



QUARTERLY STATEMENT

AS OF JUNE 30, 2008
OF THE CONDITION AND AFFAIRS OF THE

LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

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

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

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

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

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

Internet Website Address www.kemperinsurance.com

Statutory Statement Contact Fredrick Thomas Griffith 847-320-3127
(Name) (Area Code) (Telephone Number) (Extension)
Fred.Griffith@kemperinsurance.com 847-320-3818
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OFFICERS

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

OTHER OFFICERS

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

<u>Douglas Sean Andrews</u>	<u>Peter Bannerman Hamilton</u>	<u>George Ralph Lewis</u>	<u>Arthur James Massolo</u>
<u>David Barrett Mathis</u>			

State of Illinois

ss

County of Lake

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

Douglas Sean Andrews
President and CEO

John Keating Conway
Secretary

Fredrick Thomas Griffith
Chief Financial Officer

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

Subscribed and sworn to before me this
12th day of August, 2008

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

STATEMENT AS OF JUNE 30, 2008 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	1,094,629,017		1,094,629,017	1,142,842,600
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	62,071,482		62,071,482	62,446,511
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ 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 (\$11,270,924), cash equivalents (\$0) and short-term investments (\$91,391,522)	102,662,446		102,662,446	155,761,516
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets	6,141,398	0	6,141,398	6,171,061
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	1,265,504,343	0	1,265,504,343	1,367,221,688
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	9,827,229		9,827,229	9,527,871
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	15,689,893	11,101,356	4,588,537	7,243,968
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	21,148,675	4,651,506	16,497,169	21,907,984
13.3 Accrued retrospective premiums	17,860,068	403,012	17,457,056	16,881,174
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	111,629,614		111,629,614	150,861,249
14.2 Funds held by or deposited with reinsured companies	12,216,276		12,216,276	11,568,086
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	694,844,736	694,844,736	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	153,226
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	105,045,956	14,298,465	90,747,491	98,882,268
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	2,253,766,790	725,299,075	1,528,467,715	1,684,247,514
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	2,253,766,790	725,299,075	1,528,467,715	1,684,247,514
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Amounts receivable under high deductible policies	18,897,014	6,905,032	11,991,982	16,343,662
2302. Advance to claims service provider	8,535,947		8,535,947	10,029,880
2303. Other admitted assets	77,612,995	7,393,433	70,219,562	71,696,960
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	811,766
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	105,045,956	14,298,465	90,747,491	98,882,268

STATEMENT AS OF JUNE 30, 2008 OF THE LUBBERMENS MUTUAL CASUALTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$1,308,000)	784,633,417	908,734,516
2. Reinsurance payable on paid losses and loss adjustment expenses	21,734,246	21,314,152
3. Loss adjustment expenses	278,963,142	328,662,125
4. Commissions payable, contingent commissions and other similar charges	1,187,824	1,509,174
5. Other expenses (excluding taxes, licenses and fees)	10,597,491	14,016,142
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	37,085,261	38,989,454
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	5,480,734	6,079,827
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$2,371,419 and including warranty reserves of \$370,600)	4,136,777	5,405,172
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	6,252,523	5,621,847
13. Funds held by company under reinsurance treaties	2,855,117	3,031,038
14. Amounts withheld or retained by company for account of others	130,946,460	123,516,395
15. Remittances and items not allocated	6,518,975	9,227,740
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	298,342	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	717,430	490,170
20. Payable for securities	0	0
21. Liability for amounts held under uninsured plans	0	0
22. Capital notes \$ and interest thereon \$	0	0
23. Aggregate write-ins for liabilities	56,836,682	66,985,376
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	1,348,244,421	1,533,583,128
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	1,348,244,421	1,533,583,128
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	0	0
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	1,500,000	1,500,000
31. Surplus notes	698,355,598	698,355,598
32. Gross paid in and contributed surplus	0	0
33. Unassigned funds (surplus)	(519,632,304)	(549,191,212)
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)	180,223,294	150,664,386
36. TOTALS	1,528,467,715	1,684,247,514
DETAILS OF WRITE-INS		
2301. Accounts payable and other liabilities	56,836,682	66,985,376
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)	56,836,682	66,985,376
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, 2008 OF THE LUBERMENS MUTUAL CASUALTY COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 375,778)	693,313	(280,505)	263,805
1.2 Assumed (written \$ (955,456))	394,554	5,254,925	8,966,558
1.3 Ceded (written \$ (1,331,455))	(932,306)	680,293	(4,500,874)
1.4 Net (written \$ 751,777)	2,020,173	4,294,127	13,731,237
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 2,068,000):			
2.1 Direct	1,631,426	12,506,435	92,365,589
2.2 Assumed	(52,625,169)	11,699,257	66,573,766
2.3 Ceded	(46,320,692)	(16,780,968)	21,957,313
2.4 Net	(4,673,051)	40,986,660	136,982,042
3. Loss adjustment expenses incurred	(3,088,296)	(5,371,621)	(42,036,268)
4. Other underwriting expenses incurred	32,100,216	20,344,923	57,956,166
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	24,338,869	55,959,962	152,901,940
7. Net income of protected cells	0	0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(22,318,696)	(51,665,835)	(139,170,703)
INVESTMENT INCOME			
9. Net investment income earned	25,351,602	30,167,721	68,422,989
10. Net realized capital gains (losses) less capital gains tax of \$	5,214,273	(4,028,224)	(3,662,654)
11. Net investment gain (loss) (Lines 9 + 10)	30,565,875	26,139,497	64,760,335
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 43,097 amount charged off \$ 1,872,762)	(1,829,665)	(239,750)	455,473
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	2,730,225	6,555,291	8,118,015
15. Total other income (Lines 12 through 14)	900,560	6,315,541	8,573,488
16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	9,147,739	(19,210,797)	(65,836,880)
17. Dividends to policyholders	(2,777,841)	4,015,658	5,082,057
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)	11,925,580	(23,226,455)	(70,918,937)
19. Federal and foreign income taxes incurred	(625,411)	(963,323)	(3,032,855)
20. Net income (Line 18 minus Line 19)(to Line 22)	12,550,991	(22,263,132)	(67,886,082)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	150,664,386	173,592,612	173,592,612
22. Net income (from Line 20)	12,550,991	(22,263,132)	(67,886,082)
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 \$	1,962,090	3,583,280	(3,031,350)
25. Change in net unrealized foreign exchange capital gain (loss)	(451,568)	3,140,300	5,146,261
26. Change in net deferred income tax	(10,201,451)	(419,056)	3,356,660
27. Change in nonadmitted assets	17,956,853	15,691,445	22,574,607
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	7,741,993	5,839,508	16,911,678
38. Change in surplus as regards policyholders (Lines 22 through 37)	29,558,908	5,572,345	(22,928,226)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	180,223,294	179,164,957	150,664,386
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other income	2,730,225	6,555,291	8,118,015
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	2,730,225	6,555,291	8,118,015
3701. Provision for uncollectible reinsurance	7,741,993	5,839,508	16,911,678
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	7,741,993	5,839,508	16,911,678

