



**HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2004
OF THE CONDITION AND AFFAIRS OF THE**

Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070
(Current Period) (Prior Period)

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []
 Vision Service Corporation [] Other [] Health Maintenance Organization []
 Hospital, Medical & Dental Service or Indemnity [X] Is HMO, Federally Qualified? Yes [] No []

Incorporated 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 840 First Street NE, Washington, DC 20065
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 10455 Mill Run Circle
(Street and Number)
Owings Mills, MD 21117 410-581-3000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 10455 Mill Run Circle, Owings Mills, MD 21117
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle
(Street and Number)
Owings Mills, MD 21117 410-998-7011
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack 410-998-7011
(Name) (Area Code) (Telephone Number) (Extension)
bill.stack@carefirst.com 410-998-6850
(E-mail Address) (FAX Number)

Policyowner Relations Contact 840 First Street NE
(Street and Number)
Washington, DC 20065 800-321-3497
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

| Name | Title | Name | Title |
|------------------------------|---------------------------------|-------------------------------|---|
| <u>William Lockwood Jews</u> | <u>President & CEO</u> | <u>John Anthony Picciotto</u> | <u>Corp. Secretary, Exec. VP & Gen. Counsel</u> |
| <u>Jeanne Ann Kennedy</u> | <u>Corp. Treasurer & VP</u> | | |

OTHER OFFICERS

| | | | |
|-------------------------------------|--------------------------------------|----------------------------------|-------------------------------------|
| <u>Eric Randolph Baugh M.D.</u> | <u>Sr. VP, Chief Medical Officer</u> | <u>David Donald Wolf</u> | <u>Exec VP, Med Sysys, Corp Dev</u> |
| <u>Gregory Mark Chaney</u> | <u>Exec. VP & CFO</u> | <u>Gregory Allen Devou</u> | <u>Exec VP, Chief Mktg Office</u> |
| <u>Leon Kaplan</u> | <u>Exec VP, Operations</u> | <u>Gwendolyn Denise Skillern</u> | <u>Sr. VP and General Auditor</u> |
| <u>Edward William O'Neil</u> | <u>Sr. VP, Chief Actuary</u> | <u>Michael John Felber</u> | <u>SVP, Sales</u> |
| <u>Livio Renato Broccolino Esq.</u> | <u>Deputy General Counsel</u> | <u>Sharon Jean Vecchioni</u> | <u>Exec VP, Chief of Staff</u> |
| <u>Rita Ann Costello</u> | <u>Sr. VP, Strategic Marketing</u> | <u>Joseph Gabriel Rampone</u> | <u>Sr. VP, Operations</u> |

DIRECTORS OR TRUSTEES

| | | | |
|--|-------------------------------|--------------------------------------|--|
| <u>Father William James Byron S.J.</u> | <u>Michel Llewellyn Daley</u> | <u>Floretta Dukes McKenzie Ed.D.</u> | <u>Sister Carol Ann Keehan R.N.,M.S.</u> |
| <u>George Burch Wilkes III</u> | <u>Edward John Baran</u> | <u>Robert Marcellus Willis Esq.</u> | |

State of

ss

County of

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.

