LIFE ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2009

OF THE CONDITION AND AFFAIRS OF THE

Security Life of Denver Insurance Company

NAIC Group Code 0229 (Current) 0229 (Prior) NAIC Company Code 68713 Employer's ID Number 84-0499703

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

Country of Domicile United States of America

Incorporated/Organized 08/13/1929 Commenced Business 05/12/1950

Statutory Home Office 1290 Broadway (Street and Number), Denver, CO 80203 (City or Town, State and Zip Code)

Main Administrative Office 5780 Powers Ferry Road, NW (Street and Number)
Atlanta, GA 30327-4390 (City or Town, State and Zip Code), 770-980-5100 (Area Code) (Telephone Number)

Mail Address 5780 Powers Ferry Road, NW (Street and Number or P.O. Box), Atlanta, GA 30327-4390 (City or Town, State and Zip Code)

Primary Location of Books and Records 1290 Broadway (Street and Number)
Denver, CO 80203 (City or Town, State and Zip Code), 303-860-1290 (Area Code) (Telephone Number)

Internet Website Address www.ing.com/us

Statutory Statement Contact J. Dewayne Lummus (Name), 770-980-5845 (Area Code) (Telephone Number)
FSSC_Compliance@us.ing.com (E-mail Address), 770-980-5800 (FAX Number)

OFFICERS

President	Donald Wayne Britton, President	Treasurer	David Scott Pendergrass, SVP and Treasurer
Secretary	Joy Michelle Benner, Secretary	Appointed Actuary	Francis de Regnaucourt, VP and Appointed Actuary

OTHER

Valerie Gay Brown, Senior Vice President	Boyd George Combs, Senior Vice President, Tax	Daniel Patrick Mulheran, Sr., Senior Vice President
Steven Todd Pierson, SVP and Chief Accounting Officer	Stephen Joseph Preston, Senior Vice President	Catherine Hale Smith, Senior Vice President
David Allan Wheat, EVP and Chief Financial Officer		

DIRECTORS OR TRUSTEES

Donald Wayne Britton, Director #	Bridget Mary Healy, Director	Thomas Joseph McInerney, Director and Chairman
Catherine Hale Smith, Director	David Allan Wheat, Director	

State of Georgia/Minnesota
County of Fulton/Hennepin SS:

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.

Donald Wayne Britton President	Joy Michelle Benner Secretary	David Scott Pendergrass Treasurer
Subscribed and sworn to before me this 23 day of July 2009	Subscribed and sworn to before me this 22 day of July 2009	Subscribed and sworn to before me this 14 day of July 2009

KIM R. HATFIELD NOTARY EXPIRES GEORGIA NOV. 15, 2009 PUBLIC COBB COUNTY

KATHLEEN L. CARLSON Notary Public Minnesota My Commission Expires January 31, 2014

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

KIM R. HATFIELD NOTARY EXPIRES GEORGIA NOV. 15, 2009 PUBLIC COBB COUNTY

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	13,467,108,550	0	13,467,108,550	16,581,838,527
2. Stocks:				
2.1 Preferred stocks	29,328,329	0	29,328,329	85,079,040
2.2 Common stocks	194,516,517	0	194,516,517	267,427,252
3. Mortgage loans on real estate:				
3.1 First liens	1,735,522,581	0	1,735,522,581	1,878,012,042
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less $ 0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less $ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less $ 0 encumbrances)	0	0	0	0
5. Cash ($ 38,839,938), cash equivalents ($ 0) and short-term investments ($ 1,797,269,889)	1,836,109,827	0	1,836,109,827	1,038,360,927
6. Contract loans, (including $ 0 premium notes)	1,394,486,291	0	1,394,486,291	1,390,204,873
7. Other invested assets	915,306,000	15,213,259	900,092,741	321,829,201
8. Receivables for securities	19,302,401	0	19,302,401	29,719,276
9. Aggregate write-ins for invested assets	76,280,507	0	76,280,507	511,644,962
10. Subtotals, cash and invested assets (Lines 1 to 9)	19,667,961,003	15,213,259	19,652,747,744	22,104,116,100
11. Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
12. Investment income due and accrued	114,126,334	0	114,126,334	130,621,103
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	69,702,058	0	69,702,058	247,374,027
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	8,401,617	3,395,854	5,005,763	6,829,679
13.3 Accrued retrospective premiums	0	0	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	31,126,323	0	31,126,323	41,493,329
14.2 Funds held by or deposited with reinsured companies	231,431,122	0	231,431,122	0
14.3 Other amounts receivable under reinsurance contracts	77,438,395	0	77,438,395	138,992,057
15. Amounts receivable relating to uninsured plans	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	36,706,219	0	36,706,219	31,195,988
16.2 Net deferred tax asset	315,310,027	230,566,137	84,743,890	66,651,456
17. Guaranty funds receivable or on deposit	3,913,801	0	3,913,801	3,959,643
18. Electronic data processing equipment and software	0	0	0	38,699
19. Furniture and equipment, including health care delivery assets ($ 0)	3,074	3,074	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	110,264	0	110,264	0
21. Receivables from parent, subsidiaries and affiliates	1,893,654	31,920	1,861,734	214,795,570
22. Health care ($ 0) and other amounts receivable	3,133,719	3,133,719	0	0
23. Aggregate write-ins for other than invested assets	107,268,930	81,920,616	25,348,314	157,355,107
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	20,668,526,540	334,264,579	20,334,261,961	23,143,422,758
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	1,165,159,762	0	1,165,159,762	1,121,297,741
26. Total (Lines 24 and 25)	21,833,686,302	334,264,579	21,499,421,723	24,264,720,499
DETAILS OF WRITE-INS				
0901. Derivative instruments - swaps, options, interest rate caps, & floors	76,280,507	0	76,280,507	511,644,962
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	76,280,507	0	76,280,507	511,644,962
2301. Negative IMR	80,353,568	80,353,568	0	0
2302. Equity in keyman insurance	11,913,914	0	11,913,914	11,913,914
2303. Non qualified pension assets	7,735,420	0	7,735,420	7,735,420
2398. Summary of remaining write-ins for Line 23 from overflow page	7,266,028	1,567,048	5,698,980	137,705,773
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	107,268,930	81,920,616	25,348,314	157,355,107

