



# QUARTERLY STATEMENT

AS OF JUNE 30, 2006  
OF THE CONDITION AND AFFAIRS OF THE

## LUMBERMENS MUTUAL CASUALTY COMPANY

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

Organized under the Laws of Illinois, State of Domicile or Port of Entry Illinois

Country of Domicile United States of America

Incorporated/Organized 11/18/1912 Commenced Business 11/25/1912

Statutory Home Office 1 Kemper Drive, Long Grove, IL 60049-0001  
(Street and Number) (City or Town, State and Zip Code)

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

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

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

Internet Website Address www.kemperinsurance.com

Statutory Statement Contact Fredrick Thomas Griffith 847-320-3127  
(Name) (Area Code) (Telephone Number) (Extension)  
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(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

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

### OTHER OFFICERS

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

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

State of Illinois

ss

County of Lake

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

Douglas Sean Andrews  
President and CEO

John Keating Conway  
Secretary

Fredrick Thomas Griffith  
Chief Accounting Officer

Subscribed and sworn to before me this  
7th day of August, 2006

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

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

**STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	1,433,731,429		1,433,731,429	1,551,961,871
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	95,703,269		95,703,269	93,861,274
3. Mortgage loans on real estate:				
3.1 First liens .....			0	795,919
3.2 Other than first liens .....			0	8,257
4. Real estate:				
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) .....	4,241,182		4,241,182	4,241,182
5. Cash (\$ ..... (4,622,114) ), cash equivalents (\$ ..... 9,977,600 ) and short-term investments (\$ ..... 205,738,563 ) .....	211,094,049		211,094,049	308,270,902
6. Contract loans, (including \$ ..... premium notes)			0	0
7. Other invested assets .....	28,480,418	0	28,480,418	28,686,507
8. Receivables for securities .....			0	32,476,418
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	1,773,250,347	0	1,773,250,347	2,020,302,330
11. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	11,746,266		11,746,266	15,771,735
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	86,604,941	39,279,470	47,325,471	74,550,449
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	42,480,985	7,594,287	34,886,698	47,995,805
13.3 Accrued retrospective premiums .....	49,175,282	1,226,161	47,949,121	58,656,689
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	264,769,606		264,769,606	336,460,424
14.2 Funds held by or deposited with reinsured companies .....	11,533,263		11,533,263	10,558,018
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....	764,211,276	764,211,276	0	0
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....			0	0
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....			0	0
22. Health care (\$ ..... ) and other amounts receivable .....			0	0
23. Aggregate write-ins for other than invested assets .....	206,059,160	43,376,586	162,682,574	170,769,609
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	3,209,831,126	855,687,780	2,354,143,346	2,735,065,059
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25)	3,209,831,126	855,687,780	2,354,143,346	2,735,065,059
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Amounts receivable under high deductible policies .....	52,454,714	10,176,917	42,277,797	32,433,674
2302. Advance to claims service provider .....	16,498,076		16,498,076	16,548,677
2303. Reinsurance accounted for as a deposit .....	13,880,915		13,880,915	20,053,594
2398. Summary of remaining write-ins for Line 23 from overflow page .....	123,225,455	33,199,669	90,025,786	101,733,664
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	206,059,160	43,376,586	162,682,574	170,769,609

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....2,173,000 ) .....	1,175,286,555	1,416,382,931
2. Reinsurance payable on paid losses and loss adjustment expenses .....	25,470,464	36,560,978
3. Loss adjustment expenses .....	503,171,914	593,179,696
4. Commissions payable, contingent commissions and other similar charges .....	324,698	989,595
5. Other expenses (excluding taxes, licenses and fees) .....	20,640,711	21,309,938
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	48,917,843	48,881,275
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	8,392,935	8,256,345
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....9,371,465 and including warranty reserves of \$ .....948,323 ) .....	12,968,078	19,045,951
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	17,329,511	19,035,927
13. Funds held by company under reinsurance treaties .....	15,342,944	10,619,735
14. Amounts withheld or retained by company for account of others .....	161,386,953	183,081,209
15. Remittances and items not allocated .....	18,869,827	12,222,013
16. Provision for reinsurance .....		0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	4,670,046	5,339,676
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....	14,448,180	13,191,661
20. Payable for securities .....		0
21. Liability for amounts held under uninsured plans .....		0
22. Capital notes \$ ..... and interest thereon \$ .....		0
23. Aggregate write-ins for liabilities .....	163,887,554	178,654,978
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	2,191,108,213	2,566,751,908
25. Protected cell liabilities .....		0
26. Total liabilities (Lines 24 and 25) .....	2,191,108,213	2,566,751,908
27. Aggregate write-ins for special surplus funds .....	0	0
28. Common capital stock .....		0
29. Preferred capital stock .....		0
30. Aggregate write-ins for other than special surplus funds .....	1,500,000	1,500,000
31. Surplus notes .....	698,355,598	698,355,598
32. Gross paid in and contributed surplus .....		0
33. Unassigned funds (surplus) .....	(536,820,465)	(531,542,447)
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....		0
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) .....	163,035,133	168,313,151
36. TOTALS .....	2,354,143,346	2,735,065,059
<b>DETAILS OF WRITE-INS</b>		
2301. Accounts payable and other liabilities .....	157,011,564	164,401,923
2302. Reinsurance accounted for as a deposit .....	6,875,990	14,253,055
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) .....	163,887,554	178,654,978
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....	0	0
3001. Guaranty fund .....	1,500,000	1,500,000
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above) .....	1,500,000	1,500,000

## STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ .....(207,572) )	1,867,581	14,074,055	13,200,294
1.2 Assumed (written \$ .....3,044,979 )	12,955,975	26,225,555	50,643,209
1.3 Ceded (written \$ .....(2,235,180) )	3,673,098	49,805,909	42,543,182
1.4 Net (written \$ .....5,072,587 )	11,150,458	(9,506,299)	21,300,321
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ .....8,317,000 ):			
2.1 Direct .....	35,179,054	2,064,330	(38,844,631)
2.2 Assumed .....	23,974,367	44,377,121	(100,338,973)
2.3 Ceded .....	10,372,802	(53,574,531)	(208,038,760)
2.4 Net .....	48,780,619	100,015,982	68,855,156
3. Loss expenses incurred .....	(3,525,822)	2,368,034	81,151,050
4. Other underwriting expenses incurred .....	34,375,959	61,295,868	96,054,126
5. Aggregate write-ins for underwriting deductions .....	(1,574,700)	0	540,492
6. Total underwriting deductions (Lines 2 through 5) .....	78,056,056	163,679,884	246,600,824
7. Net income of protected cells .....	0	0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7) .....	(66,905,598)	(173,186,183)	(225,300,503)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned .....	33,563,935	38,223,538	73,925,822
10. Net realized capital gains (losses) less capital gains tax of \$ .....	(1,090,903)	(1,196,022)	(4,946,946)
11. Net investment gain (loss) (Lines 9 + 10) .....	32,473,032	37,027,516	68,978,876
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ .....92,092 amount charged off \$ .....(13,101,964) ) .....	(13,009,872)	67,069	21,454,888
13. Finance and service charges not included in premiums .....	0	363	363
14. Aggregate write-ins for miscellaneous income .....	6,055,884	20,028,438	33,608,958
15. Total other income (Lines 12 through 14) .....	(6,953,988)	20,095,870	55,064,209
16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	(41,386,554)	(116,062,797)	(101,257,418)
17. Dividends to policyholders .....	2,766,679	(4,341,469)	7,127,581
18. Net income, after dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) .....	(44,153,233)	(111,721,328)	(108,384,999)
19. Federal and foreign income taxes incurred .....	(1,371,487)	(12,547,101)	(24,410,660)
20. Net income (Line 18 minus Line 19)(to Line 22) .....	(42,781,746)	(99,174,227)	(83,974,339)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year .....	168,313,151	171,434,880	171,434,880
22. Net income (from Line 20) .....	(42,781,746)	(99,174,227)	(83,974,339)
23. Net transfers (to) from Protected Cell accounts .....	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	4,803,294	1,847,803	2,373,602
25. Change in net unrealized foreign exchange capital gain (loss) .....	669,630	(966,237)	179,366
26. Change in net deferred income tax .....	4,242,820	38,307,810	67,534,087
27. Change in nonadmitted assets .....	11,514,743	(15,203,257)	(26,101,978)
28. Change in provision for reinsurance .....	0	0	0
29. Change in surplus notes .....	0	0	0
30. Surplus (contributed to) withdrawn from protected cells .....	0	0	0
31. Cumulative effect of changes in accounting principles .....	0	0	0
32. Capital changes:			
32.1 Paid in .....	0	0	0
32.2 Transferred from surplus (Stock Dividend) .....	0	0	0
32.3 Transferred to surplus .....	0	0	0
33. Surplus adjustments:			
33.1 Paid in .....	0	0	0
33.2 Transferred to capital (Stock Dividend) .....	0	0	0
33.3 Transferred from capital .....	0	0	0
34. Net remittances from or (to) Home Office .....	0	0	0
35. Dividends to stockholders .....	0	0	0
36. Change in treasury stock .....	0	0	0
37. Aggregate write-ins for gains and losses in surplus .....	16,273,241	18,279,313	36,867,533
38. Change in surplus as regards policyholders (Lines 22 through 37) .....	(5,278,018)	(56,908,795)	(3,121,729)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) .....	163,035,133	114,526,085	168,313,151
<b>DETAILS OF WRITE-INS</b>			
0501. Change in premium deficiency reserve .....	(1,574,700)	0	540,492
0502. ....	0	0	0
0503. ....	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	(1,574,700)	0	540,492
1401. Other income .....	6,055,884	20,028,438	33,608,958
1402. ....	0	0	0
1403. ....	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) .....	6,055,884	20,028,438	33,608,958
3701. Provision for uncollectible reinsurance .....	16,273,241	20,419,663	28,800,055
3702. Correction of errors .....	0	(2,140,350)	8,067,478
3703. ....	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page .....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above) .....	16,273,241	18,279,313	36,867,533

## CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	55,837,087	121,303,463
2. Net investment income.....	38,833,698	77,586,938
3. Miscellaneous income.....	(7,929,233)	61,067,450
4. Total (Lines 1 to 3).....	86,741,552	259,957,851
5. Benefits and loss related payments.....	229,276,691	680,407,190
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	120,521,469	345,924,776
8. Dividends paid to policyholders.....	(8,347,518)	(45,229,907)
9. Federal and foreign income taxes paid (recovered) \$ ..... net of tax on capital gains (losses)	(1,508,077)	(2,924,637)
10. Total (Lines 5 through 9).....	339,942,565	978,177,422
11. Net cash from operations (Line 4 minus Line 10).....	(253,201,013)	(718,219,571)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	252,006,175	724,237,280
12.2 Stocks.....	735,392	60,868,816
12.3 Mortgage loans.....	768,916	1,301,825
12.4 Real estate.....	0	32,137,952
12.5 Other invested assets.....	1,250,908	21,949,623
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(644)	(22,340)
12.7 Miscellaneous proceeds.....	32,496,589	427,801
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	287,257,336	840,900,957
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	136,917,595	699,567,760
13.2 Stocks.....	0	49,401,466
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	364,000	0
13.6 Miscellaneous applications.....	0	30,120,903
13.7 Total investments acquired (Lines 13.1 to 13.6).....	137,281,595	779,090,129
14. Net increase (or decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	149,975,741	61,810,828
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	6,048,419	26,697,849
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	6,048,419	26,697,849
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Lines 15 and 17).....	(97,176,853)	(629,710,894)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	308,270,902	937,981,796
19.2 End of period (Line 18 plus Line 19.1).....	211,094,049	308,270,902

## NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

No change.

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

No change.

**3. BUSINESS COMBINATIONS AND GOODWILL**

Not applicable.

**4. DISCONTINUED OPERATIONS**

No change.

**5. INVESTMENTS**

No change.

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

No change.

**7. INVESTMENT INCOME**

No change.

**8. DERIVATIVE INSTRUMENTS**

Not applicable.

**9. INCOME TAXES**

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

		June 30, 2006		December 31, 2005
Total of gross deferred tax assets	\$	767,604,260		763,361,440
Total of deferred tax liabilities		(3,392,984)		(3,392,984)
Net deferred tax asset		764,211,276		759,968,456
Deferred tax asset nonadmitted		(764,211,276)		(759,968,456)
Net admitted deferred tax asset		0		0
Increase in nonadmitted asset	\$	(4,242,820)		

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

		June 30, 2006		December 31, 2005		Change
Total deferred tax assets	\$	767,604,260		763,361,440	\$	4,242,820
Total deferred tax liabilities		(3,392,984)		(3,392,984)		0
Net deferred tax asset	\$	764,211,276		759,968,456		4,242,820
Tax effect of unrealized gains (losses)						0
Changes in net deferred income tax					\$	4,242,820

**NOTES TO FINANCIAL STATEMENTS**

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

		June 30, 2006
Provision computed at statutory rate	\$	(15,453,633)
Receivables		4,390,212
Reinsurance adjustment		5,695,634
Foreign income tax		(246,520)
Total	\$	(5,614,307)
Federal and foreign income taxes incurred	\$	(1,371,487)
Change in net deferred income taxes		(4,242,820)
Total statutory income taxes	\$	(5,614,307)

- F. No change.

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

No change.

**11. DEBT**

Not applicable.

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

No change.

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

Each payment of interest on and repayment of principal of the surplus notes issued by the Company in 1996 and 1997 may be made only with the prior approval of the Director of the Illinois Department of Financial and Professional Regulation – Division of Insurance (the “Division of Insurance”), which approval will only be granted if, in the judgment of the Director, the financial condition of the Company warrants the making of such payments and the Company's policyholders' surplus reflects sufficient funds to cover the amount of such payment. The amount of interest due and not paid plus interest that is not accrued for at June 30, 2006 is \$217,862,500. On May 2, 2006, the Division of Insurance disapproved the payment of interest due on June 1, 2006 and July 1, 2006 (and all previously disapproved interest payments) on the \$400,000,000 9.15% Surplus Notes due on July 1, 2026, the \$200,000,000 8.30% Surplus Notes due on December 1, 2037, and the \$100,000,000 8.45% Surplus Notes due on December 1, 2097.

