

SEC FILE NO 2-39709 12

SIC 633

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GOVERNMENT EMPLOYEES INSURANCE CO

10-K

OTHER

CARD 1

MICROFICHE BY DISCLOSURE INCORPORATED

FOR 12/31/75

Government Employees Insurance Co. [D.C.] Co: 6624750000
 5260 Western Avenue, N.W.
 Chevy Chase, Md. 20076
 SEC File No: 2-39709 Exch: Other
 IRS No: 53-0075853 CUSIP: 3837127
 Fiscal Year Ends: 12/31 SIC No: 633

10-Q For: 9/30/74

10-K For: 12/31/74

Auditor: Ernst & Ernst

Shareholders: 6,682

For the years ended: 12/31/74

12/31/73

Revenues: \$565,226,189

\$534,219,554

Earnings: \$25,089,379/\$1.42

\$31,802,434/\$1.80

Extr. Items: None

None

Assets: \$816,769,946

\$786,371,772

Net Worth: \$143,665,426

\$165,629,138

Description of Business: Multiple line stock property and casualty insurer writing automobile, fire, homeowner, and related policies. Sells nationwide through direct mail and commissioned agents. Operates through autonomous regional offices, maintains 59 sales offices. Entered mass merchandising agreement with Syosett, N.Y. Central School District.

□ Automobile insurance companies; Fire and casualty companies; Stock insurance companies

Auditor's Report:

□ Qualified opinions for uncertainties; GAAP compliance; Industry Audit Guides; Stock insurance companies

Financial Statements and Notes:

□ Unusual effective tax rate; Tax exempt bond interest

□ Unusual effective tax rate; Dividends received deductions (IRC)

□ Unusual effective tax rate; Capital gains taxes

□ Unusual effective tax rate; Investment tax credits

□ Capital in excess of par value; Disqualifying disposition tax benef

□ Deferred insurance policy acq costs

Exhibits:

□ Ex: Employee profit sharing plans; *Amendment dated 9/25/74

□ Ex: Employee profit sharing plans; *Amendment dated 1/29/75

□ Ex: Employee profit sharing plans; *Amendment dated 11/27/74

ARS For: 12/31/74

Assets: \$816,769,946

\$786,371,772

8-K For: 3/31/75

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
Auditor: Ernst & Ernst

Prspct Eff: 5/22/75
Related Reg. No: 2-50769
Covers 405,520 shares of Common Stock under 1963 and 1973 Stock
Option Plans and 1,348,999 shares of Common Stock to be issued upon
exercise of warrants.

10-Q For: 3/31/75

10-Q For: 6/30/75

10-Q For: 9/30/75

8-K For: 1/31/76

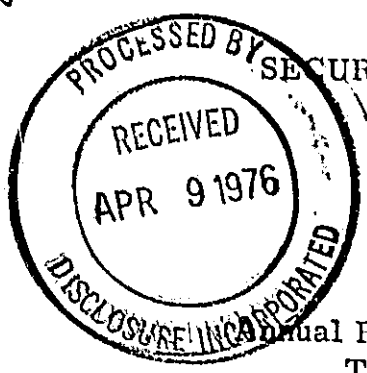
- Civil court proceedings; Shareholder suits; Class action; SEC34 Act violations; Inadequate disclosure
- Increased loss allowances; Insurance claims payable
- Loss allowances; Underwriting losses

Exhibits: None indexed

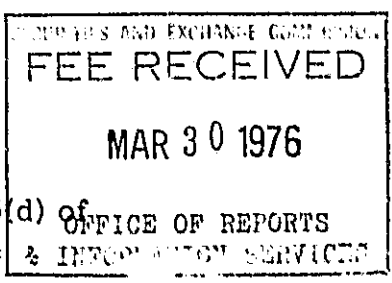
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Washington, D. C. 20549



FORM 10-K

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

OFFICE OF REPORTS & INFORMATION SERVICES

For the Fiscal Year Ended December 31, 1975

Commission File No. 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.

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. To a much more limited degree, the Company also writes homeowners, fire and extended coverage, comprehensive personal liability and boatowners insurance.

GEICO is licensed to write casualty, fire and inland marine insurance in all States of the United States and the District of Columbia. It is also licensed to write casualty and inland marine insurance in the Territory of Guam, but it does not intend to renew its license and is not writing any new business therein.

The Company has traditionally offered 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. These generally lower rates were primarily attributable to GEICO's below average underwriting expenses (the total cost of producing and processing insurance policies, including state and municipal premium taxes) which are approximately half the average for other stock companies in the property and casualty insurance industry. However, during 1975, insurers such as GEICO, specializing in automobile insurance were severely impacted by the effects of inflation on medical and auto repair costs. Existing premium rates, particularly in no-fault states, proved inadequate in the face of these increasing costs.

In the property and casualty insurance industry, there is generally a time lag between incurring underwriting losses and implementing the requisite rate relief. GEICO nevertheless made significant progress during 1975 toward restoring premium rates to adequate levels. In 1975 premium rate increases were received in states representing approximately 90% of its voluntary premium volume. As of year-end 1975, the annualized premium value of those rate increases for voluntary auto business totalled \$111,175,000 based on 1975 volume, an increase in the average rate level of 21.0%. This amount includes premium rate adjustments implemented in 1974 as well as premium rate reductions mandated by those states enacting no-fault laws.

The Company's involuntary auto business, written through automobile insurance plans (formerly assigned risk plans) or alternative mechanisms, contributed significantly to its underwriting loss. Although involuntary risks represented only 7.2% of GEICO's 1975 automobile insurance earned premium volume, such risks produced underwriting losses totalling \$29,938,000 or 19.9% of its losses in the automobile line. In 1975, annualized premium rate increases totalling \$11,264,000, based on 1975 volume, were received for this portion of its business.

Data developed during 1975 indicated that the Company's reserve for losses and loss expenses, which is traditionally calculated on the basis of historical experience, required an upward adjustment corresponding with the

sharp rise in inflation as it affects future settlement costs. This reserve was thus increased from \$262,981,553 on December 31, 1974 to \$300,851,065 on September 30, 1975. In addition, in August 1975 GEICO retained an independent consulting actuarial firm to review its reserve for losses and loss expenses. On the basis of a preliminary report received from that firm in late December, the Company provided for an additional cost of \$35 million in the fourth quarter of 1975 for claims arising from accidents which had occurred in previous periods. Subsequently, based upon the findings of the independent consulting actuaries, with the concurrence of the Company's independent auditors, and after discussions with the Superintendent of Insurance of the District of Columbia, management determined that a further addition of approximately \$25.6 million should be made to the loss reserves as of December 31, 1975, bringing those reserves to \$368,438,778.

On January 14, 1976, the Company's Board of Directors approved, subject to shareholder approval at the Annual Meeting scheduled for March 31, 1976, a reduction in the par value of GEICO's common stock from \$4.00 to \$1.00 per share which will result in a transfer of approximately \$53.2 million from the capital account to the paid-in surplus account. In order to strengthen the capital base of the Company, the Board of Directors also authorized a capital financing program which may include the issuance and sale of additional common stock and/or preferred stock, and for that purpose, voted to increase the authorized capital stock of the Company from 24 million to 36 million shares of common stock, subject to shareholder approval at the Annual Meeting.

During the interim period until underwriting profitability is again restored, the Board of Directors at the same meeting approved a plan to reduce the number of voluntary automobile insurance policies in force during 1976, thereby diminishing the Company's exposure to losses. This plan will involve the selective review of all renewal policies. In addition, of the 44 Company sales offices and 91 General Field Representatives (commission agents) existing on January 1, 1976, GEICO has closed 10 such offices and terminated 40 such agents as of March 19, 1976, and has plans to close 5 more offices and terminate 10 more agents by year end. With this reduction in sales facilities, GEICO will concentrate its efforts on the servicing of its policyholders and claimants. The drive-in claims portion of certain Company offices, the sales function of which has been or will be closed, will remain open.

On February 23, 1976, shareholders were advised that management and its actuaries were continuing their review of the loss reserves based on data developed through the fourth quarter ending December 31, 1975, and that GEICO's consulting actuaries and independent auditors were reviewing the level of reserves as of that date. It was announced that the loss reserves might require further substantial strengthening, that other financial adjustments might be required and that for this reason management had requested a suspension of trading in the Company's securities. On March 1, 1976, shareholders were advised of the \$25.6 reserve strengthening discussed above.

GEICO's underwriting operations in 1975 produced a pretax loss of \$190,896,022, compared with the 1975 pretax underwriting loss of \$5,889,860. Due to the magnitude of that underwriting loss, a write down of all remaining deferred policy acquisition costs, amounting to \$40,644,610, was necessitated in

the fourth quarter resulting in a net decrease of \$45,667,224 for the full year. These amounts are included in the underwriting loss of \$117,321,458 for the fourth quarter of 1975 and in the underwriting loss for the full year.

By reason of the actions described above, the Company does not now comply with provisions of the District of Columbia law, under which it is organized, requiring the maintenance of a \$300,000 surplus above the par value of the outstanding shares of capital stock. The Superintendent of Insurance of the District of Columbia has ordered this deficiency to be remedied by April 30, 1976. The shareholders at the Annual Meeting scheduled to be held on March 31, 1976, will vote on management's proposal to reduce the par value of the common stock so as to restore compliance with District of Columbia law.

Because of this surplus problem, the Company received an Order dated March 3, 1976, from the Director of Insurance of Arizona suspending its Certificate of Authority in that State. While GEICO ceased the solicitation and writing of new business in Arizona, it can continue to service and renew its existing business.

The Company has been ordered by the Commissioner of Insurance of Kansas to restore its surplus to a level complying with the minimum surplus (\$400,000) requirement of the state by April 15, 1976 and to stop writing new business in that State.

GEICO also received an Order dated March 8, 1976, from the Commissioner of Insurance of North Carolina to eliminate its capital impairment and restore its surplus to no less than \$225,000 by April 30, 1976 or appear and show cause why all Certificates of Authority granted the Company and its agents should not be revoked or suspended.

By an Order dated March 2, 1976, from the Commissioner of Insurance of Wyoming, the Company's Certificate of Authority was suspended until August 1, 1976 or until its impairment of required capital and surplus is corrected. The Company has been notified that execution of such suspension is stayed until April 30, 1976. GEICO has ceased writing new business in Wyoming.

Additionally, pursuant to agreement with regulators in Connecticut, Massachusetts and New Hampshire, the Company is not writing any new business therein.

The A.M. Best Company, an insurance industry rating service, has withdrawn its previous financial and policyholders' ratings of the Company and assigned a "deferred" rating. The change in these ratings has caused certain mortgage lending institutions to advise their mortgagors that GEICO's home-owners policies are unacceptable.

(c) (1) Competition

The insurance industry is highly competitive. GEICO currently competes largely with other companies, including mutual companies, concentrating on preferred-risk insurance. Although most insurance companies are stock companies like GEICO, in 1975 mutual companies wrote an estimated 23.2% 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.

Although substantial rate increases were implemented in a large number of states during 1975, GEICO believes that its present rates and rating systems are generally competitive with other companies offering similar types of insurance. The latest available statistics published in the National Underwriter reveal that GEICO is, based on 1975 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 view of GEICO's more stringent underwriting standards put into effect in all jurisdictions and its plan to reduce the number of voluntary automobile policies in force during 1976, it is anticipated that GEICO's position in these rankings will be diminished.

(2) Employees

GEICO has approximately 6,754 full-time and 448 part-time and temporary employees located at its offices in various cities in the United States. The Company's plan to reduce voluntary policies in force will require a further reduction in Staff size in 1976. A number of benefits are provided or made available for full-time employees, including a savings plan, pension plan and various insurance programs. Effective February 1, 1976, GEICO temporarily suspended its contributions to the savings plan.

(d) 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 5 of the Annual Report to Shareholders for the year ended December 31, 1975, 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 6 through 8 of the Annual Report to Shareholders for the year ended December 31, 1975, filed as Exhibit 1 hereto, which is incorporated herein by reference.

(c) Additional Notes to the Summary of Operations

(1) The effective income tax rate is less than the prevailing Federal income tax rate due principally to tax exempt interest income, dividends received deductions, amounts to be taxed at capital gains rates, investment tax credits and, in 1975, an unused net operating loss carryforward.

(2) On February 10, 1976 and March 10, 1976, the Company reported on Form 8-K, adjustments to its loss reserves of \$35 million and \$25.6 million respectively. These adjustments resulted from reviews and analyses by its own actuaries and a firm of independent consulting actuaries and were caused principally by increased costs resulting from rampant inflation of medical and auto repair costs. In addition, due to the magnitude of the 1975 underwriting losses, all remaining acquisition costs (\$40,644,610) were considered unrecoverable and written off as of December 31, 1975. These adjustments increased costs for the year ended December 31, 1975.

Item 3. Properties

GEICO's total real estate investment, which was on a consolidated basis \$36,317,583 (depreciated cost) as of December 31, 1975, is represented principally by (a) its Operations Office Building in Chevy Chase, Maryland, which was carried at \$12,554,784; (b) \$12,415,769 in its Northeastern Regional Office Building in Woodbury, Long Island, New York; and (c) \$8,941,631 in its Southeastern Regional Office Building in Macon, Georgia.

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 386,404 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"), a 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. Both buildings are similar in design and capacity, each being a modern four-story structure containing approximately 250,000 square feet. With respect to both financings, the outstanding balance of the long-term debt of GPI on December 31, 1975 was \$23,215,707.

On July 24, 1975, the Company transferred its Operations Building and certain adjacent property as well as its Fairfax County, Virginia and Clinton, Maryland; and GPI sold its Smithtown, New York, sales/drive-in facilities to GEICO Washington Properties, Inc. ("GWPI"), a wholly-owned subsidiary of GEICO (see Item 4 below). This transfer was financed by a 9-3/8% note due July 1, 2010 which was sold to an institutional investor and secured by an Indenture of Mortgage and Deed of Trust on the properties and by the assignment to the noteholder of a 7-year lease for the Operations Building property, automatically renewable for 4 successive 7-year terms, between GEICO and GWPI. The outstanding balance of the long-term debt of GWPI on December 31, 1975 was \$24,960,322.

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 1976 and 2010 with renewal options in a number of cases.

In addition, GEICO maintains electronic data processing equipment with a depreciated cost as of December 31, 1975 of \$11,704,432 located principally at its Chevy Chase, Maryland Operations Office Building.

Item 4. Parents and Subsidiaries

GEICO Properties, Inc. ("GPI") and GEICO Washington Properties, Inc. ("GWPI"), wholly-owned subsidiaries of GEICO, were incorporated in Delaware. Both such subsidiaries are included in the consolidated financial statements of GEICO.

Item 5. Legal Proceedings

In August 1975 an action alleging various violations of the federal antitrust laws and California law and naming as defendants twelve major insurance companies, including GEICO, was filed in the United States District Court for The Northern District of California (Workman, et al. v. GEICO, et al.). The Complaint, brought by five independent auto body shops, charges the insurance companies have combined and conspired to restrict interstate commerce in auto body repairs and forced them to perform auto body repairs at prices less than those they would have been able to charge in a freely competitive market. Treble damages in an unspecified amount are sought. Management believes this suit is without merit but is unable to predict the outcome of this litigation.

In January 1976 a purported class action was filed in the United States District Court for the Southern District of New York on behalf of Robert L. Scheiber against GEICO, Norman L. Gidden, Ralph C. Peck, Thomas A. Bolger, Samuel C. Butler, Daniel J. Callahan, Jr., John M. Christie, Shelby Cullom Davis, Leo Goodwin, Jr., Paul J. Hanna, William K. Jacobs, Jr., David Lloyd Kreeger, Howard A. Newman, Melvin M. Payne, Henry J. Collins, Charles T. Connolly, Harvey C. Gram, Jr., Ernst and Ernst, and has since been amended to name John Doe and Richard Roe, alleged tippees (Scheiber against Government Employees Insurance Company, et al.) The amended Complaint alleges that the defendants other than Doe and Roe entered into a scheme and course of conduct to present a false and inflated financial picture of GEICO to the investing public in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder as well as "applicable principles of common law" and that Doe and Roe received adverse material non-public information with regard to GEICO's financial condition and acted upon it.

In February 1976 a second purported class action was filed in the United States District Court for the District of Columbia on behalf of Jack Kulchock against GEICO, Ernst and Ernst and the partners thereof (Kulchock against Government Employees Insurance Company, et al.). The Complaint alleges that GEICO issued financial statements and other reports and releases which were materially false and misleadingly incomplete in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

In both actions, the purported class is alleged to be all purchasers of GEICO stock during an unspecified time period. These actions seek judgment directing the defendants to account to members of the purported class for unspecified damages sustained by them, including costs, and for such other relief as the courts deem appropriate. Recovery of all profits made by the tippee defendants is sought as well as punitive damages from all defendants. While it is not possible to calculate the amount of compensatory damages being sought, such amount could be material to GEICO's financial position. These suits will be vigorously defended by the Company and the other defendants.

Additional information is set forth in Exhibit No. 1, Notes to Consolidated Financial Statements, Litigation, paragraphs 3 and 4 (p.19).

Item 7. Approximate Number of Equity Security Holders

<u>Title of Class</u>	<u>Number of Record Holders as of December 31, 1975</u>
Common Stock - \$4.00 par value	6,676
Warrant - to purchase 2.08 shares of Common Stock at \$35.10 per share, exercisable from August 1, 1971 until August 1, 1978	2,079

Item 8. Executive Officers of the Registrant

Norman L. Gidden, 59, was elected Chairman of the Board and Chief Executive Officer of GEICO and each of the other Companies in 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, the Investment, the Pension Plan Administrative, and the Profit Sharing Plan Administrative Committees. 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, 58, 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, a member 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, 51, 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, 55, was elected Senior Vice President, Administration, in 1974 and had served as Vice President, Northeastern Region, since 1968.

Edward S. Ring, 49, 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.

Martin Adler, 41, was elected Vice President and Actuary in 1975, having served as Assistant Vice President and Associate Actuary since 1974. Prior to his employment by GEICO, he served as Assistant Vice President and Associate Actuary, Crum & Forster Insurance Companies from 1969 to 1974.

Ralph L. Belford, 42, 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, 54, 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, 55, has been Vice President, Personnel, since 1970.

Theodore F. Culp, 54, has been Vice President, Central Region, since 1973. He was elected Assistant Vice President, Claims, in 1962.

Walter F. Culver, 56, has been Vice President, Western Region, since 1973. He was elected Vice President, Branch Offices, in 1967.

Thomas N. Exarhakis, 53, was elected Vice President, Market Planning and Services, in 1974, and had served as Assistant Vice President, Marketing, since 1964.

Frank J. Gillen, 48, has been Vice President, Employee Relations, since 1973. Prior to his employment by GEICO, he served as Vice President, Employee Relations, for Itek Corporation from 1971 to 1973.

Thomas R. Hefner, 50, was elected a Vice President in 1975. Mr. Hefner was elected President and Chief Operating Officer of GELICO in 1975 and has been a director of GELICO since 1973. He had served as GELICO's Executive Vice President since 1974, Senior Vice President (Administration) since 1972 and Vice President and Treasurer since 1965. He is a member of the Profit Sharing Plan Administrative Committee and a Vice President of CRICO and GEFICO.

Bartlett R. Hendrickson, 49, 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, 41, 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.

Merill D. Knight, III, 45, was elected Vice President, Mid-Atlantic Region, in 1974. He had served as Vice President, Claims Research & Control since 1973 and in 1970 was elected Assistant Vice President, Claims Staff Services.

George F. Lewin, 59, was elected a Vice President in 1974. Mr. Lewin is President, Chief Operating Officer and a Director of CRICO. He served as Senior Vice President of GEICO from 1971 to 1974 and in 1973 was elected CRICO's Executive Vice President. He is Chairman of the Pension Plan Administrative Committee, a member of the Profit Sharing Plan Administrative Committee and a Vice President of GELICO and GEFICO.

Arthur T. Y. Loh, 52, was elected Vice President, Finance in 1975, having served as Assistant Vice President, Investments since 1974. Prior to his employment by GEICO, he served as Vice President, New York Securities Company, Inc. from 1971 to 1974.

Ernest M. Lucas, 50, 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 had served as Vice President and General Counsel of GEICO and General Counsel of each of the Companies since 1969.

Ernest L. Marks, 49, was elected Vice President in 1974. Prior to his election as President and Chief Operating Officer of GEFICO in 1974, Mr. Marks was elected its Executive Vice President in 1970 and a Director of GEFICO in 1973. He is a Vice President of CRICO and GELICO and is a member of the Pension Plan Administrative Committee.

Ross D. Pierce, 52, has been Vice President, Southeastern Region, since 1973. He was elected Vice President, Operations, in 1970.

James E. Reagan, 51, was elected Vice President, Northeastern Region, in 1974. He was named Assistant Vice President, Office Services, in 1964 and Assistant Vice President, New York Regional Office, in 1972.

Louis E. Schoemer, 45, was elected Vice President, Data Processing Research and Control in 1975, having served as an Assistant Vice President since 1972 and as Director, Data Processing Research since 1963.

Donald K. Smith, 43, 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 had served as Assistant Vice President and Assistant General Counsel of GEICO since 1969.

Lawrence L. Szambelan, 37, was elected Vice President, Data Services in 1975, having served as Assistant Vice President, Data Processing, since 1974. Prior to his employment by GEICO, he served as Director, Management Information Services, Montgomery County (Maryland) Government from 1969 to 1974.

Walter R. Tinsley, 57, has been Vice President, Office Services, since 1959.

Edward H. Utley, 46, was elected Vice President, Systems Development, in 1974, and had served as Assistant Vice President, Data Processing, since 1973. Prior to his employment by GEICO, he was Data Processing Manager for Group Hospitalization, Inc. from 1971 to 1973.

Stacy L. Williams, 50, has been Vice President and Associate Legislative Counsel since 1974, having served as Assistant Vice President and Claims Counsel since 1969.

Henry J. Collins, 48, has been Treasurer and Comptroller since 1972. He was elected Treasurer of GEICO in 1965.

John M. O'Connor, 46, was elected Secretary of GEICO and each of the other companies in 1970.

All executive officers are elected for one-year terms or for the balance thereof. All terms expire April 1, 1976. There is no family relationship between the above-named executive officers of the registrant.

Item 9. Indemnification of Directors and Officers

In accordance with the provisions of General Instruction H, information regarding indemnification is not included for this item, as it is unchanged from the information reported in Item 9 of GEICO's Form 10-K Report for the fiscal year ended December 31, 1974.

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, 1975. * |
| Exhibit 2 | Convention Form Annual Statement for the year ended December 31, 1975. * |
| 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 | GEICO's By-laws, as amended through March 27, 1975. * |
| 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 | Employment Contract effective June 2, 1975, between J. Gardner Lawlor and GEICO. * |

*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, 1975:

<u>Group</u>	<u>Type of Ownership</u>	<u>Number of</u>		<u>Approximate Percentage of</u>	
		<u>Shares (1)</u>	<u>Warrants (1)</u>	<u>Shares Outstanding</u>	<u>Warrants Outstanding</u>
Directors and Officers	Record and Beneficial	1,687,201	29,602	9.5%	4.6%

(1) 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 1,193,903 shares and 6,177 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 31, 1976.

(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)	48	Director. (3) Mr. Bolger is Executive Vice President, American Telephone & Telegraph Company, New York, N. Y.

<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>
Samuel C. Butler (1972)	46	Director. (3) Mr. Butler is a Partner, Cravath, Swaine & Moore, attorneys, New York, N. Y.
John M. Christie (1967)	65	Director. (2)(7) Mr. Christie is Chairman of the Executive Committee and a Director of The Riggs National Bank of Washington, D. C.
Lorimer A. Davidson (1952)	73	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)	66	Director. (2) Mr. Davis is Chairman, Shelby Cullom Davis & Co., investment bankers, New York City and served as United States Ambassador to Switzerland from 1969 to 1975.
Norman L. Gidden (1962)	59	Chairman of the Board, Chief Executive Officer and Director. (1)(2)(4)(5)
Leo Goodwin, Jr. (1948)	61	Director and Chairman of the Profit Sharing Plan Administrative Committee. (1)(3)(6) Mr. Goodwin is a private investment banker.
Paul J. Hanna (1967)	60	Director and Chairman of the Compensation Committee. (3)(7) Mr. Hanna is Executive Vice President, Manufacturers Hanover Corporation, New York, N. Y., a bank holding company.
William K. Jacobs, Jr. (1948)	67	Director and Chairman of the Audit Committee. (1)(2)(6) Mr. Jacobs is a private financial consultant.
David Lloyd Kreeger (1948)	67	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)	55	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)	64	Director and Chairman of the Stock Option Plan Administrative Committee. (5) Dr. Payne is President and Chief Executive Officer, National Geographic Society, Washington, D. C., a scientific and educational organization.

<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>
Ralph C. Peck (1972)	58	President, Chief Operating Officer and Director. (1)(2)(4)

-
- (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 Profit Sharing Plan Administrative Committee
 - (6) Member of the Compensation Committee.
 - (7) Member of the Audit Committee

Item 13. Remuneration of Directors and Officers

During 1975, 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:

<u>Name and Capacity in Which Remuneration Was Received</u>	<u>Direct Payments (1)</u>	<u>Profit Sharing Plan</u>		<u>Estimated Annual Benefits Upon Retirement Under Pension Plan (4)</u>
		<u>Benefits Accrued or Set Aside During 1975 (2)</u>	<u>Vested Interest in Plan at December 31, 1975 (3)</u>	
Norman L. Gidden, Chairman of the Board and Chief Executive Officer (5)	\$ 98,842	4,367	\$132,966	\$45,445
Ralph C. Peck, President and Chief Operating Officer	\$ 83,566	2,683	\$ 30,703	\$37,334
Martin Adler, Vice President and Actuary	\$ 56,123	-0-	-0-	\$16,855
79 Directors and Officers as a group (6)	\$2,173,610	\$51,137	\$1,326,181	\$789,322

(1) Includes salaries, fees and other taxable income. With respect to Mr. Adler, the amount shown includes payment of moving and other related expenses. Although no annual incentive bonuses were paid in 1975, the Board of Directors of GEICO and the Companies have established a policy of paying such bonuses to their employees as follows: (i) the Chief Executive Officer and the President in a total amount equal to $\frac{3}{8}$ 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 Adler devote substantially all their working time, and Mr. Gidden devotes the major portion of his 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 a specified time prior to early or normal retirement, that the value of his account and all future contributions and forfeitures be transferred to fully insured savings accounts in banks of his ownselection. The benefits accrued to participants at the time of retirement would depend on the value of the securities or savings accounts at that time. This Plan is currently being revised effective retroactively to January 1, 1976, to comply with the provisions of the Employee Retirement Income Security Act of 1974. The expense to GEICO of this Plan in 1975 for all participants was \$399,094. Effective February 1, 1976, GEICO suspended its contributions to the Plan pursuant to the terms thereof.

(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, 1975 and that the Pension Plan will continue in its present form. This Plan is currently being revised effective retroactively to January 1, 1976, to comply with the provisions of the Employee Retirement Income Security Act of 1974.

(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 of each of the Companies at a total 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 1975 is included under "Direct Payments."

(6) GEICO has a contract with Mr. Lorimer A. Davidson which provides, among other things, that he is to receive compensation at a rate of \$23,000 annually for his services as a Consultant. Said amount paid in 1975 pursuant thereto is included under "Direct Payments." Upon the retirement of Mr. David Lloyd Kreeger as Chairman of the Board and Chief Executive Officer in 1974, he entered into an agreement with the Government Employees companies which provides, among other things, for the payment to him of a total annual fee of \$35,000 for his services as Chairman of the Executive Committee of each of the Companies, with such fee to be prorated among the Companies. The amount paid by GEICO in 1975 amounted to \$21,919 and is included under "Direct Payments." During 1975, the Company had agreements with Messrs. Daniel J. Callahan, Jr. (until his retirement as a Director on March 26, 1975), Lorimer A. Davidson, Leo Goodwin, Jr. and William K. Jacobs, Jr. which provided for the payment of annual advisory fees to them for their services as members of the Executive Committee. The payment of all such advisory fees by the Company in 1975 amounted to \$14,866 and is included under "Direct Payments." The Company has a one year contract with Mr. J. Gardner Lawlor, who retired as Vice President on June 1, 1975, which provides for the payment to him of \$10,000 per annum for his services as a Consultant. The amount paid by GEICO in 1975 amounted to \$5,000. These amounts are in addition to any retirement income or other benefits to which the designated individuals may be entitled under GEICO's employee benefits 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, 1975, and as to all options held by such persons as of December 31, 1975:

	N. L. Gidden	R. C. Peck	M. Adler	Directors and Officers as a Group
<u>Options Granted:</u>				
Number of shares	979	1,180	(1)	5,533
Average option price per share	\$20.25	\$20.25	(1)	\$20.25

<u>Options Exercised:</u>	<u>N. L. Gidden</u>	<u>R. C. Peck</u>	<u>M. Adler</u>	<u>Directors and Officers as a Group</u>
Number of shares	None	1,040	(1)	7,254
Aggregate option price of shares purchased	-0-	\$20,000	(1)	\$139,502
Aggregate market value of shares on date options were exercised	-0-	\$27,820	(1)	\$191,986
<u>Unexercised Options held at December 31, 1975:</u>				
Number of shares	10,425	4,905	(1)	62,763
Average option price per share	\$36.88	\$30.78	(1)	\$33.50

(1) Mr. Adler was employed by GEICO in 1974. Under the terms of the Stock Option Plan, no option could be granted to Mr. Adler in 1974 and 1975.

Item 15. Interest of Management and Others in Certain Transactions

In the course of its business, GEICO entered into various transactions with the other Government Employees companies. In 1973 and 1974, GEICO sold certain of its real estate to GPI (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 its subsidiary to meet the latter's obligations under the Indentures. Some of the notes are also secured by mortgages on certain of the properties. In 1975, GEICO and GPI transferred or sold certain of their real estate to

GWPI (see Item 4 above). GWPI's purchases were financed, in part, by the issuance of a long-term note to an institutional investor and secured by (1) an indenture of mortgage and deed of trust on the properties, (2) an assignment to the lender of a long-term lease between GEICO and GWPI for the principal property, and, in part, by an 8% Subordinated Note due August 1, 1987 in the amount of \$10,700,000 issued by GWPI to GEICO. GEICO subleases 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 1975, GEICO received \$4,229,662 from the Companies for such space and services. In 1975, GEICO paid \$88,771 for services rendered to it by the Companies. In addition, in 1970 GEICO purchased from Government Employees Corporation, a wholly-owned subsidiary of GEFCO, \$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, GWPI, the Companies or their subsidiaries was on terms as favorable to GEICO as could have been obtained from other persons. GEICO also provides leads, without charge, to GELICO and GEFCO through the use of its customer lists.

Cravath, Swaine & Moore, a law firm of which Mr. Samuel C. Butler, a Director of GEICO, is a partner, performed legal services during 1975 for GEICO and GWPI for which it received payments of \$40,250.

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 \$1,607,300 incurred for 1975.

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 generally 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 bears the policywriting and claims responsibilities 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 30, 1976

FORM 10-K

Item 10 (a)

Financial Statements and Schedules

Government Employees Insurance Company and Subsidiary

December 31, 1975 and December 31, 1974

The following financial statements of the Company, included in the annual report of the Company to its shareholders for the year ended December 31, 1975, filed as Exhibit 1 hereto, are incorporated herein by reference:

Consolidated Balance Sheet - December 31, 1975 and December 31, 1974

Consolidated Statement of Income - Years ended December 31, 1975 and
December 31, 1974

Consolidated Statement of Shareholders' Equity - Years ended December 31,
1975 and December 31, 1974

Consolidated Statement of Changes in Financial Position - Years Ended
December 31, 1975
and December 31,
1974

Notes to Consolidated Financial Statements

The following financial information for the years 1975 and 1974 is submitted herewith:

Report of Independent Accountants

Additional Notes to Consolidated Financial Statements

Schedule I - Summary of Investments - Other than Investments in Affiliates

Schedule V - Valuation and Qualifying Accounts and Reserves

Schedule VII - Premiums, Losses, and Claim and Policy Acquisition Costs

All other Schedules pursuant to Rule 7-06 (Nos. II, III, IV, VI, VIII, IX, X and XI) 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 applicable, or the information required thereby is set forth in the financial statements or the notes thereto. With respect to Schedule VIII (Rule 7-06), the information applicable to the consolidated subsidiaries has been omitted as they are wholly-owned and the answer to Column G would be "none".

Individual financial statements of the registrant have been omitted as the registrant's total assets, exclusive of investments in and advances to its consolidated subsidiaries, as would be shown by its most recent year-end balance sheet if it were filed, constitute 75 per cent or more of the total assets as shown by the most recent year-end consolidated balance sheet; and the registrant's total sales and revenues, exclusive of interest and dividends received from or its equity in the income of the consolidated subsidiaries, as would be shown by its income statement, for the most recent fiscal year if it were filed, constitute 75 per cent or more of the total sales and revenues shown by the most recent annual consolidated income statements.

Report of Independent Accountants

To the Shareholders
Government Employees Insurance Company

We have examined the consolidated balance sheet of Government Employees Insurance Company and subsidiaries as of December 31, 1975 and December 31, 1974, and the related consolidated 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, 1975, and the additional notes to consolidated financial statements and the schedules listed in the index on the preceding page. 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.

The Company sustained substantial operating losses during the year ended December 31, 1975 and statutory surplus was reduced below the minimum required by various state regulations. The ability to continue to do business in these various states is dependent upon certain events as more fully described in the notes to financial statements under the caption "Actions of State Insurance Regulators".

In addition, there is certain litigation pending, described under the caption "Litigation" in the notes to financial statements, and at this time management is unable to give any appraisal as to the eventual outcome.

In our opinion, subject to the effects on the financial statements of the ultimate resolutions of the uncertainties discussed in the preceding two paragraphs, the financial statements referred to above present fairly the financial position of Government Employees Insurance Company and subsidiaries at December 31, 1975 and December 31, 1974, 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. 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

Washington, D. C.
March 9, 1976

Additional Notes to Consolidated Financial Statements

Years Ended December 31, 1975 and December 31, 1974

INVESTMENT OPERATIONS

Investment income is summarized as follows:

	<u>Year Ended December 31,</u> <u>1975</u>	<u>1974</u>
Interest on bonds and notes	\$25,217,694	\$22,308,546
Dividends on preferred stocks	4,360,698	4,370,444
Dividends on common stocks	4,513,987	5,793,344
Interest on certificates of deposit	16,642	-
Other	189,730	335,900
	<u>34,298,751</u>	<u>32,808,234</u>
Investment expenses	<u>739,000</u>	<u>479,887</u>
Net Investment Income	<u>\$33,559,751</u>	<u>\$32,328,347</u>

Realized gains (losses) on investments, as determined on a specific identification basis, and unrealized appreciation (depreciation) on investments are summarized below:

<u>Year Ended December 31, 1974</u>	<u>Realized</u>	<u>Unrealized</u>	<u>Combined</u>
Bonds and notes	\$ 101,692	\$(44,429,333)	\$(44,327,641)
Preferred stocks	(36,010)	(14,146,168)	(14,182,178)
Common stocks	<u>(1,537,293)</u>	<u>(19,927,613)</u>	<u>(21,464,906)</u>
	(1,471,611)	(78,503,114)	(79,974,725)
Applicable income taxes (credit)	<u>(436,325)</u>	<u>(1,061,818)</u>	<u>(1,498,143)</u>
Net Gains (Losses) On Investments	<u>\$ (1,035,286)</u>	<u>\$ (77,441,296)</u>	<u>\$ (78,476,582)</u>
 <u>Year Ended December 31, 1975</u>			
Bonds and notes	\$ 388,289	\$ 6,369,275	\$ 6,757,564
Preferred stocks	(933,289)	6,585,037	5,651,748
Common stocks	<u>(1,738,441)</u>	<u>19,131,926</u>	<u>17,393,485</u>
	(2,283,441)	32,086,238	29,802,797
Applicable income taxes (credit)	<u>-</u>	<u>2,780,129</u>	<u>2,780,129</u>
Net Gains (Losses) On Investments	<u>\$ (2,283,441)</u>	<u>\$ 29,306,109</u>	<u>\$ 27,022,668</u>

There were no bonds and notes nor preferred stocks which were non-income producing for the six months ended December 31, 1975.

No investments in any person or its affiliates (other than bonds of the United States government) exceeded two percent of total investments at December 31, 1975.

PROPERTY AND EQUIPMENT

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

	<u>Years</u>
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 items 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.

POLICY ACQUISITION COSTS

Policy acquisition costs deferred and amortized are summarized as follows:

	Year Ended December 31,	
	1975	1974
Policy acquisition costs deferred:		
Commission and brokerage	\$ 6,221,733	\$ 6,067,697
Premium taxes	20,222,564	17,631,216
Direct mail selling	58,283,863	56,540,347
	<u>\$ 84,728,160</u>	<u>\$80,239,260</u>
Policy acquisition costs amortized	<u>\$130,395,384</u>	<u>\$73,903,825</u>
(Increase) decrease in deferred policy acquisition costs	<u>\$ 45,667,224</u>	<u>\$ (6,335,435)</u>

INVESTMENT TAX CREDIT

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

ADDITIONAL LONG-TERM DEBT INFORMATION

The long-term debt maturities for the succeeding five years are summarized as follows:

	<u>8-1/4% Notes of GEICO Properties, Inc.</u>	<u>8-1/2% Note of GEICO Properties, Inc.</u>	<u>9-3/8% Note of GEICO Washington Properties, Inc.</u>	<u>Total</u>
1976	\$ 136,274	\$ 73,774	\$ 101,769	\$ 311,817
1977	147,869	80,248	111,731	339,848
1978	160,450	87,289	122,667	370,406
1979	174,103	94,949	134,675	403,727
1980	188,917	103,280	147,857	440,054
	<u>807,613</u>	<u>439,540</u>	<u>618,699</u>	<u>1,865,852</u>
1981 to 2010	<u>14,007,748</u>	<u>7,960,806</u>	<u>24,341,623</u>	<u>46,310,177</u>
	<u>\$14,815,361</u>	<u>\$8,400,346</u>	<u>\$24,960,322</u>	<u>\$48,176,029</u>

OTHER LIABILITIES

Other liabilities consist of:

	December 31,	
	1975	1974
Unpaid drafts issued in settlement of claims	\$20,668,478	\$17,367,760
Unapplied premium receipts	7,407,708	6,867,279
Policyholder credit balances	2,375,141	6,009,243
All other	396,598	477,017
	<u>\$30,847,925</u>	<u>\$30,721,299</u>

LOSSES AND LOSS EXPENSES

The reserve for losses and loss expenses consist of:

	December 31,	
	<u>1975</u>	<u>1974</u>
Reserve for losses	\$325,901,584	\$228,190,258
Reserve for loss adjustment expenses	42,537,194	34,791,295
	<u>\$368,438,778</u>	<u>\$262,981,553</u>

The losses and loss expenses incurred consist of:

	Year Ended December 31,	
	<u>1975</u>	<u>1974</u>
Losses incurred	\$562,295,031	\$377,431,095
Loss adjustment expenses incurred	90,101,357	76,559,934
	<u>\$652,396,388</u>	<u>\$453,991,029</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.

REINSURANCE

Amounts deducted from liability, income and expense accounts in connection with reinsurance placed with other companies are as follows:

	<u>1975</u>	<u>1974</u>
Reserve for losses and loss expenses	\$3,817,329	\$ 965,877
Reserve for unearned premiums	5,422,119	1,901,714
Premiums written	9,936,500	3,898,951
Losses and loss expenses	5,434,067	1,121,993

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, 1975; and the shares under option at December 31, 1975 and 1974.

OPTIONS GRANTED

	<u>Number of Shares</u>	<u>Per Share</u>	<u>Total</u>
Year ended December 31:			
1974	38,489	\$24.88	\$957,606
1975	28,610	20.25	579,352

OPTIONS WHICH HAVE BECOME EXERCISABLE

	<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>
Year ended December 31:					
1974	37,894	\$19.23 to \$55.53	\$1,301,440	\$19.13 to \$36.25	\$956,957
1975	34,496	24.88 to 55.53	1,267,474	9.38 to 27.00	780,086

OPTIONS EXERCISED

	<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>
Year ended December 31:					
1974	5,539	\$19.23 to \$34.92	\$121,401	\$23.38 to \$40.13	\$152,145
1975	16,303	19.23 to 20.91	313,873	21.87 to 27.75	430,937

SHARES UNDER OPTION

<u>Period During Which Options Were Granted</u>	<u>Under Option</u>	<u>Option Price</u>	
		<u>Per Share</u>	<u>Total</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>
<u>December 31, 1975</u>			
1971	30,584	\$34.92 to \$37.74	\$1,076,682
1972	11,503	55.53	638,750
1973	35,253	43.22	1,523,635
1974	36,428	24.88	906,147
1975	28,610	20.25	579,353
	<u>142,378</u>		<u>\$4,724,567</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.

SCHEDULE I - SUMMARY OF INVESTMENTS - OTHER THAN INVESTMENTS IN AFFILIATES

Government Employees Insurance Company and Subsidiaries

December 31, 1975

<u>Type of Investments</u>	<u>Cost (Note 1)</u>	<u>Value</u>	<u>Amount at Which Shown in the Balance Sheet</u>
Bonds and Notes:			
United States government and governmental agencies and authorities	\$ 83,334,445	\$ 83,862,144	\$ 83,334,445
States, municipalities and political subdivisions	396,260,478	361,951,458	396,260,478
Public utilities	518,970	516,250	518,970
Industrial & miscellaneous	680,436	733,500	680,436
Total bonds and notes	480,794,329	447,063,352	480,794,329
Preferred Stocks	54,631,136	42,810,524	42,810,524
Common Stocks			
Railroads	1,621,614	945,980	945,980
Public utilities	32,197,732	27,628,306	27,628,306
Industrial & miscellaneous	30,245,039	26,374,046	26,374,046
Total common stocks	64,064,385	54,948,332	54,948,332
Total bonds and stocks	599,489,850	544,822,208	578,553,185
Certificates of Deposit	223,591	223,591	223,591
Total investments	\$599,713,441	\$545,045,799	\$578,776,776

Note 1 - On the basis of original cost for stocks, cost for bonds adjusted for amortization of premiums and accrual of discounts.

SCHEDULE V - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

Government Employees Insurance Company and Subsidiaries

December 31, 1975 and December 31, 1974

<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>A D D I T I O N S</u>		<u>Deductions - Describe Note 1</u>	<u>Balance at End of Period</u>
		<u>Charged to Costs and Expenses</u>	<u>Charged to Other Amounts-Describe</u>		
<u>Year Ended December 31, 1974:</u>					
Allowance for amounts uncollectible on cancelled policies	<u>\$2,600,000</u>	<u>\$5,105,417</u>	<u>-</u>	<u>\$2,705,417</u>	<u>\$5,000,000</u>
<u>Year Ended December 31, 1975:</u>					
Allowance for amounts uncollectible on cancelled policies	<u>\$5,000,000</u>	<u>\$2,490,335</u>	<u>-</u>	<u>\$4,490,335</u>	<u>\$3,000,000</u>

Note 1: The deductions to the allowance for each of the two years ended December 31, 1975 represent the net write-off of amounts not collected on cancelled policies.

SCHEDULE VII - PREMIUMS, LOSSES, AND CLAIMS AND POLICY ACQUISITION COSTS

Government Employees Insurance Company and Subsidiaries

Two Years Ended December 31, 1975

Line of Business	PART 1 - PREMIUMS				PART 2 - LOSSES		PART 3 - POLICY ACQUISITION COSTS				
	Unearned Premiums Beginning of Period	Premiums Written	Unearned Premiums End of Period	Premiums Earned During Period	Loss & Claims Incurred During Period	Adjustment Expense Incurred During Period	Deferred at Beginning of Period	Additions During Period	Deferred At End of Period	Amortization Charged to Costs & Expenses	Costs Incurred and Charged to Costs and Expenses During Period
Year Ended December 31, 1974:											
Homeowners multiple peril	\$ 23,318,474	\$ 33,560,871	\$ 27,517,384	\$ 29,361,961	\$ 18,553,867	\$ 3,371,539					
Auto liability	170,244,205	334,400,174	186,510,300	318,134,079	221,771,779	43,544,953					
Auto physical damage	93,570,159	187,893,792	101,254,153	180,209,798	134,403,877	29,273,172	\$39,331,789	\$80,239,260	\$45,667,224	\$ 73,903,825	\$8,153,395
All other	3,503,305	4,929,083	3,890,820	4,541,568	2,701,572	370,270					
Service charges	-	4,442,269	-	4,442,269	-	-					
	<u>\$290,636,143</u>	<u>\$565,226,189</u>	<u>\$319,172,657</u>	<u>\$536,689,675</u>	<u>\$377,431,095</u>	<u>\$76,559,934</u>	<u>\$39,331,789</u>	<u>\$80,239,260</u>	<u>\$45,667,224</u>	<u>\$ 73,903,825</u>	<u>\$8,153,395</u>
Year Ended December 31, 1975:											
Homeowners multiple peril	\$ 27,517,384	\$ 38,421,398	\$ 31,420,852	\$ 34,517,930	\$ 25,614,744	\$ 3,955,779					
Auto liability	186,510,300	395,803,595	226,392,891	355,921,004	344,338,440	57,713,299					
Auto physical damage	101,254,153	221,157,281	122,762,738	199,648,696	189,157,627	27,639,181	\$45,667,224	\$84,728,160	\$ -0-	\$130,395,384	\$8,584,798
All other	3,890,820	5,439,903	4,287,188	5,043,535	3,184,220	793,098					
Service charges	-	8,189,446	-	8,189,446	-	-					
	<u>\$319,172,657</u>	<u>\$669,011,623</u>	<u>\$384,863,669</u>	<u>\$603,320,611</u>	<u>\$562,295,031</u>	<u>\$90,101,357</u>	<u>\$45,667,224</u>	<u>\$84,728,160</u>	<u>\$ -0-</u>	<u>\$130,395,384</u>	<u>\$8,584,798</u>



GEICO

ANNUAL REPORT

1975

ADDENDUM TO
1975 ANNUAL REPORT TO SHAREHOLDERS OF
GOVERNMENT EMPLOYEES INSURANCE COMPANY

Since the printing of the Annual Report the Company has received an Order from the Director of Insurance of Arizona suspending the Company's Certificate of Authority in that State. Thus, while the Company cannot write any new business in Arizona, it can continue to service and renew its existing business.

March 10, 1976

ANNUAL REPORT 1975

GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

WASHINGTON, D. C.

ANNUAL MEETING

The Annual Meeting of Shareholders will be held at 10:00 a.m. on March 31, 1976 in the Federal Room of the Statler Hilton Hotel in Washington, D.C.

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GOVERNMENT EMPLOYEES INSURANCE COMPANY AND SUBSIDIARIES

Government Employees Insurance Company, perhaps more widely known as GEICO, is a multiple line property and casualty insurer engaged primarily in the writing of all lines of private passenger automobile insurance. To a much more limited degree, the Company also writes homeowners, fire and extended coverage, comprehensive personal liability and boatowners insurance.

The Company has two wholly-owned subsidiaries: GEICO Properties, Inc., and GEICO Washington Properties, Inc.

In accordance with accounting changes made in 1974, the financial data set forth in this Report unless otherwise noted have been prepared on the basis of Generally Accepted Accounting Principles (GAAP) rather than on a statutory accounting basis supplemented by GAAP adjustments, as in years prior to 1974.



Mr. Norman L. Gidden
Chairman of the Board



Mr. Ralph C. Peck
President

To Our Shareholders

This fortieth Annual Report of Government Employees Insurance Company covering the year 1975 is submitted on behalf of the Board of Directors.

The past year was by far the most difficult one ever experienced by property and casualty insurance companies as attested by the severe underwriting losses registered by the industry. It is estimated that the industry suffered a statutory underwriting loss of more than \$4.1 billion in 1975. Insurers such as GEICO, specializing in automobile insurance, were severely impacted during 1975 by the effects of rampant inflation on medical and auto repair costs, which drove the cost of claims to unprecedented levels. Existing premium rates, particularly in no-fault states, proved inadequate in the face of these increasing costs and the present estimate of the industry's underwriting loss on private passenger automobile insurance alone is nearly \$2 billion. GEICO sustained its second consecutive year of underwriting losses, and suffered a very substantial net operating loss which resulted in an impairment of the Company's surplus.

The pre-tax underwriting loss of \$190,896,022 compares with the 1974 loss of \$5,889,860. Investment income increased to a new high of \$33,559,751 from \$32,328,347 in 1974. Our net operating loss after taxes, excluding realized capital losses, was \$124,173,553 compared with 1974's profit of \$26,124,665 and, on a weighted average per share basis, the loss was \$7.00 which compares with the 1974 profit of \$1.48 per share.

With the substantial premium rate increases we implemented in 1974 and 1975, our written premium vol-

ume for the year including service charges increased 18.4% to \$669,011,623. Policies in force in all lines were 2,844,744 at year-end, an increase of 8.7%. The growth in policies in force was at a decreasing rate during the year because of the more stringent underwriting standards put into effect in all jurisdictions.

In spite of the inevitable time lag which occurs between incurring underwriting losses and implementation of the requisite rate relief, significant progress was made during 1975 toward restoring premium rates to adequate levels. In 1975 premium rate increases were received in states representing approximately 90% of our voluntary premium volume. As of year-end 1975, the annualized premium value of those rate increases for voluntary auto business, based on 1975 volume, totaled \$111,175,000, an increase in the average rate level of 21.0%. This amount includes premium rate adjustments implemented in 1974 as well as premium rate reductions mandated by those states enacting no-fault insurance laws.

Involuntary auto insurance business has been a significant factor in contributing to our underwriting loss. While involuntary risks represented only 7.2% of our 1975 automobile insurance earned premium volume, they produced a statutory underwriting loss of \$29,938,000 or 19.9% of our losses in the automobile line. In 1975 annualized premium rate increases totaling \$11,264,000, based on 1975 volume, were received for this historically unprofitable portion of our business, but they will only partially offset the continuing underwriting losses which are expected for these risks in 1976.

The effects of inflation on building repair costs also impacted our other lines such as homeowners and fire insurance. The increases in average premium per policy that result from appreciation in the value of property insured by these coverages aids in offsetting the increased costs of partial losses on such property. However, the unusually rapid rate at which claim costs increased during 1975 caused our experience in this relatively small portion of our business to deteriorate. Since we establish our rates for these lines generally as a deviation from Insurance Services Office (ISO) rate levels, we have benefited from the considerable rate filing activity by ISO in 1975.

An area of major concern is our ratio of premium writings to policyholders' surplus which increased at year-end 1975 to 13.40 to 1 from 1974's ratio of 5.44 to 1. While GEICO has traditionally written business at a higher ratio than the industry because of the nature of our book of business, our conservative investment policy and our long record of underwriting profits, a number of actions were deemed necessary in 1975 in order to prevent further deterioration of our surplus position. We omitted cash dividends to our shareholders after the first quarter of 1975. GEICO's statutory policyholders' surplus was increased by \$21.3 million on July 24, 1975 by the transfer to and lease back of real estate from GEICO Washington Properties, Inc., a wholly-owned subsidiary.

