

QUARTERLY STATEMENT
OF THE
PENN INSURANCE AND ANNUITY
COMPANY

Of
Wilmington
in the state of DE

to the Insurance Department
of the State of

For the Period Ended
March 31, 2017

2017



QUARTERLY STATEMENT

As of March 31, 2017
of the Condition and Affairs of the

PENN INSURANCE AND ANNUITY COMPANY

NAIC Group Code.....850, 850 (Current Period) (Prior Period)	NAIC Company Code..... 93262	Employer's ID Number..... 23-2142731
Organized under the Laws of DE Incorporated/Organized..... July 3, 1980	State of Domicile or Port of Entry DE	Country of Domicile US
Statutory Home Office	Commenced Business..... April 9, 1981	
Main Administrative Office	1209 Orange Street..... Wilmington DE US 19801 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Mail Address	600 Dresher Road..... Horsham PA US 19044 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	215-956-8000 <i>(Area Code) (Telephone Number)</i>
Primary Location of Books and Records	Penn Insurance & Annuity Company..... Philadelphia PA US 19172 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Internet Web Site Address	600 Dresher Road..... Horsham PA US 19044 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	215-956-8000 <i>(Area Code) (Telephone Number)</i>
Statutory Statement Contact	www.pennmutual.com	
	Bethanne Doyle Adamsky <i>(Name)</i>	215-956-8120 <i>(Area Code) (Telephone Number) (Extension)</i>
	adamsky.bethanne@pennmutual.com <i>(E-Mail Address)</i>	215-956-8145 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. Eileen Claire McDonnell	Chairman & CEO	2. Susan Twine Deakins	Executive VP & Chief Financial Officer
3. Franklin Luther Best Jr.	Secretary & Counsel	4. David Michael O'Malley	President & Chief Operating Officer
Thomas Henry Harris	Executive VP, Distribution	Jay T Lewellen	VP & Chief Actuary
Bethanne Doyle Adamsky	Controller & Treasurer		

OTHER

DIRECTORS OR TRUSTEES

Eileen Claire McDonnell	David Michael O'Malley	Susan Twine Deakins	Gregory Joseph Driscoll
Thomas Henry Harris			

State of..... Pennsylvania
County of..... Montgomery

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.

(Signature)	(Signature)	(Signature)
Eileen Claire McDonnell	Susan Twine Deakins	Franklin Luther Best Jr.
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
Chairman & CEO	Executive VP & Chief Financial Officer	Secretary & Counsel
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 10th day of May, 2017

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 _____

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Marianne C. Bechtel, Notary Public
Horsham Twp., Montgomery County
My Commission Expires Dec. 26, 2017
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	2,771,123,921		2,771,123,921	2,600,530,973
2. Stocks:				
2.1 Preferred stocks.....	19,039,987		19,039,987	19,022,292
2.2 Common stocks.....	153,539,273	99,733,665	53,805,608	56,461,645
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....9,026,838), cash equivalents (\$.....0) and short-term investments (\$.....48,762,568).....	57,789,406		57,789,406	82,419,898
6. Contract loans (including \$.....0 premium notes).....	479,159,613		479,159,613	475,086,291
7. Derivatives.....	17,703,768		17,703,768	
8. Other invested assets.....	174,817,774	3,526,364	171,291,410	164,107,861
9. Receivables for securities.....	433,604		433,604	130,601
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	3,673,607,346	103,260,029	3,570,347,317	3,397,759,561
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	46,190,716		46,190,716	48,944,166
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	94,393,434		94,393,434	60,933,150
16.2 Funds held by or deposited with reinsured companies.....	724,177,896		724,177,896	707,301,978
16.3 Other amounts receivable under reinsurance contracts.....	41,469,910		41,469,910	41,535,341
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	87,346,879	35,770,644	51,576,235	48,792,469
19. Guaranty funds receivable or on deposit.....	97,471		97,471	97,471
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	1,073,142		1,073,142	4,058,543
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	5,617,630	0	5,617,630	8,038,953
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	4,673,974,424	139,030,673	4,534,943,751	4,317,461,632
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	55,773,157		55,773,157	54,357,078
28. Total (Lines 26 and 27).....	4,729,747,581	139,030,673	4,590,716,908	4,371,818,710

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. State Deposits.....	2,936,000		2,936,000	2,936,000
2502. Suspense Accounts.....	121,659		121,659	2,892,105
2503. Agent Receivables.....	2,559,971		2,559,971	2,210,848
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	5,617,630	0	5,617,630	8,038,953

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....2,751,573,936 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	2,751,573,936	2,597,633,144
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....		
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....	108,853,961	109,531,951
4. Contract claims:		
4.1 Life.....	7,155,724	11,054,063
4.2 Accident and health.....		
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid.....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....0 accident and health premiums.....	26,621,757	27,505,715
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$.....16,875,918 assumed and \$.....31,012,785 ceded.....	47,888,703	44,949,756
9.4 Interest Maintenance Reserve.....	8,331,760	9,013,056
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....		
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued.....		
13. Transfers to Separate Accounts due or accrued (net) (including \$.....(93) accrued for expense allowances recognized in reserves, net of reinsured allowances).....	93	90
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	(3,650)	666,426
15.1 Current federal and foreign income taxes, including \$.....614,360 on realized capital gains (losses).....	8,176,521	8,673,394
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....	13,583,394	15,659,423
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve.....	33,614,980	28,905,064
24.02 Reinsurance in unauthorized and certified (\$.....0) companies.....	560,013	873,317
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers.....		
24.04 Payable to parent, subsidiaries and affiliates.....	17,455,838	11,413,732
24.05 Drafts outstanding.....	4,640,622	2,494,500
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....	1,075,912,398	1,051,698,583
24.08 Derivatives.....		
24.09 Payable for securities.....	16,575,150	3,118,659
24.10 Payable for securities lending.....		
24.11 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	18,568,150	351,322
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	4,139,509,350	3,923,542,196
27. From Separate Accounts statement.....	55,773,157	54,357,078
28. Total liabilities (Lines 26 and 27).....	4,195,282,508	3,977,899,274
29. Common capital stock.....	2,500,000	2,500,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other-than-special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus.....	319,661,695	319,661,695
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	73,272,705	71,757,741
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	392,934,400	391,419,436
38. Totals of Lines 29, 30 and 37.....	395,434,400	393,919,436
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	4,590,716,908	4,371,818,710

DETAILS OF WRITE-INS

2501. Interest on Unpaid Death Claims.....	20,334	51,252
2502. Low Income Housing Tax Credits Payable.....	287,816	300,070
2503. Derivative Collateral Payable.....	18,260,000	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	18,568,150	351,322
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 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.....	163,761,555	93,920,033	427,335,171
2. Considerations for supplementary contracts with life contingencies.....	230,732		
3. Net investment income.....	44,411,890	39,297,305	163,364,817
4. Amortization of Interest Maintenance Reserve (IMR).....	(121,765)	(140,001)	(1,913,399)
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	1,390,815	1,447,122	5,784,721
7. Reserve adjustments on reinsurance ceded.....			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....	196,710	189,976	781,355
8.2 Charges and fees for deposit-type contracts.....			
8.3 Aggregate write-ins for miscellaneous income.....	51,832,916	8,304,068	72,279,620
9. Totals (Lines 1 to 8.3).....	261,702,853	143,018,503	667,632,286
10. Death benefits.....	13,864,805	15,729,303	45,890,225
11. Matured endowments (excluding guaranteed annual pure endowments).....			
12. Annuity benefits.....	3,018,921	3,175,375	11,745,011
13. Disability benefits and benefits under accident and health contracts.....	130,936	125,246	511,986
14. Coupons, guaranteed annual pure endowments and similar benefits.....			
15. Surrender benefits and withdrawals for life contracts.....	24,706,772	18,180,149	72,032,114
16. Group conversions.....			
17. Interest and adjustments on contract or deposit-type contract funds.....	667,196	466,827	2,121,936
18. Payments on supplementary contracts with life contingencies.....	66,247	54,843	216,435
19. Increase in aggregate reserves for life and accident and health contracts.....	154,191,965	60,108,915	348,963,949
20. Totals (Lines 10 to 19).....	196,646,842	97,840,658	481,481,656
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	9,801,494	2,884,333	21,824,314
22. Commissions and expense allowances on reinsurance assumed.....	15,194,441	20,215,680	75,295,056
23. General insurance expenses.....	25,153,056	5,218,806	37,061,016
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	1,911,115	1,200,708	6,089,769
25. Increase in loading on deferred and uncollected premiums.....			
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	(1,324,668)	(1,711,138)	(4,965,103)
27. Aggregate write-ins for deductions.....	13,648,099	12,484,302	51,834,817
28. Totals (Lines 20 to 27).....	261,030,379	138,133,349	668,621,525
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	672,474	4,885,154	(989,239)
30. Dividends to policyholders.....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	672,474	4,885,154	(989,239)
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	2,388,767	1,578,509	3,044,383
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).....	(1,716,293)	3,306,645	(4,033,622)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....645,225 (excluding taxes of \$.....(30,865) transferred to the IMR).....	1,115,952	(36,014)	(157,086)
35. Net income (Line 33 plus Line 34).....	(600,341)	3,270,631	(4,190,708)

CAPITAL AND SURPLUS ACCOUNT

36. Capital and surplus, December 31, prior year.....	393,919,436	363,062,750	363,062,750
37. Net income (Line 35).....	(600,341)	3,270,631	(4,190,708)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....1,204,750.....	10,158,916	1,472,434	12,929,106
39. Change in net unrealized foreign exchange capital gain (loss).....	35,241	130,214	(80,182)
40. Change in net deferred income tax.....	3,059,514	827,827	8,291,952
41. Change in nonadmitted assets.....	(6,741,753)	(618,167)	(8,408,437)
42. Change in liability for reinsurance in unauthorized and certified companies.....	313,304	547,898	(325,419)
43. Change in reserve on account of change in valuation basis, (increase) or decrease.....			
44. Change in asset valuation reserve.....	(4,709,917)	(888,448)	(7,359,626)
45. Change in treasury stock.....			
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....			
47. Other changes in surplus in Separate Accounts Statement.....			
48. Change in surplus notes.....			
49. Cumulative effect of changes in accounting principles.....			
50. Capital changes:			
50.1 Paid in.....			30,000,000
50.2 Transferred from surplus (Stock Dividend).....			
50.3 Transferred to surplus.....			
51. Surplus adjustment:			
51.1 Paid in.....			
51.2 Transferred to capital (Stock Dividend).....			
51.3 Transferred from capital.....			
51.4 Change in surplus as a result of reinsurance.....			
52. Dividends to stockholders.....			
53. Aggregate write-ins for gains and losses in surplus.....	0	0	0
54. Net change in capital and surplus (Lines 37 through 53).....	1,514,964	4,742,389	30,856,686
55. Capital and surplus as of statement date (Lines 36 + 54).....	395,434,400	367,805,139	393,919,436

DETAILS OF WRITE-INS

08.301. Reinsurance Recoverable on Index Credits.....	43,010,993		37,883,944
08.302. Misc Income.....		5	8
08.303. Net Investment Income Assumed On Funds Withheld.....	8,821,923	8,304,063	34,395,669
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	51,832,916	8,304,068	72,279,620
2701. Net Investment Income On Funds Withheld.....	13,222,920	12,100,706	50,231,597
2702. Interest on LLC Note.....	425,179	383,596	1,603,220
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	13,648,099	12,484,302	51,834,817
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	0	0

PENN INSURANCE AND ANNUITY COMPANY

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	162,796,145	194,424,140	429,363,877
2. Net investment income.....	52,320,585	44,240,423	171,319,860
3. Miscellaneous income.....	49,975,140	5,125,091	74,350,807
4. Total (Lines 1 through 3).....	265,091,870	243,789,654	675,034,545
5. Benefit and loss related payments.....	77,602,237	26,667,819	208,613,695
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	(1,324,671)	(1,711,108)	(5,083,542)
7. Commissions, expenses paid and aggregate write-ins for deductions.....	34,094,895	30,894,471	177,725,734
8. Dividends paid to policyholders.....	.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	3,500,000	(95,788)	(1,139,717)
10. Total (Lines 5 through 9).....	113,872,461	55,755,394	380,116,170
11. Net cash from operations (Line 4 minus Line 10).....	151,219,409	188,034,260	294,918,375
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	46,614,069	25,276,808	274,704,113
12.2 Stocks.....	17,270,410	254,636	46,976,050
12.3 Mortgage loans.....	.....	.....	.....
12.4 Real estate.....	.....	.....	.....
12.5 Other invested assets.....	2,026,472	1,659,476	7,466,754
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....	.....	9,239
12.7 Miscellaneous proceeds.....	13,456,491	3,018,403	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	79,367,442	30,209,323	329,156,156
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	223,071,149	189,624,802	650,470,635
13.2 Stocks.....	10,735,696	19,675,410	74,861,887
13.3 Mortgage loans.....	.....	.....	.....
13.4 Real estate.....	.....	.....	.....
13.5 Other invested assets.....	7,955,311	3,727,255	23,058,478
13.6 Miscellaneous applications.....	18,006,771	1,258,446	2,998,077
13.7 Total investments acquired (Lines 13.1 to 13.6).....	259,768,927	214,285,913	751,389,077
14. Net increase or (decrease) in contract loans and premium notes.....	4,051,640	5,661,798	20,900,045
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(184,453,125)	(189,738,388)	(443,132,966)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	.....	.....	30,000,000
16.3 Borrowed funds.....	.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	603,472	(72,465)	102,678,663
16.5 Dividends to stockholders.....	.....	.....	.....
16.6 Other cash provided (applied).....	7,999,752	(18,399,018)	66,174,628
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	8,603,224	(18,471,483)	198,853,291
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(24,630,492)	(20,175,611)	50,638,700
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	82,419,898	31,781,198	31,781,198
19.2 End of period (Line 18 plus Line 19.1).....	57,789,406	11,605,587	82,419,898
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001 Capitalized Interest.....	(438,029)	(513,244)	(1,926,675)
20.0002 Stock Distribution.....	.....	(325,126)	(4,595,225)
20.0003 Premium Paid by Benefit.....	(321,512)	(31,663)	(297,015)
20.0004 Premium Paid by Policy Loan.....	(21,682)	(21,640)	(43,408)
20.0005 Premium Paid by Waiver.....	(130,936)	(125,246)	(511,986)

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. Ordinary life insurance.....	85,990,336	58,479,808	269,054,768
3. Ordinary individual annuities.....	14,333,505	110,356	13,606,894
4. Credit life (group and individual).....			
5. Group life insurance.....	92,161	95,064	373,451
6. Group annuities.....		100,000,000	
7. A&H - group.....			
8. A&H - credit (group and individual).....			
9. A&H - other.....			
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	100,416,002	158,685,228	283,035,113
12. Deposit-type contracts.....			
13. Total.....	100,416,002	158,685,228	283,035,113

DETAILS OF WRITE-INS

1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page.....	0	0	0
1099. Total (Lines 1001 thru 1003 plus 1098) (Line 10 above).....	0	0	0

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The accompanying financial statements of The Penn Insurance and Annuity Company ("the Company") have been prepared in conformity with statutory accounting practices (SAP) prescribed or permitted by the Insurance Department of the State of Delaware. Insurance companies domiciled in Delaware are required to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' *Accounting Practices and Procedures* manual, subject to any deviations prescribed or permitted by the Delaware Insurance Commissioner.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Delaware is shown below:

	SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME					
(1) PENN INSURANCE AND ANNUITY COMPANY state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ (600,341)	\$ (4,190,708)
(2) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
(3) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (600,341)	\$ (4,190,708)
SURPLUS					
(5) PENN INSURANCE AND ANNUITY COMPANY state basis (Page 3, line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 395,434,400	\$ 393,919,436
(6) State Prescribed Practice that is an increase/(decrease) from NAIC SAP Nonadmit of PIA Reinsurance Company of Delaware I	97	2	2	(99,733,665)	(91,858,351)
(7) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 495,168,065	\$ 485,777,787

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Those estimates are inherently subject to change and actual results could differ from those estimates. Included among the material reported amounts and disclosures that require extensive use of estimates are:

- Carrying value of certain invested assets
- Liabilities for reserves and funds for the payment of insurance and annuity benefits
- Accounting for income taxes and valuation of deferred income tax assets and liabilities and unrecognized tax benefits
- Litigation and other contingencies

C. Accounting Policy

Premiums on products with life contingencies are recognized as revenue over the premium payment period of the related policies. Annuity premium on policies with life contingencies are recognized as revenue as they are received. Both premium and annuity considerations are recorded net of reinsurance premiums. Commissions and other costs related to issuance of new policies, and policy maintenance and settlement costs are charged to current operations when incurred. Surrender fee charges on certain life and annuity products are recorded as a reduction of benefits and expenses. Benefit payments are reported net of the amounts received from reinsurers.