**14. CONTINGENCIES**

- D. Having entered into voluntary run-off in the first half of 2003, the Company has been operating under guidance provided within certain agreed to Corrective Orders with the Division of Insurance, pursuant to which the Company has ceased to write virtually all insurance business and is settling its liabilities under the administrative supervision of the Division of Insurance. The Company has also entered into consent agreements with certain states under which the Company agreed to cease writing business in those jurisdictions. In addition, the Company has voluntarily agreed for its license to be suspended in Florida and Tennessee, with the Company permitted to maintain its license but not permitted to write any new business.

In April 2006, the California Department of Insurance released \$33 million of the Company's assets on deposit. In May 2006, the Oregon Department of Insurance released \$11 million of the Company's assets on deposit.

**15. LEASES**

No change.

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

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

17. **SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**  
Not applicable.
18. **GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**  
Not applicable.
19. **DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**  
Not applicable.
20. **SEPTEMBER 11 EVENTS**  
No change.
21. **OTHER ITEMS**  
No change.
22. **EVENTS SUBSEQUENT**  
No change.
23. **REINSURANCE**  
No change.
24. **RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION**  
No change.
25. **CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**  
No change.
26. **INTERCOMPANY POOLING ARRANGEMENTS**  
No change.
27. **STRUCTURED SETTLEMENTS**  
No change.
28. **HEALTH CARE RECEIVABLES**  
Not applicable.
29. **PARTICIPATING POLICIES**  
Not applicable.
30. **PREMIUM DEFICIENCY RESERVES**  
No change.
31. **HIGH DEDUCTIBLES**  
No change.
32. **DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSE**  
No change.
33. **ASBESTOS/ENVIRONMENTAL RESERVES**  
No change.
34. **SUBSCRIBER SAVINGS ACCOUNT**  
Not applicable.
35. **MULTIPLE PERIL CROP INSURANCE**  
Not applicable.



## GENERAL INTERROGATORIES

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

### PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [X] No [ ]
- 2.2 If yes, date of change: ..... 05/01/2006  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [X] No [ ]  
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [X]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2005
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2000
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 11/18/2003
- 6.4 By what department or departments?  
Illinois, Delaware, Mississippi and Nevada.....
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [X] No [ ]
- 7.2 If yes, give full information:  
Information is provided in Financial Note 14D.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

# GENERAL INTERROGATORIES

## FINANCIAL

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

## INVESTMENT

- 10.1 Has there been any change in the reporting entity's own preferred or common stock? ..... Yes [ ] No [X]
- 10.2 If yes, explain:  
.....
- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]
- 11.2 If yes, give full and complete information relating thereto:  
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ ..... 5,315,221
13. Amount of real estate and mortgages held in short-term investments: ..... \$ ..... 0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [X] No [ ]
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
14.21 Bonds .....	\$ .....0	\$ .....0
14.22 Preferred Stock .....	\$ .....0	\$ .....0
14.23 Common Stock .....	\$ .....91,424,689	\$ .....93,496,327
14.24 Short-Term Investments .....	\$ .....0	\$ .....0
14.25 Mortgage Loans on Real Estate .....	\$ .....0	\$ .....0
14.26 All Other .....	\$ .....27,437,526	\$ .....27,231,437
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....118,862,215	\$ .....120,727,764
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....0	\$ .....0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]
- If no, attach a description with this statement.

16. 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 [ ]

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

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

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

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

- 16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? ..... Yes [ ] No [X]
- 16.4 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address
109875.....	Asset Allocation Management Company, L.L.C.....	30 North LaSalle, Suite 3500, Chicago, IL 60602.....

- 17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? ..... Yes [X] No [ ]
- 17.2 If no, list exceptions:  
.....

STATEMENT AS OF JUNE 30, 2006 OF THE LUBBERMENS MUTUAL CASUALTY COMPANY

**GENERAL INTERROGATORIES**

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

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [X] NA [ ]  
 If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]  
 If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]
- 3.2 If yes, give full and complete information thereto.  
 .....
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? ..... Yes [X] No [ ]
- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
1. Homeowners/Far mowers.....		4.200			391,588	391,588			(22,541)	(22,541)
2. Private Passenger Auto Liability.....		4.200			3,611,802	3,611,802			(207,909)	(207,909)
3. Commercial Auto Liability.....		4.200			14,802,126	14,802,126			(890,592)	(890,592)
4. Workers Compensation.....		4.200			266,641,088	266,641,088			(20,216,790)	(20,216,790)
5. Commercial Multiple Peril.....		4.200			30,071,887	30,071,887			(1,736,156)	(1,736,156)
6. Medical Malpractice - Occurrence.....		4.200			(21,178)	(21,178)			(29,676)	(29,676)
7. Medical Malpractice - Claims Made.....		4.200			536,648	536,648				0
8. Special Liability.....		4.200			903,616	903,616			(35,501)	(35,501)
9. Other Liability - Occurrence.....		4.200			88,822,643	88,822,643			(5,207,628)	(5,207,628)
10. Other Liability - Claims Made.....		4.200			10,912,852	10,912,852			1,444,818	1,444,818
11. Special Property.....		4.200			269,643	269,643			(15,524)	(15,524)
12. Auto Physical Damage.....		4.200			(7,199)	(7,199)			419	419
13. Fidelity/Surety.....		4.200			3,747,393	3,747,393			(112,086)	(112,086)
14. Other.....		4.200			83,823	83,823			(4,825)	(4,825)
17. Reinsurance Nonproportional Assumed Liability.....		4.200			21,321,156	21,321,156			(1,227,237)	(1,227,237)
19. Product Liability - Occurrence.....		4.200			(3,673,384)	(3,673,384)			(1,602,688)	(1,602,688)
20. Product Liability - Claims Made.....		4.200			4,224	4,224				0
<b>TOTAL</b>			0	0	438,418,728	438,418,728	0	0	(29,863,916)	(29,863,916)

**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	4,241,182	34,965,386
2. Increase (decrease) by adjustment .....		0
3. Cost of acquired .....		0
4. Cost of additions to and permanent improvements .....		0
5. Total profit (loss) on sales .....		1,413,748
6. Increase (decrease) by foreign exchange adjustment .....		0
7. Amount received on sales .....		32,137,952
8. Book/adjusted carrying value at end of current period .....	4,241,182	4,241,182
9. Total valuation allowance .....		0
10. Subtotal (Lines 8 plus 9) .....	4,241,182	4,241,182
11. Total nonadmitted amounts .....		0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	4,241,182	4,241,182

**SCHEDULE B – VERIFICATION****Mortgage Loans**

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	804,176	1,835,467
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions .....		0
2.2. Additional investment made after acquisitions .....		0
3. Accrual of discount and mortgage interest points and commitment fees .....		0
4. Increase (decrease) by adjustment .....		270,534
5. Total profit (loss) on sale .....	(35,260)	0
6. Amounts paid on account or in full during the period .....	768,916	1,301,825
7. Amortization of premium .....		0
8. Increase (decrease) by foreign exchange adjustment .....		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....	0	804,176
10. Total valuation allowance .....		0
11. Subtotal (Lines 9 plus 10) .....	0	804,176
12. Total nonadmitted amounts .....		0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	804,176