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	15,208,667	42,446,084
2. Net investment income	25,790,149	67,565,430
3. Miscellaneous income	252,370	9,682,628
4. Total (Lines 1 to 3)	41,251,186	119,694,142
5. Benefits and loss related payments	79,776,319	242,014,407
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	84,353,097	189,036,101
8. Dividends paid to policyholders	(2,420,347)	(12,474,173)
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(26,318)	(3,059,075)
10. Total (Lines 5 through 9)	161,682,751	415,517,260
11. Net cash from operations (Line 4 minus Line 10)	(120,431,565)	(295,823,118)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	488,589,740	707,352,244
12.2 Stocks	1,927,408	42,316,522
12.3 Mortgage loans	0	0
12.4 Real estate	59,500	4,015,225
12.5 Other invested assets	324,358	18,496,500
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	131,643	(673,404)
12.7 Miscellaneous proceeds	0	10,000
12.8 Total investment proceeds (Lines 12.1 to 12.7)	491,032,649	771,517,087
13. Cost of investments acquired (long-term only):		
13.1 Bonds	436,756,951	458,658,498
13.2 Stocks	0	16,324,000
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	840,000
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	436,756,951	475,822,498
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)	54,275,698	295,694,589
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).....	13,056,797	24,911,100
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	13,056,797	24,911,100
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(53,099,070)	24,782,571
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	155,761,516	130,978,945
19.2 End of period (Line 18 plus Line 19.1)	102,662,446	155,761,516

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

No change.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No change.

3. BUSINESS COMBINATIONS AND GOODWILL

No change.

4. DISCONTINUED OPERATIONS

No change.

5. INVESTMENTS

No change.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No change.

7. INVESTMENT INCOME

No change.

8. DERIVATIVE INSTRUMENTS

No change.

9. INCOME TAXES

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

		June 30, 2008		December 31, 2007
		(in thousands)		
Total of gross deferred tax assets	\$	700,228		710,429
Total of deferred tax liabilities		(5,383)		(5,383)
Net deferred tax asset		694,845		705,046
Deferred tax asset nonadmitted		(694,845)		(705,046)
Net admitted deferred tax asset		0		0
Decrease in nonadmitted asset	\$	10,201		

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

		June 30, 2008		December 31, 2007		Change
		(in thousands)				
Total deferred tax assets	\$	700,228		710,429	\$	(10,201)
Total deferred tax liabilities		(5,383)		(5,383)		0
Net deferred tax asset	\$	694,845		705,046		(10,201)
Tax effect of unrealized gains (losses)						0
Changes in net deferred income tax					\$	(10,201)

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, 2008
		(in thousands)
Provision computed at statutory rate	\$	4,174
Receivables		5,424
Other		(22)
Total	\$	9,576
Federal and foreign income taxes incurred	\$	(625)
Change in net deferred income taxes		10,201
Total statutory income taxes	\$	9,576

- F. No change.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

No change.

11. DEBT

No change.

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

No change.

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

Each payment of interest on and repayment of principal of the surplus notes issued by the Company in 1996 and 1997 may be made only with the prior approval of the Director of the Illinois Department of Financial and Professional Regulation – Division of Insurance (the “Division of Insurance”), which approval will only be granted if, in the judgment of the Director, the financial condition of the Company warrants the making of such payments and the Company's policyholders' surplus reflects sufficient funds to cover the amount of such payment. All payments of interest scheduled since January 1, 2003 have not been paid due to disapprovals by the Director based on the Company's financial condition. The cumulative amount of interest that was scheduled to be paid but is unpaid, plus the amount otherwise accruing in the first quarter of 2008 for which scheduled interest payment dates have not yet arrived, totaled \$341,162,500 as of June 30, 2008. In accordance with statutory accounting principles, this total amount is not reflected as a liability on the Company's statutory statement of assets, liabilities, surplus and other funds as of June 30, 2008. On May 9, 2008, the Division of Insurance disapproved the payments of interest due on June 1, 2008 and July 1, 2008 (and all previously disapproved interest payments) on the \$400,000,000 9.15% Surplus Notes due on July 1, 2026, the \$200,000,000 8.30% Surplus Notes due on December 1, 2037, and the \$100,000,000 8.45% Surplus Notes due on December 1, 2097.

14. CONTINGENCIES

No change.

15. LEASES

No change.

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

No change.