In addition, to substantially improve our liquidity position, we selectively sold common stocks from our investment portfolio and reinvested the proceeds in short and medium term U. S. Treasury Notes. The book value of our portfolio of short and medium term U. S. Treasury Securities totaled \$83,334,445 on December 31, 1975 and \$173,106,560 on February 29, 1976.

In July 1975, Management informed the Board of Directors of its intention to retain a consulting actuarial firm to assist in the review and analysis of GEICO's reserve for losses and loss expenses. A large and well-known consulting actuarial firm was retained in September 1975 and an interim report was received from them in late December. After considering their recommendations and a review by GEICO's own actuary of that report and the methods used in making the analysis, the Board of Directors at a special meeting on January 14, 1976 approved Management's recommendation to provide in the fourth quarter of 1975 an additional \$35 million to settle claims arising from accidents which had occurred prior to September 30, 1975. At that time, the losses incurred in the fourth quarter of 1975 were estimated

at \$190 million including the \$35 million for prior periods. Payments made in settlement of claims in the fourth quarter were about \$147 million, resulting in a net increase in the reserve for losses and loss expenses of approximately \$43 million in the fourth quarter with the total loss reserve estimated to be \$343 million at year-end. A preliminary report of unaudited results for 1975 reflecting the foregoing was issued to shareholders on January 14, 1976.

Subsequently, on February 23, 1976, shareholders were advised that Management and its actuaries were continuing their review of the loss reserves based on data developed through the fourth quarter ending December 31, 1975 and that the Company's consulting actuaries and independent auditors were reviewing the level of reserves as of that date. It was announced that the loss reserves might require further substantial strengthening, that other financial adjustments might be required and that for this reason Management had requested a suspension of trading in the Company's securities.

On March 1, 1976, our shareholders were advised that, based upon the findings of the independent consulting actuaries, with the concurrence of the Company's independent auditors, and after discussions with the Superintendent of Insurance of the District of Columbia, Management determined that a further addition of approximately \$25.6 million should be made to the loss reserves as of December 31, 1975, bringing those reserves to \$368,438,778. Additional discussion of this subject is included under Loss Reserves on page 9 and in the Notes to Financial Statements.

Due to the magnitude of our 1975 underwriting loss, a write down of all remaining deferred policy acquisition costs, amounting to \$40,644,610, was necessitated in the fourth quarter resulting in a net decrease of \$45,667,224 for the full year. These amounts are included in the underwriting loss of \$117,321,458 for the fourth quarter of 1975 and in the underwriting loss for the full year.

By reason of the actions described above, the Company does not now comply with provisions of District of Columbia law, under which it is organized, requiring the maintenance of a specified surplus above the par value of the outstanding shares of capital stock. The Superintendent of Insurance of the District of Columbia has ordered this deficiency to be remedied by April 30, 1976. The shareholders at the Annual Meeting scheduled to be held on March 31, 1976, will vote on Management's proposal of a reduction in the par value of the common stock that

will restore compliance with District of Columbia law.

Following the special meeting of the Board of Directors on January 14, 1976, the Company reported in a letter to shareholders on its plans to improve operating results and GEICO's financial position as quickly as possible, as follows:

- In order to strengthen the capital base of the Company, the Board authorized Management to proceed with an exploration of a capital financing program which could include the issuance and sale of additional common stock and/or preferred stock.
- For that purpose, and to increase statutory surplus, the Board voted to increase the authorized capital stock of the Company from 24 million shares of \$4 par value common stock to 36 million shares of \$1 par value common stock, subject to shareholders approval at the Annual Meeting scheduled for March 31, 1976. If approved by the shareholders and the regulatory authorities, this action will result in the transfer of approximately \$53 million from the capital stock account to the paid-in surplus account. Such transfer would remedy the present impairment of the Company's surplus under District of Columbia law.
- Rate increases of an overall magnitude at least as great as were obtained in 1975 will be actively sought in 1976. In order to maintain rate adequacy, the rates used in every state will be reviewed continuously to assure that they will support an underwriting profit. When rates prove to be inadequate, the appropriate rate adjustment action will be taken promptly.
- The Board approved Management's plan to gradually reduce the number of voluntary automobile insurance policies in force during 1976 until underwriting profitability is again restored, thereby diminishing our Company's exposure to losses. The reduction in unit exposure will be accomplished by applying stringent underwriting guidelines in evaluating individual risks in the acceptance of new business and the renewal of expiring policies. Our efforts will be concentrated on the servicing of our policyholders and claimants. Because of the rate increases received in 1974 and 1975 but not yet fully reflected in written premiums plus new increases to be obtained in 1976, it is expected that, although unit exposure will decrease, GEICO's written premium dollar volume will not decline significantly during 1976 from \$669.0 million written in 1975.

The Board has retained two investment banking firms to act as financial advisers with regard to the Company's

capital financing program and merger possibilities. Various approaches are being considered which could be utilized to improve the Company's capital base and add to policyholders' surplus and we will advise shareholders as soon as more definite information becomes available. The Company has received preliminary and tentative expressions of interest from several sources.

Our Company has historically operated at one of the lowest expense ratios within the property and casualty insurance industry. Our expense ratio, which has not exceeded 16.5% in the last 30 years, was 14.4% in 1975 compared with 15.8% in the prior year. To assure that this ratio will not be adversely affected by this interim program, Management will continue to control operating costs closely to achieve additional internal economies consistent with maintaining the strength and efficiency of GEICO's highly trained and loyal staff of employees and the quality of its service to its policyholders.

GEICO has communicated its plans for improving its financial position to the Insurance Commissioner, Superintendent or Director of each of the fifty states.

The District of Columbia Insurance Department commenced on March 1, 1976 the triennial examination of the Company in participation with the National Association of Insurance Commissioners (NAIC). The Company was last examined under the Association Plan of the NAIC as of December 31, 1972 for the three year period ended on that date.

In spite of the disastrous year through which we have passed, GEICO's efficient organization, which services policyholders and claimants throughout the country, remains intact. The plans of Management to regain underwriting profitability are sound and we believe will be successful. Premium rate increases heretofore granted and to be obtained in 1976 will continue to have a beneficial effect on our earned premiums during the year ahead and the proper balance between premium rates and losses should be gradually restored. We enter the year 1976 determined to meet the challenging problems that face us and confident that we can cope with them.

Ralph C. Park *N. L. Giddon*
President Chairman of the Board

March 10, 1976
Washington, D. C.

SUMMARY OF OPERATIONS

YEAR ENDED DECEMBER 31

	1975	1974	1973	1972	1971
Net Premiums Earned (Including Service Charges) ..	\$ 603,320,611	\$536,689,676	\$499,536,612	\$451,878,436	\$377,328,635
Losses and Loss Expenses	\$ 652,396,388	\$453,991,029	\$410,432,050	\$360,027,736	\$312,745,382
Underwriting and Other Expenses	\$ 96,153,021	\$ 94,923,941	\$ 84,194,274	\$ 72,495,369	\$ 57,164,012
Change in Deferred Policy Acquisition Costs	\$ 45,667,224	\$ (6,335,434)	\$ (6,715,672)	\$ (3,336,287)	\$ (6,644,562)
Underwriting Income (Loss) ...	\$ (190,896,022)	\$ (5,889,860)	\$ 11,625,960	\$ 22,691,618	\$ 14,063,803
Investment Income	\$ 33,559,751	\$ 32,328,347	\$ 27,867,975	\$ 23,836,624	\$ 18,763,708
Interest Expense	\$ 2,973,118	\$ 1,717,575	\$ 34,375	\$ —0—	\$ —0—
Income (Loss) Before Taxes and Realized Gains or Losses	\$ (160,309,389)	\$ 24,720,912	\$ 39,459,560	\$ 46,528,242	\$ 32,827,511
Federal Income Taxes (Credit) .	\$ (36,135,836)	\$ (1,403,753)	\$ 7,664,088	\$ 13,110,230	\$ 8,885,096
Income (Loss) Before Realized Gains or Losses	\$ (124,173,553)	\$ 26,124,665	\$ 31,795,472	\$ 33,418,012	\$ 23,942,415
Realized Gains (Losses), Net of Taxes	\$ (2,283,441)	\$ (1,035,286)	\$ 6,962	\$ (853,944)	\$ (842,939)
Net Income (Loss)	\$ (126,456,994)	\$ 25,089,379	\$ 31,802,434	\$ 32,564,068	\$ 23,099,476
Per Share: ⁽¹⁾					
Income (Loss) Before Realized Gains or Losses	\$ (7.00)	\$ 1.48	\$ 1.80	\$ 1.89	\$ 1.39
Realized Gains (Losses)	\$ (.13)	\$ (.06)	\$ —0—	\$ (.05)	\$ (.05)
Net Income (Loss)	\$ (7.13)	\$ 1.42	\$ 1.80	\$ 1.84	\$ 1.34
Unrealized Appreciation (Depreciation) from Changes in Valuation on Preferred and Common Stocks, Net of Tax Benefit ⁽²⁾	\$ 22,936,834	\$ (33,011,963)	\$ (18,275,151)	\$ 6,800,510	\$ 6,128,736
Weighted Average Shares Outstanding	17,731,891	17,719,081	17,704,756	17,669,713	17,174,720
Cash Dividends Paid	\$ 3,544,454	\$ 14,175,429	\$ 12,640,368	\$ 11,215,479	\$ 10,823,507
Cash Dividends Paid Per Share ⁽³⁾	\$.20	\$.80	\$.71	\$.63	\$.63
Stock Dividends and Distributions Paid	—0—	—0—	4.0%	100.0%	—0—
Net Premiums Written (Including Service Charges)	\$ 669,011,623	\$565,226,189	\$534,219,554	\$479,651,806	\$428,349,283
Policies in Force	2,844,744	2,617,617	2,447,287	2,219,446	2,031,978
Statutory Ratios:					
Loss	109.8%	85.4%	82.8%	80.2%	82.9%
Expense	14.4%	15.8%	14.8%	14.1%	12.5%
Combined Loss and Expense .	124.2%	101.2%	97.6%	94.3%	95.4%

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

(2) Added (deducted) directly from shareholders' equity.

(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 1975, including service charges for installment premium payments, totaled \$669,011,623, an increase of \$103,785,434, or 18.4% over net premiums of \$565,226,189 in 1974. In 1974 the net written premiums increased \$31,006,635 or 5.8% over the 1973 net written premiums of \$534,219,554. The net written premiums for voluntarily selected and underwritten business increased 17.0% to \$619,754,461 from \$529,824,487 in 1974.

The following table shows by line the apportionment and percent of change in premiums written for 1975 and 1974:

	1975 Premiums Written	% Increase (Decrease) from 1974	% Distri- bution by Line	1974 Premiums Written	% Increase (Decrease) from 1973	% Distri- bution by Line
Automobiles:						
Voluntary	\$575,710,189	17.2	86.0	\$491,202,183	5.4	86.9
Involuntary	49,257,162	39.1	7.4	35,481,702	(2.1)	6.3
Total Auto	624,967,351	18.7	93.4	526,683,885	4.9	93.2
Homeowners	39,174,436	14.6	5.9	34,174,141	21.3	6.0
Fire & Extended Coverage	3,218,863	10.6	0.5	2,910,939	11.5	0.5
Comprehensive Personal Liability	105,880	8.1	—	97,961	(32.0)	—
Boatowners	1,545,093	7.4	0.2	1,439,263	17.0	0.3
TOTALS	\$669,011,623	18.4	100.0	\$565,226,189	5.8	100.0

During the latter portion of 1974 and throughout 1975, significant premium rate increases were implemented in most jurisdictions. During 1974 these increases were largely offset by premium rate reductions that were mandated as a concomitant of the new no-fault laws. Therefore, 1974's written premium growth was relatively moderate compared to the prior year. However, the effects of these rate increases became noticeable in 1975, and premiums written increased much more rapidly than policies in force.

Total written premium volume by quarter for 1975 and 1974 is shown in the following table:

QUARTER	Premiums Written (Including Service Charges)	% Increase Over Same Period Prior Year
1975		
1st	\$156,449,744	20.0
2nd	\$172,524,248	14.0
3rd	\$178,966,477	17.9
4th	\$161,071,154	22.3
1974		
1st	\$130,362,524	3.4
2nd	\$151,368,342	9.8
3rd	\$151,807,951	4.2
4th	\$131,687,372	5.8

The following table shows the percentage increase in voluntarily written premiums (including service charges) by quarter for 1975 and 1974 after making appropriate adjustments for policy processing schedule changes in the first quarter of 1974:

QUARTER	Voluntarily Written Premiums Adjusted (Including Service Charges)	% Increase Over Same Period Prior Year
1975		
1st		13.2
2nd		12.9
3rd		14.0
4th		20.8
1974		
1st		11.8
2nd		8.5
3rd		9.1
4th		8.2

Premiums Earned Premiums earned on all lines including service charges for premiums paid on installment totaled \$603,320,611 in 1975, an increase of \$66,630,935 or 12.4% over 1974's earned premiums of \$536,689,676. In 1974, net earned premiums increased by \$37,153,064 or 7.4% over 1973 earned premiums of \$499,536,612. The following table shows the percent of change over the prior year and the percentage distribution of premiums earned by line for 1975 and 1974:

	Net 1975 Earned Premiums	% Increase (Decrease) from 1974	% Distri- bution by Line	Net 1974 Earned Premiums	% Increase (Decrease) from 1973	% Distri- bution by Line
Automobiles:						
Voluntary	\$522,728,836	11.5	86.6	\$468,934,879	8.6	87.4
Involuntary	40,847,340	21.1	6.8	33,718,916 (13.7)	6.3	6.3
Total Auto	563,576,176	12.1	93.4	502,653,795	6.7	93.7
Homeowners	35,202,509	17.8	5.8	29,890,258	20.9	5.6
Fire & Extended Coverage	2,993,359	10.9	0.5	2,699,066	7.7	0.5
Comprehensive Personal Liability	111,842	(12.8)	—	128,187	78.0	—
Boatowners	1,436,725	9.0	0.3	1,318,370	15.0	0.2
TOTALS	<u>\$603,320,611</u>	<u>12.4</u>	<u>100.0</u>	<u>\$536,689,676</u>	<u>7.4</u>	<u>100.0</u>

LOSSES AND EXPENSES INCURRED

Losses and Loss Adjustment Expenses

Losses and loss adjustment expenses incurred in 1975 totaled \$652,396,388, an increase of \$198,405,359 or 43.7% over the \$453,991,029 incurred in 1974. The 1974 losses and loss adjustment expenses reflected an increase of \$43,558,979 or 10.6% over the \$410,432,050 incurred in 1973. The ratio of losses incurred to premiums earned on our total book of business increased to 109.8% in 1975 from 85.4% in 1974 and 82.8% in 1973. Incurred losses on the automobile line accounted for 111.6% of automobile premiums earned in 1975. The adjacent table shows the 1975 and 1974 loss ratios by line of insurance.

Loss Ratios

	1975 %	1974 %
Automobile	111.6	86.2
Homeowners	85.4	74.4
Fire & Extended Coverage	78.0	76.0
Comprehensive Personal Liability	181.1	10.3
Boatowners	76.1	59.4

The losses and loss expenses increased dramatically under the impact of double digit inflation on the cost of settling claims, and because of the significant strengthening of loss reserves during the year.

Underwriting and Other Expenses These expenses which are costs associated with obtaining and processing insurance business, increased in 1975 by \$1,229,080 or 1.3% over 1974 underwriting and other expenses. By comparison, these expenses increased in 1974 by \$10,729,667 or 12.7% over those for 1973.

The ratio of underwriting expenses to written premiums decreased significantly in 1975 to 14.4% from 15.8% in 1974. The expense ratio for the whole property and casualty insurance industry is also estimated to have improved in 1975, decreasing to approximately 27.6% from 28.2% in 1974. GEICO's ratio is significantly lower than the industry's ratio because of our economical methods of marketing and servicing policies.

The underwriting expense ratio stated in this report is the ratio of underwriting expenses, without deferred policy acquisition cost additions or deductions, to premiums written excluding service charges.

Change in Deferred Policy Acquisition Costs

A significant contributor to the increase in the underwriting loss in 1975 over 1974 was the \$45,667,224 charge to expense caused by the decrease in deferred policy acquisition costs during the year. Generally Accepted Accounting Principles (GAAP) provide for the matching of revenues with expenses over the term of an insurance policy. This results in a deferral of expenses to the extent recoverable to the period over which the premium is earned, instead of charging them against current income as is required by statutory accounting rules. Therefore, the amount of policy acquisition costs to be deferred cannot exceed the amount recoverable from the related reserve for unearned premiums.

The unearned premium reserve must first be sufficient to cover future losses, based on current trends and future assumptions, after which the residual is compared to the deferred asset account. In times of adverse underwriting experience, losses absorb a greater proportion of the unearned premium reserve, resulting in a diminished residual available to cover deferred acquisition costs. This occurred during 1975 and resulted in unrecoverable deferred policy acquisition costs.

Combined Loss and Expense Ratio GEICO's combined ratio of losses incurred to premiums earned and underwriting expenses to premiums written on all lines of insurance for 1975 was 124.2% compared with 101.2% for 1974 and 97.6% for 1973.

UNDERWRITING INCOME (LOSS)

Our underwriting operations in 1975 produced a pretax loss of \$190,896,022, compared with the 1974 pretax underwriting loss of \$5,889,860. In 1973, we had a pretax underwriting income of \$11,625,960.

INVESTMENT INCOME

Investment income continued to grow in 1975 as it reached a record high of \$33,559,751. This represented a \$1,231,404 or 3.8% increase over the 1974 pretax investment income of \$32,328,347, which—in turn—was \$4,460,372 or 16.0% over 1973 investment income of \$27,867,975. Investment income in 1975 reflected the more rapid and higher payout of claims, thus making available fewer funds for new investments, and lower yields in the short-term money market.

INTEREST EXPENSE

On July 24, 1975, GEICO transferred to its wholly-owned subsidiary, GEICO Washington Properties, Inc. (GWPI),

the GEICO Operations Building in Chevy Chase, Maryland along with drive-in claim facilities in Clinton, Maryland and Bailey's Crossroads, Virginia, and GWPI purchased from GEICO Properties, Inc. (another wholly-owned subsidiary of GEICO) the drive-in claim facility at Smithtown, Long Island. The properties were leased back to GEICO and GWPI financed them by obtaining a 9¾% 35 year mortgage loan and by issuing to GEICO an 8% 12 year note. Total interest expense in 1975 on this mortgage loan and all outstanding notes was \$2,973,118 and will be approximately \$4,264,060 in 1976. Total interest expense was \$1,717,575 in 1974 and \$34,375 in 1973.

FEDERAL INCOME TAXES

Income tax credits of \$36,135,836 consist of current income tax credits amounting to \$12,719,614 which are recoverable from the Federal government and result from carrying back net operating losses to prior years, and deferred income tax credits of \$23,416,222 which are applicable to previously provided deferred income taxes on policy acquisition costs and other timing differences. The Notes to Financial Statements contain additional data concerning Federal income taxes.

NET INCOME (LOSS)

The severe underwriting losses which occurred throughout 1975 caused our Company to sustain a net loss of \$126,456,994 or \$7.13 per share for the year compared with net income totaling \$25,089,379 or \$1.42 per share in 1974, and \$31,802,434 or \$1.80 per share in 1973. For the fourth quarter the net loss was \$107,245,601 or \$6.04 per share compared with \$2,119,847 or \$.12 per share in 1974 and net income of \$4,408,997 or \$.25 per share in the fourth quarter of 1973. See the Notes to Financial Statements for additional explanation of the fourth quarter 1975 results.

STOCK MARKET APPRECIATION AND DEPRECIATION

The Company experienced an unrealized gain, net of tax effect, of \$22,936,834 during 1975, reducing the cumulative unrealized loss on equity securities to \$19,362,762 at the end of 1975. From January 1, 1976 through February 29, 1976 this cumulative unrealized loss was further reduced to approximately \$7,589,749 as a result of appreciation in the market values of equity securities. The cumulative unrealized loss net of tax benefits at the end of 1974 and 1973 was \$42,299,596 and \$9,287,633 respectively.

RECORD OF GEICO

ACTIONS OF STATE INSURANCE REGULATORS

The Company was licensed to write fire, casualty and inland marine insurance in 50 States and the District of Columbia at December 31, 1975, and is subject to varying legal requirements in each of those jurisdictions. As previously described in this Report, the Superintendent of Insurance of the District of Columbia has ordered the Company's surplus deficiency to be remedied by April 30, 1976. Failure to remedy the deficiency by that date will result in proceedings by the Superintendent in accordance with District of Columbia law. See "Actions of State Insurance Regulators" in the Notes to Financial Statements for additional information.

POLICIES IN FORCE

The number of policies in force on our five lines of insurance totaled 2,844,744 at the end of 1975, an increase of 8.7% or 227,127 policies compared with the 2,617,617 policies in force at year-end 1974. Excluding involuntarily written policies, policies in force on all lines of insurance increased by 8.1% in 1975 to 2,703,650 from 2,502,190 in 1974.

	<u>1975 Policies in Force</u>	<u>% Increase (Decrease) from 1974</u>	<u>% Distri- bution</u>
Automobile:			
Voluntary	2,235,244	7.6	78.5
Involuntary	141,094	22.2	5.0
Total Automobile	2,376,338	8.3	83.5
Homeowners	399,373	12.1	14.1
Fire & Extended Coverage	43,014	0.5	1.5
Comprehensive Personal Liability	5,654	(10.7)	0.2
Boatowners	20,365	9.5	0.7

Our primary line, automobile insurance, increased by 8.3% to 2,376,338 during 1975 and accounted for 83.5% of the policies in force at year-end compared with 83.8% at the end of 1974. Voluntarily written automobile policies increased by 7.6% or 157,014 policies from the end of 1974 to December 31, 1975. During the fourth quarter these policies in force decreased at an annualized rate of 0.4% as a result of the implementation of stringent underwriting guidelines. In 1975 our volume of involuntary business reversed previous years' trends and increased

rapidly as the voluntary auto insurance markets contracted in most jurisdictions in the wake of the mounting underwriting losses being sustained by the industry.

LOSS RESERVES

Loss reserves are estimates of the eventual cost of claims incurred but not finally settled. These reserve estimates are based not only on historical experience but also, of necessity, include a judgment of the effect on such claim costs of future economic and social forces. A reconciliation of past reserve estimates with actual loss cost developments is monitored continuously, and such revisions of the reserves as are indicated are made periodically.

In the past two years, escalating inflation of double-digit magnitude on the costs for medical care, auto crash parts and home repairs combined to make loss reserve estimates of future claim costs extremely vulnerable to variations from assumed limits of accuracy. In addition to economic inflation, social inflation of jury awards and recent structural changes in the tort liability system introduced by "no fault" automobile insurance made an accurate assessment of future events in loss reserve estimates even more difficult.

On December 31, 1975 our estimated reserve for losses and loss adjustment expenses was \$368,438,778 compared with \$262,981,553 at the end of 1974, an increase of 40.1%. This reserve is established to cover the payment of all claims incurred on or before December 31, 1975 but not finally settled at that date and includes losses which are estimated to have occurred in 1975 but were not reported to us by the end of the year.

Additional discussion of the reserve for losses and loss expenses is presented in the Letter to Shareholders at the beginning of this Annual Report and in the Notes to Financial Statements.

UNEARNED PREMIUM RESERVE

The unearned premium reserve is established to cover the unexpired portion of premiums written on all policies in force and not yet taken into underwriting income. This reserve is calculated with precision since it is a mathematical computation not requiring estimates or assumptions of future events.

Our reserve for unearned premiums was \$384,863,669 on December 31, 1975, an increase of 20.6% over the reserve of \$319,172,657 at the end of 1974.

INVESTMENTS

The value of our investment portfolio on December 31, 1975 was \$578,776,776 compared with \$515,595,689 on December 31, 1974. Net new investments in 1975 totaled \$35,082,421.

Throughout 1975 we followed a policy of selectively selling our common stock holdings, and on January 28, 1976, the Board of Directors approved a program to sell substantially all common stocks in our portfolio in an orderly manner at or about the then current prices. In addition, GEICO's portfolio of preferred stocks will be substantially reduced. The proceeds from the sales of all such securities are being invested in short and intermediate term U.S. Treasury bonds and notes. These actions were taken to eliminate the risk of erosion in the value of these securities and to protect policyholders' surplus and shareholders' equity during this prevailing period of economic uncertainty.

The value of the bonds and stocks listed in the Investment Portfolio Summary shown below are those used to establish the value of assets on the Balance Sheet on page 12. These values are stated as prescribed by the Committee on Valuation of Securities of the National Association of Insurance Commissioners, which requires the use of amortized value for bonds and the approximate market values for stocks as of December 31, 1975. A detailed schedule of GEICO's investment portfolio showing the market value of all stocks and bonds as of December 31, 1975 is listed in the Investment Portfolio report and, upon request to the Office of the Secretary, is available to shareholders as a Supplement to this Annual Report.

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 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.

DIVIDENDS

Regular quarterly cash dividends were paid to shareholders during 1974 and the first quarter of 1975. However, since the underwriting losses which occurred during the fourth quarter of 1974 and in the subsequent quarters of 1975 more than offset the income realized from investments for the same period, the Board of Directors considered it prudent to omit the cash dividends after that declared in January for the first quarter of 1975.

Cash dividends of twenty cents per share (totaling \$3,544,454) were paid to shareholders in 1975 compared with cash dividends of eighty cents per share (totaling \$14,175,429) paid in 1974 as detailed below:

CASH DIVIDENDS PAID PER SHARE

1975		1974	
March 28	\$0.20	March 26	\$0.20
		June 28	\$0.20
		September 30	\$0.20
		December 31	\$0.20

INVESTMENT PORTFOLIO SUMMARY

	December 31		Increase (Decrease)
	1975	1974	
U.S. Government Bonds	\$ 83,334,445	\$ 28,725,774	\$54,608,671
Certificates of Deposit	223,591	207,806	15,785
Corporate Bonds	1,199,407	749,200	450,207
Tax-Exempt Bonds	396,260,477	383,880,509	12,379,968
	<u>481,017,920</u>	<u>413,563,289</u>	<u>67,454,631</u>
Guaranteed Railroad Stocks	358,980	311,710	47,270
Preferred Stocks	38,784,489	35,400,548	3,383,941
Convertible Preferred Stocks	3,813,035	4,477,360	(664,325)
Railroad Common Stocks	800,000	1,000,000	(200,000)
Public Utility Common Stocks	27,628,307	30,380,125	(2,751,818)
Industrial Common Stocks	26,374,045	30,462,657	(4,088,612)
	<u>97,758,856</u>	<u>102,032,400</u>	<u>(4,273,544)</u>
TOTALS	<u><u>\$578,776,776</u></u>	<u><u>\$515,595,689</u></u>	<u><u>\$63,181,087</u></u>

FINANCIAL AND POLICYHOLDERS' RATINGS

The A. M. Best Company, an insurance industry rating service, has withdrawn its previous financial and policyholders' ratings of the Company and assigned a "deferred" rating which allows Management an opportunity to achieve the benefits of the program described in the Letter to Shareholders elsewhere in this Report.

STOCK OPTION PLAN

Under the provisions of a Stock Option Plan which was approved by the shareholders in 1963 and which terminated as to the granting of further options in 1973, a total of 257,944 shares of common stock of the Company was purchased by 255 officers and key executives.

Under the provisions of a new Stock Option Plan approved by the shareholders at the 1973 Annual Meeting, options for a total of 105,099 shares of common stock of the Company have been granted to 415 officers and key executives. No shares of common stock of the Company were acquired in 1975 through the exercise of options under the 1973 plan; however, a total of 16,303 optioned shares under the 1963 plan were purchased during the year by 111 optionees at prices ranging from \$19.231 to \$20.913 per share.

PRICES OF COMMON STOCK

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

The following table shows the high and low bid and asked prices for our Company's common stock for each quarter of 1975 and 1974:

TWO-YEAR SUMMARY OF STOCK PRICES

	1975			
	High		Low	
	Bid	Asked	Bid	Asked
1st Quarter	27¼	27¾	20¼	20¾
2nd Quarter	27½	28	19¼	19¾
3rd Quarter	24½	24¾	10¾	11½
4th Quarter	14¾	15½	9½	9¾

	1974			
	High		Low	
	Bid	Asked	Bid	Asked
1st Quarter	41¾	42¾	23½	23¾
2nd Quarter	27½	27¾	18¾	19¼
3rd Quarter	23	23½	14¾	15½
4th Quarter	26	26½	15¼	15¾

BOARD OF DIRECTORS

Mr. Daniel J. Callahan, Jr., a member of our Board of Directors since 1948 and a member of our Executive Committee since 1973, having reached retirement age, did not stand for reelection as a Director of our Company at the Annual Meeting of Shareholders on March 26, 1975. The Board appointed Mr. Callahan an Honorary Director, effective March 27, 1975, in recognition of his outstanding contributions to the growth and progress of our Company and his dedicated services to the Government Employees Companies, which have extended over a period of twenty-seven years.

THE STAFF

Employees of our Company numbered 7,760 on December 31, 1975, a decrease of 8.6% from the 8,492 employed at year-end 1974. Throughout 1975 our Staff responded admirably to the challenges presented by these extraordinary times. Despite reductions in the number of employees and a temporary deferment of individual employee salary reviews, our Staff worked diligently to maintain the high servicing standards of our Company. The program we have adopted for reducing voluntary policies in force will require a further reduction in the size of our staff. This will be accomplished in an orderly manner, largely through attrition and with full appreciation of the vital need to retain the staff required to carry out our program in this period of adversity and of the need to maintain morale so that the present high levels of quality and productivity are maintained.

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

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 20076

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 the 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.

CONSOLIDATED BALANCE SHEET

ASSETS	December 31, 1975	December 31, 1974
Cash	\$ 18,625,438	\$ 12,307,790
Investments:		
Certificates of deposit	223,591	207,806
Bonds and notes — at amortized cost		
United States Government bonds	83,334,445	28,725,774
State, municipal and corporate bonds and notes	397,459,884	384,629,709
Corporate stocks — at market values as established by the National Association of Insurance Commissioners:		
Preferred (cost: 1975 — \$54,631,137; 1974 — \$58,498,056)	42,810,524	40,092,408
Common (cost: 1975 — \$64,064,385; 1974 — \$90,187,972)	54,948,332	61,939,992
Premiums in course of collection — less allowance of \$3,000,000 and \$5,000,000 for amounts uncollectible on cancelled policies	208,347,759	173,588,647
Real estate — at cost less accumulated depreciation of \$6,210,683 and \$5,313,515	36,317,583	36,422,691
Furniture and equipment — at cost, less accumulated depreciation of \$11,136,514 and \$11,127,370	17,821,599	13,661,356
Accrued investment income	7,335,633	6,346,532
Amounts receivable on sale of securities	483,753	4,263,532
Recoverable Federal income taxes	12,658,477	6,248,210
Deferred policy acquisition costs	—0—	45,667,224
Other assets	5,282,592	2,668,275
Total Assets	<u>\$885,649,610</u>	<u>\$816,769,946</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Reserve for losses and loss expenses	\$368,438,778	\$262,981,553
Reserve for unearned premiums	384,863,669	319,172,657
Federal income taxes payable		
Current	1,425	38,268
Deferred	367,907	21,004,000
Accounts payable and accrued expenses	6,995,983	8,693,282
Licenses, fees and other taxes	9,043,209	7,084,343
Other liabilities	30,847,925	30,721,299
Long-term debt	48,176,029	23,409,118
Total Liabilities	<u>848,734,925</u>	<u>673,104,520</u>
Shareholders' equity:		
Capital stock, par value \$4 a share		
Authorized 24,000,000 shares		
Issued and outstanding: 1975 — 17,736,760 shares; 1974 — 17,720,457 shares	70,947,040	70,881,828
Paid-in surplus	43,725,049	43,476,388
Deficiency arising from revaluation of investment securities	(19,362,762)	(42,299,596)
Retained earnings (deficit)	(58,394,642)	71,606,806
Total Shareholders' Equity	<u>36,914,685</u>	<u>143,665,426</u>
Total Liabilities and Shareholders' Equity	<u>\$885,649,610</u>	<u>\$816,769,946</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Two Years ended December 31, 1975

	Capital Stock	Paid-in Surplus	Revaluation of Investment Securities	Retained Earnings (Deficit)	Total
Balance at January 1, 1974	\$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	43,476,388	(42,299,596)	71,606,806	143,665,426
Exercise of stock options —					
16,303 shares	65,212	248,661			313,873
Net loss for the year				(126,456,994)	(126,456,994)
Cash dividends — \$.20 a share .				(3,544,454)	(3,544,454)
Unrealized gain from change in valuation of investment securities during the year less reduction in deferred taxes of \$2,780,129			22,936,834		22,936,834
Balance at December 31, 1975 .	\$70,947,040	\$43,725,049	\$(19,362,762)	\$(58,394,642)	\$ 36,914,685

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

	Year Ended December 31,	
	1975	1974
Premiums and service charges written	\$ 669,011,623	\$565,226,189
Less increase in unearned premium reserve	65,691,012	28,536,513
Earned Premiums and service charges	<u>603,320,611</u>	<u>536,689,676</u>
Losses and loss expenses	652,396,388	453,991,029
Underwriting expenses	93,312,958	88,392,655
Policyholders' dividends	349,728	1,425,869
Provision for amounts uncollectible on cancelled policies	2,490,335	5,105,417
(Increase) decrease in deferred policy acquisition costs ..	45,667,224	(6,335,434)
	<u>794,216,633</u>	<u>542,579,536</u>
Underwriting Loss	<u>(190,896,022)</u>	<u>(5,889,860)</u>
Interest, dividends and rental income	34,298,751	32,808,234
Investment expenses	739,000	479,887
Investment Income	<u>33,559,751</u>	<u>32,328,347</u>
Underwriting and Investment Income (Loss)	<u>(157,336,271)</u>	<u>26,438,487</u>
Interest expense	2,973,118	1,717,575
Income (Loss) Before Federal Income Taxes and Realized Investment Losses	<u>(160,309,389)</u>	<u>24,720,912</u>
Federal income taxes (credits)		
Current	(12,719,614)	(4,953,490)
Deferred	(23,416,222)	3,549,737
	<u>(36,135,836)</u>	<u>(1,403,753)</u>
Income (Loss) Before Realized Investment Losses	<u>(124,173,553)</u>	<u>26,124,665</u>
Realized losses on sales of investments, net of related tax benefits of \$436,325 in 1974. (Net unrealized appreciation (depreciation) of preferred and common stock of \$22,936,834 in 1975 and \$(33,011,963) in 1974 has been credited (charged) directly to shareholders' equity)	(2,283,441)	(1,035,286)
Net Income (Loss)	<u>\$ (126,456,994)</u>	<u>\$ 25,089,379</u>
Earnings per share:		
Income (loss) before realized investment losses	\$(7.00)	\$1.48
Realized losses on sales of investments	(.13)	(.06)
Net Income (Loss)	<u>\$(7.13)</u>	<u>\$1.42</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	<u>Year Ended December 31,</u>	
	<u>1975</u>	<u>1974</u>
SOURCE OF FUNDS		
From operations:		
Net income (loss)	\$ (126,456,994)	\$25,089,379
Income statement items not affecting cash:		
Increase in unearned premium reserve	65,691,012	28,536,513
Increase in reserve for losses and loss expenses	105,457,225	15,197,037
Increase (Decrease) in general liabilities	(17,740,608)	2,648,742
Increase in premiums in course of collection and accrued investment income	(35,748,213)	(19,774,956)
Provision for depreciation	3,996,761	3,309,902
Accrual of discount and amortization of premiums on bonds — net	(4,665,144)	(4,701,466)
(Increase) Decrease in deferred policy acquisition costs	45,667,224	(6,335,434)
Increase in recoverable Federal income taxes	(6,410,267)	(3,813,604)
Deferred income (tax) benefit of unrealized losses on investment securities	(2,780,129)	1,061,818
Total Provided from Operations	<u>27,010,867</u>	<u>41,217,931</u>
Increase in long-term debt	24,766,911	8,409,118
Proceeds from sale of stock through exercise of stock options and Warrants	313,873	134,300
Total Funds Provided	<u>52,091,651</u>	<u>49,761,349</u>
APPLICATION OF FUNDS		
Purchase of bonds and stocks, net of sales	32,798,981	9,506,067
Cash dividends to shareholders	3,544,454	14,175,429
Decrease in amounts payable on purchase of securities .	2,544,135	2,429,524
Purchases of real estate, furniture and equipment net of sales	8,051,895	16,543,931
Increase (Decrease) in other assets	(1,165,462)	4,304,727
Total Application of Funds	<u>45,774,003</u>	<u>46,959,678</u>
INCREASE IN CASH	6,317,648	2,801,671
Cash at beginning of year	12,307,790	9,506,119
CASH AT END OF YEAR	<u>\$ 18,625,438</u>	<u>\$12,307,790</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1975

SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The financial statements include the accounts of the Company and its two wholly-owned subsidiaries, GEICO Properties, Inc. and GEICO Washington Properties, Inc., which were formed principally to own property and real estate for the Company's use. All intercompany accounts and transactions have been eliminated in consolidation.

BASIS OF REPORTING

The accompanying financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). These principles differ from statutory accounting practices prescribed or permitted by the Department of Insurance of the District of Columbia in several material respects. The more significant variances between GAAP and statutory accounting practices are: costs attributable to obtaining business are deferred and charged to income in proportion to the recognition of premium revenues rather than being charged to operations as incurred (at December 31, 1975 none of the acquisition costs were considered recoverable); deferred income taxes are provided on the timing differences between pretax accounting income and taxable income; 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 stock dividends are charged to retained earnings at market value rather than par value. In addition, intercompany gains on real estate transfers, which are eliminated in consolidation for GAAP, are permitted in the calculation of net income and statutory surplus.

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 and vary approximately 1% from values determined by market quotations for corporate stocks.

Realized gains and losses on sales of investment securities are included in the statement of 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

The reserve for losses and allocated loss adjustment expenses is provided based upon averages for claims reported

within the most recent six months, case basis estimates for older claims, and calculated estimates of unreported losses. Reserve for unallocated loss adjustment expenses is provided based upon estimates of future expenses to be incurred in settlement of the claims provided in the reserve for losses. The reserve for losses further includes additional amounts to compensate for possible deficiencies caused by future changes in economic and social conditions. In 1975 the determination of these additional amounts was based upon Company studies of its reserve levels using various projection techniques and included consideration of studies performed by a firm of independent consulting actuaries.

Reserve for unearned premiums is determined by prorating policy premiums over the terms of the policies. Unpaid claims and unearned premiums are reported net of reinsurance.

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 purchases since January 1, 1974. Prior to that time, for furniture, data processing and other equipment accelerated methods were used. 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 (LOSS)	
	1975	1974
Statutory accounting practices	\$ (84,978,974)	\$24,320,601
Deferred policy acquisition costs ..	(45,667,224)	6,335,434
Allowance for amounts uncollectible on cancelled policies	2,000,000	(2,400,000)
Deferred Federal income (taxes) credits	23,416,222	(3,549,737)
Gain in 1975 (\$21,278,092) on sale of buildings and other effects of consolidated subsidiaries	(21,340,859)	396,348
Other	113,841	(13,267)
In Accordance with Generally Accepted Accounting Principles..	<u>\$(126,456,994)</u>	<u>\$25,089,379</u>

SHAREHOLDERS' EQUITY

	1975	1974
Statutory accounting practices	\$ 49,302,281	\$103,048,706
Deferred policy acquisition costs.....	—0—	45,667,224
Allowance for amounts uncollectible on cancelled policies	(3,000,000)	(5,000,000)
Deferred Federal income taxes	(367,907)	(21,004,000)
Non-admitted assets	11,536,030	20,606,991
Effects of consolidated subsidiaries	(20,755,168)	119,066
Other	199,449	227,439
In Accordance with Generally Accepted Accounting Principles..	<u>\$ 36,914,685</u>	<u>\$143,665,426</u>

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:

	1975	1974
Income tax at 48% of pretax income (loss) (\$160,309,389) in 1975 and \$24,720,912 in 1974	\$(76,948,507)	\$11,866,038
Effect of:		
Tax-exempt interest income	(8,019,831)	(7,541,949)
Dividends received deduction	(3,692,136)	(4,049,373)
Amounts to be taxed as capital gains.....	1,668,077	(898,886)
Investment tax credit	1,022,632	(820,385)
Unused net operating loss carryforward.....	51,055,947	—0—
Other items	(1,222,018)	40,802
Income Tax Credits	<u>\$(36,135,836)</u>	<u>\$(1,403,753)</u>

The deferred tax expense (credit) for 1975 and 1974 results from timing differences in recognition of revenue and expense for tax and financial statements purposes as follows:

	1975	1974
Deferral of policy acquisition costs	\$(22,507,889)	\$3,041,008
Accrued investment income	(2,780,129)	1,061,819
Provision for amounts uncollectible on cancelled policies	2,400,000	(1,152,000)
Accelerated depreciation	(528,204)	707,201
Other items	—0—	(108,291)
Deferred Income Tax Expense (credit)	<u>\$(23,416,222)</u>	<u>\$3,549,737</u>

At December 31, 1975 the Company had a net operating loss carryforward for tax purposes of approximately \$117 Million which will expire in 1980 and unused Investment Tax Credit carryforwards of approximately \$2 Million. Because of timing differences, principally accrued investment income and allowances for uncollectible premiums receivable, the net operating loss carryforward for book purposes is approximately \$104 Million. As actual tax net operating losses are utilized to reduce future taxable income, certain deferred tax benefits taken in 1975 will have to be restored.

The cumulative unrealized investment loss at December 31, 1975 of \$19,362,762 is net of reduction for future tax benefits of \$1,573,903.

LONG-TERM DEBT

The long-term debt is owed by the Company's wholly-owned subsidiaries as follows:

GEICO Properties, Inc.:

8¼ % notes, due in equal quarterly installments of \$338,599, including interest, until June 15, 2004 ..	\$14,815,361
8½ % note, due in equal quarterly installments of \$196,373, including interest, until May 1, 2004	8,400,346
	<u>23,215,707</u>

GEICO Washington Properties, Inc.:

9¾ % note, due in equal monthly installments of \$203,125, including interest until June 1, 2010	24,960,322
	<u>\$48,176,029</u>

All of the real estate has been pledged as security to the notes and the Company has made assignments of long-term leases as additional collateral. All of the note agreements provide that the entire unpaid principal and interest become due and payable in the event of default.

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 including amortization of prior service costs over thirty years. Fund assets at December 31, 1975 exceeded vested benefits. Pension expense was \$1,607,300 in 1975 and \$1,308,700 in 1974.

Based on a recalculation of the Company's 1975 pension costs to give effect to the 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 \$399,094 in 1975 and \$496,245 in 1974.

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 17,731,891 in 1975 and 17,719,081 in 1974.

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, 1974	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	<u>1,359</u>	19.23 to 55.53	<u>(15,164)</u>
Balance at December 31, 1974	260,162	19.23 to 55.53	147,299
Granted	(28,902)	20.25	28,902
Exercised	—	19.23 to 20.91	(16,303)
Terminated	<u>3,449</u>	19.23 to 55.53	<u>(17,520)</u>
Balance at December 31, 1975	<u>234,709</u>	20.25 to 55.53	<u>142,378</u>

At December 31, 1975 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 1,726,086 shares have been reserved for stock options and Warrants.

COMMITMENTS

Total rental expense for all leases was approximately \$4,560,000 in 1975 and \$3,450,000 in 1974.

The future minimum rental commitments as of December 31, 1975, for all noncancellable leases are as follows:

	Total	Building Space	Equipment
1976	\$ 4,963,616	\$ 2,882,140	\$2,081,476
1977	3,156,680	2,617,148	539,532
1978	2,404,138	2,302,594	101,544
1979	1,133,343	1,100,737	32,606
1980	974,231	974,231	—
1981-1985	3,769,599	3,769,599	—
1986-1990	1,639,431	1,639,431	—
1991-1992	<u>28,744</u>	<u>28,744</u>	<u>—</u>
	<u>\$18,069,782</u>	<u>\$15,314,624</u>	<u>\$2,755,158</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.

YEAR-END ADJUSTMENTS

The substantial increase in the fourth quarter net loss resulted from (1) the write-down of approximately \$40 million in deferred policy acquisition costs and (2) exhaustion of substantially all income tax benefits in the third quarter of 1975.

During 1975 Management modified estimating procedures employed in arriving at the reserve for losses and loss expenses. These modifications resulted in some increases as well as some decreases in reserve components. The net

result of these modifications, although intended to reflect more accurately the level of the reserves, produced an aggregate reserve lower by approximately \$7.5 million at September 30, 1975 than had such modifications not been effected. Subsequent analyses indicated that these modifications had not achieved their purpose. Further discussion of the Company's substantial strengthening of the reserve for losses and loss expenses is included in the President's and Chairman's Letter to Shareholders and under Loss Reserves on page 9.

INVESTMENTS

At December 31, 1975 there were gross unrealized gains of \$1,822,200 and gross unrealized losses of \$22,758,865 pertaining to the preferred and common stocks.

Through February 29, 1976, the Company realized a loss of approximately \$5,000,000 on sales of equity securities owned as of December 31, 1975, and the cumulative unrealized loss was reduced to approximately \$7,500,000.

At December 31, 1975, the amortized cost of bonds and notes determined as prescribed by the National Association of Insurance Commissioners exceeded the market value as determined by market quotations or yield to maturity calculations by approximately \$33.7 Million.

RELATED PARTIES

GEICO is the principal Company of the Government Employees Companies, four separate capital stock companies engaged in the casualty, fire and life insurance and consumer finance businesses. The other Companies comprising the Group are Criterion Insurance Company, Government Employees Life Insurance Company and Government Employees Financial Corporation. A majority of the members on GEICO's Board of Directors are also directors of the other three Companies.

In the normal course of business, GEICO enters into various transactions with the other Government Employees Companies on terms as favorable to GEICO as could have been obtained from other persons and provides leads, without charge, to two of the Companies through the use of its customer lists.

ACTIONS OF STATE INSURANCE REGULATORS

The Company was licensed to write fire, casualty and inland marine insurance in 50 States and the District of Columbia at December 31, 1975, and is subject to varying legal requirements in each of those jurisdictions. As previously described in this Report, the Superintendent of Insurance of the District of Columbia has ordered the Company's statutory surplus deficiency to be remedied by April 30, 1976. Failure to remedy the deficiency by that date will result in proceedings by the Superintendent in accordance with District of Columbia law. Because of this surplus prob-

lem, the Commissioner of Insurance of Kansas has called a hearing to determine, among other things, whether the Company's Certificate of Authority to do business in that State should be suspended or revoked, and the Commissioner of Insurance of Wyoming has suspended the Company's Certificate of Authority for that State. Pursuant to agreement with regulators in two other states, the Company is not writing any new business therein.

LITIGATION

In January and February 1976 two purported class actions, alleging violations of the Securities Exchange Act of 1934 and the common law, and naming as defendants the Company, certain of its directors and officers, certain former directors, its independent auditors, and the partners thereof, were filed, one in the United States District Court for the Southern District of New York and the other in the United States District Court for the District of Columbia. Not all of the defendants are named defendants in each suit. Both Complaints allege various disclosure violations and one also alleges breaches of common law duties. The purported class is alleged to be all purchasers of the Company's securities during an unspecified time period. The Complaints seek judgment directing the defendants to account to members of the purported class for unspecified damages sustained by them and for such other relief as the courts deem appropriate. Management believes these suits are without merit. While it is not practicable to calculate the amount of compensatory damages thus sought to be recovered, such amount could be material to the Company's financial position.

In August 1975 an action alleging various violations of the Federal antitrust laws and California law and naming as defendants twelve major insurance companies, including the Company, was filed in the United States District Court for the Northern District of California. The Complaint, brought by five independent auto body shops, charges the insurance companies have combined and conspired to restrict interstate commerce in auto body repairs and forced the plaintiffs to perform auto body repairs at prices less than those they would have been able to charge in a freely competitive market. Treble damages in an unspecified amount are sought. Management believes this suit is without merit but is unable to predict the outcome of this litigation.

In February 1976 the Securities and Exchange Commission (SEC) commenced a private investigation of recent trading in the Company's securities and reports filed by the Company at the SEC. The Company is cooperating fully with the SEC in its conduct of the investigation and cannot comment further upon the substance of the investigation at this time.

The Company has been advised by a terminating employee of a suit soon to be filed in Federal District

Court. In her notice of termination, said employee alleges certain actions by the Company which she deems discriminatory. Management is unaware of any such suit and is unable to evaluate the scope of the allegations, and damages, if any, which may be alleged if suit is filed.

REPORT OF INDEPENDENT AUDITORS

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 subsidiaries as of December 31, 1975 and December 31, 1974, 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.

The Company sustained substantial operating losses during the year ended December 31, 1975 and statutory surplus was reduced below the minimum required by various state regulations. The ability to continue to do business in these various states is dependant upon certain events as more fully described in the notes to financial statements under the caption "Actions of State Insurance Regulators."

In addition, there is certain litigation pending, described under the caption "Litigation" in the notes to financial statements, and at this time management is unable to give any appraisal as to the eventual outcome.

In our opinion, subject to the effects on the financial statements of the ultimate resolutions of the uncertainties discussed in the preceding two paragraphs, the financial statements referred to above present fairly the financial position of Government Employees Insurance Company and subsidiaries at December 31, 1975 and December 31, 1974, 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.

Ernst & Ernst

Washington, D.C.
March 9, 1976

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

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, N.Y.

SAMUEL C. BUTLER

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

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

Chairman, Shelby Cullom Davis & Co., investment bankers, New York, N.Y.

LEO GOODWIN, JR.

Private investment banker.

PAUL J. HANNA

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

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, President and Chief Executive Officer, Western Pacific Industries Inc., a management and holding company, San Francisco, California.

MELVIN M. PAYNE

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

RALPH C. PECK

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

EXECUTIVE COMMITTEE

DAVID LLOYD KREEGER, *Chairman*

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*

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

HARRY C. CLAY

EDWARD S. RING

TREASURER AND COMPTROLLER

HENRY J. COLLINS

VICE PRESIDENTS

MARTIN ADLER, *Actuary*

RALPH L. BELFORD, III

THEODORE R. BRANTHOVER

MILTON S. COLE

THEODORE F. CULP

WALTER F. CULVER

THOMAS N. EXARHAKIS

FRANK J. GILLEN

THOMAS R. HEFNER, *President Government Employees Life Insurance Company*

BARTLETT R. HENDRICKSON

DEANE W. HILLENBRAND

MERRILL D. KNIGHT

GEORGE F. LEWIN, *President Criterion Insurance Company*

ARTHUR T. Y. LOH

ERNEST M. LUCAS

Legislative Counsel

FRNEST L. MARKS, *President Government Employees Financial Corporation*

ROSS D. PIERCE

JAMES E. REAGAN

LOUIS E. SCHOEMER

DONALD K. SMITH, *General Counsel*

LAWRENCE J. SZAMBELAN

WALTER R. TINSLEY

EDWARD H. UTLEY

STACY L. WILLIAMS

SECRETARY

JOHN M. O'CONNOR

Government Employees Companies

MEDICAL DIRECTOR

ELAINE W. MURPHY, M.D.

ASSISTANT VICE PRESIDENTS

TONY R. ALLMOND

CHARLES R. ARMSTRONG

HARRY I. BOND, JR.

