



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2007
OF THE CONDITION AND AFFAIRS OF THE

LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

Country of Domicile United States

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

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

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

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

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

Internet Website Address www.kemperinsurance.com

Statutory Statement Contact Fredrick Thomas Griffith 847-320-3127
(Name) (Area Code) (Telephone Number) (Extension)
Fred.Griffith@kemperinsurance.com 847-320-3818
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Policyowner Relations Contact 1 Kemper Dr., 12NW0301 Long Grove, IL 60049-0001 800-833-0355
(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 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

Subscribed and sworn to before me this
12th day of November, 2007

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

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

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

ASSETS

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

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

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$2,035,000)	943,938,259	1,087,138,476
2. Reinsurance payable on paid losses and loss adjustment expenses	24,282,488	33,129,868
3. Loss adjustment expenses	382,372,790	488,494,066
4. Commissions payable, contingent commissions and other similar charges	1,450,381	1,414,716
5. Other expenses (excluding taxes, licenses and fees)	14,840,179	22,763,756
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	39,689,636	43,722,214
7.1 Current federal and foreign income taxes (including \$0 on realized capital gains (losses))	7,440,334	6,053,607
7.2 Net deferred tax liability		0
8. Borrowed money \$0 and interest thereon \$0		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$4,577,003 and including warranty reserves of \$563,855)	6,948,571	9,463,192
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	8,887,880	12,639,888
13. Funds held by company under reinsurance treaties	2,950,703	3,787,577
14. Amounts withheld or retained by company for account of others	131,719,359	153,814,393
15. Remittances and items not allocated	5,936,645	7,281,322
16. Provision for reinsurance		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		4,993,035
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Payable for securities		0
21. Liability for amounts held under uninsured plans		0
22. Capital notes \$0 and interest thereon \$0		0
23. Aggregate write-ins for liabilities	61,274,154	88,170,204
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	1,631,731,379	1,962,866,314
25. Protected cell liabilities		0
26. Total liabilities (Lines 24 and 25)	1,631,731,379	1,962,866,314
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock		0
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)	(543,728,906)	(526,262,986)
34. Less treasury stock, at cost:		
34.10 shares common (value included in Line 28 \$0)		0
34.20 shares preferred (value included in Line 29 \$0)		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	156,126,692	173,592,612
36. TOTALS	1,787,858,071	2,136,458,926
DETAILS OF WRITE-INS		
2301. Accounts payable and other liabilities	61,274,154	88,170,204
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	61,274,154	88,170,204
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001. Guaranty fund	1,500,000	1,500,000
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	1,500,000	1,500,000

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$(305,152))	32,433	1,122,269	3,659,038
1.2 Assumed (written \$3,529,816)	6,214,729	17,023,792	21,207,479
1.3 Ceded (written \$(1,184,050))	(676,173)	5,398,085	5,622,751
1.4 Net (written \$4,408,714)	6,923,335	12,747,976	19,243,766
DEDUCTIONS:			
2. Losses incurred (current accident year \$2,587,000):			
2.1 Direct	36,265,408	118,395,855	(28,176,323)
2.2 Assumed	94,275,253	(11,389,526)	139,184,016
2.3 Ceded	29,584,747	(9,775,309)	18,322,603
2.4 Net	100,955,914	116,781,638	92,685,090
3. Loss expenses incurred	(16,395,495)	(10,469,986)	49,706,782
4. Other underwriting expenses incurred	38,208,566	76,225,846	90,577,836
5. Aggregate write-ins for underwriting deductions	0	(1,574,700)	(1,574,700)
6. Total underwriting deductions (Lines 2 through 5)	122,768,985	180,962,798	231,395,008
7. Net income of protected cells	0	0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(115,845,650)	(168,214,822)	(212,151,242)
INVESTMENT INCOME			
9. Net investment income earned	44,726,420	51,589,916	78,435,208
10. Net realized capital gains (losses) less capital gains tax of \$0	(4,429,019)	(1,487,560)	2,185,690
11. Net investment gain (loss) (Lines 9 + 10)	40,297,401	50,102,356	80,620,898
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$63,820 amount charged off \$74,863)	(11,043)	(15,987,259)	(32,330,053)
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	6,821,037	5,267,041	35,954,782
15. Total other income (Lines 12 through 14)	6,809,994	(10,720,218)	3,624,729
16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(68,738,255)	(128,832,684)	(127,905,615)
17. Dividends to policyholders	3,974,537	3,682,100	6,910,195
18. Net income, after dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(72,712,792)	(132,514,784)	(134,815,810)
19. Federal and foreign income taxes incurred	(1,672,348)	(2,176,292)	(28,425,559)
20. Net income (Line 18 minus Line 19)(to Line 22)	(71,040,444)	(130,338,492)	(106,390,251)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	173,592,612	168,313,151	168,313,151
22. Net income (from Line 20)	(71,040,444)	(130,338,492)	(106,390,251)
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$0	5,879,151	7,760,473	1,986,345
25. Change in net unrealized foreign exchange capital gain (loss)	4,993,035	768,855	346,641
26. Change in net deferred income tax	13,670,073	18,670,656	(58,278,929)
27. Change in nonadmitted assets	6,801,508	11,647,835	101,371,987
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	22,230,757	52,200,591	66,243,668
38. Change in surplus as regards policyholders (Lines 22 through 37)	(17,465,920)	(39,290,082)	5,279,461
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	156,126,692	129,023,069	173,592,612
DETAILS OF WRITE-INS			
0501. Change in premium deficiency reserve	0	(1,574,700)	(1,574,700)
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	(1,574,700)	(1,574,700)
1401. Other income	6,821,037	5,267,041	35,954,782
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	6,821,037	5,267,041	35,954,782
3701. Provision for uncollectible reinsurance	22,230,757	52,200,591	66,243,668
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	22,230,757	52,200,591	66,243,668

