduction for related reinsurance amounts. Policy acquisition costs such as commissions, premium taxes, and other underwriting and agency expenses are charged to income as incurred.

The Company anticipates investment income as a factor in determining premium deficiency reserves. As of December 31, 2004, the Company did not have an ending premium deficiency reserve.

The Company is a member of the group of affiliated and associated companies (the Group) that have operated under the trade name of the Kemper Insurance Companies. The significant majority of the business written by member insurance companies of the Group has historically been ceded to LMC through quota share reinsurance agreements with some LMC affiliates retaining a portion of the business written and through a quota share pooling agreement (the Pooling Agreement) by and among LMC, the Company, and American Motorists Insurance Company (AMICO). Prior to 2003, of the insurance business written directly by LMC or ceded to LMC, including all business written by the Company and AMICO, LMC ceded (net of third-party, unaffiliated, reinsurance and excluding Canadian business) 15% to AMICO and 8% to the Company. (Third-party reinsurance has generally attached after cession to LMC, although some specific risks have been subject to facultative or other reinsurance before cession to LMC.) Effective January 1, 2003, the Pooling Agreement was amended to eliminate LMC's 15% cession to AMICO, and effective December 31, 2003, the Pooling Agreement was amended to eliminate LMC's 8% cession to the Company. The effect of both amendments was for LMC to retain all previously ceded risks, and the amendments were accompanied by transfers of assets by AMICO and the Company in order to satisfy the liabilities transferred to LMC by the Pooling Agreement amendments. As a result, at December 31, 2003, the net reserves of the Company and AMICO are zero.

LMC utilizes a variety of reinsurance agreements to control exposures to large property-casualty losses including, (i) facultative reinsurance, in which reinsurance is provided for all or a portion of the insurance provided by a single policy; (ii) treaty reinsurance, in which reinsurance is provided for a specified type or category of risks; (iii) catastrophe reinsurance, in which the ceding company is indemnified for an amount of loss in excess of a specified retention with respect to losses resulting from a catastrophic event; and (iv) aggregate excess of loss reinsurance, in which the ceding company is indemnified against additional losses for defined losses and LAE in excess of a defined loss ratio or loss retention for each accident year.

Realized gains or losses on the sale of investments, the recognition of other-than-temporary declines in value or situations where the Company has made a decision to sell a security at an amount below its carrying value are determined on the basis of specific identification of the acquisition lots of the respective investment sold or written down and are reflected as a component

NOTES TO FINANCIAL STATEMENTS

of income. Unrealized gains or losses on revaluation of investments are credited or charged to unassigned surplus.

The Company does not accrue interest income on fixed maturities deemed to be impaired on an other-than-temporary basis when it judges that the likelihood of collection of interest is doubtful.

Assets included in the statutory statements of admitted assets, liabilities and surplus are at admitted asset value. Nonadmitted assets, principally, deferred tax assets, agents' balances over 90-days past due, computer software, other equipment, and 10% of unsecured policyholder dividends recoverable, are excluded through a charge against surplus.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

None.

3. BUSINESS COMBINATIONS AND GOODWILL

None.

4. DISCONTINUED OPERATIONS

None.

5. INVESTMENTS

The fair values of the Company's bonds have been determined using market quotations determined by the NAIC, or independent pricing services that use prices provided by market makers or estimates of fair values obtained from yield data relating to instruments or securities with similar characteristics, or fair value as determined in good faith by the Company's portfolio managers, when such values are not available from the NAIC. Fair values of short-term investments are estimated to approximate their carrying values.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

None.

7. INVESTMENT INCOME

The Company's accrued investment income is all less than 90 days past due and accordingly is treated as an admitted asset at December 31, 2004.

8. DERIVATIVE INSTRUMENTS

None.

9. INCOME TAXES

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

		December 31, 2004	December 31, 2003
Total of gross deferred tax assets	\$	100,429,256	104,351,502
Total of deferred tax liabilities		(6,003)	(5,251)
Net deferred tax asset		100,423,253	104,346,251
Deferred tax asset nonadmitted		(100,423,253)	(104,346,251)
Net admitted deferred tax asset	\$	0	0
Decrease in nonadmitted asset	\$	3,922,998	

All deferred tax liabilities were recognized.

The Company's income taxes incurred consist of the following major components:

		December 31, 2004	December 31, 2003
Federal	\$	0	(9,544,544)
Foreign		0	10,161
Federal and foreign income taxes incurred	\$	0	(9,534,383)

NOTES TO FINANCIAL STATEMENTS

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

		December 31, 2004	December 31, 2003
Deferred tax assets:			
Net operating loss carryforward	\$	26,008,388	24,137,393
Section 197 intangible		74,420,868	80,214,109
Total deferred tax assets		100,429,256	104,351,502
Nonadmitted deferred tax assets		(100,423,253)	(104,346,251)
Admitted deferred tax assets		6,003	5,251
Deferred tax liabilities:			
Other		(6,003)	(5,251)
Total deferred tax liabilities		(6,003)	(5,251)
Net admitted deferred tax asset	\$	0	0

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

		December 31, 2004	December 31, 2003	Change
Total deferred tax assets	\$	100,429,256	104,351,502	(3,922,246)
Total deferred tax liabilities		(6,003)	(5,251)	(752)
Net deferred tax asset	\$	100,423,253	104,346,251	(3,922,998)
Tax effect of unrealized gains				0
Changes in net deferred income tax				\$ (3,922,998)

The provision for Federal and foreign income taxes incurred 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:

		December 31, 2004
Provision computed at statutory rate	\$	143,156
Loss carryforward		3,333,456
Section 197 intangible		445,634
Other		752
Total	\$	3,922,998
Federal and foreign income taxes incurred	\$	0
Change in net deferred income taxes		3,922,998
Total statutory income taxes	\$	3,922,998

At December 31, 2004, the Company had \$74,309,679 of operating loss carry forward which originated and expires as follows:

<u>Origination Year</u>	<u>Expiration Year</u>	<u>Amount</u>
2003	2023	\$59,439,818
2004	2024	\$14,869,861

There are no income taxes incurred in the current year and prior year that will be available for recoupment in the event of future net losses.

The Company's Federal income tax return is not consolidated with any other entity's tax return.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

Significant affiliated parties are disclosed in the organizational chart of Schedule Y. Investments in affiliates or subsidiaries are disclosed in Schedule D under the caption "Parents, Subsidiaries and Affiliates."

Significant 2004 Transactions

NOTES TO FINANCIAL STATEMENTS

Commercial Run-Off

On March 19, 2004, LMC, the Company and the other Illinois-domiciled Kemper Insurance Companies (the Group) filed a commercial run-off plan with the Division of Insurance. On June 9, 2004, the Division of Insurance gave the Kemper Insurance Companies permission to proceed with the run-off plan as submitted. Details of the plan are confidential, pursuant to the state's risk-based capital statute. The plan is designed to help the Company meet its goal of resolving, to the maximum extent possible, all valid policyholder claims.

