

2-39709 12

SIC 633

G 62 47 50 000

GOVERNMENT EMPLOYEES INSURANCE CO

10-K

OTHER

1974

CARD 1

MICROFICHE BY DISCLOSURE INCORPORATED

Government Employees Insurance Co. [D.C.] Co: G624750000

5260 Western Avenue, N.W.

Chevy Chase, Md. 20015

SEC File No: 2-39709 Exch: Other

IRS No: 53-0075853 CUSIP: 3837127

Fiscal Year Ends: 12/31 SIC No: 633

ARS For: 12/31/73 Rec: N/A

Auditor: Ernst & Ernst

Revenues: \$528,490,733 Earnings: \$29,873,554/\$1.69

Assets: \$732,965,044 Net Worth: \$130,731,290

Extr. Items: None

Abstract: Net premiums increased, earnings declined due to unsettling economic conditions in fire and casualty industry. Assigned risk dropped to 7.2% of total written premiums. This was caused by abolition of automobile insurance plans in Fla., Md., and N.C. in favor of alternative plans. Premium volume on boatowners' insurance increased significantly.

10-K For: 12/31/73 Rec: 3/29/74

Shareholders: 6,698

Description of Business: Operates as multiple line property and casualty insurer engaged principally in writing, on preferred risks, all lines of automobile insurance. Also writes homeowners' and fire and allied lines of insurance. Solicits primarily through direct mail advertising programs, also has 32 sales offices. Services offered throughout U.S. and Territory of Guam.

- Insurance companies; Automobile insurance companies;
- Fire insurance companies

Auditor's Report: Unqualified

- Statutory accounting principles; Unqualified opinions

Financial Statements and Notes:

- Unusual effective tax rate; Investment tax credits
- Unusual effective tax rate; Dividends received deductions (IRC)
- Unusual effective tax rate; Tax sheltered income; Municipal securities
- GAAP compliance; Alternative accounting principles; Insurance companies

Exhibits:

- Ex: Qualified stock option plans; *Nonqualified stock option plans; *Employees given choice as to plan; *Exhibits: 9-b, c, d

8-K For: 3/31/74 Rec: 4/11/74

Shareholders elected directors; amended bylaws pertaining to indemnification of officers and directors.

Exhibits: None

Government Employees Insurance Co. [D.C.] Co: G624750000

5260 Western Avenue, N.W.

Chevy Chase, Md. 20015

SEC File No: 2-39709 Exch: Other

IRS No: 53-0075853 CUSIP: 3837127

Fiscal Year Ends: 12/31 SIC No: 633

Regst S-1 Filed: 4/16/74

Reg. No: 2-50769

- Common stock offered to employees; Stock option plans
- Common stock offered to employees; Qualified stock option plans; Posteffective registration amendment
- Common stock offering; Warrant exercising; Posteffective registration amendment
- Common stock offering; Warrant exercising; Posteffective registration amendment

Volume of Securities Registered: 335,000 shares

Volume to be Offered: 1,773,927 shares

Proposed Price: Various

Principal Underwriter: None

Legal Counsel: Crawath, Swaine & Moore, Ernest M. Lucas (V.P.,

Legislative Coun.), Donald K. Smith (V.P., Gen. Coun.)

Offered under 1973 Stock Option Plan. Preliminary prospectus also covers securities previously registered on Reg. Nos. 2-39709 and 2-39846 and issuable under 1963 Stock Option Plan and upon exercise of Warrants. Each Warrant represents right to purchase 2.08 common shares at \$35.10 per share expiring 8/1/78.

Exhibits:

- Ex: Employment contracts; *N.L. Gidden

10-Q For: 3/31/74 Rec: 5/15/74

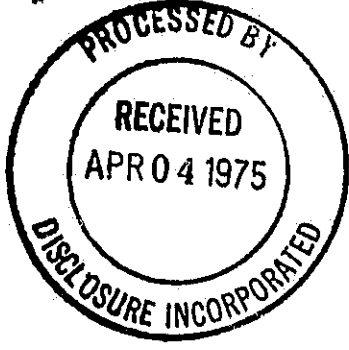
Prspct Eff: 5/9/74 Rec: 5/16/74

Related Reg. No.: 2-50769

Covers 424,928 shares of Common Stock offered in connection with the 1963 and 1973 Stock Option Plans; and 1,348,999 shares of Common Stock issuable upon exercise of 648,552 warrants at the rate of 2.08 shares for each warrant at a price of \$35.10/share.

10-Q For: 6/30/74 Rec: 8/14/74

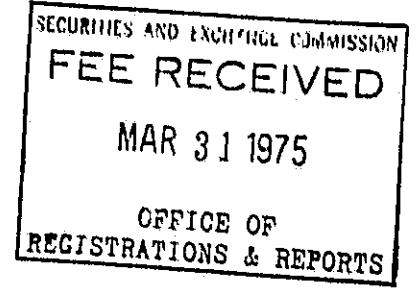
10-Q For: 9/30/74



G 624 750
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K



Annual Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the Fiscal Year Ended December 31, 1974 Commission File Number 2-39709

GOVERNMENT EMPLOYEES INSURANCE COMPANY

District of Columbia
(Jurisdiction of Incorporation)

53-0075853
(IRS Employer Identification No.)

5260 Western Avenue, Chevy Chase, Md. 20076

Registrant's Telephone Number

301-986-3000

Securities registered pursuant to Section 12(b) of the Act:

None*

Securities registered pursuant to Section 12(g) of the Act:

None*

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X

No

*Common Stock (\$4.00 par value) and Warrants to purchase Common Stock registered pursuant to the Securities Act of 1933.

GOVERNMENT EMPLOYEES INSURANCE COMPANY
(GEICO)

Form 10-K Annual Report

PART I

Item 1. Business

(a) Description

GEICO is a multiple line property and casualty insurer engaged principally in writing, on preferred risks, all lines of automobile insurance. It offers automobile, homeowners' and fire and allied lines insurance policies at premium rates which are generally below the basic rates established by rating organizations or bureaus and which vary from jurisdiction to jurisdiction depending on underwriting experience and other factors. GEICO is licensed to write substantially all these lines in all States of the United States, the District of Columbia and the Territory of Guam. Certain insurance companies offer rates substantially below bureau rates and many of GEICO's principal competitors, including mutual companies providing dividend benefits to policyholders, have rates at levels which are competitive with GEICO's.

GEICO's rates are generally lower than those of many other companies writing similar types of insurance because its underwriting expenses (the total cost of producing and processing insurance policies, including state and municipal premium taxes) are approximately half the average for other stock companies in the property and casualty insurance industry, primarily as a result of the direct marketing method described below. GEICO's underwriting expenses declined from 15.3% of net premiums written in 1961 to 12.1% in 1970. The increases in such percentages in 1971, 1972, 1973, and 1974 to 12.5%, 14.1%, 14.8% and 15.8%, respectively, were attributable principally to continued inflationary pressures, increased costs in policy servicing required by statutory and regulatory requirements and regionalization start-up costs. Since GEICO's premium rate structure is generally lower than the industry average, its loss and loss adjustment expense ratio is generally higher than the industry average.

Originally, GEICO dealt directly with its applicants and obtained all its new business exclusively by mail. GEICO still solicits new business primarily through a direct mail advertising program which it considers to be the most efficient and economical medium to reach selected prospects meeting its preferred risk underwriting standards. Although GEICO continues to write about 20% of its new policies through direct mail to the Home Office, it now has 39 sales offices, utilizes 20 sales offices of the other Government Employees companies and has approximately 100 General Field Representative (commissioned agent) locations in the District of Columbia, 36 states, England, Spain and West Germany. Approximately 80% of all new automobile insurance policies in 1974 were written through these offices and representatives, usually as a result of customer response to mail solicitation and advertising.

GEICO instituted a Regionalization Program in 1970 whereby Regional Offices with nearly complete operating autonomy will be located throughout the country. In accordance with this Program, GEICO opened

its Northeastern Regional Office Building in Woodbury, Long Island, New York in late 1973, and during 1974 opened its Western Regional Office in San Francisco, California and its Southeastern Regional Office in Macon, Georgia. Additionally, GEICO has reorganized its remaining Home Office operations into the Central Region comprised of 16 midwestern states; the Middle Atlantic Region including Delaware, the District of Columbia, Maryland, Virginia and West Virginia; and the Eastern Region consisting of New Jersey and Pennsylvania.

Until 1958, eligibility for GEICO insurance was confined to certain military and civilian government employees. At that time, eligibility was expanded to include professional, managerial, technical, administrative and clerical personnel not in government service. Early in 1973, GEICO reviewed its eligibility requirements and in September 1973, removed all occupational and age standards as prerequisites to underwriting consideration. In 1974, an estimated 12.5% of GEICO's new policyholders were in occupations and age groups that were previously excluded by eligibility requirements. GEICO has no credible loss experience with policyholders from these new eligibility groups.

For several years, GEICO has been studying and analyzing various mass merchandising schemes under which premiums for automobile and other personal lines of insurance are collected by payroll deduction. In October 1974, GEICO entered into a mass merchandising agreement with the Central School District of Syosett, New York. Although the group penetration results and operating cost efficiency of this venture are being carefully examined as the program progresses, it is too early for management to conclude whether mass merchandising will be a viable marketing technique for GEICO.

Approximately 60% of all claims are currently handled by GEICO claims offices located in the New York City, Washington, D. C., Baltimore, Philadelphia, Norfolk, Miami, Chicago, San Francisco, Los Angeles, San Diego and Fair Lawn, N. J. areas, which are staffed by salaried GEICO employees. Other claims are either referred on a fee basis to independent insurance adjusters or attorneys retained by GEICO or handled by mail from the Home Office. GEICO also maintains twenty-five "drive-in" claims facilities located in the above areas and staffed by its employees.

As a result of federal price controls and the implementation of no-fault automobile insurance laws in Connecticut and New Jersey, GEICO's average premium rate level in 1973 was lowered by approximately 1%. During 1974, this rate level was further reduced by approximately 1.6% by rate reductions under no-fault laws implemented in New York and several other states, equal to an annualized loss in written premium of about \$8.5 million to GEICO. When federal price controls ended and speculation regarding the effect of gasoline shortages subsided in light of actual experience, GEICO implemented rate increases in Alabama, California, Florida, Maryland, New Jersey, New Mexico and Virginia, which accounted for 44.1% of GEICO's total voluntary automobile premium volume. Although additional rate filings based on recent loss experience were submitted during the fourth quarter 1974 and the first two months in 1975 in four states which produce 9.7% of total premium volume, there can be no assurance that the appropriate regulating authorities will act favorably on these pending filings. As a result of increased costs, GEICO also raised its installment service charge on automobile insurance premium payment plans from \$.50 to \$1.00 per installment, which generated approximately one million dollars in additional revenue in 1974.

DISCLOSURE (R)

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

Prior to 1973, all involuntary automobile business was written in automobile insurance plans (formerly assigned risk plans) which distributed among all companies, in proportion to each company's written premium volume in each jurisdiction, the burden of providing insurance for the unusually high-risk automobile operators who are unable to obtain insurance through normal channels. In the past two years, six states have implemented alternative mechanisms which have taken three different forms, including Maryland's state-managed automobile insurance fund; joint underwriting associations in Florida and Hawaii; and reinsurance facilities in Massachusetts, North Carolina and South Carolina. GEICO's involuntary business in 1974 represented 6.7% of its total automobile written premiums, down from 7.2% in 1973. Despite this decrease in volume, this involuntary component produced an underwriting loss of approximately \$12.4 million in 1974, up from an approximate \$10.8 million loss in 1973.

In the past four years, 23 jurisdictions have enacted no-fault insurance systems providing for indemnification of accident victims by their own insurers for medical and related expenses and loss of earnings, regardless of legal fault. Although all plans preserve the individual's legal recourse to sue for losses which exceed prescribed thresholds, several impose varying restrictions on the right of accident victims to seek damages for pain and suffering under the tort system. For GEICO, the most significant impact of no-fault insurance was the implementation on February 1, 1974 of a no-fault statute in New York where 21.7% of its total written premium volume is concentrated. During the past year, similar laws were implemented in Arkansas, Colorado, Hawaii, Kansas, Nevada, South Carolina and Utah. No-fault statutes were also enacted in 1974 that will become effective during 1975 in Georgia, Kentucky, Minnesota and Pennsylvania. Although New York and other states have mandated premium rate reductions in anticipation of reduced claims costs, management questions whether such prospective rate reductions were justified. The substantial increase in medical and health care costs during 1974 caused GEICO's underwriting results in most no-fault states to deteriorate sharply. It is anticipated that the rate of adoption of no-fault legislation at the state level will increase in view of the efforts by the federal government to enact a national no-fault bill.

(b)(1) Competition

The insurance industry is highly competitive. GEICO currently competes largely with other companies, including mutual companies, concentrating on preferred-risk insurance. During the last several years a trend has developed toward the enactment of legislation which to some extent restricts the underlying criteria utilized in the underwriting of preferred risks for automobile insurance. Such legislation generally imposes restrictions upon the reasons which an insurer may use in cancelling or nonrenewing insurance policies or in rejecting an applicant for insurance.

Although most insurance companies are stock companies like GEICO, in 1974 mutual companies wrote an estimated 23.3% of all property and liability insurance in the United States. Mutual companies may have a competitive advantage in that certain earnings inure to the benefit of policyholders rather than to shareholders.

For a number of years certain insurance companies have engaged in underwriting techniques designed to make their automobile premium rates more competitive with those charged by companies, including GEICO, which

concentrate on the preferred-risk market. These rating plans, commonly called Safe Driver Plans, base the premium rate on a driver's accident and traffic record, so that a driver without a record of traffic convictions or accidents in which he was at fault is charged a rate lower than the standard rate and, therefore, closer to the rate charged by GEICO.

Although rate increases were implemented in seven states during 1974, GEICO believes that its present rates and rating systems are competitive with other companies offering similar types of insurance. The impact on competition of mass merchandising, which is described above, cannot be determined at this time.

The latest available statistics published in the National Underwriter reveal that GEICO is, based on 1973 earned premiums, the third largest stock company insurer of private passenger automobiles and the fifth largest insurer of autos considering stock, mutual and reciprocal companies in the United States. In Forbes magazine's Twenty-Seventh Annual Review of the major Finance-Insurance Companies, based on the average results for the five year period 1969 - 1973, GEICO is ranked first in growth in sales and second in growth in earnings per share.

(2) Employees

GEICO has approximately 7,940 full-time and 550 part-time and temporary employees located at its offices in various cities in the United States. A number of benefits are provided or made available for full-time employees, including a savings plan, pension plan and various insurance programs.

(c) Government Employees Companies

GEICO is the largest and oldest of the Government Employees companies, which presently consist of GEICO and the following three corporations (the "Companies"):

Government Employees Life Insurance Company (GELICO), which writes life, accident and health insurance and annuities;

Criterion Insurance Company (CRICO), which writes liability and physical damage insurance on private passenger automobiles primarily for standard and sub-standard risks; and

Government Employees Financial Corporation (GEFCO), which is engaged with its subsidiaries in the consumer finance business, the brokerage of overseas automobile insurance and industrial banking.

The Government Employees companies have certain directors and executive officers in common. No company owns any stock in any of the other companies.

Item 2. (a) Summary of Operations

The summary required in response to this Item is included on page 8 of the Annual Report to shareholders for the year ended December 31, 1974, filed as Exhibit 1 hereto, which is incorporated herein by reference. Such summary should be read in conjunction with the consolidated financial statements and notes thereto.

(b) Management's Discussion and Analysis of the Summary of Operations

Reference is made to "Management's Discussion and Analysis of the Summary of Operations" on pages 9 through 13 of the Annual Report to shareholders for the year ended December 31, 1974, filed as Exhibit 1 hereto, which is incorporated herein by reference.

Item 3. Properties

GEICO's total real estate investment, which was on a consolidated basis, \$36,422,691 (depreciated cost) as of December 31, 1974, is represented principally by (a) its Operations Office Building in Chevy Chase, Maryland, which was carried at \$12,487,023; (b) \$12,657,084 in its Northeastern Regional Office Building in Woodbury, Long Island, New York; and (c) \$8,601,020 in its Southeastern Regional Office Building in Macon, Georgia. The balance of its real estate investment consists principally of property immediately adjacent to its Operations Office Building and its Fairfax County, Virginia; Clinton, Maryland; and Smithtown, New York "drive-in" claims offices.

GEICO's Operations Office Building is a modern multilevel structure. The greater part of the four-story portion was completed in 1959 and an additional four-story portion and an eight-story tower were completed in 1964. Of a total of approximately 428,398 square feet, GEICO occupies approximately 384,243 square feet, and certain of the Companies occupy the remainder under agreements with GEICO.

In December 1973, GEICO's Northeastern Regional Office Building and one of its Fairfax County, Virginia claims facilities were acquired by GEICO Properties, Inc. ("GPI"), the wholly-owned subsidiary of GEICO (see Item 4 below). The purchase was financed by 8-1/4% notes due June 15, 2004 sold to institutional investors. The notes were secured by a Deed of Trust and Indenture of Mortgage on the properties, by the assignment to the trustees of a 30-year lease, coincident with the term of the notes, between GEICO and GPI, and by the undertaking of GEICO to make sufficient funds available to GPI to meet its obligations under the Indenture.

GEICO's Southeastern Regional Office Building was purchased by GPI in May 1974 and occupied by GEICO in August 1974. This purchase was financed by an 8-1/2% note due May 1, 2004 which was sold to an institutional investor and secured by an assignment to the trustee of a 30-year lease and the undertaking between GEICO and GPI, which documents were similar in terms to those used in financing GEICO's Northeastern Regional Office Building. With respect to both financings, the outstanding balance of the long-term debt of GPI on December 31, 1974 was \$23,409,118.

GEICO leases its Northeastern Regional Office Building and Southeastern Regional Office Building from GPI. The expiration dates of these leases are June 15, 2004 and May 1, 2004, respectively. Both buildings are similar in design and capacity, each being a modern four-story structure containing approximately 250,000 square feet.

In November 1973, GEICO entered into a lease agreement effective February 1, 1974 for four floors in a high-rise office building in downtown San Francisco, California, to be used as its Western Regional Office. This lease will expire on January 31, 1979, with a renewal option for an additional five-year term. GEICO also leases office space and "drive-in" claims facilities in various cities in the United States. These leases expire at various times between 1975 and 2004 with renewal options in a number of cases.

In addition, GEICO maintains electronic data processing equipment with a depreciated cost as of December 31, 1974 of \$6,757,757 located principally at its Chevy Chase, Maryland Operations Office Building.

Item 4. Parents and Subsidiaries

GEICO Properties, Inc. ("GPI"), a wholly-owned subsidiary of GEICO, was incorporated in Delaware on June 25, 1973, to hold real estate for the convenient accommodation of GEICO's business. There are no parents or other subsidiaries of GEICO. GPI is included in GEICO's consolidated financial statements (see pages 32 - 40 of Exhibit No. 1).

Item 5. Pending Legal Proceedings

There are no material pending legal proceedings to which GEICO is a party or of which property of GEICO is the subject other than insurance claims arising out of policy contracts issued by it. GEICO has no knowledge of any legal proceedings of a material nature contemplated by governmental authorities against the Company.

Item 6. Increases and Decreases in Outstanding Securities

(a) Equity Securities

See Exhibit No. 1, Consolidated Statement of Shareholder's Equity (p. 34), which is incorporated herein by reference.

(b) Other Securities

As security for the 8-1/2% note of GPI issued in connection with the long-term financing of GEICO's Southeastern Regional Office Building on May 1, 1974, GEICO entered into an agreement with the trustee and GPI whereby GEICO agreed to the assignment to the trustee of (1) GPI's interest in the lease of the property and (2) an undertaking by GEICO to GPI to make sufficient funds available to GPI by means of capital contributions and/or loans which would be subordinated to the prior payment in full of the indebtedness evidenced by the notes to enable GPI to fulfill all its obligations under the Indenture. While GEICO's agreement may be in the nature of a guarantee and therefore reportable as a separate "security" as defined in Section 2(1) of the Securities Act of 1933, both the issuance of long-term notes by GPI and GEICO's related agreement described above are exempt from registration pursuant to Section 4(2) of the Securities Act of 1933.

Item 7. Approximate Number of Equity Security Holders

<u>Title of Class</u>	<u>Number of Record Holders as of December 31, 1974</u>
Common Stock - \$4.00 par value	6,682
Warrant - to purchase 2.08 shares of Common Stock at \$35.10 per share, exercisable from August 1, 1971 until August 1, 1978	2,171

Item 8. Executive Officers of the Registrant

Norman L. Gidden, 58, was elected Chairman of the Board and Chief Executive Officer of GEICO and each of the other Companies effective March 29, 1974. He had served as Vice Chairman of the Board since 1973 and as President and Chief Operating Officer since 1966. He has been a Director of GEICO since 1962, is a member of the Executive and Investment Committees, the Pension Plan Administrative Committee, and the Board of Trustees of the Profit Sharing Plan. Mr. Gidden is Chairman of the Board of each of the Companies and, in 1972, was elected to the Board of Directors of Western Pacific Industries, Inc. and Western Pacific Railroad; the Board of Governors, Insurance Institute of America; and the Board of Trustees, American Institute for Property and Liability Underwriters. He was also elected to the Board of Directors of The Riggs National Bank of Washington, D. C. in 1974. Effective March 29, 1974, Mr. Gidden entered into a three-year employment contract with GEICO and the other Companies which provides, among other things, that he will serve as Chairman of the Board and Chief Executive Officer at a salary of \$150,000 per year (exclusive of bonus, stock options and other benefits), such salary to be prorated among GEICO and the other Companies.

Ralph C. Peck, 57, was elected President and Chief Operating Officer of GEICO in 1974 and had served as Executive Vice President since 1973. He has been a Director of GEICO since 1972, is a member of the Executive and Investment Committees, Chairman of the Pension Plan Administrative Committee and is a Vice President of the other Companies. Mr. Peck was elected GEICO's Vice President and Comptroller in 1959 and Senior Vice President in 1970.

Neal J. Boyle, 50, was elected Senior Vice President, Systems & Planning, in 1974 and had served as Vice President, Systems & Planning, since 1972. He was elected Assistant Comptroller in 1965 and Comptroller in 1970.

Harry C. Clay, 54, was elected Senior Vice President, Administration, in 1974 and had served as Vice President, Northeastern Region, since 1968.

Edward S. Ring, 48, was elected Senior Vice President, Marketing, in July 1974. He had served as Senior Vice President, Administration, since March 1974, as Vice President, Middle-Atlantic Region, since 1973 and as Vice President, Claims, since 1964.

George E. Smith, 54, retired effective January 1, 1975. He was elected Senior Vice President, Marketing, in 1974 and had served as Vice President, Marketing, since 1964.

Ralph L. Belford, 41, was elected Vice President, Policyholder Service, in 1974, had served as Assistant Vice President, Policyholder Service, since 1973, and has been an employee since 1961.

Theodore R. Branthover, 53, was elected Vice President, Claims Research & Control, in 1974, had served as Assistant Vice President, Mid-Atlantic Region, since 1973, and has been an employee since 1950.

Milton S. Cole, 54, has been Vice President, Personnel, since 1970. He served GEICO in various capacities in the personnel area prior to his election as Assistant Vice President, Personnel, in 1969.

Charles T. Connolly, 46, has been Vice President and Actuary since 1973. He was elected Assistant Actuary in 1965 and Actuary of GEICO and CRICO in 1970.

Theodore F. Culp, 53, has been Vice President, Central Region, since 1973. He was elected Assistant Vice President, Claims, in 1962.

Walter F. Culver, 55, has been Vice President, Western Region, since 1973. He was elected Vice President, Branch Offices, in 1967.

Thomas N. Exarhakis, 52, was elected Vice President, Market Planning and Services, in 1974, and had served as Assistant Vice President, Marketing, since 1964.

George E. Fries, 64, has been Vice President since 1970. Mr. Fries has been a Director of GEICO since 1961 and was elected its President and Chief Operating Officer in 1964. He is a member of the Pension Plan Administrative Committee and is a Vice President of CRICO and GEICO.

Frank J. Gillen, 47, has been Vice President, Employee Relations, since 1973. Prior to his employment by GEICO in 1973, he served as Vice President, Industrial Relations, for Pratt & Whitney from 1964 to 1971 and as Vice President, Employee Relations, for Itek Corporation, from 1971 to 1973.

Bartlett R. Hendrickson, 48, was elected Vice President, Underwriting Research & Control, in 1974, had served as Assistant Vice President, Underwriting Research & Control, since 1973, and had been Assistant Vice President, Underwriting, since 1965.

Deane W. Hillenbrand, 40, was elected Vice President, Eastern Region, in 1974, had served as Assistant Vice President, Southeastern Region, since 1973, and has been an employee since 1957.

Merrill D. Knight, III, 44, was elected Vice President, Mid-Atlantic Region, in 1974 and had served as Vice President, Claims Research & Control, since 1973. He was named Director of Staff Services, Claims Home Office, in 1968 and in 1970 was elected Assistant Vice President, Claims Staff Services.

J. Gardner Lawlor, 64, has been Vice President, Investments, since 1968.

George F. Lewin, 58, was elected a Vice President in 1974. Mr. Lewin is President, Chief Operating Officer and a Director of CRICO. Prior to serving as Senior Vice President of GEICO from 1971 to 1974, he was elected Vice President in 1963 and Secretary of GEICO and each of the Companies in 1964 and GEICO's Staff Vice President in 1970. In 1973, Mr. Lewin was elected a Director of CRICO and its Executive Vice President. He is a member of the Pension Plan Administrative Committee and of the Board of Trustees of the Profit Sharing Plan and is a Vice President of GELICO and GEFICO.

Ernest M. Lucas, 49, has been Vice President and Legislative Counsel since 1972. In 1972, he was elected Vice President and Legislative Counsel of CRICO and Legislative Counsel of GELICO. Mr. Lucas served as Assistant Vice President and Assistant General Counsel of GEICO, CRICO and GEFICO prior to being elected Vice President and General Counsel of GEICO and General Counsel of each of the Companies in 1969.

Ernest L. Marks, 48, was elected Vice President in 1974. Prior to his election as President and Chief Operating Officer of GEFICO effective January 9, 1974, Mr. Marks was elected a Vice President of GEFICO in 1964, its Executive Vice President in 1970 and a Director in 1973. He is a Vice President of CRICO and GELICO and is a member of the Pension Plan Administrative Committee.

Ross D. Pierce, 51, has been Vice President, Southeastern Region, since 1973. He was elected Assistant Vice President and Assistant Head of the Operations Department in 1964 and Vice President, Operations, in 1970.

James E. Reagan, 50, was elected Vice President, Northeast Region, in 1974. He was named Assistant Vice President, Office Services, in 1964 and Assistant Vice President, New York Regional Office, in 1972.

Donald K. Smith, 42, has been Vice President and General Counsel since 1972. He also serves as Vice President and General Counsel of CRICO, General Counsel of GELICO and Special Counsel of GEFICO. Mr. Smith was an attorney in GEICO's Legal Department prior to being elected Assistant Vice President and Assistant General Counsel of GEICO in 1969.

Robert F. Springer, 51, has been Vice President, Data Processing Research and Control, since 1973. He was elected Vice President, Data Processing, in 1962.

Walter R. Tinsley, 56, has been Vice President, Office Services, since 1959.

Edward H. Utley, 45, was elected Vice President, Systems Development, in 1974, and had served as Assistant Vice President, Data Processing, since 1973. Prior thereto he was Data Processing Manager for Group Hospitalization, Inc. (1971 - 1973) and an officer in the United States Marine Corps since 1951.

Stacy L. Williams, 49, has been Vice President and Associate Legislative Counsel since January 30, 1974. Prior to his election as Assistant Vice President and Claims Counsel in 1969, Mr. Williams served as a claims attorney in GEICO's Claims Department.

Henry J. Collins, 47, has been Treasurer and Comptroller since 1972. He was elected Treasurer of GEICO in 1965.

John M. O'Connor, 45, has been Secretary since 1970. He was elected Secretary of each of the other Companies in 1970. Prior to being elected Assistant Secretary of GEICO and each of the other Companies in 1969, Mr. O'Connor served in various capacities in GEICO's Claims Department.

All executive officers are elected for one-year terms or for the balance thereof. All terms expire March 27, 1975. There is no family relationship between the above-named executive officers of the registrant.

Item 9. Indemnification of Directors and Officers

On November 28, 1973, the Board of Directors amended the By-laws of GEICO, which amendment was ratified by the shareholders at the Annual Meeting held on March 27, 1974, to include a new Section XVI regarding indemnification of Directors and Officers. The indemnification provision of the By-laws applies to civil and criminal actions and requires GEICO to indemnify its Directors and Officers or former Directors and Officers against all costs and legal or other expenses, including costs or amount of settlement. The right of indemnification does not apply, however, in relation to matters as to which the person is finally adjudged to be liable for negligence or misconduct in the performance of his duties; provided, however, that an entry of judgment by consent as part of a settlement is not deemed to be a final adjudication of liability for negligence or misconduct in the performance of duty. In the case of settlement, if the Board of Directors makes a determination that the claim, action or proceeding did not arise out of negligence or misconduct, such a determination will be sufficient and necessary to justify indemnification. This right of indemnification is in addition to and is not deemed to be exclusive of any other rights to indemnity to which an indemnified person may legally be entitled.

In addition, GEICO and its directors and officers have purchased Directors and Officers liability insurance. The insurance policy was issued by the Continental Casualty Company, a member of the CNA insurance group, and became effective June 1, 1974. Subject to the limits and retentions set forth in

the policy, it covers (a) losses that may be incurred by GEICO's directors and officers as a result of any wrongful acts while acting in their individual or collective capacities as directors and officers, and (b) any payment on behalf of the Company of amounts which GEICO may be required or permitted to pay as indemnification to its directors and officers. The term "wrongful act" is defined, with certain exclusions, as any actual or alleged error or misstatement or misleading statement or act of omission or neglect or breach of duty by the insureds while acting in the discharge of their duties. The maximum combined coverage under the policy is \$10 million for each policy year, and payment of the three-year premium was allocated between GEICO (90%) and its directors and officers (10%).

Item 10. Financial Statements and Exhibits

(a) The response to this item is submitted as a separate section of this report.

(b) Exhibits

- | | |
|-------------|--|
| Exhibit 1 | Annual Report to Shareholders for the year ended December 31, 1974.* |
| Exhibit 2 | Convention Form Annual Statement for the year ended December 31, 1974.* |
| Exhibit 3-a | Exhibit 3-a of Registration Statement No. 2-39709 is hereby incorporated by reference (GEICO's Certificate of Incorporation, as amended through May 5, 1971). |
| Exhibit 3-b | Exhibit 3-b of Registration Statement No. 2-43455 is hereby incorporated by reference (Certificate of Amendment to GEICO's Certificate of Incorporation). |
| Exhibit 4 | Exhibit 4 of Form 10-K for the fiscal year ended December 31, 1973 is hereby incorporated by reference (GEICO's By-laws, as amended). |
| Exhibit 5 | Exhibit 4 of Registration Statement No. 2-39709 is hereby incorporated by reference (Specimen certificate representing the Common Stock, \$4.00 par value, of GEICO). |
| Exhibit 6 | Exhibit 5-b of Registration Statement No. 2-39709 is hereby incorporated by reference (Specimen Warrant Certificate evidencing right to purchase Common Stock). |
| Exhibit 7 | Exhibit 5-c of Registration Statement No. 2-39709 is hereby incorporated by reference (Warrant Agreement dated May 5, 1971 between GEICO and American Security and Trust Company). |
| Exhibit 8-a | Exhibit 5-d of Registration Statement No. 2-39709 is hereby incorporated by reference (1963 Stock Option Plan, as amended.) |

*Filed herewith.

Exhibit 8-b	Exhibit 1 of Form 8-K for the month of March, 1973 is hereby incorporated by reference (Amendments to 1963 Stock Option Plan).
Exhibit 8-c	Exhibit 2 of Form 8-K for the month of March, 1973 is hereby incorporated by reference (1973 Stock Option Plan).
Exhibit 9-a	Exhibit 5-e of Registration Statement No. 2-39709 is hereby incorporated by reference (Form of Option Agreement under the 1963 Stock Option Plan with form of Notice of Intent to Exercise).
Exhibit 9-b	Exhibit 9-b of Form 10-K for the fiscal year ended December 31, 1973 is hereby incorporated by reference (Forms of Qualified and Nonqualified Option Agreements under 1973 Stock Option Plan).
Exhibit 9-c	Exhibit 9-c of Form 10-K for the fiscal year ended December 31, 1973 is hereby incorporated by reference (Form of Notice of Election of Option Preference under 1973 Stock Option Plan).
Exhibit 9-d	Exhibit 9-d of Form 10-K for the fiscal year ended December 31, 1973 is hereby incorporated by reference (Form of Notice of Intent to Exercise under 1973 Stock Option Plan).
Exhibit 10	Exhibit 11-a of Registration Statement No. 2-43455 is hereby incorporated by reference (Pension Plan of GEICO, as amended).
Exhibit 11-a	Exhibit 11-b of Registration Statement No. 2-43455 is hereby incorporated by reference (Profit Sharing Plan of GEICO, as amended through May 26, 1971).
Exhibit 11-b	Amendment to Profit Sharing Plan of GEICO adopted September 25, 1974.*
Exhibit 11-c	Amendment to Profit Sharing Plan of GEICO adopted January 29, 1975.*
Exhibit 12	Exhibit 12 of Registration Statement No. 2-43455 is hereby incorporated by reference (Form of Securities Act Liability Insurance Policy).
Exhibit 13	Statement of Cash Profit-Sharing Bonus Program, as amended.*

*Filed herewith.

- Exhibit 14 Exhibit 13-b of Registration Statement No. 2-43455 is hereby incorporated by reference (Statement of Incentive Bonus Program for the President and the Chief Executive Officer).
- Exhibit 15 Exhibit 13-c of Registration Statement No. 2-43455 is hereby incorporated by reference (Statement of Incentive Bonus Program for Executive Staff Group and Junior and Senior Officers).
- Exhibit 16 Exhibit 13-d of Registration Statement No. 2-39709 is hereby incorporated by reference (Employment Contract dated May 28, 1969 between GEICO and L. A. Davidson and Amendment thereto dated January 28, 1970).
- Exhibit 17 Exhibit 13-e of Registration Statement No. 2-50769 is hereby incorporated by reference (Employment Contract effective March 29, 1974, between GEICO and the Companies, parties of the first part, and N. L. Gidden, party of the second part).
- Exhibit 18 Letter from Independent Accountants: Change in Accounting Principles. *

*Filed herewith.

PART II

Item 11. Principal Security Holders and Security Holdings of Management

No person owns of record, or is known by GEICO to own beneficially, more than 10% of its Common Stock or Warrants. The following table sets forth information with respect to the holdings of the Common Stock and Warrants by the Directors and Officers of GEICO, as a group, on December 31, 1974:

<u>Group</u>	<u>Type of Ownership</u>	<u>Number of</u>		<u>Approximate Percentage of</u>	
		<u>Shares</u> <u>(1)(2)</u>	<u>Warrants</u> <u>(2)</u>	<u>Shares</u> <u>Outstanding</u>	<u>Warrants</u> <u>Outstanding</u>
Directors and Officers	Record and Beneficial	1,905,467	29,625	10.8%	4.6%

(1) Includes 1,023,037 shares (approximately 5.8%) owned by Leo Goodwin, Jr.

(2) In certain cases, these securities are owned jointly with another person, are owned in the name of a corporation, or are held in an estate or trust in which a director or officer has an interest and/or of which he is a trustee. The figures are exclusive of 1,243,916 shares and 6,185 Warrants owned by spouses (individually or as trustee), minor children or relatives sharing homes of directors or officers or held by "associates" of directors or officers, or in estates or trusts of which the directors or officers are trustees or co-trustees with respect to which securities the concerned directors or officers disclaim beneficial ownership.

Item 12. Directors of the Registrant

(a) The present term of office of all directors expires on March 26, 1975.

(b) There is no family relationship between any of the directors or between any of the directors and the executive officers of the registrant.

<u>Name and Year He First Became a Director</u>	<u>Age</u>	<u>Offices and Positions Presently Held With GEICO and Business Experience</u>
Thomas E. Bolger (1973)	47	Director. (3) Mr. Bolger is Executive Vice President, American Telephone & Telegraph Company, New York, N. Y. Prior to his election to that position in 1974, he had been President of the Chesapeake and Potomac Telephone Companies, four separately incorporated Bell System companies wholly owned by the American Telephone & Telegraph Company, since April 1, 1970, and served in several executive positions with the Bell System including President of Pacific Northwest Bell in 1967.
Samuel C. Butler (1972)	45	Director. (3) Mr. Butler is a Partner, Cravath, Swaine & Moore, attorneys, New York, N. Y.
Daniel J. Callahan, Jr. (1948)	70	Director and Chairman of the Compensation Committee. (1)(3)(5)(7) Mr. Callahan is a farmer and retired Senior Vice President, The Riggs National Bank of Washington, D. C.
John M. Christie (1967)	64	Director. (2) (7) Mr. Christie is Chairman of the Board and a Director of The Riggs National Bank of Washington, D. C.
Lorimer A. Davidson (1952)	72	Chairman of the Investment Committee, Consultant and Director. (1)(3)(5)(6) Mr. Davidson is a consultant and a retired Chairman of the Board of GEICO.
Shelby Cullom Davis (1973)	65	Director. (2) Ambassador Davis was appointed United States Ambassador to Switzerland in 1969 and is currently serving in that post. He served as First Deputy Superintendent of Insurance of New York State from 1944 to 1947, and was Managing Partner, Shelby Cullom Davis &

<u>Name and Year He First Became a Director</u>	<u>Age</u>	<u>Offices and Positions Presently Held With GEICO and Business Experience</u>
		Co., Investment Bankers, New York City, from 1947 to 1969.
Norman L. Gidden (1962)	58	Chairman of the Board, Chief Executive Officer and Director. (1)(2)(4)(5)
Leo Goodwin, Jr. (1948)	60	Director and Chairman of the Board of Trustees of the Profit Sharing Plan. (1)(3)(6) Mr. Goodwin is a private investment banker.
Paul J. Hanna (1967)	59	Director and Chairman of the Stock Option Plan Administrative Committee. (6)(7) Mr. Hanna is Executive Vice President, Manufacturers Hanover Corporation, New York, N. Y., a bank holding company.
William K. Jacobs, Jr. (1948)	66	Director and Chairman of the Audit Committee. (1)(2)(6) Mr. Jacobs is a private financial consultant.
David Lloyd Kreeger (1948)	66	Director and Chairman of the Executive Committee. (2)(5)(6) Mr. Kreeger is a retired Chairman of the Board of GEICO.
Howard A. Newman (1954)	54	Director. Mr. Newman is Chairman of the Board and President, Western Pacific Industries, Inc., San Francisco, Calif., a holding and management company.
Melvin M. Payne (1971)	63	Director. (3)(5) Dr. Payne is President and Chief Executive Officer, National Geographic Society, Washington, D. C., a scientific and educational organization.
Ralph C. Peck (1972)	57	President, Chief Operating Officer, Director and Chairman of the Pension Plan Administrative Committee. (1)(2) Prior to his election as Executive Vice President in 1973, Mr. Peck was elected GEICO's Vice President and Comptroller in 1959 and a Senior Vice President in 1970.

-
- (1) Member of the Executive Committee.
 - (2) Member of the Investment Committee.
 - (3) Member of the Stock Option Plan Administrative Committee.
 - (4) Member of the Pension Plan Administrative Committee.
 - (5) Member of the Board of Trustees of the Profit Sharing Plan.

(6) Member of the Compensation Committee.

(7) Member of the Audit Committee.

Item 13. Remuneration of Directors and Officers

During 1974, the aggregate remuneration paid by GEICO directly or indirectly to (a) each director and each of the three highest paid officers of GEICO whose remuneration exceeded \$40,000, and (b) all directors and officers as a group was as follows:

Name and Capacity in Which Remuneration Was Received	Direct Payments (1)	Profit Sharing Plan		Estimated Annual Benefits Upon Retirement Under Pension Plan (4)
		Benefits Accrued or Set Aside During 1974 (2)	Vested Interest in Plan at December 31, 1974 (3)	
Norman L. Gidden, Chairman of the Board and Chief Executive Officer (5)	\$ 119,755	\$ 4,433	\$ 172,610	\$ 45,273
Ralph C. Peck, President and Chief Operating Officer	91,546	3,342	62,787	37,570
David Lloyd Kreeger, Chairman of the Executive Committee, Member of the Investment Committee and Director	42,364	431	See Footnote (6)	See Footnote (6)
Harry C. Clay, Senior Vice President, Administration	80,100	2,043	27,962	21,601
79 Directors and Officers as a group (7)	2,278,423	68,891	2,044,850	806,269

(1) Includes salaries, fees, bonuses and other taxable income. With respect to Mr. Clay, the amount shown includes payment of moving and other related expenses. The Board of Directors of GEICO and the Companies have established a policy of paying annual incentive bonuses to their employees as follows: (i) the Chief Executive Officer and the President in a total amount equal to 3/8 of 1% of pre-tax earnings of such companies (excluding realized investment gains and losses) during the 12 months ended October 31, not to exceed in the aggregate 20% of their base salaries without special Board authorization, and (ii) all other Officers and members of the Executive Staff Group in a total amount equal to 1% of such pre-tax earnings, not to exceed in the aggregate (in the case of members of the Executive Staff Group and Junior Officers) 5% of their base salaries or 10% of the employee's base salary and (in the case of Senior Officers) 10% of their base salaries or 20% of the employee's base salary. Some of the Officers and Directors of GEICO are also Officers or Directors of one or more of the Companies and receive remuneration for services

rendered to the concerned companies. In those cases, an allocation between companies is made in accordance with the relative time and contributions of the concerned Officer or Director to the particular company and such allocations are reflected herein; however, of the Officers and Directors named above, Messrs. Peck and Clay devote substantially all their working time, and Messrs. Gidden and Kreeger devote the major portion of their working time to the affairs of GEICO.

(2) GEICO contributions to the Profit Sharing Plan. Under the Plan, an employee may contribute, on a voluntary basis, from 1% to 10% of his base salary. Pursuant to a prescribed formula, based on length of time in the Plan, the Company will match from 50% to 100% of the employee's contribution, up to a maximum of 4-1/2% to 6% of his base salary. Company contributions may be invested primarily in securities of GEICO and the Companies. A participant's contributions may be invested at his option, in a portfolio of common stocks, an income fund of corporate bonds, or a combination of both. A participant may also elect at any time after his 60th birthday that the value of his account and all future contributions and forfeitures be transferred to fully insured savings accounts in banks of his own selection. The benefits accrued to participants at the time of retirement would depend on the value of the securities or savings accounts at that time. The expense to GEICO of this Plan in 1974 for all participants was \$496,245.

(3) Includes amounts contributed by the employee and accruals thereon.

(4) Estimated annual benefits from the Pension Plan are the annual amounts which it is estimated will become payable when the respective employees reach retirement age of 65. For employees under 65, such amounts are based on the assumption that each individual will continue until age 65 to receive salaried compensation at the respective rates in effect December 31, 1974 and that the Pension Plan will continue in its present form.

(5) Effective March 29, 1974, Mr. Gidden entered into a three-year employment contract with the Government Employees companies which provides, among other things, that he will serve as Chairman of the Board and Chief Executive Officer at a salary of \$150,000 per year (exclusive of bonuses, stock options and other benefits), with such salary to be prorated among the Companies. The amount paid by GEICO in 1974 is included under "Direct Payments."

(6) Mr. Kreeger retired as Chairman of the Board and Chief Executive Officer on March 29, 1974. Mr. Kreeger's "Direct Payments" includes salary from January 1, 1974 to March 28, 1974 paid to him prior to retirement. Upon retirement, Mr. Kreeger entered into an agreement with the Government Employees companies which provides, among other things, for the payment to him of an annual fee of \$35,000 for his services as Chairman of the Executive Committees, with such fee to be prorated among the Companies. The amount paid by GEICO in 1974 is included under "Direct Payments." This amount is in addition to annual benefits of \$34,345 under the Pension Plan and a distribution of \$387,662 made to Mr. Kreeger under the Profit Sharing Plan upon his retirement based on contributions to the Plans in his behalf prior to retirement and other benefits to which he may be entitled under GEICO's employee benefits plans.

(7) GEICO has agreements with Daniel J. Callahan, Jr., Lorimer A. Davidson, Leo Goodwin, Jr., Harvey B. Gram, Jr. (until his retirement as a Director on March 27, 1974), and William K. Jacobs, Jr. which provide for the payment to them of annual advisory fees for their services as members of the Executive Committee. The payment of all such advisory fees by GEICO in 1974 totaled \$19,188 and is included under "Direct Payments." GEICO has a contract with Lorimer A. Davidson, who retired as Chairman of the Board and Chief Executive Officer on March 29, 1970, which provides, among other things, that he is to receive compensation as a consultant, at a rate of \$23,000 annually, which amount is included under "Direct Payments." These amounts are in addition to retirement income or other benefits to which they are entitled under GEICO's employee benefit plans.

Item 14. Options Granted to Management to Purchase Securities

The following table sets forth information concerning options to purchase GEICO Common Stock granted to or exercised by the following persons since January 1, 1974, and as to all options held by such persons as of December 31, 1974:

<u>Options Granted:</u>	<u>D. L. Kreeger</u>	<u>N. L. Gidden</u>	<u>R. C. Peck</u>	<u>H. C. Clay</u>	<u>Directors and Officers as a Group</u>
Number of shares	(1)	1,469	1,770	433	16,991
Average option price per share	(1)	\$24.875	24.875	24.875	24.875
<u>Options Exercised:</u>					
Number of shares	(1)	None	None	None	2,765
Aggregate option price of shares purchased	(1)	-0-	-0-	-0-	\$59,947
Aggregate market value of shares on date options were exercised	(1)	-0-	-0-	-0-	\$72,247
<u>Unexercised Options held at December 31, 1974:</u>					
Number of shares	(1)	13,606	4,765	1,674	82,276
Average option price per share	(1)	\$32.683	30.868	34.502	33.863

(1) Mr. Kreeger does not now and did not participate in the Stock Option Plan.

Item 15. Interest of Management and Others in Certain Transactions

In the normal course of business, GEICO enters into various transactions with the other Government Employees companies (see Item 1(c) above). In 1973 and 1974, GEICO sold certain of its real estate to GEICO Properties,

Inc. (see Item 4 above). GPI's purchases were financed by long-term notes sold to institutional investors. All the notes were issued under Indentures and secured by the assignment to the trustees of long-term leases between GEICO and GPI and by the undertakings of GEICO to make sufficient funds available to GPI to meet its obligations under the Indentures. Some of the notes are also secured by mortgages on certain of the properties. GEICO provides space in some of its facilities to certain of the Companies and also provides corporate, accounting, personnel, medical, actuarial, data processing, statistical, advertising, sales, claims, investment and other services for the Companies. GEICO is reimbursed for such services monthly at an agreed charge on the basis of actual units processed or time involved, computed periodically in accordance with accepted accounting principles based upon a fair allocation of time and expenses. In 1974, GEICO received \$3,047,872 from the Companies for such space and services. In 1974, GEICO paid \$307,586 for services rendered to it by the Companies. In addition, in 1970 GEICO purchased from Government Employees Corporation, a wholly-owned subsidiary of GEFICO, \$800,000 principal amount of 9% Subordinated Notes due September 30, 1980, at a price of 90.848 for an effective yield of 10.5%. In the opinion of GEICO's management, each of such transactions with GPI, the Companies or their subsidiaries was on terms as favorable to GEICO as could have been obtained from other persons.

GEICO has in effect a Pension Plan for all regular salaried officers and employees. All benefits under the Plan are provided by contributions from GEICO. Such contributions are paid under an immediate participation guarantee contract issued by GELICO and amounted to \$1,308,700 incurred for 1974.

Companies writing automobile liability insurance are required to participate in Automobile Insurance ("assigned risk") Plans in each state in which a Plan is in effect. The provisions of such Plans, however, allow the auto business of GEICO and CRICO to be grouped for purposes of such participation. Consequently, in every state having such Plans, GEICO and CRICO use these grouping provisions and GEICO handles the policywriting and claims functions for both companies for assigned risk purposes. Excess credits available to CRICO under such Plans are used by GEICO to reduce its required participation in the Plans.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOVERNMENT EMPLOYEES INSURANCE
COMPANY

By /s/ H. J. COLLINS
H. J. Collins, Treasurer/Comptroller

Dated: March 24, 1975.

FORM 10-K

Item 10 (a)

Financial Statements and Schedules

Government Employees Insurance Company and Subsidiary

December 31, 1974 and December 31, 1973

The following financial statements of the Company, included in the annual report of the Company to its shareholders for the year ended December 31, 1974, filed as Exhibit 1 hereto, are incorporated herein by reference:

Consolidated Balance Sheet - December 31, 1974 and December 31, 1973

Consolidated Statement of Income - Years ended December 31, 1974 and December 31, 1973

Consolidated Statement of Shareholders' Equity - Years ended December 31, 1974 and December 31, 1973

Consolidated Statement of Changes in Financial Position - Years Ended December 31, 1974 and December 31, 1973

Notes to Consolidated Financial Statements

The following financial information for the years 1974 and 1973 is submitted herewith:

Report of Independent Accountants

Additional Notes to Consolidated Financial Statements

Schedule I - Bonds

As to Government Employees Insurance Company (Registrant), included by reference to Schedule D - Part 1 of the Annual Statement for the year ended December 31, 1974 filed as Exhibit No. 2 to this Annual Report on Form 10-K.

Schedule II - Stocks (other than stocks of affiliates)

Included by reference to Schedule D - Part 2 (Sections 1 and 2) of the Annual Statement for the year ended December 31, 1974 filed as Exhibit No. 2 to this Annual Report on Form 10-K.

Schedule IV - Real Estate

As to Government Employees Insurance Company (Registrant), included by reference to Schedule A - Part 1 of the Annual Statement for the year ended December 31, 1974 filed as Exhibit 2 to this Annual Report on Form 10-K.

Schedule V - Summary of investments in securities (other than securities of affiliates)

As to Government Employees Insurance Company (Registrant), included by reference to Schedule D - Summary of the Annual Statement for the year ended December 31, 1974 filed as Exhibit No. 2 to this Annual Report on Form 10-K.

Schedule VII - Premiums, losses and underwriting expenses for the two years ended December 31, 1974.

Schedule XI - Summary of realized gains or losses on sale or maturity of investments for the two years ended December 31, 1974.

All other Schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission have been omitted as they either are not required under the related instructions, are inapplicable, or the information required thereby is set forth in the financial statements or the notes thereto. With respect to Schedule VII, the information applicable to the consolidated subsidiary has been omitted as it is wholly-owned and the answer to Column G would be "none".

Individual financial statements of the registrant have been omitted as the registrant is primarily an operating company and its subsidiary included in the consolidated financial statements filed is wholly-owned and is not indebted to any person other than the parent in an amount which is material in relation to the total consolidated assets at the date of the latest balance sheet filed excepting indebtedness incurred in the ordinary course of business which is not overdue and matures within one year from the date of its creation, whether evidenced by securities or not, and excluding indebtedness secured by leases of the registrant.

DISCLOSURE ^(R)

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

Report of Independent Accountants

To the Shareholders
Government Employees Insurance Company

We have examined the consolidated balance sheet of Government Employees Insurance Company and Subsidiary as of December 31, 1974, and December 31, 1973, and the related statements of income, shareholders' equity and changes in financial position for the years then ended included in the annual report to shareholders of Government Employees Insurance Company for the year ended December 31, 1974, and the additional notes to consolidated financial statements and the schedules listed in the index on the preceding pages. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of Government Employees Insurance Company and Subsidiary at December 31, 1974, and December 31, 1973, and the consolidated results of their operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the changes, with which we concur, that result from adopting generally accepted accounting principles as explained in the notes to financial statements. Further, it is our opinion that the additional notes to consolidated financial statements and schedules referred to above present fairly the information set forth therein in compliance with the applicable accounting regulations of the Securities and Exchange Commission.

Ernst & Ernst
Ernst & Ernst

Washington, D. C.
February 26, 1975

Additional Notes to Consolidated Financial Statements

Government Employees Insurance Company

December 31, 1974 and December 31, 1973

UNDERWRITING EXPENSES

Underwriting expenses consist of:

	Year Ended December 31	
	1974	1973
Commission and brokerage	\$ 6,067,697	\$ 5,464,480
Salaries and other compensation	35,512,448	30,832,576
Taxes, licenses and fees	17,631,216	18,128,647
Postage and telephone	7,155,631	6,320,000
Equipment	4,993,552	3,833,208
Printing and stationery	2,954,092	2,292,521
Other underwriting expenses	14,078,019	11,012,034
	<u>\$88,392,655</u>	<u>\$77,883,466</u>

OTHER LIABILITIES

Other liabilities consist of:

	Year Ended December 31	
	1974	1973
Unpaid drafts issued in settlement of claims	\$17,367,760	\$16,497,790
Unapplied premium receipts	6,867,279	6,953,040
Policyholder credit balances	6,009,243	4,711,638
All other	477,017	788,823
	<u>\$30,721,299</u>	<u>\$28,951,291</u>

PROPERTY AND EQUIPMENT

The annual provisions for depreciation and amortization have been computed principally in accordance with the approximate following estimated useful lives:

	Years
Buildings	45
Equipment	10
Leasehold improvements	Lesser of life of lease or economic useful life

When properties are retired or otherwise disposed of the asset account is relieved of the cost of the particular item and the allowance for depreciation and amortization is charged with the actual or estimated accumulated depreciation which is applicable thereto. Any gain or loss resulting from disposition is credited or charged to income. Expenditures for repairs, maintenance and minor improvements are charged to operations as incurred.

DISCLOSURE ^(R)

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ADDITIONAL STOCK OPTION INFORMATION

The following tabulations show the options granted, the options which became exercisable and the options which were exercised during the two years ended December 31, 1974; and the shares under option at December 31, 1973 and 1974.

OPTIONS GRANTED

	<u>Number of Shares</u>	<u>Per Share</u>	<u>Total</u>
Year ended December 31:			
1973	37,708	\$43.22	\$1,629,740
1974	38,489	24.88	957,606

OPTIONS WHICH HAVE BECOME EXERCISABLE

Year ended December 31:	<u>Number Of Shares</u>	<u>Option Price</u>		<u>Market Price On Date Options Became Exercisable</u>	
		<u>Per Share</u>	<u>Total</u>	<u>Per Share</u>	<u>Total</u>
1973	32,128	\$19.23 to \$55.53	\$ 835,449	\$41.25 to \$44.50	\$1,428,646
1974	37,894	19.23 to 55.53	1,301,440	19.13 to 36.25	956,957

OPTIONS EXERCISED

Year ended December 31:	<u>Number Of Shares</u>	<u>Option Price</u>		<u>Market Price On Date Options Were Exercised</u>	
		<u>Per Share</u>	<u>Total</u>	<u>Per Share</u>	<u>Total</u>
1973	26,964	\$14.01 to \$34.92	\$501,610	\$36.50 to \$60.75	\$1,166,852
1974	5,539	19.23 to 34.92	121,401	23.38 to 40.13	152,145

SHARES UNDER OPTION

<u>Period During Which Options Were Granted</u> <u>December 31, 1973</u>	<u>Under Option</u>	<u>Option Price</u>	
		<u>Per Share</u>	<u>Total</u>
1969	14,290	\$22.94 to \$25.28	\$ 332,615
1970	31,518	19.23 to 20.91	609,621
1971	33,703	34.92 to 37.74	1,186,172
1972	12,294	55.53	682,674
1973	37,708	43.22	1,629,740
	<u>129,513</u>		<u>\$4,440,822</u>
<u>December 31, 1974</u>			
1970	29,152	\$19.23 to \$20.91	\$ 564,121
1971	31,447	34.92 to 37.74	1,106,814
1972	11,862	55.53	658,685
1973	36,736	43.22	1,587,730
1974	38,102	24.88	948,235
	<u>147,299</u>		<u>\$4,865,585</u>

Upon sale of shares of capital stock under the option plan (the full amount therefore must be paid in cash prior to issuance of the shares), the difference between the option price and the par value of the shares issued is credited to capital surplus. There are no charges to income with respect to the above arrangements.

INVESTMENT TAX CREDIT

Investment tax credit, which is not material, is accounted for by the flow-through method.

INVESTMENT INCOME

Investment income consists of:

	December 31,	
	1974	1973
Interest on bonds	\$22,308,546	\$19,416,788
Dividends, unaffiliated companies	10,163,788	8,823,624
Real estate income	335,900	243,423
	<u>32,808,234</u>	<u>28,483,835</u>
Investment expenses	(479,887)	(615,860)
	<u>\$32,328,347</u>	<u>\$27,867,975</u>

OTHER

The essential provisions of executive bonus arrangements are set forth in response to item 13 included in Part II of this Form 10-K.

The \$23,500,000 8 1/4% and 8 1/2% secured notes are payable in equal quarterly installments to 2004. Annual maturities for the succeeding five years are approximately \$194,000, \$210,000, \$228,000, \$248,000 and \$269,000 for 1975 through 1979 respectively.

DISCLOSURE [®]

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

SCHEDULE I

BONDS

<u>Name of Issuer And Title of Issue</u>	<u>Principal Amount</u>	<u>Actual Cost</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Amortized Or Investment Value</u>	<u>Asset Value</u>
As to Registrant, incorporated by reference to Schedule D, Part 1 of the Annual Statement	\$478,877,000	\$398,718,257	\$412,370,711	\$411,400,409	\$412,370,711	\$412,370,711
GEICO Properties, Inc. U. S. Treasury	<u>1,000,000</u>	<u>984,772</u>	<u>984,772</u>	<u>984,772</u>	<u>984,772</u>	<u>984,772</u>
	<u>\$479,877,000</u>	<u>\$399,703,029</u>	<u>\$413,355,483</u>	<u>\$412,385,181</u>	<u>\$413,355,483</u>	<u>\$413,355,483</u>

SCHEDULE IV

REAL ESTATE OWNED

	<u>Amount of Encumbrances</u>	<u>Book Value Actual Cost</u>	<u>Book Value Less Encumbrances</u>	<u>Market Value Less Encumbrances</u>	<u>Asset Value</u>
As to Registrant, incorporated by reference to Schedule A, Part 1 of Annual Statement	\$ -0-	\$18,309,819	\$13,565,511	\$13,565,511	\$13,565,511
GEICO Properties, Inc.					
New York					
Northeast Regional Office	13,847,126	12,905,101	(1,190,042)	(1,190,042)	12,657,084 ⁽¹⁾
Field Office	-0-	510,034	507,901	507,901	507,901
Georgia					
Southeast Regional Office	8,468,169	8,685,431	132,850	132,850	8,601,019 ⁽¹⁾
Virginia					
Field Office	1,093,823	1,096,149	(2,647)	(2,647)	1,091,176 ⁽¹⁾
	<u>\$23,409,118</u>	<u>\$41,506,534</u>	<u>\$13,013,573</u>	<u>\$13,013,573</u>	<u>\$36,422,691</u>

(1) Amounts for GEICO Properties, Inc. are stated without reduction for encumbrances and accordingly such totals are greater than book value column by \$23,409,118. Encumbrances are reflected as liabilities under long-term debt.

SCHEDULE V

SUMMARY OF INVESTMENTS IN SECURITIES - OTHER THAN SECURITIES OF AFFILIATES

	Actual Cost	Book Value	Market Value	Amortized Or Investment Value	Asset Value
As to Registrant, incorporated by reference to Schedule D of Annual Statement					
Bonds - Registrant	\$398,718,257	\$412,370,711	\$411,400,409	\$412,370,711	\$412,370,711
Bonds - GEICO Properties, Inc. - U. S. Government	<u>984,772</u>	<u>984,772</u>	<u>984,772</u>	<u>984,772</u>	<u>984,772</u>
Total Bonds	399,703,029	413,355,483	412,385,181	\$413,355,483	413,355,483
Stocks					
Preferred - All Registrant	58,498,056	58,498,056	40,092,408		40,092,408
Common - All Registrant	90,687,972	90,687,972	62,477,743		62,477,743
Less investment in GEICO Properties, Inc.	<u>(500,000)</u>	<u>(500,000)</u>	<u>(537,751)</u>		<u>(537,751)</u>
Total Common	<u>90,187,972</u>	<u>90,187,972</u>	<u>61,939,992</u>		<u>61,939,992</u>
Total Stocks	<u>148,686,028</u>	<u>148,686,028</u>	<u>102,032,400</u>		<u>102,032,400</u>
Total Investments	<u>\$548,389,057</u>	<u>\$562,041,511</u>	<u>\$514,417,581</u>		<u>\$515,387,883</u>

SCHEDULE VII

GOVERNMENT EMPLOYEES INSURANCE COMPANY
PREMIUMS, LOSSES AND UNDERWRITING EXPENSES
Two Years Ended December 31, 1974

Line of Business	PART I - PREMIUMS				PART II - LOSSES AND UNDERWRITING EXPENSES			
	Unearned Premiums Beginning Of Period	Net Premiums Written	Unearned Premiums End Of Period	Premiums Earned During Period	Losses Incurred During Period	Loss Expense Incurred During Period	Commissions and Brokerage Incurred During Period	Other Underwriting Expenses Incurred During Period
Year Ended December 31, 1973:								
Fire	\$ 1,453,732	\$ 1,680,834	\$ 1,520,330	\$ 1,614,236	\$ 870,046			
Allied lines	893,308	955,479	936,080	912,707	208,926			
Homeowners multiple peril	19,949,959	27,702,312	23,318,474	24,333,797	13,361,060			
Inland marine	602,260	1,423,998	790,828	1,235,430	543,493			
Liability other than auto	213,779	300,437	256,067	258,149	34,409			
Auto liability	151,164,311	317,848,653	170,244,205	298,768,759	211,687,322	\$62,911,133	\$ 5,464,480	\$72,418,986
Auto physical damage	81,675,853	180,869,509	93,570,159	168,975,203	120,815,651			
Surety	-0-	5,550	-0-	5,550	10			
Service charges	-0-	3,432,781	-0-	3,432,781	-0-			
Total	\$255,953,202	\$534,219,553	\$290,636,143	\$499,536,612	\$347,520,917	\$62,911,133	\$ 5,464,480	\$72,418,986
Year Ended December 31, 1974:								
Fire	\$ 1,520,330	\$ 1,787,061	\$ 1,640,084	\$ 1,667,307	\$ 1,402,604			
Allied lines	936,080	1,153,959	1,033,041	1,056,998	398,056			
Homeowners multiple peril	23,318,474	33,560,871	27,517,384	29,361,961	18,553,867			
Inland marine	790,828	1,680,079	956,941	1,513,966	789,896			
Surety	-0-	3,704	-0-	3,704	27			
Liability other than auto	256,067	304,280	260,754	299,593	110,989	\$76,559,934	\$ 6,067,697	\$82,324,958
Auto liability	170,244,205	334,400,174	186,510,300	318,134,079	221,771,779			
Auto physical damage	93,570,159	187,893,792	101,254,153	180,209,798	134,403,877			
Service charges	-0-	4,442,269	-0-	4,442,269	-0-			
Total	\$290,636,143	\$565,226,189	\$319,172,657	\$536,689,675	\$377,431,095	\$76,559,934	\$ 6,067,697	\$82,324,958

SCHEDULE XI

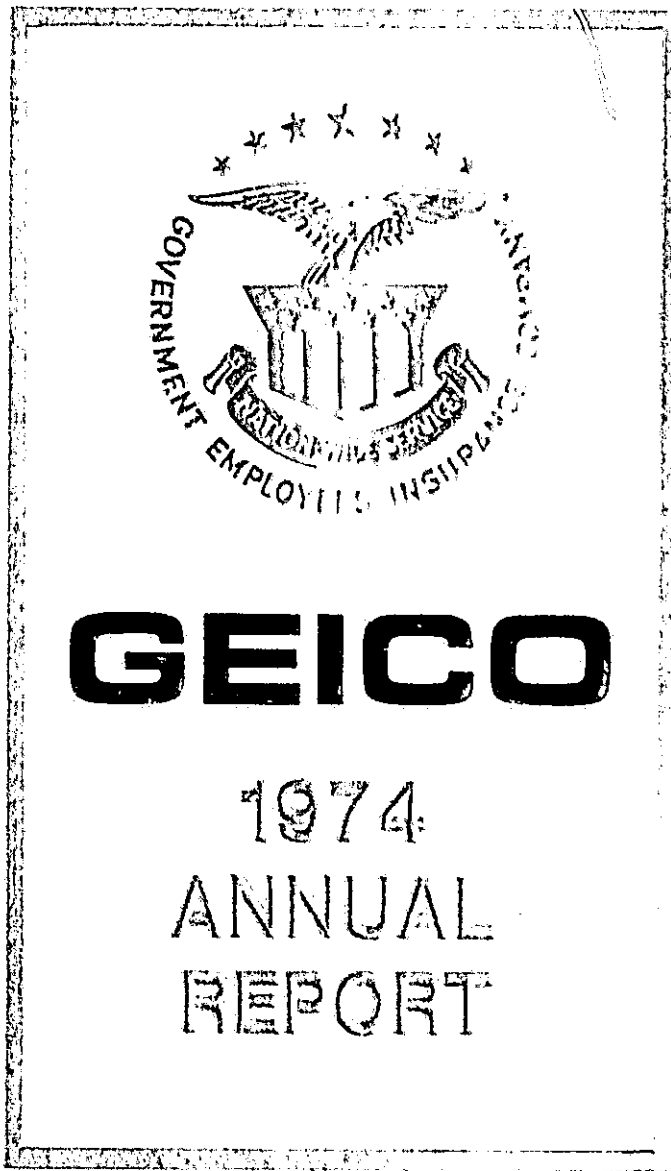
GOVERNMENT EMPLOYEES INSURANCE COMPANY

Summary of Realized Gains or Losses on Sale or Maturity of Investments
For the Two Years Ended December 31, 1974

<u>Type of Security</u>	<u>Aggregate Cost*</u>	<u>Aggregate Proceeds</u>	<u>Gain (Loss)</u>
Year ended December 31, 1973:			
Bonds	\$ 764,101,941	\$ 764,061,227	\$ (40,714)
Stocks, other than affiliates	24,032,520	24,080,196	47,676
Net realized gain	<u>\$ 788,134,461</u>	<u>\$ 788,141,423</u>	<u>\$ 6,962</u>
Year ended December 31, 1974:			
Bonds	\$1,871,286,277	\$1,871,387,969	\$ 101,692
Stocks, other than affiliates	18,423,148	16,849,845	(1,573,303)
	<u>\$1,889,709,425</u>	<u>\$1,888,237,814</u>	<u>\$ (1,471,611)</u>
Income tax effect of realized loss			<u>436,325</u>
Net realized loss			<u>\$ (1,035,286)</u>

*Bonds are stated at aggregate amortized cost.

EXHIBIT 1



GEICO

1974
ANNUAL
REPORT

DISCLOSURE [®]

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

GOVERNMENT
EMPLOYEES
INSURANCE
COMPANY
WASHINGTON, D.C.
ANNUAL REPORT
1974



GEICO

A Capital Stock Company Not Affiliated
With The U.S. Government

ANNUAL MEETING

The Annual Meeting of Shareholders will
be held at 10:00 a.m. on March 26, 1975
in the Federal Room of the Statler-Hilton
Hotel in Washington, D.C.