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	24,388,691	94,366,123
2. Net investment income	41,790,341	83,463,736
3. Miscellaneous income	6,582,546	1,505,521
4. Total (Lines 1 to 3)	72,761,578	179,335,380
5. Benefits and loss related payments	183,206,519	324,948,791
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	139,753,183	246,597,315
8. Dividends paid to policyholders	(6,745,352)	(18,320,480)
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	(3,059,075)	(26,222,821)
10. Total (Lines 5 through 9)	313,155,275	527,002,805
11. Net cash from operations (Line 4 minus Line 10)	(240,393,697)	(347,667,425)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	493,752,280	608,644,584
12.2 Stocks	0	10,828,635
12.3 Mortgage loans	0	768,916
12.4 Real estate	4,015,225	0
12.5 Other invested assets	2,026,125	1,250,908
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(736,109)	(344,633)
12.7 Miscellaneous proceeds	10,000	32,476,418
12.8 Total investment proceeds (Lines 12.1 to 12.7)	499,067,521	653,624,828
13. Cost of investments acquired (long-term only):		
13.1 Bonds	326,831,635	458,499,032
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	840,000	588,000
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	327,671,635	459,087,032
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	171,395,886	194,537,796
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	8,184,461	(24,162,328)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	8,184,461	(24,162,328)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(60,813,350)	(177,291,957)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	130,978,945	308,270,902
19.2 End of period (Line 18 plus Line 19.1)	70,165,595	130,978,945

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Accounting Policy

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

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No change.

3. BUSINESS COMBINATIONS AND GOODWILL

No change.

4. DISCONTINUED OPERATIONS

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

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

5. INVESTMENTS

No change.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No change.

7. INVESTMENT INCOME

No change.

8. DERIVATIVE INSTRUMENTS

No change.

9. INCOME TAXES

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

		September 30, 2007		December 31, 2006
Total of gross deferred tax assets	\$	718,200,265		704,530,192
Total of deferred tax liabilities		(2,840,665)		(2,840,665)
Net deferred tax asset		715,359,600		701,689,527
Deferred tax asset nonadmitted		(715,359,600)		(701,689,527)
Net admitted deferred tax asset		0		0
Increase in nonadmitted asset	\$	(13,670,073)		

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

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

NOTES TO FINANCIAL STATEMENTS

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

		September 30, 2007
Provision computed at statutory rate	\$	(25,449,477)
Receivables		9,417,713
Loss carryforwards		834,128
Prior period adjustments		(144,785)
Total	\$	(15,342,421)
Federal and foreign income taxes incurred	\$	(1,672,348)
Change in net deferred income taxes		(13,670,073)
Total statutory income taxes	\$	(15,342,421)

- F. No change.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

No change.

11. DEBT

No change.

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

No change.