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Aggregate reserve for life contracts $ 10,691,442,964 less $ 0 included in Line 6.3 (including $ 1,689,780,701 Modco Reserve)	10,691,442,964	11,545,062,242
2.	Aggregate reserve for accident and health contracts (including $ 0 Modco Reserve)	141,234,124	147,458,049
3.	Liability for deposit-type contracts (including $ 0 Modco Reserve)	5,589,323,428	7,126,976,065
4.	Contract claims:		
	4.1 Life	50,387,356	28,735,983
	4.2 Accident and health	140,090,666	96,691,802
5.	Policyholders' dividends $ 0 and coupons $ 0 due and unpaid	0	0
6.	Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
	6.1 Dividends apportioned for payment (including $ 0 Modco)	6,249,809	7,581,032
	6.2 Dividends not yet apportioned (including $ 0 Modco)	6,000	6,000
	6.3 Coupons and similar benefits (including $ 0 Modco)	0	0
7.	Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less $ 0 discount; including $ 0 accident and health premiums	220,354	267,707
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts	0	0
	9.2 Provision for experience rating refunds, including $ 7,662,655 accident and health experience rating refunds	7,662,655	7,961,408
	9.3 Other amounts payable on reinsurance, including $ 0 assumed and $ (12,797,903) ceded	(12,797,903)	(8,006,335)
	9.4 Interest Maintenance Reserve	0	11,590,261
10.	Commissions to agents due or accrued-life and annuity contracts $ 2,407,409 , accident and health $ 9,303,308 and deposit-type contract funds $ 0	11,710,717	7,594,014
11.	Commissions and expense allowances payable on reinsurance assumed	572,681	0
12.	General expenses due or accrued	17,019,578	19,486,651
13.	Transfers to Separate Accounts due or accrued (net) (including $ (54,032,907) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(54,032,907)	(55,353,425)
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes	7,879,418	8,932,447
15.1	Current federal and foreign income taxes, including $ 0 on realized capital gains (losses)	0	0
15.2	Net deferred tax liability	0	0
16.	Unearned investment income	44,455,853	57,047,329
17.	Amounts withheld or retained by company as agent or trustee	21,885,326	25,554,862
18.	Amounts held for agents' account, including $ 3,892,872 agents' credit balances	3,892,872	3,187,774
19.	Remittances and items not allocated	37,741,890	68,899,439
20.	Net adjustment in assets and liabilities due to foreign exchange rates	0	287,285
21.	Liability for benefits for employees and agents if not included above	0	0
22.	Borrowed money $ 826,006,521 and interest thereon $ 1,739,564	827,746,085	665,402,908
23.	Dividends to stockholders declared and unpaid	0	0
24.	Miscellaneous liabilities:		
	24.1 Asset valuation reserve	20,923,454	48,503,196
	24.2 Reinsurance in unauthorized companies	2,270,570	9,709,047
	24.3 Funds held under reinsurance treaties with unauthorized reinsurers	919,630,012	1,020,452,916
	24.4 Payable to parent, subsidiaries and affiliates	26,784,668	41,040,570
	24.5 Drafts outstanding	0	0
	24.6 Liability for amounts held under uninsured plans	0	0
	24.7 Funds held under coinsurance	58,696,229	58,696,229
	24.8 Payable for securities	1,149,687	284,685
	24.9 Capital notes $ 0 and interest thereon $ 0	0	0
25.	Aggregate write-ins for liabilities	269,381,230	760,418,848
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	18,831,526,816	21,704,468,989
27.	From Separate Accounts Statement	1,165,159,762	1,121,297,741
28.	Total liabilities (Lines 26 and 27)	19,996,686,578	22,825,766,730
29.	Common capital stock	2,880,000	2,880,000
30.	Preferred capital stock	0	0
31.	Aggregate write-ins for other than special surplus funds	161,192,294	168,451,819
32.	Surplus notes	165,031,867	165,031,867
33.	Gross paid in and contributed surplus	1,443,584,375	1,443,584,381
34.	Aggregate write-ins for special surplus funds	0	0
35.	Unassigned funds (surplus)	(269,953,391)	(340,994,298)
36.	Less treasury stock, at cost:		
	36.1 0 shares common (value included in Line 29 $ 0)	0	0
	36.2 0 shares preferred (value included in Line 30 $ 0)	0	0
37.	Surplus (Total Lines 31+32+33+34+35-36) (including $ 0 in Separate Accounts Statement)	1,499,855,145	1,436,073,769
38.	Totals of Lines 29, 30 and 37	1,502,735,145	1,438,953,769
39.	Totals of Lines 28 and 38	21,499,421,723	24,264,720,499
	DETAILS OF WRITE-INS		
2501.	Derivative instruments - swaps, options, interest cap caps, & floors	237,916,090	725,965,658
2502.	Minimum pension liability	11,998,433	11,998,433
2503.	Other liabilities	10,106,385	3,377,693
2598.	Summary of remaining write-ins for Line 25 from overflow page	9,360,322	19,077,064
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	269,381,230	760,418,848
3101.	Deferred gain on reinsurance of existing business	161,192,294	168,451,819
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page	0	0
3199.	Totals (Lines 3101 through 3103 plus 3198)(Line 31 above)	161,192,294	168,451,819
3401.			
3402.			
3403.			
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	0	0