CONTENTS

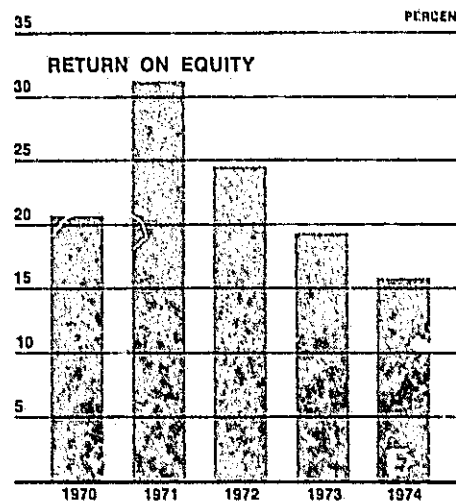
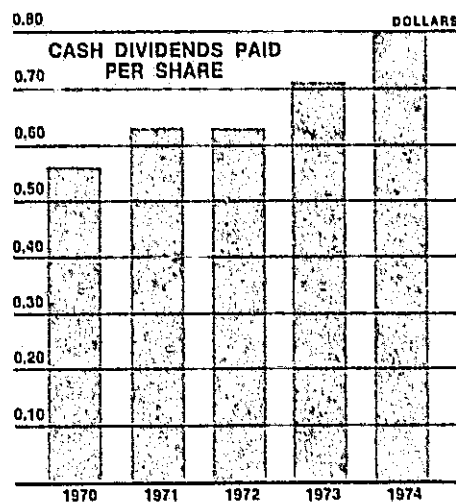
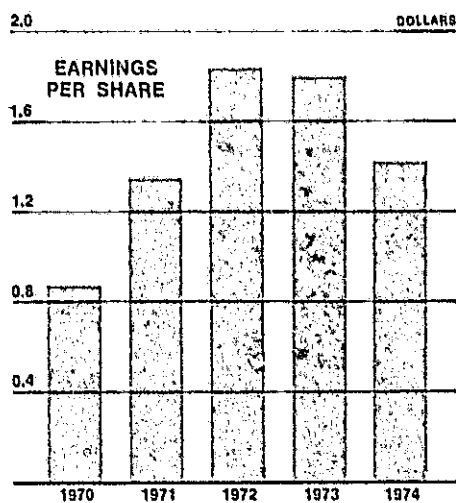
Description of Business	3
Letter to Shareholders	4
Summary of Operations	8
Management's Discussion and Analysis of the Summary of Operations	9
Record of GEICO	14
Policies in Force	14
Reserves	14
Investments	14
Real Estate	15
Assets	16
Dividends	16
Lines of Insurance	17
Premium Rates	20
Marketing	21
Claims	22
Regionalization	23
Senior Management Organization	24
Continuity of Management Program	24
Board of Directors	25
Stock Option Plan	25
Shareholder Information	26
Common Stock Prices	26
General Record of the Industry	27
Review	27
No-fault Automobile Insurance	28
Residual Market	29
Directors and Officers	31
Financial Statements	32

**GOVERNMENT
EMPLOYEES
INSURANCE COMPANY
AND SUBSIDIARY**

Government Employees Insurance Company is a multiple line property and casualty insurer engaged principally in writing all lines of private passenger automobile insurance on preferred risks. The Company also writes homeowners and fire and allied lines of insurance. Based on 1973 statistics published in the *National Underwriter* of May 3, 1974, Government Employees Insurance Company, in terms of earned premiums, is the third largest stock insurance company in the United States in the writing of private passenger automobile insurance and fifth largest including stock, mutual and reciprocal companies.

In *Forbes* magazine's Twenty-Seventh Annual Review of the major Finance-Insurance Companies, based on the average results for the five-year period 1969-1973, GEICO is ranked first in return on equity, first in return on capital, first in growth in sales and second in growth in earnings per share. In the magazine's comparison of the performance of the 859 leading companies in all industries for the same five-year period, GEICO was ranked 35th in return on equity, 52nd in compounded earnings per share growth and 207th in appreciation in stock market value.

In *Fortune* magazine's 1974 list of the 50 largest diversified financial companies, Government Employees Insurance Company is ranked 1st in net income as a percentage of equity, 9th in the 10-year average combined return of stock prices appreciation and dividend yield to its investors, 14th in earnings per share growth rate for the last decade, 18th in revenues, 27th in net income and 41st in assets.





Mr. Norman F. Gadden, Chairman of the Board (left) and Mr. Ralph C. Peck, President

STATEMENT OF MANAGEMENT

This thirty-ninth Annual Report of Government Employees Insurance Company covering the year 1974 is submitted on behalf of the Board of Directors.

In what has been the most difficult year in the history of the property and casualty insurance industry, GEICO sustained a net underwriting loss after 28 years of uninterrupted underwriting profits, but was able to register a modest growth in premium volume and a good increase in net investment income. Net income after taxes declined by 21.1% from 1973. Confronting an unprecedented combination of a recessionary national economy, mounting unemployment, the worst inflation in decades, serious premium rate inadequacies and a

depressed stock market, the results of our operations for 1974 afford a basis for confidence in the ability of our Company to cope successfully with the adversities assailing our industry.

Before proceeding with a statistical comparison of the years 1974 and 1973, it is advisable that we explain a change in our Company's accounting methods that became effective this year.

The traditional accounting method, the so-called "statutory basis" required by the state regulatory agencies and followed by our Company in all its reports since its organization, requires that all expenses for the acquisition of insurance policies be charged against gross income

for the year in which the expenses were incurred, while the premiums on such policies are taken into income in monthly increments as earned. The result is that some or all of the premiums on policies written in one year are not reflected in earned income until the following year. The principal shortcoming of this accounting method is that it does not adequately provide for the matching of revenues with expenses over the term of the policy with the consequence that it tends to understate earnings of a rapidly growing company which must charge large amounts of acquisition costs of policies entirely against the current year's operations. In short, the more successful a company is in achieving high sales volume, the less favorable will its statutory operating results appear for the current period. Conversely, a company with decreasing volume tends to overstate its income.

To obviate such distortions and in order to enhance the informativeness of corporate financial statements to shareholders and the investing public, the American Institute of Certified Public Accountants has issued modified accounting rules, known as "Generally Accepted Accounting Principles" (GAAP), which require acquisition costs to be identified and matched against income over the term of the policies.

GAAP differs from statutory accounting in several other respects, such as in treatment of rent for property owned by the Company or its subsidiary and in requiring the accrual of a reserve for taxes in certain situations.

The GAAP method for reporting results most probably will be made mandatory by the Securities and Exchange Commission for all stock property and casualty insurance companies in 1975. The conversion to the GAAP method of accounting was made by our Company at this time upon recommendation of the American Institute of Certified Public Accountants and our independent auditors, since this method is required for an unqualified certification of financial statements of stock property and casualty insurance companies in 1974 and thereafter. In addition, the GAAP method sets forth our earnings statistics upon a basis that is comparable to the great majority of stock companies in our industry as well as in other industries.

Therefore, unless otherwise noted, all figures in this Annual Report, including the income and earnings results for the five-year period ending December 31, 1974 which are set forth in the summary on page 8 and discussed in detail in this Annual Report, are presented on the GAAP

basis rather than reflecting statutory accounting practices as did previous reports to shareholders.

Property and casualty insurance companies must, however, continue to file Annual Statements with state regulatory authorities on a statutory basis. Although financial data are presented in this Annual Report primarily on a GAAP basis, a reconciliation showing the differences between this presentation and the results as reported under statutory accounting practices appears in the Notes to Financial Statements beginning on page 37. These notes also restate the results set forth in the interim reports issued for the first three quarters of 1974.

Underwriting results for 1974 showed the impact of the relentless pressures of double digit inflation on claim settlement and policy servicing costs compounded by the mandatory rate reductions accompanying the enactment of no-fault laws in several states. Against a 1973 underwriting profit of \$11,625,960, restated under GAAP, our 1974 underwriting results produced a net loss of \$5,389,860. However, investment income before taxes, excluding net realized capital loss, established a record high of \$32,425,447, a 16.0% increase over our 1973 pretax investment income. Net income excluding net capital gain or loss after taxes amounted to \$26,124,665 in 1974, a decline of 17.3% from the comparable profit of \$31,795,472 for the year 1973. On a weighted average per share basis such earnings in 1974 were \$1.43 which compare with earnings of \$1.30 per share in the prior year.

The fourth quarter produced the worst underwriting result in our history, with a combined loss and expense ratio of 111.7% which produced an underwriting loss of \$17,298,571. This was a direct result of a marked increase in accident frequency, the continuing inflationary trend in settlement costs and expenses and a strengthening of loss reserves by approximately 4%.

For the thirty-second consecutive year we were able to register an increase in policies in force and premiums written despite continuing restraints on premium rate increases and compulsory rate reductions mandated under no-fault automobile insurance statutes that were implemented during the past four years. In the face of these pressures, it is gratifying to report that our total premium writings increased by 5.3% to a record high of \$565,226,189 which was more than double the volume written as recently as 1969. The number of new policyholders added in 1974 was also a record, bringing our total policies in force in all lines to 2,617,617 on Decem-

ber 31, 1974, an increase of 7.0% over the prior year and a gain of more than one million additional policies in five years. Our total assets also continued to grow in spite of the substantial decline in the securities market, reaching \$816,769,946 at year-end 1974. This sustained growth under unstable economic conditions and in an intensely competitive environment advanced our Company to the position of the third-ranking stock company insurer of private passenger automobiles, according to the latest published industry statistics.

In the prevailing economic and regulatory atmosphere of 1974, neither our continued strict adherence to our customary conservative underwriting standards nor the application of rigorous cost control programs to all facets of our operations could avert the sharp decline in our underwriting income. However, our unfavorable 1974 underwriting performance was not unlike that of the property and casualty industry in general, which under the buffeting of premium rate inadequacies and rampant inflation suffered its greatest underwriting loss since 1932. The origins of this problem were perceived in mid-1973 when the latent inflationary pressures on claim and operating costs that were released by the termination of the Federal Government's Phase II wage and price controls in January of that year began to destabilize the fragile balance which had existed up to that time between premium rates and loss experience. However, the industry's ability to respond to these clearly emerging trends was severely hampered by the constraints on premium increases imposed by Phase IV controls which did not expire until April 30, 1974. In the intervening period, surging costs, fueled by double-digit inflation, outstripped premium rate levels in nearly all lines of insurance in most states. In the automobile line the problem was exacerbated by the rate reductions that were mandated in conjunction with no-fault insurance legislation. The devastating effect of protracted inflation on the severity of automobile claims was only marginally softened by a slight reduction in claim frequency in the first part of 1974 over the prior year attributable to gasoline shortages in the early months of the year.

The gap between premium rates and losses was particularly severe in the involuntary portion of our automobile insurance business—those risks and exposures assigned to us under the Automobile Insurance Plans or through other facilities established by the states to allocate proportionately among licensed companies the

insurance protection of motorists unable to obtain coverages through normal channels. Even though our involuntary written premium volume accounted for only 6.7% of our total automobile insurance premium writings in 1974 the grossly inadequate rate levels for this classification of business over which we can exercise no underwriting prerogatives caused a staggering underwriting loss of \$12,397,760 for the year.

A further erosion of underwriting income in 1974 was attributable to the alarming increase in insurance company insolvencies. Insurance Guaranty Associations have been established in 48 jurisdictions to guarantee payment of meritorious claims on behalf of insolvent insurance carriers, the costs being borne by all licensed companies on an equitable loss-sharing formula. Thereby the insured public is protected against poorly managed or unscrupulous companies and the integrity of the entire industry is maintained. In 1974, as the result of the insolvencies of several automobile insurance carriers, \$670,028 was paid by our Company to Insurance Guaranty Associations representing our Company's share of the insolvent carriers' outstanding liabilities to claimants. In 1973 our Company paid insolvency assessments in the amount of \$380,629. These assessments, which are charged against our underwriting income, could ultimately reach a total of two million dollars for companies declared insolvent in the past two years.

Another problem which confronted the industry in 1974 was the serious dislocation of the ratio of premium writings to policyholders' surplus caused by the steep decline in the securities market. This ratio is frequently cited as one of several indicators of the financial strength and stability of a casualty insurance company. In fact, this ratio varies widely within the industry and tends to fluctuate, sometimes dramatically, because of external and frequently uncontrollable influences. On an industry-wide basis, the estimated ratio of written premiums to policyholders' surplus was 2.73 on December 31, 1974, which compares with a ratio of 1.97 for the year 1973. The combined effect of underwriting losses and reduced surplus threatens to impair the capacity of the industry to meet the insurance needs of the public.

Although our ratio, like that of other companies, was increased by these forces, we were less affected than many other companies in the industry because our investment portfolio contains a relatively smaller portion of equity holdings. Moreover, during most of our history, the

ratio of our premium writings to surplus has been higher than the industry's aggregate ratio, a condition which the regulating authorities have accepted because of our consistent underwriting profitability and conservative investment policy. While this ratio increased in 1974 for our Company to 5.44% from 4.06% in 1973, the rate of increase was somewhat less, proportionately, than that for the industry. A recent analysis by the National Association of Insurance Commissioners concluded that the significance of the ratio of premium writings to surplus for a casualty company must be evaluated in the context of its composite record, including adequacy of reserves, quality of investment portfolio, cash dividend policy, reinsurance protection against major losses, cash flow, liquidity, competence of management and similar criteria. Management is fully cognizant of the relative significance of the increase in our ratio of premium writings to surplus and we are confident that our Company will continue to meet the most stringent tests of financial strength and stability.

A number of important actions were taken in 1974 in order to strengthen our operations and improve prospects for 1975. Foremost among them were the vigorous and successful initiatives taken after the termination of Federal price controls on April 30, 1974 to restore premium rate adequacy. In seven of our most important states which contained 44.1% of our total written premium in 1974, these efforts yielded rate increases on the voluntary automobile line which will increase written premiums by approximately \$27.9 million in 1975 over the premium which would have been written at the previous rate levels. The highest priority of Management is being given to the correction of premium rate inadequacies in other states where pricing deficiencies exist and to the maintenance of premium rate levels that will permit a reasonable underwriting profit.

Nineteen seventy-four also saw the final implementation of our regional organization. By year-end three regional office facilities were fully operational, including our Northeastern Regional Office Building in Woodbury, Long Island, New York which was formally dedicated in October 1973; our Western Regional Office facility in San Francisco, California which began full service operations in June 1974; and our newly constructed Southeastern Regional Office Building in Macon, Georgia which became fully operational in November 1974. The three remaining regional units which are now housed in our Operations Building in Chevy Chase, Mary-

land, serve the Middle Atlantic Region, the Central Region and the Eastern Region with a comparable degree of service and efficiency as those located in their own buildings. As anticipated growth increases office space requirements and as economically justified, each of the latter two regional units will be relocated strategically into the territory it serves. In the relatively brief operating span of this regional organization, the anticipated benefits have materialized at a rapid rate, producing significant improvements in operating efficiency, the quality of policyholder service and in marketing effectiveness.

Concurrently, the reorganization of our Senior Management to conform with the regional operating structure was completed in 1974. In addition intensive efforts were made in 1974 to improve the technical and professional competence of our management staff at all levels through comprehensive development programs. These efforts are rewarding our Company with management resources oriented to the difficult tasks ahead, as well as with employees who are skilled, motivated and effectively directed.

Peering into the cloudy prospects of 1975, we foresee a continuation of the adversities and problems of 1974 but with some signs of relief in the form of a slight lessening of the rampant inflationary forces in the latter part of the year and the gradually increasing benefits of rate increases already obtained and to be sought during the year.

These formidable challenges to our industry in 1975 will place great demands upon the skills and judgment of our Management and personnel, but the progress achieved by our Company during 1974 in a decidedly hostile economic and regulatory climate affords a basis for confidence that the coming year will see improvement. We confront these problems of 1975 with corporate strength and with assurance that our Company's long-term record of growth and prosperity will be sustained.

Ralph C. Beck
President

N. L. Giddens
Chairman of the Board

March 4, 1975
Washington, D.C.

SUMMARY OF OPERATIONS

YEAR ENDED DECEMBER 31

	1974	1973	1972	1971	1970
Net Premiums Earned	\$536,689,676	\$499,536,612	\$451,878,436	\$377,328,635	\$289,243,236
Losses and Loss Expenses	\$453,991,029	\$410,432,050	\$360,027,736	\$312,745,382	\$247,373,391
Underwriting and Other Expenses	\$ 88,588,507	\$ 77,478,602	\$ 69,159,082	\$ 50,519,450	\$ 37,189,159
Underwriting Income (Loss)	\$ (5,889,860)	\$ 11,625,960	\$ 22,691,618	\$ 14,063,803	\$ 4,680,686
Investment Income	\$ 32,328,347	\$ 27,867,975	\$ 23,836,624	\$ 18,763,708	\$ 13,572,070
Interest Expense	\$ 1,717,575	\$ 34,375	\$ —0—	\$ —0—	\$ —0—
Income Before Taxes and Realized Gains or Losses	\$ 24,720,912	\$ 39,459,560	\$ 46,528,242	\$ 32,827,511	\$ 18,252,756
Federal Income Taxes (Credit) ...	\$ (1,403,753)	\$ 7,664,088	\$ 13,110,230	\$ 8,885,096	\$ 4,213,744
Income Before Realized Gains or Losses	\$ 26,124,665	\$ 31,795,472	\$ 33,418,012	\$ 23,942,415	\$ 14,039,012
Realized Gains (Losses) Before Taxes	\$ (1,471,611)	\$ 6,962	\$ (1,191,669)	\$ (1,152,496)	\$ 212,833
Federal Income Taxes (Credit) ...	\$ (436,325)	\$ —0—	\$ (337,725)	\$ (309,557)	\$ 60,120
Realized Gains (Losses)	\$ (1,035,286)	\$ 6,962	\$ (853,944)	\$ (842,939)	\$ 152,713
Net Income ⁽¹⁾	\$ 25,089,379	\$ 31,802,434	\$ 32,564,068	\$ 23,099,476	\$ 14,191,725
Per Share: ⁽²⁾					
Income Before Realized Gains or Losses	\$ 1.48	\$ 1.80	\$ 1.89	\$ 1.39	\$.86
Realized Gains (Losses)	\$ (.06)	\$ —0—	\$ (.05)	\$ (.05)	\$.01
Net Income	\$ 1.42	\$ 1.80	\$ 1.84	\$ 1.34	\$.87
Weighted Average Shares					
Outstanding	17,719,081	17,704,756	17,669,713	17,174,720	16,223,817
Cash Dividends Paid	\$ 14,175,429	\$ 12,640,368	\$ 11,215,479	\$ 10,823,507	\$ 8,935,039
Cash Dividends Paid Per Share: ⁽³⁾	\$.80	\$.71	\$.63	\$.63	\$.56
Stock Dividends and Distributions Paid	—0—	4.0%	100.0%	—0—	2.0%
Net Premiums Written (Including Service Charges)	\$565,226,189	\$534,219,554	\$479,651,806	\$428,349,283	\$324,099,783
Policies in Force	2,617,617	2,447,287	2,219,446	2,031,978	1,745,420
Statutory Ratios:					
Loss	85.4%	82.8%	80.2%	82.9%	85.6%
Expense	15.8%	14.8%	14.1%	12.5%	12.1%
Combined Loss and Expense ..	101.2%	97.6%	94.3%	95.4%	97.7%

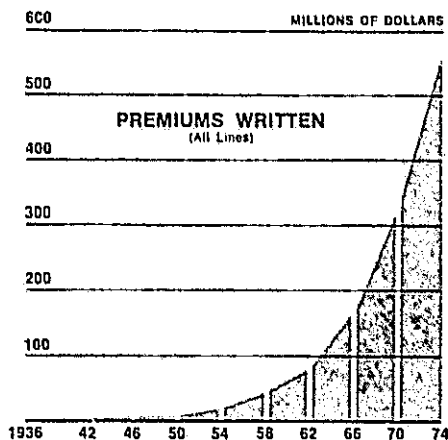
⁽¹⁾ During 1974, the Company adopted Generally Accepted Accounting Principles (GAAP) as the reporting basis for its primary financial statements. In prior years these statements were prepared on the basis of statutory accounting practices and were supplemented by adjusted data in conformity with GAAP. The principal differences between GAAP and statutory accounting practices are explained in the Notes to Financial Statements included elsewhere in this report.

In 1973 and prior years, supplemental data under GAAP included unrealized investment gains and losses in net income. As a result of the retroactive application of GAAP to the primary financial statements the amounts reported in prior years' supplemental data have been changed to include unrealized gains and losses directly in shareholders' equity. Deferred tax benefits attributable to unrealized losses have been recognized to the extent of certain accrued investment income which will be taxed as realized gains in future years. This benefit has been reflected directly in the unrealized loss while the deferred tax expense on the accrued investment income has been charged to income. Accordingly, previously reported income under GAAP including realized gains and losses has been reduced as follows: 1973 — \$1,179,769 (\$.06 per share), 1972 — \$944,159 (\$.05 per share), 1971 — \$706,201 (\$.04 per share), and 1970 — \$424,334 (\$.03 per share).

⁽²⁾ Based on the weighted average shares outstanding during each year adjusted for all subsequent stock dividends and stock distributions.

⁽³⁾ Based on shares outstanding at the dates paid adjusted for all subsequent stock dividends and stock distributions.

**MANAGEMENT'S DISCUSSION
AND ANALYSIS OF THE
SUMMARY OF OPERATIONS**



PREMIUM VOLUME

Premiums Written Net premiums written on all lines of insurance in 1974, including service charges for installment premium payments, totaled \$565,226,189, an increase of \$31,006,635 or 5.8% over net premiums of \$534,219,554 in 1973. The net written premiums in 1973 represented an increase of \$54,567,748 or 11.4% over 1972 net premiums written of \$479,651,806. Premiums written in 1974 on our voluntarily selected and underwritten business increased by 6.4% to \$529,824,487 from \$498,066,136 in the prior year.

The percent of increase or decrease over the prior year and the percentage distribution of premiums written by line for 1974 and 1973 are shown in the following table:

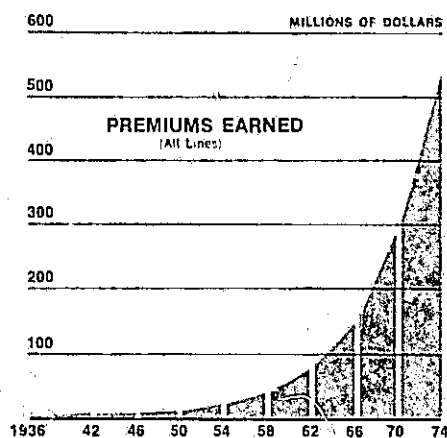
	1974 Premiums Written	Increase Decrease from 1973	Distri- bution by Line	1973 Premiums Written	Increase Decrease from 1972	Distri- bution by Line
Automobile:						
Voluntary	\$491,202,183	5.4	86.9	\$465,980,800	13.6	87.2
Involuntary	35,301,702	(2.0)	6.3	36,153,418	(14.6)	6.8
Total Auto	526,603,885	4.9	93.2	502,054,218	11.0	94.0
Homeowners	34,174,141	21.3	6.0	28,081,491	21.5	5.3
Fire & Extended Coverage	2,910,939	(11.5)	0.5	2,609,640	(4.6)	0.5
Comprehensive Personal Liability	97,961	(12.0)		143,975	16.0	
Boatowners	1,339,263	17.0	0.3	1,230,120	3.3	0.2

QUARTER	Premiums Written Including Service Charges	% Increase Over Prior Year Period
1st Quarter 1973	\$126,105,095	11.3
2nd Quarter 1973	\$137,866,029	5.7
3rd Quarter 1973	\$145,757,094	13.4
4th Quarter 1973	\$124,491,336	15.9
1st Quarter 1974	\$130,362,524	3.4
2nd Quarter 1974	\$151,368,342	9.6
3rd Quarter 1974	\$151,807,951	4.2
4th Quarter 1974	\$131,687,372	3.8

The premium rate level was reduced in 1973 and even more in 1974 by mandatory rate reductions attendant to no-fault laws enacted in key states. These had the dual effect of reducing premiums written immediately and of reducing the general rate level of policies subsequently written or renewed in those states. During 1973 and the first part of 1974, no significant rate increases were granted. Increases granted in 1972 contributed to the increase in net premiums written in 1973, but the increases granted in the latter part of 1974 could not increase the average written premium per policy during the year in the face of no-fault rate reductions. The cumulative effect of all these downward pressures on premium rates is the principal reason for the smaller increase in premiums written in 1974 than in 1973.

A comparison of growth in total premiums written by quarter for the past two years is set forth in the adjacent table.

QUARTER	Increase in Voluntary Written Premium Over the Same Period in the Prior Year (Adjusted)
1st Quarter 1973	11.4
2nd Quarter 1973	10.7
3rd Quarter 1973	12.2
4th Quarter 1973	16.5
1st Quarter 1974	17.8
2nd Quarter 1974	8.5
3rd Quarter 1974	9.1
4th Quarter 1974	8.2



As shareholders were informed in prior reports, a departure from normal policy renewal processing schedules caused written premiums in the amount of \$5.3 million to be entered in the third quarter of 1973 that would normally have been entered in the second quarter. A similar departure from processing schedules caused written premiums in the amount of \$5.8 million to be entered in the fourth quarter of 1973 that normally would have been entered in the first quarter of 1974. In the first quarter the implementation of a no-fault automobile insurance law in New York mandated a refund and consequent decrease in net written premiums of \$3.1 million, 95% of which applied to voluntary business. Adjusted for these extraordinary events, but not for the effects on the general rate level of no-fault mandated reductions or for premium rate increases that were implemented in the latter part of 1974, the percentage increases in total voluntary business by quarter are as shown in the accompanying table.

Premiums Earned Net premiums earned on all lines including service charges for installment premium payments totaled \$536,689,676 in 1974, an increase of \$37,153,064 or 7.4% over 1973 net earned premiums of \$499,536,612. The total net earned premiums for 1973 increased by \$47,658,176 or 10.5% over 1972 earned premiums of \$451,878,436. The percent of increase or decrease over the prior year and the percentage distribution of premiums earned by line for 1974 and 1973 are shown in the table below:

	Net 1974 Earned Premiums	Increase Decrease from 1973	Distri- bution by line	Net 1973 Earned Premiums	Increase Decrease from 1972	Distri- bution by line
Automobile:						
Voluntary	\$463,914,879	3.6	87.4	\$431,986,556	11.1	86.5
Involuntary	13,718,916	(13.7)	6.3	39,093,461	(1.6)	7.8
Total Auto	482,673,795	6.7	93.7	471,080,017	9.9	94.3
Homeowners	29,390,258	20.9	5.6	24,732,678	25.9	5.0
Fire & Extended Coverage	2,699,066	7.7	0.7	2,561,688	7.1	0.5
Comprehensive Personal Liability	128,187	73.0		72,015	(49.4)	
Boatowners	1,518,370	15.0	0.2	1,346,314	13.3	0.2

The net premiums earned in a given calendar year are derived from that portion of the net premiums written in that year and in prior years which provides coverage over the course of that calendar year. Therefore, the changes in our net premiums earned over the previous two years are the direct result of the influences on net premiums written as described in the preceding Premiums Written section of this report.

LOSSES AND EXPENSES INCURRED

	1974	1973
Automobile	86.2	84.2
Homeowners	74.4	62.9
Fire & Extended Coverage	76.0	17.7
Comprehensive Personal Liability	10.1	98.5
Boatowners	59.4	41.7

Losses and Loss Adjustment Expenses Losses and loss adjustment expenses incurred in 1974 totaled \$453,991,029, an increase of \$43,558,979 or 10.6% over the \$410,432,050 incurred in 1973. By comparison, losses and loss adjustment expenses incurred in 1973 reflected an increase of \$50,404,314 or 14.0% over 1972. Despite the decline in the rate of increase in losses and loss adjustment costs, our 1974 ratio of losses incurred to premiums earned on all lines of insurance increased to 85.4% from 82.8% in 1973 and 80.2% in 1972. The automobile line accounted for 93.6% of our 1974 earned premiums. The loss ratio for this line and for each of our other lines of insurance for the years 1974 and 1973 is shown in the table at left.

The rapid increase in losses and loss adjustment expenses over the past two years was caused primarily by persistent inflationary pressures on claims severity. In 1974 a slight decline in claims frequency through the first three quarters together with improvements in claim settlement cost control effectiveness held the percentage rate of increase in losses and loss adjustment expenses under the prior year's. However, the benefits normally associated with lower frequency and a reduced rate of increase in costs attendant to claims investigations and settlements were not realized because of the restraints on our growth in earned premium volume.

Underwriting and Other Expenses Underwriting expenses incurred represent the total cost of producing and processing insurance during the year, including state and municipal taxes. In 1974 total underwriting expenses increased by \$11,109,905 or 14.3% over the prior year which compares with an increase of \$8,319,520 or 12.0% in 1973 over 1972. With these changes in expense levels and the reduction in the rate of increase in premiums written, our 1974 expense ratio increased to 15.8% from 14.8% in 1973 and 14.1% in 1972. This is the ratio of underwriting expenses, without deduction for deferred policy acquisition costs, to premiums written on all lines of insurance, excluding service charges. Our 1974 ratio of 15.8% compares with an industry average for the year estimated at 28.5%.

The increase in our underwriting expense ratio over the preceding two years is attributable mainly to the effect of inflation on nearly all phases of our operating costs. The start-up costs associated with our program of regionalization, the upgrading of our data processing systems and the expanding scope and diversity of policy servicing requirements mandated by state insurance regulations and statutes also contributed to the increase. The other very significant factor in the increases in the ratios was the rate decreases mandated by no-fault laws in several jurisdictions which, in their effect on the years' written premiums, more than offset the rate increases granted during those years.

Combined Loss and Expense Ratio Our combined ratio of losses incurred to premiums earned and underwriting expenses to premiums written on all lines of insurance for 1974 was 101.2% which compares with 97.6% for 1973 and 94.3% for 1972.

The loss and the underwriting expense ratios, as well as the combined ratios, for each quarter of 1974 and 1973 were as follows:

Quarter	Loss Ratio %	Underwriting Expense Ratio %	Combined Ratio %
1st Quarter 1973	80.2	14.9	95.1
2nd Quarter 1973	81.9	14.7	96.6
3rd Quarter 1973	81.3	14.3	95.6
4th Quarter 1973	87.7	15.3	103.0
1st Quarter 1974	83.3	15.9	99.2
2nd Quarter 1974	82.6	14.6	97.2
3rd Quarter 1974	80.8	15.9	96.7
4th Quarter 1974	94.5	17.2	111.7

UNDERWRITING INCOME

Our underwriting operations in 1974 produced a pretax net loss of \$5,889,860, a decrease of \$17,515,820 when compared with the 1973 pretax underwriting income of \$11,625,960. The 1973 underwriting income before taxes reflected a decrease of \$11,065,658 or 48.8% from the prior year.

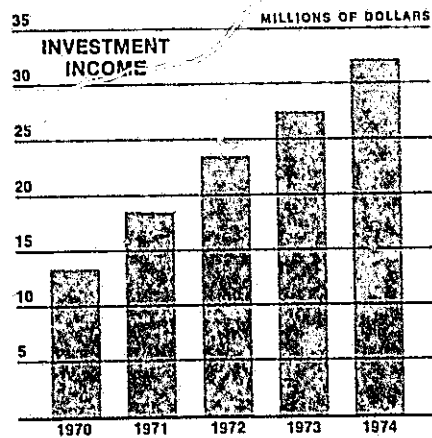
An underwriting loss of \$17,298,571 in the fourth quarter of 1974 more than offset a profit of \$11,408,711 for the first three quarters of the year. A sharp increase in frequency combined with a continued increase in severity produced the adverse result for the quarter.

The deterioration of underwriting results over the preceding two years was mainly attributable to the sharp disruption of equilibrium between premium rate levels and the effects of claim severity and operating costs. As explained in the Letter to Shareholders and in preceding sections of this report, this imbalance was created by the restraints on the premium rate level and by rapidly rising loss and operating costs.

INVESTMENT INCOME

Excluding net capital gain or loss, investment income before taxes in 1974 increased by \$4,460,372 or 16.0% to a record of \$32,328,347 over 1973 investment income of \$27,867,975. The 1973 pretax investment income represented an increase of \$4,031,351 or 16.9% over the comparable result for 1972.

Cash flow from our operations and higher yields on short-term investments are the principal reasons for the continued good growth in investment income.



INTEREST EXPENSE

In December 1973 our wholly-owned subsidiary, GEICO Properties, Inc., purchased our Northeastern Regional Office Building in Woodbury, New York and our Material Damage Training Facility in McLean, Virginia, which were then under construction. The purchases were financed by the issuance of 8¼% notes due June 15, 2004. Interest expense of \$34,375 was for the period December 20, 1973 to December 31, 1973.

On May 1, 1974 GEICO's Southeastern Regional Office Building in Macon, Georgia was sold to GEICO Properties, Inc. The purchase was financed by the issuance of an 8½% note due May 1, 2004. Total interest expense in 1974 of \$1,717,575 was the interest incurred in 1974 on these notes.

FEDERAL INCOME TAXES

Each year there is a significant difference between the total income before taxes excluding capital gains and losses and that income calculated as a basis for income tax. The differences arise principally from certain dividends received credits, from investment credits and from the fact that a considerable portion of GEICO's income is produced by tax-exempt bonds. Applying the corporate tax rate of 48% to the income after adjustment for these differences produced a tax of \$7,664,088 in 1973 compared with a tax credit of \$1,840,078 for 1974.

REALIZED CAPITAL GAIN OR LOSS

In 1974 a capital loss before taxes of \$1,471,611 was realized which compares with a pretax capital gain of \$6,962 in 1973 and a pretax capital loss of \$1,191,669 in 1972. The realization of capital gain or loss is determined by our prevailing investment strategy as applied under changing economic conditions.

NET INCOME

	1974	
	Amount	Per Share
Excluding Net Realized Capital Loss	\$26,124,665	\$1.46
Including Net Realized Capital Loss	\$25,089,379	\$1.42
1973		
	Amount	Per Share
Excluding Net Realized Capital Gain	\$11,795,472	\$1.00
Including Net Realized Capital Gain	\$11,802,434	\$1.00

NET INCOME

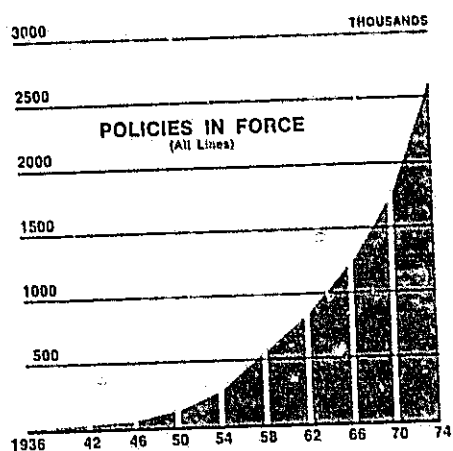
Total net income in 1974 amounted to \$25,089,379 which compares with \$31,802,434 in 1973. The adjacent table sets forth a comparison of net income both with and without net realized capital gains or losses, and with per share figures based on the weighted average shares outstanding during each year adjusted for the 4% stock dividend paid on May 22, 1973.

STOCK MARKET DECLINE

GEICO experienced a significant decline in portfolio stock values during 1974. An unrealized loss, net of tax effect, of \$33,011,963 occurred during 1974 bringing the cumulative unrealized loss on equity securities to \$42,299,596 at the end of 1974. A cumulative unrealized gain of \$8,957,518 at the beginning of 1973 was reduced by the unrealized loss of \$18,275,151 during the year to a cumulative loss of \$9,287,633 at the end of 1973.

The sound financial position of our Company affords confidence that it will not be necessary to realize these unrealized losses to support working capital.

RECORD OF GEICO



POLICIES IN FORCE

On December 31, 1974 the number of policies in force on our five lines of insurance reached 2,617,617, an increase of 7.0% over the 2,447,287 policies in force on December 31, 1973. Excluding assigned risks, policies in force on all our voluntarily written business increased by 8.9% in 1974 to 2,502,190 from 2,298,042 in the prior year.

Automobile insurance represents our principal line of business, accounting for 83.8% of our total policies in force on December 31, 1974 compared with 84.2% for 1973. Policies in force on the automobile line rose by 132,715 or 6.4% over the prior year. Our voluntarily written policies in force in the automobile line increased by 166,533 or 8.7% over the prior year which compares with the increase of 12.1% recorded in 1973.

As described in the section on Premiums Written, renewal policy processing was accelerated in December 1973 to preclude delay in the issuance of renewal policies in January 1974 during the period in which our operating facilities were utilized exclusively for the conversion to no-fault coverage for all our New York State automobile insurance policies. As a result, approximately 18,000 voluntary automobile insurance policies were renewed and recorded in December 1973 which, under normal scheduling, would have been renewed and recorded in January 1974.

Substantial growth in volume continued on the homeowners line in 1974 with policies in force increasing by 38,106 or 12.0% over 1973. The convenience and economies of the homeowners package policy have significantly greater consumer appeal than the separate fire and comprehensive personal liability policies, advantages which we have strongly emphasized in our marketing programs. As in the prior year, this marketing emphasis together with diminishing consumer demand for separate fire and comprehensive personal liability policies caused our policies in force in the two latter lines combined to decline moderately in 1974.

The percent of increase or decrease over the prior year and the percentage distribution of policies in force by line are shown in the adjacent table.

	Policies in Force	Increase/Decrease from 1973	Distribution
Automobile:			
Voluntary	2,078,230	8.7	79.4
Involuntary	115,427	(22.7)	4.4
Total Automobile	2,193,657	6.4	83.8
Homeowners	156,231	12.0	13.6
Fire & Extended Coverage	42,797	-	1.6
Comprehensive Personal Liability	6,328	(30.4)	0.3
Boatowners	18,604	13.9	0.7

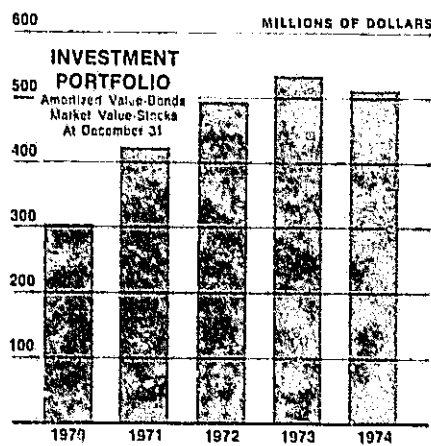
RESERVES

Our reserves for losses and loss expenses increased to \$262,981,553 on December 31, 1974 from \$247,784,516 on December 31, 1973. We consider this reserve to be adequate to cover the payment of all claims incurred on or before December 31, 1974 but not finally settled at that date. This includes losses which occurred in 1974 but were not reported to us by the end of the year.

Our reserve for unearned premium was \$319,172,657 on December 31, 1974, an increase of 9.8% over the reserve of \$290,636,144 for this purpose at the end of 1973. This reserve represents the unexpired portion of the premiums on all policies in force.

INVESTMENTS

As shown on the Balance Sheet on page 33, the value of our investment portfolio on December 31, 1974 was \$515,595,689 which compares with \$535,461,937 on December 31, 1973.



The decline in value of our investment portfolio in 1974 was caused by the sharp declines which occurred in the market prices of common and preferred stocks in 1974. We were able to protect our Company from the full adverse effects of the major decline in the stock market by reducing our holdings of industrial and public utility common stocks through sales during the year of selected common stocks at prices generally higher than those which prevailed at the end of the year. At the same time, due to market conditions, we increased our holdings of tax-exempt bonds and preferred stocks which were purchased at attractive prices. This investment strategy and the general decline in prices reduced the value of our holdings of common and preferred stocks to 19.8% of our portfolio at year-end 1974 which compares with 26.4% a year earlier. High grade tax-exempt bonds comprised 74.5% of our investment portfolio at 1974 year-end values compared with 67.5% a year earlier. The investment actions taken during the year were designed to minimize further erosion of the value of our investment portfolio during the lifespan of the current downward economic cycle and they enhanced the liquidity, relative price stability and income potential of our investments.

The investment policy of our Company is formulated by the Board of Directors. It has as its objective the attainment of maximum investment income from those types of investments which possess high investment quality, good marketability and relative price stability. Portfolio operations are administered in conformance with this policy by the Investment Committee of the Board of Directors.

INVESTMENT PORTFOLIO SUMMARY

	December 31		Increase (Decrease)
	1974	1973	
U.S. Government Bonds	\$ 28,725,774	\$ 31,936,427	\$ (3,110,653)
Certificates of Deposit	207,306	—	207,306
Corporate Bonds	749,200	743,024	6,176
Tax-Exempt Bonds	383,680,509	361,581,238	22,099,271
Guaranteed Railroad Stocks	311,710	379,705	(67,995)
Preferred Stocks	35,400,548	42,708,842	(7,308,294)
Convertible Preferred stocks	4,477,360	5,584,367	(1,107,007)
Railroad Common Stocks	1,000,000	—	1,000,000
Public Utility Common Stocks	80,380,125	44,103,250	(36,276,875)
Industrial Common Stocks	30,462,677	48,125,088	(17,662,411)
TOTAL	\$415,795,689	\$745,461,937	\$ (329,666,248)

The values used in the summary above are those used to establish the value of assets on the Balance Sheet, namely the amortized value of bonds and the market value of stocks as established by the Committee on Valuation of Securities of the National Association of Insurance Commissioners. A detailed schedule of the investment portfolio showing the December 31, 1974 market values of all stocks and bonds is listed in the Investment Portfolio booklet, which, as a Supplement to this Annual Report, is available to shareholders upon request.

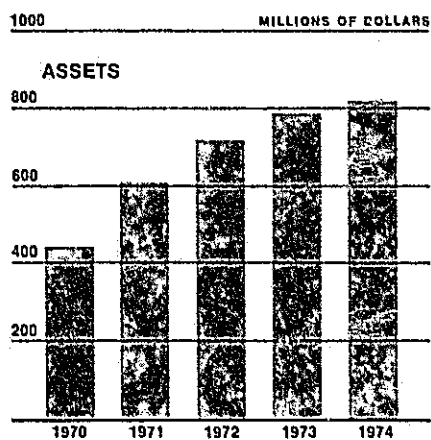
REAL ESTATE

Our net real estate investment on December 31, 1974 totaled \$36,422,691. In December 1973, our wholly-owned subsidiary, GEICO Properties, Inc., acquired our Northeastern Regional Office Building in Woodbury, New York, at

a cost of \$13.1 million and our Material Damage Training Facility in McLean, Virginia, which were then under construction, at a cost of \$1.1 million. In May 1974 GEICO Properties, Inc. purchased our Southeastern Regional Office Building in Macon, Georgia which was occupied in August 1974, at a cost of \$8.7 million. All of the aforementioned purchases were financed by long-term notes sold to institutional investors, secured by assignments of long-term leases and undertakings between the Company and GEICO Properties, Inc. Certain of the notes are also secured by trustee mortgages on the Woodbury and McLean properties. The outstanding balance of GEICO Properties' long-term debt on December 31, 1974 was \$23,409,118. In July 1974, our wholly-owned subsidiary acquired the Smithtown, New York Sales/Drive-in Claim Facility by direct purchase.

ASSETS

On December 31, 1974 our Company had total assets of \$816,769,946 an increase of 3.9% over the total assets of \$786,371,772 recorded at the end of 1973. The adjacent graph illustrates the increase in assets from 1970 through 1974.



DIVIDENDS

The Board of Directors is guided in the declaration of dividends by the following policy:

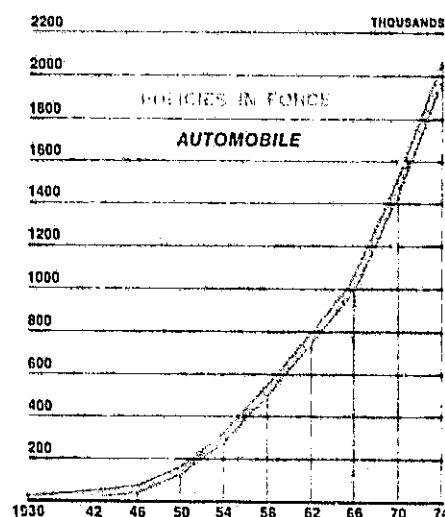
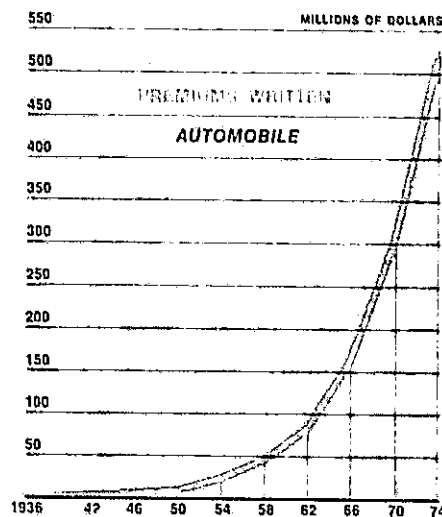
- 1) To pay out in cash dividends to shareholders a substantial portion of our annual net investment income after applicable taxes.
- 2) To pay stock dividends or to split the capital stock of the Company when such action is deemed to be in the best interests of the shareholders and the Company, taking into account the market price of the stock, the cash dividend rate and all other pertinent factors.

Regular quarterly cash dividends paid during 1974 and 1973 are set forth below:

CASH DIVIDENDS PAID PER SHARE			
1974		1973	
March 26	\$0.20	March 27	\$0.16
June 28	\$0.20	June 29	\$0.16
September 30	\$0.20	September 28	\$0.20
December 31	\$0.20	December 31	\$0.20

Cash dividends paid in 1974 totaled \$14,175,429 which compares with cash dividends of \$12,640,368 in 1973. In 1974, cash dividends per share amounted to eighty cents (\$.80) which compares with seventy-one cents (\$.71) in 1973, based on the shares outstanding on the dates paid and adjusted for the 4% stock dividend paid in 1973.

LINES OF INSURANCE



AUTOMOBILE INSURANCE

Since the inception of our Company, we have specialized in writing private passenger automobile insurance for preferred risks. Written premiums including service charges developed from automobile insurance increased by 4.9% to a record \$526,603,885 in 1974 from \$502,054,218 in 1973. Our voluntarily selected and underwritten automobile insurance business increased in volume by 5.4% while accompanied by a slight decline of 2.1% in the historically unprofitable involuntary portion. Total automobile insurance policies at year-end 1974 were 2,193,657, representing an increase of 6.4% over the prior year.

The changes in our voluntary and involuntary automobile insurance written premiums in 1974 from 1973 are illustrated in the table below. The involuntary written premiums include, in addition to assigned risks, written premium yield derived from various alternative insurance mechanisms which have replaced Automobile Insurance Plans in six states for accommodating the high risk residual market.

AUTOMOBILE WRITTEN PREMIUMS			% Increase (Decrease)
	1974	1973	
Voluntary	\$491,202,183	\$467,900,800	5.4
Involuntary	\$ 35,401,702	\$ 36,153,418	(2.1)
Total	\$526,603,885	\$502,054,218	4.9

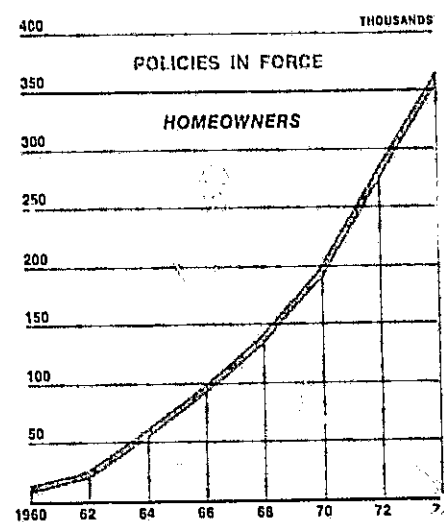
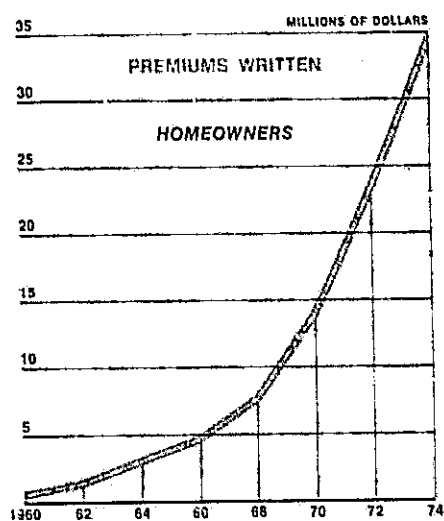
Our voluntarily selected and underwritten automobile business developed an underwriting profit of \$6,507,901, representing a decline of 71.0% from the underwriting profit of \$22,471,647 in the prior year.

At year-end 1974 involuntary written premiums accounted for 6.7% of our total automobile insurance written premiums, a reduction from 7.2% in 1973 and 9.3% in 1972. However, despite its small volume, this involuntary component produced an underwriting loss of \$12.4 million in 1974, compared with a loss of \$10.8 million in 1973.

Prior to 1973, all involuntary automobile insurance business was written in Automobile Insurance Plans, formerly called Assigned Risk Plans. These are risk-pooling mechanisms under which motorists who are unable to obtain insurance in the open market because of their high risk potential are assigned to the licensed companies for coverage, with each company paying the net loss which develops on risks assigned to it. This assignment is on the basis of voluntary automobile writings.

In the past two years increasing dissatisfaction in both industry and public sectors with the results and inequities of the Automobile Insurance Plans led to the enactment of alternative mechanisms in Florida, Hawaii, Maryland, Massachusetts, North Carolina and South Carolina, states which in 1972 produced 31.6% of our

LINES OF INSURANCE



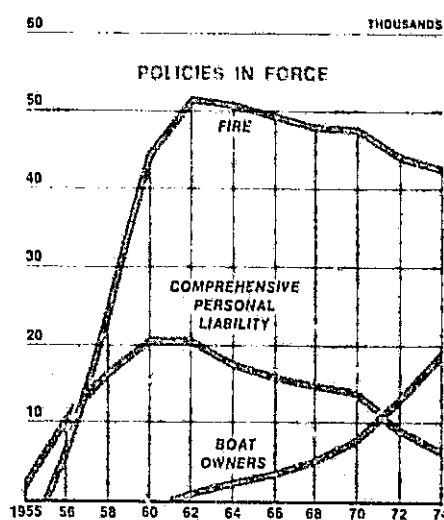
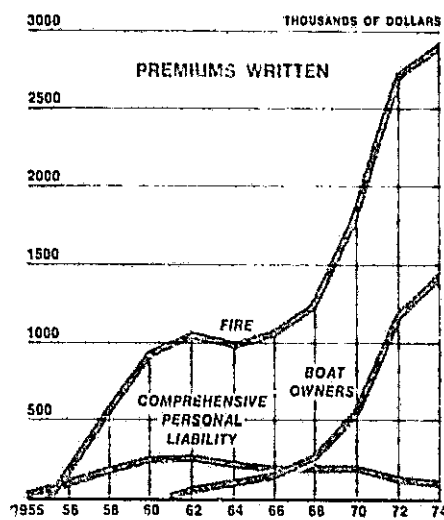
total assigned risk written premium volume. These new statutory concepts for covering the residual market have taken three different forms, including a State-managed automobile insurance fund adopted by Maryland; joint underwriting associations implemented in Florida and Hawaii; and reinsurance facilities established in Massachusetts, North Carolina and South Carolina. In addition, Missouri adopted a joint underwriting association effective January 1, 1975 while a regulation to establish a reinsurance facility on April 1, 1975 was promulgated by the Insurance Commissioner of New Hampshire. In the current year proposed legislation to establish reinsurance facilities or joint underwriting associations is under consideration in several additional states.

HOMEOWNERS INSURANCE

Despite a precipitous decline in residential housing starts in 1974, our homeowners line of insurance continued to show substantial growth and progress. Premiums written increased from \$28,181,401 in 1973 to

\$34,174,141 in 1974 or 21.3%. Policies in force at year-end 1974 totaled 356,231, an increase of 12.0% over the 318,125 policies in force on December 31, 1973.

Although our homeowners line remained profitable for the sixth consecutive year, our loss ratio on homeowners insurance increased to 74.4% from 62.9% in 1973. This increase was caused mainly by the unprecedented rise in home construction and repair costs which escalated by 15.7% in 1974. Our 1974 underwriting loss experience on homeowners insurance was further aggravated by major natural catastrophes which inflicted severe damage to property in southern and midwestern states. The total losses on the homeowners line attributable to natural catastrophes in 1974 were an estimated \$1.4 million. However, judicious underwriting of risks and our ongoing program to increase the amount of coverage in force on renewal policies by an increment generally commensurate with the cost of housing index, have enabled our Company to maintain a reasonably balanced relationship between earned premium yield and exposure to loss.



We are merchandising the homeowners package policy in the District of Columbia and every state except Mississippi where it is not authorized under current statutes. In nearly all jurisdictions, we are writing four different forms of the homeowners package policy to meet the varying needs of homeowners as well as residents of apartment buildings. In 1974 we introduced in 30 jurisdictions an additional form of the homeowners package policy specifically designed for condominium owners. The introduction of this additional line of business followed market research indicating substantial consumer demand and acceptable underwriting prospects. Expansion of our condominium marketing program into additional states is planned for 1975. This further diversification of our homeowners line significantly broadens the scope of our potential market and at the same time strengthens our ability to accommodate nearly all of our current automobile policyholders who desire to insure their homes or personal property with our Company.

FIRE INSURANCE

Premiums written for the fire and extended coverage lines totaled \$2,910,939 in 1974 which compare with \$2,609,840 in the prior year. Policies in force at year-end

were 42,797 virtually unchanged from the 42,801 at the end of 1973. The lack of growth reflects consumer preference for the homeowners package policy which includes the insurance protection afforded by the separate fire and extended coverage policy. A continuation of this attitude is anticipated.

COMPREHENSIVE PERSONAL LIABILITY INSURANCE

Our comprehensive personal liability line produced written premiums of \$97,961 compared with \$143,975 in the prior year. Policies in force at year-end decreased to 6,328 from 9,086 at the end of 1973. Further reduction in policies in force is anticipated as our current policyholders replace their personal liability policies with the broad homeowners, condominium, renters and boatowners package policies which include this coverage.

BOATOWNERS INSURANCE

Despite some slackening in consumer demand for pleasure boats in 1974 due to the general economic conditions and fuel shortages earlier in the year, written premiums on our boatowners insurance line increased to \$1,439,263 from \$1,230,120 in 1973. Policies in force increased to 18,604 from 16,333 at year-end 1973.

PREMIUM RATES

The present serious inadequacy of automobile insurance premium rates, which approached crisis proportions in several jurisdictions during 1974, stems initially from the Federal price controls inaugurated in August 1971 and was exacerbated by the mandatory rate reductions associated with no-fault laws adopted in the past four years and the relentless inflation driving up loss and expense costs in the past two years. The result was a grievous erosion of underwriting profitability in 1974 and a constriction upon rate of growth in written premium volume.

The impact on our Company was substantial. In 1973 the average countrywide premium rate level decreased by approximately 1% as a result of mandatory prospective rate reductions under newly enacted no-fault insurance statutes which represented an annualized loss of written premiums of about \$4.4 million to GEICO. In 1974 our average premium rate level was further reduced by approximately 1.6% by rate reductions under no-fault laws implemented in New York and several other states, equal to an annualized loss in written premium of about \$8.5 million to GEICO. This downward trend in premium rates was not halted until Federal price controls ended and speculation that earlier gasoline shortages would warrant lower automobile insurance costs subsided in the light of actual experience. It was only then that we were able to begin the process of restoring premium rate adequacy.

Between June 10 and year-end 1974 we implemented rate increases on the voluntary automobile lines in Alabama, California, Florida, Maryland, New Jersey, New Mexico and Virginia, which accounted for 44.1% of our total voluntary automobile premium volume. The rate increases in these seven jurisdictions contributed \$9.0 million in additional written premiums in 1974 and will yield approximately \$27.9 million in 1975. Additional rate filings based on our most recent loss experience were submitted in the fourth quarter 1974 and the first two months in 1975 to regulating authorities in four states which produced 9.7% of our total premium volume. These pending filings, if added to the rate increases implemented in 1974, would produce an estimated nine million dollars in additional written premiums in 1975.

Before 1973, a significant portion of our annual growth in written premium volume was attributable to premium rate increases. The importance of rate increases to written premium growth is illustrated by the

table set forth below, showing changes in the average premium per automobile policy in force for each of the last five years. It will be noted that rate increases played a steadily decreasing role in our premium growth from 1970 to 1974, and that in the last two years the net change in average premiums in force was insignificant. Our ability to increase premium volume in those years reflected our successful efforts to expand our new business production program and to merchandise higher limits of coverage as a means of compensating for the premium loss caused by mandated rate reductions. Although no-fault rate decreases mandated in 1974 depressed premium writings substantially, the net increase in premium volume in 1974 reflects the minor contribution of premium rate increases implemented in 1974, with the major effect to be felt in 1975.

Change in the Average Premium per Automobile Policy in Force at the End of the Year

1970	12.1
1971	10.7
1972	3.9
1973	0.8
1974	0.5

As a result of increased costs we raised our installment service charge on automobile insurance premium payment plans from \$.50 to \$1.00 per installment, generating approximately one million dollars in additional revenue in 1974. This adjustment will yield about \$3.8 million in the current year.

Premium rate adequacy, when achieved, is always subject to erosion by influences which the rate-making processes do not fully anticipate or accommodate. The inflationary pressures which increased claim and operating costs so markedly in 1974 are expected to persist in the months ahead. Despite the recessionary economy and the severe decline in new car sales, there has been an increase in accident frequency which is likely to continue. A decline in automobile usage with an accompanying decrease in accident frequency is unlikely to materialize unless there are stringent government measures to reduce gasoline consumption.

Mandatory rate reductions under no-fault laws are scheduled to be implemented in 1975 in Georgia, Kentucky, Minnesota and Pennsylvania. The probabilities are high that additional states will also mandate rate

reductions in conjunction with no-fault legislation before the year is out. The immediate impact of these mandated rate decreases, based upon an anticipation of conjectural savings under no-fault insurance, without any supporting evidence or statistics, is to be contrasted with the delayed benefits of rate increases. These filings must be justified by actual experience developed over a credible period and become effective only on policies written or renewed thereafter. Since most policies have a one year term, a full year must elapse before the new rate level is embodied in written premiums and another year before it is fully reflected in earned premiums. Because of this lag, rate increases granted in 1974 have not had a significant effect on earned premiums. Compounding these disparities are the political pressures which can delay and hinder efforts to regain proper rate levels no matter how well justified and thoroughly documented the requested rate increases may be.

Nevertheless, we feel reasonably confident that rate level adequacy will be restored. Many regulating authorities are recognizing that the insurance needs of the public cannot be met unless the financial integrity of the industry is secured by adequate underwriting profitability and that a vigorous, competitive market will protect the consumer against unreasonable insurance costs. The rate increases we have obtained in several key jurisdictions are encouraging evidence of an attitude that is sensitive to the critical threat to the industry and the insuring public alike if underwriting deficits are permitted to continue.

MARKETING

Despite a highly competitive insurance market, new policies written on our voluntary lines of business reached a record total in 1974.

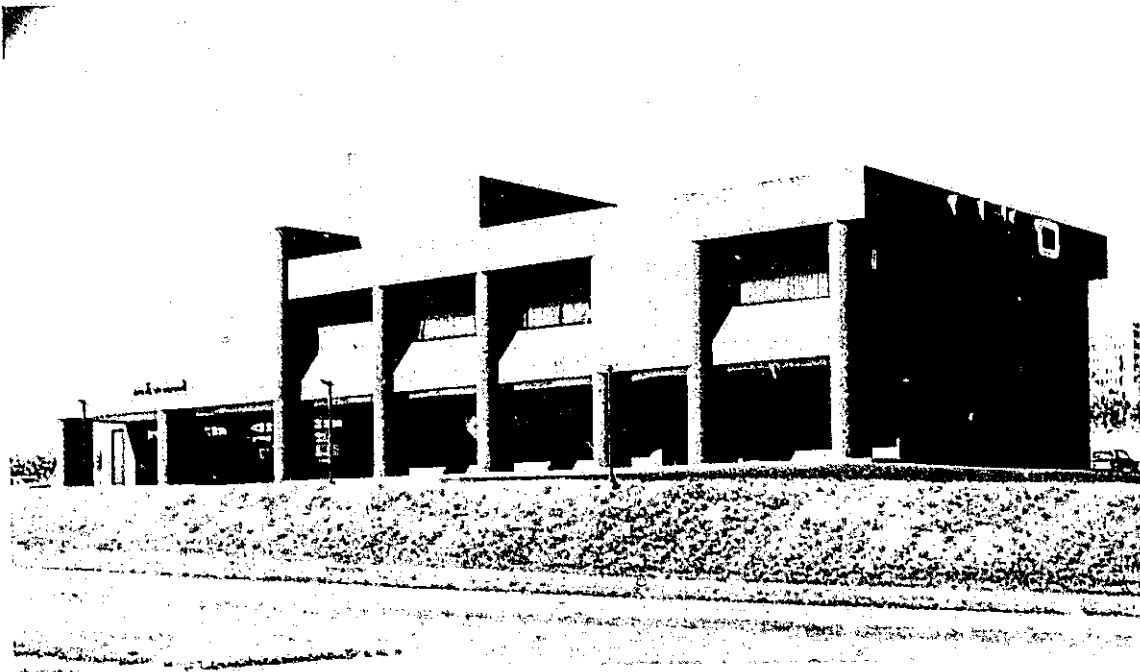
Our basic vehicle for intensive prospecting of the preferred risk market is the direct mail medium. While other conventional forms of advertising are utilized to attract segments of the market that are not responsive to direct mail, we have determined through experience and repeated research that the direct mail medium is uniquely suited to our objective. We have developed a broad spectrum of merchandising programs which annually carry our sales message to hundreds of thousands of preselected prospects who have need for our products and are likely to meet our prevailing under-

writing profiles. These merchandising methods not only enable us to concentrate our sales efforts upon prospects likely to produce good underwriting results but also provide a lower acquisition cost per policy, in spite of the rising postal rates, than any other method used by property and casualty insurance companies.

After the interests of preferred risk prospects are stimulated primarily by direct mail advertising, the sales are made in most cases in one of our network of 159 field offices of the Government Employees Companies located in 36 states, the District of Columbia, England, Spain and West Germany. Of these, 59 are Company sales and service offices and the others are operated by commissioned representatives under exclusive contract to the Government Employees Companies. Supported by a carefully regulated flow of inquiries generated by our targeted direct mail programs and supplementary advertising in other selected media, our field offices in 1974 produced 80.1% of all new automobile policies sold, which compares with 74.2% in 1973. This fusion of the efficiencies of direct mail advertising with the personalized and professional services of highly accessible sales office facilities in key markets has created a marketing system unique in the industry. Its effectiveness is measured by an expanding level of production at a low and stable acquisition cost, together with a portfolio of inherently sound risks which the system has attracted.

During 1974 new sales and service facilities were opened at 30 locations, marking one of the most significant expansions of our marketing structure in our history. The opening of these new facilities was preceded by thorough research on the potential for developing new business and analysis of the probable benefits against the cost requirements. We anticipate that additional field offices will be activated in 1975 in markets that can meet our demanding short-term and long-term development criteria.

The decision of our Board of Directors on September 26, 1973 to remove occupational and age qualifications for persons eligible for our insurance services has given added thrust to our continuing growth in new business volume, broadening our potential market to include all prospects who meet our preferred risk underwriting standards. In 1974 an estimated 12.5% of our new automobile policyholders were in occupational and age groups that were previously excluded by eligibility requirements.



McLean, Virginia Material Damage Training Facility

For several years our Company has been studying and analyzing the trends and developments in various mass merchandising schemes under which premiums for automobile and other personal lines of insurance are collected by payroll deduction. While this form of merchandising has gained favor among certain classes of consumers and several insurance companies have moved to meet the limited market demand, mass merchandising with payroll deduction has not emerged as a major distribution method nor do we anticipate that it will in the near future. However, in order to obtain practical experience in the operational and financial aspects of this potentially effective marketing form, we decided in October 1974 to enter into a Mass Merchandising Agreement with the Central School District of Syosett, New York, to provide automobile and homeowners insurance to its employees with premium payment by payroll deduction. The results of this venture, particularly in terms of group penetration and operating cost efficiency, are being carefully scrutinized as the program progresses. If the experience reveals that mass merchandising is a viable marketing technique for our Company, we will be well prepared to enter the field and to compete effectively for desirable groups.

CLAIMS

A total of 932,256 claims was reported to our Company in 1974, an increase of 4.7% over the 890,577 claims reported in 1973.

Within the framework of our established claims policy which requires the prompt and equitable dispo-

sition of all meritorious claims and a strong defense against unwarranted or excessive demands, we improved our claims handling procedures and cost controls in several vital areas of our claims operations in 1974. The benefits anticipated from the regionalization of the claims function in 1973 were evidenced in 1974 by an expanded and more efficiently managed operating capability. The regional mode of operation not only produced a significant reduction in average claim processing time, which translates into both improved customer satisfaction and operational savings, but also strengthened controls over settlement costs. These held the increase in our average losses on automobile bodily injury liability and on material damage substantially below the 1974 increase in the corresponding price indices for medical and hospitalization services and for automobile repair.

Operating from our 27 claim offices located in areas where we have major concentrations of business, GEICO employees settled directly 60.1% of the total claims reported to our Company in 1974, which compares with 56.1% of the total in the prior year. The balance of claims reported to our Company in 1974 was serviced through more than 3,500 independent claims attorneys and adjusters representing GEICO in areas not conveniently accessible to Company claim offices. Continuing and rigorous auditing procedures which have been implemented assure that our claims policy is consistently applied and adhered to by the independent claims attorneys and adjusters, as well as by our Company personnel.

Intensive training to improve the technical and professional skills of our material damage adjusters and specialists is the nucleus of our multi-faceted effort to control material damage losses. With the completion of our Material Damage Training Facility in nearby McLean, Virginia in October 1974, we now have facilities ranking with the best in the industry to provide us with a constant reservoir of competent material damage administrators and technicians to meet our current and future requirements.

The systematic expansion of our network of Drive-in claim facilities into additional areas of high policyholder density, where they function mainly as material damage service centers, has contributed significant claim cost savings, while at the same time improving the quality of our customer services. All our claim offices have drive-in facilities as do many of the independent adjusters who serve us. These facilities are staffed with thoroughly trained material damage experts. Fully equipped to inspect and examine damaged vehicles and conveniently located for public access, these offices greatly facilitate claim settlements within the shortest possible time span. Our Company claims offices also contain sales and policyholder service components.

These and other programs to increase our control over material damage losses give maximum effectiveness to our operating policy that a material damage claim settlement be verified through personal inspection by a salaried specialist or an independent adjuster. Rigorously audited, this policy was responsible for holding the percentage increase in our average automobile material damage loss to 6.1% in 1974 which compares with an increase of 13.8% in the price index for automobile repair work.

We have also instituted programs designed to achieve more efficient settlement procedures and better control over personal injury claims, both liability and no-fault. These programs emphasize medical management through training and skill development, as well as effective supervision and documentation of claims processing and settlements. The increase in our average automobile personal injury loss of 8.1% compared with the increase in the price index of 11.4% for hospitalization and medical services in 1974 is evidence that these programs are achieving the desired results.

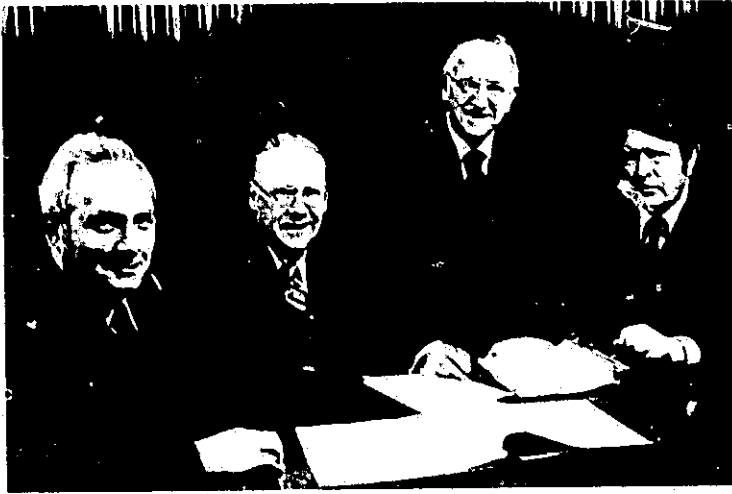
REGIONALIZATION

In 1974 further progress and significant benefits were realized under our program of regionalization which converted our operations in planned stages from a centralized to a regionalized operating mode. Conceptualized in 1970 after extensive study and analysis of future operating requirements, the first major milestone of our regionalization program was reached in January 1973 with the opening of our newly constructed Northeastern Regional Office Building in Woodbury, Long Island, New York. In 1974, two additional full service regional office facilities were opened, including our Western Regional Office in San Francisco, California and our Southeastern Regional Office in Macon, Georgia. Serving 53.8% of our total automobile policyholders at year-end 1974, these regional office facilities have achieved in a relatively short time span measurable improvements in operating efficiency and policyholder services.

In addition to the three regional office facilities which have been established in the field, we have reorganized our remaining operations at the Home Office Operations Building in Chevy Chase, Maryland into three separate regional units whose operating responsibilities correspond to the geographical distribution of the balance of our current business. These are the Central Region comprised of 16 midwestern states; the Middle Atlantic Region comprised of Delaware, the District of Columbia, Maryland, Virginia and West Virginia; and the Eastern Region comprised of New Jersey and Pennsylvania. Improvements in operating cost efficiency comparable to those in the regional offices located in the field have also begun to flow from these three Regions.

Under our long-range facilities plan, the Central and Eastern regional operations eventually will be relocated within the geographical areas for which they are responsible. The timing of these relocations will be determined by growth and financial criteria to assure the fastest possible return on the expenditures required.

Under a regional mode of operation customer service functions are being performed with greater cost efficiency. Continuous auditing of all service functions has confirmed that the regional operating environment is steadily improving the level of customer satisfaction. It also provides an operating and management structure that will insure the orderly assimilation of future growth.