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

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

14. CONTINGENCIES

D. In May 2007, the Florida Office of Insurance Regulation notified the Company that its license (certificate of authority to conduct insurance business in Florida) expired by operation of law due to the prior suspension of the license in 2004 (after the Company had entered run-off status). The license is not required for the Company to continue to handle claims, or to liquidate assets or liabilities, from its prior operations.

15. LEASES

No change.

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

No change.

NOTES TO FINANCIAL STATEMENTS

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

No change.

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

No change.

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

No change.

20. SEPTEMBER 11 EVENTS

No change.

21. OTHER ITEMS

No change.

22. EVENTS SUBSEQUENT

No change.

23. REINSURANCE

C. Reinsurance Assumed and Ceded

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

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

No change.

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

No change.

26. INTERCOMPANY POOLING ARRANGEMENTS

No change.

27. STRUCTURED SETTLEMENTS

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

NOTES TO FINANCIAL STATEMENTS

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

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

NOTES TO FINANCIAL STATEMENTS

28. HEALTH CARE RECEIVABLES

No change.

29. PARTICIPATING POLICIES

No change.

30. PREMIUM DEFICIENCY RESERVES

No change.

31. HIGH DEDUCTIBLES

No change.

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

No change.

33. ASBESTOS/ENVIRONMENTAL RESERVES

No change.

34. SUBSCRIBER SAVINGS ACCOUNT

No change.

35. MULTIPLE PERIL CROP INSURANCE

No change.

GENERAL INTERROGATORIES

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

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No []
- 2.2 If yes, date of change: 05/22/2007
If not previously filed, furnish herewith a certified copy of the instrument as amended.

- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/11/2007
- 6.4 By what department or departments?
Illinois, Delaware, Mississippi, Nevada.....

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [X] No []
- 7.2 If yes, give full information:
Information provided in Financial Note 14D.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

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: \$6,645,713

INVESTMENT

- 11.1 Has there been any change in the reporting entity's own preferred or common stock? Yes No
- 11.2 If yes, explain:
.....
- 12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 12.2 If yes, give full and complete information relating thereto:
.....
13. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$5,315,221
14. Amount of real estate and mortgages held in short-term investments: \$0
- 15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
- 15.2 If yes, please complete the following:

	1		2	
	Prior Year-End Book/Adjusted Carrying Value		Current Quarter Book/Adjusted Carrying Value	
15.21 Bonds	\$		\$	
15.22 Preferred Stock	\$		\$	
15.23 Common Stock	\$85,535,429		\$88,010,787	
15.24 Short-Term Investments	\$		\$	
15.25 Mortgage Loans on Real Estate	\$		\$	
15.26 All Other	\$27,666,041		\$28,236,759	
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$113,201,470		\$116,247,546	
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$		\$	

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

GENERAL INTERROGATORIES

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

Yes No

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

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

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

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

17.3 Have there been any changes, including name changes in the custodian(s) identified in 17.1 during the current quarter?

Yes No

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
109875.....	Asset Allocation & Management Company, L.L.C.....	30 N. LaSalle St., 35th Floor, Chicago, IL 60602.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes No

18.2 If no, list exceptions:

.....

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

GENERAL INTERROGATORIES

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

- 1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] NA []
If yes, attach an explanation.

- 2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.

- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
- 3.2 If yes, give full and complete information thereto.
.....

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

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

SCHEDULE A - VERIFICATION**Real Estate**

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

SCHEDULE B – VERIFICATION**Mortgage Loans**

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

SCHEDULE BA – VERIFICATION**Other Invested Assets**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	28,898,383	31,487,812
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions	840,000	0
2.2. Additional investment made after acquisitions	0	588,000
3. Accrual of discount	123,836	0
4. Increase (decrease) by adjustment	1,278,802	(1,926,521)
5. Total profit (loss) on sale	0	0
6. Amounts paid on account or in full during the period	2,026,125	1,250,908
7. Amortization of premium	0	0
8. Increase (decrease) by foreign exchange adjustment	0	0
9. Book/adjusted carrying value of long-term invested assets at end of current period	29,114,896	28,898,383
10. Total valuation allowance	0	0
11. Subtotal (Lines 9 plus 10)	29,114,896	28,898,383
12. Total nonadmitted amounts	0	0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	29,114,896	28,898,383

SCHEDULE D – VERIFICATION**Bonds and Stocks**

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

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

SCHEDULE D - PART 1B

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

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

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

	1	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	78,093,436	XXX	77,606,419	694,842	0