In addition, the Company uses the following accounting policies:

(1) Short-term investments, which are carried at amortized cost and approximate fair value, consist primarily of money market funds and investments purchased with maturities of greater than three months and less than or equal to 12 months.

(2) Bonds with a NAIC designation of 1 to 5 are valued at amortized cost. All other bonds are valued at the lower of cost or market. Fair value is determined using an external pricing service or management's pricing model.

For fixed income securities that do not have a fixed schedule of payments, including asset-backed and mortgage-backed securities, the effect on amortization or accretion is revalued quarterly based on the current estimated cash flows, using the retrospective method, except for favorable changes in expected cash flows for structured securities where the possibility of non-interest loss is other than remote. In these cases, income is recognized on the prospective method over the remaining life of the securities. Under the retrospective method, the recalculated effective yield equates the present value of the actual and anticipated cash flows, including new prepayment assumptions, to the original cost of the investment. Prepayment assumptions are based on borrower constraints and economic incentives such as original term, age, and coupon of the loan as affected by the interest rate environment. The current carrying value is then increased or decreased to the amount that would have resulted had the revised yield been applied since inception, and investment income is correspondingly decreased or increased. Cash flow assumptions for structured securities are obtained from broker dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment.

NOTES TO FINANCIAL STATEMENTS

The carrying values of fixed income, preferred and common stocks are written down when a decline is considered to be other-than-temporary. The Company considers an impairment to be other than temporary ("OTTI") if: (a) the Company's intent is to sell, (b) the Company will more likely than not be required to sell, (c) the Company does not have the intent and ability to hold the security for a period of time sufficient to recover the amortized cost basis, or (d) the Company does not expect to recover the entire amortized cost basis. The Company conducts a periodic management review of all securities with a market to book ratio below 80%, or otherwise designated by management. The Company also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value, default rates, delinquency rates, percentage of nonperforming loans, prepayments, and severities. If the impairment is other-than-temporary, the non-interest loss portion of the impairment is recorded through realized losses and the interest related portion of the loss would be disclosed in the notes to the financial statements.

The non-interest portion is determined based on the Company's "best estimate" of future cash flows discounted to a present value using the appropriate yield. The difference between the present value of the best estimate of cash flows and the amortized cost is the non-interest loss. The remaining difference between the amortized cost and the fair value is the interest loss.

(3) Common Stock of the Company's insurance affiliate, PIA Reinsurance Company of Delaware I ("PIA Re I") is fully nonadmitted on the Statement of Admitted Assets, Liabilities, and Surplus. Dividends are recognized in net investment income on the ex-dividend date. Changes in the carrying value are recognized in unrealized gains or losses in surplus. The investment in capital stock of the Federal Home Loan Bank of Pittsburgh (FHLB-PGH) is carried at par, which approximates fair value.

(4) Preferred stocks with a NAIC designation of 1 to 3 are valued at amortized cost. All other preferred stocks are valued at the lower of cost or market. Fair value is determined using an external pricing service or management's pricing model

(5) The Company has no investments in mortgage loans.

(6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or market. For loan and asset-backed securities of high credit quality, the impact of changes in expected cash flows are recognized on the retrospective adjustment method. For structured securities where the possibility of credit loss is other than remote, the impact of favorable changes in expected cash flows are recognized on the prospective method over the remaining life of the securities.

(7) Investments in subsidiaries are accounted for using the equity method. The Company's investments in Independence Square Properties LLC ("ISP") and Dresher Run I, LLC ("Dresher Run"), to the extent of the audited equity, are admitted assets, while the Company's investment in PIA Re I is a nonadmitted asset.

Additionally, the Company owns 100% of PIA Re I.

(8) Alternative Assets consist of limited partnerships. The Company accounts for the value of its investments at their underlying GAAP equity. Dividends and income distributions from limited partnerships are recorded in investment income. Undistributed earnings are included in unrealized gains and losses and are reflected in surplus, net of deferred taxes. Distributions that are recorded as a return of capital reduce the carrying value of the limited partnership investment. Due to the timing of the valuation data received from the general partner, these investments are reported in accordance with the most recent valuations received which are primarily on a one quarter lag. Investments in low income housing tax credits ("LIHTC") are included in Other Invested Assets and are accounted for under the cost method. The delayed equity contributions for these investments are unconditional and legally binding and, therefore, have been recognized as a liability. LIHTC investments are reviewed for OTTI, which is accounted for as a realized loss.

(9) All derivatives are recognized at fair value. Derivatives with a positive fair value are reported in other invested assets. Derivatives with a negative fair value are reported in other liabilities. The accounting treatment of specific derivatives depends on whether management elects to follow hedge accounting. Derivatives used in hedging transactions that meet the criteria of a highly effective hedge are reported and valued in a manner that is consistent with the assets hedged.

(10) Not applicable

(11) Not applicable

(12) The Company has not modified its capitalization policy from the prior period.

(13) Not applicable

D. Going Concern

Not applicable

Note 2 – Accounting Changes and Corrections of Errors

No significant changes

Note 3 – Business Combinations and Goodwill

No significant change.

NOTES TO FINANCIAL STATEMENTS**Note 4 – Discontinued Operations**

The Company did not have any discontinued operations through March 31, 2017.

Note 5 – Investments**D. Loan-Backed Securities**

- (1) Prepayment assumptions are obtained from broker dealer survey values or internal estimates.
- (2) There were no other than temporary impairments recognized on loan-backed securities for the period ended March 31, 2017.
- (3) Recognized OTTI securities

There were no securities through March 31, 2017 in which the Company recognized the non-interest portion of other than temporary impairments.

- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	5,986,000
	2. 12 Months or Longer	\$	4,065,000
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	258,146,000
	2. 12 Months or Longer	\$	71,849,000

- (5) The Company also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value. If the impairment is other-than-temporary, the non-interest loss portion of the impairment is recorded through realized losses and the interest related portion of the loss would be disclosed in the notes to the financial statements.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any repurchase agreements as of March 31, 2017.

I. Working Capital Finance Investments

The Company did not have any Working Capital Finance Investments at March 31, 2017.

J. Offsetting and Netting of Assets and Liabilities

The Company did not have any assets or liabilities that are offset and reported net in accordance with a valid right to offset as of March 31, 2017.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

Note 7 – Investment Income

No significant changes

Note 8 – Derivative Instruments

Starting in 2017, the Company began purchasing equity options in the form of call spreads that qualify for hedge accounting. These have been designated as cash flow hedges of cash flows related to the annual return of the S&P 500 Index. These call spreads are used to hedge the increase in liability associated with indexed credits on IUL policies. As these are derivatives in a highly effective hedge, they are carried at cost in a manner consistent with the firm commitment being hedged. At termination, a realized gain amount, net of the cost basis, is recognized within benefits paid to policyholders and beneficiaries on the Statements of Operations, consistent with the change in liability associated with the account value. In the event that the hedge fails to qualify as being highly effective at any of the accounting measurement points, the hedge will be considered ineffective and the derivative will be marked to market and the associated change will be recognized as unrealized gain/(loss). At the time of exercise or expiration of the derivative, the associated realized gain or loss will flow through net investment gain/(loss) on the income statement.

Note 9 – Income Taxes

No significant changes

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant changes

NOTES TO FINANCIAL STATEMENTS**Note 11 – Debt****B. FHLB (Federal Home Loan Bank) Agreements**

- (1) In December 2015, the Company became a member of the Federal Home Loan Bank of Pittsburgh (“FHLB-PGH”), which provides access to collateralized advances, collateralized funding agreements, and other FHLB-PGH products. Collateralized advances from the FHLB-PGH are classified in “Borrowed money.” Collateralized funding agreements issued to the FHLB-PGH are classified as liabilities for deposit-type funds and are recorded within “Reserves and funds for payment of insurance and annuity benefits.” These funding agreements have priority claim status above debt holders of the Company.

The Company’s membership in FHLB-PGH requires the ownership of member stock, and borrowings from FHLB-PGH require the purchase of FHLB-PGH activity based stock in an amount equal to 4% of the outstanding borrowings. All FHLB-PGH stock purchased by the Company is classified as restricted general account investments within “Common stock - unaffiliated.” The Company’s borrowing capacity is determined by the lesser of the assets available to be pledged as collateral to FHLB-PGH or 10% of the Company’s prior period admitted general account assets. The fair value of the qualifying assets pledged as collateral by the Company must be maintained at certain specified levels of the borrowed amount, which can vary, depending on the nature of the assets pledged. The Company’s agreement allows for the substitution of assets and the advances are pre-payable. Current borrowings are subject to prepayment penalties.

(2) FHLB Capital Stock**a. Aggregate Totals****1. Current Period**

	1 Total 2 + 3	2 General Account	3 Separate Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B	322,700	322,700	
(c) Activity Stock	4,000,000	4,000,000	
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	\$ 4,322,700	\$ 4,322,700	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 391,994,000	XXX	XXX

2. Prior Year

	1 Total 2 + 3	2 General Account	3 Separate Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B	322,700	322,700	
(c) Activity Stock	4,000,000	4,000,000	
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	\$ 4,322,700	\$ 4,322,700	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 272,189,000	XXX	XXX

b. Membership Stock (Class A and B) Eligible for Redemption

Membership Stock	1 Current Period Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$	\$	\$	\$	\$	\$
2. Class B	\$ 322,700	\$	\$	\$	\$	\$ 322,700

(3) Collateral Pledged to FHLB**a. Amount Pledged as of Reporting Date**

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
Current Period Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$ 123,943,000	\$ 109,261,000	\$ 100,000,000
Current Period General Account Total Collateral Pledged	\$ 123,943,000	\$ 109,261,000	\$ 100,000,000
Current Period Separate Accounts Total Collateral Pledged	\$	\$	\$
Prior Year Total General and Separate Accounts Total Collateral Pledged	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

b. Maximum Amount Pledged During Reporting Period

	1	2	3
	Fair Value	Carrying Value	Amount of Borrowed at Time of Maximum Collateral
Current Period Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$ 123,943,000	\$ 109,261,000	\$ 100,000,000
Current Period General Account Total Collateral Pledged	\$ 123,943,000	\$ 109,261,000	\$ 100,000,000
Current Period Separate Accounts Total Collateral Pledged	\$	\$	\$
Prior Year Total General and Separate Accounts Total Collateral Pledged	\$ 123,523,000	\$ 102,975,000	\$ 100,000,000

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Period

	1	2	3	4
	Total 2 + 3	General Account	Separate Accounts	Funding Agreements Reserves Established
(a) Debt	\$	\$	\$	XXX
(b) Funding Agreements	100,000,000	100,000,000		\$ 1
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$ 100,000,000	\$ 100,000,000	\$	\$ 1

2. Prior Year

	1	2	3	4
	Total 2 + 3	General Account	Separate Accounts	Funding Agreements Reserves Established
(a) Debt	\$	\$	\$	XXX
(b) Funding Agreements	100,000,000	100,000,000		\$ 1
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$ 100,000,000	\$ 100,000,000	\$	\$ 1

b. Maximum Amount During Reporting Period (Current Period)

	1	2	3
	Total 2 + 3	General Account	Separate Accounts
1. Debt	\$	\$	\$ 3
2. Funding Agreements	100,000,000	100,000,000	
3. Other			
4. Aggregate Total (Lines 1+2+3)	\$ 100,000,000	\$ 100,000,000	\$

c. FHLB – Prepayment Obligations

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
1. Debt	
2. Funding Agreements	NO
3. Other	

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company does not have such plans.

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No significant changes

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company is not aware of any actions or allegations that should reasonably give rise to a material adverse impact to the Company's financial position or liquidity, the outcome of litigation cannot be foreseen with certainty.

Note 15 – Leases

The Company had no lease obligations as of March 31, 2017.

NOTES TO FINANCIAL STATEMENTS

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

No significant changes

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**B. Transfer and Servicing of Financial Assets**

There have been no transfer or servicing of financial assets through March 31, 2017.

C. Wash Sales

(1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.

(2) The Company did not sell any NAIC designation 3 or below, or unrated of securities during the period ended March 31, 2017 and reacquired within 30 days of the sale date.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans

Not applicable

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company does not have managing general agents or third party administrators that write premium.

Note 20 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on assumptions market participants would make in pricing an asset or liability. Inputs to valuation techniques to measure fair value are prioritized by establishing a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to prices derived from unobservable inputs. An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its fair value measurement. The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs. The following summarizes the types of assets and liabilities included within the three-level hierarchy.

Level 1 Fair value is based on unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. These generally provide the most reliable evidence and are used to measure fair value whenever available. Active markets are defined as having the following for the measured asset/liability: i) many transactions, ii) current prices, iii) price quotes not varying substantially among market makers, iv) narrow bid/ask spreads and v) most information publicly available. Prices are obtained from readily available sources for market transactions involving identical assets and liabilities.

Level 2 Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data. Prices for assets classified as Level 2 are primarily provided by an independent pricing service using observable inputs. In circumstances where prices from pricing services are reviewed for reasonability but cannot be corroborated to observable market data as noted above, these security values are recorded in Level 3 in our fair value hierarchy.

Level 3 Fair value is based on significant inputs that are unobservable for the asset or liability. These inputs reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability. These are typically less liquid fixed maturity securities with very limited trading activity. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models, market approach and other similar techniques. Prices may be based upon non-binding quotes from brokers or other market makers that are reviewed for reasonableness, based on the Company's understanding of the market but are not further corroborated with other additional observable market information.

The determination of fair value, which for certain assets and liabilities is dependent on the application of estimates and assumptions, can have a significant impact on the Company's results of operations. The following sections describe the valuation methodologies used to determine fair values as well as key estimates and assumptions surrounding certain assets and liabilities, measured at fair value on a recurring basis, that could have a significant impact on the Company's results of operations or involve the use of significant unobservable inputs.