William Lockwood Jews
President & CEO

John Anthony Picciotto
Corp. Secretary, Exec. VP & Gen. Counsel

Jeanne Ann Kennedy
Corp. Treasurer & VP

Subscribed and sworn to before me this _____ day of _____,

- 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 _____

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | Dates | | |
|--|--|-------|---|---|------------------|-------------|--------------------------------|-------------|-------------|------------------------------|--|---|---|--|----------|-------------------|----------|-------------------------------|-----------------------------|------------|------------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | * | F | B | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | How Paid | Admitted Amount Due & Accrued | Gross Amt. Rec. During Year | Acquired | Maturity |
| ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | | | | | |
| 3133MU-DV-4 | FEDERAL HOME LN BKS. | | | | 1 | 1,642,287 | | 1,606,898 | 1,540,000 | 1,637,853 | 0 | (4,433) | 0 | 0 | 5.375 | 4.767 | MN | 10,577 | 82,775 | 03/08/2004 | 11/15/2017 |
| 3133MY-X5-1 | FEDERAL HOME LN BKS. | | | | 1 | 3,051,690 | | 2,959,680 | 3,000,000 | 3,046,562 | 0 | (5,128) | 0 | 0 | 3.950 | 3.710 | MN | 11,521 | 118,500 | 03/11/2004 | 05/26/2011 |
| 3133XO-E8-8 | FEDERAL HOME LN BKS. | | | | 1 | 4,103,240 | | 3,972,520 | 4,000,000 | 4,079,719 | 0 | (23,521) | 0 | 0 | 3.125 | 2.351 | FA | 47,222 | 62,500 | 03/11/2004 | 08/15/2007 |
| 3134AA-RH-9 | FEDERAL HOME LN MTG CORP. | | | | 1 | 5,180,050 | | 5,014,050 | 5,000,000 | 5,139,793 | 0 | (40,257) | 0 | 0 | 3.500 | 2.441 | MS | 51,528 | 175,000 | 03/08/2004 | 09/15/2007 |
| 3134AA-UP-7 | FEDERAL HOME LN MTG CORP. | | | | 1 | 5,022,600 | | 4,935,950 | 5,000,000 | 5,013,189 | 0 | (9,411) | 0 | 0 | 1.875 | 1.644 | FA | 35,417 | 49,219 | 03/08/2004 | 02/15/2006 |
| 3133ME-U6-6 | Federal Home Loan Bank 5.375% | | | | 1 | 1,029,270 | | 1,028,750 | 1,000,000 | 1,009,652 | 0 | (6,656) | 0 | 0 | 5.375 | 4.695 | MN | 5,868 | 53,750 | 11/29/2001 | 05/15/2016 |
| 31359M-UT-8 | FEDERAL NATIONAL MTG ASSN. | | | | 1 | 816,749 | | 96,906 | 809,165 | 304 | 0 | 304 | 0 | 0 | 4.125 | 4.458 | AO | 7,271 | 0 | 10/21/2004 | 04/15/2014 |
| 31359M-GK-3 | FEDERAL NATL MTG ASSN. | | | | 1 | 553,036 | | 119,156 | 475,000 | 552,616 | 0 | (419) | 0 | 0 | 6.625 | 5.515 | MN | 4,021 | 15,734 | 09/13/2004 | 11/15/2030 |
| 31359M-HK-2 | FEDERAL NATL MTG ASSN. | | | | 1 | 294,194 | | 107,250 | 293,293 | 293,293 | 0 | (901) | 0 | 0 | 5.500 | 4.314 | MS | 4,453 | 7,563 | 08/24/2004 | 03/15/2011 |
| 31359M-LS-0 | FEDERAL NATL MTG ASSN. | | | | 1 | 321,865 | | 106,500 | 300,000 | 321,103 | 0 | (762) | 0 | 0 | 5.375 | 4.230 | MN | 2,060 | 8,063 | 09/17/2004 | 11/15/2011 |
| 31359M-RL-9 | FEDERAL NATL MTG ASSN. | | | | 1 | 3,032,490 | | 98,813 | 3,000,000 | 3,020,539 | 0 | (11,951) | 0 | 0 | 2.250 | 1.751 | MN | 8,625 | 67,500 | 03/08/2004 | 05/15/2006 |
| 31359M-TU-7 | FEDERAL NATL MTG ASSN. | | | | 1 | 14,233,354 | | 98,969 | 14,103,083 | 14,229,460 | 0 | (3,894) | 0 | 0 | 2.000 | 2.155 | JJ | 131,417 | 70,383 | 12/08/2004 | 01/15/2006 |
| 31359M-VE-0 | FEDERAL NATL MTG ASSN. | | | | 1 | 1,298,602 | | 101,750 | 1,275,000 | 1,297,982 | 0 | (619) | 0 | 0 | 4.250 | 3.835 | MN | 6,924 | 0 | 12/08/2004 | 05/15/2009 |
| 31359M-WQ-2 | FEDERAL NATL MTG ASSN. | | | | 1 | 1,000,085 | | 99,000 | 1,000,000 | 1,000,080 | 0 | (5) | 0 | 0 | 3.125 | 3.147 | JD | 1,389 | 4,601 | 10/21/2004 | 12/15/2011 |
| 3133MQ-SR-6 | FHLB 4.5% | | | | 1 | 2,536,625 | | 102,688 | 2,500,000 | 2,525,598 | 0 | (4,915) | 0 | 0 | 4.500 | 4.299 | FA | 42,813 | 112,500 | 09/11/2002 | 08/14/2009 |
| 3133MJ-QF-0 | FHLB 5.50% | | | | 1 | 960,130 | | 105,531 | 1,000,000 | 965,930 | 0 | 1,992 | 0 | 0 | 5.500 | 5.997 | FA | 20,778 | 55,000 | 11/29/2001 | 08/15/2016 |
| 3133ME-UC-3 | FHLB 5.75% | | | | 1 | 1,008,940 | | 106,813 | 1,000,000 | 1,004,803 | 0 | (1,260) | 0 | 0 | 5.750 | 5.670 | MN | 7,347 | 57,500 | 06/26/2001 | 05/15/2008 |
| 3133MN-VV-0 | FHLB 5.750% | | | | 1 | 2,538,150 | | 109,469 | 2,500,000 | 2,530,173 | 0 | (3,233) | 0 | 0 | 5.750 | 5.625 | MN | 18,368 | 143,750 | 06/04/2002 | 05/15/2012 |
| 3133MD-BT-9 | FHLB 5.875% | | | | 1 | 1,246,713 | | 108,719 | 1,250,000 | 1,247,704 | 0 | 303 | 0 | 0 | 5.875 | 5.999 | FA | 27,743 | 73,438 | 06/26/2001 | 02/15/2031 |
| 3134A1-RG-7 | FHLMC 6.943% | | | | 1 | 2,110,000 | | 107,719 | 2,000,000 | 2,044,334 | 0 | (18,150) | 0 | 0 | 6.943 | 5.951 | MS | 38,572 | 138,860 | 01/25/2001 | 03/21/2007 |
| 31359M-EU-3 | FNMA 6.25% | | | | 1 | 1,000,000 | | 113,813 | 1,138,130 | 1,000,000 | 0 | 0 | 0 | 0 | 6.250 | 6.348 | MN | 7,986 | 62,500 | 09/25/2001 | 05/15/2023 |
| 83162C-EV-1 | SMALL BUS ADMIN GTD DEV 93-201 | | | | 1 | 621,004 | | 103,750 | 604,969 | 583,102 | 0 | (3,408) | 0 | 0 | 5.900 | 4.110 | MS | 11,468 | 34,403 | 01/23/2003 | 09/01/2019 |
| 83162C-LT-8 | SMALL BUS ADMIN GTD DEV PTC. | | | | 1 | 1,563,428 | | 106,781 | 1,563,882 | 1,464,570 | 0 | (3,412) | 0 | 0 | 6.120 | 5.595 | MS | 29,877 | 92,599 | 12/01/2003 | 09/01/2021 |
| 912810-FP-8 | U.S. Treasury Bonds 5.375% | | | | 1 | 132,461 | | 108,133 | 125,000 | 132,419 | 0 | (41) | 0 | 0 | 5.375 | 5.029 | FA | 2,538 | 0 | 09/13/2004 | 02/15/2031 |
| 912828-AZ-3 | U.S. Treasury Note 2.625% | | | | 1 | 4,590,000 | | 97,766 | 4,399,470 | 4,563,036 | 0 | (17,840) | 0 | 0 | 2.625 | 2.204 | MN | 15,337 | 118,125 | 06/24/2003 | 05/15/2008 |
| 912828-AY-6 | U.S. Treasury Note 2.00% | | | | 1 | 6,918,516 | | 98,680 | 6,918,516 | 7,000,000 | 0 | 0 | 0 | 0 | 0.000 | 0.000 | MN | 0 | 0 | 12/31/2004 | 05/15/2006 |
| 912810-FR-4 | UNITED STATES TREAS BDS. | | | | 1 | 440,952 | | 106,934 | 429,182 | 440,846 | 0 | (107) | 0 | 0 | 2.375 | 24,041,011.100 | JJ | 4,709 | 0 | 12/31/2004 | 01/15/2025 |
| 912828-BM-1 | UNITED STATES TREAS NTS. | | | | 1 | 2,936,953 | | 98,934 | 3,000,000 | 2,944,057 | 0 | 7,103 | 0 | 0 | 3.125 | 3.690 | AO | 20,089 | 46,875 | 06/25/2004 | 10/15/2008 |
| 912828-CT-5 | UNITED STATES TREAS NTS. | | | | 1 | 178,274 | | 100,223 | 175,390 | 178,222 | 0 | (53) | 0 | 0 | 4.250 | 4.058 | FA | 2,809 | 0 | 10/22/2004 | 08/15/2014 |
| 912828-BS-8 | UNITED STATES TREASURY | | | | 1 | 4,978,320 | | 99,219 | 4,960,950 | 5,000,000 | 0 | 4,684 | 0 | 0 | 1.875 | 2.266 | MN | 8,242 | 46,875 | 09/30/2004 | 11/30/2005 |
| 83162C-JX-2 | US SMALL BUS ADMIN 99-200 | | | | 1 | 343,091 | | 106,125 | 364,105 | 343,091 | 0 | 0 | 0 | 0 | 6.150 | 6.245 | AO | 5,275 | 22,105 | 04/06/1999 | 04/01/2019 |
| 83162C-JR-5 | US SMALL BUS ADMIN GTD 98-20L | | | | 1 | 409,439 | | 104,844 | 429,272 | 409,439 | 0 | 0 | 0 | 0 | 5.800 | 5.884 | JD | 1,979 | 25,390 | 12/08/1998 | 12/01/2018 |
| 83162C-KM-4 | US SMALL BUS ADMIN GTD D800-20A | | | | 1 | 338,563 | | 111,063 | 376,018 | 338,563 | 0 | 0 | 0 | 0 | 7.590 | 7.731 | JJ | 12,848 | 30,917 | 01/07/2000 | 01/01/2020 |
| 83162C-HM-8 | US SMALL BUS ADMIN GTD D897-20E | | | | 1 | 172,752 | | 107,750 | 186,141 | 172,752 | 0 | 0 | 0 | 0 | 7.300 | 7.433 | MN | 2,102 | 13,484 | 05/06/1997 | 05/01/2017 |
| 83162C-JF-1 | US SMALL BUS ADMIN GTD DEV 98-20E | | | | 1 | 882,754 | | 106,063 | 869,682 | 882,235 | 0 | (579) | 0 | 0 | 6.300 | 6.075 | MN | 9,132 | 56,875 | 05/29/2002 | 05/01/2018 |
| 912828-AY-6 | US Treasury 2.00% | | | | 1 | 4,575,938 | | 98,820 | 4,446,900 | 4,536,374 | 0 | (26,123) | 0 | 0 | 2.000 | 1.407 | MN | 11,685 | 90,000 | 06/24/2003 | 05/15/2006 |
| 912828-AH-3 | US Treasury 3.25% 08/15/07 | | | | 1 | 7,539,199 | | 100,148 | 7,500,000 | 7,534,366 | 0 | (4,834) | 0 | 0 | 3.250 | 3.400 | FA | 92,069 | 73,125 | 12/17/2004 | 08/15/2007 |
| 912828-AT-7 | US Treasury Note 3.0% | | | | 1 | 4,901,953 | | 99,184 | 5,000,000 | 4,916,033 | 0 | (14,080) | 0 | 0 | 3.000 | 3.605 | FA | 56,658 | 75,000 | 06/10/2004 | 02/15/2008 |
| 912828-AF-7 | US Treasury Note 3.00% | | | | 1 | 1,114,519 | | 111,590 | 1,181,392 | 1,142,327 | 0 | (17,027) | 0 | 0 | 3.000 | 3,173,162.702 | JJ | 14,672 | 31,141 | 12/31/2004 | 07/15/2012 |
| 912827-6X-5 | US Treasury Note 4.625% | | | | 1 | 6,891,416 | | 102,305 | 6,777,706 | 6,836,009 | 0 | (53,264) | 0 | 0 | 4.625 | 2.265 | MN | 39,782 | 153,412 | 12/31/2004 | 05/15/2006 |
| 0199999 | Total Bonds - U.S. Government - Issuer Obligations | | | | | 102,509,602 | XXX | 102,280,640 | 101,294,071 | 102,227,542 | | (233,737) | | | XXX | XXX | XXX | 834,171 | 2,269,462 | XXX | XXX |
| SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES | | | | | | | | | | | | | | | | | | | | | |
| 36202D-ZY-0 | GNMA PASS-THRU M SINGLE FAMILLY | | | | 1 | 3,319,018 | | 102,137 | 3,347,836 | 3,277,790 | 0 | (291) | 0 | 0 | 5.500 | 5.274 | MON | 15,023 | 180,650 | 11/03/2003 | 10/20/2033 |
| 36290S-GB-1 | GNMA PASS-THRU X SINGLE FAMILLY | | | | 1 | 2,565,552 | | 100,216 | 2,535,439 | 2,565,417 | 0 | (135) | 0 | 0 | 5.000 | 4.796 | MON | 10,542 | 94,874 | 03/08/2004 | 08/15/2033 |
| 36216F-XE-5 | GNMA PL#163677 9.50% 7/15/16 | | | | 1 | 4,634 | | 112,453 | 4,781 | 4,510 | 0 | (14) | 0 | 0 | 9.500 | 4.485 | MON | 34 | 413 | 09/24/1993 | 07/15/2016 |
| 36216G-J7-4 | GNMA PL#164186 9.50% 5/15/16 | | | | 1 | 6,292 | | 112,453 | 6,620 | 5,887 | 0 | (14) | 0 | 0 | 9.500 | 4.490 | MON | 47 | 636 | 04/25/1994 | 05/15/2016 |
| 36216J-PK-2 | GNMA PL#166126 9.50% 7/15/16 | | | | 1 | 19,015 | | 112,453 | 20,007 | 18,629 | 0 | (50) | 0 | 0 | 9.500 | 4.120 | MON | 141 | 1,692 | 04/25/1994 | 07/15/2016 |
| 36216S-X8-0 | GNMA PL#173603 9.50% 8/15/16 | | | | 1 | 3,636 | | 112,453 | 3,826 | 3,565 | 0 | (8) | 0 | 0 | 9.500 | 4.884 | MON | 27 | 323 | 04/25/1994 | 08/15/2016 |
| 36218E-AH-4 | GNMA PL#2197085F 9.50% 9/15/17 | | | | 1 | 25,130 | | 112,636 | 25,968 | 23,055 | 0 | (79) | 0 | 0 | 9.500 | 8.533 | MON | 183 | 2,192 | 09/24/1993 | 09/15/2017 |
| 36219H-JS-3 | GNMA PL#249673 9.500% 10/15/18 | | | | 1 | 13,277 | | 112,770 | 13,889 | 12,316 | 0 | (30) | 0 | 0 | 9.500 | 5.215 | MON | 98 | 1,171 | 11/29/1993 | 10/15/2018 |
| 36209G-TX-5 | GNMA Pool #471366 5.5% | | | | 1 | 26,471 | | 102 | | | | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | Dates | | |
|--|--|-------|---|-----------|------------------|-------------|--------------------------------|-------------|-------------|------------------------------|--|--|---|--|----------|-------------------|----------|-------------------------------|-----------------------------|------------|------------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | * | F | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | How Paid | Admitted Amount Due & Accrued | Gross Amt. Rec. During Year | Acquired | Maturity |
| 36201S-SE-0 | GNMA POOL #59197 | | | | 1 | 16,401 | 102.2310 | 16,144 | 15,791 | 16,389 | 0 | (8) | 0 | 0 | 5.500 | 4.141 | MON | 72 | 871 | 07/01/2003 | 03/15/2033 |
| 36200F-PB-8 | GNMA POOL #59918 5.5% | | | | 1 | 31,229 | 102.2310 | 30,740 | 30,069 | 31,205 | 0 | (16) | 0 | 0 | 5.500 | 4.386 | MON | 138 | 1,657 | 07/01/2003 | 04/15/2033 |
| 36200K-SB-1 | GNMA POOL #603643 5.5% | | | | 1 | 17,539 | 102.2310 | 17,264 | 16,887 | 17,526 | 0 | (9) | 0 | 5.500 | 4.070 | MON | 77 | 930 | 07/01/2003 | 04/15/2033 | |
| 36200M-N5-8 | GNMA POOL #604412 | | | | 1 | 812,453 | 100.2160 | 785,844 | 784,150 | 811,977 | 0 | (403) | 0 | 5.000 | 4.227 | MON | 3,267 | 39,296 | 06/23/2003 | 06/15/2033 | |
| 36202T-5J-1 | GNMA POOL #609349 6% | | | | 1 | 122,570 | 103.7080 | 121,569 | 117,222 | 122,470 | 0 | (64) | 0 | 6.000 | 3.282 | MON | 586 | 7,197 | 07/01/2003 | 02/15/2033 | |
| 36202T-6C-5 | GNMA POOL #609367 5.5% | | | | 1 | 605,233 | 102.2310 | 595,740 | 582,739 | 604,787 | 0 | (288) | 0 | 5.500 | 4.011 | MON | 2,671 | 32,208 | 07/01/2003 | 03/15/2033 | |
| 36202X-VV-3 | GNMA POOL #612824 | | | | 1 | 559,684 | 102.2310 | 550,905 | 538,883 | 559,278 | 0 | (263) | 0 | 5.500 | 4.300 | MON | 2,470 | 29,713 | 07/01/2003 | 06/15/2033 | |
| 36225A-4V-9 | GNMA POOL #780836 8.25% 4/15/ | | | | 1 | 285,719 | 109.6510 | 294,929 | 268,971 | 282,729 | 0 | (594) | 0 | 8.250 | 6.230 | MON | 1,849 | 22,403 | 07/28/1998 | 04/15/2020 | |
| 0299999 | Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | 9,546,873 | XXX | 9,496,745 | 9,323,620 | 9,542,114 | | (2,881) | | XXX | XXX | XXX | | 42,409 | 478,690 | XXX | XXX |
| 0399999 | Total - U.S. Government Bonds | | | | | 112,056,475 | XXX | 111,777,385 | 110,617,691 | 111,769,656 | | (236,618) | | XXX | XXX | XXX | | 876,580 | 2,748,152 | XXX | XXX |
| ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | | | | | |
| 452151-LF-8 | Illinois State 5.10% | | | | 1FE | 198,538 | 96.0570 | 216,128 | 225,000 | 198,727 | 0 | 205 | 0 | 5.100 | 6.046 | JD | 956 | 5,738 | 06/18/2004 | 06/01/2033 | |
| 1199999 | Total Bonds - States, Territories and Possessions - Issuer Obligations | | | | | 198,538 | XXX | 216,128 | 225,000 | 198,727 | | 205 | | XXX | XXX | XXX | | 956 | 5,738 | XXX | XXX |
| 1799999 | Total - States, Territories and Possessions | | | | | 198,538 | XXX | 216,128 | 225,000 | 198,727 | | 205 | | XXX | XXX | XXX | | 956 | 5,738 | XXX | XXX |
| SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES | | | | | | | | | | | | | | | | | | | | | |
| 31402D-FV-7 | Federal National Mtg Assn. | | | | 1 | 4,021,856 | 106.0600 | 4,057,928 | 3,826,069 | 4,016,325 | 0 | (5,531) | 0 | 6.500 | 5.687 | MON | 20,725 | 103,623 | 06/17/2004 | 07/01/2017 | |
| 31402Q-R5-2 | FEDERAL NATIONAL MTG ASSN. | | | | 1 | 6,184,687 | 100.0000 | 6,003,640 | 6,003,640 | 6,184,195 | 0 | (492) | 0 | 4.500 | 3.798 | MON | 22,514 | 25,015 | 11/04/2004 | 11/01/2014 | |
| 31404E-Q4-1 | FEDERAL NATL MTG ASSN GTD MTG | | | | 1 | 3,911,401 | 101.6650 | 3,844,375 | 3,781,415 | 3,906,198 | 0 | (5,203) | 0 | 5.000 | 4.525 | MON | 15,756 | 141,803 | 03/08/2004 | 03/01/2019 | |
| 31294K-H0-1 | FHLMC #E01139 6% | | | | 1 | 4,288,069 | 104.7460 | 4,309,763 | 4,114,489 | 4,277,564 | 0 | (8,757) | 0 | 6.000 | 4.159 | MON | 20,572 | 248,147 | 09/17/2003 | 04/01/2017 | |
| 31335P-C4-5 | FHLMC G80091 | | | | 1 | 267,730 | 106.3150 | 278,416 | 261,878 | 264,556 | 0 | (898) | 0 | 8.250 | 7.515 | MON | 1,800 | 21,650 | 08/08/2000 | 07/17/2008 | |
| 31292H-GP-3 | FHLMC Gold Pool #C01106 | | | | 1 | 88,297 | 106.0170 | 92,497 | 87,247 | 88,274 | 0 | (6) | 0 | 7.000 | 6.073 | MON | 509 | 6,145 | 03/27/2001 | 12/01/2030 | |
| 31294J-KE-7 | FHLMC Gold Pool #E00293 | | | | 1 | 568,454 | 105.7760 | 583,377 | 551,521 | 561,876 | 0 | (2,111) | 0 | 7.000 | 5.632 | MON | 3,217 | 38,843 | 03/15/2001 | 04/01/2009 | |
| 31283K-F7-8 | FHLMC Gold Pool #G11090 | | | | 1 | 822,700 | 104.8970 | 832,423 | 793,562 | 818,152 | 0 | (2,155) | 0 | 6.000 | 4.415 | MON | 3,968 | 47,771 | 07/23/2002 | 02/01/2015 | |
| 31294K-CY-9 | FHLMC PC GOLD CASH 15 | | | | 1 | 6,434,787 | 105.8940 | 6,422,672 | 6,065,190 | 6,435,274 | 0 | 487 | 0 | 6.500 | 3.295 | MON | 32,853 | 230,904 | 04/27/2004 | 06/01/2016 | |
| 31294K-UW-5 | FHLMC PC GOLD CASH 15 | | | | 1 | 5,844,664 | 101.6340 | 5,853,732 | 5,759,620 | 5,841,615 | 0 | (2,776) | 0 | 5.000 | 4.675 | MON | 23,998 | 288,131 | 11/03/2003 | 10/01/2018 | |
| 31283K-G6-9 | FHLMC PC GOLD COMB 15 | | | | 1 | 4,549,742 | 103.4500 | 4,548,917 | 4,397,214 | 4,549,602 | 0 | (140) | 0 | 5.500 | 3.740 | MON | 20,154 | 40,308 | 09/15/2004 | 04/01/2016 | |
| 31283K-J5-8 | FHLMC PC GOLD COMB 15 | | | | 1 | 3,573,439 | 103.4500 | 3,598,331 | 3,478,328 | 3,570,492 | 0 | (2,952) | 0 | 5.500 | 4.292 | MON | 15,942 | 191,884 | 11/05/2003 | 09/01/2016 | |
| 31283K-VA-3 | FHLMC PC GOLD COMB 15 | | | | 1 | 2,047,452 | 104.7440 | 2,042,764 | 1,950,244 | 2,046,219 | 0 | (3,263) | 0 | 6.000 | 5.168 | MON | 9,751 | 117,429 | 12/22/2003 | 03/01/2018 | |
| 312962-G6-4 | FHLMC PC GOLD COMB 15 | | | | 1 | 1,849,864 | 103.3760 | 1,827,780 | 1,768,090 | 1,849,421 | 0 | (443) | 0 | 5.500 | 3.526 | MON | 8,104 | 72,934 | 03/08/2004 | 10/01/2018 | |
| 31283H-SB-9 | FHLMC PC GOLD COMB 30 | | | | 1 | 3,157,956 | 105.0040 | 3,144,541 | 2,994,687 | 3,159,983 | 0 | 2,027 | 0 | 6.500 | 3.003 | MON | 16,221 | 145,991 | 03/10/2004 | 08/01/2032 | |
| 31296N-V7-9 | FHLMC PC GOLD COMB 30 | | | | 1 | 6,349,408 | 99.5140 | 6,394,484 | 6,425,713 | 6,349,836 | 0 | 569 | 0 | 5.000 | 5.268 | MON | 26,774 | 321,320 | 12/09/2003 | 10/01/2033 | |
| 31297D-PR-3 | FHLMC PC GOLD COMB 30 | | | | 1 | 2,412,062 | 103.3520 | 2,406,434 | 2,328,386 | 2,412,976 | 0 | 914 | 0 | 6.000 | 5.816 | MON | 11,642 | 46,568 | 08/26/2004 | 08/01/2034 | |
| 31280P-SL-5 | FHLMC PC GOLD GUAR 15 | | | | 1 | 2,335,301 | 105.7200 | 2,329,132 | 2,203,114 | 2,326,022 | 0 | (9,278) | 0 | 6.500 | 2.733 | MON | 11,934 | 83,535 | 05/11/2004 | 11/01/2012 | |
| 31283H-S9-7 | FHLMC PC Gold Comb. | | | | 1 | 1,591,559 | 105.0290 | 1,604,413 | 1,527,591 | 1,591,444 | 0 | (115) | 0 | 6.500 | 3.945 | MON | 8,274 | 57,921 | 04/29/2004 | 08/01/2032 | |
| 31283K-J8-2 | FHLMC Pool # 11187 5.5% | | | | 1 | 2,091,703 | 103.4500 | 2,096,072 | 2,026,169 | 2,085,356 | 0 | (3,638) | 0 | 5.500 | 4.263 | MON | 9,287 | 111,703 | 04/01/2003 | 09/01/2016 | |
| 31290K-VZ-9 | FHLMC Pool #55132 | | | | 1 | 76,706 | 108.6860 | 81,759 | 75,225 | 77,102 | 0 | (136) | 0 | 8.000 | 6.501 | MON | 502 | 6,071 | 05/01/1996 | 07/01/2020 | |
| 31294F-SN-2 | FHLMC Pool #C38953 | | | | 1 | 166,393 | 105.3170 | 175,405 | 166,549 | 166,370 | 0 | (7) | 0 | 6.000 | 6.623 | MON | 902 | 10,858 | 12/22/2000 | 01/01/2025 | |
| 312867-OL-0 | FHLMC Pool #e73159 | | | | 1 | 123,196 | 103.5740 | 129,240 | 124,780 | 123,629 | 0 | 69 | 0 | 5.500 | 5.974 | MON | 572 | 6,870 | 02/01/1999 | 12/01/2013 | |
| 312867-5C-3 | FHLMC Pool #E73543 5.5% | | | | 1 | 101,247 | 103.5740 | 106,214 | 102,549 | 101,619 | 0 | 67 | 0 | 5.500 | 6.242 | MON | 470 | 5,756 | 02/01/1999 | 12/01/2013 | |
| 312868-ZU-8 | FHLMC Pool #E74355 | | | | 1 | 153,147 | 103.5740 | 160,661 | 155,117 | 153,690 | 0 | 94 | 0 | 5.500 | 5.826 | MON | 711 | 8,540 | 02/01/1999 | 01/01/2014 | |
| 312869-BV-0 | FHLMC Pool #E74552 | | | | 1 | 5,615 | 103.5740 | 5,890 | 5,687 | 5,635 | 0 | 3 | 0 | 5.500 | 5.826 | MON | 26 | 334 | 02/01/1999 | 01/01/2014 | |
| 31283J-EO-0 | FHLMC Pool #G10143 | | | | 1 | 418,707 | 103.5090 | 456,810 | 441,324 | 428,626 | 0 | 2,638 | 0 | 5.500 | 7.542 | MON | 2,023 | 24,341 | 08/01/2000 | 12/01/2008 | |
| 31282U-U7-0 | FHLMC Pool #M90606 7.00% | | | | 1 | 12,257 | 102.0890 | 12,522 | 12,266 | 12,236 | 0 | (7) | 0 | 7.000 | 7.082 | MON | 72 | 859 | 04/01/2000 | 03/01/2005 | |
| 312868-JB-8 | FHLMC POOL E73858 5.5% | | | | 1 | 135,845 | 103.5740 | 142,509 | 137,592 | 136,328 | 0 | 81 | 0 | 5.500 | 5.987 | MON | 531 | 7,578 | 02/01/1999 | 12/01/2013 | |
| 312868-UX-7 | FHLMC POOL E74198 5.5% | | | | 1 | 141,387 | 103.5400 | 148,274 | 148,274 | 141,886 | 0 | 85 | 0 | 5.500 | 5.868 | MON | 656 | 7,885 | 02/01/1999 | 01/01/2014 | |
| 31340M-UW-3 | FHLMC Pool# 181497 | | | | 1 | 87,571 | 104.4940 | 91,794 | 87,846 | 87,463 | 0 | (99) | 0 | 7.000 | 6.898 | MON | 512 | 6,190 | 05/23/1996 | 12/01/2009 | |
| 312869-CO-0 | FHLMC Pool#E74579 | | | | 1 | 150,850 | 103.5740 | 158,250 | 152,790 | 151,399 | 0 | 104 | 0 | 5.500 | 5.855 | MON | 700 | 8,417 | 02/01/1999 | 01/01/2014 | |
| 31392D-P9-7 | FNMA 2002-W8 A2 7% | | | | 1 | 1,003,463 | 105.9690 | 1,013,629 | 956,533 | 979,187 | 0 | (24,301) | 0 | 7.000 | 4.404 | MON | 5,580 | 67,169 | 07/12/2002 | 06/25/2042 | |
| 31377E-S4-2 | FNMA PASS-THRU BLLN MULTI 7+ | | | | 1 | 271,877 | 106.7450 | 269,146 | 252,140 | 271,331 | 0 | (546) | 0 | 7.050 | 4.653 | MON | 1,481 | 3,111 | 09/29/2004 | 04/01/2012 | |
| 31381D-YY-5 | FNMA PASS-THRU GNM-BK MGA 30 | | | | 1 | 265,817 | 108.5120 | 284,728 | 262,393 | 265,783 | 0 | (68) | 0 | 7.318 | 7.277 | MON | 1,600 | 19,219 | 12/13/2000 | 05/20/2023 | |
| 31405F-D5-8 | FNMA PASS-THRU GOV SINGLE FAM. | | | | 1 | 1,294,828 | 106.0100 | 1,302,438 | 1,228,599 | 1,296,492 | 0 | 1,664 | 0 | 7.000 | 6.620 | MON | 7,167 | 35,834 | 06/29/2004 | 10/01/2032 | |
| 31371K-P3-9 | FNMA PASS-THRU INT 15 YEAR. | | | | 1 | 433,396 | 104.8470 | 446,451 | 425,811 | 435,340 | 0 | (| | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | Dates | | |
|--|--|-------|---------|-----------|------------------|-------------|--------------------------------|-------------|-------------|------------------------------|--|---|---|--|----------|-------------------|----------|-------------------------------|-----------------------------|------------|------------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | * | Foreign | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | How Paid | Admitted Amount Due & Accrued | Gross Amt. Rec. During Year | Acquired | Maturity |
| 31371K-KL-4 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 466,477 | 104.9780 | 486,053 | 463,004 | 468,353 | .0 | (17) | .0 | .0 | 6.500 | 5.709 | MON | 2,508 | 30,212 | 04/18/2002 | 02/01/2032 |
| 31384V-2H-4 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 379,590 | 105.0830 | 402,405 | 382,940 | 378,887 | .0 | 8 | .0 | .0 | 6.500 | 7.055 | MON | 2,074 | 24,992 | 01/25/2001 | 07/01/2029 |
| 31401X-VK-0 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 5,982,504 | 99.4130 | 5,873,962 | 5,908,646 | 5,982,303 | .0 | (201) | .0 | .0 | 5.000 | 4.722 | MON | 24,619 | 221,574 | 03/09/2004 | 07/01/2033 |
| 31402D-DD-9 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 1,138,594 | 106.0070 | 1,151,570 | 1,086,315 | 1,138,339 | .0 | (254) | .0 | .0 | 7.000 | 6.717 | MON | 6,337 | 38,710 | 05/11/2004 | 05/01/2034 |
| 31402D-XS-4 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 2,044,903 | 103.4490 | 2,076,816 | 2,007,575 | 2,045,370 | .0 | .467 | .0 | .0 | 6.000 | 5.424 | MON | 10,038 | 60,227 | 04/29/2004 | 07/01/2033 |
| 31403F-VV-3 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 4,423,584 | 101.6080 | 4,362,478 | 4,293,439 | 4,423,594 | .0 | .10 | .0 | .0 | 5.500 | 5.317 | MON | 19,678 | 177,104 | 03/08/2004 | 11/01/2033 |
| 31404B-NB-0 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 3,864,843 | 101.5810 | 3,810,442 | 3,751,136 | 3,864,665 | .0 | (178) | .0 | .0 | 5.500 | 5.319 | MON | 17,193 | 137,542 | 03/16/2004 | 01/01/2034 |
| 31404D-XL-7 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 2,808,120 | 103.4560 | 2,777,159 | 2,684,386 | 2,808,778 | .0 | .658 | .0 | .0 | 6.000 | 5.680 | MON | 13,422 | 120,797 | 03/08/2004 | 02/01/2034 |
| 31404L-TJ-9 | FNMA PASS-THRU LNG 30 YEAR | | | | 1 | 5,148,580 | 104.9030 | 5,174,625 | 4,932,771 | 5,149,286 | .0 | .705 | .0 | .0 | 6.500 | 6.253 | MON | 26,719 | 187,034 | 05/11/2004 | 02/01/2034 |
| 314000-AX-1 | FNMA PASS-THRU POOL #694022 | | | | 1 | 384,553 | 99.9070 | 382,403 | 382,759 | 384,457 | .0 | (116) | .0 | .0 | 4.500 | 4.445 | MON | 1,435 | 17,238 | 09/30/2003 | 12/01/2018 |
| 31403F-XJ-8 | FNMA PASS-THRU POOL #747781 | | | | 1 | 74,927 | 99.9070 | 74,508 | 74,577 | 74,911 | .0 | (20) | .0 | .0 | 4.500 | 4.439 | MON | 280 | 3,359 | 09/30/2003 | 10/01/2018 |
| 31403R-KN-7 | FNMA PASS-THRU POOL #755501 | | | | 1 | 221,389 | 99.9070 | 220,151 | 220,356 | 222,097 | .0 | (85) | .0 | .0 | 4.500 | 4.367 | MON | 826 | 9,928 | 09/30/2003 | 11/01/2018 |
| 31403S-YE-0 | FNMA PASS-THRU POOL #756809 | | | | 1 | 392,936 | 99.9070 | 390,739 | 391,103 | 394,191 | .0 | (153) | .0 | .0 | 4.500 | 4.381 | MON | 1,467 | 17,612 | 09/30/2003 | 11/01/2018 |
| 31378H-UH-2 | FNMA Passthu Pool # 399384 | | | | 1 | 476,433 | 106.1840 | 494,461 | 465,664 | 473,654 | .0 | (847) | .0 | .0 | 7.500 | 6.254 | MON | 2,910 | 35,341 | 12/21/2000 | 09/01/2012 |
| 31384W-AW-0 | FNMA Pool # 535621 7.04% | | | | 1 | 1,771,109 | 112.4520 | 1,735,641 | 1,543,450 | 1,719,646 | .0 | (24,995) | .0 | .0 | 7.043 | 12,955 | MON | 9,059 | 153,464 | 12/05/2002 | 12/01/2010 |
| 31363W-H4-0 | FNMA Pool #100250 7.5% | | | | 1 | 376,792 | 103.2510 | 373,182 | 361,432 | 365,361 | .0 | (2,491) | .0 | .0 | 7.500 | 6.150 | MON | 2,259 | 27,244 | 12/10/1998 | 07/15/2007 |
| 31368H-TP-8 | FNMA Pool #190558 5.5% | | | | 1 | 407,719 | 103.4950 | 445,791 | 430,736 | 417,337 | .0 | 2,560 | .0 | .0 | 5.500 | 7.712 | MON | 1,974 | 23,761 | 08/01/2000 | 01/01/2009 |
| 31371K-T9-2 | FNMA Pool #254476 5.5% | | | | 1 | 1,134,151 | 101.6740 | 1,149,544 | 1,130,618 | 1,133,941 | .0 | (93) | .0 | .0 | 5.500 | 5.378 | MON | 5,182 | 62,329 | 09/06/2002 | 09/01/2032 |
| 31374G-MV-6 | FNMA Pool #313672 | | | | 1 | 964,664 | 104.6960 | 941,143 | 898,930 | 918,795 | .0 | (8,786) | .0 | .0 | 7.024 | 4.466 | MON | 5,262 | 72,697 | 12/18/1998 | 06/01/2007 |
| 31384V-ML-3 | FNMA Pool #535063 6.50% | | | | 1 | 1,049,726 | 106.1220 | 1,079,905 | 1,017,607 | 1,044,017 | .0 | (2,294) | .0 | .0 | 6.500 | 5.046 | MON | 5,512 | 66,386 | 05/02/2002 | 12/01/2014 |
| 31385H-RK-0 | FNMA Pool #545090 6% | | | | 1 | 1,991,079 | 104.8530 | 1,991,552 | 1,899,375 | 1,989,223 | .0 | (2,317) | .0 | .0 | 6.000 | 3.475 | MON | 9,497 | 114,401 | 02/20/2003 | 07/01/2016 |
| 31385U-UE-7 | FNMA Pool #555081 6.329% | | | | 1 | 1,284,075 | 110.3930 | 1,279,935 | 1,159,435 | 1,258,195 | .0 | (13,417) | .0 | .0 | 6.329 | 3.670 | MON | 6,115 | 74,599 | 11/26/2002 | 03/01/2012 |
| 31387A-3Y-9 | FNMA Pool #578715 | | | | 1 | 291,974 | 104.8530 | 287,306 | 301,249 | 291,050 | .0 | (314) | .0 | .0 | 6.000 | 5.078 | MON | 1,437 | 17,396 | 09/25/2001 | 09/01/2016 |
| 31387C-LV-1 | FNMA Pool #580040 | | | | 1 | 283,157 | 103.5430 | 294,201 | 284,134 | 283,196 | .0 | (4) | .0 | .0 | 6.000 | 6.125 | MON | 1,421 | 17,091 | 09/25/2001 | 06/01/2031 |
| 31387D-30-0 | FNMA Pool #581407 | | | | 1 | 57,468 | 106.0100 | 59,893 | 56,497 | 57,445 | .0 | (6) | .0 | .0 | 7.000 | 5.265 | MON | 330 | 3,980 | 06/25/2001 | 06/01/2031 |
| 31387F-SF-2 | FNMA Pool #582918 | | | | 1 | 165,975 | 104.9780 | 174,428 | 166,157 | 165,960 | .0 | (4) | .0 | .0 | 6.500 | 6.467 | MON | 900 | 10,802 | 06/25/2001 | 06/01/2031 |
| 31389M-CQ-8 | FNMA Pool #629279 6.50% | | | | 1 | 148,986 | 104.9780 | 153,855 | 146,559 | 148,912 | .0 | (35) | .0 | .0 | 6.500 | 5.011 | MON | 794 | 9,575 | 05/29/2002 | 02/01/2032 |
| 31390J-RP-8 | FNMA POOL #647694 | | | | 1 | 492,175 | 104.8470 | 506,845 | 483,414 | 491,111 | .0 | (454) | .0 | .0 | 6.000 | 5.008 | MON | 2,417 | 29,139 | 06/04/2002 | 05/01/2017 |
| 31371H-07-6 | FNMA POOL 252578 6.00% | | | | 1 | 289,988 | 105.2260 | 320,306 | 304,398 | 295,932 | .0 | 1,392 | .0 | .0 | 6.000 | 7.994 | MON | 1,522 | 18,350 | 03/01/2000 | 06/01/2009 |
| 31373W-QK-2 | FNMA POOL 305658 8% | | | | 1 | 75,889 | 102.9370 | 76,492 | 74,310 | 74,553 | .0 | (237) | .0 | .0 | 8.000 | 7.398 | MON | 495 | 5,958 | 05/17/1996 | 02/01/2008 |
| 31374S-6A-4 | FNMA Pool 323165 6.0% | | | | 1 | 294,187 | 105.0110 | 295,758 | 281,645 | 291,948 | .0 | (1,048) | .0 | .0 | 6.000 | 4.016 | MON | 1,408 | 16,950 | 08/14/2002 | 06/01/2013 |
| 31374T-PG-8 | FNMA Pool 323623 6.0% | | | | 1 | 588,375 | 105.0110 | 600,501 | 571,846 | 585,491 | .0 | (1,291) | .0 | .0 | 6.000 | 4.745 | MON | 2,859 | 34,389 | 07/01/2002 | 03/01/2014 |
| 31376D-TC-7 | FNMA POOL 362447 7% | | | | 1 | 86,566 | 104.5380 | 89,821 | 85,922 | 85,918 | .0 | (105) | .0 | .0 | 7.000 | 6.795 | MON | 501 | 6,032 | 11/08/1996 | 07/01/2008 |
| 31384V-NW-8 | FNMA POOL 535105 5.00% | | | | 1 | 352,749 | 101.9090 | 388,499 | 381,222 | 365,253 | .0 | 2,986 | .0 | .0 | 5.000 | 8.055 | MON | 1,588 | 19,093 | 03/02/2000 | 04/01/2009 |
| 31384W-BB-2 | FNMA Pool 535663 7.50% | | | | 1 | 150,493 | 107.1490 | 155,541 | 145,163 | 150,311 | .0 | (74) | .0 | .0 | 7.500 | 4.940 | MON | 907 | 10,980 | 11/28/2001 | 01/01/2031 |
| 31385H-OJ-9 | FNMA Pool 545067 7.50% | | | | 1 | 152,618 | 107.1490 | 157,642 | 147,124 | 152,438 | .0 | (72) | .0 | .0 | 7.500 | 4.953 | MON | 920 | 11,119 | 11/28/2001 | 05/01/2031 |
| 31385H-5B-4 | FNMA Pool 545442 6.0% | | | | 1 | 670,498 | 103.5430 | 705,721 | 681,573 | 670,782 | .0 | 100 | .0 | .0 | 6.000 | 6.774 | MON | 3,408 | 41,009 | 04/19/2002 | 02/01/2032 |
| 31387H-3W-8 | FNMA Pool 585013 | | | | 1 | 411,136 | 106.1750 | 419,420 | 395,027 | 407,472 | .0 | (1,635) | .0 | .0 | 6.500 | 4.621 | MON | 2,140 | 25,739 | 11/13/2001 | 06/01/2014 |
| 2699999 | Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | 120,179,912 | XXX | 120,295,033 | 116,333,491 | 119,993,518 | | (113,683) | | | XXX | XXX | XXX | 559,998 | 5,012,006 | XXX | XXX |
| DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES | | | | | | | | | | | | | | | | | | | | | |
| 313376-5S-6 | FHLMC Remic 1832 F 6.5% | | | | 1 | 3,207,734 | 104.5290 | 3,397,193 | 3,250,000 | 3,219,006 | .0 | 11,939 | .0 | .0 | 6.500 | 7.076 | MON | 17,604 | 211,250 | 06/06/1999 | 03/15/2011 |
| 31392M-EW-0 | FHLMC REMIC SERIES T0041 | | | | 1 | 1,241,488 | 104.7460 | 1,251,898 | 1,195,175 | 1,199,764 | .0 | (1,409) | .0 | .0 | 7.000 | 6.561 | MON | 6,972 | 83,965 | 05/16/2002 | 07/25/2032 |
| 312908-LN-4 | FHLMC SERIES 1197 6.75% | | | | 1 | 521,966 | 99.9050 | 522,042 | 522,538 | 525,477 | .0 | 4,067 | .0 | .0 | 6.750 | 0.001 | MON | 2,939 | 35,570 | 11/12/1999 | 02/15/2007 |
| 31359L-AH-8 | FNMA CMO G94-9 PJ 6.5% | | | | 1 | 1,015,359 | 105.3840 | 1,053,848 | 1,000,008 | 1,009,753 | .0 | (1,353) | .0 | .0 | 6.500 | 6.170 | MON | 5,417 | 65,175 | 01/21/1999 | 08/17/2024 |
| 31359S-R6-9 | FNMA Gr Tr Series 2001-T4 Cl A | | | | 1 | 1,142,770 | 106.8850 | 1,184,077 | 1,107,805 | 1,135,024 | .0 | (3,963) | .0 | .0 | 7.500 | 6.624 | MON | 6,924 | 83,580 | 04/18/2001 | 07/25/2028 |
| 31358Q-DD-4 | FNMA Remic 92-164 PL 7% | | | | 1 | 539,294 | 103.0360 | 538,176 | 522,319 | 524,768 | .0 | (1,559) | .0 | .0 | 7.000 | 6.498 | MON | 3,047 | 36,855 | 07/13/1998 | 09/25/2007 |
| 31392B-UH-7 | FNMA Remic Series 2002-3 | | | | 1 | 1,017,711 | 100.0550 | 963,758 | 963,229 | 963,292 | .0 | (17,147) | .0 | .0 | 6.000 | 3.336 | MON | 4,816 | 58,382 | 09/30/2002 | 12/25/2014 |
| 31392D-H7-0 | FNMA REMIC TRUST 2002-WG | | | | 1 | 2,299,127 | 107.4690 | 2,252,626 | 2,096,071 | 2,287,038 | .0 | (12,089) | .0 | .0 | 7.500 | 3.546 | MON | 13,100 | 117,904 | 02/26/2004 | 06/25/2042 |
| 31392J-AA-7 | FNMA Series 2003-W2 6.50% | | | | | | | | | | | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | Dates | | |
|----------------------|------------------------------------|-------|---|---|-----------------------|-------------|--------------------------------|------------|-----------|------------------------------|--|--|---|--|----------|-------------------|----------|-------------------------------|-----------------------------|------------|------------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | * | F | o | Bond NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | How Paid | Admitted Amount Due & Accrued | Gross Amt. Rec. During Year | Acquired | Maturity |
| ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | | | | | |
| 90130N-AB-9 | 21ST CENTY INS GROUP | | | | 2FE | 1,048,370 | | 1,013,270 | 1,000,000 | 1,047,289 | 0 | (1,081) | 0 | 0 | 5.900 | 5.300 | JD | 2,622 | 29,500 | 09/27/2004 | 12/15/2013 |
| 013104-AL-8 | ALBERTSONS INC. | | | | 2FE | 305,595 | | 312,205 | 250,000 | 304,961 | 0 | (634) | 0 | 0 | 8.000 | 6.381 | MN | 3,333 | 20,000 | 03/19/2004 | 05/01/2031 |
| 013716-AO-8 | ALCAN INC. | | | | 1FE | 1,739,085 | | 1,809,450 | 1,500,000 | 1,736,481 | 0 | (2,604) | 0 | 0 | 7.250 | 6.135 | MS | 32,021 | 54,375 | 04/15/2004 | 03/15/2031 |
| 013817-AB-7 | Alcoa Inc. 7.375% | | | | 1FE | 531,895 | | 578,470 | 500,000 | 520,973 | 0 | (3,030) | 0 | 0 | 7.375 | 6.573 | FA | 15,365 | 36,875 | 12/27/2000 | 08/01/2010 |
| 018490-AD-4 | Allergan Inc. Zero Coupon | | | | 1FE | 409,190 | | 513,188 | 525,000 | 420,379 | 0 | 5,202 | 0 | 0 | 0.000 | 1.253 | MAT | 0 | 0 | 11/01/2002 | 11/06/2022 |
| 020002-AC-5 | ALLSTATE CORP. | | | | 1FE | 1,158,360 | | 1,190,430 | 1,000,000 | 1,151,800 | 0 | (6,560) | 0 | 0 | 7.500 | 5.323 | JD | 3,333 | 37,500 | 07/14/2004 | 06/15/2013 |
| 020002-AH-4 | ALLSTATE CORP. | | | | 1FE | 240,036 | | 233,003 | 205,000 | 238,743 | 0 | (1,293) | 0 | 0 | 6.750 | 5.107 | MN | 1,768 | 13,669 | 09/17/2004 | 05/15/2018 |
| 025932-AD-6 | AMERICAN FINL GROUP INC OHIO | | | | 2FE | 571,658 | | 42,875 | 1,350,000 | 580,572 | 0 | 8,914 | 0 | 0 | 1.486 | 5.529 | JD | 1,616 | 20,062 | 03/15/2004 | 06/02/2033 |
| 02635P-RT-2 | American General Finance 5.375% | | | | 1FE | 268,252 | | 103,671 | 275,000 | 269,400 | 0 | 560 | 0 | 0 | 5.375 | 5.785 | AO | 3,695 | 26,203 | 11/20/2002 | 10/01/2012 |
| 026609-AM-9 | American Home Products 6.70% | | | | 1FE | 1,048,163 | | 1,182,258 | 1,050,000 | 1,048,718 | 0 | 162 | 0 | 0 | 6.700 | 6.837 | MS | 20,714 | 72,975 | 03/27/2001 | 03/15/2011 |
| 00184A-AG-0 | AOL Time Warner 7.70% | | | | 2FE | 3,005,847 | | 3,485,892 | 2,850,000 | 3,004,310 | 0 | (1,143) | 0 | 0 | 7.700 | 7.399 | MN | 36,575 | 186,725 | 10/06/2004 | 05/01/2032 |
| 00209T-AA-3 | AT&T Broadband Corp. 8.375% | | | | 2FE | 496,884 | | 421,625 | 400,000 | 489,992 | 0 | (6,892) | 0 | 0 | 8.375 | 5.062 | MS | 9,864 | 16,750 | 03/16/2004 | 03/15/2013 |
| 001957-BC-2 | AT&T Corp. Step Up | | | | 3FE | 1,682,643 | | 1,195,125 | 1,725,000 | 1,731,792 | 0 | 344 | 0 | 0 | 7.800 | 7.960 | MN | 17,193 | 138,863 | 04/08/2004 | 11/15/2011 |
| 001957-BD-0 | AT&T Corp. Step Up | | | | 3FE | 2,284,651 | | 1,119,375 | 2,400,000 | 2,366,401 | 0 | 169 | 0 | 0 | 8.000 | 8.883 | MN | 26,067 | 210,000 | 04/08/2004 | 11/15/2031 |
| 00209A-AF-3 | AT&T Wireless Svcs. 8.75% | | | | 1FE | 258,636 | | 134,831 | 200,000 | 257,970 | 0 | (666) | 0 | 0 | 8.750 | 6.547 | MS | 5,833 | 48,125 | 03/16/2004 | 03/01/2031 |
| 053332-AF-9 | AUTOZONE INC. | | | | 2FE | 987,750 | | 96,044 | 1,000,000 | 988,296 | 0 | 546 | 0 | 0 | 5.500 | 5.725 | MN | 7,181 | 56,375 | 04/15/2004 | 11/14/2015 |
| 060505-AW-4 | Bank of America 3.875% | | | | 1FE | 504,490 | | 100,780 | 500,000 | 502,855 | 0 | (872) | 0 | 0 | 3.875 | 5.107 | JJ | 8,934 | 19,375 | 02/05/2003 | 01/15/2008 |
| 060505-AO-7 | Bank of America Corp. 6.25% | | | | 1FE | 508,430 | | 110,440 | 500,000 | 506,674 | 0 | (710) | 0 | 0 | 6.250 | 6.112 | AO | 6,597 | 31,250 | 05/29/2002 | 04/15/2012 |
| 060505-AU-8 | BANK OF AMERICA CORPORATION | | | | 1 | 356,335 | | 102,497 | 350,000 | 356,218 | 0 | (117) | 0 | 0 | 5.125 | 4.956 | MN | 2,292 | 8,969 | 10/05/2004 | 11/15/2014 |
| 06423A-AM-5 | Bank One Corp. 6.50% | | | | 1 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6.500 | 0.000 | FA | 0 | 32,500 | 01/23/2001 | 02/01/2006 |
| 06423A-AG-8 | Bank One Corp. 7.875% | | | | 1FE | 1,185,570 | | 1,166,430 | 1,000,000 | 1,154,131 | 0 | (23,620) | 0 | 0 | 7.875 | 4.760 | FA | 32,813 | 78,750 | 08/28/2003 | 08/01/2013 |
| 073902-CB-2 | Bear Stearns Co. Inc. 3% | | | | 1FE | 500,360 | | 99,793 | 500,000 | 500,153 | 0 | (118) | 0 | 0 | 3.000 | 2.997 | MS | 3,792 | 22,500 | 03/19/2003 | 03/30/2006 |
| 073902-CD-8 | BEAR STEARNS COS INC. | | | | 1FE | 928,340 | | 93,883 | 1,000,000 | 928,653 | 0 | 313 | 0 | 0 | 4.650 | 5.474 | JJ | 23,121 | 0 | 11/30/2004 | 07/02/2018 |