JOSEPH T. BRADY

MARION E. BYRD

JOHN F. CASEY

NOEL A. CHANDONNET

CHARLES E. COCHRAN

CHARLES T. CONNOLLY

DANIEL J. COUGHLIN, III

DEWAYNE C. CUTHBERTSON

CHARLES R. DAVIES

LUTHER M. DEAN

DONALD M. DOCKRELL

RAYMOND O. GIBSON

GERALD T. JACKSON

K. THOMAS KEMP

MORDECAI J. LEBOWITZ

ANDREW J. LYONS

BRIAN J. MCCREESH

OLZA M. NICELY

JOHN C. OWEN, JR.

VERNON G. PHELPS

WALTER E. POSE

JOSEPH D. REICH

JOHN R. WILLIAMS

ASSISTANT SECRETARIES

CLARA MAE COGAR

MARION G. METZGER

MYRTLE N. PITSENBARGER

ASSISTANT COMPTROLLER

ROBERT E. HOFFMAN

ASSISTANT TREASURER

ALBERT M. MCKENNEY

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, 1975

1975

FIRE AND CASUALTY COMPANIES—ASSOCIATION EDITION, 1975

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, 1975

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 C. PECK</u>	<u>152-05-8332</u>	<u>N. J. Boyle</u>	<u>026-16-1468</u>	<u>A. T. Y. Loh</u>	<u>360-28-8948</u>
Secretary	<u>JOHN H. O'CONNOR</u>	<u>175-26-1256</u>	<u>H. C. Clay</u>	<u>233-16-2323</u>	<u>E. H. Lucas</u>	<u>577-32-7671</u>
Treasurer			<u>E. S. Ring</u>	<u>357-18-4113</u>	<u>(V.P. & Legislative Counsel)</u>	
AND			<u>(Senior Vice President)</u>		<u>R. D. Pierce</u>	<u>577-40-9345</u>
Comptroller	<u>HENRY J. COLLINS</u>	<u>579-26-1660</u>	<u>R. L. Belford</u>	<u>161-28-7927</u>	<u>J. E. Reagan</u>	<u>579-20-6927</u>
Vice-President			<u>T. R. Branthover</u>	<u>577-20-4108</u>	<u>L. E. Schoemer</u>	<u>233-48-5208</u>
AND			<u>H. S. Cole</u>	<u>219-18-1905</u>	<u>O. K. Smith</u>	<u>577-44-6347</u>
Actuary	<u>MARTIN ADLER</u>	<u>120-26-3300</u>	<u>T. F. Culp</u>	<u>168-14-3077</u>	<u>(V.P. & General Counsel)</u>	
			<u>W. F. Culver</u>	<u>530-03-9611</u>	<u>L. J. Szabolcan</u>	<u>209-28-3530</u>
			<u>T. N. Exarhakis</u>	<u>143-03-5338</u>	<u>W. R. Tinsley</u>	<u>225-10-6633</u>
			<u>F. J. Gillen</u>	<u>126-14-6704</u>	<u>E. H. Utloy</u>	<u>312-26-9416</u>
			<u>B. R. Hendrickson</u>	<u>578-34-4029</u>	<u>S. L. Williams</u>	<u>244-22-9025</u>
			<u>D. W. Hillenbrand</u>	<u>577-42-0534</u>	<u>T. R. Hefner</u>	<u>235-24-7011</u>
			<u>H. D. Knight</u>	<u>579-36-0319</u>	<u>G. F. Lewin</u>	<u>022-16-1869</u>
					<u>E. L. Marks</u>	<u>234-32-4555</u>

DIRECTORS OR TRUSTEES**

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

State of MARYLAND
County of MONTGOMERY

R. C. Peck President J. H. 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 hereinafter 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 1976

President

Secretary

Treasurer*

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

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.

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ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

ASSETS	1 December 31, 1975	2 December 31, 1974
1. Bonds (Schedule D)*	489,673,081	412,370,711
2. Stocks (Schedule D):*		
2.1 Preferred stocks	42,810,524	40,092,408
2.2 Common stocks	55,369,458	62,477,743
3. Mortgage loans on real estate (Schedule B)	-0-	-0-
4. Real estate (Schedule A):		
4.1 Properties occupied by the company (less \$ -0- encumbrances)	-0-	13,010,738
4.2 Other properties (less \$ -0- encumbrances)	326,593	554,773
5. Collateral loans (Schedule C)	-0-	-0-
6. Cash on hand and on deposit (Exhibit 1)	18,328,167	12,157,187
7. Other invested assets (Schedule BA)	-0-	-0-
7a. Subtotals, cash and invested assets, sum of items 1 to 7 inclusive	606,507,824	540,663,562
8. Agents' balances or uncollected premiums (Exhibit 1):		
8.1 Premiums and agents' balances in course of collection	44,055,958	166,620,281
8.2 Premiums, agents' balances and installments booked but deferred and not yet due (Column 2 incl. on line 8.1)	163,643,309	
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	460,936	622,784
13. Electronic data processing equipment	11,704,432	6,757,757
14. Interest, dividends and real estate income due and accrued (Part 1)	7,375,685	6,340,771
15. Amounts receivable on sale of securities	483,752	4,263,532
16. Federal income taxes recoverable	12,658,477	6,248,209
17. Amounts due from joint underwriting associations, guaranty funds, FAIR plans, etc.	2,119,930	
18.		
19.		
20.		
21.		
22. TOTALS (Per Exhibit I, Col. 4)	849,010,306	731,516,898

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

LIABILITIES, SURPLUS AND OTHER FUNDS	1 December 31, 1975	2 December 31, 1974
1 Losses (Part 3A)	325,901,584	228,190,258
2 Loss adjustment expenses (Part 3A)	42,537,193	34,791,294
3 Contingent commissions and other similar charges	-0-	-0-
4 Other expenses (excluding taxes, licenses and fees)	2,558,023	2,717,507
5 Taxes, licenses and fees (excluding federal and foreign income taxes)	9,027,793	7,077,666
6 Federal and foreign income taxes (excluding deferred taxes)	1,425	38,268
7 Unapplied premium remittances	7,407,708	6,857,279
8 Borrowed money	-0-	-0-
9 Interest including \$ -0- on borrowed money	-0-	-0-
10 Unearned premiums (Part 2B)	384,863,668	319,172,656
11 Dividends declared and unpaid		
(a) Stockholders	-0-	-0-
(b) Policyholders	140,993	183,548
12 Accounts payable	531,427	104,988
13 Amounts withheld or retained by company for account of others	345,890	263,445
14a Unearned premiums on reinsurance in unauthorized companies	\$ -0-	
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 K, Part 2	\$ -0-	-0-
16 Excess of statutory reserves over statement reserves (Schedule P, Parts 1A, 1B, 1C, 1D and Schedule K)	199,449	227,439
17 Amounts payable on purchase of securities	2,035,887	4,580,023
18 Ceded reinsurance balances payable	716,763	399,796
19 Policyholders' credit balances	2,375,141	6,009,243
20 Reserve for unclaimed and abandoned properties	396,596	477,015
21 Claim drafts outstanding	20,668,478	17,367,760
22		
23 Total liabilities	799,708,025	628,468,192
24 Special surplus funds		
(a)		
(b)		
(c)		
25A Capital paid up	70,947,040	70,881,828
25B		
*26A Gross paid in and contributed surplus	7,494,717	7,246,057
*26B Unassigned funds (surplus)	-29,139,476	24,920,821
27 Surplus as regards policyholders (Items 24 to 26)	49,302,281	103,048,706
28 TOTALS	849,010,306	731,516,898

*In order to remedy the deficiency in the Company's surplus which presently is below the minimum required by the District of Columbia Code, at the Annual Meeting scheduled for March 31, 1976 the shareholders have been asked to approve a Board of Directors recommendation to reduce the par value of the authorized, issued and outstanding shares of Common Stock, from \$4 to \$1 per share. Assuming approval by the shareholders of such an amendment to the Certificate of Incorporation, the Company's capital paid up account would total a sum equal to \$1 per share times the number of common shares then issued and outstanding. Based on the number of shares issued and outstanding on February 11, 1976, this would result in a decrease in the capital paid up account as of December 31, 1975 to \$17,736,760, and an increase in the paid-in surplus account to \$60,704,997.

Additionally, the Board of Directors has authorized Management to proceed with the exploration of a capital financing program which may include the issuance and sale of additional shares of Common Stock and/or Preferred Stock. The Board of Directors has voted to amend the Certificate of Incorporation, subject to shareholder approval, to increase the authorized capital stock of the Company from 24,000,000 shares of Common Stock to 36,000,000 shares of Common Stock. While Management is having preliminary discussions with various persons as to a number of different proposals, some of which include the possible issuance of additional shares of Common Stock, none of such discussions has reached the stage of actual negotiations and no commitments or understandings of any sort have been reached.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

	1 1975	2 1974
UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME		
UNDERWRITING INCOME		
1. Premiums earned (Part 2)	595,131,164	532,247,406
DEDUCTIONS		
2. Losses incurred (Part 3)	562,295,031	377,431,095
3. Loss expenses incurred (Part 4)	91,318,499	77,115,469
4. Other underwriting expenses incurred (Part 4)	95,159,779	88,868,852
5.		
6. Total underwriting deductions	748,773,310	543,415,417
7. Net underwriting gain or loss (-)	-153,642,146	-11,168,011
INVESTMENT INCOME		
8. Net investment income earned (Part 1)	33,805,175	31,627,280
9. Net realized capital gains or losses (-) (Part 1A)	18,902,841	-1,473,415
9A. Net investment gain or loss (-)	52,708,017	30,153,864
OTHER INCOME		
10. Net gain or loss (-) from agents' or premium balances charged off (amount recovered \$ -0- amount charged off \$ -4,758,918)	-4,758,918	-3,201,751
11. Finance and service charges not included in premiums	8,189,446	4,442,269
12. Miscellaneous income	154,741	496,334
13.		
14.		
15.		
16.		
17. Total other income	3,585,270	1,736,852
18. Net income before dividends to policyholders and before federal and foreign income taxes	-97,348,859	20,722,706
18A. Dividends to policyholders	349,728	1,425,868
18B. Net income after dividends to policyholders but before federal and foreign income taxes	-97,698,587	19,296,837
19. Federal and foreign income taxes incurred	-12,719,614	-5,023,763
20. Net income	-84,978,973	24,320,601
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 previous year	103,048,706	130,703,428
GAINS (+) AND LOSSES (-) IN SURPLUS		
22. Net income (from Item 20)	-84,978,973	+24,320,601
23. Net unrealized capital gains or losses (Part 1A)	+25,250,337	-34,038,137
24. Change in non-admitted assets (Exhibit 2, Item 33, Col. 3)	+9,070,960	-3,655,349
25. Change in liability for unauthorized reinsurance		
26. Change in foreign exchange adjustment		
27. Change in excess of statutory reserves over statement reserves	+27,990	-227,439
28. Capital changes:		
(a) Paid in	+65,212	+22,372
(b) Transferred from surplus (Stock Div.)	-0-	-0-
(c) Transferred to surplus		
29. Surplus adjustments:		
(a) Paid in	+248,660	+100,923
(b) Transferred to capital (Stock Div.)	-0-	-0-
(c) Transferred from capital		
30. Net remittances from or to Home Office		
31. Dividends to stockholders (cash)	-3,544,453	-14,175,429
32. Federal income tax interest adjustment	+113,841	-2,263
33.		
34.		
35.		
36.		
37.		
38.		
39. Change in surplus as regards policyholders for the year	-53,746,425	-27,654,722
40. Surplus as regards policyholders, December 31 current year	49,302,281	103,048,706

Amount of federal income taxes incurred and available for recoupment in the event of future net losses current year \$ -0- first preceding year \$ -0- second preceding year \$ -0- Amount of net losses carried forward and available to offset future net income subject to federal income taxes: current year \$ 116,225,964 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	Paid in Advance		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	U. S. government bonds	D*	2,361,678	-0-	-0-	1,334,979	296,478	3,400,179
1 1	Bonds exempt from U.S. tax	D*	21,435,072	-0-	-0-	5,206,303	5,051,445	21,589,930
1 2	Other bonds (unaffiliated)	D*	134,615	-0-	-0-	20,286	18,200	136,702
1 3	Bonds of affiliates	D*	302,307	-0-	-0-	70,135	-0-	372,442
2 1	Preferred stocks (unaffiliated)	D	4,422,613	-0-	-0-	544,006	605,921	4,360,698
2 1 1	Preferred stocks of affiliates	D	-0-	-0-	-0-	-0-	-0-	-0-
2 2	Common stocks (unaffiliated)	D	4,682,738	-0-	-0-	199,975	368,726	4,513,987
2 2 1	Common stocks of affiliates	D	-0-	-0-	-0-	-0-	-0-	-0-
3	Mortgage loans	B†						
4	Real estate	AS	1,859,638	-0-	-0-	-0-	-0-	1,859,638
5	Collateral loans	C						
6	Cash on deposit	N						
7	Other invested assets	BA						
8								
9								
10	TOTALS		35,198,664	-0-	-0-	7,375,685	6,340,771	36,233,578
							DEDUCTIONS	
11	Total investment expenses incurred (Item 22, Col. 3, Part 4)						2,209,666	
12	Depreciation on real estate (for companies which depreciate annually on a formula basis)						218,736	
13								
14								
15	Total deductions							2,428,403
16	Net Investment Income Earned (Line 10 minus Line 15 -- to Item 8, Page 4)							33,805,175

*Includes \$ 4,998,412 accrual of discount less \$ 333,268 amortization of premium.
†Includes \$ accrual of discount less \$ amortization of premium
‡Includes \$ 1,683,317 for company's occupancy of its own buildings
‡Admitted items only. State basis of 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	U. S. government bonds	45,906	62,958	-0-	-0-	-17,051
1 1	Bonds exempt from U.S. tax	402,399	17,070	-0-	-0-	385,328
1 2	Other bonds (unaffiliated)	15,158	4	-0-	-0-	15,153
1 3	Bonds of affiliates	-0-	-0-	-0-	-0-	-0-
2 1	Preferred stocks (unaffiliated)	468,652	1,401,940	-0-	-0-	5,651,747
2 1 1	Preferred stocks of affiliates	-0-	-0-	-0-	-0-	-0-
2 2	Common stocks (unaffiliated)	1,795,751	3,534,191	-0-	-0-	17,393,485
2 2 1	Common stocks of affiliates	-0-	-0-	-0-	-0-	-466,625
3	Mortgage loans					
4	Real estate	21,278,092	86,951	-0-	-0-	21,191,141
5	Collateral loans					
6	Cash on hand and on deposit					
7	Other invested assets					
8						
9						
10	TOTALS	24,005,960	5,103,118	-0-	-0-	25,250,337
(Distribution of Item 10, Col. 6)						
11	Net realized capital gains or losses*					+18,902,841
12	Net unrealized capital gains or losses*					+25,250,337

*Attach statement or memorandum explaining basis of division.

‡Excluding \$ 218,736 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 1975 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. 1, Last Year's Part 2	3 Unearned Premiums Dec. 31 Current Year per Col. 2 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 Cols. 1 and 2, Part 2C	3 Excess of Original Premiums over Amount Received for Additional Premiums and Reinsurance	4 Deduct Expirations and Excess of Original Premiums over Return Premiums on Cancellations	5 In Force At End of Year 1+2+3-4	6 Deduct Reinsurance in Force (Schedule F) Authorized and Unauthorized Companies	7 Net Premiums In Force 5-6
1 Fire	2,036,722	1,640,083	1,798,648	1,878,157	2,964,100	2,106,163	-0-	1,767,564	3,302,699	72,396	3,230,302
2 Allied lines	1,166,765	1,000,455	1,067,414	1,099,805	1,874,684	1,214,573	-0-	1,119,968	1,969,289	43,198	1,926,091
3 Farmowners multiple peril											
4 Homeowners multiple peril	38,421,398	27,517,383	31,420,852	34,517,930	50,006,524	40,198,204	-0-	33,121,300	57,083,428	2,126,431	54,956,997
5 Commercial multiple peril											
8 Ocean marine											
9 Inland marine	1,850,263	956,941	1,107,969	1,699,235	1,872,352	1,874,062	-0-	1,605,228	2,141,186	-0-	2,141,186
10											
11 Medical malpractice											
12 Earthquake	42,083	32,585	33,669	40,998	62,703	44,834	-0-	40,908	66,629	3,455	63,173
14 Group accident and health											
15 Other accident and health											
16 Workmen's compensation											
17 Other liability	339,713	260,753	279,484	320,982	501,707	339,713	-0-	298,305	543,116	-0-	543,116
19 Auto liability	395,803,595	186,510,300	226,392,891	355,921,004	351,975,789	402,337,936	-0-	333,341,964	420,971,761	5,912,467	415,059,294
21 Auto phys. damage	221,157,281	101,254,153	122,762,738	199,648,696	194,998,879	222,638,833	-0-	185,176,743	232,460,969	805,250	231,655,719
22 Aircraft (all perils)											
23 Fidelity											
24 Surety	4,354	-0-	-0-	4,354	-0-	4,354	-0-	4,354	-0-	-0-	-0-
25 Glass											
26 Burglary and theft											
27 Boiler and machinery											
28 Credit											
29 International											
30 Reinsurance											
31 TOTALS	660,822,176	313,172,656	364,863,668	595,131,164	604,256,743	670,758,677	-0-	556,476,338	718,539,081	8,963,199	709,575,882

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B — RECAPITULATION OF ALL PREMIUMS

†Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz.:

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
	1 Premiums in Force	2 Amount Unearned	3 Premiums in Force	4 Amount Unearned			
1 Fire	1,519,781	801,822	1,510,785	797,089	199,736	-0-	1,798,648
2 Allied lines	842,707	439,927	970,121	514,224	113,262	-0-	1,067,414
3 Farmowners multiple peril							
4 Homeowners multiple peril	30,996,327	16,633,718	19,811,129	10,637,593	4,149,540	-0-	31,420,852
5 Commercial multiple peril							
8 Ocean marine							
9 Inland marine	1,782,648	866,386	233,216	116,261	125,321	-0-	1,107,969
10							
11 Medical malpractice							
12 Earthquake	36,255	18,415	23,003	11,339	3,915	-0-	33,669
14 Group accident and health						(b) (c)	
15 Other accident and health						(c)	
16 Workmen's compensation							
17 Other liability	255,258	121,168	262,156	132,613	25,701	-0-	279,484
19 Auto liability	381,658,936	192,992,532	-0-	-0-	33,400,358	-0-	226,392,891
21 Auto phys. damage	214,743,193	105,916,170	99,141	33,182	16,813,384	-0-	122,762,738
22 Aircraft (all perils)							
23 Fidelity							
24 Surety	-0-	-0-	-0-	-0-	-0-	-0-	-0-
25 Glass							
26 Burglary and theft							
27 Boiler and machinery							
28 Credit							
29 International							
30 Reinsurance							
31 TOTALS	631,835,107	317,790,142	22,909,554	12,242,305	54,831,220	-0-	384,863,668

PART 2C — PREMIUMS WRITTEN

	Gross Premiums (Less Return Premiums) Including Policy and Membership Fees Written and Renewed During Year			4 Net Premiums Written 1 + 2 + 3
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	
1	1,958,545	147,617	69,441	2,036,722
2	1,123,412	91,161	47,808	1,166,765
3				
4	40,198,204	-0-	1,776,805	38,421,398
5				
8				
9	1,874,062	-0-	23,799	1,850,263
10				
11				
12	44,834	-0-	2,751	42,083
14				
15				
16				
17	339,713	-0-	-0-	339,713
19	398,269,068	4,068,868	6,534,341	395,803,595
21	221,676,416	962,417	1,481,552	221,157,281
22				
23				
24	4,354	-0-	-0-	4,354
25				
26				
27				
28				
29				
30				
31	665,488,612	5,270,064	9,936,500	660,822,176

†By gross premiums is meant the aggregate of all the premiums written in 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-cancellable accident and health policies reserved for deferred maternity and other similar benefits
(b) Including \$ -0- premium deposits on perpetual fire insurance risks.
(c) Including \$ -0-

ANNUAL STATEMENT FOR THE YEAR 1975 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	1,352,746	158,123	10,000	1,500,869	540,867	693,732	1,348,004	71.77	1.
2. Allied lines	328,056	33,743	-0-	361,800	384,346	222,171	523,974	47.64	2.
3. Farmowners multiple peril									3.
4. Homeowners multiple peril	22,555,856	-0-	374,122	22,181,734	8,401,749	4,968,739	25,614,744	74.21	4.
5. Commercial multiple peril									5.
8. Ocean marine									8.
9. Inland marine	1,061,186	-0-	-0-	1,061,186	332,525	178,584	1,215,127	71.51	9.
10.									10.
11. Medical malpractice									11.
12. Earthquake	-0-	-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. Other liability	58,422	-0-	-0-	58,422	118,877	80,188	97,111	30.25	17.
19. Auto liability	253,490,016	1,666,642	1,453,166	253,703,491	298,804,634	208,169,685	344,338,440	96.75	19.
21. Auto phys. damage	185,565,791	895,736	745,325	185,716,201	17,318,583	13,877,157	189,157,627	94.75	21.
22. Aircraft (all perils)									22.
23. Fidelity									23.
24. Surety	-0-	-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	464,412,076	2,754,244	2,582,615	464,583,706	325,901,584	228,190,258	562,295,031	94.48	31.

ANNUAL STATEMENT FOR THE YEAR 1975 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 Unauthorized 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	378,931	59,968	23,280	415,619	125,247	540,867	87,386	1.
2. Allied lines	286,397	49,197	-0-	335,594	48,751	384,346	71,931	2.
3. Farmowners multiple peril								3.
4. Homeowners multiple peril	4,900,991	-0-	339,433	4,561,557	3,840,192	8,401,749	799,169	4.
5. Commercial multiple peril								5.
8. Ocean marine								8.
9. Inland marine	248,210	-0-	-0-	248,210	84,315	332,525	44,024	9.
10.								10.
11. Medical malpractice								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. Other liability	94,517	-0-	-0-	94,517	24,360	118,877	81,060	17.
19. Auto liability	231,485,872	1,494,787	3,451,616	229,529,043	69,275,590	298,804,634	40,558,678	19.
21. Auto phys. damage	1,848,111	50,122	3,000	1,895,233	15,423,350	17,318,583	894,941	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	239,243,032	1,654,074	3,817,329	237,079,776	88,821,807	325,901,584	42,537,193	31.

(a) Including \$ -0- for present value of life indemnity claims and \$ -0- reserved for deferred maternity 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	40,916,071	-0-	-0-	40,916,071
(b) Reinsurance assumed	455,218	-0-	-0-	455,238
(c) Reinsurance ceded	632,420	-0-	-0-	632,420
(d) Net claim adjustment services	40,738,889	-0-	-0-	40,738,889
2. Commission and brokerage				
(a) Direct	-0-	7,510,185	-0-	7,510,185
(b) Reinsurance assumed	-0-	757,495	-0-	757,495
(c) Reinsurance ceded	-0-	2,045,948	-0-	2,045,948
(d) Contingent - net	-0-	-0-	-0-	-0-
(e) Policy and membership fees	-0-	-0-	-0-	-0-
(f) Net commission and brokerage	-0-	6,221,733	-0-	6,221,733
3. Allowances to managers and agents	-0-	38,362	-0-	38,362
4. Advertising	-0-	1,828,445	-0-	1,828,445
5. Boards, bureaus and associations	-0-	3,524,934	-0-	3,524,934
6. Surveys and underwriting reports	-0-	862,202	-0-	862,202
7. Audit of assureds' records	-0-	-0-	-0-	-0-
8. Salaries	30,654,325	35,700,080	267,739	66,622,145
9. Employee relations and welfare	1,861,560	2,143,742	15,909	4,021,211
10. Insurance	115,637	48,528	339	164,505
11. Directors' fees	49,078	57,776	432	107,286
12. Travel and travel items	1,376,682	428,324	4,841	1,809,847
13. Rent and rent items	4,671,049	6,464,993	313,890	11,449,933
14. Equipment	3,259,710	6,224,205	15,000	9,498,916
15. Printing and stationery	1,900,674	2,422,310	10,420	4,333,404
16. Postage, telephone and telegraph, exchange and express	4,309,748	7,555,946	5,888	11,871,583
17. Legal and auditing	319,383	928,074	84,435	1,331,893
17a. Totals (Items 3 to 17)	48,517,848	68,227,927	718,898	117,464,674
18. Taxes, licenses and fees				
(a) State and local insurance taxes	-0-	17,218,796	-0-	17,218,796
(b) Insurance department licenses and fees	-0-	20,097	-0-	20,097
(c) Payroll taxes	1,978,444	2,301,690	17,316	4,297,451
(d) All other (excluding federal and foreign income and real estate)	-0-	681,980	-0-	681,980
(e) Total taxes, licenses and fees	1,978,444	20,222,564	17,316	22,218,326
19. Real estate expenses	-0-	-0-	1,253,707	1,253,707
20. Real estate taxes	-0-	-0-	219,690	219,690
21. Miscellaneous (itemize)				
(a) Contributions	-0-	52,334	-0-	52,334
(b) Outside services	83,317	269,848	54	353,219
(c) FAIR and other plan expenses	-0-	165,370	-0-	165,370
22. Total expenses incurred	91,318,499	95,159,779	2,209,666	188,687,945
23. Less unpaid expenses - current year	42,537,193	11,568,630	17,186	54,123,009
24. Add unpaid expenses - previous year	34,791,294	9,581,592	213,581	44,586,468
25. TOTAL EXPENSES PAID	83,572,600	93,172,741	2,406,062	179,151,404

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)	489,673,081	-0-	-0-	489,673,081
2 Stocks (Schedule D)				
2.1 Preferred stocks	54,631,136	-0-	11,820,612	42,810,524
2.2 Common stocks	64,914,385	-0-	9,544,927	55,369,458
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)	326,593	-0-	-0-	326,593
5 Collateral loans (Schedule C)	-0-	-0-	-0-	-0-
6 Cash on hand and on deposit				
6a. Cash in company's office	5,275,556	-0-	-0-	5,275,556
6b. Cash on deposit (Schedule H)	13,052,610	-0-	-0-	13,052,610
7 Other invested assets (Schedule BA)	-0-	-0-	-0-	-0-
8 Agents' balances or uncollected premiums (net as to commissions and dividends):				
8.1 Premiums and agents' balances in course of collection	46,109,635	-0-	2,053,677	44,055,958
8.2 Premiums, agents' balances and installments booked but deferred and not yet due	165,238,123	-0-	1,594,813	163,643,309
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 1A, Col. 1)	-0-	-0-	-0-	-0-
12 Due from associated companies	460,936	-0-	-0-	460,936
13 Electronic data processing equipment	11,704,432	-0-	-0-	11,704,432
14 Interest, dividends and real estate income due and accrued	-0-	7,375,685	-0-	7,375,685
15 Equipment, furniture and supplies	5,638,379	-0-	5,638,379	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 Amts. receivable on sale of securities	483,752	-0-	-0-	483,752
19 Miscellaneous receivables	1,770,372	-0-	1,770,372	XXXXXXXX
20 Leasehold improvements	478,787	-0-	478,787	XXXXXXXX
21a. Federal income taxes recoverable	-0-	12,658,477	-0-	12,658,477
Amts. due from joint und. assoc.,				
21b guaranty funds, FAIR Plans, etc.	2,119,930	-0-	-0-	2,119,930
21c				
21d				
21e				
21f				
22 TOTALS	861,877,714	20,034,162	32,901,569	849,010,306

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			XXXXXXXX
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:			
26.1 Premiums and agents' balances in course of collection	11,968,366	2,053,677	+8,319,874
26.2 Premiums, agents' balances and installments booked but deferred and not yet due (Columns 1 & 3 incl. on line 26.1)		1,594,813	
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	6,418,162	5,638,379	+779,783
30. Bills receivable, not taken for premiums			
31. Loans on personal security, endorsed or not			
32. Other assets not admitted (itemize):			
(a) Miscellaneous receivables	1,735,026	1,770,372	-35,346
(b) Leasehold improvements	485,435	478,787	+6,648
(c)			
(d)			
(e)			
(f)			
(g)			
(h)			
(i)			
(j)			
33. Total change (Col. 3) (Carry to Item 24, Page 4)	XXXXXXXX	XXXXXXXX	+9,070,960

EXHIBIT 3—RECONCILIATION OF LEDGER ASSETS

INCREASE IN LEDGER ASSETS

1. Net premiums written (Part 2, Col. 1)	660,822,176
2. Interest, dividends and real estate income received (Part 1, Item 10, Col. 3)	35,198,664
3. From sale or maturity of ledger assets (Part 1A, Col. 1)	24,005,960
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)	82,444
(f) Ceded reinsurance balances	316,967
(g) Unapplied premium remittances	540,429
(h) Accounts payable	426,438
(i) Claim drafts outstanding	3,300,718
(j) Miscellaneous income	154,741
(k) Service charges	8,189,446
(l) Increase due to federal income tax refund	5,941,316
(m) Increase due to federal income tax interest adjustment	113,841
5. Adjustment in book value of ledger assets (Part 1A, Col. 3)	
6. Capital paid in	65,212
7. Surplus paid in	248,660
8. Total (Items 1 to 7)	739,407,019

DECREASE IN LEDGER ASSETS

9. Net losses paid (Part 3, Col. 4)	464,583,706
10. Expenses paid (Part 4, Item 25, Col. 4)	179,151,404
11. From sale or maturity of ledger assets (Part 1A, Col. 2)	5,103,118
12. Other disbursement items or decreases, viz:	
(a) Agents' balances charged off	4,758,918
(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	
(g) Amounts payable on purchase of securities	2,544,135
(h) Policyholders' credit balances	3,634,102
(i) Reserve for unclaimed and abandoned properties	80,419
(j)	
(k)	
(l)	
13. Adjustment in book value of ledger assets (Part 1A, Col. 4) and depreciation (Item 12, Part 1)	218,736
14. Federal and foreign income taxes paid	45,868
15. Dividends paid stockholders	3,544,453
16. Dividends to policyholders on direct business, less \$ -0- dividends on reinsurance assumed or ceded (net)	392,282
17.	
18.	
19. Total (Items 9 to 18)	664,057,146

RECONCILIATION BETWEEN YEARS

20. Amount of ledger assets as per balance December 31 of previous year	786,527,840
21. Increase (+) or decrease (-) in ledger assets during the year (Item 8 minus Item 19)	+75,349,873
22. Balance = ledger assets December 31 of current year	861,877,714

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: **\$5,772,106 participating \$703,803,776 Non-participating**
- 3 (Mutual Companies and Reciprocal Exchanges only)
 - (a) Does company issue assessable policies? Answer: **(b) Does company issue nonassessable policies? Answer**
 - (c) If assessable policies are issued, what is the extent of the contingent liability of the policyholders? Answer
 - (d) Total amount of assessments laid or ordered to be laid during the year on deposit notes or contingent premiums. \$
 - (e) State total amount of advances to surplus not repaid. \$
- 4 (Reciprocal Exchanges only)
 - (a) Does the Exchange appoint local agents? Answer: **If so, is the commission paid out of Attorney in Facts' compensation or as a direct expense of the Exchange? Answer?**
 - (b) What expenses of the Exchange are not paid out of the compensation of the Attorney in Fact? Answer:
 - (c) Has any Attorney in Fact compensation, contingent on fulfillment of certain conditions, been deferred? Answer: **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: **No**
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	17,736,760	4.00	X X X X	X X X X	X X X X

- 7
- 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 **Two wholly-owned subsidiaries of the Company hold real property** Name of real estate holding company: **GEICO Properties, Inc. and GEICO Washington Properties, Inc.**
Number of parcels involved: **7** Total book value \$ **57,305,907**
- 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. \$ **48,325*** 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 in 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: **\$10,520,256**
- 14 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Answer: **None** If so, what amount? Answer:
- 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.**
- 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: **No** If not, give full and complete information relating thereto: **Bonds and stocks held by the Riggs National Bank Washington, D. C. under a custodial agreement.**
- 21a Does the company own any investments in other 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 acquisition 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 12/31/72 by District of Columbia, Georgia, Indiana and North Carolina. Examination as of 12/31/75 due to commence 3/1/76 by the District of Columbia, Maryland and such other states that respond to the call.**
- 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: **Yes - By-Laws** If so, when? **3/27/75** If not previously filed, furnish herewith a certified copy of the instrument as amended
- 25a In what states, territories or foreign countries is the company (or the 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:
- 30 Does this statement cover in all business transacted for the company through its United States branch, on risks wherever located? Answer:

GENERAL INTERROGATORIES — PART A

31 Ceded Reinsurance Report

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

- 1 What is the maximum amount of return commission which would have been due reinsurers if they or you had cancelled all of your company's reinsurance or if you or a receiver had cancelled all of your company's direct business and reinsurance assumed as of the end of the period covered by this Annual Statement, with the return of the unearned premium reserve? Intercompany pooling agreement -0- All other reinsurance \$ 1,133,842 Total \$ 1,133,842
- 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? Intercompany pooling agreement -0- All other reinsurance -0- Total -0-
- 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? Intercompany pooling agreement -0-
All other reinsurance -0- Total -0-
- 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? Intercompany pooling agreement -0- All other reinsurance -0- Total -0-
- 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? Intercompany pooling agreement -0- All other reinsurance -0- Total -0-
- 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? Intercompany pooling agreement -0- All other reinsurance -0- Total -0-
- 7 What is the amount of return reinsurance commission, computed at the minimum 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? Intercompany pooling agreement -0- All other reinsurance -0- Total -0-
- 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? Intercompany pooling agreement -0- All other reinsurance -0- Total -0-
- 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? Intercompany pooling agreement -0- All other reinsurance -0- Total -0-

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 whenever 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:

- 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,
- 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,
- 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
- The company submits all reinsurance contracts in force and thereafter negotiated to each Regulatory Authority with which the Annual Statement is filed, and,
- 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, or
- The reduction is attributable to a reinsurance pooling agreement between affiliated companies which has been approved by the insurance regulatory authority in the company's domiciliary state.

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:
- 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).
 - 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.
 - 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.
 - 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

Report briefly the Nature of Contingent Liabilities which may 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 \$8,300,000 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 Trustees 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 Washington Properties, Inc. (GWPI), a wholly-owned subsidiary of Government Employees Insurance Company (GEICO), was incorporated in Delaware in 1975 and is authorized to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware. In July 1975 GEICO transferred to GWPI, for approximately \$33,000,000, the former's Operations Building in Chevy Chase, Maryland and its sales/claims drive-in facilities in Bailey's Crossroads, Virginia and Clinton, Maryland, and GEICO Properties, Inc. (GPI), another wholly-owned subsidiary of GEICO, transferred to GWPI a sales/claims drive-in facility in Smithtown, Long Island, New York. Based on an independent appraisal of the Operations Building of \$34,280,000 GWPI (a) entered into a long-term note agreement with an institutional lender in the amount of \$25,000,000 in order to obtain the funds to finance approximately 75% of the value of these properties, (b) issued a long-term note to GEICO for the balance of the amount due the latter and (c) entered into long-term lease agreements with GEICO whereby the latter will lease these properties from GWPI. The \$25,000,000 note is at an interest rate of 9-3/8% for 35 years due July 1, 2010. The note was issued under an indenture of mortgage and deed of trust on the above-mentioned properties, and secured by an assignment of a 35-year lease on the Operations Building Property, coincident with the terms of the note between GWPI and the institutional lender.

GEICO leases office building space for its Regional and Field Offices throughout the country. The future minimum yearly rental commitments as of December 31, 1975 for all noncancelable leases of one or more years duration are as follows (including such leases with GPI & GWPI):

Year	Total
1976	\$8,927,398
1977	8,662,407
1978	8,347,833
1979	7,143,396
1980	7,019,490
1981 - 81	6,898,859
1984	6,703,796
1985	6,590,320
1986	6,370,645
1987	6,242,263
1988	6,007,041
1989	5,754,529
1990	5,679,309
1991	5,619,501
1992	5,614,725
1993 - 2003	5,602,741
2004	4,317,114
2005 - 2009	3,412,851
2010	2,201,839

GEICO leases some data processing equipment in its operations. The future minimum yearly rental commitments as of December 31, 1975 for all leases of one or more years duration are as follows:

Year	Total
1976	\$2,081,476
1977	539,332
1978	101,344
1979	32,606

In 1975 a lawsuit was instituted against the Company and eleven other insurers in the State of California by auto body repair shops. This suit was filed in the United States District Court for the Northern District of California (*Clarkson, et al. v. State Farm, GEICO, et al.*). In this suit violations of the federal and state antitrust laws are alleged by five auto body shops located in the City of San Francisco. It is specifically charged that the defendant insurers have combined and conspired to restrict interstate commerce in auto body repairs in violation of the Sherman Act. The plaintiffs allege that the defendant insurers have, as a result, forced them to perform auto body repairs at prices less than those they would have been able to charge in a freely competitive market. The Complaint seeks treble damages in an unspecified amount. This suit is being vigorously defended by the Company and the other defendant insurers.

In January and February 1976 two purported class actions, alleging violations of the Securities Exchange Act of 1934 and the common law, and naming as defendants GEICO, certain of its directors and officers, certain former directors, its independent auditors and the partners thereof, were filed, one in the United States District Court for the Southern District of New York and the other in the United States District Court for the District of Columbia. Not all of the defendants are named defendants in each suit. Both Complaints allege various disclosure violations and one also alleges breaches of common law duties. The purported class is alleged to be all purchasers of GEICO stock during an unspecified time period. The Complaints seek judgment directing the defendants to account to members of the purported class for unspecified damages sustained by them, including costs, and for such other relief as the courts deem appropriate. These suits will be vigorously defended by the Company and the other defendants.

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 reimbursed expenditures on behalf of the company by its parent, its affiliates or subsidiaries? Answer Yes

*Including but not limited to notes receivable discounted, accounts and agents balances assigned, accommodation paper, leases, additional loans, guarantees of liabilities of other companies, establishment of compensating balances, long term contracts and lease agreements, loss life-out agreements and indemnification agreements, include also deferred expense contracts and arrangements between parent, subsidiaries, or affiliates.

EXHIBIT OF PREMIUMS AND LOSSES

BUSINESS IN THE STATE OF

DURING THE YEAR

1 Line of Business	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
	2 Direct Premiums Written	3 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 Medical malpractice					
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 Other liability					
19 1 Private passenger auto no-fault (personal injury protection)††					
19 2 Other private passenger auto liability					
19 3 Commercial auto no-fault (personal injury protection)††					
19 4 Other 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

††As defined by state concerned

**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	\$ 75,194	\$ 63,099
Treasurer of the State of Georgia	Onondaga County, New York, Water District, 1st Ser., 3.10%, 3/1/95 Protection of Georgia Policyholders and/or Creditors	100,000	72,662	54,555
Insurance Commissioner of the Territory of Guam	State of West Virginia, Road, 3 1/2%, 3/1/96, Protection of Guam Policyholders and/or Creditors	150,000	108,596	95,202
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	67,527	56,536
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	108,176	79,682
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	64,441	55,380
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	75,937	65,302
Treasurer of the State of Texas	City of Red Cloud, Nebraska, New Housing Authority, 2nd Issue, 3 3/8%, 5/1/04-79 Protection of Texas Policyholders and/or Creditors	50,000	34,289	29,830
	TOTALS	\$ 785,000	\$ 606,827	\$499,586

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 N, 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	\$ 400,000	\$ 316,956	\$279,044
	City of Greensboro, North Carolina, New Housing Authority, 3rd Issue, 3 3/8%, 10/1/01-78	100,000	70,922	61,964
	Protection of All Policyholders and/or Creditors	500,000	387,878	341,008
Supt. of Insurance of the State of New York	State of New York, Transportation Capital Facilities, 3%, 2/1/95	950,000	637,504	427,500
	Onondaga County, New York, Water District, 1st Ser., 3.10%, 3/1/95	340,000	244,118	181,753
	Protection of All Policyholders and/or Creditors	1,290,000	881,623	609,253
	TOTALS	\$1,790,000	\$1,269,502	\$950,261

SCHEDULE OF EXAMINATION FEES AND EXPENSES

1 Type of Exam (a)	2 State Initiating Exam (b)	3 States Participating (b)	4 Date Begun	5 Date Completed	6 Date Report Published	Fees and Expenses Incurred in Current Year		9 Offsetting Credits, if Any
						7 Amount (c)	8 State (b)	
NAIC	DC	DC	November 15, 1975	-	-	119	DC	-0-
Rate	FL	FL	October 19, 1975	November 30, 1975	Report not yet received	9,357	FL	-0-
					Total	9,477	XXXX	-0-

(a) "M" for marketing conduct, "F" for financial condition, describe others

(b) Use 2 digit post office abbreviation

(c) Show amount paid to each state for representatives thereof separately. The total amount plus \$ 10,620

for other state insurance department licenses and fees

ANNUAL STATEMENT FOR THE YEAR 1975 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, Site 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 \$	Rental Value of Space Occupied by		15 Year of Last Appraisal
													13 Company \$	14 Parents, Subsidiaries and Affiliates	
1	Lot 5 Block 8 in the subdivision of land known as Brookdale with improvements thereon known as 3304 Westport Road, Chevy Chase, Maryland	1962	Dr. Ralph L. Brown	-0-	29,330	20,528	20,528	-0-	535	3,000	1,736	1,263	-0-	-0-	1962
2	Lot 4 Block 9 in the subdivision of land known as Brookdale with improvements thereon known as 4711 Cortland Road, Chevy Chase Maryland	1963	Honey J. Dumitrowica	-0-	35,416	26,099	26,099	-0-	589	2,375	7,303	-4,927	-0-	-0-	1963
3	Lot 2 Block 8 in the subdivision of land known as Brookdale with improvements thereon known as 3302 Westport Road, Chevy Chase, Maryland	1963	M. A. & J. Caamicht	-0-	30,805	22,277	22,277	-0-	344	1,200	2,483	-1,283	-0-	-0-	1963
4	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. Salth	-0-	35,081	25,417	25,417	-0-	669	1,200	1,894	-694	-0-	-0-	1964
5	Lot 2 Block 12 in the subdivision of land known as Brookdale with improvements thereon known as 4301 Cortland Road, Chevy Chase, Maryland	1964	Evelyn Casella	-0-	39,997	29,122	29,122	-0-	780	3,685	3,302	382	-0-	-0-	1964
6	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	38,832	38,832	-0-	787	4,200	2,420	1,779	-0-	-0-	1968

ANNUAL STATEMENT FOR THE YEAR 1975 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 Wisconsin Avenue in Chevy Chase, Maryland	1975	Purchase	Various	-0-	445,480	-0-
2	Lot 57, Block 3, Plat 15 in subdivision known as Fox Chapel North with improvements thereon known as 19317 Running Cedar Court, Germantown, Maryland.	1975	Purchase	Thomas K. and Denise C. Allmond	40,083	-0-	-0-
3	Lot 6, Block 7 in subdivision known as Rock Creek Manor with improvements thereon known as 13609 Russett Terrace, Rockville, Maryland.	1975	Purchase	Joseph R. and Velyn M. Beall	68,493	-0-	-0-
4	Lot 12, Block 4 in subdivision known as Brown's Addition to Gaithersburg with improvements thereon known as 120 Rawlings Road, Gaithersburg, Maryland.	1975	Purchase	Robert P. and Hilda E. Mahoney	47,214	-0-	-0-
5	Lot 206, Block 3 in subdivision known as Fox Chapel North with improvements thereon known as 11724 Ashworth Court, Germantown, Maryland.	1975	Purchase	Donald R. O'Brien	40,727	-0-	-0-
6	Land beginning at the curb line intersection at the southwest corner of North Mount Parvo Avenue and West Liberty Street with improvements thereon known as 118 North Mount Parvo Avenue, Charlestown, Jefferson County, West Virginia.	1975	Purchase	John R., Jr. and F. Barbara Nygard	21,667	-0-	-0-
7	Lots 3 and 58, Block 20 in the Village of Farmingdale, Town of Oyster Bay with improvements thereon known as 14 Cornell Place, Farmingdale, Town of Oyster Bay, Nassau County, New York.	1975	Purchase	Herbert and Diane Oschmann	54,172	-0-	54,172
TOTALS					272,360	445,480	54,172

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 Land; Size and Description of Building; (Nature of encumbrances, if any)	2 Date Sold	3 Name of Purchaser	4 † Cost to Company	5 Increase by Adjust- ment in Book Value During the Year	6 Decrease by Adjust- ment 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 Dur- ing Year Less Interest on Encumbrances	12 Expended for Taxes, Repairs and Expenses During Year
				\$	\$	\$	\$	\$	\$	\$	\$	
1	Lot 224, Section 38 in the subdivision known as Sugarland Run with improvements thereon known as 230 Greenfield Court, Starling, Loudoun County, Virginia.	2/28/75	Thomas A. Gallardo	43,970	-0-	-0-	43,970	36,078	-0-	7,891	-0-	-33
2	Lot 12, Block 4 in subdivision known as Brown's Addition to Gaithersburg with improvements thereon known as 120 Rawlings Road, Gaithersburg, Maryland.	4/24/75	R. G. and Cheryl P. Brahan	47,214	-0-	-0-	47,214	39,390	-0-	7,824	-0-	337
3	Lot 206, Block 3 in subdivision known as Fox Chapel North with improvements thereon known as 11724 Ashworth Court, Germantown, Maryland.	5/20/75	R. K. and J. R. Wolfshelmer	40,727	-0-	-0-	40,727	33,700	-0-	7,027	-0-	772
4	Lot 7, Section 5 in subdivision known as Dixie Hill with improvements thereon known as 4312 Quality Court, Fairfax, Fairfax County, Virginia.	5/20/75	Cletus J. Weber	70,986	-0-	-0-	70,986	57,754	-0-	13,231	-0-	1,074
5	Lot 37, Block 3, Plat 15 in subdivision known as Fox Chapel North with improvements thereon known as 19317 Running Cedar Court, Germantown, Maryland.	6/09/75	Lee Hao and Evelyn Yu	40,083	-0-	-0-	40,083	34,108	-0-	5,975	-0-	611
6	Lot 6, Block 7 in subdivision known as Rock Creek Manor with improvements thereon known as 13609 Russell Terrace, Rockville, Maryland.	6/30/75	George J. and Toni Simon	68,493	-0-	-0-	68,493	55,860	-0-	12,633	-0-	917
7	Apartment 102, Wing 14, Building 6 of the subdivision known as Heritage Court with improvements thereon known as 7811 Dessett Court, Annandale, Fairfax County, Virginia.	7/03/75	Gordon L. Nerrell II	32,477	-0-	-0-	32,477	27,623	-0-	4,854	-0-	324
8	Four story office building with eight story annex located on a 27.5 acre tract between Willard Avenue and Western Avenue just west of Wisconsin Avenue in Chevy Chase, Maryland.	7/24/75	GEICO Washington Properties, Inc.	17,368,874	-0-	210,394	17,721,907	34,000,000	21,278,092	-0-	1,809,261	1,441,932
9	One story office building located on Lots 1, 2 and 3 in the subdivision of land known as Courtland Park located at Leesburg Pike and Washington Drive in Fairfax County, Virginia.	7/24/75	GEICO Washington Properties, Inc.	312,109	-0-	1,039	277,121	277,121	-0-	-0-	17,823	7,149
10	One story office building on southwest corner of Lot 34 in Charles G. Schulte subdivision, Branch Avenue and Malcolm Road, Clinton, Maryland.	7/24/75	GEICO Washington Properties, Inc.	269,238	-0-	3,175	242,359	242,359	-0-	-0-	16,890	12,164
11	Lot 27, Section 1, Plat 13 Duffel Subdivision with improve-ments thereon known as 11308 Finney Lodge Road, Gaithersburg, Maryland.	9/03/75	Scott M. and Christina L. Alberghini	60,835	-0-	-0-	60,835	52,280	-0-	8,554	-0-	533
12	Lot 15, Markwood Subdivision with improvements thereon known as # 9 Marcus Court, Rockville, Maryland.	10/17/75	Matthew and Connie Lebro	70,176	-0-	-0-	70,176	60,638	-0-	9,538	-0-	1,047
13	Land beginning at the curb line intersection at the southwest corner of North Mount Parvo Avenue and West Liberty Street with improvements thereon known as 118 North Mount Parvo Avenue, Charlestown, Jefferson County, West Virginia.	10/31/75	Charles and Margaret Williams	21,667	-0-	-0-	21,667	12,247	-0-	9,419	-0-	577
TOTALS				18,646,854	-0-	214,831	13,738,021	34,929,163	21,278,092	86,951	1,843,927	1,447,829

†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. In reporting sales under contract, include payments received during the current year only.
 ‡Indicate payments on "Sales under Contracts" in Part 3 by inserting the letter "P" after the number of the parcel.
 ††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 I)	13,563,511
Current year:—	
Increase by adjustment: Totals, Part 1, Col. 5	-0-
Totals, Part 3, Col. 5	-0-
Cost of acquired, Part 2, Col. 5	322,360
Cost of additions and permanent improvements, Part 2, Col. 6	451,480
Profit on sales, Part 3, Col. 9	21,278,027
Total	35,363,456

Less:—	
Decrease by adjustment: Totals, Part 1, Col. 9	3,905
Totals, Part 3, Col. 6	214,831
Received on sales, Part 3, Col. 8	34,929,163
Loss on sales, Part 3, Col. 10	86,951
Book value, December 31, current year (Item 4, Col. 1, Exhibit I)	35,236,454

ANNUAL STATEMENT FOR THE YEAR 1975 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 prior liens. 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 Am't Accrued Dec 31 of Current Year					16 Gross Am't Rec'd During Year	17 Paid for Accrued Interest on Mortgages Acquired During Year
TOTALS											XXXX	XXXX					XXXX	XXXX	XXXX	

NONE

(A) Including all mortgages "purchased" or otherwise acquired during the year and all 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
NONE									
									TOTAL

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

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE B A--PART 1

Showing Other Invested Assets OWNED December 31, Current Year

1 Number of Units and Description*	2 Year Acquired	3 Lessee or Location	4 Amount of Encumbrances	5 Cost to Company	6 Book Value at December 31, Less Encumbrances	7 Statement Value at December 31	8 Market or Investment Value at December 31, Less Encumbrances	9 Additions to (+) or Reductions in (-) Investment	10 Decrease (-) or Increase (+) by Adjustment in Book Value During Year†	11 Gross Income Received During Year	12 Net Income Received During Year \$	13 Amounts Accrued at December 31 \$\$	14 Amounts Past Due at December 31 \$\$
NONE													
TOTALS													

*Give detailed description of investment and of underlying security (Footnotes may be used to describe leases for each class in the aggregate)
 Indicate statutory category of investment, i.e., real estate, mortgage, security, or other.
 Include in this Schedule, showing subtotals by class and grand total for all classes.
 1. All loans on or 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 includable in other statement schedules

†Include additional investments made, or portion of investment repaid
 ‡Include depreciation on real estate and transportation equipment, etc., amortization of premium and accrual 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 due and accrued interest payable to manufacturers.