The fair value process is monitored on a quarterly basis by financial and investment professionals who utilize additional subject matter experts as applicable. The purpose is to monitor the Company's asset valuation policies and procedures by ensuring objective and reliable valuation practices and pricing of financial instruments, as well as addressing fair valuation issues, changes to valuation methodologies and pricing sources. To assess the continuing appropriateness of third party pricing service security valuations, the Company regularly monitors the prices and reviews price variance reports. In addition, the Company performs an initial and ongoing review of the third party pricing services methodologies, reviews inputs and assumptions used for a sample of securities on a periodic basis. Pricing challenges are raised on valuations considered not reflective of market and are monitored by the Company.

NOTES TO FINANCIAL STATEMENTS**BONDS**

The fair values of the Company's debt securities are generally based on quoted market prices or prices obtained from independent pricing services. In order to validate reasonability, prices are reviewed by internal investment professionals through comparison with directly observed recent market trades or color or by comparison of significant inputs used by the pricing service to the Company's observations of those inputs in the market. Consistent with the fair value hierarchy described above, securities with quoted market prices or corroborated valuations from pricing services are generally reflected within Level 2. Inputs considered to be standard for valuations by the independent pricing service include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. In circumstances where prices from pricing services are reviewed for reasonability but cannot be corroborated to observable market data as noted above, these security values are recorded in Level 3 in the Company's fair value hierarchy.

In circumstances where market data such as quoted market prices or vendor pricing is not available, internal estimates based on significant observable inputs are used to determine fair value. This category also includes fixed income securities priced internally. Inputs considered include: public debt, industrial comparables, underlying assets, credit ratings, yield curves, type of deal structure, collateral performance, loan characteristics and various indices, as applicable. Also included in Level 2 are private placement securities. Inputs considered are: public corporate bond spreads, industry sectors, average life, internal ratings, security structure, liquidity spreads, credit spreads and yield curves, as applicable. If the discounted cash flow model incorporates significant unobservable inputs, these securities would be reflected within Level 3 in the Company's fair value hierarchy.

In circumstances where significant observable inputs are not available, estimated fair value is calculated internally by using unobservable inputs. These inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset, and are therefore included in Level 3 in the Company's fair value hierarchy. Circumstances where observable market data is not available may include events such as market illiquidity and credit events related to the security.

EQUITY SECURITIES

Equity securities consist principally of investments in common and preferred stock of publicly traded companies. The fair values of most publicly traded equity securities are based on quoted market prices in active markets for identical assets and are classified within Level 1 in the Company's fair value hierarchy.

CASH AND SHORT-TERM INVESTMENTS

Short-term investments carried at Level 1 consist of money market funds and investments purchased with maturities of greater than three months and less than or equal to 12 months. These are carried at amortized cost and approximate fair value.

SEPARATE ACCOUNT ASSETS

Separate account assets primarily consist of mutual funds. The fair value of mutual funds is based upon quoted prices in an active market, resulting in classification in Level 1.

A.

(1) Fair Value Measurements at Reporting Date

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Corporate Securities	\$	\$ 3,050,000	\$	\$ 3,050,000
Commercial Mortgage Backed Securities	\$	\$	\$ 579,000	\$ 579,000
Common Stock - Unaffiliated	\$ 49,483,000	\$	\$ 4,323,000	\$ 53,806,000
Separate Account Assets	\$ 55,773,000	\$	\$	\$ 55,773,000
Total	\$ 105,256,000	\$ 3,050,000	\$ 4,902,000	\$ 113,208,000
Liabilities at Fair Value				
	\$	\$	\$	\$
Total	\$	\$	\$	\$

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

The Company recognizes transfers into Level 3 as of the end of the period in which the circumstances leading to the transfer occurred. The Company recognizes transfers out of Level 3 at the beginning of a period in which the circumstances leading to the transfer occurred.

The Company recognizes transfers into Level 3 as of the end of the period in which the circumstances leading to the transfer occurred. The Company recognizes transfers out of Level 3 at the beginning of a period in which the circumstances leading to the transfer occurred.

There were no assets transferred in to Level 3 and 1 asset transferred out of Level 3 due to price change for the period ended March 31, 2017.

NOTES TO FINANCIAL STATEMENTS

The tables below include a rollforward of the Statements of Admitted Assets, Liabilities and Surplus amounts for the period ended March 31, 2017 (including the change in fair value), for financial instruments classified by the Company within Level 3 of the valuation hierarchy.

	Beginning Balance at current period	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at current period
a. Assets										
Commercial Mortgage Backed Securities	\$ 591,000	\$	\$	\$	\$ (12,000)	\$	\$	\$	\$	\$ 579,000
Redeemable Preferred Stock	\$ 2,382,000	\$	\$ (2,382,000)	\$	\$	\$	\$	\$	\$	\$
Common Stock - Unaffiliated	\$ 4,323,000	\$	\$	\$	\$	\$	\$	\$	\$	\$ 4,323,000
Total	\$ 7,296,000	\$	\$ (2,382,000)	\$	\$ (12,000)	\$	\$	\$	\$	\$ 4,902,000
b. Liabilities										
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

- (3) When a determination is made to classify a financial instrument within level 3, the determination is based upon the significance of the unobservable parameters to the overall fair value measurement. However, level 3 financial instruments typically include, in addition to the unobservable or level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology.
- (4) The following summarizes the fair value, valuation techniques and significant unobservable inputs of the Level 3 fair value measurements that were developed as of March 31, 2017:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Rate/ Range or /weighted avg.
Assets:				
Investments				
Commercial Mortgage Backed Securities	\$ 579,000	Matrix(1)	Not Available	N/A
Common stock, unaffiliated	4,323,000	Cost (2)	Not available	N/A
Total investments	\$ 4,902,000			

- (1) The Company utilizes comparable transactions in the market as well as other information available in Bloomberg and applies various spreads.
- (2) Fair value approximates carrying value. The par value of the FHLB capital stock is \$100 and is set by the FHLB. The capital stock is issued, redeemed and repurchased at par.

(5) Not applicable

B. Not applicable

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Financial Assets:	\$	\$	\$	\$	\$	\$
Bonds	\$ 2,914,607,000	\$ 2,771,124,000	\$ 144,000	\$ 2,870,993,000	\$ 43,470,000	\$
Redeemable Preferred Stock	\$ 19,374,000	\$ 19,040,000	\$ 12,571,000	\$ 4,329,000	\$ 2,474,000	\$
Common Stock - Unaffiliated	\$ 53,806,000	\$ 53,806,000	\$ 49,483,000	\$	\$ 4,323,000	\$
Cash and Short-Term Investments	\$ 57,789,000	\$ 57,789,000	\$ 57,789,000	\$	\$	\$
Derivatives	\$ 19,695,000	\$ 17,704,000	\$	\$ 19,695,000	\$	\$
Separate Account Assets	\$ 55,773,000	\$ 55,773,000	\$ 55,773,000	\$	\$	\$
Financial Liabilities	\$	\$	\$	\$	\$	\$
Investment-Type Contracts:	\$	\$	\$	\$	\$	\$
Individual Annuities	\$ 29,942,000	\$ 26,141,000	\$	\$	\$ 29,942,000	\$
Separate Account Liabilities	\$ 55,773,000	\$ 55,773,000	\$ 55,773,000	\$	\$	\$

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
	\$			

Note 21 – Other Items

No significant changes

Note 22 – Events Subsequent

The Company has evaluated events subsequent to March 31, 2017, and has determined that there were no significant events requiring recognition in the financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 23 – Reinsurance

No significant changes

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company does not have any retrospectively rated contracts.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

Not applicable

Note 26 – Intercompany Pooling Arrangements

The Company is not part of a group of affiliated insurers that utilizes a pooling arrangement.

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating policies

All policies and contracts issued by the Company are non-participating.

Note 30 – Premium Deficiency Reserves

The Company does not have accident and health or property and casualty contracts.

Note 31 – Reserves for Life Contracts and Deposit-Type Contracts

No significant changes

Note 32 – Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

No significant changes

Note 33 – Premium and Annuity Considerations Deferred and Uncollected

No significant changes

Note 34 – Separate Accounts

No significant changes

Note 35 – Loss/Claim Adjustment Expenses

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No []
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [] No [X] N/A []
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 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. 12/31/2015
- 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). 10/07/2016
- 6.4 By what department or departments?
Delaware Department of Insurance
- 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 [] No [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 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 with 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 the 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 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 FDIC	6 SEC
Honor, Townsend & Kent, Inc.	Horsham, PA	No	No	No	Yes
Janney Montgomery Scott, LLC	Philadelphia, PA	No	No	No	Yes
Penn Mutual Asset Management, LLC	Horsham, PA	No	No	No	Yes

- 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 915,014

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 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 No
- 14.2 If yes, please complete the following:

- 14.21 Bonds
- 14.22 Preferred Stock
- 14.23 Common Stock
- 14.24 Short-Term Investments
- 14.25 Mortgage Loans on Real Estate
- 14.26 All Other
- 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)
- 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
\$	0	\$ 0
	0	0
	91,858,351	99,733,665
	0	0
	0	0
	20,087,800	60,429,373
\$	111,946,151	\$ 160,163,038
\$	0	\$ 0

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

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0

17. 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes No

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

1 Name of Custodian(s)	2 Custodian Address
State Street Corporation	2 World Financial Center 225 Liberty Street 24th Floor New York, NY 10281

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes No
- 17.4 If yes, give full and complete information relating thereto:

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

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such ["...that have access to the investment accounts", "handle securities"].

1 Name of Firm or Individual	2 Affiliation
Penn Mutual Asset Management, LLC	A

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes No

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes No

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107518	Penn Mutual Asset Management, LLC		SEC	DS

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes No

- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - LIFE & HEALTH

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:

	Amount	
1.1 Long-term mortgages in good standing		
1.11 Farm mortgages.....	\$	
1.12 Residential mortgages.....	\$	
1.13 Commercial mortgages.....	\$	
1.14 Total mortgages in good standing.....	\$0	
1.2 Long-term mortgages in good standing with restructured terms		
1.21 Total mortgages in good standing with restructured terms.....	\$	
1.3 Long-term mortgage loans upon which interest is overdue more than three months		
1.31 Farm mortgages.....	\$	
1.32 Residential mortgages.....	\$	
1.33 Commercial mortgages.....	\$	
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.....	\$	
1.42 Residential mortgages.....	\$	
1.43 Commercial mortgages.....	\$	
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)	\$0	
1.6 Long-term mortgages foreclosed, properties transferred to real estate in current quarter		
1.61 Farm mortgages.....	\$	
1.62 Residential mortgages.....	\$	
1.63 Commercial mortgages.....	\$	
1.64 Total mortgages foreclosed and transferred to real estate.....	\$0	
2. Operating Percentages:		
2.1 A&H loss percent.....	.....
2.2 A&H cost containment percent.....	.....
2.3 A&H expense percent excluding cost containment expenses.....	.....
3.1 Do you act as a custodian for health savings accounts?.....	Yes []	No [X]
3.2 If yes, please provide the amount of custodial funds held as of the reporting date.....	\$	
3.3 Do you act as an administrator for health savings accounts?.....	Yes []	No [X]
3.4 If yes, please provide the balance of the funds administered as of the reporting date.....	\$	

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
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NONE

PENN INSURANCE AND ANNUITY COMPANY
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	Life Insurance Premiums	Annuity Considerations	A&H Insurance Premiums, Including Policy Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama.....AL.....L.....		344,810	75,574			420,384	
2. Alaska.....AK.....L.....		141,618				141,618	
3. Arizona.....AZ.....L.....		1,865,557	33,600			1,899,157	
4. Arkansas.....AR.....L.....		231,602	258,845			490,447	
5. California.....CA.....L.....		7,298,098	810,687			8,108,785	
6. Colorado.....CO.....L.....		542,533	76,328			618,861	
7. Connecticut.....CT.....L.....		2,183,390	327,681			2,511,071	
8. Delaware.....DE.....L.....		1,245,394	1,804,600			3,049,994	
9. District of Columbia.....DC.....L.....		115,049				115,049	
10. Florida.....FL.....L.....		5,529,547	2,369,672			7,899,219	
11. Georgia.....GA.....L.....		750,505				750,505	
12. Hawaii.....HI.....L.....		201,283				201,283	
13. Idaho.....ID.....L.....		106,669				106,669	
14. Illinois.....IL.....L.....		7,281,063	496,525			7,777,588	
15. Indiana.....IN.....L.....		563,974	59,817			623,791	
16. Iowa.....IA.....L.....		412,034				412,034	
17. Kansas.....KS.....L.....		1,017,463	895,911			1,913,374	
18. Kentucky.....KY.....L.....		1,172,958				1,172,958	
19. Louisiana.....LA.....L.....		554,379	298,719			853,098	
20. Maine.....ME.....L.....		82,808	123,237			206,045	
21. Maryland.....MD.....L.....		719,903				719,903	
22. Massachusetts.....MA.....L.....		986,169	471,840			1,458,009	
23. Michigan.....MI.....L.....		6,084,713	327,662			6,412,375	
24. Minnesota.....MN.....L.....		4,894,786				4,894,786	
25. Mississippi.....MS.....L.....		(6,069)				(6,069)	
26. Missouri.....MO.....L.....		857,098				857,098	
27. Montana.....MT.....L.....		145,678				145,678	
28. Nebraska.....NE.....L.....		108,847				108,847	
29. Nevada.....NV.....L.....		523,441	36,565			560,006	
30. New Hampshire.....NH.....N.....		26,026				26,026	
31. New Jersey.....NJ.....L.....		5,498,296	635,815			6,134,111	
32. New Mexico.....NM.....L.....		72,469				72,469	
33. New York.....NY.....N.....		1,809,097				1,809,097	
34. North Carolina.....NC.....L.....		1,453,686	413,388			1,867,074	
35. North Dakota.....ND.....L.....		47,901				47,901	
36. Ohio.....OH.....L.....		1,211,064	395,809			1,606,873	
37. Oklahoma.....OK.....L.....		545,076	66,852			611,928	
38. Oregon.....OR.....L.....		518,022				518,022	
39. Pennsylvania.....PA.....L.....		8,152,919	2,675,419			10,828,338	
40. Rhode Island.....RI.....L.....		98,322				98,322	
41. South Carolina.....SC.....L.....		263,116				263,116	
42. South Dakota.....SD.....L.....		6,090,705				6,090,705	
43. Tennessee.....TN.....L.....		229,117	552,809			781,926	
44. Texas.....TX.....L.....		5,899,738	100,906			6,000,644	
45. Utah.....UT.....L.....		2,792,666	772,896			3,565,562	
46. Vermont.....VT.....L.....		69,293				69,293	
47. Virginia.....VA.....L.....		1,100,397	25,000			1,125,397	
48. Washington.....WA.....L.....		1,543,260	80,000			1,623,260	
49. West Virginia.....WV.....L.....		15,647	147,346			162,993	
50. Wisconsin.....WI.....L.....		1,375,545				1,375,545	
51. Wyoming.....WY.....L.....		772,096				772,096	
52. American Samoa.....AS.....N.....						0	
53. Guam.....GU.....N.....						0	
54. Puerto Rico.....PR.....N.....						0	
55. US Virgin Islands.....VI.....N.....						0	
56. Northern Mariana Islands.....MP.....N.....						0	
57. Canada.....CAN.....N.....						0	
58. Aggregate Other Alien.....OT.....XXX.....		8,681	0	0	0	8,681	0
59. Subtotal.....(a) 49.....XXX.....		85,548,439	14,333,503	0	0	99,881,942	0
90. Reporting entity contributions for employee benefit plans.....XXX.....						0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....XXX.....						0	
92. Dividends or refunds applied to shorten endowment or premium paying period.....XXX.....						0	
93. Premium or annuity considerations waived under disability or other contract provisions.....XXX.....		130,936				130,936	
94. Aggregate other amounts not allocable by State.....XXX.....		534,063	0	0	0	534,063	0
95. Totals (Direct Business).....XXX.....		86,213,438	14,333,503	0	0	100,546,941	0
96. Plus Reinsurance Assumed.....XXX.....		80,897,055				80,897,055	
97. Totals (All Business).....XXX.....		167,110,493	14,333,503	0	0	181,443,996	0
98. Less Reinsurance Ceded.....XXX.....		17,551,501				17,551,501	
99. Totals (All Business) less Reinsurance Ceded.....XXX.....		149,558,992	14,333,503	0	0	163,892,495	0