| 075887-AL-3 | BECTON DICKINSON & CO. | | | | 1FE | 320,151 | | 103,949 | 300,000 | 319,992 | 0 | (159) | 0 | 0 | 8.700 | 8.187 | JJ | 0 | 0 | 08/09/2004 | 01/15/2025 |
| 097014-AD-6 | Boeing Capital Corp. 6.10% | | | | 1FE | 751,020 | | 109,076 | 750,000 | 750,716 | 0 | (93) | 0 | 0 | 6.100 | 6.174 | MS | 15,250 | 45,750 | 06/25/2001 | 03/01/2011 |
| 10112R-AB-0 | Boston Pptys Ltd Partnership 6.25% | | | | 2FE | 752,335 | | 108,494 | 750,000 | 751,982 | 0 | (188) | 0 | 0 | 6.250 | 6.305 | JJ | 21,615 | 46,875 | 01/22/2003 | 01/15/2013 |
| 10112R-AF-1 | Boston Properties Inc. 5.625% | | | | 2FE | 1,498,470 | | 103,077 | 1,500,000 | 1,498,637 | 0 | 96 | 0 | 0 | 5.625 | 5.716 | AO | 17,813 | 84,375 | 03/11/2003 | 04/15/2015 |
| 120568-AM-2 | BUNGE LTD FIN CORP. | | | | 2FE | 275,294 | | 102,330 | 275,000 | 275,290 | 0 | (4) | 0 | 0 | 5.350 | 5.407 | AO | 3,106 | 0 | 11/01/2004 | 04/15/2014 |
| 12189P-AG-7 | Burlington Northern Santa Fe 8.25% | | | | 1FE | 1,446,430 | | 124,316 | 1,446,430 | 1,446,430 | 0 | 0 | 0 | 0 | 8.251 | 8.421 | JJ | 55,031 | 119,345 | 06/23/2000 | 01/15/2021 |
| 136385-AF-8 | CANADIAN NAT RES LTD. | | | | 2FE | 189,628 | | 99,476 | 190,000 | 189,631 | 0 | 3 | 0 | 0 | 4.900 | 4.986 | JD | 776 | 0 | 11/23/2004 | 12/01/2014 |
| 141491-AG-3 | CARDINAL HEALTH INC. | | | | 2FE | 171,724 | | 89,082 | 200,000 | 172,401 | 0 | 677 | 0 | 0 | 4.000 | 5.860 | JD | 356 | 4,000 | 08/24/2004 | 06/15/2015 |
| 156700-AE-6 | Centurytel Inc. 4.75% | | | | 2FE | 414,500 | | 111,750 | 400,000 | 413,940 | 0 | (253) | 0 | 0 | 4.750 | 4.580 | FA | 7,917 | 19,000 | 09/27/2002 | 08/01/2032 |
| 171232-AF-8 | Chubb Corp. | | | | 1FE | 2,039,520 | | 107,866 | 2,157,320 | 2,031,268 | 0 | (3,621) | 0 | 0 | 6.000 | 5.804 | MN | 15,333 | 120,000 | 08/19/2002 | 11/15/2011 |
| 125509-AZ-2 | Cigna Corp 7.875% | | | | 2FE | 1,209,914 | | 121,222 | 1,200,000 | 1,209,519 | 0 | (223) | 0 | 0 | 7.875 | 7.972 | MN | 12,075 | 94,500 | 10/09/2001 | 05/15/2027 |
| 125509-BG-3 | Cigna Corp. 6.375% | | | | 2FE | 1,077,365 | | 108,861 | 1,000,000 | 1,069,013 | 0 | (7,457) | 0 | 0 | 6.375 | 5.233 | AO | 13,458 | 63,750 | 03/08/2004 | 10/15/2011 |
| 125569-DJ-9 | CIT Group Holdings Inc. 6.625% | | | | 1FE | 1,047,690 | | 101,702 | 1,000,000 | 1,009,153 | 0 | (19,424) | 0 | 0 | 6.625 | 4.626 | JD | 2,944 | 66,250 | 12/20/2002 | 06/15/2005 |
| 125581-AC-2 | CIT Group Inc. 5.75% | | | | 1FE | 249,861 | | 105,126 | 250,000 | 249,919 | 0 | 27 | 0 | 0 | 5.750 | 5.846 | MS | 3,833 | 14,375 | 09/18/2002 | 09/25/2007 |
| 17305B-AB-7 | CITICORP PASS-THRU TR. | | | | 1FE | 1,502,875 | | 118,907 | 1,250,000 | 1,491,917 | 0 | (9,726) | 0 | 0 | 8.040 | 6.146 | JD | 4,467 | 100,500 | 11/14/2003 | 12/15/2019 |
| 172967-BL-4 | Citigroup Inc. 6.625% | | | | 1FE | 1,720,703 | | 112,001 | 1,625,000 | 1,719,171 | 0 | (1,165) | 0 | 0 | 6.625 | 6.280 | JD | 4,785 | 103,516 | 09/17/2004 | 06/15/2032 |
| 184502-AW-2 | CLEAR CHANNEL COMMUNICATIONS | | | | 2FE | 1,992,640 | | 99,081 | 2,000,000 | 1,992,776 | 0 | 136 | 0 | 0 | 4.500 | 4.634 | JJ | 9,750 | 0 | 11/17/2004 | 01/15/2010 |
| 191219-BC-7 | COCA COLA ENTERPRISES INC. | | | | 1FE | 1,095,610 | | 116,540 | 1,000,000 | 1,094,983 | 0 | (627) | 0 | 0 | 6.750 | 6.172 | JJ | 31,125 | 33,750 | 04/19/2004 | 01/15/2038 |
| 20030N-AE-1 | Comcast Corp. 5.30% | | | | 2FE | 2,214,201 | | 103,131 | 2,294,665 | 2,215,487 | 0 | 828 | 0 | 0 | 5.300 | 5.433 | JJ | 54,377 | 111,962 | 03/03/2004 | 01/15/2014 |
| 201615-DB-4 | Commercial Credit Grp. 7.375% | | | | 1FE | 497,300 | | 101,271 | 500,000 | 499,818 | 0 | 596 | 0 | 0 | 7.375 | 7.644 | AO | 7,785 | 36,875 | 02/23/2000 | 04/15/2005 |
| 205887-AX-0 | Conagra Inc. 8.25% | | | | 2FE | 220,257 | | 133,000 | 200,000 | 219,499 | 0 | (251) | 0 | 0 | 8.250 | 7.536 | MS | 4,858 | 13,750 | 10/10/2001 | 09/15/2030 |
| 210371-AG-5 | CONSTELLATION ENERGY GROUP INC. | | | | 2FE | 1,076,750 | | 105,690 | 1,000,000 | 1,060,073 | 0 | (16,677) | 0 | 0 | 6.350 | 3.581 | AO | 15,875 | 31,750 | 05/04/2004 | 04/01/2007 |
| 216640-AE-2 | COOPER CAMERON CORP. | | | | 1FE | 806,681 | | 105,375 | 800,000 | 806,572 | 0 | (108) | 0 | 0 | 1.500 | 1.457 | MN | 1,533 | 6,133 | 08/19/2004 | 05/15/2024 |
| 222372-AG-9 | COUNTRYWIDE FINANCIAL CORP. | | | | 1FE | 568,786 | | 171,500 | 750,000 | 570,420 | 0 | (1,634) | 0 | 0 | 0 | 1.060 | MAT | 0 | 0 | 09/22/2004 | 02/08/2031 |
| 22237L-MO-2 | Countrywide Home Loans Inc. 5.625% | | | | 1FE | 581,986 | | 104,313 | 599,800 | 578,591 | 0 | (1,384) | 0 | 0 | 5.625 | 5.413 | MN | 4,133 | 32,344 | 06/11/2002 | 05/15/2007 |
| 224044-BH-9 | COX COMMUNICATIONS INC NEW | | | | 2FE | 370,973 | | 99,431 | 375,000 | 370,989 | 0 | 17 | 0 | 0 | 5.500 | 5.713 | AO | 5,156 | 0 | 12/09/2004 | 10/01/2015 |
| 22541L-AB-9 | Credit Suisse FB 6.125% 11/15/11 | | | | 1FE | 1,021,390 | | 106,875 | 1,000,000 | 1,016,975 | 0 | (1,958) | 0 | 0 | 6.125 | 5.907 | MN | 7,826 | 61,250 | 08/28/2002 | 11/1 |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | Dates | | |
|----------------------|-------------------------------------|-------|---------|-----------|------------------|-------------|--------------------------------|------------|-----------|------------------------------|--|---|---|--|----------|-------------------|----------|-------------------------------|-----------------------------|-------------|-------------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | * | Foreign | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | How Paid | Admitted Amount Due & Accrued | Gross Amt. Rec. During Year | Acquired | Maturity |
| 277461-BE-8 | EASTMAN KODAK CO..... | | | | 2FE | 723,000 | 125.1250 | 750,750 | 600,000 | 722,094 | .0 | (906) | .0 | .0 | 3.375 | 2.407 | AO | 4,275 | 4,809 | .09/10/2004 | .10/15/2033 |
| 285661-AD-6 | ELECTRONIC DATA SYS NEW. | | | | 2FE | 723,337 | 105.5890 | 818,315 | 775,000 | 725,794 | .0 | 2,457 | .0 | .0 | 6.000 | 7.126 | FA | 19,375 | 23,250 | .07/07/2004 | .08/01/2013 |
| 268766-BY-7 | EOP Oper Ltd. Partnership 5.875% | | | | 2FE | 1,504,337 | 105.6970 | 1,585,455 | 1,500,000 | 1,504,339 | .0 | (385) | .0 | .0 | 5.875 | 5.918 | JJ | 40,635 | 83,719 | .01/28/2004 | .01/15/2013 |
| 268766-BZ-4 | EOP OPER LTD PARTNERSHIP. | | | | 2FE | 798,192 | 93.3750 | 747,000 | 800,000 | 798,303 | .0 | 111 | .0 | .0 | 4.750 | 4.836 | MS | 11,189 | 17,839 | .03/23/2004 | .03/15/2014 |
| 31331F-AX-9 | Federal Express 6.72% | | | | 1FE | 1,443,470 | 112.4470 | 1,444,240 | 1,284,374 | 1,431,839 | .0 | (6,235) | .0 | .0 | 6.720 | 5.235 | JJ | 39,798 | 86,310 | .03/10/2003 | .01/15/2022 |
| 338915-AL-5 | FLEET FINL GROUP INC NEW. | | | | 1FE | 1,623,375 | 107.9480 | 1,619,220 | 1,500,000 | 1,610,769 | .0 | (12,606) | .0 | .0 | 6.375 | 4.053 | MM | 12,219 | 47,813 | .08/02/2004 | .05/15/2008 |
| 343412-AA-0 | FLUOR CORP NEW. | | | | 1FE | 850,463 | 114.0000 | 957,600 | 840,000 | 850,221 | .0 | (241) | .0 | .0 | 1.500 | 1.433 | FA | 4,760 | 6,230 | .06/30/2004 | .02/15/2024 |
| 345370-BY-5 | Ford Motor Co. 6.625% | | | | 2FE | 229,435 | 93.2750 | 233,188 | 309,250 | 229,805 | .0 | 6.625 | .0 | .0 | 6.625 | 7.484 | AO | 4,141 | 16,563 | .11/16/1999 | .10/01/2028 |
| 345397-TS-2 | FORD MOTOR CR CO..... | | | | 2FE | 2,811,120 | 107.7750 | 2,802,150 | 2,600,000 | 2,806,394 | .0 | (4,726) | .0 | .0 | 7.375 | 5.892 | FA | 79,896 | .0 | .11/01/2004 | .02/01/2011 |
| 345397-TV-9 | Ford Motor Credit Co. 7.25% | | | | 2FE | 747,158 | 107.2430 | 804,323 | 750,000 | 747,853 | .0 | 235 | .0 | .0 | 7.250 | 7.437 | AO | 13,594 | 54,375 | .10/22/2001 | .10/25/2011 |
| 345370-CA-6 | FORD MTR CO DEL. | | | | 2FE | 268,956 | 100.5740 | 276,579 | 275,000 | 268,965 | .0 | .9 | .0 | .0 | 7.450 | 7.790 | JJ | 9,390 | .0 | .11/16/2004 | .07/16/2031 |
| 302570-AL-0 | FPL Group Capital Inc. 7.375% | | | | 1FE | 544,155 | 114.2100 | 571,050 | 500,000 | 529,869 | .0 | (5,773) | .0 | .0 | 7.375 | 5.907 | JD | 3,073 | 36,875 | .05/29/2002 | .06/01/2009 |
| 354613-AC-5 | FRANKLIN RES INC. | | | | 1FE | 725,438 | 70.3750 | 738,938 | 1,050,000 | 726,063 | .0 | 626 | .0 | .0 | 0.000 | 1.409 | Feb | .0 | .0 | .12/21/2004 | .05/11/2031 |
| 369550-AK-4 | General Dynamics 4.25% | | | | 1FE | 1,418,925 | 97.9290 | 1,468,935 | 1,500,000 | 1,424,042 | .0 | 5,117 | .0 | .0 | 4.250 | 5.060 | MM | 8,146 | 63,750 | .04/15/2004 | .05/15/2013 |
| 369626-ZY-3 | General Electric Cap. Corp. 5.45% | | | | 1FE | 2,044,580 | 105.5460 | 2,110,920 | 2,000,000 | 2,037,484 | .0 | (3,678) | .0 | .0 | 5.450 | 5.229 | JJ | 50,261 | 109,000 | .01/09/2003 | .05/15/2013 |
| 370334-AU-8 | General Mills Inc. Zero Coupon. | | | | 2FE | 497,871 | 70.8750 | 517,388 | 730,000 | 501,562 | .0 | 3,320 | .0 | .0 | 0.000 | 2.130 | MAT | .0 | .0 | .10/01/2004 | .10/28/2022 |
| 370442-BT-1 | General Motors 8.375% | | | | 2FE | 716,882 | 103.6080 | 725,256 | 700,000 | 716,731 | .0 | (120) | .0 | .0 | 8.375 | 8.324 | JJ | 27,033 | 51,925 | .11/16/2004 | .07/15/2033 |
| 370425-RP-7 | General Motors Accept Corp. 7.75% | | | | 2FE | 1,573,560 | 107.3320 | 1,609,980 | 1,500,000 | 1,556,709 | .0 | (9,116) | .0 | .0 | 7.750 | 6.969 | JJ | 52,313 | 116,250 | .03/06/2003 | .01/19/2010 |
| 370442-BW-4 | GENERAL MTRS CORP. | | | | 2FE | 545,925 | 104.1670 | 520,835 | 500,000 | 544,688 | .0 | (1,105) | .0 | .0 | 8.250 | 7.494 | JJ | 19,021 | 42,625 | .11/17/2003 | .07/15/2023 |
| 370425-RG-7 | GMAC 6.15% | | | | 2FE | 1,508,235 | 102.7670 | 1,541,505 | 1,500,000 | 1,504,096 | .0 | (1,642) | .0 | .0 | 6.150 | 6.110 | AO | 22,038 | 92,250 | .05/09/2002 | .04/05/2007 |
| 370424-FV-0 | GMAC 8.875% | | | | 2FE | 1,903,914 | 112.5000 | 1,828,125 | 1,625,000 | 1,779,858 | .0 | (23,072) | .0 | .0 | 8.875 | 6.867 | JD | 12,018 | 144,219 | .08/13/1999 | .06/01/2010 |
| 381416-AD-6 | GOLDMAN SACHS GROUP INC MTN 7.35% | | | | 1FE | 1,367,631 | 111.6250 | 1,320,524 | 1,183,000 | 1,334,003 | .0 | (28,037) | .0 | .0 | 7.350 | 4.395 | AO | 21,738 | 86,951 | .10/17/2003 | .10/01/2009 |
| 381416-CG-7 | Goldman Sachs Group Inc. 5.7% | | | | 1FE | 2,059,580 | 106.0020 | 2,120,040 | 2,000,000 | 2,049,666 | .0 | (5,131) | .0 | .0 | 5.700 | 5.372 | MS | 38,000 | 114,000 | .01/09/2003 | .09/01/2012 |
| 362337-AG-2 | GTE NORTH. | | | | 1FE | 486,885 | 108.4900 | 542,450 | 500,000 | 493,283 | .0 | 1,468 | .0 | .0 | 6.900 | 7.442 | MM | 5,750 | 34,500 | .12/29/1999 | .11/01/2008 |
| 406216-AM-3 | HALLIBURTON CO..... | | | | 2FE | 742,091 | 123.0000 | 738,000 | 600,000 | 741,675 | .0 | (416) | .0 | .0 | 3.125 | 1.649 | JJ | 8,646 | .0 | .12/21/2004 | .10/15/2023 |
| 413086-AB-5 | HARMAN INTL INDS INC. | | | | 2FE | 1,092,930 | 107.5380 | 1,075,380 | 1,000,000 | 1,078,199 | .0 | (14,731) | .0 | .0 | 7.320 | 4.042 | JJ | 36,600 | .0 | .07/01/2004 | .07/01/2007 |
| 413875-AH-8 | HARRIS CORP DEL. | | | | 2FE | 602,425 | 147.5000 | 848,125 | 575,000 | 602,202 | .0 | (223) | .0 | .0 | 7.500 | 3.175 | FA | 7,603 | .0 | .10/22/2004 | .08/15/2023 |
| 416592-AC-7 | HARTFORD LIFE INC. | | | | 1FE | 96,990 | 120.6190 | 96,982 | 80,000 | 96,982 | .0 | (8) | .0 | .0 | 3.650 | 6.016 | JD | 272 | .0 | .12/23/2004 | .06/15/2027 |
| 421933-AF-9 | HEALTH MGMT ASSOC INC NEW. | | | | 2FE | 305,263 | 104.7500 | 303,775 | 290,000 | 304,794 | .0 | (469) | .0 | .0 | 1.500 | 1.200 | FA | 1,813 | 1,850 | .07/29/2004 | .08/01/2023 |
| 421933-AG-7 | HEALTH MGMT ASSOC INC NEW. | | | | 2FE | 203,125 | 88.2500 | 220,625 | 250,000 | 203,132 | .0 | .7 | .0 | .0 | 0.000 | 1.223 | MAT | .0 | .0 | .12/30/2004 | .10/28/2022 |
| 421933-AE-2 | Health Mgmt. 1.5% | | | | 2FE | 296,250 | 104.7500 | 314,250 | 300,000 | 296,482 | .0 | 162 | .0 | .0 | 1.500 | 1.579 | FA | 1,875 | 5,275 | .07/24/2003 | .08/01/2023 |
| 422226-AC-2 | Health Net Inc. 8.375% | | | | 3FE | 1,145,906 | 120.6370 | 1,387,326 | 1,150,000 | 1,147,052 | .0 | 343 | .0 | .0 | 8.375 | 8.606 | AO | 21,135 | 98,085 | .04/09/2001 | .04/15/2011 |
| 428236-AF-0 | Hewlett Packard Co. 5.50% | | | | 1FE | 1,297,400 | 104.2870 | 1,355,731 | 1,300,000 | 1,298,618 | .0 | 502 | .0 | .0 | 5.500 | 5.623 | JJ | 35,750 | 71,500 | .06/21/2002 | .07/01/2007 |
| 432848-AZ-2 | HILTON HOTELS CORP. | | | | 2FE | 866,499 | 119.6250 | 897,188 | 750,000 | 865,989 | .0 | (511) | .0 | .0 | 3.375 | 2.345 | AO | 5,344 | .0 | .12/09/2004 | .04/15/2023 |
| 442164-BL-2 | HOUSTON LTG & PWR CO..... | | | | 2FE | 1,291,460 | 137.5390 | 1,375,390 | 1,000,000 | 1,285,608 | .0 | (5,852) | .0 | .0 | 9.150 | 6.410 | MS | 26,942 | 45,750 | .06/01/2004 | .03/15/2021 |
| 45138L-AP-8 | IDAHO PWR CO 1ST MTG SECD MTN. | | | | 1FE | 905,470 | 97.5790 | 975,790 | 1,000,000 | 906,134 | .0 | 664 | .0 | .0 | 5.500 | 6.296 | MS | 16,194 | 25,819 | .06/01/2004 | .03/15/2034 |
| 453258-AT-2 | Inco LTD 1%. | | | | 2FE | 350,025 | 130.7500 | 509,925 | 390,000 | 352,550 | .0 | 1,757 | .0 | .0 | 1.000 | 1.617 | MS | 1,159 | 3,900 | .07/22/2003 | .03/14/2023 |
| 459902-AK-8 | International Game Technology Zero. | | | | 2FE | 596,910 | 76.3750 | 763,750 | 1,000,000 | 616,847 | .0 | 10,523 | .0 | .0 | 0.000 | 1.736 | MAT | .0 | .0 | .02/26/2003 | .01/29/2033 |
| 45974V-ZR-2 | INTERNATIONAL LEASE FIN MTN BE. | | | | 1FE | 1,999,380 | 98.7830 | 1,975,660 | 2,000,000 | 1,999,520 | .0 | 140 | .0 | .0 | 3.125 | 3.160 | AO | 13,194 | 31,076 | .04/13/2004 | .05/03/2017 |
| 460146-BY-8 | INTL PAPER CO..... | | | | 2 | 350,839 | 98.0400 | 343,140 | 350,000 | 350,740 | .0 | (99) | .0 | .0 | 4.000 | 3.994 | AO | 3,500 | 7,506 | .03/17/2004 | .04/01/2010 |
| 46625H-AF-7 | J P Morgan Chase & Co. 6.125% | | | | 1FE | 478,340 | 105.8750 | 529,375 | 500,000 | 488,052 | .0 | 2,675 | .0 | .0 | 6.125 | 6.969 | AO | 6,465 | 30,625 | .12/27/2000 | .10/15/2008 |
| 480081-AJ-7 | JONES APPAREL GROUP INC / | | | | 2FE | 2,462,000 | 99.3830 | 2,484,575 | 2,500,000 | 2,462,005 | .0 | 5 | .0 | .0 | 6.125 | 6.335 | MM | 18,715 | .0 | .12/27/2004 | .11/15/2034 |
| 492386-AU-1 | KERR MCGEE CORP. | | | | 2FE | 303,320 | 110.5840 | 331,752 | 300,000 | 303,304 | .0 | (16) | .0 | .0 | 6.950 | 6.971 | AO | 10,425 | .0 | .09/21/2004 | .07/01/2024 |
| 492919-AA-3 | Key Bank of NY 7.50% | | | | 1FE | 3,092,140 | 111.8930 | 2,825,298 | 2,525,000 | 2,935,975 | .0 | (103,714) | .0 | .0 | 7.500 | 2.862 | MS | 55,760 | 189,375 | .06/25/2003 | .09/15/2008 |
| 494550-AS-5 | KINDER MORGAN ENERGY PARTNERS. | | | | 2FE | 300,045 | 99.8010 | 299,403 | 300,000 | 300,045 | .0 | .0 | .0 | .0 | 5.125 | 5.189 | MM | 2,093 | .0 | .11/08/2004 | .11/15/2014 |
| 524660-AR-8 | Leggett & Platt Inc 7.65% 2/15/05. | | | | 1FE | 521,535 | 100.4010 | 502,005 | 500,000 | 500,730 | .0 | (5,699) | .0 | .0 | 7.650 | 6.549 | FA | 14,450 | 38,250 | .12/27/2000 | .02/15/2005 |
| 524908-CM-0 | Lehman Bro. Hldg. 7.875% | | | | 1FE | 955,838 | 117.3740 | 880,305 | 750,000 | 916,269 | .0 | (26,321) | .0 | .0 | 7.875 | 3.528 | FA | 22,313 | 59,063 | .06/25/2003 | .08/15/2010 |
| 524908-MS-6 | LEHMAN BROS HLDGS INC. | | | | 1FE | 145,000 | 111.8600 | 162,197 | 145,000 | 145,000 | .0 | .0 | .0 | .0 | 0.250 | 0.250 | JD | 25 | .0 | .11/29/2004 | .12/06/2011 |
| 530718-AB-1 | Liberty Media 75% 03/30/23. | | | | | | | | | | | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | Dates | | |
|----------------------|------------------------------------|-------|---------|-----------|------------------|-------------|--------------------------------|------------|-----------|------------------------------|--|---|---|--|----------|-------------------|----------|-------------------------------|-----------------------------|-------------|-------------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | * | Foreign | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | How Paid | Admitted Amount Due & Accrued | Gross Amt. Rec. During Year | Acquired | Maturity |
| 55262C-AJ-9 | MBIA INC | | | | 1FE | 1,962,660 | .99 0230 | 1,960,460 | 2,000,000 | 1,962,700 | .0 | .40 | .0 | .0 | 5.700 | 5.919 | JD | 11,717 | .0 | .11/30/2004 | .12/01/2034 |
| 58013M-DE-1 | McDonalds Corp MTN 5.95% 1/15/08 | | | | 1FE | 1,998,360 | 106.0200 | 2,120,400 | 2,000,000 | 1,999,185 | .0 | 238 | .0 | .0 | 5.950 | 6.054 | JJ | 54,872 | 119,000 | .03/27/2001 | .01/15/2008 |
| 590188-JK-5 | MERRILL LYNCH 6.375% OF 10/08 | | | | 1 | 464,180 | 108.3430 | 541,715 | 500,000 | 481,699 | .0 | 4,034 | .0 | .0 | 6.375 | 7.643 | AO | 6,729 | 31,875 | .12/29/1999 | .10/15/2008 |
| 592173-AE-8 | METROPOLITAN LIFE INS CO | | | | 1FE | 518,124 | 122.1270 | 531,252 | 435,000 | 517,369 | .0 | (755) | .0 | .0 | 7.800 | 6.268 | MN | 5,655 | 16,965 | .08/11/2004 | .11/01/2025 |
| 600388-AB-8 | MILLER BREWING CO | | | | 2FE | 181,685 | 104.5250 | 182,919 | 175,000 | 181,144 | .0 | (541) | .0 | .0 | 5.500 | 5.056 | FA | 3,636 | 9,678 | .01/12/2004 | .08/15/2013 |
| 616880-BM-1 | MORGAN J P 6.7% | | | | 1FE | 473,215 | 108.0940 | 540,470 | 500,000 | 488,299 | .0 | 3,569 | .0 | .0 | 6.700 | 7.779 | MN | 5,583 | 33,500 | .02/17/2000 | .11/01/2007 |
| 617446-MM-8 | MORGAN STANLEY | | | | 1FE | 565,000 | 94.6250 | 534,631 | 565,000 | 565,000 | .0 | .0 | .0 | .0 | 0.000 | 0.000 | AO | .0 | 734 | .03/19/2004 | .04/01/2009 |
| 61746S-BD-0 | MORGAN STANLEY | | | | 1FE | 145,000 | 101.5000 | 147,175 | 145,000 | 145,000 | .0 | .0 | .0 | .0 | 0.250 | 0.250 | JD | 31 | .0 | .11/22/2004 | .12/30/2011 |
| 61748A-AE-6 | MORGAN STANLEY | | | | 1 | 937,800 | 97.4410 | 974,410 | 1,000,000 | 939,957 | .0 | 2,157 | .0 | .0 | 4.750 | 5.668 | AO | 11,875 | 23,882 | .07/23/2004 | .04/01/2014 |
| 629527-AU-6 | NABISCO INC | | | | 1FE | 1,215,300 | 120.3620 | 1,203,620 | 1,000,000 | 1,213,430 | .0 | (1,870) | .0 | .0 | 7.550 | 4.975 | JD | 3,356 | 37,750 | .11/18/2004 | .06/15/2015 |
| 637432-CH-6 | NAT RURAL UTL 5.50% 01/05 | | | | 1FE | 453,194 | 100.0000 | 485,000 | 485,000 | 484,705 | .0 | 7,200 | .0 | .0 | 5.500 | 7.193 | JJ | 12,300 | 26,675 | .12/29/1999 | .01/15/2005 |
| 635405-AM-5 | NATIONAL CITY CORP | | | | 1FE | 1,131,840 | 114.2770 | 1,142,770 | 1,000,000 | 1,125,271 | .0 | (5,557) | .0 | .0 | 6.875 | 5.673 | MN | 8,785 | 68,750 | .10/23/2003 | .05/15/2009 |
| 637432-DC-6 | NATIONAL RURAL UTILS COOP FIN | | | | 1FE | 991,770 | 100.4590 | 1,004,590 | 1,000,000 | 992,254 | .0 | 484 | .0 | .0 | 4.750 | 4.915 | MS | 15,833 | 24,542 | .04/07/2004 | .03/01/2014 |
| 637432-CT-0 | Natl. Rural Util. Coop 8.0% | | | | 1FE | 499,336 | 130.4900 | 521,960 | 400,000 | 498,840 | .0 | (496) | .0 | .0 | 8.000 | 6.216 | MS | 10,667 | 16,000 | .08/25/2004 | .03/01/2032 |
| 649080-AA-9 | New YV Generation V 4.929% | | | | 1FE | 1,346,332 | 99.9720 | 1,345,955 | 1,346,332 | 1,346,332 | .0 | .0 | .0 | .0 | 4.929 | 4.990 | JJ | 30,600 | 53,273 | .09/24/2003 | .01/15/2021 |
| 654730-AL-7 | Nisource Financial Corp. 5.40% | | | | 2FE | 191,250 | 102.4670 | 204,934 | 200,000 | 192,083 | .0 | 602 | .0 | .0 | 5.400 | 6.038 | JJ | 4,980 | 10,620 | .08/07/2003 | .07/15/2014 |
| 655855-FA-7 | NORFOLK SOUTHN RY CO | | | | 2FE | 807,319 | 141.4280 | 923,512 | 653,000 | 805,552 | .0 | (1,767) | .0 | .0 | 9.750 | 7.348 | JD | 2,830 | 19,100 | .09/03/2004 | .06/15/2007 |
| 66938F-JT-2 | Norwest 6.75% Of 6/15/07 | | | | 2FE | 1,042,220 | 108.0770 | 1,080,770 | 1,000,000 | 1,019,006 | .0 | (6,993) | .0 | .0 | 6.750 | 5.995 | JD | 3,000 | 67,500 | .06/05/2001 | .06/15/2007 |
| 670346-AA-3 | Nucor Corp. 6.0% | | | | 1FE | 1,082,410 | 106.3170 | 1,063,170 | 1,000,000 | 1,063,208 | .0 | (14,204) | .0 | .0 | 6.000 | 4.310 | JJ | 30,000 | 60,000 | .08/21/2003 | .01/01/2009 |
| 67612W-AC-2 | ODYSSEY RE HLDGS CORP | | | | 2 | 1,638,030 | 110.2960 | 1,654,440 | 1,500,000 | 1,636,410 | .0 | (1,620) | .0 | .0 | 7.650 | 6.391 | MN | 19,125 | .0 | .11/10/2004 | .11/01/2013 |
| 679574-AF-0 | OLD DOMINION ELEC COOP | | | | 1FE | 2,743,475 | 110.0560 | 2,751,400 | 2,500,000 | 2,740,804 | .0 | (2,671) | .0 | .0 | 6.250 | 4.556 | JD | 13,021 | .0 | .12/01/2004 | .06/01/2011 |
| 681919-AR-7 | OMNICOM GROUP INC | | | | 1FE | 725,906 | 100.1250 | 725,906 | 725,000 | 725,904 | .0 | (2) | .0 | .0 | 0.000 | (0.004) | MAT | .0 | .0 | .12/21/2004 | .06/15/2033 |
| 690353-BR-7 | OVERSEAS PRIV INV 6.78% 1/15/ | | | | 1FE | 355,557 | 106.4740 | 378,576 | 355,557 | 355,557 | .0 | .0 | .0 | .0 | 6.780 | 6.954 | MJSD | 1,071 | 24,107 | .09/05/1997 | .01/15/2009 |
| 693476-AR-4 | PNC Funding Corp. 5.75% | | | | 1FE | 1,629,120 | 103.7040 | 1,555,560 | 1,500,000 | 1,569,904 | .0 | (42,619) | .0 | .0 | 5.750 | 2.742 | FA | 35,938 | 86,250 | .08/08/2003 | .08/01/2006 |
| 742741-AA-9 | PROC & GAMBL PFT SHR TR & ESOP | | | | 1FE | 1,348,570 | 132.7710 | 1,327,710 | 1,000,000 | 1,335,733 | .0 | (12,173) | .0 | .0 | 9.360 | 6.146 | JJ | 46,800 | 93,600 | .12/11/2003 | .01/01/2021 |
| 742718-BM-0 | Proctor & Gamble 6.87% Of 9/15/09 | | | | 1FE | 481,016 | 112.5280 | 562,640 | 500,000 | 489,013 | .0 | 1,886 | .0 | .0 | 6.875 | 7.575 | MS | 10,122 | 34,375 | .02/17/2000 | .09/15/2009 |
| 743315-AH-6 | PROGRESSIVE CORP OHIO | | | | 1FE | 1,117,020 | 105.3710 | 1,053,710 | 1,000,000 | 1,063,594 | .0 | (43,445) | .0 | .0 | 7.300 | 2.714 | JD | 6,083 | 73,000 | .10/07/2003 | .06/01/2006 |
| 743917-AH-9 | PRUDENTIAL INS CO AMER | | | | 1FE | 1,225,120 | 127.6980 | 1,276,980 | 1,000,000 | 1,219,148 | .0 | (5,091) | .0 | .0 | 8.300 | 6.472 | JJ | 41,500 | 83,000 | .10/27/2003 | .07/01/2025 |
| 74531E-AC-6 | PUGET SOUND ENERGY INC SR MTN | | | | 2FE | 1,225,381 | 112.9060 | 1,266,805 | 1,122,000 | 1,224,631 | .0 | (750) | .0 | .0 | 7.000 | 6.359 | MS | 24,435 | 39,270 | .08/02/2004 | .03/09/2029 |
| 74834L-AF-7 | Quest Diagnostic 1.75% 11/30/2021 | | | | 2FE | 704,716 | 109.1250 | 720,225 | 660,000 | 702,979 | .0 | (1,737) | .0 | .0 | 1.750 | 1.324 | MN | 995 | 11,550 | .04/02/2004 | .11/30/2021 |
| 750236-AF-8 | Radian Group Inc. 2.25% 01/01/2022 | | | | 1FE | 564,694 | 101.5000 | 532,875 | 525,000 | 562,513 | .0 | (1,155) | .0 | .0 | 2.250 | 1.774 | JJ | 5,906 | 7,875 | .08/31/2004 | .01/01/2022 |
| 755111-AF-8 | RAYTHEON CO 7.2% | | | | 2FE | 751,064 | 118.3510 | 887,633 | 750,000 | 750,904 | .0 | (16) | .0 | .0 | 7.200 | 7.318 | FA | 20,400 | 54,000 | .10/23/1997 | .08/15/2027 |
| 755111-BH-3 | Raytheon Co. 8.30% | | | | 2FE | 814,590 | 118.4990 | 888,743 | 750,000 | 795,881 | .0 | (7,172) | .0 | .0 | 8.300 | 6.992 | MS | 20,750 | 62,250 | .03/25/2002 | .03/01/2010 |
| 759351-AA-7 | REINSURANCE GROUP AMER INC | | | | 1FE | 531,800 | 103.5910 | 517,955 | 500,000 | 524,057 | .0 | (7,743) | .0 | .0 | 7.250 | 3.320 | AO | 9,063 | 18,125 | .08/02/2004 | .04/01/2006 |
| 780153-AK-8 | Royal Caribbean Cruises Zero Cpn. | | | | 3FE | 526,838 | 61.2500 | 842,188 | 1,375,000 | 526,838 | .0 | .0 | .0 | .0 | 0.000 | 6.016 | MAT | .0 | .0 | .02/12/2001 | .02/02/2021 |
| 749685-AK-9 | RPM Intl Inc. | | | | 2FE | 526,582 | 57.7500 | 577,500 | 1,000,000 | 535,686 | .0 | 8,384 | .0 | .0 | 1.389 | 4.252 | MN | 1,852 | 13,890 | .12/05/2003 | .05/13/2033 |
| 749685-AJ-2 | RPM Intl. Inc. 0% | | | | 2FE | 252,595 | 57.7500 | 288,750 | 500,000 | 260,284 | .0 | 4,228 | .0 | .0 | 1.389 | 4.393 | MN | 926 | 6,945 | .05/08/2003 | .05/13/2033 |
| 786429-AQ-3 | Safeco Corp. 4.875% | | | | 2FE | 1,491,225 | 102.3900 | 1,535,850 | 1,500,000 | 1,493,337 | .0 | 1,126 | .0 | .0 | 4.875 | 5.037 | FA | 30,469 | 73,125 | .01/27/2003 | .02/01/2010 |
| 80311T-CF-7 | Sara Lee Corp. 6.15% | | | | 1FE | 994,140 | 107.7770 | 1,077,770 | 1,000,000 | 996,916 | .0 | 773 | .0 | .0 | 6.150 | 6.348 | MS | 18,108 | 61,500 | .01/25/2001 | .06/19/2008 |
| 78387G-AF-0 | SBC Communications Inc. 5.75% | | | | 1FE | 755,910 | 103.2060 | 774,045 | 750,000 | 751,789 | .0 | (1,254) | .0 | .0 | 5.750 | 5.640 | MN | 7,068 | 43,125 | .06/25/2001 | .05/02/2006 |
| 806857-AD-0 | SCHLUMBERGER LTD. | | | | 1 | 802,882 | 108.0000 | 896,400 | 830,000 | 804,120 | .0 | 1,140 | .0 | .0 | 2.125 | 2.350 | JD | 1,470 | 17,638 | .05/24/2004 | .06/01/2023 |
| 816300-AB-3 | Selective Ins. Group Inc. 1.616% | | | | 2FE | 703,974 | 61.1250 | 1,039,125 | 1,700,000 | 729,192 | .0 | 13,978 | .0 | .0 | 1.616 | 5.850 | MS | 7,400 | 27,464 | .02/26/2003 | .09/24/2032 |
| 828806-AC-3 | SIMON PPTY GROUP INC NEW | | | | 2FE | 1,409,966 | 98.4150 | 1,427,018 | 1,450,000 | 1,415,159 | .0 | 5,194 | .0 | .0 | 3.750 | 4.448 | JJ | 22,807 | 28,698 | .04/28/2004 | .01/30/2009 |
| 832110-AD-2 | Smith International Inc. 7% | | | | 2FE | 246,125 | 107.4480 | 236,386 | 220,000 | 236,387 | .0 | (5,617) | .0 | .0 | 7.000 | 4.107 | MS | 4,534 | 15,400 | .03/27/2003 | .09/15/2007 |
| 84349C-AG-2 | SOUTHERN NEW ENG TEL MTN BE | | | | 1FE | 1,041,430 | 104.2020 | 1,042,020 | 1,000,000 | 1,041,333 | .0 | (97) | .0 | .0 | 7.250 | 7.037 | JD | 3,222 | 36,250 | .10/14/2004 | .12/15/2033 |
| 852060-AK-8 | SPRINT CAP CORP | | | | 2FE | 203,466 | 101.9170 | 203,834 | 200,000 | 202,554 | .0 | (912) | .0 | .0 | 6.000 | 5.279 | FMAN | 1,467 | 4,827 | .05/19/2004 | .08/17/2006 |
| 852060-AD-4 | Sprint Cap. Corp. 6.875% | | | | 2FE | 190,252 | 106.0000 | 212,000 | 200,000 | 190,436 | .0 | 146 | .0 | .0 | 6.875 | 7.434 | MN | 1,757 | 13,750 | .09/22/2003 | .11/15/2028 |
| 792860-AD-0 | St. Paul Cos. Note 8.125% 04/15/10 | | | | 1FE | 895,644 | 116.7970 | 1,051,173 | 900,000 | 897,267 | .0 | 398 | .0 | .0 | 8.125 | 8.365 | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | Dates | | |
|--|--|-------|---------|-----------|------------------|-------------|--------------------------------|-------------|-------------|------------------------------|--|---|---|--|----------|-------------------|----------|-------------------------------|-----------------------------|------------|------------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | * | Foreign | Bond CHAR | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | How Paid | Admitted Amount Due & Accrued | Gross Amt. Rec. During Year | Acquired | Maturity |
| 907833-AG-2 | UNION PACIFIC RR..... | | | | 1FE | 842,980 | 107.1860 | 903,557 | 842,980 | 842,980 | 0 | 0 | 0 | 0 | 6.330 | 6.430 | JJ | 26,532 | 53,361 | 12/02/1998 | 01/02/2020 |
| 910860-AK-4 | United Mexican Sts MTN 6.375%..... | | | | 2FE | 587,672 | 106.5000 | 639,000 | 600,000 | 589,480 | 0 | 962 | 0 | 0 | 6.375 | 6.771 | JJ | 17,531 | 38,250 | 02/05/2003 | 01/16/2013 |
| 910860-AS-7 | UNITED MEXICAN STS MTN BE..... | | | | 2FE | 196,609 | 98.7500 | 197,500 | 200,000 | 196,618 | 0 | 9 | 0 | 0 | 6.750 | 7.003 | MS | 3,525 | 0 | 09/23/2004 | 09/27/2034 |
| 913903-AL-4 | UNIVERSAL HLTH SVCS INC..... | | | | 2FE | 434,669 | 57.6250 | 374,563 | 650,000 | 443,457 | 0 | 8,789 | 0 | 0 | 0.426 | 3.032 | JD | 62 | 2,769 | 02/26/2004 | 06/23/2020 |
| 915291-AC-0 | Unum Provident Corp. Note 7.625%..... | | | | 3 | 597,210 | 104.7500 | 628,500 | 600,000 | 598,037 | 0 | 241 | 0 | 0 | 7.625 | 7.841 | MS | 15,250 | 45,750 | 03/02/2001 | 03/01/2011 |
| 915291-AD-8 | Unumprovident Corp. 7.375%..... | | | | 3FE | 721,775 | 95.6250 | 860,625 | 900,000 | 724,054 | 0 | 1,275 | 0 | 0 | 7.375 | 9.658 | JD | 2,950 | 66,375 | 03/11/2003 | 06/15/2032 |
| 919131-AC-0 | VALERO ENERGY CORP NEW..... | | | | 2FE | 294,065 | 120.6180 | 301,545 | 250,000 | 293,565 | 0 | (500) | 0 | 0 | 7.500 | 6.268 | AO | 3,958 | 18,750 | 03/26/2004 | 04/15/2032 |
| 923446-AL-0 | Verizon Global Funding 7.25%..... | | | | 1FE | 815,670 | 114.5690 | 859,268 | 750,000 | 797,013 | 0 | (6,449) | 0 | 0 | 7.250 | 6.066 | JD | 4,531 | 54,375 | 12/05/2001 | 12/01/2010 |
| 923446-AM-8 | Verizon Global Funding Corp. 7.75%..... | | | | 1FE | 1,138,230 | 124.3330 | 1,243,330 | 1,000,000 | 1,135,561 | 0 | (1,931) | 0 | 0 | 7.750 | 6.757 | JD | 6,458 | 77,500 | 08/07/2003 | 12/01/2030 |
| 92344X-AA-7 | Verizon New York Inc. 6.875%..... | | | | 1FE | 387,849 | 112.2480 | 392,868 | 350,000 | 383,681 | 0 | (3,727) | 0 | 0 | 6.875 | 5.331 | AO | 6,016 | 24,063 | 11/17/2003 | 04/01/2012 |
| 92344U-AA-3 | Verizon NJ Inc. 5.875%..... | | | | 1FE | 1,054,630 | 106.2470 | 1,062,470 | 1,000,000 | 1,047,093 | 0 | (5,437) | 0 | 0 | 5.875 | 5.136 | JJ | 26,764 | 58,750 | 08/07/2003 | 01/17/2012 |
| 918204-AR-9 | VF Corp..... | | | | 1FE | 975,000 | 102.0660 | 1,020,660 | 1,000,000 | 975,367 | 0 | 305 | 0 | 0 | 6.000 | 6.280 | AO | 12,667 | 60,167 | 10/09/2003 | 10/15/2033 |
| 929900-AF-5 | Wachovia Bank Variable Rate..... | | | | 1FE | 2,197,100 | 102.3950 | 2,047,900 | 2,000,000 | 2,163,698 | 0 | (24,059) | 0 | 0 | 7.700 | 6.044 | FA | 64,167 | 154,000 | 08/05/2003 | 08/01/2010 |
| 931142-BE-2 | WAL MART 6.875% OF 8/09..... | | | | 1 | 490,005 | 112.2890 | 561,445 | 500,000 | 494,237 | 0 | 1,022 | 0 | 0 | 6.875 | 7.302 | FA | 13,464 | 34,375 | 04/17/2000 | 08/10/2009 |
| 254687-AU-0 | Walt Disney 2.125%..... | | | | 2FE | 1,113,713 | 111.2500 | 1,190,375 | 1,070,000 | 1,112,168 | 0 | (1,506) | 0 | 0 | 2.125 | 1.884 | AO | 4,800 | 19,550 | 07/30/2004 | 04/15/2023 |
| 93933W-AA-4 | WASH MUT BK CA GLBL SUB BK MTN..... | | | | 1FE | 2,529,436 | 112.5350 | 2,572,550 | 2,286,000 | 2,516,054 | 0 | (13,382) | 0 | 0 | 6.875 | 5.093 | JD | 6,985 | 78,581 | 07/20/2004 | 06/15/2011 |
| 93933W-AC-0 | WASH MUT BK CA GLBL SUB BK MTN..... | | | | 1FE | 1,993,900 | 99.3210 | 1,986,420 | 2,000,000 | 1,993,961 | 0 | 61 | 0 | 0 | 5.125 | 5.231 | JJ | 13,951 | 0 | 11/04/2004 | 01/15/2015 |
| 939322-AP-8 | WASHINGTON MUT INC..... | | | | 1FE | 599,082 | 99.6060 | 597,636 | 600,000 | 599,087 | 0 | 5 | 0 | 0 | 4.200 | 4.279 | JJ | 770 | 0 | 12/13/2004 | 01/15/2010 |
| 939640-AC-2 | Washington Post Co. 5.5%..... | | | | 1FE | 1,220,882 | 105.7430 | 1,321,788 | 1,250,000 | 1,232,364 | 0 | 3,676 | 0 | 0 | 5.500 | 5.977 | FA | 25,972 | 68,750 | 11/29/2001 | 02/15/2009 |
| 949746-CL-3 | Wells Fargo 5.125%..... | | | | 1FE | 2,311,017 | 103.4120 | 2,378,476 | 2,300,000 | 2,309,675 | 0 | (1,010) | 0 | 0 | 5.125 | 5.122 | MS | 117,875 | 39,292 | 08/28/2003 | 09/01/2012 |
| 92931B-AA-4 | Wps Res Corp 7.0% 11/01/09..... | | | | 1FE | 2,191,180 | 112.3090 | 2,246,180 | 2,000,000 | 2,137,534 | 0 | (24,482) | 0 | 0 | 7.000 | 5.449 | MM | 23,333 | 140,000 | 11/15/2002 | 11/01/2009 |
| 983024-AE-0 | WYETH..... | | | | 1FE | 599,658 | 103.4590 | 620,754 | 600,000 | 599,392 | 0 | (266) | 0 | 0 | 5.500 | 5.600 | FA | 13,750 | 20,625 | 06/17/2004 | 02/01/2014 |
| 983024-AA-8 | Wyeth 5.25%..... | | | | 1FE | 1,008,302 | 103.9320 | 1,039,314 | 1,000,000 | 1,007,481 | 0 | (717) | 0 | 0 | 5.250 | 5.203 | MS | 15,458 | 55,000 | 11/03/2003 | 03/15/2013 |
| 219868-AK-2 | CORPORACION ANDINA DE FOMENTO..... | | | | 1FE | 1,932,849 | 102.3960 | 1,822,649 | 1,780,000 | 1,831,809 | 0 | (101,040) | 0 | 0 | 8.875 | 1.845 | JD | 13,165 | 157,975 | 03/05/2004 | 06/01/2005 |
| 3999999 | - Total Bonds - Industrial, Misc. - Issuer Obligations | | | | | 184,636,881 | XXX | 194,072,891 | 182,782,307 | 183,965,395 | | (589,551) | | | XXX | XXX | XXX | 2,765,378 | 8,183,355 | XXX | XXX |
| DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES | | | | | | | | | | | | | | | | | | | | | |
| 00755W-HG-4 | ADVANTA MTG LN TR 2000-1..... | | | | 1FE | 1,559,014 | 103.1460 | 1,527,622 | 1,481,029 | 1,541,148 | 0 | (17,866) | 0 | 0 | 8.610 | 2.527 | MON | 10,626 | 74,360 | 05/04/2004 | 03/25/2028 |
| 4199999 | - Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | 1,559,014 | XXX | 1,527,622 | 1,481,029 | 1,541,148 | | (17,866) | | | XXX | XXX | XXX | 10,626 | 74,360 | XXX | XXX |
| DEFINED MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES | | | | | | | | | | | | | | | | | | | | | |
| 130335-AG-7 | CALIF I & EDB PG & E 1 1997-1 A-7..... | | | | 1FE | 545,262 | 103.0130 | 559,434 | 543,072 | 543,474 | 0 | (183) | 0 | 0 | 6.420 | 6.494 | MJSD | 581 | 34,865 | 05/05/1998 | 09/25/2008 |
| 130335-AW-2 | CALIF I & EDB SDG & E 1997-1 A-6..... | | | | 1FE | 607,551 | 103.0140 | 623,331 | 605,093 | 605,709 | 0 | (307) | 0 | 0 | 6.310 | 6.345 | MJSD | 636 | 38,181 | 01/26/2001 | 09/25/2008 |
| 143128-BT-2 | CARMAX AUTO OWNER TR..... | | | | 1FE | 549,988 | 99.4140 | 546,777 | 550,000 | 549,990 | 0 | 2 | 0 | 0 | 3.410 | 3.465 | MON | 834 | 11,409 | 04/28/2004 | 11/15/2010 |
| 36292R-AD-3 | GS AUTO LOAN TR 2003-1..... | | | | 1FE | 493,453 | 98.9910 | 490,005 | 495,000 | 493,594 | 0 | 141 | 0 | 0 | 2.716 | 2.928 | MON | 598 | 2,241 | 10/29/2004 | 06/15/2010 |
| 52108H-XJ-8 | LBUBS CMBS 2003C8..... | | | | 1FE | 2,320,995 | 99.3890 | 2,304,293 | 2,318,459 | 2,320,694 | 0 | (301) | 0 | 0 | 3.636 | 3.641 | MON | 4,683 | 56,357 | 05/04/2004 | 11/15/2027 |
| 52108H-P7-3 | LBUBS CMBS 2004C7..... | | | | 1FE | 1,158,895 | 99.7900 | 1,147,585 | 1,150,000 | 1,158,851 | 0 | (44) | 0 | 0 | 4.786 | 4.834 | MON | 3,058 | 9,173 | 10/22/2004 | 10/15/2029 |
| 52108H-RB-2 | LBUBS COMMERCIAL MORTGAGE TRUST..... | | | | 1FE | 1,995,000 | 96.7190 | 1,934,380 | 2,000,000 | 1,995,361 | 0 | 361 | 0 | 0 | 3.850 | 3.953 | MON | 4,278 | 57,750 | 03/08/2004 | 05/15/2027 |
| 68338S-EK-0 | ONYX ACCEP OWNER TR..... | | | | 1FE | 1,174,735 | 100.2710 | 1,178,184 | 1,175,000 | 1,174,774 | 0 | 39 | 0 | 0 | 3.890 | 3.967 | MON | 2,031 | 25,139 | 05/19/2004 | 02/15/2011 |
| 705220-AF-8 | PECO ENERGY BONDS 1999-A..... | | | | 1FE | 1,406,634 | 103.8880 | 1,324,572 | 1,275,000 | 1,337,990 | 0 | (40,554) | 0 | 0 | 6.050 | 2.691 | MS | 25,713 | 77,138 | 04/16/2003 | 03/01/2009 |
| 744361-EU-7 | Prudential Sec Fin Corp 99-NRF1..... | | | | 1FE | 217,234 | 101.1380 | 204,467 | 202,166 | 214,143 | 0 | (5,723) | 0 | 0 | 6.074 | (2.160) | MON | 1,023 | 25,986 | 04/21/2003 | 11/15/2031 |
| 4399999 | - Total Bonds - Industrial, Misc. - Defined Multi-Class Commercial Mortgage-Backed Securities | | | | | 10,469,747 | XXX | 10,313,028 | 10,313,790 | 10,394,580 | | (46,569) | | | XXX | XXX | XXX | 43,435 | 338,239 | XXX | XXX |
| 4599999 | - Total - Industrial and Miscellaneous Bonds | | | | | 196,665,642 | XXX | 205,913,541 | 194,577,126 | 195,901,123 | | (653,986) | | | XXX | XXX | XXX | 2,819,439 | 8,595,954 | XXX | XXX |
| 5499999 | - Total - Issuer Obligations | | | | | 288,369,751 | XXX | 297,602,359 | 285,301,378 | 287,397,680 | 0 | (828,300) | 0 | 0 | XXX | XXX | XXX | 3,622,738 | 10,525,255 | XXX | XXX |
| 5599999 | - Total - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | 129,726,785 | XXX | 129,791,778 | 125,657,111 | 129,535,632 | | (116,564) | | | XXX | XXX | XXX | 602,407 | 5,490,696 | XXX | XXX |
| 5699999 | - Total - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | 15,492,722 | XXX | 15,560,168 | 14,864,600 | 15,442,819 | | 32,293 | | | XXX | XXX | XXX | 85,921 | 958,832 | XXX | XXX |
| 5899999 | - Total - Defined Multi-Class Commercial Mortgage-Backed Securities | | | | | 10,469,747 | XXX | 10,313,028 | 10,313,790 | 10,394,580 | | (46,569) | | | XXX | XXX | XXX | 43,435 | 338,239 | XXX | XXX |
| 6099999 | Totals | | | | | 444,059,005 | XXX | 453,267,333 | 436,136,879 | 442,770,781 | 0 | (959,140) | 0 | 0 | XXX | XXX | XXX | 4,354,501 | 17,313,022 | XXX | XXX |