Mr. Edward S. Ring, Senior Vice President, Marketing; Mr. Neal I. Boyle, Senior Vice President, Systems and Planning; Mr. Ralph C. Peck, President; and Mr. Harry C. Clay, Senior Vice President, Administration (left to right)

SENIOR MANAGEMENT ORGANIZATION

In 1974 the senior Home Office operating Management of the Company was modified to assure effective control over the new regionalized organizational structure and to enhance our ability to anticipate and respond to conditions which affect our business. Under this modification, an expanded level of senior Management was established consisting of three Senior Vice Presidents who report to the President. The Senior Vice President for Administration directs the operations of the regions and their staff support, including a continuous audit of all the functions performed in the regions. The Senior Vice President for Marketing directs those departments responsible for pricing, risk selection, market research and planning and legislative review. The Senior Vice President for Systems and Planning has overall responsibility for all company-wide systems and the coordination of all annual and long-range planning. An auditing and control unit reports to each of the senior officers to assist him in monitoring the continuity and efficiency of all operations within his area of responsibility.



David Lloyd Kreeger



Norman L. Giddens

CONTINUITY OF MANAGEMENT PROGRAM

Mr. David Lloyd Kreeger, having reached retirement age in January 1974, retired on March 29, 1974 as Chairman of the Board and Chief Executive Officer — a position he had held since March 27, 1970.

The Board of Directors unanimously expressed its deep appreciation for the inspired leadership Mr. Kreeger had given Government Employees Insurance Company over the years. Mr. Kreeger continues to serve our Company as a Director and was elected Chairman of the Executive Committee by the Board effective March 29, 1974.

In conformance with the Continuity of Management Program of the Company, the Board of Directors elected Mr. Norman L. Giddens to the office of Chairman of the Board and Chief Executive Officer, effective March 29, 1974. Mr. Giddens was also elected to the same position in the other Government Employees Companies, Government Employees Life Insurance Company, Criterion Insurance Company and Government Employees Financial Corporation. Mr. Giddens has been a Director since 1962 and has served in a number of executive positions since joining our Company in 1946, including Vice President, First Vice President, Executive Vice President and President. On May 31, 1973, he was elected Vice Chairman of the Board. Mr. Giddens had also served as Vice President of each of the other Government Employees Companies.

The Board of Directors also elected Mr. Ralph C. Peck to the office of President and Chief Operating Officer to succeed Mr. Giddens, effective March 29, 1974. Mr. Peck was elected to the Board of Directors in 1972. Since joining our Company in 1955 as Assistant Comptroller, Mr. Peck has served as Vice President and Comptroller, Senior Vice President and Executive Vice President.



Daniel J. Callahan, Jr.



Harvey B. Gram, Jr.

BOARD OF DIRECTORS

In September 1974, Mr. Daniel J. Callahan, Jr. informed the Board of Directors that, inasmuch as he will have reached retirement age prior to the Annual Meeting of Shareholders on March 26, 1975, he will not stand for reelection as a Director of our Company. Mr. Callahan has served our Company with outstanding merit and distinction since March 26, 1948 as a Director, and since March 29, 1973 as a member of the Executive Committee. The Board of Directors expressed its deep gratitude for the outstanding contributions made by Mr. Callahan to the growth and progress of our Company, and in recognition thereof, Mr. Giddlen announced his intention to recommend to the Board at its meeting to be held on March 27, 1975, that Mr. Callahan be appointed an Honorary Director.

Mr. Harvey B. Gram, Jr., a member of our Board of Directors since 1952, and a member of our Executive and Investment Committees since 1956, having reached retirement age, did not stand for reelection as a Director of our Company at the Annual Meeting of Shareholders on March 27, 1974. The Board appointed Mr. Gram an Honorary Director, effective March 28, 1974, in recognition of his invaluable contribution to our Company and his dedicated services to the Government Employees Companies which have extended over a period of almost a quarter of a century.

STOCK OPTION PLAN

Under the provisions of a Stock Option Plan for officers and key executives which was adopted in 1963 and which expired in 1973, a total of 241,641 shares of common stock of the Company had been granted to 253 officers and key executives. In 1974, a total of 5,539 shares under option were purchased by 42 optionees at prices ranging from \$19.231 to \$34.916 per share.

Under the provisions of a new Stock Option Plan approved by the shareholders at the 1973 Annual Meeting, options on a total of 76,197 shares of common stock of the Company have been granted to 371 officers and key executives. No shares of common stock of the Company were acquired through the exercise of such options in 1974.

The new Plan is generally similar to the previous Plan in restricting eligibility for options to officers and key executives and providing that options shall be granted only at 100% of market price at the time of grant. However, the new Plan offers the optionee the opportunity, prior to grant, of specifying his preference to receive either a Qualified Stock Option or a Non-Qualified Stock Option; whereas, under the previous Plan, options granted in 1964 and subsequent years were Qualified Stock Options. The flexibility of the new Plan permits the particular executive to determine which alternative is more advantageous considering his personal circumstances.

Under the new Plan, Qualified Stock Options may be exercised at the rate of one-fourth of the optioned shares each year beginning in the second year, although no Qualified Stock Option may be exercised while an optionee has outstanding, a Qualified Stock Option with a higher option price, granted either under the new Plan or previous Plan. Upon exercise of a Qualified Stock Option, no taxable income is realized, although the tax preference provisions of the Internal Revenue Code may apply to certain optionees. On the sale of optioned shares granted under a Qualified Stock Option, long-term capital gain tax rates apply to the profit realized if the optioned shares have been held for at least three years.

A Non-Qualified Stock Option may run for as long as 10 years and may be exercised even if a previously granted higher priced Qualified or Non-Qualified Stock Option remains outstanding. While no taxable income is realized upon receipt of a Non-Qualified Stock Option, ordinary income is realized upon exercise to the extent of the difference between option price and market value at the time of exercise, and the optionee is taxed accordingly. By holding the optioned shares for at least six months, the optionee would be subject to the long-term capital gain tax rates on that portion of the profit realized from sale of the optioned shares.

THE POLICYHOLDERS

The support, loyalty and cooperation of our policyholders over the years have been instrumental in the continued growth and success of our Company. We are deeply grateful to our policyholders for their goodwill which unquestionably represents one of our primary corporate strengths and a priceless asset.

We pledge to all our policyholders the continuation of our long-established policy to provide them with the highest quality of insurance and the finest possible service at the lowest possible cost.

GOVERNMENT EMPLOYEES COMPANIES

A record of good progress was continued in 1974 by the other Government Employees Companies: Government Employees Life Insurance Company, Criterion Insurance Company and Government Employees Financial Corporation. The details of the 1974 operations of these Companies are covered in separate reports forwarded to their respective shareholders.

THE SHAREHOLDERS

The Board of Directors extends its appreciation to the shareholders for their continued cooperation and loyal support throughout 1974. At year-end, the common stock of our Company was owned by 6,682 shareholders.

THE STAFF

On December 31, 1974 our staff numbered 8,492 employees. Throughout the year the able men and women comprising our staff responded to difficult problems and unprecedented challenges with exceptional diligence and commitment.

The Board of Directors acknowledges with appreciation the fine work, loyalty and initiative of our employees during the year.

ANNUAL REPORT AWARD

In June 1974, for the 16th consecutive year, our Company received a "Merit Award" from *Financial World* magazine in recognition of "The Excellence of Its 1973 Annual Report to Shareholders."

In addition, a poll of leading research analysts by the *Institutional Investor*, one of the financial community's most prestigious publications, selected our 1973 Annual Report as the best in our industry.

LICENSED TERRITORY

Our Company is licensed to write casualty, fire and inland marine insurance in all 50 states and the District of Columbia. It is also licensed to write casualty and inland marine insurance in the Territory of Guam.

ADDITIONAL INFORMATION FOR SHAREHOLDERS

Government Employees Insurance Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, is available without charge to shareholders upon written request directed to

Mr. John M. O'Connor, Secretary
Government Employees Insurance Company
5260 Western Avenue
Chevy Chase, Maryland 20015

The Company has prepared a Statistical Supplement containing details of the statistical data which are summarized in this Annual Report. A copy of this Supplement will be mailed to holders of the Company's securities and other interested parties upon request directed to the Office of the Secretary.

As was previously noted, a detailed schedule of our investment portfolio is also available upon request to the Office of the Secretary.

PRICES OF COMMON STOCK

The securities of Government Employees Insurance Company are traded in the Over-the-Counter market.

Following are the high and low bid and asked prices for the Company's common stock for each quarter of 1974 and 1973:

TWO-YEAR SUMMARY OF STOCK PRICES

	1974			
	High		Low	
	Bid	Asked	Bid	Asked
1st Quarter	41 ⁷ / ₈	42 ³ / ₈	23 ¹ / ₈	23 ⁵ / ₈
2nd Quarter	27 ¹ / ₈	27 ⁵ / ₈	18 ⁷ / ₈	19 ¹ / ₈
3rd Quarter	23	23 ¹ / ₂	14 ⁵ / ₈	15 ¹ / ₈
4th Quarter	26	26 ¹ / ₂	15 ¹ / ₄	15 ³ / ₄
	1973			
	High		Low	
	Bid	Asked	Bid	Asked
1st Quarter*	58 ⁷ / ₈	59 ³ / ₈	43 ⁵ / ₈	44 ¹ / ₈
2nd Quarter*	48 ³ / ₄	49 ¹ / ₄	38 ¹ / ₄	38 ³ / ₄
3rd Quarter	51 ¹ / ₄	51 ³ / ₄	35 ³ / ₈	35 ⁷ / ₈
4th Quarter	48 ³ / ₄	48 ⁷ / ₈	34 ¹ / ₂	35

* Adjusted to reflect a stock dividend of 4% which was paid on May 22, 1973.

GENERAL RECORD OF THE INDUSTRY

REVIEW

The effects of inflation and inadequate rate levels produced the highest industry losses since 1932.

While automobile premium rate levels were relatively stable, costs attendant to claim settlements increased substantially under inflationary pressures.

Regulators were reluctant to grant rate increases because of anticipated reductions in accident frequency precipitated by fuel shortages.

In 1974 double-digit inflation interacted with a static or declining rate level to produce the highest combined loss and expense ratio for the property and casualty industry since 1932 and the largest statutory underwriting loss in history. Preliminary estimates indicate that premium volume increased by 5.8% to \$44.5 billion, representing a record level but also the fourth consecutive year in which the rate of growth in volume has declined. The aggregate ratio of losses incurred to premiums earned for the industry is estimated to have climbed by more than four and one-half points to 74%, while the expense ratio increased from 28.0% to 28.5%. The unparalleled increase in the combined loss and expense ratio from 97.4% in 1973 to approximately 102.5% in 1974 precipitated a statutory underwriting loss of \$1.3 billion which, after the payment of dividends to policyholders, reached an estimated \$2.1 billion, the highest on record.

On automobile insurance alone, preliminary estimates point to a 1974 underwriting loss of over \$200 million after payment of policyholder dividends. Although the automobile lines continued to be the predominant classification of property and casualty business, the rate of growth in premium volume slowed appreciably in 1974, increasing only by an estimated 1.2% to \$19 billion. The liability lines accounted for an estimated \$11.8 billion of that total, and the physical damage line for \$7.2 billion. The automobile premiums represented 43% of the industry's total volume, which compares with 45% in the prior year.

The heavy underwriting losses sustained by the automobile insurance industry were the result of rapidly rising costs and a virtually static premium level. The Consumer Price Index of medical related services rose by 11.4% during 1974 and the index of auto repair costs by 13.8%, increasing claims costs for all companies. At the same time premium rate levels were relatively stable because the rate increases granted in the latter part of 1974 were offset by mandatory-rate decreases in connection with no-fault laws.

Early in the year there was a reluctance on the part of regulators to grant rate increases in the expectation that the shortage of gasoline would reduce accident frequency because of a decreased use of automobiles, increased participation in car pools, greater use of public transit systems and observance of the 55 mile-per-hour speed limit. This was largely speculative, however, and in February 1974 a Special Task Force under the direction of the National Association of Insurance Commissioners and in cooperation with the Industry Advisory Council established an Accelerated Monitoring System to analyze and document the impact of the energy crisis on the property and casualty insurance industry. The results of this study, published first in June and updated in September 1974, indicated that while some decline in accident frequency attributable to gasoline shortages did occur, the underwriting experience on

Accident frequency returned to near normal levels in the latter part of 1974 and is expected to continue at this rate in 1975.

Although premium volume continued to decline, the fire insurance line was profitable for the 10th consecutive year.

Inflation, theft increases and several natural disasters caused an industry-wide underwriting loss on the Homeowners multi-peril line in 1974.

the automobile lines had deteriorated because the higher claim settlement costs as the product of the persistent inflation far outstripped the slight improvement in frequency.

Since the publication of the Accelerated Monitoring Committee's reports, the availability of gasoline has risen to near normal levels. Consequently, automobile accident frequency in the fourth quarter returned to approximately pre-energy shortage levels, and for the year 1974 registered only a small net decrease. The frequency trend, which moved upward in the second half of 1974, is expected to remain at least at present levels in the coming year, barring unforeseen developments.

Fire insurance was one of the few lines to develop a profit for the industry in 1974. Although a serious rise in the incidence of arson caused the combined loss and expense ratio to increase sharply to 95.5% from 90.5% in 1973, the fire insurance line remained well in the black with an estimated statutory underwriting gain of \$115 million for stock companies. Fire insurance written by stock companies has now been profitable in each of the past 10 years, during which the line produced more profit than any other classification of business. The growing preference of consumers for the homeowners multiple peril package policy, together with premium rate reductions that reflect the consistently favorable loss experience of recent years in the fire line, led to a decrease of about 3.2% in premiums written by stock companies, which totaled approximately \$1.3 billion in 1974, the second consecutive year in which volume declined.

In contrast to the declining premium on the fire insurance lines, homeowners multiple peril insurance written by stock companies increased by 9.8% to an estimated \$3.2 billion in 1974. However, preliminary estimates indicate that the combined loss and expense ratio on homeowners insurance written by stock companies climbed 12½ points to 106.0%, to produce a statutory underwriting loss of approximately \$230 million which compares with a gain of \$120 million in 1973. In addition to the impact of the inflationary spiral on claim settlement costs, an increase in claims frequency, particularly under the theft coverages, as well as heavy losses caused by natural catastrophes, contributed to the staggering rise in the loss and expense ratio. In 1974 the loss to the industry from natural disasters amounted to an estimated \$681 million which compares with \$356 million in 1973.

NO-FAULT AUTOMOBILE INSURANCE

In the past four years 23 jurisdictions have enacted no-fault insurance systems providing for indemnification of accident victims by their own insurers for medical and related expenses and loss of earnings, regardless of legal fault. Although all plans preserve the individual's legal recourse to sue for losses which exceed prescribed thresholds, several impose varying restrictions on the rights of accident victims to seek damages for pain and suffering under the tort system.

In the past four years, 23 states have enacted no-fault insurance laws that remedy many of the deficiencies of the traditional tort system.

While the trend to no-fault legislation continues at both Federal and State levels, the expected savings may fail to materialize because of soaring medical and health care costs.

The deficiencies of the traditional treatments of the residual market have led to various efforts at reform in the past two years.

Despite broad differences in coverage provisions, these no-fault automobile insurance plans have expedited relief to accident victims and, by basing recovery upon actual loss and expenses, have eliminated most of the vagaries of the tort system which sometimes deliver inadequate compensation to cover losses or, at the other extreme, allow excessive awards. These plans also assure some relief to the victim even if the negligent party is uninsured or irresponsible.

For GEICO the most significant impact of no-fault insurance was the implementation on February 1, 1974 of a no-fault statute in New York where 21.7% of our total written premium volume is concentrated. During the past year similar measures were enacted or implemented in Arkansas, Colorado, Hawaii, Kansas, Nevada, South Carolina and Utah. No-fault statutes were also enacted in 1974 that will become effective during 1975 in Georgia, Kentucky, Minnesota and Pennsylvania. No-fault legislation at the state level is gaining increasing impetus from efforts by the Federal Government to enact a national no-fault insurance bill that would impose uniform standards. Although this bill failed to pass in the last Congress, its eventual enactment is likely unless a substantial majority of the remaining states, particularly the populous ones, act promptly to modify their current tort systems.

In the face of soaring medical and health care costs, underwriting results in most no-fault states deteriorated sharply in 1974, raising serious questions as to whether the prospective rate reductions were justified. Although the objectives of the no-fault insurance concept are valid, the predicted lower costs to the consumer are generally proving overly optimistic.

RESIDUAL MARKET

The traditional method of providing automobile insurance to persons unable to obtain coverage through regular channels (usually known as the residual market) is through Assigned Risk Plans, now known as Automobile Insurance Plans. The actual size and composition of the residual market depends upon the underwriting cycle, the level of competition in the industry, the nature of underwriting results in a given period and the industry's capacity to expand. In some states, as much as 25% of the motoring public is included in this market segment.

In recent years, many regulators and legislators have felt that the Assigned Risk Plans have failed to meet their basic objectives and there is no indication that there is a downward trend in the proportion of individuals included in these involuntary pools. Moreover, the administrative costs of the plans have become prohibitive.

A significant alternative to the Automobile Insurance Plans was adopted by the State of Florida on October 1, 1973 through the formation of the Florida Joint Underwriting Association. Under this alternative, all underwriting, policy issuance, servicing and claims handling are performed by a small number of insurers acting as servicing carriers on behalf of all the licensed carriers in the

Joint underwriting associations, reinsurance facilities or state funds have been implemented or enacted in a number of jurisdictions as alternatives to Automobile Insurance Plans.

Although some inequities in Automobile Insurance Plans are removed, the long-term effects of these alternatives are difficult to gauge.

Despite these changes, GEICO's cost-efficient operations will continue to give the Company a competitive edge even within the framework of a "take-all-comers" law.

State, with the costs being distributed according to automobile liability premium writings. In this method a separate state organization is not established as is the case with reinsurance facilities. A similar but more stringent plan became operational in Hawaii on September 1, 1974 while Missouri's joint underwriting association is effective January 1, 1975. Several states are considering the joint underwriting association alternative for adoption in 1975.

Another departure from traditional treatment of the residual market occurred in October 1973 when North Carolina adopted the Nation's first reinsurance facility predicated upon the "take-all-comers" concept to replace the State's Automobile Insurance Plan. Under the enabling statute, the insurer must accept any applicant who possesses a valid driver's license and tenders the appropriate premium. Those risks that would not normally be included under the insurer's risk portfolio are pooled with similar risks from other carriers into a reinsurance facility and losses are shared proportionately by all insurers in the State. On January 1, 1974, a reinsurance facility statute became effective in Massachusetts, followed by implementation of the South Carolina Reinsurance Facility effective on October 1, 1974. New Hampshire will have a somewhat similar pooling mechanism on April 1, 1975.

A third alternative is the Maryland Automobile Insurance Fund which has been in effect since January 1, 1973, under which the State itself acts as an insurer of last resort for persons who have been denied voluntary coverage.

All of these alternatives remove for the companies an inequity of the Automobile Insurance Plans which apportion the individual applicants to each company based upon its share of the state's total premium writings and which cause each company's experience with its assigned risk component to be different. The alternative mechanisms apportion the losses produced by this residual market segment so that all participating companies have the same experience.

While it is not possible to gauge the long-term effects of these alternative methods of handling high risks, implications of the various programs are vast. "Take-all-comers" provisions may have disturbing consequences. For one thing, the insurer's underwriting selection prerogatives are greatly reduced and the decision by the underwriter is not whether to accept the risk but whether the risk should be pooled within the facility or underwriting association. With selectivity in marketing substantially reduced, the actual market framework may become highly structured and closed and the price advantage to the preferred risk greatly reduced. While the potential impact on the industry's marketing latitude is of serious concern, our Company may be less affected than others because our direct merchandising techniques are focused with a high degree of precision upon preferred risk market sectors and our low acquisition cost gives us a competitive advantage over other companies.

In 1975 additional states will be considering alternatives to current assigned risk mechanisms. These changes can have far-reaching effects on our Company and on our industry. We will be following them closely and attempting to influence their development in the direction which is in the best interest of the insuring public.

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

NORMAN L. GIDDEN

Chairman of the Board, Chief Executive Officer, Member of Executive and Investment Committees, and Director, Government Employees Companies.

THOMAS E. BOLGER

Executive Vice President, American Telephone and Telegraph Company, New York, New York.

SAMUEL C. BUTLER

Partner, Cravath, Swaine and Moore, attorneys, New York, New York.

DANIEL J. CALLAHAN, Jr.

Member, Board of Directors, Vice President, The Riggs National Bank of Washington, D.C.

JOHN M. CHRISTIE

Chairman of the Board, The Riggs National Bank of Washington, D.C.

LORIMER A. DAVIDSON

Chairman of Investment Committees, Member of Executive Committees, Consultant and Director, Government Employees Companies.

SHELBY CULLOM DAVIS

United States Ambassador to Switzerland.

LEO GOODWIN, Jr.

Private Investment Banker.

PAUL J. HANNA

Executive Vice President, Manufacturers Hanover Corporation, New York, New York, a bank holding company.

WILLIAM K. JACOBS, Jr.

Private Financial Consultant.

DAVID LLOYD KREEGER

Chairman of the Executive Committees, Member of Investment Committees and Director, Government Employees Companies.

HOWARD A. NEWMAN

Chairman of the Board and President, Western Light Industries, Inc., San Francisco, California, a consulting and management company.

MELVIN M. PAYNE

President and Chief Executive Officer, National Geographic Society, Washington, D.C., a scientific and educational organization.

RALPH C. PECK

President, Chief Operating Officer, Member of Executive and Investment Committees and Director.

EXECUTIVE COMMITTEE

DAVID LLOYD KREEGER, *Chairman*

DANIEL J. CALLAHAN, Jr.

LORIMER A. DAVIDSON

NORMAN L. GIDDEN

LEO GOODWIN, Jr.

WILLIAM K. JACOBS, Jr.

RALPH C. PECK

INVESTMENT COMMITTEE

LORIMER A. DAVIDSON, *Chairman*

JOHN M. CHRISTIE

SHELBY CULLOM DAVIS

NORMAN L. GIDDEN

WILLIAM K. JACOBS, Jr.

DAVID LLOYD KREEGER

RALPH C. PECK

AUDIT COMMITTEE

WILLIAM K. JACOBS, Jr., *Chairman*

DANIEL J. CALLAHAN, Jr.

JOHN M. CHRISTIE

PAUL J. HANNA

OFFICERS

NORMAN L. GIDDEN

Chairman of the Board and Chief Executive Officer

RALPH C. PECK

President and Chief Operating Officer

SENIOR VICE PRESIDENTS

NEAL J. BOYLE,

Systems and Planning

HARRY C. CLAY,

Administration

EDWARD S. RING,

Marketing

TREASURER AND COMPTROLLER

HENRY J. COLLINS

VICE PRESIDENTS

RALPH L. BELFORD, III

THEODORE R. BRANTHOVER

MILTON S. COLE

CHARLES T. CONNOLLY, *Actuary*

THEODORE F. CULP

WALTER F. CUIVER

THOMAS M. EXARHAKIS

GEORGE E. FRIES, *President*
Government Employees Life
Insurance Company

FRANK J. GILLEN

BARTLETT R. HENDRICKSON

DEANE W. HILLENBRAND

MERRILL D. KNIGHT, III

J. GARDNER LAWLOR

GEORGE F. LEWIN, *President*
Criterion Insurance Company

ERNEST M. LUCAS

Legislative Counsel

ERNEST L. MARKS, *President*

Government Employees
Financial Corporation

ROSS D. PIERCE

JAMES E. REAGAN

DONALD K. SMITH, *General Counsel*

ROBERT F. SPRINGER

WALTER R. TINSLEY

EDWARD H. UTLEY

STACY L. WILLIAMS

SECRETARY

JOHN M. O'CONNOR

Government Employees Companies

ASSISTANT VICE PRESIDENTS

MARTIN ADLER

TONY R. ALLMOND

CHARLES R. ARMSTRONG

L. FRANKLIN ASHBY

JOSEPH T. BRADY

MARION E. BYRD

JOHN E. CASEY

NOEL A. CHANDONNET

CHARLES E. COCHRAN

DANIEL J. COUGHLIN, III

DEWAYNE C. CUTHBERTSON

CHARLES R. DAVIES

LUTHER M. DEAN

DONALD M. DOCKRELL

GERALD T. JACKSON

K. THOMAS KEMP

ARTHUR T. Y. LOH

ANDREW J. LYONS

BRIAN J. MCCREESH

OLZA M. NICELY

JOHN C. OWEN, Jr.

VERNON G. PHELPS

WALTER E. POSE

JOSEPH D. REICH

LOUIS E. SCHOEMER

LAWRENCE J. SZAMBELAN

JOHN R. WILLIAMS

ASSISTANT COMPTROLLER

ROBERT E. HOFFMAN

ASSISTANT TREASURER

ALBERT M. MC KENNEY

ASSISTANT SECRETARIES

CLARA MAE COGAR

MARION G. METZGER

MYRTLE N. PITSENBARGER

MEDICAL DIRECTOR

ELAINE W. MURPHY, M.D.

GEICO

1974 FINANCIAL REVIEW

ERNST & ERNST

1225 CONNECTICUT AVE., N.W.

WASHINGTON, D.C. 20036

To the Shareholders
Government Employees Insurance Company

We have examined the consolidated balance sheet of Government Employees Insurance Company and subsidiary as of December 31, 1974, and December 31, 1973, and the related consolidated statements of income, shareholders' equity and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of Government Employees Insurance Company and subsidiary at December 31, 1974, and December 31, 1973, and the consolidated results of their operations and changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the changes, with which we concur, that result from adopting generally accepted accounting principles as explained in the notes to financial statements.

Ernst + Ernst

Washington, D.C.
February 26, 1975

DISCLOSURE

^(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

CONSOLIDATED BALANCE SHEET

ASSETS	December 31, 1974	December 31, 1973
Cash	\$ 12,307,790	\$ 9,506,119
Investments:		
Certificates of deposit	207,806	—
Bonds and notes — at amortized cost		
United States Government bonds	28,725,774	31,836,427
State, municipal and corporate bonds and notes ..	384,629,709	362,324,262
Corporate stocks — at market values as established by the National Association of Insurance Commissioners:		
Preferred (cost: 1974 — \$ 58,498,056; 1973 — \$ 52,798,684)	40,092,408	48,539,205
Common (cost: 1974 — \$ 90,187,972; 1973 — \$101,082,411)	61,939,992	92,762,043
Premiums in course of collection — less allowance of \$5,000,000 and \$2,600,000 for amounts uncollectible on cancelled policies	173,588,647	154,422,549
Real estate — at cost less accumulated depreciation of \$5,313,505 and \$4,593,604	36,422,691	29,171,380
Furniture and equipment — at cost, less accumulated depreciation of \$11,127,369 and \$9,247,546	13,661,356	7,678,638
Accrued investment income	6,346,532	5,737,674
Amounts receivable on sale of securities	4,263,532	269,662
Recoverable Federal income taxes	6,248,210	2,434,606
Deferred policy acquisition costs	45,667,224	39,331,789
Other assets	2,668,275	2,357,418
Total Assets	<u>\$816,769,946</u>	<u>\$786,371,772</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Reserve for losses and loss expenses	\$262,981,553	\$247,784,516
Reserve for unearned premiums	319,172,657	290,636,144
Deferred Federal income taxes	21,004,000	18,516,082
Accounts payable and accrued expenses	8,693,202	12,210,248
Licenses, fees and other taxes	7,122,611	7,644,353
Other liabilities	30,721,299	28,951,291
Long-term debt	23,409,118	15,000,000
Total Liabilities	<u>673,104,520</u>	<u>620,742,634</u>
Shareholders' equity:		
Capital stock, par value \$4 a share		
Authorized 24,000,000 shares		
Issued and outstanding: 1974—17,720,457 shares; 1973—17,714,864 shares	70,881,828	70,859,456
Paid-in surplus	43,476,388	43,364,459
Deficiency arising from revaluation of investment securities	(42,299,596)	(9,287,633)
Retained earnings	71,606,806	60,692,856
Total Shareholders' Equity	<u>143,665,426</u>	<u>165,629,138</u>
Total Liabilities and Shareholders' Equity	<u>\$816,769,946</u>	<u>\$786,371,772</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Two years ended December 31, 1974

	Capital Stock	Paid-in Surplus	Revaluation of Investment Securities	Retained Earnings	Total
Balance at January 1, 1973 as previously reported	\$68,022,788	\$ 6,683,198	\$12,839,311	\$52,911,324	\$140,456,621
Adjustments for cumulative effect of retroactively applying Generally Accepted Accounting Principles		6,436,755	(3,851,793)	21,029,993	23,614,955
Balance at January 1, 1973 as restated	68,022,788	13,119,953	8,987,518	73,941,317	164,071,576
Sales of capital stock					
Exercise of Warrants — 1,373 shares	5,492	43,457			48,949
Exercise of stock options — 26,852 shares	107,408	394,202			501,610
Net income for the year				31,802,434	31,802,434
Dividends:					
In cash — \$.71 a share				(12,640,368)	(12,640,368)
In stock — 4% — 680,942 shares, including sale of fractional shares	2,723,768	29,713,347		(32,410,527)	26,588
Unrealized loss from change in valuation of investment securities during the year less tax benefit of \$7,144,008			(18,275,151)		(18,275,151)
Tax benefit related to stock options		93,500			93,500
Balance at December 31, 1973	70,859,456	43,364,459	(9,287,633)	60,692,856	165,629,138
Sales of capital stock					
Exercise of Warrants — 54 shares	216	1,679			1,895
Exercise of stock options — 5,539 shares	22,156	99,245			121,401
Net income for the year				25,089,379	25,089,379
Cash dividends — \$.80 a share .				(14,175,429)	(14,175,429)
Unrealized loss from change in valuation of investment securities during the year less tax benefit of \$1,061,819			(33,011,963)		(33,011,963)
Tax benefit related to stock options		11,005			11,005
Balance at December 31, 1974	\$70,881,828	\$44,476,388	\$(42,299,596)	\$71,606,806	\$143,665,426

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

	YEAR ENDED DECEMBER 31,	
	1974	1973
Premiums written	\$565,226,189	\$534,219,554
Less increase in unearned premium reserve	28,536,513	34,682,942
Earned Premiums	<u>536,689,676</u>	<u>499,536,612</u>
Losses and loss expenses	453,991,029	410,432,050
Underwriting expenses	88,392,655	77,803,466
Policyholders' dividends	1,425,869	2,562,259
Provision for amounts uncollectible on cancelled policies	5,105,417	3,748,549
Increase in deferred policy acquisition costs (deduction)	(6,335,434)	(6,715,672)
Underwriting Income (Loss)	<u>542,579,536</u>	<u>487,910,652</u>
Interest, dividends and rental income	(5,889,860)	11,625,960
Investment expenses	32,808,234	28,483,835
Investment Income	479,887	615,860
Underwriting and Investment Income	<u>32,328,347</u>	<u>27,867,975</u>
Interest expense	26,438,487	39,493,935
Income Before Federal Income Taxes and Realized Investment Gains or Losses	<u>1,717,575</u>	<u>34,375</u>
Federal income taxes	24,720,912	39,459,560
Current	(4,953,490)	2,970,797
Deferred	3,549,737	4,693,291
Income Before Realized Investment Gains (Losses) ..	<u>(1,403,753)</u>	<u>7,664,088</u>
Realized gains (losses) on sales of investments, net of related income tax benefits in 1974 of \$436,325. (Net unrealized depreciation of preferred and common stocks of \$33,011,963 in 1974 and \$18,275,151 in 1973 has been charged directly to shareholders' equity) ..	26,124,665	31,795,472
NET INCOME	<u>(1,033,286)</u>	<u>6,962</u>
Earnings per share:		
Income before realized investment gains or losses ..	\$ 25,089,379	\$ 31,802,434
Realized gains (losses) on sales of investments	\$1.48	\$1.80
NET INCOME	(.06)	—
	<u>\$1.42</u>	<u>\$1.80</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	YEAR ENDED DECEMBER 31,	
	1974	1973
SOURCE OF FUNDS		
From operations:		
Net income	\$25,089,379	\$31,802,434
Income statement items not affecting cash:		
Increase in unearned premium reserve	28,536,513	34,682,942
Increase in reserve for losses, loss expenses and general liabilities	17,845,779	29,438,174
Increase in premiums in course of collection and accrued investment income	(19,774,956)	(24,820,951)
Provision for depreciation	3,309,902	2,884,657
Accrual of discount and amortization of premiums on bonds — net	(4,701,466)	(3,673,628)
Increase in deferred policy acquisition costs	(6,335,434)	(6,715,672)
Increase in recoverable Federal income taxes	(3,813,604)	(2,434,606)
Deferred income tax benefit of unrealized losses on investment securities	1,061,818	1,179,769
Total Provided from Operations	41,217,931	62,343,119
Increase in long-term debt	8,409,118	15,000,000
Proceeds from sale of stock through exercise of stock options and Warrants and sale of fractional shares ..	134,300	670,647
	<u>49,761,349</u>	<u>78,013,766</u>
APPLICATION OF FUNDS		
Purchase of bonds and stocks, net of sales	9,506,067	58,610,174
Cash dividends to shareholders	14,175,429	12,640,368
Decrease in amounts payable on purchase of securities	2,429,524	6,129,099
Purchases of real estate, furniture and equipment	16,543,931	8,662,941
Increase in other assets	4,304,727	578,854
	<u>46,959,678</u>	<u>86,621,436</u>
INCREASE (DECREASE) IN CASH	2,801,671	(8,607,670)
Cash at beginning of year	9,506,119	18,113,789
CASH AT END OF YEAR	<u>\$12,307,790</u>	<u>\$ 9,506,119</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1974

SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The financial statements include the accounts of the Company and its wholly-owned subsidiary, GEICO Properties, Inc., which was formed principally to own office facilities for the Company's use.

BASIS OF REPORTING

The accompanying financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). In prior years, the primary financial statements were prepared on the basis of statutory accounting practices prescribed by the Department of Insurance of the District of Columbia and were supplemented by adjusted data in conformity with GAAP.

The more significant generally accepted accounting principles employed herein that differ from statutory accounting practices are: acquisition costs of obtaining business which represent approximately 14% of premiums written are deferred and charged to income in proportion to the recognition of premium revenues rather than being charged to operations as incurred; deferred income taxes are provided on the timing differences between pretax accounting income and taxable income resulting principally from deferred acquisition costs and certain unrealized investment gains and losses; certain assets, principally premiums receivable over 90 days past due and furniture and equipment are reported as assets rather than being charged directly to surplus and excluded from the balance sheet; and stock dividends are charged to retained earnings at market value rather than par value.

INVESTMENTS

Investments in bonds are reported at amortized cost and investments in stocks are reported at market value. Such market values are as prescribed by the National Association of Insurance Commissioners, which vary approximately 1% from values determined by market quotations for corporate stocks.

Realized gains and losses on sales of investment securities are included as part of net income. Unrealized gains and losses on common and preferred stocks, after deferred income tax effects, are recorded directly in stockholders' equity.

RESERVE FOR LOSSES AND UNEARNED PREMIUMS

Losses and loss adjustment expenses are recognized as incurred. The reserve for unpaid claims and loss adjustment expenses represents the estimated liability for each claim outstanding, plus a reserve for losses incurred but not reported as of the statement date. Unearned premiums are determined by prorating policy premiums so that income is recognized in equal monthly amounts over the terms of the policies. Unpaid claims and unearned premiums are reported net of reinsurance. The Company carries catastrophe reinsurance and it does not provide contingent catastrophe reserves.

OTHER

Real estate, furniture, data processing and other equipment are reported at cost, less accumulated depreciation. Depreciation expense has been computed by the straight line method for 1974 purchases, whereas in prior years for furniture, data processing and other equipment, accelerated methods were used. The new

method was adopted to more appropriately recognize the anticipated effects of its regionalization program. The effect of the change is not expected to be material.

RECONCILIATION TO STATUTORY ACCOUNTS

A reconciliation of net income and shareholders' equity as determined under statutory accounting practices for GEICO unconsolidated to that reported in the accompanying consolidated financial statements is:

NET INCOME		
	1974	1973
Statutory accounting practices	\$24,320,601	\$30,120,287
Deferred policy acquisition costs	6,335,434	6,715,672
Allowance for amounts uncollectible on cancelled policies	(2,400,000)	—
Deferred Federal income taxes	(3,549,737)	(4,693,291)
Effects of consolidated subsidiary	396,348	(246,734)
Other	(13,267)	(93,500)
In Accordance with Generally Accepted Accounting Principles	<u>\$25,089,379</u>	<u>\$31,802,434</u>

SHAREHOLDERS' EQUITY		
	1974	1973
Statutory accounting practices	\$103,048,706	\$130,703,428
Deferred policy acquisition costs	45,667,224	39,331,789
Allowance for amounts uncollectible on cancelled policies	(5,000,000)	(2,600,000)
Deferred Federal income taxes	(21,004,000)	(18,516,082)
Non-admitted assets	20,606,991	16,674,938
Effects of consolidated subsidiary	119,066	35,065
Other	227,439	—
In Accordance with Generally Accepted Accounting Principles	<u>\$143,663,426</u>	<u>\$165,629,138</u>

In 1973 and prior years, supplemental data under GAAP included unrealized investment gains and losses in net income. As a result of the retroactive application of GAAP to the primary financial statements the amounts reported in prior years' supplemental data have been changed to include unrealized gains and losses directly in shareholders' equity. Deferred tax benefits attributable to unrealized losses have been recognized to the extent of certain accrued investment income which will be taxed as realized gains in future years. This benefit has been reflected directly in the unrealized loss while the deferred tax expense on the accrued investment income has been charged to income. Accordingly, previously reported 1973 adjusted net income under GAAP including realized investment gains and losses has been reduced by \$1,179,769 (\$.06 per share) and for each of the first three quarters of 1974 has been reduced by \$348,940 (\$.02 per share), \$349,871 (\$.02 per share), and \$387,272 (\$.02 per share) respectively.

FEDERAL INCOME TAXES

A reconciliation of the effective tax rate evident on the statement of income and the prevailing Federal income tax rate (48%) is as follows:

	1974	1973
Income tax at 48% of pretax income (\$24,720,912 in 1974 and \$39,459,560 in 1973) ..	\$11,866,038	\$18,940,589
Effect of:		
Tax-exempt interest income	(7,541,949)	(6,721,666)
Dividends received deduction	(4,049,373)	(3,546,139)
Amounts to be taxed as capital gains	(898,886)	(707,862)
Investment tax credit	(820,385)	(281,837)
Other items	40,802	(18,997)
	<u>\$ (1,403,753)</u>	<u>\$ 7,664,088</u>

The deferred tax expense for 1974 and 1973 results from timing differences in the recognition of revenue and expense for tax and financial statements purposes as follows:

	1974	1973
Deferral of policy acquisition costs	\$3,041,008	\$3,223,524
Accrued investment income ..	1,061,819	1,179,768
Allowance for amounts uncollectible on cancelled policies	(1,152,000)	—
Accelerated depreciation	707,201	252,252
Other items	(108,291)	37,747
	<u>\$3,549,737</u>	<u>\$4,693,291</u>

The cumulative unrealized investment loss at December 31, 1974 of \$42,299,596 is net of a reduction for future tax benefits of \$4,354,032.

LONG-TERM DEBT

In connection with the financing of the Company's regional office and field office facilities, GEICO Properties, Inc., has issued \$15,000,000 of 8¼% and \$8,500,000 of 8½% notes, payable in installments to 2004, secured by assignments of the long-term leases between the Company and GEICO Properties, Inc. The 8¼% notes are also secured by mortgages on the concerned properties.

EMPLOYEE PENSION AND SAVINGS PLAN

The Company has a pension plan covering all full-time employees. The Company's policy is to fund pension costs as accrued. Fund assets at December 31, 1974 exceeded vested benefits. Pension expense was \$1,308,700 in 1974 and \$1,144,900 in 1973.

Based on a recalculation of the Company's 1974 pension costs to give effect to implementation of the Employee Retirement Income Security Act of 1974, it is Management's opinion that the resulting increases in funding and annual costs will not be significant.

The Company has an employee savings plan with matching Company contributions determined by length of service. Expense for the plan was \$496,245 in 1974 and \$513,886 in 1973.

EARNINGS PER SHARE

Earnings per share are based upon the weighted average shares outstanding during each year, adjusted for stock dividends and excluding stock options and Warrants which have a dilutive effect of less than 1%. Average outstanding shares, adjusted as described, were 17,719,081 in 1974 and 17,704,756 in 1973.

STOCK OPTIONS AND WARRANTS

During 1973 the Company adopted a Stock Option Plan under which both qualified and non-qualified options may be granted to officers and key employees for the purchase of capital stock at 100% of fair market value at date of grant. The options are exercisable in installments beginning one year from date of grant and expire not more than 10 years thereafter (five years in the case of qualified options).

Options are also outstanding under a previous Stock Option Plan, which has terminated as to granting of further options. These options expire at various dates through 1977. Option and Warrant information has been restated to give effect to stock dividends and distributions.

	Shares Available for Grant	Options Outstanding	
		Per Share at Date of Grant	Number of Shares
Balance at January 1, 1973 ...	512	\$14.01 to \$55.53	120,381
Adoption of Plan	335,000		
Granted	(37,708)	43.22	37,708
Exercised	—	14.01 to 34.92	(26,964)
Terminated	(512)	21.05 to 55.53	(1,612)
Balance at December 31, 1973	297,292	19.23 to 55.53	129,513
Granted	(38,489)	24.88	38,489
Exercised	—	19.23 to 34.92	(5,539)
Terminated	1,359	19.23 to 55.53	(15,164)
Balance at December 31, 1974	<u>260,162</u>	19.23 to 55.53	<u>147,299</u>

At December 31, 1974 the Company had outstanding Warrants, exercisable at anytime to August 1, 1978 to purchase 1,348,999 shares of its Capital Stock at \$35.10 a share. A total of 1,756,460 shares have been reserved for stock options and Warrants.

COMMITMENTS

Total rental expense for all leases was approximately \$3,450,000 in 1974 and \$2,170,000 in 1973.

The future minimum rental commitments as of December 31, 1974, for all noncancelable leases are as follows:

	Total	Building Space	Equipment
1975	\$ 4,559,409	\$ 2,947,701	\$1,611,708
1976	3,655,448	2,859,944	795,504
1977	2,562,855	2,458,311	104,544
1978	2,417,051	2,312,507	104,544
1979	891,332	891,332	—
1980-1984	3,585,755	3,585,755	—
1985-1989	1,947,637	1,947,637	—
1990-1991	33,519	33,519	—
	<u>\$19,653,006</u>	<u>\$17,036,706</u>	<u>\$2,616,300</u>

Certain of the building space leases contain renewal options, for periods ranging from 2 to 15 years. No options extend beyond the periods indicated above. There are no material financing leases.

The report and the financial statements contained herein have been published for the general information of Government Employees Insurance Company's shareholders and are not intended to induce, or to be used in connection with, any sale or purchase of securities.

TRANSFER AGENT
American Security and Trust Company

EXHIBIT 2

ANNUAL STATEMENT

OF THE

**GOVERNMENT EMPLOYEES
INSURANCE COMPANY**

WASHINGTON, D. C.

TO THE

Insurance Department

OF THE

STATE OF

FOR THE YEAR ENDED
DECEMBER 31, 1974

1974

FIRE AND CASUALTY, 1974

1974

DISCLOSURE ^(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

FIRE AND CASUALTY COMPANIES—ASSOCIATION EDITION, 1974

Note: In the case of reciprocal exchanges and other types of insurers using special terminology, the printed items and references in this blank, if not appropriately changed, shall be construed to apply to such insurers in respect to corresponding data and information as the context may require.

ANNUAL STATEMENT

For the Year Ended December 31, 1974

OF THE CONDITION AND AFFAIRS OF THE

GOVERNMENT EMPLOYEES INSURANCE COMPANY

NAIC Group Code 081 NAIC Company Code 22063

Organized under the Laws of the State of **DISTRICT OF COLUMBIA**, made to the

INSURANCE DEPARTMENT OF THE STATE OF

PURSUANT TO THE LAWS THEREOF

Incorporated NOVEMBER 30, 1937 Commenced Business DECEMBER 1, 1937

Home Office 1705 L STREET, N. W. WASHINGTON, D. C. 20076
(Street and Number) (City or Town, State and Zip Code)

Mail Address 1705 L STREET, N. W. WASHINGTON, D. C. 20076
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 301 986-3000
(Area Code) (Telephone Number)

OFFICERS**

Vice-Presidents

President	<u>RALPH G. PECK</u>	<u>152-05-8332</u>	N. J. Boyle	<u>026-16-1468</u>	H. D. Knight	<u>579-36-0319</u>
Secretary	<u>JOHN M. O'CONNOR</u>	<u>175-26-1256</u>	(Senior Vice President)		J. G. Lawlor	<u>084-09-5855</u>
Treasurer			H. C. Clay	<u>233-16-2323</u>	E. H. Lucas	<u>577-32-7671</u>
AND			(Senior Vice President)		(V.P. & Legislative Council)	
Comptroller	<u>HENRY J. COLLINS</u>	<u>579-26-1660</u>	E. S. Ring	<u>357-18-4113</u>	R. D. Pierce	<u>577-40-9345</u>
Vice-President			(Senior Vice President)		J. E. Reagan	<u>579-20-6927</u>
AND			G. E. Smith	<u>172-16-6565</u>	D. K. Smith	<u>577-44-6347</u>
Actuary	<u>CHARLES T. CONNOLLY</u>	<u>318-22-9545</u>	(Senior Vice President)		(V.P. & General Council)	
			R. L. Belford	<u>161-28-7927</u>	R. F. Springer	<u>578-26-1435</u>
			T. R. Branthover	<u>577-20-4108</u>	W. R. Tinsley	<u>225-10-6633</u>
			H. S. Cole	<u>219-18-1905</u>	E. H. Utley	<u>312-26-9416</u>
			T. F. Culp	<u>168-14-3077</u>	S. L. Williams	<u>244-22-9025</u>
			W. F. Culver	<u>530-03-9611</u>	G. E. Fries	<u>387-07-9938</u>
			T. N. Exarchakis	<u>143-03-5338</u>	G. F. Lewin	<u>022-16-1869</u>
			F. J. Gillen	<u>125-14-6704</u>	E. L. Marks	<u>234-32-4555</u>
			B. R. Hendrickson	<u>578-34-4029</u>		
			D. W. Hillenbrand	<u>577-42-0534</u>		

DIRECTORS OR TRUSTEES**

LORIMER A. DAVIDSON	<u>212-28-6179</u>	NORMAN L. GIDDEN	<u>125-12-9066</u>	DAVID LLOYD KREEGER	<u>577-50-4844</u>
(Chairman Emeritus)		(Chairman)		HOWARD A. NEWMAN	<u>096-16-7538</u>
THOMAS E. BOLGER	<u>472-20-1164</u>	SHELBY CULLOM DAVIS	<u>184-01-2831</u>	MELVIN H. PAYNE	<u>579-48-8323</u>
SAMUEL C. BUTLER	<u>723-18-4332</u>	LEO GOODWIN, JR.	<u>579-01-1900</u>	RALPH G. PECK	<u>152-05-8332</u>
DANIEL J. CALLAHAN, JR.	<u>577-22-1890</u>	PAUL J. HANNA	<u>167-07-7148</u>		
JOHN M. CHRISTIE	<u>577-22-1927</u>	WILLIAM K. JACOBS, JR.	<u>286-24-1016</u>		

State of MARYLAND
County of MONTGOMERY

R. C. Peck President, J. M. O'Connor Secretary, H. J. Collins Treasurer
of the **GOVERNMENT EMPLOYEES INSURANCE COMPANY** being duly sworn, each for himself deposes and says that they are the above described officers of the said insurer, and that on the thirty-first day of December last, all of the herein described assets were the absolute property of the said insurer, free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said insurer as of the thirty-first day of December last, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me this

day of February, 1975

My Commission Expires July 1, 1978

*or corresponding persons having charge of the accounts and finances of the insurer

Note: In the case of United States Branches the affidavit must be amended to show that it covers the statement of the United States Branch. If the United States Manager or the Attorney-in-Fact of a Reciprocal Exchange or Lloyds Underwriters is a corporation the affidavit must be signed by two (or three) principal officers of the corporation or if a partnership by two (or three) of the principal members of the partnership.

**Show name and social security number.

DISCLOSURE (R)

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

BLANK PAGE

NOTE: In accordance with instructions for the preparation of the Annual Statement, failure of any particular column to add down or across is due to the dropping of all amounts less than one dollar.

2 ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

ASSETS		1 December 31, 1974	2 December 31, 1973
1	Bonds (Schedule D)*	412,370,711	392,196,853
2	Stocks (Schedule D):*		
2.1	Preferred stocks	40,092,408	48,539,204
2.2	Common stocks	62,477,743	93,264,150
		-0-	-0-
3	Mortgage loans on real estate (Schedule B)		
4	Real estate (Schedule A)		
4.1	Properties occupied by the company (less \$ -0- encumbrances)	13,010,738	13,318,663
4.2	Other properties (less \$ -0- encumbrances)	554,773	2,474,914
		-0-	-0-
5	Collateral loans (Schedule C)		
6	Cash on hand and on deposit (Exhibit 1)	12,157,187	9,414,892
		-0-	-0-
7	Other invested assets (Schedule BA)		
7a	Subtotals, cash and invested assets, sum of Items 1 to 7 inclusive	540,663,562	559,208,679
8	Agents' balances or uncollected premiums (Exhibit 1)	166,620,281	147,167,711
9	Funds held by or deposited with ceding reinsurers (Exhibit 1)	-0-	-0-
10	Bills receivable, taken for premiums (Exhibit 1)	-0-	-0-
11	Reinsurance recoverable on loss payments (Exhibit 1)	-0-	-0-
12	Due from associated companies	622,784	519,167
13	Electronic data processing equipment	6,757,757	2,445,691
14	Interest, dividends and real estate income due and accrued (Part 1)	6,340,771	5,737,080
15	Amounts receivable on sale of securities	4,263,532	269,662
16	Federal income taxes recoverable	6,248,209	2,434,605
17			
18			
19			
20			
21			
22	TOTALS (Per Exhibit 1, Col. 4)	731,516,898	717,782,598

*State basis of valuation Bonds, Amortized - Stocks, Association Values

LIABILITIES, SURPLUS AND OTHER FUNDS	1 December 31, 1974	2 December 31, 1973
1. Losses (Part 3A)	228,190,258	214,105,917
2. Loss adjustment expenses (Part 3A)	34,791,294	33,678,598
3. Contingent commissions and other similar charges	-0-	-0-
4. Other expenses (excluding taxes, licenses and fees)	2,717,507	2,120,631
5. Taxes, licenses and fees (excluding federal and foreign income taxes)	7,077,666	7,643,781
6. Federal and foreign income taxes (excluding deferred taxes)	38,268	-0-
7. Unapplied premium remittances	6,867,279	6,953,039
8. Borrowed money	-0-	-0-
9. Interest, including \$ -0- on borrowed money	-0-	-0-
10. Unearned premiums (Part 2B)	319,172,656	290,636,143
11. Dividends declared and unpaid:		
(a) Stockholders	-0-	-0-
(b) Policyholders	183,548	1,396,170
12. Accounts payable	104,988	444,579
13. Amounts withheld or retained by company for account of others	263,445	797,343
14a. Unearned premiums on reinsurance in unauthorized companies \$		
14b. Reinsurance on paid losses \$ -0- and on unpaid losses		
\$ -0- due from unauthorized companies \$ -0-		
14c. Total	\$ -0-	
15. Less funds held or retained by company for account of such unauthorized companies as per Schedule F, Part 2	\$ -0-	-0-
16. Excess of liability and compensation statutory reserves over case basis and loss expense reserves (Schedule P)	227,439	-0-
17. Amounts payable on purchase of securities	4,580,023	7,009,546
18. Ceded reinsurance balances payable	399,796	295,164
19. Policyholders' credit balances	6,009,243	4,711,638
20. Reserve for unclaimed and abandoned properties	477,015	788,823
21. Claim drafts outstanding	17,367,760	16,497,789
22.		
23. Total liabilities	628,468,192	587,079,169
24. Special surplus funds:		
(a)		
(b)		
(c)		
25A. Capital paid up	70,881,828	70,859,456
25B.		
26A. Gross paid in and contributed surplus	7,246,057	7,145,133
26B. Unassigned funds (surplus)	24,920,821	52,698,839
27. Surplus as regards policyholders (Items 24 to 26)	103,048,706	130,703,428
28. TOTALS	731,516,898	717,782,598

**UNDERWRITING AND INVESTMENT EXHIBIT
STATEMENT OF INCOME**

	1 1974	2 1973
UNDERWRITING INCOME		
1. Premiums earned (Part 2)	532,247,406	496,103,830
DEDUCTIONS		
2. Losses incurred (Part 3)	377,431,095	347,520,916
3. Loss expenses incurred (Part 4)	77,115,469	63,446,167
4. Other underwriting expenses incurred (Part 4)	88,868,852	78,468,952
5.		
6. Total underwriting deductions	543,415,417	489,436,035
7. Net underwriting gain or loss (-)	-11,168,011	6,667,794
INVESTMENT INCOME		
8. Net investment income earned (Part 1)	31,627,280	28,950,066
9. Net realized capital gains or losses (-) (Part 1A)	-1,473,415	255,803
9A. Net investment gain or loss (-)	30,153,864	29,205,870
OTHER INCOME		
10. Net gain or loss (-) from agents' or premium balances charged off (amount recovered \$ -0- amount charged off \$ 3,201,751)	-3,201,751	-4,138,848
11. Finance and service charges not included in premiums	4,442,269	3,432,781
12. Miscellaneous income	496,334	390,299
13.		
14.		
15.		
16.		
17. Total other income	1,736,832	-315,768
18. Net income before dividends to policyholders and before federal and foreign income taxes	20,722,706	35,557,896
18A. Dividends to policyholders	1,425,868	2,562,258
18B. Net income, after dividends to policyholders but before federal and foreign income taxes	19,296,837	32,995,637
19. Federal and foreign income taxes incurred*	-5,023,763	2,875,350
20. Net income	24,320,601	30,120,287
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 previous year	130,703,428	140,456,621
GAINS (+) AND LOSSES (-) IN SURPLUS		
22. Net income (from Item 20)	+24,320,601	+30,120,287
23. Net unrealized capital gains or losses (Part 1A)	-34,038,137	-25,417,050
24. Change in non-admitted assets (Exhibit 2, Item 33, Col. 3)	-3,655,349	-2,402,762
25. Change in liability for unauthorized reinsurance		
26. Change in foreign exchange adjustment		
27. Change in excess of liability and compensation statutory reserves over case basis and loss expense reserves	-227,439	-0-
28. Capital changes:		
(a) Paid in	+22,372	+115,212
(b) Transferred from surplus (Stock Div.)	-0-	+2,721,456
(c) Transferred to surplus		
29. Surplus adjustments:		
(a) Paid in	+100,923	+461,935
(b) Transferred to capital (Stock Div.)	-0-	-2,721,456
(c) Transferred from capital		
30. Net remittances from or to Home Office		
31. Dividends to stockholders (cash)	-14,175,429	-12,640,367
32. Federal income tax adjustment	-2,263	+9,553
33.		
34.		
35.		
36.		
37.		
38.		
39. Change in surplus as regards policyholders for the year	-27,654,722	-9,753,192
40. Surplus as regards policyholders, December 31 current year	103,048,706	130,703,428

*Amount of federal income taxes incurred and available for recoupment in the event of future net losses: current year \$ -0- first preceding year \$ 2,865,394 second preceding year \$ 9,691,653
Amount of net losses carried forward and available to offset future net income subject to federal income taxes: current year \$ -0- first preceding year \$ -0- second preceding year \$ -0- third preceding year \$ -0- fourth preceding year \$ -0-

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1—INTEREST, DIVIDENDS AND REAL ESTATE INCOME

1	2 Schedule	3 Collected During Year Less Paid For Accrued On Purchases	4 Paid in Advance		6 Due and Accrued [‡]		8 Earned During Year 3 + 5 + 6 4 - 7
			4 Current Year	5 Previous Year	6 Current Year	7 Previous Year	
1	D*	1,337,720	-0-	-0-	296,478	329,272	1,304,926
1.1	D*	20,252,571	-0-	-0-	5,051,443	4,597,813	20,706,202
1.2	D*	78,175	-0-	-0-	18,200	18,200	78,175
1.3	D*	-0-	-0-	-0-	-0-	-0-	-0-
2.1	D	4,216,345	-0-	-0-	609,920	451,824	4,370,443
2.1.1	D	-0-	-0-	-0-	-0-	-0-	-0-
2.2	D	5,764,588	-0-	-0-	368,726	339,970	5,793,344
2.2.1	D	-0-	-0-	-0-	-0-	-0-	-0-
3	B†						
4	AS	3,302,896	-0-	-0-	-0-	-0-	3,302,896
5	C						
6	N						
7	BA						
8							
9							
10		34,952,298	-0-	-0-	6,340,721	5,737,080	35,333,989
					DEDUCTIONS		
11	Total investment expenses incurred (Item 22, Col 3, Part 4)					3,541,630	
12	Depreciation on real estate (for companies which depreciate annually on a formula basis)					387,077	
13							
14							
15	Total deductions					3,928,708	
16	Net Investment Income Earned (Line 10 minus Line 15 - to Item 8, Page 4)						31,627,280
		*Includes \$ 4,993,810	accrual of discount less \$	292,345	amortization of premium		
		†Includes \$ -0-	accrual of discount less \$	-0-	amortization of premium		
		‡Includes \$ 2,978,695	for company's occupancy of its own buildings				
		§Admitted items only State basis of exclusions	No exclusions				

PART 1A—CAPITAL GAINS AND LOSSES ON INVESTMENTS

	1 Profit on Sales or Maturity	2 Loss on Sales or Maturity	3 Increases by Adjustment in Book Value	4 Decreases by Adjustment in Book Value	5 Net Gain (+) or Loss (-) from Change in Difference Between Book and Admitted Values	6 Total (Net of Cols. 1 to 5 incl)
1 Bonds	284,372	184,486	-0-	-0-	-0-	99,886
2.1 Preferred stocks	5,990	42,000	-0-	-0-	-14,146,168	-14,182,178
2.2 Common stocks	2,179,375	3,716,668	-0-	-0-	-19,891,968	-21,429,261
3 Mortgage loans						
4 Real estate						
5 Collateral loans						
6 Cash on hand and on deposit						
7a Other invested assets						
7b						
7c						
7d						
8. TOTALS	2,469,738	3,943,154	-0-	-0-	-34,038,137	-35,511,553
(Distribution of Item 8, Col. 6)						
9. Net realized capital gains or losses*						-1,473,415
10. Net unrealized capital gains or losses*						-34,038,137

*Attach statement or memorandum explaining basis of division.

†Excluding \$ 387,077 depreciation on real estate included in Part 1, Item 12.

‡Realized gains and losses are actual disposition of assets.

§Unrealized gains and losses are changes in market value of securities owned.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

PART 2A - PREMIUMS IN FORCE

LINE OF BUSINESS	PART 2 - PREMIUMS EARNED				PART 2A - PREMIUMS IN FORCE						
	1 Net Premiums Written	2 Unearned Premiums Dec. 31 Previous Year per Col. 3, Part 2	3 Unearned Premiums Dec. 31 Current Year per Col. 7, Part 2B	4 Premiums Earned During Year	1 In Force Dec. 31 Last Year Without Deducting Reinsurance	2 Premiums Written or Renewed During Year per Col. 1 and 2, Part 2C	3 Excess of Original Premiums over Amount Received for Additional Premiums and Reinsurance	4 Deduct Expansions and Excess of Original Premiums over Return Premiums on Cancellations	5 In Force At End of Year	6 Deduct Reinsurance in Force (Schedule 1) Authorized and Unauthorized Companies	7 Net Premiums In Force 5 6
1. Fire	1,787,060	1,520,330	1,640,083	1,667,307	2,823,498	1,838,315	-0-	1,697,713	2,964,100	65,695	2,898,404
2. Allied lines	1,111,398	909,099	1,000,655	1,020,042	1,681,209	1,130,970	-0-	957,494	1,874,684	40,911	1,833,773
3. Fairowners multiple peril											
4. Homeowners multiple peril	33,560,870	23,318,473	27,517,383	29,361,960	42,803,096	35,255,956	-0-	28,052,527	50,006,524	1,932,140	48,074,384
5. Commercial multiple peril											
8. Ocean marine											
9. Inland marine	1,680,079	790,828	956,941	1,513,965	1,556,375	1,701,688	-0-	1,385,710	1,872,352	-0-	1,872,352
10.											
11.											
12. Earthquake	42,560	26,980	32,585	36,956	54,039	45,589	-0-	36,925	62,703	3,455	59,248
14. Group accident and health											
15. Other accident and health											
16. Workmen's compensation											
17. Liability other than auto	304,279	256,067	260,753	299,593	472,708	304,279	-0-	275,279	501,707	-0-	501,707
19. Auto liability	334,400,174	170,244,205	186,510,300	318,134,079	323,662,843	335,909,689	-0-	307,596,743	351,975,789	1,466,124	350,509,665
21. Auto phys. damage	187,893,792	93,570,158	101,254,153	180,209,798	181,371,122	188,472,677	-0-	174,844,921	194,998,879	29,675	194,969,203
22. Aircraft (all perils)											
23. Fidelity											
24. Surety	3,704	-0-	-0-	3,704	-0-	3,704	-0-	3,704	-0-	-0-	-0-
25. Glass											
26. Burglary and theft											
27. Boiler and machinery											
28. Credit											
29. International											
30. Reinsurance											
31. Totals	560,783,918	290,636,143	319,172,656	532,247,406	554,424,893	564,682,870	-0-	514,851,020	604,256,743	3,538,003	600,718,739

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - RECAPITULATION OF ALL PREMIUMS

Gross premiums less return premiums, earned premiums on all unexpired risks and reserve for return premiums under late credit or retrospective rating plans based upon experience. net

LINE OF BUSINESS	Running One Year or Less From Date of Policy		Running More Than One Year From Date of Policy		5 Advance Premiums (100%)	6 Reserve for Rate Credits and Retrospective Returns Based on Experience	7 Total Reserve for Unearned Premiums 2 + 4 + 5 + 6	PART 2C - PREMIUMS WRITTEN			4 Net Premiums Written 1 + 2 - 3
	1 Premiums In Force	2 Amount Unearned	3 Premiums In Force	4 Amount Unearned				1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	
1 Fire	1,265,894	691,316	1,467,578	783,835	164,931	-0-	1,640,083	1,704,081	134,233	51,254	1,787,060
2 Allied lines	786,869	400,733	945,650	498,468	101,253	-0-	1,000,455	1,013,234	137,735	39,571	1,111,398
3 Farmowners multiple peril											
4 Homeowners multiple peril	26,205,366	14,139,488	18,443,235	9,952,111	3,425,783	-0-	27,517,383	35,255,956	-0-	1,695,086	33,560,870
5 Commercial multiple peril											
8 Ocean marine											
9 Inland marine	1,561,318	753,888	216,493	108,512	94,540	-0-	956,941	1,701,688	-0-	21,609	1,680,079
10											
11											
12 Earthquake	33,803	17,119	21,620	11,640	3,825	-0-	32,585	45,589	-0-	3,028	42,560
14 Group accident and health						(a)					
15 Other accident and health						(a)					
16 Workmen's compensation						(a)					
17 Liability other than auto	226,754	106,950	250,115	128,966	24,836	-0-	260,753	304,279	-0-	-0-	304,279
19 Auto liability	330,661,368	166,662,003	-0-	-0-	19,848,296	-0-	186,510,300	334,072,556	1,837,133	1,509,515	334,400,174
21 Auto phys. damage	184,260,259	90,677,042	201,660	69,826	10,507,284	-0-	101,254,153	188,316,188	156,489	578,884	187,893,792
22 Aircraft (all perils)											
23 Fidelity											
24 Surety	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,704	-0-	-0-	3,704
25 Glass											
26 Burglary and theft											
27 Boiler and machinery											
28 Credit											
29 International											
30 Reinsurance											
31 TOTALS	545,001,634	273,468,543	21,546,354	11,553,362	34,170,751	-0-	319,172,656	562,417,278	2,265,591	3,898,951	560,783,918

1 By gross premiums is meant the aggregate of all the premiums written on the policies or renewals in force.
Are they so returned in this statement? Answer Yes
*State here basis of computation used in each case Monthly pro-rata

(a) Additional reserve on non-accident and health policies.
(b) Including S -0-
(c) Including S -0-
reserves for deferred maturity and other similar benefits.
premiums on all unexpired risks.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3—LOSSES PAID AND INCURRED

LINE OF BUSINESS	LOSSES PAID LESS SALVAGE				5 Net Losses Unpaid Current Year (Part 3A, Col 5) \$	6 Net Losses Unpaid Previous Year \$	7 Losses Incurred Current Year 4+5-6 \$	8 Ratio Losses Incurred (Col. 7, Part 3) to Premiums Earned (Col. 4, Part 2) %	
	1 Direct Business \$	2 Reinsurance Assumed \$	3 Reinsurance Recovered \$	4 Net Payments 1+2-3 \$					
1. Fire	881,925	180,005	16,905	1,045,025	693,732	336,154	1,402,604	84.12	1.
2. Allied lines	334,775	37,081	-0-	371,857	222,171	195,972	398,056	39.02	2.
3. Farmowners multiple peril									3.
4. Homeowners multiple peril	18,561,516	-0-	818,637	17,742,878	4,968,739	4,157,750	18,553,867	63.19	4.
5. Commercial multiple peril									5.
8. Ocean marine									8.
9. Inland marine	708,696	-0-	-0-	708,696	178,584	97,384	789,896	52.17	9.
10.									10.
11.									11.
12. Earthquake	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-----	12.
14. Group accident and health									14.
15. Other accident and health									15.
16. Workmen's compensation									16.
17. Liability other than auto	125,547	-0-	-0-	125,547	80,188	94,746	110,989	37.05	17.
19. Auto liability	209,465,393	299,502	362,310	209,402,584	208,169,685	195,800,490	221,771,779	69.71	19.
21. Auto phys. damage	133,828,593	126,418	4,872	133,950,138	13,877,157	13,423,418	134,403,877	74.58	21.
22. Aircraft (all perils)									22.
23. Fidelity									23.
24. Surety	25	-0-	-0-	25	-0-	-0-	25	.68	24.
25. Glass									25.
26. Burglary and theft									26.
27. Boiler and machinery									27.
28. Credit									28.
29. International									29.
30. Reinsurance									30.
31. TOTALS	363,906,472	643,007	1,202,725	363,346,754	228,190,258	214,105,917	377,431,095	70.91	31.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

LINE OF BUSINESS	Adjusted or in Process of Adjustment		2 Deduct Reinsurance Recoverable from Authorized and Unsubscribed Companies per Schedule F, Part 1A, Col. 2	3 Net Losses Excl. Incurred But Not Reported	4 Incurred But Not Reported	5 Net Losses Unpaid Excluding Loss Adjustment Expenses	6 Unpaid Loss Adjustment Expenses	
	1a Direct	1b Reinsurance Assumed						
1. Fire	499,453	91,498	12,062	578,889	114,842	693,732	68,092	1.
2. Allied lines	138,118	13,813	-0-	151,931	70,239	222,171	42,280	2.
3. Farmowners multiple peril								3.
4. Homeowners multiple peril	3,805,677	-0-	179,772	3,625,904	1,342,835	4,968,739	632,817	4.
5. Commercial multiple peril								5.
8. Ocean marine								8.
9. Inland marine	118,049	-0-	-0-	118,049	60,535	178,584	26,768	9.
10.								10.
11.								11.
12. Earthquake	-0-	-0-	-0-	-0-	-0-	-0-	-0-	12.
14. Group accident and health						(a)		14.
15. Other accident and health						(a)		15.
16. Workmen's compensation								16.
17. Liability other than auto	52,468	-0-	-0-	52,468	27,720	80,188	18,273	17.
19. Auto liability	174,992,282	425,593	772,674	174,645,201	33,524,483	208,169,685	31,412,319	19.
21. Auto phys. damage	2,111,708	9,616	1,368	2,119,956	11,757,200	13,877,157	2,590,742	21.
22. Aircraft (all perils)								22.
23. Fidelity								23.
24. Surety	-0-	-0-	-0-	-0-	-0-	-0-	-0-	24.
25. Glass								25.
26. Burglary and theft								26.
27. Boiler and machinery								27.
28. Credit								28.
29. International								29.
30. Reinsurance								30.
31. TOTALS	181,717,758	540,521	965,877	181,292,401	46,897,856	228,190,258	34,791,294	31.