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

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

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule F

NONE

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

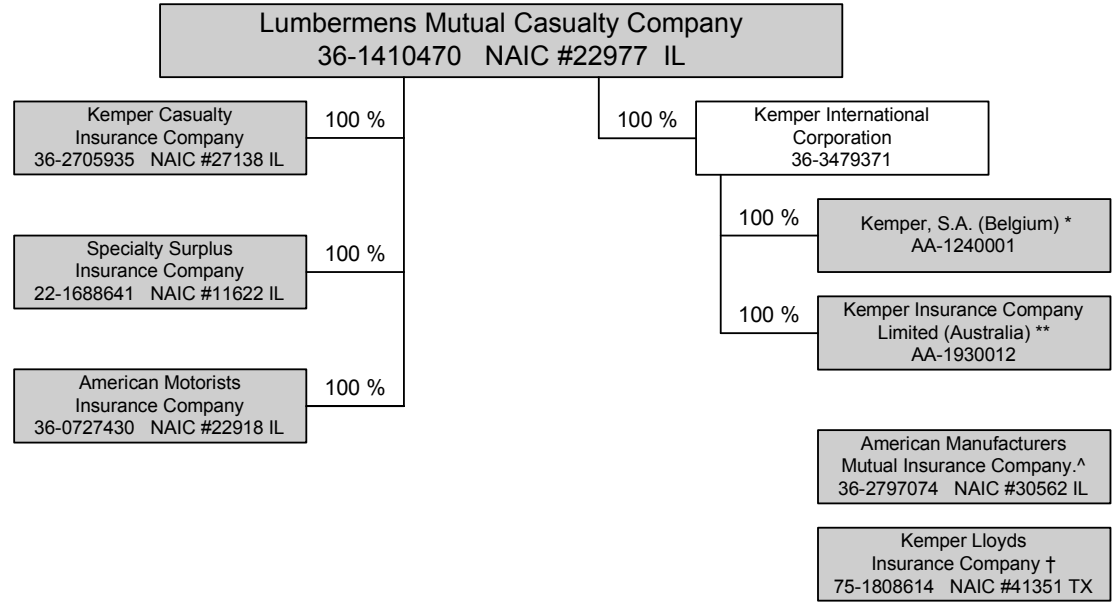
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	Yes	(1,518)	609,811	784,806	12,386,098	8,808,037	9,799,398
2. Alaska	AK	Yes	(618)	(61,938)	(559,932)	266,072	1,830,380	1,824,976
3. Arizona	AZ	Yes	(20,187)	61,557	1,401,957	1,368,204	13,041,834	12,246,841
4. Arkansas	AR	Yes	0	521	7,669,840	18,827,244	3,187,951	19,912,316
5. California	CA	Yes	(338,336)	60,307	27,671,325	44,347,505	87,302,877	133,639,704
6. Colorado	CO	Yes	(26,906)	(31,230)	479,996	1,739,831	2,638,884	1,973,272
7. Connecticut	CT	Yes	5,959	(28,775)	5,897,008	9,485,987	14,740,832	42,567,611
8. Delaware	DE	Yes	(8,473)	66,958	209,026	(1,761,569)	1,349,891	1,665,191
9. District of Columbia	DC	Yes	337	39,895	807,862	111,910	5,541,072	7,275,714
10. Florida	FL	No	53,872	(438,418)	10,567,879	(432,680)	21,727,592	34,950,558
11. Georgia	GA	Yes	(38,303)	(761,100)	5,332,913	8,261,453	43,415,341	17,632,148
12. Hawaii	HI	Yes	99,093	75,984	914,243	433,650	2,164,241	1,968,599
13. Idaho	ID	Yes	(549)	52,827	(42,694)	134,331	2,894	24,003
14. Illinois	IL	Yes	(670,980)	256,935	40,539	93,425,405	45,124,266	107,601,538
15. Indiana	IN	Yes	13,697	(40,917)	889,332	4,246,252	6,248,432	3,738,404
16. Iowa	IA	Yes	28,068	(77,819)	429,535	771,563	2,045,418	2,446,494
17. Kansas	KS	Yes	(5,476)	(81,553)	(78,252)	177,991	2,148,161	3,239,663
18. Kentucky	KY	Yes	(5,249)	(200,142)	700,628	1,287,912	19,153,560	21,243,692
19. Louisiana	LA	Yes	(13,609)	76,601	2,055,462	(1,148,196)	2,911,290	8,857,579
20. Maine	ME	Yes	(10,915)	(1,497)	183,244	1,770,700	173,250	189,343
21. Maryland	MD	Yes	23,130	205,365	2,211,002	4,822,819	21,003,953	24,302,314
22. Massachusetts	MA	Yes	212,126	(62,386)	8,578,932	14,136,751	21,464,566	18,813,139
23. Michigan	MI	Yes	164,667	136,399	2,820,777	3,759,146	15,349,370	11,657,301
24. Minnesota	MN	Yes	58,426	647	2,327,383	5,718,309	8,794,930	11,786,853
25. Mississippi	MS	Yes	(2,457)	(217,266)	481,134	103,380	1,969,094	2,065,036
26. Missouri	MO	Yes	2,573	(6,679)	521,449	1,711,514	3,355,953	4,755,214
27. Montana	MT	Yes	(2,866)	(1,570)	130,050	215,937	525,443	548,329
28. Nebraska	NE	Yes	12,732	(5,247)	(14,886)	81,585	1,704,238	1,943,126
29. Nevada	NV	Yes	(10,583)	(59,337)	3,309,235	1,369,197	2,013,985	1,933,373