08.6

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 2 - SECTION 1

Showing ALL PREFERRED STOCKS Owned December 31 of Current Year

| 1 CUSIP Identification | 2 Description | Codes | | 5 Number Of Shares | 6 Par Value Per Share | 7 Rate Per Share | 8 Book/ Adjusted Carrying Value | Fair Value | | 11 Actual Cost | Dividends | | | Change in Book/ Adjusted Carrying Value | | | | | 20 NAIC Desig- nation | 21 Date Acquired |
|---|------------------------------------|-----------|--------------|-----------------------------|-----------------------------------|---------------------------|---|--|---------------------|----------------------|---------------------------------|--|--|--|--|---|--|---|--------------------------------|------------------------|
| | | 3 Code | 4 Foreign | | | | | 9 Rate Per Share Used to Obtain Fair Value | 10 Fair Value | | 12 Declared But Unpaid | 13 Amount Received During Year | 14 Nonadmitted Declared But Unpaid | 15 Unrealized Valuation Increase/ (Decrease) | 16 Current Year's (Amortization) Accretion | 17 Current Year's Other Than Temporary Impairment Recognized | 18 Total Change In B./A.C.V. (15 + 16 - 17) | 19 Total Foreign Exchange Change In B./A.C.V. | | |
| BANKS, TRUST AND INSURANCE COMPANIES | | | | | | | | | | | | | | | | | | | | |
| 894206-30-7 | Travelers Ppty Casualty Corp | | | 20,500,000 | | 23.030 | 472,115 | 23,030 | 472,115 | 439,953 | | 23,062 | | (30,135) | | | (30,135) | | P2LFE | 11/21/2002 |
| 8299999 - Total - Preferred Stock - Banks, Trust, Insurance | | | | | | | 472,115 | XXX | 472,115 | 439,953 | | 23,062 | | (30,135) | | | (30,135) | | XXX | XXX |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | | | | | | | | | | | | | |
| 013104-20-3 | ALBERTSONS INC | | | 32,500,000 | | 25.060 | 814,440 | 25,400 | 825,500 | 815,240 | | 28,433 | | (800) | | | (800) | | P1LFE | 07/29/2004 |
| 020039-82-2 | Alltel Corp | | | 0,000 | | | 0 | 0,000 | 0 | 0 | | 0 | | 0 | | | 0 | | P1LFE | 12/03/2002 |
| 071813-40-6 | Baxter Intl. Inc. 7% Conv. | | | 10,700,000 | | 56.460 | 604,122 | 56,460 | 604,122 | 529,647 | | 37,450 | | 12,947 | | | 12,947 | | P2LFE | 02/24/2003 |
| 171232-50-7 | CHUBB CORP. | | | 24,000,000 | 25.00 | | 642,237 | 30,000 | 720,000 | 668,400 | | 42,000 | | | (25,130) | | (25,130) | | RP1LFE | 12/16/2003 |
| 345395-20-6 | Ford Motor Co. Conv. Pfd. | | | 15,000,000 | | | 687,603 | 52,790 | 791,850 | 690,110 | | 48,750 | | (2,508) | | | (2,508) | | P3LFE | 09/24/2002 |
| 302571-40-1 | FPL Group Inc. Conv. Pfd. | | | 4,000,000 | 1.00 | 60.240 | 240,960 | 60,240 | 240,960 | 200,184 | | 16,000 | | 15,000 | | | 15,000 | | P1L | 06/07/2002 |
| 372470-30-4 | GENWORTH FINL INC. | | | 25,000,000 | | 32.410 | 810,250 | 32,410 | 810,250 | 712,200 | | 15,875 | | 98,050 | | | 98,050 | | P1L | 07/29/2004 |
| 844030-30-4 | Southern Union | | | 7,000,000 | | 72.900 | 510,300 | 72,900 | 510,300 | 392,645 | | 20,125 | | 117,655 | | | 117,655 | | P2LFE | 09/30/2003 |
| 929042-20-8 | VORNADO RLTY TR 6.5% CONV PFD. | | | 2,200,000 | | 104.960 | 230,912 | 104,960 | 230,912 | 118,041 | | 7,150 | | 64,350 | | | 64,350 | | P2LFE | 09/29/2000 |
| 939322-84-8 | Washington Mutual Capital Tr 5.375 | | | 14,450,000 | | 55.750 | 805,588 | 55,750 | 805,588 | 779,178 | | 37,356 | | (2,776) | | | (2,776) | | P2LFE | 02/24/2004 |
| 8399999 - Total - Preferred Stock - Industrial, Misc. | | | | | | | 5,346,412 | XXX | 5,539,482 | 4,905,645 | | 253,139 | | 301,918 | (25,130) | | 276,788 | | XXX | XXX |
| 8599999 Total - Preferred Stocks | | | | | | | 5,818,527 | XXX | 6,011,597 | 5,345,598 | | 276,201 | | 271,783 | (25,130) | | 246,653 | | XXX | XXX |

E09

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

| 1 | 2 | Codes | | 5 | 6 | Fair Value | | 9 | Dividends | | | Change in Book / Adjusted Carrying Value | | | | 17 | 18 |
|---|--|-------|---------|------------------|--------------------------------|--|------------|-------------|---------------------|-----------------------------|---------------------------------|--|---|-------------------------------------|--|---------------------------|---------------|
| | | 3 | 4 | | | 7 | 8 | | 10 | 11 | 12 | 13 | 14 | 15 | 16 | | |
| CUSIP Identification | Description | Code | Foreign | Number of Shares | Book / Adjusted Carrying Value | Rate per Share Used To Obtain Fair Value | Fair Value | Actual Cost | Declared But Unpaid | Amount Received During Year | Nonadmitted Declared But Unpaid | Unrealized Valuation Increase / (Decrease) | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (13 - 14) | Total Foreign Exchange Change in B./A.C.V. | NAIC Market Indicator (a) | Date Acquired |
| BANKS, TRUST AND INSURANCE COMPANIES | | | | | | | | | | | | | | | | | |
| 07336*-10-0 | BCS Financial | | | 10,550,000 | 1,503,059 | 142,470 | 1,503,059 | 676,232 | 0 | 0 | 0 | (32) | 0 | (32) | 0 | A | 05/11/1990 |
| 05536J-10-0 | BCSI Holdings | | | 4,411,000 | 353,145 | 80,060 | 353,145 | 249,971 | 0 | 0 | 0 | 103,173 | 0 | 103,173 | 0 | A | 09/14/1998 |
| 72724*-10-4 | Plans' Liability Insurance Company | | | 15,480 | 1,242,858 | 80,288,000 | 1,242,858 | 774,000 | 0 | 0 | 0 | 468,858 | 0 | 468,858 | 0 | A | 12/31/1987 |
| 743859-10-0 | PROVIDENT BANKSHARES CORP. | | | 15,400,000 | 560,098 | 36,370 | 560,098 | 446,051 | 0 | 14,366 | 0 | 107,476 | 0 | 107,476 | 0 | L | 06/25/2004 |
| 750236-10-1 | Radian Group, Inc. | | | 6,270,000 | 333,815 | 53,240 | 333,815 | 274,391 | 0 | 429 | 0 | 59,426 | 0 | 59,426 | 0 | L | 08/16/2004 |
| 5799999 | Total - Common Stock - Banks, Trust, Insurance | | | | 3,992,975 | XXX | 3,992,975 | 2,420,645 | | 14,795 | | 738,901 | | 738,901 | | XXX | XXX |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | | | | | | | | | | |
| 004933-10-7 | ACTION PERFORMANCE COS INC. | | | 26,420,000 | 290,356 | 10,990 | 290,356 | 293,403 | 0 | 1,321 | 0 | (3,047) | 0 | (3,047) | 0 | L | 09/13/2004 |
| 024937-10-4 | AMERICAN CAPITAL STRATEGIES | | | 20,800,000 | 693,680 | 33,350 | 693,680 | 534,768 | 0 | 30,160 | 0 | 158,912 | 0 | 158,912 | 0 | L | 05/24/2004 |
| 02660R-10-7 | AMERICAN HOME MTO INVT CORP. | | | 9,940,000 | 340,445 | 34,250 | 340,445 | 270,713 | 0 | 6,063 | 0 | 69,732 | 0 | 69,732 | 0 | L | 09/15/2004 |
| 03073E-10-5 | AMERISOURCEBERGEN CORP. | | | 5,330,000 | 312,764 | 58,680 | 312,764 | 283,936 | 0 | 267 | 0 | 28,828 | 0 | 28,828 | 0 | L | 08/12/2004 |
| 035290-10-5 | ANIXTER INTL INC. | | | 8,280,000 | 297,997 | 35,990 | 297,997 | 277,167 | 0 | 0 | 0 | 20,830 | 0 | 20,830 | 0 | L | 08/13/2004 |
| 05379B-10-7 | Avista Corp. | | | 15,700,000 | 277,419 | 17,670 | 277,419 | 274,536 | 0 | 4,082 | 0 | 2,883 | 0 | 2,883 | 0 | L | 08/19/2004 |
| 066821-10-9 | Banta Corporation | | | 13,000,000 | 581,880 | 44,760 | 581,880 | 464,586 | 0 | 7,106 | 0 | 35,606 | 0 | 35,606 | 0 | L | 06/24/2004 |
| 05538P-10-4 | BEL Technologies Inc. | | | 24,600,000 | 759,648 | 30,880 | 759,648 | 586,859 | 0 | 738 | 0 | 172,789 | 0 | 172,789 | 0 | L | 03/26/2004 |
| 077454-10-6 | BELDEN CDT INC. | | | 43,800,000 | 1,016,160 | 23,200 | 1,016,160 | 897,900 | 0 | 2,190 | 0 | 118,260 | 0 | 118,260 | 0 | L | 07/16/2004 |
| 091826-10-7 | Black Box Corp. | | | 8,030,000 | 385,601 | 48,020 | 385,601 | 296,409 | 0 | 1,307 | 0 | 45,998 | 0 | 45,998 | 0 | L | 08/11/2004 |
| 092113-10-9 | BLACK HILLS CORP. | | | 10,110,000 | 310,175 | 30,680 | 310,175 | 290,693 | 0 | 3,134 | 0 | 19,482 | 0 | 19,482 | 0 | L | 09/08/2004 |
| 118440-10-6 | BUCKLE INC. | | | 10,600,000 | 312,700 | 29,500 | 312,700 | 294,122 | 0 | 2,332 | 0 | 18,578 | 0 | 18,578 | 0 | L | 07/01/2004 |
| 121579-10-6 | Burlington Coat Factory | | | 14,200,000 | 322,340 | 22,700 | 322,340 | 244,143 | 0 | 568 | 0 | 21,868 | 0 | 21,868 | 0 | L | 04/24/2002 |
| 144418-10-0 | Carramerica Realty Corp. | | | 10,300,000 | 339,900 | 33,000 | 339,900 | 267,403 | 0 | 20,600 | 0 | 33,166 | 0 | 33,166 | 0 | L | 09/09/2003 |
| 216831-10-7 | COOPER TIRE & RUBBER CO. | | | 34,000,000 | 732,700 | 21,550 | 732,700 | 645,558 | 0 | 13,020 | 0 | (6,642) | 0 | (6,642) | 0 | L | 06/25/2004 |
| 229669-10-6 | CUBIC CORP. | | | 11,340,000 | 284,294 | 25,070 | 284,294 | 271,191 | 0 | 0 | 0 | 13,102 | 0 | 13,102 | 0 | L | 08/25/2004 |
| 231021-10-6 | Cummins Inc. | | | 7,600,000 | 636,804 | 83,790 | 636,804 | 284,556 | 0 | 9,120 | 0 | 264,860 | 0 | 264,860 | 0 | L | 04/24/2002 |
| 232861-10-4 | D & K HEALTHCARE RES INC. | | | 28,920,000 | 232,228 | 8,030 | 232,228 | 292,641 | 0 | 868 | 0 | (60,413) | 0 | (60,413) | 0 | L | 08/25/2004 |
| 247131-10-5 | Delphi Finl Group Inc | | | 6,750,000 | 311,513 | 46,150 | 311,513 | 169,757 | 0 | 2,160 | 0 | 68,513 | 0 | 68,513 | 0 | L | 02/26/2003 |
| 261018-10-5 | Downey Finl. Corp. | | | 10,800,000 | 615,600 | 57,000 | 615,600 | 475,488 | 0 | 4,320 | 0 | 83,160 | 0 | 83,160 | 0 | L | 09/10/2003 |
| 293389-10-2 | Ennis Business Forms Inc. | | | 52,700,000 | 1,014,475 | 19,250 | 1,014,475 | 810,018 | 0 | 23,529 | 0 | 193,857 | 0 | 193,857 | 0 | L | 05/19/2004 |
| 297602-10-4 | ETHAN ALLEN INTERIORS INC. | | | 7,800,000 | 312,156 | 40,020 | 312,156 | 275,166 | 0 | 1,170 | 0 | 36,990 | 0 | 36,990 | 0 | L | 09/01/2004 |
| 30239F-10-6 | FBL FINL GROUP INC. | | | 11,100,000 | 316,905 | 28,550 | 316,905 | 295,781 | 0 | 1,188 | 0 | 21,124 | 0 | 21,124 | 0 | L | 09/28/2004 |
| 316326-10-7 | FIDELITY NATL FINL INC. | | | 7,760,000 | 354,399 | 45,670 | 354,399 | 282,106 | 0 | 1,940 | 0 | 72,293 | 0 | 72,293 | 0 | L | 08/17/2004 |
| 31983B-10-1 | First Community Bancorp. | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | L | 04/27/2004 |
| 336158-10-0 | FIRST REP BK SAN FRANCISCO | | | 14,500,000 | 768,500 | 53,000 | 768,500 | 550,153 | 0 | 3,988 | 0 | 218,347 | 0 | 218,347 | 0 | L | 05/19/2004 |
| 337930-10-1 | FLAGSTAR BANCORP INC. | | | 13,100,000 | 296,060 | 22,600 | 296,060 | 283,192 | 0 | 6,550 | 0 | 12,868 | 0 | 12,868 | 0 | L | 09/02/2004 |
| 373200-20-3 | Georgia Gulf Corp. | | | 17,800,000 | 886,440 | 49,800 | 886,440 | 379,850 | 0 | 5,696 | 0 | 372,376 | 0 | 372,376 | 0 | L | 03/25/2003 |
| 37803P-10-5 | Glenborough Rlty Tr Inc. | | | 15,800,000 | 336,224 | 21,280 | 336,224 | 286,465 | 0 | 22,120 | 0 | 21,014 | 0 | 21,014 | 0 | L | 01/29/2003 |
| 431294-10-7 | HILB ROGAL & HAMILTON CO. | | | 11,800,000 | 427,632 | 36,240 | 427,632 | 376,126 | 0 | 4,809 | 0 | 50,362 | 0 | 50,362 | 0 | L | 02/04/2004 |
| 45245A-10-7 | Imation Corp. | | | 7,200,000 | 229,176 | 31,830 | 229,176 | 248,759 | 0 | 2,736 | 0 | (23,904) | 0 | (23,904) | 0 | L | 06/10/2003 |
| 4576J0-10-4 | INNKEEPERS USA TRUST | | | 67,900,000 | 964,180 | 14,200 | 964,180 | 673,104 | 0 | 9,573 | 0 | 398,366 | 0 | 398,366 | 0 | L | 04/22/2004 |
| 45810H-10-7 | INTEGRAL SYS INC MD. | | | 15,403,000 | 299,588 | 19,450 | 299,588 | 289,253 | 0 | 43 | 0 | 10,335 | 0 | 10,335 | 0 | L | 09/21/2004 |
| 458372-10-9 | INTER TEL INC. | | | 14,060,000 | 384,963 | 27,380 | 384,963 | 275,106 | 0 | 984 | 0 | 109,856 | 0 | 109,856 | 0 | L | 08/12/2004 |
| 461203-10-1 | INVACARE CORP. | | | 6,600,000 | 305,316 | 46,260 | 305,316 | 287,823 | 0 | 83 | 0 | 17,493 | 0 | 17,493 | 0 | L | 08/12/2004 |
| 480074-10-3 | JONES APPAREL GROUP INC. | | | 7,570,000 | 276,835 | 36,570 | 276,835 | 269,941 | 0 | 757 | 0 | 6,894 | 0 | 6,894 | 0 | L | 08/16/2004 |
| 488044-10-8 | Kellwood Co. | | | 6,500,000 | 224,250 | 34,500 | 224,250 | 146,223 | 0 | 4,160 | 0 | (42,250) | 0 | (42,250) | 0 | L | 05/24/2001 |
| 489170-10-0 | Kennametal Inc. | | | 12,500,000 | 622,125 | 49,770 | 622,125 | 373,188 | 0 | 8,500 | 0 | 125,250 | 0 | 125,250 | 0 | L | 04/03/2003 |
| 502424-10-4 | L-3 COMMUNICATIONS HLDGS INC. | | | 4,630,000 | 339,101 | 73,240 | 339,101 | 278,050 | 0 | 926 | 0 | 61,051 | 0 | 61,051 | 0 | L | 08/12/2004 |
| 533900-10-6 | Lincoln Electric Holdings | | | 14,600,000 | 504,284 | 34,540 | 504,284 | 333,777 | 0 | 9,782 | 0 | 143,080 | 0 | 143,080 | 0 | L | 01/29/2003 |
| 536797-10-3 | LITHIA MTRS INC. | | | 13,660,000 | 366,361 | 26,820 | 366,361 | 292,037 | 0 | 1,093 | 0 | 74,324 | 0 | 74,324 | 0 | L | 09/07/2004 |
| 542307-10-3 | LONE STAR STEAKHOUSE SALOON | | | 11,623,000 | 325,444 | 28,000 | 325,444 | 291,774 | 0 | 2,034 | 0 | 33,670 | 0 | 33,670 | 0 | L | 09/16/2004 |
| 584404-10-7 | MEDIA GEN INC. | | | 4,570,000 | 296,182 | 64,810 | 296,182 | 269,526 | 0 | 1,828 | 0 | 26,655 | 0 | 26,655 | 0 | L | 08/19/2004 |
| 589584-10-1 | MERIDIAN BIOSCIENCE INC. | | | 83,900,000 | 1,472,445 | 17,550 | 1,472,445 | 927,299 | 0 | 18,920 | 0 | 545,146 | 0 | 545,146 | 0 | L | 06/25/2004 |
| 624580-10-6 | MOVADO GROUP INC. | | | 32,600,000 | 607,990 | 18,650 | 607,990 | 463,474 | 0 | 3,912 | 0 | 144,516 | 0 | 144,516 | 0 | L | 03/26/2004 |
| 553777-10-3 | MTS SYS Corp. | | | 21,200,000 | 716,772 | 33,810 | 716,772 | 315,812 | 0 | 5,626 | 0 | 309,096 | 0 | 309,096 | 0 | L | 09/18/2003 |
| 646025-10-6 | NEW JERSEY RES CORP. | | | 6,980,000 | 302,513 | 43,340 | 302,513 | 289,329 | 0 | 2,269 | 0 | 13,184 | 0 | 13,184 | 0 | L | 09/08/2004 |
| 648053-10-6 | NEW PLAN EXCEL RLTY TR INC. | | | 10,820,000 | 293,006 | 27,080 | 293,006 | 272,965 | 0 | 4,463 | 0 | 20,040 | 0 | 20,040 | 0 | L | 08/24/2004 |
| 654086-10-7 | Nicor Inc. | | | 7,870,000 | 290,718 | 36,940 | 290,718 | 270,310 | 0 | 3,660 | 0 | 20,408 | 0 | 20,408 | 0 | L | 08/13/2004 |
| 667655-10-4 | Northwest Nat. Gas Co. | | | 6,000,000 | 202,440 | 33,740 | 202,440 | 177,848 | 0 | 7,800 | 0 | 17,940 | 0 | 17,940 | 0 | L | 09/11/2003 |
| 680223-10-4 | OLD REP INTL CORP. | | | 11,980,000 | 303,094 | 25,300 | 303,094 | 286,520 | 0 | 1,557 | 0 | 16,574 | 0 | 16,574 | 0 | L | 09/08/2004 |
| 682680-10-3 | Oneck Inc. | | | 11,900,000 | 338,198 | 28,420 | 338,198 | 269,104 | 0 | 2,975 | 0 | 69,094 | 0 | 69,094 | 0 | L | 08/16/2004 |