(a) Including \$ -0- for pretest value of life indemnity claims and \$ -0- reserved for deferred maturity and other similar benefits

UNDERWRITING AND INVESTMENT EXHIBIT

PART 4 — EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
(a) Direct	30,094,318	-0-	-0-	30,094,318
(b) Reinsurance assumed	209,987	-0-	-0-	209,987
(c) Reinsurance ceded	40,211	-0-	-0-	40,211
(d) Net claim adjustment services	30,264,095	-0-	-0-	30,264,095
2. Commission and brokerage:				
(a) Direct	-0-	5,652,623	-0-	5,652,623
(b) Reinsurance assumed	-0-	457,524	-0-	457,524
(c) Reinsurance ceded	-0-	42,155	-0-	42,155
(d) Contingent -- net	-0-	-294	-0-	-294
(e) Policy and membership fees	-0-	-0-	-0-	-0-
(f) Net commission and brokerage	-0-	6,067,697	-0-	6,067,697
3. Allowances to managers and agents	-0-	21,435	-0-	21,435
4. Advertising	-0-	2,113,580	-0-	2,113,580
5. Boards, bureaus and associations	-0-	2,169,627	-0-	2,169,627
6. Surveys and underwriting reports	-0-	590,340	-0-	590,340
7. Audit of assureds' records	-0-	-0-	-0-	-0-
8. Salaries	28,404,873	35,512,448	266,429	64,183,751
9. Employee relations and welfare	1,842,873	2,256,286	18,055	4,117,215
10. Insurance	111,497	116,370	3,321	231,189
11. Directors' fees	44,100	55,149	444	99,693
12. Travel and travel items	1,763,237	961,433	6,351	2,731,023
13. Rent and rent items	3,921,448	5,143,208	498,348	9,563,006
14. Equipment	2,612,641	4,993,552	12,700	7,618,894
15. Printing and stationery	2,018,613	2,954,092	11,977	4,984,683
16. Postage, telephone and telegraph, exchange and express	3,976,484	7,155,631	4,405	11,136,521
17. Legal and auditing	78,576	586,692	13,343	678,612
17a. Totals (Items 3 to 17)	44,774,346	64,629,849	835,378	110,239,575
18. Taxes, licenses and fees:				
(a) State and local insurance taxes	-0-	14,473,787	-0-	14,473,787
(b) Insurance department licenses and fees	-0-	32,957	-0-	32,957
(c) Payroll taxes	1,946,200	2,264,413	19,568	4,230,182
(d) All other (excluding federal and foreign income and real estate)	-0-	860,057	-0-	860,057
(e) Total taxes, licenses and fees	1,946,200	17,631,216	19,568	19,596,985
19. Real estate expenses	-0-	-0-	2,343,183	2,343,183
20. Real estate taxes	-0-	-0-	342,835	342,835
21. Miscellaneous (itemize):				
(a) Contributions	-0-	69,688	-0-	69,688
(b) Outside services	130,826	298,860	664	430,351
(c) FAIR and other plan expenses	-0-	171,539	-0-	171,539
22. Total expenses incurred	77,115,469	88,868,852	3,541,630	169,525,952
23. Less unpaid expenses -- current year	34,791,294	9,581,592	213,581	44,586,468
24. Add unpaid expenses -- previous year	33,678,598	9,676,429	87,984	43,443,012
25. TOTAL EXPENSES PAID	76,002,773	88,963,690	3,416,033	168,382,496

DISCLOSURE

®

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

EXHIBIT 1—ANALYSIS OF ASSETS

	1 Ledger Assets	2 Non-Ledger Including Excess of Market (or Amortized) Over Book Values	3 Assets Not Admitted Including Excess of Book Over Market (or Amortized) Values	4 Net Admitted Assets
1. Bonds (Schedule D)	412,370,711	-0-	-0-	412,370,711
2. Stocks (Schedule D):				
2.1 Preferred stocks	58,498,056	-0-	18,405,648	40,092,408
2.2 Common stocks	90,687,972	-0-	28,210,228	62,477,743
3. Mortgage loans on real estate (Schedule B):				
(a) First liens	-0-	-0-	-0-	-0-
(b) Other than first liens	-0-	-0-	-0-	-0-
4. Real estate, less encumbrances (Schedule A)	13,565,511	-0-	-0-	13,565,511
5. Collateral loans (Schedule C)	-0-	-0-	-0-	-0-
6. Cash on hand and on deposit:				
6a. Cash in company's office	4,012,463	-0-	-0-	4,012,463
6b. Cash on deposit (Schedule N)	8,144,724	-0-	-0-	8,144,724
7. Other invested assets (Schedule BA)	-0-	-0-	-0-	-0-
8. Agents' balances or uncollected premiums (net as to commissions and dividends)	178,588,647	-0-	11,968,366	166,620,281
9. Funds held by or deposited with ceding reinsurers	-0-	-0-	-0-	-0-
10. Bills receivable, taken for premiums	-0-	-0-	-0-	-0-
11. Reinsurance recoverable on loss payments (Schedule F, Part IA, Col. 1)	-0-	-0-	-0-	-0-
12. Due from associated companies	622,784	-0-	-0-	622,784
13. Electronic data processing equipment	6,757,757	-0-	-0-	6,757,757
14. Interest, dividends and real estate income due and accrued	-0-	6,340,771	-0-	6,340,771
15. Equipment, furniture and supplies	6,418,162	-0-	6,418,162	XXXXXX
16. Bills receivable, not taken for premiums	-0-	-0-	-0-	XXXXXX
17. Loans on personal security, endorsed or not	-0-	-0-	-0-	XXXXXX
18. Amounts receivable on sale of securities	4,263,532	-0-	-0-	4,263,532
19. Miscellaneous receivables	1,735,026	-0-	1,735,026	XXXXXX
20. Leasehold improvements	485,435	-0-	485,435	XXXXXX
21a. Federal income taxes recoverable	377,055	5,871,154	-0-	6,248,209
21b.				
21c.				
21d.				
21e.				
21f.				
22. TOTALS	786,527,840	12,211,925	67,222,867	731,516,898

EXHIBIT 2—ANALYSIS OF NON-ADMITTED ASSETS

EXCLUDING EXCESS OF BOOK OVER MARKET (OR AMORTIZED) VALUES AND ITEM 14, COL. 3, EXHIBIT 1

	1 End of Previous Year	2 End of Current Year	3 Change for Year Increase (-) or Decrease (+)
23. Company's stock owned			XXXXXX
24. Loans on company's stock			
25. Deposits in suspended depositories, less estimated amount recoverable			
26. Agents' balances or uncollected premiums over three months due	9,854,837	11,968,366	-2,113,528
27. Bills receivable, past due, taken for premiums			
28. Excess of bills receivable, not past due, taken for risks over the unearned premiums thereon			
29. Equipment, furniture and supplies	4,974,082	6,418,162	-1,444,080
30. Bills receivable, not taken for premiums			
31. Loans on personal security, endorsed or not			
32. Other assets not admitted (itemize):			
(a) Miscellaneous receivables	1,863,857	1,735,026	+128,831
(b) Leasehold improvements	258,863	485,435	-226,571
(c)			
(d)			
(e)			
(f)			
(g)			
(h)			
(i)			
(j)			
33. Total change (Col. 3) (Carry to Item 24, Page 4)	XXXXXX	XXXXXX	-3,655,349

EXHIBIT 3 — RECONCILIATION OF LEDGER ASSETS

INCREASE IN LEDGER ASSETS		
1. Net premiums written (Part 2, Col. 1)		560,783,918
2. Interest, dividends and real estate income received (Part 1, Item 10, Col. 3)		34,952,298
3. From sale or maturity of ledger assets (Part 1A, Col. 1)		2,469,738
4. Other income items or increases, viz.:		
(a) Agents' balances previously charged off		
(b) Remittances from home office to U.S. branch (gross)		
(c) Funds held under reinsurance treaties (net)		
(d) Borrowed money (gross)		
(e) Amounts withheld or retained for account of others (net)		104,632
(f) Ceded reinsurance balances		1,297,605
(g) Policyholders' credit balances		869,970
(h) Claim drafts outstanding		496,334
(i) Miscellaneous income		4,442,269
(j) Service charges		2,301,364
(k) Increase due to federal income tax refund		
(l)		
5. Adjustment in book value of ledger assets (Part 1A, Col. 3)		22,372
6. Capital paid in		100,923
7. Surplus paid in		607,841,428
8. Total (Items 1 to 7)		
DECREASE IN LEDGER ASSETS		
9. Net losses paid (Part 3, Col. 4)		363,346,754
10. Expenses paid (Part 4, Item 25, Col. 4)		168,382,496
11. From sale or maturity of ledger assets (Part 1A, Col. 2)		3,943,154
12. Other disbursement items or decreases, viz.:		
(a) Agents' balances charged off		
(b) Remittances to home office from U.S. branch (gross)		
(c) Funds held under reinsurance treaties (net)		
(d) Borrowed money (gross)		
(e) Amounts withheld or retained for account of others (net)		
(f) Ceded reinsurance balances		533,898
(g) Unapplied premium remittances		
(h) Accounts payable		85,760
(i) Amounts payable on purchase of securities		339,590
(j) Reserve for unclaimed and abandoned properties		2,429,523
(k) Reserve for unclaimed and abandoned properties		311,807
(l) Decrease due to federal income tax adjustment		2,263
(m)		
13. Adjustment in book value of ledger assets (Part 1A, Col. 4) and depreciation (Item 12, Part 1)		387,077
14. Federal and foreign income taxes paid		681,136
15. Dividends paid stockholders		14,175,429
16. Dividends to policyholders on direct business, less \$ -0- dividends on reinsurance assumed or ceded (net)		2,638,491
17.		
18.		560,459,136
19. Total (Items 9 to 18)		
RECONCILIATION BETWEEN YEARS		
20. Amount of ledger assets as per balance December 31 of previous year		739,145,548
21. Increase (+) or decrease (-) in ledger assets during the year (Item 8 minus Item 19)		+47,382,292
22. Balance = ledger assets December 31 of current year		786,527,840

GENERAL INTERROGATORIES—PART A

1. Have there been included in this statement proper reserves to cover liabilities which may have been actually incurred on or before December 31 but of which no notice was received at the home office until subsequently? Answer: **Yes**
2. Does the company issue both participating and non-participating policies? Answer: **Yes** If so, state the amount of net premiums in force on both participating and non-participating policies. Answer: **\$21,770,360 participating \$578,948,378 Non-participating**
3. (Mutual Companies and Reciprocal Exchanges only)
 - (a) Does company issue assessable policies? Answer: **Yes**
 - (b) Does company issue nonassessable policies? Answer: **Yes**
 - (c) If assessable policies are issued, what is the extent of the contingent liability of the policyholders? Answer: **None**
 - (d) Total amount of assessments laid or ordered to be laid during the year on deposit notes or contingent premiums. \$ **None**
 - (e) State total amount of advances to surplus not repaid. \$ **None**
4. (Reciprocal Exchanges only)
 - (a) Does the Exchange appoint local agents? Answer: **Yes** If so, is the commission paid out of Attorney-in-Facts' compensation or as a direct expense of the Exchange? Answer: **Yes**
 - (b) What expenses of the Exchange are not paid out of the compensation of the Attorney in Fact? Answer: **None**
 - (c) Has any Attorney in Fact compensation, contingent on fulfillment of certain conditions, been deferred? Answer: **None** If so, give full information.
5. What interest, direct or indirect, has this company in the capital stock of any other insurance company? Answer: **None**
6. Is the company directly or indirectly owned or controlled by any other company, corporation, group of companies, partnership or individual? Answer: **None**
If so, give full particulars.

CAPITAL STOCK OF THIS COMPANY

Class	Number Shares Authorized	Number Shares Outstanding	Par Value Per Share	Redemption Price If Callable	Is Dividend Rate Limited?	Are Dividends Cumulative?
Preferred	-0-	-0-	-0-	-0-	-0-	-0-
Common	24,000,000	17,720,457	4.00	XXXX	XXXX	XXXX

8. If company has outstanding bonds, debentures, guaranty capital notes, etc., furnish pertinent information concerning redemption price, interest features, etc. Answer: **None**
- 8a. Does the company have a plan or program for granting to agents, brokers, employees or others any options, warrants or rights to purchase stock of the company or its parents, subsidiaries or affiliates, other than options, warrants or rights issued to all stockholders on a pro rata basis? Answer: **Yes**
If the answer is in the affirmative, attach a statement providing the information required by the instructions for this General Interrogatory.
9. Does the company own any securities of a real estate holding company or otherwise hold real estate indirectly? Answer: **Yes**
If so, explain. A wholly-owned subsidiary of the Company holds real property for the convenient accommodation of the business of the Company. Name of real estate holding company: **GEICO Properties, Inc.**
Total book value: **\$ 22,837,179**
Number of parcels involved: **4**
10. If reporting company is a stock company, has it filed Schedule SIS with the Insurance Commissioner of its domiciliary state for the year covered by this Annual Statement? Answer: **Yes**
If answer is "no," explain in detail in separate memorandum to the Insurance Commissioner of domiciliary state.
- 10a. Is the company a member of an insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Answer: **Yes**
- 10b. If the answer to General Interrogatory 10a is yes, did the company register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the State of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the company subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Answer: **Yes**
State regulating: **District of Columbia**
11. Total amount loaned during the year to directors or other officers. \$ **None** to stockholders not officers. \$ **134,433*** Total amount of loans outstanding at end of year to directors or other officers. \$ **None** to stockholders not officers. \$ **None**
*Represents advances in connection with relocations of employees.
12. Did any person while an officer, director or trustee of the company receive directly or indirectly, during the period covered by this statement, any commission on the business transactions of the company? Answer: **No**
- 12a. Did any person while an officer, director, trustee or employee receive directly or indirectly, during the period covered by this statement, any compensation in addition to his regular compensation on account of the reinsurance transactions of the company? Answer: **No**
- 12b. Has the company an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees which is or is likely to conflict with the official duties of such person? Answer: **Yes**
- 12c. Except for retirement plans generally applicable to its staff employees and agents and contracts with its agents for the payment of commissions, has the company any agreement with any person whereby it agrees that for any service rendered or to be rendered he shall receive directly or indirectly any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Answer: **Yes - See 8a above.** Also, the Company has a consultant's contract with **L.A. Davidson** and employment contract with **N. L. Gidden**.
13. What amount of installment notes is owned and now held by the company? Answer: **None**
14. Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Answer: **No** If so, what amount? Answer: **None**
15. Largest net aggregate amount insured in any one risk (excluding workmen's compensation) Answer: **\$300,000**
16. What provision has this company made to protect itself from an excessive loss in the event of a catastrophe under a workmen's compensation contract issued without limit of loss? Answer: **None issued**
17. Has this company guaranteed any financed premium accounts? Answer: **No** If so, give full information.
18. Has this company reinsured any risk with any other company and agreed to release such company from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Answer: **No** If so, give full information.
19. If the company has assumed risks from another company, there should be charged on account of such reinsurance a reserve equal to that which the original company would have been required to charge had it retained the risks. Has this been done? Answer: **None other than as required by state law or regulation i.e. FAIR Plans, Insurance Guaranty Associations, etc.**
20. Has this company guaranteed policies issued by any other company and now in force? Answer: **None other than as required by state law or regulation i.e. FAIR Plans, Insurance Guaranty Associations, etc.** If so, give full information.
21. Were all the stocks, bonds and other securities owned December 31 of current year, in the actual possession of the company on said date, except as shown by the schedules of special and other deposits? Answer: **Bonds and stocks held by the Riggs National Bank Washington, D. C. under a custodial agreement.** If not, give full and complete information relating thereto.
- 21a. Does the company own any investments in letter stock or other restricted securities? Answer: **Yes**
If yes, are they identified by appropriate symbol or otherwise in Schedule D? Answer: **Yes**
- 21b. Have all private placement investments which were the subject of renegotiation or modification of their terms during the year been disclosed to the Valuation of Securities office of the NAIC with full details as to the provisions renegotiated or modified? Answer: **None owned**
- 21c. Have filings been made with the Valuation of Securities office of the NAIC in connection with aquisition and disposition of securities as required by Section 8 of the Valuation Procedures and Instructions for Bonds and Stocks? Answer: **Yes**
22. Were any of the stocks, bonds or other assets of the company loaned, placed under option agreement, or otherwise made available for use by another person during the year covered by this statement? Answer: **No**
If yes, give full and complete information relating thereto.
23. State as of what date the latest examination of the company was made or is being made, and by what department or departments. Answer: **Examined as of December 31, 1972 by District of Columbia, Georgia, Indiana and North Carolina**
24. 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 company? Answer: **No**
If so, when? **Not previously filed, furnish herewith a certified copy of the instrument as amended.**
25. In what states, territories or foreign countries is the company (or United States Branch) authorized to transact business? Answer: **The Territory of Guam, the District of Columbia and all states.**
- 25b. Has any direct new business been solicited or written in any state where the company was not licensed? Answer: **Yes** No **X** If answer is "yes," explain.
26. Is the purchase or sale of all investments of the company passed upon either by the board of directors or a subordinate committee thereof? Answer: **Yes**
27. Does the company keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Answer: **Yes**
28. Have the instructions accompanying the blank furnished by this Department been followed in every detail? Answer: **Yes**
(Only United States branches of foreign companies need answer interrogatories 29 and 30)
29. What changes have been made during the year in the United States manager or the United States trustees of the company? Answer: **None**
30. Does this statement contain all business transacted for the company through its United States branch, on risks wherever located? Answer: **Yes**

GENERAL INTERROGATORIES — PART A

31 Ceded Reinsurance Report

Section 1 Annual Report of Reinsurance Transactions (including facultative and pooling transactions)

- 1 What is the amount of return commission which would have been due reinsurers if they or you had cancelled all of your company's reinsurance as of the end of the period covered by this Annual Statement, with the return of the unearned premium reserve? Answer **None**
- 2 What would be the amount of the reduction in surplus as shown on this Annual Statement if adjustments were made to reflect the full amount described in Question 1? Answer **None**
- 3 On the basis of loss experience to date, have you accrued earned additional premiums which would be payable or return reinsurance commissions which would be refundable in the future if the reinsurer or you cancelled all of your company's reinsurance as of the end of the period covered by this Annual Statement? Answer **No**
If you have not so accrued, what would be the amount of such additional premium or return commission? Answer **None**
- 4 What would be the amount of the reduction in surplus as of the end of the period covered by this Annual Statement if adjustments were made to reflect the full amount described in Question 3? Answer **None**
- 5 What would be the percentage reduction in surplus as of the end of the period covered by this Annual Statement from the combined effects of the amounts described in Questions 2 and 4? Answer **None**
- 6 What is the amount of additional reinsurance premiums, computed at the maximum level provided by the reinsurance contracts, in excess of amounts previously paid and presently accrued (including as accrued the amount shown in response to Question 3) on retrospective adjustment periods covering the most recent three years? Answer **None**
- 7 What is the amount of return reinsurance commission, computed at the maximum level provided by the reinsurance contracts, in excess of amounts previously paid and presently accrued (including as accrued the amount shown in response to Question 3) on retrospective adjustment periods covering the most recent three years? Answer **None**
- 8 What would be the percentage reduction in surplus as of the end of the period covered by this Annual Statement from the combined effects of the amounts described in Questions 6 and 7? Answer **None**
- 9 What would be the percentage reduction in surplus as of the end of the period covered by this Annual Statement from the combined effects of the amounts described in Questions 2, 4, 6 and 7? Answer **None**

Section 2 Supplementary Report of Reinsurance Transactions

Whenever the company enters into a new reinsurance contract or alters the terms of any existing ceded reinsurance contract during the year following the date of this Annual Statement, it shall answer the questions set forth in Section 1 as of the date of such new or altered contracts. If the answer to Question 5 shows a reduction in the then current surplus of 30% or more, it shall report such fact within 15 days after the date of such new contract or alteration to each Regulatory Authority with which this Annual Statement was filed.

Section 3 Requirements for Reinsurance Credit

Whenever the answer to Question 5 shows a reduction in surplus of 30% or more, or whenever the answer to Question 8 shows a reduction in surplus of 50% or more, or when ever the answer to Question 9 shows a reduction in surplus of 60% or more the company shall not take credit for its ceded reinsurance unless

- A The company shall file in respect of each reinsurer separately as of the end of each calendar quarter, a statement of balances which shall include cash balances, unearned premium reserves, loss reserves and accruals for retrospective adjustments. Such statement shall be certified by the reinsurer and filed by the company within 45 days after the end of each calendar quarter with each Regulatory Authority with which the Annual Statement is filed, and
- B Its reinsurance contract provides that in the event of termination the reinsurer shall continue to be obligated, with respect to business in force, for 90 days or until the earliest date thereafter as of which such original business may be terminated, but in no event more than 12 months, and,
- C In the event of insolvency of the company, the reinsurer shall be entitled to recoup unearned ceding commission only to the extent that original commissions and taxes are recouped by the company, and,
- D The company submits all reinsurance contracts in force and thereafter negotiated to each Regulatory Authority with which the Annual Statement is filed, and,
- E The reinsurance agreements for which credit is claimed by the company contain provisions protecting the company from an element of risk from ultimate underwriting loss

Consistent with the purpose of this report, the Regulatory Authority (ies) in appropriate cases may waive one or more of these instructions

Instructions for Completing Ceded Reinsurance Report

- Question 1 This amount should be computed by applying the fixed or provisional commission rates for each treaty to the unearned premium reserve for each such treaty. For this calculation, it shall be assumed that all reinsurance is entirely cancelled, with return of unearned premium and commission
- Question 2 The amount determined in response to Question 1 should be reduced to reflect applicable income taxes and unearned premium reserves ceded to unauthorized companies, if any
- Question 3 The amount determined in response to this question should be based on loss experience to date reflecting amounts claimed as reinsurance recoverable on paid and unpaid losses as set forth in Schedule F, Part 1A, Section 1
- Question 4 The amount determined in response to Question 3 should be adjusted to reflect applicable income taxes
- Question 5 Divide the sum of the answers to Questions 2 and 4 by Surplus As Regards Policyholders as shown on Page 3, Line 27 of this Annual Statement
- Questions 6 and 7. These instructions apply to retrospective rated contracts and sliding scale commission contracts.
The amounts below should be computed separately for each retrospective adjustment period which is currently in force or which was in force during the most recent three years
 - (a) In regard to retrospective adjustment periods which commenced within the most recent three years and ended during this period, the amount should be computed at the maximum level provided by the reinsurance contracts less amounts previously paid to reinsurers and less amounts presently accrued (including as accrued the amount shown in response to Question 3)
 - (b) In regard to retrospective adjustment periods which commenced prior to the most recent three years and which ended during this period, the amount should be determined as in (a) above, but should be pro rata reduced for the period of time of the retrospective adjustment period which is prior to the most recent three-year period
 - (c) In regard to retrospective adjustment periods which commenced within the most recent three years but will end after this period, the amount should be computed at the maximum level provided by the reinsurance contracts on the basis of inception to statement date premium data. Otherwise, with this exception the instructions in (a) above should be followed.
 - (d) In regard to retrospective adjustment periods which commenced prior to the most recent three years and which will end after this period, the amount should be determined at the maximum level provided by the reinsurance contracts on the basis of inception to statement date premium data. This amount should be pro rata reduced for the period of time of the retrospective adjustment period which is prior to the most recent three-year period. Otherwise, with these exceptions the instructions in (a) above should be followed.
- Question 8 Divide the sum of the amounts determined as answers to Questions 6 and 7, less applicable income taxes by Surplus As Regards Policyholders as shown on Page 3, Line 27 of this Annual Statement
- Question 9 Divide the sum of the answers to Questions 2, 4, 6 and 7 (adjusted by applicable income taxes) by Surplus As Regards Policyholders as shown on Page 3, Line 27 of this Annual Statement

GENERAL INTERROGATORIES - PART B

LONG TERM CONTRACTS AND COMMITMENTS, DEFERRED EXPENSE CONTRACTS AND ARRANGEMENTS BETWEEN PARENT, SUBSIDIARIES OR AFFILIATES, CONTINGENT LIABILITIES WHICH MIGHT MATERIALLY AFFECT FINANCIAL POSITION OR RESULTS OF OPERATIONS

REPORT THE DATE INCURRED OR DISCOVERED, THE NATURE OF THE CONTINGENT LIABILITY, CONTRACT ARRANGEMENT OR COMMITMENT, THE AMOUNT OR AMOUNTS, IF KNOWN, THE STATUS AS OF THE ANNUAL STATEMENT DATE AND ALL OTHER INFORMATION NECESSARY FOR A FULL DISCLOSURE

GEICO Properties, Inc. (GPI), the wholly-owned subsidiary of Government Employees Insurance Company (GEICO), was incorporated in Delaware in 1973 with the purpose of holding real estate for the convenient accommodation of GEICO's business. In December 1973 GPI purchased GEICO's Northeastern Regional Office building in Woodbury, New York and its training center facility in McLean, Virginia. The purchase was financed by GPI's issuance of its 8-1/4% notes due June 15, 2004, in the aggregate principal amount of \$15,000,000, sold to institutional investors. In May 1974, GPI's purchase of GEICO's Southeastern Regional Office building in Macon, Georgia was financed by GPI's issuance of its 8-1/2% note due May 1, 2004, in the principal amount of \$8,500,000 sold to an institutional investor. The 8-1/4% notes were issued under a deed of trust and indenture of mortgage and the 8-1/2% note was issued under an indenture; the 8-1/4% notes were secured by a first mortgage on the respective properties; and all of the notes were secured by the assignment to the Trustee of thirty year leases, coincident with the terms of the notes, between GEICO and GPI, and by the undertakings of GEICO to make sufficient funds available to its subsidiary to meet the latter's obligations under the indentures. GEICO also leases from GPI a branch office facility in Smithtown, Long Island, New York.

GEICO leases office building space for its Regional and Field Offices throughout the country. The future minimum yearly rental commitments as of December 31, 1974 for all noncancellable leases of one or more years duration are as follows (including such leases with GPI):

<u>Year</u>	<u>Total</u>
1975	\$5,137,500
1976	3,069,833
1977	4,548,500
1978	4,502,596
1979	4,081,221
1980 - 83	2,859,888
1984 - 85	2,711,644
1986	2,707,644
1987	2,663,664
1988	2,504,949
1989	2,309,178
1990 - 91	2,206,649
1992 - 2001	2,189,889

GEICO leases some data processing equipment in its operations. The future minimum yearly rental commitments as of December 31, 1974 for all leases of one or more years duration are as follows:

<u>Year</u>	<u>Total</u>
1975	\$1,611,783
1976	795,534
1977	104,544
1978	104,544

Has the company committed any surplus funds to reserves for contingent liabilities or arrangements mentioned above? Answer No If so, has the reserve been reported as a special surplus funds reserve on page three of the annual statement? Answer

Has the company followed instructions for reporting any unreimbursed expenditures on behalf of the company by its parent, its affiliates or subsidiaries? Answer Yes

EXHIBIT OF PREMIUMS AND LOSSES

BUSINESS IN THE STATE OF

DURING THE YEAR

LINE OF BUSINESS	Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		(3) Dividends Paid or Credited to Policyholders on Direct Business	(4) Direct Losses Paid (deducting salvage)	(5) Direct Losses Incurred
	(1) Direct Premiums Written	(2) Direct Premiums Earned*			
1 Fire					
2 Allied lines					
3 Farmowners multiple peril					
4 Homeowners multiple peril					
5 Commercial multiple peril					
8 Ocean marine					
9 Inland marine					
10					
11					
12 Earthquake					
14 Group accident and health					
15.1 Credit A & H (Group and Individual)*					
15.2 Collectively renewable A & H					
15.3 Non-cancellable A & H					
15.4 Guaranteed renewable A & H					
15.5 Non renewable for stated reasons only					
15.6 Other accident only					
15.7 All other A & H					
16 Workmen's compensation					
17 Liability other than auto					
19.1 Private passenger auto liability					
19.2 Commercial auto liability					
21.1 Private passenger auto physical damage					
21.2 Commercial auto physical damage					
22 Aircraft (all perils)					
23 Fidelity					
24 Surety					
25 Glass					
26 Burglary and theft					
27 Boiler and machinery					
28 Credit					
29					
30					
31 TOTALS:					

Finance and service charges not included in Lines 1 to 31. †

*Direct premiums earned may be estimated by formula on the basis of country wide ratios for the respective lines of business except where adjustments are required to recognize special situations

†Business not exceeding 120 months duration

†To agree with Schedule 1

CREDIT ACCIDENT AND HEALTH INSURANCE
(Included in the Above Exhibit)

	1 Direct Premiums (Excluding Reinsurance Accepted and without Deduction of Reinsurance Ceded)	2 Direct Premiums Earned** (prior to Dividends and Retrospective Rate Credits Paid or Credited)	3 Dividends Paid or Credited on Direct Business	4 Direct Losses Paid	5 Direct Losses Incurred**
32a Group A & H Policies - Loans of 60 or LESS months' duration					
32b Group A & H Policies - Loans of GREATER THAN 60 MONTHS' DURATION BUT NOT GREATER THAN 120 MONTHS					
33 Other A & H Policies					
34 TOTALS (Lines 32 + 33)					

NONE

**The figures shown in these columns should be consistent with the corresponding figures in the Credit Life and Accident and Health Exhibit

To be submitted not later than April 1.

Note: In case the following schedules do not afford sufficient space, companies may furnish them on separate forms, provided the same are upon paper of like size and arrangements and contain the information asked for herein and have the name of the Company printed or stamped at the top thereof.

SPECIAL DEPOSIT SCHEDULE

Showing all deposits or investments NOT held for the protection of ALL the policyholders of the Company

1 Where Deposited	2 Description and Purpose of Deposit (Indicating literal form of registration of Securities)	3 Par Value	4 Statement Value	5 Market Value
Insurance Commissioner of the State of Arkansas	City of Mobile, Alabama, New Housing Authority, 4th Issue, 3 3/8%, 12/1/99-78 Protection of Arkansas Policyholders and/or Creditors	\$ 100,000	\$ 74,679	\$ 56,125
Treasurer of the State of Georgia	Onondaga County, New York, Water District, 1st Ser., 3.10%, 3/1/94 Protection of Georgia Policyholders and/or Creditors	50,000	35,900	27,750
Insurance Commissioner of the Territory of Guam	State of West Virginia, Bond, 3 1/2%, 3/1/96 Protection of Guam Policyholders and/or Creditors	150,000	107,540	84,000
Treasurer of the State of Louisiana	City of New Orleans, Louisiana, Civic Center, Ser. C, 2 3/4%, 7/1/91-70 Protection of Louisiana Policyholders and/or Creditors	100,000	66,282	49,250
Treasurer of the State of New Mexico	City of Minneapolis, Minnesota, New Housing Authority, 2nd Issue, 3 7/8%, 9/1/97-73 Protection of New Mexico Policyholders and/or Creditors	110,000	108,132	68,475
Treasurer of the State of North Carolina	Guilford County, North Carolina, County Courthouse, 4%, 5/1/92, Protection of North Carolina Policyholders and/or Creditors	75,000	64,042	52,575
Treasurer of the State of Oregon	City of Waynesboro, Georgia, New Housing Authority, 2nd Issue, 3 1/2%, 8/1/99-77 Protection of Oregon Policyholders and/or Creditors	100,000	75,433	57,625
Insurance Commissioner of the State of South Carolina	U. S. Treasury Bond, 2 3/4%, 4/1/75-80 Certified Check No. 117553 Protection of South Carolina Policyholders and/or Creditors	30,000	30,001 400 30,401	22,500 400 22,900
Treasurer of the State of Texas	City of Red Cloud, Nebraska, New Housing Authority, 2nd Issue, 3 3/8%, 5/1/04-79	50,000	34,066	26,215
	TOTALS	\$ 765,000	\$ 596,479	\$ 444,915

SCHEDULE OF ALL OTHER DEPOSITS

Showing all deposits made with any Government, Province, State, District, County, Municipality, Corporation, firm or individual, except those shown in Schedule M, and those shown in "Special Deposit Schedule" above

1 Where Deposited	2 Description and Purpose of Deposit (Indicating literal form of registration of Securities)	3 Par Value	4 Statement Value	5 Market Value
Treasurer of the State of Michigan	City of Minneapolis, Minnesota, New Housing Authority, 5th Issue, 3 3/4%, 9/1/99-80 City of Greensboro, North Carolina, New Housing Authority, 3rd Issue, 3 3/8%, 10/1/01-78 Protection of All Policyholders and/or Creditors	\$ 400,000	\$ 315,226	\$ 245,500
		100,000	70,417	57,250
		500,000	385,644	302,750
Supt. of Insurance of the State of New York	State of New York, Transportation Capital Facilities, 3%, 2/1/95 Onondaga County, New York, Water District, 1st Ser., 3.10%, 3/1/95 Protection of All Policyholders and/or Creditors	950,000	628,814	514,187
		340,000	241,347	185,300
		1,290,000	870,161	699,487
	TOTALS	\$1,790,000	\$1,255,805	\$1,002,237

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE A—PART 1

Showing all Real Estate OWNED December 31 of Current Year, the Cost, Book and Market Value thereof, the Nature and Amount of all Liens and Encumbrances thereon, including Interest Due and Accrued, etc

No.	1 QUANTITY, DIMENSIONS AND LOCATION OF LANDS, SIZE AND DESCRIPTION OF BUILDINGS (Nature of encumbrances, if any including interest due and accrued)	2 Date Acquired	3 NAME OF VENDOR	4 Amount of Encumbrances \$	5 Actual Cost \$	6 Book Value Less Encumbrances \$	7 Market Value Less Encumbrances \$	8 Increase by Adjustment in Book Value During Year	9 Decrease by Adjustment in Book Value During Year	10 Gross Income Less Interest on Encumbrances \$	11 Expended for Taxes, Repairs and Expenses \$	12 Net Income \$	13 Rental Value of Space Occupied by		15 Year of Last Appraisal
													13 Company \$	14 Patents, Subsidiaries and Affiliates	
1	Four story office building with eight story annex located on a 27.5 acre tract between Millard Avenue and Western Avenue just west of Wisconsin Avenue in Chevy Chase, Maryland	1956 to 1974	Various	-0-	17,123,393	12,487,022	12,487,022	-0-	374,109	3,225,336	2,639,092	586,243	2,917,034	-0-	-
2	Lot 5 Block 8 in the subdivision of land known as Brookdale with improvements thereon known as 3308 Westport Road, Chevy Chase, Maryland	1962	Dr. Ralph L. Brown	-0-	29,330	21,063	21,063	-0-	553	3,000	1,356	1,643	-0-	-0-	1962
3	Lot 4 Block 9 in the subdivision of land known as Brookdale with improvements thereon known as 4711 Cortland Road, Chevy Chase, Maryland	1963	Henry J. Dunlowicz	-0-	35,416	26,688	26,688	-0-	609	2,400	1,633	766	-0-	-0-	1963
4	Lot 7 Block 8 in the subdivision of land known as Brookdale with improvements thereon known as 3302 Westport Road, Chevy Chase, Maryland	1963	H. A. & J. Cearnicht	-0-	30,805	22,821	22,821	-0-	562	1,200	1,319	-119	-0-	-0-	1963
5	Lot 3 Block 8 in the subdivision of land known as Brookdale with improvements thereon known as 3304 Westport Road, Chevy Chase, Maryland	1964	Eva B. Smith	-0-	35,081	26,087	26,087	-0-	692	1,200	1,310	-110	-0-	-0-	1964
6	Lot 2 Block 12 in the subdivision of land known as Brookdale with improvements thereon known as 4501 Cortland Road, Chevy Chase, Maryland	1964	Evelyn Conelle	-0-	39,997	29,902	29,902	-0-	806	3,900	2,223	1,676	-0-	-0-	1964
7	One story office building located on lots 1, 2, and 3 in the subdivision of land known as Courtyard Park located at Leesburg Pike and Washington Drive in Fairfax County, Virginia	1966 to 1967 and 1973	Various	-0-	312,109	278,181	278,181	-0-	3,293	31,660	15,740	15,919	31,660	-0-	1966
8	Lot 1 Block 12 in the subdivision of land known as Brookdale with improvements thereon known as 4303 Cortland Road, Chevy Chase, Maryland	1968	H. J. Spear	-0-	45,859	39,619	39,619	-0-	814	4,200	3,672	527	-0-	-0-	1968
9	One story office building on Southwest corner of Lot 34 in Charlew C. Schultz subdivision, Branch Avenue and Malcolm Road, Clinton, Maryland	1969 to 1970	Various	-0-	269,236	245,534	245,534	-0-	5,631	30,000	17,965	12,034	30,000	-0-	1969

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE A—PART 1

Showing all Real Estate OWNED December 31 of Current Year, the Cost, Book and Market Value thereof, the Nature and Amount of all Liens and Encumbrances thereon, including Interest Due and Accrued, etc

No.	QUANTITY DIMENSIONS AND LOCATION OF LANDS, SIZE AND DESCRIPTION OF BUILDINGS (Nature of encumbrances, if any, including interest due and accrued)	2 Date Acquired	3 NAME OF VENDOR	4 Amount of Encumbrances	5 Actual Cost	6 Book Value Less Encumbrances	7 Market Value Less Encumbrances	8 Increase by Adjustment in Book Value During Year	9 Decrease by Adjustment in Book Value During Year	10 Gross Income Less Interest on Encumbrances	11 Expended for Taxes, Repairs and Expenses	12 Net Income	13 Rental Value of Space Occupied by		15 Year of Last Appraisal
													Company	14 Parents, Subsidiaries and Affiliates	
10	Lots 13, 42, 43 and 44 of section 3 with improvements on Lot 44 in subdivision of land known as Keys Ferry Acres, Harpers Ferry, West Virginia	1972	John Malcom	-0-	30,000	30,000	30,000	-0-	-0-	-0-	611	-611	-0-	-0-	1972
11	Lot 224, Section 3B in the subdivision known as Sugarland Run with improvements thereon known as 230 Greenfield Court, Sterling, Loudoun County, Virginia	1974	Robert F. II & Peggy G. Brandler	-0-	43,970	43,970	43,970	-0-	-0-	-0-	309	-309	-0-	-0-	1974
12	Lot 134, Section 3B in the subdivision known as Sugarland Run with improvements thereon known as 240 Willow Terrace, Sterling, Loudoun County, Virginia	1974	D. R. & S. B. Camp	-0-	40,700	40,700	40,700	-0-	-0-	-0-	57	-57	-0-	-0-	1974
13	Apartment 102, Wing 14, Building 6 of the subdivision known as Heritage Court with improvements thereon known as 7811 Bassett Court, Annandale, Fairfax County, Virginia	1974	James L. Hess	-0-	32,477	32,477	32,477	-0-	-0-	-0-	446	-446	-0-	-0-	1974
14	Lot 61 in the subdivision known as Four Seasons, Region I with improvements thereon known as 632 Clearwater Court, Herndon, Fairfax County, Virginia	1974	D. & L. M. Loudon	-0-	39,442	39,442	39,442	-0-	-0-	-0-	30	-30	-0-	-0-	1974
15	Lot 7, Section 5 in the subdivision known as Dixie Hill with improvements thereon known as 4532 Quality Court, Fairfax, Fairfax County, Virginia	1974	J. & P. D. Trivett	-0-	70,986	70,986	70,986	-0-	-0-	-0-	75	-75	-0-	-0-	1974
16	Lot 13, Markwood Subdivision with improvements thereon known as #9 Marcus Court, Rockville, Maryland	1974	William G., Jr. & Erna S. Graham	-0-	70,176	70,176	70,176	-0-	-0-	-0-	170	-170	-0-	-0-	1974
17	Lot 47, Section One, Plat 5 Du Fief Subdivision with improvements thereon known as 11508 Piney Lodge Road, Gaithersburg, Maryland	1974	George A., Jr. & Jeannette E. Clov	-0-	60,835	60,835	60,835	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1974
TOTALS				-0-	18,509,819	13,565,511	13,565,511	-0-	387,077	3,302,896	2,686,018	616,877	2,978,695	-0-	

Including cost of acquiring title and if the property was acquired by foreclosure such cost shall include the amounts expended for taxes, repairs and improvements prior to the date on which the company acquired title.
 †State basis on which market value was determined cost less depreciation

CLASSIFICATION

Showing the total amount of Real Estate owned in each State and Foreign Country

State	Market Value	State	Market Value	State	Market Value	State	Market Value	Foreign Country	Market Value
Maryland	\$ 13,029,253								
Virginia	405,757								
West Virginia	30,000								
TOTALS	\$ 13,565,511								

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE A—PART 2
Showing all Real Estate ACQUIRED During the Year and Showing also Amounts Expended for Additions and Permanent Improvements Made During said Year to ALL Real Estate

No	1 QUANTITY, DIMENSIONS AND LOCATION OF LANDS, SIZE AND DESCRIPTION OF BUILDINGS (OR NATURE OF ADDITIONS AND PERMANENT IMPROVEMENTS MADE DURING THE YEAR (Nature of encumbrances, if any))	2 Date Acquired	3 How Acquired	4 Name of Vendor	5 Cost to Company During the Year	6 Amount Expended for Additions and Permanent Improvements During the Year	7 Book Value December 31 of Current Year Less Encumbrances
1	Expenditures for additions and permanent improvements to office building on 27.5 acre tract between Willard Avenue and Maxam Avenue in Chevy Chase, Maryland.	1974	Purchase	Various	-0-	75,112	75,523
2	Expenditures in connection with construction of four story office building on 78.5 acre tract located in the Moxon Reserve East and the Seventh Land District of Bibb County, Georgia.	1974	Purchase	Various	2,281,743	-0-	-0-
3	Lot 244, Section 19 in the subdivision known as Sugarland Run with improvements thereon known as 230 Greenfield Court, Sterling, Loudoun County, Virginia.	1974	Purchase	Robert F., II and Peggy G. Brandler	43,970	-0-	43,970
4	Lot 134, Section 28 in the subdivision known as Sugarland Run with improvements thereon known as 246 Willow Terrace, Sterling, Loudoun County, Virginia.	1974	Purchase	Del R. and Sarah H. Camp	40,700	-0-	40,700
5	Apartment 102, Wing 24, Building 6 of the subdivision known as Heritage Court with improvements thereon known as 2811 Dasset Court, Annandale, Fairfax County, Virginia.	1974	Purchase	James L. Hess	32,477	-0-	32,477
6	Lot 61 in the subdivision known as Four Seasons, Regime I with improvements thereon known as 632 Clearwater Court, Herndon, Fairfax County, Virginia.	1974	Purchase	Donald and Linda M. Loudon	39,442	-0-	39,442
7	Lot 7, Section 1 in the subdivision known as Glade Hill with improvements thereon known as 4327 Quality Court, Fairfax, Fairfax County, Virginia.	1974	Purchase	Justin and Phyllis D. Trivett	70,986	-0-	70,986
8	Lot 15, Markwood Subdivision with improvements thereon known as 49 Marcoe Court, Rockville, Maryland.	1974	Purchase	William G., Jr. & Emma S. Graham	70,176	-0-	70,176
9	Lot 27, Section One, Flat 5 De Plat Subdivision with improvements thereon known as 11308 Piney Lodge Road, Gaithersburg, Maryland.	1974	Purchase	George A., Jr. & Jeannette E. Cloe	60,835	-0-	60,835
Total					2,640,332	75,112	433,112

SCHEDULE A—PART 3
Showing all Real Estate SOLD or Otherwise Disposed of During the Year Including Payments During the Year on "Sales Under Contract"

No	1 QUANTITY, DIMENSIONS AND LOCATION OF LANDS, SIZE AND DESCRIPTION OF BUILDINGS (Nature of encumbrances, if any)	2 Date Sold	3 Name of Purchaser	4 Cost to Company	5 Increase by Adjustment in Book Value During the Year	6 Decrease by Adjustment in Book Value During the Year	7 Book Value at Date of Sale Less Encumbrances	8 Amount Received Including Payments on Sales Under Contract	9 Profit on Sale	10 Loss on Sale	11 Gross Income During Year Less Interest on Encumbrances	12 Expended for Taxes, Repairs and Expenses During Year
1	78.5 acre tract located in the Moxon Reserve East and the Seventh Land District of Bibb County, Georgia and building under construction.	5/1/74	GEICO Properties, Inc.	4,356,433	-0-	-0-	4,356,433	4,356,433	-0-	-0-	-0-	-0-
Total				4,356,433	-0-	-0-	4,356,433	4,356,433	-0-	-0-	-0-	-0-

*Include cost of acquiring title and if the property was acquired by foreclosure, with cost that would be expended for taxes, repairs and improvements prior to the date on which the company acquired title. In reporting sales under contract include payments received during the current year only.
 †Include payments on "Sales Under Contract" in Part 3 by reporting the date of the sale. Show the number of the party.
 ‡In case of sales under contract include payments received during current year only, until book value per Part 1 is exhausted.

SCHEDULE A—Verification Between Years

Book value, December 31, previous year (Item 4, Col. 1, Exhibit 1)	15,293,576
Current year	-
Increase by adjustment	-
Totals, Part 1, Col. 6	-
Totals, Part 3, Col. 5	-
Cost of acquired, Part 2, Col. 5	2,640,332
Cost of additions and permanent improvements, Part 2, Col. 6	75,112
Profit on sales, Part 3, Col. 9	-
Total	18,209,020
Less	-
Decrease by adjustment, Totals, Part 1, Col. 9	382,022
Totals, Part 3, Col. 6	-
Received on sales, Part 3, Col. 8	4,356,433
Loss on sales, Part 3, Col. 10	-
Book value, December 31, current year (Item 4, Col. 1, Exhibit 1)	13,265,511

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE B

Showing all MORTGAGES OWNED December 31 of Current Year, and all Mortgage Loans Made, Increased, Discharged, Reduced or Disposed of During the Year
Indicate by symbols FHA and VA if loans are so insured. All such FHA and VA insured loans not in process of foreclosure may be summarized by year and state of issue and combined values may be shown for land and buildings

1 NUMBER	DATE		RECORD OF MORTGAGE				PRINCIPAL					INTEREST				18 Value of Lands Mortgaged	19 Value of Buildings	20 Amount of Fire Insurance Held by Company on the Buildings	21 LOCATION AND DESCRIPTION (State if this mortgage is being foreclosed, or if there are any guarantors. State name of mortgagor if mortgagor is a parent, subsidiary, affiliate, officer or director.)	
	2 Year Given	3 Year Due	4 State	5 County	6 Book	7 Page	8 Amount Unpaid Dec. 31 of Previous Year	9 Amount Loaned During Year (A)	10 Amount Paid on Account or in Full During Year (B)	11 Amount Unpaid Dec. 31 of Current Year	12 Date Due	13 Rate of	14 Amount Paid Due Dec. 31 of Current Year	15 Amt. Accrued Dec. 31 of Current Year	16 (Gross Amt.) Rec'd During Year					17 Paid for Accrued Interest on Mortgages Acquired During Year
TOTALS																	XXXX	XXXX	XXXX	

NONE

(A) Including all mortgages purchased or otherwise acquired during the year and as increases during the year on loans outstanding December 31 of previous year
(B) Including mortgages under which Company has secured title and possession by foreclosure

CLASSIFICATION

Showing the Total Amount of Mortgage Loans on Real Estate in Each State and Foreign Country

State	Amount	State	Amount	State	Amount	State	Amount	Foreign Country	Amount
TOTALS									

NONE

NOTE: Any casualty company having a majority of its premium volume derived from non-cancelable accident and health policies may report on Schedule B forms of the Life Blank in lieu of this schedule

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

61

SCHEDULE B A—PART 1
Showing Other Invested Assets OWNED December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Number of Units and Description*	Year Acquired	Lessee or Location	Amount of Encumbrances	Cost to Company	Book Value at December 31, Less Encumbrances	Statement Value at December 31	Market or Investment Value at December 31, Less Encumbrances	Additions to (+) or Reductions in (-) Investment	Increase (+) or Decrease (-) by Adjustment in Book Value During Year	Gross Income Received During Year	Net Income Received During Year	Amounts Accrued at December 31	Amounts Past Due at December 31
A TRANSPORTATION EQUIPMENT													
Total Transportation Equipment													
B TIMBER DEEDS													
Total Timber Deeds					NONE								
C MINERAL RIGHTS													
Total Mineral Rights													
D OTHER													
Total Other													
GRAND TOTALS													

Give detailed description of investment and of underlying security (if suitable) may be used to describe leases for each class in the aggregate.
 *Include additional category of investment: (a) real estate mortgage security or other.
 Include in this Schedule, showing subtotals by class and grand total for all classes:
 1. All loans on investments in oil and gas production payments except those listed in Schedule D, Part 1.
 2. All Transportation Equipment.
 3. Timber Deeds.
 4. Mineral Rights carried as admitted assets.
 5. Motor Vehicle Trust Certificates.
 6. Any other class of admitted investment not clearly included in other statement schedules.
 †Include additional investments made in portion of investment regard.
 ‡Include depreciation on real estate and transportation equipment, etc. Amortization of premium and accretion of discount if applicable.
 §After appropriate reduction for interest paid to manufacturer during year and depletion and amortization of mineral rights.
 ¶After appropriate reduction for depreciation and accrued interest payable to manufacturers.

SCHEDULE B A—Verification Between Years

1 Book value of other invested assets Exhibit 1 - analysis of assets - Line 7 previous year	_____
2 Cost of acquisitions during year	_____
(a) Column 5, Part 2	_____
(b) Column 9, Part 1	_____
(c) Column 7, Part 3	_____
3 Increase by adjustment during year	_____
(a) Column 10, Part 1	_____
(b) Column 8, Part 3	_____
4 Profit on disposition, Column 9, Part 3	_____
5 Total	_____
6 Deduct consideration for other invested assets disposed of, Column 5, Part 3	_____
7 Reductions in investment during year:	_____
(a) Column 9, Part 1	_____
(b) Column 7, Part 3	_____
8 Decrease by adjustment during year	_____
(a) Column 10, Part 1	_____
(b) Column 8, Part 3	_____
9 Loss on disposition, Column 10, Part 3	_____
10 Book value of other invested assets, Exhibit 1 - analysis of assets - Line 7, current year	_____
‡Cash payments on account of capital, e.g. depletion and amortization of Mineral Rights.	_____

NONE

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE B A - PART 2
Showing Other Invested Assets ACQUIRED During Current Year

1 NUMBER OF UNITS AND DESCRIPTION	2 Date Acquired	3 Lessee or Location	4 Cost to Company	5 Consideration Paid During Current Year	6 Name of Vendor
A TRANSPORTATION EQUIPMENT					
Total Transportation Equipment					
B TIMBER DEEDS					
Total Timber Deeds		NONE			
C MINERAL RIGHTS					
Total Mineral Rights					
D OTHER					
Total Other					
GRAND TOTALS					

SCHEDULE B A - PART 3
Showing Other Invested Assets DISPOSED of During Current Year

1 NUMBER OF UNITS AND DESCRIPTION	2 Date Disposed of	3 Lessee or Location	4 Name of Purchaser or Nature of Disposition	5 Consideration	6 Book Value at Date of Sale	7 Additions to (+) or Reductions to (-) Investment	8 Decrease (-) or Increase (+) by Adjustment in Book Value During Year	9 Profit on Sale	10 Loss on Sale	11 Net Income
A TRANSPORTATION EQUIPMENT										
Total Transportation Equipment										
B TIMBER DEEDS										
Total Timber Deeds			NONE							
C MINERAL RIGHTS										
Total Mineral Rights										
D OTHER										
Total Other										
GRAND TOTALS										

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE C--PART 1

Showing all Collateral Loans IN FORCE December 31 of Current Year, and all Substitutions of Collateral Thereon During Said Year

No.	Description of Securities Held as Collateral December 31 of Current Year (Give in this column the number of shares of each block of stock and rate of interest and year of maturity of each bond held as collateral)	Par Value	Rate Used to Obtain Market Value	Market Value Dec 31 of Current Year	Amount Loaned Thereon	Date of Loan	Maturity of Loan	INTEREST			SUBSTITUTIONS OF COLLATERAL VIZ								NAME OF ACTUAL BORROWER (State if the borrower is a parent, subsidiary, affiliate, officer or director)	
								Rate of Loan	Amount Past Due Dec 31 of Current Year	Amount Accrued Dec 31 of Current Year	Amount Received During Year	Collateral Substituted				Collateral Released				
												Description	Date	Par Value	Market Value	Description	Date	Par Value		Market Value
NONE																				
TOTALS		XXXX				XXXX	XXXX	XX				XXXX	XXXX		XXXX	XXXX				

SCHEDULE C--PART 2

Showing all Collateral Loans MADE During the year and all Substitutions of Collateral Thereon During Said Year

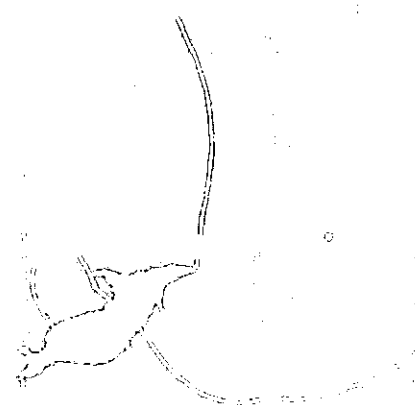
No.	Description of Security Accepted as Collateral When Loan Was Made	Par Value	Rate Used to Obtain Market Value	Market Value at Date of Loan	Amount Loaned Thereon	Date of Loan	Maturity of Loan	Rate of Interest on Loan	SUBSTITUTIONS OF COLLATERAL VIZ								NAME OF ACTUAL BORROWER (State if the borrower is a parent, subsidiary, affiliate, officer or director)
									Collateral Substituted				Collateral Released				
									Description	Date	Par Value	Market Value	Description	Date	Par Value	Market Value	
NONE																	
TOTALS		XXXX		XXXX		XXXX	XXXX	XXXX				XXXX	XX		XXXX	XX	

SCHEDULE C--PART 3

Showing all Collateral Loans DISCHARGED in Whole or in Part During the year and all Substitutions of Collateral Thereon During Said Year

No.	Description of Collateral Released When Loan Was Discharged (In case of partial payments enter collateral release only)	Par Value	Rate Used to Obtain Market Value	Market Value at Date of Discharge	Amount of Loan Repaid	Date of Loan	Date of Repayment	Rate on Loan	INTEREST			SUBSTITUTIONS OF COLLATERAL VIZ								NAME OF ACTUAL BORROWER (State if the borrower is a parent, subsidiary, affiliate, officer or director)
									Rate of Loan	Amount Received During Year	Amount Paid During Year	Collateral Substituted				Collateral Released				
												Description	Date	Par Value	Market Value	Description	Date	Par Value	Market Value	
NONE																				
TOTALS		XXXX				XXXX	XXXX	XXX				XXXX			XXXX	XXXX				

Note - Indicate partial payments in Part 3 by the letter "P" in number column.
Note - Substitutions of collateral need be shown in detail on only one exhibit. Refer in each of the other exhibits to the number of the loan in the exhibit in which the substitution is shown and show the substitution in Part 1 when possible.



(THIS PAGE INTENTIONALLY LEFT BLANK)

BLANK PAGE

SCHEDULE D—SUMMARY BY COUNTRY
Bonds and Stocks OWNED December 31 of Current Year

1 Description	2 Book Value	3 100% Market Value (100% of book value)	4 Adjusted Market Value (Market value less discounts)	5 Par Value of Bonds	6 Amount of Low-Cost Value
BONDS					
1 Governments (including all obligations guaranteed by governments)	97,686,194	96,762,443	96,762,443	199,307,000	97,686,194
2 State, Territory and Possession (due fund guaranteed)	149,740,225	149,740,225	144,011,799	179,192,000	149,740,225
3 Political Subdivisions of State, Territory and Possession (Direct and guaranteed)	147,440,420	147,440,420	141,961,127	174,774,000	147,440,420
4 Special revenue and special assessment obligations and all other guaranteed obligations of agents and authorities of governments and their political subdivisions	16,034,360	16,767,219	16,964,640	18,000,000	16,034,360
5 Railroads (unaffiliated)					
6 Public Utilities (unaffiliated)	749,199	749,199	726,784	800,000	749,199
7 Industrial and Miscellaneous (unaffiliated)	749,199	749,199	726,784	800,000	749,199
8 Parents, Subsidiaries, and Affiliates					
9 Total Bonds	412,370,711	411,400,400	398,218,257	478,072,000	412,370,711
PREFERRED STOCKS					
10 Railroads (unaffiliated)	377,236	214,500	377,236		
11 Public Utilities (unaffiliated)	53,277,046	36,379,453	53,277,046		
12 Banks, Trust and Insurance Companies (unaffiliated)	4,843,773	3,498,455	4,843,773		
13 Industrial and Miscellaneous (unaffiliated)	4,843,773	3,498,455	4,843,773		
14 Parents, Subsidiaries, and Affiliates					
15 Total Preferred Stocks	59,498,056	40,122,408	58,498,056		
COMMON STOCKS					
16 Railroads (unaffiliated)	1,621,613	1,097,210	1,621,613		
17 Public Utilities (unaffiliated)	44,947,032	30,380,125	44,947,032		
18 Banks, Trust and Insurance Companies (unaffiliated)	42,420,784	29,710,157	42,420,784		
19 Industrial and Miscellaneous (unaffiliated)	1,198,541	752,508	1,198,541		
20 Parents, Subsidiaries, and Affiliates	500,000	537,751	500,000		
21 Total Common Stocks	90,687,922	62,477,743	90,687,922		
22 Total Stocks	149,186,020	102,670,151	149,186,020		
23 Total Bonds and Stocks	561,556,731	513,970,551	547,904,286		

For certain bonds, values other than that market may appear in this column (see Note 10 to Exhibit 1, Item 1). The aggregate value of bonds which have values other than that market is \$ 393,397,259.

SCHEDULE D—Verification Between Years

1 Book value of bonds and stocks, per Items 1 and 2, Col. 1, Exhibit 1, previous year	546,577,944	4 Discontinued consideration for bonds and stocks disposed of, Col. 5, Part 4	1,006,837,014
2 Cost of bonds and stocks acquired, Col. 5, Part 4	1,898,580,558	5 Decrease by adjustment in book value:	
3 Increase by adjustment in book value:		(a) Col. 11, Part 1	256,699
(a) Col. 10, Part 1	4,692,326	(b) Col. 13, Part 2, Sec. 1	-0-
(b) Col. 9, Part 2, Sec. 1	-0-	(c) Col. 9, Part 2, Sec. 2	-0-
(c) Col. 8, Part 2, Sec. 2	-0-	(d) Col. 10, Part 4	35,645
(d) Col. 9, Part 4	301,483	6 Loss on disposal of bonds and stocks, Col. 12, Part 4	3,943,154
4 Profit on disposal of bonds and stocks, Col. 11, Part 4	4,993,810	7 Book value of bonds and stocks, per Items 1 and 2, Col. 1, Exhibit 1, current year	561,556,740
5 Total	2,452,630,055		

Companies, societies, and associations which do not amortize their bonds should leave this column blank.