Risks and uncertainties involved in implementing the plan include the needs to achieve significant policy buybacks and novations, to conclude other surplus-enhancing transactions, to commute reinsurance agreements, to conclude other liquidity-enhancing transactions, to hire and retain the staff and resources necessary to implement the plan, to further reduce expenses, and to consummate agreements with regulators and other third parties. Achieving the surplus and liquidity projections in the run-off plan requires the consummation of agreements with insureds for policy buybacks and novations, the timely performance of payment and other contractual obligations owed to the Company by various third parties, including reinsurers as well as insureds and agents, and the absence of significant additional disputes not only with reinsurers but also with creditors, including insureds and certain states, which could involve judicial or other actions to seek either to force the Company to collateralize its unsecured obligations or to not timely release collateral back to the Company. Therefore, no assurance can be given that the plan will be successfully implemented.

The Division of Insurance continues to closely monitor the Group's progress in achieving the objectives of the run-off plan. As has been the case for almost two years, the Division of Insurance retains the discretion at any time to seek to place the Company in a formal proceeding (conservatorship or receivership, rehabilitation or liquidation). As previously disclosed, the risk of a proceeding would be exacerbated if LMC or the Company fails to have sufficient liquid assets to meet its current obligations, or if LMC's or the Company's reported liabilities at any time exceed its reported assets, or if LMC or the Company fails to meet the surplus and liquidity projections set forth in the plan.

The Company has no guarantees of undertakings for the benefit of an affiliate that would result in a material contingent exposure.

Significant 2003 Transactions

Renewal Rights Transactions

In 2003, the Group entered into several renewal rights transactions allowing the Company and associated companies to receive future commissions from other insurance companies that renew any of the in-force business when such business expires or cancels from the Company or associated companies. In some cases, employees and leases were also transferred related to certain of the Company's business lines, resulting in future expense savings related to severance and lease costs. The Company's share of the renewal rights revenue earned in 2003 was \$3,856,162.

As a result of the pooling change discussed in Notes 1C and 26, the Company now cedes 100% of its business to LMC effective December 31, 2003. There were no net renewal rights revenues earned by the Company in 2004.

Reinsurance Transaction between the Company and LMC

Effective December 31, 2003, the Company and LMC entered into a reinsurance transaction, the results of which included 1) an amendment to the Pooling Agreement that removes the Company from the Pool (see Note 1) and cedes all net liabilities of the Company at December 31, 2003 to LMC and 2) the issuance by LMC of a new insurance policy to each and every policyholder of the Company (other than those policyholders already fully reinsured by a Unitrin, Inc. subsidiary). In exchange for the issuance of these new insurance policies, the Company incurred an approximate charge of \$229.2 million, and LMC recorded income of the same amount as of December 31, 2003. Absent this reinsurance transaction as well as certain accounting allowances granted by the Division of Insurance, the statutory surplus of LMC at December 31, 2003 would have been negative. In turn, the Company's solvency would also be at risk given the Company's significant reliance on its substantial reinsurance recoverables from LMC.

Historically, the Company and other Kemper Insurance Companies have ceded their directly written insurance business to LMC as their reinsurer, and LMC in turn has ceded to the Company 8% of that

NOTES TO FINANCIAL STATEMENTS

pooled business. As part of the reinsurance transaction described herein, the 8% cession from LMC to the Company was eliminated, with LMC receiving as payment from the Company assets equal to the Company's loss and loss expense reserves/liabilities (approximately \$370 million) assumed by LMC. The Company then also paid to LMC an amount equal to the remainder of the Company's December 31, 2003 statutory surplus less \$10 million. The payments in 2003 were in cash, securities, and the assignment of assets or beneficial rights to assets where the legal title to such assets could not be directly accomplished by December 31, 2003. Legal title to certain assets of the Company were restricted from transfer, because they are statutory deposits or collateral for other purposes or subject to other restrictions. Those assets are being transferred to LMC at the earliest practicable date.

In late December of 2004, LMC initiated an exchange of funds on deposit with the California Department of Insurance (CDOI) to secure workers compensation liabilities. On December 28, 2004, the CDOI wired approximately \$10.5 million as part of the funds being exchanged to the Company's custody account as the Company was the legal name of record for that account. As the funds in question actually belonged to LMC, this receipt was recorded on the Company's books with an offsetting entry to intercompany obligations due from the Company to LMC. This intercompany obligation was then settled on January 5, 2005. The timing and sequence of the above events created a technical issue as of December 31, 2004 under certain provisions of the Illinois Insurance Code related to investment limitations and basket provisions for the Company. The "economic reality" at December 31, 2004 was that the \$10.5 million of funds in question belonged to LMC. Management has reviewed this situation with the Division of Insurance and advised them that the Company is carrying the \$10.5 million at full admitted value at December 31, 2004. The Division of Insurance has not objected.

In 2003, LMC assumed most of the Company's liabilities, agreed to perform for the Company all insurance policy-related obligations including handling and paying claims, and issued to each holder of a policy ever issued by the Company, including any policy no longer in force but excluding any policy reinsured by Unitrin, an additional policy which is substantively identical to the policy previously issued by the Company. The additional LMC policy assures the affected Company policyholders that their claims will be treated equally with the claims of other LMC policyholders not only in the event of a managed run-off of LMC and the Company (see Note 10) but also in the event of any insolvency proceedings with respect to the two companies.

Because the reinsurance transaction was not assumption reinsurance and the Company policies were not novated, the affected policyholders now hold separate policies issued by both the Company and LMC. The Company remains liable for policy liabilities in the event LMC does not comply with all the terms of the affected policies. The Company has \$600 million in reinsurance due from LMC.

The reinsurance transaction was approved by the Division of Insurance, as well as by independent committees of the boards of directors of each of the Company and LMC following receipt of fairness opinions by their respective independently engaged financial advisors.

Guarantees

The Company has no guarantees of undertakings for the benefit of an affiliate that would result in a material contingent exposure.

11. DEBT

None.

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

The Company utilizes the employees of LMC. LMC had a non-contributory defined benefit pension plan which covered substantially all full-time employees as well as certain deferred compensation plans for its officers and employees. Effective January 15, 2004, LMC adopted an amendment to freeze the pension plan. On October 19, 2004, the Pension Benefit Guaranty Corporation (the PBGC), the federal corporation responsible for guaranteeing payment of pension benefits, notified LMC that the PBGC would move to take control the LMC's defined benefit pension plans effective October 21, 2004. The benefits under the pension plans are insured through the PBGC; it is anticipated that the benefit levels for the majority of the approximately twelve thousand plan participants will not be significantly affected by this development; and payments to retirees will continue uninterrupted. Future retirees will receive their pension from the PBGC when they are eligible to retire.

LMC historically provided non-pension retirement benefits consisting of certain health care benefits and life insurance for retired employees. Through December 31, 2004, the cost of the health care

NOTES TO FINANCIAL STATEMENTS

benefit was borne jointly by LMC (which was self insured for its share) and its retirees (and spouses) at varying percentages depending on the age and service of the plan participant. Effective January 1, 2003, LMC placed a cap on the level of subsidy provided by LMC. For all current and future groups who received subsidized coverage in 2003 and 2004, LMC's costs were capped at 120% of the 2003 subsidy levels. In addition, effective January 1, 2004, LMC (i) changed its funding policy for post-retirement medical, shifting more of the annual costs to the retiree while reducing the amount LMC would then pay for post retirement medical, and (ii) changed its eligibility requirements for post retirement medical so only active employees age 55 or older as of January 1, 2004 with ten or more years of service with LMC would be eligible for medical benefits at retirement. Effective December 31, 2003, the LMC received from the Division of Insurance an allowance under Corrective Orders to account for the changes implemented as of January 1, 2004 as a permanent curtailment of the benefit, allowing LMC to reduce its prior service liability at December 31, 2003 from \$64.1 million to \$32.3 million (see Note 1A).