DETAILS OF WRITE-INS

58001. Military APO/FPO.....XXX.....		8,681				8,681	
58002.....XXX.....						0	
58003.....XXX.....						0	
58998. Summary of remaining write-ins for line 58 from overflow page.....XXX.....		0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....XXX.....		8,681	0	0	0	8,681	0
9401. Internal Replacements.....XXX.....		534,063				534,063	
9402.....XXX.....						0	
9403.....XXX.....						0	
9498. Summary of remaining write-ins for line 94 from overflow page.....XXX.....		0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....XXX.....		534,063	0	0	0	534,063	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

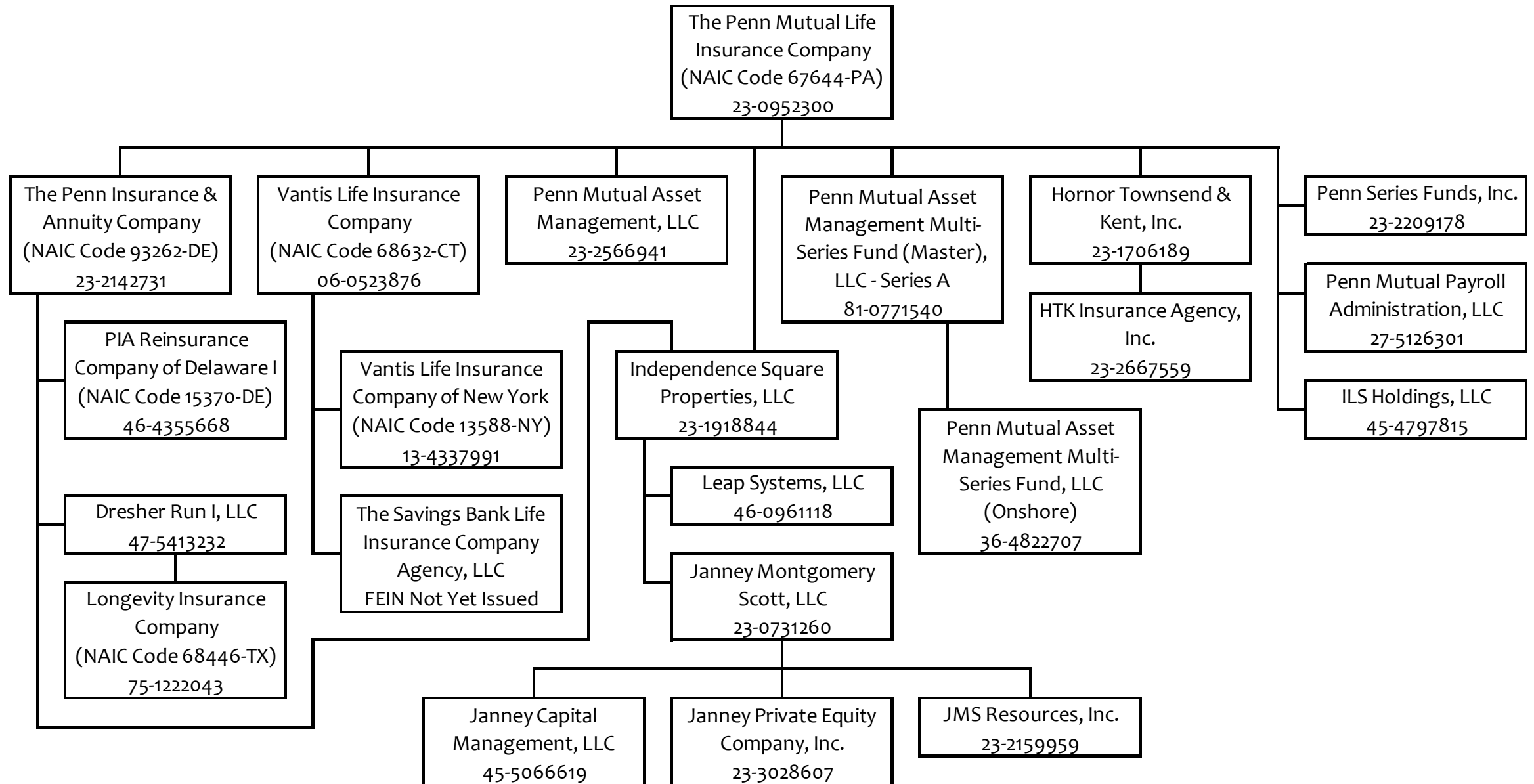
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(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

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PENN INSURANCE AND ANNUITY COMPANY

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
Members															
850..	The Penn Mutual Life Insurance Company	67644..	23-0952300..				The Penn Mutual Life Insurance Company.....	PA.....	UDP.....					N.....	
850..	The Penn Mutual Life Insurance Company	93262..	23-2142731..				The Penn Insurance and Annuity Company.....	DE.....	IA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	Y.....	
850..	The Penn Mutual Life Insurance Company	15370..	46-4355668..				PIA Reinsurance Company of Delaware I.....	DE.....	IA.....	The Penn Insurance and Annuity Company.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	Y.....	
850..	The Penn Mutual Life Insurance Company		23-1706189..		77131		Honor Townsend & Kent, Inc.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	Y.....	
850..	The Penn Mutual Life Insurance Company		23-2667559..				HTK Insurance Agency, Inc.....	DE.....	DS.....	Honor Townsend & Kent, Inc.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
850..	The Penn Mutual Life Insurance Company		23-1918844..				Independence Square Properties, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	95.780	The Penn Mutual Life Insurance Company.....	N.....	
850..	The Penn Mutual Life Insurance Company		23-2566941..				Penn Mutual Asset Management, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
850..	The Penn Mutual Life Insurance Company		23-2209178..				Penn Series Fund, Inc.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		27-5126301..				Penn Mutual Payroll Administration, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		45-4797815..				ILS Holdings, LLC.....	PA.....	NIA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		23-0731260..		200401		Janney Montgomery Scott, LLC.....	PA.....	DS.....	Independence Square Properties, LLC.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		46-0961118..				Leap Systems, LLC.....	PA.....	DS.....	Independence Square Properties, LLC.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		45-5066619..				Janney Capital Management, LLC.....	PA.....	DS.....	Janney Montgomery Scott, LLC.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		23-2159959..				JMS Resources, Inc.....	PA.....	DS.....	Janney Montgomery Scott, LLC.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		23-3028607..				Janney Private Equity Company, Inc.....	DE.....	DS.....	JMS Resources, Inc.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		47-5413232..				Dresher Run I, LLC.....	DE.....	NIA.....	The Penn Insurance and Annuity Company.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company	68446..	75-1222043..				Longevity Insurance Company.....	TX.....	IA.....	Dresher Run I, LLC.....	Ownership.....	100.000	The Penn Mutual Life Insurance Company.....	N.....	
0850	The Penn Mutual Life Insurance Company		81-0771540..				Penn Mutual Asset Management Multi-Series Fund (Master), LLC - Series A	PA.....	OTH.....	The Penn Mutual Life Insurance Company.....	Influence.....		The Penn Mutual Life Insurance Company.....	N.....	1.....
0850	The Penn Mutual Life Insurance Company		36-4822707..				Penn Mutual Asset Management Multi-Series Fund LLC (onshore)	PA.....	OTH.....	Penn Mutual Asset Management Multi-Series Fund (Master), LLC - Series A	Influence.....		The Penn Mutual Life Insurance Company.....	N.....	1.....

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SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
0850	The Penn Mutual Life Insurance Company	68632...	06-0523876..	.....	.....	.....	Vantis Life Insurance Company.....	CT.....	IA.....	The Penn Mutual Life Insurance Company.....	Ownership.....	....100.000	The Penn Mutual Life Insurance Company.....	.....Y.....	.....
0850	The Penn Mutual Life Insurance Company	13588...	13-4337991..	.....	.....	.....	Vantis Life Insurance Company of New York.....	NY.....	IA.....	Vantis Life Insurance Company.....	Ownership.....	....100.000	The Penn Mutual Life Insurance Company.....	.....N.....	.....
0850	The Penn Mutual Life Insurance Company	.....	.....	.....	.....	.....	The Savings Bank Life Insurance Company Agency, LLC	CT.....	DS.....	Vantis Life Insurance Company.....	Ownership.....	....100.000	The Penn Mutual Life Insurance Company.....	.....N.....	.....

Aster Explanation

1	Entity over which The Penn Mutual Life Insurance Company has significant influence, but no ownership.
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PENN INSURANCE AND ANNUITY COMPANY 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?	YES
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?	NO

Explanations:

1. The data for this supplement is not required to be filed.
2. The data for this supplement is not required to be filed.
3. The data for this supplement is not required to be filed.
4. The data for this supplement is not required to be filed.
5. The data for this supplement is not required to be filed.
- 6.
7. The data for this supplement is not required to be filed.

Bar Code:



NONE

**PENN INSURANCE AND ANNUITY COMPANY
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	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

NONE

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.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

NONE

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.....	167,634,110	161,787,407
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		5,310,611
2.2 Additional investment made after acquisition.....	7,955,311	17,747,867
3. Capitalized deferred interest and other.....		(272,176)
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	1,748,000	(3,207,772)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....	2,026,472	11,568,395
8. Deduct amortization of premium and depreciation.....	528,427	2,083,250
9. Total foreign exchange change in book/adjusted carrying value.....	35,241	(80,182)
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	174,817,763	167,634,110
12. Deduct total nonadmitted amounts.....	3,526,364	3,526,256
13. Statement value at end of current period (Line 11 minus Line 12).....	171,291,399	164,107,854

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.....	2,767,873,301	2,342,209,099
2. Cost of bonds and stocks acquired.....	234,244,874	731,854,423
3. Accrual of discount.....	980,336	11,450,311
4. Unrealized valuation increase (decrease).....	9,615,666	17,009,076
5. Total gain (loss) on disposals.....	918,699	11,026,935
6. Deduct consideration for bonds and stocks disposed of.....	63,884,479	322,065,955
7. Deduct amortization of premium.....	6,045,183	23,610,588
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	2,943,703,214	2,767,873,301
11. Deduct total nonadmitted amounts.....	99,733,665	91,858,351
12. Statement value at end of current period (Line 10 minus Line 11).....	2,843,969,549	2,676,014,950

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	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. NAIC 1 (a).....	1,744,941,630	129,630,344	39,620,335	(3,855,136)	1,831,096,503			1,744,941,630
2. NAIC 2 (a).....	731,914,188	96,763,459	10,537,876	532,700	818,672,471			731,914,188
3. NAIC 3 (a).....	87,948,013	3,189,750	5,864,065	(253,129)	85,020,569			87,948,013
4. NAIC 4 (a).....	34,047,448	3,020,625		(1,498,425)	35,569,648			34,047,448
5. NAIC 5 (a).....	6,003,202			579,352	6,582,554			6,003,202
6. NAIC 6 (a).....	4,430,781		391,170	(989,561)	3,050,050			4,430,781
7. Total Bonds.....	2,609,285,262	232,604,178	56,413,446	(5,484,199)	2,779,991,795	0	0	2,609,285,262
PREFERRED STOCK								
8. NAIC 1.....	2,515,000				2,515,000			2,515,000
9. NAIC 2.....	10,124,987				10,124,987			10,124,987
10. NAIC 3.....	4,000,000				4,000,000			4,000,000
11. NAIC 4.....	2,382,305			17,695	2,400,000			2,382,305
12. NAIC 5.....					0			
13. NAIC 6.....					0			
14. Total Preferred Stock.....	19,022,292	0	0	17,695	19,039,987	0	0	19,022,292
15. Total Bonds and Preferred Stock.....	2,628,307,554	232,604,178	56,413,446	(5,466,504)	2,799,031,782	0	0	2,628,307,554

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

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.....	48,762,568	XXX	48,749,668	17,150	

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.....	70,765,120	21,558,076
2. Cost of short-term investments acquired.....	297,832,793	745,887,427
3. Accrual of discount.....		12,900
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	8,543	9,239
6. Deduct consideration received on disposals.....	319,843,888	696,634,173
7. Deduct amortization of premium.....		68,349
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	48,762,568	70,765,120
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	48,762,568	70,765,120

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1. Book/adjusted carrying value, December 31, prior year (Line 9, prior year).....	_____
2. Cost paid/(consideration received) on additions.....	_____ 17,703,768
3. Unrealized valuation increase/(decrease).....	_____
4. Total gain (loss) on termination recognized.....	_____
5. Considerations received/(paid) on terminations.....	_____
6. Amortization.....	_____
7. Adjustment to the book/adjusted carrying value of hedge item.....	_____
8. Total foreign exchange change in book/adjusted carrying value.....	_____
9. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8).....	_____ 17,703,768
10. Deduct nonadmitted assets.....	_____
11. Statement value at end of current period (Line 9 minus Line 10).....	_____ 17,703,768

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

1. Book/adjusted carrying value, December 31, prior year (Line 6, prior year).....	_____
2. Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column).....	_____
3.1 Add:	
Change in variation margin on open contracts - Highly Effective Hedges:	
3.11 Section 1, Column 15, current year to date minus.....	_____
3.12 Section 1, Column 15, prior year.....	_____ 0
Change in variation margin on open contracts - All Other:	
3.13 Section 1, Column 18, current year to date minus.....	_____
3.14 Section 1, Column 18, prior year.....	_____ 0 0
3.2 Add:	
Change in adjustment to basis of hedged item:	
3.21 Section 1, Column 17, current year to date minus.....	_____
3.22 Section 1, Column 17, prior year.....	_____ NONE 0
Change in amount recognized:	
3.23 Section 1, Column 19, current year to date minus.....	_____
3.24 Section 1, Column 19, prior year.....	_____ 0 0
3.3 Subtotal (Line 3.1 minus Line 3.2).....	_____ 0
4.1 Cumulative variation margin on terminated contracts during the year.....	_____
4.2 Less:	
4.21 Amount used to adjust basis of hedged item.....	_____
4.22 Amount recognized.....	_____ 0
4.3 Subtotal (Line 4.1 minus Line 4.2).....	_____ 0
5. Dispositions gains (losses) on contracts terminated in prior year:	
5.1 Total gain (loss) recognized for terminations in prior year.....	_____
5.2 Total gain (loss) adjusted into the hedged item(s) for the terminations in prior year.....	_____
6. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2).....	_____ 0
7. Deduct nonadmitted assets.....	_____
8. Statement value at end of current period (Line 6 minus Line 7).....	_____ 0

Sch. DB - Pt. C - Sn. 1
NONE

Sch. DB - Pt. C - Sn. 2
NONE

PENN INSURANCE AND ANNUITY COMPANY
SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

Book/Adjusted Carrying Value Check

1. Part A, Section 1, Column 14.....	17,703,768	
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance.....		
3. Total (Line 1 plus Line 2).....		17,703,768
4. Part D, Section 1, Column 5.....	17,703,769	
5. Part D, Section 1, Column 6.....		
6. Total (Line 3 minus Line 4 minus Line 5).....		(1)