DISCLOSURE

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

BLANK PAGE

1. Bonds to be reported on this Schedule should be reported alphabetically by the name of the issuer and by the maturity date of the bonds.
 2. Government bonds should be reported by the name of the issuer.
 3. Bonds of the same issuer and maturity should be reported by the name of the issuer and the maturity date.
 4. Bonds of the same issuer and maturity should be reported by the name of the issuer and the maturity date and the type of the bond.
 5. Bonds of the same issuer and maturity should be reported by the name of the issuer and the maturity date and the type of the bond and the coupon rate.
 6. Bonds of the same issuer and maturity should be reported by the name of the issuer and the maturity date and the type of the bond and the coupon rate and the interest rate.
 7. Bonds of the same issuer and maturity should be reported by the name of the issuer and the maturity date and the type of the bond and the coupon rate and the interest rate and the yield rate.
 8. Bonds of the same issuer and maturity should be reported by the name of the issuer and the maturity date and the type of the bond and the coupon rate and the interest rate and the yield rate and the price.
 9. Bonds of the same issuer and maturity should be reported by the name of the issuer and the maturity date and the type of the bond and the coupon rate and the interest rate and the yield rate and the price and the market value.
 10. Bonds of the same issuer and maturity should be reported by the name of the issuer and the maturity date and the type of the bond and the coupon rate and the interest rate and the yield rate and the price and the market value and the book value.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part 1
 Showing All BONDS Owned December 31 of Current Year

ISSUE	ISSUER	SERIES	Maturity	Yield	Book Value	Par Value	Rate	Market Value	Unrealized Gain/Loss	Interest	Dividend	Other Income	Total Income	Tax	Net Income	Capital Gain	Total Return	Risk	Rating	Notes	
																					Yield
649728245	NEW YORK	NEW HSG. AUTH., 3RD	2.375% J-J 1976	01	1962	-	95,804	100,000	-0-	95,804	79,587	1,187	2,375	4,026	-0-	-0-	YES X 1970	6.90	95,804		
649728249	NEW YORK	NEW HSG. AUTH., 12TH	2.375% J-J 1976	01	1966	-	385,657	400,000	-0-	385,657	331,064	4,750	9,300	13,747	-0-	-0-	YES X 1970	6.20	385,657		
649728186	NEW YORK	NEW HSG. AUTH., 3RD	2.375% J-J 1977	01	1962	-	183,040	200,000	-0-	183,040	151,926	2,375	4,750	7,747	-0-	-0-	YES X 1970	7.05	183,040		
649728188	NEW YORK	NEW HSG. AUTH., 14TH	3.000% J-J 1977	01	1967	-	231,802	250,000	-0-	231,802	228,452	3,750	-0-	3,349	-0-	-0-	YES X 1974	7.00	231,802		
649729043	NEW YORK	NEW HSG. AUTH., 27TH	2.375% J-J 1966	01	1978	-	340,094	420,000	-0-	340,094	352,808	7,067	14,175	5,044	-0-	-0-	YES X 1973	5.40	340,094		
649729064	NEW YORK	NEW HSG. AUTH., 2ND	2.000% J-J 1965	01	1962	-	83,945	115,000	-0-	83,945	79,425	1,150	2,300	2,774	-0-	-0-	YES X VAR	5.26	83,945		
649729060	NEW YORK	NEW HSG. AUTH., 17TH	3.075% J-J 1967	01	1974	-	100,000	100,000	-0-	100,000	100,415	1,937	3,075	-0-	-0-	-0-	YES X 1959	7.74	100,000		
649729181	NEW YORK	NEW HSG. AUTH., 5TH	2.375% J-J 1968	01	1964	-	66,837	102,000	-0-	66,837	64,939	1,211	1,850	1,240	-0-	-0-	YES X VAR	6.70	66,837		
649729181	NEW YORK	NEW HSG. AUTH., 6TH	2.375% J-J 1968	01	1964	-	21,406	32,000	-0-	21,406	20,689	370	641	442	-0-	-0-	YES X VAR	7.10	21,406		
649729181	NEW YORK	NEW HSG. AUTH., 7TH	2.375% J-J 1968	01	1965	-	80,891	120,000	-0-	80,891	77,930	1,425	2,612	1,825	-0-	-0-	YES X VAR	6.23	80,891		
649729181	NEW YORK	NEW HSG. AUTH., 12TH	2.375% J-J 1968	01	1966	-	58,153	90,000	-0-	58,153	56,789	1,080	1,365	1,032	-0-	-0-	YES X VAR	7.43	58,153		
649729181	NEW YORK	NEW HSG. AUTH., 18TH	2.375% J-J 1968	01	1974	-	109,257	110,000	-0-	109,257	110,352	2,131	4,262	37	-0-	-0-	YES X VAR	7.50	109,257		
649729181	NEW YORK	NEW HSG. AUTH., 15TH	3.500% J-J 1960	01	1968	-	202,742	250,000	-0-	202,742	202,742	199,517	4,375	8,750	2,015	-0-	-0-	YES X 1973	5.25	202,742	
649729181	NEW YORK	NEW HSG. AUTH., 24TH	3.125% J-J 1961	01	1977	-	244,720	310,000	-0-	244,720	233,873	4,843	9,687	2,553	-0-	-0-	YES X VAR	7.95	244,720		
649729181	NEW YORK	NEW HSG. AUTH., 23RD	3.250% J-J 1961	01	1977	-	210,986	265,000	-0-	210,986	206,718	4,306	8,612	2,137	-0-	-0-	YES X VAR	7.17	210,986		
649729181	NEW YORK	NEW HSG. AUTH., 24TH	3.250% J-J 1961	01	1979	-	359,188	460,000	-0-	359,188	354,480	7,474	14,948	3,920	-0-	-0-	YES X 1973	5.30	359,188		
649729181	NEW YORK	NEW HSG. AUTH., 21ST	3.375% J-J 1962	01	1974	-	65,066	80,000	-0-	65,066	63,326	1,350	2,193	445	-0-	-0-	YES X VAR	6.92	65,066		
649729181	NEW YORK	NEW HSG. AUTH., 22ND	3.375% J-J 1962	01	1974	-	26,326	35,000	-0-	26,326	25,790	590	1,012	249	-0-	-0-	YES X VAR	6.66	26,326		
649729181	NEW YORK	NEW HSG. AUTH., 32ND	3.375% J-J 1962	01	1970	-	209,731	230,000	-0-	209,731	204,419	3,681	7,762	811	-0-	-0-	YES X 1967	4.10	209,731		
649729181	NEW YORK	NEW HSG. AUTH., 19TH	3.500% J-J 1962	01	1975	-	65,872	90,000	-0-	65,872	65,153	1,575	1,925	605	-0-	-0-	YES X VAR	6.05	65,872		
649729181	NEW YORK	NEW HSG. AUTH., 19TH	3.500% J-J 1962	01	1975	-	126,608	135,000	-0-	126,608	125,659	2,362	4,725	274	-0-	-0-	YES X VAR	4.03	126,608		
649729181	NEW YORK	NEW HSG. AUTH., 20TH	3.500% J-J 1962	01	1975	-	137,332	175,000	-0-	137,332	134,732	3,062	5,635	1,245	-0-	-0-	YES X VAR	4.36	137,332		
649729181	NEW YORK	NEW HSG. AUTH., 13TH	2.625% J-J 1963	01	1964	-	99,005	140,000	-0-	99,005	96,464	2,012	4,023	1,314	-0-	-0-	YES X 1973	5.45	99,005		
649729181	NEW YORK	NEW HSG. AUTH., 23RD	3.250% J-J 1963	01	1977	-	439,409	525,000	-0-	439,409	424,073	9,343	18,687	4,924	-0-	-0-	YES X 1973	5.30	439,409		
649729181	NEW YORK	NEW HSG. AUTH., 31ST	3.250% J-J 1963	01	1979	-	36,388	50,000	-0-	36,388	35,991	812	1,218	357	-0-	-0-	YES X VAR	6.69	36,388		
649729181	NEW YORK	NEW HSG. AUTH., 15TH	3.500% J-J 1963	01	1968	-	67,767	90,000	-0-	67,767	66,409	2,575	2,975	572	-0-	-0-	YES X VAR	6.56	67,767		
649729181	NEW YORK	NEW HSG. AUTH., 19TH	3.500% J-J 1963	01	1975	-	79,731	105,000	-0-	79,731	78,018	1,837	3,675	881	-0-	-0-	YES X 1972	5.50	79,731		
649729181	NEW YORK	NEW HSG. AUTH., 20TH	3.500% J-J 1963	01	1975	-	86,827	120,000	-0-	86,827	87,339	2,100	3,500	733	-0-	-0-	YES X VAR	6.65	86,827		
649729181	NEW YORK	NEW HSG. AUTH., 12TH	2.375% J-J 1966	01	1966	-	74,507	125,000	-0-	74,507	73,013	1,484	2,968	1,225	-0-	-0-	YES X 1973	5.30	74,507		
649729181	NEW YORK	NEW HSG. AUTH., 23RD	3.250% J-J 1966	01	1977	-	241,235	325,000	-0-	241,235	238,657	5,281	10,562	2,137	-0-	-0-	YES X 1973	5.30	241,235		
649729181	NEW YORK	NEW HSG. AUTH., 27TH	3.375% J-J 1966	01	1978	-	99,922	130,000	-0-	99,922	98,326	2,193	4,387	178	-0-	-0-	YES X 1974	5.20	99,922		
649729181	NEW YORK	NEW HSG. AUTH., 25TH	3.375% J-J 1966	01	1978	-	17,576	25,000	-0-	17,576	17,438	421	138	-0-	-0-	YES X 1974	5.83	17,576			
649729181	NEW YORK	NEW HSG. AUTH., 28TH	3.375% J-J 1966	01	1979	-	224,685	295,000	-0-	224,685	221,340	4,974	9,112	1,801	-0-	-0-	YES X VAR	5.26	224,685		
649729181	NEW YORK	NEW HSG. AUTH., 27TH	3.375% J-J 1967	01	1978	-	91,507	120,000	-0-	91,507	90,112	2,025	4,050	681	-0-	-0-	YES X 1972	5.20	91,507		
649729181	NEW YORK	NEW HSG. AUTH., 28TH	3.375% J-J 1967	01	1979	-	82,696	110,000	-0-	82,696	81,919	1,856	3,712	644	-0-	-0-	YES X 1973	5.30	82,696		
649729181	NEW YORK	NEW HSG. AUTH., 28TH	3.375% J-J 1968	01	1979	-	189,420	250,000	-0-	189,420	186,460	4,214	8,437	1,349	-0-	-0-	YES X 1972	5.20	189,420		

Read to be printed on the following pages and to be grouped alphabetically. The
 1. Name, Location and Dates of Issue
 2. Type of Issue
 3. Date of Maturity
 4. Interest Rate
 5. Issue Price
 6. Par Value
 7. Book Value
 8. Market Value
 9. Increase or Decrease in Value
 10. Call Provision
 11. Conversion Provision
 12. Other Features
 13. Remarks

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part 1

Showing All BONDS Owned December 31 of Current Year

CUSIP Symbol	Name of Issuer	Type of Issue	Rate	Term	Maturity	Date	Face	Book Value	Par Value	Market Value	Interest		Increase or Decrease in Value	Call Provision	Conversion Provision	Other Features	Remarks	
											Yield	Yield						
HOUSING AUTHORITY (CONTINUED)																		
NEW YORK (CONTINUED)																		
986115ED1	YOMERS, NEW HSG. AUTH., 5TH ISSUE	5.750%	J-A	1993	07	1981	-	150,647	150,000	-0-	150,647	151,243	2,612	5,625	-0-	82	-0-	YES X 1967 3.70 150,647
NORTH CAROLINA:																		
0442518G4	ASHBURN, NEW HSG. AUTH., 1ST ISSUE	2.125%	F-A	1984	08	1960	-	94,534	105,000	-0-	94,534	82,787	929	2,231	912	-0-	-0-	YES X 1958 3.35 94,534
246785JH4	DURHAM, NEW HSG. AUTH., 7TH ISSUE	5.125%	J-D	1999	12	1962	-	124,556	125,000	-0-	124,556	124,512	533	6,406	8	-0-	-0-	YES X 1969 5.15 124,556
246793LQ4	DURHAM, NEW HSG. AUTH., 8TH ISSUE	5.750%	A-C	1994	10	1984	-	507,708	500,000	-0-	507,708	509,630	7,187	26,750	-0-	590	-0-	YES X 1971 5.00 507,708
246795LR2	DURHAM, NEW HSG. AUTH., 8TH ISSUE	5.750%	A-D	1995	10	1984	-	505,204	500,000	-0-	505,204	506,505	7,187	26,750	-0-	399	-0-	YES X 1971 5.05 505,204
246795LY7	DURHAM, NEW HSG. AUTH., 8TH ISSUE	5.750%	A-G	2002	10	1984	-	133,488	125,000	-0-	133,488	134,932	1,196	7,187	-0-	670	-0-	YES X 1971 5.10 133,488
395478DK3	GREENSBORO, NEW HSG. AUTH., 3RD ISSUE	3.375%	A-G	1989	10	1978	-	122,748	150,000	-0-	122,748	120,268	1,265	5,062	1,212	-0-	-0-	YES X 1972 5.15 122,748
395478E29	GREENSBORO, NEW HSG. AUTH., 3RD ISSUE	3.375%	A-C	2001	10	1978	-	70,417	100,000	-0-	70,417	69,226	843	3,375	478	-0-	-0-	YES X 1972 5.30 70,417
429758BD0	HIGH POINT, NEW HSG. AUTH., 1ST ISSUE	4.375%	H-N	1994	11	1981	-	101,118	100,000	-0-	101,118	101,981	729	4,375	-0-	149	-0-	YES X 1968 4.25 101,118
919048CD0	VALDESE, NEW HSG. AUTH., 2ND ISSUE	6.000%	H-N	1997	11	1983	-	120,585	120,000	-0-	120,585	120,808	1,200	7,200	-0-	40	-0-	YES X 1969 5.95 120,585
919048CV4	VALDESE, NEW HSG. AUTH., 2ND ISSUE	6.000%	H-N	1998	11	1983	-	130,000	130,000	-0-	130,000	130,000	1,300	7,800	-0-	-0-	-0-	YES X 1969 6.00 130,000
OHIO:																		
172270FCY	CINCINNATI, NEW HSG. AUTH., 2ND ISSUE	2.500%	J-J	1984	07	1964	-	60,940	70,000	-0-	60,940	56,715	876	1,750	734	-0-	-0-	YES X VAR 4.15 60,940
172270FD1	CINCINNATI, NEW HSG. AUTH., 3RD ISSUE	2.500%	J-J	1984	07	1964	-	46,195	60,000	-0-	46,195	42,721	750	1,500	1,067	-0-	-0-	YES X VAR 4.00 46,195
172270FE7	CINCINNATI, NEW HSG. AUTH., 3TH ISSUE	3.375%	J-J	1986	07	1977	-	135,422	165,000	-0-	135,422	128,742	2,784	5,268	1,804	-0-	-0-	YES X 1970 5.30 135,422
172270GD4	CINCINNATI, NEW HSG. AUTH., 7TH ISSUE	3.375%	J-J	1987	07	1977	-	132,326	165,000	-0-	132,326	125,799	2,784	5,268	1,768	-0-	-0-	YES X 1970 5.30 132,326
172270HU1	CINCINNATI, NEW HSG. AUTH., 10TH ISSUE	6.000%	J-J	1995	07	1983	-	120,543	120,000	-0-	120,543	120,772	3,600	7,200	-0-	50	-0-	YES X 1969 5.95 120,543
172270HY4	CINCINNATI, NEW HSG. AUTH., 10TH ISSUE	6.000%	J-J	1996	07	1983	-	125,575	125,000	-0-	125,575	125,618	3,750	7,500	-0-	51	-0-	YES X 1969 5.95 125,575
172270HW7	CINCINNATI, NEW HSG. AUTH., 10TH ISSUE	6.000%	J-J	1997	07	1983	-	135,631	135,000	-0-	135,631	135,697	4,050	8,100	-0-	50	-0-	YES X 1969 5.95 135,631
186596FA0	CLEVELAND, NEW HSG. AUTH., 2ND ISSUE	2.375%	J-J	1986	07	1965	-	268,866	350,000	-0-	268,866	255,292	4,156	8,313	4,962	-0-	-0-	YES X VAR 5.00 268,866
186596GE1	CLEVELAND, NEW HSG. AUTH., 2ND ISSUE	2.375%	J-J	1990	07	1965	-	113,344	170,000	-0-	113,344	108,876	2,018	4,037	2,246	-0-	-0-	YES X VAR 5.63 113,344
186596HD2	CLEVELAND, NEW HSG. AUTH., 6TH ISSUE	3.375%	J-J	1993	07	1977	-	76,016	100,000	-0-	76,016	74,453	1,667	3,375	737	-0-	-0-	YES X 1972 5.45 76,016
199523DE3	COLUMBUS, NEW HSG. AUTH., 2ND ISSUE	3.875%	H-N	1981	03	1974	-	49,659	50,000	-0-	49,659	51,326	322	1,937	45	51	-0-	YES X VAR 1.02 49,659
543723DB3	DURHAM, NEW HSG. AUTH., 3RD ISSUE	3.375%	H-N	1987	05	1979	-	33,097	40,000	-0-	33,097	32,014	225	1,350	388	-0-	-0-	YES X 1972 5.30 33,097
855358BT7	STARK, NEW HSG. AUTH., 4TH ISSUE	5.000%	A-D	2013	04	1987	-	265,000	265,000	-0-	265,000	265,000	3,312	13,250	-0-	-0-	-0-	YES X 1973 5.00 265,000
987677BP5	YOUNGSTOWN, NEW HSG. AUTH., 2ND ISSUE	3.000%	H-N	1987	05	1977	-	70,663	100,000	-0-	70,663	64,897	500	3,000	1,518	-0-	-0-	YES X 1970 6.50 70,663
987677KB4	YOUNGSTOWN, NEW HSG. AUTH., 6TH ISSUE	5.250%	J-J	2008	07	1987	-	540,912	600,000	-0-	540,912	540,606	15,750	15,750	366	-0-	-0-	YES X 1974 5.93 540,912
OKLAHOMA:																		
678586DDV	OKLAHOMA CITY, NEW HSG. AUTH., 2ND ISSUE	4.750%	H-N	1997	05	1983	-	100,505	100,000	-0-	100,505	100,772	791	4,750	-0-	49	-0-	YES X 1968 4.70 100,505
678586FCT	OKLAHOMA CITY, NEW HSG. AUTH., 1ST ISSUE	4.750%	H-N	1991	05	1982	-	117,480	115,000	-0-	117,480	119,044	910	5,462	290	-0-	-0-	YES X 1968 4.50 117,480
678586HML	OKLAHOMA CITY, NEW HSG. AUTH., 4TH ISSUE	5.675%	H-N	1994	05	1984	-	363,159	350,000	-0-	363,159	367,094	3,427	20,562	-0-	1,067	-0-	YES X 1971 5.50 363,159
678586HP4	OKLAHOMA CITY, NEW HSG. AUTH., 4TH ISSUE	5.075%	H-N	1995	05	1984	-	389,392	375,000	-0-	389,392	393,697	3,671	22,031	-0-	1,167	-0-	YES X 1971 5.50 389,392
678586HOK	OKLAHOMA CITY, NEW HSG. AUTH., 4TH ISSUE	5.675%	H-N	1996	05	1984	-	107,945	100,000	-0-	107,945	109,401	979	5,675	-0-	664	-0-	YES X 1972 5.05 107,945
678586HR2	OKLAHOMA CITY, NEW HSG. AUTH., 4TH ISSUE	5.675%	H-N	1997	05	1984	-	107,950	100,000	-0-	107,950	109,400	979	5,675	-0-	663	-0-	YES X 1972 5.05 107,950
678586KB3	OKLAHOMA CITY, NEW HSG. AUTH., 5TH ISSUE	5.750%	H-N	1992	05	1985	-	414,001	400,000	-0-	414,001	417,360	3,633	23,000	-0-	1,905	-0-	YES X 1971 5.40 414,001

DISCLOSURE (R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE (R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

1. This schedule is prepared in accordance with the provisions of the Government Employees Insurance Act, Chapter 156, Texas Government Code, and the rules and regulations thereunder.

 2. This schedule is prepared as of the end of the fiscal year ending December 31, 1974.

 3. The amounts shown in this schedule are in thousands of dollars, unless otherwise indicated.

 4. The amounts shown in this schedule are subject to audit and adjustment by the State Auditor.

 5. The amounts shown in this schedule are subject to audit and adjustment by the State Auditor.

 6. The amounts shown in this schedule are subject to audit and adjustment by the State Auditor.

 7. The amounts shown in this schedule are subject to audit and adjustment by the State Auditor.

 8. The amounts shown in this schedule are subject to audit and adjustment by the State Auditor.

 9. The amounts shown in this schedule are subject to audit and adjustment by the State Auditor.

 10. The amounts shown in this schedule are subject to audit and adjustment by the State Auditor.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY
SCHEDULE D-Part I
 Showing All BONDS Owned December 31 of Current Year

FUND	DESCRIPTION	SERIES	DATE	TERM	COUPON	YIELD	AMOUNT	COST	UNREALIZED GAIN (LOSS)	MARKET VALUE	RISK		REDEMPTION	REMARKS	
											PERCENT	PERCENT			
HOUSING AUTHORITY (CONTINUED)															
23531876	DALLAS, NEW HSG. AUTH., 1ST ISSUE	2-2751 J-D	1983	12	1982	-	250,647	250,000	-647	251,948	69%	6,237	3,652	-0-	YES X VAR 5.7
23531877	DALLAS, NEW HSG. AUTH., 3RD ISSUE	2-2251 J-D	1965	12	1962	-	124,753	170,000	-45,247	114,348	37%	4,442	2,874	-0-	YES X VAR 5.35
23531819	DALLAS, NEW HSG. AUTH., 2ND ISSUE	2-2751 J-D	1966	12	1963	-	228,533	330,000	-101,467	210,000	63%	7,627	3,668	-0-	YES X VAR 5.03
23531818	DALLAS, NEW HSG. AUTH., 3RD ISSUE	2-2251 J-D	1966	12	1962	-	241,483	285,000	-43,517	232,313	62%	7,481	2,544	-0-	YES X VAR 5.27
23531841	DALLAS, NEW HSG. AUTH., 2ND ISSUE	2-2751 J-D	1967	12	1963	-	311,047	465,000	-153,953	286,618	92%	11,043	7,386	-0-	YES X VAR 5.22
23531878	DALLAS, NEW HSG. AUTH., 3RD ISSUE	2-2251 J-D	1967	12	1962	-	161,918	195,000	-33,082	159,636	36%	4,231	184	-0-	YES X VAR 5.79
23531879	DALLAS, NEW HSG. AUTH., 3RD ISSUE	2-2251 J-D	1970	12	1962	-	307,362	330,000	-22,638	302,980	72%	8,642	989	-0-	YES X VAR 5.24
23531875	DALLAS, NEW HSG. AUTH., 2ND ISSUE	2-2751 J-D	1971	12	1963	-	173,608	175,000	-1,392	166,618	54%	6,531	3,350	-0-	YES X VAR 5.03
24543181	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1976	06	1981	-	21,784	23,000	-1,216	18,152	40	488	327	-0-	YES X VAR 5.71
24543182	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1979	06	1981	-	26,277	24,000	2,277	22,367	69	595	254	-0-	YES X VAR 5.65
24543183	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1981	06	1981	-	20,759	25,000	-4,241	17,844	64	531	540	-0-	YES X VAR 5.27
24543184	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1982	06	1981	-	13,986	15,000	-1,014	12,111	26	310	11	-0-	YES X VAR 5.15
24543185	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1983	06	1981	-	27,333	31,000	-3,667	23,342	54	658	363	-0-	YES X VAR 5.78
24543186	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1984	06	1981	-	19,825	25,000	-5,175	17,205	64	531	624	-0-	YES X VAR 5.90
24543187	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1985	06	1981	-	6,983	7,000	-117	6,958	12	148	1	-0-	YES X VAR 5.15
24843188	DENVER, NEW HSG. AUTH., 1ST ISSUE	2-2251 M-S	1980	09	1981	-	14,506	15,000	-494	13,632	131	293	78	-0-	YES X VAR 5.22
24843189	DENVER, NEW HSG. AUTH., 1ST ISSUE	2-2251 M-S	1983	09	1981	-	46,570	52,000	-5,430	44,971	453	1,365	640	-0-	YES X VAR 4.14
24843190	DENVER, NEW HSG. AUTH., 1ST ISSUE	2-2251 M-S	1986	09	1981	-	29,155	31,000	-1,845	27,395	271	813	126	-0-	YES X VAR 5.24
24843191	DENVER, NEW HSG. AUTH., 1ST ISSUE	2-2251 M-S	1987	09	1981	-	20,000	20,000	0	20,000	175	525	-0-	YES X VAR 5.63	
24843192	DENVER, NEW HSG. AUTH., 1ST ISSUE	2-2251 M-S	1988	09	1981	-	64,171	55,000	9,171	60,149	481	1,445	551	-0-	YES X VAR 4.57
24874193	DUBLIN, NEW HSG. AUTH., 1ST ISSUE	2-1251 F-A	1987	08	1980	-	3,774	4,000	-226	3,547	35	85	14	-0-	YES X VAR 5.65
24974194	EAGLE PASS, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1982	06	1981	-	24,612	27,000	-2,388	21,493	47	373	276	-0-	YES X VAR 5.40
24974195	EAGLE PASS, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1984	06	1981	-	21,277	25,000	-3,723	20,574	51	616	601	-0-	YES X VAR 5.85
24974196	EAGLE PASS, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-L	1985	06	1981	-	8,389	10,000	-1,611	7,549	17	212	101	-0-	YES X VAR 5.65
26380197	EL PASO, NEW HSG. AUTH., 1ST ISSUE	2-3001 A-U	1981	04	1982	-	76,092	85,000	-8,908	68,249	531	2,125	1,168	-0-	YES X VAR 4.42
26380198	EL PASO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1979	06	1981	-	7,556	8,000	-444	6,771	14	170	53	-0-	YES X VAR 5.52
26380199	EL PASO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1984	06	1981	-	11,474	14,000	-2,526	9,894	24	297	211	-0-	YES X VAR 4.50
26380200	EL PASO, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-L	1985	06	1981	-	11,262	14,000	-2,738	9,751	24	297	202	-0-	YES X VAR 4.50
29346191	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1978	06	1981	-	16,563	17,000	-437	16,563	30	361	119	-0-	YES X VAR 5.03
29346192	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1979	06	1981	-	15,124	17,000	-1,876	12,990	20	361	250	-0-	YES X VAR 4.00
29346193	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-L	1981	06	1981	-	12,126	15,000	-2,874	11,063	26	318	362	-0-	YES X VAR 5.75
29346194	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1982	06	1981	-	2,984	3,000	-16	2,950	5	63	1	-0-	YES X VAR 5.20
29346195	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2-1251 J-D	1983	06	1981	-	19,307	24,000	-4,693	16,714	42	510	347	-0-	YES X VAR 4.50
29346196	FORT WORTH, NEW HSG. AUTH., 1ST ISSUE	2-2751 J-L	1975	12	1962	-	11,650	12,000	-350	11,650	24	345	159	-0-	YES X VAR 5.30
29346197	FORT WORTH, NEW HSG. AUTH., 1ST ISSUE	2-2751 J-D	1982	12	1962	-	31,101	35,000	-3,899	29,488	83	1,006	314	-0-	YES X VAR 4.47
29346198	FORT WORTH, NEW HSG. AUTH., 1ST ISSUE	2-2751 J-D	1983	12	1962	-	31,162	36,000	-4,838	29,465	91	1,092	340	-0-	YES X VAR 5.48

1. Bonds are listed in the following order: (a) by issue date; (b) by maturity date; (c) by issue amount; (d) by issue number.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY
 SCHEDULE D-Part 1
 Showing All BONDS Owned December 31 of Current Year

ISSUE NO.	ISSUE DATE	MATURITY DATE	FACE VALUE	CUMULATIVE INTEREST	MARKET VALUE	YIELD	STATUS	REMARKS	COUPON		REDEMPTION	REDEMPTION DATE	REDEMPTION VALUE	REDEMPTION YIELD	REDEMPTION STATUS	REDEMPTION REMARKS	REDEMPTION DATE	REDEMPTION VALUE	REDEMPTION YIELD	REDEMPTION STATUS	REDEMPTION REMARKS
									ANNUAL	YIELD											
HOUSING AUTHORITY (CONTINUED)																					
376514401	2-1258 J-C 1978	06 1981	2,000	-0-	1,975																
376514402	2-1258 J-C 1979	06 1981	16,000	-0-	16,665																
376514403	2-1258 J-C 1981	06 1981	16,786	-0-	16,786																
376514404	2-1258 J-C 1982	06 1981	15,962	-0-	15,962																
376514405	2-1258 J-C 1983	06 1981	17,371	-0-	17,371																
376514406	2-1258 J-C 1984	06 1981	9,163	-0-	9,163																
376514407	2-1258 J-C 1985	06 1981	17,651	-0-	17,651																
407822A3	2-1258 J-C 1978	06 1981	3,938	-0-	3,938																
407822A4	2-1258 J-C 1979	06 1981	4,692	-0-	4,692																
407822A5	2-1258 J-C 1981	06 1981	4,988	-0-	4,988																
407822A6	2-1258 J-C 1983	06 1981	3,767	-0-	3,767																
413032A1	2-1258 J-C 1981	06 1982	5,985	-0-	5,985																
418234A1	2-1258 J-C 1978	06 1981	9,417	-0-	9,417																
418234A2	2-1258 J-C 1979	06 1981	10,829	-0-	10,829																
418234A3	2-1258 J-C 1983	06 1981	10,783	-0-	10,783																
418234A4	2-1258 J-C 1984	06 1981	11,309	-0-	11,309																
422290A1	2-1258 J-C 1978	06 1981	7,146	-0-	7,146																
422290A2	2-1258 J-C 1981	06 1981	987	-0-	987																
422290A3	2-1258 J-C 1982	06 1981	6,527	-0-	6,527																
422290A4	2-1258 J-C 1983	06 1981	11,169	-0-	11,169																
422290A5	2-1258 J-C 1984	06 1981	9,405	-0-	9,405																
422290A6	2-1258 J-C 1985	06 1981	10,569	-0-	10,569																
425324A1	2-1258 J-C 1978	06 1981	4,059	-0-	4,059																
425324A2	2-1258 J-C 1979	06 1981	7,993	-0-	7,993																
425324A3	2-1258 J-C 1981	06 1981	8,324	-0-	8,324																
425324A4	2-1258 J-C 1983	06 1981	13,696	-0-	13,696																
425324A5	2-1258 J-C 1984	06 1981	19,322	-0-	19,322																
425324A6	2-1258 J-C 1985	06 1981	15,407	-0-	15,407																
438434A1	2-1258 J-C 1981	06 1981	4,765	-0-	4,765																
438434A2	2-1258 J-C 1982	06 1981	4,541	-0-	4,541																
438434A3	2-1258 J-C 1983	06 1981	5,979	-0-	5,979																
438434A4	2-1258 J-C 1984	06 1981	6,983	-0-	6,983																
438434A5	2-1258 J-C 1985	06 1981	14,159	-0-	14,159																
494170A1	2-6258 M-5 1980	09 1981	13,952	-0-	13,952																
494170A2	2-6258 M-5 1983	09 1981	14,147	-0-	14,147																
494170A3	2-6258 M-5 1986	09 1981	9,174	-0-	9,174																
494170A4	2-6258 M-5 1988	09 1981	4,539	-0-	4,539																

DISCLOSURE [®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE [®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

Bonds to be placed in the following order and each group entered alphabetically: (1) the issue in Column 1 and (2) the issue in Column 2.

1. Issuances authorized by the Government of the United States.
2. Bonds, Treasury and Government Securities Act of 1941.
3. Federal National Mortgage Association and Government of the United States.
4. Federal Reserve Bank of New York, Federal Reserve Bank of Boston, Federal Reserve Bank of Chicago, Federal Reserve Bank of Cleveland, Federal Reserve Bank of Dallas, Federal Reserve Bank of Kansas City, Federal Reserve Bank of Minneapolis, Federal Reserve Bank of New York, Federal Reserve Bank of Philadelphia, Federal Reserve Bank of Richmond, Federal Reserve Bank of St. Louis, Federal Reserve Bank of San Francisco, Federal Reserve Bank of Seattle.
5. Federal Reserve Bank of New York.
6. Federal Reserve Bank of New York.
7. Federal Reserve Bank of New York.
8. Federal Reserve Bank of New York.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part I
Showing All BONDS Owned December 31 of Current Year

CUSIP Number	ISSUANCE Description	Maturity	Rate	Type	Date	Status	Book Value	Par Value	Face Value	Market Value	Interest		Increase by Adjustment	Decrease by Adjustment	Other Data	Call Date	Call Price	Yield	Maturity Date	Maturity Value
											Current	Accrued								
HOUSING AUTHORITY (CONTINUED)																				
494170A07	TERRELL (CONTRACTS) ISSUE	1987	09	1961	-	-	20,719	21,000	-0-	20,719	20,414	103	551	18	-0-	-0-	YES X 1952	2.75	20,719	
494170A05	TERRELL (CONTRACTS) ISSUE	1968	09	1961	-	-	21,607	22,000	-0-	21,607	21,376	192	577	18	-0-	-0-	YES X 1952	2.75	21,607	
550017A08	LULLING, NEW HSG. AUTH., 1ST ISSUE	1964	10	1961	-	-	19,354	20,000	-0-	19,354	18,917	100	425	57	-0-	-0-	YES X 1956	2.50	19,354	
581697A05	MCKINNEY, NEW HSG. AUTH., 1ST ISSUE	1978	06	1961	-	-	22,914	24,000	-0-	22,914	19,583	42	510	295	-0-	-0-	YES X 1960	3.55	22,914	
581697A03	MCKINNEY, NEW HSG. AUTH., 1ST ISSUE	1979	06	1971	-	-	23,528	24,000	-0-	23,528	21,962	42	510	49	-0-	-0-	YES X 1955	2.60	23,528	
581697A02	MCKINNEY, NEW HSG. AUTH., 1ST ISSUE	1983	06	1961	-	-	24,210	24,000	-0-	24,210	22,172	46	552	179	-0-	-0-	YES X VAR	3.03	24,210	
581697A01	MCKINNEY, NEW HSG. AUTH., 1ST ISSUE	1984	06	1961	-	-	15,844	21,000	-0-	15,844	13,227	37	446	385	-0-	-0-	YES X VAR	3.44	15,844	
581697A00	MCKINNEY, NEW HSG. AUTH., 1ST ISSUE	1985	06	1961	-	-	15,011	16,000	-0-	15,011	13,900	26	340	76	-0-	-0-	YES X VAR	2.50	15,011	
587720A05	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	1960	09	1961	-	-	17,461	20,000	-0-	17,461	15,189	173	325	376	-0-	-0-	YES X 1967	5.25	17,461	
587720A04	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	1963	09	1961	-	-	13,973	15,000	-0-	13,973	13,067	131	393	99	-0-	-0-	YES X 1964	3.85	13,973	
587720A03	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	1966	09	1961	-	-	13,825	14,000	-0-	13,825	13,616	122	367	12	-0-	-0-	YES X 1952	2.75	13,825	
587720A02	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	1967	09	1961	-	-	10,586	21,000	-0-	10,586	30,135	271	813	26	-0-	-0-	YES X 1952	2.75	30,500	
587720A01	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	1968	09	1961	-	-	10,550	21,000	-0-	10,550	30,121	271	813	26	-0-	-0-	YES X 1952	2.75	30,500	
605162A02	MISSION, NEW HSG. AUTH., 1ST ISSUE	1978	06	1961	-	-	20,049	21,000	-0-	20,049	17,505	37	446	258	-0-	-0-	YES X VAR	3.55	20,049	
605162A01	MISSION, NEW HSG. AUTH., 1ST ISSUE	1979	06	1961	-	-	19,914	21,000	-0-	19,914	17,546	37	446	225	-0-	-0-	YES X 1962	3.40	19,914	
605162A00	MISSION, NEW HSG. AUTH., 1ST ISSUE	1981	06	1961	-	-	19,796	22,000	-0-	19,796	16,310	38	467	265	-0-	-0-	YES X 1959	3.90	19,796	
605162A00	MISSION, NEW HSG. AUTH., 1ST ISSUE	1983	06	1961	-	-	13,816	15,000	-0-	13,816	12,144	26	316	120	-0-	-0-	YES X 1957	3.20	13,816	
605162A00	MISSION, NEW HSG. AUTH., 1ST ISSUE	1984	06	1961	-	-	12,242	13,000	-0-	12,242	11,592	23	276	61	-0-	-0-	YES X VAR	2.91	12,242	
681300A05	OLNEY, NEW HSG. AUTH., 1ST ISSUE	1978	06	1961	-	-	9,530	10,000	-0-	9,530	8,124	17	212	127	-0-	-0-	YES X 1961	3.60	9,530	
681300A04	OLNEY, NEW HSG. AUTH., 1ST ISSUE	1979	06	1961	-	-	9,384	10,000	-0-	9,384	7,988	17	212	126	-0-	-0-	YES X 1961	3.65	9,384	
681300A03	OLNEY, NEW HSG. AUTH., 1ST ISSUE	1981	06	1961	-	-	9,787	11,000	-0-	9,787	8,057	19	233	162	-0-	-0-	YES X 1961	4.10	9,787	
681300A02	OLNEY, NEW HSG. AUTH., 1ST ISSUE	1983	06	1961	-	-	8,615	11,000	-0-	8,615	7,380	19	233	219	-0-	-0-	YES X VAR	3.38	8,615	
681300A01	OLNEY, NEW HSG. AUTH., 1ST ISSUE	1985	06	1961	-	-	5,318	6,000	-0-	5,318	4,603	10	127	52	-0-	-0-	YES X VAR	3.41	5,318	
685270A02	ORANGE, NEW HSG. AUTH., 1ST ISSUE	1960	09	1961	-	-	42,991	50,000	-0-	42,991	38,960	437	1,312	1,023	-0-	-0-	YES X VAR	3.45	42,991	
685270A01	ORANGE, NEW HSG. AUTH., 1ST ISSUE	1963	09	1961	-	-	12,440	13,000	-0-	12,440	11,763	113	341	53	-0-	-0-	YES X VAR	3.10	12,440	
685270A00	ORANGE, NEW HSG. AUTH., 1ST ISSUE	1966	09	1961	-	-	33,745	40,000	-0-	33,745	30,939	350	1,050	404	-0-	-0-	YES X 1966	4.35	33,745	
685270A00	ORANGE, NEW HSG. AUTH., 1ST ISSUE	1967	09	1961	-	-	36,445	40,000	-0-	36,445	34,617	350	1,050	219	-0-	-0-	YES X 1965	3.50	36,445	
685270A00	ORANGE, NEW HSG. AUTH., 1ST ISSUE	1988	09	1961	-	-	2,612	3,000	-0-	2,612	2,377	26	78	21	-0-	-0-	YES X 1960	3.85	2,612	
717197A05	PHARR, NEW HSG. AUTH., 1ST ISSUE	1981	09	1961	-	-	19,621	20,000	-0-	19,621	18,622	175	525	62	-0-	-0-	YES X 1953	3.00	19,621	
717197A04	PHARR, NEW HSG. AUTH., 1ST ISSUE	1986	09	1961	-	-	21,371	23,000	-0-	21,371	20,242	201	605	111	-0-	-0-	YES X VAR	3.36	21,371	
717197A03	PHARR, NEW HSG. AUTH., 1ST ISSUE	1987	09	1961	-	-	23,679	24,000	-0-	23,679	23,320	210	630	20	-0-	-0-	YES X 1952	2.75	23,679	
717197A02	PHARR, NEW HSG. AUTH., 1ST ISSUE	1988	09	1961	-	-	24,644	25,000	-0-	24,644	24,291	214	656	21	-0-	-0-	YES X 1952	2.75	24,644	
733522A03	PORT ARTHUR, NEW HSG. AUTH., 1ST ISSUE	1986	09	1961	-	-	63,361	72,000	-0-	63,361	50,906	630	1,890	555	-0-	-0-	YES X VAR	3.90	63,361	
733522A02	PORT ARTHUR, NEW HSG. AUTH., 1ST ISSUE	1987	09	1961	-	-	84,455	89,000	-0-	84,455	80,673	774	2,336	287	-0-	-0-	YES X 1958	3.41	84,455	
733522A01	PORT ARTHUR, NEW HSG. AUTH., 1ST ISSUE	1988	09	1961	-	-	86,891	92,000	-0-	86,891	82,414	805	2,415	192	-0-	-0-	YES X VAR	3.49	86,891	
752873A03	RANDER, NEW HSG. AUTH., 1ST ISSUE	1987	08	1960	-	-	4,191	5,000	-0-	4,191	3,729	44	106	49	-0-	-0-	YES X 1963	3.75	4,191	

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 1
Showing All BONDS Owned December 31 of Current Year

Bonds to be grouped by the following manner and each group assigned alphabetically to the issuer as shown in the following schedule of bonds:

1. Issuance date.
2. Issuance type.
3. Issuance location.
4. Issuance amount.
5. Issuance interest rate.
6. Issuance maturity date.
7. Issuance call date.
8. Issuance conversion date.
9. Issuance sinking date.
10. Issuance redemption date.
11. Issuance other features.

CITY	STATE	ISSUANCE TYPE	ISSUANCE DATE	ISSUANCE LOCATION	ISSUANCE AMOUNT	ISSUANCE INTEREST RATE	ISSUANCE MATURITY DATE	ISSUANCE CALL DATE	ISSUANCE CONVERSION DATE	ISSUANCE SINKING DATE	ISSUANCE REDEMPTION DATE	ISSUANCE OTHER FEATURES	MARKET VALUE		COST		GAIN/LOSS		ADJUSTMENTS		NET VALUE	
													MARKET VALUE	PAR VALUE	MARKET VALUE	PAR VALUE	MARKET VALUE	PAR VALUE	MARKET VALUE	PAR VALUE	MARKET VALUE	PAR VALUE
HOUSTON AUTHORITY (CONTINUED)																						
79432084	TEXAS	NEW HSG. AUTH.	2-8751 J-D	1975	12	1982	-	634,280	440,000	-0-	634,280	397,059	1,054	12,650	6,098	-0-	-0-	YES X VAR	5.41	634,280		
79432086	TEXAS	NEW HSG. AUTH.	2-8751 J-D	1980	12	1982	-	217,384	225,000	-0-	217,384	207,857	539	6,468	3,113	-0-	-0-	YES X VAR	7.57	217,384		
79432087	TEXAS	NEW HSG. AUTH.	2-8751 J-D	1981	12	1982	-	112,464	220,000	-0-	112,464	207,331	521	6,325	634	-0-	-0-	YES X VAR	3.24	112,464		
79432088	TEXAS	NEW HSG. AUTH.	2-8751 J-D	1982	12	1982	-	335,626	355,000	-0-	335,626	325,706	850	10,204	1,443	-0-	-0-	YES X VAR	1.76	335,626		
79432089	TEXAS	NEW HSG. AUTH.	2-8751 J-D	1983	12	1982	-	395,455	455,000	-0-	395,455	380,403	1,042	12,506	2,491	-0-	-0-	YES X VAR	3.15	395,455		
79432090	TEXAS	NEW HSG. AUTH.	2-8751 J-D	1983	12	1979	-	71,494	100,000	-0-	71,494	68,734	316	3,750	818	-0-	-0-	YES X 1970	6.40	71,494		
79432091	TEXAS	NEW HSG. AUTH.	2-8751 J-D	1983	12	1973	-	145,067	200,000	-0-	145,067	139,234	645	7,750	1,443	-0-	-0-	YES X 1970	6.40	145,067		
79432092	TEXAS	NEW HSG. AUTH.	2-1251 F-A	1965	08	1960	-	25,846	28,000	-0-	25,846	25,010	230	552	12	-0-	-0-	YES X 1951	2.19	25,846		
79432093	TEXAS	NEW HSG. AUTH.	2-1251 F-A	1967	08	1961	-	28,401	30,000	-0-	28,401	28,749	269	437	106	-0-	-0-	YES X 1955	2.72	28,401		
81869944	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1978	06	1961	-	1,975	2,000	-0-	1,975	1,866	3	42	6	-0-	-0-	YES X 1954	2.50	1,975		
81869945	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1983	06	1961	-	12,451	13,000	-0-	12,451	10,485	23	276	77	-0-	-0-	YES X 1952	2.90	12,451		
81869946	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1984	06	1961	-	12,593	13,000	-0-	12,593	12,015	23	276	37	-0-	-0-	YES X 1956	2.50	12,593		
81869947	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1985	06	1961	-	3,972	4,000	-0-	3,972	3,929	7	65	2	-0-	-0-	YES X 1952	2.20	3,972		
82184449	TEXAS	NEW HSG. AUTH.	5-7501 M-S	1990	03	1985	-	74,292	310,000	-0-	74,292	315,313	5,441	17,025	-0-	-0-	YES X 1971	5.60	74,292			
87063242	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1978	06	1961	-	6,903	9,000	-0-	6,903	6,476	15	191	26	-0-	-0-	YES X 1954	2.65	6,903		
87063243	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1979	06	1961	-	21,675	23,000	-0-	21,675	18,598	40	488	293	-0-	-0-	YES X 1960	3.55	21,675		
87063244	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1981	06	1961	-	8,541	10,000	-0-	8,541	7,347	17	212	140	-0-	-0-	YES X 1967	4.80	8,541		
87063245	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1983	06	1961	-	803	1,000	-0-	803	775	1	21	11	-0-	-0-	YES X 1963	3.75	803		
87063246	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1984	06	1961	-	14,198	15,000	-0-	14,198	13,544	26	318	54	-0-	-0-	YES X VAR	2.50	14,198		
87063247	TEXAS	NEW HSG. AUTH.	2-1251 J-D	1985	06	1961	-	12,719	14,000	-0-	12,719	10,924	24	297	116	-0-	-0-	YES X VAR	1.77	12,719		
87731602	TEXAS	NEW HSG. AUTH.	2-1251 F-A	1963	10	1961	-	10,246	14,000	-0-	10,246	8,867	74	297	306	-0-	-0-	YES X 1959	8.10	10,246		
92986202	TEXAS	NEW HSG. AUTH.	3-8751 F-A	1977	08	1968	-	50,000	50,000	-0-	50,000	52,835	807	1,437	-0-	-0-	YES X 1959	3.15	50,000			
92986203	TEXAS	NEW HSG. AUTH.	4-2501 F-A	1974	02	1982	-	125,567	125,000	-0-	125,567	125,981	2,713	5,312	-0-	-0-	YES X 1968	4.20	125,567			
92986204	TEXAS	NEW HSG. AUTH.	6-0001 J-D	1976	12	1984	-	434,458	430,000	-0-	434,458	435,867	2,150	25,800	-0-	-0-	YES X 1970	5.90	434,458			
92986205	TEXAS	NEW HSG. AUTH.	6-0001 J-D	1977	12	1984	-	479,791	455,000	-0-	479,791	461,092	2,275	27,300	-0-	-0-	YES X 1970	5.90	479,791			
94720504	TEXAS	NEW HSG. AUTH.	2-5001 A-D	1981	04	1982	-	61,932	65,000	-0-	61,932	57,335	406	1,625	433	-0-	-0-	YES X VAR	3.34	61,932		
VIRGINIA																						
28700185	VIRGINIA	NEW HSG. AUTH.	3-8251 F-A	1974	08	1974	-	71,156	75,000	-0-	71,156	70,771	1,132	2,718	11	-0-	-0-	YES X VAR	1.44	71,156		
73725417	VIRGINIA	NEW HSG. AUTH.	3-8751 J-D	1975	07	1974	-	95,701	100,000	-0-	95,701	100,682	1,937	3,075	9	-0-	-0-	YES X VAR	3.03	95,701		
74542968	VIRGINIA	NEW HSG. AUTH.	3-1251 F-A	1973	08	-	-	112,266	115,000	-0-	112,266	92,318	1,447	3,593	4,567	-0-	-0-	YES X 1969	7.50	112,266		
74542969	VIRGINIA	NEW HSG. AUTH.	2-5001 F-A	1966	08	1962	-	114,633	135,000	-0-	114,633	106,782	1,406	3,375	1,276	-0-	-0-	YES X VAR	4.14	114,633		
74542970	VIRGINIA	NEW HSG. AUTH.	2-5001 F-A	1967	08	1962	-	86,635	110,000	-0-	86,635	90,466	1,145	2,750	756	-0-	-0-	YES X VAR	3.71	86,635		
74542971	VIRGINIA	NEW HSG. AUTH.	2-5001 F-A	1969	08	1962	-	83,561	100,000	-0-	83,561	77,945	1,041	2,500	837	-0-	-0-	YES X 1967	6.00	83,561		
74542972	VIRGINIA	NEW HSG. AUTH.	2-5001 F-A	1970	08	1962	-	148,990	235,000	-0-	148,990	177,070	2,447	5,875	3,212	-0-	-0-	YES X 1970	6.20	148,990		
74542973	VIRGINIA	NEW HSG. AUTH.	2-8751 F-A	1963	08	1967	-	69,705	100,000	-0-	69,705	66,932	1,197	2,875	920	-0-	-0-	YES X 1971	5.50	69,705		
74542974	VIRGINIA	NEW HSG. AUTH.	3-1251 F-A	1976	08	1976	-	73,714	100,000	-0-	73,714	72,174	1,302	3,125	751	-0-	-0-	YES X 1973	5.30	73,714		

DISCLOSURE[®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE[®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part 1

Showing All BONDS Outstanding December 31 of Current Year

POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)	FISCAL YEAR	TYPE OF ISSUE	Maturity	Interest	Principal	Face Value	Par Value	Market Value	Unamortized Premium	Unamortized Discount	Total Value	Yield	Call	Sinking Fund	Redemption	Other	Notes	Comments	Date	Amount	
																					Rate
ARIZONA:																					
PHOENIX, MUNICIPAL ADMINISTRATION BUILDING, 3RD SER.	3-5000 J-J	1975	07	-	-	74,713	75,000	-0-	74,713	21,538	1,512	4,000	500	-0-	-0-	-0-	-0-	YES X 1968	4-30	74,713	
PHOENIX, PARK, 3RD SER.	3-5000 J-J	1975	07	-	-	49,808	50,000	-0-	49,808	47,692	074	1,750	179	-0-	-0-	-0-	-0-	YES X 1968	4-30	49,808	
PHOENIX, SEWER SYSTEMS, 3RD SER.	3-5000 J-J	1975	07	-	-	4,980	5,000	-0-	4,980	4,769	074	175	37	-0-	-0-	-0-	-0-	YES X 1968	4-30	4,980	
PHOENIX, MUNICIPAL ADMINISTRATION BUILDING, 3RD SER.	3-5000 J-J	1976	07	-	-	74,143	75,000	-0-	74,143	72,120	1,312	4,625	545	-0-	-0-	-0-	-0-	YES X 1968	4-30	74,143	
PHOENIX, SEWER SYSTEMS, 3RD SER.	3-5000 J-J	1976	07	-	-	93,915	95,000	-0-	93,915	90,001	1,664	7,320	641	-0-	-0-	-0-	-0-	YES X 1968	4-30	93,915	
PHOENIX, WATER	3-0000 J-J	1977	07	-	-	24,964	25,000	-0-	24,964	24,750	375	750	13	-0-	-0-	-0-	-0-	YES X 1970	3-08	24,964	
PHOENIX, MUNICIPAL ADMINISTRATION BUILDING, 1ST SER.	3-0000 J-J	1977	07	-	-	9,125	10,000	-0-	9,125	7,932	150	300	313	-0-	-0-	-0-	-0-	YES X 1970	6-30	9,125	
PHOENIX, PARK, 1ST SER.	3-0000 J-J	1977	07	-	-	9,538	10,000	-0-	9,538	8,510	150	300	170	-0-	-0-	-0-	-0-	YES X 1970	5-30	9,538	
PHOENIX, SEWER SYSTEMS, 4TH SER.	3-2500 J-J	1978	07	-	-	86,635	100,000	-0-	86,635	83,889	1,624	3,250	1,213	-0-	-0-	-0-	-0-	YES X 1970	2-70	86,635	
PHOENIX, CIVIC CENTER, 1ST SER.	3-5000 J-J	1978	07	-	-	22,760	25,000	-0-	22,760	20,821	437	875	555	-0-	-0-	-0-	-0-	YES X 1970	6-30	22,760	
PHOENIX, FIRE DEPARTMENT, 1ST SER.	3-5000 J-J	1978	07	-	-	13,660	15,000	-0-	13,660	12,372	462	925	333	-0-	-0-	-0-	-0-	YES X 1970	6-30	13,660	
PHOENIX, MUNICIPAL LIBRARY, 1ST SER.	3-5000 J-J	1978	07	-	-	13,660	15,000	-0-	13,660	12,372	462	925	333	-0-	-0-	-0-	-0-	YES X 1970	6-30	13,660	
PHOENIX, MUNICIPAL STADIUM, 1ST SER.	3-5000 J-J	1978	07	-	-	18,214	20,000	-0-	18,214	16,576	349	700	444	-0-	-0-	-0-	-0-	YES X 1970	6-30	18,214	
PHOENIX, PARK, 5TH SER.	3-5000 J-J	1978	07	-	-	22,760	25,000	-0-	22,760	20,821	437	875	555	-0-	-0-	-0-	-0-	YES X 1970	6-30	22,760	
PHOENIX, PARK & PLAYGROUND, 1ST SER.	3-5000 J-J	1978	07	-	-	31,875	35,000	-0-	31,875	29,869	612	1,225	777	-0-	-0-	-0-	-0-	YES X 1970	6-30	31,875	
PHOENIX, SEWER SYSTEMS, 1ST SER.	3-5000 J-J	1978	07	-	-	127,502	140,000	-0-	127,502	115,477	2,449	4,900	3,110	-0-	-0-	-0-	-0-	YES X 1970	6-30	127,502	
PHOENIX, CIVIC CENTER, 1ST SER.	3-5000 J-J	1979	07	-	-	22,123	25,000	-0-	22,123	20,051	437	875	536	-0-	-0-	-0-	-0-	YES X 1970	6-30	22,123	
PHOENIX, FIRE DEPARTMENT, 1ST SER.	3-5000 J-J	1979	07	-	-	13,273	15,000	-0-	13,273	12,030	262	525	324	-0-	-0-	-0-	-0-	YES X 1970	6-30	13,273	
PHOENIX, MUNICIPAL LIBRARY, 1ST SER.	3-5000 J-J	1979	07	-	-	13,273	15,000	-0-	13,273	12,030	262	525	324	-0-	-0-	-0-	-0-	YES X 1970	6-30	13,273	
PHOENIX, MUNICIPAL STADIUM, 1ST SER.	3-5000 J-J	1979	07	-	-	17,698	20,000	-0-	17,698	16,041	349	700	429	-0-	-0-	-0-	-0-	YES X 1970	6-30	17,698	
PHOENIX, PARK, 5TH SER.	3-5000 J-J	1979	07	-	-	22,123	25,000	-0-	22,123	20,051	437	875	536	-0-	-0-	-0-	-0-	YES X 1970	6-30	22,123	
PHOENIX, PARK & PLAYGROUND, 1ST SER.	3-5000 J-J	1979	07	-	-	30,972	35,000	-0-	30,972	28,071	612	1,225	751	-0-	-0-	-0-	-0-	YES X 1970	6-30	30,972	
PHOENIX, SEWER SYSTEMS, 1ST SER.	3-5000 J-J	1979	07	-	-	123,890	140,000	-0-	123,890	112,287	2,449	4,900	3,005	-0-	-0-	-0-	-0-	YES X 1970	6-30	123,890	
PHOENIX, VARIOUS PURPOSES	1-0000 J-J	1987	07	-	-	206,316	200,000	-0-	206,316	194,364	1,500	3,000	5,544	-0-	-0-	-0-	-0-	YES X 1973	6-30	206,316	
PHOENIX, VARIOUS PURPOSES	3-7500 J-J	1975	07	-	-	981,870	500,000	-0-	981,870	687,605	9,320	4,785	4,000	-0-	-0-	-0-	-0-	YES X 1974	7-25	981,870	
PIMA CO. HIGH SCHOOL DISTRICT #1 (TUSCON)	4-0000 J-J	1975	07	-	-	248,393	250,000	-0-	248,393	238,093	1,533	3,000	4,553	-0-	-0-	-0-	-0-	YES X 1970	6-30	248,393	
TUCSON, VARIOUS PURPOSES	3-4500 J-J	1976	07	-	-	192,761	200,000	-0-	192,761	170,514	2,400	4,800	4,559	-0-	-0-	-0-	-0-	YES X 1969	6-00	192,761	
TUCSON, VARIOUS PURPOSES	3-4500 J-J	1977	07	-	-	242,987	250,000	-0-	242,987	234,215	4,312	8,625	4,543	-0-	-0-	-0-	-0-	YES X 1971	6-05	242,987	
TUCSON, GENERAL OBLIGATION, SER. A	5-1500 J-J	1972	07	1978	-	1,038,920	1,050,000	-0-	1,038,920	1,038,924	21,037	42,075	176	-0-	-0-	-0-	-0-	YES X 1974	7-10	1,038,920	
CALIFORNIA:																					
LOS ANGELES CITY UNIFIED SCHOOL DISTRICT, SER. E	3-0000 J-U	1981	06	-	-	222,961	250,000	-0-	222,961	208,454	637	1,250	4,112	-0-	-0-	-0-	-0-	YES X 1971	5-35	222,961	
LOS ANGELES MUNICIPAL AIRPORT, SER. A	3-7500 J-U	1978	09	1968	-	123,136	125,000	-0-	123,136	122,105	1,562	3,087	438	-0-	-0-	-0-	-0-	YES X VAR	4-18	123,136	
LOS ANGELES CL. TELU CENTRAL DISTRICT	3-2500 J-U	1984	03	-	-	94,155	110,000	-0-	94,155	84,859	1,191	2,375	1,318	-0-	-0-	-0-	-0-	YES X VAR	5-29	94,155	
MONTREY CO. GENERAL OBLIGATION	4-0000 J-J	1986	07	-	-	160,643	250,000	-0-	160,643	160,643	3,462	6,925	7,777	-0-	-0-	-0-	-0-	YES X 1971	5-75	160,643	
ORANGE CO. SANITATION DISTRICT #2, SER. A	1-0000 J-J	1968	01	-	-	87,672	150,000	-0-	87,672	79,443	750	1,500	3,000	-0-	-0-	-0-	-0-	YES X 1972	6-30	87,672	
ORANGE CO. SANITATION DISTRICT #2, SER. A	1-0000 J-J	1967	01	-	-	83,832	150,000	-0-	83,832	76,098	750	1,500	3,000	-0-	-0-	-0-	-0-	YES X 1972	6-30	83,832	
ORANGE CO. SANITATION DISTRICT #2, SER. B	0-7500 J-J	1988	01	-	-	71,729	150,000	-0-	71,729	66,319	562	1,125	3,675	-0-	-0-	-0-	-0-	YES X 1973	6-30	71,729	
ORANGE CO. SANITATION DISTRICT #2, SER. A	1-0000 J-J	1988	01	-	-	80,222	150,000	-0-	80,222	72,952	750	1,500	3,000	-0-	-0-	-0-	-0-	YES X 1972	6-30	80,222	
ORANGE CO. SANITATION DISTRICT #2, SER. B	0-7500 J-J	1985	01	-	-	45,396	100,000	-0-	45,396	42,026	375	750	2,424	-0-	-0-	-0-	-0-	YES X 1973	6-30	45,396	

Notes to be printed on the following pages and each page should be accompanied by the following information:

1. Name of the issuer of the bonds.
2. Description of the bonds, including the type of security, the amount, the maturity date, and the interest rate.
3. Name of the trustee of the bonds.
4. Name of the issuer's principal office.
5. Name of the issuer's principal office.
6. Name of the issuer's principal office.
7. Name of the issuer's principal office.
8. Name of the issuer's principal office.
9. Name of the issuer's principal office.
10. Name of the issuer's principal office.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part I

Showing All BONDS Owned December 31 of Current Year

CITY OR POLITICAL SUBDIVISION OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)	FUND	TYPE	Maturity	Interest	Rate	Face	Book Value	Unamortized Premium	Market Value	YIELD		Yield to Maturity	Current Yield	Dividend Yield	Total Yield	Date of Issuance	Date of Maturity	Interest Rate	Interest Paid	Interest Due	Interest in Arrears	Status of Bonds	Other Information
										Yield to Maturity	Current Yield												
CONNECTICUT (CONTINUED)																							
05263104 STAMFORD, SANITARY SEWER	3,5000	M-S	1985	03	-	72,928	80,000	-0-	72,928	71,462	991	2,975	876	-0-	-0-	-0-	YES X 1973	5.33	74,928	80,000	-0-	-0-	74,928
05263104 STAMFORD, SCHOOL	3,5000	M-S	1985	03	-	12,809	15,000	-0-	12,809	12,041	175	175	51	-0-	-0-	YES X 1973	5.33	12,809	15,000	-0-	-0-	12,809	
05263104 STAMFORD, URBAN DEVELOPMENT	4,2500	M-S	1985	03	-	96,151	105,000	-0-	96,151	93,975	1,487	4,462	636	-0-	-0-	YES X 1973	5.33	96,151	105,000	-0-	-0-	96,151	
05263104 STAMFORD, SANITARY SEWER	4,2500	M-S	1985	03	-	251,824	275,000	-0-	251,824	246,123	3,895	11,667	1,667	-0-	-0-	YES X 1973	5.33	251,824	275,000	-0-	-0-	251,824	
05263104 STAMFORD, GENERAL PUBLIC IMPROVEMENT	4,2500	M-S	1985	03	-	70,551	80,000	-0-	70,551	69,331	1,220	2,400	256	-0-	-0-	YES X 1973	5.33	70,551	80,000	-0-	-0-	70,551	
05263104 STAMFORD, SANITARY SEWER	4,2500	M-S	1985	03	-	374,803	425,000	-0-	374,803	368,213	6,020	16,062	1,912	-0-	-0-	YES X 1973	5.33	374,803	425,000	-0-	-0-	374,803	
DELAWARE																							
07136800 WILMINGTON, HARBOR IMPROVEMENT	3,1000	J-D	1975	12	-	99,123	100,000	-0-	99,123	91,826	258	3,100	935	-0-	-0-	YES X 1968	4.10	99,123	100,000	-0-	-0-	99,123	
07136800 WILMINGTON, SEWAGE DISPOSAL	2,4000	A-C	1987	04	-	69,107	100,000	-0-	69,107	63,224	650	2,400	1,641	-0-	-0-	YES X 1968	4.10	69,107	100,000	-0-	-0-	69,107	
07136800 WILMINGTON, SEWAGE DISPOSAL	2,4000	A-C	1980	04	-	131,187	170,000	-0-	131,187	127,927	1,104	4,400	1,538	-0-	-0-	YES X 1968	4.25	131,187	170,000	-0-	-0-	131,187	
FLORIDA																							
23343300 DADE CO., JACKSON MEMORIAL HOSPITAL, SEC. 4	3,2500	J-J	1980	07	1975	178,794	215,000	-0-	178,794	158,061	3,493	6,987	3,250	-0-	-0-	YES X 1970	7.00	178,794	215,000	-0-	-0-	178,794	
34753000 JACKSONVILLE, GENERAL IMPROVEMENT, LIBRARIES	3,1000	M-S	1978	03	1982	362,807	495,000	-0-	362,807	395,971	9,000	19,800	4,983	-0-	-0-	YES X 1972	5.30	362,807	495,000	-0-	-0-	362,807	
46932200 JACKSONVILLE, GENERAL IMPROVEMENT, NORTH SIDE WATERFRONT AREA	3,1000	M-S	1978	03	1972	125,769	135,000	-0-	125,769	121,208	1,459	4,183	2,624	-0-	-0-	YES X 1973	5.50	125,769	135,000	-0-	-0-	125,769	
46932200 JACKSONVILLE, GENERAL IMPROVEMENT, SOUTH SIDE WATERFRONT AREA	3,1000	M-S	1978	03	1972	107,153	115,000	-0-	107,153	103,253	1,198	3,363	2,235	-0-	-0-	YES X 1973	5.50	107,153	115,000	-0-	-0-	107,153	
46932200 JACKSONVILLE, GENERAL IMPROVEMENT, LIBRARIES	3,2000	M-S	1980	03	1972	125,710	130,000	-0-	125,710	109,941	1,600	4,800	3,709	-0-	-0-	YES X 1970	7.00	125,710	130,000	-0-	-0-	125,710	
46932200 JACKSONVILLE, GENERAL IMPROVEMENT, NORTH SIDE WATERFRONT AREA	3,2000	M-S	1981	03	1972	127,448	140,000	-0-	127,448	116,597	1,443	4,480	1,704	-0-	-0-	YES X 1968	4.90	127,448	140,000	-0-	-0-	127,448	
46932200 JACKSONVILLE, GENERAL IMPROVEMENT, NORTH SIDE WATERFRONT AREA	3,2000	M-S	1981	03	1972	40,095	50,000	-0-	40,095	33,009	353	1,400	1,239	-0-	-0-	YES X 1970	7.25	40,095	50,000	-0-	-0-	40,095	
59330800 MIAMI BEACH, VARIOUS PURPOSES	4,5000	M-S	1980	09	1982	268,893	290,000	-0-	268,893	268,247	4,350	13,050	817	-0-	-0-	YES X 1972	5.15	268,893	290,000	-0-	-0-	268,893	
59330800 MIAMI BEACH, VARIOUS PURPOSES	4,5000	M-S	1981	08	1982	185,620	200,000	-0-	185,620	184,524	3,750	9,000	536	-0-	-0-	YES X 1972	5.15	185,620	200,000	-0-	-0-	185,620	
59330800 MIAMI BEACH, VARIOUS PURPOSES	4,5000	M-S	1981	09	1982	301,554	325,000	-0-	301,554	299,706	4,475	14,025	821	-0-	-0-	YES X 1972	5.15	301,554	325,000	-0-	-0-	301,554	
59330800 MIAMI BEACH, VARIOUS PURPOSES	3,0000	J-J	1975	07	-	94,814	100,000	-0-	94,814	89,000	1,470	3,000	2,247	-0-	-0-	YES X 1972	5.40	94,814	100,000	-0-	-0-	94,814	
59330800 MIAMI BEACH, VARIOUS PURPOSES	3,0000	J-J	1980	07	-	235,185	490,000	-0-	235,185	225,365	2,444	4,450	1,820	-0-	-0-	YES X 1974	6.45	235,185	490,000	-0-	-0-	235,185	
59330800 MIAMI BEACH, VARIOUS PURPOSES	3,0000	M-S	1981	09	-	73,862	100,000	-0-	73,862	71,877	1,000	3,000	949	-0-	-0-	YES X 1972	5.40	73,862	100,000	-0-	-0-	73,862	
59330800 MIAMI BEACH, VARIOUS PURPOSES	3,0000	M-S	1981	09	-	81,248	110,000	-0-	81,248	78,024	3,200	4,200	1,044	-0-	-0-	YES X 1972	5.40	81,248	110,000	-0-	-0-	81,248	
59330800 MIAMI BEACH, VARIOUS PURPOSES	3,0000	A-D	1985	10	-	353,229	485,000	-0-	353,229	344,138	4,068	12,270	1,604	-0-	-0-	YES X 1973	5.45	353,229	485,000	-0-	-0-	353,229	
68487800 PALM BEACH CO., BEACH ACQUISITION	4,5000	M-S	1982	03	1980	186,800	175,000	-0-	186,800	191,567	3,791	11,375	-0-	-0-	-0-	YES X 1972	5.40	186,800	175,000	-0-	-0-	186,800	
68487800 PALM BEACH CO., BEACH ACQUISITION	4,5000	M-S	1983	03	1980	278,880	240,000	-0-	278,880	304,507	6,045	16,200	-0-	-0-	-0-	YES X 1972	5.40	278,880	240,000	-0-	-0-	278,880	
68487800 PALM BEACH CO., BEACH ACQUISITION	3,0000	F-A	1981	08	1974	311,092	335,000	-0-	311,092	293,517	4,187	10,050	3,017	-0-	-0-	YES X 1974	4.21	311,092	335,000	-0-	-0-	311,092	
GEORGIA																							
04777100 ATLANTA, AIRPORT	3,2500	J-D	1976	12	-	94,708	100,000	-0-	94,708	83,912	230	3,250	2,349	-0-	-0-	YES X 1970	6.25	94,708	100,000	-0-	-0-	94,708	
04777100 ATLANTA, SCHOOL	4,5000	M-S	1978	06	-	75,862	81,000	-0-	75,862	71,818	675	2,025	1,210	-0-	-0-	YES X 1967	6.50	75,862	81,000	-0-	-0-	75,862	
04777100 ATLANTA, SCHOOL	2,5000	M-S	1978	09	-	78,774	85,000	-0-	78,774	74,061	708	2,125	1,355	-0-	-0-	YES X 1967	6.50	78,774	85,000	-0-	-0-	78,774	
04777100 ATLANTA, SCHOOL	4,5000	M-S	1978	09	-	48,777	50,000	-0-	48,777	46,083	414	1,244	815	-0-	-0-	YES X 1967	6.50	48,777	50,000	-0-	-0-	48,777	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1980	12	-	37,024	45,000	-0-	37,024	34,924	1,100	3,250	2,125	-0-	-0-	YES X 1970	6.25	37,024	45,000	-0-	-0-	37,024	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1980	12	-	128,347	130,000	-0-	128,347	120,924	3,234	10,000	1,000	-0-	-0-	YES X 1970	6.25	128,347	130,000	-0-	-0-	128,347	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1980	12	-	90,982	90,000	-0-	90,982	84,082	4,900	14,000	1,100	-0-	-0-	YES X 1970	6.25	90,982	90,000	-0-	-0-	90,982	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1980	12	-	33,755	40,000	-0-	33,755	31,127	1,000	3,250	2,125	-0-	-0-	YES X 1970	6.25	33,755	40,000	-0-	-0-	33,755	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	165,415	200,000	-0-	165,415	151,004	3,411	10,000	929	-0-	-0-	YES X 1970	6.25	165,415	200,000	-0-	-0-	165,415	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	8,016	10,000	-0-	8,016	7,436	580	1,750	1,244	-0-	-0-	YES X 1970	6.25	8,016	10,000	-0-	-0-	8,016	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	32,067	40,000	-0-	32,067	29,740	1,000	3,250	2,125	-0-	-0-	YES X 1970	6.25	32,067	40,000	-0-	-0-	32,067	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	8,016	10,000	-0-	8,016	7,436	580	1,750	1,244	-0-	-0-	YES X 1970	6.25	8,016	10,000	-0-	-0-	8,016	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	32,067	40,000	-0-	32,067	29,740	1,000	3,250	2,125	-0-	-0-	YES X 1970	6.25	32,067	40,000	-0-	-0-	32,067	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	8,016	10,000	-0-	8,016	7,436	580	1,750	1,244	-0-	-0-	YES X 1970	6.25	8,016	10,000	-0-	-0-	8,016	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	32,067	40,000	-0-	32,067	29,740	1,000	3,250	2,125	-0-	-0-	YES X 1970	6.25	32,067	40,000	-0-	-0-	32,067	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	8,016	10,000	-0-	8,016	7,436	580	1,750	1,244	-0-	-0-	YES X 1970	6.25	8,016	10,000	-0-	-0-	8,016	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	32,067	40,000	-0-	32,067	29,740	1,000	3,250	2,125	-0-	-0-	YES X 1970	6.25	32,067	40,000	-0-	-0-	32,067	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	8,016	10,000	-0-	8,016	7,436	580	1,750	1,244	-0-	-0-	YES X 1970	6.25	8,016	10,000	-0-	-0-	8,016	
04777100 ATLANTA, SCHOOL	3,2500	J-D	1982	12	-	32,067	40,000	-0-	32,067	29,740	1,000	3,250	2,125	-0-	-0-	YES X 1970	6.25	32,067	40,000	-0-	-0-	32,067	
04777100 ATLANTA, SCHOOL	3,2500	J-D																					

Must be grouped in the following manner and each group assigned alphabetically. The order of items in each group should be alphabetical.

1. Governmental entities, including all subdivisions of government.
2. Public utilities and electric, gas, water and sewerage.
3. All other subdivisions of government, including all subdivisions of government.
4. All other subdivisions of government, including all subdivisions of government.
5. All other subdivisions of government, including all subdivisions of government.
6. All other subdivisions of government, including all subdivisions of government.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 1
Showing All BONDS Owned December 31 of Current Year

CAMP NUMBER	DESCRIPTION	INTEREST	MATURITY				BOOK VALUE	PAR VALUE	CUMULATIVE UNPAID INTEREST	MARKET VALUE	ACTUAL COST	INTEREST		REDEEMED BY ADJUST	REDEEMED BY ADJUST	REDEEMED BY ADJUST	REDEEMED BY ADJUST	REDEEMED BY ADJUST	REDEEMED BY ADJUST	REDEEMED BY ADJUST
			Year	Month	Year	Month						Year	Month							
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)																				
05912916	MARYLAND (CONTINUED)																			
05912916	BALTIMORE CO., PUBLIC SCHOOL	3.2500 M-N	1980	05	-	-	50,356	70,000	-0-	50,356	54,408	379	2,275	45	-0-	-0-	YES	X	1972	5.00
05912917	BALTIMORE CO., HIGHWAYS, 2ND	5.9000 M-S	1988	08	-	-	262,575	270,000	-0-	262,575	261,314	5,310	15,930	334	-0-	-0-	YES	X	1970	6.20
05912917	BALTIMORE CO., PARK E	5.9000 M-S	1988	05	-	-	72,937	75,000	-0-	72,937	72,587	1,475	4,425	92	-0-	-0-	YES	X	1970	6.20
05912917	BALTIMORE CO., PLAYGROUND, 2ND	5.9000 M-S	1988	09	-	-	4,862	5,000	-0-	4,862	4,839	98	295	8	-0-	-0-	YES	X	1970	6.20
05912917	BALTIMORE CO., PUBLIC SCHOOL,	5.9000 M-S	1988	09	-	-	4,862	5,000	-0-	4,862	4,839	98	295	8	-0-	-0-	YES	X	1970	6.20
05912918	BALTIMORE CO., GENERAL PUBLIC	4.2500 A-C	1976	10	-	-	96,361	100,000	-0-	96,361	88,588	1,062	4,250	1,914	-0-	-0-	YES	X	1970	6.50
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D	1979	06	-	-	7,257	8,000	-0-	7,257	6,541	20	240	145	-0-	-0-	YES	X	1970	5.30
05914790	BALTIMORE CO., METROPOLITAN	3.0000 J-D																		

1. This schedule is prepared in accordance with the provisions of the Government Employees Insurance Act, Chapter 100, Section 100.1, and the Government Employees Insurance Regulations, Chapter 100, Section 100.10.

 2. This schedule is prepared in accordance with the provisions of the Government Employees Insurance Act, Chapter 100, Section 100.1, and the Government Employees Insurance Regulations, Chapter 100, Section 100.10.

 3. This schedule is prepared in accordance with the provisions of the Government Employees Insurance Act, Chapter 100, Section 100.1, and the Government Employees Insurance Regulations, Chapter 100, Section 100.10.