**SCHEDULE BA – VERIFICATION****Other Invested Assets**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	31,487,812	54,261,344
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions .....		0
2.2. Additional investment made after acquisitions .....	364,000	0
3. Accrual of discount .....		0
4. Increase (decrease) by adjustment .....	(2,120,486)	(823,909)
5. Total profit (loss) on sale .....		0
6. Amounts paid on account or in full during the period .....	1,250,908	21,949,623
7. Amortization of premium .....		0
8. Increase (decrease) by foreign exchange adjustment .....		0
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	28,480,418	31,487,812
10. Total valuation allowance .....		(2,800,000)
11. Subtotal (Lines 9 plus 10) .....	28,480,418	28,687,812
12. Total nonadmitted amounts .....		1,305
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	28,480,418	28,686,507

**SCHEDULE D – VERIFICATION****Bonds and Stocks**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	1,645,823,145	1,692,836,255
2. Cost of bonds and stocks acquired .....	136,917,596	748,969,226
3. Accrual of discount .....	677,082	2,356,797
4. Increase (decrease) by adjustment .....	2,751,305	(7,814,082)
5. Increase (decrease) by foreign exchange adjustment .....		(265,441)
6. Total profit (loss) on disposal .....	(1,342,551)	2,567,616
7. Consideration for bonds and stocks disposed of .....	252,741,567	785,106,096
8. Amortization of premium .....	2,650,312	7,721,130
9. Book/adjusted carrying value, current period .....	1,529,434,698	1,645,823,145
10. Total valuation allowance .....		0
11. Subtotal (Lines 9 plus 10) .....	1,529,434,698	1,645,823,145
12. Total nonadmitted amounts .....		0
13. Statement value	1,529,434,698	1,645,823,145

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

**SCHEDULE D - PART 1B**

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	1,750,560,870	325,091,410	437,019,673	(752,330)	1,750,560,870	1,637,880,278	.0	1,869,759,686
2. Class 2 .....	12,988,918	.0	5,000,000	9,434	12,988,918	7,998,352	.0	12,987,229
3. Class 3 .....	.0	.0	.0	.0	.0	.0	.0	.0
4. Class 4 .....	.0	.0	.0	.0	.0	.0	.0	.0
5. Class 5 .....	.0	.0	.0	.0	.0	.0	.0	.0
6. Class 6 .....	3,758,881	.0	189,919	.0	3,758,881	3,568,962	.0	3,855,060
7. Total Bonds	1,767,308,669	325,091,410	442,209,591	(742,896)	1,767,308,669	1,649,447,592	.0	1,886,601,975
<b>PREFERRED STOCK</b>								
8. Class 1 .....	.0	.0	.0	.0	.0	.0	.0	.0
9. Class 2 .....	.0	.0	.0	.0	.0	.0	.0	.0
10. Class 3 .....	.0	.0	.0	.0	.0	.0	.0	.0
11. Class 4 .....	.0	.0	.0	.0	.0	.0	.0	.0
12. Class 5 .....	.0	.0	.0	.0	.0	.0	.0	.0
13. Class 6 .....	.0	.0	.0	.0	.0	.0	.0	.0
14. Total Preferred Stock	.0	.0	.0	.0	.0	.0	.0	.0
15. Total Bonds and Preferred Stock	1,767,308,669	325,091,410	442,209,591	(742,896)	1,767,308,669	1,649,447,592	.0	1,886,601,975

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

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	205,738,563	XXX	205,593,769	2,147,782	6,125

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

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	324,642,471	695,334,084
2. Cost of short-term investments acquired .....	484,004,789	2,293,618,427
3. Increase (decrease) by adjustment .....	(29,722)	(743,236)
4. Increase (decrease) by foreign exchange adjustment .....	0	0
5. Total profit (loss) on disposal of short-term investments .....	(644)	(22,340)
6. Consideration received on disposal of short-term investments .....	602,878,331	2,663,544,464
7. Book/adjusted carrying value, current period .....	205,738,563	324,642,471
8. Total valuation allowance .....	0	0
9. Subtotal (Lines 7 plus 8) .....	205,738,563	324,642,471
10. Total nonadmitted amounts .....	0	0
11. Statement value (Lines 9 minus 10) .....	205,738,563	324,642,471
12. Income collected during period .....	6,378,576	12,726,458
13. Income earned during period .....	5,410,774	11,406,792