Effective December 31, 2004, LMC permanently eliminated all subsidies previously provided by LMC to its retirees for medical benefits. This resulted in a \$32.3 million reduction in LMC's carried liabilities at December 31, 2004.

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

At December 31, 2004, unassigned surplus was reduced by nonadmitted asset values primarily related to deferred taxes of \$100,423,253.

14. CONTINGENCIES

Ratings

As of December 31, 2004, A.M. Best had assigned the Group a D (poor) rating. In early 2005, the Group requested that A.M. Best cease rating the Group. In June and July 2003, respectively, Moody's Investor Services and Standard & Poors last downgraded the Group's financial strength ratings to Caa3 (very poor) and CCC (very weak), respectively, when, at the Group's request, they ceased rating the Group.

The downgrades to below A- effectively ended the Company's and its affiliates' ability to write most new commercial lines business or retain existing policyholders.

Other

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income tax and other matters are not considered material in relation to established reserves, anticipated insurance and reinsurance recoverables and the financial position of the Company.

15. LEASES

None.

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

None

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

None.

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

None.

NOTES TO FINANCIAL STATEMENTS

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

None.

20. SEPTEMBER 11 EVENTS

The Company's gross incurred loss and loss adjustment expenses related to the September 11, 2001 terrorist attacks is estimated to be \$19,708,304 at December 31, 2004. LMC reinsures 100% of the Company's gross liabilities under a quota share reinsurance agreement and the net loss and loss adjustment expenses incurred by the Company are zero.

21. OTHER ITEMS

Securities on Deposit

Assets with a statement value of \$4,304,701 and \$4,533,193 at December 31, 2004 and 2003, respectively, were on deposit with government authorities as required by law.

22. EVENTS SUBSEQUENT

None.

23. REINSURANCE

A. Unsecured Reinsurance Recoverables

The Company reinsures 100% of its premiums, losses, and underwriting expenses with LMC. All reinsurance recoverables from LMC are unsecured, and the Company remains primarily liable as the direct insurer on all risks reinsured if LMC is unable to pay such claims.

Since July 2003, LMC, the Company and most of its affiliates have been subject to a Corrective Order by the Division of Insurance not to write any new or renewal business except as necessary to comply with contractual commitments or as expressly permitted by the Division of Insurance. As of December 31, 2004, LMC's level of capital and surplus is at the "mandatory control level" under the risk-based capital rules. At this level, the Division of Insurance has substantial authority to exercise control over LMC and its affiliates. The Division of Insurance is mandated to place a company at this level under its control, except where, as is the case with LMC, such company is a property and casualty insurance company that is no longer writing new business and is running off its existing business, in which case the Director of the Division of Insurance has discretion to allow the continued run-off. The Division of Insurance could seek to place LMC in a formal proceeding (receivership, rehabilitation, or other) at any time based on LMC's current financial condition.

B. Reinsurance Recoverable in Dispute

None.

C. Reinsurance Assumed and Ceded

(1) The estimated maximum amount of return commission due reinsurers if all of the Company's reinsurance was canceled as of December 31, 2004, is shown below:

	ASSUMED REINSURANCE		CEDED REINSURANCE		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
	(1)	(2)	(3)	(4)	(5)	(6)
(i) Affiliates	\$ 0	0	3,740,332	581,553	(3,740,332)	(581,553)
(ii) All other	0	0	0	0	0	0
(iii) Total	\$ 0	0	3,740,332	581,553	(3,740,332)	(581,553)
(iv) Direct Unearned Premium Reserve:	\$3,740,332					

(2) Additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements is accrued as follows:

	REINSURANCE			
	Direct (1)	Assumed (2)	Ceded (3)	Net (4)
(i) Contingent commission	\$ 0	0	0	0
(ii) Sliding scale adjustments	0	0	0	0
(iii) Other profit commission arrangements	0	0	0	0
(iv) Total	\$ 0	0	0	0

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Reinsurance

None.

E. Commutation of Ceded Reinsurance

None.

F. Retroactive Reinsurance

None.

G. Reinsurance Accounted For As a Deposit

None.

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

None.

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Activity in the liabilities for losses and LAE is summarized as follows:

		2004		2003
		(in thousands)		
Balance as of January 1, net of reinsurance recoverables of \$964,177 in 2004 and \$330,809 in 2003	\$	0		360,670
Incurred related to:				
Current accident year		0		(4,379)
Prior accident years		0		0
Total incurred		0		(4,379)
Paid related to:				
Current accident year		0		3,773
Prior accident years		0		(360,064)
Total paid		0		(356,291)
Balance as of December 31, net of reinsurance recoverables of \$675,619 in 2004 and \$964,177 in 2003	\$	0		0

100% of the Company's liabilities for loss and LAE are ceded to LMC.

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company is a member of the group of affiliated and associated companies (the Group) that have operated under the trade name of the Kemper Insurance Companies. The significant majority of the business written by member insurance companies of the Group has historically been ceded to LMC through quota share reinsurance agreements with some LMC subsidiaries retaining a portion of the business written and through a Pooling Agreement by and among LMC, the Company, and AMICO. Prior to 2003, of the insurance business directly written by LMC or ceded to LMC, including all business written by the Company and AMICO, LMC ceded (net of third-party, unaffiliated, reinsurance and excluding Canadian business) 15% to AMICO and 8% to the Company. (Third-party reinsurance has generally attached after cession to LMC, although some specific risks have been subject to facultative or other reinsurance before cession to LMC.) Effective January 1, 2003, the Pooling Agreement was amended to eliminate LMC's 15% cession to AMICO, and effective December 31, 2003, the Pooling Agreement was amended to eliminate LMC's 8% cession to the Company. The effect of both amendments was for LMC to retain all previously ceded risks, and the amendments were accompanied by transfers of assets by each of the Company and AMICO in order to satisfy the liabilities transferred to LMC by the Pooling Agreement amendments. As a result, at December 31, 2003, the net reserves of the Company and AMICO are zero.

NOTES TO FINANCIAL STATEMENTS

27. STRUCTURED SETTLEMENTS

None.

28. HEALTH CARE RECEIVABLES

None.

29. PARTICIPATING POLICIES

None.

30. PREMIUM DEFICIENCY RESERVES

None.

31. HIGH DEDUCTIBLES

None.

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

As further discussed in Note 1C and Note 26, the Company's participation in the Kemper Insurance Companies Quota Share Pooling Agreement has been changed from 8% to 0% effective December 31, 2003. Accordingly, the Company no longer retains any net discounted loss or LAE reserves and now reinsures 100% of its premium, losses, and underwriting expenses with LMC.

33. ASBESTOS/ENVIRONMENTAL RESERVES

The Company has exposure to asbestos and environmental claims that arise principally from general liability insurance contracts.

The Company estimates the impact of these exposures by establishing case basis reserves on all known losses and LAE and by computing IBNR losses based on previous experience.