SUMMARY OF OPERATIONS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Premiums and annuity considerations for life and accident and health contracts	537,757,883	275,313,419	1,347,951,898
2.	Considerations for supplementary contracts with life contingencies	0	0	0
3.	Net investment income	479,251,583	525,399,311	1,037,073,846
4.	Amortization of Interest Maintenance Reserve (IMR)	(10,888,874)	(4,159,815)	(13,859,537)
5.	Separate Accounts net gain from operations excluding unrealized gains or losses	0	0	0
6.	Commissions and expense allowances on reinsurance ceded	87,948,068	102,110,743	244,499,652
7.	Reserve adjustments on reinsurance ceded	(38,563,995)	68,376,515	110,400,212
8.	Miscellaneous Income:			
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	42,088,820	41,233,505	83,483,418
	8.2 Charges and fees for deposit-type contracts	0	0	0
	8.3 Aggregate write-ins for miscellaneous income	4,611,283	1,525,767	500,754
9.	Totals (Lines 1 to 8.3)	1,102,204,768	1,009,799,445	2,810,050,243
10.	Death benefits	101,116,353	84,496,058	184,854,269
11.	Matured endowments (excluding guaranteed annual pure endowments)	39,363	75,871	124,727
12.	Annuity benefits	33,330,745	38,178,054	79,366,673
13.	Disability benefits and benefits under accident and health contracts	203,210,104	(522,314)	96,725,297
14.	Coupons, guaranteed annual pure endowments and similar benefits	2,845	2,924	5,425
15.	Surrender benefits and withdrawals for life contracts	1,197,959,917	620,447,926	1,061,380,491
16.	Group conversions	0	0	0
17.	Interest and adjustments on contract or deposit-type contract funds	(165,928,250)	166,629,230	184,012,678
18.	Payments on supplementary contracts with life contingencies	302,125	437,608	628,751
19.	Increase in aggregate reserves for life and accident and health contracts	(859,843,201)	(248,506,406)	398,004,471
20.	Totals (Lines 10 to 19)	510,190,001	661,238,951	2,005,102,782
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	59,285,142	116,130,686	205,055,187
22.	Commissions and expense allowances on reinsurance assumed	126,399,176	76,953,002	160,882,509
23.	General insurance expenses	45,845,075	60,350,288	113,339,516
24.	Insurance taxes, licenses and fees, excluding federal income taxes	9,142,157	11,702,134	22,491,996
25.	Increase in loading on deferred and uncollected premiums	(436,926)	(287,759)	233,236
26.	Net transfers to or (from) Separate Accounts net of reinsurance	10,070,801	53,064,566	106,093,298
27.	Aggregate write-ins for deductions	2,874,002	9,186,240	10,072,608
28.	Totals (Lines 20 to 27)	763,369,428	988,338,108	2,623,271,132
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	338,835,340	21,461,337	186,779,111
30.	Dividends to policyholders	1,460,122	1,325,095	2,597,101
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	337,375,218	20,136,242	184,182,010
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	50,208,719	2,377,563	(37,012,015)
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	287,166,499	17,758,679	221,194,025
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ (65,973,714) (excluding taxes of $ (55,371,456) transferred to the IMR)	(138,983,386)	(14,187,448)	(183,629,019)
35.	Net income (Line 33 plus Line 34)	148,183,113	3,571,231	37,565,006
	CAPITAL AND SURPLUS ACCOUNT			
36.	Capital and surplus, December 31, prior year	1,438,953,769	1,305,671,088	1,305,671,088
37.	Net income (Line 35)	148,183,113	3,571,231	37,565,006
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ (25,933,116)	(42,554,473)	4,514,236	(88,578,635)
39.	Change in net unrealized foreign exchange capital gain (loss)	397,549	(556,325)	(1,806,464)
40.	Change in net deferred income tax	(71,587,950)	42,297,621	(2,108,471)
41.	Change in non-admitted assets	1,584,443	(112,091,230)	(60,225,925)
42.	Change in liability for reinsurance in unauthorized companies	7,438,476	0	(7,293,266)
43.	Change in reserve on account of change in valuation basis, (increase) or decrease	0	0	0
44.	Change in asset valuation reserve	27,579,743	1,626,315	86,877,008
45.	Change in treasury stock	0	0	0
46.	Surplus (contributed to) withdrawn from Separate Accounts during period	0	0	0
47.	Other changes in surplus in Separate Accounts Statement	0	0	0
48.	Change in surplus notes	0	0	0
49.	Cumulative effect of changes in accounting principles	0	0	0
50.	Capital changes:			
	50.1 Paid in	0	0	0
	50.2 Transferred from surplus (Stock Dividend)	0	0	0
	50.3 Transferred to surplus	0	0	0
51.	Surplus adjustment:			
	51.1 Paid in	0	0	210,000,000
	51.2 Transferred to capital (Stock Dividend)	0	0	0
	51.3 Transferred from capital	0	0	0
	51.4 Change in surplus as a result of reinsurance	(7,259,525)	532,905	(48,733,949)
52.	Dividends to stockholders	0	0	0
53.	Aggregate write-ins for gains and losses in surplus	0	10,379,000	7,587,377
54.	Net change in capital and surplus for the year (Lines 37 through 53)	63,781,376	(49,726,247)	133,282,681
55.	Capital and surplus, as of statement date (Lines 36 + 54)	1,502,735,145	1,255,944,841	1,438,953,769
	DETAILS OF WRITE-INS			
08.301.	Miscellaneous income	4,611,283	1,525,767	500,754
08.302.				
08.303.				
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0
08.399.	Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	4,611,283	1,525,767	500,754
2701.	Legal reserve	2,182,244	7,335,553	7,366,339
2702.	Miscellaneous expense	691,758	1,850,687	2,706,269
2703.				
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799.	Totals (Lines 2701 through 2703 plus 2798)(Line 27 above)	2,874,002	9,186,240	10,072,608
5301.	Recognition of additional minimum pension liability	0	0	(2,791,618)
5302.	Other changes in surplus	0	10,379,000	10,378,995
5303.				
5398.	Summary of remaining write-ins for Line 53 from overflow page	0	0	0
5399.	Totals (Lines 5301 through 5303 plus 5398)(Line 53 above)	0	10,379,000	7,587,377

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
	Cash from Operations		
1.	Premiums collected net of reinsurance	724,968,622	1,036,492,429
2.	Net investment income	463,279,912	1,154,538,784
3.	Miscellaneous income	109,504,752	339,760,149
4.	Total (Lines 1 to 3)	1,297,753,286	2,530,791,362
5.	Benefit and loss related payments	1,488,516,638	1,492,358,339
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	8,750,263	91,000,406
7.	Commissions, expenses paid and aggregate write-ins for deductions	21,707,789	531,773,586
8.	Dividends paid to policyholders	1,506,950	3,056,325
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	(65,626,219)	(17,881,387)
10.	Total (Lines 5 through 9)	1,454,855,421	2,100,307,269
11.	Net cash from operations (Line 4 minus Line 10)	(157,102,135)	430,484,093
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	4,685,139,776	6,780,513,935
	12.2 Stocks	100,634,715	257,193,334
	12.3 Mortgage loans	151,396,545	436,418,755
	12.4 Real estate	0	6,138,290
	12.5 Other invested assets	43,361,776	534,241,373
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	314,599	725,850
	12.7 Miscellaneous proceeds	27,864,027	90,534,858
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,008,711,438	8,105,766,395
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	1,818,647,712	6,224,006,441
	13.2 Stocks	5,265,615	249,393,003
	13.3 Mortgage loans	11,297,600	320,779,314
	13.4 Real estate	0	0
	13.5 Other invested assets	656,546,534	459,484,495
	13.6 Miscellaneous applications	306,156,769	89,472,323
	13.7 Total investments acquired (Lines 13.1 to 13.6)	2,797,914,230	7,343,135,576
14.	Net increase (or decrease) in contract loans and premium notes	4,281,418	43,480,770
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	2,206,515,790	719,150,049
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	210,000,000	0
	16.3 Borrowed funds	161,624,112	(101,487,970)
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	(1,537,652,637)	(1,079,213,251)
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	(85,636,230)	615,353,944
17.	Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(1,251,664,755)	(565,347,277)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	797,748,900	584,286,865
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	1,038,360,927	454,074,062
	19.2 End of period (Line 18 plus Line 19.1)	1,836,109,827	1,038,360,927

Note: Supplemental disclosures of cash flow information for non-cash transactions:

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Industrial life	(2,927)	0	(1,666)
2.	Ordinary life insurance	372,276,511	459,074,458	910,167,549
3.	Ordinary individual annuities	33,435	37,733	52,148
4.	Credit life (group and individual)	0	0	0
5.	Group life insurance	373,169	535,203	939,278
6.	Group annuities	48,900,000	0	534,597,097
7.	A & H - group	0	(6,163)	787
8.	A & H - credit (group and individual)	0	0	0
9.	A & H - other	657,555	397,424	890,296
10.	Aggregate of all other lines of business	0	0	0
11.	Subtotal	422,237,743	460,038,655	1,446,645,489
12.	Deposit-type contracts	1,085,345,487	1,598,030,000	2,710,030,000
13.	Total	1,507,583,230	2,058,068,655	4,156,675,489
	DETAILS OF WRITE-INS			
1001.				
1002.				
1003.				
1098.	Summary of remaining write-ins for Line 10 from overflow page	0	0	0
1099.	Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)	0	0	0

Note 1 - Summary of Significant Accounting Policies

The financial statements of Security Life of Denver Insurance Company ("the Company") are presented on the basis of accounting practices prescribed or permitted by the Colorado Insurance Department.

The Colorado Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Colorado for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Colorado Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the State of Colorado. The Commissioner of the Colorado Department of Insurance has the right to permit other specific practices that deviate from prescribed practices.

The Company made no change to its accounting polices and practices as of June 30, 2009.