 4. This schedule is prepared in accordance with the provisions of the Government Employees Insurance Act, Chapter 100, Section 100.1, and the Government Employees Insurance Regulations, Chapter 100, Section 100.10.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 1

Showing All BONDS Owned December 31 of Current Year

POLITICAL SUBDIVISION	INTEREST	MATURE	MATURITY	COUPON	RANK	PAR	CALL	MARKET	YIELD		REDEEMED	REDEEMED	REDEEMED	REDEEMED	REDEEMED	REDEEMED	REDEEMED		
									YIELD	YIELD									
MISSOURI (CONTINUED)																			
791621046 ST. LOUIS PUBLIC BUILDINGS IMPROVEMENT	3.0000 F-A	1980	02	-	62,052	70,000	-0-	62,052	59,899	875	2,100	1,315	-0-	-0-	YES	X	VAR	5.59	62,052
791621050 ST. LOUIS PUBLIC BUILDINGS IMPROVEMENT	3.0000 F-A	1981	02	-	129,545	145,000	-0-	129,545	122,312	1,752	4,405	2,145	-0-	-0-	YES	X	VAR	6.47	129,545
791621058 ST. LOUIS PUBLIC BUILDINGS IMPROVEMENT	3.0000 F-A	1981	02	-	277,128	327,000	-0-	277,128	261,017	4,000	8,850	5,154	-0-	-0-	YES	X	VAR	5.67	277,128
791621076 ST. LOUIS PUBLIC BUILDINGS IMPROVEMENT	3.0000 F-A	1981	02	-	171,063	195,000	-0-	171,063	159,496	2,437	5,850	3,455	-0-	-0-	YES	X	VAR	5.40	171,063
791621100 ST. LOUIS PUBLIC BUILDINGS IMPROVEMENT	3.0000 F-A	1986	02	-	208,785	250,000	-0-	208,785	202,635	2,541	6,500	2,445	-0-	-0-	YES	X	VAR	5.40	208,785
791621107 ST. LOUIS PUBLIC BUILDINGS IMPROVEMENT	3.0000 F-A	1980	02	-	27,812	30,000	-0-	27,812	25,666	375	900	374	-0-	-0-	YES	X	VAR	4.63	27,812
791621109 ST. LOUIS SCHOOL DISTRICT	3.0000 F-A	1981	02	-	366,780	425,000	-0-	366,780	346,332	5,145	12,325	7,681	-0-	-0-	YES	X	VAR	5.60	366,780
791621111 ST. LOUIS SCHOOL DISTRICT	3.0000 F-A	1983	02	-	269,453	325,000	-0-	269,453	261,402	4,062	9,750	5,220	-0-	-0-	YES	X	VAR	5.64	269,453
791711111 ST. LOUIS CO. JUNIOR COLLEGE DISTRICT	3.0000 F-A	1981	02	-	333,246	400,000	-0-	333,246	328,330	5,833	14,000	8,639	-0-	-0-	YES	X	VAR	5.40	333,246
NEBRASKA																			
514012804 LANCASTER CO. SCHOOL DISTRICT #1 (LINCOLN)	1.0000 M-N	1975	05	1980	190,720	200,000	-0-	190,720	171,747	633	3,800	3,838	-0-	-0-	YES	X	VAR	3.07	190,720
534238643 LINCOLN SPECIAL ASSESSMENT REVENUE FUND, YEAR OF 1967	3.4500 M-N	1985	05	1972	94,168	100,000	-0-	94,168	91,279	575	3,450	444	-0-	-0-	YES	X	VAR	4.15	94,168
618228186 DAKOTA SCHOOL DISTRICT #1 BUILDING	2.2500 J-D	1976	06	1981	182,281	155,000	-0-	182,281	148,734	365	4,387	4,370	-0-	-0-	YES	X	VAR	7.25	182,281
618228186 DAKOTA SCHOOL DISTRICT #1 BUILDING	2.8000 M-N	1980	05	1988	113,494	125,000	-0-	113,494	103,411	447	3,000	1,643	-0-	-0-	YES	X	VAR	4.77	113,494
NEW HAMPSHIRE																			
562332472 MANCHESTER REDEVELOPMENT	4.2500 M-S	1987	03	-	175,497	200,000	-0-	175,497	171,318	3,166	9,500	1,319	-0-	-0-	YES	X	VAR	6.20	175,497
562332472 MANCHESTER WATER	5.0000 A-U	1988	04	-	216,513	225,000	-0-	216,513	216,293	3,150	6,300	119	-0-	-0-	YES	X	VAR	5.90	216,513
562332472 MANCHESTER WATER	5.0000 A-C	1989	04	-	192,306	200,000	-0-	192,306	192,206	2,799	5,000	100	-0-	-0-	YES	X	VAR	5.90	192,306
NEW JERSEY																			
083141021 BERGEN CO. VARIOUS PURPOSES	2.7500 J-J	1974	01	-	193,957	200,000	-0-	193,957	187,000	2,526	3,500	5,622	-0-	-0-	YES	X	VAR	5.86	193,957
294803944 ESSEX CO. PERMANENT IMPROVEMENT	3.0000 A-C	1976	10	-	97,292	100,000	-0-	97,292	88,835	750	3,000	1,472	-0-	-0-	YES	X	VAR	4.65	97,292
294803944 ESSEX CO. PERMANENT IMPROVEMENT	2.8731 A-C	1977	04	-	204,594	215,000	-0-	204,594	189,493	1,545	6,181	4,280	-0-	-0-	YES	X	VAR	5.20	204,594
294803944 ESSEX CO. PERMANENT IMPROVEMENT	3.2500 M-N	1980	05	-	135,372	140,000	-0-	135,372	130,308	781	4,600	764	-0-	-0-	YES	X	VAR	4.05	135,372
474524741 JERSEY CITY, SEWAGE DISPOSAL PLANT IMPROVEMENT	3.4000 F-A	1979	08	1987	100,000	100,000	-0-	100,000	100,000	1,416	3,400	-0-	-0-	YES	X	VAR	3.40	100,000	
587839576 MERCER CO. IMPROVEMENT	4.2000 A-C	1987	10	-	270,903	300,000	-0-	270,903	266,373	2,660	14,000	1,560	-0-	-0-	YES	X	VAR	5.25	270,903
588561013 MIDDLESEX CO. COURT HOUSE	3.4500 M-N	1978	11	-	89,429	100,000	-0-	89,429	78,461	440	3,450	2,336	-0-	-0-	YES	X	VAR	6.60	89,429
588561013 MIDDLESEX CO. COURT HOUSE	3.4500 M-N	1979	11	-	87,092	100,000	-0-	87,092	76,814	440	3,450	2,189	-0-	-0-	YES	X	VAR	6.60	87,092
618022916 MORRIS CO. GENERAL	4.1250 M-S	1987	03	-	457,976	500,000	-0-	457,976	449,436	6,875	20,625	2,448	-0-	-0-	YES	X	VAR	5.06	457,976
618022916 MORRIS CO. PARK	4.1250 M-S	1987	03	-	66,075	75,000	-0-	66,075	67,862	1,031	3,093	346	-0-	-0-	YES	X	VAR	5.00	66,075
650364816 NEWARK WATER	3.2500 A-D	1976	10	-	89,415	90,000	-0-	89,415	86,113	756	4,195	205	-0-	-0-	YES	X	VAR	3.97	89,415
650364816 NEWARK SCHOOL	3.8500 A-U	1980	04	-	196,128	200,000	-0-	196,128	193,086	1,925	7,700	545	-0-	-0-	YES	X	VAR	4.20	196,128
650364816 TRENTON WATER FILTRATION PLANT, SER. 461	1.9500 F-A	1976	02	-	88,284	90,000	-0-	88,284	73,413	731	1,755	1,542	-0-	-0-	YES	X	VAR	3.79	88,284
650364816 TRENTON WATERWORKS IMPROVEMENT, SER. 462	1.9500 F-A	1976	02	-	9,812	10,000	-0-	9,812	7,977	81	495	168	-0-	-0-	YES	X	VAR	3.75	9,812
NEW MEXICO																			
013514009 ALBUQUERQUE WATER	3.8000 J-J	1975	07	-	123,447	125,000	-0-	123,447	109,306	2,374	4,750	3,121	-0-	-0-	YES	X	VAR	6.50	123,447
NEW YORK																			
012122810 ALBANY CO. SOUTH MALL CONSTRUCTION, SER. B	3.7500 A-C	1977	04	-	405,057	425,000	-0-	405,057	374,352	3,984	15,932	8,112	-0-	-0-	YES	X	VAR	6.02	405,057
012122801 ALBANY CO. SOUTH MALL CONSTRUCTION, SER. B	3.7500 A-D	1978	04	-	209,022	215,000	-0-	209,022	201,315	2,015	8,062	1,664	-0-	-0-	YES	X	VAR	4.68	209,022
012122808 ALBANY CO. SOUTH MALL CONSTRUCTION, SER. B	3.7500 A-D	1980	04	-	251,604	260,000	-0-	251,604	227,645	2,718	10,875	5,921	-0-	-0-	YES	X	VAR	6.79	251,604
012122803 ALBANY CO. SOUTH MALL CONSTRUCTION, SER. B	3.0000 A-L	1985	04	-	745,321	900,000	-0-	745,321	706,501	8,775	35,100	10,497	-0-	-0-	YES	X	VAR	6.19	745,321
012122764 ALBANY CO. SOUTH MALL CONSTRUCTION, SER. C	6.0000 A-C	1978	04	-	202,613	200,000	-0-	202,613	206,156	3,000	12,000	-0-	-0-	YES	X	VAR	5.55	202,613	
012122765 ALBANY CO. SOUTH MALL CONSTRUCTION, SER. D	6.2000 A-U	1980	04	-	201,749	200,000	-0-	201,749	203,022	3,000	12,400	-0-	-0-	YES	X	VAR	6.00	201,749	

Bonds to be placed in the 1974 bond market and each group assigned sequentially to the
 1. General purpose bonds, including all bonds to be placed in the 1974 bond market.
 2. Special purpose bonds, including all bonds to be placed in the 1974 bond market.
 3. Bonds to be placed in the 1974 bond market, including all bonds to be placed in the 1974 bond market.
 4. Bonds to be placed in the 1974 bond market, including all bonds to be placed in the 1974 bond market.
 5. Bonds to be placed in the 1974 bond market, including all bonds to be placed in the 1974 bond market.
 6. Bonds to be placed in the 1974 bond market, including all bonds to be placed in the 1974 bond market.
 7. Bonds to be placed in the 1974 bond market, including all bonds to be placed in the 1974 bond market.
 8. Bonds to be placed in the 1974 bond market, including all bonds to be placed in the 1974 bond market.
 9. Bonds to be placed in the 1974 bond market, including all bonds to be placed in the 1974 bond market.
 10. Bonds to be placed in the 1974 bond market, including all bonds to be placed in the 1974 bond market.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part I
Showing All BONDS Owned December 31 of Current Year

FUND	DESCRIPTION OF BOND	AMOUNT	ISSUE DATE	MATURITY DATE	COUPON RATE	YIELD	CUMULATIVE INTEREST	UNPAID INTEREST	MARKET VALUE	COST	GAIN (LOSS)	REASON FOR SALE	REDEMPTION		REMARKS	
													AMOUNT	PERCENT		
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)																
01212H66	ALBANY CO., SOUTH HALL CONSTRUCTION, SER. F	542,985	1964	04	-	-	-	-	542,985	-	-	-	-	-	-	-
01212H67	ALBANY CO., SOUTH HALL CONSTRUCTION, SER. F	594,376	1967	04	-	-	-	-	594,376	-	-	-	-	-	-	-
01212H68	ALBANY CO., SOUTH HALL CONSTRUCTION, SER. F	439,730	1968	04	-	-	-	-	439,730	-	-	-	-	-	-	-
01212H69	ALBANY CO., SOUTH HALL CONSTRUCTION, SER. F	500,000	1954	04	1991	-	-	-	500,000	-	-	-	-	-	-	-
0904V1E7	BINGHAMTON, GENERAL PURPOSE BUILDING, SER. A	213,311	1953	03	-	-	-	-	213,311	-	-	-	-	-	-	-
113151J4	BROOKHAVEN, FEDERAL OFFICE BUILDING, SER. A	357,880	1952	11	1982	-	-	-	357,880	-	-	-	-	-	-	-
119473P9	BUFFALO, GENERAL IMPROVEMENT, SERIAL 1959	19,935	1975	03	-	-	-	-	19,935	-	-	-	-	-	-	-
119473P9	BUFFALO, SCHOOL, SERIAL 1959	119,736	1975	03	-	-	-	-	119,736	-	-	-	-	-	-	-
119473P9	BUFFALO, WATER SUPPLY, SERIAL 1959	79,824	1975	03	-	-	-	-	79,824	-	-	-	-	-	-	-
119473J5	BUFFALO, WATER, SERIAL 1963	107,386	1968	09	-	-	-	-	107,386	-	-	-	-	-	-	-
119473J6	BUFFALO, WATER, SERIAL 1960	77,909	1968	09	-	-	-	-	77,909	-	-	-	-	-	-	-
119473J6	BUFFALO, VARIOUS PURPOSES	28,896	1968	09	-	-	-	-	28,896	-	-	-	-	-	-	-
119473K3	BUFFALO, GENERAL IMPROVEMENT, SERIAL 1961	80,800	1969	09	-	-	-	-	80,800	-	-	-	-	-	-	-
119473K3	BUFFALO, WATER, SERIAL 1963	23,213	1969	09	-	-	-	-	23,213	-	-	-	-	-	-	-
119473J6	BUFFALO, GENERAL IMPROVEMENT, SERIAL 1960, SER. 10-A	127,606	1960	10	-	-	-	-	127,606	-	-	-	-	-	-	-
119473J6	BUFFALO, SCHOOL, SERIAL 1966, SER. 70-D	14,178	1960	10	-	-	-	-	14,178	-	-	-	-	-	-	-
119473P8	BUFFALO, GENERAL IMPROVEMENT, SERIAL 1971-A	8,805	1964	10	-	-	-	-	8,805	-	-	-	-	-	-	-
119473P8	BUFFALO, SCHOOL, SERIAL 1969, SER. 71-D	211,349	1964	10	-	-	-	-	211,349	-	-	-	-	-	-	-
119473P8	BUFFALO, GENERAL IMPROVEMENT, SERIAL 1969, SER. 71-C	405,087	1964	10	-	-	-	-	405,087	-	-	-	-	-	-	-
144015C8	CHEMUNG CO., SEMER DISTRICT #1, SERIAL 1971	201,058	1961	05	-	-	-	-	201,058	-	-	-	-	-	-	-
244015C4	CHEMUNG CO., SEMER DISTRICT #1, SERIAL 1971	200,348	1962	05	-	-	-	-	200,348	-	-	-	-	-	-	-
295083A6	ERIE CO., GENERAL IMPROVEMENT	1,086	1975	02	-	-	-	-	1,086	-	-	-	-	-	-	-
424448G8	HENPSTEAD, HERRICK BUILDING CONSTRUCTION FOR REFUSE TRUCKS	99,761	1985	02	-	-	-	-	99,761	-	-	-	-	-	-	-
424448G8	HENPSTEAD, HERRICK BUILDING CONSTRUCTION FOR REFUSE TRUCKS	22,755	1985	02	-	-	-	-	22,755	-	-	-	-	-	-	-
424448G8	HENPSTEAD, PARK DISTRICT	186,595	1985	02	-	-	-	-	186,595	-	-	-	-	-	-	-
424448H2	HENPSTEAD, VARIOUS IMPROVEMENT	252,738	1985	03	-	-	-	-	252,738	-	-	-	-	-	-	-
424448J2	HENPSTEAD, EAST ATLANTIC BEACH PARK DISTRICT	11,381	1988	03	-	-	-	-	11,381	-	-	-	-	-	-	-
424448J2	HENPSTEAD, LEVITTOWN PARK DISTRICT	14,227	1988	03	-	-	-	-	14,227	-	-	-	-	-	-	-
424448J2	HENPSTEAD, LIDO POINT LOCALITY WATER DISTRICT	28,454	1988	03	-	-	-	-	28,454	-	-	-	-	-	-	-
424448J2	HENPSTEAD, MOUNDVILLE WATER DISTRICT	4,742	1988	03	-	-	-	-	4,742	-	-	-	-	-	-	-
424448J2	HENPSTEAD, VARIOUS IMPROVEMENT	256,049	1988	03	-	-	-	-	256,049	-	-	-	-	-	-	-
424448J2	HENPSTEAD, WOODMERE-HOLEY PUBLIC PARKING DISTRICT	2,845	1988	03	-	-	-	-	2,845	-	-	-	-	-	-	-
424448J2	HENPSTEAD, TOMMY HIGHWAY IMPROVEMENT	245,083	1985	03	-	-	-	-	245,083	-	-	-	-	-	-	-
424448J2	HENPSTEAD, HERRICK BUILDING CONSTRUCTION FOR REFUSE TRUCKS	14,704	1985	03	-	-	-	-	14,704	-	-	-	-	-	-	-
424448J2	HENPSTEAD, VARIOUS IMPROVEMENT	73,525	1985	03	-	-	-	-	73,525	-	-	-	-	-	-	-
424448J2	HENPSTEAD, TOMMY HIGHWAY IMPROVEMENT	338,290	1985	03	-	-	-	-	338,290	-	-	-	-	-	-	-
424448J2	HENPSTEAD, HERRICK BUILDING CONSTRUCTION FOR REFUSE TRUCKS	14,498	1986	03	-	-	-	-	14,498	-	-	-	-	-	-	-
424448J2	HENPSTEAD, VARIOUS IMPROVEMENT	28,496	1986	03	-	-	-	-	28,496	-	-	-	-	-	-	-
465668Y6	THACKA CITY SCHOOL DISTRICT, 2ND SER.	318,718	1977	12	-	-	-	-	318,718	-	-	-	-	-	-	-
465668Z3	THACKA CITY SCHOOL DISTRICT, 2ND SER.	106,925	1970	12	-	-	-	-	106,925	-	-	-	-	-	-	-

100

DISCLOSURE[®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE[®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part 1
Showing All BONDS Owed December 31 of Current Year

FUND	DESCRIPTION OF BOND	AMOUNT	DATE	TERM	INTEREST	REDEMPTION	REMARKS	MARKET VALUE		CARRYING VALUE		REASON FOR DISCOUNT	DATE OF MATURITY	YIELD	STATUS	
								12/31/74	12/31/73	12/31/74	12/31/73					
POLITICAL SUBDIVISIONS - STATES, TERRITORIES AND POSSESSIONS (CONTINUED)																
390264W2	SOUTH CAROLINA COUNT INDEBTED GREENVILLE CO. SCHOOL DISTRICT, SCHOOL BUILDING	4,000	F-A	1992 02 1983	-	213,029	250,000	-0-	415,029	212,755	4,166	10,000	1,240	-0-	YES X 1973 5.25	213,029
390264W0	GREENVILLE CO. SCHOOL DISTRICT, SCHOOL BUILDING	4,000	F-A	1993 02 1983	-	213,790	250,000	-0-	413,790	211,650	4,166	10,000	1,171	-0-	YES X 1973 5.25	213,790
703665H3	RICHMOND CO. SCHOOL DISTRICT #1, 2ND SEM.	5,000	J-J	1988 01 1982	-	200,194	200,000	-0-	200,198	200,250	4,999	10,000	-0-	YES X 1972 4.99	200,198	
703665J5	RICHMOND CO. SCHOOL DISTRICT #1, 2ND SEM.	5,000	J-J	1993 01 1983	-	500,000	500,000	-0-	500,000	500,000	12,499	75,000	-0-	YES X 1973 5.00	500,000	
703784C0	RICHMOND-LEXINGTON AIRPORT DISTRICT, AIRPORT	4,900	J-J	1987 07 1982	-	196,298	200,000	-0-	196,298	199,800	4,800	9,000	207	-0-	YES X 1972 5.00	196,298
703784C1	RICHMOND-LEXINGTON AIRPORT DISTRICT, AIRPORT	4,900	J-J	1988 07 1982	-	198,037	200,000	-0-	198,037	197,670	4,900	9,000	98	-0-	YES X 1972 5.00	198,037
703784C3	RICHMOND-LEXINGTON AIRPORT DISTRICT, AIRPORT	5,000	J-J	1990 07 1982	-	208,862	200,000	-0-	208,862	206,761	5,250	10,500	55	-0-	YES X 1972 5.00	208,862
703784C5	RICHMOND-LEXINGTON AIRPORT DISTRICT, AIRPORT	5,000	J-J	1991 07 1982	-	207,658	210,000	-0-	207,658	207,465	5,250	10,500	87	-0-	YES X 1972 5.10	207,658
TENNESSEE:																
102375J0	CHATTAHOOGA, BUILDINGS IMPROVEMENT	3,250	A-L	1997 10 1982	-	41,389	30,000	-0-	41,389	40,561	487	1,950	392	-0-	YES X 1972 5.70	41,389
102375J0	CHATTAHOOGA, MUNICIPAL AIRPORT IMPROVEMENT	3,250	A-L	1997 10 1982	-	27,592	40,000	-0-	27,592	27,041	324	1,400	261	-0-	YES X 1972 5.70	27,592
102375J0	CHATTAHOOGA, PARKS & PLAYGROUNDS IMPROVEMENT	3,250	A-L	1997 10 1982	-	13,796	20,000	-0-	13,796	13,520	162	500	130	-0-	YES X 1972 5.70	13,796
102375J0	CHATTAHOOGA, SEWER & SLUDGE FACILITIES	3,250	A-L	1997 10 1982	-	82,770	120,000	-0-	82,770	81,123	925	3,900	786	-0-	YES X 1972 5.70	82,770
102375J0	CHATTAHOOGA, URBAN RENEWAL	4,500	M-S	1997 03 1984	-	44,828	60,000	-0-	44,828	43,941	78	2,112	423	-0-	YES X 1972 5.70	44,828
402244W2	HAMILTON CO., SCHOOL	4,500	F-A	1985 08 1976	-	237,473	300,000	-0-	237,473	236,608	6,750	8,125	-0-	YES X 1974 6.25	237,473	
409512E1	KNOW CO., SCHOOL, SER. XIII	4,250	M-S	1986 05 1980	-	180,789	200,000	-0-	180,789	180,210	5,789	2,491	-0-	YES X 1971 5.40	180,789	
409512E1	KNOW CO., GENERAL IMPROVEMENT	4,250	M-S	1986 05 1980	-	94,783	110,000	-0-	94,783	94,000	779	4,875	762	-0-	YES X 1971 5.40	94,783
409512E1	KNOW CO., SCHOOL, SER. XIV	4,250	M-S	1986 05 1980	-	155,100	180,000	-0-	155,100	154,658	4,442	6,600	1,218	-0-	YES X 1971 5.75	155,100
409722Z9	KNOWVILLE, SEWER REVENUE, GEN. SER. G	3,000	A-L	1992 09 1984	-	87,426	120,000	-0-	87,426	85,776	1,650	4,050	952	-0-	YES X 1972 5.75	87,426
409722Z9	KNOWVILLE, SEWER REVENUE, GEN. SER. G	4,400	A-L	1995 04 1977	-	281,685	325,000	-0-	281,685	279,142	3,543	1,900	1,145	-0-	YES X 1972 5.50	281,685
409730E8	KNOWVILLE, AIRPORT REVENUE, GEN. SER. G	5,200	J-J	1989 07 1985	-	41,788	80,000	-0-	41,788	41,788	2,000	4,100	-0-	YES X 1972 5.00	41,788	
409730E8	KNOWVILLE, PUBLIC IMPROVEMENT	5,200	J-J	1989 07 1985	-	287,729	485,000	-0-	287,729	291,359	7,610	14,000	-0-	YES X 1972 5.00	287,729	
409730E8	KNOWVILLE, AIRPORT REVENUE, GEN. SER. B	5,200	J-J	1990 07 1985	-	250,000	250,000	-0-	250,000	250,000	6,450	12,000	-0-	YES X 1972 5.00	250,000	
409730E8	KNOWVILLE, PUBLIC IMPROVEMENT	5,200	J-J	1990 07 1985	-	137,000	500,000	-0-	137,000	137,000	14,000	26,000	-0-	YES X 1972 5.00	137,000	
409730E8	KNOWVILLE, AIRPORT REVENUE, GEN. SER. B	5,200	J-J	1991 07 1985	-	137,000	137,000	-0-	137,000	137,000	14,000	26,000	-0-	YES X 1972 5.00	137,000	
409730E8	KNOWVILLE, PUBLIC IMPROVEMENT	5,200	J-J	1991 07 1985	-	137,000	137,000	-0-	137,000	137,000	14,000	26,000	-0-	YES X 1972 5.00	137,000	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	4,000	M-S	1995 05 1984	-	822,226	750,000	-0-	822,226	818,592	3,634	22,312	-0-	YES X 1972 5.00	822,226	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	3,000	M-S	1975 03 -	-	124,307	125,000	-0-	124,307	124,307	9,000	30,000	-0-	YES X 1970 6.75	124,307	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	5,000	M-S	1980 03 1987	-	908,231	1,000,000	-0-	908,231	906,231	2,000	4,750	-0-	YES X 1972 5.25	908,231	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	3,400	F-A	1974 08 -	-	193,408	200,000	-0-	193,408	193,408	6,600	50,000	-0-	YES X 1970 6.75	193,408	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	3,000	M-S	1984 03 -	-	300,495	450,000	-0-	300,495	292,569	7,926	6,000	-0-	YES X 1970 6.20	300,495	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	3,000	M-S	1984 03 -	-	223,724	300,000	-0-	223,724	223,724	7,276	10,000	-0-	YES X 1970 6.20	223,724	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	3,000	M-S	1984 03 -	-	323,159	350,000	-0-	323,159	315,605	7,554	4,500	-0-	YES X 1970 6.20	323,159	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	3,000	M-S	1984 03 -	-	181,036	200,000	-0-	181,036	181,036	3,912	13,000	-0-	YES X 1970 6.20	181,036	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	3,200	F-A	1986 08 -	-	39,846	50,000	-0-	39,846	39,846	2,666	6,400	-0-	YES X 1971 4.90	39,846	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	3,900	M-S	1980 10 -	-	672,053	800,000	-0-	672,053	670,786	1,267	4,250	-0-	YES X 1972 5.50	672,053	
500140A2	MEMPHIS, GENERAL IMPROVEMENT	4,900	M-S	1993 05 1981	-	350,208	400,000	-0-	350,208	349,020	1,188	4,150	-0-	YES X 1972 5.10	350,208	
592012576	MET. GOV. OF NASHVILLE & DAVIDSON CO., DEPUT BLDG. CONSTR.	3,100	J-D	1988 12 -	-	13,688	20,000	-0-	13,688	12,972	716	620	-0-	YES X 1970 6.00	13,688	
592012576	MET. GOV. OF NASHVILLE & DAVIDSON CO., 1ST D-FI. IMPROVEMENT	3,100	J-D	1988 12 -	-	44,488	60,000	-0-	44,488	41,186	89	2,015	877	-0-	YES X 1970 6.00	44,488
592012576	MET. GOV. OF NASHVILLE & DAVIDSON CO., LIBRARY IMPROVEMENT	3,100	J-D	1988 12 -	-	88	1,000	-0-	88	63	1	33	-0-	YES X 1970 6.00	88	
592012576	MET. GOV. OF NASHVILLE & DAVIDSON CO., UTIL. RELOC. & LAND ACQ.	3,100	J-D	1988 12 -	-	34,220	50,000	-0-	34,220	33,082	89	1,550	624	-0-	YES X 1970 6.00	34,220
592012576	MET. GOV. OF NASHVILLE & DAVIDSON CO., OPEN SPACE LAND ACQ.	3,100	J-D	1988 12 -	-	20,332	30,000	-0-	20,332	19,009	41	920	606	-0-	YES X 1970 6.00	20,332
592012576	MET. GOV. OF NASHVILLE & DAVIDSON CO., WOODLAND STREET BRIDGE	3,100	J-D	1988 12 -	-	23,289	34,000	-0-	23,289	23,343	46	1,054	458	-0-	YES X 1970 6.00	23,289

DISCLOSURE (R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE (R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 2—Section 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

CENCY	Description	No. of SHARES	PAR VALUE PER SHARE	BOOK VALUE	RATE PER SHARE 1-31-74 TO OBTAIN MARKET VALUE	MARKET VALUE	ACQUISITION COST	DIVIDENDS		INCREASE OR DECREASE IN MARKET VALUE SINCE YEAR ACQUIRED	INCREASE OR DECREASE IN BOOK VALUE SINCE YEAR ACQUIRED	DATE ACQUIRED	YEAR ACQUIRED
								AMOUNT RECEIVED	PERCENTAGE RECEIVED				
INDUSTRIAL AND MISCELLANEOUS (CONTINUED)													
217432205	PHILADELPHIA & READING CORPORATION, DE COM. SER. A	6,002	100.00	497,416	80	396,120	497,416	9,750	30,000				
880370739	TENNECO, INCORPORATED, 7.00% COM.	15,000	100.00	1,514,875	69	1,525,000	1,514,875	29,775	116,100				
880170952	TENNECO, INCORPORATED, 8.52% COM.	10,000	100.00	1,000,000	71	710,000	1,000,000	21,300	63,900				VARIOUS
	TOTAL INDUSTRIAL AND MISCELLANEOUS			4,443,773		3,490,455	4,443,773	95,774	263,520				VARIOUS
	TOTAL PREFERRED STOCKS			58,498,056		40,092,408	58,498,056	605,921	4,215,352				1974

DISCLOSURE[®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE[®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 3
Showing all Bonds and Stocks ACQUIRED During Year

Bonds preferred stocks and common stocks to be reported separately
showing all acquisitions during year

CUSIP	NEW ACQUISITIONS	DATE ACQUIRED	NAME OF ISSUER	NO. OF SHARES OR BONDS	ACQUISITION PRICE	FAIR MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
BONDS							
GOVERNMENTS							
UNITED STATES GOVERNMENT							
912703A9	UNITED STATES TREASURY BILL, TAX ANTICIPATION, 01/16/75						
91264748	UNITED STATES TREASURY NOTE, SER. A, 5.750%, 02/15/75	12/09/74	BANKERS TRUST CO.		9,786,691	10,000,000	50
912827A2	UNITED STATES TREASURY NOTE, SER. B, 6.000%, 05/15/75	12/09/74	BANKERS TRUST CO.		1,955,312	2,000,000	36,250
912620D2	UNITED STATES TREASURY NOTE, SER. C, 5.875%, 08/15/75	12/31/74	BANKERS TRUST CO.		4,479,883	5,000,000	38,121
912627C4	UNITED STATES TREASURY NOTE, SER. E, 5.875%, 02/15/75	12/31/74	BANKERS TRUST CO.		4,496,250	5,000,000	100,577
		12/09/74	BANKERS TRUST CO.		2,493,906	3,000,000	35,357
TOTAL UNITED STATES GOVERNMENT					24,201,847	24,000,000	230,806
HOUSING AUTHORITY							
CALIFORNIA							
54458003	LOS ANGELES, NEW HSG. AUTH., 2ND ISSUE, 2.375%, 11/01/64-63	05/13/74	F. B. COOPER & CO., INC.		25,933	50,000	69
54458003	LOS ANGELES, NEW HSG. AUTH., 1ST ISSUE, 2.375%, 11/01/64-63	10/25/74	UNIC. INC.		19,478	39,000	7
COLORADO							
249199A2	DENVER, NEW HSG. AUTH., 1ST ISSUE, 2.750%, 12/01/75-62	08/22/74	DUNCAN WILLIAMS, INC.		317,533	335,000	2,154
DISTRICT OF COLUMBIA							
25481308	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 2ND ISSUE, 2.500%, 05/01/64-63	VARIOUS	VARIOUS		38,832	55,000	170
625184G2	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 1ST ISSUE, 2.500%, 05/01/64-63	VARIOUS	VARIOUS		33,374	45,000	260
625184L4	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 4TH ISSUE, 2.875%, 05/01/64-63	04/14/74	FILGEM, NOLAN, FEENEY, DOUGLAS, INC.		6,161	10,000	39
GEORGIA							
774013F9	ROME, NEW HSG. AUTH., 4TH ISSUE, 5.750%, 11/01/62-64	02/08/74	F. B. COOPER & CO., INC.		325,518	300,000	5,175
ILLINOIS							
14753319	CHICAGO, NEW HSG. AUTH., 3RD ISSUE, 2.375%, 08/01/70-64	03/21/74	HERRARD, DYKANDR & WELLS		168,442	200,000	1,346
21823717	COOK CO., NEW HSG. AUTH., 9TH ISSUE, 3.875%, 12/01/62-60	02/05/74	SMITH, GARRETT & CO., INC.		106,900	200,000	1,350
21823748	COOK CO., NEW HSG. AUTH., 4TH ISSUE, 5.750%, 04/01/60-65	02/21/74	EDWARDS & MANLY		107,137	100,000	2,343
21823774	COOK CO., NEW HSG. AUTH., 24TH ISSUE, 5.250%, 04/01/60-67	04/04/74	FIRST NATIONAL BANK OF MIAMI		602,087	635,000	926
INDIANA							
435290E7	INDIANAPOLIS, NEW HSG. AUTH., 4TH ISSUE, 5.750%, 12/01/62-64	02/06/74	F. B. COOPER & CO., INC.		217,066	200,000	2,491
KANSAS							
484710E4	KANSAS CITY, NEW HSG. AUTH., 8TH ISSUE, 5.125%, 10/01/67-68	04/19/74	CONY. ILL. NATL. BK. & TR. CO. OF CHI.		447,437	460,000	3,176
LOUISIANA							
502130F9	SLAVE CHARLES, NEW HSG. AUTH., 4TH ISSUE, 5.250%, 08/01/60-66	01/10/74	UNITED CALIFORNIA BANK		500,000	500,000	10,104
447685E4	NEW ORLEANS, NEW HSG. AUTH., 5TH ISSUE, 2.875%, 08/01/61-76	05/20/74	F. B. COOPER & CO., INC.		107,388	135,000	1,181
MARYLAND							
059221J8	BALTIMORE, NEW HSG. AUTH., 7TH ISSUE, 5.150%, 07/01/62-65	01/23/74	FIREMAN SECURITIES CO., INC.		213,622	200,000	958
MENNEAPOTA							
284489B6	DULUTH, NEW HSG. AUTH., 2ND ISSUE, 3.875%, 09/01/64-77	01/08/74	F. B. COOPER & CO., INC.		8,004	10,000	126
403729M7	MINNEAPOLIS, NEW HSG. AUTH., 3RD ISSUE, 5.750%, 07/01/62-65	01/25/74	FIREMAN SECURITIES CO., INC.		181,748	170,000	914
MONTANA							
423142B4	HELENA, NEW HSG. AUTH., 1ST ISSUE, 5.125%, 03/01/67-68	03/01/74	FIRST PENNCO SECURITIES, INC.		99,085	120,000	153
423142B3	HELENA, NEW HSG. AUTH., 1ST ISSUE, 5.125%, 07/01/68-68	07/01/74	FIRST PENNCO SECURITIES, INC.		107,144	120,000	164
423142L1	HELENA, NEW HSG. AUTH., 1ST ISSUE, 5.125%, 07/01/68-68	07/01/74	FIRST PENNCO SECURITIES, INC.		155,188	140,000	159
NEW JERSEY							
895147J0	BRENTON, NEW HSG. AUTH., 8TH ISSUE, 5.500%, 01/01/64-63	01/08/74	M. H. HELL, INC.		203,827	195,000	476
NEW YORK							
649728L4	NEW YORK, NEW HSG. AUTH., 14TH ISSUE, 3.000%, 01/01/73-67	08/07/74	SMITH & CO., INC.		428,452	250,000	937
649729P1	NEW YORK, NEW HSG. AUTH., 5TH ISSUE, 2.375%, 01/01/68-64	VARIOUS	VARIOUS		33,490	35,000	114
649729P3	NEW YORK, NEW HSG. AUTH., 6TH ISSUE, 2.375%, 01/01/68-64	06/14/74	WELLS, READ & CO., INC.		4,140	10,000	28
649729C0	NEW YORK, NEW HSG. AUTH., 7TH ISSUE, 2.375%, 01/01/68-65	08/07/74	HERRARD, DYKANDR & WELLS		5,868	10,000	38
649729D7	NEW YORK, NEW HSG. AUTH., 12TH ISSUE, 2.375%, 01/01/68-65	VARIOUS	VARIOUS		33,431	55,000	382
649729K4	NEW YORK, NEW HSG. AUTH., 13TH ISSUE, 3.375%, 01/01/62-76	04/19/74	WELLEN & CO., INC.		21,278	30,000	323
649729L8	NEW YORK, NEW HSG. AUTH., 22ND ISSUE, 3.375%, 01/01/62-76	04/22/74	WELLEN & CO., INC.		7,806	10,000	107
649729P2	NEW YORK, NEW HSG. AUTH., 18TH ISSUE, 3.500%, 01/01/62-68	04/19/74	WELLEN & CO., INC.		50,176	50,000	809
649729L1	NEW YORK, NEW HSG. AUTH., 20TH ISSUE, 3.500%, 01/01/62-76	04/22/74	WELLEN & CO., INC.		29,638	24,000	252
649729M2	NEW YORK, NEW HSG. AUTH., 15TH ISSUE, 3.500%, 01/01/62-68	VARIOUS	VARIOUS		17,418	25,000	250
649729B5	NEW YORK, NEW HSG. AUTH., 15TH ISSUE, 3.500%, 01/01/62-68	04/17/74	EDWARDS & MANLY		6,986	10,000	109

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 3

Showing all Bonds and Stocks ACQUIRED During Year

STATE	BOND OR STOCK	DATE ACQUIRED	NAME OF ISSUER	AMOUNT ACQUIRED	AMOUNT HELD	AMOUNT HELD AT YEAR END
BONDS (CONTINUED)						
HOUSING AUTHORITY (CONTINUED)						
NEW YORK (CONTINUED)						
640730014	NEW YORK NEW HSG. AUTH., 20TH ISSUE, 3.5001, 01/01/65-75	06/22/74	EDWARDS & HANLY	27,867	40,000	439
640730019	NEW YORK NEW HSG. AUTH., 25TH ISSUE, 3.3751, 01/01/66-75	03/22/74	SHIELDS & CO., INC.	17,436	25,000	206
OHIO						
67877786	YOUNGSTOWN, NEW HSG. AUTH., 6TH ISSUE, 5.4501, 07/01/68-87	06/19/74	UNITED CALIFORNIA BANK	540,406	600,000	14,835
OKLAHOMA						
67898647	OKLAHOMA CITY, NEW HSG. AUTH., 5TH ISSUE, 5.1501, 05/01/61-85	05/02/74	SALMON BROTHERS	503,425	500,000	718
PENNSYLVANIA						
01732163	ALLEGHENY CO., NEW HSG. AUTH., 5TH ISSUE, 3.3151, 08/01/66-76	02/04/74	A. H. WILLIAMS & CO., INC.	14,320	20,000	18
12304262	PITTSBURGH, NEW HSG. AUTH., 3RD ISSUE, 3.1251, 12/01/62-75	02/19/74	FIRST BOSTON CORP.	162,855	270,000	1,406
TENNESSEE						
54619273	MEMPHIS, NEW HSG. AUTH., 5TH ISSUE, 3.3751, 06/01/66-76	01/04/74	F. B. COOPER & CO., INC.	17,700	25,000	100
TEXAS						
07454567	BEAUMONT, NEW HSG. AUTH., 2ND ISSUE, 2.5001, 04/01/61-64	04/19/74	F. B. COOPER & CO., INC.	23,757	30,000	40
23561807	DALLAS, NEW HSG. AUTH., 1ST ISSUE, 2.8751, 12/01/61-62	04/19/74	VARIOUS	60,905	100,000	539
23561805	DALLAS, NEW HSG. AUTH., 2ND ISSUE, 2.3751, 12/01/62-63	03/21/74	HUBBARD, O'CONNOR & WELLS	40,384	40,000	1,343
23561801	DALLAS, NEW HSG. AUTH., 3RD ISSUE, 2.3751, 12/01/63-63	04/30/74	MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.	152,810	100,000	102
23561804	DALLAS, NEW HSG. AUTH., 4TH ISSUE, 2.3751, 12/01/63-63	02/09/74	F. B. COOPER & CO., INC.	30,338	50,000	240
34949487	FORT WORTH, NEW HSG. AUTH., 1ST ISSUE, 2.8751, 12/01/62-62	04/11/74	SHIELDS & CO., INC.	7,720	10,000	110
79420683	SAN ANTONIO, NEW HSG. AUTH., 1ST ISSUE, 2.8751, 12/01/62-62	04/10/74	SHIELDS & CO., INC.	16,312	100,000	1,038
TOTAL HOUSING AUTHORITY						
TOTAL GOVERNMENTS						
STATES, TERRITORIES AND POSSESSIONS						
ALABAMA						
01040101	PARAS, SER. A, 4.5001, 11/01/69-79	05/24/74	FIRST PRINCIPAL SECURITIES, INC.	561,652	650,000	2,400
ALASKA						
01177074	FEARIES, ROADS & HIGHWAYS, 3.0001, 07/01/65-76	04/24/74	SHIELDS & CO., INC.	78,407	100,000	1,319
CALIFORNIA						
13061476	VETERANS' WELFARE, ACT OF 1936, SER. P, 3.2501, 10/01/70-78	07/17/74	IMMUNOCHEMICALS, INC.	20,561	25,000	25
13061480	VETERANS' WELFARE, ACT OF 1940, SER. BB, 3.2501, 04/01/60	08/26/74	WELT EASTMAN DELLOY & CO., INC.	41,196	125,000	312
13061482	STATE SCHOOL BUILDING AID, SER. M, 4.0001, 05/01/60-75	01/24/74	SHIELDS & CO., INC.	90,142	100,000	40
13061484	VETERANS' WELFARE, ACT OF 1936, SER. R, 3.2501, 04/01/63-79	05/09/74	FARMER SECURITIES CO., INC.	16,433	100,000	236
13061481	VETERANS' WELFARE, ACT OF 1936, SER. R, 3.2501, 04/01/63-79	05/09/74	VARIOUS	86,378	150,000	726
13061483	STATE CONSTRUCTION PROGRAM, SER. L, 3.4001, 07/01/69-86	09/20/74	VARIOUS	16,806	25,000	226
CONNECTICUT						
20772303	OLD LYME-OLD SAYBROOK BRIDGE, 3.2501, 06/01/77-86	02/28/74	BEVILL, BRESLER & SCHULMAN, INC.	210,330	250,000	34
20772307	HIGHWAY SYSTEM, SER. A, 3.4001, 05/01/64	11/27/74	SHIELDS & CO., INC.	11,015	15,000	82
20772310	HIGHWAY SYSTEM, SER. AA, 4.3251, 02/01/67	04/29/74	RAND, MC NAY & LYON, INC.	6,339	10,000	76
20772306	VARIOUS PURPOSES, 4.2501, 02/01/65-82	04/29/74	VARIOUS	450,392	500,000	1,475
20772308	EXPRESSWAY REVENUE & HIGHWAY FUEL TAX, 6TH SER., GEN. OBL., 3.2501, 01/01/60-83	04/29/74	VARIOUS	19,666	30,000	126
DELAWARE						
24637049	CAPITAL IMPROVEMENT, 0.1001, 04/15/67	01/15/74	WELSH WHITE, BELF, LARK, MCKININ & CO	210,343	250,000	357
24637048	CAPITAL IMPROVEMENT, 2.4001, 11/15/77	05/23/74	F. B. COOPER & CO., INC.	21,737	25,000	294
24637041	CAPITAL IMPROVEMENT, 0.1001, 11/15/67-77	03/15/74	WELSH WHITE, BELF, LARK, MCKININ & CO	147,010	500,000	186
FLORIDA						
34114301	ORLANDO-ORANGE CO. EXPRESSWAY AUTH., G. D., 3.7501, 01/01/65-81	02/13/74	F. B. COOPER & CO., INC.	334,905	500,000	4,332
34114302	ORLANDO-ORANGE CO. EXPRESSWAY AUTH., G. D., 5.4001, 07/01/60-81	04/04/74	VARIOUS	794,015	775,000	12,889
34114303	POLYMER CONCRETE, SER. A, 4.0001, 07/01/62-83	06/27/74	IMMUNOCHEMICALS, INC.	234,308	300,000	4,136
34114304	SIMMONS CO. ROAD, 5.0001, 11/01/62-83	04/04/74	SHIELDS & CO., INC.	310,073	300,000	7,012
34114305	SIMMONS CO. ROAD, 3.0001, 11/01/62-83	04/04/74	SHIELDS & CO., INC.	362,364	300,000	6,181
ILLINOIS						
45214606	EDUCATIONAL INST. PERM. IMP., SER. C, 2.7501, 04/01/70	03/27/74	FIRST BOSTON CORP.	107,705	125,000	38
45214607	MENTAL HEALTH & PUBLIC WELFARE INST. PERM. IMP., SER. L, 2.7501, 04/01/70	05/27/74	FIRST BOSTON CORP.	13,239	85,000	25
45214608	MENTAL HEALTH & PUBLIC WELFARE INST. PERM. IMP., SER. L, 2.7501, 04/01/70	06/07/74	F. B. COOPER & CO., INC.	30,179	50,000	1,219
45214609	VARIOUS PURPOSES, 3.0001, 10/01/63	09/10/74	DUNNELL & CO., INC.	7,062	10,000	268

DISCLOSURE (R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE (R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 3
Showing all Bonds and Stocks ACQUIRED During Year

Be fully prepared to answer questions about the information reported here.

ACQUISITION DATE	DESCRIPTION	DATE ACQUIRED	NAME OF ISSUER	AMOUNT OF STOCK	MARKET VALUE	UNRECORDED DEBIT	FAIR VALUE
	BONDS (CONTINUED)						
	STATES, TERRITORIES AND POSSESSIONS (CONTINUED)						
	ILLINOIS (CONTINUED)						
	452144CE1 MENTAL HEALTH & PUBLIC WELFARE INST. PERM. IMP., SER. C, 3.000%, 04/01/85	11/22/74	UNITED CALIFORNIA BANK		7,335	10,000	200
	452144CF8 VARIOUS PURPOSES, 3.000%, 06/01/85	VARIOUS	VARIOUS		250,000	40,000	620
	452144G14 VARIOUS PURPOSES, 3.000%, 04/01/86	VARIOUS	UNITED CALIFORNIA BANK		132,964	180,000	3,742
	452144J83 SCHOOL CONSTRUCTION, SER. A, 5.400%, 05/01/84-86	06/21/74	WELSON WHITE, BELF., LARK, RICHIN & CO		477,616	515,000	4,835
	452144J08 TRANSPORTATION, SER. A, 4.000%, 05/01/84-86	05/23/74	METHUEN SECURITIES, INC.		344,138	340,000	2,466
	KENTUCKY						
	491422C04 GENERAL OBLIGATION, 3.000%, 07/01/77-88	VARIOUS	VARIOUS		104,960	120,000	843
	491422C06 GENERAL OBLIGATION, 3.000%, 07/01/84-88	04/16/74	MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.		14,280	20,000	180
	491422F02 HIGHWAY, 3.250%, 07/01/88-81	VARIOUS	VARIOUS		31,850	35,000	300
	491422F09 VARIOUS PURPOSES, 3.500%, 07/01/80-85	02/28/74	F. B. COOPER & CO., INC.		15,545	20,000	138
	491422F11 VARIOUS PURPOSES, 3.500%, 07/01/80-85	04/10/74	FIRST NATIONAL BANK OF CHICAGO		16,064	25,000	268
	491422B02 VETERANS' BONUS, 3.700%, 07/01/87-81	02/05/74	VARIOUS		70,000	100,000	900
	491422B00 VETERANS' BONUS, 2ND SER., 3.400%, 07/01/88-81	02/05/74	F. B. COOPER & CO., INC.		15,000	20,000	81
	491422B08 VETERANS' BONUS, 3.750%, 07/01/88-81	11/19/74	WHITE, WELD & CO., INC.		14,716	20,000	308
	LOUISIANA						
	544118G04 VARIOUS PURPOSES, 6.000%, 07/13/89-92	05/31/74	WOOD BROS.-PEEBLES INVESTMENTS, INC.		363,650	395,000	6,438
	MAINE						
	340517Y81 GENERAL PURPOSES, 4.000%, 11/15/92	07/02/74	F. B. COOPER & CO., INC.		350,300	500,000	3,111
	MARYLAND						
	574191Y19 GENERAL PUBLIC SCHOOL CONSTRUCTION, SER. Z, 3.000%, 07/01/79	04/24/74	VALEKLAND & CRAIG		21,419	25,000	264
	MASSACHUSETTS						
	575840K02 GUARANTEED HOUSING, 1.750%, 10/01/84-80	06/30/74	F. B. COOPER & CO., INC.		14,735	25,000	194
	MINNESOTA						
	604127H05 SCHOOL, 3.300%, 11/01/85	09/23/74	UNIC, INC.		7,027	10,000	140
	604127K05 STATE TRUNK HIGHWAY, 3.700%, 08/01/87	06/07/74	SHIELDS & CO., INC.		15,105	20,000	281
	MISSISSIPPI						
	605570T00 GENERAL OBLIGATION, 4.000%, 01/01/82	09/16/74	SWIN & CO., INC.		41,560	50,000	455
	NEW JERSEY						
	644037F10 VARIOUS PURPOSES, 2.750%, 03/01/80	08/26/74	DELLON, BRAD & CO., INC.		39,472	50,000	15
	644037F05 VARIOUS PURPOSES, 4.000%, 07/01/80-86	03/01/74	W. H. HELL, INC.		562,503	715,000	3,440
	644037V08 VARIOUS PURPOSES, 4.875%, 01/01/82-88	06/25/74	F. B. COOPER & CO., INC.		492,300	600,000	325
	644037A73 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. A, 3.000%, 01/01/77-83	04/05/74	WHITE, WELD & CO., INC.		13,487	15,000	94
	644037A78 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. A, 3.000%, 01/01/78-83	07/09/74	FREEMAN SECURITIES CO., INC.		13,142	15,000	18
	644037A72 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. B, 2.750%, 01/01/80-83	VARIOUS	VARIOUS		44,975	60,000	104
	644037B01 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. A, 3.000%, 01/01/81-83	VARIOUS	VARIOUS		144,878	185,000	1,267
	644037B07 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. A, 3.000%, 01/01/82-83	VARIOUS	VARIOUS		153,642	240,000	2,747
	644037B05 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. B, 2.750%, 01/01/83-83	VARIOUS	VARIOUS		210,412	270,000	2,078
	644037B02 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. A, 3.000%, 01/01/83-83	VARIOUS	VARIOUS		237,144	310,000	2,046
	644037B03 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. B, 2.875%, 01/01/84-83	VARIOUS	VARIOUS		190,376	242,000	2,023
	644037B04 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. A, 3.000%, 01/01/84-83	VARIOUS	VARIOUS		12,036	15,000	131
	644037B06 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. A, 3.000%, 01/01/85-83	VARIOUS	DUNCAN WILLIAMS, INC.		117,319	160,000	1,971
	644037B07 HIGHWAY AUTH., STATE GTO. PARKWAY, SER. B, 2.875%, 01/01/86-83	09/26/74	UNIC, INC.		33,261	50,000	383
	NEW YORK						
	649784K07 PURE WATERS, 2.000%, 02/15/94	02/28/74	W. H. HELL, INC.		25,922	50,000	72
	650028C00 THRUWAY AUTH., STATE GTO., 1ST ISSUE, 2.750%, 09/01/82-83	VARIOUS	VARIOUS		20,574	40,000	432
	650028C01 THRUWAY AUTH., STATE GTO., 2ND ISSUE, 2.750%, 10/01/82-83	03/06/74	VARIOUS		222,947	300,000	2,336
	650028C02 THRUWAY AUTH., STATE GTO., 1ST ISSUE, 2.750%, 06/01/83-83	03/06/74	SHIELDS & CO., INC.		219,700	300,000	3,712
	650028C03 THRUWAY AUTH., STATE GTO., 1ST ISSUE, 2.750%, 06/01/84-83	06/05/74	FREEMAN SECURITIES CO., INC.		7,101	10,000	8
	650028C04 THRUWAY AUTH., STATE GTO., 4TH ISSUE, 2.750%, 01/01/88-83	VARIOUS	F. B. COOPER & CO., INC.		24,489	40,000	209
	650028C05 THRUWAY AUTH., STATE GTO., 4TH ISSUE, 2.750%, 01/01/88-83	VARIOUS	VARIOUS		18,125	20,000	104
	650028C06 THRUWAY AUTH., STATE GTO., 7TH ISSUE, 3.500%, 01/01/88-87	VARIOUS	VARIOUS		42,072	50,000	404
	650028C08 THRUWAY AUTH., STATE GTO., 4TH ISSUE, 2.750%, 01/01/83-83	01/13/74	SHIELDS & CO., INC.		49,368	60,000	126
	NORTH CAROLINA						
	658253H45 PUBLIC SCHOOL FACILITIES, 3.000%, 09/01/78	04/02/74	SHIELDS & CO., INC.		311,193	350,000	1,108
	658253H09 PUBLIC SCHOOL FACILITIES, 3.000%, 09/01/79	04/02/74	WALD, WALKER & CO., INC.		431,892	500,000	1,833
	OHIO						
	677517M02 VIETNAM CONFLICT COMPENSATION, SER. A, 5.500%, 04/15/89-89	05/24/74	HALSEY, STUART & CO., INC.		500,600	500,000	487

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 3
Showing all Bonds and Stocks ACQUIRED During Year

STATE	DATE ACQ. PERIOD	NAME OF SECURITY	NO. OF SHARES	ACQ. PRICE	FAIR VALUE PER SHARE	MARKET VALUE
BONDS (CONTINUED)						
STATES, TERRITORIES AND POSSESSIONS (CONTINUED)						
OREGON						
88042740	04/26/74	TRUST CO. OF GEORGIA	46,210	30.000	1,386,300	1,386,300
88042740	04/26/74	SWINA & CO., INC.	900,000	1,000,000	900,000	900,000
88042740	04/26/74	CUNY, ILL., NATL. BK. & TR. CO. OF CHI.	329,815	145,000	478,162	478,162
PENNSYLVANIA						
70113400	10/01/74	DUNCAN WILLIAMS, INC.	30,186	40,000	1,207,440	1,207,440
70113400	08/22/74	FREEMAN SECURITIES CO., INC.	21,750	75,000	1,631,250	1,631,250
70113400	08/22/74	VARIOUS	328,147	575,000	188,509,325	188,509,325
70113400	08/22/74	SHIELDS & CO., INC.	72,280	85,000	6,144,800	6,144,800
70113400	08/22/74	FREEMAN SECURITIES CO., INC.	176,240	25,000	4,406,000	4,406,000
PUERTO RICO						
74314300	06/30/74	STERLING GRACE MUNICIPAL SECURITIES	7,879	10,000	78,790	78,790
SOUTH CAROLINA						
83110400	06/22/74	W. H. HELL, INC.	814,374	800,000	651,500	651,500
83110400	04/08/74	ROBERT GARRETT & SONS, INC.	300,000	1,000,000	300,000	300,000
83110400	11/25/74	WEERS, KAVANAUGH & CO., INC.	234,302	250,000	58,575	58,575
TENNESSEE						
88054000	07/29/74	ABRAHAM & CO., INC.	15,142	20,000	302,840	302,840
TEXAS						
88271200	VARIOUS	VARIOUS	41,143	60,000	2,468,580	2,468,580
88271200	05/21/74	W. H. HELL, INC.	14,518	30,000	435,540	435,540
88271200	01/05/74	SHIELDS & CO., INC.	8,018	10,000	80,180	80,180
88271200	02/29/74	SHIELDS & CO., INC.	19,244	25,000	481,100	481,100
88271200	11/26/74	SHIELDS & CO., INC.	18,076	25,000	451,900	451,900
88271200	05/29/74	SALMON BROTHERS	290,450	400,000	116,180	116,180
VERMONT						
92425700	07/15/74	F. W. COOPER & CO., INC.	7,946	10,000	79,460	79,460
92425700	04/05/74	MELDON BANK	261,956	300,000	78,587	78,587
92425700	04/09/74	UNITED CALIFORNIA BANK	49,782	60,000	2,986,920	2,986,920
VIRGINIA						
92910000	06/25/74	W. H. HELL, INC.	167,216	200,000	3,344,320	3,344,320
92910000	06/25/74	W. H. HELL, INC.	261,771	300,000	785,113	785,113
WASHINGTON						
93973800	03/09/74	ABRAHAM & CO., INC.	7,425	10,000	74,250	74,250
93973800	01/04/74	SCHMETZ & CO.	289,974	350,000	101,491	101,491
93973800	01/05/74	F. W. COOPER & CO., INC.	335,000	425,000	142,275	142,275
WEST VIRGINIA						
93451000	03/12/74	VALERIANO & CRAIG	521,227	600,000	312,736	312,736
93451000	04/18/74	FIRST NATIONAL CITY BANK	451,000	600,000	270,600	270,600
WISCONSIN						
97701000	06/21/74	LASALLE NATIONAL BANK	437,000	500,000	218,500	218,500
TOTAL STATES, TERRITORIES AND POSSESSIONS						
			16,309,856	22,282,000	203,978	203,978
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS						
ALABAMA						
71081300	09/11/74	W. H. HELL, INC.	487,025	500,000	243,513	243,513
71081300	VARIOUS	VARIOUS	1,026,744	1,000,000	1,026,744	1,026,744
CALIFORNIA						
70964500	VARIOUS	VARIOUS	626,718	750,000	470,039	470,039
70964500	05/10/74	MALSEY, STUART & CO., INC.	496,945	500,000	248,473	248,473
COLORADO						
05155000	01/30/74	TRAUB & CO., INC.	503,228	580,000	291,888	291,888
05155000	03/08/74	MELDON BANK	600,000	600,000	360,000	360,000
05155000	06/26/74	STERLING GRACE MUNICIPAL SECURITIES	17,185	25,000	429,625	429,625
05155000	VARIOUS	VARIOUS	34,763	50,000	173,815	173,815
05155000	VARIOUS	SHIELDS & CO., INC.	84,042	125,000	1,050,000	1,050,000

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part 3

Showing all Bonds and Stocks ACQUIRED During Year

STATE	DATE ACQUIRED	NAME OF ISSUER	NO. OF SHARES OR STKS.	ACQUISITION PRICE	FAIR MARKET VALUE	PERCENT OF NET ASSETS
BONDS (CONTINUED)						
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)						
COLORADO (CONTINUED)						
24918381 DENVER, WATER, 3.0000, 02/01/73-87	VARIOUS	VARIOUS		38,134	30,000	606
24918389 DENVER, WATER, 3.0000, 02/01/74-87	VARIOUS	FREEMAN SECURITIES CO., INC.		35,481	60,000	686
CONNECTICUT						
10818170 BRIDGEPORT, PUBLIC SCHOOL, 3.9000, 09/01/87	VARIOUS	VARIOUS		80,423	95,000	1,109
10818178 BRIDGEPORT, PUBLIC SCHOOL, SER. A, 3.9000, 09/01/87	04/20/74	VALENTINO & CRAIG		57,927	70,000	289
FLORIDA						
59338856 MIAMI, REFUNDING SEWAGE DISPOSAL SYSTEM, 1.0000, 07/01/79	01/16/74	SHIELDS & CO., INC.		225,365	490,000	326
GEORGIA						
04771105 ATLANTA, TRAFFIC IMPROVEMENT, 3.2500, 12/01/80	11/21/74	UNITED CALIFORNIA BANK		12,676	15,000	1
04771108 ATLANTA, SCHOOL, 3.2500, 12/01/81	11/22/74	PRESCOTT, BALL & TUMBLEY		16,493	20,000	1
24049383 DEKALB CO., VARIOUS PURPOSES, 3.0000, 04/01/80	04/18/74	TRUST CO. OF GEORGIA		286,739	340,000	793
34004604 FULTON CO., SEWER, 3.2000, 01/01/87	07/22/74	FREEMAN SECURITIES CO., INC.		127,408	200,000	497
34004605 FULTON CO., TRAFFIC IMPROVEMENT, 3.2000, 01/01/87	07/22/74	FREEMAN SECURITIES CO., INC.		204,912	300,000	746
ILLINOIS						
147301945 CHICAGO BOARD OF EDUCATION, TAX ANTICIPATION NOTE, 5.2500, 04/30/75	08/14/74	SWAN & CO., INC.		975,680	1,000,000	25,890
INDIANA						
48032604 INDIANAPOLIS PARK DISTRICT, 1ST ISSU, 4.0000, 01/01/79	02/01/74	F. B. COOPER & CO., INC.		159,582	200,000	911
MARYLAND						
03587044 ANNE ARUNDEL CO., VARIOUS PURPOSES, 3.3000, 07/01/83	09/17/74	SWAN & CO., INC.		7,220	10,000	76
03912957 BALTIMORE CO., PUBLIC FACILITIES, SCHOOL, 3.2500, 11/01/84	01/30/74	SHIELDS & CO., INC.		7,374	10,000	85
03912962 BALTIMORE CO., VARIOUS PURPOSES, 3.2500, 11/01/84	VARIOUS	VARIOUS		102,492	145,000	1,944
61334174 MONTGOMERY CO., SCHOOL, 3.4000, 02/01/85	09/17/74	SWAN & CO., INC.		14,556	20,000	100
61334181 MONTGOMERY CO., VARIOUS PURPOSES, 3.4000, 02/01/84	04/10/74	UNITED CALIFORNIA BANK		40,000	28,000	184
61334188 MONTGOMERY CO., SCHOOL, SER. M, 3.4000, 02/01/85	06/18/74	F. B. COOPER & CO., INC.		7,987	10,000	126
61334195 MONTGOMERY CO., VARIOUS PURPOSES, 3.4000, 02/01/85	11/20/74	METZ, WELLS & CO., INC.		14,741	21,000	232
74170048 PRINCE GEORGES CO., PUBLIC SCHOOL, 3.1000, 03/01/80	09/18/74	FOLGER, MILAN, FLEMING, DUNGLAS, INC.		13,862	20,000	41
MASSACHUSETTS						
10088820 BOSTON METROPOLITAN DISTRICT, 1.5000, 03/01/81-76	VARIOUS	VARIOUS		57,637	80,000	432
MICHIGAN						
08563349 BERRIEN CO., WATER SUPPLY SYSTEM #4-ST. JOSEPH, 4.5000, 11/01/02-83	03/28/74	BEAR, STEARNS & CO.		201,907	250,000	4,593
08563357 BERRIEN CO., WATER SUPPLY SYSTEM #4-ST. JOSEPH, 4.5000, 11/01/03-83	03/28/74	BEAR, STEARNS & CO.		207,332	250,000	4,593
44710475 JACKSON CO., SANITARY SEWAGE DISPOSAL SYSTEM #3, 3.5000, 11/01/00-86	02/04/74	LASALLE NATIONAL BANK		244,874	350,000	3,075
44710473 JACKSON CO., SANITARY SEWAGE DISPOSAL SYSTEM #3, 3.5000, 11/01/01-86	02/04/74	LASALLE NATIONAL BANK		262,766	375,000	3,927
42747477 MUSKOGEE CO., WATER SUPPLY SYSTEM #1, FAULTPOINT-WASHINGTON STATIONS, 3.0000, 11/01/01-88	03/20/74	SHIELDS & CO., INC.		256,759	300,000	791
MINNESOTA						
59165003 MINNEAPOLIS-ST. PAUL METROPOLITAN AREA, SEWER, 5.0000, 01/01/45-85	05/23/74	F. B. COOPER & CO., INC.		64,223	75,000	1,383
603741815 MINNEAPOLIS, REDEVELOPMENT, 6.0000, 02/01/94-88	08/05/74	HARRIS TRUST & SAVINGS BANK		495,000	495,000	320
70287740 ST. PAUL, VARIOUS PURPOSES, 3.3000, 10/01/89	08/05/74	F. B. COOPER & CO., INC.		13,218	25,000	378
70288004 ST. PAUL, VARIOUS PURPOSES, 3.3000, 04/01/03-84	05/01/74	HANKE'S TRUST CO.		301,407	315,000	1,443
70288007 ST. PAUL, VARIOUS PURPOSES, 3.3000, 04/01/04-84	05/01/74	HANKE'S TRUST CO.		301,634	315,000	1,443
MISSOURI						
44710475 JACKSON CO., HOSPITAL, 4.0000, 03/01/90-81	05/16/74	WELLS BANK		519,660	500,000	2,250
791621258 ST. LOUIS, PUBLIC BUILDINGS & IMPROVEMENT, 3.0000, 02/01/81	06/28/74	F. B. COOPER & CO., INC.		39,663	50,000	682
NEW HAMPSHIRE						
54233202 MANCHESTER, WATER, 3.4000, 04/01/77	04/16/74	SCHWEIKART & CO.		192,564	200,000	684
54233200 MANCHESTER, WATER, 3.4000, 04/01/78	04/16/74	SCHWEIKART & CO.		216,374	225,000	770
54233207 MANCHESTER, WATER, 3.4000, 04/01/79	04/16/74	SCHWEIKART & CO.		194,206	200,000	684
NEW YORK						
119473442 BUFFALO, VARIOUS PURPOSES, 3.1000, 09/01/88	09/17/74	SWAN & CO., INC.		5,927	10,000	19
882743779 ONONDAGA CO., WATER DISTRICT, 1ST SER., 3.1000, 03/01/84	01/28/74	F. B. COOPER & CO., INC.		13,736	20,000	265
884742023 SUFFOLK CO., PUBLIC IMPROVEMENT, 3.7000, 08/01/80	01/29/74	F. B. COOPER & CO., INC.		7,612	10,000	3
OHIO						
17221587 CINCINNATI, VARIOUS PURPOSES, 3.2500, 11/01/81	07/25/74	FIRST NATIONAL BANK OF CHICAGO		7,895	10,000	81
17221587 CINCINNATI, VARIOUS PURPOSES, 3.2500, 10/01/82	04/19/74	SHIELDS & CO., INC.		14,789	25,000	56
OKLAHOMA						
67851845 OKLAHOMA CITY, VARIOUS PURPOSES, 2.7500, 03/01/79	12/03/74	UNITED CALIFORNIA BANK		12,402	15,000	115

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 3

Showing all Bonds and Stocks ACQUIRED During Year

CUSIP NUMBER	ISSUE DATE	ISSUER	PAR VALUE	ACQUISITION DATE	ACQUISITION PRICE	COST	MARKET VALUE	GAIN (LOSS)
BONDS (CONTINUED)								
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)								
PENNSYLVANIA								
017285M08		ALLEGHENY CO., COMMISSIONERS', SER. C-20, 3-2500, 11/01/59-82		02/03/74	PARKER/HUNTER, INC.	788,824	800,000	11,900
RHODE ISLAND								
743747P03		PROVIDENCE, WATER, 6,0000, 06/01/59		04/03/74	INDUSTRIAL NATIONAL BANK OF R. I.	984,290	500,000	916
743747P03		PROVIDENCE, TENPUNANT NITE, 4,0000, 02/20/73		10/01/74	INDUSTRIAL NATIONAL BANK OF R. I.	970,173	1,000,000	29
TENNESSEE								
162335V00		CHATANOOGA, VARIOUS PURPOSES, 4,5000, 03/01/67-84		05/15/74	WILSON WHITE, BELL, LARK, WOLFEIN & CO.	230,658	300,000	3,075
584140U05		MEMPHIS, GENERAL IMPROVEMENT, 3,5000, 01/01/64		04/04/74	THOMPSON BROTHERS, ARCHER, LULLS, ADKINS & CO.	229,803	300,000	1,000
584141U24		MEMPHIS, GENERAL IMPROVEMENT, 4,5000, 05/01/63-81		04/17/74	F. B. COOPER & CO., INC.	349,020	400,000	8,859
TEXAS								
236649M00		DALLAS CO., ROAD, 3,5000, 01/10/62		08/26/74	STERLING GRACE MUNICIPAL SECURITIES	97,326	150,000	802
34922MWS		FORT WORTH, VARIOUS PURPOSES, 3,5000, 01/01/59-80		04/09/74	SHIELDS & CO., INC.	498,093	300,000	1,293
34922MWS		FORT WORTH, VARIOUS PURPOSES, 3,5000, 01/01/59-80		04/09/74	SHIELDS & CO., INC.	216,167	225,000	1,151
44232PMS		HOUSTON, PUBLIC IMPROVEMENT, 3,2500, 01/01/63		08/27/74	WOOD, WALKER & CO., INC.	16,385	20,000	117
44232PMS		HOUSTON, INDEPENDENT SCHOOL DISTRICT, 2,7500, 04/10/61		11/25/74	UNITED CALIFORNIA BANK	26,019	30,000	126
44242QDB		HOUSTON, INDEPENDENT SCHOOL DISTRICT, SCHOOL HOUSE REFINING, 3,4500, 08/10/61		06/12/74	SHIELDS & CO., INC.	19,966	25,000	309
743237H03		RICHARDSON, INDEPENDENT SCHOOL DISTRICT, SCHOOL BUILDING, SER. B, 0,0500, 03/15/60-84		07/12/74	VARIOUS	127,415	400,000	33
743237H72		RICHARDSON, INDEPENDENT SCHOOL DISTRICT, SCHOOL BUILDING, SER. B, 0,0500, 03/15/61-83		01/07/74	A. S. HART & CO. OF TEXAS, INC.	86,407	275,000	22
UTAH								
795574CV2		SALT LAKE CITY, AIRPORT, 3,5000, 07/01/60-81		05/21/74	PAINE, WEBBER, JACKSON & CURTIS, INC.	495,145	500,000	11,205
795574CV2		SALT LAKE CITY, AIRPORT, 3,5000, 07/01/60-81		05/21/74	PAINE, WEBBER, JACKSON & CURTIS, INC.	494,925	500,000	11,205
795574CV2		SALT LAKE CITY, AIRPORT, 4,0000, 07/01/60-81		04/22/74	W. H. HELL, INC.	336,347	300,000	822
795574CV2		SALT LAKE CITY, AIRPORT, 4,0000, 07/01/61-76		07/18/74	W. H. HELL, INC.	362,470	300,000	1,288
VIRGINIA								
303010L87		FAIRFAX CO., PUBLIC IMPROVEMENT, SER. A, 4,7500, 10/01/64		08/07/74	WHITE, WELD & CO., INC.	120,932	200,000	3,562
652844S03		NORFOLK, GENERAL IMPROVEMENT, 4,7500, 05/01/60		11/25/74	W. H. HELL, INC.	91,370	50,000	230
770070Z2		ROANOKE, WATER SYSTEM, SER. WM-1, 4,7000, 03/01/67		11/27/74	UNITED CALIFORNIA BANK	21,264	25,000	310
WASHINGTON								
812625D07		SEATTLE, REFUNDING, IG. D-1, 3,5000, 09/01/67-80		VARIOUS	VARIOUS	368,659	380,000	13,148
812625D07		SEATTLE, REFUNDING, IG. D-1, 3,5000, 09/01/67-80		06/14/74	SALMON BROTHERS	337,708	400,000	7,027
WISCONSIN								
488616DC5		RENOISHA, CORPORATE PURPOSES, 3,4000, 04/01/76		04/19/74	FREEMAN SECURITIES CO., INC.	23,856	25,000	59
402383JL8		MILWAUKEE, VARIOUS PURPOSES, 2,6000, 07/01/77		07/26/74	DODGLAS & CO. MUNICIPALS, INC.	17,803	20,000	30
402383JL8		MILWAUKEE, CORPORATE PURPOSES, PUBLIC IMPROVEMENT, SER. L, 3,6000, 02/01/74		03/22/74	SHIELDS & CO., INC.	280,497	300,000	1,740
TOTAL POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS								
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS								
CONNECTICUT								
207759W08		EXPRESSWAY REVENUE & MOTOR FUEL TAX, 1ST SER., 2,8750, 01/01/70-59		04/23/74	HILL, CRAWFORD & LANFORD, INC.	22,269	25,000	237
207759W08		EXPRESSWAY REVENUE & MOTOR FUEL TAX, 1ST SER., 2,8750, 01/01/70-59		VARIOUS	VARIOUS	24,679	30,000	163
WASHINGTON								
939874F03		PUBLIC SCHOOL PLANT FACILITIES, SER. C, 3,7500, 02/01/64-77		07/17/74	F. B. COOPER & CO., INC.	7,362	10,000	182
939874F03		PUBLIC SCHOOL PLANT FACILITIES, SER. D, 3,7500, 02/01/64-77		07/17/74	F. B. COOPER & CO., INC.	36,711	50,000	911
CALIFORNIA								
544503M08		LOS ANGELES, ELECTRIC PLANT REVENUE, 2,6000, 02/01/63-80		02/19/74	F. B. COOPER & CO., INC.	7,618	10,000	19
544503M08		LOS ANGELES, ELECTRIC PLANT REVENUE, COMMON BEARING NITE, 4,2500, 02/01/75		08/22/74	F. B. COOPER & CO., INC.	492,425	500,000	1,688
544504DC4		LOS ANGELES, ELECTRIC PLANT REVENUE, 3,5000, 04/01/63-72		04/16/74	UNITED CALIFORNIA BANK	13,943	20,000	49
784004P15		SACRAMENTO MUNICIPAL UTILITY DISTRICT, REFUNDING REVENUE, 3,3000, 03/01/61-75		12/02/74	UNITED CALIFORNIA BANK	15,350	25,000	729
FLORIDA								
874458M08		TALLAHASSEE, CAPITAL IMPROVEMENT, 4,5000, 10/01/64-84		04/25/74	PARK, RYAN, INC.	311,424	400,000	1,600
NEBRASKA								
68170FR2		OMAHA PUBLIC POWER DISTRICT, ELECTRIC REVENUE, 2,1250, 02/01/60-53		05/20/74	SHIELDS & CO., INC.	7,748	10,000	69
WASHINGTON								
812442D12		SEATTLE, MUNICIPAL LIGHT & POWER, SER. LW-1, 2,7500, 01/01/60-62		07/19/74	F. B. COOPER & CO., INC.	594,099	700,000	1,250
812442D12		SEATTLE, MUNICIPAL LIGHT & POWER, SER. LW-1, 2,7500, 01/01/62-62		VARIOUS	VARIOUS	311,173	425,000	1,101
812442D12		SEATTLE, MUNICIPAL LIGHT & POWER, REFUNDING, 2,2500, 12/15/60-81		07/16/74	F. B. COOPER & CO., INC.	7,353	10,000	57
TOTAL SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS								
TOTAL OF COLUMNS 6, 7 AND 15 OF PART 3								
TOTAL BONDS								
						1,812,593	2,215,000	8,061
						1,817,700,065	1,850,202,000	914,254
						1,885,360,475	1,926,072,000	1,588,536

DISCLOSURE (R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE (R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 3
Showing all Bonds and Stocks ACQUIRED During Year

U.S. GOVERNMENT PRINTING OFFICE: 1974 O-288-888

STOCK	DATE ACQUIRED	ISSUING COMPANY	NUMBER OF SHARES	ACQUISITION PRICE	FAIR VALUE OF STOCK	UNREALIZED GAIN (LOSS)
STOCKS						
PUBLIC UTILITIES—PREFERRED						
01032243 ALABAMA POWER COMPANY, 8.5% CUM.	01/04/74	DUNALDSON, LUFKIN & JENNETT SEC. CORP.	10,000	992,500	-0-	
207597881 CONNECTICUT LIGHT & POWER COMPANY, 84.48 CUM., SER. I	01/27/74	PINGREE TRASK & CO., INC.	3,500	190,750	-0-	
210413704 CONSUMERS POWER COMPANY, 87.76 CUM.	02/22/74	SALMON BROTHERS	3,500	226,375	-0-	
341089404 FLORIDA POWER CORPORATION, 8.60% CUM.	02/22/74	E. F. NUTTON & CO., INC.	1,400	148,400	-0-	
442144307 HOUSTON LIGHTING & POWER COMPANY, 86.72 CUM.	01/25/74	WHITE, WELD & CO., INC.	350	43,500	-0-	
562271807 LONG ISLAND LIGHTING COMPANY, 8.12% CUM., SER. J	02/22/74	WILSON, SAKS & CO.	1,800	173,925	-0-	
678828408 OKLAHOMA GAS & ELECTRIC COMPANY, 5.34% CUM.	01/08/74	E. F. NUTTON & CO., INC.	1,800	89,400	-0-	
694478306 PACIFIC LIGHTING CORPORATION, 84.36 CUM.	01/22/74	SALMON BROTHERS	10,500	340,125	-0-	
744479914 PUBLIC SERVICE COMPANY OF NEW MEXICO, 6.58% CUM.	02/22/74	SALMON BROTHERS	3,000	184,700	-0-	
744323407 PUBLIC SERVICE COMPANY OF OKLAHOMA, 7.92% CUM.	VARIOUS	VARIOUS	10,000	1,069,700	-0-	
837089944 SOUTH CAROLINA ELECTRIC & GAS COMPANY, 4% CUM.	03/14/74	PAINE, WEBBER, JACKSON & LUKEIS, INC.	8,700	314,830	-0-	
875127812 TAMPA ELECTRIC COMPANY, 8.82% CUM., SER. D	02/27/74	HEWELL, LYNCH, PIERCE, FENNER & SMITH, INC.	3,000	169,375	-0-	
882406604 TEXAS ELECTRIC SERVICE COMPANY, 58.92 CUM.	02/11/74	WHITE, WELD & CO., INC.	300	24,750	-0-	
882444408 TEXAS POWER & LIGHT COMPANY, 84.76 CUM.	VARIOUS	VARIOUS	7,400	491,138	-0-	
898813209 TUCSON GAS & ELECTRIC COMPANY, 8.25% CUM.	04/01/74	SALMON BROTHERS	450	37,000	-0-	
TOTAL PUBLIC UTILITIES—PREFERRED						
INDUSTRIAL AND MISCELLANEOUS—PREFERRED						
387604200 GRANT (INT.) COMPANY, 3.24% CUM.	02/04/74	SALMON BROTHERS	400	14,000	-0-	
497048304 GUNNS-ELLINGHAM, INCORPORATED, 84.23 CUM., CONV.	01/08/74	ARMFIELD & S. DIECKHOFF, INC.	300	24,400	-0-	
517432203 PHILADELPHIA & READING CORPORATION, 4% CUM., SER. A	12/30/74	SALMON BROTHERS	100	2,400	-0-	
880370652 TENNECO, INCORPORATED, 8.52% CUM.	03/06/74	DIRECT SUBSCRIPTION	10,000	1,000,000	15,383	
TOTAL INDUSTRIAL AND MISCELLANEOUS—PREFERRED						
RAILROAD—COMMON						
121807102 BURLINGTON NORTHERN, INCORPORATED	03/15/74	VARIOUS	25,000	1,086,739	-0-	
TOTAL RAILROAD—COMMON						
INDUSTRIAL AND MISCELLANEOUS—COMMON						
002824100 ABBOTT LABORATORIES	VARIOUS	OPPENHEIMER & CO.	5,000	274,742	-0-	
087509105 BETHLEHEM STEEL CORPORATION	VARIOUS	VARIOUS	6,000	158,908	-0-	
302290101 EXXON CORPORATION	VARIOUS	VARIOUS	10,000	737,970	-0-	
459200101 INTERNATIONAL BUSINESS MACHINES CORPORATION	VARIOUS	VARIOUS	3,000	490,410	-0-	
460146103 INTERNATIONAL PAPER COMPANY	VARIOUS	VARIOUS	15,000	636,375	-0-	
601080101 MOBIL OIL CORPORATION	VARIOUS	VARIOUS	20,000	254,820	-0-	
828823104 NCR CORPORATION	VARIOUS	VARIOUS	70,000	754,281	-0-	
840643203 OLIN CORPORATION	VARIOUS	VARIOUS	40,000	844,544	-0-	
860711108 OLYMPIA, INCORPORATED	05/31/74	DIRECT-REVERSE STOCK SPLIT 1/2 FOR 1	20,000	111,057	-0-	
TOTAL INDUSTRIAL AND MISCELLANEOUS—COMMON						
TOTAL OF COLUMNS 4, 7 AND 15 OF PART 3						
					5,886,464	-0-
TOTAL STOCKS					340,190	-0-
TOTAL BONDS AND STOCKS					13,228,082	15,383
					1,898,788,558	1,926,072,000
						1,655,619

THE INFORMATION ON THIS STATEMENT IS SUBJECT TO THE VERIFICATION OF THE INFORMATION BY THE INVESTOR. THE GOVERNMENT EMPLOYEES INSURANCE COMPANY DOES NOT GUARANTEE THE ACCURACY OF THE INFORMATION.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 4
Showing all Bonds and Stocks SOLD, REDEEMED or otherwise DISPOSED OF During Year

Bonds, preferred stocks and common stocks to be grouped separately showing subtotals for each group.