The asbestos related losses (including coverage dispute costs) for each of the five most recent calendar years are as follows:

Gross of Reinsurance (000 omitted)	2000	2001	2002	2003	2004
Beginning reserves	\$11,607	\$12,799	\$82,214	\$ 84,102	\$ 59,330
Codification adjustment at 1/1/01	0	16,059	0	0	0
Incurred losses and LAE	5,195	59,143	5,368	(18,993)	5,033
Calendar year payments for					
losses and LAE	(4,003)	(5,787)	(3,480)	(5,779)	(36,914)
Ending asbestos related loss reserves	\$12,799	\$82,214	\$84,102	\$ 59,330	\$ 27,449

Net of Reinsurance (000 omitted)	2000	2001	2002	2003	2004
Beginning reserves	\$7,330	\$8,078	\$39,775	\$ 40,524	\$ 0
Codification adjustment at 1/1/01	0	16,059	0	0	0
Incurred losses and LAE	4,483	20,687	3,580	(36,046)	0
Calendar year payments for					
losses and LAE	(3,735)	(5,049)	(2,831)	(4,478)	0
Ending asbestos related loss reserves	\$8,078	\$39,775	\$40,524	\$ 0	\$ 0

The total asbestos related loss reserves at December 31, 2004 include IBNR reserves in the amount of \$4,692,000 gross of reinsurance and \$0 net of reinsurance. These IBNR reserves and the comparable amounts for prior years cover both losses and defense and cost containment expenses. The Company also includes adjusting and other expenses in the amounts shown above.

NOTES TO FINANCIAL STATEMENTS

The environmental related losses (including coverage dispute costs) for each of the five most recent calendar years were:

Gross of Reinsurance (000 omitted)	2000	2001	2002	2003	2004
Beginning reserves	\$13,081	\$ 8,049	\$13,060	\$14,207	\$ 12,639
Codification adjustment at 1/1/01	0	9,151	0	0	0
Incurred losses and LAE	(1,601)	1,540	883	(1,337)	(824)
Calendar year payments for losses and LAE	(3,431)	(5,680)	264	(231)	(10,319)
Ending environmental loss reserves	\$ 8,049	\$13,060	\$14,207	\$12,639	\$ 1,496

Net of Reinsurance (000 omitted)	2000	2001	2002	2003	2004
Beginning reserves	\$11,924	\$ 6,203	\$ 7,189	\$10,903	\$ 0
Codification adjustment at 1/1/01	0	9,151	0	0	0
Incurred losses and LAE	(2,296)	(3,973)	3,038	(11,211)	0
Calendar year payments for losses and LAE	(3,425)	(4,192)	676	308	0
Ending environmental loss reserves	\$ 6,203	\$ 7,189	\$10,903	\$ 0	\$ 0

The total environmental loss reserves at December 31, 2004 include IBNR reserves in the amount of \$580,000 gross of reinsurance and \$0 net of reinsurance. These IBNR reserves and the comparable amounts for prior years cover both losses and defense and cost containment expenses. The Company also includes adjusting and other expenses in the amounts shown above.

34. SUBSCRIBER SAVINGS ACCOUNT

None.

35. MULTIPLE PERIL CROP INSURANCE

None.

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	5,633,275	21.737	5,633,275	21.737
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)	77,979	0.301	77,979	0.301
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations	411,320	1.587	411,320	1.587
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA		0.000		0.000
1.512 Issued or guaranteed by FNMA and FHLMC		0.000		0.000
1.513 All other		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000		0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521		0.000		0.000
1.523 All other		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)		0.000		0.000
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans		0.000		0.000
7. Receivables for securities		0.000	0	0.000
8. Cash, cash equivalents and short-term investments	19,793,166	76.375	19,793,166	76.375
9. Other invested assets		0.000	0	0.000
10. Total invested assets	25,915,740	100.000	25,915,740	100.000

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA []
- 1.3 State Regulating? Illinois
- 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 []
- 2.2 If yes, date of change:
 If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2000
- 3.2 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
- 3.3 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
- 3.4 By what department or departments? Prior examination completed by: Delaware, Illinois, Mississippi, and Nevada
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.11 sales of new business? Yes [] No []
 4.12 renewals? Yes [] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.21 sales of new business? Yes [] No []
 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No []
- 6.2 If yes, give full information Information is provided in Financial Note 14D in the Management Overview Section of the Lumbermens Mutual Casualty Company notes.
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []
- 7.2 If yes,
 7.21 State the percentage of foreign control;
 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, Peat Marwick Plaza, 303 East Wacker Drive, Chicago, Illinois 60601-9973
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Frederick O. Kist, FCAS, MAAA, Senior Vice President and Actuary, Lumbermens Mutual Casualty Company, Long Grove, Illinois 60049-0001
11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 11.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 11.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

BOARD OF DIRECTORS

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
13. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
14. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.11 To directors or other officers .. \$0
- 15.12 To stockholders not officers ... \$0
- 15.13 Trustees, supreme or grand (Fraternal only) \$0
- 15.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.21 To directors or other officers ... \$0
- 15.22 To stockholders not officers \$0
- 15.23 Trustees, supreme or grand (Fraternal only) \$0
- 16.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 16.2 If yes, state the amount thereof at December 31 of the current year:
- 16.21 Rented from others \$
- 16.22 Borrowed from others \$
- 16.23 Leased from others \$
- 16.24 Other \$
- Disclose in Notes to Financial the nature of each obligation.
- 17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 17.2 If answer is yes,
- 17.21 Amount paid as losses or risk adjustment \$
- 17.22 Amount paid as expenses \$
- 17.23 Other amounts paid \$

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

**GENERAL INTERROGATORIES
INVESTMENT**

18. List the following capital stock information for the reporting entity:

Class	1	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding		Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
Preferred					[]	[]	[]	[]
Common				XXX	XXX	XXX	XXX	XXX

19.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

19.2 If no, give full and complete information relating thereto:

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1) Yes [] No [X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21	Loaned to others	\$
20.22	Subject to repurchase agreements	\$
20.23	Subject to reverse repurchase agreements	\$
20.24	Subject to dollar repurchase agreements	\$
20.25	Subject to reverse dollar repurchase agreements	\$
20.26	Pledged as collateral	\$
20.27	Placed under option agreements	\$
20.28	Letter stock or other securities restricted as to sale ...	\$
20.29	Other	\$

20.3 For category (20.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....
.....
.....
.....

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

22.2 If yes, state the amount thereof at December 31 of the current year. \$

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

INVESTMENT

23. 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 []

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

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

23.02 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)	2 Complete Explanation(s)
.....
.....

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

Yes [] No [X]

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

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

23.05 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 Number(s)	2 Name	2 Address
.....
.....

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?.....

Yes [] No [X]

24.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
9999999. TOTAL		0

24.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding Of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

INVESTMENT

25. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
25.1 Bonds.....	25,759,206	25,801,420	42,214
25.2 Preferred stocks.....	0	0	0
25.3 Totals	25,759,206	25,801,420	42,214

25.4 Describe the sources or methods utilized in determining fair values:

See Footnote 5.....