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ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

| 1 CUSIP Identification | 2 Description | 3 Codes | | 5 Number of Shares | 6 Book / Adjusted Carrying Value | 7 Fair Value | | 9 Actual Cost | 10 Dividends | | | 13 Change in Book / Adjusted Carrying Value | | | | 17 NAIC Market Indicator (a) | 18 Date Acquired |
|------------------------------|---|-----------|--------------|--------------------------|---|---|--------------------|---------------------|------------------------------|---|---|---|---|--|---|--|------------------------|
| | | 3 Code | 4 Foreign | | | 7 Rate per Share Used To Obtain Fair Value | 8 Fair Value | | 10 Declared But Unpaid | 11 Amount Received During Year | 12 Nonadmitted Declared But Unpaid | 13 Unrealized Valuation Increase / (Decrease) | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Change in B./A.C.V. (13 - 14) | 16 Total Foreign Exchange Change in B./A.C.V. | | |
| 688239-20-1 | OSHKOSH TRUCK B | | | 8,600,000 | 588,068 | 68,380 | 588,068 | 180,193 | 0 | 2,494 | 0 | 149,210 | 0 | 149,210 | 0 | L | 07/06/2001 |
| 690732-10-2 | Owens & Minor Inc | | | 22,300,000 | 628,191 | 28,170 | 628,191 | 551,176 | 0 | 8,448 | 0 | 99,939 | 0 | 99,939 | 0 | L | 04/14/2004 |
| 713278-10-9 | Pep Boys Inc | | | 22,800,000 | 389,196 | 17,070 | 389,196 | 263,267 | 0 | 6,156 | 0 | (132,240) | 0 | (132,240) | 0 | L | 11/25/2002 |
| 714046-10-9 | PERKINELMER INC | | | 16,790,000 | 377,607 | 22,490 | 377,607 | 277,122 | 0 | 1,175 | 0 | 100,485 | 0 | 100,485 | 0 | L | 08/13/2004 |
| 718592-10-8 | Phillips Van Heusen Corp | | | 26,100,000 | 704,700 | 27,000 | 704,700 | 381,283 | 0 | 3,915 | 0 | 241,686 | 0 | 241,686 | 0 | L | 04/24/2002 |
| 721467-10-8 | Pilgrims Pride Corp | | | 24,170,000 | 741,536 | 30,680 | 741,536 | 330,403 | 0 | 1,661 | 0 | 346,840 | 0 | 346,840 | 0 | L | 11/10/2003 |
| 730448-10-7 | POGO PRODUCING CO | | | 6,960,000 | 337,490 | 48,490 | 337,490 | 310,196 | 0 | 435 | 0 | 27,294 | 0 | 27,294 | 0 | L | 09/02/2004 |
| 731822-10-2 | POMEROY IT SOLUTIONS INC | | | 21,560,000 | 327,928 | 15,210 | 327,928 | 279,094 | 0 | 0 | 0 | 48,833 | 0 | 48,833 | 0 | L | 08/26/2004 |
| 808194-10-4 | Schulman A Inc | | | 19,900,000 | 426,059 | 21,410 | 426,059 | 282,678 | 0 | 10,746 | 0 | 1,791 | 0 | 1,791 | 0 | L | 04/24/2002 |
| 835456-10-2 | SONIC AUTOMOTIVE INC | | | 12,940,000 | 320,912 | 24,800 | 320,912 | 276,812 | 0 | 1,553 | 0 | 44,100 | 0 | 44,100 | 0 | L | 08/23/2004 |
| 847220-20-9 | Spartech Corp | | | 16,000,000 | 433,440 | 27,090 | 433,440 | 341,867 | 0 | 7,040 | 0 | 39,200 | 0 | 39,200 | 0 | L | 04/24/2002 |
| 792228-10-8 | St. Mary Land & Exploration | | | 15,800,000 | 659,492 | 41,740 | 659,492 | 429,230 | 0 | 1,580 | 0 | 209,192 | 0 | 209,192 | 0 | L | 06/24/2003 |
| 871655-10-6 | SYPRIS SOLUTIONS INC | | | 21,110,000 | 323,194 | 15,310 | 323,194 | 268,314 | 0 | 633 | 0 | 54,880 | 0 | 54,880 | 0 | L | 08/18/2004 |
| 904708-10-4 | Unifirst Corp. Mass. | | | 20,900,000 | 591,052 | 28,280 | 591,052 | 541,250 | 0 | 2,460 | 0 | 66,138 | 0 | 66,138 | 0 | L | 07/02/2004 |
| 927460-10-5 | Vintage Pete Inc | | | 36,800,000 | 834,992 | 22,690 | 834,992 | 403,894 | 0 | 6,992 | 0 | 392,288 | 0 | 392,288 | 0 | L | 06/25/2003 |
| 928469-10-5 | VITAL SIGNS INC | | | 9,680,000 | 376,746 | 38,920 | 376,746 | 291,049 | 0 | 1,100 | 0 | 85,697 | 0 | 85,697 | 0 | L | 08/26/2004 |
| 955306-10-5 | WEST PHARMACEUTICAL SVCS INC | | | 14,700,000 | 367,941 | 25,030 | 367,941 | 291,881 | 0 | 1,617 | 0 | 76,060 | 0 | 76,060 | 0 | L | 09/14/2004 |
| 889999 | Total - Common Stock - Industrial, Misc. | | | | 31,860,520 | XXX | 31,860,520 | 23,955,617 | | 332,032 | | 6,053,907 | | 6,053,907 | | XXX | XXX |
| 13973#-10-2 | Capital Area Services Company, Inc | | | 1,000,000 | (228) | 1,000 | (228) | 1,000 | | | | 0 | | 0 | | | 03/04/1992 |
| 13985#-10-8 | CareFirst BlueChoice, Inc | | | 4,000,000 | 88,855,979 | 22,214,000 | 88,855,979 | 20,611,719 | | | | 17,116,446 | | 17,116,446 | | | 06/22/1984 |
| 63516#-10-1 | National Capital Administrative Services | | | 4,000,000 | 8,157,267 | 2,040,000 | 8,157,267 | 12,802,369 | | | | (719,757) | | (719,757) | | | 11/03/1983 |
| 63517@-10-2 | National Capital Insurance Agency, Inc | | | 20,000,000 | 5,027,178 | 252,000 | 5,027,178 | 5,363,430 | | | | 365,394 | | 365,394 | | | 04/20/1978 |
| | GHMSI Companies | | | | | | | 309,807 | | | | | | | | | |
| 899999 | Total - Common Stock - Parent, Subsidiaries, Affiliates | | | | 102,040,196 | XXX | 102,040,196 | 39,088,325 | | | | 16,762,083 | | 16,762,083 | | XXX | XXX |
| | MONEY MARKET MUTUAL FUNDS | | | | | | | | | | | | | | | | |
| 922040-10-0 | Vanguard Institutional Index Fund | | | 360,024,186 | 39,858,278 | 110,710 | 39,858,278 | 37,090,433 | 0 | 718,523 | 0 | 3,190,720 | 0 | 3,190,720 | 0 | U | 12/31/2004 |
| 719999 | Total - Common Stocks - Money Market Mutual Funds | | | | 39,858,278 | XXX | 39,858,278 | 37,090,433 | | 718,523 | | 3,190,720 | | 3,190,720 | | XXX | XXX |
| 729999 | Total - Common Stocks | | | | 177,751,969 | XXX | 177,751,969 | 102,555,020 | | 1,065,350 | | 26,745,611 | | 26,745,611 | | XXX | XXX |
| 739999 | Total - Preferred and Common Stocks | | | | 183,570,496 | XXX | 183,763,566 | 107,900,618 | 0 | 1,341,551 | 0 | 27,017,394 | 0 | 26,992,264 | 0 | XXX | XXX |

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues the total \$ value (included in Column 8) of all such issues \$

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ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---------|---------------|---------------------------|---------------------------|-------------|------------|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| US GOVERNMENT OBLIGATIONS | | | | | | | | |
| 3133MU-DV-4 | FEDERAL HOME LN BKS | | 03/08/2004 | ABN Amro | | 1,642,287 | 1,540,000 | 26,902 |
| 3133MY-X5-1 | FEDERAL HOME LN BKS | | 03/11/2004 | Lehman Brothers | | 3,051,690 | 3,000,000 | 34,892 |
| 3133X0-E8-8 | FEDERAL HOME LN BKS | | 03/11/2004 | Lehman Brothers | | 4,103,240 | 4,000,000 | 9,375 |
| 3134A4-RH-9 | FEDERAL HOME LN MTG CORP | | 03/08/2004 | ABN Amro | | 5,180,050 | 5,000,000 | 86,042 |
| 3134A4-UP-7 | FEDERAL HOME LN MTG CORP | | 03/08/2004 | ABN Amro | | 5,022,603 | 5,000,000 | 9,375 |
| 31359M-UT-8 | FEDERAL NATIONAL MTG ASSN | | 10/21/2004 | VARIOUS | | 927,871 | 950,000 | 1,060 |
| 31359M-GK-3 | FEDERAL NATL MTG ASSN | | 09/13/2004 | VARIOUS | | 553,036 | 475,000 | 10,522 |
| 31359M-HK-2 | FEDERAL NATL MTG ASSN | | 08/24/2004 | Warburg, S.G. | | 294,194 | 275,000 | 6,722 |
| 31359M-LS-0 | FEDERAL NATL MTG ASSN | | 09/17/2004 | Nationsbank | | 321,865 | 300,000 | 5,689 |
| 31359M-RL-9 | FEDERAL NATL MTG ASSN | | 03/08/2004 | ABN Amro | | 3,032,490 | 3,000,000 | 21,938 |
| 31359M-TU-7 | FEDERAL NATL MTG ASSN | | 12/08/2004 | VARIOUS | | 14,233,354 | 14,250,000 | 61,426 |
| 31359M-VE-0 | FEDERAL NATL MTG ASSN | | 12/08/2004 | VARIOUS | | 1,782,170 | 1,750,000 | 578 |
| 31359M-WO-2 | FEDERAL NATL MTG ASSN | | 10/20/2004 | Warburg, S.G. | | 1,300,058 | 1,300,000 | 0 |
| 36290S-GB-1 | GNMA PASS-THRU X SINGLE FAMILY | | 03/08/2004 | Paine Webber | | 2,969,611 | 2,928,430 | 8,948 |
| 912810-FP-8 | U.S. Treasury Bonds 5.375% | | 09/13/2004 | First Union Capital Marke | | 238,430 | 225,000 | 1,052 |
| 912810-FR-4 | UNITED STATES TREAS BDS | | 12/31/2004 | VARIOUS | | 440,952 | 429,182 | 2,384 |
| 912828-BM-1 | UNITED STATES TREAS NTS | | 06/25/2004 | Greenwich Capital Markets | | 2,936,953 | 3,000,000 | 19,467 |
| 912828-CT-5 | UNITED STATES TREAS NTS | | 10/22/2004 | Barclays Capital | | 483,888 | 475,000 | 4,005 |
| 912828-BS-8 | UNITED STATES TREASURY | | 09/30/2004 | Chase Manhattan Bank | | 4,978,320 | 5,000,000 | 32,531 |
| 912828-AH-3 | US Treasury 3.25% 08/15/07 | | 12/17/2004 | VARIOUS | | 7,539,199 | 7,500,000 | 94,446 |
| 912828-AT-7 | US Treasury Note 3.00% | | 06/10/2004 | Goldman Sachs & Co. | | 9,803,906 | 10,000,000 | 100,549 |
| 912828-AY-6 | US Treasury Note 2.00% | | 12/31/2004 | Bear Stearns | | 6,644,500 | 7,000,000 | 0 |
| 912828-AF-7 | US Treasury Note 3.00% | | 12/31/2004 | Inflation Index | | 0 | 29,160 | 320 |
| 912827-6X-5 | US Treasury Note 4.625% | | 08/31/2004 | G X Clarke | | 7,275,078 | 7,000,000 | 97,653 |
| 0399999 | Total - Bonds - U.S. Government | | | | | 84,755,745 | 84,426,772 | 635,876 |
| STATES, TERRITORIES, POSSESSIONS | | | | | | | | |
| 452151-LF-8 | Illinois State 5.10% | | 06/18/2004 | WARBURG DILLON READ LLC | | 198,538 | 225,000 | 701 |
| 1799999 | Total - Bonds - States, Territories and Possessions | | | | | 198,538 | 225,000 | 701 |
| SPECIAL REVENUE AND ASSESSMENTS | | | | | | | | |
| 31402D-FV-7 | Federal National Mtg Assn | | 06/17/2004 | Credit Suisse First Bosto | | 4,720,371 | 4,490,580 | 17,838 |
| 314020-R5-2 | FEDERAL NATIONAL MTG ASSN | | 11/04/2004 | Lehman Brothers | | 6,294,494 | 6,110,232 | 14,427 |
| 31404E-Q4-1 | FEDERAL NATL MTG ASSN GTD MTG | | 03/08/2004 | Paine Webber | | 4,594,575 | 4,441,885 | 10,488 |
| 31294K-CY-9 | FHLMC PC GOLD CASH 15 | | 04/27/2004 | First Tennessee Bank | | 8,247,674 | 7,773,949 | 23,862 |
| 31283K-G6-9 | FHLMC PC GOLD COMB 15 | | 09/15/2004 | Nationsbank | | 4,797,013 | 4,636,195 | 12,750 |
| 312962-G6-4 | FHLMC PC GOLD COMB 15 | | 03/08/2004 | Paine Webber | | 2,342,352 | 2,238,807 | 5,815 |
| 31283H-S8-9 | FHLMC PC GOLD COMB 30 | | 03/10/2004 | Paine Webber | | 5,010,770 | 4,751,763 | 12,011 |
| 31297D-PR-3 | FHLMC PC GOLD COMB 30 | | 08/26/2004 | Paine Webber | | 2,589,844 | 2,500,000 | 12,500 |
| 31280P-SL-5 | FHLMC PC GOLD GUAR 15 | | 05/11/2004 | Paine Webber | | 3,094,752 | 2,919,577 | 8,961 |
| 31283H-S9-7 | FHLMC PC Gold Comb | | 04/29/2004 | Paine Webber | | 2,153,807 | 2,067,241 | 4,479 |
| 31377E-S4-2 | FNMA PASS-THRU BLLN MULTI 7+ | | 09/29/2004 | Merrill Lynch | | 272,592 | 252,802 | 149 |
| 31405F-D5-8 | FNMA PASS-THRU GOV SINGLE FAM | | 06/29/2004 | Dain Rauscher Inc | | 1,577,758 | 1,497,057 | 4,075 |
| 31385W-SR-1 | FNMA PASS-THRU INT 15 YEAR | | 02/10/2004 | Goldman Sachs & Co. | | 3,093,166 | 2,934,736 | 8,315 |
| 31389D-QB-6 | FNMA PASS-THRU INT 15 YEAR | | 05/11/2004 | Paine Webber | | 5,110,280 | 4,805,435 | 14,750 |
| 31402C-SY-9 | FNMA PASS-THRU INT 15 YEAR | | 01/07/2004 | Goldman Sachs & Co. | | 2,522,563 | 2,402,084 | 7,607 |
| 31404W-TH-9 | FNMA PASS-THRU INT 15 YEAR | | 06/10/2004 | Paine Webber | | 1,176,054 | 1,249,875 | 2,639 |
| 31401X-VK-0 | FNMA PASS-THRU LNG 30 YEAR | | 03/09/2004 | Paine Webber | | 7,131,889 | 7,043,841 | 13,696 |
| 31402D-DD-9 | FNMA PASS-THRU LNG 30 YEAR | | 05/11/2004 | Bear Stearns | | 1,755,435 | 1,674,834 | 4,885 |
| 31402D-XS-4 | FNMA PASS-THRU LNG 30 YEAR | | 04/29/2004 | Paine Webber | | 2,444,626 | 2,400,000 | 5,200 |
| 31403F-VV-3 | FNMA PASS-THRU LNG 30 YEAR | | 03/08/2004 | Paine Webber | | 5,574,923 | 5,410,905 | 11,573 |
| 31404B-ND-0 | FNMA PASS-THRU LNG 30 YEAR | | 03/16/2004 | Piper Jaffray | | 4,004,774 | 3,886,951 | 8,314 |
| 31404D-XL-7 | FNMA PASS-THRU LNG 30 YEAR | | 03/08/2004 | Paine Webber | | 3,563,575 | 3,406,554 | 7,949 |
| 31404L-TJ-9 | FNMA PASS-THRU LNG 30 YEAR | | 05/11/2004 | WARBURG DILLON READ LLC | | 6,860,983 | 6,573,397 | 14,242 |
| 31392D-H7-0 | FNMA REMIC TRUST 2002-W6 | | 02/26/2004 | Lehman Brothers | | 3,132,062 | 2,855,441 | 595 |
| 3199999 | Total - Bonds - Special Revenue | | | | | 92,066,332 | 88,324,141 | 227,120 |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | |
| 90130N-AB-9 | 21ST CENTY INS GROUP | | 09/27/2004 | First Albany Corp | | 1,048,370 | 1,000,000 | 17,372 |
| 00755W-HG-4 | ADVANTA MTG LN TR 2000-1 | | 05/04/2004 | Paine Webber | | 2,479,180 | 2,355,166 | 3,380 |
| 013104-AL-8 | ALBERTSONS INC | | 03/19/2004 | Warburg, S.G. | | 305,595 | 250,000 | 7,944 |
| 013716-AQ-8 | ALCAN INC | | 04/15/2004 | Ferris, Baker Watts | | 1,739,085 | 1,500,000 | 10,573 |

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ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|----------------------|-----------------------------------|---------|---------------|----------------------------|---------------------------|-------------|-----------|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| 020002-AC-5 | ALLSTATE CORP. | | 07/14/2004 | First Albany Corp. | | 1,158,360 | 1,000,000 | 7,083 |
| 020002-AH-4 | ALLSTATE CORP. | | 09/17/2004 | Spear Leeds & Kellog. | | 240,036 | 205,000 | 5,407 |
| 025932-AD-6 | AMERICAN FINL GROUP INC OHIO | | 03/15/2004 | Warburg, S.G. | | 571,658 | 1,350,000 | 5,907 |
| 00184A-AG-0 | AOL Time Warner 7.70% | | 10/06/2004 | VARIOUS | | 954,345 | 850,000 | 18,175 |
| 00209T-AA-3 | AT&T Broadband Corp. 8.375% | | 03/16/2004 | Spear Leeds & Kellog. | | 496,884 | 400,000 | 372 |
| 001957-BC-2 | AT&T Corp. Step Up | | 04/08/2004 | Credit Suisse First Bosto. | | 546,122 | 475,000 | 15,826 |
| 001957-BD-0 | AT&T Corp. Step Up | | 04/08/2004 | Merrill Lynch | | 347,280 | 300,000 | 10,865 |
| 00209A-AF-3 | AT&T Wireless Svcs. 8.75% | | 03/16/2004 | Nationsbank | | 258,636 | 200,000 | 875 |
| 053332-AF-9 | AUTOZONE INC. | | 04/15/2004 | Ferris, Baker Watts | | 987,750 | 1,000,000 | 25,056 |
| 060505-AU-8 | BANK OF AMERICA CORPORATION | | 10/05/2004 | Merrill Lynch | | 356,335 | 350,000 | 7,125 |
| 073902-CD-8 | BEAR STEARNS COS INC | | 11/30/2004 | Legg Mason Wood | | 928,340 | 1,000,000 | 19,504 |
| 075887-AL-3 | BECTON DICKINSON & CO. | | 08/09/2004 | First Albany Corp. | | 320,151 | 300,000 | 1,885 |
| 120568-AM-2 | BUNGE LTD FIN CORP | | 11/01/2004 | Exchange | | 275,294 | 275,000 | 0 |
| 136385-AF-8 | CANADIAN NAT RES LTD | | 11/23/2004 | SALOMON SMITH BARNEY | | 189,628 | 190,000 | 0 |
| 14149Y-AG-3 | CARDINAL HEALTH INC. | | 08/24/2004 | Warburg, S.G. | | 171,724 | 200,000 | 1,600 |
| 143128-BT-2 | CARMAX AUTO OWNER TR | | 04/28/2004 | Nationsbank | | 549,988 | 550,000 | 0 |
| 125509-BG-3 | Cigna Corp. 6.375% | | 03/08/2004 | VARIOUS | | 554,380 | 500,000 | 11,909 |
| 172967-BL-4 | Citigroup Inc. 6.625% | | 09/17/2004 | Goldman Sachs & Co. | | 137,483 | 125,000 | 2,231 |
| 184502-AW-2 | CLEAR CHANNEL COMMUNICATIONS | | 11/17/2004 | WARBURG DILLON READ LLC | | 2,988,960 | 3,000,000 | 0 |
| 191219-BC-7 | COCA COLA ENTERPRISES INC. | | 04/19/2004 | Ferris, Baker Watts | | 1,095,610 | 1,000,000 | 18,188 |
| 20030N-AE-1 | Comcast Corp. 5.30% | | 03/03/2004 | VARIOUS | | 728,661 | 725,000 | 3,968 |
| 210371-AG-5 | CONSTELLATION ENERGY GROUP INC. | | 05/04/2004 | Legg Mason Wood | | 1,076,750 | 1,000,000 | 6,350 |
| 216640-AE-2 | COOPER CAMERON CORP. | | 08/19/2004 | Merrill Lynch | | 806,681 | 800,000 | 3,344 |
| 222372-AG-9 | COUNTRYWIDE FINANCIAL CORP. | | 09/22/2004 | Exchange | | 568,786 | 750,000 | 0 |
| 224044-BH-9 | COX COMMUNICATIONS INC NEW | | 12/09/2004 | Lehman Brothers | | 370,973 | 375,000 | 4,182 |
| 126410-LK-3 | CSX TRANSN INC | | 09/03/2004 | Exchange | | 584,610 | 472,000 | 0 |
| 25156P-AC-7 | Deutsche Telekom Intl. Fin. 8.25% | | 04/02/2004 | Spear Leeds & Kellog. | | 327,258 | 250,000 | 6,502 |
| 260543-BJ-1 | DOW CHEM CO | | 01/23/2004 | Lehman | | 872,003 | 750,000 | 13,367 |
| 260546-AA-4 | DOW CHEM PASS THRU TR | | 03/24/2004 | Morgan Stanley | | 925,000 | 925,000 | 0 |
| 277461-BE-8 | EASTMAN KODAK CO | | 09/10/2004 | Warburg, S.G. | | 723,000 | 600,000 | 8,438 |
| 285661-AD-6 | ELECTRONIC DATA SYS NEW | | 07/07/2004 | Morgan Stanley | | 723,337 | 775,000 | 16,671 |
| 268766-BY-7 | EOP Oper Ltd. Partnership 5.875% | | 01/28/2004 | Goldman Sachs & Co. | | 159,575 | 150,000 | 416 |
| 268766-BZ-4 | EOP OPER LTD PARTNERSHIP | | 03/23/2004 | SALOMON BROTHERS | | 798,192 | 800,000 | 0 |
| 338915-AL-5 | FLEET FINL GROUP INC NEW | | 08/02/2004 | ABN Amro | | 1,623,375 | 1,500,000 | 21,250 |
| 343412-AA-0 | FLUOR CORP NEW | | 06/30/2004 | VARIOUS | | 850,465 | 840,000 | 1,622 |
| 345397-TS-2 | FORD MOTOR CR CO | | 11/01/2004 | Morgan Stanley | | 2,811,120 | 2,600,000 | 49,535 |
| 345370-CA-6 | FORD MTR CO DEL. | | 11/16/2004 | Nationsbank | | 268,956 | 275,000 | 7,000 |
| 354613-AC-5 | FRANKLIN RES INC | | 12/21/2004 | VARIOUS | | 725,438 | 1,050,000 | 0 |
| 369560-AK-4 | General Dynamics 4.25% | | 04/15/2004 | Piper Jaffray | | 1,418,925 | 1,500,000 | 27,448 |
| 370334-AU-8 | General Mills Inc. Zero Coupon | | 10/01/2004 | Exchange | | 448,900 | 660,000 | 0 |
| 370442-BT-1 | General Motors 8.375% | | 11/16/2004 | Nationsbank | | 103,370 | 100,000 | 2,885 |
| 36292R-AD-3 | GS AUTO LOAN TR 2003-1 | | 10/29/2004 | Mesirow Financial | | 493,453 | 495,000 | 672 |
| 406216-AM-3 | HALLIBURTON CO | | 12/21/2004 | VARIOUS | | 742,091 | 600,000 | 7,683 |
| 413086-AB-5 | HARMAN INTL INDS INC | | 07/01/2004 | Ferris, Baker Watts | | 1,092,930 | 1,000,000 | 1,220 |
| 413875-AH-8 | HARRIS CORP DEL. | | 10/22/2004 | Exchange | | 602,425 | 575,000 | 0 |
| 416592-AC-7 | HARTFORD LIFE INC. | | 12/23/2004 | Nationsbank | | 96,990 | 80,000 | 238 |
| 421933-AF-9 | HEALTH MGMT ASSOC INC NEW | | 07/29/2004 | VARIOUS | | 305,263 | 290,000 | 512 |
| 421933-AG-7 | HEALTH MGMT ASSOC INC NEW | | 12/30/2004 | Exchange | | 203,125 | 250,000 | 0 |
| 432848-AZ-2 | HILTON HOTELS CORP. | | 12/09/2004 | VARIOUS | | 866,499 | 750,000 | 3,097 |
| 442164-BL-2 | HOUSTON LTG & PWR CO | | 06/01/2004 | First Albany Corp. | | 1,291,460 | 1,000,000 | 20,079 |
| 45138L-AP-8 | IDAHO PWR CO 1ST MTG SECD MTN. | | 06/01/2004 | US Bancorp Piper Jaffray | | 905,470 | 1,000,000 | 10,389 |
| 45974V-ZR-2 | INTERNATIONAL LEASE FIN MTN BE | | 04/13/2004 | ABN Amro | | 1,999,380 | 2,000,000 | 0 |
| 460146-BY-8 | INTL PAPER CO | | 03/17/2004 | VARIOUS | | 350,839 | 350,000 | 67 |
| 480081-AJ-7 | JONES APPAREL GROUP INC / | | 12/27/2004 | Ferris, Baker Watts | | 2,462,000 | 2,500,000 | 16,163 |
| 492386-AU-1 | KERR MCGEE CORP. | | 09/21/2004 | VARIOUS | | 303,320 | 300,000 | 1,202 |
| 494550-AS-5 | KINDER MORGAN ENERGY PARTNERS | | 11/08/2004 | Goldman Sachs & Co. | | 300,045 | 300,000 | 0 |
| 52108H-KJ-8 | LBUBS CMBS 2003C8 | | 05/04/2004 | Paine Webber | | 2,464,934 | 2,462,241 | 6,466 |
| 52108H-P7-3 | LBUBS CMBS 2004C7 | | 10/22/2004 | Paine Webber | | 1,158,895 | 1,150,000 | 3,363 |
| 52108H-RB-2 | LBUBS COMMERCIAL MORTGAGE TRUST | | 03/08/2004 | First Albany Corp. | | 1,995,000 | 2,000,000 | 214 |
| 524908-MS-6 | LEHMAN BROS HLDGS INC. | | 11/29/2004 | Lehman Brothers | | 145,000 | 145,000 | 0 |
| 530718-AF-2 | LIBERTY MEDIA CORP NEW | | 08/09/2004 | Nationsbank | | 270,000 | 250,000 | 688 |
| 548661-CG-0 | Lowe's Companies Inc. 0.861% | | 09/28/2004 | VARIOUS | | 816,636 | 825,000 | 2,654 |

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ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|--|---------|---------------|---------------------------|---------------------------|-------------|-------------|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| 56418H-AC-4 | Manpower Inc. Zero Coupon | | 04/16/2004 | First Union Capital Marke | | 191,450 | 280,000 | .0 |
| 571748-AM-4 | MARSH & MCLENNAN COS INC | | 10/19/2004 | VARIOUS | | 3,536,924 | 3,600,000 | 36,849 |
| 571748-AJ-1 | Marsh & McLennan Cos. Inc. | | 12/10/2004 | First Albany Corp | | 952,630 | 1,000,000 | 16,167 |
| 574599-BB-1 | MASCO CORP | | 12/23/2004 | Exchange | | 581,450 | 1,160,000 | .0 |
| 577778-CE-1 | MAY DEPT STORES CO | | 12/28/2004 | Nationsbank | | 208,700 | 200,000 | 5,993 |
| 55262C-AJ-9 | MBIA INC | | 11/30/2004 | VARIOUS | | 1,962,660 | 2,000,000 | 1,425 |
| 592173-AE-8 | METROPOLITAN LIFE INS CO | | 08/11/2004 | First Albany Corp | | 518,124 | 435,000 | 9,896 |
| 600388-AB-8 | MILLER BREWING CO | | 01/12/2004 | Wach | | 596,965 | 575,000 | 13,353 |
| 617446-MM-8 | MORGAN STANLEY | | 03/19/2004 | Morgan Stanley | | 565,000 | 565,000 | .0 |
| 61746S-BD-0 | MORGAN STANLEY | | 11/22/2004 | Morgan Stanley | | 145,000 | 145,000 | .0 |
| 61748A-AE-6 | MORGAN STANLEY | | 07/23/2004 | US Bancorp Piper Jaffray | | 937,800 | 1,000,000 | 15,569 |
| 629527-AU-6 | NABISCO INC | | 11/18/2004 | Legg Mason Wood | | 1,215,300 | 1,000,000 | 33,136 |
| 637432-DC-6 | NATIONAL RURAL UTILS COOP FIN | | 04/07/2004 | Piper Jaffray | | 991,770 | 1,000,000 | 6,333 |
| 637432-CT-0 | Natl. Rural Utilis. Coop 8.0% | | 08/25/2004 | Lehman Brothers | | 499,336 | 400,000 | 15,911 |
| 655855-FA-7 | NORFOLK SOUTHN RY CO | | 09/03/2004 | Exchange | | 807,319 | 653,000 | .0 |
| 67612W-AC-2 | ODYSSEY RE HLDGS CORP | | 11/10/2004 | First Albany Corp | | 1,638,030 | 1,500,000 | 4,781 |
| 679574-AF-0 | OLD DOMINION ELEC COOP | | 12/01/2004 | First Albany Corp | | 2,743,475 | 2,500,000 | 2,170 |
| 681919-AR-7 | OMNICO GROUP INC | | 12/21/2004 | VARIOUS | | 725,906 | 725,000 | .0 |
| 68338S-EK-0 | ONYX ACCEP OWNER TR | | 05/19/2004 | Merrill Lynch | | 1,174,735 | 1,175,000 | .0 |
| 74531E-AC-6 | PUGET SOUND ENERGY INC SR MTN | | 08/02/2004 | US Bancorp Piper Jaffray | | 1,225,381 | 1,122,000 | 23,998 |
| 74834L-AF-7 | Quest Diagnostic 1.75% 11/30/2021 | | 04/02/2004 | VARIOUS | | 704,716 | 660,000 | 3,734 |
| 750236-AF-8 | Radian Group Inc. 2.25% 01/01/2022 | | 08/31/2004 | Convertible Debentures | | 197,044 | 175,000 | .0 |
| 759351-AA-7 | REINSURANCE GROUP AMER INC | | 08/02/2004 | First Albany Corp | | 531,800 | 500,000 | 12,486 |
| 806857-AD-0 | SCHLUMBERGER LTD | | 05/24/2004 | Goldman Sachs & Co | | 172,444 | 170,000 | 1,766 |
| 828806-AC-3 | SIMON PPTY GROUP INC NEW | | 04/28/2004 | Legg Mason Wood | | 1,409,966 | 1,450,000 | 15,557 |
| 84349C-AG-2 | SOUTHERN NEW ENG TEL MTN BE | | 10/14/2004 | Legg Mason Wood | | 1,041,430 | 1,000,000 | 24,972 |
| 852060-AK-8 | SPRINT CAP CORP | | 05/19/2004 | Chase Securities | | 305,199 | 300,000 | 350 |
| 87927V-AF-5 | TELECOM ITALIA CAP | | 10/26/2004 | VARIOUS | | 285,856 | 275,000 | 7,942 |
| 87927V-AJ-7 | TELECOM ITALIA CAP | | 09/28/2004 | Lehman Brothers | | 990,810 | 1,000,000 | .0 |
| 887315-BJ-7 | TIME WARNER COMPANIES INC | | 04/02/2004 | Warburg, S.G. | | 348,489 | 300,000 | 10,090 |
| 895953-AD-9 | TRICON GLOBAL RESTAURANTS | | 04/15/2004 | SALOMON BROTHERS | | 276,086 | 225,000 | 277 |
| 902118-BF-4 | TYCO INTL GROUP S A | | 08/11/2004 | Goldman Sachs & Co | | 597,805 | 425,000 | 1,006 |
| 910860-AS-7 | UNITED MEXICAN STS MTN BE | | 09/23/2004 | Morgan Stanley | | 196,609 | 200,000 | 14 |
| 913903-AL-4 | UNIVERSAL HLTH SVCS INC | | 02/26/2004 | Nationsbank | | 434,669 | 650,000 | 531 |
| 91913Y-AE-0 | VALERO ENERGY CORP NEW | | 03/26/2004 | VARIOUS | | 759,825 | 650,000 | 17,120 |
| 254687-AU-0 | Walt Disney 2.125% | | 07/30/2004 | VARIOUS | | 632,383 | 590,000 | 3,199 |
| 93933W-AA-4 | WASH MUT BK CA GLEB SUB BK MTN | | 07/20/2004 | US Bancorp Piper Jaffray | | 2,529,436 | 2,286,000 | 16,589 |
| 93933W-AC-0 | WASH MUT BK CA GLEB SUB BK MTN | | 11/04/2004 | Morgan Stanley | | 1,993,900 | 2,000,000 | .0 |
| 939322-AP-8 | WASHINGTON MUT INC | | 12/13/2004 | Lehman Brothers | | 599,082 | 600,000 | .0 |
| 983024-AE-0 | WYETH | | 06/17/2004 | VARIOUS | | 599,658 | 600,000 | 8,617 |
| 219868-AK-2 | CORPORACION ANDINA DE FOMENTO | F | 03/05/2004 | First Albany Corp | | 1,932,849 | 1,780,000 | 43,443 |
| 4599999 | - Total - Bonds - Industrial, Misc. | | | | | 92,240,333 | 90,465,407 | 792,236 |
| 6099997 | - Total - Bonds - Part 3 | | | | | 269,260,948 | 263,441,320 | 1,655,933 |
| 6099998 | - Total - Bonds - Part 5 | | | | | 221,817,933 | 216,600,292 | 1,627,632 |
| 6099999 | - Total - Bonds | | | | | 491,078,881 | 480,041,612 | 3,283,565 |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | |
| 013104-20-3 | ALBERTSONS INC | | 07/29/2004 | VARIOUS | 32,500,000 | 815,240 | | .0 |
| 37247D-30-4 | GENWORTH FINL INC | | 07/29/2004 | VARIOUS | 25,000,000 | 712,200 | | .0 |
| 939322-84-8 | Washington Mutual Capital Tr 5.375 | | 02/24/2004 | Weeden & Co | 2,200,000 | 133,082 | | .0 |
| 6399999 | - Total - Preferred Stocks - Industrial, Misc. | | | | | 1,660,522 | XXX | |
| 6599997 | - Total - Preferred Stocks - Part 3 | | | | | 1,660,522 | XXX | |
| 6599998 | - Total - Preferred Stocks - Part 5 | | | | | 1,082,160 | XXX | .0 |
| 6599999 | - Total - Preferred Stocks | | | | | 2,742,682 | XXX | .0 |
| BANKS, TRUST AND INSURANCE COMPANIES | | | | | | | | |
| 743859-10-0 | PROVIDENT BANKSHARES CORP | | 06/25/2004 | Fox-Pitt Kelton | 2,400,000 | 68,082 | | .0 |
| 750236-10-1 | Radian Group, Inc. | | 08/16/2004 | Lynch, Jones & Ryan | 6,270,000 | 274,388 | | .0 |
| 6799999 | - Total - Common Stocks - Banks, Trusts, Insurance | | | | | 342,470 | XXX | |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | |
| 004933-10-7 | ACTION PERFORMANCE COS INC | | 09/13/2004 | JNK Securities | 26,420,000 | 293,403 | | .0 |
| 024937-10-4 | AMERICAN CAPITAL STRATEGIES | | 05/24/2004 | SALOMON SMITH BARNEY | 20,800,000 | 534,768 | | .0 |