NOTES TO FINANCIAL STATEMENTS

17. **SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**
No change.
18. **GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**
No change.
19. **DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**
No change.
20. **OTHER ITEMS**
No change.
21. **EVENTS SUBSEQUENT**
No change.
22. **REINSURANCE**
No change.
23. **RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION**
No change.
24. **CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**
No change.
25. **INTERCOMPANY POOLING ARRANGEMENTS**
No change.
26. **STRUCTURED SETTLEMENTS**
No change.
27. **HEALTH CARE RECEIVABLES**
No change.
28. **PARTICIPATING POLICIES**
No change.
29. **PREMIUM DEFICIENCY RESERVES**
No change.
30. **HIGH DEDUCTIBLE**
No change.
31. **DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSE**
No change.
32. **ASBESTOS/ENVIRONMENTAL RESERVES**
No change.
33. **SUBSCRIBER SAVINGS ACCOUNT**
No change.
34. **MULTIPLE PERIL CROP INSURANCE**
No change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/11/2007
- 6.4 By what department or departments?
Illinois.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] NA []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:
.....

9.2 Has the code of ethics for senior managers been amended?..... Yes No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes No

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

INVESTMENT

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

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: \$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$59,677,331	\$61,240,003
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$5,315,221	\$5,315,221
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$64,992,552	\$66,555,224
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

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.

GENERAL INTERROGATORIES

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 Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes 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

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 St., 35th Floor, 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 No

17.2 If no, list exceptions:

.....

STATEMENT AS OF JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

GENERAL INTERROGATORIES

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] NA []
 If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
- 3.2 If yes, give full and complete information thereto.

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

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
1.Homeowners/Farmowners.....		4.200			212,154	212,154			(8,527)	(8,527)
2.Private Passenger Auto Liability.....		4.200			638,769	638,769			(25,674)	(25,674)
3.Commercial Auto Liability.....		4.200			11,239,780	11,239,780			(475,284)	(475,284)
4.Workers' Compensation.....		4.200			147,683,526	147,683,526			(39,276,779)	(39,276,779)
5.Commercial Multiple Peril.....		4.200			15,806,145	15,806,145			(657,172)	(657,172)
6.Medical Malpractice-Occurrence.....		4.200			61,337	61,337			(2,466)	(2,466)
7.Medical Malpractice-Claims Made.....		4.200			85,738	85,738			(3,450)	(3,450)
8.Special Liability.....		4.200			668,254	668,254			(15,324)	(15,324)
9.Other Liability-Occurrence.....		4.200			38,971,548	38,971,548			(1,792,696)	(1,792,696)
10.Other Liability-Claims Made.....		4.200			8,863,435	8,863,435			(320,696)	(320,696)
11.Special Property.....		4.200			(121,793)	(121,793)			(18,282)	(18,282)
12.Auto Physical Damage.....		4.200			(6,208)	(6,208)			252	252
13.Fidelity/Surety.....		4.200			2,331,589	2,331,589			(21,360)	(21,360)
14.Other.....		4.200			79,178	79,178			(3,180)	(3,180)
17.Reinsurance Nonproportional Assumed Liability.....		4.200			13,330,800	13,330,800			(570,018)	(570,018)
19.Products Liability-Occurrence.....		4.200			15,007,180	15,007,180			(1,613,980)	(1,613,980)
20.Products Liability-Claims Made.....		4.200			10,956	10,956			10,956	10,956
TOTAL			0	0	254,862,388	254,862,388	0	0	(44,793,680)	(44,793,680)

SCHEDULE F—CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
		AFFILIATES		
		US INSURERS		
		POOLS AND ASSOCIATIONS		
		ALL OTHER INSURERS		
NONE				