26.1 Have all the filing requirements of the *Purposes and Procedures* manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

26.2 If no, list the exceptions:

OTHER

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?.....\$106,159

27.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

28.1 Amount of payments for legal expenses, if any?.....\$22,596

28.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Meckler Bulger & Tilson	9,479
Nemecek & Cole	12,204

29.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$0

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

**GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
 1.2 If yes, indicate premium earned on U. S. business only \$
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
 1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$

1.6 Individual policies:

Most current three years:

 1.61 Total premium earned \$0
 1.62 Total incurred claims \$0
 1.63 Number of covered lives \$0

All years prior to most current three years:

 1.64 Total premium earned \$0
 1.65 Total incurred claims \$0
 1.66 Number of covered lives \$0

1.7 Group policies:

Most current three years:

 1.71 Total premium earned \$0
 1.72 Total incurred claims \$0
 1.73 Number of covered lives \$0

All years prior to most current three years:

 1.74 Total premium earned \$0
 1.75 Total incurred claims \$0
 1.76 Number of covered lives \$0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$	.....201
2.2	Premium Denominator	\$0	\$	.....34,399,165
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0	\$	.....0
2.5	Reserve Denominator	\$0	\$	.....(173,695)
2.6	Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

 3.21 Participating policies \$
 3.22 Non-participating policies \$

4. For Mutual Reporting Entities and Reciprocal Exchanges Only:

4.1 Does the reporting entity issue assessable policies? Yes [] No [X]
 4.2 Does the reporting entity issue non-assessable policies? Yes [X] No []
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums? \$

5. For Reciprocal Exchanges Only:

5.1 Does the Exchange appoint local agents? Yes [] No []
 5.2 If yes, is the commission paid:

 5.21 Out of Attorney's-in-fact compensation Yes [] No [] NA [X]
 5.22 As a direct expense of the Exchange Yes [] No [] NA [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []
 5.5 If yes, give full information

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

**GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
 The Company is 100% reinsured by Lumbermens Mutual Casualty Company which purchased Workers' Compensation Catastrophe Excess of Loss reinsurance for the period July 1, 2003 through October 1, 2004.
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
 The Company's property exposures continued to rapidly decline throughout 2004 as a result of the run-off of the Company. It was no longer necessary to estimate the nature and extent of the Company's probable maximum insurance loss and exposure concentrations.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
 The Company is 100% reinsured by Lumbermens Mutual Casualty Company (LMC) ; however, LMC elected to discontinue the purchase of property catastrophe excess of loss reinsurance upon expiration of the program at May 1, 2003.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?..... Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
 The Company is 100% reinsured by Lumbermens Mutual Casualty Company who purchased per risk excess of loss reinsurance on a risks attaching basis to protect against the risk of loss arising from single large loss occurrences.
- 7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provision)?..... Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions:
- 8.1 Has this 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]
- 8.2 If yes, give full information
9. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?..... Yes [X] No [] NA []
- 10.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?..... Yes [] No [X]
- 10.2 If yes, give full information
- 11.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 12.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
 11.11 Unpaid losses..... \$.....0
 11.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$.....0
- 11.2 Of the amount on Line 12.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds..... \$.....0
- 11.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?..... Yes [] No [X] NA []
- 11.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
 11.41 From..... %
 11.42 To..... %
- 11.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [X] No []
- 11.6 If yes, state the amount thereof at December 31 of the current year:
 11.61 Letters of Credit..... \$.....
 11.62 Collateral and other funds..... \$.....
- 12.1 What amount of installment notes is owned and now held by the reporting entity?..... \$.....
- 12.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [] No [X]
- 12.3 If yes, what amount?..... \$.....
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....0
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?..... Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount.1

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

**GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

14.1 Is the company a cedant in a multiple cedant reinsurance contract?..... Yes [] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
.....

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [] No []

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in writer agreements?..... Yes [] No []

14.5 If answer to 14.4 is no, please explain:
.....

15.1 Has the reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]

15.2 If yes, give full information
.....

16.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

16.11 Name of real estate holding company

16.12 Number of parcels involved

16.13 Total book/adjusted carrying value \$.....

16.2 If yes, provide explanation:

17.1 Does the reporting entity write any warranty business? Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
17.11 Home	\$	\$	\$	\$	\$
17.12 Products	\$	\$	\$	\$	\$
17.13 Automobile	\$	\$	\$	\$	\$
17.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2004	2 2003	3 2002	4 2001	5 2000
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	(3,110,340)	130,590,420	504,035,737	558,497,709	644,758,355
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	219,008	68,596,186	151,561,513	156,896,940	174,638,444
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	113,837	68,265,980	185,827,504	259,393,385	277,943,029
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	(8,356)	(2,812,725)	24,384,747	26,018,190	21,727,387
5. Non-proportional reinsurance lines (Lines 30, 31 & 32)	(148,512)	63,231	64,472	200,477	377,869
6. Total (Line 34)	(2,934,363)	264,703,092	865,873,973	1,001,006,701	1,119,445,084
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	13,885,347	42,773,977	121,598,640	138,852,660
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	2,864,556	14,128,066	29,404,235	28,900,366
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	1,760,629	12,825,326	37,422,532	37,953,785
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	(11,917,311)	1,981,904	7,413,122	6,732,756
11. Non-proportional reinsurance lines (Lines 30, 31 & 32)	0	63,231	64,472	200,477	377,869
12. Total (Line 34)	0	6,656,452	71,773,745	196,039,006	212,817,436
Statement of Income (Page 4)					
13. Net underwriting gain (Loss) (Line 8)	0	10,392,523	(21,118,344)	(25,160,175)	(2,132,109)
14. Net investment gain (Loss) (Line 11)	409,017	25,634,028	19,349,352	29,778,050	49,115,130
15. Total other income (Line 15)	0	(270,579,933)	15,601,596	17,385,443	804,123
16. Dividends to policyholders (Line 17)	0	1,488,287	5,765,698	7,020,411	14,079,077
17. Federal and foreign income taxes incurred (Line 19)	0	(9,534,383)	(11,156,272)	(9,910,621)	11,236,184
18. Net income (Line 20)	409,017	(226,507,286)	19,223,178	24,893,528	22,471,883
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	25,987,742	10,054,480	631,770,615	737,271,703	764,857,903
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 12.1)	0	0	28,370,568	73,810,238	58,473,515
20.2 Deferred and not yet due (Line 12.2)	0	0	70,470,095	56,179,664	83,895,365
20.3 Accrued retrospective premiums (Line 12.3)	0	0	12,801,698	10,753,722	10,929,626
21. Total liabilities excluding protected cell business (Page 3, Line 24)	15,578,725	54,480	401,031,274	499,287,794	510,580,962
22. Losses (Page 3, Lines 1 and 2)	0	0	282,317,858	254,428,732	227,620,533
23. Loss adjustment expenses (Page 3, Line 3)	0	0	78,352,329	74,966,179	91,237,177
24. Unearned premiums (Page 3, Line 9)	0	0	27,742,713	100,522,301	100,317,709
25. Capital paid up (Page 3, Lines 28 & 29)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 35)	10,409,017	10,000,000	230,739,341	237,983,909	254,276,941
Risk-Based Capital Analysis					
27. Total adjusted capital	10,409,017	10,000,000	211,035,341	216,362,909	241,868,941
28. Authorized control level risk-based capital	75,709	42,715,794	31,651,373	28,405,667	22,944,965
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1)	23.6	43.7	91.7	91.0	79.3
30. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.1	0.6	0.5
31. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.8	1.1	1.2
32. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash and short-term investments (Line 5)	76.4	56.3	4.3	4.4	17.8
34. Contract loans (Line 6)	0.0		XXX	XXX	XXX
35. Other invested assets (Line 7)	0.0	0.0	3.1	2.8	1.2
36. Receivable for securities (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
38. Cash and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated Bonds (Schedule D, Summary, Line 25, Col. 1)	0	0	0	0	0
40. Affiliated preferred stocks (Schedule D, Summary, Line 39, Col. 1)	0	0	0	0	0
41. Affiliated common stocks (Schedule D, Summary, Line 53, Col. 2)	0	0	27,421	123,179	0
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
43. Affiliated mortgage loans on real estate	0	0	0	0	0
44. All other affiliated	0	0	0	0	0
45. Total of above Lines 39 to 44	0	0	27,421	123,179	0
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	0.1	0.0