Note 2 - Accounting Changes and Corrections of Errors

No significant change

Note 3 - Business Combinations and Goodwill

None

Note 4 - Discontinued Operations

On December 31, 2004, the Company and Security Life of Denver International ("SLDI"), an affiliate reinsured its individual life reinsurance to Scottish Re (U.S.), Inc. and Scottish Re Life (Bermuda) Limited on a 100% coinsurance basis. On January 22, 2009, the Company and SLDI entered into a Master Asset Purchase Agreement (the "MPA") with Scottish Re Group Limited, Scottish Holdings, Inc., Scottish Re (U.S.), Inc. ("SRUS"), Scottish Re Life (Bermuda) Limited ("SRLB") and Scottish Re (Dublin) Limited (collectively, "Scottish Re") and Hannover Life Reassurance Company of America and Hannover Life Reassurance (Ireland) Limited (collectively, "Hannover Re"). Pursuant to the transactions contemplated by the MPA, which closed on February 20, 2009, the Company and SLDI recaptured all business then-reinsured to Scottish Re and immediately ceded such business to Hannover Re on an indemnity reinsurance basis. In addition, Hannover Re is required to reinsure any business that the Company and SLDI subsequently recapture from the Ballantyne Re reinsurance facility. The transaction has no impact to the Company's surplus and income statements.

ING America Insurance Holdings, Inc. ("ING AIH"), an affiliate will continue to remain obligated to maintain collateral for certain reserve requirements of the business transferred from SLDI for the duration of such reserve requirements or until the underlying reinsurance contracts are novated to Hannover Re or Hannover Re puts into place its own collateral for such reserve requirements.

Note 5 - Investments

Dutch State – Illiquid Assets Back-up Facility: On January 26, 2009, ING Groep, N.V. ("ING"), a global financial services company based in the Netherlands, announced it reached an agreement, for itself and on behalf of certain ING affiliates including the Company, with the Dutch State on an Illiquid Assets Back-up Facility (the "Back-up Facility") covering 80% of ING's Alt-A residential mortgage-backed securities ("Alt-A RMBS"). Under the terms of the Back-up Facility, a full credit risk transfer to the Dutch State was realized on 80% of ING's Alt-A RMBS owned by ING Bank, FSB and ING affiliates within ING Insurance Americas with a book value of $36.0 billion, including book value of approximately $683 million of the Alt-A RMBS portfolio owned by the Company (with respect to the Company's portfolio, the "Designated Securities Portfolio") (the "ING-Dutch State Transaction"). As a result of the risk transfer, the Dutch State will participate in 80% of any results of the ING Alt-A RMBS portfolio. The risk transfer to the Dutch State took place at a discount of 10% of par value. In addition, under the Back-up Facility, other fees were paid both by the Company and the Dutch State. Each ING company participating in the ING-Dutch State Transaction, including the Company, remains the legal owner of 100% of its Alt-A RMBS portfolio and will remain exposed to 20% of any results on the portfolio. The ING-Dutch State Transaction closed on March 31, 2009, with the affiliate participation conveyance and risk transfer to the Dutch State described in the succeeding paragraph taking effect as of January 26, 2009.

In order to implement that portion of the ING-Dutch State Transaction related to the Company's Designated Securities Portfolio, the Company entered into a participation agreement with its affiliates, ING Support Holding B.V. ("ING Support Holding") and ING pursuant to which the Company conveyed to ING Support Holding an 80% participation interest in its Designated Securities Portfolio and will pay a periodic transaction fee, and received, as consideration for the participation, an assignment by ING Support Holding of its right to receive payments from the Dutch State under the Illiquid Assets Back-Up Facility

related to the Company's Designated Securities Portfolio among, ING, ING Support Holding and the Dutch State (the "Company Back-Up Facility"). Under the Company Back-Up Facility, the Dutch State is obligated to pay certain periodic fees and make certain periodic payments with respect to the Company's Designated Securities Portfolio, and ING Support Holding is obligated to pay a periodic guarantee fee and make periodic payments to the Dutch State equal to the distributions it receives with respect to the 80% participation interest in the Company's Designated Securities Portfolio.

In a second transaction, known as the Step 1 Cash Transfer, a portion of the Company's Alt-A RMBS which had a book value of approximately $237 million was sold for cash to an affiliate, Lion II Custom Investments LLC ("Lion II"). Immediately thereafter, Lion II sold to ING Direct Bancorp the purchased securities (the "Step 2 Cash Transfer"). Contemporaneous with the Step 2 Cash Transfer, ING Direct Bancorp included such purchased securities as part of its Alt-A RMBS portfolio sale to the Dutch State. The Step 1 Cash Transfer closed on March 31, 2009 contemporaneous with the closing of the ING-Dutch Transaction.

Since the Company had the intent to sell as of December 31, 2008, a portion of its Alt-A RMBS through the 80% participation interest in its Designated Securities Portfolio or as part of the Step 1 Cash Transfer, the Company evaluated the securities for impairment under INT 06-07: Definition of Phrase "Other Than Temporary" and SSAP 43, Loan-backed and Structured Securities. Per SSAP 43, the book value of the other-than-temporary impaired security must be written down to the estimated undiscounted future cash flows. In applying SSAP 43, the Company considered the estimated undiscounted future cash flows for the impairment test to be the remaining undiscounted cash flows on the security over its expected life. Since the estimated undiscounted future cash flow from these securities exceeded the carrying value of the securities at December 31, 2008, no impairment was recorded. The Company recorded a realized loss of $63,532,370 related to these transactions during the first quarter of 2009.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change

Note 7 - Investment Income

No significant change

Note 8 - Derivative Instruments

No significant change

Note 9 - Income Taxes

No significant change

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

At June 30, 2009, the Company reported $26,784,668 as amounts due to affiliated companies and $1,861,734 as amounts due from affiliated companies under cost sharing arrangements, services and investment management agreements with affiliated companies. The terms of the agreements require that these balances be settled within specified due dates. The Company recorded a nonadmitted asset charge to surplus of $31,920 for amounts due from affiliated companies that were not settled within 90 days.

As of June 30, 2009, the Company had an outstanding receivable of $438,045,469, including principal plus interest, due from ING AIH and no outstanding payable due to ING AIH, under a reciprocal loan agreement between the Company and ING AIH.

On April 9, 2009, the Company sold a funding agreement in the amount of $600,000,000 to the Columbine Funding Trust ("CFT"), a special purpose Delaware business trust. CFT in turn issued a trust note to ING Bank, N.V., and an affiliate of the Company, which is backed by and otherwise matches the terms of the funding agreement. The Company is not a party to the trust note.

Note 11 - Debt

Beginning in 2009, the Company revised its securities lending program regarding collateral to allow receipt of unrestricted cash collateral in certain transferee/transferor agreements. Under these revised provisions of its securities lending program, the Company's policy continues to require a minimum of 102% of the fair value of the securities loaned to be maintained as collateral. The market value of all loaned securities is monitored on a daily basis with additional collateral obtained from or refunded to the transferee as the market value of the loaned securities fluctuates. At June 30, 2009 the fair value of the securities loaned by the Company, as transferor, under the revised provisions of the securities lending program was $840,135,083. In accordance with NAIC SSAP 91R and the Company's policy, cash

collateral received at June 30, 2009 was $871,520,434. Cash released back to the Company as unrestricted cash in the amount of $825,000,000 plus $1,006,521 of accrued interest due back to the transferee are recorded as Borrowed Money on the Company's balance sheet as of June 30, 2009.