Fair Value Check

7. Part A, Section 1, Column 16.....	19,695,459	
8. Part B, Section 1, Column 13.....		
9. Total (Line 7 plus Line 8).....		19,695,459
10. Part D, Section 1, Column 8.....	19,695,459	
11. Part D, Section 1, Column 9.....		
12. Total (Line 9 minus Line 10 minus Line 11).....		0

Potential Exposure Check

13. Part A, Section 1, Column 21.....		
14. Part B, Section 1, Column 20.....		
15. Part D, Section 1, Column 11.....		
16. Total (Line 13 plus Line 14 minus Line 15).....		0

**Sch. E - Verification
NONE**

**Sch. A - Pt. 2
NONE**

**Sch. A - Pt. 3
NONE**

**Sch. B - Pt. 2
NONE**

**Sch. B - Pt. 3
NONE**

SCHEDULE BA - PART 2

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

1	2		Location		5	6	7	8	9	10	11	12	13
			3	4									
CUSIP Identification	Name or Description		City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made after Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated													
000000 00 0	Atlas Venture Fund X, L.P.		Cambridge	MA	Atlas Venture Partners		03/20/2015	1		467,076		1,997,470	1.200
000000 00 0	Battery Ventures XI Side Fund, L.P.		Waltham	MA	Battery Ventures		02/22/2016	1		140,000		2,395,750	1.167
000000 00 0	Bessemer Venture Partners IX Institutional L.P.		Larchmont	NY	Bessemer Venture Partners		02/28/2015	1		108,669		1,966,012	0.188
000000 00 0	Cross Creek Capital Partners III, L.P.		Salt Lake City	UT	Cross Creek Capital		08/29/2013			120,000		1,425,000	3.679
000000 00 0	Cross Creek Capital Partners IV, L.P.		Salt Lake City	UT	Cross Creek Capital		03/31/2016			70,000		1,260,000	1.400
000000 00 0	Frazier Life Sciences VIII, L.P.		Menlo Park	CA	Frazier Healthcare Partners		09/30/2015	1		483,000		2,110,500	1.333
000000 00 0	Lightspeed Venture Partners IX, L.P.		Menlo Park	CA	Lightspeed Ventures		03/12/2012	1		45,000		90,000	0.438
000000 00 0	Lightspeed Venture Partners Select II, L.P.		Menlo Park	CA	Lightspeed Ventures		03/10/2016	1		462,500		1,600,000	0.500
000000 00 0	Lightspeed Venture Partners X, L.P.		Menlo Park	CA	Lightspeed Ventures		07/07/2014	1		180,000		750,000	0.480
000000 00 0	Lightstone Ventures, L.P.		Boston	MA	Lightstone Ventures		10/22/2013	1		150,000		1,200,000	2.949
000000 00 0	Longitude Venture Partners II, L.P.		Menlo Park	CA	Longitude Capital Management Co., LLC		04/25/2013	1		228,805		789,856	1.039
000000 00 0	Longitude Venture Partners III, L.P.		Menlo Park	CA	Longitude Capital Management Co., LLC		03/31/2016	1		11,377		1,936,580	0.381
000000 00 0	Menlo Special Opportunities Fund, L.P.		Menlo Park	CA	Menlo Ventures		03/31/2016	1		83,160		1,454,708	1.000
000000 00 0	New Leaf Ventures III, L.P.		New York	NY	New Leaf Venture Partners		11/30/2014	1		270,000		3,060,000	1.600
000000 00 0	Omega Fund IV, L.P.		Boston	MA	Omega Fund Management		06/20/2013			19,949		412,339	1.089
000000 00 0	Omega Fund V, L.P.		Boston	MA	Omega Fund Management		04/30/2015			125,448		3,661,068	1.600
000000 00 0	Point 406 Ventures III, L.P.		Boston	MA	.406 Ventures		04/30/2015	1		28,000		3,448,000	2.286
000000 00 0	Shasta Ventures IV, L.P.		Menlo Park	CA	Shasta Ventures Management		10/10/2014	1		300,000		100,000	1.132
000000 00 0	Shasta Ventures V, L.P.		Menlo Park	CA	Shasta Ventures Management		06/27/2016	1		100,000		1,900,000	0.667
000000 00 0	Sigma Prime Partners IX, L.P.		Menlo Park	CA	Sigma Partners		05/29/2012	1		58,812		778,830	2.941
000000 00 0	Summit Partners Growth Equity Fund VIII-A, L.P.		Boston	MA	Summit Partners		06/14/2012	1		96,000		167,290	0.101
000000 00 0	Trinity Ventures XI, L.P.		Menlo Park	CA	Trinity Ventures		04/04/2013	1		195,000		847,500	0.914
000000 00 0	Trinity Ventures XII, L.P.		Menlo Park	CA	Trinity Ventures		10/31/2015	1		80,000		1,710,000	0.500
000000 00 0	Upfront Opportunity Fund I, L.P.		Los Angeles	CA	Upfront Ventures		03/31/2015	1		4,195		629,139	4.000
000000 00 0	Upfront V, L.P.		Los Angeles	CA	Upfront Ventures		11/30/2014	1		157,162		1,713,793	1.071
000000 00 0	US Venture Partners XI, L.P.		Menlo Park	CA	US Venture Partners		05/20/2015	1		275,000		3,500,000	1.818
000000 00 0	Warburg Pincus Private Equity XI, LP		New York	NY	Warburg, Pincus LLC		05/24/2012	1		45,000		318,000	0.028
000000 00 0	Warburg Pincus Private Equity XII, LP		New York	NY	Warburg, Pincus LLC		12/21/2015	1		297,500		3,805,000	0.039
1599999	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated								0	4,601,653	0	45,026,835	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated													
000000 00 0	ABRY Advanced Securities Fund II, L.P.		Boston	MA	ABRY Partners, LLC		05/04/2011	2		15,192		1,396,020	0.237
000000 00 0	ABRY Senior Equity V, L.P.		Boston	MA	ABRY Partners, LLC		12/01/2016	2		108,180		1,891,820	0.191
000000 00 0	Acon Equity Partners IV, L.P.		Washington	DC	Acon Investments		04/22/2016	3		50,000		4,461,022	0.865
000000 00 0	Ampersand 2014, L.P.		Boston	MA	Ampersand Venture Management		10/10/2014	3		390,000		1,890,000	0.300
000000 00 0	Avenue Europe Special Situations Fund III (U.S.), L.P.		New York	NY	Avenue Capital Group		06/05/2015	11		320,000		1,512,112	0.200
000000 00 0	Beacon Capital Strategic Partners VII, L.P.		Boston	MA	Beacon Capital Partners, LLC		10/20/2015			250,000		3,187,500	0.500
000000 00 0	Carlyle Strategic Partners IV, L.P.		Wilmington	DE	Carlyle Group, L.P.		03/31/2016	11		156,759		3,640,428	0.200
000000 00 0	EIF United States Power Fund IV, L.P.		Needham	MA	Energy Investors Funds		11/28/2011			711,069		(504,806)	0.234
000000 00 0	EnCap Energy Capital Fund VIII, L.P.		Houston	TX	EnCap Investments, L.P.		11/30/2010			35,003		305,841	0.083
000000 00 0	Fulcrum Capital Partners V, LP		Toronto	ON	Fulcrum Capital Partners		06/11/2015	3		14,795		1,700,935	1.000
000000 00 0	Gryphon Partners IV, L.P.		San Francisco	CA	Gryphon Investors		09/01/2016	3		446,897		1,943,042	0.559
000000 00 0	Highbridge Specialty Loan Fund III LP		New York	NY	Highbridge Principal Strategies		05/06/2013			29,824		299,000	0.899
000000 00 0	MHR Institutional Partners IV, L.P.		New York	NY	MHR Fund Management		06/27/2016	11		187,500		3,950,173	0.556
000000 00 0	NGP Natural Resources X, L.P.		Irving	TX	NGP Energy Capital Management		01/27/2012			16,048		242,562	0.084

QE03

SCHEDULE BA - PART 2

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

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made after Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		City	State									
000000 00 0	Resolution Recovery Partners, LP	New York	NY	Ranieri Real Estate Partners		02/03/2012	11		618,385		622,905	0.500
000000 00 0	Selene Residential Mortgage Opportunity Fund II L.P.	New York	NY	Ranieri Real Estate Partners		12/27/2010	11		4,006		1,813,023	0.630
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated								0	3,353,658	0	28,351,577	XXX
4499999. Subtotal - Unaffiliated								0	7,955,311	0	73,378,412	XXX
4699999. Totals								0	7,955,311	0	73,378,412	XXX

SCHEDULE BA - PART 3

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

QE03.1

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	9 Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		City	State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization) / Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	Atlas Venture Fund X, L.P.	Cambridge	MA	Return of Capital	03/20/2015	02/10/2017	572,887							572,887	572,887			0	
000000 00 0	Bessemer Venture Partners IX Institutional L.P.	Larchmont	NY	Return of Capital	02/28/2015	01/13/2017	4,070							4,070	4,070			0	
000000 00 0	Omega Fund V, L.P.	Boston	MA	Return of Capital	04/30/2015	03/17/2017	4,783							4,783	4,783			0	
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated								581,740	0	0	0	0	0	581,740	581,740	0	0	0	0
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	ABRY Advanced Securities Fund II, L.P.	Boston	MA	Return of Capital	05/04/2011	03/03/2017	365,432							365,432	365,432			0	
000000 00 0	Avenue Europe Special Situations Fund II (U.S.), L.P.	New York	NY	Return of Capital	10/04/2011	01/12/2017	125,950							125,950	125,950			0	
000000 00 0	BlueBay Direct Lending Fund I, LP	Guemsey	GBR	Return of Capital	06/25/2013	01/20/2017	182,543							182,543	182,543			0	
000000 00 0	Carlyle Strategic Partners IV, L.P.	Wilmington	DE	Return of Capital	03/31/2016	03/17/2017	3,173							3,173	3,173			0	
000000 00 0	EnCap Energy Capital Fund VIII, L.P.	Houston	TX	Return of Capital	11/30/2010	03/29/2017	87,512							87,512	87,512			0	
000000 00 0	Highbridge Specialty Loan Fund III LP	New York	NY	Return of Capital	05/06/2013	01/31/2017	25,820							25,820	25,820			0	
000000 00 0	MHR Institutional Partners IV, L.P.	New York	NY	Return of Capital	06/27/2016	03/30/2017	86,136							86,136	86,136			0	
000000 00 0	New Canaan Funding Mezzanine V, L.P.	New Canaan	CT	Return of Capital	08/05/2011	01/17/2017	31,974							31,974	31,974			0	
000000 00 0	Resolution Recovery Partners, LP	New York	NY	Return of Capital	02/03/2012	03/23/2017	510,808							510,808	510,808			0	
000000 00 0	Selene Residential Mortgage Opportunity Fund II L.P.	New York	NY	Return of Capital	12/27/2010	03/06/2017	25,384							25,384	25,384			0	
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated								1,444,732	0	0	0	0	0	1,444,732	1,444,732	0	0	0	0
4499999. Subtotal - Unaffiliated								2,026,472	0	0	0	0	0	2,026,472	2,026,472	0	0	0	0
4699999. Totals								2,026,472	0	0	0	0	0	2,026,472	2,026,472	0	0	0	0

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2		3	4	5	6	7	8	9	10
CUSIP Identification	Description		Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government										
38378B M6 3	GNR 2012-120 Z			03/01/2017	CAPITALIZED INTEREST		47,743	47,743		1
0599999	Total - Bonds - U.S. Government						47,743	47,743	0	XXX
Bonds - U.S. States, Territories and Possessions										
010831 BE 4	ALAMEDA JT PWRS-A-TXB			01/05/2017	RAYMOND JAMES		4,152,870	3,000,000	22,900	1FE
02765U CY 8	AMERN MUN PWR-B-BABS			02/07/2017	RAYMOND JAMES		3,116,625	2,500,000	78,373	1FE
249218 AK 4	DENVER SCHS-REF-B-TXB			01/27/2017	RAYMOND JAMES		8,032,380	6,000,000	53,797	1FE
79770G FX 9	SAN FRANCISCO CITY & CNTY CA			03/08/2017	US BANCORP/PIPER JAFFRAY		1,971,480	2,000,000		1FE
1799999	Total - Bonds - U.S. States, Territories & Possessions						17,273,355	13,500,000	155,070	XXX
Bonds - U.S. Special Revenue and Special Assessment										
3136A8 N5 5	FNR 2012-117 DZ			03/01/2017	CAPITALIZED INTEREST		68,319	68,319		1
3136A8 SM 3	FNR 2012-102 AZ			03/01/2017	CAPITALIZED INTEREST		62,865	62,865		1
3136A8 XR 6	FNR 2012-94 LZ			03/01/2017	CAPITALIZED INTEREST		259,103	259,103		1
358240 GG 8	FRESNO CA WTR SYS REV			03/07/2017	RBC/DAIN RAUSCHER		6,014,496	4,650,000	86,316	1FE
69848A AA 6	PANHANDLE TX ECON DEV CORP LEASE REVENUE			01/18/2017	RAYMOND JAMES		3,817,200	4,000,000	3,542	1FE
79770G GH 3	SAN FRANCISCO CITY & CNTY CA			03/10/2017	STIFEL, NICOLAUS & CO		1,962,320	2,000,000		1FE
93976A AH 5	WA ST CONVENTION-BABS			03/28/2017	RAYMOND JAMES		1,279,040	1,000,000	16,975	1FE
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments						13,463,343	12,040,287	106,833	XXX
Bonds - Industrial and Miscellaneous										
03027X AJ 9	AMERICAN TOWER			01/03/2017	SUN TRUST		5,342,204	5,205,000	89,700	2FE
048677 AH 1	ATLANTIC MARINE CORP			01/12/2017	CREWS & ASSOCIATES		6,213,649	6,454,667	148,633	1FE
05525H AA 5	BAMLL 2014-FRR5 A502			01/13/2017	BANK OF AMERICA		14,484,540	14,744,293	13,672	2FE
05525H AQ 0	BAMLL 2014-FRR5 B714			01/13/2017	PERFORMANCE TRUST		7,657,422	10,000,000		1F
05567S AA 0	BNSF FUNDING			01/12/2017	SALOMON/CITIGROUP		1,719,375	1,500,000	827	1FE
060505 EU 4	BANK OF AMERICA			01/11/2017	SALOMON/CITIGROUP		3,189,750	3,000,000	66,675	3FE
06051G GF 0	BAC 3.824 01/20/28			01/17/2017	BANK OF AMERICA		5,000,000	5,000,000		2FE
161175 BD 5	CHARTER COMM OPT LLC			03/30/2017	SALOMON/CITIGROUP		1,999,360	2,000,000		2FE
219350 AR 6	CORNING INC			01/26/2017	STIFEL, NICOLAUS & CO		2,375,000	2,000,000	66,861	2FE
22282E AG 7	COVANTA HOLDING CORP			03/02/2017	JP MORGAN CHASE		2,020,625	2,000,000		4FE
224044 CF 2	COX COMMUNICATIONS			01/11/2017	MIZUHO SECURITIES USA		1,890,480	2,000,000	44,267	2FE
25470D AD 1	DISCOVERY COMMUNICATIONS			02/28/2017	STIFEL, NICOLAUS & CO		3,790,732	3,533,000	57,333	2FE
260003 AF 5	DOVER CORP			01/11/2017	FTN FINANCIAL		544,032	466,000	6,401	1FE
29273R BL 2	ETP 5.3 04/15/47			01/11/2017	BANK OF AMERICA		4,974,150	5,000,000		2FE
30251B AD 0	FMR LLC			03/29/2017	OPPENHEIMER INC		1,630,125	1,500,000	12,788	1FE
3137AS NL 4	FHMS K019 X3			02/02/2017	CREDIT SUISSE/FIRST BOSTON		3,375,755		12,519	1
3137B5 JP 9	FHMS K034 X3			03/24/2017	BANK OF AMERICA		5,628,203		81,855	1
3137B7 N3 9	FHMS K036 X3			02/02/2017	CREDIT SUISSE/FIRST BOSTON		2,751,185		8,172	1
3137BE VK 7	FHMS K040 X3			02/02/2017	CREDIT SUISSE/FIRST BOSTON		2,376,438		6,380	1
3137BP W4 7	FHMS K055 X3			01/25/2017	BANK OF AMERICA		2,103,063		24,339	1
3137BT U5 8	FHMS K724 X3			01/19/2017	JP MORGAN CHASE		1,841,083		22,209	1
37045X BT 2	GENERAL MOTORS FINL CO			01/11/2017	DEUTSCHE BANK		1,997,100	2,000,000		2FE
44106M AW 2	HOSPITALITY PROP TRUST			01/10/2017	VARIOUS		4,985,720	5,000,000		2FE
444859 BE 1	HUM 4.95 10/01/44			03/01/2017	STIFEL, NICOLAUS & CO		5,268,400	5,000,000	106,563	2FE
444859 BG 6	HUMANA INC			03/13/2017	JP MORGAN CHASE		1,998,100	2,000,000		2FE
45138L AN 3	IDAHO POWER CO			02/21/2017	KEYBANC		1,333,944	1,155,000	25,234	1FE
456866 AM 4	INGERSOLL-RAND			01/18/2017	RAYMOND JAMES		3,603,720	3,000,000	36,510	2FE
46645U AV 9	JPMCC 2016-JP4 XA			02/01/2017	JP MORGAN CHASE		3,014,159		6,786	1FE