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2004	2 2003	3 2002	4 2001	5 2000
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (Losses) (Line 23)	0	(910,745)	561,653	(1,668,055)	(11,729,237)
48. Dividends to stockholders (Line 34)	0	0	0	0	0
49. Change in surplus as regards policyholders for the year (Line 37)	409,017	(220,739,341)	(7,244,568)	(16,293,032)	(22,323,092)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	406,065,348	505,730,054	385,110,614	401,808,226	424,335,895
51. Property lines (Lines 1, 2, 9, 12, 21 & 26)	8,933,334	55,671,086	80,355,549	95,052,017	107,151,006
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	65,087,438	125,774,443	144,183,484	194,836,324	186,004,875
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	22,283,041	44,529,873	12,617,931	7,847,063	5,817,432
54. Nonproportional reinsurance lines (Lines 30, 31 & 32)	10,134,664	11,814,331	555,962	663,943	1,631,010
55. Total (Line 34)	512,503,825	743,519,787	622,823,540	700,207,573	724,940,218
Net Losses Paid (Page 9, Part 2, Col. 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	231,075,853	90,258,417	96,848,660	97,855,988
57. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	1,631,729	10,563,596	15,992,983	21,887,807
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	25,296,338	22,160,789	28,939,433	29,497,165
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	10,411,681	4,087,018	3,664,423	2,153,352
60. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	11,814,331	555,962	663,943	1,631,010
61. Total (Line 34)	0	280,229,932	127,625,782	146,109,442	153,025,322
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2)	0.0	(6.1)	76.9	70.7	54.7
64. Loss expenses incurred (Line 3)	0.0	(6.7)	19.8	13.3	18.9
65. Other underwriting expenses incurred (Line 4)	0.0	80.5	17.3	29.2	27.5
66. Net underwriting gain (loss) (Line 8)	0.0	30.2	(14.0)	(12.9)	(1.0)
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	0.0	4,491.4	14.6	19.8	26.1
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	0.0	(12.7)	96.7	84.0	73.6
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0)	0.0	66.6	31.1	82.4	83.7
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	0	0	75,344	46,138	11,748
71. Percent of development of loss and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Col. 1 x 100.0)	0.0	0.0	31.7	18.1	4.2
Two Year Loss Development (000 omitted)					
72. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	0	0	95,010	56,302	(12,056)
73. Percent of development of loss and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Col. 2 x 100.0)	0.0	0.0	37.4	20.4	(4.7)

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description	1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States .....5,633,275 2. Canada .....0 3. Other Countries .....0 4. Totals .....5,633,275	.....5,618,074.....0.....0 5,618,074	.....5,599,662.....0.....0 5,599,662	.....5,688,000.....0.....0 5,688,000
States, Territories and Possessions (Direct and guaranteed)	5. United States .....0 6. Canada .....77,979 7. Other Countries .....0 8. Totals .....77,979	.....0.....83,619.....0 83,619	.....0.....79,130.....0 79,130	.....0.....75,000.....0 75,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....0 10. Canada .....0 11. Other Countries .....0 12. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....411,320 14. Canada .....0 15. Other Countries .....0 16. Totals .....411,320	.....463,096.....0.....0 463,096	.....412,892.....0.....0 412,892	.....400,000.....0.....0 400,000
Public Utilities (unaffiliated)	17. United States .....0 18. Canada .....0 19. Other Countries .....0 20. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....0 22. Canada .....0 23. Other Countries .....0 24. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Parent, Subsidiaries and Affiliates	25. Totals .....0 26. Total Bonds .....6,122,574	.....0 6,164,789	.....0 6,091,684	.....0 6,163,000
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States .....0 28. Canada .....0 29. Other Countries .....0 30. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....0 32. Canada .....0 33. Other Countries .....0 34. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Industrial and Miscellaneous (unaffiliated)	35. United States .....0 36. Canada .....0 37. Other Countries .....0 38. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Parent, Subsidiaries and Affiliates	39. Totals .....0 40. Total Preferred Stocks .....0	.....0 0	.....0 0	.....0 0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States .....0 42. Canada .....0 43. Other Countries .....0 44. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....0 46. Canada .....0 47. Other Countries .....0 48. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Industrial and Miscellaneous (unaffiliated)	49. United States .....0 50. Canada .....0 51. Other Countries .....0 52. Totals .....0	.....0.....0.....0 0	.....0.....0.....0 0	.....0.....0.....0 0
Parent, Subsidiaries and Affiliates	53. Totals .....0 54. Total Common Stocks .....0	.....0 0	.....0 0	.....0 0
	55. Total Stocks .....0 56. Total Bonds and Stocks .....6,122,574	.....0 6,164,789	.....0 6,091,684	.....0 6,163,000

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year .....4,331,528	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 7, Part 3 .....4,932,227	6.1 Column 15, Part 1 .....0
3. Increase (decrease) by adjustment:	6.2 Column 19, Part 2, Sec. 1 .....0
3.1 Columns 12 + 13 - 14, Part 1 .....17,674	6.3 Column 16, Part 2, Sec. 2 .....0
3.2 Column 18, Part 2, Sec. 1 .....0	6.4 Column 15, Part 4 .....0
3.3 Column 15, Part 2, Sec. 2 .....0	7. Book/adjusted carrying value at end of current period .....6,122,574
3.4 Column 14, Part 4 .....(10,855) .....6,820	8. Total valuation allowance .....0
4. Total gain (loss), Col. 19, Part 4 .....0	9. Subtotal (Lines 7 plus 8) .....6,122,574
5. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 .....3,148,000	10. Total nonadmitted amounts .....0
	11. Statement value of bonds and stocks, current period .....6,122,574