SCHEDULE B A--VERIFICATION BETWEEN YEARS

1. Book value of other invested assets Exhibit 1, Line 7, previous year	_____	6. Deduct consideration on disposition, Column 5, Part 3	_____
2. Cost of acquisitions during year	_____	7. Reductions in investment during year:	_____
(a) Column 5, Part 2	_____	(a) Column 9, Part 1	_____
(b) Column 9, Part 1	_____	(b) Column 7, Part 3	_____
(c) Column 7, Part 3	_____	8. Decrease by adjustment during year:	_____
3. Increase by adjustment during year:	_____	(a) Column 10, Part 1	_____
(a) Column 10, Part 1	_____	(b) Column 8, Part 3	_____
(b) Column 8, Part 3	_____	9. Loss on disposition, Column 10, Part 3	_____
4. Profit on disposition, Column 9, Part 3	_____	10. Book value of other invested assets, Exhibit 1, Line 7, current year	_____
5. Total	NONE		NONE

*Cash payments on account of capital, e.g., depletion and amortization of Mineral Rights.

ANNUAL STATEMENT FOR THE YEAR 1975 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
NONE					
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 in (-) Investment	8 Decrease (-) or Increase (+) by Adjustment in Book Value During Year	9 Profit on Sale	10 Loss on Sale	11 Net Income
NONE										
TOTALS										

*Include in this Schedule, showing subtotals by class and grand total for all classes:
 1. All loans on or 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 includable in other statement schedules.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE C—PART 1
Showing all Collateral Loans IN FORCE December 31 of Current Year

No.	1 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)	2 Par Value	3 Rate Used to Obtain Market Value	4 Market Value Dec. 31 of Current Year	5 Amount Loaned Thereon	6 Date of Loan	7 Maturity of Loan	8 Interest			9 Name of Actual Borrower (State if the borrower is a parent, subsidiary, affiliate, officer or director)	
								Rate on Loan	Amount Past Due Dec. 31 of Current Year	Amount Accrued Dec. 31 of Current Year		Amount Received During Year
	TOTALS		XXXX			XXXX	XXXX	XXXX				

SCHEDULE C—PART 2
Showing all Collateral Loans MADE During the year

No.	1 Description of Security Accepted as Collateral When Loan was Made	2 Par Value	3 Rate Used to Obtain Market Value	4 Market Value at Date of Loan	5 Amount Loaned Thereon	6 Date of Loan	7 Maturity of Loan	8 Rate of Interest on Loan	9 Name of Actual Borrower (State if the borrower is a parent, subsidiary, affiliate, officer or director)
	TOTALS		XXXX	XXXX		XXXX	XXXX	XXXX	

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE C—PART 3

Showing all Collateral Loans DISCHARGED in Whole or in Part During the year

No.	1 Description of Collateral Released When Loan Was Discharged. (In case of partial payments enter collateral release only)	2 Par Value	3 Rate Used to Obtain Market Value	4 Market Value at Date of Discharge	5 Amount of Loan Repaid	6 Date of Loan	7 Date of Repayment	8 Interest		9 Name of Actual Borrower (State if the borrower is a parent, subsidiary, affiliate, officer or director)
								Rate on Loan	Amount Received During Year	
					N O N E					
	TOTALS	XXXX				XXXX	XXXX	XXXX		

SCHEDULE C—PART 4

Showing All Substitutions of Collateral During the Year

1 No. (To Correspond with No. Shown in Parts 1, 2 and 3)	2 Amount of Loan Col. 5 of Parts 1, 2 or 3	Collateral Substituted				Collateral Released			
		3 Description	4 Date	5 Par Value	6 Market Value	7 Description	8 Date	9 Par Value	10 Market Value
				N O N E					
	TOTALS	XXXX	XXXX			XXXX	XXXX		

Note—Indicate partial payments in Part 3 by the letter "P" in number column.

SCHEDULE D—SUMMARY BY COUNTRY

Bonds and Stocks OWNED December 31 of Current Year

1 Description	2 Book Value	3 †Market Value (Excluding accrued interest)	4 Actual Cost (Excluding accrued interest)	5 Par Value of Bonds	6 *Amortized or Investment Value
BONDS					
Governments (Including all obligations guaranteed by governments)	1 United States 2 Canada 3 Other Countries 4 Totals	149,776,018 149,776,018	150,314,577 150,314,577	147,946,175 157,354,000	149,776,018 149,776,018
States, Territories and Possessions (Direct and guaranteed)	5 United States 6 Canada 7 Other Countries 8 Totals	153,193,023 153,193,023	153,193,023 153,193,023	146,203,389 180,536,000	153,193,023 153,193,023
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9 United States 10 Canada 11 Other Countries 12 Totals	160,400,888 160,400,888	160,400,888 160,400,888	153,898,881 187,004,000	160,400,888 160,400,888
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13 United States 14 Canada 15 Other Countries 16 Totals	14,583,487 14,583,487	14,529,385 14,529,385	13,764,981 16,282,000	14,583,487 14,583,487
Railroads (unaffiliated)	17 United States 18 Canada 19 Other Countries 20 Totals				
Public Utilities (unaffiliated)	21 United States 22 Canada 23 Other Countries 24 Totals	518,970 518,970	500,000 500,000	519,100 500,000	518,970 518,970
Industrial and Miscellaneous (unaffiliated)	25 United States 26 Canada 27 Other Countries 28 Totals	680,436 680,436	680,436 680,436	654,105 720,000	680,436 680,436
Parents, Subsidiaries, and Affiliates	29 Totals	10,520,256	10,520,256	10,520,256	10,520,256
	30 Total Bonds	489,673,081	490,138,567	473,506,889	489,673,081
PREFERRED STOCKS					
Railroads (unaffiliated)	31 United States 32 Canada 33 Other Countries 34 Totals	377,236 377,236	213,000 213,000	377,236 377,236	
Public Utilities (unaffiliated)	35 United States 36 Canada 37 Other Countries 38 Totals	50,180,643 50,180,643	39,593,414 39,593,414	50,180,643 50,180,643	
Banks, Trust and Insurance Companies (unaffiliated)	39 United States 40 Canada 41 Other Countries 42 Totals				
Industrial and Miscellaneous (unaffiliated)	43 United States 44 Canada 45 Other Countries 46 Totals	4,073,256 4,073,256	3,004,110 3,004,110	4,073,256 4,073,256	
Parents, Subsidiaries, and Affiliates	47 Totals	52,611,136	42,810,524	52,611,136	
48 Total Preferred Stocks					
COMMON STOCKS					
Railroads (unaffiliated)	49 United States 50 Canada 51 Other Countries 52 Totals	1,621,613 1,621,613	945,980 945,980	1,621,613 1,621,613	
Public Utilities (unaffiliated)	53 United States 54 Canada 55 Other Countries 56 Totals	32,197,732 32,197,732	27,628,306 27,628,306	32,197,732 32,197,732	
Banks, Trust and Insurance Companies (unaffiliated)	57 United States 58 Canada 59 Other Countries 60 Totals				
Industrial and Miscellaneous (unaffiliated)	61 United States 62 Canada 63 Other Countries 64 Totals	29,046,497 1,198,541 30,245,039	25,490,293 883,750 26,374,055	29,046,497 1,198,541 30,245,039	
Parents, Subsidiaries, and Affiliates	65 Totals	850,000	421,126	850,000	
66 Total Common Stocks		64,914,385	55,369,438	64,914,385	
67 Total Stocks		119,545,522	98,179,982	119,545,522	
68 Total Bonds and Stocks		609,218,603	588,318,549	593,052,411	

†For certain bonds, values other than actual market may appear in this column (See Schedule D, Part 1, for details).

The aggregate value of bonds which are valued at other than actual market is \$ 407,251,617.

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

SCHEDULE D—VERIFICATION BETWEEN YEARS

1. Book value of bonds and stocks, per Items 1 and 2, Col. 1, Exhibit 1, previous year	561,556,740	6. Deduct consideration for bonds and stocks disposed of, Col. 5, Part 4	1,116,690,520
2. Cost of bonds and stocks acquired, Col. 5, Part 3	1,161,965,538	7. Decrease by adjustment in book value:	
3. Increase by adjustment in book value:		(a) Col. 11, Part 1	287,823
(a) Col. 10, Part 1	4,706,812	(b) Col. 10, 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	45,485
(d) Col. 9, Part 4	291,600	8. Loss on disposal of bonds and stocks, Col. 12, Part 4	5,016,167
4. Profit on disposal of bonds and stocks, Col. 11, Part 4	4,998,412	9. Book value of bonds and stocks, per Items 1 and 2, Col. 1, Exhibit 1, current year	609,218,603
5. Total	1,731,248,539		

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part I

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data covering Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically: (The bond in Group A, B and C should be alphabetical by issue.)

1. Governmental (including all obligations guaranteed by governments)
2. States, Territories and Possessions (current and past)
3. Political subdivisions of States, Territories and Possessions (current and past)
4. Special purpose and special governmental obligations (and all governmental obligations of agencies and authorities of governments and their political subdivisions)
5. Municipal (unincorporated)
6. Public Utility (unincorporated)
7. National and International Institutions
8. Private, Subordinate, and Alliance

New Subtotals for each group.

CLASS	DESCRIPTION OF BOND	AMOUNT	INTEREST		DATE OF MATURITY	MARKET VALUE	PAR VALUE	GROSS MARKET VALUE	ACTUAL COST	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR		AMOUNT OF LOSS ON DISPOSITION	UNAMORTIZED AMOUNT	UNAMORTIZED AMOUNT AT END OF YEAR						
			Yield	Rate						INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR										
										Yield	Rate									
GOVERNMENTS																				
UNITED STATES GOVERNMENT																				
912810880	UNITED STATES TREASURY BOND, INVESTMENT SER.	2,750,000	A-D	1980	04	1975	—	3,475,000	3,475,000	74	2,710,500	3,527,591	23,890	95,582	—0-	715	—0-	YES X 1981	3.68	3,475,000
91282717	UNITED STATES TREASURY NOTE, SER. A	6,230,000	F-A	1979	08	—	—	3,862,281	4,000,000	97	3,890,000	3,849,067	44,444	62,500	13,220	—0-	—0-	YES X 1975	7.35	3,862,281
912827160	UNITED STATES TREASURY NOTE, SER. A	1,000,000	F-A	1981	02	—	—	2,924,859	3,000,000	98	2,940,000	2,937,437	76,331	—0-	1,421	—0-	—0-	YES X 1975	7.52	2,924,859
912827166	UNITED STATES TREASURY NOTE, SER. B	7,750,000	M-N	1981	11	—	—	6,933,711	7,000,000	101	7,070,000	6,970,000	84,319	771,250	3,711	—0-	—0-	YES X 1975	7.65	6,933,711
912827164	UNITED STATES TREASURY NOTE, SER. K	7,250,000	J-D	1976	12	—	—	1,512,632	1,500,000	101	1,515,000	1,514,451	—0-	108,750	—0-	6,820	—0-	YES X 1975	6.26	1,512,632
912827162	UNITED STATES TREASURY NOTE, SER. D	7,128,000	M-N	1978	05	—	—	7,360,517	8,000,000	100	8,000,000	7,452,560	17,603	420,414	8,017	—0-	—0-	YES X 1975	7.23	7,360,517
912827160	UNITED STATES TREASURY NOTE, SER. C	7,375,000	F-A	1981	02	—	—	7,808,048	8,000,000	100	8,000,000	7,795,000	22,888	290,112	13,048	—0-	—0-	YES X 1975	7.65	7,808,048
912827161	UNITED STATES TREASURY NOTE, SER. E	6,300,000	M-S	1977	03	—	—	2,001,500	2,000,000	100	2,000,000	2,002,500	32,499	—0-	—0-	—0-	—0-	YES X 1975	6.38	2,002,500
912827162	UNITED STATES TREASURY NOTE, SER. F	7,675,000	F-A	1978	08	—	—	4,985,973	5,000,000	101	5,050,000	4,987,812	239,310	—0-	2,161	—0-	—0-	YES X 1975	7.75	4,985,973
912827168	UNITED STATES TREASURY NOTE, SER. I	6,750,000	M-N	1977	05	—	—	7,985,443	8,000,000	100	8,000,000	7,978,776	45,000	275,934	3,447	—0-	—0-	YES X 1975	6.89	7,985,443
912827169	UNITED STATES TREASURY NOTE, SER. E	7,750,000	J-D	1979	06	—	—	10,950,386	11,000,000	102	11,220,000	10,944,475	—0-	435,400	3,409	—0-	—0-	YES X 1975	7.82	10,950,386
912827165	UNITED STATES TREASURY NOTE, SER. F	7,875,000	M-N	1978	05	—	—	3,969,140	4,000,000	102	4,080,000	3,966,436	119,000	—0-	2,724	—0-	—0-	YES X 1975	8.23	3,969,140
912827160	UNITED STATES TREASURY NOTE, SER. L	8,250,000	F-A	1977	04	—	—	4,257,171	4,300,000	102	4,386,000	4,296,718	120,220	—0-	452	—0-	—0-	YES X 1975	8.28	4,257,171
912827168	UNITED STATES TREASURY NOTE, SER. F	6,500,000	M-S	1979	05	—	—	2,949,670	3,000,000	104	3,170,000	2,959,870	82,875	—0-	231	—0-	—0-	YES X 1975	8.49	2,949,670
912827161	UNITED STATES TREASURY NOTE, SER. H	8,125,000	J-D	1978	12	—	—	8,019,090	8,000,000	103	8,240,000	8,070,778	108,333	—0-	281	1,469	—0-	YES X 1975	8.03	8,019,090
912827165	UNITED STATES TREASURY NOTE, SER. H	7,500,000	A-D	1977	10	—	—	1,997,309	2,000,000	101	2,020,000	1,997,000	25,000	—0-	229	—0-	—0-	YES X 1975	7.57	1,997,309
TOTAL UNITED STATES GOVERNMENT		81,692,941						81,692,941	82,275,000	82,232,500	81,693,466	1,324,979	1,929,921	56,607	9,256	—0-				81,692,941
HOUSING AUTHORITY																				
ALASKA:																				
01177064	NEW HSG. AUTH., 3RD ISSUE	3,625,000	A-D	1993	04	1981	—	119,950	125,000	—0-	119,950	118,451	1,132	4,531	200	—0-	—0-	YES X 1967	3.95	119,950
01177063	NEW HSG. AUTH., 3RD ISSUE	3,625,000	A-D	1994	04	1981	—	119,748	125,000	—0-	119,748	118,307	1,132	4,531	193	—0-	—0-	YES X 1967	3.95	119,748
HAWAII:																				
419819087	NEW HSG. AUTH., 14TH ISSUE	5,750,000	F-A	1992	08	1985	—	361,597	350,000	—0-	361,597	365,721	8,383	20,123	—0-	911	—0-	YES X 1971	5.30	361,597
419819085	NEW HSG. AUTH., 14TH ISSUE	5,750,000	F-A	1993	08	1985	—	382,572	370,000	—0-	382,572	388,440	8,864	21,275	—0-	988	—0-	YES X 1971	5.60	382,572
419819083	NEW HSG. AUTH., 14TH ISSUE	5,750,000	F-A	1994	08	1985	—	403,559	390,000	—0-	403,559	407,787	9,343	22,425	—0-	1,048	—0-	YES X 1971	5.40	403,559
419819081	NEW HSG. AUTH., 14TH ISSUE	5,750,000	F-A	1995	08	1985	—	424,561	410,000	—0-	424,561	429,827	9,827	23,575	—0-	1,146	—0-	YES X 1971	5.60	424,561
419819080	NEW HSG. AUTH., 14TH ISSUE	5,750,000	F-A	2006	08	1985	—	212,501	200,000	—0-	212,501	216,000	4,291	11,500	—0-	1,004	—0-	YES X 1975	5.15	212,501
MISSISSIPPI:																				
605434009	REGIONAL HSG. AUTH., 88, NEW HSG. AUTH., 2ND ISSUE	3,500,000	M-N	1994	11	1975	—	72,944	100,000	—0-	72,944	69,514	583	3,500	769	—0-	—0-	YES X 1971	5.90	72,944
605434008	REGIONAL HSG. AUTH., 88, NEW HSG. AUTH., 2ND ISSUE	3,500,000	M-N	1995	11	1975	—	72,174	100,000	—0-	72,174	68,943	583	3,500	726	—0-	—0-	YES X 1971	5.90	72,174
PUERTO RICO:																				
745281600	NEW HSG. AUTH., 1ST ISSUE	2,125,000	J-D	1980	06	1961	—	149,992	165,000	—0-	149,992	122,074	292	3,506	3,739	—0-	—0-	YES X VAR	5.06	149,992
SOUTH CAROLINA:																				
837099082	NEW HSG. AUTH., 1ST ISSUE #1	3,000,000	J-D	1978	12	1962	—	96,407	100,000	—0-	96,407	91,037	250	3,000	1,144	—0-	—0-	YES X 1968	4.25	96,407
837099083	NEW HSG. AUTH., 1ST ISSUE #1	3,000,000	J-D	1978	12	1962	—	90,000	100,000	—0-	90,000	81,314	125	1,503	—0-	—0-	—0-	YES X 1953	2.46	90,000
837099082	NEW HSG. AUTH., 1ST ISSUE #1	3,000,000	J-D	1982	12	1962	—	69,193	75,000	—0-	69,193	68,531	140	2,160	335	—0-	—0-	YES X VAR	3.63	69,193
ALABAMA:																				
014341007	ALEXANDER CITY, NEW HSG. AUTH., 1ST ISSUE	4,875,000	M-S	1997	09	1982	—	216,366	220,000	—0-	216,366	215,822	3,575	10,729	89	—0-	—0-	YES X 1969	5.00	216,366
036051003	ANNISTON, NEW HSG. AUTH., 4TH ISSUE	3,125,000	M-S	1991	03	1974	—	111,387	120,000	—0-	111,387	106,274	1,250	3,150	415	—0-	—0-	YES X 1967	3.75	111,387
036051004	ANNISTON, NEW HSG. AUTH., 4TH ISSUE	3,125,000	M-S	1992	03	1979	—	115,596	125,000	—0-	115,596	112,426	1,302	3,906	416	—0-	—0-	YES X 1967	3.75	115,596
091054005	BIRMINGHAM, NEW HSG. AUTH., 2ND ISSUE	3,875,000	J-D	1985	07	1973	—	148,543	150,000	—0-	148,543	148,171	2,906	5,812	121	—0-	—0-	YES X VAR	3.99	148,543

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped by the following manner and each group grouped alphabetically. The listing by Group A, B and C should be in substance as follows:
 A. Government (including all obligations guaranteed by government)
 B. State, Territory and Possession (direct and guaranteed)
 C. Political subdivisions of States, Territories and Possessions (direct and guaranteed)
 D. Special revenue and terminal district obligations and all non-guaranteed obligations of persons and authorities of governments and other political subdivisions
 E. Bonds (including "municipal")
 F. Industrial and Manufacturing (unaffiliated)
 G. Private Subordinate and Other Bonds (unaffiliated)

CNPB Symbol CUSIP***	421001 Description of bond (including the amount of all interest and principal payments, if bonds are "callable" having any amount outstanding each year)	421002 Maturity		421003 Date of		421004 Book Value	421005 Par Value	421006 Rate Paid No Interest Value	421007 Market Value (Including Amort.)	421008 Actual Cost (Including Amort.)	421009 Interest		421010 Increase by Adjust- ment in Book Value During Year	421011 Decrease by Adjust- ment in Book Value During Year	421012 Amount of loss on sale and unpaid Dec. 31, current year on bonds at default to be reported on Form 1099	421013 Yield to Maturity	421014 Life expectancy of the bond as of 12/31/75	421015 Amortized or Unamortized Value on 12/31 of Current Year	421016 Increase or Decrease in Amortized Value During Year	421017 Decrease in Unamortized Value During Year	
		421002A Year	421002B Month	421003A Year	421003B Month						421009A (1) If amount due and received (No. 31 of current year on bonds on 12/31/75)	421009B (2) Gross Amount Received During Year									
		421002C Year	421002D Month	421003C Year	421003D Month						421009C Increase by Adjust- ment in Book Value During Year	421009D Decrease by Adjust- ment in Book Value During Year									
MISSISSIPPI (CONTINUED)																					
ALABAMA (CONTINUED)																					
09109913	BIRMINGHAM, NEW HSG. AUTH., 7TH ISSUE	3.3750	J-J	1986	07	1977	-	208,072	230,000	-0-	208,072	193,069	4,378	8,437	2,886	-0-	-0-	YES X 1970	5.50	208,072	
09109941	BIRMINGHAM, NEW HSG. AUTH., 7TH ISSUE	3.3750	J-J	1987	07	1977	-	207,390	250,000	-0-	207,390	194,412	4,303	6,606	2,885	-0-	-0-	YES X 1970	5.60	207,390	
09109957	BIRMINGHAM, NEW HSG. AUTH., 1ST ISSUE	3.0000	J-J	1990	07	1961	-	11,713	19,000	-0-	11,713	10,159	190	380	308	-0-	-0-	YES X 1973	6.00	11,713	
09109970	BIRMINGHAM, NEW HSG. AUTH., 19TH ISSUE	3.2500	M-M	1978	05	1983	-	208,625	210,000	-0-	208,625	208,446	1,837	11,025	30	-0-	-0-	YES X 1969	5.30	208,625	
16322973	CHICKASAW, NEW HSG. AUTH., 1ST ISSUE	3.3750	J-D	1988	06	1979	-	130,201	140,000	-0-	130,201	125,900	393	4,723	594	-0-	-0-	YES X 1967	4.10	130,201	
24288819	DICKENS, NEW HSG. AUTH., 4TH ISSUE	4.8750	M-M	1995	05	1982	-	101,007	100,000	-0-	101,007	101,877	812	4,875	-0-	134	-0-	YES X 1968	6.75	101,007	
34173081	GADSDEN, NEW HSG. AUTH., 1ST ISSUE	2.0000	J-J	1986	07	1961	-	55,459	65,000	-0-	55,459	46,857	644	1,000	731	-0-	-0-	YES X 1960	3.70	55,459	
34173084	GADSDEN, NEW HSG. AUTH., 1ST ISSUE	2.0000	J-J	1989	07	1961	-	65,154	100,000	-0-	65,154	60,278	1,000	2,000	1,675	-0-	-0-	YES X 1972	5.75	65,154	
34173085	GADSDEN, NEW HSG. AUTH., 1ST ISSUE	2.0000	J-J	1990	07	1961	-	63,480	100,000	-0-	63,480	58,823	1,000	2,000	1,581	-0-	-0-	YES X 1972	5.75	63,480	
34173087	GADSDEN, NEW HSG. AUTH., 1ST ISSUE	2.0000	J-J	1991	07	1961	-	64,993	105,000	-0-	64,993	60,427	1,000	2,100	1,569	-0-	-0-	YES X 1972	5.75	64,993	
34173093	GADSDEN, NEW HSG. AUTH., 1ST ISSUE	2.0000	J-J	1992	07	1961	-	65,839	109,000	-0-	65,839	61,356	1,000	2,180	1,539	-0-	-0-	YES X 1972	5.75	65,839	
44215006	HUNTSVILLE, NEW HSG. AUTH., 3RD ISSUE	2.6250	A-D	1987	04	1962	-	87,166	115,000	-0-	87,166	83,404	754	3,018	1,745	-0-	-0-	YES X 1973	5.55	87,166	
40214757	MOBILE, NEW HSG. AUTH., 4TH ISSUE	3.3750	J-D	1999	12	1978	-	75,194	100,000	-0-	75,194	73,675	281	3,375	514	-0-	-0-	YES X 1972	5.20	75,194	
90041198	TUSCALOOSA, NEW HSG. AUTH., 2ND ISSUE	2.6250	A-D	1987	04	1962	-	37,898	50,000	-0-	37,898	36,267	326	1,312	159	-0-	-0-	YES X 1973	5.55	37,898	
ARKANSAS																					
44128703	HOT SPRINGS, NEW HSG. AUTH., 1ST ISSUE	3.3750	J-D	1983	06	1978	-	87,785	100,000	-0-	87,785	82,276	281	3,375	1,312	-0-	-0-	YES X 1971	5.40	87,785	
44128704	HOT SPRINGS, NEW HSG. AUTH., 1ST ISSUE	3.3750	J-D	1984	06	1978	-	85,558	100,000	-0-	85,558	80,036	281	3,375	1,318	-0-	-0-	YES X 1971	5.55	85,558	
44128718	HOT SPRINGS, NEW HSG. AUTH., 1ST ISSUE	3.3750	J-D	1985	06	1978	-	83,264	100,000	-0-	83,264	77,772	281	3,375	1,314	-0-	-0-	YES X 1971	5.70	83,264	
44128784	HOT SPRINGS, NEW HSG. AUTH., 1ST ISSUE	3.3750	J-D	1986	06	1978	-	81,263	100,000	-0-	81,263	75,915	281	3,375	1,282	-0-	-0-	YES X 1971	5.80	81,263	
44128817	HOT SPRINGS, NEW HSG. AUTH., 3TH ISSUE	3.7500	J-D	1989	06	1981	-	76,766	100,000	-0-	76,766	71,676	312	3,750	1,073	-0-	-0-	YES X 1970	6.35	76,766	
44128821	HOT SPRINGS, NEW HSG. AUTH., 2ND ISSUE	3.3750	J-D	1996	06	1979	-	119,127	140,000	-0-	119,127	114,139	407	4,893	738	-0-	-0-	YES X 1968	4.75	119,127	
44128823	HOT SPRINGS, NEW HSG. AUTH., 10TH ISSUE	5.5000	J-D	1995	06	1983	-	133,405	135,000	-0-	133,405	133,159	618	7,625	63	-0-	-0-	YES X 1969	5.40	133,405	
66058080	NORTH LITTLE ROCK, NEW HSG. AUTH., 3RD ISSUE	3.7500	J-D	1989	12	1979	-	88,558	115,000	-0-	88,558	83,239	359	4,312	1,167	-0-	-0-	YES X 1967	6.25	88,558	
66058082	NORTH LITTLE ROCK, NEW HSG. AUTH., 4TH ISSUE	4.0000	J-D	1997	06	1981	-	170,000	170,000	-0-	170,000	170,000	566	6,800	-0-	-0-	YES X 1967	4.00	170,000		
66058088	NORTH LITTLE ROCK, NEW HSG. AUTH., 2ND ISSUE	3.7500	J-D	1998	06	1979	-	119,174	150,000	-0-	119,174	114,049	404	4,875	758	-0-	-0-	YES X 1968	4.75	119,174	
89048452	TRUMAN, NEW HSG. AUTH., 1ST ISSUE	3.2500	J-D	1985	06	1977	-	98,365	120,000	-0-	98,365	89,196	329	3,400	1,811	-0-	-0-	YES X 1971	6.00	98,365	
89048470	TRUMAN, NEW HSG. AUTH., 1ST ISSUE	3.2500	J-D	1986	06	1977	-	98,702	125,000	-0-	98,702	91,466	338	4,062	1,779	-0-	-0-	YES X 1971	6.00	98,702	
CALIFORNIA																					
21225008	CONTRA COSTA CO., NEW HSG. AUTH., 2ND ISSUE	3.5000	A-D	1983	04	1975	-	60,000	60,000	-0-	60,000	61,853	525	2,100	-0-	41	-0-	YES X 1961	3.30	60,000	
54458432	LOS ANGELES, NEW HSG. AUTH., 2ND ISSUE	2.3750	M-M	1976	11	1963	-	244,908	250,000	-0-	244,908	217,100	989	5,937	6,079	-0-	-0-	YES X 1970	5.00	244,908	
54458439	LOS ANGELES, NEW HSG. AUTH., 2ND ISSUE	2.5000	M-M	1986	11	1964	-	150,225	200,000	-0-	150,225	141,762	833	5,000	3,276	-0-	-0-	YES X 1973	5.60	150,225	
54458433	LOS ANGELES, NEW HSG. AUTH., VARIOUS PURPOSES	2.3750	M-M	1990	11	1963	-	99,393	150,000	-0-	99,393	97,896	593	3,562	2,110	-0-	-0-	YES X 1972	5.80	99,393	
54458403	LOS ANGELES, NEW HSG. AUTH., VARIOUS PURPOSES	2.3750	M-M	1994	11	1963	-	46,923	89,000	-0-	46,923	45,812	352	2,113	1,088	-0-	-0-	YES X 1974	4.90	46,923	
54458401	LOS ANGELES, NEW HSG. AUTH., 3RD ISSUE	2.3750	M-M	1994	11	1964	-	81,271	135,000	-0-	81,271	76,641	534	3,206	1,526	-0-	-0-	YES X VAR	5.50	81,271	
79769508	SAN FRANCISCO, NEW HSG. AUTH., 1ST ISSUE	2.1250	F-A	1978	08	1960	-	160,062	175,000	-0-	160,062	136,500	1,549	3,718	5,220	-0-	-0-	YES X 1970	5.73	160,062	
79769509	SAN FRANCISCO, NEW HSG. AUTH., 5TH ISSUE	3.0000	F-A	1984	08	1976	-	78,307	100,000	-0-	78,307	74,141	1,250	3,000	1,180	-0-	-0-	YES X 1972	5.40	78,307	

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically: (The listing in Groups 1, 2 and 3 should be alphabetical by issue.)
1. Government: (including all obligations guaranteed by government)
2. States, Territories and Possessions: (domestic and overseas)
3. Political subdivisions of States, Territories and Possessions: (domestic and overseas)
4. Special programs and special municipal obligations and all non-government obligations of agencies and authorities of government and their political subdivisions.
A. Electrically transmitted.
B. Public Utilities (unsubsidized).
C. Public Utilities (subsidized).
5. Federal and Manufacturing (subsidized).
6. Foreign: International and LIBORs. Show National for each group.

CUSIP (Issue) Serial	DESCRIPTION Law complete and precise description of all bonds owned, including the names of all issuers and participating companies. If bonds are "series" issue, give interest bearing each year.	INTEREST		DATE OF				BOOK VALUE	PAR VALUE	RATE PER CENT (Market Value)	MARKET VALUE (Excluding Accrued Interest)	INTEREST		INCREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	Amount of Interest due and accrued (line 21, current year, as bonds in default to be reported as interest)	FISCAL YEAR AC- CUMULATED	Maturity Date of the Bond (line 24, line 25, if applicable)	Amount of Increase or Decrease in Value (line 21 of Current Year)	Increase or Decrease in Amortized Value During Year
		Rate of	Type Paid	MATERIALS								ACTUAL AMOUNT RECEIVED DURING YEAR	DECREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR							
		Year	Month	Year	Month	Year	Call Price													
HOUSING AUTHORITY (CONTINUED)																				
CALIFORNIA (CONTINUED)																				
797495G1	SAN FRANCISCO, NEW HSG. AUTH., 3RD ISSUE	2.3750	F-A	1989	08	1975	-	208,941	300,000	-0-	208,941	157,583	2,968	7,125	4,290	-0-	-0-	YES X 1973	9.60	208,941
797495G9	SAN FRANCISCO, NEW HSG. AUTH., 5TH ISSUE	3.0000	F-A	1989	08	1974	-	76,720	100,000	-0-	76,720	77,719	1,250	3,000	1,134	-0-	-0-	YES X 1972	5.45	76,720
797495H0	SAN FRANCISCO, NEW HSG. AUTH., 5TH ISSUE	3.0000	F-A	1990	08	1974	-	75,585	100,000	-0-	75,585	71,753	1,250	3,000	1,075	-0-	-0-	YES X 1972	5.45	75,585
24919W55	DENVER, NEW HSG. AUTH., 4TH ISSUE	4.7500	J-D	1986	12	1982	-	136,173	135,000	-0-	136,173	137,108	334	6,412	-0-	144	-0-	YES X 1968	4.85	136,173
CONNECTICUT																				
100164W0	BRIDGEPORT, NEW HSG. AUTH., 2ND ISSUE	2.2500	F-A	1977	08	1963	-	259,544	270,000	-0-	259,544	270,722	2,531	6,075	6,283	-0-	-0-	YES X 1968	4.85	259,544
100164J1	BRIDGEPORT, NEW HSG. AUTH., 3RD ISSUE	3.5000	F-A	1983	08	1975	-	50,000	50,000	-0-	50,000	51,454	729	1,750	-0-	83	-0-	YES X 1961	3.30	50,000
DISTRICT OF COLUMBIA																				
254015G4	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 2ND ISSUE	2.5000	M-N	1984	05	1964	-	144,804	165,000	-0-	144,804	136,070	770	4,625	3,855	-0-	-0-	YES X VAR	5.83	144,804
25401HJ0	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 2ND ISSUE	2.5000	M-N	1983	05	1964	-	109,583	140,000	-0-	109,583	100,341	583	3,500	2,444	-0-	-0-	YES X VAR	5.51	109,583
254013M7	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 3RD ISSUE	2.5000	M-N	1983	05	1963	-	54,523	70,000	-0-	54,523	50,657	291	1,750	1,239	-0-	-0-	YES X VAR	5.37	54,523
254013H3	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 3RD ISSUE	2.5000	M-N	1986	05	1963	-	321,349	420,000	-0-	321,349	295,113	1,750	10,500	6,948	-0-	-0-	YES X VAR	5.51	321,349
254013H1	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 2ND ISSUE	2.5000	M-N	1986	05	1964	-	14,596	20,000	-0-	14,596	13,422	83	500	368	-0-	-0-	YES X VAR	6.06	14,596
254013H2	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 9TH ISSUE	3.3750	M-N	1986	05	1978	-	77,278	100,000	-0-	77,278	75,453	562	3,375	619	-0-	-0-	YES X 1972	5.20	77,278
254013M0	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., VARIOUS PURPOSES	3.7500	M-N	1986	05	1974	-	101,764	110,000	-0-	101,764	100,233	687	4,125	243	-0-	-0-	YES X VAR	4.31	101,764
639104L2	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 1ST ISSUE	2.5000	M-N	1984	05	1963	-	54,753	70,000	-0-	54,753	52,142	291	1,750	1,386	-0-	-0-	YES X VAR	5.84	54,753
639104L0	NATIONAL CAPITAL HSG. AUTH., NEW HSG. AUTH., 4TH ISSUE	2.8750	M-N	1990	05	1967	-	156,593	210,000	-0-	156,593	151,563	1,006	6,037	2,406	-0-	-0-	YES X VAR	5.45	156,593
FLORIDA																				
240145F5	DAVENNA BEACH, NEW HSG. AUTH., 2ND ISSUE	3.8750	J-D	1984	04	1974	-	65,000	65,000	-0-	65,000	68,077	209	2,518	-0-	-0-	-0-	YES X 1967	3.60	65,000
347604A7	FORT LAUDERDALE, NEW HSG. AUTH., 1ST ISSUE	3.8750	M-N	1977	11	1968	-	25,000	25,000	-0-	25,000	26,431	161	964	-0-	-0-	-0-	YES X 1959	3.45	25,000
348134K5	FORT MYERS, NEW HSG. AUTH., 7TH ISSUE	3.8750	M-S	1986	03	1984	-	253,356	250,000	-0-	253,356	254,535	4,895	14,687	-0-	328	-0-	YES X VAR	5.74	253,356
348134M4	FORT MYERS, NEW HSG. AUTH., 8TH ISSUE	3.7500	J-D	1983	06	1985	-	304,910	295,000	-0-	304,910	308,096	1,413	16,962	-0-	798	-0-	YES X 1971	5.40	304,910
348134N2	FORT MYERS, NEW HSG. AUTH., 8TH ISSUE	3.7500	J-D	1984	06	1985	-	320,661	310,000	-0-	320,661	324,080	1,485	17,825	-0-	859	-0-	YES X 1971	5.40	320,661
348134N9	FORT MYERS, NEW HSG. AUTH., 8TH ISSUE	3.7500	J-D	1985	06	1985	-	333,093	325,000	-0-	333,093	335,663	1,557	18,687	-0-	649	-0-	YES X 1971	5.50	333,093
348134M7	FORT MYERS, NEW HSG. AUTH., 8TH ISSUE	3.7500	J-D	1984	06	1985	-	358,891	350,000	-0-	358,891	361,714	1,677	20,125	-0-	713	-0-	YES X 1971	5.50	358,891
362820C5	GAINESVILLE, NEW HSG. AUTH., 1ST ISSUE	3.7500	F-A	1985	02	1983	-	122,564	120,000	-0-	122,564	124,312	2,625	6,300	-0-	297	-0-	YES X 1969	5.00	122,564
362820C0	GAINESVILLE, NEW HSG. AUTH., 1ST ISSUE	3.2500	F-A	1986	02	1983	-	127,167	125,000	-0-	127,167	128,441	2,734	6,562	-0-	250	-0-	YES X 1969	5.05	127,167
593218A4	MIAMI BEACH, NEW HSG. AUTH., 1ST ISSUE	2.1250	J-D	1987	06	1961	-	10,977	18,000	-0-	10,977	9,189	31	382	386	-0-	-0-	YES X 1970	7.20	10,977
593437E6	MIAMI, NEW HSG. AUTH., 2ND ISSUE	3.6250	M-N	1984	05	1975	-	79,365	80,000	-0-	79,365	81,745	483	2,900	61	78	-0-	YES X VAR	3.58	79,365
593437J8	MIAMI, NEW HSG. AUTH., 2ND ISSUE	3.6250	M-N	1989	05	1975	-	195,000	195,000	-0-	195,000	195,000	1,178	7,068	-0-	-0-	-0-	YES X 1961	3.63	195,000
667488A0	NORTHWEST FLORIDA REGIONAL NEW HSG. AUTH., 1ST ISSUE	3.5000	M-N	1974	11	1967	-	30,000	30,000	-0-	30,000	31,424	175	1,050	-0-	-0-	-0-	YES X 1958	3.15	30,000
667488A4	NORTHWEST FLORIDA REGIONAL NEW HSG. AUTH., 1ST ISSUE	3.5000	M-N	1974	11	1967	-	30,000	30,000	-0-	30,000	31,314	175	1,050	-0-	-0-	-0-	YES X 1958	3.20	30,000
667488A8	NORTHWEST FLORIDA REGIONAL NEW HSG. AUTH., 1ST ISSUE	3.5000	M-N	1980	11	1967	-	30,000	30,000	-0-	30,000	31,166	175	1,050	-0-	-0-	-0-	YES X 1958	3.25	30,000
684450E9	ORLANDO, NEW HSG. AUTH., 3RD ISSUE	2.3750	F-A	1978	02	1965	-	28,616	30,000	-0-	28,616	25,865	296	712	624	-0-	-0-	YES X 1971	4.75	28,616

Bonds to be grouped by the following manner and each group arranged alphabetically. (The bonds in Groups 2, 3 and 4 should be alphabetical by State.)

1. Government (including all obligations guaranteed by Government)
2. State, Territory and Possession (direct and guaranteed)
3. Special Revenue and Special Obligation (direct and guaranteed)
4. General Obligation and General Obligation and all non-guaranteed obligations (coupon and maturity of Government, and all non-guaranteed obligations)
5. Public Utilities (including)
6. Railroad (including)
7. Public Utilities (including)
8. Industrial and Manufacturing (including)
9. Marine, Submarine, and All Other.

Note: Such bonds be such group.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

CUSIP Symbol Name	Face Value	Maturity	Rate of Interest	Date of Issue	Call Price	Book Value	Par Value	Rate Used to Determine Market Value	Market Value (including accrued interest)	Actual Cost (including accrued interest)	INTEREST		Increase by Adjust- ment in Book Value During Year	Decrease by Adjust- ment in Book Value During Year	Amount of Interest Paid and Accrued Dec. 31, 1975, for all bonds in this group in dollar amount	Yield to Maturity	Effective Rate of In- terest at Which Par Value Was Paid	Amount of Investment Dec. 31 of Current Year	Increase in Amount During Year	Decrease in Amount During Year	
											(37) Annual Due and Accrued Dec. 31 of Current Year in dollar amount	(38) Gross Amount Received in Ring Year									
HOUSING AUTHORITY (CONTINUED)																					
FLORIDA (CONTINUED)																					
686458812	2,3758	F-A	1975	02	1965	27,790	30,000	-0-	27,790	24,928	296	712	652	-0-	-0-	YES X 1971	5.00	27,790	-	-	
686458813	2,3758	F-A	1980	02	1965	25,402	30,000	-0-	25,402	20,959	296	712	953	-0-	-0-	YES X 1970	6.75	25,402	-	-	
496234806	4,0008	M-S	1995	03	1982	120,000	120,000	-0-	120,000	120,000	1,600	4,800	-0-	-0-	-0-	YES X 1967	4.00	120,000	-	-	
709495419	2,3758	F-A	1978	02	1965	38,155	40,000	-0-	38,155	36,487	395	950	832	-0-	-0-	YES X 1971	4.75	38,155	-	-	
709495445	2,3758	F-A	1979	02	1965	37,053	40,000	-0-	37,053	33,238	395	950	864	-0-	-0-	YES X 1971	5.00	37,053	-	-	
709495471	2,3758	F-A	1980	02	1965	33,870	40,000	-0-	33,870	27,940	395	950	1,271	-0-	-0-	YES X 1970	6.75	33,870	-	-	
800477145	2,1258	J-D	1987	01	1961	51,442	82,000	-0-	51,442	43,455	145	1,742	1,717	-0-	-0-	YES X 1970	6.90	51,442	-	-	
875195895	2,8758	A-D	1974	04	1962	292,792	295,000	-0-	292,792	247,947	2,120	8,691	9,376	-0-	-0-	YES X 1970	6.25	292,792	-	-	
875195847	2,7508	A-D	1977	04	1976	144,215	145,000	-0-	144,215	138,783	996	3,987	612	-0-	-0-	YES X 1965	3.20	144,215	-	-	
875195848	2,7508	A-U	1978	04	1976	153,342	155,000	-0-	153,342	147,115	1,065	4,262	703	-0-	-0-	YES X 1965	3.25	153,342	-	-	
875195802	2,7508	A-D	1989	04	1962	134,529	160,000	-0-	134,529	125,924	1,100	4,400	1,264	-0-	-0-	YES X VAR	4.34	134,529	-	-	
875195809	2,2508	F-A	1978	02	1965	42,924	45,000	-0-	42,924	38,798	445	1,068	936	-0-	-0-	YES X 1971	4.75	42,924	-	-	
955091804	2,3758	F-A	1978	02	1965	41,685	45,000	-0-	41,685	37,343	445	1,068	978	-0-	-0-	YES X 1971	5.00	41,685	-	-	
955091808	2,3758	F-A	1980	02	1965	38,103	45,000	-0-	38,103	31,437	445	1,068	1,430	-0-	-0-	YES X 1970	6.75	38,103	-	-	
GEORGIA:																					
047825822	3,3758	M-N	1993	05	1978	193,514	250,000	-0-	193,514	189,647	1,406	8,437	1,933	-0-	-0-	YES X 1973	5.40	193,514	-	-	
047825828	4,7508	M-N	1994	05	1982	101,202	100,000	-0-	101,202	102,245	791	4,750	-0-	160	-0-	YES X 1968	4.60	101,202	-	-	
047825804	5,8758	M-N	1991	05	1984	664,432	630,000	-0-	664,432	678,447	6,168	37,012	4,000	3,262	-0-	YES X 1971	5.25	664,432	-	-	
047825162	5,8758	M-N	1992	05	1984	706,854	670,000	-0-	706,854	721,458	6,560	39,362	4,000	3,492	-0-	YES X 1971	5.26	706,854	-	-	
047825101	5,8758	M-N	1996	05	1984	352,151	340,000	-0-	352,151	357,289	3,329	19,975	-0-	1,136	-0-	YES X 1970	5.50	352,151	-	-	
199126851	2,0008	J-J	1979	07	1961	144,017	157,000	-0-	144,017	118,990	1,570	3,140	3,361	-0-	-0-	YES X VAR	4.59	144,017	-	-	
240487845	3,5008	J-D	1993	06	1981	158,497	165,000	-0-	158,497	156,815	481	5,775	241	-0-	-0-	YES X VAR	3.81	158,497	-	-	
559733863	4,0008	M-N	1998	11	1981	150,000	150,000	-0-	150,000	150,000	1,000	6,000	-0-	-0-	-0-	YES X 1967	4.00	150,000	-	-	
774015871	5,7508	M-N	1994	11	1984	248,490	245,000	-0-	248,490	249,728	2,347	14,087	-0-	303	-0-	YES X 1971	5.60	248,490	-	-	
774015879	5,7508	M-N	1995	11	1984	252,403	250,000	-0-	252,403	253,257	2,395	14,375	-0-	209	-0-	YES X 1971	5.65	252,403	-	-	
774015887	5,7508	M-N	1996	11	1984	100,482	100,000	-0-	100,482	100,656	956	5,750	-0-	42	-0-	YES X 1971	5.70	100,482	-	-	
774015895	5,7508	M-N	2002	11	1984	321,851	300,000	-0-	321,851	325,518	2,875	17,250	-0-	1,965	-0-	YES X 1974	4.73	321,851	-	-	
865831643	4,0008	M-N	1997	11	1980	111,197	110,000	-0-	111,197	112,971	733	4,400	-0-	223	-0-	YES X 1966	3.85	111,197	-	-	
865831645	3,1258	M-N	2002	11	1976	72,444	110,000	-0-	72,444	71,269	572	3,437	594	-0-	-0-	YES X 1973	5.60	72,444	-	-	
865831647	5,6258	A-D	1997	10	1983	101,120	100,000	-0-	101,120	101,772	1,406	5,625	-0-	115	-0-	YES X 1969	5.50	101,120	-	-	
919082849	3,5008	M-N	1985	05	1975	70,000	70,000	-0-	70,000	71,136	408	2,450	-0-	33	-0-	YES X 1961	3.40	70,000	-	-	
946541055	3,5008	F-A	1986	08	1977	84,115	100,000	-0-	84,115	79,245	1,458	3,500	1,081	-0-	-0-	YES X 1970	5.50	84,115	-	-	
946541074	3,5008	F-A	1987	08	1977	82,279	100,000	-0-	82,279	77,502	1,458	3,500	1,062	-0-	-0-	YES X 1970	5.60	82,279	-	-	
946541077	3,8758	M-N	1995	05	1980	120,603	155,000	-0-	120,603	116,377	1,001	6,006	947	-0-	-0-	YES X 1971	5.80	120,603	-	-	
946541089	3,8758	M-N	1997	05	1980	129,394	170,000	-0-	129,394	125,201	1,097	6,587	940	-0-	-0-	YES X 1971	5.85	129,394	-	-	

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part I

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically: (The Rating is Group 1, 2 and 3 should be alphabetical by issue.)
 1. Government (including all obligations guaranteed by government)
 2. States, Territories and Possessions (debt and payments)
 3. Political Subdivisions of States, Territories and Possessions (debt and payments)
 4. Special investment and special investment obligations and all non-guaranteed obligations of agencies and subsidiaries of governments and their political subdivisions.
 5. Railroads (tax-exempt)
 6. Public Utilities (tax-exempt)
 7. Industrial and Miscellaneous (tax-exempt)
 8. Foreign, Subordinated, and A/R Bonds. Show Subtotals for each group.