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule F

**NONE**

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

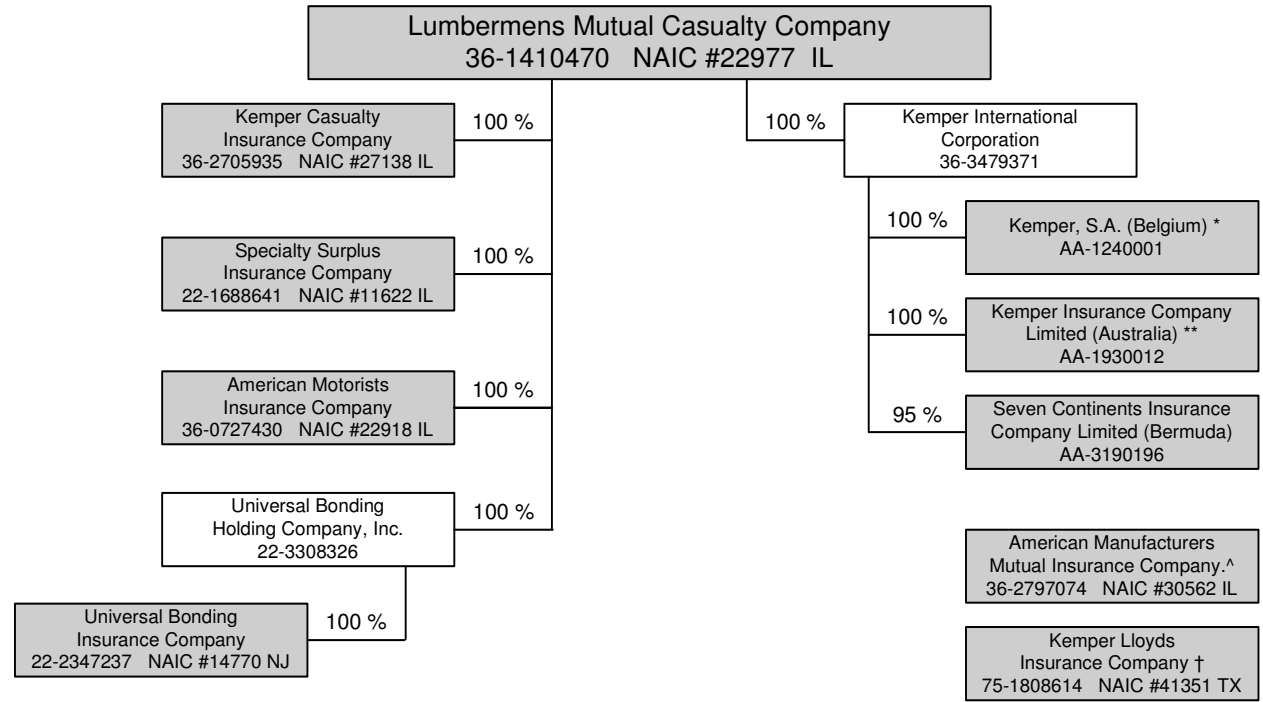
Current Year to Date - Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	Yes	610,484	173,581	11,270,256	127,878	9,125,328	12,200,869
2. Alaska	AK	Yes	(62,227)	91,209	228,175	177,793	1,072,458	1,629,365
3. Arizona	AZ	Yes	54,546	167,658	712,182	4,719,928	10,624,442	9,506,259
4. Arkansas	AR	Yes	4,293	(175,314)	7,782,836	3,842,184	9,993,898	14,606,165
5. California	CA	Yes	(1,052,549)	2,635,888	33,802,064	43,716,906	124,998,048	156,013,280
6. Colorado	CO	Yes	(34,518)	139,440	1,329,487	1,478,072	1,895,198	4,478,885
7. Connecticut	CT	Yes	(48,667)	214,410	7,168,098	10,542,899	27,020,659	36,206,585
8. Delaware	DE	Yes	48,793	42,090	(1,288,144)	346,616	1,950,300	2,317,727
9. District of Columbia	DC	Yes	39,831	(37,617)	(69,511)	1,369,780	6,410,408	10,258,393
10. Florida	FL	Yes	(364,894)	527,017	(2,052,191)	13,579,895	29,031,873	41,913,113
11. Georgia	GA	Yes	(31,021)	273,636	4,001,665	(9,861,250)	29,057,087	33,198,333
12. Hawaii	HI	Yes	59,127	18,911	264,447	593,785	2,216,808	2,844,689
13. Idaho	ID	Yes	(5,191)	9,224	134,331	400,711	75,228	252,778
14. Illinois	IL	Yes	281,543	(314,031)	22,284,022	36,296,676	232,535,308	343,027,719
15. Indiana	IN	Yes	(45,072)	528,041	1,734,471	380,605	3,293,780	5,967,381
16. Iowa	IA	Yes	(71,056)	110,743	621,004	875,841	2,188,649	3,862,045
17. Kansas	KS	Yes	(56,783)	37,068	115,078	1,763,443	3,035,283	2,637,670
18. Kentucky	KY	Yes	(82,915)	64,187	494,894	919,898	18,079,699	21,559,028
19. Louisiana	LA	Yes	1,110	359,823	(1,218,670)	4,218,922	6,739,601	6,534,899
20. Maine	ME	Yes	(5,593)	60,799	1,760,226	77,157	135,629	449,746
21. Maryland	MD	Yes	205,719	18,485	2,661,910	3,943,569	19,373,866	25,398,735
22. Massachusetts	MA	Yes	(72,480)	215,446	13,448,735	61,684,234	19,535,722	21,464,574
23. Michigan	MI	Yes	133,094	237,837	3,424,954	3,353,470	8,864,275	17,107,685
24. Minnesota	MN	Yes	141,615	(117,829)	8,912,362	15,421,325	16,003,194	42,591,559
25. Mississippi	MS	Yes	(2,145)	136,676	304,920	329,701	3,855,923	4,346,048
26. Missouri	MO	Yes	(7,421)	(116,920)	1,290,478	2,460,592	3,986,276	5,696,328
27. Montana	MT	Yes	402	1,867	199,725	123,441	548,518	739,080
28. Nebraska	NE	Yes	(2,714)	(851,534)	59,124	432,349	1,428,207	3,747,009
29. Nevada	NV	Yes	(58,667)	102,655	1,005,004	2,224,470	2,552,349	5,139,873
30. New Hampshire	NH	Yes	124,823	1,131	163,870	609,112	3,919,538	5,517,753
31. New Jersey	NJ	Yes	27,307	729,249	13,085,702	13,389,309	71,859,609	84,338,892
32. New Mexico	NM	Yes	(2,172)	76,881	209,600	1,979,792	847,585	946,025
33. New York	NY	Yes	(346,089)	440,206	23,479,229	51,321,006	243,595,270	332,542,497
34. North Carolina	NC	Yes	(69,277)	440,263	1,354,232	13,285,329	11,155,993	17,354,086
35. North Dakota	ND	Yes	5,717	(4,168)		265,045	192,749	170
36. Ohio	OH	Yes	127,959	252,283	3,198,480	4,973,084	13,830,732	16,497,705
37. Oklahoma	OK	Yes	13,265	(31,600)	(502,134)	157,695	1,520,062	1,413,484
38. Oregon	OR	Yes	(108,636)	(1,161,710)	2,458,377	1,556,837	7,374,780	9,860,766
39. Pennsylvania	PA	Yes	(23,770)	1,229,167	15,814,069	9,390,384	38,598,099	57,211,146
40. Rhode Island	RI	Yes	(45,353)	65,253	(1,064,539)	326,486	5,336,731	5,988,252
41. South Carolina	SC	Yes	(13,898)	444,578	824,343	3,571,120	15,203,353	13,856,331
42. South Dakota	SD	Yes	(20,379)	(107,776)	33,336	32,162	493,008	162,312
43. Tennessee	TN	Yes	137,893	474,618	(2,098,791)	9,789,319	10,244,755	21,451,660
44. Texas	TX	Yes	(435,098)	(1,761,773)	1,966,757	7,474,225	91,293,101	121,573,922
45. Utah	UT	Yes	14,107	3,325	890,418	1,179,015	527,895	883,284
46. Vermont	VT	Yes	(2,362)	5,424	72,110	132,997	920,278	864,970
47. Virginia	VA	Yes	9,279	102,589	2,754,891	19,423,055	12,289,673	16,622,637
48. Washington	WA	Yes	61,802	(105,286)	1,222,236	987,757	11,525,260	13,694,999
49. West Virginia	WV	Yes	(2,427)	6,800	(23,112)	597,808	289,292	242,076
50. Wisconsin	WI	Yes	775,642	1,323,562	1,717,053	9,401,638	13,044,628	17,554,050
51. Wyoming	WY	Yes	241	35,334	14,161	72,846	(10,738)	148,550
52. American Samoa	AS	No	0	0	0	0	0	0
53. Guam	GU	Yes	0	0	0	0	0	0
54. Puerto Rico	PR	No	0	(39,536)	997,784	1,359,517	1,731,455	3,889,648
55. U.S. Virgin Islands	VI	No	0	0	0	0	0	(21)
56. Northern Mariana Islands	MP	Yes	14,139	0	0	0	0	0
57. Canada	CN	Yes	19,587	(129,192)	1,366,833	884,174	(352,672)	8,787,819
58. Aggregate Other Alien	OT	XXX	(46,516)	608,667	83,711	5,315,819	4,099,703	5,349,823
59. Totals	(a) 53		(207,572)	7,451,735	188,400,548	363,016,421	1,155,158,153	1,592,448,656
<b>DETAILS OF WRITE-INS</b>								
5801. Asia	XXX		5,568	3,617	0	50,127	1,440,068	1,252,582
5802. Australia	XXX		(61,303)	0	0	0	(6,267)	450,335
5803. Europe	XXX		9,219	115,699	83,711	5,265,692	2,766,109	3,431,078
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	489,351	0	0	(100,207)	215,828
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		(46,516)	608,667	83,711	5,315,819	4,099,703	5,349,823

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



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



^ American Manufacturers Mutual Insurance Company is a mutual company associated with Lumbermens Mutual Casualty Company.  
 † Kemper Lloyds Insurance Company is a Texas Lloyds association of underwriters under the sponsorship of Lumbermens Mutual Casualty Company.  
 \* Percentage includes one minority shareholder.  
 \*\* Percentage includes director qualifying shares.  
 Insurers are identified by shaded boxes. Percentages show common stock ownership as of 6/30/2006.