STATEMENT AS OF JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

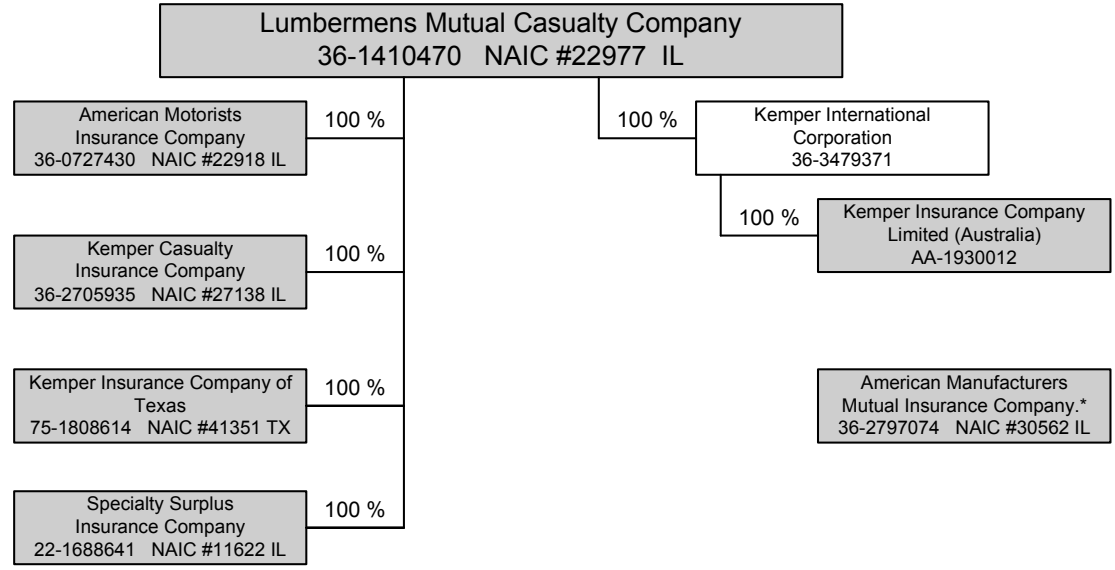
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
States, etc.	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	
1. Alabama	AL	L	3,480	(42)	332,413	602,575	8,256,799	8,310,596
2. Alaska	AK	L	140	(441)	1,404,927	355,903	1,227,076	1,179,681
3. Arizona	AZ	L	(11,352)	(31,713)	(129,566)	1,216,163	13,110,765	12,010,754
4. Arkansas	AR	L	14	0	(1,267,016)	2,751,514	2,968,585	5,883,982
5. California	CA	L	127,113	(388,633)	13,290,159	22,527,685	76,984,448	87,516,133
6. Colorado	CO	L	13,804	(27,767)	224,638	236,621	2,212,670	2,290,658
7. Connecticut	CT	L	(17,433)	20,379	571,346	3,982,027	12,656,555	13,665,590
8. Delaware	DE	L	17,202	1,341	151,849	144,720	3,995,435	2,097,714
9. District of Columbia	DC	L	(1,434)	(528)	1,420,055	789,516	1,327,071	5,034,429
10. Florida	FL	N	32,083	48,779	1,366,112	10,247,575	18,580,587	20,281,917
11. Georgia	GA	L	4,383	(30,714)	12,953,898	1,936,585	30,000,193	31,655,436
12. Hawaii	HI	L	61,274	82,824	323,589	403,428	2,957,756	2,822,170
13. Idaho	ID	L	731	(540)	(16,084)	(17,036)	6,577	(56,935)
14. Illinois	IL	L	220,760	(708,121)	2,406,301	(3,501,003)	49,647,083	41,810,943
15. Indiana	IN	L	(59,710)	15,758	262,993	99,012	4,920,543	5,948,942
16. Iowa	IA	L	132,192	28,710	172,407	444,456	1,964,487	2,241,711
17. Kansas	KS	L	(8,687)	(4,978)	26,139	(27,529)	2,588,919	1,974,062
18. Kentucky	KY	L	(9,181)	(3,497)	884,604	401,920	17,943,344	17,597,536
19. Louisiana	LA	L	24,385	(22,861)	27,944	1,701,978	2,561,985	5,436,150
20. Maine	ME	L	116	(9,367)	(38,010)	175,968	172,579	100,827
21. Maryland	MD	L	1,840	19,148	3,737,865	1,317,644	14,318,998	19,226,068
22. Massachusetts	MA	L	31,650	198,644	6,153,603	3,538,085	20,368,471	26,349,399
23. Michigan	MI	L	16,986	140,749	773,261	2,338,983	18,028,963	13,086,693
24. Minnesota	MN	L	108,709	62,226	722,838	1,951,300	7,495,396	7,997,309
25. Mississippi	MS	L	11,193	(1,136)	59,373	492,811	321,703	3,274,415
26. Missouri	MO	L	68,314	1,754	528,966	384,756	3,669,266	2,472,896
27. Montana	MT	L	112	(2,683)	246,081	106,993	600,573	462,419
28. Nebraska	NE	L	125	12,997	140,631	(38,423)	1,746,096	1,623,432
29. Nevada	NV	L	4,604	(9,929)	752,704	1,170,819	1,812,483	3,015,713
30. New Hampshire	NH	L	1,052	222,313	168,699	167,527	3,120,327	2,688,663
31. New Jersey	NJ	L	(146,093)	9,999	13,175,595	5,512,501	45,402,351	50,499,993
32. New Mexico	NM	L	5,103	6,645	(89,093)	131,334	407,449	385,713
33. New York	NY	L	112,816	3,878	23,635,005	22,666,720	92,597,682	156,142,245
34. North Carolina	NC	L	5,031	(198,002)	1,130,421	1,221,205	10,143,199	10,078,538
35. North Dakota	ND	L	57	(39)	3,708	(6,000)	(1,276)	151,778
36. Ohio	OH	L	2,102	(92)	1,118,880	3,244,479	15,719,791	19,663,302
37. Oklahoma	OK	L	0	594,199	96,882	119,144	2,144,679	939,690
38. Oregon	OR	L	40,559	(206,437)	384,456	215,385	5,511,591	6,757,810
39. Pennsylvania	PA	L	97,734	3,893	2,654,929	5,313,100	24,378,988	18,884,571
40. Rhode Island	RI	L	(450)	46,005	191,420	141,240	6,190,359	5,497,598
41. South Carolina	SC	L	(10,929)	8,596	530,956	4,245,332	10,733,051	10,469,722
42. South Dakota	SD	L	28	(1,117)	109,371	6,126	548,163	319,787
43. Tennessee	TN	L	3,385	9,854	494,806	1,270,816	11,067,632	11,016,584
44. Texas	TX	L	(99,060)	2,948	1,814,645	4,743,014	75,735,538	80,347,460
45. Utah	UT	L	5,816	(15,429)	57,352	(66,733)	559,463	439,979
46. Vermont	VT	L	338	1,229	159,873	97,612	556,686	756,712
47. Virginia	VA	L	9,337	4,828	916,251	633,365	6,814,710	5,911,811
48. Washington	WA	L	(8,576)	5	1,846,212	2,512,070	11,958,054	17,219,579
49. West Virginia	WV	L	(101)	1,253	(20,710)	9,800	120,984	22,507
50. Wisconsin	WI	L	(188,085)	(144,615)	6,372,207	983,273	5,897,107	8,578,457
51. Wyoming	WY	L	29	(93)	8,264	17,305	185,886	182,078
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	28,644	692,874	695,450	996,616
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	(1)
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	L	(72,763)	2,886	18,375,243	1,441	634,595	19,064,185
58. Aggregate Other Alien	OT	XXX	(154,965)	(241,918)	(21,187,820)	1,014,284	1,106,269	1,999,199
59. Totals	(a)	50	375,778	(498,852)	99,460,216	110,622,260	654,674,134	774,325,216
DETAILS OF WRITE-INS								
5801. Asia	XXX		(161,010)	34,470	6,447	702,713	464,781	752,845
5802. Australia	XXX		0	0	(21,194,880)	0	12,686	(6,594)
5803. Europe	XXX		0	(721)	613	311,683	640,171	1,515,426
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		6,045	(275,667)	0	(112)	(11,369)	(262,478)
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		(154,965)	(241,918)	(21,187,820)	1,014,284	1,106,269	1,999,199

(a) Insert the number of L 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 an affiliated mutual company.
Insurers are identified by shaded boxes. Percentages show common stock ownership as of 6/30/2008.