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SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2		3	4	5	6	7	8	9	10
CUSIP Identification	Description		Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
485134 BH 2	KANSAS CITY POWER & LIGHT			02/09/2017	KEYBANC		2,434,720	2,000,000	29,914	2FE
571748 BC 5	MARSH & MCLENNAN			01/09/2017	BANK OF AMERICA		1,987,320	2,000,000		1FE
571903 AX 1	MARRIOTT INTERNATIONAL			01/10/2017	MORGAN STANLEY		2,614,289	2,598,000	33,125	2FE
59151K AJ 7	METHANEX CORP		A	02/28/2017	STIFEL, NICOLAUS & CO		2,013,259	2,060,000	29,744	2FE
59802V AA 5	MIDO 2014-3A E			01/18/2017	KGS ALPHA		3,730,000	4,000,000		1F
651229 AY 2	NEWELL BRANDS INC			02/01/2017	STIFEL, NICOLAUS & CO		3,410,070	3,000,000	57,292	2FE
655664 AR 1	NORDSTROM INC			03/06/2017	BANK OF AMERICA		4,777,850	5,000,000	37,500	2FE
665772 CA 5	NORTHERN ST PR-M			03/31/2017	CANTOR FITZGERALD		2,728,162	2,350,000	27,417	1FE
66988A AE 4	NOVANT 4.371 11/01/43			02/15/2017	RAYMOND JAMES		5,002,850	5,000,000	66,779	1FE
701094 AL 8	PARKER HANNIFIN CORP			02/21/2017	MORGAN STANLEY		1,991,760	2,000,000		2FE
707569 AS 8	PENN NATIONAL GAMING			01/12/2017	JP MORGAN CHASE		1,000,000	1,000,000		4FE
756109 AT 1	REALTY INCOME			03/08/2017	SALOMON/CITIGROUP		2,999,040	3,000,000		2FE
78443C AP 9	SLMA 2003-B A4			03/29/2017	JP MORGAN CHASE		9,987,500	10,000,000	16,600	1FE
785592 AT 3	SABINE PASS LIQUEFACTION			02/28/2017	BANK OF AMERICA		2,997,090	3,000,000		2FE
863667 AJ 0	STRYKER CORP			02/28/2017	STIFEL, NICOLAUS & CO		5,257,100	5,000,000	107,917	1FE
87938W AU 7	TELEFO 5.213 03/08/47			03/01/2017	SALOMON/CITIGROUP		2,000,000	2,000,000		2FE
887317 AS 4	TWX 5.35 12/15/43			02/15/2017	GOLDMAN SACHS & CO		3,106,920	3,000,000	29,425	2FE
89172Y AC 4	TPMT 2016-3 M1			01/25/2017	WELLS FARGO/WACHOVIA		7,331,250	7,500,000	21,146	1FE
89172Y AD 2	TPMT 2016-3 M2			01/25/2017	WELLS FARGO/WACHOVIA		4,893,750	5,000,000	16,111	2FE
902494 AZ 6	TYSON FOODS INC			01/13/2017	JEFFERIES & CO		2,817,455	2,719,000	56,702	2FE
91324P CZ 3	UNH 4 1/4 04/15/47			03/08/2017	JP MORGAN CHASE		2,495,250	2,500,000		1FE
94988X AX 4	WFCM 2014-LC16 XA			01/13/2017	MIZUHO SECURITIES USA		2,513,038		28,234	1FE
98310W AN 8	WYNDHAM WORLDWIDE CORP			03/16/2017	JP MORGAN CHASE		997,750	1,000,000		2FE
29082H AB 8	EMBRAER NETHERLANDS FINANCE		D	01/25/2017	JP MORGAN CHASE		2,000,000	2,000,000		2FE
389669 AD 4	GCLO 2006-1A B		D	01/03/2017	VARIOUS		4,800,000	5,000,000	14,538	1FE
83609F AA 5	SNDPT 2015-1A E		D	01/18/2017	KGS ALPHA		3,730,000	4,000,000	4,215	1F
3899999	Total - Bonds - Industrial and Miscellaneous						192,724,737	169,284,960	1,414,383	XXX
8399997	Total - Bonds - Part 3						223,509,178	194,872,990	1,676,286	XXX
8399999	Total - Bonds						223,509,178	194,872,990	1,676,286	XXX
Common Stocks - Industrial and Miscellaneous										
00123Q 10 4	AMERICAN CAPITAL AGENCY			01/26/2017	WELLS FARGO	131,000.000	2,504,385	XXX		L
035710 40 9	ANNALY CAPITAL MANAGEMENT INC			01/26/2017	WELLS FARGO	346,000.000	3,557,114	XXX		L
09257A 10 8	BLACKROCK RESOURCES & CO			01/27/2017	WELLS FARGO	90,000.000	800,144	XXX		L
617477 10 4	MORGAN STANLEY EMERGING MARK			01/27/2017	WELLS FARGO	120,000.000	885,388	XXX		L
64828T 20 1	NEW RESIDENTAL INVESTMENT			01/31/2017	WELLS FARGO	192,000.000	2,988,665	XXX		L
9099999	Total - Common Stocks - Industrial and Miscellaneous						10,735,696	XXX	0	XXX
9799997	Total - Common Stocks - Part 3						10,735,696	XXX	0	XXX
9799999	Total - Common Stocks						10,735,696	XXX	0	XXX
9899999	Total - Preferred and Common Stocks						10,735,696	XXX	0	XXX
9999999	Total - Bonds, Preferred and Common Stocks						234,244,874	XXX	1,676,286	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
30250W	AB 9		03/31/2017	MBS PAYDOWN		83,827	83,827	83,920	83,920				0		83,920		(93)	(93)	435	07/29/2047	1
36296Q	RJ 0		03/01/2017	MBS PAYDOWN		36,642	36,642	34,908	36,612		31		31		36,642			0	252	04/15/2039	1
38375U	SC 5		03/31/2017	INTEREST ONLY PAYMENT				134,933	118,217		(118,217)		(118,217)					0	2,923	11/20/2064	1
38378N	XK 4		03/31/2017	INTEREST ONLY PAYMENT				93,499	42,991		(42,991)		(42,991)					0	2,903	06/16/2048	1
38378X	PE 5		03/31/2017	INTEREST ONLY PAYMENT				9,685	7,535		(7,535)		(7,535)					0	173	01/16/2056	1
805649	AA 8		01/29/2017	SINKING FUND REDEMPTION		272,375	272,375	272,375	272,375				0		272,375			0	1,889	10/29/2021	1
0599999	Total - Bonds - U.S. Government					392,844	392,844	629,320	561,650	0	(168,712)	0	(168,712)	0	392,937	0	(93)	(93)	8,575	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
3128PK	WJ 9		03/01/2017	MBS PAYDOWN		21,871	21,871	21,242	21,858		13		13		21,871			0	143	05/01/2023	1
3128PL	AW 2		03/01/2017	MBS PAYDOWN		21,402	21,402	21,250	21,397		5		5		21,402			0	178	06/01/2023	1
3133EG	Y9 0		03/22/2017	CALL at 100.000		3,000,000	3,000,000	3,000,000	3,000,000				0		3,000,000			0	30,000	12/22/2031	1FE
31412B	DS 8		03/01/2017	MBS PAYDOWN		459	459	456	459				0		459			0	5	10/01/2047	1
31412M	2X 5		03/01/2017	MBS PAYDOWN		2,702	2,702	2,628	2,700		2		2		2,702			0	24	07/01/2023	1
31412T	AZ 6		03/01/2017	MBS PAYDOWN		511	511	497	511				0		511			0	4	05/01/2023	1
31412W	WB 8		03/01/2017	MBS PAYDOWN		45,155	45,155	44,738	45,154		1		1		45,155			0	451	05/01/2047	1
31412W	WC 6		03/01/2017	MBS PAYDOWN		634	634	628	634				0		634			0	6	05/01/2047	1
31412X	K4 5		03/01/2017	MBS PAYDOWN		31,455	31,455	31,190	31,455				0		31,455			0	161	06/01/2047	1
31414E	2V 5		03/01/2017	MBS PAYDOWN		36,141	36,141	35,931	36,135		6		6		36,141			0	304	07/01/2023	1
31414L	C4 8		03/01/2017	MBS PAYDOWN		602	602	585	602				0		602			0	4	04/01/2023	1
31414M	BH 8		03/01/2017	MBS PAYDOWN		2,350	2,350	2,285	2,348		2		2		2,350			0	14	03/01/2023	1
31414R	LG 8		03/01/2017	MBS PAYDOWN		146	146	142	146				0		146			0	1	03/01/2023	1
31414R	NV 3		03/01/2017	MBS PAYDOWN		348	348	338	348				0		348			0	3	04/01/2023	1
31414S	AA 1		03/01/2017	MBS PAYDOWN		3,325	3,325	3,233	3,322		3		3		3,325			0	23	04/01/2023	1
31414U	G3 6		03/01/2017	MBS PAYDOWN		1,237	1,237	1,203	1,236		1		1		1,237			0	10	03/01/2023	1
31415B	AE 9		03/01/2017	MBS PAYDOWN		104	104	102	104				0		104			0	1	06/01/2023	1
31415C	ND 5		03/01/2017	MBS PAYDOWN		947	947	921	946		1		1		947			0	9	05/01/2023	1
31415P	AE 8		03/01/2017	MBS PAYDOWN		555	555	540	555				0		555			0	4	06/01/2023	1
31415P	AR 9		03/01/2017	MBS PAYDOWN		9,165	9,165	8,913	9,160		5		5		9,165			0	68	06/01/2023	1
31415P	WA 2		03/01/2017	MBS PAYDOWN		612	612	595	612				0		612			0	5	07/01/2023	1
31415P	XP 8		03/01/2017	MBS PAYDOWN		311	311	302	311				0		311			0	3	07/01/2023	1
31415Q	BX 3		03/01/2017	MBS PAYDOWN		267	267	260	267				0		267			0	2	06/01/2023	1
31415Q	E8 5		03/01/2017	MBS PAYDOWN		130	130	126	130				0		130			0	1	07/01/2023	1
31415R	4B 7		03/01/2017	MBS PAYDOWN		500	500	487	500				0		500			0	4	06/01/2023	1
59447P	N3 1		01/23/2017	CALL at 103.000		4,120,000	4,000,000	4,259,960	4,255,483		(135,483)		(135,483)		4,120,000			0	59,509	10/01/2039	1FE
842475	F7 5		01/26/2017	CALL at 129.436		5,177,460	4,000,000	4,325,480	4,300,085		877,375		877,375		5,177,460			0	135,368	07/01/2040	1FE
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments					12,478,389	11,180,929	11,764,032	11,736,458	0	741,931	0	741,931	0	12,478,389	0	0	0	226,305	XXX	XXX
Bonds - Industrial and Miscellaneous																					
009090	AB 7		03/15/2017	SINKING FUND REDEMPTION		38,434	38,434	38,434	38,434				0		38,434			0	745	03/15/2023	2FE
023766	AD 0		01/15/2017	SINKING FUND REDEMPTION		23,195	23,195	23,427	23,195				0		23,195			0	652	01/15/2021	3FE
02376T	AC 2		01/15/2017	SINKING FUND REDEMPTION		43,627	43,627	44,063	43,627				0		43,627			0	1,222	07/15/2020	3FE
02376Y	AA 5		01/17/2017	SINKING FUND REDEMPTION		267,628	267,628	267,628	267,628				0		267,628			0	7,025	01/15/2024	2FE