The Company continues to participate in existing securities lending agreements whereby collateral is restricted and deposited by the borrower with a third party lending agent. There has been no significant change in the balances related to restricted collateral at June 30, 2009.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
No significant change

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
No significant change

Note 14 - Contingencies
No significant change

Note 15 - Leases
No significant change

Note 16 - Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk
No significant change

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
None

Note 18 - Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans
None

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
None

Note 20 - Other Items
Subprime Mortgage Exposure

Credit markets have recently become more turbulent amid concerns about subprime mortgages and collateralized debt obligations ("CDOs"). This in turn has resulted in a general widening of credit spreads, reduced price transparency, reduced liquidity, increased rating agency downgrades and increased volatility across all markets. ING manages its risk exposure to subprime mortgages and CDOs by attempting to identify over-credit enhanced transactions that can withstand stronger multiples of loss coverage than anticipated by the agencies, utilizing collateral and structural analysis to project deal performance. ING updates its views monthly for deviations (positive or negative) from expected performance and takes action as necessary and appropriate. For these reasons (initial security selection efforts and ongoing surveillance), ING believes its portfolios are well positioned to perform from an expected loss standpoint.

The Company did not have direct exposure through investments in subprime mortgage loans as of June 30, 2009.

The Company's direct exposure through other investments as of June 30, 2009:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	$ 132,910,121	$ 128,310,843	$ 81,390,231	$ 114,778
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	2,011,217,032	1,909,456,952	959,459,825	-
e. Equity investment in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	$ 2,144,127,153	$ 2,037,767,795	$ 1,040,850,056	$ 114,778

The Company did not have underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage as of June 30, 2009.

* The Company's subsidiary, Midwestern United Life Insurance Company, has direct exposure in subprime mortgages through other investments. These investments comprise 0.01% of the Company's invested assets.

* The Company's subsidiary, Whisperingwind III, LLC, has direct exposure in subprime mortgages through other investments. These investments comprise 0.13% of the Company's invested assets.

Note 21 - Events Subsequent

The Company is not aware of any events occurring subsequent to the close of business of the books of this statement that may have a material effect on the Company's financial statements.

Note 22 - Reinsurance

In addition to the MPA discussed in Note 4, the Company amended certain provisions of its reinsurance agreements with SLDI which did not impact the credit for reinsurance taken by the Company. The amendments allowed for $340,121,892 of reserves formerly ceded on a modco/coinsurance funds withheld basis to be ceded instead on a coinsurance basis.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2008 were $243,902,413. As of June 30, 2009, $129,616,589 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $88,472,257 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on disability, excess medical and managed care, group life, stop loss and workers compensation carve out lines of insurance. Therefore, there has been a ($25,813,567) favorable prior-year development since December 31, 2008. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced ($20,691,902) of favorable prior year loss development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

Note 25 - Intercompany Pooling Arrangements

None

Note 26 - Structured Settlements

None

Note 27 - Health Care Receivables

None

Note 28 - Participating Policies
No significant change

Note 29 - Premium Deficiency Reserves
None

Note 30 - Reserves for Life Contracts and Deposit-Type Contracts
No significant change

Note 31 - Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics
In June 2009 the Company made changes to the estimates for reserves related to certain long dated and floating rate deposit-type contracts that amounted to a reduction in reserves in the amount of $251,556,817.

Note 32 - Premiums and Annuity Considerations Deferred and Uncollected
No significant change

Note 33 - Separate Accounts
No significant change

Note 34 - Loss/Claim Adjustment Expenses
None

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [X] No [ ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [X] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

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

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/23/2009

6.4 By what department or departments?
Colorado

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Bancnorth Investment Group, Inc.	St. Cloud, MN	NO	NO	NO	NO	YES
Clarion Capital, LLC	New York, NY	NO	NO	NO	NO	YES
Directed Services LLC	West Chester, PA	NO	NO	NO	NO	YES
Financial Network Investment Corporation	El Segundo, CA	NO	NO	NO	NO	YES
Guaranty Brokerage Services, Inc.	St. Cloud, MN	NO	NO	NO	NO	YES
ING Alternative Asset Management LLC	New York, NY	NO	NO	NO	NO	YES
ING America Equities, Inc.	Denver, CO	NO	NO	NO	NO	YES
ING Bank, fsb	Wilmington, DE	NO	NO	YES	NO	NO
ING Clarion Partners, LLC	New York, NY	NO	NO	NO	NO	YES
ING Clarion Real Estate Securities, L.P.	Radnor, PA	NO	NO	NO	NO	YES
ING Direct Funds Limited	Toronto, Ontario	NO	NO	NO	NO	YES
ING DIRECT Securities, Inc.	Wilmington, DE	NO	NO	NO	NO	YES
ING Financial Advisers, LLC	Windsor, CT	NO	NO	NO	NO	YES
ING Financial Markets LLC	New York, NY	NO	NO	NO	NO	YES
ING Financial Partners, Inc.	Des Moines, IA	NO	NO	NO	NO	YES
ING Funds Distributor, LLC	Scottsdale, AZ	NO	NO	NO	NO	YES
ING Ghent Asset Management LLC	New York, NY	NO	NO	NO	NO	YES
ING Investment Management Advisors B.V.	The Hague	NO	NO	NO	NO	YES
ING Investment Management Asia/Pacific (Hong Kong) LTD.	Hong Kong, China	NO	NO	NO	NO	YES
ING Investment Management Co.	New York, NY	NO	NO	NO	NO	YES
ING Investment Management LLC	Atlanta, GA	NO	NO	NO	NO	YES
ING Investment Management Services LLC	New York, NY	NO	NO	NO	NO	YES
ING Investments, LLC	Scottsdale, AZ	NO	NO	NO	NO	YES
ING Life Insurance and Annuity Company	Windsor, CT	NO	NO	NO	NO	YES
ING National Trust	Minneapolis, MN	NO	YES	NO	NO	NO

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
ING Private Wealth Management LLC	New York, NY	NO	NO	NO	NO	YES
Multi-Financial Securities Corporation	Denver, CO	NO	NO	NO	NO	YES
PrimeVest Financial Services, Inc.	St. Cloud, MN	NO	NO	NO	NO	YES
ShareBuilder Securities Corporation	Bellevue, WA	NO	NO	NO	NO	YES
ShareBuilder Advisors, LLC	Bellevue, WA	NO	NO	NO	NO	YES
Systematized Benefits Administrators, Inc.	Windsor, CT	NO	NO	NO	NO	YES

GENERAL INTERROGATORIES

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

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

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

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

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

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [X] No [ ]

11.2 If yes, give full and complete information relating thereto:
Investments in other pledged collateral $329,896,164.

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 0

13. Amount of real estate and mortgages held in short-term investments: $ 0

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

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds	$ 12,406,143	$ 4,052,792
14.22	Preferred Stock	$ 0	$ 0
14.23	Common Stock	$ 97,328,518	$ 103,333,107
14.24	Short-Term Investments	$ 0	$ 438,037,570
14.25	Mortgage Loans on Real Estate	$ 0	$ 0
14.26	All Other	$ 280,780,904	$ 246,538,006
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 390,515,565	$ 791,961,475
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 438,037,570

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

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

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, E - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
Bank of New York Mellon	One Wall Street, New York, NY 10286