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	(5,243)	250,905	(4,785.5)	445.5
2. Allied Lines	(2,900)	(1,068)	36.8	1,624.1
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	1,536	5,683	370.0	67.6
5. Commercial multiple peril		167,772	0.0	372.1
6. Mortgage guaranty			0.0	0.0
8. Ocean marine	(705)	1,427	(202.4)	38.2
9. Inland marine	(993)	(6,744)	679.2	18.7
10. Financial guaranty			0.0	0.0
11.1. Medical malpractice - occurrence		18,132	0.0	0.0
11.2. Medical malpractice - claims-made		10,005	0.0	6,358.2
12. Earthquake	5	(44)	(880.0)	(1,037.7)
13. Group accident and health	717,286	(1,116)	(0.2)	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health		5,929	0.0	0.0
16. Workers' compensation	(1,013,215)	11,315,821	(1,116.8)	(28.4)
17.1. Other liability - occurrence	(23,906)	8,318,596	(34,797.1)	(1,031.5)
17.2. Other liability - claims-made	1,552,949	15,930,982	1,025.9	(41.5)
18.1. Products liability - occurrence	894,145	193,940	21.7	88.1
18.2. Products liability - claims-made			0.0	0.0
19.1,19.2 Private passenger auto liability	4,116	63,368	1,539.6	(23.8)
19.3,19.4 Commercial auto liability	(830,564)	635,822	(76.6)	(188.4)
21. Auto physical damage	44,969	(14,162)	(31.5)	20.4
22. Aircraft (all perils)		32,261	0.0	(506.4)
23. Fidelity	11,834	6,384	53.9	18.9
24. Surety	488,668	(1,757,722)	(359.7)	1,758.0
26. Burglary and theft			0.0	68.0
27. Boiler and machinery		(636)	0.0	(3,424.0)
28. Credit	29,599	3,519	11.9	5.9
29. International			0.0	0.0
30. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
31. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0.0	0.0
34. Totals	1,867,581	35,179,054	1,883.7	14.7
<b>DETAILS OF WRITE-INS</b>				
3301.			0.0	0.0
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0.0	0.0

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	28	(4,774)	65,842
2. Allied Lines	(1,197)	(3,887)	32,460
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	(143)	(65)	24,262
5. Commercial multiple peril	0		138,410
6. Mortgage guaranty	0		0
8. Ocean marine	0	(917)	(144)
9. Inland marine	(21,521)	(24,568)	254,327
10. Financial guaranty	0		0
11.1. Medical malpractice - occurrence	0		0
11.2. Medical malpractice - claims-made	0		1,261
12. Earthquake	0		(797)
13. Group accident and health	717,287	717,287	0
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	515,333	(1,013,218)	6,359,938
17.1. Other liability - occurrence	(66,033)	(790,215)	1,733,159
17.2. Other liability - claims-made	575,587	576,404	74,501
18.1. Products liability - occurrence	36,667	891,454	(2,202,601)
18.2. Products liability - claims-made	0		0
19.1,19.2 Private passenger auto liability	(651)	(2,028)	(51,189)
19.3,19.4 Commercial auto liability	(280,671)	(830,610)	90,534
21. Auto physical damage	12,784	40,403	(118,070)
22. Aircraft (all perils)	0		(14,795)
23. Fidelity	0	(28)	(3,702)
24. Surety	40,044	237,190	947,189
26. Burglary and theft	0		1,833
27. Boiler and machinery	0		0
28. Credit	0		119,317
29. International	0		0
30. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
31. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0
34. Totals	1,527,514	(207,572)	7,451,735
<b>DETAILS OF WRITE-INS</b>			
3301.	0		0
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2006 Loss and LAE Payments on Claims Reported as of Prior Year-End	2006 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2006 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2003 + Prior	1,868,239	78,674	1,946,913	337,361	21,464	358,825	1,646,916	68,701	(70,350)	1,645,267	116,038	(58,859)	57,179
2. 2004	18,363	29,271	47,634	3,967	29	3,996	12,996	268	20,461	33,725	(1,400)	(8,513)	(9,913)
3. Subtotals 2004 + Prior	1,886,602	107,945	1,994,547	341,328	21,493	362,821	1,659,912	68,969	(49,889)	1,678,992	114,638	(67,372)	47,266
4. 2005	2,673	12,344	15,017	2,093	44	2,137	3,609	693	(595)	3,707	3,029	(12,202)	(9,173)
5. Subtotals 2005 + Prior	1,889,275	120,289	2,009,564	343,421	21,537	364,958	1,663,521	69,662	(50,484)	1,682,699	117,667	(79,574)	38,093
6. 2006	XXX	XXX	XXX	XXX	11,401	11,401	XXX	456	(4,696)	(4,240)	XXX	XXX	XXX
7. Totals	1,889,275	120,289	2,009,564	343,421	32,938	376,359	1,663,521	70,118	(55,180)	1,678,459	117,667	(79,574)	38,093
8. Prior Year-End's Surplus As Regards Policyholders	168,313										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 6.2	2. (66.2)	3. 1.9
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 22.6

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

RESPONSE

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

.....YES.....

**Explanation:**

1.

**Bar Code:**

1.



**OVERFLOW PAGE FOR WRITE-INS**

PQ002 Additional Aggregate Lines for Page 02 Line 23.

\*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2304. Insurance recoveries related to UBIC.....	11,675,000	11,675,000	0	0
2305. Other admitted assets.....	111,550,455	21,524,669	90,025,786	101,733,664
2397. Summary of remaining write-ins for Line 23 from Page 02	123,225,455	33,199,669	90,025,786	101,733,664

PQ015 Additional Aggregate Lines for Page 15 Line 58.