CLIP Symbol	BOND MATURITY	DATE	NAME OF PURCHASER (If omitted or "C" under sub-column "Name of Issuer", it means and price price of which sold.)	NO. OF SHARES OF STOCK	CONSIDERATION (Including accrued interest and dividends)	PAR VALUE OF BONDS	NET AT COST (Including original premium and discount)	DATA SALES BY ISSUING OFFICE	INVESTED BY ORGANIZATION IN YEAR SALE FOR YEAR	DEBT BY ORGANIZATION IN YEAR SALE FOR YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST ON BONDS RECEIVED TO REDEEMED DURING YEAR	STOCKS ON STOCKS RECEIVED TO REDEEMED DURING YEAR
BONDS														
GOVERNMENTS														
UNITED STATES GOVERNMENT														
912810AT5	UNITED STATES TREASURY BOND, 4-125%, 02/15/74	01/03/74	WM. E. POLLOCK & CO., INC.		9,950,781	10,000,000	9,949,218	9,951,526	2,308	-0-	-0-	745	159,171	
912810AU2	UNITED STATES TREASURY BOND, 4-250%, 05/15/74		VARIOUS		4,946,484	5,000,000	4,933,593	4,946,478	12,884	-0-	543	527	43,380	
912827AZ5	UNITED STATES TREASURY NOTE, SER. B, 6-800%, 05/15/75		VARIOUS		1,922,287	1,940,000	1,940,000	1,940,000	-0-	-0-	-0-	17,712	117,729	
912827BE1	UNITED STATES TREASURY NOTE, SER. B, 6-500%, 05/15/76	12/02/74	WM. E. POLLOCK & CO., INC.		986,250	1,000,000	1,000,000	1,000,000	-0-	-0-	-0-	13,750	68,052	
912827BT8	UNITED STATES TREASURY NOTE, SER. C, 7-750%, 02/15/74	02/15/74	DIRECT MATURED		1,000,000	1,000,000	1,000,125	1,000,000	-0-	1,196	-0-	-0-	38,750	
912827BU5	UNITED STATES TREASURY NOTE, SER. D, 7-250%, 05/15/74		VARIOUS		7,493,359	7,500,000	7,538,750	7,508,118	3,750	5,020	-0-	14,794	195,770	
	TOTAL UNITED STATES GOVERNMENT				26,299,162	26,440,000	26,389,687	26,368,123	18,943	7,024	543	47,504	622,654	
HOUSING AUTHORITY														
037089AH3	SOUTH CAROLINA NEW HSG. AUTH., 1ST ISSUE #1, 3-000%, 12/01/74-82	12/01/74	DIRECT MATURED		100,000	100,000	91,683	100,000	1,053	-0-	-0-	-0-	3,000	
441128DH2	ARKANSAS HOT SPRINGS, NEW HSG. AUTH., 1ST ISSUE, 3-375%, 06/01/82-78	03/07/74	HILL, CRAWFORD & LANFORD, INC.		89,158	100,000	84,473	87,621	222	-0-	1,536	-0-	965	
635184ML4	DISTRICT OF COLUMBIA NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 7TH ISSUE, 3-750%, 02/01/80-74	02/22/74	MELLON BANK		96,290	100,000	103,586	100,005	-0-	48	-0-	3,775	1,250	
347604AZ8	FLORIDA FORT LAUDERDALE, NEW HSG. AUTH., 1ST ISSUE, 4-222/74	02/22/74	MELLON BANK		24,188	25,000	24,167	25,000	-0-	-0-	-0-	811	322	
875105AX7	TAMPA, NEW HSG. AUTH., 1ST ISSUE, 2-875%, 04/01/74-82	04/01/74	DIRECT MATURED		200,000	200,000	181,070	200,000	683	-0-	-0-	-0-	2,875	
167573AC7	ILLINOIS CHICAGO, NEW HSG. AUTH., 11TH ISSUE, 3-875%, 06/01/79-74	02/22/74	MELLON BANK		48,862	50,000	52,581	50,059	-0-	35	-0-	1,207	484	
167573KV5	CHICAGO, NEW HSG. AUTH., 9TH ISSUE, 3-750%, 06/01/80-84	02/22/74	MELLON BANK		96,255	100,000	106,690	100,000	-0-	-0-	-0-	3,745	937	
167573VB7	CHICAGO, NEW HSG. AUTH., 10TH ISSUE, 3-875%, 06/01/79-74	02/22/74	MELLON BANK		48,862	50,000	47,259	48,440	37	-0-	421	-0-	484	
546795AX3	KENTUCKY LOUISVILLE, NEW HSG. AUTH., 2ND ISSUE, 2-500%, 01/01/74-85	01/01/74	DIRECT MATURED		100,000	100,000	91,478	100,000	-0-	-0-	-0-	-0-	1,250	
199525CY0	OHIO COLUMBUS, NEW HSG. AUTH., 2ND ISSUE, 3-875%, 05/01/80-74	02/22/74	MELLON BANK		62,600	65,000	68,496	65,054	-0-	40	-0-	2,454	839	
929862EA4	TEXAS WACO, NEW HSG. AUTH., 2ND ISSUE, 3-875%, 01/01/79-80	02/22/74	MELLON BANK		58,108	60,000	62,178	60,000	-0-	-0-	-0-	1,891	1,356	
	TOTAL HOUSING AUTHORITY				924,325	950,000	916,263	936,251	1,956	124	1,857	13,884	13,765	
	TOTAL GOVERNMENTS				27,223,487	27,390,000	27,305,951	27,292,375	20,899	7,148	2,401	61,388	636,619	
STATES, TERRITORIES & POSSESSIONS														
010610LU0	ALABAMA INLAND WATERWAYS FACILITIES, SER. A, 5-000%, 03/01/78-75	02/11/74	FIRST BUSINESS CORP.		205,304	200,000	200,000	200,000	-0-	-0-	5,304	-0-	4,694	
011770HP2	ALASKA SER. A, 6-000%, 05/01/74	05/01/74	DIRECT MATURED		200,000	200,000	208,696	200,000	-0-	844	-0-	-0-	6,000	
130614DP2	CALIFORNIA STATE SCHOOL BUILDING AID, SER. EE, 5-000%, 11/01/76	02/04/74	CAMMACK & PERRA, INC.		153,000	150,000	179,995	157,627	-0-	246	-0-	4,627	2,083	

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 4
Showing all Bonds and Stocks SOLD, REDEEMED or otherwise DISPOSED OF During Year

Bonds, preferred stocks and common stocks to be grouped separately showing each date for each group

CUSIP 1960-8 140-477	DESCRIPTION	DATE 1974	NAME OF ISSUER	NO. OF SHARES OR STOCK	CONSIDERATION Including accrued interest and dividends	FAIR VALUE OF BONDS	MARKET VALUE AS OF 12/31/74	MARKET VALUE AS OF 12/31/73	INCREASE BY ADJUSTMENT IN FAIR VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN FAIR VALUE DURING YEAR	GROSS PROFIT ON DISPOSITION	NET PROFIT ON DISPOSITION	INTEREST INCOME RECEIVED DURING YEAR	DIVIDENDS ON STOCKS RECEIVED DURING YEAR
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS (CONTINUED)														
GEORGIA (CONTINUED)														
80480406	SAVANNAH: MAYOR & ALDERMAN, SEWER, 3.500%	03/01/74	MUNICIPAL SECURITIES, INC.		16,262	17,000	17,116	17,026	-0-	1	-0-	763	358	
80480406	SAVANNAH: MAYOR & ALDERMAN, WATER, 3.500%	03/01/74	MUNICIPAL SECURITIES, INC.		3,826	4,000	4,027	4,006	-0-	0	-0-	179	84	
HAWAII														
43864820	HONOLULU: PUBLIC IMPROVEMENT, SER. A, 3.400%	03/05/74	BANK OF AMERICA		182,496	185,000	174,073	183,491	350	-0-	-0-	1,394	2,813	
LOUISIANA														
44743316	NEW ORLEANS: AVIATION, SER. D, 3.250%	09/01/74	DIRECT MATURED		68,000	68,000	61,547	68,000	1,169	-0-	-0-	-0-	2,210	
44743316	NEW ORLEANS: SEWERAGE, WATER & DRAINAGE, SER. J, 3.250%	09/01/74	DIRECT MATURED		24,000	24,000	21,722	24,000	412	-0-	-0-	-0-	780	
44743316	NEW ORLEANS: STREET IMPROVEMENT, SER. K, 3.250%	09/01/74	DIRECT MATURED		8,000	8,000	7,240	8,000	137	-0-	-0-	-0-	260	
MARYLAND														
03577188	ANNAPOLIS: WATER-SEWER, SER. B, 2.000%	04/01/74	DIRECT MATURED		25,000	25,000	24,563	25,000	6	-0-	-0-	-0-	250	
05918307	BALTIMORE: 2ND REDEVELOPMENT SERIAL, 3.500%	08/15/74	DIRECT MATURED		100,000	100,000	96,400	100,000	427	-0-	-0-	-0-	3,500	
05918307	BALTIMORE: INCINERATOR-REDUCTION PLANT, 2.750%	09/15/74	DIRECT MATURED		150,000	150,000	145,872	150,000	328	-0-	-0-	-0-	4,125	
05918307	BALTIMORE: 11TH WATER SERIAL, 3.500%	09/15/74	DIRECT MATURED		200,000	200,000	192,680	200,000	966	-0-	-0-	-0-	7,000	
61334142	MONTGOMERY CO.: SCHOOL, SER. M, 5.000%	02/01/74	SMITH, BARNEY & CO., INC.		100,388	100,000	114,418	101,313	-0-	260	-0-	-0-	925	3,083
61334142	MONTGOMERY CO.: SCHOOL, SER. U, 5.000%	02/01/74	SMITH, BARNEY & CO., INC.		45,174	45,000	45,566	45,004	-0-	19	79	-0-	1,386	
74170009	PRINCE GEORGES CO.: PUBLIC SCHOOL, 4.250%	02/05/74	FIRST BOSTON CORP.		99,408	100,000	101,260	100,672	-0-	11	-0-	1,004	1,912	
MASSACHUSETTS														
85074863	SPRINGFIELD: DE BERRY URBAN RENEWAL PROJECT, 3.000%	04/01/74	DIRECT MATURED		5,000	5,000	4,824	5,000	16	-0-	-0-	-0-	75	
85074863	SPRINGFIELD: SCHOOL PROJECT LEAN ACT OF 1948, SER. M, 3.000%	04/01/74	DIRECT MATURED		10,000	10,000	9,249	10,000	32	-0-	-0-	-0-	150	
85074863	SPRINGFIELD: STREET CONSTRUCTION, 3.000%	04/01/74	DIRECT MATURED		75,000	75,000	69,369	75,000	247	-0-	-0-	-0-	1,125	
85074863	SPRINGFIELD: URBAN RENEWAL, 3.000%	04/01/74	DIRECT MATURED		10,000	10,000	9,249	10,000	32	-0-	-0-	-0-	150	
MICHIGAN														
25109104	DETROIT: GENERAL PUBLIC IMPROVEMENT, SER. M, 5.000%	11/01/74	DIRECT MATURED		40,000	40,000	40,751	40,000	-0-	106	-0-	-0-	2,000	
25109104	DETROIT: GENERAL PUBLIC IMPROVEMENT, SER. M, 5.000%	11/01/74	DIRECT MATURED		35,000	35,000	35,657	35,000	-0-	93	-0-	-0-	1,750	
25109104	DETROIT: PUBLIC LIBRARY, SER. J, 5.000%	11/01/74	DIRECT MATURED		45,000	45,000	45,845	45,000	-0-	140	-0-	-0-	2,250	
25109104	DETROIT: PUBLIC UTILITY LIGHTING, SER. M, 5.000%	11/01/74	DIRECT MATURED		20,000	20,000	20,375	20,000	-0-	53	-0-	-0-	1,000	
25109104	DETROIT: PUBLIC UTILITY, STREET & RAILWAY, SER. I, 5.000%	11/01/74	DIRECT MATURED		80,000	80,000	81,503	80,000	-0-	213	-0-	-0-	4,000	
33945003	FLINT: HOSPITAL, 2.750%	04/01/74	DIRECT MATURED		135,000	135,000	126,382	135,000	284	-0-	-0-	-0-	1,856	
33945003	FLINT: MUNICIPAL BUILDINGS, 2.750%	04/01/74	DIRECT MATURED		50,000	50,000	44,715	50,000	190	-0-	-0-	-0-	687	
MISSOURI														
48504066	KANSAS CITY SCHOOL DISTRICT: BUILDING, 3.750%	02/06/74	FIRST BOSTON CORP.		92,793	100,000	100,561	100,341	-0-	3	-0-	7,548	1,475	
NEBRASKA														
51401242	LANCASTER CO. SCHOOL DISTRICT #1 (LINCOLN), 1.900%	05/01/74	DIRECT MATURED		100,000	100,000	87,098	100,000	837	-0-	-0-	-0-	950	
NEW JERSEY														
47457407	JERSEY CITY: SCHOOL, 4.500%	02/01/74	DIRECT MATURED		25,000	25,000	26,420	25,000	-0-	101	-0-	-0-	1,112	
47457407	JERSEY CITY: GENERAL IMPROVEMENT, 5.000%	12/01/74	DIRECT MATURED		100,000	100,000	102,486	100,000	-0-	435	-0-	-0-	5,500	
59456101	WILMINGTON CO.: GENERAL IMPROVEMENT, 3.450%	02/27/74	SMITH, BARNEY & CO., INC.		98,418	100,000	81,320	92,400	467	-0-	8,017	-0-	1,015	

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 4

Showing all Bonds and Stocks SOLD, REDEEMED or otherwise DISPOSED OF During Year

Block lettered items and common stocks to be reported separately
showing whole sale for each group

25
CD

41-01 Block Lettering	41-02 Description of Security	41-03 Maturity Date	41-04 Name of Issuer	41-05 No. of Shares of Stock	41-06 Consideration Paid for Bonds and Stocks	41-07 Fair Value of Bonds	41-08 Market Value of Bonds and Stocks	41-09 Dividend Received	41-10 Interest by Accrual of Bonds and Stocks	41-11 Increase by Sale of Bonds and Stocks	41-12 Decrease by Sale of Bonds and Stocks	41-13 Profit on Sale	41-14 Loss on Sale	41-15 Other Income	41-16 Total Income	
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS (CONTINUED)																
NEW MEXICO																
013518FH3	ALBUQUERQUE, GENERAL OBLIGATION, REFUNDING, 3-1000, 07/01/74	07/01/74	DIRECT MATURED	500,000	500,000	482,640	500,000	3,074	-0-	-0-	-0-	-0-	15,500			
013518FH2	ALBUQUERQUE, WATER, 3-8000, 07/01/74	07/01/74	DIRECT MATURED	100,000	100,000	90,290	100,000	1,125	-0-	-0-	-0-	-0-	3,800			
013518KH6	ALBUQUERQUE, SANITARY SEWER, 3-6000, 07/01/74	07/01/74	DIRECT MATURED	25,000	25,000	22,572	25,000	281	-0-	-0-	-0-	-0-	950			
013518KH1	ALBUQUERQUE, SANITARY SEWER, 3-7500, 07/01/74	01/01/74	DIRECT-REDEEMED (\$101.00)	43,430	43,000	37,672	39,424	-0-	-0-	4,003	-0-	-0-	806			
013518KH1	ALBUQUERQUE, STORM SEWER, 3-7500, 07/01/81-71	01/01/74	DIRECT-REDEEMED (\$101.00)	30,300	30,000	26,263	27,506	-0-	-0-	2,793	-0-	-0-	562			
013518KH1	ALBUQUERQUE, WATER, 3-7500, 07/01/81-71	01/01/74	DIRECT-REDEEMED (\$101.00)	30,300	30,000	26,263	27,506	-0-	-0-	2,793	-0-	-0-	562			
NEW YORK																
090491A1	BINGHAMTON, GENERAL IMPROVEMENT, 2-6000, 02/01/74	02/01/74	DIRECT MATURED	100,000	100,000	88,677	100,000	144	-0-	-0-	-0-	-0-	1,500			
299083A7	ERIE CO., GENERAL IMPROVEMENT, 2-7500, 02/01/74	02/01/74	DIRECT MATURED	100,000	100,000	93,470	100,000	68	-0-	-0-	-0-	-0-	1,375			
631631C6	NASSAU CO., SEWAGE DISPOSAL DIST. #3, SER. F, 4-0000, 07/01/74	07/01/74	DIRECT MATURED	100,000	100,000	101,717	100,000	-0-	192	-0-	-0-	-0-	4,000			
649637K1	NEW YORK, CONSTR. OF RAPID TRANSIT RAILROADS, 4-2500, 06/01/74	06/01/74	DIRECT MATURED	9,000	9,000	9,668	9,000	-0-	22	-0-	-0-	-0-	191			
649637K1	NEW YORK, CONSTR. OF RAPID TRANSIT RAILROADS, 4-2500, 06/01/74	06/01/74	DIRECT MATURED	108,000	108,000	115,766	108,000	-0-	259	-0-	-0-	-0-	2,795			
649637K1	NEW YORK, CONSTR. OF RAPID TRANSIT RAILROADS, 4-2500, 06/01/74	06/01/74	DIRECT MATURED	3,000	3,000	3,319	3,000	-0-	10	-0-	-0-	-0-	106			
649637K1	NEW YORK, CONSTR. OF RAPID TRANSIT RAILROADS, 4-2500, 06/01/74	06/01/74	DIRECT MATURED	1,000	1,000	1,063	1,000	-0-	2	-0-	-0-	-0-	21			
649637K1	NEW YORK, WATER SUPPLY, 4-2500, 06/01/74	06/01/74	DIRECT MATURED	12,000	12,000	12,765	12,000	-0-	26	-0-	-0-	-0-	255			
649637K1	NEW YORK, CONSTR. OF RAPID TRANSIT RAILROADS, 4-2500, 06/01/74	06/01/74	DIRECT MATURED	3,000	3,000	3,319	3,000	-0-	10	-0-	-0-	-0-	106			
671701C1	SYRACUSE, HIGHWAY, 2-5000, 05/01/74	05/01/74	DIRECT MATURED	40,000	40,000	37,231	40,000	117	-0-	-0-	-0-	-0-	500			
671701C1	SYRACUSE, SCHOOL, 2-5000, 05/01/74	05/01/74	DIRECT MATURED	60,000	60,000	55,647	60,000	176	-0-	-0-	-0-	-0-	750			
OHIO																
172214M3	CINCINNATI, EXPRESSWAY IMPROVEMENT, 3-2500, 11/01/74	03/06/74	SMITH, BARNEY & CO., INC.	172,669	175,000	180,691	175,285	-0-	76	-0-	-0-	2,616	2,085			
186342M5	CLEVELAND, STREET OPENING, 2ND SER. E, 2-0000, 12/01/74	12/01/74	DIRECT MATURED	75,000	75,000	61,454	75,000	3,154	-0-	-0-	-0-	-0-	1,500			
186342M5	CLEVELAND, ROAD IMPROVEMENT, 3RD SER. E, 2-0000, 12/01/74	12/01/74	DIRECT MATURED	25,000	25,000	20,464	25,000	1,051	-0-	-0-	-0-	-0-	500			
407270L1	HAMILTON CO., MAJOR THORDFARE, 3-1250, 11/01/74	03/06/74	SMITH, BARNEY & CO., INC.	394,264	400,000	366,492	396,921	853	-0-	-0-	-0-	2,557	4,583			
OKLAHOMA																
678518P7	DELMONTE CITY, AIRPORT, SER. B, 3-7000, 12/01/79	03/07/74	RAUSCHER PIERCE SECURITIES CORP.	70,667	75,000	75,000	75,000	-0-	-0-	-0-	-0-	4,312	793			
699644L2	TULSA, WATER PDR, SER. B, 5-0000, 05/01/75	03/06/74	RAUSCHER PIERCE SECURITIES CORP.	216,601	215,000	226,325	217,134	-0-	311	-0-	-0-	-0-	3,941			
PENNSYLVANIA																
725208P7	PITTSBURGH, GENERAL PUBLIC IMPROVEMENT, PEOPLES, SER. A, 3-5000, 06/01/74	06/01/74	DIRECT MATURED	178,000	178,000	168,202	178,000	797	-0-	-0-	-0-	-0-	3,115			
725208P7	PITTSBURGH, GENERAL PUBLIC IMPROVEMENT, SER. A, 3-5000, 06/01/74	06/01/74	DIRECT MATURED	72,000	72,000	68,037	72,000	322	-0-	-0-	-0-	-0-	1,260			
725208G6	PITTSBURGH, GENERAL PUBLIC IMPROVEMENT, SER. A, 3-6250, 11/01/74	11/01/74	DIRECT MATURED	200,000	200,000	172,238	200,000	5,251	-0-	-0-	-0-	-0-	7,250			
TENNESSEE																
586141M4	MEMPHIS, GENERAL IMPROVEMENT, 4-0000, 06/01/77	02/05/74	FIRST BOSTON CORP.	254,933	255,000	290,666	266,733	-0-	303	-0-	-0-	9,780	5,984			
586141M6	MEMPHIS, GENERAL IMPROVEMENT, 3-5000, 11/01/80	02/06/74	FIRST BOSTON CORP.	193,414	200,000	156,562	168,944	343	-0-	-0-	24,469	-0-	2,616			
TEXAS																
052393L5	AUSTIN, PARKS, PLAYGROUNDS & RECREATION, SER. 201, 2-7500, 07/01/76	12/06/74	UNITED CALIFORNIA BANK	3,740	4,000	3,500	3,934	35	-0-	-0-	-0-	196	159			
052393L5	AUSTIN, SANITARY SEWERAGE SYSTEM, 2-7500, 07/01/76	12/06/74	UNITED CALIFORNIA BANK	18,701	20,000	19,329	19,938	34	-0-	-0-	-0-	1,216	797			
052393L5	AUSTIN, STREET IMPROVEMENT, SER. 204, 2-7500, 07/01/76	12/06/74	UNITED CALIFORNIA BANK	935	1,000	875	984	8	-0-	-0-	-0-	48	39			
220111F26	CORPUS CHRISTI, SANITARY SEWER, 3-0000, 03/01/74	03/01/74	DIRECT MATURED	10,000	10,000	10,163	10,000	-0-	1	-0-	-0-	-0-	150			
220111F26	CORPUS CHRISTI, STORM SEWER, 3-0000, 03/01/74	03/01/74	DIRECT MATURED	40,000	40,000	40,653	40,000	-0-	4	-0-	-0-	-0-	600			
220111F26	CORPUS CHRISTI, STREET IMPROVEMENT, 3-0000, 03/01/74	03/01/74	DIRECT MATURED	10,000	10,000	9,489	10,000	7	-0-	-0-	-0-	-0-	150			

DISCLOSURE [®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE [®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 4

Showing all Bonds and Stocks Sold, REDEEMED or otherwise DISPOSED OF During Year

Do not prefer stocks and common stocks to be reported separately showing all data for each group.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Symbol	Description	Interest Date	Value of Proceeds	Quantity of Stock	Par Value of Bonds	Actual Cost	Market Value	Change in Value	Increase by Dividend	Profit (Loss)	Dividend	Interest	Capital Gain	Other	Net Realized Gain	Net Realized Loss	Net Realized Gain (Loss)
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS (CONTINUED)																	
TEXAS (CONTINUED)																	
235307H94	DALLAS INDEPENDENT SCHOOL DISTRICT, SER. 1950, 2.2500, 06/01/74	06/01/74	90,000		90,000	83,713	90,000	353	-0-	-0-	-0-	-0-	-0-	-0-	1,012		1,012
434000H08	HARRIS CO., JUVENILE HOME & SCHOL. 3.8000, 02/04/74	02/04/74	120,808		120,808	116,070	120,222	60	-0-	503	-0-	-0-	-0-	-0-	804		804
416000H13	HARRIS CO., JUVENILE HOME & SCHOL. 3.8000, 06/10/80-74	02/04/74	120,232		120,232	114,976	119,209	61	-0-	1,021	-0-	-0-	-0-	604		604	
7962350F3	SAN ANTONIO, GENERAL OBLIGATION, 3.6000, 03/01/74	03/01/74	120,000		120,000	115,015	120,000	163	-0-	-0-	-0-	-0-	-0-	2,160		2,160	
7962350P1	SAN ANTONIO, GENERAL IMPROVEMENT, 3.5000, 11/01/74	11/01/74	100,000		100,000	94,871	100,000	794	-0-	-0-	-0-	-0-	-0-	3,500		3,500	
7962350E7	SAN ANTONIO, GENERAL IMPROVEMENT, 3.5000, 11/01/75	02/22/74	98,314		100,000	93,562	98,245	143	-0-	68	-0-	-0-	-0-	1,166		1,166	
VIRGINIA:																	
0133020D2	ALEXANDRIA, PUBLIC IMPROVEMENT, 3.0000, 03/01/74	03/01/74	25,000		25,000	24,429	25,000	7	-0-	-0-	-0-	-0-	-0-	375		375	
041429008	ARLINGTON CO., WATER, 3.5000, 06/01/74	06/01/74	100,000		100,000	101,032	100,000	-0-	26	-0-	-0-	-0-	-0-	1,750		1,750	
041429006	ARLINGTON CO., SIDEWALK, SER. B, 2.7500, 11/01/74	11/01/74	15,000		15,000	13,407	15,000	318	-0-	-0-	-0-	-0-	-0-	412		412	
041429006	ARLINGTON CO., STORM WATER DRAINAGE, SER. B, 2.7500, 11/01/74	11/01/74	20,000		20,000	18,410	20,000	425	-0-	-0-	-0-	-0-	-0-	550		550	
041429006	ARLINGTON CO., STREET & HIGHWAY, SER. B, 2.7500, 11/01/74	11/01/74	65,000		65,000	59,893	65,000	1,382	-0-	-0-	-0-	-0-	-0-	1,787		1,787	
0414290P9	ARLINGTON CO., SCHOOL, 3.7500, 03/01/75	03/06/74	44,529		45,000	43,202	44,682	57	-0-	-0-	-0-	-0-	-0-	152		152	
0414290P9	ARLINGTON CO., STORM WATER DRAINAGE, 3.7500, 03/01/75	03/06/74	64,320		65,000	62,403	64,540	63	-0-	-0-	-0-	-0-	-0-	220		220	
0414290P9	ARLINGTON CO., STREET & HIGHWAY, 3.7500, 03/01/75	03/06/74	89,058		90,000	86,404	89,364	115	-0-	-0-	-0-	-0-	-0-	305		305	
3038190T7	FAIRFAX CO., SEWER, SER. A, 2.7500, 07/01/74-83	07/01/74	100,000		100,000	83,639	100,000	2,190	-0-	-0-	-0-	-0-	-0-	2,750		2,750	
3038190H1	FAIRFAX CO., SCHOOL, SER. D, 3.7500, 03/01/75	03/04/74	370,481		380,000	367,216	377,853	379	-0-	-0-	-0-	-0-	-0-	1,371		7,520	
3038190Q2	FAIRFAX CO., GEN. OBLIG., GEORGE MASON COLLEGE, 6.0000, 03/01/75	02/20/74	60,145		65,000	73,242	66,292	-0-	168	-0-	-0-	-0-	-0-	147		1,906	
3038190Q2	FAIRFAX CO., GEN. OBLIG., NORTHERN VIRGINIA COMMUNITY COLLEGE, 6.0000, 03/01/75	02/20/74	137,378		135,000	192,118	137,884	-0-	350	-0-	-0-	-0-	-0-	309		3,940	
3038190Q2	FAIRFAX CO., SCHOL., SER. B, 6.0000, 03/01/75	02/20/74	70,000		70,000	74,845	70,944	-0-	126	-0-	-0-	-0-	-0-	2,053		2,053	
3038190H0	FAIRFAX CO., HEALTH FACILITIES, 6.0000, 03/01/75	02/20/74	35,616		35,000	37,329	35,422	-0-	56	-0-	-0-	-0-	-0-	1,026		1,026	
3038190V7	FAIRFAX CO., GEN. OBLIG., NORTHERN VIRGINIA COMMUNITY COLLEGE, 6.0000, 03/01/77	02/01/74	47,227		45,000	49,367	46,718	-0-	44	-0-	-0-	-0-	-0-	1,177		1,177	
3038190V7	FAIRFAX CO., SCHOOL, SER. B, 6.0000, 03/01/77	02/01/74	180,910		180,000	201,106	187,893	-0-	202	-0-	-0-	-0-	-0-	4,710		4,710	
3038190V2	FAIRFAX CO., SEWER, SER. F, 6.0000, 07/01/80	02/01/74	273,750		250,000	297,765	276,670	-0-	306	-0-	-0-	-0-	-0-	2,920		9,041	
3040816K6	FAIRFAX FUNDING, 6.0000, 04/01/76	03/05/74	40,900		40,000	50,091	42,059	-0-	171	-0-	-0-	-0-	-0-	1,159		1,073	
4260506P6	HEMLOCK CO., SCHOOL, 6.0000, 10/01/77	02/06/74	212,036		200,000	205,010	202,586	-0-	63	-0-	-0-	-0-	-0-	4,433		4,433	
655864M9	NORFOLK, GENERAL IMPROVEMENT, 2.7000, 08/01/79	03/06/74	37,816		45,000	41,194	42,742	65	-0-	-0-	-0-	-0-	-0-	4,926		749	
769412F08	REICHENBACH, PUBLIC IMPROVEMENT, SER. X, 3.2500, 01/01/74	01/01/74	300,000		300,000	285,468	300,000	-0-	-0-	-0-	-0-	-0-	-0-	4,875		4,875	
WISCONSIN:																	
489018K3	RENSHAW, CORPORATE PURPOSE, 3.4000, 04/01/75	03/06/74	146,880		150,000	124,054	143,448	1,014	-0-	2,931	-0-	-0-	-0-	2,295		2,295	
558447F9	MADISON, CORPORATE PURPOSE, 3.9000, 05/15/74	05/15/74	220,000		220,000	205,950	220,000	993	-0-	-0-	-0-	-0-	-0-	3,300		3,300	
602363G2	MILWAUKEE, SCHOOL, SER. AC, 2.6000, 07/01/74	07/01/74	50,000		50,000	47,387	50,000	167	-0-	-0-	-0-	-0-	-0-	1,300		1,300	
602363G2	MILWAUKEE, SEWER, SER. B, 2.4000, 07/01/74	07/01/74	200,000		200,000	189,548	200,000	668	-0-	-0-	-0-	-0-	-0-	5,200		5,200	
602363L3	MILWAUKEE, CORPORATE PURPOSE, PUBLIC IMPROVEMENT, SER. R, 4.0000, 04/01/79	02/27/74	444,901		450,000	414,540	425,193	666	-0-	19,707	-0-	-0-	-0-	7,750		7,750	
TOTAL POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS																	
			12,868,100		12,463,000	12,366,696	12,808,133	54,469	2,308	115,856	55,829	294,238					
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS																	
ALABAMA:																	
010608B3	PUBLIC SCHOOL & COLLEGE AUTHORITY, CAPITAL IMPROVEMENT, SERIES C, 4.2500, 07/01/79-75	02/11/74	223,200		225,000	226,350	226,606	-0-	30	-0-	-0-	-0-	-0-	3,406		6,082	

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Showing all Bonds and Stocks ACQUIRED During the Current Year and Fully DISPOSED OF During the Current Year

TYPE OF SECURITY	ISSUE DATE	NAME OF ISSUER	PAR VALUE	ACQUISITION DATE	DISPOSITION DATE	ACQUISITION PRICE	DISPOSITION PRICE	UNREALIZED GAIN (LOSS)	UNREALIZED GAIN (LOSS) PER SHARE	UNREALIZED GAIN (LOSS) PER SHARE	UNREALIZED GAIN (LOSS) PER SHARE	UNREALIZED GAIN (LOSS) PER SHARE	UNREALIZED GAIN (LOSS) PER SHARE	UNREALIZED GAIN (LOSS) PER SHARE	UNREALIZED GAIN (LOSS) PER SHARE
BONDS															
GOVERNMENTS															
UNITED STATES GOVERNMENT															
9127932Z	02/19/74	UNITED STATES TREASURY BILL, 11200%	1,000,000	02/19/74	02/19/74	1,000,000	1,000,000	-0-	-0-	-0-	-0-	-0-	-0-	239	-0-
9127932C	02/19/74	UNITED STATES TREASURY BILL, TAX ANTICIPATION, 04/19/74	30,150,000	02/19/74	02/19/74	30,150,000	30,150,000	-0-	-0-	-0-	-0-	-0-	-0-	12,114	-0-
9127932D	06/12/74	BANKERS TRUST CO. 06/12/74	4,000,000	06/12/74	06/12/74	4,000,000	4,000,000	-0-	-0-	-0-	-0-	-0-	-0-	1,083	-0-
9127932E	07/11/74	UNITED STATES TREASURY BILL, 07/11/74	16,830,000	07/11/74	07/11/74	16,740,000	16,740,000	-0-	-0-	-0-	-0-	-0-	-0-	9,510	-0-
9127932F	08/01/74	UNITED STATES TREASURY BILL, 08/01/74	16,740,000	08/01/74	08/01/74	16,740,000	16,740,000	-0-	-0-	-0-	-0-	-0-	-0-	9,510	-0-
9127932G	08/20/74	UNITED STATES TREASURY BILL, 08/20/74	20,110,000	08/20/74	08/20/74	19,850,625	19,850,625	-0-	-0-	-0-	-0-	-0-	-0-	10,963	-0-
9127932H	08/20/74	UNITED STATES TREASURY BILL, 08/20/74	3,000,000	08/20/74	08/20/74	3,000,000	3,000,000	-0-	-0-	-0-	-0-	-0-	-0-	1,479	-0-
9127932I	08/20/74	UNITED STATES TREASURY BILL, 08/20/74	4,000,000	08/20/74	08/20/74	4,000,000	4,000,000	-0-	-0-	-0-	-0-	-0-	-0-	1,183	-0-
9127932J	08/20/74	UNITED STATES TREASURY BILL, 08/20/74	2,500,000	08/20/74	08/20/74	2,500,000	2,500,000	-0-	-0-	-0-	-0-	-0-	-0-	739	-0-
9127932K	02/01/74	UNITED STATES TREASURY BILL, 02/01/74	3,000,000	02/01/74	02/01/74	3,000,000	3,000,000	-0-	-0-	-0-	-0-	-0-	-0-	3,730	-0-
9127932L	04/24/74	UNITED STATES TREASURY BILL, 04/24/74	1,000,000	04/24/74	04/24/74	1,000,000	1,000,000	-0-	-0-	-0-	-0-	-0-	-0-	281	-0-
9127932M	04/17/74	UNITED STATES TREASURY BILL, 04/17/74	1,000,000	04/17/74	04/17/74	920,000	920,000	-0-	-0-	-0-	-0-	-0-	-0-	785	-0-
9127932N	02/19/74	UNITED STATES TREASURY BILL, TAX ANTICIPATION, 02/19/74	37,340,000	02/19/74	02/19/74	37,340,825	37,340,825	-0-	-0-	-0-	-0-	-0-	-0-	13,730	-0-
9127932O	08/28/74	UNITED STATES TREASURY BILL, 08/28/74	13,000,000	08/28/74	08/28/74	11,830,000	11,830,000	-0-	-0-	-0-	-0-	-0-	-0-	3,737	-0-
9127932P	09/08/74	FEDERAL HOME LOAN BANKS, BOND, 8.100%, 02/25/75	100,000	09/08/74	09/08/74	693,000	693,000	-0-	-0-	-0-	-0-	-0-	-0-	649	-0-
9127932Q	06/18/74	FEDERAL HOME LOAN BANKS, BOND, 7.130%, 02/27/75	15,000,000	06/18/74	06/18/74	14,500,000	14,500,000	-0-	-0-	-0-	-0-	-0-	-0-	4,330	-0-
9127932R	08/23/74	FEDERAL HOME LOAN BANKS, BOND, 7.130%, 02/27/75	3,500,000	08/23/74	08/23/74	3,404,200	3,404,200	-0-	-0-	-0-	-0-	-0-	-0-	1,044	-0-
9127932S	12/09/74	FEDERAL HOME LOAN BANKS, BOND, 7.130%, 02/27/75	2,810,000	12/09/74	12/09/74	2,697,400	2,697,400	-0-	-0-	-0-	-0-	-0-	-0-	634	-0-
9127932T	08/13/74	FEDERAL HOME LOAN BANKS, BOND, 7.130%, 02/27/75	180,000	08/13/74	08/13/74	177,000	177,000	-0-	-0-	-0-	-0-	-0-	-0-	30	-0-
9127932U	09/20/74	FEDERAL HOME LOAN BANKS, BOND, 7.130%, 02/27/75	2,000,000	09/20/74	09/20/74	1,940,000	1,940,000	-0-	-0-	-0-	-0-	-0-	-0-	1,730	-0-
9127932V	07/19/74	FEDERAL HOME LOAN BANKS, BOND, 7.200%, 02/27/75	1,000,000	07/19/74	07/19/74	980,000	980,000	-0-	-0-	-0-	-0-	-0-	-0-	847	-0-
9127932W	08/13/74	FEDERAL HOME LOAN BANKS, BOND, 7.130%, 02/27/75	13,800,000	08/13/74	08/13/74	12,640,000	12,640,000	-0-	-0-	-0-	-0-	-0-	-0-	3,743	-0-
9127932X	08/13/74	FEDERAL HOME LOAN BANKS, BOND, 8.400%, 02/27/75	1,100,000	08/13/74	08/13/74	1,078,000	1,078,000	-0-	-0-	-0-	-0-	-0-	-0-	308	-0-
9127932Y	06/25/74	FEDERAL HOME LOAN BANKS, BOND, 8.750%, 02/27/75	1,400,000	06/25/74	06/25/74	1,400,000	1,400,000	-0-	-0-	-0-	-0-	-0-	-0-	413	-0-
9127932Z	08/20/74	FEDERAL HOME LOAN BANKS, BOND, 8.700%, 02/27/75	11,000,000	08/20/74	08/20/74	10,942,500	10,942,500	-0-	-0-	-0-	-0-	-0-	-0-	4,341	-0-
9127933A	08/20/74	FEDERAL HOME LOAN BANKS, BOND, 8.400%, 02/27/75	9,300,000	08/20/74	08/20/74	9,381,200	9,381,200	-0-	-0-	-0-	-0-	-0-	-0-	5,417	-0-
9127933B	09/10/74	FEDERAL HOME LOAN BANKS, BOND, 8.550%, 02/27/75	400,000	09/10/74	09/10/74	400,000	400,000	-0-	-0-	-0-	-0-	-0-	-0-	125	-0-
9127933C	08/30/74	FEDERAL HOME LOAN BANKS, BOND, 9.200%, 02/27/75	200,000	08/30/74	08/30/74	200,000	200,000	-0-	-0-	-0-	-0-	-0-	-0-	250	-0-
9127933D	12/24/74	FEDERAL HOME LOAN BANKS, BOND, 9.375%, 02/27/75	3,000,000	12/24/74	12/24/74	3,244,500	3,244,500	-0-	-0-	-0-	-0-	-0-	-0-	1,487	-0-
9127933E	08/20/74	FEDERAL HOME LOAN BANKS, BOND, 8.400%, 02/27/75	21,925,000	08/20/74	08/20/74	22,885,487	22,885,487	-0-	-0-	-0-	-0-	-0-	-0-	8,345	-0-
9127933F	08/20/74	FEDERAL HOME LOAN BANKS, BOND, 8.400%, 02/27/75	10,820,000	08/20/74	08/20/74	11,023,250	11,023,250	-0-	-0-	-0-	-0-	-0-	-0-	4,972	-0-
9127933G	08/20/74	FEDERAL HOME LOAN BANKS, BOND, 8.400%, 02/27/75	2,440,000	08/20/74	08/20/74	2,479,525	2,479,525	-0-	-0-	-0-	-0-	-0-	-0-	472	-0-
9127933H	08/20/74	FEDERAL HOME LOAN BANKS, BOND, 8.400%, 02/27/75	3,400,000	08/20/74	08/20/74	3,409,062	3,409,062	-0-	-0-	-0-	-0-	-0-	-0-	1,444	-0-
9127933I	06/26/74	FEDERAL HOME LOAN BANKS, BOND, 8.400%, 02/27/75	300,000	06/26/74	06/26/74	297,000	297,000	-0-	-0-	-0-	-0-	-0-	-0-	87	-0-
9127933J	09/08/74	FEDERAL HOME LOAN BANKS, BOND, 8.125%, 02/27/75	1,200,000	09/08/74	09/08/74	1,176,000	1,176,000	-0-	-0-	-0-	-0-	-0-	-0-	1,102	-0-

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Showing all Bonds and Stocks ACQUIRED During the Current Year and Fully DISPOSED OF During the Current Year

UNIT	DESCRIPTION OF SECURITY	ACQUISITION DATE	DISPOSITION DATE	ACQUISITION PRICE	DISPOSITION PRICE	ACQUISITION VALUE	DISPOSITION VALUE	UNREALIZED GAIN (LOSS)	ADJUSTED COST BASIS	ADJUSTED COST BASIS	ADJUSTED COST BASIS	ADJUSTED COST BASIS	ADJUSTED COST BASIS	ADJUSTED COST BASIS	ADJUSTED COST BASIS
BONDS (CONTINUED)															
UNITED STATES GOVERNMENT (CONTINUED)															
3135130G	TWELVE FEDERAL LAND BANKS, BOND, 07/08/74 LOMBARD-WALL, INC.	07/08/74	07/08/74	1,000,000	900,000	980,000	900,000	-80,000	-	-	-	-	-	248	-
3135130C	TWELVE FEDERAL LAND BANKS, BOND, 07/08/74 LOMBARD-WALL, INC.	07/08/74	07/08/74	300,000	297,000	297,000	297,000	-3,000	-	-	-	-	-	88	-
3135130D	TWELVE FEDERAL LAND BANKS, BOND, 07/08/74 LOMBARD-WALL, INC.	07/08/74	07/08/74	3,000,000	2,810,000	2,810,000	2,810,000	-190,000	-	-	-	-	-	2,507	-
3135130E	TWELVE FEDERAL LAND BANKS, BOND, 07/08/74 LOMBARD-WALL, INC.	07/08/74	07/08/74	7,500,000	7,432,500	7,432,500	7,432,500	-67,500	-	-	-	-	-	2,333	-
3135130F	FEDERAL NATIONAL MORTGAGE ASSOCIATION, BOND (GNMA), 8.25%, 09/22/73	08/08/74	08/08/74	2,000,000	2,007,500	2,007,500	2,007,500	7,500	-	-	-	-	-	1,463	-
3135130G	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, BOND, 9.450%, 05/23/73	08/08/74	08/08/74	4,700,000	4,700,000	4,700,000	4,700,000	-	-	-	-	-	-	1,468	-
3135130H	TWELVE FEDERAL LAND BANKS, BOND, 06/25/74 LOMBARD-WALL, INC.	06/25/74	06/25/74	1,000,000	970,000	970,000	970,000	-30,000	-	-	-	-	-	286	-
3135130I	TWELVE FEDERAL LAND BANKS, BOND, 07/08/74 LOMBARD-WALL, INC.	07/08/74	07/08/74	41,235,000	39,061,700	39,061,700	39,061,700	-2,173,300	-	-	-	-	-	23,207	-
3135130J	TWELVE FEDERAL LAND BANKS, BOND, 07/08/74 LOMBARD-WALL, INC.	07/08/74	07/08/74	4,000,000	3,600,250	3,600,250	3,600,250	-399,750	-	-	-	-	-	1,600	-
3135130K	TWELVE FEDERAL LAND BANKS, BOND, 07/12/74 LOMBARD-WALL, INC.	07/12/74	07/12/74	1,000,000	980,000	980,000	980,000	-20,000	-	-	-	-	-	888	-
3135130L	TWELVE FEDERAL LAND BANKS, BOND, 12/23/74 LOMBARD-WALL, INC.	12/23/74	12/23/74	2,000,000	2,080,000	2,080,000	2,080,000	80,000	-	-	-	-	-	476	-
3135130M	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	243	-
3135130N	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	21,300,000	21,300,000	21,300,000	21,300,000	-	-	-	-	-	-	4,477	-
3135130O	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	18,220,000	14,383,400	14,383,400	14,383,400	-3,836,600	-	-	-	-	-	6,610	-
3135130P	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	1,165,000	647,000	647,000	647,000	-518,000	-	-	-	-	-	420	-
3135130Q	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	2,630,000	1,917,875	1,917,875	1,917,875	-712,125	-	-	-	-	-	597	-
3135130R	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	1,000,000	750,000	750,000	750,000	-250,000	-	-	-	-	-	1,367	-
3135130S	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	410,000	373,100	373,100	373,100	-36,900	-	-	-	-	-	110	-
3135130T	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	3,600,000	1,478,000	1,478,000	1,478,000	-2,122,000	-	-	-	-	-	980	-
3135130U	UNITED STATES TREASURY BOND, 4.250%, 03/13/74	03/20/74	03/20/74	1,000,000	853,750	853,750	853,750	-146,250	-	-	-	-	-	281	-
3135130V	UNITED STATES TREASURY BOND, 7.000%, 03/13/74	03/20/74	03/20/74	300,000	282,000	282,000	282,000	-18,000	-	-	-	-	-	252	-
3135130W	UNITED STATES TREASURY BOND, 7.000%, 03/13/74	03/20/74	03/20/74	14,853,300	14,853,300	14,853,300	14,853,300	-	-	-	-	-	-	5,291	-
302155A3	EXPORT-IMPORT BANK, DEBENTURES, 5.100%, 02/20/82	03/20/74	03/20/74	6,000,000	5,100,000	5,100,000	5,100,000	-900,000	-	-	-	-	-	2,591	-
302155A2	EXPORT-IMPORT BANK, DEBENTURES, 4.250%, 02/20/82	03/20/74	03/20/74	4,000,000	3,720,000	3,720,000	3,720,000	-280,000	-	-	-	-	-	2,228	-
302155A1	EXPORT-IMPORT BANK, DEBENTURES, 4.500%, 02/20/82	03/20/74	03/20/74	2,500,000	2,345,000	2,345,000	2,345,000	-155,000	-	-	-	-	-	1,280	-
302155A0	EXPORT-IMPORT BANK, DEBENTURES, 7.000%, 03/10/74	03/20/74	03/20/74	9,500,000	8,740,000	8,740,000	8,740,000	-760,000	-	-	-	-	-	2,488	-
313477P5	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURES, 5.150%, 07/01/74	07/01/74	07/01/74	1,000,000	985,000	985,000	985,000	-15,000	-	-	-	-	-	294	-
3135130X	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.550%, 03/10/74	08/22/74	08/22/74	1,400,000	1,393,000	1,393,000	1,393,000	-7,000	-	-	-	-	-	484	-
3135130Y	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.550%, 03/10/74	08/22/74	08/22/74	5,229,800	5,229,800	5,229,800	5,229,800	-	-	-	-	-	-	2,351	-
3135130Z	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.450%, 12/10/74	12/13/74	12/13/74	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	718	-
3135130A	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 6.450%, 12/10/74	08/22/74	08/22/74	9,000,000	8,985,000	8,985,000	8,985,000	-15,000	-	-	-	-	-	2,849	-

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Do not include preferred stocks and common stocks to be grouped separately showing with 6446 for each group

Showing all Bonds and Stocks ACQUIRED During the Current Year and Fully DISPOSED OF During the Current Year

STOCK SYMBOL	DESCRIPTION	STATE ACQUIRED	NAME OF VENDOR	ACQUISITION DATE	NAME OF DISPOSER	DISPOSITION DATE	CONSIDERATION PAID	MARK VALUE AT ACQUISITION	MARK VALUE AT DISPOSITION	UNREALIZED GAIN (LOSS)	ADJUSTED COST BASIS	ADJUSTED COST BASIS AT DISPOSITION	ADJUSTED COST BASIS AT DISPOSITION	ADJUSTED COST BASIS AT DISPOSITION	ADJUSTED COST BASIS AT DISPOSITION	ADJUSTED COST BASIS AT DISPOSITION
BONDS (CONTINUED)																
UNITED STATES GOVERNMENT (CONTINUED)																
313586D6	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.750%, 12/31/78	08/07/74	LOMBARD-WALL, INC.	08/07/74	LOMBARD-WALL, INC.	08/07/74	4,275,000	4,275,000	4,275,000	-	-	-	-	1,325	-	-
313586D9	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.750%, 09/12/78	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	8,965,000	7,965,000	7,965,000	-	-	-	-	4,068	-	-
313586D8	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.750%, 09/12/78	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	2,045,000	1,963,200	1,963,200	-	-	-	-	566	-	-
313586D1	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.750%, 08/10/77	08/21/74	LOMBARD-WALL, INC.	08/21/74	LOMBARD-WALL, INC.	08/21/74	1,100,000	1,045,000	1,045,000	-	-	-	-	341	-	-
313586D7	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.750%, 12/31/78	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	4,700,000	4,433,000	4,433,000	-	-	-	-	1,407	-	-
313586D4	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.750%, 09/10/76	09/16/74	LOMBARD-WALL, INC.	09/16/74	LOMBARD-WALL, INC.	09/16/74	5,000,000	4,875,000	4,875,000	-	-	-	-	1,523	-	-
313586A3	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.750%, 12/31/78	07/01/74	LOMBARD-WALL, INC.	07/01/74	LOMBARD-WALL, INC.	07/01/74	1,000,000	975,000	975,000	-	-	-	-	291	-	-
313586D7	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.750%, 09/10/76	VARIOUS	VARIOUS	VARIOUS	VARIOUS	10,000,000	9,555,000	9,555,000	9,555,000	-	-	-	-	2,498	-	-
313586E5	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.380%, 06/10/83	06/28/74	BANKERS TRUST CO.	06/28/74	BANKERS TRUST CO.	06/28/74	500,000	500,000	500,000	-	-	-	-	354	-	-
313586E2	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.250%, 12/31/77	11/15/74	LOMBARD-WALL, INC.	11/15/74	LOMBARD-WALL, INC.	11/15/74	5,900,000	4,900,000	4,900,000	-	-	-	-	3,623	-	-
313586E1	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.500%, 12/31/77	11/12/74	LOMBARD-WALL, INC.	11/12/74	LOMBARD-WALL, INC.	11/12/74	6,300,000	6,174,000	6,174,000	-	-	-	-	1,569	-	-
313586L9	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.500%, 09/10/76	06/19/74	BANKERS TRUST CO.	06/19/74	BANKERS TRUST CO.	06/19/74	7,700,000	7,300,000	7,300,000	-	-	-	-	2,190	-	-
313586E8	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.250%, 03/12/79	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	10,200,000	9,728,000	9,728,000	-	-	-	-	3,073	-	-
313586E0	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.500%, 03/12/77	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	12,900,000	12,581,000	12,581,000	-	-	-	-	4,324	-	-
313586E6	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.500%, 09/10/76	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	4,500,000	4,265,000	4,265,000	-	-	-	-	2,183	-	-
313586E2	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.450%, 12/10/76	07/05/74	LOMBARD-WALL, INC.	07/05/74	LOMBARD-WALL, INC.	07/05/74	1,000,000	990,000	990,000	-	-	-	-	886	-	-
313586E9	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 8.450%, 03/10/78	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	4,140,000	4,091,275	4,091,275	-	-	-	-	1,940	-	-
313586E1	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 10.000%, 06/10/76	09/23/74	LOMBARD-WALL, INC.	09/23/74	LOMBARD-WALL, INC.	09/23/74	3,410,000	3,461,150	3,461,150	-	-	-	-	985	-	-
313586F0	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURES, 7.800%, 09/10/76	VARIOUS	WELDEN & CO., INC.	VARIOUS	WELDEN & CO., INC.	VARIOUS	8,500,000	8,560,750	8,560,750	-	-	-	-	3,720	-	-
901174A1	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURES, 8.800%, 02/03/75	06/25/74	LOMBARD-WALL, INC.	06/25/74	LOMBARD-WALL, INC.	06/25/74	1,000,000	1,000,000	1,000,000	-	-	-	-	293	-	-
901174A4	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURES, 9.000%, 03/28/75	VARIOUS	VARIOUS	VARIOUS	VARIOUS	37,975,500	37,954,500	37,954,500	-	-	-	-	19,788	-	-	-
901174A2	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURES, 9.250%, 04/28/75	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	5,000,000	5,000,000	5,000,000	-	-	-	-	2,687	-	-
901174A5	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURES, 8.400%, 09/10/76	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	1,120,000	1,127,175	1,127,175	-	-	-	-	476	-	-
901174E1	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURES, 8.700%, 04/04/77	07/01/74	LOMBARD-WALL, INC.	07/01/74	LOMBARD-WALL, INC.	07/01/74	1,300,000	1,300,000	1,300,000	-	-	-	-	388	-	-

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Showing all Bonds and Stocks ACQUIRED During the Current Year and Fully DISPOSED OF During the Current Year

Include preferred stocks and common stocks to be grouped separately showing subtotals for each group.

LINE NUMBER	DESCRIPTION	STATE	NAME OF VENDOR	ACQ. DATE	DISP. DATE	ACQ. PRICE	DISP. PRICE	ACQ. YIELD	DISP. YIELD	ACQ. DIVIDENDS	DISP. DIVIDENDS	ACQ. INTEREST	DISP. INTEREST	ACQ. PAID UP	DISP. PAID UP
BONDS (CONTINUED)															
UNITED STATES GOVERNMENT (CONTINUED)															
9120270W9	UNITED STATES TREASURY NOTE, SER. B, 9.000%, 08/15/80	VARIOUS	VARIOUS	VARIOUS	VARIOUS	16,790,000	17,493,100								
912027E60	UNITED STATES TREASURY NOTE, SER. B, 7.750%, 11/15/81	12/18/74	LOMBARD-WALL, INC.	12/18/74	LOMBARD-WALL, INC.	1,310,000	1,349,300								
TOTAL UNITED STATES GOVERNMENT						1,804,203,000	1,771,853,960								
HOUSING AUTHORITY															
ALABAMA:															
6835239A9	DELLIKA, NEW HSG. AUTH., PROJECT NOTE, 3RD SER., 6.380%, 12/20/74	09/10/74	BANKERS TRUST CO.	12/20/74	DIRECT MATURED	1,000,000	1,000,080								
CALIFORNIA:															
7972369A6	SAN DIEGO, NEW HSG. AUTH., PROJECT NOTE, 1ST SER., 4.680%, 11/15/74	09/26/74	MELLON BANK	11/15/74	DIRECT MATURED	260,000	259,162								
MASSACHUSETTS:															
1006519A4	BOSTON, NEW HSG. AUTH., PROJECT NOTE, 6TH SER., 6.420%, 12/20/74	12/03/74	TRUST CO. OF GEORGIA	12/20/74	DIRECT MATURED	670,000	670,281								
MISSISSIPPI:															
5187869A8	LARGEL, NEW HSG. AUTH., PROJECT NOTE, 5TH SER., 4.680%, 11/15/74	09/26/74	MELLON BANK	11/15/74	DIRECT MATURED	425,000	423,631								
MISSOURI:															
7330469A6	POPULAR BLUFF, NEW HSG. AUTH., PROJECT NOTE, 6.470%, 12/13/74	11/04/74	MELLON BANK	12/13/74	DIRECT MATURED	400,000	400,348								
PENNSYLVANIA:															
4796829A6	JOHNSTOWN, NEW HSG. AUTH., PROJECT NOTE, 1ST SER., 4.680%, 11/15/74	09/26/74	MELLON BANK	11/15/74	DIRECT MATURED	350,000	346,873								
TOTAL HOUSING AUTHORITY						3,105,000	3,102,576								
TOTAL GOVERNMENTS						1,807,308,000	1,774,956,536								
STATES, TERRITORIES AND POSSESSIONS															
CONNECTICUT:															
207725E93	GENERAL PURPOSE, SER. A, 5.450%, 06/06/74 F. B. COOPER & CO., INC.	06/06/74	CHASE MANHATTAN BANK	06/06/74		5,000,000	5,048,250								
MASSACHUSETTS:															
5755469A4	MASSACHUSETTS BAY TRANSPORTATION AUTH., BOND ANTICIPATION NOTE, 4.320%, 12/31/74	VARIOUS	VARIOUS	12/31/74	DIRECT MATURED	4,000,000	3,959,580								
5755469B2	MASSACHUSETTS BAY TRANSPORTATION AUTH., BOND ANTICIPATION NOTE, 4.350%, 12/31/74	09/04/74	MELLON BANK	12/31/74	DIRECT MATURED	2,600,000	2,559,960								
NEW JERSEY:															
6441059A4	HIGHWAY AUTH., STATE GTO. PABANT, 5.00%, 01/01/85-83	05/20/74	PAND, MC KAY & LYON, INC.	06/20/74	BANK BROTHERS & CO., INC.	20,000	14,388								
NEW YORK:															
6497829A9	TAX ANTICIPATION NOTE, 5.950%, 09/16/74	07/25/74	MELLON BANK	09/16/74	DIRECT MATURED	1,175,000	1,173,754								
6497829B7	TAX ANTICIPATION NOTE, 5.870%, 12/16/74	VARIOUS	VARIOUS	12/16/74	DIRECT MATURED	4,925,000	4,913,113								
6497829C5	TAX ANTICIPATION NOTE, 5.880%, 12/16/74	VARIOUS	VARIOUS	VARIOUS	VARIOUS	2,575,000	2,565,402								
TOTAL STATES, TERRITORIES AND POSSESSIONS						20,295,000	20,234,448								

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Showing all Bonds and Stocks ACQUIRED During the Current Year and Fully DISPOSED OF During the Current Year

Bonds, preferred stocks and common stocks to be grouped separately showing subtotals for each group

LINE NUMBER	DESCRIPTION	DATE ACQUIRED	NAME OF VENDOR	DATE	NAME OF PURCHASER (if required or noted under "REMARKS" column)	PAR VALUE OR NUMBER OF SHARES PURCHASED	ADJUSTED PAR VALUE AT ACQUISITION DATE	MARKET VALUE AT ACQUISITION DATE	ADJUSTMENT IN PAR VALUE DURING YEAR	MARKET VALUE AT END OF YEAR	ADJUSTMENT IN PAR VALUE DURING YEAR	MARKET VALUE AT END OF YEAR	ADJUSTMENT IN PAR VALUE DURING YEAR	MARKET VALUE AT END OF YEAR	ADJUSTMENT IN PAR VALUE DURING YEAR	MARKET VALUE AT END OF YEAR	ADJUSTMENT IN PAR VALUE DURING YEAR
BONDS (CONTINUED)																	
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS																	
684201948	CALIFORNIA: ORANGE CO., TAX ANTICIPATION NOTES, 6-240%, 12/23/74	11/04/74	UNITED CALIFORNIA BANK	12/23/74	DIRECT MATURED	2,000,000	2,001,020	2,000,000	2,000,000	-0-	1,020	-0-	-0-	17,779	1,025		
708135949	SAN JOSE, TAX ANTICIPATION NOTE, 09/03/74 F. B. COOPER & CO., INC.	12/27/74	F. B. COOPER & CO., INC.	12/27/74	DIRECT MATURED	1,500,000	1,502,100	1,500,000	1,500,000	-0-	2,100	-0-	-0-	34,808	3,739		
41448054	CONNECTICUT: HARTFORD CO., METROPOLITAN DISTRICT, VARIOUS PURPOSES, 4-250%, 12/01/74	09/14/74	SEATTLE-NORTHWEST SECURITIES CORP.	12/01/74	DIRECT MATURED	325,000	323,050	325,000	325,000	1,950	-0-	-0-	-0-	6,906	4,335		
20439087	NEW HAMPSHIRE: CONCORD, TAX ANTICIPATION NOTE, 12/03/74	10/15/74	SHIELDS, MOEL, RULAND, INC.	12/03/74	DIRECT MATURED	400,000	397,573	397,340	397,340	-0-	233	-0-	-0-	2,660	-0-		
56232046	MANCHESTER, TAX ANTICIPATION NOTE, 7-180%, 12/31/74	11/26/74	MELLEN BANK	12/31/74	DIRECT MATURED	1,000,000	1,001,560	1,000,000	1,000,000	-0-	1,560	-0-	-0-	37,094	31,512		
56232046	MANCHESTER, TAX ANTICIPATION NOTE, 7-180%, 12/31/74	10/01/74	SWINN & CO., INC.	12/31/74	DIRECT MATURED	950,000	942,580	950,000	950,000	7,419	-0-	-0-	-0-	35,062	25,531		
737050044	PORTSMOUTH, TAX ANTICIPATION NOTE, 12/27/74	09/10/74	BANKERS TRUST CO.	12/27/74	DIRECT MATURED	1,000,000	979,937	980,591	980,591	651	-0-	-0-	-0-	19,408	-0-		
012121949	NEW YORK: ALBANY CITY SCHOOL DISTRICT, BOND ANTICIPATION NOTE, 5-200%, 11/21/74	10/17/74	F. B. COOPER & CO., INC.	11/21/74	DIRECT MATURED	550,000	549,120	550,000	550,000	880	-0-	-0-	-0-	28,592	26,455		
631691946	NASSAU CO., BOND ANTICIPATION NOTE, 4-500%, 11/08/74	08/27/74	MELLEN BANK	11/08/74	DIRECT MATURED	200,000	198,128	200,000	200,000	1,872	-0-	-0-	-0-	9,000	7,400		
653539946	NIAGARA CO., BOND ANTICIPATION NOTE, 4-900%, 12/08/74	VARIOUS	PALME, HEBBEN, JACKSON & CURTIS, INC.	12/08/74	DIRECT MATURED	5,000,000	4,999,750	5,000,000	5,000,000	250	-0-	-0-	-0-	246,313	232,728		
751396942	RAMAPO, BOND ANTICIPATION NOTE, 5-000%, 12/03/74	10/15/74	DILLON, READ & CO., INC.	12/03/74	DIRECT MATURED	1,000,000	988,050	1,000,000	1,000,000	1,950	-0-	-0-	-0-	49,444	43,611		
705676945	UTAH: SALT LAKE CO., TAX ANTICIPATION NOTE, 4-320%, 12/31/74	12/31/74	VARIOUS	12/31/74	DIRECT MATURED	3,800,000	3,744,090	3,800,000	3,800,000	55,910	-0-	-0-	-0-	155,039	93,192		
303810061	VIRGINIA: FAIRFAX CO., PUBLIC IMPROVEMENT, 07/18/74 FOLGER, NOLAN, FLEMING, DOUGLAS, INC.	10/01/74	FOLGER, NOLAN, FLEMING, DOUGLAS, INC.	10/01/74	DIRECT MATURED	875,000	875,000	875,000	875,000	-0-	-0-	-0-	-0-	26,250	17,354		
TOTAL POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS																	
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS						18,600,000	18,511,959	18,577,931	18,577,931	70,889	4,913	-0-	-0-	668,362	486,885		
NEW YORK: NASSAU CO., REVENUE ANTICIPATION NOTE, 7-800%, 02/28/74																	
631691946	VARIOUS F. B. COOPER & CO., 12/31/74 DIRECT-REDEEMED (\$100)					2,000,000	2,004,880	2,000,000	2,000,000	-0-	4,880	-0-	-0-	-0-	2,400		
771690844	ROCHESTER, REVENUE ANTICIPATION NOTE, 4-620%, 09/13/74	07/23/74	F. B. COOPER & CO., INC.	09/13/74	DIRECT MATURED	2,000,000	1,992,240	2,000,000	2,000,000	7,760	-0-	-0-	-0-	67,759	56,980		
TOTAL SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS						4,000,000	3,997,120	4,000,000	4,000,000	7,760	4,880	-0-	-0-	67,759	59,580		
TOTAL BONDS						1,850,203,000	1,817,700,065	1,817,887,991	1,817,870,219	191,255	11,105	17,772	-0-	2,165,702	914,354		
STOCKS																	
PUBLIC UTILITIES—COMMON																	
025587101	AMERICAN ELECTRIC POWER COMPANY, INCORPORATED	04/18/74	DIRECT EXERCISE OF RIGHTS	12/30/74	WELDEN & CO., INC.	4,000	93,000	54,850	93,000	-0-	-0-	-0-	38,150	6,000	-0-		
684300107	PACIFIC GAS & ELECTRIC COMPANY INCORPORATED	10/04/74	DIRECT RIGHTS	10/16/74	AMERICAN SECURITIES CORP.	64,000	0-	13,000	0-	-0-	-0-	13,000	0-	0-	0-		
TOTAL PUBLIC UTILITIES—COMMON						93,000	93,000	67,850	93,000	-0-	-0-	13,000	38,150	6,000	-0-		

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Bonds, preferred stocks and common stocks are grouped separately showing subtotals for each group

Showing all Bonds and Stocks ACQUIRED During the Current Year and Fully DISPOSED OF During the Current Year

TYPE OF SECURITY	STATE ACQUIRED	NAME AND SYMBOL	DATE ACQUIRED	PAR VALUE	ACQUISITION COST	MARKET VALUE AT YEAR END	UNREALIZED GAIN (LOSS)	ADDITIONAL DATA	DATE ACQUIRED	PAR VALUE	ACQUISITION COST	MARKET VALUE AT YEAR END	UNREALIZED GAIN (LOSS)	ADDITIONAL DATA	
STOCKS (CONTINUED)															
INDUSTRIAL AND MISCELLANEOUS—COMMON															
880731108	OHIO	COLIAKRAFT, INCORPORATED	05/31/74	DIRECT SPIN-OFF FROM CALIN CORP. 1/25-1	0.07	16	11	16	-0-	-0-	-0-	4	-0-	-0-	
912686105	UNITED STATES	UNITED STATES STEEL CORPORATION	VARIOUS	VARIOUS	8,000	247,174	221,711	247,174	-0-	-0-	-0-	25,474	607	-0-	
						247,190	221,711	247,190	-0-	-0-	-0-	25,474	607	-0-	
						247,190	289,561	247,190	-0-	-0-	13,000	63,628	6,670	-0-	
TOTAL INDUSTRIAL AND MISCELLANEOUS—COMMON						247,190	221,711	247,190	-0-	-0-	-0-	25,474	607	-0-	
TOTAL STOCKS						247,190	289,561	247,190	-0-	-0-	13,000	63,628	6,670	-0-	
TOTAL BONDS AND STOCKS						1,014,740,255	1,818,177,553	1,818,210,420	191,255	13,100	13,772	63,628	2,172,332	914,254	-0-

The above information is based on the records of the Government Employees Insurance Company and is subject to audit by the Internal Revenue Service.