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

16.4 If yes, give full information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

17.2 If no, list exceptions:

2Q09 - 2

GENERAL INTERROGATORIES

PART 2 - LIFE & HEALTH

		1 Amount
1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	
	1.1 Long-Term Mortgages In Good Standing	
	1.11 Farm Mortgages	$ 0
	1.12 Residential Mortgages	$ 0
	1.13 Commercial Mortgages	$ 1,735,522,582
	1.14 Total Mortgages in Good Standing	$ 1,735,522,582
	1.2 Long-Term Mortgages In Good Standing with Restructured Terms	
	1.21 Total Mortgages in Good Standing with Restructured Terms	$ 0
	1.3 Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months	
	1.31 Farm Mortgages	$ 0
	1.32 Residential Mortgages	$ 0
	1.33 Commercial Mortgages	$ 0
	1.34 Total Mortgages with Interest Overdue more than Three Months	$ 0
	1.4 Long-Term Mortgage Loans in Process of Foreclosure	
	1.41 Farm Mortgages	$ 0
	1.42 Residential Mortgages	$ 0
	1.43 Commercial Mortgages	$ 0
	1.44 Total Mortgages in Process of Foreclosure	$ 0
1.5	Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	$ 1,735,522,582
1.6	Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
	1.61 Farm Mortgages	$ 0
	1.62 Residential Mortgages	$ 0
	1.63 Commercial Mortgages	$ 0
	1.64 Total Mortgages Foreclosed and Transferred to Real Estate	$ 0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
88340	59-2859797	01/01/2008	Hannover Life Reassurance Company of America	Orlando, FL	CO/I	YES
	AA-1780044	01/01/2008	Hannover Reassurance (Ireland), LTD	Ireland	MCO/I	NO

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

			1	Direct Business Only					
				Life Contracts		4	5	6	7
	States, Etc.		Active Status	2 Life Insurance Premiums	3 Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit-Type Contracts
1.	Alabama	AL	L	2,908,959	0	2,296	0	2,911,255	0
2.	Alaska	AK	L	479,720	0	0	0	479,720	0
3.	Arizona	AZ	L	8,928,513	353	286	0	8,929,152	0
4.	Arkansas	AR	L	5,289,568	7	205	0	5,289,780	0
5.	California	CA	L	46,325,630	(16,075)	652	0	46,310,208	0
6.	Colorado	CO	L	11,803,490	25,570	230	0	11,829,290	108,145,487
7.	Connecticut	CT	L	5,507,607	0	0	15,400,000	20,907,607	0
8.	Delaware	DE	L	1,087,883	0	108	2,500,000	3,587,991	640,000,000
9.	District of Columbia	DC	L	1,423,768	0	0	1,000,000	2,423,768	0
10.	Florida	FL	L	31,293,349	0	10,440	0	31,303,789	0
11.	Georgia	GA	L	9,727,141	120	112,672	0	9,839,933	0
12.	Hawaii	HI	L	2,777,909	0	353	0	2,778,262	0
13.	Idaho	ID	L	1,503,291	0	0	0	1,503,291	0
14.	Illinois	IL	L	19,349,368	1,278	530	20,000,000	39,351,176	0
15.	Indiana	IN	L	4,203,312	2	47	0	4,203,361	0
16.	Iowa	IA	L	6,053,829	0	95	0	6,053,924	0
17.	Kansas	KS	L	3,006,749	187	22	0	3,006,957	0
18.	Kentucky	KY	L	2,018,594	0	192	0	2,018,786	0
19.	Louisiana	LA	L	3,484,391	454	22	0	3,484,867	0
20.	Maine	ME	L	2,256,175	0	155	0	2,256,330	0
21.	Maryland	MD	L	5,579,077	300	265	0	5,579,642	0
22.	Massachusetts	MA	L	7,850,008	0	0	0	7,850,008	160,000,000
23.	Michigan	MI	L	9,434,235	0	1,169	0	9,435,404	0
24.	Minnesota	MN	L	9,171,176	0	66	0	9,171,242	2,200,000
25.	Mississippi	MS	L	3,026,175	0	4,967	0	3,031,142	0
26.	Missouri	MO	L	7,577,292	2	1,012	0	7,578,306	0
27.	Montana	MT	L	536,395	0	0	0	536,395	0
28.	Nebraska	NE	L	2,428,892	603	619	0	2,430,114	0
29.	Nevada	NV	L	5,886,643	0	442	0	5,887,085	0
30.	New Hampshire	NH	L	947,040	0	64	0	947,104	0
31.	New Jersey	NJ	L	6,161,413	0	0	0	6,161,413	175,000,000
32.	New Mexico	NM	L	1,121,155	0	0	0	1,121,155	0
33.	New York	NY	Q	8,952,121	1	302	0	8,952,424	0
34.	North Carolina	NC	L	10,535,372	1,200	182,601	0	10,719,173	0
35.	North Dakota	ND	L	1,399,303	0	0	0	1,399,303	0
36.	Ohio	OH	L	8,900,297	124	1,192	0	8,901,613	0
37.	Oklahoma	OK	L	4,394,967	0	26	0	4,394,993	0
38.	Oregon	OR	L	2,856,607	2	1,496	0	2,858,105	0
39.	Pennsylvania	PA	L	12,041,288	300	141	10,000,000	22,041,729	0
40.	Rhode Island	RI	L	1,025,331	0	0	0	1,025,331	0
41.	South Carolina	SC	L	5,179,634	4,030	10,993	0	5,194,657	0
42.	South Dakota	SD	L	494,134	0	0	0	494,134	0
43.	Tennessee	TN	L	4,095,909	0	11,022	0	4,106,931	0
44.	Texas	TX	L	31,343,022	12,699	302	0	31,356,023	0
45.	Utah	UT	L	2,955,060	0	0	0	2,955,060	0
46.	Vermont	VT	L	387,305	0	0	0	387,305	0
47.	Virginia	VA	L	8,367,931	2,688	312,240	0	8,682,860	0
48.	Washington	WA	L	4,105,586	(410)	0	0	4,105,176	0
49.	West Virginia	WV	L	575,061	0	566	0	575,627	0
50.	Wisconsin	WI	L	5,600,739	0	0	0	5,600,739	0
51.	Wyoming	WY	L	4,009,293	0	0	0	4,009,293	0
52.	American Samoa	AS	N	0	0	0	0	0	0
53.	Guam	GU	L	600	0	0	0	600	0
54.	Puerto Rico	PR	L	129,330	0	0	0	129,330	0
55.	U.S. Virgin Islands	VI	L	21,489	0	0	0	21,489	0
56.	Northern Mariana Islands	MP	N	0	0	0	0	0	0
57.	Canada	CN	N	96,972	0	0	0	96,972	0
58.	Aggregate Other Aliens	OT	XXX	27,886,202	0	912	0	27,887,114	0
59.	Subtotal		(a) 53	374,502,296	33,435	658,702	48,900,000	424,094,433	1,085,345,487
90.	Reporting entity contributions for employee benefits plans		XXX	0	0	0	0	0	0
91.	Dividends or refunds applied to purchase paid-up additions and annuities		XXX	1,385,015	0	0	0	1,385,015	0
92.	Dividends or refunds applied to shorten endowment or premium paying period		XXX	0	0	0	0	0	0
93.	Premium or annuity considerations waived under disability or other contract provisions		XXX	1,808,377	0	0	0	1,808,377	0
94.	Aggregate or other amounts not allocable by State		XXX	0	0	0	0	0	0
95.	Totals (Direct Business)		XXX	377,695,688	33,435	658,702	48,900,000	427,287,825	1,085,345,487
96.	Plus Reinsurance Assumed		XXX	499,926,020	3,313,952	442,596,604	0	945,836,576	0
97	Totals (All Business)		XXX	877,621,709	3,347,387	443,255,306	48,900,000	1,373,124,401	1,085,345,487
98.	Less Reinsurance Ceded		XXX	645,126,588	43,918	2,985,273	0	648,155,779	0
99.	Totals (All Business) less Reinsurance Ceded		XXX	232,495,120	3,303,469	440,270,032	48,900,000	724,968,622	1,085,345,487
	DETAILS OF WRITE-INS								
5801.	Other alien		XXX	27,886,202	0	912	0	27,887,114	0
5802.			XXX						
5803.			XXX						
5898.	Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)		XXX	27,886,202	0	912	0	27,887,114	0
9401.			XXX						
9402.			XXX						
9403.			XXX						
9498.	Summary of remaining write-ins for Line 94 from overflow page		XXX	0	0	0	0	0	0
9499.	Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)		XXX	0	0	0	0	0	0