CINP Ident. value***	**DESCRIPTION Give complete and accurate description of all bonds owned, including the location of all serial and coupon bonds and interest payment dates. If bonds are "series" issue, give amount maturing each year.	12) INTEREST		13) DATE OF MATURITY				14) BOOK VALUE	15) PAR VALUE	16) RATE PAID TO OBTAIN MARKET VALUE	17) MARKET VALUE (Excluding Accrued Interest)	18) ACTUAL COST (Excluding Accrued Interest)	19) INTEREST		20) INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	21) DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	22) Amount of Interest due and accrued Dec. 31, on bonds in default as to principal or interest	23) NAC Drug Name	24) YEAR ACQUIRED	25) Effective Rate of Interest at Which Purchased Was Made	26) 1/2 Amortized or Investment Value Dec. 31 of Current Year	27) Increase in Amortized Value During Year	28) Decrease in Amortized Value During Year	
		Rate of	How Paid	Maturity		Option							19)1	19)2										
				Year	Month	Year	Call Price						Amount due and accrued Dec. 31 of current year on bonds not in default	GROSS AMOUNT RECEIVED DURING YEAR										
HOUSING AUTHORITY (CONTINUED)																								
GEORGIA: (CONTINUED)																								
946541FV6	WAYNESBORO, NEW HSG. AUTH., 2ND ISSUE	3.500E	F-A	1999	08	1977	-	151,875	200,000	-0-	151,875	146,022	2,916	7,000	1,009	-0-	-0-	YES	X	1971	5.30	151,875		
ILLINOIS:																								
167573JJA	CHICAGO, NEW HSG. AUTH., 1ST ISSUE	2.125E	J-D	1979	06	1961	-	172,329	200,000	-0-	172,329	135,472	354	4,250	7,024	-0-	-0-	YES	X	1970	6.75	172,329		
167573JL9	CHICAGO, NEW HSG. AUTH., 3RD ISSUE	2.375E	J-D	1979	06	1964	-	178,582	200,000	-0-	178,582	168,942	395	4,750	5,540	-0-	-0-	YES	X	1974	5.90	178,582		
167573JM7	CHICAGO, NEW HSG. AUTH., VARIOUS PURPOSES	2.500E	J-D	1979	06	1965	-	229,117	260,000	-0-	229,117	154,650	541	6,500	7,891	-0-	-0-	YES	X	VAR	6.43	229,117		
167573LA0	CHICAGO, NEW HSG. AUTH., 1ST ISSUE	2.125E	J-D	1981	06	1961	-	244,084	300,000	-0-	244,084	224,677	531	6,375	8,480	-0-	-0-	YES	X	1973	6.25	244,084		
167573LB8	CHICAGO, NEW HSG. AUTH., 2ND ISSUE	2.375E	J-D	1981	06	1963	-	8,453	10,000	-0-	8,453	7,494	19	237	238	-0-	-0-	YES	X	1973	5.75	8,453		
167573LC6	CHICAGO, NEW HSG. AUTH., 3RD ISSUE	2.375E	J-D	1981	06	1964	-	295,863	350,000	-0-	295,863	276,321	692	8,312	8,338	-0-	-0-	YES	X	1973	5.75	295,863		
167573RR8	CHICAGO, NEW HSG. AUTH., 14TH ISSUE	3.375E	J-D	1984	06	1978	-	85,870	100,000	-0-	85,870	80,064	281	3,375	1,254	-0-	-0-	YES	X	1971	5.50	85,870		
167574AM4	CHICAGO, NEW HSG. AUTH., 13TH ISSUE	3.500E	J-D	1989	06	1975	-	46,534	55,000	-0-	46,534	45,255	160	1,925	431	-0-	-0-	YES	X	1972	5.10	46,534		
167574AN2	CHICAGO, NEW HSG. AUTH., 18TH ISSUE	3.500E	J-D	1989	06	1978	-	139,603	165,000	-0-	139,603	135,778	481	5,775	1,295	-0-	-0-	YES	X	1972	5.10	139,603		
167574AR	CHICAGO, NEW HSG. AUTH., 21ST ISSUE	3.250E	J-D	1991	06	1979	-	153,282	195,000	-0-	153,282	149,633	528	6,337	1,717	-0-	-0-	YES	X	1973	5.30	153,282		
167574BN9	CHICAGO, NEW HSG. AUTH., 16TH ISSUE	3.125E	J-D	1993	06	1977	-	184,059	250,000	-0-	184,059	175,425	651	7,812	2,218	-0-	-0-	YES	X	1973	5.50	184,059		
167574DT6	CHICAGO, NEW HSG. AUTH., 13TH ISSUE	3.500E	J-D	1993	06	1975	-	87,137	90,000	-0-	87,137	86,274	262	3,150	114	-0-	-0-	YES	X	1967	3.75	87,137		
167574DZ2	CHICAGO, NEW HSG. AUTH., VARIOUS PURPOSES	3.750E	J-D	1993	06	1981	-	235,261	275,000	-0-	235,261	230,470	859	10,312	1,371	-0-	-0-	YES	X	VAR	5.00	235,261		
167574EP3	CHICAGO, NEW HSG. AUTH., 12TH ISSUE	3.625E	J-D	1994	06	1975	-	87,979	100,000	-0-	87,979	85,255	302	3,625	407	-0-	-0-	YES	X	1968	4.60	87,979		
167574FB3	CHICAGO, NEW HSG. AUTH., 20TH ISSUE	3.375E	J-D	1995	06	1978	-	203,628	265,000	-0-	203,628	198,601	745	8,943	1,777	-0-	-0-	YES	X	1973	5.30	203,628		
167574FU1	CHICAGO, NEW HSG. AUTH., 20TH ISSUE	3.375E	J-D	1996	06	1978	-	135,151	175,000	-0-	135,151	131,965	492	5,906	1,079	-0-	-0-	YES	X	1972	5.20	135,151		
213237Y6	COOK CO., NEW HSG. AUTH., 9TH ISSUE	3.875E	J-D	2002	12	1980	-	158,175	200,000	-0-	158,175	156,900	645	7,750	684	-0-	-0-	YES	X	1974	5.35	158,175		
213237W8	COOK CO., NEW HSG. AUTH., 20TH ISSUE	3.750E	A-D	2000	04	1985	-	106,706	100,000	-0-	106,706	107,737	1,437	5,750	-0-	564	-0-	YES	X	1974	5.10	106,706		
213237X7	COOK CO., NEW HSG. AUTH., 15TH ISSUE	4.875E	J-D	1993	12	1982	-	124,271	120,000	-0-	124,271	127,701	487	5,850	-0-	525	-0-	YES	X	1968	4.45	124,271		
213237M6	COOK CO., NEW HSG. AUTH., 24TH ISSUE	5.250E	A-D	2006	04	1987	-	602,772	635,000	-0-	602,772	602,087	8,334	33,337	400	-0-	-0-	YES	X	1974	5.60	602,772		
236523A29	DANVILLE, NEW HSG. AUTH., 1ST ISSUE	2.125E	F-A	1992	02	1961	-	64,223	105,000	-0-	64,223	59,405	929	2,231	1,491	-0-	-0-	YES	X	1972	5.90	64,223		
354853BK4	MADISON CO., NEW HSG. AUTH., 1ST ISSUE	2.500E	J-D	1980	12	1962	-	9,825	10,000	-0-	9,825	7,477	20	250	205	-0-	-0-	YES	X	1968	5.25	9,825		
713193A23	PEORIA, NEW HSG. AUTH., 1ST ISSUE	2.500E	J-D	1980	12	1962	-	92,539	100,000	-0-	92,539	82,691	208	2,500	1,344	-0-	-0-	YES	X	1967	4.20	92,539		
713193EE6	PEORIA, NEW HSG. AUTH., 4TH ISSUE	4.875E	A-D	2005	10	1986	-	1,141,193	1,200,000	-0-	1,141,193	1,139,592	14,625	58,500	810	-0-	-0-	YES	X	1973	5.20	1,141,193		
713193EF3	PEORIA, NEW HSG. AUTH., 4TH ISSUE	4.875E	A-D	2006	10	1986	-	1,187,896	1,250,000	-0-	1,187,896	1,186,312	15,234	60,937	801	-0-	-0-	YES	X	1973	5.20	1,187,896		
713193EJ5	PEORIA, NEW HSG. AUTH., 4TH ISSUE	4.875E	A-D	2009	10	1986	-	1,233,017	1,300,000	-0-	1,233,017	1,231,607	15,843	63,375	713	-0-	-0-	YES	X	1973	5.20	1,233,017		
INDIANA:																								
455290CF7	INDIANAPOLIS, NEW HSG. AUTH., 4TH ISSUE	5.750E	J-D	2002	12	1984	-	214,639	200,000	-0-	214,639	217,066	958	11,500	-0-	1,301	-0-	YES	X	1974	4.73	214,639		
455290LU8	INDIANAPOLIS, NEW HSG. AUTH., 7TH ISSUE	5.250E	A-D	1997	04	1987	-	202,336	200,000	-0-	202,336	202,722	2,625	10,500	-0-	151	-0-	YES	X	1973	5.15	202,336		
455290LV8	INDIANAPOLIS, NEW HSG. AUTH., 7TH ISSUE	5.250E	A-D	1998	04	1987	-	397,333	395,000	-0-	397,333	397,721	5,184	20,737	-0-	152	-0-	YES	X	1973	5.20	397,333		
KANSAS:																								
4847100M5	KANSAS CITY, NEW HSG. AUTH., 1ST ISSUE	3.125E	F-A	1997	02	1976	-	69,612	100,000	-0-	69,612	68,163	1,302	3,125	742	-0-	-0-	YES	X	1973	5.60	69,612		
484710ME4	KANSAS CITY, NEW HSG. AUTH., 8TH ISSUE	5.125E	A-D	2007	10	1988	-	447,681	460,000	-0-	447,681	447,937	5,093	23,575	146	-0-	-0-	YES	X	1974	5.30	447,681		

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part I

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically. (The name of Group 1 and 2 should be indicated in Item 1.)
 1. Government (including all obligations guaranteed by government)
 2. State, Territory and Possession (direct and guaranteed)
 3. Federal Subsidies of States, Territories and Possessions (direct and guaranteed)
 4. Special revenue and special assessment obligations and all non guaranteed obligations of agencies and authorities of governments and their political subdivisions.
 5. Railroad (municipal)
 6. Public Utilities (municipal)
 7. Industrial and Miscellaneous (municipal)
 8. Foreign, Submarine, and Afloat.
 Note: Subtotals for each group.

CUSIP Identification Number	1) NEW BIRTH Give complete and correct description of all bonds owned, including the location of all street and city and county names. If bonds are "issued" issue date must be stated.	2) INTEREST		3) DATE OF				4) BOOK VALUE	5) PAR VALUE	6) RATA LINED TO DEATH MARKET VALUE	7) MARKET VALUE (Including accrued interest)	8) ACTUAL COST (Including accrued interest)	9) INTEREST		10) INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	11) DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	12) Amount of Interest due and accrued Dec. 31, Current Year, on bonds as of which no interest is to be received	13) NAIC Drug Abuse	14) YEAR ACQUIRED	15) Effective Date of Issuance of which Par Value is to be paid	16) Forward on Amortized Value Dec. 31 of Current Year	17) Increase on Amortized Value During Year	18) Decrease on Amortized Value During Year
		Date of	How Paid	Year	Month	Year	Car Price						GTI	CRUNA									
													Amount Due and accrued Dec. 31 of Current Year on bonds as of which no interest is to be received	CRUNA AMOUNT RECEIVED DURING YEAR									
HOUSING AUTHORITY (CONTINUED)																							
KENTUCKY:																							
546795CR1	LOUISVILLE, NEW HSG. AUTH., 3RD ISSUE	2.750E	J-J	1986	01	1962	-	119,139	150,000	-0-	119,139	112,257	2,062	4,125	2,274	-0-	-0-	YES X 1972	5.45	119,139			
5467950B8	LEUISVILLE, NEW HSG. AUTH., 3RD ISSUE	2.750E	J-J	1987	01	1962	-	214,620	279,000	-0-	214,620	202,960	3,836	7,072	4,145	-0-	-0-	YES X VAR	5.39	214,620			
695360GL5	PADUCAH, NEW HSG. AUTH., 5TH ISSUE	3.250E	F-A	1991	02	1979	-	126,252	160,000	-0-	126,252	123,206	2,166	5,200	1,434	-0-	-0-	YES X 1973	5.30	126,252			
695360J18	PADUCAH, NEW HSG. AUTH., 5TH ISSUE	3.250E	F-A	1992	02	1979	-	126,717	165,000	-0-	126,717	125,736	2,234	5,362	1,403	-0-	-0-	YES X 1973	5.30	126,717			
695360K07	PADUCAH, NEW HSG. AUTH., 11TH ISSUE	5.750E	M-S	1996	03	1985	-	315,292	300,000	-0-	315,292	320,190	5,750	17,250	-0-	1,293	-0-	YES X 1971	5.25	315,292			
695360L4	PADUCAH, NEW HSG. AUTH., 11TH ISSUE	5.750E	M-S	2003	03	1985	-	132,762	125,000	-0-	132,762	135,336	2,395	7,187	-0-	660	-0-	YES X 1971	5.10	132,762			
695360M3	PADUCAH, NEW HSG. AUTH., 12TH ISSUE	5.375E	F-A	1997	02	1987	-	251,400	245,000	-0-	251,400	252,479	5,467	13,168	-0-	424	-0-	YES X 1973	5.15	251,400			
695360N1	PADUCAH, NEW HSG. AUTH., 12TH ISSUE	5.375E	F-A	1998	02	1987	-	260,263	255,000	-0-	260,263	261,148	5,710	13,706	-0-	348	-0-	YES X 1973	5.20	260,263			
972673CR2	WINCHESTER, NEW HSG. AUTH., 2ND ISSUE	5.500E	F-A	1997	02	1983	-	153,083	155,000	-0-	153,083	152,826	3,552	8,525	45	-0-	-0-	YES X 1969	5.60	153,083			
LOUISIANA:																							
270605CV8	EAST BATON ROUGE, NEW HSG. AUTH., 1ST ISSUE	3.750E	F-A	1991	08	1980	-	88,066	110,000	-0-	88,066	84,233	1,718	4,125	857	-0-	-0-	YES X 1971	5.70	88,066			
270605V2	EAST BATON ROUGE, NEW HSG. AUTH., 1ST ISSUE	3.750E	F-A	1992	08	1980	-	95,137	120,000	-0-	95,137	91,184	1,875	4,500	884	-0-	-0-	YES X 1971	5.70	95,137			
270605D1	EAST BATON ROUGE, NEW HSG. AUTH., 1ST ISSUE	3.750E	F-A	1993	08	1980	-	93,688	120,000	-0-	93,688	89,893	1,875	4,500	850	-0-	-0-	YES X 1971	5.75	93,688			
270605L5	EAST BATON ROUGE, NEW HSG. AUTH., 1ST ISSUE	3.750E	F-A	1996	08	1980	-	81,813	100,000	-0-	81,813	80,380	1,562	3,750	465	-0-	-0-	YES X 1972	5.20	81,813			
270605H3	EAST BATON ROUGE, NEW HSG. AUTH., 5TH ISSUE	4.875E	F-A	1997	08	1982	-	147,535	150,000	-0-	147,535	147,160	3,046	7,112	61	-0-	-0-	YES X 1969	5.00	147,535			
270618V1	EAST BATON ROUGE, NEW HSG. AUTH., 7TH ISSUE	5.750E	F-A	1993	08	1985	-	133,966	125,000	-0-	133,966	136,751	2,994	7,187	-0-	723	-0-	YES X 1971	5.00	133,966			
27081822	EAST BATON ROUGE, NEW HSG. AUTH., 7TH ISSUE	5.750E	F-A	1995	08	1985	-	618,187	600,000	-0-	618,187	623,856	14,375	34,500	-0-	1,426	-0-	YES X 1971	5.34	618,187			
507750FT9	LAKE CHARLES, NEW HSG. AUTH., 4TH ISSUE	5.250E	F-A	2010	08	1986	-	500,000	500,000	-0-	500,000	500,000	10,937	26,250	-0-	-0-	-0-	YES X 1974	5.25	500,000			
647685D3	NEW ORLEANS, NEW HSG. AUTH., 5TH ISSUE	2.625E	F-A	1979	08	1976	-	138,393	150,000	-0-	138,393	129,608	1,640	3,937	2,862	-0-	-0-	YES X VAR	5.00	138,393			
647685E04	NEW ORLEANS, NEW HSG. AUTH., 5TH ISSUE	2.625E	F-A	1981	08	1976	-	279,443	335,000	-0-	279,443	252,050	3,664	8,793	8,150	-0-	-0-	YES X VAR	6.18	279,443			
647685E18	NEW ORLEANS, NEW HSG. AUTH., 5TH ISSUE	2.125E	F-A	1984	08	1960	-	335,190	433,000	-0-	335,190	306,660	7,893	9,201	8,724	-0-	-0-	YES X VAR	5.46	335,190			
647685F14	NEW ORLEANS, NEW HSG. AUTH., 3RD ISSUE	2.625E	F-A	1985	08	1964	-	75,397	100,000	-0-	75,397	67,081	1,091	2,625	1,852	-0-	-0-	YES X 1970	6.03	75,397			
647685F04	NEW ORLEANS, NEW HSG. AUTH., 3RD ISSUE	2.625E	F-A	1986	08	1964	-	116,876	160,000	-0-	116,876	104,665	1,750	4,200	4,830	-0-	-0-	YES X VAR	6.12	116,876			
647685H18	NEW ORLEANS, NEW HSG. AUTH., 4TH ISSUE	3.250E	F-A	1992	08	1976	-	153,308	200,000	-0-	153,308	149,732	2,708	6,500	1,709	-0-	-0-	YES X 1973	5.40	153,308			
647685J09	NEW ORLEANS, NEW HSG. AUTH., 4TH ISSUE	3.500E	F-A	1995	08	1978	-	207,620	300,000	-0-	207,620	198,036	4,375	10,500	2,364	-0-	-0-	YES X 1971	6.25	207,620			
683625E27	CAJODOUSAS, NEW HSG. AUTH., 1ST ISSUE	3.375E	J-D	1997	06	1976	-	76,068	100,000	-0-	76,068	74,322	281	3,375	595	-0-	-0-	YES X 1972	5.25	76,068			
825451R19	SHREVEPORT, NEW HSG. AUTH., 1ST ISSUE	2.125E	F-A	1984	08	1960	-	7,436	10,000	-0-	7,436	6,850	88	212	223	-0-	-0-	YES X 1973	6.00	7,436			
MAINE:																							
73A576ED7	PORTLAND, NEW HSG. AUTH., 3RD ISSUE	5.250E	J-J	1995	07	1983	-	101,764	100,000	-0-	101,764	102,881	2,675	5,250	-0-	150	-0-	YES X 1969	5.05	101,764			
MARYLAND:																							
059221ER8	BALTIMORE, NEW HSG. AUTH., 4TH ISSUE	3.375E	J-J	1987	07	1968	-	112,859	135,000	-0-	112,859	108,633	2,278	4,556	1,370	-0-	-0-	YES X 1972	5.30	112,859			
059221ER5	BALTIMORE, NEW HSG. AUTH., 4TH ISSUE	3.375E	J-J	1988	07	1968	-	222,097	265,000	-0-	222,097	215,026	4,471	8,943	2,401	-0-	-0-	YES X 1972	5.15	222,097			
059221J14	BALTIMORE, NEW HSG. AUTH., 7TH ISSUE	5.750E	J-J	2002	07	1985	-	211,985	200,000	-0-	211,985	213,822	5,749	11,500	-0-	971	-0-	YES X 1974	6.95	211,985			
405126H1	HAGERSTOWN, NEW HSG. AUTH., 4TH ISSUE	5.000E	M-S	2007	09	1986	-	235,000	235,000	-0-	235,000	235,000	3,916	11,750	-0-	-0-	-0-	YES X 1973	5.00	235,000			
405126J17	HAGERSTOWN, NEW HSG. AUTH., 4TH ISSUE	5.000E	M-S	2008	09	1986	-	245,000	245,000	-0-	245,000	245,000	4,083	12,250	-0-	-0-	-0-	YES X 1973	5.00	245,000			
405126FK4	HAGERSTOWN, NEW HSG. AUTH., 4TH ISSUE	5.000E	M-S	2009	09	1986	-	255,000	255,000	-0-	255,000	255,000	4,250	12,750	-0-	-0-	-0-	YES X 1973	5.00	255,000			

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

- 1. Bonds to be grouped in the following manner and each group arranged alphabetically. (The listing in Groups 1, 2 and 3 should be alphabetical by State.)
- 2. Commonwealth (including all obligations guaranteed by governments).
- 3. State, Territorial and Possession (direct and guaranteed).
- 4. Political subdivisions of States, Territories and Possessions (direct and guaranteed).
- 5. Special revenue and special assessment obligations and all non guaranteed obligations of political subdivisions of governments and other political subdivisions.
- 6. Bonds of individuals.
- 7. State's (Union, Territorial, Possession and Possessions).
- 8. Federal and International (Guaranteed).
- 9. Foreign, International, and All Other. More Subtotals for each group.

CITY/ST/STATE	Description of Bond	11		12				13	14	15	16	17		18	19	20	21	22	23	24	25	26	27	28												
		ISSUANCE		DATE OF								29	30												31	32	33	34	35	36	37	38	39	40	41	42
		Year	Month	Year	Month	Year	Month																													
HOUSING AUTHORITY (CONTINUED)																																				
MARYLAND (CONTINUED)																																				
405124FL2	HAGERSTOWN, NEW HSG. AUTH., 4TH ISSUE	5.0008	M-S	2010	09	1986	-	270,000	270,000	-0-	270,000	270,000	4,500	13,500	-0-	-0-	-0-	YES	X	1973	5.00	270,000														
PASSACUSETTS																																				
850765A15	SPRINGFIELD, NEW HSG. AUTH., 1ST ISSUE	3.3758	F-A	1986	02	1978	-	121,396	145,000	-0-	121,396	113,685	2,034	4,893	1,712	-0-	-0-	YES	X	1970	5.50	121,396														
850765A02	SPRINGFIELD, NEW HSG. AUTH., 1ST ISSUE	3.3758	F-A	1987	02	1978	-	81,811	100,000	-0-	81,811	76,604	1,406	3,375	1,157	-0-	-0-	YES	X	1970	5.60	81,811														
981321G06	WORCESTER, NEW HSG. AUTH., 5TH ISSUE	5.2508	F-A	1993	08	1987	-	518,670	510,000	-0-	518,670	520,057	11,156	26,475	-0-	544	-0-	YES	X	1973	5.10	518,670														
MINNESOTA																																				
264489B04	DULUTH, NEW HSG. AUTH., 2ND ISSUE	3.3758	M-S	1986	09	1977	-	8,230	10,000	-0-	8,230	8,004	112	337	118	-0-	-0-	YES	X	1974	5.60	8,230														
6037720R2	MINNEAPOLIS, NEW HSG. AUTH., 4TH ISSUE	3.3758	M-S	1986	09	1977	-	186,851	225,000	-0-	186,851	175,743	2,531	7,593	2,576	-0-	-0-	YES	X	1970	5.50	186,851														
603772P03	MINNEAPOLIS, NEW HSG. AUTH., 5TH ISSUE	3.7508	M-S	1993	09	1980	-	107,734	130,000	-0-	107,734	105,445	1,625	4,875	751	-0-	-0-	YES	X	1972	5.25	107,734														
603772F04	MINNEAPOLIS, NEW HSG. AUTH., 5TH ISSUE	3.7508	M-S	1994	09	1980	-	123,440	150,000	-0-	123,440	120,933	1,875	5,625	823	-0-	-0-	YES	X	1972	5.25	123,440														
603772FV1	MINNEAPOLIS, NEW HSG. AUTH., 2ND ISSUE	3.4758	M-S	1997	09	1973	-	108,176	110,000	-0-	108,176	112,435	1,420	4,262	44	-0-	-0-	YES	X	VAR	3.89	108,176														
603772G02	MINNEAPOLIS, NEW HSG. AUTH., 5TH ISSUE	3.7508	M-S	1999	09	1980	-	316,956	400,000	-0-	316,956	310,624	5,000	15,000	1,729	-0-	-0-	YES	X	1972	5.30	316,956														
603772H07	MINNEAPOLIS, NEW HSG. AUTH., 1ST ISSUE	6.0008	M-S	1993	09	1983	-	227,333	225,000	-0-	227,333	228,334	4,500	13,500	-0-	236	-0-	YES	X	VAR	3.89	227,333														
603772KH6	MINNEAPOLIS, NEW HSG. AUTH., 2ND ISSUE	5.7508	M-S	1992	09	1985	-	397,765	385,000	-0-	397,765	401,636	7,379	22,137	-0-	993	-0-	YES	X	1971	5.40	397,765														
603772K04	MINNEAPOLIS, NEW HSG. AUTH., 2ND ISSUE	5.7508	M-S	1994	09	1985	-	319,551	300,000	-0-	319,551	324,666	5,750	17,250	-0-	1,557	-0-	YES	X	1972	5.10	319,551														
603772M09	MINNEAPOLIS, NEW HSG. AUTH., 3RD ISSUE	5.7508	J-J	1993	07	1985	-	139,558	135,000	-0-	139,558	141,003	3,881	7,762	-0-	363	-0-	YES	X	1971	5.29	139,558														
603772M07	MINNEAPOLIS, NEW HSG. AUTH., 3RD ISSUE	5.7508	J-J	1994	07	1985	-	144,839	140,000	-0-	144,839	146,374	4,024	8,050	-0-	385	-0-	YES	X	1971	5.28	144,839														
603772M05	MINNEAPOLIS, NEW HSG. AUTH., 3RD ISSUE	5.7508	J-J	1995	07	1985	-	155,297	150,000	-0-	155,297	156,578	4,312	8,625	-0-	422	-0-	YES	X	1971	5.27	155,297														
603772M07	MINNEAPOLIS, NEW HSG. AUTH., 3RD ISSUE	5.7508	J-J	2002	07	1985	-	180,188	170,000	-0-	180,188	181,744	4,887	9,775	-0-	825	-0-	YES	X	1971	4.95	180,188														
793011R55	ST. PAUL, NEW HSG. AUTH., 1ST ISSUE	2.1258	F-A	1977	08	1960	-	130,125	135,000	-0-	130,125	108,011	1,195	2,868	2,934	-0-	-0-	YES	X	VAR	4.53	130,125														
793011K24	ST. PAUL, NEW HSG. AUTH., 7TH ISSUE	5.0008	A-D	2011	04	1987	-	175,000	175,000	-0-	175,000	175,000	2,187	4,750	-0-	-0-	-0-	YES	X	1973	5.00	175,000														
793011L04	ST. PAUL, NEW HSG. AUTH., 7TH ISSUE	5.0008	A-D	2012	04	1987	-	395,000	395,000	-0-	395,000	395,000	4,937	19,750	-0-	-0-	-0-	YES	X	1973	5.00	395,000														
793011L01	ST. PAUL, NEW HSG. AUTH., 7TH ISSUE	5.0008	A-D	2013	04	1987	-	295,000	295,000	-0-	295,000	295,000	3,687	14,750	-0-	-0-	-0-	YES	X	1973	5.00	295,000														
MISSISSIPPI																																				
090257C04	BILMINGHAM, NEW HSG. AUTH., 2ND ISSUE	3.5008	F-A	1986	08	1977	-	84,118	100,000	-0-	84,118	79,245	1,458	3,500	1,081	-0-	-0-	YES	X	1970	5.50	84,118														
090257C27	BILMINGHAM, NEW HSG. AUTH., 2ND ISSUE	3.5008	F-A	1987	08	1977	-	82,282	100,000	-0-	82,282	77,502	1,458	3,500	1,047	-0-	-0-	YES	X	1970	5.60	82,282														
149378A54	COLUMBUS, NEW HSG. AUTH., 1ST ISSUE	3.8758	M-M	1985	11	1973	-	100,000	100,000	-0-	100,000	100,404	645	3,875	-0-	-0-	-0-	YES	X	1959	3.84	100,000														
MISSOURI																																				
485062C07	KANSAS CITY, NEW HSG. AUTH., 4TH ISSUE	3.5008	J-D	1981	12	1974	-	183,947	200,000	-0-	183,947	174,264	583	7,000	2,293	-0-	-0-	YES	X	1971	5.10	183,947														
485062D59	KANSAS CITY, NEW HSG. AUTH., 2ND ISSUE	2.5008	J-D	1991	12	1967	-	317,526	385,000	-0-	317,526	295,037	802	9,625	2,986	-0-	-0-	YES	X	1967	4.00	317,526														
485062D77	KANSAS CITY, NEW HSG. AUTH., 4TH ISSUE	3.5008	J-D	1991	12	1974	-	82,716	100,000	-0-	82,716	80,673	291	3,500	641	-0-	-0-	YES	X	1972	5.10	82,716														
791635C04	ST. LOUIS, NEW HSG. AUTH., 2ND ISSUE	2.3758	F-A	1978	08	1964	-	143,558	155,000	-0-	143,558	124,325	1,533	3,681	4,046	-0-	-0-	YES	X	1970	5.50	143,558														
791635J02	ST. LOUIS, NEW HSG. AUTH., 3RD ISSUE	2.3758	F-A	1978	08	1965	-	41,678	45,000	-0-	41,678	36,384	465	1,088	1,174	-0-	-0-	YES	X	1970	5.50	41,678														
791635J01	ST. LOUIS, NEW HSG. AUTH., 4TH ISSUE	2.8758	F-A	1983	08	1966	-	171,218	200,000	-0-	171,218	158,228	2,345	5,750	3,034	-0-	-0-	YES	X	1971	5.20	171,218														
791635E07	ST. LOUIS, NEW HSG. AUTH., 1ST ISSUE	2.1258	F-A	1983	08	1960	-	371,110	500,000	-0-	371,110	339,930	4,427	10,625	4,920	-0-	-0-	YES	X	1972	5.65	371,110														
791635G00	ST. LOUIS, NEW HSG. AUTH., 3RD ISSUE	2.3758	F-A	1996	08	1965	-	66,522	110,000	-0-	66,522	63,286	1,088	2,612	1,098	-0-	-0-	YES	X	1972	5.62	66,522														

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 1

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically. (The listing in Groups 1, 2 and 3 should be alphabetical by issue.)
 1. Government (including all obligations guaranteed by government)
 2. States, Territories and Possessions (United and Unincorporated)
 3. Federal Subdivisions of States, Territories and Possessions (Bond and guaranteed)
 4. General Purpose and Special Purpose Municipal Obligations and all the guaranteed obligations of corporations and institutions of governments and their political subdivisions.
 5. Industrial (Municipal)
 6. Public Utilities (Municipal)
 7. Industrial and Miscellaneous (Municipal)
 8. Foreign, Submarine, and All Other. Show Subtotals for each group.

CLMP Group Name	101 Description of all bonds owned, including the terms of all interest rate and maturity provisions. If bonds are "callable" issues give amount maturing each year.	102 INTEREST		103 DATE IN				104 BOOK VALUE	105 PAR VALUE	106 RATH USED TO OBTAIN MARKET VALUE	107 MARKET VALUE (Excluding Accrued Interest)	108 ACTUAL COST (Including Accrued Interest)	109 INTEREST		110 INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	111 DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	112 Amount of Interest due and accrued Dec. 31 current year, no bonds in default or in principal or interest	113 RANK Group Number	114 YEAR AC ISSUED	115 Effective Date of Issue or Date of Refunding	116 Maturity or Redemption Date	117 Increase in Accrued Value During Year	118 Decrease in Accrued Value During Year
		Rate	Pay	Maturity		Maturity							119 Amount due and accrued Dec. 31 of current year on bonds not in default	120 GROSS AMOUNT RECEIVED DURING YEAR									
		of	Per	Year	Month	Year	Call Price																
HOUSING AUTHORITY (CONTINUED)																							
MONTANA																							
390442A7	GREAT FALLS, NEW HSG. AUTH., 1ST ISSUE	3.6258	A-D	1984	06	1975	-	50,000	50,000	-0-	50,000	52,179	453	1,812	-0-	50	-0-	YES X	1961	3.35	50,000		
423142B4	HELENA, NEW HSG. AUTH., 1ST ISSUE	5.1258	J-J	2007	07	1988	-	99,381	120,000	-0-	99,381	99,085	3,075	6,150	200	-0-	-0-	YES X	1974	6.40	99,381		
423142B3	HELENA, NEW HSG. AUTH., 1ST ISSUE	5.1258	J-J	2008	07	1988	-	107,446	130,000	-0-	107,446	107,144	3,331	6,662	204	-0-	-0-	YES X	1974	6.40	107,446		
423142B1	HELENA, NEW HSG. AUTH., 1ST ISSUE	5.1258	J-J	2009	07	1988	-	115,491	140,000	-0-	115,491	115,186	3,587	7,175	206	-0-	-0-	YES X	1974	6.40	115,491		
NEBRASKA																							
68155W19	OMAHA, NEW HSG. AUTH., 6TH ISSUE	4.7508	M-N	1996	05	1982	-	100,820	100,000	-0-	100,820	101,544	791	4,750	-0-	111	-0-	YES X	1968	4.65	100,820		
756486F5	RED CLOUD, NEW HSG. AUTH., 2ND ISSUE	3.3758	M-N	2003	05	1979	-	77,157	110,000	-0-	77,157	76,148	818	3,712	510	-0-	-0-	YES X	1973	5.50	77,157		
756486F7	RED CLOUD, NEW HSG. AUTH., 2ND ISSUE	3.3758	M-N	2004	05	1979	-	78,865	115,000	-0-	78,865	77,866	646	3,881	513	-0-	-0-	YES X	1973	5.60	78,865		
NEW JERSEY																							
048357A1	ATLANTIC CITY, NEW HSG. AUTH., 1ST ISSUE	2.5008	A-D	1974	04	1962	-	18,360	20,000	-0-	18,360	16,578	125	500	453	-0-	-0-	YES X	VAR	5.28	18,360		
274159C3	EAST ORANGE, NEW HSG. AUTH., 2ND ISSUE	4.8758	M-N	1997	11	1982	-	142,592	145,000	-0-	142,592	142,237	1,178	7,068	58	-0-	-0-	YES X	1969	5.00	142,592		
284695D8	ELIZABETH, NEW HSG. AUTH., 3RD ISSUE	3.3008	J-D	1994	06	1981	-	118,476	125,000	-0-	118,476	116,690	364	4,375	238	-0-	-0-	YES X	1967	3.90	118,476		
434128G8	HOBOKEN, NEW HSG. AUTH., 1ST ISSUE	2.6258	M-S	1979	09	1961	-	87,152	100,000	-0-	87,152	72,290	875	2,625	3,019	-0-	-0-	YES X	1970	6.65	87,152		
434128C0	HOBOKEN, NEW HSG. AUTH., 1ST ISSUE	2.6258	M-S	1985	09	1961	-	188,193	210,000	-0-	188,193	174,296	1,837	5,512	1,788	-0-	-0-	YES X	VAR	3.92	188,193		
434128D6	HOBOKEN, NEW HSG. AUTH., 2ND ISSUE	3.6258	J-S	1984	09	1974	-	99,271	100,000	-0-	99,271	99,000	1,200	3,625	23	-0-	-0-	YES X	1961	3.67	99,271		
444007A0	IRVINGTON, NEW HSG. AUTH., 4TH ISSUE	3.7508	A-D	1994	04	1980	-	75,264	100,000	-0-	75,264	71,974	937	3,750	732	-0-	-0-	YES X	1970	6.00	75,264		
47842MFC2	JERSEY CITY, NEW HSG. AUTH., 3RD ISSUE	3.3758	A-D	1999	04	1968	-	184,511	220,000	-0-	184,511	178,918	1,856	7,425	841	-0-	-0-	YES X	VAR	4.50	184,511		
650389D4	NEWARK, NEW HSG. AUTH., 4TH ISSUE	2.5008	A-D	1979	04	1963	-	86,530	100,000	-0-	86,530	69,465	624	2,500	3,577	-0-	-0-	YES X	1970	7.23	86,530		
650389C8	NEWARK, NEW HSG. AUTH., 4TH ISSUE	2.5008	A-D	1991	04	1965	-	84,571	115,000	-0-	84,571	78,146	718	2,875	1,260	-0-	-0-	YES X	VAR	4.99	84,571		
650389B1	NEWARK, NEW HSG. AUTH., 6TH ISSUE	3.8758	A-D	1994	04	1974	-	25,000	25,000	-0-	25,000	26,175	242	968	-0-	-0-	YES	1967	3.60	25,000			
703147H1	PATERSON, NEW HSG. AUTH., 4TH ISSUE	3.8758	F-A	1997	02	1974	-	208,037	250,000	-0-	208,037	202,974	4,036	9,687	1,071	-0-	-0-	YES X	VAR	5.19	208,037		
794352C1	SALERIE, NEW HSG. AUTH., 2ND ISSUE	4.0008	M-S	1990	09	1983	-	135,344	140,000	-0-	135,344	134,381	2,800	8,400	185	-0-	-0-	YES X	1969	6.35	135,344		
794352C8	SALERIE, NEW HSG. AUTH., 2ND ISSUE	4.0008	M-S	1991	09	1983	-	144,812	150,000	-0-	144,812	143,864	3,000	9,000	186	-0-	-0-	YES X	1969	6.35	144,812		
895147C6	TRENTON, NEW HSG. AUTH., 1ST ISSUE	2.5008	J-J	1980	01	1962	-	83,684	100,000	-0-	83,684	67,392	1,249	2,500	3,420	-0-	-0-	YES X	1970	7.30	83,684		
895147H2	TRENTON, NEW HSG. AUTH., 8TH ISSUE	5.5008	J-J	1991	01	1983	-	100,000	100,000	-0-	100,000	100,000	2,749	5,500	-0-	-0-	-0-	YES X	1969	5.50	100,000		
895147J9	TRENTON, NEW HSG. AUTH., 8TH ISSUE	5.5008	J-J	2004	01	1983	-	202,188	195,000	-0-	202,188	203,827	5,362	10,725	-0-	847	-0-	YES X	1974	5.20	202,188		
954719C1	WEST NEW YORK, NEW HSG. AUTH., 2ND ISSUE	3.6258	F-A	1983	08	1968	-	70,000	70,000	-0-	70,000	72,001	1,057	2,537	-0-	-0-	-0-	YES X	1959	3.45	70,000		
954719C9	WEST NEW YORK, NEW HSG. AUTH., 2ND ISSUE	3.6258	F-A	1984	08	1968	-	70,000	70,000	-0-	70,000	71,457	1,057	2,537	-0-	-0-	-0-	YES X	1959	3.50	70,000		
NEW YORK																							
01244A0D	ALBANY, NEW HSG. AUTH., 4TH ISSUE	3.3758	J-J	1996	07	1978	-	127,337	165,000	-0-	127,337	124,350	2,784	5,568	1,013	-0-	-0-	YES X	1972	5.20	127,337		
649728J5	NEW YORK, NEW HSG. AUTH., 3RD ISSUE	2.3758	J-J	1976	01	1962	-	100,000	100,000	-0-	100,000	79,587	1,187	2,375	4,195	-0-	-0-	YES X	1970	6.90	100,000		
649728J9	NEW YORK, NEW HSG. AUTH., 12TH ISSUE	2.3758	J-J	1976	01	1966	-	400,000	400,000	-0-	400,000	331,064	4,750	9,500	16,342	-0-	-0-	YES X	1970	6.20	400,000		
649728L6	NEW YORK, NEW HSG. AUTH., 14TH ISSUE	3.0008	J-J	1977	01	1967	-	240,680	250,000	-0-	240,680	228,452	3,750	7,500	8,878	-0-	-0-	YES X	1974	7.00	240,680		
649729A3	NEW YORK, NEW HSG. AUTH., 27TH ISSUE	3.3758	J-J	1984	01	1978	-	365,435	420,000	-0-	365,435	357,808	7,087	14,175	5,341	-0-	-0-	YES X	1973	5.40	365,435		
649729G4	NEW YORK, NEW HSG. AUTH., 2ND ISSUE	2.0008	J-J	1985	01	1962	-	86,348	115,000	-0-	86,348	79,425	1,150	2,300	2,402	-0-	-0-	YES X	VAR	5.56	86,348		
649729E0	NEW YORK, NEW HSG. AUTH., 17TH ISSUE	3.8758	J-J	1987	01	1974	-	100,000	100,000	-0-	100,000	100,415	1,937	3,875	-0-	-0-	-0-	YES X	1959	3.84	100,000		

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

Should be grouped in the following manner and each group arranged alphabetically: (1) Name of issuer; (2) and (3) should be alphabetical by issue; (4) Government (including all obligations guaranteed by government); (5) States, Territories and Possessions (direct and guaranteed); (6) Federal Institutions of States, Territories and Possessions (direct and guaranteed); (7) Special purpose and general obligation bonds and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions; (8) Refunding (subordinated); (9) Public Utilities (subordinated); (10) Industrial and Manufacturing (subordinated); (11) Finance, Miscellaneous and Others. Show subtotals for each group.

CUSIP Identification Number	Description Give complete and accurate description of all bonds owned, including the location of all series (not only bond serial numbers, but also: see "Notes" (some give serial numbers) where applicable.)	12 INTEREST		13 DATE OF				14 BOOK VALUE	15 PAR VALUE	16 LAST PAID TO OWNER MARKET VALUE	17 MARKET VALUE (Excluding Accrued Interest)	18 ACTUAL COST (Including Accrued Interest)	19 INTEREST		20 INCREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	21 DECREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	22 Amount of Interest and Dividend received from all bonds in dollars or its principal or interest.	23 FINANC INSTR- UMENT RISK GRADE	24 YIELD AS QUOTED	25 Effective Rate of In- terest at Which For These Is Quoted	26 Unamortized Investment Value Dec. 31 of Current Year	27 Increase in Amortized Value During Year	28 Decrease in Amortized Value During Year
		29 Name of	30 How Paid	31 MATURITY		32 COUPON							33 Annual amt. and accrued Dec. 31 of current year on book val.	34 GROUP AMOUNT RECEIVED DURING YEAR									
		Year	Month	Year	Call Price	Year	Rate																
HOUSING AUTHORITY (CONTINUED)																							
NEW YORK (CONTINUED)																							
649729FR1	NEW YORK, NEW HSG. AUTH., VARIOUS PURPOSES	2.3758	J-J	1988	01	1984	-	90,607	134,000	-0-	90,607	85,629	1,591	3,182	2,363	-0-	-0-	YES X VAR	6.25	90,607			
649729FCV	NEW YORK, NEW HSG. AUTH., 7TH ISSUE	2.3758	J-J	1988	01	1985	-	82,944	120,000	-0-	82,944	77,910	1,425	2,850	2,053	-0-	-0-	YES X VAR	6.03	82,944			
649729FDT	NEW YORK, NEW HSG. AUTH., 12TH ISSUE	2.3758	J-J	1986	01	1966	-	59,777	90,000	-0-	59,777	56,789	1,068	2,137	1,624	-0-	-0-	YES X VAR	6.43	59,777			
649729HFQ	NEW YORK, NEW HSG. AUTH., 18TH ISSUE	3.8758	J-J	1989	01	1974	-	109,296	110,000	-0-	109,296	110,357	2,131	4,262	38	-0-	-0-	YES X VAR	3.90	109,296			
649729JDY	NEW YORK, NEW HSG. AUTH., 15TH ISSUE	3.5008	J-J	1990	01	1968	-	204,866	250,000	-0-	204,866	199,517	4,375	8,750	2,124	-0-	-0-	YES X 1973	5.35	204,866			
649729KRS	NEW YORK, NEW HSG. AUTH., 24TH ISSUE	3.1258	J-J	1991	01	1977	-	247,409	310,000	-0-	247,409	233,873	4,843	9,687	2,688	-0-	-0-	YES X VAR	5.06	247,409			
649729KES	NEW YORK, NEW HSG. AUTH., 23RD ISSUE	3.2508	J-J	1991	01	1977	-	213,235	265,000	-0-	213,235	206,718	4,306	8,612	2,248	-0-	-0-	YES X VAR	5.13	213,235			
649729LWJ	NEW YORK, NEW HSG. AUTH., 29TH ISSUE	3.2508	J-J	1991	01	1979	-	363,330	460,000	-0-	363,330	354,480	7,474	14,948	4,141	-0-	-0-	YES X 1973	5.30	363,330			
649729LKA	NEW YORK, NEW HSG. AUTH., VARIOUS PURPOSES	3.3758	J-J	1992	01	1976	-	92,264	115,000	-0-	92,264	89,115	1,940	3,881	870	-0-	-0-	YES X VAR	5.21	92,264			
649729LMB	NEW YORK, NEW HSG. AUTH., 32ND ISSUE	3.3758	J-J	1992	01	1980	-	210,576	230,000	-0-	210,576	204,415	3,881	7,762	843	-0-	-0-	YES X 1967	4.10	210,576			
649729LPJ	NEW YORK, NEW HSG. AUTH., 15TH ISSUE	3.5008	J-J	1992	01	1968	-	66,717	90,000	-0-	66,717	65,153	1,575	3,150	845	-0-	-0-	YES X VAR	6.05	66,717			
649729LOI	NEW YORK, NEW HSG. AUTH., VARIOUS PURPOSES	3.5008	J-J	1992	01	1975	-	265,605	310,000	-0-	265,605	260,397	5,425	10,850	1,665	-0-	-0-	YES X VAR	4.79	265,605			
649729MYT	NEW YORK, NEW HSG. AUTH., 13TH ISSUE	2.8758	J-J	1993	01	1964	-	100,394	140,000	-0-	100,394	96,464	2,612	4,025	1,389	-0-	-0-	YES X 1973	5.45	100,394			
649729MHT	NEW YORK, NEW HSG. AUTH., 23RD ISSUE	3.2508	J-J	1993	01	1977	-	444,071	575,000	-0-	444,071	434,073	9,343	18,687	4,662	-0-	-0-	YES X 1973	5.30	444,071			
649729MPT	NEW YORK, NEW HSG. AUTH., 31ST ISSUE	3.2508	J-J	1993	01	1979	-	36,836	50,000	-0-	36,836	35,991	612	1,625	448	-0-	-0-	YES X VAR	5.69	36,836			
649730MSA	NEW YORK, NEW HSG. AUTH., 15TH ISSUE	3.5008	J-J	1993	01	1968	-	68,395	90,000	-0-	68,395	66,409	1,575	3,150	827	-0-	-0-	YES X VAR	5.56	68,395			
649730MTA	NEW YORK, NEW HSG. AUTH., VARIOUS PURPOSES	3.5008	J-J	1993	01	1975	-	170,145	225,000	-0-	170,145	165,357	3,937	7,875	1,586	-0-	-0-	YES X VAR	5.60	170,145			
649730CEB	NEW YORK, NEW HSG. AUTH., 12TH ISSUE	2.3758	J-J	1996	01	1966	-	75,804	129,000	-0-	75,804	73,013	1,484	2,968	1,294	-0-	-0-	YES X 1973	5.70	75,804			
649730CLO	NEW YORK, NEW HSG. AUTH., 23RD ISSUE	3.2508	J-J	1996	01	1977	-	243,487	325,000	-0-	243,487	236,657	5,281	10,562	2,252	-0-	-0-	YES X 1973	5.30	243,487			
649730CPI	NEW YORK, NEW HSG. AUTH., VARIOUS PURPOSES	3.3758	J-J	1996	01	1978	-	118,504	155,000	-0-	118,504	115,765	2,615	5,231	1,006	-0-	-0-	YES X VAR	5.30	118,504			
649730COO	NEW YORK, NEW HSG. AUTH., 28TH ISSUE	3.3758	J-J	1996	01	1979	-	226,583	295,000	-0-	226,583	221,340	4,974	9,956	1,897	-0-	-0-	YES X VAR	5.26	226,583			
649730OH9	NEW YORK, NEW HSG. AUTH., 27TH ISSUE	3.3758	J-J	1997	01	1978	-	92,225	120,000	-0-	92,225	90,112	2,025	4,050	717	-0-	-0-	YES X 1972	5.20	92,225			
649730OH5	NEW YORK, NEW HSG. AUTH., 28TH ISSUE	3.3758	J-J	1997	01	1979	-	83,376	110,000	-0-	83,376	81,919	1,656	3,712	679	-0-	-0-	YES X 1973	5.50	83,376			
649730EHF	NEW YORK, NEW HSG. AUTH., 28TH ISSUE	3.3758	J-J	1998	01	1979	-	190,640	250,000	-0-	190,640	186,460	4,218	8,437	1,420	-0-	-0-	YES X 1972	5.20	190,640			
986113ED1	YONKERS, NEW HSG. AUTH., 5TH ISSUE	3.7508	J-J	1993	07	1981	-	150,557	150,000	-0-	150,557	151,243	2,812	5,625	-0-	90	-0-	YES X 1967	3.70	150,557			
NORTH CAROLINA																							
044058RGA	ASHEVILLE, NEW HSG. AUTH., 1ST ISSUE	2.1258	F-A	1984	08	1960	-	95,477	105,000	-0-	95,477	82,787	529	2,231	943	-0-	-0-	YES X 1958	3.35	95,477			
268795JMA	DURHAM, NEW HSG. AUTH., 7TH ISSUE	5.1258	J-D	1999	12	1982	-	124,565	125,000	-0-	124,565	124,512	533	6,406	9	-0-	-0-	YES X 1969	5.15	124,565			
268795LQ4	DURHAM, NEW HSG. AUTH., 8TH ISSUE	5.7508	A-D	1994	10	1984	-	507,085	500,000	-0-	507,085	509,630	7,187	28,750	-0-	623	-0-	YES X 1971	5.60	507,085			
268795LW2	DURHAM, NEW HSG. AUTH., 8TH ISSUE	5.7508	A-D	1995	10	1984	-	504,782	500,000	-0-	504,782	506,505	7,187	28,750	-0-	422	-0-	YES X 1971	5.65	504,782			
268795LV7	DURHAM, NEW HSG. AUTH., 8TH ISSUE	5.7508	A-D	2002	10	1984	-	132,785	125,000	-0-	132,785	134,932	1,794	7,187	-0-	703	-0-	YES X 1972	5.10	132,785			
395478DK3	GREENSBORO, NEW HSG. AUTH., 3RD ISSUE	3.3758	A-D	1989	10	1978	-	124,024	150,000	-0-	124,024	120,268	1,265	5,062	1,275	-0-	-0-	YES X 1972	5.15	124,024			
395478E29	GREENSBORO, NEW HSG. AUTH., 3RD ISSUE	3.3758	A-D	2001	10	1978	-	70,922	100,000	-0-	70,922	69,226	843	3,375	504	-0-	-0-	YES X 1972	5.50	70,922			
429750RHO	HIGH POINT, NEW HSG. AUTH., 1ST ISSUE	4.3758	M-N	1994	11	1981	-	100,972	100,000	-0-	100,972	101,981	729	4,375	-0-	146	-0-	YES X 1968	4.25	100,972			
91904RCUO	VALDESE, NEW HSG. AUTH., 2ND ISSUE	6.0008	M-N	1997	11	1983	-	120,533	120,000	-0-	120,533	120,806	1,200	7,200	-0-	51	-0-	YES X 1969	5.95	120,533			
91904RCV8	VALDESE, NEW HSG. AUTH., 2ND ISSUE	6.0008	M-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			

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

Notes to be prepared in the following manner and each group arranged alphabetically. (The heading in Groups 1, 2 and 3 should be alphabetical by item.)
1. Government (including all obligations guaranteed by government).
2. State, Territory and Possession (debt and guaranteed).
3. Federal Subdivisions of State, Territory and Possession (debt and guaranteed).
4. Special revenue and special government obligations and all non-guaranteed obligations of agencies and subdivisions of government and their political subdivisions.
5. Revenue (municipal).
6. Public Utilities (municipal).
7. Industrial and business (municipal).
8. Private, Subordinate, and A-Rates. Show Sub-totals for each group.