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
02377B AA 4	AAL 4 09/22/27		03/22/2017	SINKING FUND REDEMPTION		47,368	47,368	47,368	47,368				0		47,368		0	0	947	09/22/2027	1FE
045424 EX 2	ASC 1997-D4 B4		03/11/2017	MBS PAYDOWN		174,878	174,878	172,255	174,390		488		488		174,878		0	2,228	04/14/2029	1FM	
048677 AH 1	ATLANTIC MARINE CORP		02/15/2017	SINKING FUND REDEMPTION		43,778	43,778	42,143			95		95		43,778		0	1,185	02/15/2048	1FE	
05947U ZK 7	BACM 2004-6 E		01/10/2017	CALL at 109.428		116,841	106,775	76,879	106,776				0		106,776		10,065	10,065	497	12/10/2042	1FM
05990K AC 0	BANC OF CALIFORNIA INC		03/20/2017	SANDLER ONEILL PARTNERS		1,001,250	1,000,000	997,500	997,860		47		47		997,908		3,342	3,342	23,042	04/15/2025	2FE
07383F YR 3	BSCMS 2004-PWR3 G		03/01/2017	MBS PAYDOWN		1,701,389	1,701,389	1,522,743	1,701,389				0		1,701,389		0	22,443	02/11/2041	1FM	
12527E AK 4	CFCRE 2011-C1 E		01/01/2017	MBS PAYDOWN			803,623	679,062	732,684				0		732,684		(732,684)	(732,684)	4,139	04/15/2044	1FM
12532B AH 0	CFCRE 2016-C7 XA		03/31/2017	INTEREST ONLY PAYMENT				3,588	3,552		(3,552)		(3,552)				0	98	12/10/2054	1FE	
12592K BD 5	COMM 2014-UBS5 XA		03/31/2017	INTEREST ONLY PAYMENT				12,014	8,494		(8,494)		(8,494)				0	312	09/10/2047	1FE	
12594M BD 9	COMM 2016-COR1 XA		03/31/2017	INTEREST ONLY PAYMENT				6,914	6,713		(6,713)		(6,713)				0	174	10/10/2049	1FE	
126281 BB 9	CSAIL 2015-C1 XA		03/31/2017	INTEREST ONLY PAYMENT				8,218	7,170		(7,170)		(7,170)				0	215	04/15/2050	1FE	
12649X BC 2	CSMC 2015-3 B2		03/01/2017	MBS PAYDOWN		27,044	27,044	27,365	27,050		(7)		(7)		27,044		0	178	03/25/2045	1FM	
12677H AA 1	CVS CAREMARK CORP		03/15/2017	SINKING FUND REDEMPTION		5,226	5,226	5,226	5,226				0		5,226		0	0	48	01/15/2040	2FE
16164A AC 9	CHASE 2016-2 M2		03/01/2017	MBS PAYDOWN		174,784	174,784	179,427	174,838		(54)		(54)		174,784		0	1,024	02/25/2044	1FE	
17291E BB 6	CGCMT 2016-P6 XA		03/31/2017	INTEREST ONLY PAYMENT				6,636	6,562		(6,562)		(6,562)				0	184	12/10/2049	1FE	
173067 EH 8	CGCMT 2004-C2 B		01/18/2017	CALL at 100.000		79,898	79,898	77,301	79,898				0		79,898		0	322	10/15/2041	1FM	
17321L AE 9	CMLTI 2013-J1 B1		03/01/2017	MBS PAYDOWN		17,825	17,825	17,580	17,824		1		1		17,825		0	106	10/25/2043	1FM	
17323E AN 3	CMLTI 2014-J2 B2		03/01/2017	MBS PAYDOWN		30,601	30,601	31,289	30,610		(9)		(9)		30,601		0	201	11/25/2044	1FM	
17325D AJ 2	CGCMT 2016-P5 XA		03/31/2017	INTEREST ONLY PAYMENT				5,209	5,056		(5,056)		(5,056)				0	132	10/10/2049	1FE	
247367 BJ 3	DELTA AIR 2007 1B		02/10/2017	SINKING FUND REDEMPTION		67,863	67,863	76,515	67,939		(76)		(76)		67,863		0	2,722	08/10/2022	2FE	
26827E AE 5	ECAF 2015-1A B1	D	02/24/2017	VARIOUS		2,271,956	2,277,487	2,277,487	2,277,487				0		2,277,487		(5,531)	(5,531)	27,619	07/15/2040	2FE
268617 AC 1	EMAC 1998-1 A3		01/04/2017	GUGGENHEIM SECURITIES		415,672	538,325	354,643	391,170				0		391,170		24,502	24,502	2,386	01/15/2025	6*
29429C AJ 4	CGCMT 2016-P3 XA		03/31/2017	INTEREST ONLY PAYMENT				2,276	2,118		(2,118)		(2,118)				0	58	04/15/2049	1FE	
3137AB FW 6	FHMS K702 X1		03/31/2017	INTEREST ONLY PAYMENT				25,501	8,009		(8,009)		(8,009)				0	1,421	02/25/2018	1	
3137AE V8 5	FHMS K703 X1		03/31/2017	INTEREST ONLY PAYMENT				19,183	7,895		(7,895)		(7,895)				0	1,179	05/25/2018	1	
3137AJ MG 6	FHMS K016 X1		03/31/2017	INTEREST ONLY PAYMENT				24,755	17,931		(17,931)		(17,931)				0	779	10/25/2021	1FE	
3137AT RX 2	FHMS K020 X1		03/31/2017	INTEREST ONLY PAYMENT				34,108	28,959		(28,959)		(28,959)				0	1,164	05/25/2022	1FE	
3137AW QJ 7	FHMS K023 X1		03/31/2017	INTEREST ONLY PAYMENT				13,394	12,049		(12,049)		(12,049)				0	438	08/25/2022	1FE	
3137B1 UH 3	FHMS K027 X1		03/31/2017	INTEREST ONLY PAYMENT				28,118	21,745		(21,745)		(21,745)				0	767	01/25/2023	1FE	
3137B7 N2 1	FHMS K036 X1		03/31/2017	INTEREST ONLY PAYMENT				12,691	9,895		(9,895)		(9,895)				0	309	10/25/2023	1FE	
3137B8 G5 0	FHMS K037 X1		03/31/2017	INTEREST ONLY PAYMENT				7,071	5,560		(5,560)		(5,560)				0	176	01/25/2024	1FE	
3137BA HB 1	FHMS K715 X1		03/31/2017	INTEREST ONLY PAYMENT				30,246	27,821		(27,821)		(27,821)				0	1,423	01/25/2021	1FE	
3137BB BE 9	FHMS K038 X1		03/31/2017	INTEREST ONLY PAYMENT				10,910	8,669		(8,669)		(8,669)				0	267	03/25/2024	1FE	
3137BH XK 8	FHMS K045 X1		03/31/2017	INTEREST ONLY PAYMENT				6,351	6,104		(6,104)		(6,104)				0	157	01/25/2025	1FE	
3137BN GU 2	FHMS K054 X1		03/31/2017	INTEREST ONLY PAYMENT				4,054	3,770		(3,770)		(3,770)				0	92	01/25/2026	1FE	
3137BS P9 8	FHMS K058 X1		03/31/2017	INTEREST ONLY PAYMENT				4,100	4,040		(4,040)		(4,040)				0	90	08/25/2026	1FE	
31503A AA 2	FERMACA ENTERPRISES S RL	D	03/30/2017	SINKING FUND REDEMPTION		23,395	23,395	23,395	23,395				0		23,395		0	746	03/30/2038	2FE	
36186X AD 9	GMACN 2012 BLIS A		03/10/2017	SINKING FUND REDEMPTION		2,434	2,434	2,386	2,431		3		3		2,434		0	21	07/10/2050	1FE	
36251F AY 2	GSMS 2015-GC28 XA		03/31/2017	INTEREST ONLY PAYMENT				6,552	5,067		(5,067)		(5,067)				0	171	02/10/2048	1FE	
36298G AA 7	GSPA MONETIZATION TRUST		03/09/2017	SINKING FUND REDEMPTION		22,273	22,273	22,718	22,275		(3)		(3)		22,273		0	239	10/09/2029	2FE	
431116 AC 6	HIGHMARK INC		03/13/2017	CANTOR FITZGERALD		457,745	500,000	496,725	496,994		11		11		497,005		(39,260)	(39,260)	10,293	05/15/2041	2FE
46625M ZE 2	JPMCC 2003-PM1A F		03/01/2017	MBS PAYDOWN		96,626	96,626	67,638	96,626				0		96,626		0	969	08/12/2040	1FM	

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	For Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
46625Y DG 5	JPMCC 2004-CBX B		03/01/2017	MBS PAYDOWN		114,119	114,119	101,851	114,119				0		114,119			0	803	01/12/2037	1FM	
46625Y NK 5	JPMCC 2005-LDP2 C		03/01/2017	MBS PAYDOWN		101,289	101,289	87,362	101,236		53		53		101,289			0	880	07/15/2042	1FM	
46625Y XX 6	JPMCC 2005-LDP5 C		01/17/2017	CALL at 100.000		1,370,067	1,370,067	1,281,012	1,366,670		3,397		3,397		1,370,067			0	6,328	12/15/2044	1FM	
46630J AE 9	JPMCC 2007-LDPX AM		03/01/2017	MBS PAYDOWN		257,792	257,792	208,207	255,659		2,133		2,133		257,792			0	3,521	01/15/2049	1FM	
46639G AG 1	JPMCC 2013-1 B3		03/01/2017	MBS PAYDOWN		46,617	46,617	46,617	46,617				0		46,617			(1)	273	03/25/2043	1FM	
46645L BA 4	JPMCC 2016-C1 XA		03/31/2017	INTEREST ONLY PAYMENT				3,847	3,479		(3,479)		(3,479)					0	104	03/15/2049	1FE	
46645U AV 9	JPMCC 2016-JP4 XA		03/31/2017	INTEREST ONLY PAYMENT				7,624	8,876		(7,576)		(7,576)					0	142	12/15/2049	1FE	
50543L AB 8	LAFB 2016-1A B1		03/15/2017	MBS PAYDOWN		46,875	46,875	46,873	46,770		105		105		46,875			0	555	01/15/2042	2FE	
52465# AZ 8	LEGG MASON MTG CAP CORP		03/08/2017	SINKING FUND REDEMPTION		37,790	37,790	37,792	37,792				0		37,792			(2)	477	06/10/2021	1	
59010R AA 2	MRLN 2016-1 A		03/15/2017	MBS PAYDOWN		57,692	57,692	55,474	57,531		162		162		57,692			0	397	12/15/2032	1FE	
59022H DX 7	MLMT 2004-KEY2 D		03/01/2017	MBS PAYDOWN		132,156	132,156	96,474	132,156				0		132,156			0	1,139	08/12/2039	1FM	
59524E AB 8	MIDATLANTIC MILITARY CO (MH)		02/01/2017	SINKING FUND REDEMPTION		28,735	28,735	25,555	28,731		4		4		28,735			0	753	08/01/2050	1FE	
606935 AL 8	MLCFC 2006-1 B		03/01/2017	MBS PAYDOWN		442,444	442,444	439,679	442,293		151		151		442,444			0	2,603	02/12/2039	1FM	
61691E BB 0	MSC 2016-UB12 XA		03/31/2017	INTEREST ONLY PAYMENT				8,919	8,832		(8,832)		(8,832)					0	237	12/15/2049	1FE	
61691G AT 7	MSBAM 2016-C32 XA		03/31/2017	INTEREST ONLY PAYMENT				7,696	7,616		(7,616)		(7,616)					0	190	12/15/2049	1FE	
61745M W7 4	MSC 2005-T17 B		03/01/2017	MBS PAYDOWN		104,462	104,462	88,009	104,430		32		32		104,462			0	856	12/13/2041	1FM	
61761A AA 6	MSBAM 2012-C5 XA		03/31/2017	INTEREST ONLY PAYMENT				511,132	402,274		(402,274)		(402,274)					0	13,764	08/15/2045	1FE	
61766R BA 3	MSBAM 2016-C31 XA		03/31/2017	INTEREST ONLY PAYMENT				10,504	10,305		(10,305)		(10,305)					0	268	10/15/2026	1FE	
61767F BB 6	MSC 2016-UB11 XA		03/31/2017	INTEREST ONLY PAYMENT				11,906	11,303		(11,303)		(11,303)					0	307	08/15/2049	1FE	
65536H BE 7	NHELI 2005-HE1 M3		03/26/2017	MBS PAYDOWN		482,296	482,296	324,344	476,674		5,622		5,622		482,296			0	1,077	09/25/2035	1FM	
67085K AA 0	OFFUTT AFB AMERICA FIRST (MH)		03/01/2017	SINKING FUND REDEMPTION		27,981	27,981	26,722	27,977		4		4		27,981			0	764	09/01/2050	3FE	
75086# AA 3	RAINIER GSA PORTFOLIO LLC		03/15/2017	SINKING FUND REDEMPTION		43,234	43,234	43,234	43,234				0		43,234			(1)	348	06/15/2036	1	
75574Q AA 8	RCMT 2015-2 A		03/01/2017	MBS PAYDOWN		33,469	33,469	33,428	33,469				0		33,469			0	213	06/25/2055	1FM	
761118 AW 8	RALI 2005-QS9 A3		03/25/2017	MBS PAYDOWN		38,570	38,570	25,074	38,039		531		531		38,570			0	84	06/25/2041	1FM	
78410F AA 4	SCFET 2016-1A A		03/20/2017	MBS PAYDOWN		489,700	489,700	493,296	489,793		(93)		(93)		489,700			0	2,856	11/20/2021	1FE	
78419C AG 9	SGCMS 2016-C5 XA		03/31/2017	INTEREST ONLY PAYMENT				11,699	11,019		(11,019)		(11,019)					0	307	10/10/2048	1FE	
785778 FK 2	SACO 2005-4 M1		03/27/2017	VARIOUS		81,968	81,968	66,804	77,621		4,347		4,347		81,968			0	172	06/25/2035	1FM	
805564 GA 3	SAST 2000-2 MF2		03/01/2017	MBS PAYDOWN		14,219	14,219	11,518	14,216		3		3		14,219			0	122	07/25/2030	1FM	
81745D AJ 0	SEMT 2013-9 B3		03/01/2017	MBS PAYDOWN		40,804	40,804	39,465	40,791		12		12		40,804			0	238	07/25/2043	1FM	
83416W AA 1	SOLAR STAR FUND		01/03/2017	PRIOR YEAR INCOME									0					0	(1)	06/30/2035	2FE	
83416W AB 9	TOPAZ SOLAR		01/19/2017	SINKING FUND REDEMPTION		71,138	71,138	71,138	71,138				0		71,138			0	1,405	06/30/2035	2FE	
86212U AB 2	STR 2013-1A A2		03/20/2017	MBS PAYDOWN		22,639	22,639	22,631	22,583		56		56		22,639			0	177	03/20/2043	1FE	
86213A AB 5	STR 2013-3A A2		03/20/2017	MBS PAYDOWN		4,222	4,222	4,375	4,223		(1)		(1)		4,222			0	37	11/20/2043	1FE	
86213B AB 3	STR 2014-1A A2		03/20/2017	MBS PAYDOWN		1,250	1,250	1,249	1,247		3		3		1,250			0	10	04/20/2044	1FE	
87422V AA 6	TALAN ENERGY SUPPLY LLC		03/30/2017	MORGAN STANLEY		422,500	500,000	500,000	500,000				0		500,000			(77,500)	(77,500)	11,104	06/01/2025	3FE
887317 AW 5	TIME WARNER INC		02/15/2017	GOLDMAN SACHS & CO		2,925,270	3,000,000	2,918,880	2,925,790		1,023		1,023		2,926,813			(1,543)	(1,543)	64,800	07/15/2025	2FE
89054X AB 1	TOPAZ SOLAR		03/30/2017	SINKING FUND REDEMPTION		32,018	32,018	32,018	32,018				0		32,018			0	780	09/30/2039	2FE	
909287 AA 2	UAL 2007 TRUST		01/02/2017	SINKING FUND REDEMPTION		76,613	76,613	83,015	76,613				0		76,613			0	2,542	07/02/2022	2FE	
91474@ AA 2	UNIVERSITY OF MICHIGAN		03/15/2017	SINKING FUND REDEMPTION		15,614	15,614	15,614	15,614				0		15,614			0	92	06/15/2039	1	
92930R AF 9	WFRBS 2012-C9 XA		03/31/2017	INTEREST ONLY PAYMENT				14,525	11,741		(11,741)		(11,741)					0	566	11/15/2045	1FE	
92936T AF 9	WFRBS 2012-C7 XA		03/31/2017	INTEREST ONLY PAYMENT				130,450	103,732		(103,732)		(103,732)					0	2,970	06/15/2045	1FE	
949834 AA 3	WFMB 2007-14 1A1		03/01/2017	MBS PAYDOWN		67,383	67,383	61,915	67,232		151		151		67,383			0	665	10/25/2037	1FM	