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

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

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

		Response
1.	Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
3.	Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
4.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
5.	Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	NO
6.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	NO
7.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	YES

Explanation:

1.

2.

3.

4.

5.

6.

Bar Code:

1. Trusteed Surplus Statement [Document Identifier 490]

6 8 7 1 3 2 0 0 9 4 9 0 0 0 0 0 2

2. Medicare Part D Coverage Supplement [Document Identifier 365]

6 8 7 1 3 2 0 0 9 3 6 5 0 0 0 0 2

3. Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 445]

6 8 7 1 3 2 0 0 9 4 4 5 0 0 0 0 2

4. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 446]

6 8 7 1 3 2 0 0 9 4 4 6 0 0 0 0 2

5. Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI [Document Identifier 447]

6 8 7 1 3 2 0 0 9 4 4 7 0 0 0 0 2

6. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI [Document Identifier 448]

6 8 7 1 3 2 0 0 9 4 4 8 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 23

2304.	Margin call collateral	5,698,980	0	5,698,980	137,705,773
2305.	Other assets	1,567,048	1,567,048	0	0
2397.	Summary of remaining write-ins for Line 23 from overflow page	7,266,028	1,567,048	5,698,980	137,705,773

Additional Write-ins for Liabilities Line 25

2504.	Unclaimed property	4,887,177	4,902,064
2505.	Margin call collateral - interest	4,473,145	0
2506.	Futures	0	14,175,000
2597.	Summary of remaining write-ins for Line 25 from overflow page	9,360,322	19,077,064

SCHEDULE A - VERIFICATION

Real Estate

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	0	405,170
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition	0	0
	2.2 Additional investment made after acquisition	0	0
3.	Current year change in encumbrances	0	0
4.	Total gain (loss) on disposals	0	5,733,120
5.	Deduct amounts received on disposals	0	6,138,290
6.	Total foreign exchange change in book/adjusted carrying value	0	0
7.	Deduct current year's other than temporary impairment recognized	0	0
8.	Deduct current year's depreciation	0	0
9.	Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10.	Deduct total nonadmitted amounts	0	0
11.	Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

		1 Year to Date	2 Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year	1,878,012,044	1,994,383,895
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition	11,297,600	214,857,164
	2.2 Additional investment made after acquisition	0	105,922,150
3.	Capitalized deferred interest and other	0	0
4.	Accrual of discount	126,591	143,800
5.	Unrealized valuation increase (decrease)	0	0
6.	Total gain (loss) on disposals	0	0
7.	Deduct amounts received on disposals	151,396,545	436,418,755
8.	Deduct amortization of premium and mortgage interest points and commitment fees	517,108	876,210
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10.	Deduct current year's other than temporary impairment recognized	2,000,000	0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	1,735,522,582	1,878,012,044
12.	Total valuation allowance	0	0
13.	Subtotal (Line 11 plus Line 12)	1,735,522,582	1,878,012,044
14.	Deduct total nonadmitted amounts	0	0
15.	Statement value at end of current period (Line 13 minus Line 14)	1,735,522,582	1,878,012,044

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	347,629,296	518,396,163
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition	635,982,939	350,511,758
	2.2 Additional investment made after acquisition	20,563,595	108,972,737
3.	Capitalized deferred interest and other	0	0
4.	Accrual of discount	0	0
5.	Unrealized valuation increase (decrease)	(15,594,519)	(40,063,656)
6.	Total gain (loss) on disposals	(418,128)	(1,238,726)
7.	Deduct amounts received on disposals	43,361,776	534,241,373
8.	Deduct amortization of premium and depreciation	724,172	4,569,878
9.	Total foreign exchange change in book/adjusted carrying value	0	0
10.	Deduct current year's other than temporary impairment recognized	28,771,232	50,137,729
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	915,306,003	347,629,296
12.	Deduct total nonadmitted amounts	15,213,259	25,800,095
13.	Statement value at end of current period (Line 11 minus Line 12)	900,092,744	321,829,201

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	16,934,344,818	17,821,931,619
2.	Cost of bonds and stocks acquired	1,823,913,319	6,473,399,444
3.	Accrual of discount	(21,261,671)	(54,348,646)
4.	Unrealized valuation increase (decrease)	(111,155,630)	(8,331,290)
5.	Total gain (loss) on disposals	(108,787,762)	(82,784,776)
6.	Deduct consideration for bonds and stocks disposed of	4,785,774,445	7,037,707,269
7.	Deduct amortization of premium	17,713,398	41,329,874
8.	Total foreign exchange change in book/adjusted carrying value	0	0
9.	Deduct current year's other than temporary impairment recognized	22,611,831	136,484,390
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	13,690,953,400	16,934,344,818
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	13,690,953,400	16,934,344,818

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	10,122,596,559	15,304,453,389	15,091,700,395	(561,088,468)	10,122,596,559	9,774,261,085	0	12,628,865,906
2. Class 2 (a)	3,738,080,404	44,383,598	374,257,505	15,001,629	3,738,080,404	3,423,208,126	0	3,729,688,456
3. Class 3 (a)	943,996,060	5,448,474	109,309,314	73,013,450	943,996,060	913,148,670	0	856,126,248
4. Class 4 (a)	516,312,649	49,387,724	33,669,436	159,578,705	516,312,649	691,609,642	0	273,906,583
5. Class 5 (a)	246,776,674	196,400	11,200,685	173,992,008	246,776,674	409,764,397	0	51,736,668
6. Class 6 (a)	23,327,183	86,829	4,849,952	33,822,459	23,327,183	52,386,519	0	9,619,736
7. Total Bonds	15,591,089,529	15,403,956,414	15,624,987,287	(105,680,217)	15,591,089,529	15,264,378,439	0	17,549,943,597
PREFERRED STOCK								
8. Class 1	1,272,769	0	0	(1,272,768)	1,272,769	1	0	41,596,280
9. Class 2	23,075,239	0	0	2,152,800	23,075,239	25,228,039	0	43,356,333
10. Class 3	5,000,000	322,271	98	(5,158,591)	5,000,000	163,582	0	0
11. Class 4	1,862,200	0	5,000,000	3,239,808	1,862,200	102,008	0	126,420
12. Class 5	382,000	0	0	3,452,700	382,000	3,834,700	0	0
13. Class 6	9	0	0	(8)	9	1	0	8
14. Total Preferred Stock	31,592,217	322,271	5,000,098	2,413,941	31,592,217	29,328,331	0	85,079,041
15. Total Bonds and Preferred Stock	15,622,681,746	15,404,278,685	15,629,987,385	(103,266,276)	15,622,681,746	15,293,706,770	0	17,635,022,638