30. New Hampshire	NH	Yes	225,471	122,712	418,902	288,071	3,113,642	5,139,361
31. New Jersey	NJ	Yes	16,217	26,823	6,785,602	19,369,543	54,436,617	83,848,564
32. New Mexico	NM	Yes	6,341	85,279	145,281	229,625	577,587	979,624
33. New York	NY	Yes	85,708	(384,475)	32,108,612	30,717,227	118,123,157	252,611,508
34. North Carolina	NC	Yes	(194,947)	(950,113)	1,858,607	1,419,553	11,390,672	13,283,100
35. North Dakota	ND	Yes	(56)	2,505	(6,000)	0	236,500	408,423
36. Ohio	OH	Yes	(3,994)	130,728	3,516,173	3,479,506	14,005,506	10,577,505
37. Oklahoma	OK	Yes	593,814	(92,305)	146,748	(469,872)	1,487,339	2,281,900
38. Oregon	OR	Yes	(215,059)	(575,086)	304,328	3,280,938	7,019,602	7,480,749
39. Pennsylvania	PA	Yes	3,899	(113,255)	7,653,153	22,137,824	20,064,040	37,655,793
40. Rhode Island	RI	Yes	46,043	(46,084)	412,964	(975,139)	6,076,451	6,036,197
41. South Carolina	SC	Yes	(31,964)	(9,223)	4,517,664	459,160	11,020,042	17,957,831
42. South Dakota	SD	Yes	(1,111)	(25,629)	10,716	46,005	640,973	574,798
43. Tennessee	TN	Yes	16,616	131,038	1,636,828	(1,231,468)	11,979,144	10,850,822
44. Texas	TX	Yes	(1,887)	(344,235)	5,449,013	2,679,765	89,040,009	102,922,453
45. Utah	UT	Yes	(14,906)	14,063	(34,534)	893,673	543,650	679,118
46. Vermont	VT	Yes	1,153	(3,990)	139,757	111,015	809,721	1,114,044
47. Virginia	VA	Yes	6,637	1,252	1,336,191	3,360,236	7,458,339	14,177,964
48. Washington	WA	Yes	724	150,149	3,958,871	1,816,749	14,636,765	12,986,223
49. West Virginia	WV	Yes	1,382	(2,921)	15,657	635,164	130,606	33,537
50. Wisconsin	WI	Yes	(124,770)	985,003	1,570,270	2,566,642	8,210,656	3,138,882
51. Wyoming	WY	Yes	4	747	22,508	17,638	191,881	(2,298)
52. American Samoa	AS	No	0	0	0	0	0	0
53. Guam	GU	Yes	0	0	0	0	0	0
54. Puerto Rico	PR	No	(40)	(312)	1,028,174	1,322,456	1,433,311	3,722,458
55. U.S. Virgin Islands	VI	No	0	0	0	0	0	0
56. Northern Mariana Islands	MP	Yes	0	14,139	0	0	0	0
57. Canada	CN	Yes	3,148	19,717	1,441	1,366,833	19,123,453	815,289
58. Aggregate Other Alien	OT	XXX	(241,230)	(46,517)	5,031,148	85,751	(16,528,822)	5,674,732
59. Totals	(a) 52		(305,152)	(1,342,057)	163,747,867	321,225,196	744,958,576	1,105,550,306
DETAILS OF WRITE-INS								
5801. Asia	XXX		34,470	5,567	702,713	0	872,353	2,922,867
5802. Australia	XXX		0	(61,303)	0	0	(17,370,669)	(2,280)
5803. Europe	XXX		(721)	9,219	4,328,547	85,751	35,681	2,761,701
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		(274,979)	0	(112)	0	(66,187)	(7,556)
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		(241,230)	(46,517)	5,031,148	85,751	(16,528,822)	5,674,732