CUSIP Identif. Number	**TYPE OF SECURITY Give complete and concise description of all bonds owned, including the features of all refund and call provisions, maturity, interest, and other pertinent data.	**INTEREST		**DATE OF				**BOOK VALUE	**PAR VALUE	**DAYS UNTO MATURE	**MARKET VALUE	**ACTUAL COST (Including accrued interest)	**INTEREST		**INCREASE BY ADJUST- MENT DURING YEAR	**DECREASE BY ADJUST- MENT DURING YEAR	**Amount of loss on the bond during the year, if any, on basis of amortization method.	**\$ BASIC DIPLOMA YEAR AC- CEPTED	**Effective Date of Issue of the Bond When the Plan Was Made	**Amount of Investment Value, Dec. 31 of Current Year	**Increase in Amount of Value During Year	**Decrease in Amount of Value During Year
		Rate	Type	Year	Month	Year	Call Price						1975	1976								
		M	Pay	Year	Year	Year	Year						1975	1976								
HOUSING AUTHORITY (CONTINUED)																						
OHIO																						
172270FC9	CINCINNATI, NEW HSG. AUTH., VARIOUS PURPOSES	2.5000	J-J	1984	07	1984	-	109,037	130,000	-0-	109,037	95,437	1,674	3,250	1,900	-0-	-0-	YES X VAR	4.84	109,037		
172270FV7	CINCINNATI, NEW HSG. AUTH., 7TH ISSUE	3.3750	J-J	1986	07	1977	-	137,327	165,000	-0-	137,327	128,742	2,784	5,568	1,905	-0-	-0-	YES X 1970	5.50	137,327		
172270GD4	CINCINNATI, NEW HSG. AUTH., 7TH ISSUE	3.3750	J-J	1987	07	1977	-	134,193	165,000	-0-	134,193	125,796	2,784	5,568	1,867	-0-	-0-	YES X 1970	5.60	134,193		
172270HU1	CINCINNATI, NEW HSG. AUTH., 10TH ISSUE	6.0000	J-J	1993	07	1983	-	120,490	120,000	-0-	120,490	120,772	3,600	7,200	-0-	53	-0-	YES X 1969	5.95	120,490		
172270HV5	CINCINNATI, NEW HSG. AUTH., 10TH ISSUE	6.0000	J-J	1994	07	1983	-	125,519	125,000	-0-	125,519	125,818	3,450	7,500	-0-	56	-0-	YES X 1969	5.95	125,519		
172270HW7	CINCINNATI, NEW HSG. AUTH., 10TH ISSUE	6.0000	J-J	1997	07	1983	-	135,570	135,000	-0-	135,570	135,897	4,050	8,100	-0-	61	-0-	YES X 1969	5.95	135,570		
186396FA0	CLEVELAND, NEW HSG. AUTH., 2ND ISSUE	2.3750	J-J	1986	07	1985	-	274,104	350,000	-0-	274,104	255,292	4,156	8,312	5,237	-0-	-0-	YES X VAR	5.05	274,104		
186396GE1	CLEVELAND, NEW HSG. AUTH., 2ND ISSUE	2.3750	J-J	1990	07	1985	-	115,718	170,000	-0-	115,718	108,874	2,018	4,037	2,374	-0-	-0-	YES X VAR	5.63	115,718		
186396HD2	CLEVELAND, NEW HSG. AUTH., 6TH ISSUE	3.3750	J-J	1993	07	1977	-	76,795	100,000	-0-	76,795	74,453	1,647	3,375	778	-0-	-0-	YES X 1972	5.45	76,795		
199525DE3	COLUMBUS, NEW HSG. AUTH., 2ND ISSUE	3.8750	M-N	1981	05	1974	-	49,707	50,000	-0-	49,707	51,376	322	1,937	47	-0-	-0-	YES X VAR	3.82	49,707		
5437230B3	CRAIG, NEW HSG. AUTH., 3RD ISSUE	3.3750	M-N	1987	05	1979	-	33,506	40,000	-0-	33,506	37,014	225	1,350	409	-0-	-0-	YES X 1972	5.30	33,506		
853358B7	STARK, NEW HSG. AUTH., 4TH ISSUE	5.0000	A-Q	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		
987677BP3	YOUNGSTOWN, NEW HSG. AUTH., 2ND ISSUE	3.0000	M-N	1987	05	1977	-	72,282	100,000	-0-	72,282	64,657	500	3,000	1,619	-0-	-0-	YES X 1970	6.50	72,282		
987677KB8	YOUNGSTOWN, NEW HSG. AUTH., 6TH ISSUE	5.2500	J-J	2008	07	1987	-	541,496	600,000	-0-	541,496	540,606	15,750	31,500	584	-0-	-0-	YES X 1974	5.93	541,496		
OKLAHOMA																						
678586D9	OKLAHOMA CITY, NEW HSG. AUTH., 2ND ISSUE	4.7500	M-N	1997	05	1983	-	100,453	100,000	-0-	100,453	100,777	791	4,750	-0-	52	-0-	YES X 1968	4.70	100,453		
678586FC7	OKLAHOMA CITY, NEW HSG. AUTH., 1ST ISSUE	4.7500	M-N	1991	05	1982	-	117,187	115,000	-0-	117,187	115,844	910	5,462	-0-	293	-0-	YES X 1968	4.50	117,187		
678586HN1	OKLAHOMA CITY, NEW HSG. AUTH., 4TH ISSUE	5.8750	M-N	1994	05	1984	-	362,034	350,000	-0-	362,034	367,054	3,427	20,562	-0-	1,125	-0-	YES X 1971	5.50	362,034		
678586HP6	OKLAHOMA CITY, NEW HSG. AUTH., 4TH ISSUE	5.8750	M-N	1995	05	1984	-	388,161	375,000	-0-	388,161	393,697	3,671	22,031	-0-	1,231	-0-	YES X 1971	5.50	388,161		
678586HQ4	OKLAHOMA CITY, NEW HSG. AUTH., 4TH ISSUE	5.8750	M-N	1996	05	1984	-	107,249	100,000	-0-	107,249	109,401	939	5,875	-0-	696	-0-	YES X 1972	5.05	107,249		
678586HR2	OKLAHOMA CITY, NEW HSG. AUTH., 4TH ISSUE	5.8750	M-N	1997	05	1984	-	107,253	100,000	-0-	107,253	109,400	979	5,875	-0-	696	-0-	YES X 1972	5.05	107,253		
678586K3	OKLAHOMA CITY, NEW HSG. AUTH., 5TH ISSUE	5.7500	M-N	1992	05	1985	-	412,941	400,000	-0-	412,941	417,360	3,833	23,000	-0-	1,059	-0-	YES X 1971	5.40	412,941		
678586K4	OKLAHOMA CITY, NEW HSG. AUTH., 5TH ISSUE	5.7500	M-N	1996	05	1985	-	214,162	200,000	-0-	214,162	218,586	1,916	11,500	-0-	1,184	-0-	YES X 1971	5.00	214,162		
678586K2	OKLAHOMA CITY, NEW HSG. AUTH., 5TH ISSUE	5.7500	M-N	1997	05	1985	-	106,681	100,000	-0-	106,681	108,821	958	5,750	-0-	554	-0-	YES X 1971	5.05	106,681		
578586K7	OKLAHOMA CITY, NEW HSG. AUTH., 5TH ISSUE	5.7500	M-N	2011	05	1985	-	503,382	500,000	-0-	503,382	503,825	4,791	28,750	-0-	270	-0-	YES X 1974	5.70	503,382		
PENNSYLVANIA																						
017321FW3	ALLEGHENY CO., NEW HSG. AUTH., 1ST ISSUE	3.3750	F-A	1996	08	1974	-	18,256	25,000	-0-	18,256	17,904	351	463	171	-0-	-0-	YES X 1973	5.60	18,256		
017321FX3	ALLEGHENY CO., NEW HSG. AUTH., 5TH ISSUE	3.3750	F-A	1996	08	1978	-	99,438	130,000	-0-	99,438	97,200	1,824	4,387	809	-0-	-0-	YES X VAR	5.26	99,438		
042339J9	ARMSTRONG CO., NEW HSG. AUTH., 1ST ISSUE	3.5000	M-N	2001	11	1979	-	71,504	100,000	-0-	71,504	70,558	583	3,500	483	-0-	-0-	YES X 1973	5.60	71,504		
042339K6	ARMSTRONG CO., NEW HSG. AUTH., 1ST ISSUE	3.5000	M-N	2002	11	1979	-	71,019	100,000	-0-	71,019	70,124	583	3,500	457	-0-	-0-	YES X 1973	5.60	71,019		
166141CA7	CHESTER, NEW HSG. AUTH., 2ND ISSUE	5.2500	M-N	1992	05	1986	-	112,788	110,000	-0-	112,788	113,401	962	5,775	-0-	202	-0-	YES X 1972	5.00	112,788		
166141CB9	CHESTER, NEW HSG. AUTH., 2ND ISSUE	5.2500	M-N	1993	05	1986	-	123,132	120,000	-0-	123,132	123,820	1,050	6,300	-0-	227	-0-	YES X 1972	5.00	123,132		
717829CE9	PHILADELPHIA, NEW HSG. AUTH., 9TH ISSUE	3.1250	A-Q	1981	04	1977	-	349,005	385,000	-0-	349,005	324,177	3,007	12,031	3,886	-0-	-0-	YES X 1971	5.20	349,005		
717829NY7	PHILADELPHIA, NEW HSG. AUTH., VARIOUS PURPOSES	3.5000	A-Q	1995	04	1981	-	120,502	135,000	-0-	120,502	118,803	1,181	4,725	381	-0-	-0-	YES X VAR	4.33	120,502		
725242FF3	PITTSBURGH, NEW HSG. AUTH., 3RD ISSUE	3.1250	J-D	1991	12	1975	-	336,911	465,000	-0-	336,911	317,897	1,210	14,531	4,799	-0-	-0-	YES X 1971	5.80	336,911		
725242FN2	PITTSBURGH, NEW HSG. AUTH., 3RD ISSUE	3.1250	J-D	1992	12	1975	-	167,298	270,000	-0-	167,298	162,855	703	8,437	3,109	-0-	-0-	YES X 1974	7.00	167,298		

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 1

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically. (The listing in Groups 2, 3 and 4 should be alphabetical by State.)
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 5. Railroads, unaffiliated
 6. Public Utilities, unaffiliated
 7. Industrial and Manufacturing (unaffiliated)
 8. Private, Subordinated, and Alliance
 Show Subtotals for each group.

CDS# Identify column ***	DESCRIPTION	INTEREST		DATE OF				BOOK VALUE	PAR VALUE	RATE USED TO DETERMINE MARKET VALUE	MARKET VALUE (Excluding Accrued Interest)	ACTUAL COST (Including Accrued Interest)	INTEREST		INCREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	Amount of Interest due and accrued Dec. 31 of current year on bonds on default as to principal or interest	EMVIC Group status	YEAR AC OUTLIED	Effective Rate of In- terest as Shown For Class With Vigils	Amount or Investment Value Dec. 31 of Current Year	Increase in Amount Value During Year	Decrease in Amount Value During Year
		Rate of	How Paid	MATURITY		COUPON							GROSS AMOUNT RECEIVED DURING YEAR	NET									
				Year	Month	Year	Call Price																
HOUSING AUTHORITY (CONTINUED)																							
PENNSYLVANIA (CONTINUED)																							
725747F46	PITTSBURGH, NEW HSG. AUTH., 5TH ISSUE	3.375%	J-D	1994	12	1978	-	86,506	115,000	-0-	86,506	83,868	323	3,881	841	-0-	-0-	YES X	1972	5.50	86,506		
798390FA3	PURFLO RICO: MIN. HSG. AUTH. OF THE CAP. OF P. R., NEW HSG. AUTH., 2ND ISSUE	2.625%	A-D	1990	04	1985	-	71,481	100,000	-0-	71,481	67,646	656	2,625	1,288	-0-	-0-	YES X	1972	5.55	71,481		
RHODE ISLAND																							
704102DD3	PANTUCKET, NEW HSG. AUTH., 3RD ISSUE	6.000%	A-D	1994	04	1984	-	105,000	105,000	-0-	105,000	105,000	1,575	6,300	-0-	-0-	-0-	YES X	1969	6.00	105,000		
704102DE1	PANTUCKET, NEW HSG. AUTH., 3RD ISSUE	6.000%	A-D	1995	04	1984	-	115,000	115,000	-0-	115,000	115,000	1,725	6,900	-0-	-0-	-0-	YES X	1969	6.00	115,000		
7438C4CF1	PROVIDENCE, NEW HSG. AUTH., 2ND ISSUE	2.875%	J-D	1982	06	1962	-	245,025	275,000	-0-	245,025	222,709	658	7,906	3,902	-0-	-0-	YES X	VAR	4.87	245,025		
7438C4DT0	PROVIDENCE, NEW HSG. AUTH., 5TH ISSUE	3.750%	J-D	1994	06	1980	-	75,144	100,000	-0-	75,144	71,885	312	3,750	725	-0-	-0-	YES X	1970	6.00	75,144		
SOUTH CAROLINA																							
198450A4B	COLUMBIA, NEW HSG. AUTH., 1ST ISSUE	2.500%	J-J	1979	01	1962	-	49,150	50,000	-0-	49,150	46,566	625	1,250	267	-0-	-0-	YES X	1964	3.10	49,150		
198450B7	COLUMBIA, NEW HSG. AUTH., 2ND ISSUE	2.750%	J-J	1987	01	1962	-	168,955	175,000	-0-	168,955	171,191	2,406	4,812	385	-0-	-0-	YES X	VAR	3.12	168,955		
340324A11	FLORENCE, NEW HSG. AUTH., 1ST ISSUE	5.750%	F-A	1990	08	1985	-	268,143	260,000	-0-	268,143	270,686	6,229	14,550	-0-	639	-0-	YES X	1971	5.40	268,143		
340324A42	FLORENCE, NEW HSG. AUTH., 1ST ISSUE	5.750%	F-A	1992	08	1985	-	206,626	200,000	-0-	206,626	206,698	4,791	11,500	-0-	520	-0-	YES X	1971	5.30	206,626		
340324A90	FLORENCE, NEW HSG. AUTH., 1ST ISSUE	5.750%	F-A	1993	08	1985	-	320,531	310,000	-0-	320,531	323,826	7,427	17,825	-0-	827	-0-	YES X	1971	5.29	320,531		
340324A98	FLORENCE, NEW HSG. AUTH., 1ST ISSUE	5.750%	F-A	1994	08	1985	-	341,471	330,000	-0-	341,471	345,061	7,906	18,475	-0-	902	-0-	YES X	1971	5.28	341,471		
340324A25	FLORENCE, NEW HSG. AUTH., 1ST ISSUE	5.750%	F-A	1995	08	1985	-	355,235	350,000	-0-	355,235	356,853	8,385	20,125	-0-	407	-0-	YES X	1971	5.60	355,235		
396514A47	GREENVILLE, NEW HSG. AUTH., 1ST ISSUE	2.125%	M-N	1980	11	1960	-	90,801	110,000	-0-	90,801	76,162	389	2,337	3,313	-0-	-0-	YES X	1971	6.40	90,801		
SOUTH DAKOTA																							
166879A46	CHEYENNE RIVER, NEW HSG. AUTH., 1ST ISSUE	3.750%	A-D	1989	04	1980	-	85,489	110,000	-0-	85,489	80,188	1,031	4,125	1,163	-0-	-0-	YES X	1970	6.25	85,489		
TENNESSEE																							
162429CA8	CHATTANOOGA, NEW HSG. AUTH., 2ND ISSUE	2.875%	J-D	1980	12	1962	-	117,459	125,000	-0-	117,459	106,690	299	3,593	1,354	-0-	-0-	YES X	1966	4.25	117,459		
354766A47	FRANKLIN, NEW HSG. AUTH., 1ST ISSUE	3.750%	M-N	1989	11	1979	-	92,517	120,000	-0-	92,517	86,937	750	4,500	1,274	-0-	-0-	YES X	1970	6.25	92,517		
499800000	KNOXVILLE, NEW HSG. AUTH., 4TH ISSUE	3.500%	F-A	1960	02	1981	-	179,967	185,000	-0-	179,967	177,962	2,697	6,475	266	-0-	-0-	YES X	1967	3.75	179,967		
523120BP7	LEBANON, NEW HSG. AUTH., 2ND ISSUE	3.500%	M-N	1991	05	1975	-	98,530	100,000	-0-	98,530	97,708	583	3,500	69	-0-	-0-	YES X	1961	3.63	98,530		
586192EL6	MEMPHIS, NEW HSG. AUTH., 5TH ISSUE	3.375%	J-D	1987	06	1978	-	101,777	125,000	-0-	101,777	95,387	351	4,218	1,420	-0-	-0-	YES X	1970	5.60	101,777		
586192FV3	MEMPHIS, NEW HSG. AUTH., 5TH ISSUE	3.375%	J-D	1996	06	1978	-	92,184	125,000	-0-	92,184	89,736	351	4,218	851	-0-	-0-	YES X	VAR	5.34	92,184		
586192HG4	MEMPHIS, NEW HSG. AUTH., 7TH ISSUE	5.750%	J-J	1993	07	1985	-	380,248	395,000	-0-	380,248	388,366	10,206	20,412	-0-	2,067	-0-	YES X	1971	5.00	380,248		
586192HH2	MEMPHIS, NEW HSG. AUTH., 7TH ISSUE	5.750%	J-J	1994	07	1985	-	407,026	380,000	-0-	407,026	415,716	10,924	21,850	-0-	2,213	-0-	YES X	1971	5.00	407,026		
586192HJ0	MEMPHIS, NEW HSG. AUTH., 7TH ISSUE	5.750%	J-J	1995	07	1985	-	428,459	400,000	-0-	428,459	437,576	11,500	23,000	-0-	2,330	-0-	YES X	1971	5.00	428,459		
586192H5	MEMPHIS, NEW HSG. AUTH., 7TH ISSUE	5.750%	J-J	1996	07	1985	-	427,094	425,000	-0-	427,094	427,762	12,218	24,437	-0-	168	-0-	YES X	1971	5.60	427,094		
TEXAS																							
011428AU3	ALAMO, NEW HSG. AUTH., 1ST ISSUE	2.125%	F-A	1987	08	1960	-	6,644	9,000	-0-	6,644	5,677	79	191	145	-0-	-0-	YES X	VAR	5.15	6,644		
074545BN3	BEAUMONT, NEW HSG. AUTH., 1ST ISSUE	2.500%	A-D	1981	04	1962	-	19,051	20,000	-0-	19,051	17,474	125	500	162	-0-	-0-	YES X	1964	3.50	19,051		
074545BP8	BEAUMONT, NEW HSG. AUTH., 2ND ISSUE	2.500%	A-D	1981	04	1964	-	25,055	30,000	-0-	25,055	23,757	187	750	779	-0-	-0-	YES X	1974	6.25	25,055		
098113AK9	BONHAM, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1978	06	1961	-	14,495	15,000	-0-	14,495	12,187	26	318	197	-0-	-0-	YES X	1961	3.60	14,495		

3

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental column for data concerning Amortization See Note

Bonds to be grouped in the following manner and each group arranged alphabetically. (The listing in Groups 2, 3 and 4 should be alphabetical by issue.)
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 5. Railroads, Financials
 6. Public Utilities (non-Railroad)
 7. Industrial and Miscellaneous (non-Railroad)
 8. Foreign, Submarine, and Atlantic. Show Subtotals for each group.

CISIP Ident. or other***	DESCRIPTIVE	INTEREST		DATE OF				BOOK VALUE	PAR VALUE	RANK ORDER BY CISIP MARKET VALUE	MARKET VALUE (Including Accrued Interest)	ACTUAL COST (Excluding Accrued Interest)	INFLUENCE		INCREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	112 Amount of In- crease and decrease Dec. 31, current year, on basis of deficit to be paid on interest	113 PAID Dis- am- bation	114 YEAR AC- CUMULATED TO DATE	115 Effective Rate of In- crease or Decrease This Year	116 Amortized Increase This Year	117 Increase in Amortized Value During Year	118 Decrease in Amortized Value During Year
		Rate	Term	MATURITY		TYPON							INCREASE	DECREASE									
		%	Yrs	Year	Month	Year	Call Price						+	-									
HOUSING AUTHORITY (CONTINUED)																							
TEXAS (CONTINUED)																							
098113AN3	BONHAM, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1981	06	1961	-	12,821	15,000	-0-	12,821	10,522	26	318	340	-0-	-0-	YES X	1967	5.25	12,821		
098113AR4	BONHAM, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1984	06	1961	-	13,257	15,000	-0-	13,257	11,757	26	318	173	-0-	-0-	YES X	1965	3.75	13,257		
098113AS2	BONHAM, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1985	06	1961	-	21,478	27,000	-0-	21,478	19,033	47	573	448	-0-	-0-	YES X	VAR	4.85	21,478		
099797AA2	BORGER, NEW HSG. AUTH., 1ST ISSUE	2.500%	A-C	1981	06	1962	-	28,293	30,000	-0-	28,293	24,605	187	750	288	-0-	-0-	YES X	1959	3.70	28,293		
116457BL5	BROWNSVILLE, NEW HSG. AUTH., 2ND ISSUE	3.625%	J-D	1988	12	1974	-	55,000	55,000	-0-	55,000	55,679	166	1,993	-0-	-0-	-0-	YES X	1961	3.55	55,000		
116619AK3	BROWNSWOOD, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1978	06	1961	-	24,215	25,000	-0-	24,215	20,543	44	531	308	-0-	-0-	YES X	1960	3.50	24,215		
116619AN7	BROWNSWOOD, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1981	06	1961	-	43,982	48,000	-0-	43,982	36,482	85	1,020	654	-0-	-0-	YES X	VAR	3.85	43,982		
116619AQ0	BROWNSWOOD, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1983	06	1961	-	39,206	50,000	-0-	39,206	36,803	88	1,062	1,142	-0-	-0-	YES X	1973	5.75	39,206		
116619AS6	BROWNSWOOD, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1985	06	1961	-	16,055	20,000	-0-	16,055	13,521	35	425	325	-0-	-0-	YES X	1966	4.75	16,055		
139033AU8	CANYON, NEW HSG. AUTH., 1ST ISSUE	2.125%	F-A	1987	08	1960	-	3,604	5,000	-0-	3,604	3,040	44	106	84	-0-	-0-	YES X	1968	5.40	3,604		
172810AU7	CISCO, NEW HSG. AUTH., 1ST ISSUE	2.125%	F-A	1987	08	1960	-	4,136	5,000	-0-	4,136	3,444	44	106	57	-0-	-0-	YES X	1960	4.00	4,136		
220219BJ7	CORPUS CHRISTI, NEW HSG. AUTH., 1ST ISSUE	2.125%	F-A	1985	08	1960	-	61,634	69,000	-0-	61,634	55,893	610	1,466	593	-0-	-0-	YES X	VAR	3.40	61,634		
220219BN8	CORPUS CHRISTI, NEW HSG. AUTH., 1ST ISSUE	2.125%	F-A	1987	08	1960	-	73,573	88,000	-0-	73,573	65,237	779	1,870	955	-0-	-0-	YES X	VAR	3.88	73,573		
220431AD7	CORPUS CHRISTI, NEW HSG. AUTH., 1ST ISSUE	2.125%	A-D	1983	10	1961	-	49,074	56,000	-0-	49,074	40,743	297	1,190	750	-0-	-0-	YES X	1961	4.00	49,074		
220453AR5	CORPUS CHRISTI, NEW HSG. AUTH., 1ST ISSUE	2.125%	A-U	1984	10	1961	-	50,049	58,000	-0-	50,049	41,755	308	1,232	747	-0-	-0-	YES X	1961	4.00	50,049		
235361AS1	DALLAS, NEW HSG. AUTH., 2ND ISSUE	2.375%	J-D	1977	12	1963	-	114,539	117,000	-0-	114,539	100,983	231	2,778	1,223	-0-	-0-	YES X	VAR	3.52	114,539		
235361AZ3	DALLAS, NEW HSG. AUTH., 1ST ISSUE	2.875%	J-D	1980	12	1962	-	39,619	45,000	-0-	39,619	34,471	107	1,293	905	-0-	-0-	YES X	VAR	5.64	39,619		
235361BB7	DALLAS, NEW HSG. AUTH., 1ST ISSUE	2.875%	J-D	1981	12	1962	-	114,348	130,000	-0-	114,348	110,567	311	3,737	2,150	-0-	-0-	YES X	VAR	5.26	114,348		
235361BC5	DALLAS, NEW HSG. AUTH., 2ND ISSUE	2.375%	J-D	1982	12	1963	-	161,512	200,000	-0-	161,512	153,810	395	4,750	4,424	-0-	-0-	YES X	1974	5.80	161,512		
235361BD3	DALLAS, NEW HSG. AUTH., 1ST ISSUE	2.875%	J-D	1982	12	1962	-	44,789	45,000	-0-	44,789	44,344	107	1,293	26	-0-	-0-	YES X	1953	2.95	44,789		
235361BK7	DALLAS, NEW HSG. AUTH., 3RD ISSUE	2.625%	J-D	1985	12	1962	-	254,271	290,000	-0-	254,271	233,966	694	8,337	3,623	-0-	-0-	YES X	VAR	4.76	254,271		
235361BL9	DALLAS, NEW HSG. AUTH., 2ND ISSUE	2.375%	J-D	1986	12	1963	-	234,571	330,000	-0-	234,571	210,004	653	7,837	6,037	-0-	-0-	YES X	VAR	6.03	234,571		
235361BM3	DALLAS, NEW HSG. AUTH., 3RD ISSUE	2.625%	J-D	1986	12	1962	-	244,168	285,000	-0-	244,168	232,313	623	7,481	2,684	-0-	-0-	YES X	VAR	4.27	244,168		
235361BN1	DALLAS, NEW HSG. AUTH., 2ND ISSUE	2.375%	J-D	1987	12	1963	-	319,207	465,000	-0-	319,207	288,418	920	11,043	8,119	-0-	-0-	YES X	VAR	6.12	319,207		
235361BP6	DALLAS, NEW HSG. AUTH., 3RD ISSUE	2.625%	J-D	1987	12	1962	-	162,111	165,000	-0-	162,111	159,636	360	4,331	193	-0-	-0-	YES X	VAR	2.79	162,111		
235361BQ3	DALLAS, NEW HSG. AUTH., 3RD ISSUE	2.625%	J-D	1990	12	1962	-	308,393	330,000	-0-	308,393	302,980	721	6,662	1,030	-0-	-0-	YES X	VAR	3.16	308,393		
235361BW1	DALLAS, NEW HSG. AUTH., 2ND ISSUE	2.375%	J-D	1991	12	1963	-	177,260	275,000	-0-	177,260	166,418	544	6,531	3,652	-0-	-0-	YES X	VAR	5.83	177,260		
245451AU3	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1978	06	1961	-	22,128	23,000	-0-	22,128	18,152	40	408	340	-0-	-0-	YES X	VAR	3.78	22,128		
245451AM9	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1979	06	1961	-	26,645	28,000	-0-	26,645	22,367	49	595	367	-0-	-0-	YES X	1961	3.65	26,645		
245451AA6	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1981	06	1961	-	21,329	25,000	-0-	21,329	17,646	44	531	570	-0-	-0-	YES X	VAR	5.27	21,329		
245451BC2	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1982	06	1961	-	14,109	15,000	-0-	14,109	12,111	26	318	122	-0-	-0-	YES X	1953	3.15	14,109		
245451BB8	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1983	06	1961	-	27,711	31,000	-0-	27,711	23,742	54	658	377	-0-	-0-	YES X	VAR	3.78	27,711		
245451BC3	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1984	06	1961	-	20,270	25,000	-0-	20,270	17,205	44	531	445	-0-	-0-	YES X	1967	4.90	20,270		
245451BJ7	DEL RIO, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1985	06	1961	-	6,984	7,000	-0-	6,984	6,958	12	148	1	-0-	-0-	YES X	1952	2.15	6,984		
248433AH6	DENNISON, NEW HSG. AUTH., 1ST ISSUE	2.625%	M-S	1980	09	1961	-	14,587	15,000	-0-	14,587	13,632	131	393	80	-0-	-0-	YES X	VAR	3.26	14,587		

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically. The listing in Groups 1, 2 and 3 should be alphabetical by issue.
1. Government (including all obligations guaranteed by government);
2. States, Territories and Possessions (direct and guaranteed);
3. Public Subdivisions of States, Territories and Possessions (direct and guaranteed);
4. Special revenue and special revenues - subdivisions and all non-guaranteed obligations of agencies and authorities of government; and their political subdivisions;
5. Railroad (uninsured);
6. Public Utilities (uninsured);
7. Industrial and Miscellaneous (uninsured);
8. Private Subdivisions and Others. (See Sub notes for each group.)

C/M/P Identify issuer***	BOND DESCRIPTION	INTEREST		DATE OF				BOOK VALUE	PAR VALUE	1975 ADJ. USED TO COMPLY MARKET VALUE	MARKET VALUE (Excluding accrued interest)	ACTUAL COST (Including accrued interest)	INTEREST		INCREASE BY ADJUST MENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUST MENT IN BOOK VALUE DURING YEAR	Amount of Issue paid and received (Net 31 current year on basis of detail as to principal or interest)	RAC Date Maturity	YEAR AC UNITED	Effective Rate of 30 years of which has been 30%	Yield based on Precedent Value Dec. 31 of Current Year	Increase in Amortized Value During Year	Decrease in Amortized Value During Year
		Rate	How	MATURITY		CUMULATIVE							1975	1974									
		%	Paid	Year	Month	Year	Call Price						Year	Year									
HOUSING AUTHORITY (CONTINUED)																							
TEXAS (CONTINUED)																							
24843707	DENISON, NEW HSG. AUTH., 1ST ISSUE	2.625%	M-S	1983	09	1961	-	47,078	52,000	-0-	47,078	44,971	455	1,465	507	-0-	-0-	YES X VAR	4.04	47,078			
248433A1	DENISON, NEW HSG. AUTH., 1ST ISSUE	2.625%	M-S	1986	09	1961	-	29,286	31,000	-0-	29,286	27,595	271	813	130	-0-	-0-	YES X VAR	3.24	29,286			
248433A08	DENISON, NEW HSG. AUTH., 1ST ISSUE	2.625%	M-S	1987	09	1961	-	20,000	20,000	-0-	20,000	20,000	175	525	-0-	-0-	YES X 1954	2.63	20,000				
248433A06	DENISEN, NEW HSG. AUTH., 1ST ISSUE	2.625%	M-S	1988	09	1961	-	44,750	55,000	-0-	44,750	40,149	481	1,443	578	-0-	-0-	YES X VAR	4.57	44,750			
263741A04	DUM. IN., NEW HSG. AUTH., 1ST ISSUE	2.125%	F-A	1987	08	1960	-	3,791	4,000	-0-	3,791	3,567	35	85	15	-0-	-0-	YES X 1955	2.65	3,791			
2697670C2	EAGLE PASS, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1982	06	1961	-	24,899	27,000	-0-	24,899	21,495	47	573	286	-0-	-0-	YES X VAR	3.48	24,899			
2697670G3	EAGLE PASS, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1984	06	1961	-	21,915	29,000	-0-	21,915	20,574	51	616	637	-0-	-0-	YES X 1973	5.85	21,915			
2697670J7	EAGLE PASS, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1985	06	1961	-	8,795	10,000	-0-	8,795	7,549	17	212	105	-0-	-0-	YES X 1960	3.65	8,795			
2838030A1	EL PASO, NEW HSG. AUTH., 1ST ISSUE	2.500%	A-O	1981	04	1962	-	77,341	85,000	-0-	77,341	68,249	531	2,125	1,249	-0-	-0-	YES X VAR	4.42	77,341			
284803A17	ELECTRA, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1979	06	1961	-	7,642	8,000	-0-	7,642	6,771	14	170	51	-0-	-0-	YES X 1965	3.52	7,642			
284803A04	ELECTRA, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1984	06	1961	-	11,695	14,000	-0-	11,695	9,894	24	297	221	-0-	-0-	YES X 1966	4.50	11,695			
284803A52	ELECTRA, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1985	06	1961	-	11,474	14,000	-0-	11,474	9,751	24	297	211	-0-	-0-	YES X 1966	4.50	11,474			
293461A05	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1978	06	1961	-	16,886	17,000	-0-	16,886	15,554	30	361	123	-0-	-0-	YES X VAR	2.90	16,886			
293461A13	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1979	06	1961	-	15,995	17,000	-0-	15,995	12,990	30	361	270	-0-	-0-	YES X 1961	4.00	15,995			
293461A05	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1981	06	1961	-	12,510	15,000	-0-	12,510	11,063	26	318	383	-0-	-0-	YES X 1971	5.75	12,510			
293461A04	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1982	06	1961	-	2,986	3,000	-0-	2,986	2,950	5	63	1	-0-	-0-	YES X 1952	2.20	2,986			
293461A50	ENNIS, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1985	06	1961	-	19,670	24,000	-0-	19,670	16,716	42	510	362	-0-	-0-	YES X 1966	4.50	19,670			
349456B57	FORT WORTH, NEW HSG. AUTH., 1ST ISSUE	2.875%	J-D	1982	12	1962	-	31,693	35,000	-0-	31,693	29,669	83	1,006	388	-0-	-0-	YES X VAR	4.47	31,693			
3494960Y0	FORT WORTH, NEW HSG. AUTH., 1ST ISSUE	2.875%	J-D	1983	12	1962	-	31,776	38,000	-0-	31,776	29,365	91	1,092	613	-0-	-0-	YES X VAR	5.45	31,776			
376514A01	GLADEWATER, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1978	06	1961	-	1,982	2,000	-0-	1,982	1,866	7	42	4	-0-	-0-	YES X 1954	2.50	1,982			
376514A19	GLADEWATER, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1979	06	1961	-	16,738	17,000	-0-	16,738	15,571	30	361	72	-0-	-0-	YES X 1955	2.60	16,738			
376514A05	GLADEWATER, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1981	06	1961	-	16,959	18,000	-0-	16,959	14,503	31	382	172	-0-	-0-	YES X 1957	3.30	16,959			
376514A00	GLADEWATER, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1982	06	1961	-	16,205	18,000	-0-	16,205	13,460	31	382	242	-0-	-0-	YES X 1961	3.90	16,205			
376514A08	GLADEWATER, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1983	06	1961	-	17,542	19,000	-0-	17,542	15,114	33	403	170	-0-	-0-	YES X 1957	3.30	17,542			
376514A06	GLADEWATER, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1984	06	1961	-	9,240	10,000	-0-	9,240	8,247	17	212	76	-0-	-0-	YES X VAR	3.14	9,240			
376514A54	GLADEWATER, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1985	06	1961	-	17,656	20,000	-0-	17,656	14,991	35	425	204	-0-	-0-	YES X 1958	3.60	17,656			
407802A05	HAMILTON, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1978	06	1961	-	3,955	4,000	-0-	3,955	3,684	7	85	17	-0-	-0-	YES X 1956	2.60	3,955			
407802A13	HAMILTON, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1979	06	1961	-	4,757	5,000	-0-	4,757	3,994	8	106	65	-0-	-0-	YES X 1961	3.65	4,757			
407802A09	HAMILTON, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1981	06	1961	-	4,559	5,000	-0-	4,559	3,747	8	106	71	-0-	-0-	YES X 1961	3.95	4,559			
407802A50	HAMILTON, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1985	06	1961	-	5,987	6,000	-0-	5,987	5,564	10	127	1	-0-	-0-	YES X 1952	2.15	5,987			
413036A04	MARLINGEN, NEW HSG. AUTH., 1ST ISSUE	2.500%	A-O	1981	04	1962	-	9,502	10,000	-0-	9,502	8,493	62	250	85	-0-	-0-	YES X 1960	3.55	9,502			
418254A04	HASKELL, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1978	06	1961	-	10,877	11,000	-0-	10,877	10,131	19	233	48	-0-	-0-	YES X 1956	2.60	10,877			
418254A12	HASKELL, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1979	06	1961	-	10,830	11,000	-0-	10,830	10,075	19	233	46	-0-	-0-	YES X 1955	2.60	10,830			
418254A01	HASKELL, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1983	06	1961	-	11,383	12,000	-0-	11,383	10,140	21	255	73	-0-	-0-	YES X 1953	2.90	11,383			
418254A09	HASKELL, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1984	06	1961	-	7,223	8,000	-0-	7,223	6,288	14	170	77	-0-	-0-	YES X VAR	3.44	7,223			
422290A02	HEARNE, NEW HSG. AUTH., 1ST ISSUE	2.125%	J-D	1978	06	1961	-	991	1,000	-0-	991	933	1	21	3	-0-	-0-	YES X 1954	2.50	991			

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 1

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically: (The bonds in Groups 1, 2 and 3 should be alphabetical by State)
 1. Government (including all obligations guaranteed by government)
 2. State, Territory and Possession (grant and guaranteed)
 3. Political subdivisions of States, Territories and Possessions (grant and guaranteed)
 4. Special purpose and special government obligations and all non-guaranteed obligations of States and subdivisions of government and their political subdivisions.
 5. Municipal (municipalities)
 6. Public Utilities (municipalities)
 7. Industrial and Miscellaneous (municipalities)
 8. Foreign, International, and Other (where applicable by each group)

CNP	Description of Bonds	INTEREST		Maturity		BOOK VALUE	PAR VALUE	RATE PER 100 (Including Market Value)	MARKET VALUE (Including Accrued Interest)	ACTUAL CASH (Including Accrued Interest)	INTEREST		INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	Amount of Issue and that not received Dec. 31, 1975 (See Note 10)	MARK Date	YEAR ACQUIRED	Effective Date of Issue (See Note 11)	Amount of Investment Value, Dec. 31 of Current Year	Increase in Amount of Value During Year	Decrease in Amount of Value During Year		
		Rate	Term	Year	Month						Year	Month										Year 1	Year 2
		of	of																				
HOUSING AUTHORITY (CONTINUED)																							
TEXAS (CONTINUED)																							
422240A6	HEARNE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1961	06	1961	-	6,595	7,000	-0-	6,595	5,640	12	168	67	-0-	-0-	YES X 1957	3.30	6,595			
422240A1	HEARNE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1962	06	1961	-	11,827	13,000	-0-	11,827	10,275	23	276	158	-0-	-0-	YES X VAR	3.71	11,827			
422240A4	HEARNE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1963	06	1961	-	9,648	10,000	-0-	9,648	8,994	17	212	42	-0-	-0-	YES X 1956	2.65	9,648			
422240A7	HEARNE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1964	06	1961	-	10,781	13,000	-0-	10,781	9,001	23	276	211	-0-	-0-	YES X VAR	4.59	10,781			
422240A5	HEARNE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1965	06	1961	-	4,132	5,000	-0-	4,132	3,595	8	106	73	-0-	-0-	YES X 1967	4.10	4,132			
425326A1	HENDERSON, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1976	04	1961	-	3,995	8,000	-0-	3,995	7,959	14	170	1	-0-	-0-	YES X 1952	2.15	7,995			
425326A4	HENDERSON, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1979	06	1961	-	8,468	9,000	-0-	8,468	6,851	15	191	141	-0-	-0-	YES X VAR	4.00	8,468			
425326A5	HENDERSON, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1981	06	1961	-	13,879	15,000	-0-	13,879	11,521	26	518	181	-0-	-0-	YES X 1959	3.85	13,879			
425326A8	HENDERSON, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1983	06	1961	-	19,395	20,000	-0-	19,395	18,227	35	425	72	-0-	-0-	YES X VAR	2.57	19,395			
425326A6	HENDERSON, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1984	06	1961	-	15,869	21,000	-0-	15,869	14,858	37	446	461	-0-	-0-	YES X 1973	3.45	15,869			
438434A8	HONEY GROVE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1978	06	1961	-	4,831	5,000	-0-	4,831	4,062	8	106	65	-0-	-0-	YES X 1961	3.60	4,831			
438434A7	HONEY GROVE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1981	06	1961	-	4,605	5,000	-0-	4,605	4,046	8	106	64	-0-	-0-	YES X 1965	3.75	4,605			
438434A7	HONEY GROVE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1982	06	1961	-	5,982	6,000	-0-	5,982	5,433	10	127	2	-0-	-0-	YES X 1951	2.18	5,982			
438434A5	HONEY GROVE, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1985	06	1961	-	6,984	7,000	-0-	6,984	6,558	12	148	1	-0-	-0-	YES X 1952	2.15	6,984			
475237A4	JEFFERSON, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1979	06	1961	-	12,370	13,000	-0-	12,370	10,785	23	276	170	-0-	-0-	YES X 1961	3.65	12,370			
475237A9	JEFFERSON, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1982	06	1961	-	13,958	14,000	-0-	13,958	13,644	24	297	6	-0-	-0-	YES X 1951	2.18	13,958			
494170A5	KILLEEN, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1960	09	1961	-	14,285	15,000	-0-	14,285	12,626	131	393	138	-0-	-0-	YES X 1960	3.75	14,285			
494170A6	KILLEEN, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1963	09	1961	-	4,252	5,000	-0-	4,252	3,757	43	131	78	-0-	-0-	YES X 1968	5.00	4,252			
494170A0	KILLEEN, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1984	09	1961	-	4,571	5,000	-0-	4,571	4,272	43	131	32	-0-	-0-	YES X 1965	3.60	4,571			
494170A7	KILLEEN, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1987	09	1961	-	20,738	21,000	-0-	20,738	20,414	183	551	18	-0-	-0-	YES X 1952	2.75	20,738			
494170A5	KILLEEN, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1988	09	1961	-	21,706	22,000	-0-	21,706	21,376	192	577	19	-0-	-0-	YES X 1952	2.75	21,706			
550017A8	LULING, NEW HSG. AUTH., 1ST ISSUE	2.125	A-D	1986	10	1961	-	19,413	20,000	-0-	19,413	18,417	106	425	59	-0-	-0-	YES X 1954	2.50	19,413			
581697A5	MCINNIS, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1978	06	1961	-	23,220	24,000	-0-	23,220	19,583	42	510	306	-0-	-0-	YES X 1960	3.55	23,220			
581697A3	MCINNIS, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1979	06	1961	-	23,630	24,000	-0-	23,630	21,982	42	510	102	-0-	-0-	YES X 1955	2.60	23,630			
581697A2	MCINNIS, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1983	06	1961	-	24,396	26,000	-0-	24,396	22,172	46	552	185	-0-	-0-	YES X VAR	3.03	24,396			
581697A0	MCINNIS, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1984	06	1961	-	16,255	21,000	-0-	16,255	13,227	37	446	411	-0-	-0-	YES X VAR	5.44	16,255			
581697A5	MCINNIS, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1985	06	1961	-	15,092	16,000	-0-	15,092	13,900	28	340	81	-0-	-0-	YES X VAR	2.80	15,092			
587720A5	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1980	09	1961	-	17,858	20,000	-0-	17,858	15,184	175	525	356	-0-	-0-	YES X 1967	5.25	17,858			
587720A6	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1983	09	1961	-	14,076	15,000	-0-	14,076	13,067	131	393	103	-0-	-0-	YES X 1964	3.55	14,076			
587720A0	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1986	09	1961	-	13,835	14,000	-0-	13,835	13,216	122	367	12	-0-	-0-	YES X 1952	2.75	13,835			
587720A7	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1987	09	1961	-	30,613	31,000	-0-	30,613	30,135	271	813	27	-0-	-0-	YES X 1952	2.75	30,613			
587720A5	MERCEDES, NEW HSG. AUTH., 1ST ISSUE	2.625	M-S	1988	09	1961	-	30,585	31,000	-0-	30,585	30,171	271	813	26	-0-	-0-	YES X 1952	2.75	30,585			
605162A2	MISSION, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1978	06	1961	-	20,316	21,000	-0-	20,316	17,505	37	446	267	-0-	-0-	YES X VAR	3.55	20,316			
605162A0	MISSION, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1979	06	1961	-	20,147	21,000	-0-	20,147	17,548	37	446	232	-0-	-0-	YES X 1962	3.40	20,147			
605162A6	MISSION, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1981	06	1961	-	20,103	22,000	-0-	20,103	16,310	38	467	307	-0-	-0-	YES X 1959	3.90	20,103			
605162A9	MISSION, NEW HSG. AUTH., 1ST ISSUE	2.125	J-D	1983	06	1961	-	13,941	15,000	-0-	13,941	12,144	26	318	124	-0-	-0-	YES X 1957	3.20	13,941			

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 1

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically. (The bonds in Groups 2, 3 and 4 should be alphabetized by State.)
 1. Government (including all obligations guaranteed by government)
 2. State, Territorial and Possession (direct and guaranteed)
 3. Municipal (including all obligations guaranteed by government)
 4. Special Revenue and Special Assessment Obligations and all non-guaranteed obligations of cities and subdivisions of government and their political subdivisions.
 5. Railroad (unsubordinated)
 6. Public Utility (unsubordinated)
 7. Industrial and Manufacturing (unsubordinated)
 8. Finance, Subordinated, and All Other. Show Sub status for each group.

GROUP	CUMULATIVE ACQUISITION	Description of all bonds owned, including the nature of all special features and maturities (maturity date and interest rate)	INTEREST		DATE OF				BOOK VALUE	PAR VALUE	RATE PAID TO DATE (Including accrued interest)	MARKET VALUE (Excluding accrued interest)	ACTUAL COST (Including accrued interest)	INHERENT		INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	Amount of Interest on the last day of current year or bonds not in default	GROSS AMOUNT DURING YEAR	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	Amount of Interest on the last day of current year or bonds in default or in arrears	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR
			Rate of	Pool	Year	Month	Year	Call Price						(1)	(2)									
			Year	Month	Year	Month	Year	Call Price						(1)	(2)									
HOUSING AUTHORITY (CONTINUED)																								
TEXAS (CONTINUED)																								
605162A7	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1984	06	1961	-	12,306	13,000	-0-	12,306	11,592	23	276	64	-0-	-0-	YES X VAR	2.81	12,306			
681300A5	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1978	06	1961	-	9,662	10,000	-0-	9,662	8,124	17	212	131	-0-	-0-	YES X 1961	3.60	9,662			
681300A3	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1979	06	1961	-	9,515	10,000	-0-	9,515	7,988	17	212	131	-0-	-0-	YES X 1961	3.65	9,515			
681300A9	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1981	06	1961	-	9,958	11,000	-0-	9,958	8,057	19	233	169	-0-	-0-	YES X 1961	4.10	9,958			
681300A2	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1983	06	1961	-	8,846	11,000	-0-	8,846	7,380	19	233	231	-0-	-0-	YES X VAR	5.36	8,846			
681300A8	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1985	06	1961	-	5,373	6,000	-0-	5,373	4,663	10	127	54	-0-	-0-	YES X VAR	3.41	5,373			
685270A7	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1980	09	1961	-	44,074	50,000	-0-	44,074	38,560	437	1,312	1,083	-0-	-0-	YES X VAR	5.45	44,074			
685270A3	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1983	09	1961	-	12,496	13,000	-0-	12,496	11,783	113	341	55	-0-	-0-	YES X VAR	3.18	12,496			
685270A17	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1986	09	1961	-	34,167	40,000	-0-	34,167	30,939	350	1,050	422	-0-	-0-	YES X 1966	4.35	34,167			
685270A4	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1987	09	1961	-	36,673	40,000	-0-	36,673	34,617	350	1,050	227	-0-	-0-	YES X 1965	3.50	36,673			
685270A2	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1988	09	1961	-	2,634	3,000	-0-	2,634	2,377	26	78	22	-0-	-0-	YES X 1960	3.85	2,634			
717197A9	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1980	09	1961	-	19,686	20,000	-0-	19,686	18,422	175	525	62	-0-	-0-	YES X 1953	3.00	19,686			
717197A4	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1986	09	1961	-	21,486	23,000	-0-	21,486	20,242	201	603	113	-0-	-0-	YES X VAR	3.36	21,486			
717197A1	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1987	09	1961	-	23,700	24,000	-0-	23,700	23,330	210	630	21	-0-	-0-	YES X 1952	2.75	23,700			
717197A9	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1988	09	1961	-	24,666	25,000	-0-	24,666	24,291	218	656	21	-0-	-0-	YES X 1952	2.75	24,666			
733522A7	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1986	09	1961	-	63,941	72,000	-0-	63,941	58,906	630	1,850	580	-0-	-0-	YES X VAR	3.90	63,941			
733522A8	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1987	09	1961	-	84,752	89,000	-0-	84,752	80,673	778	2,336	296	-0-	-0-	YES X 1958	3.11	84,752			
733522A8	ISSUE	NEW HSG. AUTH., 1ST	2.625%	M-S	1988	09	1961	-	68,152	92,000	-0-	68,152	62,414	805	2,415	1,260	-0-	-0-	YES X VAR	5.49	68,152			
752873A1	ISSUE	NEW HSG. AUTH., 1ST	2.125%	F-A	1987	08	1960	-	4,242	5,000	-0-	4,242	3,729	44	106	51	-0-	-0-	YES X 1963	3.75	4,242			
796320A6	ISSUE	NEW HSG. AUTH., 1ST	2.875%	J-D	1980	12	1962	-	218,545	225,000	-0-	218,545	207,857	539	8,468	1,161	-0-	-0-	YES X VAR	3.51	218,545			
796320C3	ISSUE	NEW HSG. AUTH., 1ST	2.875%	J-D	1981	12	1962	-	215,621	220,000	-0-	215,621	207,331	527	8,325	656	-0-	-0-	YES X VAR	3.24	215,621			
796320C4	ISSUE	NEW HSG. AUTH., 1ST	2.875%	J-D	1982	12	1962	-	337,683	355,000	-0-	337,683	325,706	850	10,206	2,046	-0-	-0-	YES X VAR	5.66	337,683			
796320C3	ISSUE	NEW HSG. AUTH., 1ST	2.875%	J-D	1983	12	1962	-	398,984	435,000	-0-	398,984	380,401	1,042	12,506	3,599	-0-	-0-	YES X VAR	4.10	398,984			
796320D1	ISSUE	NEW HSG. AUTH., 3RD	3.750%	M-S	1972	12	1979	-	72,866	100,000	-0-	72,866	68,734	312	3,750	871	-0-	-0-	YES X 1970	6.40	72,866			
796320D3	ISSUE	NEW HSG. AUTH., 3RD	3.875%	J-D	1993	12	1973	-	146,626	200,000	-0-	146,626	139,234	645	7,750	1,558	-0-	-0-	YES X 1970	6.40	146,626			
796609A5	ISSUE	NEW HSG. AUTH., 1ST	2.125%	F-A	1985	08	1960	-	25,859	26,000	-0-	25,859	25,610	230	552	13	-0-	-0-	YES X 1951	2.19	25,859			
796609A9	ISSUE	NEW HSG. AUTH., 1ST	2.125%	F-A	1987	08	1960	-	28,510	30,000	-0-	28,510	26,748	265	637	108	-0-	-0-	YES X 1955	2.62	28,510			
818695A6	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1978	06	1961	-	1,982	2,000	-0-	1,982	1,866	4	42	6	-0-	-0-	YES X 1954	2.50	1,982			
818694A3	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1983	06	1961	-	12,333	13,000	-0-	12,333	10,985	23	276	79	-0-	-0-	YES X 1953	2.90	12,333			
818694A1	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1984	06	1961	-	12,632	13,000	-0-	12,632	12,015	23	276	38	-0-	-0-	YES X 1956	2.50	12,632			
818694A9	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1985	06	1961	-	3,974	4,000	-0-	3,974	3,929	7	85	2	-0-	-0-	YES X 1952	2.20	3,974			
824184A9	ISSUE	NEW HSG. AUTH., 1ST	5.750%	M-S	1990	03	1985	-	313,966	310,000	-0-	313,966	315,313	5,941	17,825	-0-	328	-0-	YES X 1971	5.60	313,966			
870632A2	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1978	06	1961	-	8,930	9,000	-0-	8,930	8,476	15	191	27	-0-	-0-	YES X 1954	2.45	8,930			
870632A0	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1979	06	1961	-	21,958	23,000	-0-	21,958	18,598	40	488	283	-0-	-0-	YES X 1960	3.55	21,958			
870632A6	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1981	06	1961	-	8,741	10,000	-0-	8,741	7,347	17	212	199	-0-	-0-	YES X 1967	6.80	8,741			
870632A9	ISSUE	NEW HSG. AUTH., 1ST	2.125%	J-D	1983	06	1961	-	895	1,000	-0-	895	775	1	21	11	-0-	-0-	YES X 1963	3.75	895			