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	869	15,335	1,764.7	(34.0)
2. Allied Lines	464	160	34.5	59.6
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	38	1,550	4,078.9	(18,219.2)
5. Commercial multiple peril	(182,485)	34,551	(18.9)	(3.9)
6. Mortgage guaranty			0.0	0.0
8. Ocean marine		501	0.0	(1,025.5)
9. Inland marine	41	21	51.2	102.8
10. Financial guaranty			0.0	0.0
11.1 Medical malpractice - occurrence		78	0.0	0.0
11.2 Medical malpractice - claims-made		3,450	0.0	0.0
12. Earthquake	(23)	(26)	113.0	0.0
13. Group accident and health		903,699	0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health		3,096	0.0	36.9
16. Workers' compensation	333,908	(3,542,698)	(1,061.0)	(1,256.3)
17.1 Other liability - occurrence	(76,863)	936,724	(1,218.7)	1,079,895.8
17.2 Other liability - claims-made	365,436	308,796	84.5	(932.0)
18.1 Products liability - occurrence	70,140	2,424,972	3,457.3	102,107.8
18.2 Products liability - claims-made		(10,956)	0.0	0.0
19.1,19.2 Private passenger auto liability	(25)	7,904	(31,616.0)	175,242.9
19.3,19.4 Commercial auto liability	(108,223)	336,565	(311.0)	5,357.4
21. Auto physical damage	2,963	(3,808)	(128.5)	1,283.0
22. Aircraft (all perils)	(3,972)	17,478	(440.0)	(82.2)
23. Fidelity		48	0.0	0.0
24. Surety	291,045	(51,370)	(17.7)	(282.1)
26. Burglary and theft			0.0	0.0
27. Boiler and machinery		(216)	0.0	0.0
28. Credit		12	0.0	0.0
29. International			0.0	0.0
30. Warranty		245,560	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	693,313	1,631,426	235.3	(4,458.5)
DETAILS OF WRITE-INS				
3401.			0.0	0.0
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	0	(85)	85
2. Allied Lines	(33)	(220)	187
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	0		(26)
5. Commercial multiple peril	(1,198)	(1,198)	0
6. Mortgage guaranty	0		0
8. Ocean marine	0		(455)
9. Inland marine	100	100	1,552
10. Financial guaranty	0		0
11.1 Medical malpractice - occurrence	0		0
11.2 Medical malpractice - claims-made	0		0
12. Earthquake	(23)	(23)	0
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	0		12,372
16. Workers' compensation	949,474	333,905	(638,458)
17.1 Other liability - occurrence	(8,746)	(76,837)	821
17.2 Other liability - claims-made	0	(3,000)	12,407
18.1 Products liability - occurrence	(8,152)	61,187	(6,229)
18.2 Products liability - claims-made	0		0
19.1,19.2 Private passenger auto liability	(25)	(25)	0
19.3,19.4 Commercial auto liability	(104,701)	(108,223)	7,231
21. Auto physical damage	2,963	2,963	(336)
22. Aircraft (all perils)	(3,760)	(3,972)	(122,693)
23. Fidelity	0		0
24. Surety	122,225	171,206	235,411
26. Burglary and theft	0		0
27. Boiler and machinery	0		0
28. Credit	0		(721)
29. International	0		0
30. Warranty	0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	948,124	375,778	(498,852)
DETAILS OF WRITE-INS			
3401.	0		0
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0

STATEMENT AS OF JUNE 30, 2008 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)	2008 Loss and LAE Payments on Claims Reported as of Prior Year-End	2008 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2008 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. 2005 + Prior	1,299,783	(71,679)	1,228,104	155,109	10,231	165,340	1,178,459	10,754	(159,404)	1,029,809	33,785	(66,740)	(32,955)
2. 2006	756	5,453	6,209	(371)		(371)	1,544	2	(3,490)	(1,944)	417	(8,941)	(8,524)
3. Subtotals 2006 + Prior	1,300,539	(66,226)	1,234,313	154,738	10,231	164,969	1,180,003	10,756	(162,894)	1,027,865	34,202	(75,681)	(41,479)
4. 2007	784	2,300	3,084	88		88	486		33,631	34,117	(210)	31,331	31,121
5. Subtotals 2007 + Prior	1,301,323	(63,926)	1,237,397	154,826	10,231	165,057	1,180,489	10,756	(129,263)	1,061,982	33,992	(44,350)	(10,358)
6. 2008	XXX	XXX	XXX	XXX	982	982	XXX	128	1,487	1,615	XXX	XXX	XXX
7. Totals	1,301,323	(63,926)	1,237,397	154,826	11,213	166,039	1,180,489	10,884	(127,776)	1,063,597	33,992	(44,350)	(10,358)
8. Prior Year-End's Surplus As Regards Policyholders	150,664										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. 2.6	2. 69.4	3. (0.8)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (6.9)

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSE
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?NO.....
2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?YES.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?NO.....

Explanation:

- 1.
- 3.

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 23.

*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2304. Reinsurance accounted for as a deposit.....			0	811,766
2305.			0	0
2397. Summary of remaining write-ins for Line 23 from Page 02	0	0	0	811,766

PQ010 Additional Aggregate Lines for Page 10 Line 58.