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ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|----------------------------------|--|---------|---------------|---------------------------|---------------------------|--------------------|------------|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| .02660R-10-7 | AMERICAN HOME MTG INVT CORP | | 09/15/2004 | JNK Securities | 9,940,000 | 270,713 | | .0 |
| .03073E-10-5 | AMERISOURCEBERGEN CORP | | 08/12/2004 | Lynch, Jones & Ryan | 5,330,000 | 283,936 | | .0 |
| .035290-10-5 | ANIXTER INTL INC | | 08/13/2004 | ESI Securities | 8,280,000 | 277,167 | | .0 |
| .05379B-10-7 | Avista Corp | | 08/19/2004 | Boston Institutional Svcs | 15,700,000 | 274,536 | | .0 |
| .066821-10-9 | Banta Corporation | | 06/24/2004 | Rochdale Securities Corp | 5,100,000 | 226,324 | | .0 |
| .05538P-10-4 | BEI Technologies Inc | | 03/26/2004 | VARIOUS | 24,600,000 | 586,859 | | .0 |
| .077454-10-6 | BELDEN CDT INC | | 07/16/2004 | Exchange | 43,800,000 | 897,900 | | .0 |
| .091826-10-7 | Black Box Corp | | 08/11/2004 | Charles Schwab & Co | 2,530,000 | 86,273 | | .0 |
| .092113-10-9 | BLACK HILLS CORP | | 09/08/2004 | Standard & Poors Sec | 10,110,000 | 290,693 | | .0 |
| .118440-10-6 | BUCKLE INC | | 07/01/2004 | Jefferies & Co | 10,600,000 | 294,122 | | .0 |
| .216831-10-7 | COOPER TIRE & RUBBER CO | | 06/25/2004 | Mc Donald & Company | 6,000,000 | 140,702 | | .0 |
| .229669-10-6 | CUBIC CORP | | 08/25/2004 | Boston Institutional Svcs | 11,340,000 | 271,191 | | .0 |
| .232861-10-4 | D & K HEALTHCARE RES INC | | 08/25/2004 | VARIOUS | 28,920,000 | 292,641 | | .0 |
| .293389-10-2 | Ennis Business Forms Inc | | 05/19/2004 | William O'Neil | 29,500,000 | 465,658 | | .0 |
| .297602-10-4 | ETHAN ALLEN INTERIORS INC | | 09/01/2004 | Lynch, Jones & Ryan | 7,800,000 | 275,166 | | .0 |
| .30239F-10-6 | FBL FINL GROUP INC | | 09/28/2004 | Lynch, Jones & Ryan | 11,100,000 | 295,781 | | .0 |
| .316326-10-7 | FIDELITY NATL FINL INC | | 08/17/2004 | ESI Securities | 7,760,000 | 282,106 | | .0 |
| .336158-10-0 | FIRST REP BK SAN FRANCISCO | | 05/19/2004 | Keefe Bruyett & Woods | 14,500,000 | 550,153 | | .0 |
| .337930-10-1 | FLAGSTAR BANCORP INC | | 09/02/2004 | Boston Institutional Svcs | 13,100,000 | 283,192 | | .0 |
| .431294-10-7 | HILB ROGAL & HAMILTON CO | | 02/04/2004 | NATIONAL FINL SERVICES CP | 8,600,000 | 274,646 | | .0 |
| .4576J0-10-4 | INNKEEPERS USA TRUST | | 04/22/2004 | Greenwich Capital Markets | 10,200,000 | 82,865 | | .0 |
| .45810H-10-7 | INTEGRAL SYS INC MD | | 09/21/2004 | VARIOUS | 15,403,000 | 289,253 | | .0 |
| .458372-10-9 | INTER TEL INC | | 08/12/2004 | Charles Schwab & Co | 14,060,000 | 275,106 | | .0 |
| .461203-10-1 | INVACARE CORP | | 08/12/2004 | Boston Institutional Svcs | 6,600,000 | 287,823 | | .0 |
| .480074-10-3 | JONES APPAREL GROUP INC | | 08/16/2004 | VARIOUS | 7,570,000 | 269,941 | | .0 |
| .502424-10-4 | L-3 COMMUNICATIONS HLDGS INC | | 08/12/2004 | Fidelity Capital Markets | 4,630,000 | 278,050 | | .0 |
| .536797-10-3 | LITHIA MTRS INC | | 09/07/2004 | VARIOUS | 13,660,000 | 292,037 | | .0 |
| .542307-10-3 | LONE STAR STEAKHOUSE SALOON | | 09/16/2004 | Charles Schwab & Co | 11,623,000 | 291,774 | | .0 |
| .584404-10-7 | MEDIA GEN INC | | 08/19/2004 | ESI Securities | 4,570,000 | 269,526 | | .0 |
| .589584-10-1 | MERIDIAN BIOSCIENCE INC | | 06/25/2004 | VARIOUS | 83,900,000 | 927,299 | | .0 |
| .624580-10-6 | MOVADO GROUP INC | | 03/26/2004 | VARIOUS | 16,300,000 | 463,474 | | .0 |
| .646025-10-6 | NEW JERSEY RES CORP | | 09/08/2004 | ESI Securities | 6,980,000 | 289,329 | | .0 |
| .648053-10-6 | NEW PLAN EXCEL RLTY TR INC | | 08/24/2004 | Boston Institutional Svcs | 10,820,000 | 272,965 | | .0 |
| .654086-10-7 | Nicor Inc | | 08/13/2004 | Lynch, Jones & Ryan | 7,870,000 | 270,310 | | .0 |
| .680223-10-4 | OLD REP INTL CORP | | 09/08/2004 | Boston Institutional Svcs | 11,980,000 | 286,520 | | .0 |
| .682680-10-3 | Oneok Inc | | 08/16/2004 | Lynch, Jones & Ryan | 11,900,000 | 269,104 | | .0 |
| .690732-10-2 | Owens & Minor Inc | | 04/14/2004 | ESI Securities | 12,400,000 | 311,343 | | .0 |
| .714046-10-9 | PERKINELMER INC | | 08/13/2004 | Factset Data Systems | 16,790,000 | 277,122 | | .0 |
| .730448-10-7 | POGO PRODUCING CO | | 09/02/2004 | Lynch, Jones & Ryan | 6,960,000 | 310,196 | | .0 |
| .731822-10-2 | POMEROY IT SOLUTIONS INC | | 08/26/2004 | VARIOUS | 21,560,000 | 279,094 | | .0 |
| .835456-10-2 | SONIC AUTOMOTIVE INC | | 08/23/2004 | VARIOUS | 12,940,000 | 276,812 | | .0 |
| .871655-10-6 | SYPRIS SOLUTIONS INC | | 08/18/2004 | VARIOUS | 21,110,000 | 268,314 | | .0 |
| .904708-10-4 | Unifirst Corp. Mass. | | 07/02/2004 | VARIOUS | 6,000,000 | 171,635 | | .0 |
| .928469-10-5 | VITAL SIGNS INC | | 08/26/2004 | ESI Securities | 9,680,000 | 291,049 | | .0 |
| .955306-10-5 | WEST PHARMACEUTICAL SVCS INC | | 09/14/2004 | Cap Institutional Svcs | 7,350,000 | 291,881 | | .0 |
| 6899999 | - Total - Common Stocks - Industrial, Misc. | | | | | 15,040,752 | XXX | |
| MONEY MARKET MUTUAL FUNDS | | | | | | | | |
| .922040-10-0 | Vanguard Institutional Index Fund | | 12/31/2004 | Vanguard Group | 6,820,855 | 718,523 | | .0 |
| 7199999 | - Total - Common Stocks - Money Market Mutual Fund | | | | | 718,523 | XXX | |
| 7299997 | - Total - Common Stocks - Part 3 | | | | | 16,101,745 | XXX | |
| 7299998 | - Total - Common Stocks - Part 5 | | | | | 9,276,855 | XXX | .0 |
| 7299999 | - Total - Common Stocks | | | | | 25,378,600 | XXX | .0 |
| 7399999 | - Total - Preferred and Common Stocks | | | | | 28,121,282 | XXX | .0 |
| 7499999 | Totals | | | | | 519,200,163 | XXX | 3,283,565 |