SCHEDULE D—PART 6—SECTION 1

Questionnaire Relating to the Valuation of Shares of Certain Subsidiary, Controlled, or Affiliated Companies

1 Name of Subsidiary, Controlled or Affiliated Company	2 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	3 If Yes, Amount of Such Intangible Assets	Common Stock of Such Company Owned by Insurer on Statement Date	
			4 No. of Shares	5 % of Outstanding
GEICO PROPERTIES, INC.	No	--	1,000	100%
Total	XXX		XXX	XXX

Amount of Insurer's Capital and Surplus (Page 3, Line 27 of previous year's statement filed by the insurer with its domiciliary insurance department) \$ 130,703,420

SCHEDULE D—PART 6—SECTION 2

1 Name of Lower Tier Company	2 Name of Company Listed in Section 1 which Controls Lower Tier Company	3 Amount of Intangible Assets Included in Amount Shown in Column 3, Section 1	Common Stock of Lower Tier Company Owned Indirectly by Insurer on Statement Date	
			4 No. of Shares	5 % of Outstanding
NONE				
Total	XXX		XXX	XXX

Instructions:

Section 1

Column 1: List each subsidiary, controlled or affiliated company, securities of which are directly owned by an insurer (SCA Company) for which a Form SUB-1 filing is required under Section 4 (B) of the NAIC Valuation Procedures, and which SCA Company was acquired through purchase or formation, or to which purchased assets have been transferred.

Column 2: State whether the admitted assets shown by the insurer in this statement include, through the carrying value of common stock of the SCA Company valued under Section 4 (B) of the NAIC Valuation Procedures, intangible assets arising out of the purchase of such common stock by the insurer or the purchase by the SCA Company of common stock of a lower tier company controlled by the SCA Company. For purposes of this questionnaire, intangible assets at purchase shall be defined as the excess of the purchase price over the tangible net worth (total assets less intangible assets and total liabilities) represented by such shares, as recorded immediately prior to the date of purchase on the books of the company whose stock was purchased.

Column 3: If the answer in Column 2 is "Yes," give the amount of intangible assets involved. The intangible assets shown for the SCA Company must include any intangible assets which are included in the SCA Company's carrying value of the common stock of one or more lower tier companies controlled by the SCA Company. In all cases the current intangible assets equal the intangible assets at purchase, as defined above, minus any write-off thereof between the date of purchase and the statement date. If the answer in Column 2 is "No," state "N/A" in Column 3.

Columns 4 and 5: State the number of shares of common stock of the SCA Company owned by the insurer on the statement date, and the percent owned of the outstanding shares of the same class.

Section 2

Column 1: List each company which is controlled by an SCA Company by means of a holding of a control block of the outstanding common stock, either directly or through one or more intervening companies which are also so controlled. Do not include companies which are themselves SCA Companies listed in Section 1.

Column 2: If more than one SCA Company controls the lower tier company, list each such SCA Company and complete Columns 3 - 5 separately for each.

Column 3: As explained in the Instructions for Section 1, this amount is based on the intangible assets at purchase of the stock of the lower tier company, reduced by any subsequent write-off. The amount shown is also based on the proportionate ownership of the lower tier company by the reporting insurer.

Columns 4 and 5: These figures represent the proportionate ownership by the reporting insurer through the particular SCA Company.

SCHEDULE F—PART 1A—SECTION 1
Ceded Reinsurance as of December 31, Current Year

NAME OF REINSURER (Affiliates and non-affiliates to be grouped separately showing sub-totals for each group)	LOCATION	1 Reinsurance Recoverable on Paid Losses	2 Reinsurance Recoverable on Unpaid Losses	3 Premiums in Force \$	4 Unearned Premiums (Estimated) \$
General Reinsurance Corporation	Wilmington, Delaware	-0-	680,749	3,259,079	1,719,122
Employers Reinsurance Corporation	Kansas City, Missouri	-0-	249,677	-0-	-0-
North Carolina Reinsurance Facility	Raleigh, North Carolina	-0-	30,083	144,702	70,103
Massachusetts Motor Vehicle Reinsurance Facility	Boston, Massachusetts	-0-	1,845	2,694	1,291
South Carolina Reinsurance Facility	Columbia, South Carolina	-0-	3,522	131,526	111,197
	Total Non-affiliates	-0-	965,877	3,538,003	1,901,714
	TOTALS	-0-	965,877	3,538,003	1,901,714

SCHEDULE F—PART 1A—SECTION 2
Assumed Reinsurance as of December 31, Current Year
(To be filed not later than April 1)

NAME OF REINSURED (Affiliates and non-affiliates to be grouped separately showing sub-totals for each group.)	LOCATION	1 Reinsurance Payable on Paid Losses \$	2 Reinsurance Payable on Unpaid Losses \$	3	4 Unearned Premiums (Estimated) \$
Non syndicated FAIR plans and other non syndicated state pools	Various	-0-	105,312		153,789
North Carolina Reinsurance Facility	Raleigh, North Carolina	-0-	299,105		688,275
Massachusetts Motor Vehicle Reinsurance Facility	Boston, Massachusetts	-0-	136,104		133,391
	Total Non-affiliates	-0-	540,521		975,455
	TOTALS	-0-	540,521		975,455

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE F—PART 1B
Portfolio Reinsurance Effected or Cancelled (—) during Current Year

Name of Company	1 Date of Contract	2 Amount of Original Premiums	3 Amount of Reinsurance Premiums
N O N E			
Total Reinsurance Ceded by Portfolio			
N O N E			
Total Reinsurance Assumed by Portfolio			

SCHEDULE F—PART 2
Funds Withheld on Account of Reinsurance in Unauthorized Companies as of December 31, Current Year

Name of Reinsurer	1 Unearned Premiums (Debit)	2 Paid and Unpaid Losses Recoverable (Debit)	3 Total Cols 1 Plus 2	4 Deposits by and Funds Withheld from Reinsurers (Credit)	5 Miscellaneous Balances (Credit)	6 Sum of Items in Cols. 4 and 5 but not in excess of Col. 3
N O N E						
TOTALS						

NOTES Total of Column 6 to agree with deduction taken in Item 15, Page 3
Securities held on deposit shall be valued in accordance with N. A. I. C. valuations.
Letters of credit are to be included in Column 4 and indicated by an asterisk (*). Letters of credit are not to be included in assets or liabilities on Pages 2 or 3 or supporting pages or exhibits.

SCHEDULE G

Showing Net Losses Paid on Fidelity and Surety claims that were undisposed of December 31st of the following years, as compared with Estimated Liability per Annual Statement of the respective years and at end of Current Year

1 Net Losses Unpaid December 31st per Annual Statement for Each of the Following Years (Exclude Reserves for Claims Incurred But Not Reported) Viz:		2	3 Total Amount Paid to Date Since December 31 of Year in Column 1	4 Estimated Liability December 31st Current Year	5 Total (Col. 3 + Col. 4)	6 Increase or (-) Decrease Estimate Liability (Diff. Col. 2 and 5)
1967	Fidelity Surety					
1968	Fidelity Surety					
1969	Fidelity Surety					
1970	Fidelity Surety		NONE			
1971	Fidelity Surety					
1972	Fidelity Surety					
1973	Fidelity Surety					

**SCHEDULE K
RESERVE FOR CREDIT LOSSES**

1. Net unpaid losses on policies expired prior to October 1, current year				
2. Reserve for losses on policies expired in October, November and December, current year:				
(a) Net premiums written on such policies				
(b) 50% of (a)				
(c) Net losses paid under such policies				
(d) Difference (b) -- (c)				
(e) Net losses unpaid under such policies				
(f) Reserve -- Item (d) or Item (e) whichever is greater				
3. Reserve for accrued losses on policies in force December 31, current year:				
(a) Net premiums earned under such policies				
(b) 50% of (a)				
(c) Net losses paid under such policies				
(d) Difference (b) -- (c)				
(e) Net losses unpaid under such policies				
(f) Reserve -- Item (d) or Item (e) whichever is greater				
4. Voluntary additional reserve				
5. TOTAL RESERVE				

NONE

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY
SCHEDULE H—ACCIDENT AND HEALTH EXHIBIT (To be filed not later than May 1, 1975)

	1		2		3		4		OTHER INDIVIDUAL POLICIES									
	Total		Group Accident and Health		Credits* (Group and Individual)		Collectively Renewable		5		6		7		8		9	
	Amount	%†	Amount	%†	Amount	%†	Amount	%†	Non-Cancellable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other	Amount	%†	Amount	%†	
PART 1. Premiums in Force																		
1. Premiums in force, Dec. 31, previous year																		
2. Premiums paid in advance, Dec. 31, previous year																		
3. Premiums written or renewed during year																		
4. Excess of original premiums over reinsurance assumed																		
5. Expirations and excess of original premiums over return premiums on cancellations																		
6. Premiums paid in advance, Dec. 31, current year																		
7. Premiums in force, Dec. 31, current year																		
8. Deduct reinsurance ceded premiums in force																		
9. Net premiums in force, Dec. 31, current year																		
PART 2. Analysis of Underwriting Operations																		
10. Premiums written: a. Direct																		
b. Reinsurance assumed																		
c. Reinsurance ceded																		
d. Net																		
11. Increase in advance premiums and active life reserves																		
12. Premiums earned: a. Direct																		
b. Reinsurance assumed																		
c. Reinsurance ceded																		
d. Net																		
13. Benefits of current year																		
14. Increase in claim reserves																		
15. Incurred claims: a. Direct																		
b. Reinsurance assumed																		
c. Reinsurance ceded																		
d. Net*																		
16. **Commissions: a. Direct																		
b. Reinsurance assumed																		
c. Reinsurance ceded																		
d. Net																		
17. General insurance expense																		
18. Taxes, licenses and fees																		
19. Total expenses incurred																		
20. Gain from underwriting before dividends																		
21. Dividends to policyholders																		
22. Gain from underwriting after dividends																		
PART 3. Aggregate Reserve for Accident and Health Policies																		
A. ACTIVE LIFE RESERVE																		
1. Unearned premium reserve																		
2. Additional reserves																		
3. Reserve for future contingent benefits (deferred maternity and other similar benefits)																		
4. Reserve for rate credits																		
5. TOTALS (Gross)																		
6. Reinsurance ceded																		
7. TOTALS (Net)																		
B. CLAIM RESERVE																		
1. Present value of amounts not yet due on claims																		
2. Reserve for future contingent benefits (deferred maternity and other similar benefits)																		
3. TOTALS (Gross)																		
4. TOTALS (Gross)																		
5. Reinsurance ceded																		
6. TOTALS (Net)																		
7. TOTALS (Net)																		
8. GRAND TOTALS (Net)																		

*Supplemental Loss ratios for Columns 4 to 7 inclusive. $\frac{\text{Line 15d} + \text{Line 11}}{\text{Line 10d}}$ Column 4 % Column 5 % Column 6 % Column 7 %
 †Enter only for Lines 15d, 16d and 17 in 22 inclusive, in each of the columns of the Exhibit the percentages of the amounts of the same lines to the premiums earned entered in the columns at Line 12d.
 ‡Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.
 §Includes reserves for unaccrued benefits on incurred but unreported claims. Accrued benefits should be reported on Page 9, Part 3A.
 ¶Business not exceeding 120 months duration.

SCHEDULE M

PART I

Showing all direct or indirect payments of more than \$100 (exclusive of expenses paid in connection with settlement of losses, claims and salvage under policy contracts) in connection with any matter, measure or proceeding before legislative bodies, officers or departments of government during the year, excluding company's share of such expenditures made by organizations listed in Part IV below.

1 Payee		2	3	4
Name	Address	Amount Paid	Matter, Measure or Proceeding	By Whom Authorized
N O N E				

PART II

Showing all payments (other than salary, compensation, emoluments and dividends) to or on behalf of any officer, director or employee which exceeded \$1,000 or amounted in the aggregate to more than \$10,000 during the year. (Excluding reimbursement of expenditures for transportation, board and lodging of Company Auditors, Inspectors, Claims Investigators and Adjusters, and Special Agents, and excluding payments listed in Part I.)

1 Name of Payee and Title of Position	2 Amount Paid	3 Occasion of Expense	4 By Whom Authorized
Milton S. Cole, Vice President, Personnel	1,778	Travel	R. C. Peck, President
Charles T. Connelly, Vice President and Actuary	6,923	Travel	R. C. Peck, President
Thomas N. Exarhakis, Vice President	4,545	Travel	R. C. Peck, President
Frank J. Gillen, Vice President, Employee Relations	5,518	Travel	R. C. Peck, President
Ernest M. Lucas, Vice President and Legislative Counsel	12,353	Travel	R. C. Peck, President
Walter R. Tinsley, Vice President	4,097	Travel	R. C. Peck, President
Walter E. Pose, Assistant Vice President	10,824	Travel	R. C. Peck, President
Wayne N. Akre, Director, Data Processing	5,825	Travel	R. C. Peck, President

DISCLOSURE

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

BLANK PAGE

DISCLOSURE

[®] IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

SCHEDULE M—Continued

PART III

Showing all payments for legal expenses which exceeded \$500 or aggregated more than \$5,000 during the year, exclusive of payments in connection with settlement of losses, claims and salvage under policy contracts (Excluding payments listed in Part I.)

(1) Payee		(2)	(3)	(4)
Name	Address	Amount Paid	Occasion of Expense	By Whom Authorized
Lee, Toomey & Kent	1200 Eighteenth Street, N. W. Washington, D. C. 20036	18,190	Legal	R. C. Peck, President
Lederer, Fox & Groves	Sears Tower Suite 7916 233 South Wacker Drive Chicago, Illinois 60606	18,667	Legal	R. C. Peck, President
Wyler, Balin, Pares, Soloway, Seaton & Harglin	1510 Jericho Turnpike New Hyde Park, New York 11040	2,500	Legal	R. C. Peck, President
Cravath, Swaine & Moore	One Chase Manhattan Plaza New York, New York 10005	5,082	Legal	R. C. Peck, President
O'Donnell & Hughes, P.A.	904 Market Tower Wilmington, Delaware 19899	1,807	Legal	R. C. Peck, President

PART IV

Showing all payments in excess of \$1,000 to each Trade Association, Service Organization, Statistical, Actuarial or Rating Bureau during the year (A service organization is defined as every person, partnership, association or corporation who or which formulates rules, establishes standards, or assists in the making of rates, rules, or standards for the information or benefit of insurers or rating organizations.)

(1) Payee		(2)	(3)	(4)
Name	Address	Amount Paid	Occasion of Expense	By Whom Authorized
National Association of Independent Insurers	2600 River Road Des Plaines, Illinois	352,456	Fees and Assessments	R. C. Peck, President
Insurance Services Office Pacific Regional Office	550 California Street San Francisco, California	3,122	Assessments	R. C. Peck, President
Insurance Rating Bureau of The District of Columbia	820 Woodward Building Washington, D. C.	6,608	Assessments	R. C. Peck, President
Louisiana Insurance Rating Commission	P. O. Box 66244 Central City Station Baton Rouge, Louisiana	107,635	Assessments	R. C. Peck, President
Louisiana Rating and Fire Prevention Bureau	P. O. Box 60730 New Orleans, Louisiana	4,204	Fees and Assessments	R. C. Peck, President
North Carolina Fire Insurance Rating Bureau	P. O. Box 2021 Raleigh, North Carolina	2,433	Fees and Assessments	R. C. Peck, President
North Carolina Automobile Rate Administrative Office	P. O. Box 12227 Raleigh, North Carolina	3,915	Fees and Assessments	R. C. Peck, President
Texas Automobile Insurance Service Office	P. O. Box 788 Austin, Texas	11,096	Assessments	R. C. Peck, President
National Automobile Theft Bureau	30 East 42nd Street New York, New York	88,966	Assessments	R. C. Peck, President
Virginia Automobile Insurance Plan	P. O. Box 27543 Richmond, Virginia	21,049	Fees and Assessments	R. C. Peck, President
California Automobile Assigned Risk Plan	P. O. Box 7917 San Francisco, California	4,525	Assessments	R. C. Peck, President
Massachusetts Motor Vehicle Insurance Plan	89 Broad Street Boston, Massachusetts	78,849	Assessments	R. C. Peck, President
South Carolina Reinsurance Facility	P. O. Box 4383 Columbia, South Carolina	9,740	Fees and Assessments	R. C. Peck, President
South Carolina Automobile Insurance Plan	1300 Pickens Street Columbia, South Carolina	4,658	Fees and Assessments	R. C. Peck, President
Texas Automobile Insurance Plan	404 Brown Building Austin, Texas	4,116	Assessments	R. C. Peck, President
Hawaii Insurance Rating Bureau	P. O. Box 4500 Honolulu, Hawaii	11,402	Assessments	R. C. Peck, President
Mississippi Insurance Commission	P. O. Box 2306 Jackson, Mississippi	1,637	Assessments	R. C. Peck, President
Hawaii Automobile Insurance Plan	P. O. Box 4500 Honolulu, Hawaii	1,624	Assessments	R. C. Peck, President
Insurance Crime Prevention Institute	21 Charles Street Westport, Connecticut	57,081	Assessments	R. C. Peck, President
District of Columbia Automobile Insurance Plan	305 West Chesapeake Avenue Baltimore, Maryland	2,699	Assessments	R. C. Peck, President
Michigan Basic Property Insurance Association	P. O. Box 86 Detroit, Michigan	4,709	Assessments	R. C. Peck, President
Association of Automobile Insurance Plans	161 William Street New York, New York	126,494	Assessments	R. C. Peck, President
Automobile Insurance Plans Service Office	733 Third Avenue New York, New York	560,765	Assessments	R. C. Peck, President
Massachusetts Property Insurance Underwriting Association	Two Center Plaza Boston, Massachusetts	5,009	Assessments	R. C. Peck, President
Insurance Services Office	160 Water Street New York, New York	522,336	Assessments	R. C. Peck, President
Insurance Industry Subscription Services	85 John Street New York, New York	44,214	Assessments	R. C. Peck, President

DISCLOSURE

(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

SCHEDULE N

Showing all Banks, Trust Companies, Savings and Loan and Building and Loan Associations in which deposits were maintained by the company at any time during the year and the balances, if any (according to Company's records) on December 31, of the current year. Exclude balances represented by a negotiable instrument.

1 DEPOSITORY (Give Full Name and Location. State if depository is a parent, subsidiary or affiliate.) Show rate of interest and maturity date in the case of certificates of deposit or time deposits maturing more than one year from statement date	2 Amount of Interest Received During Year	3 Amount of Interest Accrued December 31 of Current Year	4 Balance
OPEN DEPOSITORIES			
Bank of Bethesda Bethesda, Maryland	-0-	-0-	1,277,986
Chase Manhattan Bank New York, New York	-0-	-0-	61,736
Chemical Bank New York, New York	-0-	-0-	81,670
Citizens and Southern National Bank Macon, Georgia	-0-	-0-	629,967
Crocker National Bank San Francisco, California	-0-	-0-	79,897
First National Bank of Maryland Baltimore, Maryland	-0-	-0-	49,853
Girard Bank Philadelphia, Pennsylvania	-0-	-0-	63,398
Long Island Trust Company Garden City, New York	-0-	-0-	230,011
Manufacturers Hanover Trust Company New York, New York	-0-	-0-	981,190
Marine Midland Bank Forest Hills, New York	-0-	-0-	44,704
Maryland National Bank Silver Spring, Maryland	-0-	-0-	225,431
National Bank of Washington Washington, D. C.	-0-	-0-	118,529
National Community Bank Fair Lawn, New Jersey	-0-	-0-	67,657
National Savings and Trust Company Washington, D. C.	-0-	-0-	116,455
Riggs National Bank Washington, D. C.	-0-	-0-	2,584,403
Security Pacific National Bank Los Angeles, California	-0-	-0-	66,664
Suburban Trust Company Hyattsville, Maryland	-0-	-0-	390,701
Union Trust Company Washington, D. C.	-0-	-0-	190,000
United Bank of Lakewood Denver, Colorado	-0-	-0-	148,997
Virginia National Bank Norfolk, Virginia	-0-	-0-	60,250
Wells Fargo Bank San Francisco, California	-0-	-0-	287,388
Deposits in 22 depositories which do not exceed the Federally insured amount in any one depository	-0-	-0-	387,326
TOTALS - Open Depositories	-0-	-0-	8,144,724
SUSPENDED DEPOSITORIES			
TOTALS - Suspended Depositories	-0-	-0-	-0-
GRAND TOTALS - All Depositories	-0-	-0-	8,144,724

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

January	4,891,172	April	3,125,724	July	4,607,860	October	3,553,694
February	5,196,802	May	4,431,419	August	4,198,782	November	2,958,712
March	3,934,605	June	4,529,738	September	4,167,240	December	8,144,724

In each case where the depository is not incorporated and subject to governmental supervision, the word "PRIVATE" in capitals and in parentheses, thus (PRIVATE), should be inserted to the left of the name of the depository. Any deposit in a suspended depository which is taken credit for should have a star * marked opposite the amount in the schedule.

Deposits in federally insured depositories not exceeding the insured amount may be combined and reported opposite the caption "Deposits in (insert number) depositories which do not exceed the Federally insured amount in any one depository". Negotiable certificates of deposit to be reported in Schedule D.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

13

SCHEDULE O
Losses Other Than Auto Liability (B.1.), Liability Other Than Auto (B.1.) and Workmen's Compensation

1	2 3 4			5 6 7			8 Total (Col. 2+3+4 -5-6-7) net disburse- ments per Col. 3 Part 3	9 Losses paid during 1973 on losses incurred prior to 1973 (Col. 3+4 Schedule O, 1973)	10 11 12			13 Total per Col. 5 Part 3A (Col. 10+ 11+12) (b)	14 15		16 17		18 19		
	Losses paid during the year less salvage and reinsurance received thereon during the year (a)			Salvage and reinsurance received in the current year					Losses unpaid December 31 of current year				Development		Estimated liability on unpaid losses		Change in such estimated liability		
	On losses incurred during 1974	On losses incurred during 1973	On losses incurred prior to 1973	On losses incurred and paid during 1973	On losses incurred prior to 1973 and paid during 1973	On losses paid prior to 1973			On losses incurred during 1974	On losses incurred during 1973	On losses incurred prior to 1973		On losses incurred prior to 1974 (Col. 3+4 +11+12)	On losses incurred prior to 1973 (Col. 4-5 +9+12)	Dec. 31, 1973 per Col. 5 Part 3A, 1973 (b)	Dec. 31, 1972 per Col. 5 Part 3A, 1972 (b)	Dec. 31, 1973 (Col. 14 less Col. 16)	Dec. 31, 1972 (Col. 15 less Col. 17)	
1. Fire	729,421	300,048	30,547	62	142	14,798	1,045,025	119,461	597,007	77,297	18,831	693,732	426,720	168,697	336,154	311,914	90,366	-143,216	
2. Allied lines	229,468	133,701	12,461	126	176	3,471	371,857	66,092	195,635	18,711	7,811	222,171	172,699	86,188	195,972	117,390	-23,223	-31,201	
3. Farmowners multiple peril																			
4. Homeowners multiple peril	13,323,511	4,227,965	493,529	303,483	-0-	8,645	17,742,878	2,725,332	4,236,368	361,622	350,744	4,966,739	5,433,867	3,969,626	4,157,750	2,941,833	1,276,117	627,792	
5. Commercial multiple peril																			
8. Ocean marine																			
9. Inland marine	566,237	124,041	18,257	-0-	-0-	-0-	708,696	176,490	199,925	11,195	7,465	178,384	160,957	202,213	97,384	109,308	63,573	92,904	
10.																			
11.																			
12. Earthquake																			
14. Group accident and health																			
15.1 Credit A & H (Group and Individual) (d)																			
15.2 Collectively renewable A & H																			
15.3 Non-cancellable A & H																			
15.4 Guaranteed renewable A & H																			
15.5 Non-renewable for stated reasons only																			
15.6 Other accident only																			
15.7 All other A & H																			
16. Liability other than auto (P.D.) (c)	X X X	X X X	209,218	X X X	X X X	5,377	204,041	736,440	X X X	X X X	381,231	381,231	590,650	1,325,290	796,190	1,605,928	-203,560	-280,637	
20. Auto liability (P.D.) (c)	128,556,831	8,906,915	-2,713,235	308,079	-0-	292,293	133,950,138	8,239,439	12,945,027	750,148	181,981	13,877,157	7,125,809	5,708,185	13,423,418	15,445,592	-6,297,608	-9,737,406	
21. Auto phys. damage																			
22. Aircraft (all perils)																			
23. Fidelity	25	-0-	-0-	-0-	-0-	-0-	25	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
24. Surety																			
25. Glass																			
26. Burglary and theft																			
27. Boiler and machinery																			
28. Credit																			
29. International																			
30. Reinsurance																			
31. TOTAL	143,415,668	13,692,672	-1,949,020	811,752	318	324,586	154,022,663	12,061,476	18,134,563	1,218,987	948,066	20,321,617	13,910,706	11,060,703	19,008,871	20,531,968	-5,094,167	-9,471,764	

* Exclude reserves for Fidelity and Surety losses incurred but not reported

(a) Salvage and reinsurance as used in Columns 2, 3 and 4 include (1) received in cash, and (2) reinsurance recoverable (charged during year of statement) if carried as a ledger asset, as used in Columns 5, 6 and 7 include (1) received in cash and not carried as a ledger asset in previous statements, and (2) reinsurance recoverable (charged during year of statement) if carried as a ledger asset

(b) Fidelity and Surety reserves obtained from Column 3 Lines 23 and 24, Part 3A

(c) Include amounts only for those losses which were incurred prior to 1971

(d) Business not exceeding 120 months duration

DISCLOSURE ^(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE ^(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE P—PART 1A—AUTO LIABILITY
Reserve for Unpaid AUTO LIABILITY LOSSES December 31 of Current Year†

SCHEDULE OF EXPERIENCE

Years in Which Policies Were Issued	1 Years in Which Premiums Were Earned and Losses Were Incurred	2 Premiums Earned (See Notes (a) and (b))	3 (c) Liability Loss Payments	(d) Liability Loss Expense Payments					7 Liability Loss and Loss Expense Payments (Col 3 Plus Col 6)	8 Ratio 7 ÷ 2 %	9 Number of Suits	10 (e) Total Estimated Reserve for Liability Losses, Case-basis	10½ (d) (e) Total Estimated Reserve for Loss Expense Pertaining to Case-basis Loss Estimates	11 Total Liability Losses (Sum of Items in Cols 7, 10 and 10½)	12 Ratio 11 ÷ 2 %	
				4 Allocated	4a Ratio 4 ÷ 3 %	5 (g) Unallocated	5a Ratio 5 ÷ 3 %	6 (Col 4 Plus Col 5)								
1	Prior to 1967															
2	1967	Prior to 1969	485,691,510	301,403,419	39,717,525	13.18	24,171,717	8.02	63,889,243	365,292,663	75.21	279	245,166	36,411	365,574,241	75.27
3	1968	Prior to 1969	92,585,409	57,883,909	6,924,953	11.96	3,730,927	6.45	10,655,881	68,539,790	74.03	277	518,712	77,049	69,135,552	74.67
4	1969	Prior to 1969	45,294,634	36,020,447	4,388,344	12.18	3,598,912	9.99	7,987,256	44,007,703	97.16	311	335,390	49,769	44,392,863	98.01
5	1970		106,588,050	75,114,350	9,083,642	12.09	4,395,286	5.85	13,478,929	88,593,280	83.12	776	1,451,209	215,560	90,260,050	84.68
6	1971		129,276,202	85,614,826	9,583,670	11.19	4,430,933	5.18	14,014,604	99,629,430	77.07	1,810	4,244,515	630,000	104,503,946	80.84
7	1971		234,838,719	153,098,346	13,944,365	9.11	13,223,658	8.64	27,168,024	180,266,371	76.76	4,569	10,749,484	1,597,788	192,613,644	82.02
8		Total first period	1,094,274,525	709,135,300	83,642,503	11.79	53,551,436	7.55	137,193,939	846,329,239	77.34	8,022	17,544,479	2,606,580	866,480,299	79.18
9	1972		277,048,036	164,638,781	11,969,742	7.27	18,247,800	11.08	30,217,543	194,856,324	70.33	8,404	23,493,072	3,483,405	221,829,802	80.07
10	1973		298,768,759	149,897,280	8,115,300	5.41	21,410,923	14.28	29,526,318	179,423,598	60.05	10,947	45,620,470	6,790,091	231,834,160	77.60
11	1974		318,134,079	88,341,543	3,721,630	4.21	17,852,388	20.21	21,574,018	109,915,562	34.55	3,132	121,133,431	18,473,840	249,522,834	78.43
12		Total second period	893,950,874	402,877,605	23,806,767	5.91	57,511,112	14.28	81,317,880	484,195,485	54.16	22,483	190,243,973	28,747,337	703,186,797	78.66
		GRAND TOTAL	1,988,225,400	1,112,012,905	107,449,270	9.66	111,062,548	9.99	218,511,819	1,330,524,725	66.92	30,505	207,788,453	31,353,918	1,569,667,096	78.95

COMPUTATION OF RESERVE FOR UNPAID AUTO LIABILITY LOSSES

	Years in Which Premiums Were Earned and Losses Were Incurred	13 60% of Earned Premiums Stated in Col 2	14 Deduct Loss Payments and Expenses (Col 7)	15 Remainder (Col 13 Less Col 14) If negative Enter 0	16 Estimated Reserve for Liability Losses and Loss Expense, Case-basis (Cols 10 and 10½)	17 Carry Out for Each Year Amount Stated in Col 15 or 16, Whichever is Greater	18 Total Incurred Liability Losses (Col 14 Plus Col 17)	19 Incurred Loss Ratio (Col 18 Divided by Col 2) %
8	1972	166,228,822	194,856,324	-0-	26,973,478	26,973,478	221,829,802	80.07
9	1973	179,261,255	179,423,598	-0-	52,410,562	52,410,562	231,834,160	77.60
10	1974	190,880,447	109,915,562	80,964,884	139,607,271	139,607,271	249,522,834	78.43
11	TOTALS	536,370,524	484,195,485	80,964,884	218,991,311	218,991,311	703,186,797	78.66
20	Reserve for unpaid liability losses and loss expense, first period (sum of Cols 10 and 10½, first period)					20,151,059		
21	Reserve for unpaid liability losses and loss expense, second period (total of Col. 17)					218,991,311		
22	Total reserve for unpaid liability losses and loss expense					239,142,371		

†Includes only Bodily Injury Liability prior to 1971
See Schedule P, Part 2 for footnotes.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

WE

SCHEDULE P—PART 1B—LIABILITY OTHER THAN AUTO
Reserve for Unpaid LIABILITY OTHER THAN AUTO LOSSES December 31 of Current Year†

SCHEDULE OF EXPERIENCE

Years in Which Policies Were Issued	Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned (See Notes (a) and (b))	(c) Liability Loss Payments	(d) Liability Loss Expense Payments					7 Liability Loss and Loss Expense Payments (Col. 3 Plus Col. 6)	8 Ratio 7/3	9 Number of Suits	10 (e) Total Estimated Reserve for Liability Losses Case basis	10½ (d) (e) Total Estimated Reserve for Loss Expense Pertaining to Case basis Loss Estimates	11 Total Liability Losses (Sum of Items in Cols. 7, 10 and 10½)	12 Ratio 11 ÷ 2 %
				4 Allocated	4a Ratio 4 ÷ 3	5 (g) Unallocated	5a Ratio 5 ÷ 3	6 (Total Col. 4 Plus Col. 5)							
1	Prior to 1967														
2	1967	184,016	17,800	139,079	18.85	142,396	19.30	281,475	1,019,164	41.40	14	10,291	1,960	1,031,415	41.89
3	1968	82,576	17,008	3,492	17.80	8,932	45.02	12,424	32,264	17.53	1	450	85	32,800	17.82
4	1969	208,522	35,487	3,305	19.44	6,547	38.49	9,852	26,861	32.53	-	151	28	27,041	32.75
5	1970	210,015	30,371	9,486	26.73	6,566	18.50	16,052	51,540	24.72	2	1,384	263	53,189	25.51
6	1971	217,279	68,762	10,257	33.77	6,426	21.16	16,683	47,055	22.41	2	990	188	48,235	22.97
7	Total first period	3,364,455	909,157	171,802	18.90	181,517	19.97	353,320	1,262,477	37.52	23	29,627	3,115	1,05,066	48.76
8	1972	222,140	43,565	6,690	15.36	12,457	28.59	19,146	62,713	28.23	2	-1,953	-372	60,387	27.18
9	1973	258,148	8,808	4,340	49.28	6,254	71.00	10,594	19,402	7.52	2	18,486	3,746	41,635	16.13
10	1974	299,593	70,440	5,185	7.36	19,556	27.76	24,742	95,182	31.77	1	34,028	9,256	138,466	46.22
11	Total second period	779,882	122,813	16,217	13.20	38,267	31.16	54,485	177,298	22.73	5	50,560	12,630	240,489	30.84
12	GRAND TOTAL	4,144,337	1,031,971	188,020	18.22	219,785	21.30	407,805	1,439,776	34.74	28	80,188	18,273	1,538,238	37.12

COMPUTATION OF RESERVE FOR UNPAID LIABILITY OTHER THAN AUTO LOSSES

	Years in Which Premiums Were Earned and Losses Were Incurred	13 60% of Earned Premiums Stated in Col. 2	14 Deduct Loss Payments and Expense Stated in Column 7	15 Remainder (Col. 13 Less Col. 14) If negative enter 0	16 Estimated Reserve for Liability Losses and Loss Expense, Case basis (Cols. 10 and 10½)	17 Carry Out for Each Year Amount Stated in Col. 15 or 16, Whichever is Greater	18 Total Incurred Liability Losses (Col. 14 Plus Col. 17)	19 Incurred Loss Ratio (Col. 18 Divided by Col. 2) %
8	1972	133,284	62,713	70,570	-2,325	70,570	133,284	60.00
9	1973	154,889	19,402	135,486	22,232	135,486	154,889	60.00
10	1974	179,755	95,182	84,573	43,284	84,573	179,755	60.00
11	TOTALS	467,929	177,298	290,630	63,191	290,630	467,929	60.00
20	Reserve for unpaid liability losses and loss expense, first period (sum of Cols. 10 and 10½, 16-17 period)							
21	Reserve for unpaid liability losses and loss expense, second period (total of Col. 17)							
22	Total reserve for unpaid liability losses and loss expense							
						35,270		
						290,630		
						325,901		

†Includes only Bodily Injury Liability prior to 1971
See following page for footnotes.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE P—PART 2
Reserve for Unpaid WORKMEN'S COMPENSATION LOSSES December 31 of Current Year

SCHEDULE OF EXPERIENCE

Years in Which Policies Were Issued	1 Years in Which Premiums Were Earned and Losses Were Incurred	2 Premiums Earned (See Notes a and b)	3 (c) Compensation Loss Payments	(d) COMPENSATION LOSS EXPENSE PAYMENTS					7 Compensation Loss and Loss Expense Payments (Col 3 plus Col 6)	8 Ratio 7 ÷ 2 %	RESERVE FOR COMPENSATION LOSSES AND LOSS EXPENSE			11 Total Compensation Losses (Sum of Items in Cols 7, 10 and 10½)	12 Ratio 11 ÷ 2 %
				4 Allocated	4a Ratio 4 ÷ 3 %	5 (g) Unallocated	5a Ratio 5 ÷ 3 %	6 Total			9 No	10 (e) (f) Total Estimated Reserve for Compensation Losses, Case basis	10½ (d) (e) Total Estimated Reserve for Loss Expense Pertaining to Case basis Loss Estimates		
1	Prior to 1967	Prior to 1969													
2	1967	Prior to 1969													
3	1968	Prior to 1969													
4		1969													
5		1970													
6		1971													
7		Total first period													
8		1972													
9		1973													
10		1974													
11		Total second period													
12		GRAND TOTAL													

COMPUTATION OF RESERVE FOR UNPAID COMPENSATION LOSSES

	Years in Which Premiums Were Earned and Losses Were Incurred	13 65% of Earned Premium Stated in Column 2	14 Deduct Loss Payments and Expense Stated in Column 7	15 Remainder (Col 13 less Col 14) If negative Enter "0"	16 Unpaid Compensation Losses and Loss Expense (Cols 10 and 10½)	17 Carry Out for Each Year Amount Stated in Col 15 or 16, Whichever is Greater	18 Total Incurred Compensation Losses (Col 14 Plus Col 17)	19 Incurred Loss Ratio (Col 18 Divided by Col 2) %
8	1972							
9	1973							
10	1974							
11	TOTALS							

20 Reserve for unpaid compensation losses and loss expense, first period (sum of Cols 10 and 10½, first period)
21 Reserve for unpaid compensation losses and loss expense, second period (total of Col 17)
22 Total reserve for unpaid compensation losses and loss expense

Notes: (a) The earned premiums shown for years prior to 1969 should be unchanged from the amounts shown in the 1968 Schedule P. The earned premiums shown for 1969 and subsequent years should be the same as the amounts shown on Page 6, Column 4 for the same calendar year.
(b) Any participating Company which has charged in its premiums a loading solely for dividends shall not be required to include such loading in its earned premiums, provided a statement of the amount of such loading has been filed with and approved by the superintendent of insurance.
(c) There should be included with "Loss Payments" all payments for first aid and medical attendance. Are they so returned in this statement? Answer: Yes.
(d) The term "loss expense" includes all payments for legal expenses, including attorney's and witness fees and court costs, salaries and expenses of investigators, adjusters and field men, rents, stationery, telegraph and telephone charges, postage, salaries and expenses of office employees, home office expenses and all other payments under or on account of such injuries, whether the payments are allocated to specific claims or are unallocated. Are they so returned in this statement? Answer: Yes.
(e) Include the provision for interest but not reported items.
(f) State maximum rate of interest used in determining present values of future payments. None %
(g) The unallocated loss expense payments paid during the most recent calendar year for each Section or Part of this Schedule should be distributed to the various years in which losses were incurred for years in which policies were issued for losses incurred prior to 1969 as follows: (1) 45% to the most recent year, (2) 5% to the next most recent year, and (3) the balance to all years, including the most recent, in proportion to the amount of loss payments paid for each year during the most recent calendar year. If the distribution in (1) or (2) produces an accumulated distribution to such year in excess of 10% of the premiums earned for such year, disregarding all distributions made under (3), such accumulated distribution should be limited to 10% of premiums earned and the balance distributed in accordance with (3). Are they so returned in this statement? Answer: Yes.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

15

SCHEDULE P—PART 2A

Losses for Lines of Business that include Property and Liability (Farmowners multiple peril, Homeowners multiple peril, Commercial multiple peril, Ocean marine, Aircraft (all perils) and Boiler and machinery)

1 Years in Which Premiums Were Earned and Losses Were Incurred	2 Premiums Earned	3 Loss Payments	(d) LOSS EXPENSE PAYMENTS					7 Loss and Loss Expense Payments (Col 3 Plus Col 6)	8 Ratio 7 ÷ 2 %	9 Number of Suits	10 Losses Unpaid December 31 Of Current Year	10½ Loss Expense Unpaid Dec 31 of Current Year	11 Total Losses & Loss Expense Incurred (Sum of Cols. 7, 10 and 10½)	12 Ratio 11 ÷ 2 %
			4 Allocated	4a Ratio 4 ÷ 3 %	5 Unallocated (a)	5a Ratio 5 ÷ 3 %	6 Total (Col 4 Plus Col 5)							
1 Prior to 1973	73,599,178	43,736,083	3,491,329	7.98	5,158,228	11.79	8,649,558	52,385,641	71.18	248	350,744	39,178	52,775,364	71.71
2 1973	24,333,797	13,550,158	747,471	5.52	1,378,765	10.18	2,126,236	15,676,395	64.42	147	361,626	41,637	16,079,659	66.08
3 1974	29,361,960	13,333,511	626,812	4.70	1,843,559	13.83	2,470,371	15,803,883	53.82	82	4,256,368	552,001	20,612,253	70.20
TOTALS	127,294,936	70,619,753	4,865,613	6.89	8,380,553	11.87	13,246,166	83,865,920	65.88	477	4,968,739	632,817	89,467,477	70.28

(d) The term "loss expense" includes all payments for legal expenses, including attorneys and witness fees and court costs; salaries and expenses of investigators, adjusters and field men; rents, stationery, telegraph and telephone charges, postage, salaries and expenses of office employees, home office expenses and all other payments under or on account of such losses, whether the payments are allocated to specific claims or are unallocated. Are they so reported in this statement? Answer: Yes

(e) The unallocated loss expense payments paid during the most recent calendar year should be distributed to the various years in which losses were incurred as follows: (1) 45% to the most recent year; (2) 5% to the next most recent year; and (3) the balance to all years, including the most recent, in proportion to the amount of loss payments paid for each year during the most recent calendar year. If the distribution in (1) or (2) produces an accumulated distribution to such year in excess of 10% of the premiums earned for such year, disregarding all distributions made under (3), such accumulated distribution should be limited to 10% of premiums earned and the balance distributed in accordance with (3). Are they so reported in this statement? Answer: Yes

DISCLOSURE ^(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE ^(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

SCHEDULE P—PART 3A—Development of Incurred Auto Liability Losses†

Sums of Columns 3 and 10, Schedule P, Part 1A for 1970 and Prior, Column 11, Schedule P, Part 1A for 1971 and Later. Use Corresponding Columns for Reserve Dates Prior to 1973

1 Years in Which Losses Were Incurred	RESERVE DATE					
	2 Dec. 31 1969	3 Dec. 31 1970	4 Dec. 31 1971	5 Dec. 31 1972	6 Dec. 31 1973	7 Dec. 31 1974
1 Prior to 1969	390,677,654	394,148,902	393,506,736	395,244,825	396,156,842	396,407,046
2 1969	62,789,579	70,153,301	70,423,613	73,738,316	75,683,763	76,565,560
3 Cumulative Total	453,467,233	464,302,203	463,930,349	468,983,141	471,840,606	472,972,606
4 1970	XXXX	71,441,115	75,542,207	82,531,140	87,331,689	89,859,341
5 Cumulative Total	XXXX	535,743,319	539,472,556	551,514,281	559,172,295	562,831,948
6 1971	XXXX	XXXX	189,692,861	180,806,319	184,822,206	192,613,644
7 Cumulative Total	XXXX	XXXX	729,165,418	732,320,601	743,994,501	755,445,593
8 1972	XXXX	XXXX	XXXX	214,426,393	209,480,588	221,829,802
9 Cumulative Total	XXXX	XXXX	XXXX	946,746,995	953,475,090	977,275,395
10 1973	XXXX	XXXX	XXXX	XXXX	240,625,006	231,834,160
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX	1,194,100,097	1,209,109,556
12 1974	XXXX	XXXX	XXXX	XXXX	XXXX	249,522,834

SCHEDULE P—PART 3B—Development of Incurred Liability Other Than Auto Losses†

Sums of Columns 3 and 10, Schedule P, Part 1B for 1970 and Prior, Column 11, Schedule P, Part 1B for 1971 and Later. Use Corresponding Columns for Reserve Dates Prior to 1973

1 Years in Which Losses Were Incurred	RESERVE DATE					
	2 Dec. 31 1969	3 Dec. 31 1970	4 Dec. 31 1971	5 Dec. 31 1972	6 Dec. 31 1973	7 Dec. 31 1974
1 Prior to 1969	730,923	748,814	771,263	784,435	784,238	785,430
2 1969	29,224	33,324	34,949	36,225	36,420	36,872
3 Cumulative Total	760,147	782,139	806,213	820,661	820,659	822,302
4 1970	XXXX	23,549	30,107	31,485	38,223	31,362
5 Cumulative Total	XXXX	805,688	836,321	852,146	858,882	853,665
6 1971	XXXX	XXXX	83,439	94,295	104,481	105,066
7 Cumulative Total	XXXX	XXXX	919,761	946,442	963,363	958,731
8 1972	XXXX	XXXX	XXXX	61,261	56,802	60,387
9 Cumulative Total	XXXX	XXXX	XXXX	1,007,703	1,020,166	1,019,118
10 1973	XXXX	XXXX	XXXX	XXXX	64,882	41,635
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX	1,085,049	1,060,754
12 1974	XXXX	XXXX	XXXX	XXXX	XXXX	138,466

SCHEDULE P—PART 3C—Development of Incurred Compensation Losses

Sums of Columns 3 and 10, Schedule P, Part 2 for 1970 and Prior, Column 11, Schedule P, Part 2 for 1971 and Later

1 Years in Which Losses Were Incurred	RESERVE DATE					
	2 Dec. 31 1969	3 Dec. 31 1970	4 Dec. 31 1971	5 Dec. 31 1972	6 Dec. 31 1973	7 Dec. 31 1974
1 Prior to 1969						
2 1969						
3 Cumulative Total						
4 1970	XXXX					
5 Cumulative Total	XXXX					
6 1971	XXXX	XXXX				
7 Cumulative Total	XXXX	XXXX				
8 1972	XXXX	XXXX	XXXX			
9 Cumulative Total	XXXX	XXXX	XXXX			
10 1973	XXXX	XXXX	XXXX	XXXX		
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX		
12 1974	XXXX	XXXX	XXXX	XXXX	XXXX	

†Includes Only Bodily Injury Liability Prior to 1971

BLANK PAGE

BLANK PAGE

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE X—PART 1—UNLISTED ASSETS

*Showing all property owned by the Company or in which it had any interest, on December 31 of current year, which is not entered on any other schedule and which is not included in the financial statement for the current year

1 Description	2 From Whom Acquired	3 Date When Acquired	4 Date When Charged Off From Statement	5 Par Value	6 Actual Cost	7 Book Value When Charged Off	8 Market Value December 31 of Current Year	9 Gross Income Therefrom During Year	10 Outlays Made During Year	11 Reasons For Not Carrying Property on Books
NONE										
		TOTALS								

SCHEDULE X—PART 2

Showing all property acquired or transferred to Schedule X, Part 1, during the year except that shown in Schedules A, B, BA, C and D and except furniture, fixtures and supplies

1 Description	2 Date of Acquisition	3 From Whom Acquired	4 Par Value	5 Actual Cost
NONE				
			TOTALS	

SCHEDULE X—PART 3

Showing all property sold or transferred from Schedule X, Part 1, during the year except that shown in Schedules A, B, BA, C and D

1 Description	2 Date of Acquisition	3 From Whom Acquired	4 Par Value	5 Actual Cost	6 Date of Sale	7 To Whom Sold	8 Consideration	9 Gross Income Therefrom During Year	10 Outlay Thereon During Year Other Than Cost
NONE									
		TOTALS							

*Companies should send entries in this schedule to items transferred from asset accounts. NOTE: Interest, dividends and real estate income should be reported in Part 1, Line 8; Page 5. Capital gains on investments should be reported in Part 1A, Line 7b; Page 5. Any other receipts should be reported in Item 12, Page 4.

ANNUAL STATEMENT FOR THE YEAR 1974 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE Y—TRANSACTIONS WITH AFFILIATES

(May be Omitted in the Individual Company Annual Statement of Fire and Casualty Insurers which also File in the Same Jurisdiction a Consolidated Annual Statement)

PART 1. Transactions by the company and any affiliated insurer with any affiliate. Non insurance transactions involving less than 1% of the total assets of the largest affiliated insurer may be omitted. Exclude cost allocation transactions based upon generally accepted accounting principles, and reinsurance transactions.

1 Date of Transaction	2 Explanation of Transaction	3 Name of Insurer	4 Name of Affiliate	Assets Received by Insurer		Assets Transferred by Insurer	
				5 Statement Value	6 Description	7 Statement Value	8 Description
May 1, 1974	Sale of land and building (Southeastern Regional Office) under construction	Government Employees Insurance Company (GEICO)	GEICO Properties, Inc. (GPI)	\$4,556,433	Cash	\$4,556,433	Land and building under construction

PART 2. Guarantees or undertakings for the benefit of an affiliate which result in a contingent exposure of the Company's or any affiliated insurer's assets to liability. List and describe.

In connection with the transaction described in Part 1 of Schedule Y, GEICO entered into an undertaking with GPI wherein GEICO agrees to make sufficient funds available to GPI to meet the latter's obligations under a trust indenture pursuant to which GPI sold its notes in order to finance such transaction. See General Interrogatories - Part B.

PART 3. Management and service contracts and all cost sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles, involving the Company or any affiliated insurer. List and describe.

NONE

GEICO
(the insurer)

100%

GEICO Properties, Inc.
(wholly-owned subsidiary
of GEICO)

PART 4. Organizational Chart. Attach a chart or listing presenting the identities of and interrelationships among all affiliated insurers and all other affiliates, identifying all insurers as such. No non insurer affiliate need be shown if its total assets are less than 1/2 of 1% of the total assets of the largest affiliated insurer.

See chart immediately to the right hereof.

DISCLOSURE ^(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

DISCLOSURE ^(R) IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

SCHEDULE T—EXHIBIT OF PREMIUMS WRITTEN
Allocated by States and Territories

1 States, Etc	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums
	2 Direct Premiums Written	3 Direct Premiums Earned					
Alabama	5,795,193	5,445,922		4,119,375	4,534,837	1,454,649	52,157
Alaska	3,658,487	3,586,522		2,438,541	2,589,637	588,549	28,682
Arizona	4,769,770	4,576,056		2,821,350	2,840,180	928,349	43,559
Arkansas	1,770,225	1,654,242		1,148,852	1,341,296	430,957	16,395
California	43,224,908	40,140,679		27,026,495	29,354,905	14,071,725	355,867
Colorado	5,163,178	5,197,125		3,462,031	3,525,951	1,076,817	42,415
Connecticut	4,957,938	4,695,955		3,074,111	3,213,708	2,207,223	39,204
Delaware	1,161,363	1,131,796		790,858	926,240	427,710	11,380
Dist. Columbia	15,172,062	13,785,028		8,074,318	9,063,623	3,531,191	122,672
Florida	46,477,054	38,758,250		29,262,804	29,728,241	12,594,781	351,222
Georgia	13,693,445	13,203,514		8,246,186	8,631,956	3,011,846	128,906
Hawaii	3,756,070	4,392,403		2,184,206	2,150,878	1,126,704	31,955
Idaho	350,818	338,320		189,345	194,477	68,240	3,786
Illinois	10,486,737	9,617,713		7,366,951	7,805,398	3,408,149	84,022
Indiana	1,613,458	1,592,780		1,208,505	1,212,825	498,832	14,205
Iowa	498,489	477,114		372,060	314,579	68,907	5,087
Kansas	1,567,627	1,504,057		921,565	912,686	311,908	14,187
Kentucky	3,034,710	2,887,022		2,373,235	2,274,465	694,695	30,347
Louisiana	11,189,430	11,244,595		6,657,585	6,914,511	2,994,914	71,664
Maine	1,181,428	1,141,949		596,465	687,130	360,907	12,219
Maryland	58,043,145	51,799,381		35,563,896	39,151,276	15,473,701	515,009
Massachusetts	5,065,760	4,956,811		2,314,315	2,795,474	1,522,786	8,393
Michigan	3,489,965	3,350,146		2,215,783	1,901,564	623,428	26,365
Minnesota	961,660	932,112		489,899	476,634	400,758	8,319
Mississippi	3,211,283	3,293,644		1,970,693	2,012,385	622,178	30,312
Missouri	2,544,711	2,506,299		1,733,645	1,804,473	565,729	18,157
Montana	450,037	425,051		201,101	184,462	250,833	4,661
Nebraska	1,255,062	1,170,357		751,068	801,470	259,478	12,872
Nevada	849,004	789,737		481,940	502,426	171,175	7,552
New Hampshire	1,398,713	1,298,567		910,449	993,785	586,616	9,720
New Jersey	52,323,510	47,631,391		36,085,297	39,972,117	21,548,380	408,592
New Mexico	2,242,732	2,078,043	2,170	1,441,267	1,597,432	540,974	22,425
New York	123,453,155	124,061,463		86,902,601	85,040,488	52,905,495	859,325
No Carolina	6,974,040	7,302,288	180,287	4,276,500	4,164,109	1,510,422	53,619
No Dakota	251,528	257,063		179,900	169,726	59,658	3,027
Ohio	7,039,658	6,960,489		5,682,585	5,849,157	2,402,549	59,308
Oklahoma	3,481,637	3,301,981	15,770	2,433,759	2,418,020	527,941	30,013
Oregon	1,022,518	991,136		590,863	538,643	214,135	9,100
Pennsylvania	19,144,785	17,997,569		13,150,934	14,940,291	8,361,538	136,841
Rhode Island	2,099,935	2,148,805		1,768,242	1,696,831	1,013,886	18,002
So Carolina	9,990,863	10,866,557		7,675,605	7,621,215	2,662,192	93,870
So Dakota	270,023	258,644		159,633	154,714	44,824	2,681
Tennessee	7,908,063	7,818,982		5,387,713	5,585,093	1,953,077	68,004
Texas	17,156,425	17,003,027	2,440,263	10,143,190	10,412,920	3,592,717	198,542
Utah	635,195	586,291		304,880	288,041	82,287	5,374
Vermont	427,950	401,050		200,974	224,069	123,229	3,725
Virginia	43,704,309	41,520,595		24,613,035	25,896,630	11,229,444	299,965
Washington	3,753,099	3,643,433		2,173,848	2,286,486	894,839	34,132
West Virginia	863,341	803,835		485,303	617,077	273,948	8,914
Wisconsin	1,162,182	1,113,222		624,952	705,371	441,314	10,962
Wyoming	303,459	291,348		185,148	210,139	78,789	3,438
Guam	1,250,315	1,174,041		777,712	693,399	193,426	9,441
Puerto Rico	3,560	42,157		-398,569	-106,907	679,364	214
U S Virgin Is	-	-		-	-	-	-
Canada	-	-		-	-	-	-
Mexico	-	-		-	-	-	-
Philippine Is	-	-		-	-	-	-
Other foreign (itemize)	-	-		-	-	-	-
Canal Zone	156,720	169,971		89,813	97,196	48,462	1,422
Newfoundland	6,518	45,345		3,636	3,075	1,104	20
TOTALS	562,417,278	534,361,898	2,638,491	363,906,472	379,916,828	181,717,758	4,442,269

Explanation of basis of allocation of premiums by states, etc.

Line 1 Fire	Allocated on the basis of the location of the property insured.
Line 2 Allied lines	Allocated on the basis of the location of the property insured.
Line 4 Homeowners multiple peril	Allocated on the basis of the location of the property insured.
Line 9 Inland marine	Allocated on the basis of the location of the domicile of the insured.
Line 12 Earthquake	Allocated on the basis of the location of the property insured.
Line 17 Liability other than auto	Allocated on the basis of the location of the domicile and/or other property of the insured.
Line 19 Auto liability	Allocated on the basis of the location where the vehicle is principally garaged and used.
Line 21 Auto physical damage	Allocated on the basis of the location where the vehicle is principally garaged and used.
Line 24 Surety	Allocated on the basis of the location where the vehicle is principally garaged and used.

Total for Column 2 to agree with the total of Column 1 in Part 2C, Page 7. Total for Column 5 to agree with the total of Column 1 in Part 3, Page 8.
Total for Column 7 to agree with the total of Column 1 in Part 3A, Page 9. Total for Column 8 to agree with Item 11, Page 4.

DISCLOSURE

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

EXHIBIT 11-6

AMENDMENTS TO THE PROFIT SHARING PLAN
ADOPTED SEPTEMBER 25, 1974

RESOLVED, That Article I, Paragraph 1.1 of the Profit Sharing Plan for the Employees of the Government Employees Companies shall be amended to read as follows:

"1.1 'Companies' will mean Government Employees Insurance Company, Government Employees Life Insurance Company, Government Employees Life Insurance Company of New York, Criterion Insurance Company, Government Employees Financial Corporation, and any other Corporation which, with the approval of the Board, adopts the Plan, or any successor or successors of said Companies."

FURTHER RESOLVED, That Article I, Paragraph 1.5 shall be amended to read as follows:

"1.5 'Board of Trustees' will mean the Trustees appointed by the Board for the purpose of administering this Plan."

FURTHER RESOLVED, That Article I, Paragraph 1.6 shall be amended to read as follows:

"1.6 'Corporate Trustee' will mean the corporate entity or entities appointed by the Board to manage and invest the assets of the Fund that comprise Funds A, B and C."

FURTHER RESOLVED, That Article I, Paragraph 1.7 shall be amended to read as follows:

"1.7 'Trust Agreement' will mean the agreement of agreements entered into between the Companies and the Corporate Trustee to carry out the purposes of the Plan, such Trust Agreement being incorporated herein as part of this Plan."

FURTHER RESOLVED, That Article I, Paragraph 1.16 shall be amended to read as follows:

"1.16 'Fund' will mean the Trust Fund held by the Corporate Trustee in accordance with the Trust Agreement and will consist of Funds A, B and C."

DISCLOSURE [®]

IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS
DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

FURTHER RESOLVED, That Article IV, Paragraph 4.2 shall be amended to read as follows:

"4.2 Remittance of Company Contributions to Corporate Trustee. Company Contributions will be remitted by each Company to the Corporate Trustee, as required by Paragraph 4.1."

FURTHER RESOLVED, That Article XII, Paragraph 12.1 shall be amended to read as follows:

"12.1 Conditions of Withdrawal. Subject to the provisions of Article III, a Participant who has completed two Years of Participation, by filing a written request with the Board of Trustees, at any time and from time to time, may elect to withdraw a portion of the value of his Participant Account; provided, however, that if a Participant does make such a withdrawal, he will not be permitted to make a subsequent withdrawal until a period of 12 months has elapsed. Any such withdrawal will be effective as of the Valuation Date coincident with or next following the expiration of 10 days after such written request is received by the Board of Trustees. The portion that may be withdrawn is 25%, 50% or 100% of that part of the value of the Participant's Account determined as of such Valuation Date that coincides with such Election Date, that the Participant would be entitled to receive under Articles IX and XI if he had terminated employment as of such Valuation Date, provided, however, that following an initial withdrawal attributable to Company Contributions, the portion of such Contributions made after January 1, 1971, that subsequently may be withdrawn shall not exceed the value of such contributions made at least two years prior to such subsequent withdrawal."

FURTHER RESOLVED, That Article XV, Paragraph 15.4 shall be amended to read as follows:

"15.4 Appointment of Trustees.

a) The Board of Trustees under the Plan will be appointed by the Board and will consist of not more than eight members, all of whom shall be officers, directors, or employees of one of the Companies and each of whom shall serve

for a term of three years dating from the January 1 of the Plan Year in which appointed and until a successor is appointed. The Board of Trustees will have such powers as are set forth in this Plan.

b) The Corporate Trustee under the Plan will be appointed by the Board, with such powers, as to investments, reinvestments, control and disbursement of the Fund, as are set forth in the Trust Agreement, or in such Trust Agreement as modified from time to time.

c) The Board may remove the Corporate Trustee at any time on the notice required by the terms of the Trust Agreement. The Board may remove any Trustee of the Board of Trustees at any time, with or without cause. Upon removal or resignation of any Trustee, or if a vacancy on the Board of Trustees should otherwise occur, a successor shall be appointed by the Board and, in the case of the Board of Trustees, to serve for the unexpired term."

EXHIBIT 11-C

AMENDMENTS TO THE PROFIT SHARING PLAN
ADOPTED JANUARY 29, 1975

IT IS HEREBY RESOLVED, That Article IV (Company Contributions) of the Profit Sharing Plan (Amendment of Company Contributions), Subject to the following provisions, shall be amended as follows:

That for any Participant who has attained the age of 30 years of Participation, an amount equal to 10% of his Basic Participant Contributions that are due to be paid to the Corporate Trustee, shall be paid to the Company contribution for a Participant's excess Earnings as a contributing Participant of the Plan. If a Year exceed \$10,000 shall not exceed 10% of such excess Earnings.

IT FURTHER RESOLVED, That Article V (Company Contributions) of the Profit Sharing Plan (Amendment of Company Contributions), be amended as follows:

Application of Forfeitures. All Company Contributions which are forfeited in accordance with Article IX by Participants who terminate their employment without full vesting will be reallocated to Participant Accounts as of each Valuation Date. Such Participant Accounts will include only the Basic Participant Contributions of Participants who are actively employed by the Company as of such Valuation Date. The amount of Contributions so reallocated to each such Participant's Account as of each Valuation Date will be that portion of the forfeitures applicable to his account with respect to such Valuation Date which bears the same ratio to the total forfeitures as the Earnings of such Participant's Account as of such Valuation Date bears to the Earnings of such Plan. Account balance above zero shall be reduced by the amount received from such Company Contributions of such Company having forfeited contributions shall be zero. After reallocation, such forfeitures shall be treated as Company Contributions.

EXHIBIT 13

CASH PROFIT SHARING BONUS PROGRAM

The Cash Profit Sharing Bonus Program provides for payment of a bonus to all regular, full-time employees of Government Employees Insurance Company in Grades 1 through 20 who have completed two or more years of service with the Company on October 31, annually. One percent of pre-tax profits, excluding capital gains and losses, are allocated for this Program, determined on the basis of a fiscal year beginning November 1 and ending October 31. The amount of bonus to be paid to individual eligible employees under the Program is determined as follows:

The total allocated for such bonus shall be divided by the sum of (a) the current annual salaries as of October 31 of all eligible employees having at least two years and less than ten years of service, plus (b) one and one-half times the current annual salaries of all eligible employees with at least ten years of service. The quotient shall be the fraction or ratio to be applied to the current annual salary of eligible employees to determine their respective individual bonus amount, provided, that said amount shall be increased by 50% in the case of employees with at least ten years of service, and that no individual bonus shall exceed 2% of annual salary of employees with less than ten years of service, nor 3% of the annual salary of employees with at least ten years of service.

Amended November 27, 1974.

EXHIBIT 18

LETTER FROM INDEPENDENT ACCOUNTANTS
CHANGE IN ACCOUNTING PRINCIPLE

February 26, 1975

Government Employees Insurance Company
Chevy Chase, Maryland

We have read the description of the changes in accounting resulting from the adoption by Government Employees Insurance Company of generally accepted accounting principles as set forth in the notes to the financial statements which are incorporated by reference in the annual report on Form 10-K for the year ended December 31, 1974. In our opinion, the aforementioned accounting changes, with which we concur, are in conformity with generally accepted accounting principles.

Ernst & Ernst

Ernst & Ernst

END -