*SCT

	1	2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
5804. Central & South America.....	XXX	0	0	0	0	(11,223)	(259,235)
5805. Africa.....	XXX	6,045	(275,667)	0	(112)	(146)	(3,243)
5897. Summary of remaining write-ins for Line 58 from Page 10	XXX	6,045	(275,667)	0	(112)	(11,369)	(262,478)

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.....	0	4,172,747
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....	59,500	(63,775)
5. Deduct amounts received on disposals.....	59,500	4,015,225
6. Total foreign exchange change in book/adjusted carrying value.....		0
7. Deduct current year's other than temporary impairment recognized.....		93,747
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amount.....		0
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book value/recorded investment excluding accrued interest receivable at end of prior year.....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		0
2.2 Additional investment made after acquisitions.....		0
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		0
7. Deduct amounts received on disposals.....		0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted accounts.....		0
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

SCHEDULE BA - VERIFICATION**Other Long Term Invested Assets**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	6,171,061	28,898,383
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions.....		840,000
2.2 Additional investment made after acquisitions.....		0
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....	294,695	245,925
5. Unrealized valuation increase (decrease).....		(6,026,820)
6. Total gain (loss) on disposals.....		710,073
7. Deduct amounts received on disposals.....	324,358	18,496,500
8. Deduct amortization of premium and depreciation.....		0
9. Total foreign exchange change in book/adjusted carrying value.....		0
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	6,141,398	6,171,061
12. Deduct total nonadmitted amounts.....		0
13. Statement value at end of current period (Line 11 minus Line 12).....	6,141,398	6,171,061

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.....	1,205,289,111	1,482,155,699
2. Cost of bonds and stocks acquired.....	436,756,952	474,982,498
3. Accrual of discount.....	1,617,711	3,576,895
4. Unrealized valuation increase (decrease).....	731,488	1,658,898
5. Total gain (loss) on disposals.....	5,023,130	105,050
6. Deduct consideration for bonds and stocks disposed of.....	490,517,148	749,668,765
7. Deduct amortization of premium.....	2,200,745	3,864,312
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		3,656,851
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1,156,700,498	1,205,289,111
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11).....	1,156,700,498	1,205,289,111

STATEMENT AS OF JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	1,198,579,432	561,955,416	579,136,447	(570,123)	1,198,579,432	1,180,828,277	0	1,270,489,167
2. Class 2 (a).....	12,070,618	0	8,680,496	255,265	12,070,618	3,645,387	0	17,105,282
3. Class 3 (a).....	0	0	0	0	0	0	0	0
4. Class 4 (a).....	0	0	0	0	0	0	0	0
5. Class 5 (a).....	0	0	0	0	0	0	0	0
6. Class 6 (a).....	1,851,003	0	365,386	61,258	1,851,003	1,546,875	0	2,455,367
7. Total Bonds	1,212,501,052	561,955,416	588,182,329	(253,600)	1,212,501,052	1,186,020,539	0	1,290,049,817
PREFERRED STOCK								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	1,212,501,052	561,955,416	588,182,329	(253,600)	1,212,501,052	1,186,020,539	0	1,290,049,817

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0 ; NAIC 2 \$.....0 ; NAIC 3 \$.....0 ; NAIC 4 \$.....0 ; NAIC 5 \$.....0 ; NAIC 6 \$.....0

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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	91,391,522	XXX	91,333,300	242,655	0

SCHEDULE DA - VERIFICATION**Short-Term Investments**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	146,965,401	114,732,314
2. Cost of short-term investments acquired	539,314,088	817,094,784
3. Accrual of discount.....	470,245	1,579,502
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	143,331	(4)
6. Deduct consideration received on disposals.....	595,499,996	786,432,663
7. Deduct amortization of premium.....	1,546	8,531
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	91,391,522	146,965,401
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	91,391,522	146,965,401

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

SCHEDULE E-VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	241,815	29,371,289
2. Cost of cash equivalents.....	0	4,378,568
3. Accrual of discount.....	1,079	60,200
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	242,894	33,565,000
7. Deduct amortization of premium.....	0	3,241
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	241,815
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	241,815

STATEMENT AS OF JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED and Additions Made During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
NONE								
0399999 - Totals								

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the 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 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11-9-10)	13 Total Foreign Exchange Change in B./A.C.V.							
1 acre of undeveloped land	Ela Township	IL	05/18/2008	Lake County Forest Preserve District															
0199999 - Property disposed													59,500		59,500	59,500			3,662
0399999 Totals													59,500		59,500	59,500			3,662

EO1

STATEMENT AS OF JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made after Acquisitions	9 Value of Land and Buildings
	2 City	3 State						
NONE								
3399999 Totals								

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment						14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value					
NONE																	
0599999 Totals																	

STATEMENT AS OF JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE BA - PART 2

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
NONE												
3999999 – Total Unaffiliated								0	0	0	0	XXX
4099999 – Total Affiliated								0	0	0	0	XXX
4199999 Totals								0	0	0	0	XXX

STATEMENT AS OF JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets **DISPOSED, Transferred or Repaid** During the Current Quarter

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value					15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		City	State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)						
000000-00-0	Community Eldercare Svcs. LLC 5% Nt 09/30/2010 Par = \$1,388,659	Tupelo	MS	Paydown	07/31/2007	05/31/2008	83,092		95,067			95,067		178,159	178,159		0	98,780
0799999	Fixed or Variable Rate - Bonds - Unaffiliated						83,092		95,067			95,067		178,159	178,159			98,780
3999999	Total Unaffiliated						83,092	0	95,067	0	0	95,067	0	178,159	178,159	0	0	98,780
4099999	Total Affiliated						0	0	0	0	0	0	0	0	0	0	0	0
4199999	Totals						83,092	0	95,067	0	0	95,067	0	178,159	178,159	0	0	98,780