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part 1

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

CUSIP Identification	Give complete and accurate description of all bonds owned, including the location of all interest paid and maintenance payments. If bonds are "held" in any way, state the name of the owner.	121 INTEREST		122 DATE OF MATURITY				123 BOOK VALUE	124 PAR VALUE	125 RATE PER 100 DOLLARS MARKET VALUE	126 MARKET VALUE (Excludes Accrued Interest)	127 ACTUAL COST (Excluding Accrued Interest)	128 INTEREST		129 INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	130 DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	131 Amount of Interest due and accrued Dec. 31, current year, on bonds on default as to principal or interest	132 NAIC Long name	133 YEAR ACQUIRED	134 Effective Date of Withdrawal or Change of Class	135 Amortized or Investment Value Dec. 31 of Current Year	136 Increase or Decrease in Amortized Value During Year	137 Decrease in Amortized Value During Year				
		Rate	How Paid	Year	Month	Year	Call Date						1975	1974													
													Amount due and accrued Dec. 31 of current year on bonds not in default	GROSS AMOUNT RECEIVED DURING YEAR													
HOUSING AUTHORITY (CONTINUED)																											
TEXAS (CONTINUED)																											
870632A87	SWEETWATER, NEW HSG. AUTH., 1ST ISS.,	2.125%	J-D	1984	06	1961	-	14,454	15,000	-0-	14,454	13,594	76	318	55	-0-	-0-	YES X VAR	2.59		14,454						
870632A55	SWEETWATER, NEW HSG. AUTH., 1ST ISS.	2.125%	J-D	1985	06	1961	-	12,639	14,000	-0-	12,639	10,924	24	297	120	-0-	-0-	YES X VAR	3.33		12,639						
877316A02	TAYLOR, NEW HSG. AUTH., 1ST ISS.	2.125%	A-D	1983	10	1961	-	10,574	14,000	-0-	10,574	8,867	74	297	327	-0-	-0-	YES X VAR	6.08		10,574						
929862D02	WACO, NEW HSG. AUTH., 2ND ISS.	3.875%	F-A	1977	08	1968	-	50,000	50,000	-0-	50,000	52,835	807	1,937	-0-	-0-	-0-	YES X VAR	3.15		50,000						
929862J24	WACO, NEW HSG. AUTH., 9TH ISS.	4.250%	F-A	1994	02	1982	-	125,497	125,000	-0-	125,497	125,581	2,213	5,312	-0-	70	-0-	YES X 1959	4.20		125,497						
929862XK1	WACO, NEW HSG. AUTH., 15TH ISS.	6.000%	J-D	1996	12	1984	-	434,113	430,000	-0-	434,113	435,667	2,150	25,800	-0-	344	-0-	YES X 1968	5.90		434,113						
929862XL9	WACO, NEW HSG. AUTH., 15TH ISS.	6.000%	J-D	1997	12	1984	-	459,421	455,000	-0-	459,421	461,092	2,275	27,300	-0-	370	-0-	YES X 1970	5.90		459,421						
9672D5B84	WICHITA FALLS, NEW HSG. AUTH., 1ST ISS.	2.500%	A-D	1981	04	1962	-	62,380	65,000	-0-	62,380	57,335	406	1,625	448	-0-	-0-	YES X VAR	3.34		62,380						
VIRGINIA:																											
237001R50	DANVILLE, NEW HSG. AUTH., 2ND ISS.	3.625%	F-A	1994	08	1974	-	71,278	75,000	-0-	71,278	70,771	1,132	6	121	-0-	-0-	YES X VAR	3.99		71,278						
737254EJ7	PORTSMOUTH, NEW HSG. AUTH., 3RD ISS.	3.875%	J-D	1995	07	1974	-	99,713	100,000	-0-	99,713	100,882	1,937	3,875	9	-0-	-0-	YES X VAR	3.83		99,713						
765429C83	RICHMOND, NEW HSG. AUTH., 2ND ISS.	2.500%	F-A	1986	08	1962	-	115,973	135,000	-0-	115,973	105,782	1,408	3,375	1,339	-0-	-0-	YES X VAR	4.14		115,973						
765429D00	RICHMOND, NEW HSG. AUTH., 2ND ISS.	2.500%	F-A	1987	08	1962	-	97,465	110,000	-0-	97,465	90,466	1,145	2,750	829	-0-	-0-	YES X VAR	3.71		97,465						
765429D01	RICHMOND, NEW HSG. AUTH., 2ND ISS.	2.500%	F-A	1989	08	1962	-	84,412	100,000	-0-	84,412	71,943	1,041	2,500	850	-0-	-0-	YES X 1967	4.00		84,412						
765429D02	RICHMOND, NEW HSG. AUTH., 2ND ISS.	2.500%	F-A	1990	08	1962	-	152,404	235,000	-0-	152,404	137,070	2,447	5,875	3,414	-0-	-0-	YES X 1970	6.20		152,404						
765429E87	RICHMOND, NEW HSG. AUTH., 3RD ISS.	2.875%	F-A	1993	08	1967	-	70,677	100,000	-0-	70,677	66,932	1,197	2,875	971	-0-	-0-	YES X 1971	5.50		70,677						
765429E88	RICHMOND, NEW HSG. AUTH., 6TH ISS.	3.125%	F-A	1994	08	1974	-	74,507	100,000	-0-	74,507	72,774	1,302	3,125	792	-0-	-0-	YES X 1973	5.30		74,507						
765429F23	RICHMOND, NEW HSG. AUTH., 7TH ISS.	5.875%	F-A	1995	08	1984	-	523,245	500,000	-0-	523,245	531,600	12,239	29,375	-0-	2,114	-0-	YES X 1971	5.19		523,245						
765429G07	RICHMOND, NEW HSG. AUTH., 7TH ISS.	5.875%	F-A	1996	08	1984	-	275,000	275,000	-0-	275,000	275,000	6,731	16,156	-0-	-0-	-0-	YES X 1970	5.88		275,000						
765429G85	RICHMOND, NEW HSG. AUTH., 7TH ISS.	5.875%	F-A	1997	08	1984	-	107,370	100,000	-0-	107,370	109,482	2,447	5,875	-0-	683	-0-	YES X 1972	5.05		107,370						
MISCONSINI:																											
602414FK5	MILWAUKEE, NEW HSG. AUTH., 4TH ISS.	3.375%	M-S	1996	09	1978	-	104,039	135,000	-0-	104,039	101,617	1,518	4,556	821	-0-	-0-	YES X 1972	5.20		104,039						
602414FR0	MILWAUKEE, NEW HSG. AUTH., 4TH ISS.	3.375%	M-S	1998	09	1978	-	75,871	100,000	-0-	75,871	74,256	1,125	3,375	548	-0-	-0-	YES X 1972	5.20		75,871						
758440AY7	PEEDSVILLE, NEW HSG. AUTH., 1ST ISS.	5.750%	M-N	1994	05	1985	-	226,050	225,000	-0-	226,050	226,404	2,156	12,937	-0-	86	-0-	YES X 1971	5.70		226,050						
TOTAL HOUSING AUTHORITY								68,083,077	75,079,000	-0-	68,083,077	66,252,708	885,874	3,037,616	499,148	59,392	-0-							68,083,077			
TOTAL GOVERNMENTS								149,776,018	157,354,000	-0-	150,314,577	147,946,175	2,220,853	4,967,540	555,756	68,648	-0-								149,776,018		
STATES, TERRITORIES AND POSSESSIONS:																											
ALABAMA:																											
010410G51	SEAPORT FACILITIES	3.100%	M-S	1978	03	1969	-	145,739	150,000	-0-	145,739	133,975	1,550	4,650	1,845	-0-	-0-	YES X 1968	4.50		145,739						
010410H03	INLAND WATERWAYS IMPROVEMENT, SER. A	3.375%	A-D	1979	04	1963	-	100,000	100,000	-0-	100,000	101,890	843	3,375	-0-	-0-	-0-	YES X 1958	3.25		100,000						
010410H04	SEAPORT FACILITIES	3.200%	M-S	1981	03	1969	-	315,658	345,000	-0-	315,658	297,207	3,680	11,040	4,871	-0-	-0-	YES X 1971	5.10		315,658						
010410H05	SEAPORT FACILITIES	3.200%	M-S	1982	03	1969	-	206,065	230,000	-0-	206,065	193,853	2,453	7,360	3,228	-0-	-0-	YES X 1971	5.20		206,065						
010410J85	SEAPORT FACILITIES	3.200%	M-S	1983	03	1969	-	245,401	280,000	-0-	245,401	230,706	2,986	8,960	3,890	-0-	-0-	YES X 1971	5.30		245,401						
010410K22	MENTAL HEALTH FACILITIES	3.200%	M-S	1984	03	1969	-	740,910	865,000	-0-	740,910	696,229	9,226	27,680	11,847	-0-	-0-	YES X 1971	5.40		740,910						
010410K20	PARKS, SER. A	4.000%	J-D	1987	12	1978	-	469,883	555,000	-0-	469,883	449,543	1,850	11,500	-0-	-0-	YES X 1971	5.80		469,883							
010410L82	PARKS, SER. A	6.500%	M-N	1978	11	1979	-	184,409	180,000	-0-	184,409	191,903	2,166	15,000	-0-	1,406	-0-	YES X 1969	5.65		184,409						
010410L10	PARKS, SER. A	6.500%	M-N	1980	11	1979	-	206,163	200,000	-0-	206,163	213,712	2,166	15,000	-0-	1,417	-0-	YES X 1969	5.65		206,163						
010410L10	PARKS, SER. A	4.500%	M-N	1989	11	1979	-	567,625	650,000	-0-	567,625	561,652	4,875	24,250	3,789	-0-	-0-	YES X 1974	5.85		567,625						
ALASKA:																											
011770C02	GENERAL OBLIGATION, 1ST SER.	4.000%	M-N	1977	05	-	-	100,000	100,000	-0-	100,000	100,000	666	4,000	-0-	-0-	-0-	YES X 1967	4.00		100,000						
011770D06	GENERAL OBLIGATION, 2ND SER.	6.000%	M-N	1978	05	1977	-	102,105	100,000	-0-	102,105	112,486	1,000	6,000	-0-	1,469	-0-	YES X 1967	4.50		102,105						

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part 1

Showing All BONDS Owned December 31 of Current Year

Supplemental column for data concerning Amortization See Note

Bonds to be grouped by the following manner and each group assigned alphabetically: (1) Issue to Group 1, 2 and 3 should be identified by group...
1. Loan guarantees (including all obligations guaranteed by government)
2. Bonds, Taxation and Penalties (State and Governmental)
3. Public Utilities of Water, Trenching and Penalties (State and Governmental)
4. Special Revenue and Special Governmental obligations and all non-governmental obligations of agencies and subsidiaries of government and their political subdivisions
5. Municipal Obligations
6. Public Utilities (continued)
7. Industrial and Miscellaneous (continued)
8. Premium, Subordinated, and Redeemable None Substantive for each group.

Table with columns: USMP Number, Issue Date, Maturity, Interest Rate, Par Value, Market Value, Semi-Annual Value, Actual Cost, Interest, Increase/Decrease by Adjust, Amortization, and Improvement in Amount/Value during Year. Rows include Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically. (The bonds in Groups 1, 2 and 3 should be alphabetical by State.)
1. Government (including all obligations guaranteed by government)
2. State, Territory and Possession (direct and guaranteed)
3. National Subsidies of State, Territory and Possession (direct and guaranteed)
4. Special revenue and special assessment obligations and all non-guaranteed obligations of States and territories of government and their political subdivisions
5. Public Utilities (unsubsidized)
6. Industrial and Manufacturing (unsubsidized)
7. Finance, Subsidies and All Other. Note Sub-section for each group.

CUSIP Symbol Name***	Description	Interest		Maturity				Book Value	Par Value	Rate Used to Determine Market Value	Market Value (Excluding Accrued Interest)	Actual Cost (Excluding Accrued Interest)	Interest		Increase by Adjust ment in Book Value During Year	Decrease by Adjust ment in Book Value During Year	Increase by Amortization of Premium (Net of Cost of Purchase)	Decrease by Amortization of Premium (Net of Cost of Purchase)	Increase by Amortization of Premium (Net of Cost of Purchase)	Decrease by Amortization of Premium (Net of Cost of Purchase)	
		Rate of	Type	Year	Month	Year	Call Price						1975 Annual Interest on Current Cost	1974 Annual Interest on Current Cost							
		Pool	Year	Year	Year	Year	Year						1975 Annual Interest on Current Cost	1974 Annual Interest on Current Cost							
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)																					
546761J99	KENTUCKY (CONTINUED) LOUISVILLE SCHOOL IMPROVEMENT, SER. C	1.7500	J-D	1983	06	-	-	8,092	10,000	-0-	8,052	6,516	14	175	209	-0-	-0-	YES X	1966	4.85	8,092
LOUISIANA																					
64763D78	NEW ORLEANS, SEWERAGE, WATER & DRAINAGE, SER. F	2.5000	J-D	1983	12	1971	-	128,990	165,000	-0-	128,950	115,469	183	4,125	3,458	-0-	-0-	YES X	1971	6.00	128,990
64763J0H	NEW ORLEANS, PUBLIC IMPROVEMENT	3.1000	J-J	1979	07	1973	-	206,782	225,000	-0-	208,742	187,691	3,487	6,975	9,100	-0-	-0-	YES X	VAR	5.39	206,782
64763J4D	NEW ORLEANS, PUBLIC IMPROVEMENT	3.7500	J-J	1983	07	1975	-	96,005	100,000	-0-	96,005	90,666	1,875	3,750	782	-0-	-0-	YES X	1967	4.75	96,005
64763A4A	NEW ORLEANS, CIVIC CENTER, SER. G	2.7500	J-J	1984	07	1975	-	67,673	74,000	-0-	67,673	64,275	1,017	2,035	577	-0-	-0-	YES X	VAR	3.92	67,673
64763A6E	NEW ORLEANS, PUBLIC IMPROVEMENT	3.2500	A-D	1986	10	1971	-	247,637	300,000	-0-	247,837	232,290	2,058	6,750	3,491	-0-	-0-	YES X	1971	5.60	247,837
64763A59	NEW ORLEANS, PUBLIC IMPROVEMENT	4.0000	J-D	1987	12	1975	-	140,000	140,000	-0-	140,000	140,000	248	5,600	-0-	-0-	YES X	1967	4.00	140,000	
64763A4F	NEW ORLEANS, PUBLIC IMPROVEMENT	3.3000	J-J	1988	07	1973	-	431,961	520,000	-0-	431,961	408,587	8,745	17,490	5,402	-0-	-0-	YES X	1967	4.00	431,961
64763A6J	NEW ORLEANS, PUBLIC IMPROVEMENT	3.8000	J-J	1990	07	1975	-	193,408	235,000	-0-	193,408	186,181	4,465	8,930	1,823	-0-	-0-	YES X	1971	5.60	193,408
64763A4Y	NEW ORLEANS, CIVIC CENTER, SER. G	2.7500	J-J	1991	07	1970	-	101,251	150,000	-0-	101,251	95,760	7,067	4,125	1,848	-0-	-0-	YES X	1972	6.00	101,251
64763A4H	NEW ORLEANS, PUBLIC IMPROVEMENT	4.0000	A-D	1992	10	1977	-	214,244	250,000	-0-	214,244	211,440	2,499	10,000	1,302	-0-	-0-	YES X	1973	5.30	214,244
64763A56	NEW ORLEANS, PUBLIC IMPROVEMENT	4.0000	A-G	1993	10	1977	-	212,941	250,000	-0-	212,941	210,780	2,499	10,000	1,236	-0-	-0-	YES X	1973	5.30	212,941
64763A4K	NEW ORLEANS, PUBLIC IMPROVEMENT	4.0000	A-I	1995	10	1982	-	425,300	535,000	-0-	425,300	415,375	5,349	21,400	2,927	-0-	-0-	YES X	1972	5.75	425,300
484662ND	LOUISIANA PARISH SCHOOL BOARD, 1ST SER.	3.4000	J-D	1989	12	1966	-	151,435	200,000	-0-	151,435	141,400	566	6,800	2,187	-0-	-0-	YES X	1971	6.00	151,435
125474AF	SHREVEPORT, PUBLIC IMPROVEMENT	3.2000	J-D	1980	12	1967	-	85,587	100,000	-0-	85,587	74,457	786	3,700	2,412	-0-	-0-	YES X	1970	6.70	85,587
MAINE																					
736559M3	PORTLAND, PERMANENT IMPROVEMENT	5.8750	J-D	1990	12	-	-	410,968	400,000	-0-	410,968	411,392	1,458	23,500	-0-	423	-0-	YES X	1975	5.60	410,968
736559M7	PORTLAND, PERMANENT IMPROVEMENT	5.8750	J-D	1993	12	-	-	315,830	315,000	-0-	315,830	315,856	1,542	18,506	-0-	26	-0-	YES X	1975	5.65	315,830
736559M4	PORTLAND, PERMANENT IMPROVEMENT	5.8750	J-D	1994	12	-	-	466,265	465,000	-0-	466,265	466,307	2,276	27,318	-0-	36	-0-	YES X	1975	5.85	466,265
MARYLAND																					
059129M8	BALTIMORE CO., PUBLIC FACILITIES, SCHOOL, SER. U	2.5000	A-U	1978	10	-	-	18,619	20,000	-0-	18,619	16,627	125	500	459	-0-	-0-	YES X	1971	5.25	18,619
059129M4	BALTIMORE CO., PUBLIC FACILITIES, SCHOOL, SER. X	3.0000	J-D	1979	06	-	-	122,091	130,000	-0-	122,091	110,690	325	3,900	2,041	-0-	-0-	YES X	VAR	4.92	122,091
059129M7	BALTIMORE CO., PUBLIC FACILITIES, SCHOOL, SER. A	3.0000	J-D	1979	06	-	-	21,949	24,000	-0-	21,949	19,722	60	720	332	-0-	-0-	YES X	1971	5.80	21,949
059129S7	BALTIMORE CO., PUBLIC FACILITIES, SCHOOL	3.2500	M-H	1984	11	-	-	12,253	15,000	-0-	12,253	11,781	81	487	230	-0-	-0-	YES X	VAR	5.94	12,253
059129S4	BALTIMORE CO., VARIOUS PURPOSES	3.2500	M-H	1984	11	-	-	304,008	360,000	-0-	304,008	287,017	1,950	11,700	4,870	-0-	-0-	YES X	1972	5.50	304,008
059129S2	BALTIMORE CO., VARIOUS PURPOSES	3.2500	M-H	1984	11	-	-	127,216	170,000	-0-	127,216	122,508	920	5,525	3,372	-0-	-0-	YES X	VAR	7.14	127,216
059129E6	BALTIMORE CO., VARIOUS PURPOSES	3.2500	M-H	1986	05	-	-	110,398	135,000	-0-	110,398	104,931	731	4,267	1,722	-0-	-0-	YES X	1972	5.60	110,398
059129S8	BALTIMORE CO., PUBLIC SCHOOL	4.6000	M-H	1990	05	-	-	206,159	250,000	-0-	206,159	205,177	1,916	5,750	986	-0-	-0-	YES X	1975	6.50	206,159
059129Y7	BALTIMORE CO., VARIOUS PURPOSES	3.9000	M-S	1986	09	-	-	340,835	350,000	-0-	340,835	338,740	6,883	20,650	400	-0-	-0-	YES X	1970	6.20	340,835
059129S6	BALTIMORE CO., GENERAL PUBLIC FACILITIES	4.2500	A-D	1978	10	-	-	98,407	100,000	-0-	98,407	88,588	1,062	4,250	2,046	-0-	-0-	YES X	1970	6.50	98,407
059147MD	BALTIMORE CO., METROPOLITAN DISTRICT, 21ST ISSUE, SER. 218	3.0000	J-D	1979	06	-	-	7,411	8,000	-0-	7,411	6,541	20	240	153	-0-	-0-	YES X	VAR	5.39	7,411
059147J9	BALTIMORE CO., METROPOLITAN DISTRICT, 16TH ISSUE	2.7500	M-S	1983	09	-	-	50,978	55,000	-0-	50,978	48,355	504	1,512	417	-0-	-0-	YES X	VAR	3.85	50,978
059147S3	BALTIMORE CO., METROPOLITAN DISTRICT, 31ST ISSUE	3.2500	M-H	1984	11	-	-	101,336	120,000	-0-	101,336	95,672	650	3,900	1,606	-0-	-0-	YES X	1972	5.50	101,336
059147P3	BALTIMORE CO., METROPOLITAN DISTRICT, 30TH ISSUE	3.2500	M-H	1986	05	-	-	53,148	65,000	-0-	53,148	50,527	352	2,112	828	-0-	-0-	YES X	1972	5.60	53,148
059147UD	BALTIMORE CO., METROPOLITAN DISTRICT, 16TH ISSUE, SER. 168M	2.7500	M-S	1987	09	-	-	71,341	100,000	-0-	71,341	66,157	916	2,150	1,631	-0-	-0-	YES X	1973	6.25	71,341

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D-Part I

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

Bonds to be grouped in the following manner and each group arranged alphabetically: (The listing in Section E, 2 and 3 should be identical to that of Section D.)

Table with columns: GROUP, CUSIP, MATURITY, INTEREST, BOOK VALUE, MARKET VALUE, ACTUAL COST, INCREMENT, DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR, and various amortization and interest columns.

POLITICAL DIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)

Main data table listing bonds by political division (e.g., OHIO, OHIO (CONTINUED), OREGON, PENNSYLVANIA, PITTSBURGH, PITTSBURGH, PROVIDENCE, SOUTH CAROLINA) with columns for bond details, values, and interest.

Bonds to be grouped in the following manner and each group assigned alphabetically, (The bonds in Letters A, B and C should be alphabetical by issue.)

1. Governmental (including all obligations guaranteed by government)
2. State, Territory and Possessions (bonds and guarantees)
3. Political subdivisions of States, Territories and Possessions (bonds and guarantees)
4. Special revenue and special assessment obligations and all non-governmental obligations of agencies and authorities of governments and their political subdivisions.
5. Bonds, (trusts)
6. Public Utilities (trusts)
7. Industrial and Miscellaneous (trusts)
8. Finance, Subordinated and (bonds). Show Subtotals for each group.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D--Part 1

Showing All BONDS Owned December 31 of Current Year

Supplemental evidence for data concerning Amortization See Note

GROUP	DESCRIPTION	INTEREST		DATE OF MATURITY				BOOK VALUE	PAR VALUE	MARKET VALUE (Including Accrued Interest)	ACTUAL COST (Including Accrued Interest)	INTEREST		INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	Amount of Issue not due and accrued Dec. 31, current year, on bonds at default or in principal of interest	Basic Date	Yield AC (QUART)	Effective Rate of Interest of Issue Paid (Show Rate)	Amortized or Investment Value Dec. 31 of Current Year	Increase or Decrease in Amortized Value During Year	Decrease in Amortized Value During Year		
		Rate	Term	Year	Month	Year	Day					(1) Annual and (2) Gross Amount Received During Year	(3) Annual and (4) Gross Amount Received During Year											
		Yield	Term	Year	Month	Year	Day					(1) Annual and (2) Gross Amount Received During Year	(3) Annual and (4) Gross Amount Received During Year											
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)																								
VIRGINIA (CONTINUED)																								
765A12P01	RICHMOND, PUBLIC IMPROVEMENT, SER. CC	0.2500	J-J	1991	01	-	211,963	500,000	-0-	211,963	172,230	576	1,250	11,360	-0-	-0-	YES	X	1972	6.20	211,963			
765A12C02	RICHMOND, PUBLIC IMPROVEMENT, SER. DD	0.2500	J-J	1992	01	-	673,503	1,750,000	-0-	673,503	555,575	2,017	4,375	37,426	-0-	-0-	YES	X	1972	6.48	673,503			
765A12C04	RICHMOND, PUBLIC IMPROVEMENT, SER. DD	0.3000	J-J	1993	01	-	603,599	1,500,000	-0-	603,599	523,770	3,458	7,500	28,865	-0-	-0-	YES	X	1973	6.25	603,599			
170077G02	RICHLAND, VARIOUS PURPOSES, SER. A-5	4.7000	M-S	1987	03	-	314,094	325,000	-0-	314,094	311,724	5,091	15,275	695	-0-	-0-	YES	X	VAR	5.10	314,094			
170077J04	RICHLAND, PUBLIC IMPROVEMENT, SER. A-5	5.7000	A-D	1987	04	-	350,332	365,000	-0-	350,332	349,724	4,352	10,402	607	-0-	-0-	YES	X	1975	6.20	350,332			
WASHINGTON																								
494746C57	RING CO., MULTI-PURPOSE STADIUM, SER. 1968C	7.0000	J-D	1984	06	-	227,185	200,000	-0-	227,185	235,454	1,166	14,000	-0-	2,544	-0-	YES	X	1972	5.00	227,185			
494746M03	RING CO., VARIOUS PURPOSES	4.4000	A-D	1988	10	1983	196,918	225,000	-0-	196,918	191,157	2,475	9,900	1,497	-0-	-0-	YES	X	1971	5.80	196,918			
412025D03	SEATTLE, CITY PARK IMPROVEMENT	3.3500	M-S	1970	02	1971	141,835	150,000	-0-	141,835	170,879	1,625	4,875	4,577	-0-	-0-	YES	X	1970	6.80	141,835			
412025E04	SEATTLE, GENERAL STREET IMPROVEMENT, SER. 1	3.3750	F-A	1980	02	1981	230,400	245,000	-0-	230,400	217,041	3,445	8,268	3,101	-0-	-0-	YES	X	VAR	4.98	230,400			
412025F00	SEATTLE, VARIOUS PURPOSES, SER. 2	6.0000	A-D	1984	10	1974	167,649	160,000	-0-	167,649	163,810	2,400	6,800	-0-	2,589	-0-	YES	X	1968	4.30	167,649			
412025H09	SEATTLE, SEWER IMPROVEMENT, SER. 2	6.3500	M-S	1997	09	1984	273,237	260,000	-0-	273,237	277,823	5,509	16,510	-0-	1,165	-0-	YES	X	1971	5.60	273,237			
412025H07	SEATTLE, SEWER IMPROVEMENT, SER. 2	6.3500	M-S	1998	09	1984	804,680	780,000	-0-	804,680	814,164	16,510	45,530	-0-	2,141	-0-	YES	X	1971	6.02	804,680			
412025Q07	SEATTLE, REFUNDING, (G. O.)	5.5000	M-S	2007	09	1986	548,595	560,000	-0-	548,595	548,454	10,266	30,800	96	-0-	-0-	YES	X	1974	5.64	548,595			
412025R09	SEATTLE, REFUNDING, (G. O.)	5.5000	M-S	2009	09	1986	338,441	400,000	-0-	338,441	337,708	7,333	22,000	482	-0-	-0-	YES	X	1974	6.65	338,441			
WEST VIRGINIA																								
481648B05	HANOVER CO., MIARO OF EDUCATION, SCHOOL BUILDING	3.5000	A-D	1979	04	-	89,408	100,000	-0-	89,408	76,011	875	3,500	2,627	-0-	-0-	YES	X	1970	7.25	89,408			
WISCONSIN																								
342240N04	GREEN BAY, SCHOOL	4.0000	A-D	1987	04	-	140,199	180,000	-0-	140,199	129,525	1,800	7,700	2,285	-0-	-0-	YES	X	1970	6.85	140,199			
342240S03	GREEN BAY, CORPORATE PURPOSE	6.1000	A-D	1987	04	-	225,000	225,000	-0-	225,000	229,000	3,431	4,575	-0-	-0-	-0-	YES	X	1975	6.10	225,000			
342240C00	GREEN BAY METROPOLITAN SEWERAGE DIST., SEWER WORKS IMP., SER. A	5.0000	J-D	1989	06	-	625,000	625,000	-0-	625,000	625,000	2,604	31,250	-0-	-0-	-0-	YES	X	1972	5.00	625,000			
489818C05	KENOSHA, CORPORATE PURPOSE	3.4000	A-D	1976	04	-	258,359	260,000	-0-	258,359	228,186	2,210	8,840	6,885	-0-	-0-	YES	X	VAR	6.16	258,359			
489818M03	KENOSHA, CORPORATE PURPOSE	3.4000	A-D	1977	04	-	226,954	235,000	-0-	226,954	198,817	1,997	7,940	6,128	-0-	-0-	YES	X	1970	6.35	226,954			
489818E05	KENOSHA, CORPORATE PURPOSE	3.3000	A-D	1980	10	-	84,051	100,000	-0-	84,051	71,295	825	3,300	2,726	-0-	-0-	YES	X	1970	7.35	84,051			
602244M03	MILWAUKEE CO., EXPRESSWAY	2.9000	F-A	1980	02	-	94,113	100,000	-0-	94,113	85,920	1,208	2,900	1,291	-0-	-0-	YES	X	1968	4.50	94,113			
602244K09	MILWAUKEE CO., MET. SEWERAGE DISTRICT, MET. SEWERAGE	3.4000	F-A	1986	02	-	252,865	300,000	-0-	252,865	261,641	4,250	10,700	3,439	-0-	-0-	YES	X	1972	5.45	252,865			
602244M02	MILWAUKEE CO., EXPRESSWAY	4.0000	A-D	1989	10	-	216,286	250,000	-0-	216,286	212,427	2,111	10,000	1,813	-0-	-0-	YES	X	1973	5.40	216,286			
602244M05	MILWAUKEE CO., METROPOLITAN SEWERAGE	3.0000	J-D	1991	12	-	611,563	850,000	-0-	611,563	578,746	1,133	25,500	8,973	-0-	-0-	YES	X	1972	5.70	611,563			
402261G04	MILWAUKEE CO., CORPORATE PURPOSE	3.4000	F-A	1985	02	-	170,324	200,000	-0-	170,324	159,812	2,833	6,800	2,465	-0-	-0-	YES	X	1971	5.50	170,324			
402261G07	MILWAUKEE CO., CORPORATE PURPOSE	3.4000	F-A	1986	02	-	588,938	700,000	-0-	588,938	559,038	9,916	23,600	8,049	-0-	-0-	YES	X	VAR	5.47	588,938			
402261M03	MILWAUKEE, CORPORATE PURPOSE, PUBLIC IMPROVEMENT, SER. F	2.7000	F-A	1978	02	-	96,407	100,000	-0-	96,407	89,040	1,125	2,700	1,630	-0-	-0-	YES	X	1971	4.55	96,407			
402261R05	MILWAUKEE, SCHOOL, SER. 4E	5.8000	M-S	1989	03	-	358,394	365,000	-0-	358,394	358,157	6,233	10,585	241	-0-	-0-	YES	X	1975	6.00	358,394			
140004804	WISCONSIN UNIFIED SCHOOL DISTRICT #1	3.2500	F-A	1982	08	-	484,821	550,000	-0-	484,821	455,385	6,752	17,875	8,168	-0-	-0-	YES	X	1972	5.45	484,821			
TOTAL POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS							160,400,888	167,004,000		160,400,888	151,898,881	2,160,653	6,446,500	1,894,431	81,090	-0-		160,400,888						
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS																								
CONNECTICUT																								
207759M08	EXPRESSWAY REVENUE & MOTOR FUEL TAX, 1ST SER.	2.8750	J-J	1978	01	1959	118,166	125,000	-0-	118,166	111,515	1,796	3,593	3,177	-0-	-0-	YES	VAR	5.82	118,166				
207759C03	EXPRESSWAY REVENUE & MOTOR FUEL TAX, 1ST SER.	2.8750	J-J	1979	01	1959	876,383	942,000	-0-	876,383	771,837	13,541	26,745	19,435	-0-	-0-	YES	VAR	5.42	876,383				
207759E00	EXPRESSWAY REVENUE & MOTOR FUEL TAX, 1ST SER.	2.9000	J-J	1994	01	1959	122,250	130,000	-0-	122,250	119,671	1,885	3,770	286	-0-	-0-	YES	VAR	3.34	122,250				
FLORIDA																								
341560D04	FLORIDA STATE BOARD OF EDUCATION, HIGHER EDUCATION, SER. B	3.6000	M-M	1987	05	1976	352,881	425,000	-0-	352,881	341,028	2,550	13,300	4,448	-0-	-0-	YES	X	1973	5.65	352,881			

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

Supplemental columns for data concerning Amortization. See Note

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Bonds to be grouped in the following manner and each group arranged alphabetically: (1) being in Group 2, and 4 should be alphabetical by State;
 1. Government (including all obligations guaranteed by government);
 2. States, Territories and Possessions (direct and guaranteed);
 3. Political subdivisions of States, Territories and Possessions (direct and guaranteed);
 4. Special revenue and special assessment obligations and all non-guaranteed obligations of States and subdivisions of governments and their political subdivisions;
 5. Railroads (unaffiliated);
 6. Public Utilities (unaffiliated);
 7. Industrial and Miscellaneous (unaffiliated);
 8. Finance, Submarine, and Others. Show Subtotals for each group.

CUSIP Ident. Issue	**DESCRIPTION Give complete and accurate description of all bonds owned including the issue of all direct tax and mortgage companies. If bonds are "callable" issue give amount maturing each year.	(2) INTEREST		(3) DATE OF				(4) BOOK VALUE	(5) PAR VALUE	(6) RATE USED TO DETERMINE MARKET VALUE	(7) MARKET VALUE (Excluding Accrued Interest)	(8) ACTUAL COST (Excluding Accrued Interest)	(9) INTEREST		(10) INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	(11) DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	(12) Amount of Interest received and accrued Dec. 31, current year on bonds on default as to principal or interest	(13) NAIC Designation	(14) YEAR ACQUIRED	(15) Effective Rate of Interest as Backed by New York Times Yield	(16) Amortized or Investment Value Dec. 31 of Current Year	(17) Increase in Amortized Value During Year	(18) Decrease in Amortized Value During Year
		Rate of	How Paid	MATURITY		HOPTION							OF 12 Amount due and accrued Dec. 31 of current year on bonds not on default	OF 2 CROSS-CURRENT RELATED DURING YEAR									
				Year	Month	Year	Call Price																
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS (CONTINUED)																							
MICHIGAN:																							
594678DA5	LIMITED ACCESS HIGHWAY REVENUE, SER. I	2.000%	A-G	1976	10	1956	-	716,965	737,000	-0-	716,965	580,762	3.684	14,740	25,879..	-0-	-0-	YES X VAR	5.79	716,965			
MONTANA:																							
612119DE4	LONG RANGE BUILDING PROGRAM, LIMITED OBLIGATION, SER. #1	3.400%	M-S	1990	09	1973	-	189,982	200,000	-0-	189,982	186,216	2.266		499	-0-	-0-	YES X 1967	3.85	189,982			
NEBRASKA:																							
639686AJ3	HIGHWAY BOND COMMISSION	6.125%	M-N	1978	11	-	-	303,641	300,000	-0-	303,641	309,906	3.062	18,375	-0-	1,169	-0-	YES X 1969	5.65	303,641			
NEW MEXICO:																							
647310RA8	SEVERANCE TAX REVENUE, SER. B	4.000%	J-J	1978	01	-	-	250,000	250,000	-0-	250,000	250,000	4.999	10,000	-0-	-0-	-0-	YES X 1968	4.00	250,000			
647310RB6	SEVERANCE TAX REVENUE, SER. B	4.000%	J-J	1979	01	-	-	250,000	250,000	-0-	250,000	250,000	4.999	10,000	-0-	-0-	-0-	YES X 1968	4.00	250,000			
WASHINGTON:																							
939789F57	NOIAP VEHICLE FUEL TAX REVENUE	3.530%	M-S	1992	09	1977	-	354,763	450,000	-0-	354,763	344,655	5.250	15,750	3,443	-0-	-0-	YES X 1972	5.45	354,763			
939874CV3	PUBLIC SCHOOL PLANT FACILITIES, SER. C	3.700%	F-A	1976	02	-	-	99,813	100,000	-0-	99,813	86,442	1.541	3,700	2,843	-0-	-0-	YES X 1970	6.70	99,813			
939874FG3	VARIOUS PURPOSES	3.750%	F-A	1984	02	1977	-	439,545	505,000	-0-	439,545	419,603	7.890	18,937	6,145	-0-	-0-	YES X VAR	5.77	439,545			
939874PK4	PUBLIC SCHOOL PLANT FACILITIES, SER. C	3.750%	F-A	1985	02	1977	-	225,088	260,000	-0-	225,088	213,199	4.062	9,750	2,873	-0-	-0-	YES X VAR	5.10	225,088			
CALIFORNIA:																							
544503DB5	LOS ANGELES, ELECTRIC PLANT REVENUE	4.600%	M-S	1987	03	1973	-	200,000	200,000	-0-	200,000	200,000	3.066	9,200	-0-	-0-	-0-	YES 1968	4.60	200,000			
544503MJ1	LOS ANGELES, ELECTRIC PLANT REVENUE	1.500%	J-D	1976	06	1946	-	216,872	219,000	-0-	216,872	164,597	27.3	3,285	5,128	-0-	-0-	YES VAR	3.94	216,872			
544503SG1	LOS ANGELES, ELECTRIC PLANT REVENUE	2.600%	F-A	1980	02	1958	-	186,998	199,000	-0-	186,998	170,232	2.155	5,174	2,538	-0-	-0-	YES VAR	4.15	186,998			
544503TP0	LOS ANGELES, ELECTRIC PLANT REVENUE	2.600%	F-A	1981	02	1958	-	238,650	267,000	-0-	238,650	213,373	2.892	6,942	4,723	-0-	-0-	YES VAR	4.98	238,650			
544503UH6	LOS ANGELES, ELECTRIC PLANT REVENUE, 2ND ISSUE	2.400%	M-S	1981	09	1957	-	312,987	381,000	-0-	312,987	274,900	3.048	9,144	9,782	-0-	-0-	YES VAR	6.19	312,987			
544503WF8	LOS ANGELES, ELECTRIC PLANT REVENUE	2.600%	F-A	1983	02	1960	-	234,938	285,000	-0-	234,938	214,764	3.087	7,410	5,627	-0-	-0-	YES VAR	5.64	234,938			
5445035M3	LOS ANGELES, ELECTRIC PLANT REVENUE, 3RD ISSUE	5.000%	A-D	1988	10	1983	-	1,400,000	1,400,000	-0-	1,400,000	1,400,000	14,777	70,000	-0-	-0-	-0-	YES 1972	5.00	1,400,000			
544504DC4	LOS ANGELES, ELECTRIC PLANT REVENUE	3.500%	A-D	1993	04	1972	-	394,585	520,000	-0-	394,585	381,618	4.550	18,200	4,189	-0-	-0-	YES VAR	5.72	394,585			
544504DD3	LOS ANGELES, ELECTRIC PLANT REVENUE	3.500%	A-D	1994	04	1969	-	147,755	200,000	-0-	147,755	142,308	1.749	7,000	1,574	-0-	-0-	YES 1972	5.85	147,755			
544504HR1	LOS ANGELES, ELECTRIC PLANT REVENUE	3.750%	A-D	1994	04	1969	-	664,365	800,000	-0-	664,365	648,184	7.500	30,000	4,375	-0-	-0-	YES 1972	5.20	664,365			
544504Z3	LOS ANGELES, ELECTRIC PLANT REVENUE	3.400%	M-S	1995	03	1970	-	247,986	340,000	-0-	247,986	242,192	3.853	11,560	2,587	-0-	-0-	YES 1973	5.75	247,986			
544521E52	LOS ANGELES, WATER WORKS REVENUE	6.500%	F-A	1994	02	1980	-	217,478	200,000	-0-	217,478	232,546	5.416	13,000	-0-	3,858	-0-	YES 1971	5.25	217,478			
544521JC2	LOS ANGELES, WATER WORKS REVENUE	3.500%	J-J	1977	01	1971	-	97,097	100,000	-0-	97,097	82,516	1.750	3,500	2,770	-0-	-0-	YES 1969	6.60	97,097			
544521MZ7	LOS ANGELES, WATER WORKS REVENUE	3.500%	J-J	1981	01	1971	-	103,913	110,000	-0-	103,913	96,677	1.924	3,850	1,055	-0-	-0-	YES VAR	4.76	103,913			
786004FJ5	SACRAMENTO MUNICIPAL UTILITY DISTRICT, REFUNDING REVENUE	3.300%	M-S	1991	03	1975	-	809,561	1,025,000	-0-	809,561	783,875	11.275	33,825	9,022	-0-	-0-	YES X VAR	5.34	809,561			
FLORIDA:																							
341440GY5	FLORIDA STATE BOARD OF EDUCATION, SCHOOL, SER. D, (BROWARD CO.)	5.000%	J-D	1992	06	1982	-	400,000	400,000	-0-	400,000	400,000	1.666	20,000	-0-	-0-	-0-	YES 1973	5.00	400,000			
874458BA9	TALLAHASSEE, CAPITAL IMPROVEMENT	4.500%	A-U	1999	10	1984	-	313,983	400,000	-0-	313,983	311,424	4.500	18,000	1,550	-0-	-0-	YES 1974	6.25	313,983			
874466GN5	TALLAHASSEE, MUNICIPAL ELECTRIC REVENUE	3.500%	A-D	1995	10	1984	-	370,605	500,000	-0-	370,605	358,340	4.374	17,500	3,475	-0-	-0-	YES X 1972	5.70	370,605			
INDIANA:																							
455092AA4	TOLL ROAD COMMISSION, TOLL ROAD REVENUE	3.500%	J-J	1994	01	1959	-	48,449	50,000	73	36,500	47,787	874	1,750	55	-0-	-0-	YES X VAR	3.73	48,449			
KANSAS:																							
485512AA5	TURNPIKE AUTHORITY REVENUE	3.375%	A-D	1994	10	1958	-	59,808	60,000	74	44,400	59,700	506	2,025	7	-0-	-0-	YES X 1954	3.40	59,808			
LOUISIANA:																							
647736AU1	NEW ORLEANS, UNION PASSENGER TERMINAL REVENUE	2.500%	J-J	1987	01	-	-	116,767	144,000	-0-	116,767	106,835	1,800	3,600	1,748	-0-	-0-	YES X VAR	4.71	116,767			

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Bonds to be grouped in the following manner and each group arranged alphabetically. (The bond in Group A, B and C should be alphabetical by date.)
 1. Government (including all obligations guaranteed by government)
 2. States, Territories and Possessions (short and long-term)
 3. Federal Subdivisions of States, Territories and Possessions (short and long-term)
 4. Special revenue and special investment obligations and all non-guaranteed obligations of agencies and subdivisions of government and their political subdivisions.
 5. Railroad (municipal)
 6. Public Utilities (municipal)
 7. Industrial and Miscellaneous (municipal)
 8. Parents, Subsidiaries, and Affiliates. Show Subsidiary by each group.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 1

Showing All BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization. See Note

CUSIP (Identify bonds)	DESCRIPTION	INTEREST		DATE OF				BOOK VALUE	PAR VALUE	RAT RISK TO OBTAIN MARKET VALUE	MARKET VALUE (Including Accrued Interest)	ACTUAL COST (Excluding Accrued Interest)	INTEREST		INCREASE BY ADJUST MENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUST MENT IN BOOK VALUE DURING YEAR	Amount of Increase or Decrease during the year due to amortization of premium or discount on bonds in default as its principal is interest	NAIC Long name	YEAR AC OBTAINED	Effective Rate of Interest of Book Value at Year End	Amortized or Unamortized Value Dec. 31 of Current Year	Increase or Decrease in Amortized Value During Year	Decrease in Unamortized Value During Year		
		Rate	Pay	MATURITY		HOUDRON							1975	1976											
		of	Period	Year	Month	Year	Call Price						Amount due and accrued Dec. 31 of current year on bonds not in default	LONG AMOUNT RECEIVED DURING YEAR											
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS (CONTINUED)																									
NEBRASKA:																									
681793E7	OMAHA PUBLIC POWER DISTRICT, ELECTRIC REVENUE	2.125%	F-A	1980	02	1953	-	607,875	673,000	-0-	607,875	527,856	5,954	14,301	13,988	-0-	-0-	YLS X VAR	4.76	607,875					
NEW YORK:																									
73461204	PORT OF NEW YORK AUTH., CONSOLIDATED, 2ND SER.	2.750%	M-S	1984	09	1957	-	101,293	105,000	71	74,350	98,142	962	2,887	347	-0-	-0-	YES X VAR	3.20	101,293					
OHIO:																									
186432J4	CLEVELAND WATERWORKS EXT., 1ST MTG. REVENUE, SER. F	2.500%	F-A	1981	08	1962	-	131,130	140,000	-0-	131,130	127,372	1,458	3,500	1,311	-0-	-0-	YES X VAR	3.71	131,130					
TEXAS:																									
44243800	HOUSTON WATER SYSTEM REVENUE	2.200%	J-D	1978	12	1955	-	194,980	210,000	-0-	194,980	162,369	385	4,620	4,568	-0-	-0-	YES X VAR	4.80	194,980					
WASHINGTON:																									
812642C1	SEATTLE, VARIOUS PURPOSES	2.000%	M-S	1976	03	1961	-	287,325	290,000	-0-	287,325	207,871	1,933	5,800	17,366	-0-	-0-	YLS X VAR	7.65	287,325					
812642D2	SEATTLE, MUNICIPAL LIGHT & POWER, SER. LN-1	2.750%	J-J	1980	01	1962	-	587,630	700,000	-0-	587,630	554,099	5,625	19,250	23,492	-0-	-0-	YLS X 1974	7.50	587,630					
812642F0	SEATTLE, MUNICIPAL LIGHT & POWER, SER. LN-1	2.750%	J-J	1982	01	1962	-	328,564	425,000	-0-	328,564	311,173	5,843	11,687	12,364	-0-	-0-	YLS X 1974	7.52	328,564					
812642K5	SEATTLE, MUNICIPAL LIGHT & POWER, REFUNDING	5.250%	A-U	1989	04	1982	-	255,000	255,000	-0-	255,000	245,000	3,346	13,387	-0-	-0-	YES X 1972	5.25	255,000						
812642L5	SEATTLE, MUNICIPAL LIGHT & POWER, REFUNDING	5.150%	J-D	1996	12	1981	-	500,000	500,000	-0-	500,000	500,000	1,144	25,750	-0-	-0-	YES X 1973	5.15	500,000						
812642L7	SEATTLE, MUNICIPAL LIGHT & POWER, REFUNDING	5.200%	J-D	1998	12	1981	-	507,412	510,000	-0-	507,412	507,353	1,178	26,520	40	-0-	-0-	YES X VAR	5.24	507,412					
TOTAL SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS								14,583,487	16,282,000		14,529,385	13,764,581	170,413	588,180	202,792	5,027	-0-					14,583,487			
PUBLIC UTILITIES																									
155031AP	CENTRAL POWER & LIGHT COMPANY, 1ST MTG., SER. M	9.375%	J-D	2004	06	-	-	518,970	500,000	100	500,000	519,100	3,906	46,875	-0-	129	-0-	YLS X 1975	9.00	518,970					
TOTAL PUBLIC UTILITIES								518,970	500,000		500,000	519,100	3,906	46,875	-0-	129	-0-					518,970			
INDUSTRIAL AND MISCELLANEOUS																									
38367695	GOVERNMENT EMPLOYEES FINANCIAL CORPORATION, SENIOR SUB. NOTE	9.000%	M-S	1980	09	-	-	680,436	720,000	-0-	680,436	654,105	16,380	64,800	6,156	-0-	-0-	YES	1970	10.50	680,436				
TOTAL INDUSTRIAL AND MISCELLANEOUS								680,436	720,000		680,436	654,105	16,380	64,800	6,156	-0-	-0-					680,436			
PARENTS, SUBSIDIARIES, AND AFFILIATES																									
3837429B	GEICO WASHINGTON PROPERTIES, INCORPORATED, SUBORDINATED NOTE	8.000%	-	1987	08	-	-	10,520,256	10,520,256	-0-	10,520,256	10,520,256	70,135	298,986	-0-	-0-	-0-	YES	1975	8.00	10,520,256				
TOTAL PARENTS, SUBSIDIARIES, AND AFFILIATES								10,520,256	10,520,256		10,520,256	10,520,256	70,135	298,986	-0-	-0-	-0-					10,520,256			
TOTAL BONDS OWNED								489,673,081	552,916,256		490,138,567	473,506,889	6,631,703	18,578,304	4,706,812	287,823	-0-						489,673,081		

† The increases and decreases in amortized values are the same as those shown in columns for 'Increases and Decreases by Adjustment in Book Value,' excepting as otherwise indicated.

*Insert initial letters of months
in which interest is payable

**Where a bond is payable in a foreign currency the par value and purchase price in that currency should be included as a part of the description

†Perpetual bonds, bonds in default as to principal or interest and bonds not amply secured, are to be entered in this column at market value

‡Companies which use "Amortized Values" as "Book Values" may omit entering figures in these columns, and provide the following footnote: "The increases and decreases in amortized values are the same as those shown in the columns for 'Increase and Decrease by Adjustment in Book Value,' excepting as otherwise indicated"

§Insert the NAIC designation for such security printed in the NAIC Valuation of Securities Manual

NOTE—This supplemental information, required of all Companies which amortize their bonds, is not to be used as a substitute for the information required in preceding columns but in addition thereto

††Show year and call price (relating to option, if any, on which amortization is based. On bonds purchased at a premium, the maturity date or call feature producing lowest amortized value should be used

‡‡Where amortized value or any value other than the market value published in the NAIC Valuation of Securities Manual is entered in Column 7 insert a symbol alongside of the amount reported

***May be left blank if no CUSIP identification number is listed in the NAIC Valuation of Securities Manual

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

Stocks to be grouped in following order and each group arranged alphabetically:
 Railroads, (unaffiliated)
 Public Utilities, (unaffiliated)
 Banks, Trust and Insurance Companies, (unaffiliated)
 Industrial and Miscellaneous, (unaffiliated)
 Parents, Subsidiaries and Affiliates.
 Show sub totals for each group.