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

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



^ American Manufacturers Mutual Insurance Company is a mutual company associated with Lumbermens Mutual Casualty Company.
 † Kemper Lloyds Insurance Company is a Texas Lloyds association of underwriters under the sponsorship of Lumbermens Mutual Casualty Company.
 * Percentage includes one minority shareholder.
 ** Percentage includes director qualifying shares.
 Insurers are identified by shaded boxes. Percentages show common stock ownership as of 09/30/2007.

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	133,731	(867,344)	(648.6)	(152.2)
2. Allied Lines	42,239	(4,538)	(10.7)	1,136.4
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	(64)	(249,403)	389,692.2	2,033.6
5. Commercial multiple peril	(767,111)	2,018,133	(263.1)	(7,068.1)
6. Mortgage guaranty			0.0	0.0
8. Ocean marine	(216)	(28,552)	13,218.5	(50,753.0)
9. Inland marine	1,595	371,552	23,294.8	124,898.1
10. Financial guaranty			0.0	0.0
11.1 Medical malpractice - occurrence		280	0.0	0.0
11.2 Medical malpractice - claims-made		182,714	0.0	0.0
12. Earthquake		2	0.0	(3,460.0)
13. Group accident and health		(672,512)	0.0	42.6
14. Credit accident and health			0.0	0.0
15. Other accident and health	12,372	(839)	(6.8)	0.0
16. Workers' compensation	(596,197)	30,848,639	(5,174.2)	(4,647.7)
17.1 Other liability - occurrence	2,539	29,620,318	1,166,613.5	(29,794.8)
17.2 Other liability - claims-made	924,454	(4,844,138)	(524.0)	261.6
18.1 Products liability - occurrence	7,060	(1,829,899)	(25,919.2)	88.4
18.2 Products liability - claims-made		(9,476)	0.0	0.0
19.1,19.2 Private passenger auto liability	21	5,897,334	28,082,542.9	52,470.0
19.3,19.4 Commercial auto liability	(3,968)	(3,537,388)	89,147.9	(963.0)
21. Auto physical damage	(977)	(341,933)	34,998.3	561.8
22. Aircraft (all perils)	(122,693)	(266,483)	217.2	0.0
23. Fidelity		(442,665)	0.0	4,780.7
24. Surety	400,369	(18,330,078)	(4,578.3)	(2,862.9)
26. Burglary and theft		(81)	0.0	0.0
27. Boiler and machinery		117,927	0.0	0.0
28. Credit	(721)	(1,366,162)	189,481.6	266.1
29. International			0.0	0.0
30. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
31. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0.0	0.0
34. Totals	32,433	36,265,408	111,816.4	10,549.7
DETAILS OF WRITE-INS				
3301.			0.0	0.0
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0	85	(7,512)
2. Allied Lines	(1)	186	(6,154)
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	0	(26)	(65)
5. Commercial multiple peril	0		200
6. Mortgage guaranty	0		0
8. Ocean marine	0	(455)	(711)
9. Inland marine	0	1,552	(24,588)
10. Financial guaranty	0		0
11.1 Medical malpractice - occurrence	0		0
11.2 Medical malpractice - claims-made	0		0
12. Earthquake	0		0
13. Group accident and health	0		717,287
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	42,257	(596,201)	(2,160,189)
17.1 Other liability - occurrence	1,754	2,575	(844,060)
17.2 Other liability - claims-made	0	12,407	542,979
18.1 Products liability - occurrence	(140)	(6,369)	860,798
18.2 Products liability - claims-made	0		0
19.1,19.2 Private passenger auto liability	0		(2,025)
19.3,19.4 Commercial auto liability	(11,199)	(3,968)	(955,134)
21. Auto physical damage	(641)	(977)	63,064
22. Aircraft (all perils)	0	(122,693)	0
23. Fidelity	0		(28)
24. Surety	161,670	397,081	474,081
26. Burglary and theft	0		0
27. Boiler and machinery	0		0
28. Credit	0	(721)	0
29. International	0		0
30. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
31. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0
34. Totals	193,700	(305,152)	(1,342,057)
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

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

Explanation:

1.