E03.1

STATEMENT AS OF JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired 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)
3134A4-SA-3	FREDDIE MAC		05/28/2008	CREDIT SUISSE FIRST BOSTON		10,230,770	10,000,000	167,500	1FE
31359M-QV-8	FANNIE MAE		06/16/2008	CITIGROUP		13,648,298	13,500,000	206,625	1FE
31398A-HZ-8	FANNIE MAE		05/28/2008	GREENWICH CAPITAL MARKETS		13,469,742	13,000,000	17,153	1FE
0399999 - Total	Bonds - U.S. Government					37,348,810	36,500,000	391,278	XXX
31394X-SJ-6	FHR 2780 TC		05/29/2008	FIRST TENNESSEE		8,120,000	8,000,000	2,222	1FE
31395H-CC-2	FHR 2866 WN		05/27/2008	FIRST TENNESSEE		15,679,417	15,565,111	56,424	1FE
31395J-VL-7	FHR 2888 GB		05/21/2008	FIRST TENNESSEE		17,041,426	16,979,081	49,051	1FE
31395P-DP-4	FHR 2943 JB		06/25/2008	FIRST TENNESSEE		7,488,422	7,455,803	27,628	1FE
3199999 - Total	Bonds - Special Revenue					48,329,265	47,999,994	135,324	XXX
00206R-AF-9	AT&T INC		05/15/2008	VARIOUS		10,112,400	10,000,000	220,688	1FE
002824-AS-9	ABBOTT LABORATORIES		04/11/2008	VARIOUS		10,629,350	10,000,000	233,333	1FE
037411-AQ-8	APACHE CORP		05/28/2008	VARIOUS		9,744,316	9,200,000	75,069	1FE
084670-C@-5	BERKSHIRE HATHAWAY, INC. BOND		05/06/2008	VARIOUS		5,049,169	5,049,169	0	1
191219-BJ-2	COCA-COLA ENTERPRISES		04/10/2008	DEUTSCHE BANK SECURITIES		9,855,374	9,150,000	93,406	1FE
22541L-AB-9	CREDIT SUISSE FB USA INC		04/23/2008	CREDIT SUISSE FIRST BOSTON		10,438,300	10,000,000	272,222	1FE
24422E-QD-4	JOHN DEERE CAPITAL CORP		04/09/2008	BEAR STEARNS & CO		7,572,096	7,200,000	191,160	1FE
254687-CC-8	WALT DISNEY COMPANY		04/08/2008	BARCLAYS BANK		9,136,122	8,645,000	117,716	1FE
36962G-G5-7	GENERAL ELEC CAP CORP		04/22/2008	BARCLAYS BANK		14,993,550	15,000,000	94,792	1FE
40429C-FZ-0	HSBC FINANCE CORP		04/25/2008	GREENWICH CAPITAL MARKETS		10,176,000	10,000,000	214,694	1FE
45974V-A2-4	INTL LEASE FINANCE CORP		05/07/2008	JP MORGAN SECURITIES		8,096,400	8,000,000	187,833	1FE
617446-2T-5	MORGAN STANLEY		04/23/2008	UBS SECURITIES INC		9,972,500	10,000,000	252,292	1FE
87612E-AT-3	TARGET CORP		05/07/2008	BANK OF AMERICA		8,133,680	8,000,000	130,972	1FE
929903-CF-7	WACHOVIA CORP		04/29/2008	CREDIT SUISSE FIRST BOSTON		12,780,174	12,646,000	31,650	1FE
931142-BV-4	WAL-MART STORES		05/01/2008	CREDIT SUISSE FIRST BOSTON		6,996,037	6,890,000	63,948	1FE
94975C-AL-1	WELLS FARGO FINANCIAL		04/23/2008	GOLDMAN SACHS & CO		10,338,000	10,000,000	128,333	1FE
94984Y-AM-0	WFMS 2006-16 A12		05/30/2008	DESCAP SECURITIES		12,551,707	12,563,486	5,235	1FE
20825U-AB-0	CONOCO FUNDING CO		04/09/2008	BANK OF AMERICA		3,248,370	3,000,000	94,721	1FE
20825V-AA-0	CONOCOPHILLIPS CANADA		04/09/2008	JEFFERIES & CO		6,293,580	6,000,000	158,117	1FE
046353-AC-2	ASTRAZENECA PLC	F	04/10/2008	JP MORGAN SECURITIES		10,453,400	10,000,000	45,000	1FE
4599999 - Total	Bonds - Industrial, Misc					186,570,526	181,343,655	2,611,182	XXX
6099997 - Total	Bonds - Part 3					272,248,600	265,843,650	3,137,784	XXX
6099999 - Total	Bonds					272,248,600	265,843,650	3,137,784	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						272,248,600	XXX	3,137,784	XXX