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ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | |
|---------------------------|----------------------------------|---------|---------------|---------------------------|---------------------------|---------------|-----------|-------------|---|--|---------------------------------------|---|--|--|---|--|----------------------------------|-------------------------------|--|---------------|-------------|
| | | | | | | | | | | 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 (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 | |
| US GOVERNMENT OBLIGATIONS | | | | | | | | | | | | | | | | | | | | | |
| 31331L-FU-7. | Federal Farm Credit Bank 5.65% | | 04/27/2004 | CALLED @ 100.0000000. | | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | .0 | .0 | .0 | .0 | .0 | 2,500,000 | .0 | .0 | .0 | .0 | 70,625 | 04/27/2006. |
| 31344A-UD-4. | FEDERAL HOME LN MTG CORP | | 05/20/2004 | VARIOUS | | 686,110 | 700,000 | 700,984 | 700,974 | .0 | (72) | .0 | (72) | .0 | 700,902 | .0 | (14,792) | (14,792) | .0 | 17,591 | 09/15/2008. |
| 3133ME-U6-6. | Federal Home Loan Bank 5.375% | | 10/25/2004 | Spear Leeds & Kellog. | | 312,498 | 300,000 | 321,408 | 313,892 | .0 | (4,661) | .0 | (4,661) | .0 | 309,232 | .0 | 3,266 | 3,266 | .0 | 15,274 | 05/15/2006. |
| 3133M8-AY-0. | Federal Home Loan Bank 5.485% | | 03/23/2004 | MATURITY | | 300,000 | 300,000 | 299,391 | 299,968 | .0 | 32 | .0 | 32 | .0 | 300,000 | .0 | .0 | .0 | .0 | 8,228 | 03/23/2004. |
| 31359M-UT-8. | FEDERAL NATIONAL MTG ASSN. | | 12/09/2004 | WARBURG DILLON READ LLC. | | 112,251 | 115,000 | 111,122 | 111,122 | .0 | 51 | .0 | 51 | .0 | 111,173 | .0 | 1,079 | 1,079 | .0 | 777 | 04/15/2014. |
| 31359M-SQ-7. | FEDERAL NATL MTG ASSN. | | 05/20/2004 | Nationsbank | | 1,743,970 | 1,800,000 | 1,768,898 | 1,770,131 | .0 | 2,307 | .0 | 2,307 | .0 | 1,772,438 | .0 | (28,468) | (28,468) | .0 | 45,500 | 08/15/2008. |
| 31359M-VE-0. | FEDERAL NATL MTG ASSN. | | 12/13/2004 | WARBURG DILLON READ LLC. | | 485,096 | 475,000 | 483,568 | 483,568 | .0 | (159) | .0 | (159) | .0 | 483,409 | .0 | 1,687 | 1,687 | .0 | 1,738 | 05/15/2009. |
| 31359M-WQ-2. | FEDERAL NATL MTG ASSN. | | 10/29/2004 | Chase Securities | | 299,601 | 300,000 | 299,973 | 299,973 | .0 | .0 | .0 | .0 | .0 | 299,973 | .0 | (372) | (372) | .0 | 286 | 12/15/2007. |
| 3133X2-2H-7. | FHLB 6.05% | | 12/01/2004 | VARIOUS | | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | .0 | .0 | .0 | .0 | .0 | 2,000,000 | .0 | .0 | .0 | .0 | 124,193 | 11/19/2018. |
| 312925-W7-1. | FHLMC 5.125% | | 08/20/2004 | Redemption | | 2,500,000 | 2,500,000 | 2,505,700 | 2,505,104 | .0 | (306) | .0 | (306) | .0 | 2,504,799 | .0 | (4,799) | (4,799) | .0 | 128,125 | 08/20/2012. |
| 3128X0-TV-1. | FHLMTN 6% | | 05/20/2004 | Ferris, Baker Watts | | 4,778,125 | 5,000,000 | 5,000,000 | 5,000,000 | .0 | .0 | .0 | .0 | .0 | 5,000,000 | .0 | (221,875) | (221,875) | .0 | 265,000 | 01/03/2023. |
| 31359M-HB-2. | FNMA 5.50% | | 10/25/2004 | VARIOUS | | 3,597,660 | 3,375,000 | 3,618,068 | 3,604,845 | .0 | (18,678) | .0 | (18,678) | .0 | 3,586,167 | .0 | 11,693 | 11,693 | .0 | 82,443 | 02/15/2006. |
| 31359M-GJ-6. | FNMA Note 6.625% | | 02/09/2004 | Goldman Sachs & Co. | | 6,867,462 | 5,950,000 | 6,824,092 | 6,790,025 | .0 | (10,211) | .0 | (10,211) | .0 | 6,779,813 | .0 | 87,649 | 87,649 | .0 | 91,949 | 11/15/2010. |
| 36202D-ZY-0. | GNMA PASS-THRU M SINGLE FAMILY | | 12/20/2004 | PRINCIPAL RECEIPT | | 698,610 | 698,610 | 707,397 | 707,401 | .0 | (8,791) | .0 | (8,791) | .0 | 698,610 | .0 | .0 | .0 | .0 | 22,928 | 10/20/2033. |
| 36290S-G6-1. | GNMA PASS-THRU X SINGLE FAMILY | | 12/15/2004 | PRINCIPAL RECEIPT | | 398,455 | 398,455 | 404,059 | 404,059 | .0 | (5,603) | .0 | (5,603) | .0 | 398,455 | .0 | .0 | .0 | .0 | 8,864 | 08/15/2033. |
| 36216F-XE-5. | GNMA PL#163677 9.50% 7/15/16. | | 12/15/2004 | PRINCIPAL RECEIPT | | 3,870 | 3,870 | 4,218 | 4,118 | .0 | (248) | .0 | (248) | .0 | 3,870 | .0 | .0 | .0 | .0 | 141 | 07/15/2016. |
| 36216E-J7-4. | GNMA PL#164186 9.50% 5/15/16. | | 12/15/2004 | PRINCIPAL RECEIPT | | 10,626 | 10,626 | 11,357 | 11,153 | .0 | (527) | .0 | (527) | .0 | 10,626 | .0 | .0 | .0 | .0 | 106 | 05/15/2016. |
| 36216I-PK-2. | GNMA PL#166126 9.50% 7/15/16. | | 12/15/2004 | PRINCIPAL RECEIPT | | 4,144 | 4,144 | 4,429 | 4,351 | .0 | (207) | .0 | (207) | .0 | 4,144 | .0 | .0 | .0 | .0 | 243 | 07/15/2016. |
| 36216S-X8-0. | GNMA PL#173603 9.50% 8/15/16. | | 12/15/2004 | PRINCIPAL RECEIPT | | 5,188 | 5,188 | 5,545 | 5,448 | .0 | (260) | .0 | (260) | .0 | 5,188 | .0 | .0 | .0 | .0 | 166 | 08/15/2016. |
| 36218E-AH-4. | GNMA PL#219708SF 9.50% 9/15/17. | | 12/15/2004 | PRINCIPAL RECEIPT | | 979 | 979 | 1,067 | 1,044 | .0 | (65) | .0 | (65) | .0 | 979 | .0 | .0 | .0 | .0 | 48 | 09/15/2017. |
| 36219H-JS-3. | GNMA PL#249673 9.500% 10/15/18. | | 12/15/2004 | PRINCIPAL RECEIPT | | 12,339 | 12,339 | 13,301 | 13,080 | .0 | (741) | .0 | (741) | .0 | 12,339 | .0 | .0 | .0 | .0 | 810 | 10/15/2018. |
| 362096-TX-5. | GNMA Pool #471366 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 5,938 | 5,938 | 6,167 | 6,165 | .0 | (228) | .0 | (228) | .0 | 5,938 | .0 | .0 | .0 | .0 | 265 | 04/15/2033. |
| 362110-WD-9. | GNMA Pool #520044 | | 12/15/2004 | PRINCIPAL RECEIPT | | 193,984 | 193,984 | 202,829 | 202,761 | .0 | (8,777) | .0 | (8,777) | .0 | 193,984 | .0 | .0 | .0 | .0 | 4,608 | 06/15/2031. |
| 36212D-NX-3. | GNMA Pool #530606 6.50% | | 02/24/2004 | VARIOUS | | 700,760 | 668,535 | 697,366 | 696,938 | .0 | (3,838) | .0 | (3,838) | .0 | 693,100 | .0 | 7,660 | 7,660 | .0 | 9,712 | 04/15/2031. |
| 36213D-G6-8. | GNMA Pool #551094 6.50% | | 02/24/2004 | VARIOUS | | 445,585 | 424,013 | 442,299 | 442,013 | .0 | (1,568) | .0 | (1,568) | .0 | 440,445 | .0 | 5,140 | 5,140 | .0 | 6,337 | 11/15/2031. |
| 36213L-DC-1. | GNMA Pool #557299 | | 12/15/2004 | PRINCIPAL RECEIPT | | 69,021 | 69,021 | 72,170 | 72,145 | .0 | (3,124) | .0 | (3,124) | .0 | 69,021 | .0 | .0 | .0 | .0 | 2,753 | 05/15/2031. |
| 36200V-ZN-6. | GNMA Pool #574149 | | 12/15/2004 | VARIOUS | | 139,779 | 134,866 | 141,016 | 140,971 | .0 | (1,216) | .0 | (1,216) | .0 | 139,755 | .0 | 25 | 25 | .0 | 2,998 | 12/15/2031. |
| 36200X-YP-8. | GNMA Pool #575918 | | 02/24/2004 | VARIOUS | | 717,911 | 688,182 | 719,563 | 719,333 | .0 | (1,573) | .0 | (1,573) | .0 | 717,760 | .0 | 151 | 151 | .0 | 9,669 | 01/15/2032. |
| 36201N-K5-8. | GNMA POOL #588116 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 22,794 | 22,794 | 23,674 | 23,668 | .0 | (873) | .0 | (873) | .0 | 22,794 | .0 | .0 | .0 | .0 | 624 | 11/15/2032. |
| 36201N-UF-5. | GNMA POOL #588382 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 300,893 | 300,893 | 312,507 | 313,705 | .0 | (12,813) | .0 | (12,813) | .0 | 300,893 | .0 | .0 | .0 | .0 | 13,164 | 06/15/2033. |
| 36201S-SE-0. | GNMA POOL #59197 | | 12/15/2004 | PRINCIPAL RECEIPT | | 6,813 | 6,813 | 7,076 | 7,074 | .0 | (261) | .0 | (261) | .0 | 6,813 | .0 | .0 | .0 | .0 | 211 | 03/15/2033. |
| 36200A-N7-0. | GNMA Pool #595414 6% | | 02/24/2004 | VARIOUS | | 272,848 | 262,334 | 274,297 | 274,297 | .0 | (1,417) | .0 | (1,417) | .0 | 272,881 | .0 | (32) | (32) | .0 | 3,355 | 09/15/2032. |
| 36200F-PB-8. | GNMA POOL #59918 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 10,719 | 10,719 | 11,133 | 11,130 | .0 | (411) | .0 | (411) | .0 | 10,719 | .0 | .0 | .0 | .0 | 357 | 04/15/2033. |
| 36200K-S8-1. | GNMA POOL #603643 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 7,176 | 7,176 | 7,453 | 7,451 | .0 | (275) | .0 | (275) | .0 | 7,176 | .0 | .0 | .0 | .0 | 222 | 04/15/2033. |
| 36200M-N5-8. | GNMA Pool #604412 | | 12/15/2004 | PRINCIPAL RECEIPT | | 149,919 | 149,919 | 155,331 | 155,317 | .0 | (5,397) | .0 | (5,397) | .0 | 149,919 | .0 | .0 | .0 | .0 | 3,937 | 06/15/2033. |
| 36202T-5J-1. | GNMA Pool #609349 6% | | 12/15/2004 | PRINCIPAL RECEIPT | | 91,773 | 91,773 | 95,960 | 95,931 | .0 | (4,159) | .0 | (4,159) | .0 | 91,773 | .0 | .0 | .0 | .0 | 1,433 | 02/15/2033. |
| 36202T-6C-5. | GNMA POOL #609367 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 253,582 | 253,582 | 263,371 | 263,302 | .0 | (9,720) | .0 | (9,720) | .0 | 253,582 | .0 | .0 | .0 | .0 | 6,129 | 03/15/2033. |
| 36202X-YV-3. | GNMA Pool #612824 | | 12/15/2004 | PRINCIPAL RECEIPT | | 189,428 | 189,428 | 196,740 | 196,690 | .0 | (7,262) | .0 | (7,262) | .0 | 189,428 | .0 | .0 | .0 | .0 | 5,635 | 06/15/2033. |
| 36225A-4V-9. | GNMA POOL #780836 8.25% 4/15/17. | | 12/15/2004 | PRINCIPAL RECEIPT | | 109,945 | 109,945 | 116,791 | 115,811 | .0 | (5,867) | .0 | (5,867) | .0 | 109,945 | .0 | .0 | .0 | .0 | 3,550 | 04/15/2020. |
| 83162C-EV-1. | SMALL BUS ADMIN GTD DEV 93-201 | | 09/01/2004 | PRINCIPAL RECEIPT | | 165,133 | 165,133 | 175,867 | 176,286 | .0 | (11,153) | .0 | (11,153) | .0 | 165,133 | .0 | .0 | .0 | .0 | 7,144 | 09/01/2013. |
| 83162C-LT-8. | SMALL BUS ADMIN GTD DEV PTC. | | 09/01/2004 | Principal Receipt | | 141,611 | 141,611 | 151,170 | 151,143 | .0 | (170) | .0 | (170) | .0 | 150,974 | .0 | (9,362) | (9,362) | .0 | 7,588 | 09/01/2021. |
| 912810-FG-8. | U.S. Treasury Bond 5.25% | | 03/11/2004 | Lehman Brothers | | 4,845,938 | 4,500,000 | 5,006,953 | 5,001,371 | .0 | (2,081) | .0 | (2,081) | .0 | 4,999,290 | .0 | (153,352) | (153,352) | .0 | 135,000 | 05/15/2029. |
| 912810-FP-8. | U.S. Treasury Bonds 5.375% | | 12/23/2004 | VARIOUS | | 187,548 | 175,000 | 185,023 | 185,022 | .0 | (35) | .0 | (35) | .0 | 184,986 | .0 | 2,561 | 2,561 | .0 | 3,823 | 02/15/2031. |
| 912828-AZ-3. | U.S. Treasury Note 2.625% | | 04/02/2004 | Greenwich Capital Markets | | 251,113 | 250,000 | 255,313 | 254,727 | .0 | (261) | .0 | (261) | .0 | 254,465 | .0 | .0 | .0 | .0 | 2,506 | 05/15/2008. |
| 912828-AR-1. | UNITED STATES TREAS NTS. | | 12/31/2004 | MATURITY | | 6,000,000 | 6,000,000 | 6,027,188 | 6,023,223 | .0 | (23,223) | .0 | (23,223) | .0 | 6,000,000 | .0 | .0 | .0 | .0 | 105,000 | 12/31/2004. |
| 912828-BO-2. | UNITED STATES TREAS NTS. | | 02/09/2004 | Goldman Sachs & Co. | | 406,203 | 400,000 | 400,875 | 400,865 | .0 | (18) | .0 | (18) | .0 | 400,848 | .0 | 5,355 | 5,355 | .0 | 3,301 | 11/15/2008. |
| 912828-BR-0. | UNITED STATES TREAS NTS. | | 01/12/2004 | Barclays Capital | | 25,273 | 25,000 | 25,059 | 25,058 | .0 | .0 | .0 | .0 | .0 | 25,058 | .0 | 215 | 215 | .0 | 4,095 | 11/15/2013. |
| 912828-CT-5. | UNITED STATES TREAS NTS. | | 11/08/2004 | Goldman Sachs & Co. | | 300,750 | 300,000 | 305,613 | 305,613 | .0 | (22) | .0 | (22) | .0 | 305,592 | .0 | (4,842) | (4,842) | .0 | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|----------------------------------|---|---------|---------------|-------------------|---------------------------|---------------|------------|-------------|---|--|---------------------------------------|---|--|--|--|--|----------------------------------|-------------------------------|--|---------------|
| | | | | | | | | | | 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 (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 | 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 |
| 912827-6X-5 | US Treasury Note 4.625% | | 09/15/2004 | VARIOUS | | 7,349,863 | 7,000,000 | 7,590,938 | 7,479,503 | | (58,079) | | (58,079) | | 7,421,424 | | (71,560) | (71,560) | 140,690 | 05/15/2006 |
| 912827-P8-9 | US TREASURY NOTES 7.25% 5/15/04 | | 06/01/2004 | MATURITY | | 350,000 | 350,000 | 352,406 | 350,131 | | (131) | | (131) | | 350,000 | | | | 12,688 | 05/15/2004 |
| 0399999 | Bonds - U.S. Governments | | | | | 70,583,849 | 67,912,614 | 71,256,976 | 71,016,939 | | (264,570) | | (264,570) | | 70,752,372 | | (168,520) | (168,520) | 1,791,584 | XXX |
| STATES, TERRITORIES, POSSESSIONS | | | | | | | | | | | | | | | | | | | | |
| 452151-LF-8 | Illinois State 5.10% | | 04/26/2004 | VARIOUS | | 383,059 | 400,000 | 348,144 | 348,375 | | 144 | | 144 | | 348,519 | | 34,540 | 34,540 | 6,389 | 06/01/2033 |
| 1799999 | Bonds - States, Territories and Possessions | | | | | 383,059 | 400,000 | 348,144 | 348,375 | | 144 | | 144 | | 348,519 | | 34,540 | 34,540 | 6,389 | XXX |
| SPECIAL REVENUE AND ASSESSMENTS | | | | | | | | | | | | | | | | | | | | |
| 314020-FV-7 | Federal National Mtg Assn. | | 12/25/2004 | PRINCIPAL RECEIPT | | 664,511 | 664,511 | 698,516 | 698,516 | | (34,004) | | (34,004) | | 664,511 | | | | 10,509 | 07/01/2017 |
| 314020-R5-2 | FEDERAL NATIONAL MTG ASSN. | | 12/25/2004 | PRINCIPAL RECEIPT | | 106,592 | 106,592 | 109,807 | 109,807 | | (3,214) | | (3,214) | | 106,592 | | | | 14,448 | 11/01/2014 |
| 31404E-04-1 | FEDERAL NATL MTG ASSN GTD MTG | | 12/25/2004 | PRINCIPAL RECEIPT | | 660,471 | 660,471 | 683,174 | 683,174 | | (22,704) | | (22,704) | | 660,471 | | | | 14,748 | 03/01/2019 |
| 31294K-H0-1 | FHLMC #E01139 6% | | 12/15/2004 | PRINCIPAL RECEIPT | | 1,979,420 | 1,979,420 | 2,062,927 | 2,062,086 | | (82,666) | | (82,666) | | 1,979,420 | | | | 55,068 | 04/01/2017 |
| 31335F-C4-5 | FHLMC 680091 | | 12/17/2004 | PRINCIPAL RECEIPT | | 173,712 | 173,712 | 177,594 | 176,084 | | (2,372) | | (2,372) | | 173,712 | | | | 7,137 | 07/17/2008 |
| 31294J-HT-8 | FHLMC Gold E00242 | | 09/15/2004 | VARIOUS | | 16,801 | 16,352 | 16,150 | 16,189 | | 3 | | 3 | | 16,192 | | 609 | 609 | 706 | 10/01/2008 |
| 31292E-WC-6 | FHLMC Gold Pool #C00643 6.50% | | 02/24/2004 | VARIOUS | | 4,603,155 | 4,391,706 | 4,600,998 | 4,600,631 | | (19,631) | | (19,631) | | 4,581,000 | | 22,154 | 22,154 | 65,447 | 08/01/2028 |
| 31292H-GP-3 | FHLMC Gold Pool #C01106 | | 12/15/2004 | PRINCIPAL RECEIPT | | 86,941 | 86,941 | 87,987 | 87,971 | | (1,030) | | (1,030) | | 86,941 | | | | 2,814 | 12/01/2030 |
| 31294J-KE-7 | FHLMC Gold Pool #E00293 | | 12/15/2004 | PRINCIPAL RECEIPT | | 326,305 | 326,305 | 336,324 | 333,681 | | (7,375) | | (7,375) | | 326,305 | | | | 11,155 | 04/01/2009 |
| 31283K-FE-8 | FHLMC Gold Pool #G11090 | | 12/15/2004 | PRINCIPAL RECEIPT | | 416,850 | 416,850 | 432,156 | 430,899 | | (14,049) | | (14,049) | | 416,850 | | | | 12,381 | 02/01/2015 |
| 31288M-DH-9 | FHLMC PC GOLD 15 YR | | 12/31/2004 | VARIOUS | | 2,977,338 | 2,872,378 | 2,976,502 | 2,975,297 | | (7,171) | | (7,171) | | 2,968,126 | | 9,213 | 9,213 | 82,947 | 04/01/2018 |
| 31294K-CY-9 | FHLMC PC GOLD CASH 15 | | 12/15/2004 | PRINCIPAL RECEIPT | | 1,708,759 | 1,708,759 | 1,812,887 | 1,812,887 | | (104,128) | | (104,128) | | 1,708,759 | | | | 30,892 | 06/01/2016 |
| 31294L-UW-5 | FHLMC PC GOLD CASH 15 | | 12/15/2004 | PRINCIPAL RECEIPT | | 1,143,598 | 1,143,598 | 1,160,484 | 1,160,429 | | (16,832) | | (16,832) | | 1,143,598 | | | | 29,422 | 10/01/2018 |
| 31283K-G6-9 | FHLMC PC GOLD COMB 15 | | 12/15/2004 | PRINCIPAL RECEIPT | | 238,981 | 238,981 | 247,271 | 247,271 | | (8,290) | | (8,290) | | 238,981 | | | | 1,754 | 04/01/2016 |
| 31283K-J5-8 | FHLMC PC GOLD COMB 15 | | 12/15/2004 | PRINCIPAL RECEIPT | | 1,624,718 | 1,624,718 | 1,669,144 | 1,669,146 | | (44,428) | | (44,428) | | 1,624,718 | | | | 41,393 | 09/01/2016 |
| 31283K-VA-3 | FHLMC PC GOLD COMB 15 | | 12/15/2004 | PRINCIPAL RECEIPT | | 1,149,756 | 1,149,756 | 1,207,064 | 1,208,261 | | (58,505) | | (58,505) | | 1,149,756 | | | | 31,854 | 03/01/2018 |
| 31296E-G6-4 | FHLMC PC GOLD COMB 15 | | 12/15/2004 | PRINCIPAL RECEIPT | | 470,717 | 470,717 | 492,488 | 492,488 | | (21,771) | | (21,771) | | 470,717 | | | | 5,853 | 10/01/2018 |
| 31283H-S8-9 | FHLMC PC GOLD COMB 30 | | 12/15/2004 | PRINCIPAL RECEIPT | | 1,757,076 | 1,757,076 | 1,852,815 | 1,852,815 | | (95,738) | | (95,738) | | 1,757,076 | | | | 37,668 | 08/01/2032 |
| 31296N-V7-9 | FHLMC PC GOLD COMB 30 | | 12/15/2004 | PRINCIPAL RECEIPT | | 555,331 | 555,331 | 548,736 | 548,724 | | 6,607 | | 6,607 | | 555,331 | | | | 17,064 | 10/01/2033 |
| 31297D-PR-3 | FHLMC PC GOLD COMB 30 | | 12/15/2004 | PRINCIPAL RECEIPT | | 171,614 | 171,614 | 177,781 | 177,781 | | (6,167) | | (6,167) | | 171,614 | | | | 3,105 | 08/01/2034 |
| 31280P-SL-5 | FHLMC PC GOLD GUAR 15 | | 12/15/2004 | PRINCIPAL RECEIPT | | 716,463 | 716,463 | 759,451 | 759,451 | | (42,988) | | (42,988) | | 716,463 | | | | 14,431 | 11/01/2012 |
| 31283H-S9-7 | FHLMC PC Gold Comb | | 12/15/2004 | PRINCIPAL RECEIPT | | 539,650 | 539,650 | 562,248 | 562,248 | | (22,598) | | (22,598) | | 539,650 | | | | 10,254 | 08/01/2032 |
| 31283K-J8-2 | FHLMC Pool # 11187 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 847,654 | 847,654 | 875,070 | 873,937 | | (26,283) | | (26,283) | | 847,654 | | | | 22,609 | 09/01/2016 |
| 31290K-VZ-9 | FHLMC Pool #555132 | | 12/15/2004 | PRINCIPAL RECEIPT | | 40,225 | 40,225 | 41,017 | 41,301 | | (1,077) | | (1,077) | | 40,225 | | | | 1,477 | 07/01/2020 |
| 31292H-XB-5 | FHLMC Pool #C01574 5% | | 03/15/2004 | VARIOUS | | 3,767,229 | 3,717,754 | 3,810,117 | 3,809,895 | | (2,395) | | (2,395) | | 3,807,500 | | (40,271) | (40,271) | 53,259 | 06/01/2033 |
| 31294F-SN-2 | FHLMC Pool #C38953 | | 12/15/2004 | PRINCIPAL RECEIPT | | 94,307 | 94,307 | 94,218 | 94,209 | | 97 | | 97 | | 94,307 | | | | 3,159 | 01/01/2025 |
| 31294J-VJ-4 | FHLMC Pool #E00617 | | 02/24/2004 | VARIOUS | | 255,153 | 245,196 | 242,083 | 242,794 | | 158 | | 158 | | 242,952 | | 12,200 | 12,200 | 3,159 | 01/01/2014 |
| 31357M-SN-1 | FHLMC Pool #E48053 | | 09/28/2004 | VARIOUS | | 169,531 | 162,982 | 159,723 | 161,190 | | 767 | | 767 | | 161,956 | | 7,575 | 7,575 | 7,221 | 11/01/2007 |
| 312867-OL-0 | FHLMC Pool #E73159 | | 12/15/2004 | PRINCIPAL RECEIPT | | 50,530 | 50,530 | 49,889 | 50,036 | | 494 | | 494 | | 50,530 | | | | 2,023 | 12/01/2013 |
| 312867-FC-3 | FHLMC Pool #E73543 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 119,656 | 119,656 | 118,137 | 118,493 | | 1,163 | | 1,163 | | 119,656 | | | | 2,400 | 12/01/2013 |
| 312868-ZU-8 | FHLMC Pool #E74355 | | 12/15/2004 | PRINCIPAL RECEIPT | | 13,472 | 13,472 | 13,301 | 13,340 | | 132 | | 132 | | 13,472 | | | | 401 | 01/01/2014 |
| 312868-SK-3 | FHLMC Pool #E74450 | | 02/24/2004 | VARIOUS | | 296,087 | 284,093 | 278,105 | 279,527 | | 135 | | 135 | | 279,662 | | 16,425 | 16,425 | 3,708 | 01/01/2014 |
| 312869-BH-1 | FHLMC Pool #E74540 | | 02/24/2004 | VARIOUS | | 248,354 | 238,466 | 235,439 | 236,131 | | 108 | | 108 | | 236,239 | | 12,116 | 12,116 | 3,077 | 01/01/2014 |
| 312869-BV-0 | FHLMC Pool #E74552 | | 12/15/2004 | VARIOUS | | 96,511 | 92,616 | 91,440 | 91,708 | | 29 | | 29 | | 91,737 | | 4,773 | 4,773 | 1,197 | 01/01/2014 |
| 312869-CP-2 | FHLMC POOL #E74578 5.5% 1/01/04 | | 02/24/2004 | VARIOUS | | 1,555,710 | 1,496,337 | 1,474,739 | 1,479,207 | | 1,505 | | 1,505 | | 1,480,711 | | 74,999 | 74,999 | 18,913 | 01/01/2014 |
| 31283J-EQ-0 | FHLMC Pool #G10143 | | 12/15/2004 | PRINCIPAL RECEIPT | | 203,911 | 203,911 | 193,461 | 196,825 | | 7,086 | | 7,086 | | 203,911 | | | | 5,527 | 12/01/2008 |
| 31282U-U7-0 | FHLMC Pool #M90606 7.00% | | 12/15/2004 | PRINCIPAL RECEIPT | | 121,955 | 121,955 | 121,868 | 121,723 | | 232 | | 232 | | 121,955 | | | | 6,383 | 03/01/2005 |
| 312868-JB-8 | FHLMC POOL E73858 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 59,046 | 59,046 | 58,296 | 58,469 | | 577 | | 577 | | 59,046 | | | | 1,499 | 12/01/2013 |
| 312868-UX-7 | FHLMC POOL E74198 5.5% | | 12/15/2004 | PRINCIPAL RECEIPT | | 25,112 | 25,112 | 24,793 | 24,866 | | 246 | | 246 | | 25,112 | | | | 816 | 01/01/2014 |
| 312868-SZ-0 | FHLMC POOL E74464 5.5% | | 02/24/2004 | VARIOUS | | 315,822 | 303,898 | 300,040 | 300,921 | | 288 | | 288 | | 301,209 | | 14,613 | 14,613 | 3,786 | 01/01/2014 |
| 31340M-UW-3 | FHLMC Pool# 181497 | | 12/15/2004 | PRINCIPAL RECEIPT | | 47,691 | 47,691 | 47,542 | 47,537 | | 154 | | 154 | | 47,691 | | | | 1,466 | 12/01/2009 |
| 312869-CQ-0 | FHLMC Pool#E74579 | | 12/15/2004 | PRINCIPAL RECEIPT | | 19,674 | 19,674 | 19,425 | 19,482 | | 193 | | 193 | | 19,674 | | | | 555 | 01/01/2014 |
| 3133TV-S5-1 | FHLMC Remic 2359 PB 6% | | 03/15/2004 | PRINCIPAL RECEIPT | | 441,839 | 441,839 | 451,366 | 447,271 | | (5,433) | | (5,433) | | 441,839 | | | | 3,222 | 11/15/2013 |
| 31393F-SV-4 | FHLMC Remic Ser 2522 5.5% | | 01/09/2004 | Lehman | | 2,525,000 | 2,500,000 | 2,558,594 | 2,548,948 | | (232) | | (232) | | 2,548,715 | | (23,715) | (23,715) | 16,424 | 11/15/2021 |
| 31392M-EM-0 | FHLMC REMIC SERIES T0041 | | 12/27/2004 | PRINCIPAL RECEIPT | | 666,117 | 666,117 | 691,929 | 669,460 | | (3,343) | | (3,343) | | 666,117 | | | | 22,252 | 07/25/2032 |
| 312908-LN-4 | FHLMC SERIES 1197 6.75% | | 12/15/2004 | PRINCIPAL RECEIPT | | 579,500 | 579,500 | 578,866 | 578,249 | | 1,251 | | 1,251 | | 579,500 | | | | 18,951 | 02/15/2007 |
| 31392X-XZ-6 | FHR - 2524 CL LA 5.0% | | 07/15/2004 | PRINCIPAL RECEIPT | | 1,544,518 | 1,544,518 | 1,556,58 | | | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|----------------------|-------------------------------|---------|---------------|-------------------|---------------------------|---------------|-----------|-------------|---|--|---------------------------------------|---|--|--|---|--|----------------------------------|-------------------------------|--|---------------|
| | | | | | | | | | | 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 (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 |
| 31405F-D5-8 | FNMA PASS-THRU GOV SINGLE FAM | | 12/25/2004 | PRINCIPAL RECEIPT | | 268,458 | 268,458 | 282,929 | 282,929 | .0 | (14,472) | .0 | (14,472) | .0 | 268,458 | .0 | .0 | .0 | 5,447 | 10/01/2032 |
| 31371K-P3-9 | FNMA PASS-THRU INT 15 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 225,710 | 225,710 | 229,730 | 230,885 | .0 | (5,175) | .0 | (5,175) | .0 | 225,710 | .0 | .0 | .0 | 6,242 | 06/01/2017 |
| 31385W-SR-1 | FNMA PASS-THRU INT 15 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 935,214 | 935,214 | 985,701 | 985,701 | .0 | (50,487) | .0 | (50,487) | .0 | 935,214 | .0 | .0 | .0 | 21,985 | 10/01/2017 |
| 31389D-0B-6 | FNMA PASS-THRU INT 15 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 871,459 | 871,459 | 926,742 | 926,742 | .0 | (55,283) | .0 | (55,283) | .0 | 871,459 | .0 | .0 | .0 | 17,584 | 12/01/2016 |
| 31402C-SY-9 | FNMA PASS-THRU INT 15 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 800,696 | 800,696 | 840,856 | 840,856 | .0 | (40,160) | .0 | (40,160) | .0 | 800,696 | .0 | .0 | .0 | 20,853 | 05/01/2018 |
| 31403J-VP-8 | FNMA PASS-THRU INT 15 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 452,960 | 452,960 | 453,102 | 453,102 | .0 | (146) | .0 | (146) | .0 | 452,960 | .0 | .0 | .0 | 11,890 | 12/01/2018 |
| 31403S-0T-6 | FNMA PASS-THRU INT 15 YEAR | | 02/25/2004 | VARIOUS | | 67,087 | 66,470 | 66,782 | 67,018 | .0 | (27) | .0 | (27) | .0 | 66,991 | .0 | 96 | 96 | 705 | 11/01/2018 |
| 31404W-TH-9 | FNMA PASS-THRU INT 15 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 39,511 | 39,511 | 37,177 | 37,177 | .0 | 2,334 | .0 | 2,334 | .0 | 39,511 | .0 | .0 | .0 | 396 | 05/01/2019 |
| 31371K-KL-4 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 342,537 | 342,537 | 345,106 | 346,507 | .0 | (3,969) | .0 | (3,969) | .0 | 342,537 | .0 | .0 | .0 | 10,761 | 02/01/2032 |
| 31384V-2H-4 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 235,806 | 235,806 | 233,743 | 233,305 | .0 | 2,501 | .0 | 2,501 | .0 | 235,806 | .0 | .0 | .0 | 6,861 | 07/01/2029 |
| 31401X-VK-0 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 1,135,195 | 1,135,195 | 1,149,385 | 1,149,385 | .0 | (14,190) | .0 | (14,190) | .0 | 1,135,195 | .0 | .0 | .0 | 22,189 | 07/01/2033 |
| 31402D-DD-9 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | VARIOUS | | 596,195 | 588,519 | 616,842 | 616,842 | .0 | (22,329) | .0 | (22,329) | .0 | 594,513 | .0 | 1,682 | 1,682 | 12,980 | 05/01/2034 |
| 31402D-XS-4 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 392,426 | 392,426 | 399,723 | 399,723 | .0 | (7,297) | .0 | (7,297) | .0 | 392,426 | .0 | .0 | .0 | 6,434 | 07/01/2033 |
| 31402U-EZ-1 | FNMA PASS-THRU LNG 30 YEAR | | 05/25/2004 | VARIOUS | | 7,713,036 | 7,520,687 | 7,744,838 | 7,747,529 | .0 | (26,044) | .0 | (26,044) | .0 | 7,721,485 | .0 | (8,449) | (8,449) | 171,071 | 10/01/2033 |
| 31403F-VV-3 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 1,117,466 | 1,117,466 | 1,151,339 | 1,151,339 | .0 | (33,873) | .0 | (33,873) | .0 | 1,117,466 | .0 | .0 | .0 | 22,598 | 11/01/2033 |
| 31404B-ND-0 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 135,815 | 135,815 | 139,932 | 139,932 | .0 | (4,117) | .0 | (4,117) | .0 | 135,815 | .0 | .0 | .0 | 3,604 | 01/01/2034 |
| 31404D-XL-7 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 722,168 | 722,168 | 755,455 | 755,455 | .0 | (33,287) | .0 | (33,287) | .0 | 722,168 | .0 | .0 | .0 | 22,527 | 02/01/2034 |
| 31404L-TJ-9 | FNMA PASS-THRU LNG 30 YEAR | | 12/25/2004 | PRINCIPAL RECEIPT | | 1,640,626 | 1,640,626 | 1,712,403 | 1,712,403 | .0 | (71,777) | .0 | (71,777) | .0 | 1,640,626 | .0 | .0 | .0 | 30,861 | 02/01/2034 |
| 31391N-NE-7 | FNMA PASS-THRU POOL #679089 | | 02/25/2004 | VARIOUS | | 4,941,166 | 4,812,210 | 4,864,091 | 4,864,316 | .0 | (1,715) | .0 | (1,715) | .0 | 4,862,601 | .0 | 78,565 | 78,565 | 57,242 | 03/01/2018 |
| 314000-AX-1 | FNMA PASS-THRU POOL #694022 | | 12/25/2004 | PRINCIPAL RECEIPT | | 35,480 | 35,480 | 35,646 | 35,648 | .0 | (168) | .0 | (168) | .0 | 35,480 | .0 | .0 | .0 | 871 | 04/01/2018 |
| 31400Y-BU-9 | FNMA PASS-THRU POOL #701251 | | 02/25/2004 | VARIOUS | | 537,857 | 532,881 | 535,379 | 535,406 | .0 | (120) | .0 | (120) | .0 | 535,286 | .0 | 2,572 | 2,572 | 5,685 | 05/01/2018 |
| 31401D-P2-1 | FNMA PASS-THRU POOL #705241 | | 02/25/2004 | VARIOUS | | 382,982 | 379,396 | 381,194 | 381,194 | .0 | (65) | .0 | (65) | .0 | 381,130 | .0 | 1,853 | 1,853 | 4,062 | 05/01/2018 |
| 31402V-LK-4 | FNMA PASS-THRU POOL #739330 | | 02/25/2004 | VARIOUS | | 495,918 | 491,296 | 493,599 | 493,625 | .0 | (93) | .0 | (93) | .0 | 493,532 | .0 | 2,386 | 2,386 | 5,252 | 09/01/2018 |
| 31402Y-DB-7 | FNMA PASS-THRU POOL #741798 | | 02/25/2004 | VARIOUS | | 84,352 | 83,561 | 83,953 | 83,958 | .0 | (14) | .0 | (14) | .0 | 83,944 | .0 | 407 | 407 | 895 | 10/01/2018 |
| 31403F-XJ-8 | FNMA PASS-THRU POOL #747781 | | 12/25/2004 | PRINCIPAL RECEIPT | | 9,171 | 9,171 | 9,214 | 9,215 | .0 | (44) | .0 | (44) | .0 | 9,171 | .0 | .0 | .0 | 236 | 10/01/2018 |
| 31403G-6H-0 | FNMA PASS-THRU POOL #748872 | | 02/25/2004 | VARIOUS | | 501,431 | 496,749 | 499,078 | 500,865 | .0 | (137) | .0 | (137) | .0 | 500,728 | .0 | 703 | 703 | 5,310 | 11/01/2018 |
| 31403R-KN-7 | FNMA PASS-THRU POOL #755501 | | 12/25/2004 | PRINCIPAL RECEIPT | | 28,324 | 28,324 | 28,457 | 28,558 | .0 | (235) | .0 | (235) | .0 | 28,324 | .0 | .0 | .0 | 694 | 11/01/2018 |
| 31403S-YE-0 | FNMA PASS-THRU POOL #756809 | | 12/25/2004 | PRINCIPAL RECEIPT | | 41,126 | 41,126 | 41,319 | 41,467 | .0 | (341) | .0 | (341) | .0 | 41,126 | .0 | .0 | .0 | 963 | 11/01/2018 |
| 31378H-UH-2 | FNMA Passthru Pool # 399384 | | 12/25/2004 | PRINCIPAL RECEIPT | | 566,768 | 566,768 | 579,875 | 577,525 | .0 | (10,756) | .0 | (10,756) | .0 | 566,768 | .0 | .0 | .0 | 21,160 | 09/01/2012 |
| 31384W-AW-0 | FNMA Pool # 535621 7.04% | | 12/25/2004 | PRINCIPAL RECEIPT | | 400,124 | 400,124 | 459,143 | 452,281 | .0 | (52,157) | .0 | (52,157) | .0 | 400,124 | .0 | .0 | .0 | 29,671 | 12/01/2010 |
| 31363W-H4-0 | FNMA Pool #100250 7.5% | | 12/25/2004 | PRINCIPAL RECEIPT | | 369,427 | 369,427 | 385,128 | 375,990 | .0 | (6,562) | .0 | (6,562) | .0 | 369,427 | .0 | .0 | .0 | 13,077 | 07/15/2007 |
| 31368H-TP-8 | FNMA Pool #190558 5.5% | | 12/25/2004 | PRINCIPAL RECEIPT | | 243,253 | 243,253 | 230,255 | 234,241 | .0 | 9,013 | .0 | 9,013 | .0 | 243,253 | .0 | .0 | .0 | 6,657 | 01/01/2009 |
| 31371K-T9-2 | FNMA Pool #254476 5.5% | | 12/25/2004 | PRINCIPAL RECEIPT | | 443,697 | 443,697 | 445,084 | 445,038 | .0 | (1,341) | .0 | (1,341) | .0 | 443,697 | .0 | .0 | .0 | 11,026 | 09/01/2032 |
| 31374G-MV-6 | FNMA Pool #313672 | | 12/25/2004 | PRINCIPAL RECEIPT | | 159,996 | 159,996 | 171,696 | 165,096 | .0 | (5,100) | .0 | (5,100) | .0 | 159,996 | .0 | .0 | .0 | 8,911 | 06/01/2007 |
| 31384V-ML-3 | FNMA Pool #535063 6.50% | | 12/25/2004 | PRINCIPAL RECEIPT | | 571,821 | 571,821 | 589,870 | 587,951 | .0 | (16,129) | .0 | (16,129) | .0 | 571,821 | .0 | .0 | .0 | 17,797 | 12/01/2014 |
| 31385H-RK-0 | FNMA Pool #545090 6% | | 12/25/2004 | PRINCIPAL RECEIPT | | 1,093,621 | 1,093,621 | 1,146,422 | 1,146,687 | .0 | (53,067) | .0 | (53,067) | .0 | 1,093,621 | .0 | .0 | .0 | 30,092 | 07/01/2016 |
| 31385W-UE-7 | FNMA Pool #555081 6.329% | | 12/25/2004 | PRINCIPAL RECEIPT | | 20,050 | 20,050 | 22,205 | 21,990 | .0 | (1,940) | .0 | (1,940) | .0 | 20,050 | .0 | .0 | .0 | 700 | 03/01/2012 |
| 31387A-3Y-9 | FNMA Pool #578715 | | 12/25/2004 | PRINCIPAL RECEIPT | | 224,325 | 224,325 | 227,970 | 227,494 | .0 | (3,169) | .0 | (3,169) | .0 | 224,325 | .0 | .0 | .0 | 4,560 | 09/01/2016 |
| 31387C-LV-1 | FNMA Pool #580040 | | 12/25/2004 | PRINCIPAL RECEIPT | | 207,977 | 207,977 | 207,262 | 207,294 | .0 | 683 | .0 | 683 | .0 | 207,977 | .0 | .0 | .0 | 5,754 | 06/01/2031 |
| 31387D-30-0 | FNMA Pool #581407 | | 12/25/2004 | PRINCIPAL RECEIPT | | 82,023 | 82,023 | 83,432 | 83,407 | .0 | (1,384) | .0 | (1,384) | .0 | 82,023 | .0 | .0 | .0 | 2,599 | 06/01/2031 |
| 31387F-SF-2 | FNMA Pool #582918 | | 12/25/2004 | PRINCIPAL RECEIPT | | 147,042 | 147,042 | 146,882 | 146,882 | .0 | 171 | .0 | 171 | .0 | 147,042 | .0 | .0 | .0 | 4,693 | 06/01/2031 |
| 31389M-CO-8 | FNMA Pool #629279 6.50% | | 12/25/2004 | PRINCIPAL RECEIPT | | 164,290 | 164,290 | 167,011 | 166,967 | .0 | (2,677) | .0 | (2,677) | .0 | 164,290 | .0 | .0 | .0 | 4,398 | 02/01/2032 |
| 31390E-TW-2 | FNMA Pool #644165 | | 03/01/2004 | VARIOUS | | 209,439 | 204,689 | 202,387 | 202,476 | .0 | 11 | .0 | 11 | .0 | 202,487 | .0 | 6,953 | 6,953 | 2,685 | 06/01/2032 |
| 31390J-RP-8 | FNMA Pool #647694 | | 12/25/2004 | PRINCIPAL RECEIPT | | 313,559 | 313,559 | 319,243 | 318,847 | .0 | (5,287) | .0 | (5,287) | .0 | 313,559 | .0 | .0 | .0 | 8,159 | 05/01/2017 |
| 31390K-RV-2 | FNMA Pool #648600 5.5% | | 03/01/2004 | VARIOUS | | 343,471 | 335,670 | 331,893 | 331,933 | .0 | 12 | .0 | 12 | .0 | 331,945 | .0 | 11,526 | 11,526 | 4,407 | 07/01/2032 |
| 31390S-WK-3 | FNMA Pool #655050 | | 02/25/2004 | VARIOUS | | 542,815 | 530,503 | 524,534 | 523,644 | .0 | 47 | .0 | 47 | .0 | 523,691 | .0 | 19,124 | 19,124 | 6,960 | 07/01/2032 |
| 31401J-AG-3 | FNMA Pool #709307 5.50% | | 04/25/2004 | VARIOUS | | 9,943,365 | 9,708,637 | 10,084,656 | 10,084,656 | .0 | (18,608) | .0 | (18,608) | .0 | 10,066,047 | .0 | (122,683) | (122,683) | 154,887 | 07/01/2033 |
| 31371H-07-6 | FNMA Pool 252578 6.00% | | 12/25/2004 | PRINCIPAL RECEIPT | | 195,304 | 195,304 | 186,058 | 188,979 | .0 | 6,325 | .0 | 6,325 | .0 | 195,304 | .0 | .0 | .0 | 5,496 | 06/01/2009 |
| 31373W-OK-2 | FNMA Pool 305658 8% | | 12/25/2004 | PRINCIPAL RECEIPT | | 52,936 | 52,936 | 54,061 | 53,277 | .0 | (341) | .0 | (341) | .0 | 52,936 | .0 | .0 | .0 | 1,965 | 02/01/2008 |
| 31374S-6A-4 | FNMA Pool 323165 6.0% | | 12/25/2004 | PRINCIPAL RECEIPT | | 147,954</ | | | | | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE GROUP Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | |
|-------------|------------------------------------|------------|----------------------------|---|---|------------|------------|------------|------------|----|----|----------|-------------|----|------------|----|---------|---------|-----------|----|----------------------|
| | | | | | | | | | | | | | | | | | | | | | CUSIP Identification |
| 3198989 | Bonds - Special Revenues | | | | | 33,205,156 | 31,982,403 | 34,857,375 | 34,589,641 | | | | (1,530,223) | | 35,069,411 | | 135,745 | 135,745 | 1,910,936 | | XXV |
| 007558-HG-4 | ADVANTA MTG LN TR 2000-1 | 12/27/2004 | PRINCIPAL RECEIPT | | | 874,137 | 874,137 | 920,166 | 920,166 | | | | (46,029) | | 874,137 | | | | 24,782 | | 03/25/2006 |
| 008190-AF-7 | Affiliated Computer Services 3.50% | 02/23/2004 | Exchange | | | 503,050 | 425,000 | 520,166 | 509,037 | | | (5,987) | | | 503,050 | | | | 7,438 | | 02/15/2006 |
| 020012-AF-7 | Allstate Fint. Global Fdg. 6.50% | 04/01/2004 | VARIOUS | | | 1,153,533 | 1,000,000 | 1,057,880 | 1,047,565 | | | (1,038) | | | 1,046,527 | | | | 107,006 | | 06/14/2001 |
| 020039-DC-4 | Alltel Corp. 7.875% | 03/19/2004 | Goldman Sachs & Co. | | | 955,121 | 750,000 | 811,483 | 811,643 | | | (128) | | | 811,514 | | | | 41,442 | | 07/01/2001 |
| 025537-AA-9 | American Electric Power 6.125% | 03/08/2004 | HSC Securities | | | 271,168 | 250,000 | 262,500 | 259,448 | | | (705) | | | 258,743 | | | | 12,424 | | 05/15/2006 |
| 025818-EM-3 | American Express Cr. Corp. 3.0% | 03/05/2004 | HSC Securities | | | 701,708 | 700,000 | 698,677 | 698,831 | | | (44) | | | 698,876 | | | | 6,650 | | 05/15/2006 |
| 026359-RT-2 | American General Finance 5.375% | 10/15/2004 | VARIOUS | | | 767,310 | 725,000 | 707,209 | 708,759 | | | 809 | | | 709,568 | | | | 57,742 | | 10/01/2012 |
| 026359-RT-2 | American General Finance 5.875% | 03/05/2004 | Spears Leads & Kellog | | | 541,350 | 500,000 | 542,475 | 539,027 | | | (2,653) | | | 538,374 | | | | 11,832 | | 07/14/2006 |
| 026609-WI-9 | American Home Products 6.70% | 12/14/2004 | Goldman Sachs & Co. | | | 509,760 | 450,000 | 449,235 | 449,381 | | | 66 | | | 449,447 | | | | 39,288 | | 03/15/2011 |
| 026874-WI-9 | American Intl. Group Inc 2.875% | 03/09/2004 | First Chicago Cap. Mkts | | | 502,640 | 500,000 | 497,235 | 497,560 | | | 99 | | | 497,659 | | | | 4,922 | | 05/15/2008 |
| 037384-AE-5 | AON Capital Trust 8.205% | 04/01/2004 | VARIOUS | | | 407,817 | 350,000 | 388,903 | 388,163 | | | (127) | | | 388,036 | | | | 4,981 | | 01/01/2027 |
| 045184-AE-5 | ASIF Global Financing 4.90% | 08/01/2004 | First Albany Corp. | | | 2,056,000 | 2,000,000 | 1,974,840 | 1,975,682 | | | 533 | | | 1,976,215 | | | | 20,569 | | 01/01/2027 |
| 010191-AV-3 | AT&T Corp. 6% | 08/10/2004 | US Bancorp Piper Jaffray | | | 1,401,996 | 1,200,000 | 1,337,954 | 1,328,012 | | | (4,254) | | | 1,323,758 | | | | 79,785 | | 01/17/2013 |
| 010191-AV-3 | AT&T Corp. 6% | 08/10/2004 | First Albany Corp. | | | 485,315 | 500,000 | 455,955 | 471,534 | | | 2,805 | | | 474,339 | | | | 72,304 | | 03/15/2013 |
| 010191-BB-3 | AT&T Wireless Svcs. 8.75% | 08/25/2004 | Ferris Baker Watts | | | 1,143,000 | 900,000 | 1,048,988 | 1,047,541 | | | (1,180) | | | 1,046,381 | | | | 27,333 | | 03/15/2009 |
| 060605-AT-5 | Bank of America Corp. 4.875% | 03/03/2004 | Chase Manhattan Bank | | | 895,136 | 800,000 | 799,880 | 810,259 | | | (562) | | | 809,697 | | | | 38,156 | | 03/01/2031 |
| 064234-WI-3 | Bank of America Corp. 6.50% | 02/03/2004 | Nationsbank | | | 1,039,830 | 1,000,000 | 1,001,030 | 1,000,925 | | | (105) | | | 1,000,910 | | | | 85,639 | | 09/15/2012 |
| 064234-WI-3 | Bank One Corp. 7.875% | 04/23/2004 | Goldman Sachs & Co. | | | 1,083,870 | 1,000,000 | 1,058,940 | 1,029,969 | | | (1,229) | | | 1,028,770 | | | | 38,920 | | 02/01/2006 |
| 054937-NE-7 | B&B Corp. | 07/08/2004 | VARIOUS | | | 467,709 | 450,000 | 448,214 | 448,218 | | | 32 | | | 448,249 | | | | 39,406 | | 09/01/2010 |
| 079857-NG-3 | Bear Stearns & Co. Inc. 5.70% | 03/08/2004 | Spears Leads & Kellog | | | 541,350 | 500,000 | 517,330 | 516,343 | | | (208) | | | 516,134 | | | | 7,163 | | 11/15/2014 |
| 086516-AD-3 | Best Buy Inc | 07/07/2004 | US Bancorp Piper Jaffray | | | 474,725 | 500,000 | 502,335 | 501,643 | | | (111) | | | 501,531 | | | | 35,198 | | 06/15/2010 |
| 087023-WI-9 | BOEING CO. | 05/17/2004 | Call Redemption | | | 461,965 | 675,000 | 532,995 | 533,915 | | | 3,278 | | | 537,194 | | | | 25,651 | | 11/15/2014 |
| 109841-AF-4 | Brinker Int'l Inc. Zero Coupon | 11/22/2004 | First Union Capital Marke. | | | 508,295 | 525,000 | 517,697 | 517,712 | | | 21 | | | 517,734 | | | | 20,988 | | 06/27/2021 |
| 120568-NE-0 | Bunge Ltd Corp. 3.75% | 08/19/2004 | SALMON BROTHERS | | | 160,650 | 120,000 | 131,625 | 131,462 | | | (827) | | | 131,175 | | | | 20,861 | | 10/10/2022 |
| 121899-AG-7 | Burlington Northern Santa Fe 8.25% | 07/15/2004 | Sink PMT @ 100.0000000 | | | 471,545 | 500,000 | 498,990 | 499,175 | | | 16 | | | 499,191 | | | | 3,396 | | 11/15/2022 |
| 12201P-AC-0 | Burlington Resources 6.40% | 03/09/2004 | Spears Leads & Kellog | | | 334,988 | 335,321 | 335,321 | 335,321 | | | (333) | | | 334,988 | | | | 13,547 | | 08/15/2011 |
| 130335-AG-7 | CALIF I & EBB PG & E 1997-1 A-7 | 12/25/2004 | PRINCIPAL RECEIPT | | | 349,674 | 349,674 | 351,074 | 350,207 | | | (533) | | | 349,674 | | | | 22,549 | | 09/25/2008 |
| 14040E-HH-8 | CALIF I & EBB PG & E 1997-1 A-6 | 09/02/2004 | PRINCIPAL RECEIPT | | | 400,000 | 400,000 | 399,856 | 399,861 | | | 13 | | | 399,872 | | | | 22,169 | | 09/15/2010 |
| 14040E-HJ-4 | CAPITAL ONE BK MTN BE | 03/08/2004 | Spears Leads & Kellog | | | 308,724 | 300,000 | 299,622 | 299,629 | | | 11 | | | 299,642 | | | | 3,790 | | 12/01/2008 |
| 12489V-AA-4 | CBRT Group. Conv. Zero Coupon | 08/24/2004 | Exchange | | | 295,351 | 700,000 | 295,351 | 310,053 | | | 5,840 | | | 315,883 | | | | 9,082 | | 04/03/2032 |
| 151313-AF-0 | Cendant Corp. Zero Coupon | 02/04/2004 | Exchange | | | 411,507 | 600,000 | 407,278 | 410,674 | | | 834 | | | 411,507 | | | | 0 | | 02/13/2021 |
| 166760-AB-4 | Chevrontexaco Cap Co. 3.375% | 03/17/2004 | Exchange | | | 1,022,624 | 1,000,000 | 999,400 | 999,499 | | | 21 | | | 999,520 | | | | 19,444 | | 02/15/2008 |
| 125581-AC-2 | CIT Group Holdings 7.975% | 10/14/2004 | VARIOUS | | | 328,848 | 300,000 | 307,665 | 305,569 | | | (1,196) | | | 304,373 | | | | 22,432 | | 04/02/2007 |
| 125581-AC-2 | CIT Group Inc. 5.75% | 11/10/2004 | Goldman Sachs & Co. | | | 583,665 | 550,000 | 549,683 | 549,784 | | | 49 | | | 549,812 | | | | 33,853 | | 09/25/2007 |
| 172967-BS-9 | CIT Group Inc. 3.50% | 07/22/2004 | VARIOUS | | | 2,031,015 | 2,000,000 | 2,073,380 | 2,065,445 | | | (4,164) | | | 2,061,281 | | | | 49,243 | | 02/01/2008 |
| 184502-WI-2 | CLEAR CHANNEL COMMUNICATIONS | 11/17/2004 | WARBURG DILLON READ LLC | | | 996,640 | 1,000,000 | 996,320 | 996,320 | | | 0 | | | 996,320 | | | | 0 | | 01/15/2010 |
| 191216-BJ-2 | CLEAR CHANNEL COMMUNICATIONS | 04/01/2004 | VARIOUS | | | 803,007 | 675,000 | 701,424 | 695,337 | | | (495) | | | 694,842 | | | | 26,281 | | 09/15/2010 |
| 202687-HE-6 | Clear Channel Communications 7.65% | 09/17/2004 | VARIOUS | | | 834,164 | 740,000 | 695,561 | 695,323 | | | (2,992) | | | 694,842 | | | | 33,795 | | 09/15/2011 |
| 202687-HE-6 | Coca Cola Enterprises | 05/06/2004 | VARIOUS | | | 598,776 | 600,000 | 592,918 | 598,014 | | | 30 | | | 598,045 | | | | 12,612 | | 04/15/2006 |
| 205887-HE-3 | Comagra Foods 6% | 03/09/2004 | bp paribas | | | 315,555 | 290,000 | 319,182 | 310,074 | | | (1,350) | | | 308,724 | | | | 6,831 | | 09/15/2006 |
| 208231-HE-8 | Conagra Inc. 8.25% | 03/09/2004 | Merrill Lynch | | | 1,172,610 | 1,000,000 | 1,067,664 | 1,063,589 | | | (1,151) | | | 1,067,574 | | | | 25,667 | | 09/15/2006 |
| 209864-AT-4 | Consolidated Rail 9.75% | 08/27/2004 | VARIOUS | | | 3,015,709 | 2,250,000 | 2,779,373 | 2,735,226 | | | (6,751) | | | 2,728,476 | | | | 34,784 | | 04/15/2029 |
| 210885-CI-8 | Continental Airlines 6.545% | 10/21/2004 | VARIOUS | | | 564,174 | 564,174 | 564,174 | 564,174 | | | 0 | | | 564,174 | | | | 21,078 | | 06/15/2020 |
| 220850-DE-6 | Continental Airlines 7.70% | 02/26/2004 | SALMON BROTHERS | | | 892,851 | 868,954 | 938,305 | 937,507 | | | (746) | | | 936,761 | | | | 44,790 | | 02/02/2019 |
| 222372-NE-4 | Countywide Credit Zero Coupon | 09/22/2004 | VARIOUS | | | 677,822 | 900,000 | 677,822 | 690,289 | | | 4,538 | | | 694,827 | | | | 27,904 | | 10/02/2022 |
| 222371-LD-2 | Countywide Home Loan Corp. 5.25% | 03/05/2004 | Nationsbank | | | 1,021,170 | 1,000,000 | 1,005,417 | 1,005,417 | | | (2,091) | | | 1,003,327 | | | | 12,366 | | 06/15/2007 |
| 222371-LD-2 | Countywide Home Loans Inc. 5.625% | 12/08/2004 | SALMON BROTHERS | | | 2,186,660 | 2,000,000 | 2,002,430 | 2,002,430 | | | (66,984) | | | 2,000,000 | | | | 3,596 | | 02/08/2031 |
| 222371-MD-1 | Countywide Home NT 5.5% 02/01/07 | 05/03/2004 | SALMON SMITH BARNEY | | | 3,474,276 | 3,250,000 | 3,665,740 | 3,510,079 | | | (32,399) | | | 3,477,680 | | | | 187,917 | | 02/01/2007 |
| 225411-AA-1 | Credit Suisse First Boston 5.875% | 05/03/2004 | MATURITY | | | 500,000 | 500,000 | 522,845 | 506,782 | | | (1,141) | | | 500,000 | | | | 139,001 | | 02/01/2006 |
| 233835-AB-3 | Daniell Chrysler 6.90% | 09/01/2004 | VARIOUS | | | 505,000 | 500,000 | 552,960 | 548,738 | | | (679) | | | 537,522 | | | | 25,814 | | 09/01/2004 |
| 247367-AP-0 | De La Air Lines Inc. 7.5% | 02/26/2004 | SALMON BROTHERS | | | 1,133,225 | 1,000,000 | 1,131,580 | 1,131,580 | | | (1,656) | | | 1,129,924 | | | | 10,934 | | 05/18/2012 |
| 251795-AD-7 | Deutsche Telekom Intl. Fin. 8.25% | 12/08/2004 | US Bancorp Piper Jaffray | | | 609,950 | 500,000 | 584,660 | 583,504 | | | (1,115) | | | 583,389 | | | | 87,014 | | 05/18/2012 |
| 264399-EM-4 | DU | | | | | | | | | | | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|----------------------|------------------------------------|-----------------------|---------------------------|---------------------------|---------------|-----------|-------------|---|--|--|---|--|--|---|--|----------------------------------|-------------------------------|--|---------------|----|
| | | | | | | | | | | 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 (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 | |
| 285661-AE-4 | Electronic Data Sys. | | Nationsbank | | 476,850 | 510,000 | 510,518 | 510,506 | .0 | (40) | .0 | (40) | .0 | 510,466 | .0 | (33,616) | (33,616) | 21,190 | 07/15/2023 | |
| 291011-AT-1 | Emerson Elec. Co. 4.5% | | VARIOUS | | 500,069 | 500,000 | 496,700 | 496,878 | .0 | 60 | .0 | 60 | .0 | 496,938 | .0 | 3,131 | 3,131 | 9,056 | 05/01/2013 | |
| 268766-BR-2 | EOP Operating Conv Variable Rate | | Goldman Sachs & Co. | | 129,688 | 125,000 | 128,156 | 127,199 | .0 | (88) | .0 | (88) | .0 | 127,112 | .0 | 2,576 | 2,576 | 3,298 | 11/15/2008 | |
| 26882P-AL-6 | Erac USA Finance Co. 8.25% | | Goldman Sachs & Co. | | 1,071,550 | 1,000,000 | 1,065,780 | 1,025,614 | .0 | (3,292) | .0 | (3,292) | .0 | 1,022,322 | .0 | 49,228 | 49,228 | 29,563 | 05/01/2005 | |
| 31331F-AX-9 | Federal Express 6.72% | | Sink PMT @ 100,000,000 | | 48,076 | 48,076 | 54,020 | 53,830 | .0 | (5,753) | .0 | (5,753) | .0 | 48,076 | .0 | .0 | .0 | 2,213 | 01/15/2022 | |
| 318522-AC-3 | First American Corp. 4.5% | | Exchange | | 175,790 | 175,000 | 176,300 | 175,840 | .0 | (49) | .0 | (49) | .0 | 175,790 | .0 | .0 | .0 | 3,938 | 04/15/2008 | |
| 319963-AD-6 | First Data Corp. 2% | | Goldman Sachs & Co. | | 476,520 | 475,000 | 528,187 | 512,492 | .0 | (1,030) | .0 | (1,030) | .0 | 511,462 | .0 | (34,942) | (34,942) | 4,407 | 03/01/2008 | |
| 343254-AJ-7 | FLORIDA WINDSTORM UNDERWRITING | | Arnhold S S. Bleiechroede | | 1,200,000 | 1,000,000 | 1,157,420 | 1,156,180 | .0 | (1,737) | .0 | (1,737) | .0 | 1,154,443 | .0 | 45,557 | 45,557 | 43,542 | 02/25/2019 | |
| U34258-AA-8 | Florida Windstorm Underwriting | | Ferris, Baker Watts | | 1,133,000 | 1,000,000 | 1,158,100 | 1,156,854 | .0 | (3,380) | .0 | (3,380) | .0 | 1,153,474 | .0 | (20,474) | (20,474) | 61,948 | 02/25/2019 | |
| 345397-SW-6 | FORD MOTOR CR CO. | | Bear Stearns | | 1,380,875 | 1,250,000 | 1,309,500 | 1,308,386 | .0 | (1,554) | .0 | (1,554) | .0 | 1,306,832 | .0 | 74,043 | 74,043 | 34,058 | 10/28/2009 | |
| 345397-TZ-6 | FORD MOTOR CR CO. | | First Chicago Cap. Mkts. | | 159,569 | 150,000 | 152,537 | 152,514 | .0 | (35) | .0 | (35) | .0 | 152,479 | .0 | 7,089 | 7,089 | 4,929 | 10/01/2013 | |
| 345397-RR-6 | Ford Motor Credit 7.2% | | Morgan Stanley | | 2,006,138 | 1,875,000 | 2,013,438 | 1,939,371 | .0 | (14,320) | .0 | (14,320) | .0 | 1,925,050 | .0 | 81,087 | 81,087 | 119,625 | 06/15/2007 | |
| 345397-HG-1 | Ford Motor Credit 7.5% | | MATURITY | | 500,000 | 500,000 | 503,720 | 500,437 | .0 | (437) | .0 | (437) | .0 | 500,000 | .0 | .0 | .0 | 18,750 | 06/15/2004 | |
| 345397-TX-1 | Ford Motor Credit Co. 6.50% | | Morgan Stanley | | 682,546 | 650,000 | 644,690 | 645,851 | .0 | 1,044 | .0 | 1,044 | .0 | 646,894 | .0 | 35,651 | 35,651 | 53,869 | 01/25/2007 | |
| 345397-TY-9 | Ford Motor Credit Co. 7.25% | | VARIOUS | | 1,149,552 | 1,100,000 | 1,116,797 | 1,114,702 | .0 | (470) | .0 | (470) | .0 | 1,114,232 | .0 | 35,320 | 35,320 | 41,526 | 10/25/2011 | |
| 302570-AK-2 | FPL Group Capital 7.625% | | Advest, Inc. | | 961,665 | 850,000 | 928,523 | 893,982 | .0 | (2,886) | .0 | (2,886) | .0 | 891,096 | .0 | 70,569 | 70,569 | 31,866 | 09/15/2006 | |
| 369626-ZY-3 | General Electric Cap. Corp. 5.45% | | Warburg, S.G. | | 1,076,130 | 1,000,000 | 1,024,930 | 1,022,922 | .0 | (355) | .0 | (355) | .0 | 1,022,566 | .0 | 53,564 | 53,564 | 55,576 | 01/15/2013 | |
| 369626-XZ-2 | General Electric Cap. Corp. 6.75% | | Merrill Lynch | | 575,960 | 500,000 | 548,366 | 547,670 | .0 | (167) | .0 | (167) | .0 | 547,503 | .0 | 28,457 | 28,457 | 18,469 | 01/15/2032 | |
| 369604-AY-9 | General Electric Co. 5% | | Nationsbank | | 955,216 | 950,000 | 946,447 | 946,706 | .0 | 89 | .0 | 89 | .0 | 946,795 | .0 | 8,421 | 8,421 | 35,097 | 02/01/2013 | |
| 370334-AT-1 | General Mills Inc. Zero Coupon | | Exchange | | 448,900 | 660,000 | 448,900 | 458,744 | .0 | 6,695 | .0 | 6,695 | .0 | 465,439 | .0 | (16,539) | (16,539) | .0 | 10/28/2022 | |
| 370334-AU-8 | General Mills Inc. Zero Coupon | | Goldman Sachs & Co. | | 461,377 | 660,000 | 461,377 | 464,889 | .0 | 6,289 | .0 | 6,289 | .0 | 471,158 | .0 | (9,781) | (9,781) | 2,685 | 10/28/2022 | |
| 370442-BW-4 | GENERAL MTRS CORP | | Merrill Lynch | | 256,105 | 250,000 | 272,963 | 272,897 | .0 | (214) | .0 | (214) | .0 | 272,683 | .0 | (16,578) | (16,578) | 18,563 | 01/15/2023 | |
| 381416-CU-6 | Goldman Sachs Group Inc. 6.125% | | VARIOUS | | 512,493 | 500,000 | 500,000 | 500,000 | .0 | .0 | .0 | .0 | .0 | 500,000 | .0 | 12,493 | 12,493 | 18,749 | 02/15/2033 | |
| 400518-AA-4 | GTech Holdings Corp. Conv. 1.75% | | VARIOUS | | 641,582 | 320,000 | 400,875 | 394,394 | .0 | (3) | .0 | (3) | .0 | 393,856 | .0 | 247,725 | 247,725 | 992 | 12/15/2021 | |
| 413875-AG-0 | Harris Corp. 3.50% | | Exchange | | 602,425 | 575,000 | 602,425 | 601,141 | .0 | (850) | .0 | (850) | .0 | 600,291 | .0 | 2,134 | 2,134 | 20,125 | 08/15/2022 | |
| 421933-AC-6 | Health Mgmt. Assoc. Zero Coupon | | Exchange | | 203,125 | 250,000 | 203,125 | 206,992 | .0 | 1,684 | .0 | 1,684 | .0 | 208,656 | .0 | (5,531) | (5,531) | .0 | 01/28/2022 | |
| 44181K-08-0 | Household Finance Corp. 3.375% | | Lehman Brothers | | 2,531,750 | 2,500,000 | 2,597,625 | 2,579,008 | .0 | (12,304) | .0 | (12,304) | .0 | 2,566,704 | .0 | (34,954) | (34,954) | 59,766 | 02/21/2006 | |
| 441812-GK-4 | Household Finance Corp. 7.875% | | VARIOUS | | 1,549,088 | 1,350,000 | 1,537,703 | 1,519,195 | .0 | (9,833) | .0 | (9,833) | .0 | 1,494,362 | .0 | 54,725 | 54,725 | 58,417 | 03/01/2007 | |
| 459200-BB-6 | IBM Corp. 5.875% | | VARIOUS | | 758,629 | 725,000 | 708,021 | 708,250 | .0 | 41 | .0 | 41 | .0 | 708,292 | .0 | 50,337 | 50,337 | 12,464 | 11/29/2032 | |
| 459200-AT-8 | International Busine 5.375% | | US Bancorp Piper Jaffray | | 522,130 | 500,000 | 494,785 | 495,860 | .0 | 356 | .0 | 356 | .0 | 496,215 | .0 | 25,915 | 25,915 | 25,009 | 02/01/2009 | |
| 460146-BQ-5 | International Paper Co. 5.85% | | Goldman Sachs & Co. | | 540,260 | 500,000 | 518,520 | 517,097 | .0 | (271) | .0 | (271) | .0 | 516,825 | .0 | 23,435 | 23,435 | 10,563 | 10/30/2012 | |
| 46625H-AT-7 | JP Morgan Chase 5.75% | | VARIOUS | | 1,088,365 | 1,000,000 | 1,047,370 | 1,046,255 | .0 | (1,415) | .0 | (1,415) | .0 | 1,044,840 | .0 | 43,525 | 43,525 | 49,035 | 01/02/2013 | |
| 494368-AX-1 | Kimberly Clark Corp. 5.00% | | Nationsbank | | 467,227 | 440,000 | 439,441 | 439,459 | .0 | 8 | .0 | 8 | .0 | 439,467 | .0 | 27,760 | 27,760 | 13,200 | 08/15/2013 | |
| 52108H-XJ-8 | LBUBS CMBS 2003C8 | | PRINCIPAL RECEIPT | | 143,782 | 143,782 | 143,940 | 143,940 | .0 | (157) | .0 | (157) | .0 | 143,782 | .0 | .0 | .0 | 1,803 | 11/15/2027 | |
| 52517P-VW-0 | LEHMAN BROS HLDGS INC MTN BE | | Morgan Stanley | | 528,595 | 500,000 | 499,665 | 499,670 | .0 | 8 | .0 | 8 | .0 | 499,677 | .0 | 28,918 | 28,918 | 6,745 | 11/30/2010 | |
| 524908-FD-7 | Lehman Brothers Holdings Inc. 4% | | Spear Leeds & Kellog | | 1,019,550 | 1,000,000 | 999,100 | 999,256 | .0 | 48 | .0 | 48 | .0 | 999,304 | .0 | 20,246 | 20,246 | 29,333 | 01/22/2008 | |
| 530715-AR-2 | Liberty Media Corp. 3.25% | | VARIOUS | | 576,771 | 660,000 | 615,960 | 616,761 | .0 | 582 | .0 | 582 | .0 | 617,343 | .0 | (40,572) | (40,572) | 21,164 | 03/15/2031 | |
| 530718-AE-5 | Liberty Media Corp. 3.5% | | VARIOUS | | 508,023 | 500,000 | 498,820 | 498,927 | .0 | 81 | .0 | 81 | .0 | 499,009 | .0 | 9,015 | 9,015 | 8,988 | 09/25/2006 | |
| 539830-AE-9 | LOCKHEED MARTIN 7.65% | | Nationsbank | | 118,433 | 100,000 | 102,108 | 101,647 | .0 | (26) | .0 | (26) | .0 | 101,621 | .0 | 16,812 | 16,812 | 3,761 | 05/01/2016 | |
| 539830-AF-6 | LOCKHEED MARTIN 7.75% | | Nationsbank | | 999,488 | 800,000 | 794,446 | 794,933 | .0 | 17 | .0 | 17 | .0 | 794,950 | .0 | 204,538 | 204,538 | 23,250 | 05/01/2026 | |
| 571748-AM-4 | MARSH & MCLENNAN COS INC | | US Bancorp Piper Jaffray | | 975,640 | 1,000,000 | 1,017,560 | 1,017,560 | .0 | (236) | .0 | (236) | .0 | 1,017,324 | .0 | (41,684) | (41,684) | 15,976 | 07/15/2014 | |
| 571748-AB-8 | Marsh & McLennan Cos. 6.625% | | MATURITY | | 500,000 | 500,000 | 517,145 | 502,825 | .0 | (2,825) | .0 | (2,825) | .0 | 500,000 | .0 | .0 | .0 | 16,563 | 06/15/2004 | |
| 571748-AD-4 | Marsh & McLennan Cos. Inc. 5.375% | | Morgan Stanley | | 693,683 | 640,000 | 689,370 | 676,287 | .0 | (2,038) | .0 | (2,038) | .0 | 674,249 | .0 | 19,434 | 19,434 | 16,913 | 03/15/2007 | |
| 59018Y-SH-5 | MERRILL LYNCH CO INC MTN BE | | VARIOUS | | 1,020,639 | 1,000,000 | 994,660 | 994,762 | .0 | 154 | .0 | 154 | .0 | 994,916 | .0 | 25,723 | 25,723 | 18,125 | 11/04/2010 | |
| 59156R-AG-3 | METLIFE INC. | | VARIOUS | | 518,007 | 500,000 | 495,195 | 495,233 | .0 | 130 | .0 | 130 | .0 | 495,362 | .0 | 22,645 | 22,645 | 11,458 | 11/24/2013 | |
| 593048-BN-0 | Mexico United Mexican States 8.125 | | Exchange | | 434,263 | 400,000 | 435,456 | 434,648 | .0 | (384) | .0 | (384) | .0 | 434,263 | .0 | .0 | .0 | .0 | 12/30/2019 | |
| 600389-AB-8 | MILLER BREWING CO. | | Spear Leeds & Kellog | | 425,644 | 400,000 | 415,280 | 415,280 | .0 | (184) | .0 | (184) | .0 | 415,096 | .0 | 10,548 | 10,548 | 12,650 | 08/15/2013 | |
| 617446-HR-3 | Morgan Stanley 5.30% | | US Bancorp Piper Jaffray | | 1,997,160 | 2,000,000 | 2,009,240 | 2,008,673 | .0 | (421) | .0 | (421) | .0 | 2,008,252 | .0 | (11,092) | (11,092) | 96,283 | 03/01/2013 | |
| 617444-AN-0 | MORGAN STANLEY & CO INC | | Frank Russell Securities | | 506,735 | 500,000 | 494,165 | 494,268 | .0 | 91 | .0 | 91 | .0 | 494,359 | .0 | 12,376 | 12,376 | 5,549 | 05/15/2010 | |
| 635405-AN-3 | National City Corp. 3.20% | | Canfor Fitzgerald & Co. | | 1,012,260 | 1,000,000 | 997,950 | 998,255 | .0 | 73 | .0 | 73 | .0 | 998,328 | .0 | 13,932 | 13,932 | 14,311 | 04/01/2008 | |
| 637432-CT-0 | Natl. Rural Utilis. Coop 8.0% | | VARIOUS | | 1,289,938 | 1,000,000 | 1,204,620 | 1,203,910 | .0 | (707) | .0 | (707) | .0 | 1,203,204 | .0 | 86,735 | 86,735 | 48,689 | 03/01/2032 | |
| 649080-AR-9 | New VY Generation V 4.929% | | Sinking Fund Payment | | 153,668 | 153,668 | 153,668 | 153,668 | .0 | .0 | .0 | .0 | .0 | 153,668 | .0 | .0 | .0 | 2,293 | 01/15/2021 | |
| 654730-AJ-7 | Nisource Financial Corp. 5.40% | | Merrill Lynch | | 518,915 | 500,000 | 478,125 | 478,703 | .0 | 260 | .0 | 260 | .0 | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|--------------------------------------|---|---------|---------------|--------------------------|---------------------------|---------------|-------------|-------------|---|--|---------------------------------------|---|--|--|---|--|----------------------------------|-------------------------------|--|---------------|
| | | | | | | | | | | 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 (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 |
| 743263-AC-9 | Progress Energy Inc. Sr. Note 6.75% | | 03/08/2004 | Warburg, S.G. | | 1,087,260 | 1,000,000 | 1,063,110 | 1,033,029 | 0 | (2,712) | 0 | (2,712) | 0 | 1,030,317 | 0 | 56,943 | 56,943 | 35,625 | 03/01/2006 |
| 743670-AC-8 | Protective Life U.S. Fdg Ser 144A 5 | | 03/09/2004 | First Chicago Cap. Mkts. | | 542,755 | 500,000 | 529,385 | 517,444 | 0 | (1,192) | 0 | (1,192) | 0 | 516,252 | 0 | 26,503 | 26,503 | 16,891 | 08/15/2006 |
| 744361-EU-7 | Prudential Sec Fin Corp 99-NRF1 | | 12/17/2004 | PRINCIPAL RECEIPT | | 640,995 | 640,995 | 688,770 | 697,114 | 0 | (6,118) | 0 | (6,118) | 0 | 640,995 | 0 | 0 | 0 | 42,443 | 11/15/2031 |
| 750236-AE-1 | Radian Group Inc. 2.25% | | 08/31/2004 | Convertible Debentures | | 197,044 | 175,000 | 197,044 | 195,495 | 0 | (664) | 0 | (664) | 0 | 194,830 | 0 | 2,213 | 2,213 | 3,938 | 01/01/2022 |
| 754603-AB-4 | RAYTHEON 7.2% 10/15/ | | 06/25/2004 | SALOMON SMITH BARNEY | | 2,795,000 | 2,500,000 | 2,466,605 | 2,479,693 | 0 | 1,729 | 0 | 1,729 | 0 | 2,481,422 | 0 | 313,578 | 313,578 | 144,639 | 10/15/2008 |
| 755111-AF-5 | RAYTHEON | | 04/06/2004 | VARIOUS | | 1,325,436 | 1,200,000 | 1,195,044 | 1,195,776 | 0 | 35 | 0 | 35 | 0 | 1,195,811 | 0 | 129,625 | 129,625 | 20,160 | 12/15/2018 |
| 755111-AF-8 | RAYTHEON CO 7.2% | | 03/11/2004 | Bank of America | | 526,635 | 450,000 | 449,334 | 449,320 | 0 | 2 | 0 | 2 | 0 | 449,322 | 0 | 77,313 | 77,313 | 18,990 | 08/15/2027 |
| 755920-AM-7 | Receipts on Corporate Secs TR | | 04/01/2004 | VARIOUS | | 1,771,683 | 1,688,940 | 1,709,292 | 1,709,190 | 0 | (211) | 0 | (211) | 0 | 1,708,980 | 0 | 62,703 | 62,703 | 74,312 | 08/01/2018 |
| 758110-AD-2 | Reebok 4.25% Conv | | 05/17/2004 | Redemption | | 357,438 | 350,000 | 354,894 | 354,419 | 0 | (68) | 0 | (68) | 0 | 354,351 | 0 | 3,086 | 3,086 | 10,578 | 03/01/2021 |
| 758940-AG-5 | Regions Financial 6.375% | | 03/09/2004 | Cantor Fitzgerald & Co. | | 568,000 | 500,000 | 505,860 | 505,141 | 0 | (89) | 0 | (89) | 0 | 505,052 | 0 | 62,948 | 62,948 | 10,578 | 05/15/2012 |
| 760759-AB-6 | Republic Services 6.625% 05/15/04 | | 03/05/2004 | Nationsbank | | 736,796 | 730,000 | 752,396 | 733,230 | 0 | (1,527) | 0 | (1,527) | 0 | 731,704 | 0 | 5,093 | 5,093 | 15,449 | 05/15/2004 |
| 803111-AN-3 | Sara Lee Corp. 1.95% | | 03/05/2004 | Warburg, S.G. | | 299,157 | 300,000 | 299,895 | 299,914 | 0 | 6 | 0 | 6 | 0 | 299,920 | 0 | (763) | (763) | 1,381 | 06/15/2006 |
| 806605-AE-1 | SCHERING PLOUGH CORP. | | 10/27/2004 | VARIOUS | | 519,367 | 500,000 | 498,155 | 498,168 | 0 | 109 | 0 | 109 | 0 | 498,278 | 0 | 21,089 | 21,089 | 23,015 | 12/01/2013 |
| 837004-BW-9 | South Carolina Elec & Gas Co 5.80% | | 04/02/2004 | Spear Leeds & Kellog | | 520,699 | 500,000 | 539,415 | 539,080 | 0 | (109) | 0 | (109) | 0 | 538,970 | 0 | (18,271) | (18,271) | 19,462 | 11/15/2033 |
| 852060-AF-9 | SPRINT CAP CORP. | | 03/05/2004 | Nationsbank | | 555,400 | 500,000 | 531,145 | 530,487 | 0 | (891) | 0 | (891) | 0 | 529,596 | 0 | 25,804 | 25,804 | 11,422 | 05/01/2009 |
| 852060-AK-8 | SPRINT CAP CORP. | | 06/28/2004 | Spear Leeds & Kellog | | 101,778 | 100,000 | 101,733 | 101,733 | 0 | (79) | 0 | (79) | 0 | 101,654 | 0 | 124 | 124 | 608 | 08/17/2006 |
| 852060-AD-4 | Sprint Cap. Corp. 6.875% | | 03/09/2004 | Spear Leeds & Kellog | | 420,752 | 400,000 | 380,504 | 380,581 | 0 | 53 | 0 | 53 | 0 | 380,634 | 0 | 40,118 | 40,118 | 8,938 | 11/15/2028 |
| 867876-AC-6 | SunTrust Bank 5.45% | | 03/11/2004 | Ferris, Baker Watts | | 2,140,340 | 2,000,000 | 2,016,340 | 2,015,551 | 0 | (147) | 0 | (147) | 0 | 2,015,404 | 0 | 124,936 | 124,936 | 31,792 | 12/01/2017 |
| 869049-AE-6 | SUSA PARTNERSHIP L.P. | | 04/01/2004 | First Albany Corp. | | 1,533,563 | 1,250,000 | 1,470,313 | 1,469,653 | 0 | (1,034) | 0 | (1,034) | 0 | 1,468,618 | 0 | 64,944 | 64,944 | 32,552 | 12/01/2027 |
| 87612E-AF-3 | Target Corp. 7% | | 04/13/2004 | VARIOUS | | 1,188,917 | 1,015,000 | 1,153,896 | 1,151,749 | 0 | (424) | 0 | (424) | 0 | 1,151,324 | 0 | 37,593 | 37,593 | 48,721 | 07/15/2031 |
| 879403-AD-5 | Telefonos De Mexico SA 4.25% | | 03/22/2004 | Alex Brown & Sons | | 396,942 | 350,000 | 386,750 | 370,652 | 0 | (10,397) | 0 | (10,397) | 0 | 360,255 | 0 | 36,687 | 36,687 | 4,132 | 06/15/2004 |
| 872444-AB-1 | TIAA Global Markets 4.125% | | 03/09/2004 | Warburg, S.G. | | 525,375 | 500,000 | 497,605 | 498,054 | 0 | 88 | 0 | 88 | 0 | 498,142 | 0 | 27,233 | 27,233 | 6,703 | 11/15/2007 |
| 887315-AX-7 | TIME WARNER COMPANIES INC. | | 03/09/2004 | Advest, Inc. | | 1,170,222 | 1,000,000 | 1,159,810 | 1,150,366 | 0 | (7,367) | 0 | (7,367) | 0 | 1,142,998 | 0 | 27,224 | 27,224 | 47,035 | 08/15/2007 |
| 88731E-AF-7 | TIME WARNER ENTMT 8.375% | | 10/06/2004 | VARIOUS | | 1,557,930 | 1,300,000 | 1,386,194 | 1,379,387 | 0 | (869) | 0 | (869) | 0 | 1,378,518 | 0 | 179,411 | 179,411 | 88,164 | 03/15/2023 |
| 887315-BN-8 | TIME WARNER INC. | | 12/08/2004 | Paine Webber | | 1,074,680 | 1,000,000 | 940,800 | 941,589 | 0 | 806 | 0 | 806 | 0 | 942,396 | 0 | 132,284 | 132,284 | 71,403 | 05/15/2029 |
| 892335-AL-4 | Toys R Us Inc. 7.375% | | 01/08/2004 | Wach. | | 299,124 | 300,000 | 298,653 | 298,667 | 0 | 1 | 0 | 1 | 0 | 298,668 | 0 | 456 | 456 | 6,822 | 10/15/2018 |
| 892335-AK-6 | Toys R Us Inc. 7.875% | | 01/08/2004 | Goldman Sachs & Co. | | 269,873 | 250,000 | 260,625 | 260,375 | 0 | (15) | 0 | (15) | 0 | 260,359 | 0 | 9,513 | 9,513 | 4,813 | 04/15/2013 |
| 893502-CX-0 | Transamerica Fin. Corp. 6.4% | | 05/03/2004 | Piper Jaffray | | 3,251,490 | 3,000,000 | 3,383,730 | 3,351,487 | 0 | (23,364) | 0 | (23,364) | 0 | 3,328,124 | 0 | (76,634) | (76,634) | 123,200 | 09/15/2008 |
| 907833-AF-4 | UNION PACIFIC RR. | | 01/02/2004 | Sink PMT @ 100.0000000. | | 22,591 | 0 | 22,591 | 22,591 | 0 | 0 | 0 | 0 | 0 | 22,591 | 0 | 0 | 0 | 774 | 01/02/2019 |
| 907833-AG-2 | UNION PACIFIC RR. | | 07/02/2004 | Sink PMT @ 100.0000000. | | 39,052 | 0 | 39,052 | 39,052 | 0 | 0 | 0 | 0 | 0 | 39,052 | 0 | 0 | 0 | 1,320 | 01/02/2020 |
| 911684-AD-0 | UNITED STATES CELLULAR CORP. | | 06/04/2004 | VARIOUS | | 507,039 | 500,000 | 491,925 | 491,931 | 0 | 22 | 0 | 22 | 0 | 491,953 | 0 | 15,085 | 15,085 | 11,111 | 12/15/2033 |
| 91324P-AF-9 | UNITEDHEALTH GROUP INC. | | 10/20/2004 | VARIOUS | | 753,293 | 750,000 | 748,568 | 748,599 | 0 | 127 | 0 | 127 | 0 | 748,726 | 0 | 4,566 | 4,566 | 11,917 | 01/30/2008 |
| 91913V-AE-0 | VALERO ENERGY CORP NEW | | 03/08/2004 | Merrill Lynch | | 479,416 | 400,000 | 465,760 | 465,760 | 0 | (70) | 0 | (70) | 0 | 465,690 | 0 | 13,726 | 13,726 | 12,167 | 04/15/2032 |
| 92344X-AA-7 | Verizon New York Inc. 6.875% | | 03/05/2004 | Spear Leeds & Kellog | | 1,425,900 | 1,250,000 | 1,399,389 | 1,387,826 | 0 | (2,405) | 0 | (2,405) | 0 | 1,385,421 | 0 | 40,479 | 40,479 | 37,956 | 04/01/2012 |
| 929771-AD-5 | Wachovia Corp. 6.80% | | 03/08/2004 | Nationsbank | | 871,865 | 820,000 | 899,540 | 869,063 | 0 | (6,335) | 0 | (6,335) | 0 | 862,728 | 0 | 9,137 | 9,137 | 15,489 | 06/01/2005 |
| 931142-BT-9 | Wal-Mart Stores 4.55% | | 09/17/2004 | VARIOUS | | 682,017 | 670,000 | 668,345 | 668,434 | 0 | 44 | 0 | 44 | 0 | 668,478 | 0 | 13,540 | 13,540 | 15,112 | 05/01/2013 |
| 254687-AM-8 | Walt Disney Co. 6.75% | | 03/09/2004 | Goldman Sachs & Co. | | 654,900 | 600,000 | 655,242 | 641,824 | 0 | (3,401) | 0 | (3,401) | 0 | 638,423 | 0 | 16,477 | 16,477 | 18,225 | 03/30/2006 |
| 939322-AL-7 | WASHINGTON MUT INC. | | 12/13/2004 | VARIOUS | | 609,610 | 600,000 | 596,484 | 596,579 | 0 | 273 | 0 | 273 | 0 | 596,852 | 0 | 12,758 | 12,758 | 14,644 | 01/15/2009 |
| 949746-CK-5 | Wells Fargo & Co. 5.25% | | 03/05/2004 | Morgan Stanley | | 2,719,570 | 2,500,000 | 2,695,075 | 2,661,373 | 0 | (6,843) | 0 | (6,843) | 0 | 2,654,530 | 0 | 65,220 | 65,220 | 36,094 | 12/01/2007 |
| 961548-AT-1 | Westvaco Corp. 6.85% | | 03/09/2004 | Lehman Brothers | | 620,916 | 600,000 | 632,010 | 611,912 | 0 | (2,534) | 0 | (2,534) | 0 | 609,378 | 0 | 11,538 | 11,538 | 13,358 | 11/15/2004 |
| 963320-AK-2 | Whirlpool Corp. 8.60% | | 03/10/2004 | Chase Manhattan Bank | | 1,262,380 | 1,000,000 | 1,023,290 | 1,017,224 | 0 | (402) | 0 | (402) | 0 | 1,016,822 | 0 | 245,558 | 245,558 | 32,011 | 05/01/2010 |
| 4599999 | Bonds - Industrial and Miscellaneous | | | | | 130,566,787 | 122,513,294 | 126,188,247 | 125,518,637 | 0 | (351,683) | 0 | (351,683) | 0 | 125,166,947 | 0 | 5,399,826 | 5,399,826 | 4,385,994 | XXX |
| 6099997 | Bonds - Part 4 | | | | | 294,738,850 | 282,808,311 | 292,644,742 | 291,483,592 | 0 | (2,146,332) | 0 | (2,146,332) | 0 | 289,337,249 | 0 | 5,401,591 | 5,401,591 | 8,094,903 | XXX |
| 6099998 | Bonds - Part 5 | | | | | 221,374,484 | 216,600,292 | 221,817,933 | 221,817,929 | 0 | (205,107) | 0 | (205,107) | 0 | 221,612,822 | 0 | (238,343) | (238,343) | 2,934,327 | XXX |
| 6099999 | Total - Bonds | | | | | 516,113,334 | 499,408,603 | 514,462,675 | 513,301,521 | 0 | (2,351,439) | 0 | (2,351,439) | 0 | 510,950,071 | 0 | 5,163,248 | 5,163,248 | 11,029,230 | XXX |
| BANKS, TRUST AND INSURANCE COMPANIES | | | | | | | | | | | | | | | | | | | | |
| 894206-30-7 | Travelers Ppty Casualty Corp. | | 12/03/2004 | Goldman Sachs & Co. | | 263,344 | 11,500,000 | 307,396 | 281,750 | 25,646 | 0 | 0 | 25,646 | 0 | 307,396 | 0 | (44,053) | (44,053) | 12,938 | XXX |
| 6299999 | Preferred Stocks - Banks, Trust and Insurance Companies | | | | | 263,344 | XXX | 307,396 | 281,750 | 25,646 | 0 | 0 | 25,646 | 0 | 307,396 | 0 | (44,053) | (44,053) | 12,938 | XXX |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | | | | | | | | | | | | | |
| 020039-82-2 | Alltel Corp. | | 05/07/2004 | VARIOUS | | 18,800,000 | 940,697 | 915,912 | 934,360 | (18,449) | 0 | 0 | (18,449) | 0 | 915,912 | 0 | 24,786 | 24,786 | 29,160 | XXX |
| 071813-40-6 | Baxter Intl. Inc. 7% Conv. | | 02/10/2004 | Weeden & Co. | | 6,000,000 | 320,085 | 297,960 | 331,500 | (33,540) | 0 | 0 | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|--|---------------------------------|----------|---------------|----------------------------|---------------------------|--------------------|------------|--------------------|---|--|--|---|--|--|--|--|----------------------------------|-------------------------------|--|---------------|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | |
| CUSIP Identification | Description | For eign | 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 (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 |
| BANKS, TRUST AND INSURANCE COMPANIES | | | | | | | | | | | | | | | | | | | | |
| 077459-10-5 | Beiden Inc. | | 07/16/2004 | Exchange | 22,300,000 | 457,150 | | 425,528 | 470,307 | (44,779) | 0 | 0 | (44,779) | 0 | 425,528 | 0 | 31,622 | 31,622 | 3,345 | XXX |
| 750236-10-1 | Radian Group, Inc. | | 05/24/2004 | Sanf. Bernstein | 11,900,000 | 525,735 | | 456,347 | 580,125 | (123,778) | 0 | 0 | (123,778) | 0 | 456,347 | 0 | 69,387 | 69,387 | 238 | XXX |
| 6799999 - Common Stocks - Banks, Trust and Insurance Companies | | | | | | 982,885 | XXX | 881,875 | 1,050,432 | (168,557) | 0 | 0 | (168,557) | 0 | 881,875 | 0 | 101,009 | 101,009 | 3,583 | XXX |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | | | | | | | | | | | | | |
| 00790K-10-9 | Advance PCS | | 02/03/2004 | Warrant Exercise | 13,899,000 | 830,185 | | 721,497 | 733,728 | (12,231) | 0 | 0 | (12,231) | 0 | 721,497 | 0 | 108,688 | 108,688 | 0 | XXX |
| 012348-10-8 | Albany Intl. Corp. Cl. A | | 08/16/2004 | Boston Institutional Svcs. | 15,400,000 | 442,558 | | 477,009 | 522,060 | (45,051) | 0 | 0 | (45,051) | 0 | 477,009 | 0 | (34,451) | (34,451) | 3,234 | XXX |
| 038020-10-3 | Applera Corp | | 06/25/2004 | ESI Securities | 10,700,000 | 229,525 | | 226,014 | 221,597 | 4,417 | 0 | 0 | 4,417 | 0 | 226,014 | 0 | 3,511 | 3,511 | 1,364 | XXX |
| 096761-10-1 | Bob Evans Farms | | 09/01/2004 | Charles Schwab & Co. | 17,100,000 | 429,654 | | 470,784 | 555,066 | (84,282) | 0 | 0 | (84,282) | 0 | 470,784 | 0 | (41,130) | (41,130) | 6,156 | XXX |
| 117043-10-9 | Brunswick Corp | | 06/23/2004 | VARIOUS | 20,900,000 | 842,552 | | 460,350 | 665,247 | (204,897) | 0 | 0 | (204,897) | 0 | 460,350 | 0 | 382,203 | 382,203 | 0 | XXX |
| 125071-10-0 | C D I Corp Com. | | 09/03/2004 | Factset Data Systems | 18,900,000 | 389,506 | | 508,954 | 618,975 | (110,021) | 0 | 0 | (110,021) | 0 | 508,954 | 0 | (119,448) | (119,448) | 43,281 | XXX |
| 147528-10-3 | Cassey's General Store Inc | | 03/18/2004 | Lehman Brothers | 30,200,000 | 467,149 | | 374,463 | 533,332 | (158,869) | 0 | 0 | (158,869) | 0 | 374,463 | 0 | 92,686 | 92,686 | 1,057 | XXX |
| 216648-40-2 | Cooper Cos Inc. | | 08/11/2004 | Cap Institutional Svcs | 7,100,000 | 427,174 | | 168,208 | 334,623 | (166,415) | 0 | 0 | (166,415) | 0 | 168,208 | 0 | 258,966 | 258,966 | 4,226 | XXX |
| 247357-10-6 | Delta & Pine Land Co. | | 06/15/2004 | Midwest Research Sec. | 12,800,000 | 280,893 | | 246,354 | 325,120 | (78,766) | 0 | 0 | (78,766) | 0 | 246,354 | 0 | 34,539 | 34,539 | 3,072 | XXX |
| 233293-10-9 | DPL Inc. | | 08/16/2004 | VARIOUS | 22,000,000 | 427,255 | | 365,051 | 459,360 | (94,309) | 0 | 0 | (94,309) | 0 | 365,051 | 0 | 82,204 | 82,204 | 5,280 | XXX |
| 29265N-10-8 | ENERGEN CORP. | | 08/18/2004 | Cap Institutional Svcs | 5,200,000 | 244,012 | | 136,258 | 213,356 | (77,098) | 0 | 0 | (77,098) | 0 | 136,258 | 0 | 107,754 | 107,754 | 2,925 | XXX |
| 303250-10-4 | Fair Isaac & Co Inc | | 05/12/2004 | William O'Neil | 7,350,000 | 246,102 | | 174,133 | 240,884 | (66,751) | 0 | 0 | (66,751) | 0 | 174,133 | 0 | 71,969 | 71,969 | 98 | XXX |
| 31983B-10-1 | First Community Bancorp. | | 09/07/2004 | VARIOUS | 14,000,000 | 571,741 | | 376,187 | 505,960 | (129,773) | 0 | 0 | (129,773) | 0 | 376,187 | 0 | 195,553 | 195,553 | 6,160 | XXX |
| 376535-10-0 | Gladstone Capital Corp. | | 03/03/2004 | VARIOUS | 18,400,000 | 408,214 | | 288,202 | 411,240 | (123,038) | 0 | 0 | (123,038) | 0 | 288,202 | 0 | 120,011 | 120,011 | 3,498 | XXX |
| 413086-10-9 | Harman International Ind. Inc. | | 01/29/2004 | Bank Of New York | 5,600,000 | 404,837 | | 159,038 | 414,288 | (255,250) | 0 | 0 | (255,250) | 0 | 159,038 | 0 | 245,799 | 245,799 | 0 | XXX |
| 430141-10-1 | HIGHLAND HOSPITALITY CORP. | | 02/03/2004 | VARIOUS | 28,800,000 | 340,304 | | 291,478 | 313,920 | (22,442) | 0 | 0 | (22,442) | 0 | 291,478 | 0 | 48,826 | 48,826 | 0 | XXX |
| 431294-10-7 | HILB ROGAL & HAMILTON CO | | 04/27/2004 | Keefe Bruyett & Woods | 5,100,000 | 186,676 | | 161,734 | 163,557 | (1,823) | 0 | 0 | (1,823) | 0 | 161,734 | 0 | 24,941 | 24,941 | 472 | XXX |
| 45245A-10-7 | Imation Corp | | 01/27/2004 | VARIOUS | 8,000,000 | 302,618 | | 275,381 | 281,200 | (5,819) | 0 | 0 | (5,819) | 0 | 275,381 | 0 | 27,237 | 27,237 | 0 | XXX |
| 466210-10-1 | JLG INDS INC. | | 03/01/2004 | ESI Securities | 40,700,000 | 496,020 | | 426,364 | 619,861 | (193,497) | 0 | 0 | (193,497) | 0 | 426,364 | 0 | 69,656 | 69,656 | 204 | XXX |
| 486582-10-8 | Kaydon Corp | | 08/13/2004 | VARIOUS | 10,400,000 | 282,662 | | 228,213 | 268,736 | (40,523) | 0 | 0 | (40,523) | 0 | 228,213 | 0 | 54,449 | 54,449 | 3,744 | XXX |
| 564682-10-2 | Manufactured Home Cmty Inc | | 09/07/2004 | Fidelity Capital Markets | 9,200,000 | 309,294 | | 356,596 | 346,380 | 10,216 | 0 | 0 | 10,216 | 0 | 356,596 | 0 | (47,302) | (47,302) | 73,830 | XXX |
| 553777-10-3 | MTS SYS Corp | | 03/16/2004 | Petrie Parkman & Co. | 10,200,000 | 263,177 | | 148,275 | 196,146 | (47,871) | 0 | 0 | (47,871) | 0 | 148,275 | 0 | 114,902 | 114,902 | 1,110 | XXX |
| 628530-10-7 | MYLAN LABS INC. | | 06/23/2004 | Factset Data Systems | 19,800,000 | 396,102 | | 508,959 | 500,148 | 8,811 | 0 | 0 | 8,811 | 0 | 508,959 | 0 | (112,857) | (112,857) | 1,188 | XXX |
| 651824-10-4 | Newport Corp | | 02/05/2004 | Bank Of New York | 14,500,000 | 269,602 | | 196,555 | 240,990 | (44,435) | 0 | 0 | (44,435) | 0 | 196,555 | 0 | 73,047 | 73,047 | 0 | XXX |
| 681904-10-8 | Omnicare Inc | | 05/27/2004 | C. E. Unterberg Towbin | 6,221,000 | 263,151 | | 150,698 | 251,266 | (100,568) | 0 | 0 | (100,568) | 0 | 150,698 | 0 | 112,453 | 112,453 | 280 | XXX |
| 683868-10-3 | Opticnet Inc. | | 01/16/2004 | Stock Distribution | 1,450,000 | 58 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 58 | 58 | 0 | XXX |
| 696429-30-7 | PALL CORP. | | 06/25/2004 | ESI Securities | 11,900,000 | 294,384 | | 305,087 | 319,277 | (14,190) | 0 | 0 | (14,190) | 0 | 305,087 | 0 | (10,704) | (10,704) | 2,142 | XXX |
| 713278-10-9 | Pep Boys Inc | | 03/12/2004 | ESI Securities | 10,700,000 | 260,606 | | 119,809 | 244,709 | (124,900) | 0 | 0 | (124,900) | 0 | 119,809 | 0 | 140,797 | 140,797 | 722 | XXX |
| 721467-10-8 | Pilgrims Pride Corp | | 09/09/2004 | Factset Data Systems | 14,030,000 | 377,098 | | 190,415 | 229,110 | (38,695) | 0 | 0 | (38,695) | 0 | 190,415 | 0 | 186,683 | 186,683 | 4,211 | XXX |
| 78440X-10-1 | S.L. Green Realty Corp | | 04/21/2004 | Greenwich Capital Markets | 9,300,000 | 380,090 | | 282,235 | 381,765 | (99,530) | 0 | 0 | (99,530) | 0 | 282,235 | 0 | 97,854 | 97,854 | 9,300 | XXX |
| G7885T-10-4 | Scottish Annuity & Lifeholdings | | 08/17/2004 | Lynch, Jones & Ryan | 25,800,000 | 511,926 | | 439,786 | 536,124 | (96,338) | 0 | 0 | (96,338) | 0 | 439,786 | 0 | 72,140 | 72,140 | 3,696 | XXX |
| 852891-10-0 | Stancorp Financial Group | | 07/27/2004 | VARIOUS | 8,100,000 | 557,772 | | 447,699 | 509,328 | (61,629) | 0 | 0 | (61,629) | 0 | 447,699 | 0 | 110,073 | 110,073 | 0 | XXX |
| Y8564W-10-3 | Teekay Shipping Corp | | 08/11/2004 | VARIOUS | 18,800,000 | 690,712 | | 373,511 | 536,082 | (162,571) | 0 | 0 | (162,571) | 0 | 373,511 | 0 | 317,200 | 317,200 | 5,675 | XXX |
| 882673-10-6 | Texas Regional Bancshares | | 04/21/2004 | VARIOUS | 10,300,000 | 425,031 | | 359,804 | 381,100 | (21,296) | 0 | 0 | (21,296) | 0 | 359,804 | 0 | 65,227 | 65,227 | 2,111 | XXX |
| 886423-10-2 | Tidewater Inc. | | 03/24/2004 | Simmons & CO | 19,900,000 | 564,457 | | 586,681 | 594,612 | (7,931) | 0 | 0 | (7,931) | 0 | 586,681 | 0 | (22,224) | (22,224) | 2,985 | XXX |
| 69108L-10-8 | Tsakos Energy Navigation Ltd | | 08/16/2004 | JNK Securities | 19,400,000 | 554,890 | | 281,088 | 357,930 | (76,842) | 0 | 0 | (76,842) | 0 | 281,088 | 0 | 273,802 | 273,802 | 11,890 | XXX |
| 917290-10-1 | USF Corp | | 05/24/2004 | SALOMON SMITH BARNEY | 11,100,000 | 322,627 | | 304,348 | 379,509 | (75,161) | 0 | 0 | (75,161) | 0 | 304,348 | 0 | 18,279 | 18,279 | 2,072 | XXX |
| 6899999 - Common Stocks - Industrial and Miscellaneous | | | | | | 14,690,614 | XXX | 11,587,218 | 14,406,586 | (2,819,368) | 0 | 0 | (2,819,368) | 0 | 11,587,218 | 0 | 3,103,391 | 3,103,391 | 198,353 | XXX |
| 7299997 - Common Stocks - Part 4 | | | | | | 15,673,499 | XXX | 12,469,093 | 15,457,018 | (2,987,925) | 0 | 0 | (2,987,925) | 0 | 12,469,093 | 0 | 3,204,400 | 3,204,400 | 201,936 | XXX |
| 7299998 - Common Stocks - Part 5 | | | | | | 10,133,138 | XXX | 9,276,855 | 9,276,855 | 0 | 0 | 0 | 0 | 9,276,855 | 0 | 856,283 | 856,283 | 33,761 | XXX | |
| 7299999 - Total - Common Stocks | | | | | | 25,806,637 | XXX | 21,745,948 | 24,733,873 | (2,987,925) | 0 | 0 | (2,987,925) | 0 | 21,745,948 | 0 | 4,060,683 | 4,060,683 | 235,697 | XXX |
| 7399999 - Total - Preferred and Common Stocks | | | | | | 32,029,821 | XXX | 27,735,878 | 31,064,644 | (3,328,768) | 0 | 0 | (3,328,768) | 0 | 27,735,878 | 0 | 4,293,937 | 4,293,937 | 415,685 | XXX |
| 7499999 Totals | | | | | | 548,143,155 | XXX | 542,198,553 | 544,366,165 | (3,328,768) | 0 | 0 | (3,328,768) | 0 | 538,685,949 | 0 | 9,457,185 | 9,457,185 | 11,444,915 | XXX |