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported - Direct and Assumed
	1	2	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
	Direct and Assumed	Ceded		Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded				
1. Prior	XXX	XXX	XXX	74,860	74,860	16,017	16,017	525	525	0	0	XXX	
2. 1995	702,525	702,525	0	385,529	385,529	30,273	30,273	28,400	28,400	0	0	XXX	
3. 1996	769,869	769,869	0	460,625	460,625	33,661	33,661	36,475	36,475	0	0	XXX	
4. 1997	829,851	829,851	0	505,853	505,853	45,764	45,764	42,082	42,082	0	0	XXX	
5. 1998	867,271	867,271	0	571,333	571,333	52,290	52,290	50,228	50,228	0	0	XXX	
6. 1999	879,766	879,766	0	576,751	576,751	46,696	46,696	48,703	48,703	0	0	XXX	
7. 2000	889,756	889,756	0	573,518	573,518	50,146	50,146	70,664	70,664	0	0	XXX	
8. 2001	888,243	888,243	0	521,799	521,799	44,802	44,802	67,647	67,647	0	0	XXX	
9. 2002	818,231	818,231	0	392,893	392,893	32,197	32,197	42,458	42,458	0	0	XXX	
10. 2003	507,658	507,658	0	222,976	222,976	13,706	13,706	16,351	16,351	0	0	XXX	
11. 2004	57,188	57,188	0	18,016	18,016	206	206	2,494	2,494	0	0	XXX	
12. Totals	XXX	XXX	XXX	4,304,153	4,304,153	365,758	365,758	406,028	406,028	0	0	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1.	101,584	101,584	(7,813)	(7,813)	14,459	14,459	10,866	10,866	1,558	1,558	0	0	XXX
2.	11,541	11,541	(822)	(822)	929	929	1,189	1,189	302	302	0	0	XXX
3.	11,055	11,055	904	904	1,662	1,662	1,626	1,626	686	686	0	0	XXX
4.	13,702	13,702	2,077	2,077	1,812	1,812	1,995	1,995	803	803	0	0	XXX
5.	22,313	22,313	5,278	5,278	3,192	3,192	4,388	4,388	1,344	1,344	0	0	XXX
6.	29,777	29,777	10,950	10,950	4,297	4,297	7,073	7,073	1,736	1,736	0	0	XXX
7.	46,553	46,553	22,762	22,762	6,221	6,221	8,599	8,599	2,128	2,128	0	0	XXX
8.	52,409	52,409	34,187	34,187	7,603	7,603	10,953	10,953	2,709	2,709	0	0	XXX
9.	64,309	64,309	39,770	39,770	6,535	6,535	13,747	13,747	4,401	4,401	0	0	XXX
10.	34,011	34,011	29,201	29,201	2,644	2,644	11,261	11,261	1,927	1,927	0	0	XXX
11.	4,859	4,859	6,039	6,039	126	126	1,839	1,839	364	364	0	0	XXX
12. Totals	392,113	392,113	142,533	142,533	49,480	49,480	73,536	73,536	17,957	17,957	0	0	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2.	457,341	457,341	0	65.1	65.1	0.0	0	0	0	0	0
3.	546,693	546,693	0	71.0	71.0	0.0	0	0	0	0	0
4.	614,088	614,088	0	74.0	74.0	0.0	0	0	0	0	0
5.	710,366	710,366	0	81.9	81.9	0.0	0	0	0	0	0
6.	725,983	725,983	0	82.5	82.5	0.0	0	0	0	0	0
7.	780,591	780,591	0	87.7	87.7	0.0	0	0	0	0	0
8.	742,109	742,109	0	83.5	83.5	0.0	0	0	0	0	0
9.	596,310	596,310	0	72.9	72.9	0.0	0	0	0	0	0
10.	332,077	332,077	0	65.4	65.4	0.0	0	0	0	0	0
11.	33,943	33,943	0	59.4	59.4	0.0	0	0	0	0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	One Year	Two Year
1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1995	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1996	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1997	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 1998	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 1999	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2000	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
2. 1995	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
3. 1996	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
4. 1997	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
5. 1998	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
6. 1999	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	XXX	XXX
7. 2000	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	XXX	XXX
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	XXX	XXX
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	XXX	XXX
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	XXX
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1995	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1996	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1997	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 1998	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 1999	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
7. 2000	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2001	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**ANNUAL STATEMENT FOR THE YEAR 2004 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