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $ 438,037,570 ; NAIC 2 $ 0 ; NAIC 3 $ 0 ;
NAIC 4 $ 0 ; NAIC 5 $ 0 ; NAIC 6 $ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
9199999 Totals	1,797,269,889	XXX	1,797,356,613	473,686	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	964,851,913	369,941,066
2.	Cost of short-term investments acquired	23,063,415,399	30,780,142,585
3.	Accrual of discount	137,292	17,073
4.	Unrealized valuation increase (decrease)	0	0
5.	Total gain (loss) on disposals	156,119	161,109
6.	Deduct consideration received on disposals	22,231,077,378	30,185,407,533
7.	Deduct amortization of premium	213,457	2,387
8.	Total foreign exchange change in book/adjusted carrying value	0	0
9.	Deduct current year's other than temporary impairment recognized	0	0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,797,269,888	964,851,913
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	1,797,269,888	964,851,913

SCHEDULE DB - PART F - SECTION 1

Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
					Derivative Instruments Open		Cash Instrument(s) Held				
1 Replication RSAT Number	2 Description	3 NAIC Designation or Other Description	4 Statement Value	5 Fair Value	6 Description	7 Fair Value	8 CUSIP	9 Description	10 Statement Value	11 Fair Value	12 NAIC Designation or Other Description
44980*AA0	MANAGED SYNTHETIC CDO	1	16,139,788	(551,409)	CDS SELL MSYNTHCDO	(13,856,064)	46628F-AF-8	JPMCC 2006-LDP7 A4	16,139,788	13,304,655	1
101137B@5	BOSTON SCIENTIFIC CORP	1	26,289,929	17,913,994	CDS SELL BOSTON SCI	(228,719)	57643M-LG-7	MASTR 2005-2 2A1	26,289,929	18,142,713	3
101137B@5	BOSTON SCIENTIFIC CORP	1	18,176,564	5,160,708	CDS SELL BOSTON SCI	(132,416)	12669G-2T-7	CWHL 2005-16 A1	18,176,564	5,293,125	3
87927YB*2	TELECOM ITALIA SPA	1	13,228,926	11,975,236	CDS SELL TEL IT SPA	(178,102)	74160M-BM-3	PRIME 2003-2 1A8	13,228,926	12,153,338	1
87927YB*2	TELECOM ITALIA SPA	1	12,409,720	11,099,131	CDS SELL TEL IT SPA	(118,735)	86359A-YJ-6	SASC 2003-16 A3	12,409,720	11,217,866	1
CDS000065	WASTE MANAGEMENT INC	1	5,000,000	4,664,627	CDS SELL WSTE MGMT	(27,223)	25537#-AB-1	DIVIDEND CAPITAL	5,000,000	4,691,850	2
00082#AH0	MORGAN STANLEY	1	10,119,550	9,869,759	CDS SELL MORG DEAN	(486,641)	N4282#-AA-0	KONINKLIJKE DSM N.V.	10,119,550	10,356,400	1
CDS000075	MORGAN STANLEY CDS REF	1	7,476,222	6,541,460	CDS SELL MORG DEAN	(341,628)	83701#-AB-0	SOUTH CAROLINA GENERAGING COM PRIV PLACE	7,476,222	6,883,088	2
CDS000075	MORGAN STANLEY CDS REF	1	5,000,000	4,747,444	CDS SELL MORG DEAN	(194,656)	Q7724#-AC-2	POWERCO LTD. PRIV PLACE	5,000,000	4,942,100	2
CDS000075	MORGAN STANLEY CDS REF	1	2,122,937	2,097,406	CDS SELL MORG DEAN	(97,328)	88088#-AA-4	TERNEUZEN STATUTORY TRUST 2003-A1	2,122,937	2,194,735	2
CDS000075	MORGAN STANLEY CDS REF	1	1,176,171	1,167,285	CDS SELL MORG DEAN	(48,664)	88088#-AC-0	TERNEUZEN STATUTORY TRUST 2003-B1	1,176,171	1,215,949	2
CDS000075	MORGAN STANLEY CDS REF	1	7,808,000	8,150,646	CDS SELL MORG DEAN	(293,082)	576395-AD-9	MARS INC.	7,808,000	8,443,727	1
61747#AJ5	MSCS CDO TRANCHE 5.30% - 6.30%	1	4,930,246	(2,529,018)	CDS SELL CDO5.3-6.3	(4,794,608)	50180J-AF-2	LBUBS 2007-C2 AM	4,930,246	2,265,590	1
61747#AJ5	MSCS CDO TRANCHE 5.30% - 6.30%	1	9,775,662	(5,055,177)	CDS SELL CDO5.3-6.3	(9,589,217)	92978Q-AH-0	WBCMT 2007-C30 AM	9,775,662	4,534,040	1
61747#AJ5	MSCS CDO TRANCHE 5.30% - 6.30%	1	7,820,529	(4,044,141)	CDS SELL CDO5.3-6.3	(7,671,373)	92978Q-AH-0	WBCMT 2007-C30 AM	7,820,529	3,627,232	1
26056@CE4	ING SELF MANAGED PORFOLIO 4.15% - 5.15%	1	1,676,556	(798,604)	CDS SELL ISM 2 4-5	(1,625,426)	50179A-AG-2	LBUBS 2007-C1 AM	1,676,556	826,822	1
9999999 - Totals			149,150,800	70,409,348	XXX	(39,683,881)	XXX	XXX	149,150,800	110,093,229	XXX

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-to-Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory	16	156,060,836	16	154,057,816	0	0	0	0	16	156,060,836
2. Add: Opened or Acquired Transactions	0	0	0	0	0	0	0	0	0	0
3. Add: Increases in Replicated Asset Statement Value	XXX	0	XXX	0	XXX	0	XXX	0	XXX	0
4. Less: Closed or Disposed of Transactions	0	0	0	0	0	0	0	0	0	0
5. Less: Positions Disposed of For Failing Effectiveness Criteria	0	0	0	0	0	0	0	0	0	0
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX	2,003,020	XXX	4,907,015	XXX	0	XXX	0	XXX	6,910,035
7. Ending Inventory	16	154,057,816	16	149,150,801	0	0	0	0	16	149,150,801

SCHEDULE E - VERIFICATION

Cash Equivalents

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	3,253,175	0
2.	Cost of cash equivalents acquired	0	3,247,811
3.	Accrual of discount	21,188	5,364
4.	Unrealized valuation increase (decrease)	0	0
5.	Total gain (loss) on disposals	0	0
6.	Deduct consideration received on disposals	3,274,363	0
7.	Deduct amortization of premium	0	0
8.	Total foreign exchange change in book/adjusted carrying value	0	0
9.	Deduct current year's other than temporary impairment recognized	0	0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	3,253,175
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	0	3,253,175