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

E04

STATEMENT AS OF JUNE 30, 2008 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)	
783876-AN-3	SBC COMMUNICATIONS		05/27/2008	JEFFERTES & CO		9,018,270	9,000,000	8,816,850	8,847,632	0	35,799	0	35,799	0	8,883,431	0	134,839	134,839	262,969	09/15/2009	1FE	
852060-AC-6	SPRINT CAPITAL CORP		05/01/2008	CREDIT SUISSE FIRST BOSTON		7,960,000	8,000,000	7,994,080	7,999,367	0	248	0	248	0	7,999,615	0	(39,615)	(39,615)	232,750	11/15/2008	2FE	
92922F-BT-4	WAMU 2003-AR9 1A4		06/01/2008	MBS PAYDOWN		6,768,620	6,768,620	6,689,300	6,701,809	0	66,811	0	66,811	0	6,768,620	0	0	0	103,588	07/01/2008	1FE	
92927F-AA-1	WINM 2006-A A		06/15/2008	MBS PAYDOWN		413,805	413,805	413,877	413,263	0	542	0	542	0	413,805	0	0	0	8,742	05/15/2010	1FE	
U03190-AB-8	AMOCO CO (BPLN)		06/09/2008	MATURITY		15,000,000	15,000,000	15,986,103	15,078,481	0	(78,481)	0	(78,481)	0	15,000,000	0	0	0	900,000	06/09/2008	1FE	
54265N-30-4	LONG GROVE CLO LTD RESIDUAL INTEREST	F	05/27/2008	RETURN OF CAPITAL		365,386	0	365,386	365,386	0	0	0	0	0	365,386	0	0	0	0	05/25/2016	6*	
4599999 - Bonds - Industrial and Miscellaneous						161,193,510	160,262,595	161,107,065	155,771,431	0	54,584	0	54,584	0	160,400,617	0	792,893	792,893	3,970,163	XXX	XXX	
6099997 - Bonds - Part 4						319,263,707	315,115,888	316,614,396	309,216,575	0	215,667	0	215,667	0	315,710,896	0	3,552,811	3,552,811	7,254,349	XXX	XXX	
6099999 - Total - Bonds						319,263,707	315,115,888	316,614,396	309,216,575	0	215,667	0	215,667	0	315,710,896	0	3,552,811	3,552,811	7,254,349	XXX	XXX	
6599999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
04621*-10-1	ASSUREX DEV CORP CL A		04/01/2008	PUT BY HOLDER		488,250	1,927,408	1,416,897	1,927,408	(510,511)	0	0	(510,511)	0	1,416,897	0	510,511	510,511	0	0	A	
6899999 - Common Stocks - Industrial and Miscellaneous						1,927,408	XXX	1,416,897	1,927,408	(510,511)	0	0	(510,511)	0	1,416,897	0	510,511	510,511	510,511	0	XXX	XXX
7299997 - Common Stocks - Part 4						1,927,408	XXX	1,416,897	1,927,408	(510,511)	0	0	(510,511)	0	1,416,897	0	510,511	510,511	510,511	0	XXX	XXX
7299999 - Total - Common Stocks						1,927,408	XXX	1,416,897	1,927,408	(510,511)	0	0	(510,511)	0	1,416,897	0	510,511	510,511	510,511	0	XXX	XXX
7399999 - Total - Preferred and Common Stocks						1,927,408	XXX	1,416,897	1,927,408	(510,511)	0	0	(510,511)	0	1,416,897	0	510,511	510,511	510,511	0	XXX	XXX
7499999 Totals						321,191,115	XXX	318,031,293	311,143,983	(510,511)	215,667	0	(294,844)	0	317,127,793	0	4,063,322	4,063,322	7,254,349	XXX	XXX	

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

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, 2008 OF THE LUBBERMENS MUTUAL CASUALTY COMPANY

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Bank One..... Chicago, IL.....					920,947	1,506,309	1,114,989	XXX
BNY Midwest Trust Company..... Chicago, IL.....			48,116		(18,531,397)	(11,411,695)	(6,147,481)	XXX
Dominion Bank..... Toronto, Ontario, Canada.....					161,801	425,764	275,235	XXX
Royal Trust Company..... Toronto, Ontario, Canada.....			3,613		8,033	2,907	24,994	XXX
Wells Fargo..... San Francisco, CA.....					7,686,316	6,050,322	5,970,830	XXX
Federal Reserve Bank of St. Louis..... St. Louis, MO.....					10,000,000	10,000,000	10,000,000	XXX
0199998 Deposits in1 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX			36,074	35,705	32,357	XXX
0199999 Totals - Open Depositories	XXX	XXX	51,729		281,774	6,609,312	11,270,924	XXX
0399999 Total Cash on Deposit	XXX	XXX	51,729		281,774	6,609,312	11,270,924	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total Cash	XXX	XXX	51,729		281,774	6,609,312	11,270,924	XXX

Schedule E - Part 2 - Cash Equivalents
NONE



SUPPLEMENT FOR JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

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

NONE



SUPPLEMENT FOR JUNE 30, 2008 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
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0

NONE



SUPPLEMENT FOR JUNE 30, 2008 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				448			444
2. Alaska	AK							
3. Arizona	AZ				8,454			8,432
4. Arkansas	AR				675			671
5. California	CA				26,027			25,913
6. Colorado	CO				5,032			5,019
7. Connecticut	CT				1,450			1,443
8. Delaware	DE				2,019			2,019
9. District of Columbia	DC				101			101
10. Florida	FL				13,202			13,200
11. Georgia	GA				3,019			3,007
12. Hawaii	HI				516			512
13. Idaho	ID				2,086			2,079
14. Illinois	IL				23,784			23,752
15. Indiana	IN				10,738			10,429
16. Iowa	IA				137,785			137,583
17. Kansas	KS				658			651
18. Kentucky	KY				563			562
19. Louisiana	LA				0			0
20. Maine	ME				796			794
21. Maryland	MD				639			635
22. Massachusetts	MA				1,224			1,222
23. Michigan	MI				7,248			7,188
24. Minnesota	MN				3,749			3,741
25. Mississippi	MS				207			203
26. Missouri	MO				8,400			7,384
27. Montana	MT				384			384
28. Nebraska	NE				337			336
29. Nevada	NV		20,000	1	7,039			847
30. New Hampshire	NH				1,233			1,227
31. New Jersey	NJ				1,975			1,966
32. New Mexico	NM				14,447			14,444
33. New York	NY				21,007	55,000	2	68,191
34. North Carolina	NC				1,142			1,139
35. North Dakota	ND				144			144
36. Ohio	OH				2,740			2,727
37. Oklahoma	OK				45,964			45,968
38. Oregon	OR		595,000	2	(431,738)			20,492
39. Pennsylvania	PA				8,011			7,952
40. Rhode Island	RI				56			56
41. South Carolina	SC				764			762
42. South Dakota	SD				127			126
43. Tennessee	TN				40,967			40,960
44. Texas	TX				3,078			3,062
45. Utah	UT				1,228			1,213
46. Vermont	VT				229			224
47. Virginia	VA				1,436			1,428
48. Washington	WA				22,082			22,029
49. West Virginia	WV				144			142
50. Wisconsin	WI				1,872			1,852
51. Wyoming	WY				37			37
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	615,000	3	3,525	55,000	2	494,692
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



SUPPLEMENT FOR JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

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

NONE



SUPPLEMENT FOR JUNE 30, 2008 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

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

NONE