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SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
94988X AX 4	WFCM 2014-LC16 XA		03/31/2017	INTEREST ONLY PAYMENT				51,700			(51,700)		(51,700)					0	169	08/15/2050	1FE
94989D AZ 2	WFCM 2015-C27 XA		03/31/2017	INTEREST ONLY PAYMENT				8,567	6,852		(6,852)		(6,852)					0	191	02/15/2048	1FE
94989V AG 4	WFCM 2015-NXS3 XA		03/31/2017	INTEREST ONLY PAYMENT				9,590	8,045		(8,045)		(8,045)					0	267	09/15/2057	1FE
94989Y BC 6	WFCM 2016-C32 XA		03/31/2017	INTEREST ONLY PAYMENT				7,609	6,850		(6,850)		(6,850)					0	194	01/15/2059	1FE
95000J AY 4	WFCM 2016-LC25 XA		03/31/2017	INTEREST ONLY PAYMENT				9,063	8,971		(8,971)		(8,971)					0	250	12/15/2059	1FE
95000M BS 9	WFCM 2016-C36 XA		03/31/2017	INTEREST ONLY PAYMENT				10,218	10,033		(10,033)		(10,033)					0	258	11/15/2059	1FE
95000P AH 7	WFCM 2016-C37 XA		03/31/2017	INTEREST ONLY PAYMENT				10,356	10,226		(10,226)		(10,226)					0	298	12/15/2049	1FE
97655J AH 5	WIN 2016-1 1A8		03/01/2017	MBS PAYDOWN		426,674	426,674	434,941	426,854		(180)		(180)		426,674			0	1,963	01/20/2046	1FM
BCC28G EW 7	ATLSS 2014-1 B		03/15/2017	MBS PAYDOWN		187,200	187,200	187,200	187,200				0		187,200			0	2,145	12/15/2039	2FE
00084G AJ 2	ACASC 2014-2A B2	D	03/28/2017	CALL at 100.000		1,000,000	1,000,000	999,681	1,000,000				0		1,000,000			0	20,353	01/15/2027	1FE
05330K AA 3	AUTO METRO PR	D	03/31/2017	SINKING FUND REDEMPTION		20,000	20,000	19,262	19,262				0		19,262		738	738	338	06/30/2035	3FE
09626E AE 9	BLUEM 2011-1A D	D	02/16/2017	CALL at 100.000		5,000,000	5,000,000	5,030,000	5,030,000		(30,000)		(30,000)		5,000,000			0	62,754	08/16/2022	1FE
219239 AG 0	CORNR 2007-1A C	D	01/18/2017	CALL at 100.000		3,000,000	3,000,000	3,000,000	3,000,000				0		3,000,000			0	25,147	07/15/2021	2FE
224607 AF 8	CRTOS 2007-1A E	D	02/21/2017	CALL at 100.000		5,250,000	5,250,000	5,217,188	5,250,000				0		5,250,000			0	79,309	05/19/2021	3FE
77426N AA 1	ROCKW 2007-1A A1LA	D	02/01/2017	MBS PAYDOWN		488,126	488,126	472,872	487,686		440		440		488,126			0	1,417	08/01/2024	1FE
806713 AF 0	SCHLR 2007-1A D	D	01/25/2017	CALL at 100.000		3,500,000	3,500,000	3,373,423	3,416,173		83,827		83,827		3,500,000			0	30,248	04/25/2021	1FE
EF6935 10 2	MITCHELLS & BUTLER	D	03/15/2017	MBS PAYDOWN		88,180	88,180	73,800	87,989		190		190		88,180			0	312	12/15/2030	1FE
3899999	Total - Bonds - Industrial and Miscellaneous					33,742,836	34,857,812	34,766,483	35,276,887	0	(815,265)	0	(815,265)	0	34,560,709	0	(817,875)	(817,875)	471,143	XXX	XXX
8399997	Total - Bonds - Part 4					46,614,069	46,431,585	47,159,835	47,574,995	0	(242,046)	0	(242,046)	0	47,432,035	0	(817,968)	(817,968)	706,023	XXX	XXX
8399999	Total - Bonds					46,614,069	46,431,585	47,159,835	47,574,995	0	(242,046)	0	(242,046)	0	47,432,035	0	(817,968)	(817,968)	706,023	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
00123Q 10 4	AMERICAN CAPITAL AGENCY		03/17/2017	WELLS FARGO	306,000,000	5,952,203	XXX	5,587,419	5,547,780	39,639			39,639		5,587,419		364,785	364,785	165,240	XXX	L
035710 40 9	ANNALY CAPITAL MANAGEMENT INC.		03/13/2017	WELLS FARGO	296,000,000	3,220,502	XXX	3,041,739					0		3,041,739		178,762	178,762	35,643	XXX	L
04010L 10 3	ARES CAPITAL CORP		03/15/2017	WELLS FARGO	30,000,000	516,211	XXX	504,849	494,700	10,149			10,149		504,849		11,362	11,362	11,400	XXX	L
16934Q 20 8	CHIMERA INVESTMENT CORP		03/10/2017	WELLS FARGO	314,700,000	6,025,779	XXX	5,023,098	5,356,194	(333,096)			(333,096)		5,023,098		1,002,681	1,002,681	157,350	XXX	L
19625X 10 2	COLONY STARWOOD HOMES		01/25/2017	MERRILL LYNCH	13,361,000	398,536	XXX	379,319	384,930	(5,612)			(5,612)		379,319		19,217	19,217		XXX	L
46131B 10 0	INVESCO MORTGAGE CAPITAL		03/17/2017	WELLS FARGO	76,000,000	1,157,179	XXX	997,320	1,109,600	(112,280)			(112,280)		997,320		159,860	159,860	30,400	XXX	L
9099999	Total - Common Stocks - Industrial and Miscellaneous					17,270,410	XXX	15,533,744	12,893,204	(401,200)	0	0	(401,200)	0	15,533,744	0	1,736,667	1,736,667	400,033	XXX	XXX
9799997	Total - Common Stocks - Part 4					17,270,410	XXX	15,533,744	12,893,204	(401,200)	0	0	(401,200)	0	15,533,744	0	1,736,667	1,736,667	400,033	XXX	XXX
9799999	Total - Common Stocks					17,270,410	XXX	15,533,744	12,893,204	(401,200)	0	0	(401,200)	0	15,533,744	0	1,736,667	1,736,667	400,033	XXX	XXX
9899999	Total - Preferred and Common Stocks					17,270,410	XXX	15,533,744	12,893,204	(401,200)	0	0	(401,200)	0	15,533,744	0	1,736,667	1,736,667	400,033	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks					63,884,479	XXX	62,693,579	60,468,199	(401,200)	(242,046)	0	(643,246)	0	62,965,779	0	918,699	918,699	1,106,056	XXX	XXX

QE05.3

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)
Purchased Options - Hedging Effective - Call Options and Warrants																						
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	01/04/2017	01/02/2018	11,079	25,014,499	2303 / 2461		748,054		748,054		966,791							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	01/05/2017	01/04/2018	10,616	24,106,282	2316 / 2475		670,188		670,188		895,817							98/98
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	01/09/2017	01/05/2018	8,727	19,833,591	2318 / 2477		562,433		562,433		734,354							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	SunTrust Bank	01/11/2017	01/08/2018	11,561	26,230,753	2314 / 2473		743,372		743,372		975,571							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	01/17/2017	01/12/2018	6,957	15,814,026	2319 / 2478		447,613		447,613		582,292							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	01/18/2017	01/16/2018	11,951	27,103,553	2313 / 2472		780,520		780,520		1,026,512							93/93
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	01/23/2017	01/19/2018	9,256	20,994,367	2314 / 2472		585,905		585,905		785,470							94/94
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	01/24/2017	01/22/2018	11,764	26,647,813	2311 / 2469		779,659		779,659		1,013,995							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	01/30/2017	01/24/2018	9,289	21,287,230	2337 / 2498		564,493		564,493		745,596							96/96
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	01/31/2017	01/29/2018	8,999	20,525,819	2327 / 2486		563,675		563,675		746,861							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	02/03/2017	02/01/2018	12,499	28,495,470	2325 / 2485		856,994		856,994		1,049,320							97/97
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Barclays Bank	02/07/2017	02/05/2018	12,115	27,783,814	2339 / 2500		787,233		787,233		972,167							97/97
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	02/10/2017	02/08/2018	7,773	17,874,608	2346 / 2507		524,056		524,056		608,613							94/94
Call Spread	Embedded option within IUL products	N/A	Equity/Index	SunTrust Bank	02/15/2017	02/12/2018	10,099	23,522,995	2376 / 2539		699,356		699,356		713,845							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	02/21/2017	02/16/2018	7,747	18,197,393	2396 / 2560		531,289		531,289		509,264							95/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	02/22/2017	02/20/2018	9,743	23,045,897	2413 / 2578		636,608		636,608		607,835							96/95
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Barclays Bank	02/28/2017	02/26/2018	13,375	31,661,568	2415 / 2580		885,291		885,291		826,474							94/94
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	03/01/2017	02/28/2018	8,476	20,034,213	2411 / 2576		627,563		627,563		531,428							95/94
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Goldman Sachs International	03/03/2017	03/01/2018	7,957	19,031,155	2440 / 2607		511,874		511,874		437,087							94/93
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Barclays Bank	03/07/2017	03/05/2018	11,542	27,449,877	2426 / 2592		751,384		751,384		687,007							93/92
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Wells Fargo Bank, N.A.	03/09/2017	03/08/2018	12,034	28,450,662	2411 / 2577		832,151		832,151		765,991							98/98
Call Spread	Embedded option within IUL products	N/A	Equity/Index	Bank of Commerce	03/15/2017	03/12/2018	11,327	26,844,310	2417 / 2583		780,260		780,260		713,655							95/94

QE06

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)		
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International W22LROWP2IHZNB6K528...	03/20/2017	03/19/2018	9,425	22,445,732	2429 / 2596....		628,271		628,271		560,768								96/95.....	
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International W22LROWP2IHZNB6K528...	03/22/2017	03/21/2018	12,361	29,178,808	2408 / 2573....		794,318		794,318		803,790									97/96.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Barclays Bank..... G5GSEF7VJP57OUK5573.....	03/27/2017	03/26/2018	7,387	17,330,493	2393 / 2557....		488,059		488,059		511,584									93/92.....
Call Spread.....	Embedded option within IUL products.....	N/A.....	Equity/Index	Goldman Sachs International W22LROWP2IHZNB6K528...	03/29/2017	03/28/2018	13,593	31,958,910	2398 / 2563....		923,150		923,150		923,372									96/96.....
0019999. Total-Purchased Options-Hedging Effective-Call Options and Warrants.....										0	17,703,768	0	17,703,768	XX	19,695,459	0	0	0	0	0	0	XXX	XXX	
0079999. Total-Purchased Options-Hedging Effective.....										0	17,703,768	0	17,703,768	XX	19,695,459	0	0	0	0	0	0	XXX	XXX	
0369999. Total-Purchased Options-Call Options and Warrants.....										0	17,703,768	0	17,703,768	XX	19,695,459	0	0	0	0	0	0	XXX	XXX	
0429999. Total-Purchased Options.....										0	17,703,768	0	17,703,768	XX	19,695,459	0	0	0	0	0	0	XXX	XXX	
1399999. Total-Hedging Effective.....										0	17,703,768	0	17,703,768	XX	19,695,459	0	0	0	0	0	0	XXX	XXX	
1449999. TOTAL.....										0	17,703,768	0	17,703,768	XX	19,695,459	0	0	0	0	0	0	XXX	XXX	

QE06.1

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

NONE

QE07

SCHEDULE DB - PART D - SECTION 1
Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1 Description of Exchange, Counterparty or Central Clearinghouse	2 Master Agreement (Y or N)	3 Credit Support Annex (Y or N)	4 Fair Value of Acceptable Collateral	Book Adjusted Carrying Value			Fair Value			11 Potential Exposure	12 Off-Balance Sheet Exposure
				5 Contracts with Book/Adjusted Carrying Value > 0	6 Contracts with Book/Adjusted Carrying Value < 0	7 Exposure Net of Collateral	8 Contracts with Fair Value > 0	9 Contracts with Fair Value < 0	10 Exposure Net of Collateral		
NAIC 1 Designation											
Canadian Imperial Bank of Commerce.....	2IGI19DL77OX0HC3ZE78....	Y.....	Y.....	.....5,970,000	.....4,960,149	.....0	.....5,892,532	.....0	.....0	.....0	.....0
Goldman Sachs International.....	W22LROWP2IHZNBB6K528	Y.....	Y.....	.....3,890,000	.....4,741,269	.....851,269	.....4,937,732	.....1,047,732	.....0	.....0	.....0
Wells Fargo Bank, N.A.....	KB1H1DSPRFMYMCUFXT09	Y.....	Y.....	.....4,040,000	.....3,647,656	.....0	.....4,178,547	.....138,547	.....0	.....0	.....0
0299999. Total NAIC 1 Designation.....				.....13,900,000	.....13,349,074	.....851,269	.....15,008,811	.....1,186,279	.....0	.....0	.....0
NAIC 2 Designation											
Barclays Bank.....	G5GSEF7VJP5I7OUK5573...	Y.....	Y.....	.....2,980,000	.....2,911,967	.....0	.....2,997,232	.....17,232	.....0	.....0	.....0
SunTrust Bank.....	IYDOJBGJWY9T8XKCSX06	Y.....	Y.....	.....1,630,000	.....1,442,728	.....0	.....1,689,416	.....59,416	.....0	.....0	.....0
0399999. Total NAIC 2 Designation.....				.....4,610,000	.....4,354,695	.....0	.....4,686,648	.....76,648	.....0	.....0	.....0
0999999. Gross Totals.....				.....18,510,000	.....17,703,769	.....851,269	.....19,695,459	.....1,262,927	.....0	.....0	.....0
1. Offset per SSAP No. 64.....											
2. Net after right of offset per SSAP No. 64.....					.....17,703,769	.....0					

QE08

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
Collateral Pledged to Reporting Entity								
Barclays Bank.....	G5GSEF7VJP517OUK5573.....	Cash.....		2,980,000	2,980,000	XXX		V.....
Canadian Imperial Bank of Commerce.....	2IG19DL77OX0HC3ZE78.....	Cash.....		5,970,000	5,970,000	XXX		V.....
Goldman Sachs International.....	W22LROWP2IHZNB6K528..	Cash.....		3,890,000	3,890,000	XXX		V.....
SunTrust Bank.....	IYDOJBGJWY9T8XKCSX06..	Cash.....		1,630,000	1,630,000	XXX		V.....
Wells Fargo Bank, N.A.....	KB1H1DSPRFMYMCFXT09.	Cash.....		4,040,000	4,040,000	XXX		V.....
0299999. Totals.....				18,510,000	18,510,000	XXX	XXX	XXX

QE09

**Sch. DL - Pt. 1
NONE**

**Sch. DL - Pt. 2
NONE**

PENN INSURANCE AND ANNUITY COMPANY
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
State Street.....	New York, NY.....				3,866,855	5,002,066	6,881,246	XXX
FHLB.....	Pittsburgh, PA.....				1,344,341	1,043,653	541,699	XXX
JP Morgan Chase.....	Springfield, IL.....				64,424	67,299	60,431	XXX
Northern Trust Bank.....	Chicago, IL.....				42,343	50,139	50,047	XXX
PNC Bank.....	Philadelphia, PA.....				(10,087,923)	(796,974)	1,493,415	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	0	(4,769,959)	5,366,184	9,026,838	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	0	(4,769,959)	5,366,184	9,026,838	XXX
0599999. Total Cash.....	XXX	XXX	0	0	(4,769,959)	5,366,184	9,026,838	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
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NONE

QE13