E12.6

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE GROUP Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1 CUSIP Identification | 2 Description | 3 Foreign | 4 Date Acquired | 5 Name of Vendor | 6 Disposal Date | 7 Name of Purchaser | 8 Par Value (Bonds) or Number of Shares (Stocks) | 9 Actual Cost | 10 Consideration | 11 Book/ Adjusted Carrying Value at Disposal Date | Change in Book/Adjusted Carrying Value | | | | | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Interest and Dividends Received During Year | 21 Paid for Accrued Interest and Dividends |
|---|--------------------------------|--------------|-----------------------|--------------------------|-----------------------|---------------------------|---|------------------|---------------------|--|--|--|---|--|--|---|--|---|--|--|
| | | | | | | | | | | | 12 Unrealized Valuation Increase/ (Decrease) | 13 Current Year's (Amortization)/ Accretion | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Change In B./A. C.V. (12 + 13 - 14) | 16 Total Foreign Exchange Change in B./A. C.V. | | | | | |
| US GOVERNMENT OBLIGATIONS | | | | | | | | | | | | | | | | | | | | |
| 3133X1-4N-4 | FEDERAL HOME LN BKS | | 04/21/2004 | Deutsche Bank Govt Sec | 05/19/2004 | Nationsbank | 1,000,000 | 1,004,561 | 995,336 | 1,004,418 | 0 | (143) | 0 | (143) | 0 | (9,082) | (9,082) | 5,510 | 3,274 | |
| 3133X2-BZ-7 | FEDERAL HOME LN BKS | | 03/08/2004 | ABN Amro | 08/02/2004 | Ferris, Baker Watts | 5,000,000 | 5,145,250 | 4,928,000 | 5,133,613 | 0 | (11,637) | 0 | (11,637) | 0 | (205,613) | (205,613) | 134,427 | 63,438 | |
| 3134A4-KX-1 | FEDERAL HOME LN MTG CORP | | 06/02/2004 | Nationsbank | 06/18/2004 | Credit Suisse First Bosto | 200,000 | 207,277 | 209,516 | 207,272 | 0 | (5) | 0 | (5) | 0 | 2,243 | 2,243 | 5,486 | 4,931 | |
| 3134A4-UM-4 | FEDERAL HOME LN MTG CORP | | 03/08/2004 | ABN Amro | 03/30/2004 | Legg Mason Wood | 5,000,000 | 5,115,600 | 5,064,950 | 5,115,021 | 0 | (579) | 0 | (579) | 0 | (50,071) | (50,071) | 46,875 | 35,000 | |
| 3134A4-UP-7 | FEDERAL HOME LN MTG CORP | | 05/20/2004 | VARIOUS | 08/19/2004 | VARIOUS | 11,225,000 | 11,119,287 | 11,103,589 | 11,131,877 | 0 | 12,590 | 0 | 12,590 | 0 | (28,287) | (28,287) | 98,062 | 45,854 | |
| 3133X4-AZ-8 | FEDERAL HOME LOAN BANK | | 05/10/2004 | Deutsche Bank Govt Sec | 05/10/2004 | Chase Securities | 475,000 | 446,496 | 446,496 | 445,526 | 0 | 30 | 0 | 30 | 0 | 912 | 912 | 1,267 | 1,108 | |
| 31359M-UT-8 | FEDERAL NATIONAL MTG ASSN | | 09/10/2004 | VARIOUS | 12/09/2004 | VARIOUS | 2,100,000 | 1,938,111 | 1,978,865 | 1,939,084 | 0 | 973 | 0 | 973 | 0 | 39,781 | 39,781 | 32,358 | 25,034 | |
| 31359M-LU-5 | FEDERAL NATL MTG ASSN | | 05/11/2004 | VARIOUS | 10/13/2004 | VARIOUS | 2,325,000 | 2,473,805 | 2,414,335 | 2,449,278 | 0 | (24,527) | 0 | (24,527) | 0 | (34,942) | (34,942) | 77,349 | 25,452 | |
| 31359M-SO-7 | FEDERAL NATL MTG ASSN | | 09/10/2004 | VARIOUS | 10/20/2004 | VARIOUS | 1,500,000 | 1,516,617 | 1,467,791 | 1,515,848 | 0 | (769) | 0 | (769) | 0 | (48,057) | (48,057) | 12,485 | 4,243 | |
| 31359M-TP-8 | FEDERAL NATL MTG ASSN | | 09/17/2004 | SALOMON BROTHERS | 10/22/2004 | Wach | 875,000 | 896,963 | 899,100 | 896,779 | 0 | (183) | 0 | (183) | 0 | 2,327 | 2,327 | 14,325 | 9,965 | |
| 31359M-TZ-7 | FEDERAL NATL MTG ASSN | | 02/09/2004 | VARIOUS | 06/16/2004 | VARIOUS | 11,075,000 | 11,075,582 | 11,133,890 | 11,075,345 | 0 | (237) | 0 | (237) | 0 | 58,545 | 58,545 | 57,635 | 29,610 | |
| 31359M-UE-1 | FEDERAL NATL MTG ASSN | | 05/24/2004 | VARIOUS | 08/06/2004 | VARIOUS | 5,675,000 | 5,605,831 | 5,552,556 | 5,609,524 | 0 | 3,693 | 0 | 3,693 | 0 | (56,968) | (56,968) | 43,139 | 26,412 | |
| 31359M-VP-5 | FEDERAL NATL MTG ASSN | | 06/16/2004 | HSCB Securities | 08/06/2004 | Nationsbank | 825,000 | 824,984 | 833,227 | 824,985 | 0 | 1 | 0 | 1 | 0 | 8,242 | 8,242 | 3,796 | 0 | |
| 31359M-GJ-6 | ENMA Note 6.625% | | 04/13/2004 | VARIOUS | 05/06/2004 | VARIOUS | 2,900,000 | 3,400,937 | 3,326,849 | 3,397,401 | 0 | (3,537) | 0 | (3,537) | 0 | (70,551) | (70,551) | 79,196 | 69,701 | |
| 912810-FP-8 | U.S. Treasury Bonds 5.375% | | 07/12/2004 | VARIOUS | 11/16/2004 | VARIOUS | 10,950,000 | 10,891,381 | 11,050,281 | 10,891,434 | 0 | 53 | 0 | 53 | 0 | 158,847 | 158,847 | 221,191 | 182,772 | |
| 912828-AZ-8 | U.S. Treasury Note 2.625% | | 02/24/2004 | Goldman Sachs & Co. | 10/16/2004 | Greenwich Capital Markets | 500,000 | 498,496 | 502,227 | 498,531 | 0 | 35 | 0 | 35 | 0 | 3,695 | 3,695 | 5,012 | 3,750 | |
| 912810-DX-3 | UNITED STATES TREAS BDS | | 03/12/2004 | Deutsche Bank Govt Sec | 09/10/2004 | VARIOUS | 900,000 | 1,199,461 | 1,143,668 | 1,194,379 | 0 | (5,082) | 0 | (5,082) | 0 | (50,711) | (50,711) | 41,538 | 22,809 | |
| 912810-FM-5 | UNITED STATES TREAS BDS | | 03/19/2004 | Barclays Dezoete | 04/02/2004 | Barclays Dezoete | 125,000 | 152,520 | 150,659 | 152,499 | 0 | (21) | 0 | (21) | 0 | (1,840) | (1,840) | 2,993 | 2,790 | |
| 912827-6T-4 | UNITED STATES TREAS NTS | | 07/14/2004 | Nationsbank | 08/24/2004 | Marburg, S G | 275,000 | 290,211 | 293,391 | 289,983 | 0 | (228) | 0 | (228) | 0 | 3,408 | 3,408 | 7,249 | 5,855 | |
| 912828-BR-0 | UNITED STATES TREAS NTS | | 01/08/2004 | VARIOUS | 01/12/2004 | Barclays Capital | 550,000 | 549,725 | 556,016 | 549,725 | 0 | 0 | 0 | 0 | 0 | 6,291 | 6,291 | 0 | 3,789 | |
| 912828-BT-6 | UNITED STATES TREAS NTS | | 05/18/2004 | Morgan Stanley | 10/25/2004 | Morgan Stanley | 390,000 | 383,647 | 394,677 | 384,208 | 0 | 561 | 0 | 561 | 0 | 10,469 | 10,469 | 4,783 | 5,610 | |
| 912828-BX-7 | UNITED STATES TREAS NTS | | 02/24/2004 | Goldman Sachs & Co. | 03/05/2004 | Barclays Dezoete | 13,300,000 | 13,359,246 | 13,393,516 | 13,358,295 | 0 | (951) | 0 | (951) | 0 | 35,221 | 35,221 | 26,719 | 18,498 | |
| 912828-CA-6 | UNITED STATES TREAS NTS | | 05/10/2004 | VARIOUS | 07/06/2004 | VARIOUS | 1,575,000 | 1,571,779 | 1,571,901 | 1,571,901 | 0 | 121 | 0 | 121 | 0 | 25,648 | 25,648 | 8,464 | 6,019 | |
| 912828-CC-2 | UNITED STATES TREAS NTS | | 04/02/2004 | VARIOUS | 10/25/2004 | VARIOUS | 500,000 | 490,344 | 491,008 | 491,329 | 0 | 985 | 0 | 985 | 0 | (321) | (321) | 1,318 | 6,211 | |
| 912828-CJ-7 | UNITED STATES TREAS NTS | | 06/25/2004 | SALOMON SMITH BARNEY | 06/28/2004 | Nationsbank | 225,000 | 226,547 | 225,633 | 226,546 | 0 | (1) | 0 | (1) | 0 | (913) | (913) | 1,365 | 1,336 | |
| 912828-CT-5 | UNITED STATES TREAS NTS | | 10/07/2004 | Ferris, Baker Watts | 10/08/2004 | Ferris, Baker Watts | 3,000,000 | 3,002,344 | 3,015,938 | 3,002,343 | 0 | (1) | 0 | (1) | 0 | 13,594 | 13,594 | 20,095 | 18,709 | |
| 912828-BS-8 | UNITED STATES TREASURY | | 04/29/2004 | Chase Securities | 06/28/2004 | Chase Securities | 1,000,000 | 996,602 | 991,563 | 996,947 | 0 | 346 | 0 | 346 | 0 | (5,385) | (5,385) | 10,963 | 7,992 | |
| 912828-BV-1 | UNITED STATES TREASURY | | 05/12/2004 | Merrill Lynch | 06/17/2004 | G X Clarke | 3,800,000 | 3,694,906 | 3,705,594 | 3,696,947 | 0 | 2,041 | 0 | 2,041 | 0 | 8,646 | 8,646 | 53,946 | 41,732 | |
| 912828-CE-8 | UNITED STATES TREASURY | | 05/10/2004 | Lehman Brothers | 06/02/2004 | Nationsbank | 275,000 | 264,945 | 266,245 | 265,061 | 0 | 116 | 0 | 116 | 0 | 1,184 | 1,184 | 1,244 | 657 | |
| 912828-AY-6 | US Treasury 2.00% | | 02/24/2004 | Frank Russell Securities | 03/12/2004 | VARIOUS | 8,925,000 | 8,965,093 | 8,998,506 | 8,964,361 | 0 | (732) | 0 | (732) | 0 | 34,145 | 34,145 | 56,981 | 51,000 | |
| 0399999 - Bonds - U.S. Governments | | | | | | | 96,465,000 | 97,287,548 | 97,110,919 | 97,260,460 | 0 | (27,088) | 0 | (27,088) | 0 | (149,543) | (149,543) | 1,075,761 | 717,961 | |
| OTHER GOVERNMENT OBLIGATIONS | | | | | | | | | | | | | | | | | | | | |
| 910860-AN-8 | UNITED MEXICAN STS MTN BE | F | 04/29/2004 | Exchange | 07/12/2004 | VARIOUS | 449,873 | 434,263 | 425,156 | 434,278 | 0 | 14 | 0 | 14 | 0 | (9,122) | (9,122) | 6,476 | 0 | |
| 1099999 - Bonds - All Other Governments | | | | | | | 449,873 | 434,263 | 425,156 | 434,278 | 0 | 14 | 0 | 14 | 0 | (9,122) | (9,122) | 6,476 | 0 | |
| STATES, TERRITORIES, POSSESSIONS | | | | | | | | | | | | | | | | | | | | |
| 31359M-RK-1 | FEDERAL NATIONAL MTG ASSN | | 09/13/2004 | VARIOUS | 10/22/2004 | Wach | 900,000 | 892,319 | 898,236 | 892,387 | 0 | 68 | 0 | 68 | 0 | 5,849 | 5,849 | 20,119 | 15,536 | |
| 1799999 - Bonds - States, Territories and Possessions | | | | | | | 900,000 | 892,319 | 898,236 | 892,387 | 0 | 68 | 0 | 68 | 0 | 5,849 | 5,849 | 20,119 | 15,536 | |
| SPECIAL REVENUE AND ASSESSMENTS | | | | | | | | | | | | | | | | | | | | |
| 31402C-U6-7 | ENMA PASS-THRU LNG 30 YEAR | | 09/09/2004 | Paine Webber | 11/25/2004 | VARIOUS | 1,527,336 | 1,515,821 | 1,514,710 | 1,516,053 | 0 | 232 | 0 | 232 | 0 | (1,343) | (1,343) | 15,574 | 2,970 | |
| 01F040-46-1 | ENMA TBA 15YR TBA 04.000% JUN | | 05/12/2004 | Paine Webber | 06/10/2004 | Paine Webber | 1,250,000 | 1,180,664 | 1,180,176 | 1,180,843 | 0 | (179) | 0 | (179) | 0 | (667) | (667) | 0 | 0 | |
| 3199999 - Bonds - Special Revenue | | | | | | | 2,777,336 | 2,696,485 | 2,694,886 | 2,696,896 | 0 | 411 | 0 | 411 | 0 | (2,010) | (2,010) | 15,574 | 2,970 | |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | | | | | | | | | | | | | |
| 02364W-AA-3 | AMERICA MOVIL S A DE C V | | 03/02/2004 | Morgan Stanley | 03/15/2004 | Lehman Brothers | 100,000 | 99,996 | 100,530 | 99,996 | 0 | 0 | 0 | 0 | 0 | 534 | 534 | 103 | 0 | |
| 031162-AH-3 | AMGEN INC | | 11/15/2004 | Morgan Stanley | 11/17/2004 | Ferris, Baker Watts | 2,000,000 | 1,999,680 | 2,004,700 | 1,999,680 | 0 | 0 | 0 | 0 | 0 | 5,020 | 5,020 | 1,078 | 0 | |
| 035229-CY-7 | ANHEUSER BUSCH COS INC | | 08/11/2004 | SALOMON BROTHERS | 08/11/2004 | Bear Stearns | 2,500,000 | 2,494,700 | 2,497,500 | 2,494,700 | 0 | 0 | 0 | 0 | 0 | 2,800 | 2,800 | 0 | 0 | |
| 03674B-AC-8 | ANTHEM INC | | 03/16/2004 | Chase Manhattan Bank | 05/19/2004 | Goldman Sachs & Co. | 250,000 | 290,973 | 272,195 | 290,263 | 0 | (710) | 0 | (710) | 0 | (18,068) | (18,068) | 5,336 | 2,267 | |
| 046353-AA-6 | ASTRAZENECA PLC | | 05/19/2004 | SALOMON SMITH BARNEY | 06/25/2004 | SALOMON SMITH BARNEY | 225,000 | 224,858 | 227,187 | 224,859 | 0 | (1) | 0 | (1) | 0 | 2,328 | 2,328 | 1,215 | 0 | |
| 00209T-AB-1 | AT&T BROADBAND CORP | | 06/01/2004 | US Bancorp Piper Jaffray | 07/22/2004 | Ferris, Baker Watts | 1,200,000 | 1,545,372 | 1,559,364 | 1,544,022 | 0 | (1,350) | 0 | (1,350) | 0 | 15,342 | 15,342 | 22,692 | 5,988 | |
| 00209A-AF-3 | AT&T Wireless Svcs. 8.75% | | 06/03/2004 | Ferris, Baker Watts | 08/25/2004 | Ferris, Baker Watts | 1,000,000 | 1,207,830 | 1,270,000 | 1,207,207 | 0 | (623) | 0 | (623) | 0 | 62,793 | 62,793 | 43,507 | 23,576 | |
| 079867-AM-9 | Bellsouth 7.0% | | 10/27/2004 | VARIOUS | 10/27/2004 | VARIOUS | 9,000,000 | 10,012,850 | 10,000,600 | 10,012,591 | 0 | (259) | 0 | (259) | 0 | (11,991) | (11,991) | 89,444 | 80,111 | |
| 079860-AK-8 | BELLSOUTH CORP | | 12/14/2004 | VARIOUS | 12/21/2004 | Ferris, Baker Watts | 4,500,000 | 4,507,860 | 4,445,550 | 4,507,865 | 0 | 5 | 0 | 5 | 0 | (62,315) | (62,315) | 17,250 | 16,000 | |
| 091797-AK-6 | BLACK & DECKER CORP | | 10/28/2004 | US Bancorp Piper Jaffray | 12/07/2004 | SALOMON SMITH BARNEY | 2,000,000 | 1,983,440 | 1,964,240 | 1,983,579 | 0 | 139 | 0 | 139 | 0 | (19,339) | (19,339) | 13,722 | 3,694 | |
| 101137-AB-3 | BOSTON SCIENTIFIC CORP | | 08/13/2004 | Goldman Sachs & Co. | 10/05/2004 | Merrill Lynch | 350,000 | 357,889 | 365,369 | 357,800 | 0 | (89) | 0 | (89) | 0 | 7,569 | 7,569 | 5,458 | 2,808 | |
| 111021-AC-5 | BRITISH TELECOMMUNICATIONS PLC | | 03/08/2004 | Ferris, Baker Watts | 12/07/2004 | Lehman Brothers | 2,000,000 | 2,206,200 | 2,094,400 | 2,119,846 | 0 | (86,354) | 0 | (86,354) | 0 | (25,406) | (25,406) | 155,313 | 37,625 | |
| 120568-AE-0 | Bunge LTD Corp. 3.75% | | 08/19/2004 | Exchange | 08/19/2004 | SAL | | | | | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1 CUSIP Identification | 2 Description | 3 Foreign | 4 Date Acquired | 5 Name of Vendor | 6 Disposal Date | 7 Name of Purchaser | 8 Par Value (Bonds) or Number of Shares (Stocks) | 9 Actual Cost | 10 Consideration | 11 Book/ Adjusted Carrying Value at Disposal Date | Change in Book/Adjusted Carrying Value | | | | | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Interest and Dividends Received During Year | 21 Paid for Accrued Interest and Dividends |
|------------------------------|--------------------------------|--------------|-----------------------|---------------------------|-----------------------|---------------------------|---|------------------|---------------------|--|--|--|---|--|--|---|--|---|--|--|
| | | | | | | | | | | | 12 Unrealized Valuation Increase/ (Decrease) | 13 Current Year's (Amortization)/ Accretion | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Change In B./A. C.V. (12 + 13 - 14) | 16 Total Foreign Exchange Change in B./A. C.V. | | | | | |
| 141781-AT-1 | CARGILL INC. | | 04/15/2004 | Piper Jaffray | 08/12/2004 | Ferris, Baker Watts | 2,000,000 | 1,978,880 | 1,998,000 | 1,978,960 | .00 | .80 | .00 | .80 | .00 | .00 | 19,040 | 19,040 | 40,153 | 340 |
| 12489V-AB-2 | CBRL GROUP INC. | | 08/24/2004 | Exchange | 08/24/2004 | First Union Capital Marke | 700,000 | 295,351 | 295,351 | 295,351 | .00 | .00 | .00 | .00 | .00 | .00 | .00 | .00 | 23,527 | .00 |
| 151313-AN-3 | Cendant Corp 3.875% 11/27/11 | | 04/12/2004 | VARIOUS | 11/16/2004 | BT Alex Brown, Inc. | 800,000 | 878,076 | 800,720 | 871,848 | .00 | (6,227) | .00 | (6,227) | .00 | .00 | (71,128) | (71,128) | 30,053 | 9,017 |
| 125509-BE-8 | Cigna Corp. 8.30% | | 11/04/2004 | Ferris, Baker Watts | 12/22/2004 | Ferris, Baker Watts | 3,000,000 | 3,765,000 | 3,742,200 | 3,763,663 | .00 | (1,337) | .00 | (1,337) | .00 | .00 | (21,463) | (21,463) | 112,742 | 78,850 |
| 1730EO-AN-5 | CLTICORP | | 01/07/2004 | Alex Brown & Sons | 01/22/2004 | MATURITY | 3,000,000 | 2,998,763 | 2,998,763 | 2,998,763 | .00 | .00 | .00 | .00 | .00 | .00 | .00 | .00 | 1,238 | .00 |
| 172967-CK-5 | CLTIGROUP INC | | 04/28/2004 | SALOMON SMITH BARNEY | 05/06/2004 | ISI Group | 225,000 | 223,801 | 219,087 | 223,803 | .00 | 2 | .00 | 2 | .00 | .00 | (4,716) | (4,716) | 192 | .00 |
| 172967-CN-9 | CLTIGROUP INC | | 07/22/2004 | SALOMON SMITH BARNEY | 09/17/2004 | Goldman Sachs & Co. | 375,000 | 373,980 | 382,283 | 374,004 | .00 | 24 | .00 | 24 | .00 | .00 | 8,278 | 8,278 | 2,346 | .00 |
| 172967-CT-6 | CLTIGROUP INC | | 12/02/2004 | SALOMON SMITH BARNEY | 12/03/2004 | JS Bancorp Piper Jaffray | 2,500,000 | 2,494,025 | 2,524,800 | 2,494,025 | .00 | .00 | .00 | .00 | .00 | .00 | 30,775 | 30,775 | .00 | .00 |
| 184502-AV-4 | CLEAR CHANNEL COMMUNICATIONS | | 09/15/2004 | SALOMON BROTHERS | 09/15/2004 | Ferris, Baker Watts | 2,500,000 | 2,489,400 | 2,490,500 | 2,489,400 | .00 | .00 | .00 | .00 | .00 | .00 | 1,100 | 1,100 | .00 | .00 |
| 209615-CA-9 | CONSOLIDATED NAT GAS CO. | | 11/15/2004 | Paine Webber | 11/15/2004 | Ferris, Baker Watts | 2,000,000 | 1,993,720 | 1,998,240 | 1,993,720 | .00 | .00 | .00 | .00 | .00 | .00 | 4,520 | 4,520 | .00 | .00 |
| 224044-AY-3 | COX COMMUNICATIONS INC NEW | | 10/20/2004 | Spear Leeds & Kellog | 12/09/2004 | Lehman Brothers | 250,000 | 284,328 | 285,358 | 283,665 | .00 | (662) | .00 | (662) | .00 | .00 | 1,692 | 1,692 | 12,002 | 9,365 |
| 224044-BL-0 | COX COMMUNICATIONS INC NEW | | 12/10/2004 | Lehman Brothers | 12/13/2004 | Ferris, Baker Watts | 3,000,000 | 2,989,260 | 2,992,500 | 2,989,260 | .00 | .00 | .00 | .00 | .00 | .00 | 3,240 | 3,240 | 454 | .00 |
| 224050-AE-4 | COX ENTERPRISES INC | | 10/01/2004 | Ferris, Baker Watts | 10/25/2004 | JS Bancorp Piper Jaffray | 3,000,000 | 3,015,000 | 3,080,250 | 3,014,983 | .00 | (17) | .00 | (17) | .00 | .00 | 65,267 | 65,267 | 63,302 | 49,781 |
| 285611-AF-1 | ELECTRONIC DATA SYS NEW | | 04/30/2004 | VARIOUS | 07/23/2004 | Nationsbank | 275,000 | 273,188 | 273,125 | 273,132 | .00 | (55) | .00 | (55) | .00 | .00 | (16,007) | (16,007) | 5,654 | 2,032 |
| 29364L-AN-2 | ENTERGY GULF STS INC | | 04/15/2004 | First Albany Corp | 10/20/2004 | Lehman | 1,000,000 | 964,610 | 994,000 | 965,781 | .00 | 1,171 | .00 | 1,171 | .00 | .00 | 28,219 | 28,219 | 38,500 | 11,521 |
| 293791-AF-6 | ENTERPRISE PRODS OPER LP | | 04/26/2004 | Warburg, S.G | 05/18/2004 | Goldman Sachs & Co. | 250,000 | 249,905 | 233,660 | 249,905 | .00 | .00 | .00 | .00 | .00 | .00 | (16,245) | (16,245) | 3,819 | 2,769 |
| 309588-AC-5 | FARMERS EXCHANGE CAP | | 08/04/2004 | First Albany Corp | 10/21/2004 | First Albany Corp | 1,500,000 | 1,498,095 | 1,505,625 | 1,498,102 | .00 | 7 | .00 | 7 | .00 | .00 | 7,523 | 7,523 | 51,406 | 28,778 |
| 369626-KB-6 | GENERAL ELEC CAP CORP MTN BE | | 09/14/2004 | SALOMON BROTHERS | 09/14/2004 | Ferris, Baker Watts | 4,000,000 | 3,974,560 | 3,977,040 | 3,974,560 | .00 | .00 | .00 | .00 | .00 | .00 | 2,480 | 2,480 | .00 | .00 |
| 370425-SL-5 | GENERAL MTRS ACCEP CORP | | 11/17/2004 | Morgan Stanley | 11/17/2004 | JS Bancorp Piper Jaffray | 500,000 | 497,155 | 498,730 | 497,155 | .00 | .00 | .00 | .00 | .00 | .00 | 1,575 | 1,575 | .00 | .00 |
| 361849-XC-1 | GMAC COML MTEG SECS 2003-C1 | | 03/08/2004 | Paine Webber | 05/10/2004 | VARIOUS | 2,403,363 | 2,404,114 | 2,288,650 | 2,404,091 | .00 | (23) | .00 | (23) | .00 | .00 | (115,442) | (115,442) | 14,446 | 2,451 |
| 413627-AH-3 | HARRAHS OPER INC | | 03/24/2004 | Warburg, S.G | 07/14/2004 | Nationsbank | 275,000 | 331,383 | 305,723 | 329,213 | .00 | (2,170) | .00 | (2,170) | .00 | .00 | (23,490) | (23,490) | 10,267 | 3,544 |
| 421933-AD-4 | HEALTH MGMT ASSOC INC NEW | | 10/07/2004 | Exchange | 12/30/2004 | Exchange | 250,000 | 203,125 | 203,125 | 203,688 | .00 | 563 | .00 | 563 | .00 | .00 | (563) | (563) | .00 | .00 |
| 441812-JV-1 | HOUSEHOLD FIN CORP | | 03/16/2004 | bnp paribas | 05/06/2004 | VARIOUS | 750,000 | 882,803 | 832,627 | 880,930 | .00 | (1,872) | .00 | (1,872) | .00 | .00 | (48,304) | (48,304) | 25,453 | 18,083 |
| 448055-AB-9 | HUSKY ENERGY INC | | 06/15/2004 | SALOMON SMITH BARNEY | 06/25/2004 | WARBURG DILLON READ LLC | 250,000 | 249,938 | 249,608 | 248,939 | .00 | 1 | .00 | 1 | .00 | .00 | 669 | 669 | 513 | .00 |
| 45138L-AQ-6 | IDAHO PWR CO 1ST MTEG SECD MTN | | 08/11/2004 | US Bancorp Piper Jaffray | 08/11/2004 | Ferris, Baker Watts | 3,000,000 | 2,959,200 | 2,962,500 | 2,959,200 | .00 | .00 | .00 | .00 | .00 | .00 | 3,300 | 3,300 | .00 | .00 |
| 453258-AU-9 | JNCO LTD | | 04/06/2004 | Merrill Lynch | 09/13/2004 | Merrill Lynch | 275,000 | 282,689 | 280,533 | 282,476 | .00 | (213) | .00 | (213) | .00 | .00 | (1,943) | (1,943) | 15,240 | 8,534 |
| 454889-AK-2 | JNDIANA WICH PWR CO | | 11/10/2004 | ABN Amro | 11/10/2004 | Ferris, Baker Watts | 2,000,000 | 1,992,720 | 1,998,600 | 1,992,720 | .00 | .00 | .00 | .00 | .00 | .00 | 5,880 | 5,880 | .00 | .00 |
| 472319-AB-8 | JEFFERIES GROUP INC NEW | | 11/30/2004 | First Albany Corp | 12/08/2004 | Ferris, Baker Watts | 2,000,000 | 1,967,340 | 1,990,000 | 1,967,386 | .00 | 46 | .00 | 46 | .00 | .00 | 22,614 | 22,614 | 26,889 | 23,833 |
| 480081-AJ-7 | JONES APPAREL GROUP INC / | | 11/30/2004 | Ferris, Baker Watts | 12/07/2004 | Ferris, Baker Watts | 2,000,000 | 1,959,820 | 1,967,880 | 1,959,829 | .00 | 9 | .00 | 9 | .00 | .00 | 8,051 | 8,051 | 6,125 | 3,743 |
| 501810-AA-6 | KCOR ALEXANDRIA L L C | | 08/12/2004 | First Albany Corp | 08/26/2004 | First Albany Corp | 2,000,000 | 2,236,520 | 2,237,000 | 2,236,121 | .00 | (399) | .00 | (399) | .00 | .00 | 879 | 879 | 61,097 | 55,944 |
| 52517P-VW-6 | LEHMAN BROS HLDGS INC MTN BE | | 04/13/2004 | Spear Leeds & Kellog | 05/10/2004 | VARIOUS | 625,000 | 624,219 | 606,179 | 624,224 | .00 | 5 | .00 | 5 | .00 | .00 | (18,045) | (18,045) | 12,365 | 11,013 |
| 530715-AB-7 | LIBERTY MEDIA CORP | | 04/12/2004 | Spear Leeds & Kellog | 10/20/2004 | Spear Leeds & Kellog | 250,000 | 290,420 | 290,420 | 286,808 | .00 | (3,612) | .00 | (3,612) | .00 | .00 | (5,068) | (5,068) | 15,313 | 4,922 |
| 532716-AK-3 | LIMITED BRANDS INC | | 11/19/2004 | Ferris, Baker Watts | 12/07/2004 | SALOMON SMITH BARNEY | 3,000,000 | 3,290,790 | 3,237,420 | 3,290,591 | .00 | (199) | .00 | (199) | .00 | .00 | (53,171) | (53,171) | 57,338 | 47,685 |
| 539830-AF-6 | LOCKHEED MARTIN 7.75% | | 04/15/2004 | Legg Mason Wood | 08/10/2004 | Mc Donald & Company | 1,500,000 | 1,780,500 | 1,792,500 | 1,778,560 | .00 | (1,940) | .00 | (1,940) | .00 | .00 | 13,940 | 13,940 | 91,063 | 54,573 |
| 570535-AF-1 | Markel Corp | | 08/02/2004 | First Albany Corp | 08/10/2004 | Ferris, Baker Watts | 2,000,000 | 2,095,620 | 2,116,700 | 2,095,427 | .00 | (193) | .00 | (193) | .00 | .00 | 21,273 | 21,273 | 67,244 | 64,222 |
| 570535-AG-9 | MARKEL CORP | | 10/01/2004 | Ferris, Baker Watts | 11/12/2004 | Ferris, Baker Watts | 3,500,000 | 3,570,840 | 3,656,765 | 3,570,732 | .00 | (108) | .00 | (108) | .00 | .00 | 86,033 | 86,033 | 67,171 | 16,231 |
| 571748-AM-6 | MARSH & MCLENNAN COS INC | | 07/07/2004 | Nationsbank | 08/13/2004 | Nationsbank | 400,000 | 399,296 | 407,360 | 399,300 | .00 | 4 | .00 | 4 | .00 | .00 | 8,060 | 8,060 | 2,031 | .00 |
| 574599-AM-6 | Masco Corp 0.00% 07/31 | | 11/19/2004 | Goldman Sachs & Co. | 12/23/2004 | Exchange | 1,160,000 | 581,450 | 581,450 | 582,879 | .00 | 1,429 | .00 | 1,429 | .00 | .00 | (1,429) | (1,429) | 1,450 | .00 |
| 585907-AM-0 | MELLON BANK N A | | 11/17/2004 | Credit Suisse First Bosto | 11/17/2004 | Ferris, Baker Watts | 1,000,000 | 996,410 | 996,410 | 995,070 | .00 | .00 | .00 | .00 | .00 | .00 | 1,340 | 1,340 | .00 | .00 |
| 617446-GM-5 | Morgan St Dean Witter 6.75% | | 02/13/2004 | Goldman Sachs & Co. | 04/08/2004 | VARIOUS | 425,000 | 488,125 | 488,988 | 487,254 | .00 | (871) | .00 | (871) | .00 | .00 | 1,734 | 1,734 | 13,064 | 9,881 |
| 638585-AN-9 | NATIONSBANK | | 07/01/2004 | First Albany Corp | 08/12/2004 | Ferris, Baker Watts | 1,000,000 | 1,164,020 | 1,188,300 | 1,162,797 | .00 | (1,223) | .00 | (1,223) | .00 | .00 | 25,503 | 25,503 | 39,181 | 30,569 |
| 652478-AZ-1 | NEWS AMER HLDGS INC | | 08/12/2004 | First Albany Corp | 09/22/2004 | Ferris, Baker Watts | 2,000,000 | 2,301,680 | 2,360,000 | 2,300,920 | .00 | (760) | .00 | (760) | .00 | .00 | 59,080 | 59,080 | 62,883 | 45,772 |
| 665228-CC-4 | NORTHERN ILL GAS CO | | 06/03/2004 | First Albany Corp | 06/23/2004 | JS Bancorp Piper Jaffray | 1,000,000 | 966,280 | 965,080 | 966,303 | .00 | 23 | .00 | 23 | .00 | .00 | (1,223) | (1,223) | 4,425 | 1,147 |
| 629477-AA-0 | NYC NEWCO INC | | 08/31/2004 | Exchange | 09/03/2004 | Exchange | 472,000 | 584,590 | 584,590 | 584,568 | .00 | (21) | .00 | (21) | .00 | .00 | 21 | 21 | .00 | .00 |
| 743263-AE-5 | PROGRESS ENERGY INC | | 04/02/2004 | Spear Leeds & Kellog | 09/13/2004 | First Union Capital Marke | 255,000 | 307,556 | 299,095 | 307,205 | .00 | (351) | .00 | (351) | .00 | .00 | (8,110) | (8,110) | 10,705 | 1,702 |
| 69358C-AA-4 | PRR NEWCO INC | | 08/31/2004 | Exchange | 09/03/2004 | Exchange | 653,000 | 807,291 | 807,291 | 807,261 | .00 | (29) | .00 | (29) | .00 | .00 | 29 | 29 | .00 | .00 |
| 76110H-MW-6 | RESIDENTIAL ACCREDIT 2003-QS22 | | 03/19/2004 | First Albany Corp | 10/20/2004 | Paine Webber | 3,144,720 | 3,234,148 | 3,151,599 | 3,230,469 | .00 | (3,679) | .00 | (3,679) | .00 | .00 | (78,870) | (78,870) | 122,644 | 12,055 |
| 76110W-GF-7 | RESIDENTIAL ASSET SECS 99-KS2 | | 03/08/2004 | Paine Webber | 05/03/2004 | Ferris, Baker Watts | 2,500,000 | 2,701,367 | 2,618,750 | 2,698,591 | .00 | (2,776) | .00 | (2,776) | .00 | .00 | (79,841) | (79,841) | 33,845 | 5,729 |
| 7 | | | | | | | | | | | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1 CUSIP Identification | 2 Description | 3 Foreign | 4 Date Acquired | 5 Name of Vendor | 6 Disposal Date | 7 Name of Purchaser | 8 Par Value (Bonds) or Number of Shares (Stocks) | 9 Actual Cost | 10 Consideration | 11 Book/ Adjusted Carrying Value at Disposal Date | Change in Book/Adjusted Carrying Value | | | | | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Interest and Dividends Received During Year | 21 Paid for Accrued Interest and Dividends |
|--------------------------------------|--|--------------|-----------------------|----------------------------|-----------------------|--------------------------|---|------------------|---------------------|--|--|--|---|--|--|---|--|---|--|---|
| | | | | | | | | | | | 12 Unrealized Valuation Increase/ (Decrease) | 13 Current Year's (Amortization)/ Accretion | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Change In B./A. C.V. (12 + 13 - 14) | 16 Total Foreign Exchange Change in B./A. C.V. | | | | | |
| 98385X-AD-8 | XTO ENERGY INC. | | 05/04/2004 | Nationsbank | 09/10/2004 | HSBC Securities | 270,000 | 257,966 | 267,405 | 258,298 | 0 | 332 | 0 | 332 | 0 | 9,107 | 9,107 | 8,563 | 3,859 | |
| 4599999 | Bonds - Industrial and Miscellaneous | | | | | | 116,008,083 | 120,507,321 | 120,245,291 | 120,328,805 | | (178,510) | | (178,510) | | (83,521) | (83,521) | 1,816,398 | 891,163 | |
| 6099998 | Total - Bonds | | | | | | 216,600,292 | 221,817,936 | 221,374,488 | 221,612,826 | | (205,105) | | (205,105) | | (238,347) | (238,347) | 2,934,328 | 1,627,630 | |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | | | | | | | | | | | | | |
| 370442-71-7 | GENERAL MTRS CORP. | | 09/02/2004 | Goldman Sachs & Co. | 12/06/2004 | Goldman Sachs & Co. | 38,000,000 | 1,082,160 | 1,003,176 | 1,082,160 | 0 | 0 | 0 | 0 | 0 | (78,984) | (78,984) | 0 | 0 | |
| 6399999 | Preferred Stocks - Industrial and Miscellaneous | | | | | | | 1,082,160 | 1,003,176 | 1,082,160 | | | | | | (78,984) | (78,984) | | | |
| 6599998 | Total - Preferred Stocks | | | | | | | 1,082,160 | 1,003,176 | 1,082,160 | | | | | | (78,984) | (78,984) | | | |
| BANKS, TRUST AND INSURANCE COMPANIES | | | | | | | | | | | | | | | | | | | | |
| 077459-10-5 | Belden Inc. | | 03/26/2004 | Stifel Nicholas | 07/16/2004 | Exchange | 21,500,000 | 410,011 | 440,750 | 410,011 | 0 | 0 | 0 | 0 | 0 | 30,739 | 30,739 | 1,075 | 0 | |
| 6799999 | Common Stocks - Banks, Trust and Insurance Companies | | | | | | | 410,011 | 440,750 | 410,011 | | | | | | 30,739 | 30,739 | 1,075 | 0 | |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | | | | | | | | | | | | | |
| 00790K-10-9 | Advance PCS | | 10/04/2004 | Reclass. | 10/04/2004 | Warrant Exercise | 100,818,000 | 2,815,813 | 3,163,988 | 2,815,813 | 0 | 0 | 0 | 0 | 0 | 348,175 | 348,175 | 0 | 0 | |
| 007942-20-4 | ADVANTA CORP. | | 04/27/2004 | Frank Russell Securities | 08/17/2004 | Avian Securities | 36,000,000 | 576,453 | 752,411 | 576,453 | 0 | 0 | 0 | 0 | 0 | 175,958 | 175,958 | 4,082 | 0 | |
| 008190-10-0 | AFILIATED COMPUTER SERVICES | | 02/23/2004 | Exchange | 02/24/2004 | VARIOUS | 9,784,940 | 503,050 | 481,441 | 503,050 | 0 | 0 | 0 | 0 | 0 | (21,609) | (21,609) | 0 | 0 | |
| 151313-10-3 | CENDANT CORP. | | 02/04/2004 | Exchange | 02/12/2004 | Bank Of New York | 20,040,000 | 411,507 | 459,295 | 411,507 | 0 | 0 | 0 | 0 | 0 | 47,788 | 47,788 | 0 | 0 | |
| 25179M-10-3 | DEVON ENERGY CORP NEW | | 08/02/2004 | Exchange | 10/28/2004 | VARIOUS | 5,084,760 | 247,866 | 344,295 | 247,866 | 0 | 0 | 0 | 0 | 0 | 96,429 | 96,429 | 0 | 0 | |
| 318522-30-7 | FIRST AMERICAN CORP | | 04/09/2004 | Exchange | 04/13/2004 | Lynch, Jones & Ryan | 6,250,000 | 175,790 | 179,688 | 175,790 | 0 | 0 | 0 | 0 | 0 | 3,897 | 3,897 | 0 | 0 | |
| 31983B-10-1 | First Community Bancorp. | | 04/27/2004 | ESI Securities | 09/07/2004 | Avian Securities | 4,100,000 | 143,705 | 169,067 | 143,705 | 0 | 0 | 0 | 0 | 0 | 25,362 | 25,362 | 1,035 | 0 | |
| 319960-10-0 | FIRST FED CAP CORP. | | 02/09/2004 | Nationsbank | 05/12/2004 | ISI Group | 19,200,000 | 414,557 | 493,939 | 414,557 | 0 | 0 | 0 | 0 | 0 | 79,382 | 79,382 | 5,568 | 0 | |
| 38374W-10-7 | GOVERNMENT PPTYS TR INC. | | 01/26/2004 | Paine | 04/21/2004 | Keefe Bruyett & Woods | 12,000,000 | 133,084 | 120,000 | 120,000 | 0 | 0 | 0 | 0 | 0 | 13,084 | 13,084 | 1,800 | 0 | |
| 482686-10-2 | K-SWISS INC. | | 02/27/2004 | Weeden & Co. | 09/01/2004 | VARIOUS | 22,800,000 | 548,080 | 446,336 | 548,080 | 0 | 0 | 0 | 0 | 0 | (101,745) | (101,745) | 1,140 | 0 | |
| 564682-10-2 | Manufactured Home Cmnty Inc. | | 04/21/2004 | Greenwich Capital Markets | 09/07/2004 | Fidelity Capital Markets | 7,600,000 | 251,384 | 256,962 | 251,384 | 0 | 0 | 0 | 0 | 0 | 5,578 | 5,578 | 95 | 0 | |
| 595440-10-8 | MID-STATE BANCSHARES | | 07/01/2004 | VARIOUS | 08/23/2004 | Charles Schwab & Co. | 28,700,000 | 690,104 | 677,053 | 690,104 | 0 | 0 | 0 | 0 | 0 | (13,051) | (13,051) | 6,272 | 0 | |
| 744320-10-2 | PRUDENTIAL FINL INC. | | 11/17/2004 | Exchange | 12/20/2004 | VARIOUS | 19,110,000 | 702,326 | 982,873 | 702,326 | 0 | 0 | 0 | 0 | 0 | 280,547 | 280,547 | 11,944 | 0 | |
| 681075-10-6 | SHIP FINANCE INTERNATIONAL LTD. | | 07/01/2004 | Jefferies & Co. | 08/16/2004 | Factset Data Systems | 28,900,000 | 435,416 | 460,961 | 435,416 | 0 | 0 | 0 | 0 | 0 | 25,545 | 25,545 | 0 | 0 | |
| 847580-10-7 | SPECTRALINK CORP. | | 06/25/2004 | JP Morgan Securities, Inc. | 09/07/2004 | Avian Securities | 19,400,000 | 291,896 | 186,086 | 291,896 | 0 | 0 | 0 | 0 | 0 | (105,810) | (105,810) | 0 | 0 | |
| 69108L-10-8 | Tsakos Energy Navigation Ltd. | | 03/26/2004 | ESI Securities | 08/17/2004 | JNK Securities | 4,300,000 | 125,376 | 123,255 | 125,376 | 0 | 0 | 0 | 0 | 0 | (2,121) | (2,121) | 0 | 0 | |
| 950755-10-8 | WERNER ENTERPRISES INC. | | 05/28/2004 | VARIOUS | 09/01/2004 | ESI Securities | 21,400,000 | 413,521 | 381,655 | 413,521 | 0 | 0 | 0 | 0 | 0 | (31,866) | (31,866) | 749 | 0 | |
| 6899999 | Common Stocks - Industrial and Miscellaneous | | | | | | 8,866,844 | 9,692,389 | 8,866,844 | | | | | | | 825,543 | 825,543 | 32,685 | 0 | |
| 7299998 | Total - Common Stocks | | | | | | 9,276,855 | 10,133,139 | 9,276,855 | | | | | | | 856,282 | 856,282 | 33,760 | 0 | |
| 7399999 | Total - Preferred and Common Stocks | | | | | | 10,359,015 | 11,136,315 | 10,359,015 | | | | | | | 777,298 | 777,298 | 33,760 | 0 | |
| 7499999 Totals | | | | | | | 232,176,951 | 232,510,803 | 231,971,841 | | (205,105) | | (205,105) | | 538,951 | 538,951 | 2,968,088 | 1,627,630 | | |

E13.2

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

| 1 CUSIP Identification | 2 Description Name of Subsidiary, Controlled or Affiliated Company | 3 Foreign | 4 NAIC Company Code or Alien Insurer Identification Number | 5 NAIC Valuation Method (See SVO Purposes and Procedures manual) | 6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock? | 7 Total Amount of Such Intangible Assets | 8 Book / Adjusted Carrying Value | Stock of Such Company Owned by Insurer on Statement Date | |
|---------------------------|---|--------------|---|--|---|---|--|---|---------------------------|
| | | | | | | | | 9 Number of Shares | 10 % of Outstanding |
| | The GHMSI Companies | | | 3B2B | No. | | | 25,000,000 | 100.0 |
| | Access America | | | 3B2B | No. | | | 10,000,000 | 100.0 |
| 1999999 Totals | | | | | | | | XXX | XXX |

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$
2. Total amount of intangible assets nonadmitted: \$

SCHEDULE D - PART 6 - SECTION 2

| 1 CUSIP Identification | 2 Name of Lower-Tier Company | 3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company | 4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1 | Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date | | |
|------------------------------|--|---|--|---|--------------------------|-----|
| | | | | 5 Number of Shares | 6 % of Outstanding | |
| 0199999 - Preferred Stock | | | | 0 | XXX | XXX |
| 999999-99-8 | CareFirst BlueChoice, Inc. | The GHMSI Companies, Inc. | | 4,000,000 | 40.0 | |
| 13973#-10-2 | Capital Area Services Company, Inc. | The GHMSI Companies, Inc. | | 1,000,000 | 100.0 | |
| 63516#-10-1 | National Capital Administrative Services, Inc. | The GHMSI Companies, Inc. | | 4,000,000 | 100.0 | |
| 63517@-10-2 | National Capital Insurance Agency | The GHMSI Companies, Inc. | | 20,000,000 | 100.0 | |
| | National Capital Reinsurance LTD. | The GHMSI Companies, Inc. | | 1,000,000 | 100.0 | |
| 999999-99-8 | Delmarva Health Plan | The GHMSI Companies, Inc. | | 2,400,000 | 100.0 | |
| 999999-99-8 | CapitalCare, Inc. | The GHMSI Companies, Inc. | | 400,000 | 40.0 | |
| 0299999 - Common Stock | | | | 0 | XXX | XXX |
| 0399999 Total | | | | 0 | XXX | XXX |

ANNUAL STATEMENT FOR THE YEAR 2004 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

| 1 | Codes | | 4 | 5 | 6 | 7 | Change In Book/Adjusted Carrying Value | | | | 12 | 13 | Interest | | | | | 20 | |
|---|-------|---------|---------------|---------------------------|---------------|-------------------------------|---|---|---|--|------------|-------------|---|------------------------------|---------|-------------------|----------|-----------------------|---------------------------|
| | 2 | 3 | | | | | 8 | 9 | 10 | 11 | | | 14 | 15 | 16 | 17 | 18 | | 19 |
| Description | Code | Foreign | Date Acquired | Name of Vendor | Maturity Date | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Par Value | Actual Cost | Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default | Non-Admitted Due and Accrued | Rate of | Effective Rate of | How Paid | Gross Amount Received | Paid for Accrued Interest |
| ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | | | |
| DAIMLER CHRYSLER NORTH AMER HL..... | | | 03/08/2004 | Lehman Brothers..... | 01/20/2005 | 2,006,122 | .0 | (93,458) | .0 | .0 | 2,000,000 | 2,099,580 | 66,189 | .0 | 7.400 | 1.601 | JJ | 74,000 | 20,967 |
| 3999999 - Industrial and Miscellaneous - Issuer Obligations | | | | | | 2,006,122 | | (93,458) | | | 2,000,000 | 2,099,580 | 66,189 | | XXX | XXX | XXX | 74,000 | 20,967 |
| 4599999 - Total - Industrial and Miscellaneous Bonds | | | | | | 2,006,122 | | (93,458) | | | 2,000,000 | 2,099,580 | 66,189 | | XXX | XXX | XXX | 74,000 | 20,967 |
| 5499999 - Total - Issuer Obligations | | | | | | 2,006,122 | | (93,458) | | | 2,000,000 | 2,099,580 | 66,189 | | XXX | XXX | XXX | 74,000 | 20,967 |
| 6099999 - Total - Bonds | | | | | | 2,006,122 | | (93,458) | | | 2,000,000 | 2,099,580 | 66,189 | | XXX | XXX | XXX | 74,000 | 20,967 |
| EXEMPT MONEY MARKET MUTUAL FUNDS | | | | | | | | | | | | | | | | | | | |
| One Group U.S. Treas Mny Mkt..... | | | 12/31/2004 | BANKONE..... | 12/31/2005 | 2,241,907 | .0 | .0 | .0 | .0 | 2,241,907 | 2,692 | .0 | .000 | .000 | .000 | | 3,317 | .0 |
| STI U.S. Treas MM Fund..... | | | 12/31/2004 | Suntrust Capital..... | 12/31/2005 | 62,713,797 | .0 | .0 | .0 | .0 | 62,713,797 | 71,837 | .0 | .000 | .000 | .000 | | 85,187 | .0 |
| 7999999 - Exempt Money Market Mutual Funds | | | | | | 64,955,704 | | | | | XXX | 64,955,704 | 74,529 | | XXX | XXX | XXX | 88,504 | |
| CLASS ONE MONEY MARKET MUTUAL FUNDS | | | | | | | | | | | | | | | | | | | |
| AIM Liquid Assets Portfolio..... | | | 12/31/2004 | Suntrust Capital..... | 12/31/2005 | 38,698,000 | .0 | .0 | .0 | .0 | 38,698,000 | 74,923 | .0 | .000 | .000 | .000 | | 107,078 | .0 |
| Ferris Baker Watts-Bear Stearns..... | | | 12/31/2004 | Ferris, Baker Watts..... | 12/31/2005 | 20,162,250 | .0 | .0 | .0 | .0 | 20,162,250 | .0 | .0 | .000 | .000 | .000 | | 132,976 | .0 |
| Plan Investment Money Mkt Fund..... | | | 10/23/2002 | PLAN INVESTMENT FUND..... | 12/31/2005 | 1,950,000 | .0 | .0 | .0 | .0 | 1,950,000 | .0 | .0 | .000 | .000 | .000 | | .0 | .0 |
| 8099999 - Class One Money Market Mutual Funds | | | | | | 60,810,250 | | | | | XXX | 60,810,250 | 74,923 | | XXX | XXX | XXX | 240,054 | |
| 8299999 Totals | | | | | | 127,772,076 | | (93,458) | | | XXX | 127,865,534 | 215,641 | | XXX | XXX | XXX | 402,558 | 20,967 |

E15

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

| 1 Line Number | 2 Type | 3 Description of Deposit | 4 Where Deposited and Purpose of Deposit | 5 Par or Book Value | 6 Statement Value (a) | 7 Fair Value |
|------------------|-----------|-----------------------------|---|------------------------|-----------------------------|-----------------|
| 9999999 Totals | | | | | | |

(a) Including \$ cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.

NONE