3.

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 23.

*ASSETS

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

PQ015 Additional Aggregate Lines for Page 15 Line 58.

*SCT

	1	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	(61,011)	(8,844)
5805. Africa.....	XXX	(274,979)	0	(112)	0	(5,176)	1,288
5897. Summary of remaining write-ins for Line 58 from Page 15	XXX	(274,979)	0	(112)	0	(66,187)	(7,556)

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

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

SCHEDULE BA - PART 1

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

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	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		
		3 City	4 State														
000000-00-0...	Community Eldercare Svcs, LLC 5% Nt 9/30/2010 Par = \$2,000,000	Tupelo	MS	Debt Restructuring		07/31/2007		840,000		821,239	1,674,486						
0799999 - Fixed	or Variable Rate - Bonds - Unaffiliated							840,000		821,239	1,674,486					XXX	
000000-00-0...	Community Eldercare Svcs, LLC cash flow Nt Par = \$2,000,000	Tupelo	MS	Debt Restructuring		07/31/2007		0		0	0						
1199999 - Fixed	or Variable Rate - Other Fixed Income - Unaffiliated							0		0	0					XXX	
3999999 - Total Unaffiliated								840,000	0	821,239	1,674,486	0	0	0	0	XXX	
4099999 - Total Affiliated								0	0	0	0	0	0	0	0	0	XXX
4199999 Totals								840,000	0	821,239	1,674,486	0	0	0	0	XXX	

E03

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

SCHEDULE BA - PART 2

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

1 CUSIP Identification	2 Name or Description	3 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											
000000-00-0	Community Eldercare Svcs Nt Due 8/30/04 collateral = receivables	Tupelo	MS	Debt Restructuring	08/27/2004	840,000			840,000	840,000				
2399999 - Collateral Loans - Unaffiliated														
						840,000			840,000	840,000				
3999999 - Total Unaffiliated						840,000	0	0	840,000	840,000	0	0	0	0
4099999 - Total Affiliated						0	0	0	0	0	0	0	0	0
4199999 Totals						840,000	0	0	840,000	840,000	0	0	0	0

E03.1

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

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator ^(a)
912827-5G-3	US TREASURY NOTE		09/26/2007	LEHMAN BROTHERS INC.		25,277,941	24,700,000	498,363	1
0399999 - Total	- Bonds - U.S. Government					25,277,941	24,700,000	498,363	XXX
31393X-UZ-8	FNR 2004-26 PA		08/23/2007	JEFFERIES & CO.		14,782,646	14,985,180	50,575	1FE
3199999 - Total	- Bonds - Special Revenue					14,782,646	14,985,180	50,575	XXX
02582J-CC-2	AMXCA 2002-5 A		08/16/2007	LEHMAN BROTHERS INC.		9,994,531	10,000,000	9,635	1FE
02635P-SS-3	AMERICAN GENERAL FINANCE		08/17/2007	BEAR STEARNS & CO.		4,860,850	5,000,000	75,885	1FE
05949A-JA-9	BOAMS 2004-F 2A6		08/28/2007	STIFEL NICOLAUS		14,667,188	15,000,000	51,812	1FE
12613X-CR-0	CNH 2005 - A A4B		09/13/2007	CREDIT SUISSE FIRST BOSTON		4,920,313	5,000,000	1,788	1FE
14912L-20-3	CATERPILLAR FIN SERV CRP		08/21/2007	BANK OF AMERICA		11,376,659	11,475,000	235,716	1FE
16163F-AH-8	CHASE 2007-S1 A8		08/24/2007	JP MORGAN SECURITIES		15,028,125	15,000,000	70,000	1FE
172967-CH-2	CITIGROUP INC.		08/21/2007	JP MORGAN SECURITIES		14,707,350	15,000,000	22,656	1FE
17305E-DA-0	CCCIT 2006-A2 A2		08/22/2007	CREDIT SUISSE FIRST BOSTON		14,938,095	15,000,000	34,354	1FE
22541N-S6-7	CSFB 2003-CK2 A2		08/17/2007	MERRILL LYNCH		13,407,506	13,574,000	30,572	1FE
36962G-R4-8	GENERAL ELEC CAP CORP.		08/20/2007	LEHMAN BROTHERS INC.		11,805,960	12,000,000	236,500	1FE
55264T-CV-1	MBNAS 2004-A10 A		08/16/2007	CREDIT SUISSE FIRST BOSTON		7,880,559	7,900,000	7,493	1FE
78387G-AN-3	SBC COMMUNICATIONS		08/17/2007	GOLDMAN SACHS & CO.		8,816,850	9,000,000	161,906	1FE
4599999 - Total	- Bonds - Industrial, Misc.					132,403,986	133,949,000	938,318	XXX
6099997 - Total	- Bonds - Part 3					172,464,573	173,634,180	1,487,255	XXX
6099999 - Total	- Bonds					172,464,573	173,634,180	1,487,255	XXX
6599999 - Total	- Preferred Stocks					0	XXX	0	XXX
7299999 - Total	- Common Stocks					0	XXX	0	XXX
7399999 - Total	- Preferred and Common Stocks					0	XXX	0	XXX
7499999 - Totals						172,464,573	XXX	1,487,255	XXX