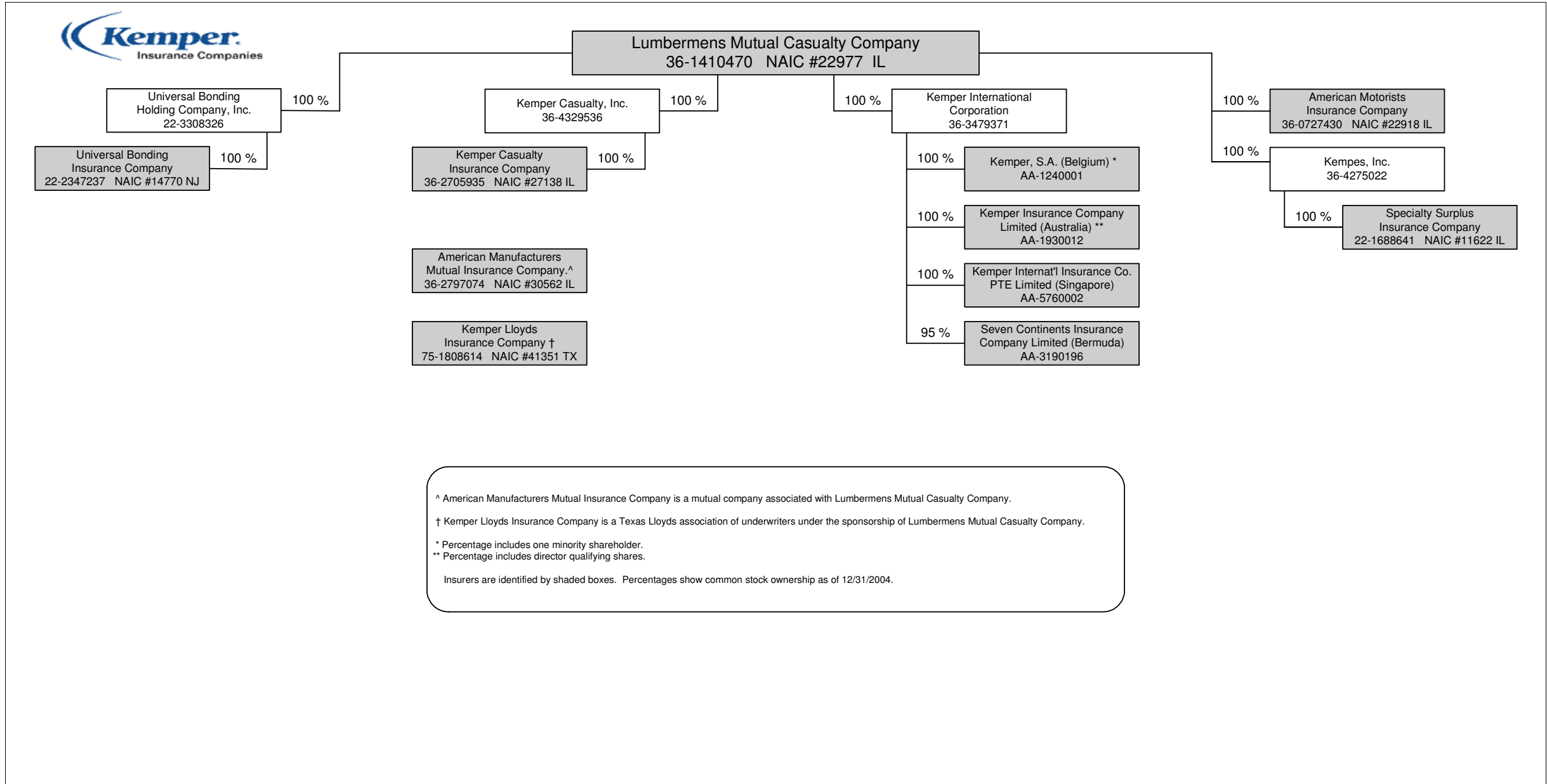
States, etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)	
		2 Direct Premiums Written	3 Direct Premiums Earned							
1. Alabama	AL	Yes	(141,114)	(22,829)	(27,688)	1,284,744	910,762	2,446,055	.0	
2. Alaska	AK	Yes	(50,139)	(46,923)	(9,423)	604,234	41,897	122,239	.0	
3. Arizona	AZ	Yes	274,220	367,460	(51,940)	2,763,577	3,178,787	9,413,994	.0	
4. Arkansas	AR	Yes	(106,780)	(92,977)	(47,745)	691,680	2,656,331	3,694,055	.0	
5. California	CA	Yes	3,503,727	17,768,275	(1,043,324)	58,880,218	21,835,034	99,565,278	.0	
6. Colorado	CO	Yes	(522,002)	419,991	(84,489)	4,513,773	72,023	3,757,071	.0	
7. Connecticut	CT	Yes	128,588	4,735,018	(32,904)	12,631,158	(1,824,460)	23,739,864	.0	
8. Delaware	DE	Yes	86,074	119,090	(8,832)	892,849	112,887	3,022,467	.0	
9. District of Columbia	DC	Yes	44,662	68,526	(3,952)	550,829	238,608	674,397	.0	
10. Florida	FL	Yes	343,428	844,568	(508,069)	5,464,176	(4,060,702)	11,789,173	.0	
11. Georgia	GA	Yes	1,696,366	5,281,673	(108,665)	9,571,436	6,789,139	8,362,116	.0	
12. Hawaii	HI	Yes	(6,628)	186,769	(21,107)	181,890	(1,504,480)	444,036	.0	
13. Idaho	ID	Yes	21,126	20,228	(10,685)	84,866	534,828	170,186	.0	
14. Illinois	IL	Yes	622,519	2,150,302	(430,243)	12,160,072	5,151,089	15,479,682	.0	
15. Indiana	IN	Yes	(41,028)	213,443	(55,928)	3,417,991	2,650,546	1,548,559	.0	
16. Iowa	IA	Yes	(566,752)	(537,444)	(26,639)	2,000,599	(971,837)	2,702,249	.0	
17. Kansas	KS	Yes	52,023	85,612	(42,668)	679,177	(1,281,459)	2,404,898	.0	
18. Kentucky	KY	Yes	6,157	806,507	(53,737)	1,513,108	(1,583,137)	4,955,431	.0	
19. Louisiana	LA	Yes	(574,561)	279,642	(22,383)	3,394,516	(1,602,630)	3,804,013	.0	
20. Maine	ME	Yes	57,112	789,987	(18,440)	1,381,420	(986,586)	2,102,541	.0	
21. Maryland	MD	Yes	(268,629)	277,879	(69,772)	3,833,843	(6,044,158)	5,937,595	.0	
22. Massachusetts	MA	Yes	314,504	468,392	(158,572)	6,609,374	19,984,734	19,028,865	.0	
23. Michigan	MI	Yes	60,404	163,758	(230,819)	3,936,851	1,792,117	5,620,347	.0	
24. Minnesota	MN	Yes	806,981	873,253	(63,066)	1,223,739	1,774,807	2,135,367	.0	
25. Mississippi	MS	Yes	(22,327)	661,568	(86,831)	3,096,921	(1,887,225)	2,483,990	.0	
26. Missouri	MO	Yes	(171,123)	(119,790)	(52,298)	2,649,821	(2,064,534)	4,715,656	.0	
27. Montana	MT	Yes	(11,023)	(10,195)	(270,114)	359,217	1,333,036	1,309,505	.0	
28. Nebraska	NE	Yes	15,142	25,842	(25,634)	992,350	1,583,576	1,627,012	.0	
29. Nevada	NV	Yes	(82,327)	(57,142)	(24,862)	437,322	(1,884,611)	753,723	.0	
30. New Hampshire	NH	Yes	(22,102)	120,469	(18,555)	413,429	(340,242)	1,286,972	.0	
31. New Jersey	NJ	Yes	48,845	315,224	(166,990)	12,203,576	7,971,344	16,284,848	.0	
32. New Mexico	NM	Yes	(35,326)	109,565	(25,176)	431,956	(743,054)	997,898	.0	
33. New York	NY	Yes	2,761,966	11,546,023	(380,430)	57,927,614	4,931,026	111,878,332	.0	
34. North Carolina	NC	Yes	(1,445,643)	4,604,406	(21,961)	10,070,202	(2,379,339)	9,044,466	.0	
35. North Dakota	ND	Yes	(2,515)	(2,334)	(391)	225,000	20,898	227	.0	
36. Ohio	OH	Yes	418,883	538,148	(23,725)	2,711,281	(2,477,422)	5,531,963	.0	
37. Oklahoma	OK	Yes	19,117	57,852	(72,646)	412,829	(952,709)	1,062,092	.0	
38. Oregon	OR	Yes	142,457	600,997	(103,510)	2,000,133	807,648	4,593,956	.0	
39. Pennsylvania	PA	Yes	(1,026,600)	(120,262)	(207,735)	12,062,309	4,212,005	22,642,788	.0	
40. Rhode Island	RI	Yes	(9,004)	(4,069)	(10,254)	313,267	(501,552)	148,787	.0	
41. South Carolina	SC	Yes	(150,329)	140,367	(27,287)	1,218,634	(1,324,182)	2,325,744	.0	
42. South Dakota	SD	Yes	6,809	7,255	(3,848)	140,388	174,182	407,129	.0	
43. Tennessee	TN	Yes	(60,865)	598,651	(53,869)	1,723,390	(596,627)	2,232,559	.0	
44. Texas	TX	Yes	(205,790)	252,921	(492,831)	7,706,715	3,104,213	14,261,823	.0	
45. Utah	UT	Yes	38,508	51,930	(24,946)	105,009	(167,802)	328,725	.0	
46. Vermont	VT	Yes	23,204	32,000	(3,518)	278,160	(241,949)	1,206,267	.0	
47. Virginia	VA	Yes	(38,655)	249,446	(41,801)	2,020,609	(1,615,896)	4,973,356	.0	
48. Washington	WA	Yes	(89,313)	1,868,041	(22,946)	4,517,967	2,147,359	7,951,810	.0	
49. West Virginia	WV	Yes	(95,192)	(88,877)	(1,376)	29,735	(53,400)	16,726	.0	
50. Wisconsin	WI	Yes	131,004	568,661	(636,202)	3,331,611	(150,583)	4,854,638	.0	
51. Wyoming	WY	Yes	19,463	20,024	(18,089)	8,750	(7,783)	1,748	.0	
52. American Samoa	AS	No	.0	.0	.0	.0	.0	.0	.0	
53. Guam	GU	No	.0	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR	No	.0	.0	.0	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI	Yes	.0	.0	.0	.0	(1)	.0	.0	
56. Canada	CN	No	.0	.0	.0	.0	.0	.0	.0	
57. Aggregate Other Aliens	OT	XXX	750	750	.0	.0	(21,393)	.0	.0	
58. Totals	(a) 52		5,898,273	57,187,667	(5,948,915)	265,654,316	56,739,123	455,843,219	0	
DETAILS OF WRITE-INS										
5701. Europe	XXX		.0	.0	.0	.0	(21,064)	.0	.0	
5702. Central & South America	XXX		750	750	.0	.0	(224)	.0	.0	
5703. Africa	XXX		.0	.0	.0	.0	(105)	.0	.0	
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		.0	.0	.0	.0	.0	.0	.0	
5799. Totals (Lines 5701 through 5703 + 5798) (Line 57 above)	XXX		750	750	.0	.0	(21,393)	.0	.0	

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

Explanation of basis of allocation of premiums by states, etc.

Premiums are allocated on the basis of the location of the risk, insured or insured's operations.

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 12/31/2004.