\*SCT

	1	2	3	4	5	6	7
	Is Insurer Licensed? (Yes or No)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
5804. Central & South America.....	XXX		0		0	(97,876)	192,791
5805. Africa.....	XXX		489,351		0	(2,331)	23,037
5897. Summary of remaining write- ins for Line 58 from Page 15	XXX	0	489,351	0	0	(100,207)	215,828

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

**SCHEDULE A - PART 2**

Showing All Real Estate ACQUIRED During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2 City	3 State						
<b>NONE</b>								
9999999 - Totals								

**SCHEDULE A - PART 3**

Showing All Real Estate SOLD during the Current Quarter, including Payments during the Final Year on "Sales under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Book/Adjusted Carrying Value Less Encumbrances	11 Amounts Received	12 Foreign Exchange Profit (Loss) on Sale	13 Realized Profit (Loss) on Sale	14 Total Profit (Loss) on Sale	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred
	2 City	3 State													
<b>NONE</b>															
9999999 Totals															

EO1

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

**SCHEDULE B - PART 1**

Showing All Mortgage Loans ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12
Loan Number	2 City	3 State	Loan Type	Actual Cost	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation
<b>NONE</b>											
9999999 Totals					XXX	XXX					XXX

**SCHEDULE B - PART 2**

Showing All Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
Loan Number	2 City	3 State	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
AMI1392	Suwanee	GA		11/01/1999	111,324			110,511	104,960	0	(5,551)	(5,551)
AMM766	Orlando	FL		08/21/1995	41,154			40,679	38,641		(2,038)	(2,038)
AMM766-2	Orlando	FL		08/21/1995	8,257			8,163	7,827		(336)	(336)
LM1850-4	Plantation	FL		06/21/1996	164,843			162,715	154,572		(8,143)	(8,143)
LMC1851	Pleasantville	NY		05/17/1996	187,755			185,939	176,616		(9,323)	(9,323)
LMC2043	Plano	TX		05/28/1999	233,783			232,018	222,149		(9,869)	(9,869)
0299999 - Mortgages sold					747,116			740,025	704,765	0	(35,260)	(35,260)
9999999 Totals					747,116			740,025	704,765	0	(35,260)	(35,260)

E02

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE BA - PART 1

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

1 CUSIP Identification	2 Name or Description	3 Location		4 State	5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired 12/31/1983	8 Type and Strategy	9 Actual Cost	10 Amount of Encumbrances	11 Book/Adjusted Carrying Value Less Encumbrances	12 Fair Value	13 Increase (Decrease) By Adjustment	14 Increase (Decrease) by Foreign Exchange Adjustment	15 Commitment for Additional Investment	16 Percentage of Ownership	
		City															
000000-00-00	Delta Wetlands Joint Venture	Stockton	CA	Direct									(364,000)			28.188	
1899999 - Joint Venture Interests - Real Estate - Affiliated													(364,000)			XXX	
3199999 - Total Unaffiliated									0	0	0	0	0	0	0	0	XXX
3299999 - Total Affiliated									0	0	0	0	(364,000)	0	0	0	XXX
3399999 Totals									0	0	0	0	(364,000)	0	0	0	XXX



STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

**SCHEDULE BA - PART 2**

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/ Adjusted Carrying Value Less Encumbrances, Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/ Adjusted Carrying Value Less Encum- brances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		3 City	4 State											
3199999 - Total Unaffiliated														
3299999 - Total Affiliated														
<b>NONE</b>														
3399999 Totals														

E03.1

STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
31393Y-WD-3	FNR 2004-45 AY		.06/14/2006	KEYBANC CAPITAL MARKETS		12,217,074	12,308,425	20,001	1FE
3199999 - Total	- Bonds - Special Revenue					12,217,074	12,308,425	20,001	XXX
084670-C@-5	BERKSHIRE HATHAWAY INC BONDING FACILITY		.06/28/2006	DIRECT		11,431,792	11,431,792	0	1FE
126671-2U-9	CWL 2004-BC1 M1		.05/17/2006	BEAR STEARNS & CO		7,028,438	7,000,000	28,662	1FE
23242M-AA-9	CWL 2006-S3 A1		.06/16/2006	COUNTRYWIDE		10,000,000	10,000,000	0	1FE
38141E-JU-4	GOLDMAN SACHS GROUP INC		.05/18/2006	GOLDMAN SACHS & CO		12,522,000	12,500,000	85,417	1FE
4599999 - Total	- Bonds - Industrial, Misc.					40,982,229	40,931,792	114,079	XXX
6099997 - Total	- Bonds - Part 3					53,199,303	53,240,217	134,080	XXX
6099999 - Total	- Bonds					53,199,303	53,240,217	134,080	XXX
6599999 - Total	- Preferred Stocks					0	XXX	0	XXX
7299999 - Total	- Common Stocks					0	XXX	0	XXX
7399999 - Total	- Preferred and Common Stocks					0	XXX	0	XXX
7499999 - Totals						53,199,303	XXX	134,080	XXX