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

E04

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE



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

MEDICARE PART D COVERAGE SUPPLEMENT

For The Quarter Ended SEPTEMBER 30, 2007

NAIC Group Code

NAIC Company Code

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

NONE

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



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

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

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

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	0	0	0	0	0	0	0	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 SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	0	0	0	0	0	0	0	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 SEPTEMBER 30, 2007 OF THE LUMBERMENS MUTUAL CASUALTY COMPANY

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

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

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama	AL				(4)			(4)
2. Alaska	AK							
3. Arizona	AZ				(22)			(22)
4. Arkansas	AR				(5)			(5)
5. California	CA				4,083			(117)
6. Colorado	CO				(13)			(13)
7. Connecticut	CT				(6)			(7)
8. Delaware	DE							
9. District of Columbia	DC							
10. Florida	FL				(2)			(2)
11. Georgia	GA				(13)			(13)
12. Hawaii	HI				(4)			(4)
13. Idaho	ID				(7)			(7)
14. Illinois	IL				744,347			(32)
15. Indiana	IN				476,796			(318)
16. Iowa	IA				90,132			(207)
17. Kansas	KS				2,871			(7)
18. Kentucky	KY				(1)			(1)
19. Louisiana	LA							
20. Maine	ME				(2)			(2)
21. Maryland	MD				(4)			(5)
22. Massachusetts	MA				(3)			(3)
23. Michigan	MI				(62)			(62)
24. Minnesota	MN				(8)			(8)
25. Mississippi	MS				(5)			(4)
26. Missouri	MO				8,987			(1,042)
27. Montana	MT							
28. Nebraska	NE				(1)			(1)
29. Nevada	NV				(23,433)	5,000	1	19,434
30. New Hampshire	NH				(7)			(7)
31. New Jersey	NJ				(9)			(9)
32. New Mexico	NM				(3)			(2)
33. New York	NY				47,342	55,000	2	90,289
34. North Carolina	NC				(2)			(2)
35. North Dakota	ND							
36. Ohio	OH				(14)			(14)
37. Oklahoma	OK				4			4
38. Oregon	OR		260,000	2	234,055	650,020	2	669,475
39. Pennsylvania	PA				(61)			(61)
40. Rhode Island	RI							
41. South Carolina	SC				(3)			(3)
42. South Dakota	SD				(1)			(1)
43. Tennessee	TN		16,354	2	(75,265)			(7)
44. Texas	TX				(17)			(17)
45. Utah	UT				(16)			(16)
46. Vermont	VT				(6)			(6)
47. Virginia	VA				(8)			(8)
48. Washington	WA				(55)			(54)
49. West Virginia	WV				(1)			(1)
50. Wisconsin	WI				(21)			(21)
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Northern Mariana Islands	MP							
57. Canada	CN							
58. Aggregate other alien	OT	0	0	0	0	0	0	0
59. Totals	0	0	276,354	4	1,509,533	710,020	5	777,087
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



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

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

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

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA					(4,200)			
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL					(741,981)			
15. Indiana IN					(477,114)			
16. Iowa IA					(90,339)			
17. Kansas KS					(2,878)			
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO					(10,029)			
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	0	0	0	0	0	0	0	0
59. Totals	0	0	0	0	(1,326,541)	0	0	0
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



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

Designate the type of health care providers reported on this page
 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