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

E04



STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
097014-AE-4	BOEING CAPITAL CORP.		05/15/2006	MATURITY		1,150,000	1,150,000	1,242,771	1,162,404	0	(12,404)	0	(12,404)	0	1,150,000	0	0	0	32,488	05/15/2006	1FE	
152314-PD-6	CXHE 2005-D AF1		06/01/2006	MBS PAYDOWN		1,872,619	1,872,619	1,872,619	1,872,619	0	0	0	0	0	1,872,619	0	0	0	40,284	09/01/2007	1FE	
17305E-AP-0	CCCIT 2001-A6 A6		06/15/2006	MBS PAYDOWN		600,000	600,000	620,028	606,014	0	(6,014)	0	(6,014)	0	600,000	0	0	0	16,950	06/15/2006	1FE	
358430-AA-4	FRIEDE GOLDMAN		06/14/2006	BANKRUPTCY DISTRIBUTION		64,380	0	0	0	0	0	0	0	0	0	0	64,380	64,380	0	09/15/2006	6	
36159M-AA-2	GEEST 2005-1 A1		06/22/2006	MBS PAYDOWN		3,140,227	3,140,227	3,140,227	3,140,227	0	0	0	0	0	3,140,227	0	0	0	49,362	06/22/2006	1FE	
36962G-LF-9	GENERAL ELEC CAP CORP.		04/07/2006	GOLDMAN SACHS & CO SECURITY CALLED BY ISSUER		8,693,920	8,000,000	8,766,480	8,529,628	0	(11,457)	0	(11,457)	0	8,518,171	0	175,749	175,749	317,400	09/15/2015	1FE	
38135N-AE-7	GOLDT 1 C1 CDO		05/01/2006	at 100.000		5,000,000	5,000,000	4,962,500	4,989,308	0	10,692	0	10,692	0	5,000,000	0	0	0	236,406	04/30/2007	2FE	
40430G-AG-5	HFCHC 2005-3 A1		06/20/2006	MBS PAYDOWN		1,491,324	1,491,324	1,491,324	1,491,324	0	0	0	0	0	1,491,324	0	0	0	30,936	02/20/2011	1FE	
43812N-AA-5	HAROT 2005-6 A1		06/18/2006	MBS PAYDOWN		3,053,652	3,053,652	3,053,652	3,053,652	0	0	0	0	0	3,053,652	0	0	0	60,153	08/18/2006	1FE	
637432-C0-6	NATIONAL RURAL UTILITIES		05/15/2006	MATURITY		2,125,000	2,125,000	2,360,131	2,156,181	0	(31,181)	0	(31,181)	0	2,125,000	0	0	0	63,750	05/15/2006	1FE	
65475B-AA-2	NAROT 2005-C A1		06/15/2006	MBS PAYDOWN		8,813,502	8,813,502	8,813,175	8,819,901	0	(6,399)	0	(6,399)	0	8,813,502	0	0	0	143,171	06/15/2006	1FE	
85333J-BE-6	SCCMT 1994-2 A		04/07/2006	MBS PAYDOWN		7,000,000	7,000,000	7,165,156	7,059,912	0	(59,912)	0	(59,912)	0	7,000,000	0	0	0	253,750	04/07/2006	1FE	
92927F-AA-1	WINM 2006-A A		06/15/2006	MBS PAYDOWN		1,102,995	1,102,995	1,102,913	1,101,405	0	1,590	0	1,590	0	1,102,995	0	0	0	14,207	07/15/2009	1FE	
54265N-30-4	LONG GROVE CLO LTD RESIDUAL INTEREST	F	05/25/2006	REDEMPTION		189,919	0	189,919	189,919	0	0	0	0	0	189,919	0	0	0	0	05/25/2016	6*	
459999	- Bonds - Industrial and Miscellaneous					74,562,469	73,614,251	75,045,827	74,437,425	0	(115,084)	0	(115,084)	0	74,322,341	0	240,128	240,128	1,898,551	XXX	XXX	
609999	- Bonds - Part 4					121,611,626	120,893,068	123,060,881	121,957,816	0	(179,912)	0	(179,912)	0	121,777,904	0	(166,278)	(166,278)	2,960,443	XXX	XXX	
609999	- Total - Bonds					121,611,626	120,893,068	123,060,881	121,957,816	0	(179,912)	0	(179,912)	0	121,777,904	0	(166,278)	(166,278)	2,960,443	XXX	XXX	
81238@-11-0	SEARS RISK MANAGEMENT CORP PFD CL D VTG		01/02/2006	DISSOLUTION		10,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	P6A	
639999	- Preferred Stocks - Industrial and Miscellaneous					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
659999	- Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
659999	- Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
582266-11-0	MCLEODUSA INC WARRANTS		05/31/2006	WRITE OFF		38,838,000	0	0	233	466	0	699	(233)	0	0	0	0	0	0	0	U	
689999	- Common Stocks - Industrial and Miscellaneous					0	XXX	0	233	466	0	699	(233)	0	0	0	0	0	0	0	XXX	XXX
48841@-10-0	KEMPER INTERNATIONAL CORP		05/30/2006	DISSOLUTION		0.000	721	721	721	0	0	0	0	0	721	0	0	0	0	0	A	
699999	- Common Stocks - Parent, Subsidiaries and Affiliates					721	XXX	721	721	0	0	0	0	0	721	0	0	0	0	0	XXX	XXX
729999	- Common Stocks - Part 4					721	XXX	721	954	466	0	699	(233)	0	721	0	0	0	0	0	XXX	XXX
729999	- Total - Common Stocks					721	XXX	721	954	466	0	699	(233)	0	721	0	0	0	0	0	XXX	XXX
739999	- Total - Preferred and Common Stocks					721	XXX	721	954	466	0	699	(233)	0	721	0	0	0	0	0	XXX	XXX
749999	Totals					121,612,347	XXX	123,061,602	121,958,770	466	(179,912)	699	(180,145)	0	121,778,625	0	(166,278)	(166,278)	2,960,443	XXX	XXX	

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

E05.1

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**



STATEMENT AS OF JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

**SCHEDULE E - PART 2 CASH EQUIVALENTS**

Showing Investments Owned End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
12819U-6H-8	CRC FUNDING LLC CP 07/17/2006		05/18/2006	0.000	07/17/2006	9,977,600	0	61,600
0199999 Total Cash Equivalents						9,977,600	0	61,600



SUPPLEMENT FOR JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL					(193,134)			
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY					193,134			
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	0	0	0	0	0	0	0	0
59. Totals	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0





SUPPLEMENT FOR JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

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

**NONE**



**SUPPLEMENT FOR JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY**

Designate the type of health care providers reported on this page  
Other Health Care Professionals

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

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama	AL				40			1,021
2. Alaska	AK							
3. Arizona	AZ				240			6,195
4. Arkansas	AR				53			1,365
5. California	CA		40,750	2	(44,207)	20,010	2	96,274
6. Colorado	CO				143			3,689
7. Connecticut	CT				67			1,736
8. Delaware	DE							
9. District of Columbia	DC							
10. Florida	FL				25			648
11. Georgia	GA				141			3,623
12. Hawaii	HI				48			1,238
13. Idaho	ID				76			1,960
14. Illinois	IL		32,500	1	152,933			(733,041)
15. Indiana	IN				3,462			(387,852)
16. Iowa	IA				2,249			(32,343)
17. Kansas	KS				204,437	60,000	1	224,007
18. Kentucky	KY				11			273
19. Louisiana	LA							
20. Maine	ME				22			575
21. Maryland	MD				47			1,199
22. Massachusetts	MA				29			736
23. Michigan	MI				678			17,480
24. Minnesota	MN				86			2,214
25. Mississippi	MS				50			1,279
26. Missouri	MO				11,355			282,738
27. Montana	MT				1			31
28. Nebraska	NE				16			419
29. Nevada	NV				29,675	5,000	1	40,097
30. New Hampshire	NH				75			1,937
31. New Jersey	NJ				98			2,535
32. New Mexico	NM				(77,599)			802
33. New York	NY		116,460	3	(139,424)	120,030	4	381,958
34. North Carolina	NC		30,000	1	(15,965)			609
35. North Dakota	ND							
36. Ohio	OH				149			3,836
37. Oklahoma	OK		69,000	3	(53,444)			(1,102)
38. Oregon	OR		600,424	7	(39,055)	265,510	8	681,105
39. Pennsylvania	PA				661			17,031
40. Rhode Island	RI							3
41. South Carolina	SC				30			763
42. South Dakota	SD				11			282
43. Tennessee	TN		47,500	2	(10,413)	31,000	3	125,562
44. Texas	TX				181			4,672
45. Utah	UT				175			4,521
46. Vermont	VT				61			1,581
47. Virginia	VA				85			2,183
48. Washington	WA				596			15,379
49. West Virginia	WV				13			333
50. Wisconsin	WI				225			5,798
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Northern Mariana Islands	MP							
57. Canada	CN							
58. Aggregate other alien	OT	0	0	0	0	0	0	0
59. Totals	0	0	936,634	19	28,137	501,550	19	785,349
<b>DETAILS OF WRITE-INS</b>								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



SUPPLEMENT FOR JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

Designate the type of health care providers reported on this page  
Other Health Care Facilities

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

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								4,200
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								.741,981
15. Indiana IN								477,114
16. Iowa IA								90,338
17. Kansas KS								2,878
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								10,029
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	0	0	0	0	0	0	0	0
59. Totals	0	0	0	0	0	0	0	1,326,540
<b>DETAILS OF WRITE-INS</b>								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



SUPPLEMENT FOR JUNE 30, 2006 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

Designate the type of health care providers reported on this page  
Medical Malpractice Policies

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

Table with 9 columns: States, Etc., Direct Premiums Written, Direct Premiums Earned, Direct Losses Paid (Amount, Number of Claims), Direct Losses Incurred, Direct Losses Unpaid (Amount Reported, Number of Claims), Direct Losses Incurred But Not Reported. Includes a large 'NONE' watermark and a 'DETAILS OF WRITE-INS' section at the bottom.