SCHEDULE D—Part 2—Section 2
 Showing all COMMON STOCKS Owned December 31 of Current Year

CUSIP Number Form 999	NAME OF STOCK	No. OF SHARES	BOOK VALUE	RATE PER SHARE USED TO OBTAIN MARKET VALUE	MARKET VALUE	ACTUAL COST	DIVIDENDS		INCREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUST- MENT IN BOOK VALUE DURING YEAR	BANK DESIGNATION	YEAR ACQUIRED
							DECLARED BUT UNPAID	AMOUNT RECEIVED DURING YEAR				
RAILROAD												
121807102	OMINGTON NORTHERN, INCORPORATED	25,000	1,088,739	32	800,000	1,088,739	-0-	21,250			L	1974
980024101	HOCHING ECOL RAILROAD COMPANY	731	473,487	180	131,580	473,487	-0-	0			U	VARIOUS
933491104	WEST JERSEY & SEASHORE RAILROAD COMPANY	1,200	54,386	12	14,400	54,386	-0-	3,600			U	VARIOUS
TOTAL RAILROAD			1,621,613		945,980	1,621,613	-0-	24,850				
PUBLIC UTILITIES												
017411109	ALLEGHENY POWER SYSTEM, INCORPORATED	50,000	1,058,177	18 1/2	925,000	1,058,177	-0-	77,000			L	VARIOUS
025317101	AMERICAN ELECTRIC POWER COMPANY, INCORPORATED	35,000	933,125	21	735,000	933,125	-0-	70,000			L	VARIOUS
010177109	AMERICAN TELEPHONE & TELEGRAPH COMPANY	100,000	4,135,171	50 7/8	5,087,500	4,135,171	85,000	347,617			L	VARIOUS
144141108	CAROLINA POWER & LIGHT COMPANY	90,000	2,236,117	20	1,800,000	2,236,117	-0-	144,000			L	VARIOUS
172070104	CINCINNATI GAS & ELECTRIC COMPANY	75,000	1,881,663	18 7/8	1,415,625	1,881,663	-0-	123,000			L	VARIOUS
197648108	COLUMBIA GAS SYSTEM, INCORPORATED	60,000	1,724,174	22 7/8	1,372,500	1,724,174	-0-	121,600			L	VARIOUS
264399106	DUKE POWER COMPANY	100,000	2,295,401	19 1/2	1,950,000	2,295,401	-0-	140,000			L	VARIOUS
462501104	IOWA POWER & LIGHT COMPANY	40,000	1,093,887	22 5/8	905,000	1,093,887	20,000	74,000			L	VARIOUS
462542101	IOWA SOUTHERN UTILITIES COMPANY	30,000	800,687	22 3/8	671,250	800,687	-0-	57,600			U	VARIOUS
485134100	KANSAS CITY POWER AND LIGHT COMPANY	50,000	1,573,801	25 7/8	1,291,750	1,573,801	-0-	113,000			L	VARIOUS
346676107	LOUISVILLE GAS & ELECTRIC COMPANY	30,000	886,442	22 3/8	701,250	886,442	14,100	55,500			L	1973
604110106	MINNESOTA POWER AND LIGHT COMPANY	100,000	2,040,461	18 3/8	1,837,500	2,040,461	-0-	153,500			L	VARIOUS
644001109	NEW ENGLAND ELECTRIC SYSTEM	35,000	676,103	19 5/8	686,875	676,103	15,375	63,190			L	VARIOUS
644840103	NEW YORK STATE ELECTRIC & GAS CORPORATION	99,000	2,937,310	24 1/8	2,388,375	2,937,310	-0-	217,800			L	VARIOUS
665262101	NORTHERN INDIANA PUBLIC SERVICE COMPANY	25,000	656,250	17 7/8	446,875	656,250	-0-	34,000			L	1973
694308107	PACIFIC GAS & ELECTRIC COMPANY	64,000	1,771,463	20 3/4	1,328,000	1,771,463	10,080	120,320			L	VARIOUS
737678100	POIDMAC ELECTRIC POWER COMPANY	100,000	1,447,670	12	1,200,000	1,447,670	-0-	116,000			L	VARIOUS
744567108	PUBLIC SERVICE ELECTRIC & GAS COMPANY	55,679	1,244,339	18 1/8	972,931	1,244,339	-0-	89,163			L	VARIOUS
842400103	SOUTHERN CALIFORNIA EDISON COMPANY	41,000	1,155,002	19 5/8	804,625	1,155,002	17,220	68,880			L	VARIOUS
842507107	SOUTHERN COMPANY	75,000	1,530,375	14 3/4	1,106,250	1,530,375	-0-	105,000			L	VARIOUS
TOTAL PUBLIC UTILITIES			32,397,732		27,687,306	32,197,732	181,975	2,203,231				
INDUSTRIAL AND MISCELLANEOUS												
024843104	AMERICAN CAN COMPANY	25,000	797,742	31 3/8	784,375	797,742	-0-	60,000			L	VARIOUS
211103108	CONTINENTAL CAN COMPANY, INCORPORATED	72,000	2,087,165	27 1/2	1,980,000	2,087,165	-0-	129,600			L	VARIOUS
244199105	DEERE & COMPANY	20,000	931,578	51 7/8	1,037,500	931,578	9,500	35,000			L	1972
302290101	EXXON CORPORATION	30,000	2,230,767	88 3/4	2,662,500	2,230,767	-0-	150,000			L	VARIOUS
345370100	FORD MOTOR COMPANY	35,000	1,723,856	44	1,540,000	1,723,856	-0-	91,000			L	VARIOUS
370442105	GENERAL MOTORS CORPORATION	25,000	1,860,033	57 5/8	1,440,625	1,860,033	-0-	60,000			L	VARIOUS
382550101	GOODYEAR TIRE & RUBBER COMPANY	25,000	687,920	21 3/4	547,750	687,920	-0-	27,500			L	1972
381883105	GRACE (K. R.) & COMPANY	50,000	1,724,354	24 1/2	1,225,000	1,724,354	-0-	81,250			L	VARIOUS
402460109	GULF OIL CORPORATION	25,000	658,775	20 1/2	512,500	658,775	-0-	42,500			L	1973
459200101	INTERNATIONAL BUSINESS MACHINES CORPORATION	10,000	2,335,791	224 1/4	2,242,500	2,335,791	-0-	65,000			L	VARIOUS
459578100	INTERNATIONAL HARVESTER COMPANY	-0-	-0-	-	-0-	-0-	8,500	-0-			L	-
460056104	THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED	35,000	1,198,541	25 1/4	883,750	1,198,541	-0-	56,000			L	VARIOUS
478124100	JOHNS-MANVILLE CORPORATION	80,000	2,798,638	23 1/4	1,860,000	2,798,638	-0-	96,000			L	VARIOUS
607080108	MORIL OIL CORPORATION	20,000	756,120	47 1/4	945,000	756,120	-0-	68,000			L	1974
60711108	OLIN INCORPORATED	26,686	711,057	26 1/4	699,982	711,057	-0-	26,666			L	1974
693506107	PPG INDUSTRIES, INCORPORATED	75,000	2,650,451	35 3/8	2,653,125	2,650,451	-0-	129,375			L	VARIOUS
800370101	RENNECO, INCORPORATED	100,000	2,632,476	26 3/4	2,635,000	2,632,476	-0-	168,000			L	VARIOUS
801694103	TEXACO, INCORPORATED	50,000	1,472,059	23 3/8	1,168,750	1,472,059	-0-	100,000			L	VARIOUS
904042105	WESTINGHOUSE ELECTRIC CORPORATION	72,500	2,179,904	13 3/8	969,687	2,179,904	-0-	70,470			L	VARIOUS
980881106	WOOLWORTH (F. W.) COMPANY	25,000	727,800	22	350,000	727,800	-0-	30,000			L	VARIOUS
TOTAL INDUSTRIAL AND MISCELLANEOUS			30,245,039		26,374,045	30,245,039	18,000	1,486,361				
PARENTS, SUBSIDIARIES AND AFFILIATES												
383742103	GEICO PROPERTIES, INCORPORATED	1,000	500,000	-0- (R)	421,126	500,000	-0-	0			-	1973
383742111	GEICO WASHINGTON PROPERTIES, INCORPORATED	1,000	350,000	-0- (R)	-0-	350,000	-0-	0			-	1975
TOTAL PARENTS, SUBSIDIARIES AND AFFILIATES			650,000		421,126	850,000	-0-	0				
TOTAL COMMON STOCKS			64,914,385		55,369,458	64,914,385	199,975	3,794,442				
TOTAL PREFERRED AND COMMON STOCKS			119,545,522		98,179,982	119,545,522	743,981	7,849,279				

NOTES: Complete information must be furnished in connection with any holding of preferred or common stock on the statement date which is optioned or restricted in any way as to its sale by the insurer.
 Identify all such securities by the symbol "R" to be inserted beside the figure shown as the rate per share to obtain market value.
 Transferable shares only of Savings and Loan or Building and Loan Associations to be reported herein.
 May be left blank if no CUSIP identification number is listed in the NAIC Valuation of Securities Manual.

Insert the NAIC designation for such security printed in the NAIC Valuation of Securities Manual.

For information relative to restricted stock holdings, refer to Schedule D, Part 6.

ANNUAL STATEMENT FOR THE YEAR 1975 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 grouped separately showing subtotals for each group

CUSIP Identification Number	NAME (IF OTHER)	DATE ACQUIRED	NAME OF VENDOR	No. OF SHARES OF STOCK	ACTUAL COST (Including Accrued Interest and Dividends)	PAR VALUE OF BONDS	PAID FOR ACCRUED INTEREST AND DIVIDENDS
BONDS							
GOVERNMENTS							
UNITED STATES GOVERNMENT							
91287CT1	UNITED STATES TREASURY NOTE, SER. A, 6.250%, 08/15/79						
91287DM0	UNITED STATES TREASURY NOTE, SER. A, 7.000%, 02/15/81	VARICUS	VARICUS		3,844,062	4,000,000	60,612
91287FA6	UNITED STATES TREASURY NOTE, SER. B, 7.750%, 11/15/81	11/12/75	SALMON BROTHERS		2,933,437	3,000,000	31,358
91287FE4	UNITED STATES TREASURY NOTE, SER. B, 7.750%, 11/15/81	07/24/75	BANKERS TRUST CO.		6,930,000	7,000,000	103,192
91287FC2	UNITED STATES TREASURY NOTE, SER. A, 7.250%, 12/31/78	06/09/75	WEEDEN & CO., INC.		1,319,453	1,500,000	48,066
91287E00	UNITED STATES TREASURY NOTE, SER. C, 7.375%, 02/15/81	VARICUS	VARICUS		7,952,500	8,000,000	234,254
91287FH1	UNITED STATES TREASURY NOTE, SER. G, 6.500%, 03/31/77	01/24/75	BANKERS TRUST CO.		1,795,000	2,000,000	13,387
91287FL2	UNITED STATES TREASURY NOTE, SER. E, 7.625%, 08/15/78	12/31/75	WEEDEN & CO., INC.		2,002,500	2,000,000	13,722
91287FN8	UNITED STATES TREASURY NOTE, SER. I, 6.750%, 05/31/77	07/24/75	BANKERS TRUST CO.		4,982,812	5,000,000	0-
91287FN8	UNITED STATES TREASURY NOTE, SER. I, 6.750%, 05/31/77	05/27/75	DIRECT SUBSCRIPTION		2,443,370	2,500,000	1,668
91287FN8	UNITED STATES TREASURY NOTE, SER. I, 6.750%, 05/31/77	VARICUS	VARICUS		5,486,406	5,500,000	0-
91287FR9	UNITED STATES TREASURY NOTE, SER. E, 7.750%, 06/30/79	01/09/75	DIRECT SUBSCRIPTION		1,745,732	1,770,000	35,217
91287FR9	UNITED STATES TREASURY NOTE, SER. E, 7.750%, 06/30/79	VARICUS	BANKERS TRUST CO.		9,179,246	9,000,000	15,322
91287FS5	UNITED STATES TREASURY NOTE, SER. F, 7.875%, 05/15/78	VARICUS	VARICUS		3,966,406	4,000,000	0-
91287FV0	UNITED STATES TREASURY NOTE, SER. L, 8.250%, 08/31/77	VARICUS	VARICUS		4,296,718	4,300,000	0-
91287FW0	UNITED STATES TREASURY NOTE, SER. F, 8.500%, 09/30/79	09/04/75	DIRECT SUBSCRIPTION		1,496,120	2,000,000	0-
91287FW0	UNITED STATES TREASURY NOTE, SER. F, 8.500%, 09/30/79	09/10/75	PAINE, WEBER, JACKSON & CURTIS, INC.		1,003,750	1,000,000	1,393
91287FE21	UNITED STATES TREASURY NOTE, SER. H, 8.125%, 12/31/78	10/22/75	DIRECT SUBSCRIPTION		4,993,560	5,000,000	0-
91287FE21	UNITED STATES TREASURY NOTE, SER. H, 8.125%, 12/31/78	10/22/75	SALFEN BROTHERS		3,026,718	3,000,000	0-
91287FA9	UNITED STATES TREASURY NOTE, SER. N, 7.500%, 10/31/77	10/31/75	DIRECT SUBSCRIPTION		1,997,000	2,000,000	0-
TOTAL UNITED STATES GOVERNMENT					78,164,675	78,600,000	944,801
HOUSING AUTHORITY							
PENNSYLVANIA:							
717829M7	PHILADELPHIA, NEW HSG. AUTH., VARIOUS PURPOSES, 3.500%, 04/01/95-81	03/04/75	F. B. COOPER & CO., INC.		16,243	25,000	391
TOTAL HOUSING AUTHORITY					16,243	25,000	391
TOTAL GOVERNMENTS					78,180,918	78,625,000	945,193
STATES, TERRITORIES AND POSSESSIONS							
CONNECTICUT:							
207125E1	VARIOUS PURPOSES, 5.500%, 03/01/81	03/18/75	DONALDSON, LUFKIN & JENNETTE SEC. CORP		512,720	500,000	1,298
DELAWARE:							
246379E9	CAPITAL IMPROVEMENT, 6.000%, 03/01/82	VARICUS	VARICUS		526,090	500,000	1,041
FLORIDA:							
341145W0	ENVIRONMENTAL CONSERVATION, SER. D, 4.500%, 10/01/93-85	07/02/75	MATTHEWS & WRIGHT, INC.		398,540	500,000	5,687
GEORGIA:							
373381CA	GENERAL OBLIGATION, 6.000%, 07/01/96-85	07/21/75	F. B. COOPER & CO., INC.		500,000	500,000	1,644
373382AH	GENERAL OBLIGATION, 5.250%, 11/01/99-84	03/12/75	UNITED CALIFORNIA BANK		656,702	770,000	15,496
ILLINOIS:							
452146CH	VARIOUS PURPOSES, 3.000%, 04/01/86	06/20/75	F. B. COOPER & CO., INC.		18,068	25,000	187
KENTUCKY:							
491422FB	HIGHWAY, 3.250%, 07/01/88-81	01/02/75	WLOD, WALKER & CO., INC.		6,433	10,000	7
491602RP	VETERANS' HOMES, 3.700%, 07/01/87-81	01/02/75	DUGLAS & CO. MUNICIPALS, INC.		7,149	10,000	8
LOUISIANA:							
548416MC	HIGHWAY CONSTRUCTION & IMPROVEMENT, SER. K, 6.000%, 03/15/89-86	04/04/75	DONALDSON, LUFKIN & JENNETTE SEC. CORP		470,000	470,000	1,488
MAINE:							
56051756	VARIOUS PURPOSES, 5.750%, 11/01/93	02/07/75	SHIELDS, MODEL, ROLAND, INC.		482,206	485,000	8,288
MARYLAND:							
574191U0	STATE & LOCAL FACILITIES, SER. AK, 5.750%, 12/01/87	03/26/75	F. B. COOPER & CO., INC.		220,000	220,000	4,427
574191V0	STATE & LOCAL FACILITIES, 1ST SER. K, 5.700%, 04/01/88	04/07/75	UMIC, INC.		486,600	500,000	1,024
MASSACHUSETTS:							
575840K2	GUARANTEED HOUSING, 1.750%, 01/01/91-81	07/17/75	SHIELDS, MODEL, ROLAND, INC.		4,030	20,000	22
MISSISSIPPI:							
605570M9	SCHOOL, SER. K, 5.500%, 12/01/83	03/14/75	MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.		408,252	400,000	7,394

ANNUAL STATEMENT FOR THE YEAR 1975 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 grouped separately showing sub-totals for each group.

CUSIP Number	DESCRIPTION <small>Give complete and accurate description of each bond and stock, including location of all street railways, bank, trust and miscellaneous companies, if</small>	DATE ACQUIRED*	NAME OF VENDOR*	No. OF SHARES OF STOCK	ACTUAL COST <small>(Excluding accrued interest and dividends)</small>	PAR VALUE OF BONDS	PAID FOR ACCRUED INTEREST AND DIVIDENDS
BONDS (CONTINUED)							
STATES, TERRITORIES AND POSSESSIONS (CONTINUED)							
MISSISSIPPI (CONTINUED)							
605573GT5	COAST COLISEUM, 6.250%, 07/01/89-85	VARIOUS	MATTHEWS & WRIGHT, INC.		395,000	395,000	1,609
605574CWO	HIGHWAY, 5TH SER., 5.500%, 08/01/94-85	07/24/75	VARIOUS		477,784	550,000	14,536
NEW JERSEY:							
646105RF2	HIGHWAY AUTH., STATE GTD. PARKWAY, SER. A, 3.000%, 01/01/83-63	VARIOUS	VARIOUS		27,969	35,000	395
646105RH8	HIGHWAY AUTH., STATE GTD. PARKWAY, SER. A, 3.000%, 01/01/84-63	04/04/75	UNITED CALIFORNIA BANK		73,679	95,000	823
NEW YORK:							
650026DC8	THRUWAY AUTH., STATE GTD., 4TH ISSUE, 2.700%, 01/01/93-63	01/14/75	SOCGEN-SWISS INTERNATIONAL CORP.		7,770	15,000	24
NORTH CAROLINA:							
658255PH1	VARIOUS PURPOSES, 4.500%, 06/01/96	VARIOUS	VARIOUS		911,014	1,150,000	2,900
OREGON:							
686242Y9	VETERANS, WELFARE, SER. XLII, 5.000%, 03/01/82	03/13/75	UNITED CALIFORNIA BANK		473,608	475,000	791
PENNSYLVANIA:							
709136KH7	VARIOUS PURPOSES, 10.000%, 07/01/80	03/12/75	L. F. ROTHSCHILD & CO.		121,912	100,000	2,166
709136LR4	HIGHWAY, 1ST SER., T, 7.100%, 07/01/96-80	06/12/75	UNIC, INC.		35,769	35,000	1,187
709137DND	6TH SER., II, 7.000%, 03/15/79	03/12/75	INDUSTRIAL NATIONAL BANK OF K. I.		329,271	300,000	525
709137G00	1ST SER., S, 7.750%, 11/15/82	07/21/75	DILLEN, READ & CO., INC.		706,309	650,000	10,494
709138FF1	VARIOUS PURPOSES, 6.500%, 11/15/89-85	06/11/75	SHIELOS, MODEL, ROLAND, INC.		317,910	315,000	1,876
709138FQ3	VARIOUS PURPOSES, 6.500%, 11/15/90-85	06/11/75	DILLEN, READ & CO., INC.		615,000	615,000	3,886
SOUTH CAROLINA:							
837106TF0	VARIOUS PURPOSES, 5.900%, 12/01/86-84	01/20/75	UNIC, INC.		541,232	510,000	4,680
WASHINGTON:							
939736WX4	VARIOUS PURPOSES, 6.000%, 01/01/94-90	02/07/75	SHIELOS, MODEL, ROLAND, INC.		420,000	420,000	3,289
WEST VIRGINIA:							
956551ZG3	ROAD, 6.500%, 04/01/85	03/27/75	EMRLICH-BÖGER & CO., INC.		311,148	300,000	162
956551Z57	ROAD, 6.250%, 03/01/93	06/10/75	DILLEN, READ & CO., INC.		484,355	500,000	9,375
TOTAL STATES, TERRITORIES AND POSSESSIONS					10,942,427	11,370,000	106,670
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS							
ALABAMA:							
447024PA2	HUNTSVILLE, IMPROVEMENT WARRANTS, 4.500%, 12/01/95	06/06/75	FIRST BOSTON CORP.		309,892	450,000	843
607114CT0	MOBILE, AUDITORIUM, 4.000%, 08/01/89-71	06/12/75	F. B. COOPER & CO., INC.		146,750	200,000	3,155
ARIZONA:							
718813NT1	PHOENIX, PARKS & OPEN SPACE, 5.750%, 07/01/84	04/18/75	SHIELOS, MODEL, ROLAND, INC.		244,930	250,000	4,272
879704FL2	TEMPE, PROJECT OF 1970, SER. C, 6.250%, 07/01/85	05/05/75	UNITED CALIFORNIA BANK		480,000	400,000	2,361
898711FX9	TUCSON, GENERAL OBLIGATION, SER. A, 5.150%, 07/01/92-78	01/06/75	WOOD, WALKER & CO., INC.		19,950	25,000	42
COLORADO:							
051555SC5	AURORA, WATER REFUNDING, 6.625%, 06/01/84	05/16/75	CONT. ILL. NATL. BK. & TR. CO. OF CHI.		393,695	380,000	1,048
051555SH4	AURORA, WATER REFUNDING, 6.625%, 06/01/89-86	VARIOUS	VARIOUS		709,073	700,000	1,805
101421GR0	BOULDER, OPEN SPACE ACQUISITION, 6.750%, 09/01/95-85	05/27/75	UNITED CALIFORNIA BANK		300,004	305,000	1,486
249161KR6	DENVER, WATER, 3.500%, 04/01/89	06/23/75	SMITH, BARNY & CO., INC.		213,501	300,000	2,593
249163QB5	DENVER, REFUNDING WATER, 6.800%, 06/01/91-80	02/26/75	SHIELOS, MODEL, ROLAND, INC.		261,700	250,000	4,438
249163VB9	DENVER, VARIOUS PURPOSES, 5.500%, 11/01/83	04/11/75	DONALDSON, LUFKIN & JENNETTE SEC. CORP		400,000	400,000	8,555
249163VH6	DENVER, STADIUM IMPROVEMENT, 6.000%, 11/01/89	07/11/75	DILLEN, READ & CO., INC.		246,442	250,000	3,375
744720KA0	PUEBLO, WATER, 6.900%, 05/01/96-85	03/17/75	BECKER SECURITIES CORP.		642,817	650,000	9,468
DELAWARE:							
971566R30	WILMINGTON, GENERAL OBLIGATION, 6.800%, 02/01/89	06/12/75	DILLEN, READ & CO., INC.		205,346	200,000	5,364
971566R97	WILMINGTON, VARIOUS PURPOSES, 6.800%, 02/01/95	06/19/75	KUHN, LOFB & CO.		250,000	250,000	6,847
FLORIDA:							
233433CO8	DADE CO., PUBLIC IMPROVEMENT, SER. B, 7.000%, 07/01/93	01/29/75	F. B. COOPER & CO., INC.		485,000	485,000	2,640
233433CS4	DADE CO., PUBLIC IMPROVEMENT, SER. B, 7.200%, 07/01/95	01/29/75	F. B. COOPER & CO., INC.		500,000	500,000	2,800
233433HC9	DADE CO., PUBLIC IMPROVEMENT, SER. C, 7.500%, 05/01/85	05/08/75	CHASE MANHATTAN BANK		547,830	500,000	729
233433HW7	DADE CO., PUBLIC IMPROVEMENT, SER. C, 7.500%, 05/01/86-85	05/09/75	BLYTH EASTMAN DILLON & CO., INC.		538,795	500,000	853
233433HM6	DADE CO., PUBLIC IMPROVEMENT, SER. C, 6.800%, 05/01/90-85	06/12/75	SHIELOS, MODEL, ROLAND, INC.		254,662	250,000	2,266
GEORGIA:							
047771PE4	ATLANTA, VARIOUS PURPOSES, 4.750%, 12/01/88	06/17/75	DILLEN, READ & CO., INC.		276,790	320,000	1,055

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Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group.

CISIP Identifi- cation**	DESCRIPTION Give complete and accurate description of each bond and stock, including location of all street names, bank, trust and miscellaneous companies if	DATE ACQUIRED	NAME OF VENDOR	No. OF SHARES OF STOCK	ACTUAL COST (Including Amort Interest and Dividends)	PAR VALUE OF BONDS	PAID FOR ACCRUED INTEREST AND DIVIDENDS
BONUS (CONTINUED)							
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)							
GEORGIA (CONTINUED)							
047771PF-1	ATLANTA, VARIOUS PURPOSES, 4.750%, 12/01/89	06/13/75	DILLON, READ & CO., INC.		198,478	230,000	697
ILLINOIS:							
147483R2	CHICAGO, COMMUNITY IMPROVEMENT & DEVELOPMENT, 6.500%, 01/01/88	07/11/75	MORNLICHER & WEEKS-MENPHILL, MCYES, INC.		515,070	500,000	902
147483R0	CHICAGO, COMMUNITY IMPROVEMENT & DEVELOPMENT, 6.500%, 01/01/89	07/10/75	CONT. ILL. NATL. BK. & TR. CO. OF CHI.		508,980	500,000	812
MAINE:							
736559H3	PORTLAND, PERMANENT IMPROVEMENT, 5.875%, 12/01/90	02/05/75	HOWARD, WEIL, LABOUISSIE-FREIDRICKS, INC.		411,392	400,000	4,765
736559H7	PORTLAND, PERMANENT IMPROVEMENT, 5.875%, 12/01/93	02/08/75	HOWARD, WEIL, LABOUISSIE-FREIDRICKS, INC.		315,856	315,000	3,958
736559H4	PORTLAND, PERMANENT IMPROVEMENT, 5.875%, 12/01/94	02/08/75	HOWARD, WEIL, LABOUISSIE-FREIDRICKS, INC.		466,302	465,000	5,843
MARYLAND:							
059129V8	BALTIMORE CO., PUBLIC SCHOOL, 4.400%, 05/01/90	06/10/75	FIRST BOSTON CORP.		205,172	250,000	1,754
741700PR3	PRINCE GEORGES CO., PUBLIC SCHOOL, 3.750%, 04/01/88	06/23/75	SHIELDS, MODEL, ROLAND, INC.		149,924	200,000	1,854
940152L41	WASHINGTON SUBURBAN SANITARY DIST., GENERAL CONSTRUCTION, 6.250%, 04/01/82	03/14/75	CONT. ILL. NATL. BK. & TR. CO. OF CHI.		1,007,988	950,000	28,862
9401535V6	WASHINGTON SUBURBAN SANITARY DIST., SEWAGE DISPOSAL, 7.000%, 04/01/89-85	06/11/75	SHIELDS, MODEL, ROLAND, INC.		296,483	275,000	4,117
MASSACHUSETTS:							
100888S20	BOSTON METROPOLITAN DISTRICT, 1.500%, 03/01/81-76	07/18/75	THOMSCAEMERIANCO, AUCHINCLOSS, KOPFMEYER		54,024	75,000	450
MINNESOTA:							
603740CP0	MINNEAPOLIS, PUBLIC IMPROVEMENT, DEVELOPMENT DISTRICT NO. 5, 5.900%, 10/01/69	04/10/75	F. B. COOPER & CO., INC.		811,684	800,000	1,180
731617GHT	RAMSEY CO., GENERAL OBLIGATION, 4.250%, 03/01/89-82	04/14/75	SHIELDS, MODEL, ROLAND, INC.		77,713	100,000	590
NEW JERSEY:							
296803MP1	ESSEX CO., GENERAL IMPROVEMENT, 6.600%, 06/01/85	06/25/75	FIRST NATIONAL CITY BANK		600,747	575,000	2,530
296803MY2	ESSEX CO., GENERAL IMPROVEMENT, 6.600%, 06/01/94	06/23/75	SHIELDS, MODEL, ROLAND, INC.		323,245	325,000	1,210
NEW MEXICO:							
013590M21	ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT, 4.400%, 06/15/79	04/08/75	THOMSCAEMERIANCO, AUCHINCLOSS, KOPFMEYER		504,740	530,000	7,838
NEW YORK:							
012122HP5	ALBANY CO., VARIOUS PURPOSES, 6.000%, 04/01/88	06/23/75	MATTHEWS & WRIGHT, INC.		602,558	695,000	10,425
424468F97	HEMPSTEAD, VARIOUS PURPOSES, 4.800%, 03/01/82	07/08/75	SHIELDS, MODEL, ROLAND, INC.		196,639	215,000	3,841
631651MNB	NASSAU CO., VARIOUS PURPOSES, 3.400%, 11/15/89	07/14/75	SHIELDS, MODEL, ROLAND, INC.		9,358	15,000	93
NORTH CAROLINA:							
1610332X6	CHARLOTTE, VARIOUS PURPOSES, 4.500%, 06/01/95	VARIOUS	WILSON WHITE, BELF, LAKE, ROCHLIN & CO		778,390	1,000,000	4,375
930863KRS	WAKE CO., COURTHOUSE, 4.100%, 06/01/87	07/10/75	SHIELDS, MODEL, ROLAND, INC.		194,560	240,000	1,257
OHIO:							
232237YF8	CUYAHOGA CO., JUSTICE CENTER, 1ST SER., 6.750%, 10/01/98-88	VARIOUS	VARIOUS		595,331	615,000	9,104
232237ZC4	CUYAHOGA CO., JUSTICE CENTER, 3RD SER., 4.875%, 10/01/94-88	07/07/75	DILLON, READ & CO., INC.		296,025	300,000	5,500
SOUTH CAROLINA:							
763631CV2	RICHLAND CO., HOSPITAL, 4.500%, 01/01/88-80	06/23/75	MATTHEWS & WRIGHT, INC.		415,310	500,000	-0-
TENNESSEE:							
407374SH6	HAMILTON CO., VARIOUS PURPOSES, 5.000%, 05/01/95-85	07/07/75	FIRST BOSTON CORP.		368,842	450,000	4,125
499512NE7	KNOX CO., SCHOOL, SER. XIX, 4.000%, 04/01/92-84	07/14/75	F. B. COOPER & CO., INC.		290,736	400,000	4,577
499730R71	KNOXVILLE, VARIOUS PURPOSES, 7.500%, 04/01/88-87	03/31/75	DILLON READ MUNICIPALS, INC.		390,152	350,000	583
586141561	MEMPHIS, GENERAL IMPROVEMENT, 4.500%, 05/01/91-81	02/19/75	SHIELDS, MODEL, ROLAND, INC.		121,003	150,000	2,156
TEXAS:							
052393H32	AUSTIN, GENERAL OBLIGATION, SER. A, 4.250%, 01/01/91-89	06/12/75	SHIELDS, MODEL, ROLAND, INC.		371,555	500,000	11,687
283731G50	EL PASO, GENERAL OBLIGATION, 4.060%, 12/01/91-88	06/12/75	F. B. COOPER & CO., INC.		379,760	530,000	1,295
442350RVT	HOUSTON, PUBLIC IMPROVEMENT, SER. A, 4.000%, 07/01/92	06/04/75	REYNOLDS SECURITIES, INC.		300,148	410,000	7,334
442402PY3	HOUSTON INDEPENDENT SCHOOL DISTRICT, SCHOOLHOUSE REFUNDING, 4.400%, 09/10/90	03/03/75	WOOD, WALKER & CO., INC.		16,019	20,000	-0-
UTAH:							
239014E01	DAVIS CO. SCHOOL DISTRICT, SCHOOL BUILDING, 4.375%, 06/01/82	02/25/75	WHITE, WELD & CO., INC.		528,889	575,000	6,638
795374C22	SALT LAKE CITY, AIRPORT, 5.500%, 03/01/88-81	04/07/75	WEEDEN & CO., INC.		157,530	185,000	2,848
795374C00	SALT LAKE CITY, AIRPORT, 5.500%, 03/01/89-81	04/07/75	WEEDEN & CO., INC.		94,342	100,000	1,504
795374D03	SALT LAKE CITY, AIRPORT, 5.000%, 07/01/97-85	12/05/75	WILSON WHITE, BELF, LAKE, ROCHLIN & CO		569,846	710,000	3,552
VIRGINIA:							
0153021G5	ALEXANDRIA, PUBLIC IMPROVEMENT, 4.500%, 07/01/92	06/13/75	MATTHEWS & WRIGHT, INC.		397,940	500,000	10,812
041429U22	ARLINGTON CO., PUBLIC IMPROVEMENT, 5.000%, 02/01/95-85	07/10/75	MATTHEWS & WRIGHT, INC.		405,730	500,000	825
303819R32	FAIRFAX CO., PUBLIC IMPROVEMENT, SER. A, 7.000%, 04/01/83	VARIOUS	VARIOUS		466,734	430,000	1,610

ANNUAL STATEMENT FOR THE YEAR 1975 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 grouped separately showing sub-totals for each group.

CUSIP Identify Issuance	Face amount and accurate description of each bond and stock, including the name of all states, territories, bonds, trust and other common companies, if	DATE ACQUIRED	NAME OF ISSUERS	No. OF SHARES OF STOCK	ACTUAL COST (Including Amort Interest and Dividends)	FAIR VALUE OF BONDS	PAID FOR ACCRUED INTEREST AND DIVIDENDS
BONDS (CONTINUED)							
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS (CONTINUED)							
VIRGINIA (CONTINUED)							
303R19900	FAIRFAX CO., PUBLIC IMPROVEMENT, SER. A, 7.000%, 04/01/84	04/21/75	VARIOUS		86,224	80,000	311
770077JMR	ACANDKE, PUBLIC IMPROVEMENT, SER. A-3, 5.700%, 04/15/87	04/24/75	UNITED CALIFORNIA BANK		349,724	365,000	520
WISCONSIN							
342640SKS	GREEN BAY, CORPORATE PURPOSE, 6.100%, 04/01/87	06/19/75	SHIELDS, MODEL, ROLAND, INC.		225,000	225,000	648
402363NMS	MILWAUKEE, SCHOOL, SER. AF, 5.400%, 03/15/89	04/01/75	F. W. COOPER & CO., INC.		358,152	365,000	1,470
TOTAL POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS					22,752,226	24,460,000	230,092
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS							
CONNECTICUT							
20775VCC1	EXPRESSWAY REVENUE & MOTOR FUEL TAX, 1ST SER., 2.875%, 01/01/79-59	01/07/75	SHIELDS, MODEL, ROLAND, INC.		17,031	20,000	20
TOTAL SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS					17,031	20,000	20
PUBLIC UTILITIES							
155031APB	CENTRAL POWER & LIGHT COMPANY, 1ST MFG., SER. N, 9.375%, 06/01/04	03/07/75	SMITH, BAHNEY & CO., INC.		519,100	500,000	13,411
TOTAL PUBLIC UTILITIES					519,100	500,000	13,411
PARENTS, SUBSIDIARIES AND AFFILIATES							
3837429B1	GEICO WASHINGTON PROPERTIES, INCORPORATED, SUBORDINATED NOTE, 8.000%, 06/01/87	07/24/75	DIRECT		10,520,256	10,520,256	-0-
TOTAL PARENTS, SUBSIDIARIES AND AFFILIATES					10,520,256	10,520,256	-0-
TOTAL OF COLUMNS 6, 7 AND 15 OF PART 5					1,034,144,372	1,035,403,770	672,761
TOTAL BONDS					1,157,081,531	1,161,099,027	1,968,149
STOCKS							
PUBLIC UTILITIES-PREFERRED							
197648207	COLUMBIA GAS SYSTEM, INCORPORATED, 11.25% CUM., SER. A	VARIOUS	VARIOUS	35,000	1,457,068		-0-
741001800	FLORIDA POWER & LIGHT COMPANY, 10.00% CUM., SER. J	02/21/75	E. F. HUTTON & CO., INC.	10,000	1,015,000		-0-
485260600	KANSAS GAS & ELECTRIC COMPANY, 82.42 CUM.	02/26/75	E. F. HUTTON & CO., INC.	40,000	1,000,000		-0-
437049444	SOUTH CAROLINA ELECTRIC & GAS COMPANY, 8% CUM.	01/08/75	LCFH, WRADES & CO.	14,940	448,200		-0-
802841400	TEXAS POWER & LIGHT COMPANY, 64.76 CUM.	07/10/75	SALCHEN BROTHERS	100	5,143		-0-
TOTAL PUBLIC UTILITIES-PREFERRED					4,325,413		-0-
PUBLIC UTILITIES-COMMON							
030172109	AMERICAN TELEPHONE & TELEGRAPH COMPANY	10/01/75	DIRECT-DIVIDEND REINVESTMENT PLAN	1,945	89,226		-0-
744567100	PUBLIC SERVICE ELECTRIC & GAS COMPANY	VARIOUS	VARIOUS	3,679	52,977		-0-
TOTAL PUBLIC UTILITIES-COMMON					142,204		-0-
PARENTS, SUBSIDIARIES AND AFFILIATES-COMMON							
383742111	GEICO WASHINGTON PROPERTIES, INCORPORATED	05/01/75	DIRECT	1,000	350,000		-0-
TOTAL PARENTS, SUBSIDIARIES AND AFFILIATES-COMMON					350,000		-0-
TOTAL OF COLUMNS 6, 7 AND 15 OF PART 5					66,388		-0-
TOTAL STOCKS					4,884,006		-0-
TOTAL BONDS AND STOCKS					1,161,965,537	1,161,099,027	1,968,149

* The items with reference to each issue of bonds or stocks acquired at public offerings may be totaled in one line and the word "Various" inserted in Columns 2 and 3. Enter as a summary item the totals of Columns 6, 7 and 15 of Part 5. All bonds and stocks acquired and fully disposed of during the year are not to be itemized in this Part.

ANNUAL STATEMENT FOR THE YEAR 1975 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.

(1) CUSIP Number (Last 4)	(2) DESCRIPTION	(3) DISPOSAL DATE	(4) NAME OF PURCHASER <i>If reported as called under redemption option, no name and price of which called?</i>	(5) NO. OF SHARES OF STOCK	(6) CONSIDERATION <i>(Including accrued interest and dividends)</i>	(7) PAR VALUE OF BONDS	(8) ACTUAL COST <i>(Including accrued interest and dividends)</i>	(9) BOOK VALUE AT DISPOSAL DATE	(10) INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	(11) DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	(12) PROFIT ON DISPOSAL	(13) LOSS ON DISPOSAL	(14) INTEREST ON BONDS RECEIVED DURING YEAR	(15) DIVIDENDS ON STOCKS RECEIVED ON HAND YEAR
BONDS														
GOVERNMENTS														
UNITED STATES GOVERNMENT														
912793K4	UNITED STATES TREASURY BILL, TAX ANTICIPATION, 04/16/75		VARIOUS		9,766,661	10,000,000	9,766,661	9,766,661	-0-	-0-	-0-	-0-	221,163	
912827A8	UNITED STATES TREASURY NOTE, SER. A, 5.750%, 02/15/75	02/15/75	DIRECT MATURED		2,000,000	2,000,000	1,995,312	2,000,000	3,184	-0-	-0-	-0-	57,500	
912827A25	UNITED STATES TREASURY NOTE, SER. B, 6.000%, 05/15/75	05/15/75	DIRECT MATURED		5,060,000	5,060,000	5,039,687	5,060,000	20,312	-0-	-0-	-0-	151,800	
912827C02	UNITED STATES TREASURY NOTE, SER. C, 5.875%, 08/15/75	05/23/75	BANKERS TRUST CO.		4,506,218	4,500,000	4,466,750	4,487,284	21,034	-0-	16,934	-0-	205,949	
912827C14	UNITED STATES TREASURY NOTE, SER. E, 5.875%, 02/15/75	02/15/75	DIRECT MATURED		3,000,000	3,000,000	2,991,906	3,000,000	8,094	-0-	-0-	-0-	88,125	
	TOTAL UNITED STATES GOVERNMENT				24,330,910	24,560,000	24,261,847	24,313,975	48,688	-0-	16,934	-0-	724,537	
HOUSING AUTHORITY														
358190A1	CALIFORNIA FRESNO, NEW HSG. AUTH., 1ST ISSUE, 7.625%, 11/01/75-81	11/01/75	DIRECT MATURED		100,000	100,000	87,351	100,000	1,366	-0-	-0-	-0-	2,625	
249199A2	COLORADO DENVER, NEW HSG. AUTH., 1ST ISSUE, 7.750%, 12/01/75-82	12/01/75	DIRECT MATURED		335,000	335,000	317,563	335,000	12,576	-0-	-0-	-0-	9,212	
727278A8	FLORIDA PLANT CITY, NEW HSG. AUTH., 1ST ISSUE, 3.000%, 11/01/75-87	11/01/75	DIRECT MATURED		45,000	45,000	43,875	45,000	73	-0-	-0-	-0-	1,350	
166766A8	INDIANA GARY, NEW HSG. AUTH., 1ST ISSUE, 7.875%, 04/01/75-82	04/01/75	DIRECT MATURED		135,000	135,000	119,519	135,000	493	-0-	-0-	-0-	1,940	
544790A2	KENTUCKY LOUISVILLE, NEW HSG. AUTH., 1ST ISSUE, 7.375%, 01/01/75-82	01/01/75	DIRECT MATURED		200,000	200,000	183,190	200,000	-0-	-0-	-0-	-0-	2,375	
691055A2	KENTUCKY CHENOWETH, NEW HSG. AUTH., 1ST ISSUE, 7.875%, 05/01/75-82	08/01/75	DIRECT MATURED		125,000	125,000	114,993	125,000	553	-0-	-0-	-0-	1,796	
647689C04	LOUISIANA NEW ORLEANS, NEW HSG. AUTH., 5TH ISSUE, 7.625%, 08/01/75	08/01/75	DIRECT MATURED		175,000	175,000	154,885	175,000	1,926	-0-	-0-	-0-	4,593	
251183A16	MICHIGAN DETROIT, NEW HSG. AUTH., 2ND ISSUE, 7.500%, 06/01/77-84	02/08/75	STEWART-JOHNS & CO., INC.		100,962	115,000	88,717	104,404	419	-0-	4,558	-0-	582	
791655B7	MISSOURI ST. LOUIS, NEW HSG. AUTH., 2ND ISSUE, 7.375%, 04/01/75-84	08/01/75	DIRECT MATURED		100,000	100,000	84,202	100,000	1,580	-0-	-0-	-0-	2,375	
649728J8	NEW YORK NEW YORK, NEW HSG. AUTH., 20TH ISSUE, 3.500%, 01/01/75	01/01/75	DIRECT MATURED		100,000	100,000	105,349	100,000	-0-	-0-	-0-	-0-	1,750	
649728L86	NEW YORK NEW YORK, NEW HSG. AUTH., 3RD ISSUE, 7.375%, 01/01/77-82	02/06/75	STEWART-JOHNS & CO., INC.		196,900	200,000	151,926	183,833	792	-0-	6,666	-0-	2,942	
235761A2	TEXAS DALLAS, NEW HSG. AUTH., 2ND ISSUE, 7.375%, 12/01/75-83	12/01/75	DIRECT MATURED		100,000	100,000	79,851	100,000	3,827	-0-	-0-	-0-	2,375	
349496A1	TEXAS FORT WORTH, NEW HSG. AUTH., 1ST ISSUE, 7.875%, 12/01/75-82	12/01/75	DIRECT MATURED		12,000	12,000	10,433	12,000	149	-0-	-0-	-0-	345	
791320B4	TEXAS SAN ANTONIO, NEW HSG. AUTH., 1ST ISSUE, 7.875%, 12/01/75-82	12/01/75	DIRECT MATURED		440,000	440,000	397,059	440,000	5,720	-0-	-0-	-0-	12,650	
765479A8	VIRGINIA RICHMOND, NEW HSG. AUTH., 6TH ISSUE, 3.125%, 08/01/75	08/01/75	DIRECT MATURED		115,000	115,000	92,318	115,000	2,733	-0-	-0-	-0-	3,593	
	TOTAL HOUSING AUTHORITY				2,281,462	2,297,000	2,031,601	2,270,237	32,213	-0-	11,224	-0-	50,507	
	TOTAL GOVERNMENTS				26,612,372	26,857,000	26,293,449	26,584,213	80,901	-0-	28,159	-0-	775,065	

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 2

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.

CUSIP Symbol (unless noted)	DESCRIPTIVE DATA	DISPOSAL DATE	NAME OF PURCHASER (If reported in a third under predecessor system, so name and price at which sold.)	NO. OF SHARES OR STOCK	CONSIDERATION (Including Accrued Interest and Dividends)	PAR VALUE OF BONDS	ACTUAL COST (Including Accrued Interest and Dividends)	BOOK VALUE AT DISPOSAL DATE	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST ON BONDS RECEIVED DURING YEAR	DIVIDENDS ON STOCKS RECEIVED DURING YEAR
STATES, TERRITORIES & POSSESSIONS														
CALIFORNIA														
130615W6	STATE SCHOOL BUILDING, SER. A, 1,000, 05/01/75-71	05/01/75	DIRECT MATURED		230,000	230,000	178,860	230,000	2,464	-0-	-0-	-0-	1,150	
130614MP2	BEACH, PARK, RECREATION & HISTORICAL FACILITIES, SER. B, 4,200, 03/01/79	02/01/75	UNITED CALIFORNIA BANK		498,960	500,000	428,890	498,613	681	-0-	39,346	-0-	9,741	
130614AB9	VETERANS' WELFARE, ACT OF 1960, SER. BB, 3,750, 04/01/80	06/20/75	UNITED CALIFORNIA BANK		22,771	25,000	21,196	21,666	272	-0-	1,105	-0-	692	
CONNECTICUT														
207223LC9	HIGHWAY SYSTEM, SER. B, 2,600, 01/01/75	07/01/75	DIRECT MATURED		475,000	475,000	424,966	475,000	6,194	-0-	-0-	-0-	12,350	
DELAWARE														
246379KM0	VARIOUS PURPOSES, 2,200, 09/15/75	09/15/75	DIRECT MATURED		100,000	100,000	91,609	100,000	2,832	-0-	-0-	-0-	2,200	
246379M17	VARIOUS PURPOSES, 3,000, 12/01/75	12/01/75	DIRECT MATURED		165,000	165,000	148,018	165,000	2,507	-0-	-0-	-0-	4,950	
MARYLAND														
574191GP1	GENERAL PUBLIC SCHOOL CONSTRUCTION, SER. V, 1,000, 01/01/75	07/01/75	DIRECT MATURED		200,000	200,000	182,048	200,000	1,507	-0-	-0-	-0-	6,000	
MINNESOTA														
604127EVR	SCHOOL, 3,000, 06/01/77	02/06/75	WILSON WHITE, BELF, LAKE, RECHLEN & CO		430,263	450,000	348,385	410,767	1,552	-0-	19,493	-0-	2,737	
MISSISSIPPI														
605370F39	GENERAL OBLIGATION, SER. F, 4,500, 05/01/77	06/12/75	DEPOSIT GUARANTY NATIONAL BANK		103,808	100,000	104,755	101,486	-0-	334	2,321	-0-	4,116	
605370JG4	GENERAL OBLIGATION, SER. A, 4,000, 01/01/75	01/01/75	DIRECT MATURED		500,000	500,000	462,855	500,000	-0-	-0-	-0-	-0-	10,000	
MISSOURI														
606300AS0	STATE BUILDING, SER. A, 2,375, 03/01/77	02/01/75	F. O. COOPER & CO., INC.		246,404	260,000	196,877	237,960	1,017	-0-	8,644	-0-	2,864	
606300AT8	STATE BUILDING, SER. B, 2,375, 05/01/77	02/01/75	UNITED CALIFORNIA BANK		325,279	345,000	253,123	310,192	1,465	-0-	15,087	-0-	2,435	
NEW JERSEY														
646032DF3	STATE HIGHER EDUCATION ACT OF 1954, 3,400, 01/01/75	01/01/75	DIRECT MATURED		250,000	250,000	226,892	250,000	-0-	-0-	-0-	-0-	4,250	
646105RH8	HIGHWAY AUTH., STATE CTD. PARKWAY, SER. A, 3,000, 01/01/79-83	07/02/75	BARN BROTHERS & CO., INC.		15,342	19,000	12,320	14,207	204	-0-	1,134	-0-	584	
646105RK1	HIGHWAY AUTH., STATE CTD. PARKWAY, SER. A, 3,000, 01/01/79-83		VARIOUS		523,207	623,000	480,813	494,211	3,729	-0-	28,995	-0-	16,679	
646105RH7	HIGHWAY AUTH., STATE CTD. PARKWAY, SER. B, 2,475, 01/01/80-83		VARIOUS		349,957	424,000	336,256	360,673	1,576	-0-	4,751	15,427	10,256	
NEW YORK														
649782RF1	PARK & RECREATION LAND ACQUISITION, 2,500, 01/01/75	01/01/75	DIRECT MATURED		250,000	250,000	237,830	250,000	-0-	-0-	-0-	-0-	3,125	
649782SD2	MUSING, 1,500, 05/15/75	05/15/75	DIRECT MATURED		500,000	500,000	424,210	500,000	6,688	-0-	-0-	-0-	3,750	
INDIANA														
686067B40	VETERANS' WELFARE, SER. XIX, 3,000, 01/15/80	06/20/75	UNITED CALIFORNIA BANK		43,848	50,000	42,210	43,573	567	-0-	274	-0-	1,425	
686067H10	VETERANS' WELFARE, SER. XIII, 3,500, 10/01/75-80	10/01/75	DIRECT MATURED		1,000,000	1,000,000	960,410	1,000,000	28,219	-0-	-0-	-0-	35,000	
686067YV5	BOARD OF EDUCATION BUILDING, SER. A, 7,500, 04/01/75	04/15/75	DIRECT MATURED		140,000	140,000	153,580	140,000	-0-	764	-0-	-0-	5,250	
PENNSYLVANIA														
709136R04	SER. D, 3,375, 05/01/75-73	08/01/75	DIRECT MATURED		195,000	195,000	179,766	195,000	1,602	-0-	-0-	-0-	6,581	
709136FF7	151 SER. D, 6,500, 05/01/76	12/18/75	T. J. HANEY & SONS, INC.		201,044	200,000	219,314	201,181	-0-	3,019	-0-	137	15,094	
SOUTH CAROLINA														
837104G43	STATE SCHOOL, 2,000, 04/01/75	04/01/75	DIRECT MATURED		125,000	125,000	110,527	125,000	881	-0-	-0-	-0-	1,250	
837104G54	STATE SCHOOL, 2,350, 12/01/75	12/01/75	DIRECT MATURED		125,000	125,000	115,700	125,000	1,035	-0-	-0-	-0-	2,937	
837104G49	STATE SCHOOL, 3,000, 12/01/75	12/01/75	DIRECT MATURED		100,000	100,000	90,589	100,000	1,306	-0-	-0-	-0-	3,000	
TENNESSEE														
880540C20	VARIOUS PURPOSES, 3,600, 01/01/75	01/01/75	DIRECT MATURED		145,000	145,000	140,922	145,000	-0-	-0-	-0-	-0-	2,610	
880540M18	PARK & RECREATION FACILITIES, 4,300, 02/01/75	02/01/75	FIRST BOSTON CORP.		468,750	500,000	432,370	445,627	409	-0-	23,122	-0-	11,765	
TEXAS														
882712G08	VETERANS' LAND, SER. 1950-A, 1,700, 06/01/75-50	06/01/75	DIRECT MATURED		165,000	165,000	134,913	165,000	1,753	-0-	-0-	-0-	1,402	
882712G04	VETERANS' LAND, SER. 1949, 1,750, 06/01/75	06/01/75	DIRECT MATURED		225,000	225,000	170,401	225,000	4,221	-0-	-0-	-0-	1,968	

ANNUAL STATEMENT FOR THE YEAR 1975 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 sub-totals for each group.

CUSIP Identifying Number	DESCRIPTION	DISPOSAL DATE	NAME OF PURCHASER (If named or called under redemption option, or state and give date of which called)	NO. OF SHARES OF STOCK	CONSIDERATION (Including Amortized Interest and Dividends)	PAR VALUE OF BONDS	ACTUAL COST (Including Amortized Interest and Dividends)	BOOK VALUE AT DISPOSAL DATE	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST ON BONDS RECEIVED DURING YEAR	DIVIDENDS ON STOCKS RECEIVED DURING YEAR
STATES, TERRITORIES & POSSESSIONS (CONTINUED)														
TEXAS (CONTINUED)														
882712GF3	VETFRANS' LAND, SER. 1950, 1.750%, 06/01/75-50	06/01/75	DIRECT MATURED		15,000	15,000	32,194	15,000	166	-0-	-0-	-0-	131	
882712GG1	VETERANS' LAND, SER. 1951, 1.750%, 06/01/75	06/01/75	DIRECT MATURED		36,000	36,000	25,998	36,000	348	-0-	-0-	-0-	262	
882712GJO	WATER DEVELOPMENT, 3.600%, 08/01/75	08/01/75	DIRECT MATURED		240,000	240,000	218,415	240,000	2,691	-0-	-0-	-0-	8,640	
882712HA3	PARK DEVELOPMENT, 3.500%, 10/01/75	10/01/75	DIRECT MATURED		100,000	100,000	83,534	100,000	2,457	-0-	-0-	-0-	3,500	
919738FS4	WASHINGTON OUTDOOR RECREATIONAL FACILITIES, SER. C, 7.000%, 07/01/76	12/18/75	T. J. RANEY & SONS, INC.		203,324	200,000	218,488	202,210	-0-	2,952	1,113	-0-	18,588	
927053EV3	WISCONSIN GENERAL OBLIGATION, SER. E, 5.375%, 09/15/86-80	01/30/75	UNIC, INC.		982,173	970,000	883,225	898,903	340	-0-	83,269	-0-	20,420	
TOTAL STATES, TERRITORIES & POSSESSIONS					9,690,374	9,541,000	8,750,836	9,477,277	76,968	2,069	228,601	-5,565	237,711	
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS														
ARIZONA														
718813EP9	PHOENIX, VARIOUS PURPOSES, 3.500%, 07/01/75	07/01/75	DIRECT MATURED		130,000	130,000	123,499	130,000	496	-0-	-0-	-0-	4,550	
718813FP3	PHOENIX, SEWER SYSTEMS, 4TH SER., 3.250%, 07/01/78	10/09/75	WILSON WHITE, BELF, LAKE, ROCHLIN & CO		92,719	100,000	73,689	89,313	2,677	-0-	3,405	-0-	4,206	
718813FX1	PHOENIX, VARIOUS PURPOSES, 3.500%, 07/01/78	10/09/75	WILSON WHITE, BELF, LAKE, ROCHLIN & CO		258,307	275,000	226,611	255,451	5,000	-0-	2,855	-0-	12,459	
718813GH3	PHOENIX, VARIOUS PURPOSES, 3.500%, 07/01/79	10/09/75	WILSON WHITE, BELF, LAKE, ROCHLIN & CO		250,379	275,000	220,563	248,193	4,837	-0-	2,186	-0-	12,459	
718813H81	PHOENIX, VARIOUS PURPOSES, 3.750%, 07/01/75	07/01/75	DIRECT MATURED		500,000	500,000	487,085	500,000	8,129	-0-	-0-	-0-	18,750	
721799CH3	PIMA CO. HIGH SCHOOL DISTRICT #1, 11USCONI, 4.000%, 05/01/75	05/01/75	DIRECT MATURED		230,000	230,000	208,695	230,000	1,806	-0-	-0-	-0-	4,600	
CALIFORNIA														
797236DC7	SAN DIEGO, MISSION BAY RECREATION FACILITIES, 3.750%, 06/01/75	06/01/75	DIRECT MATURED		100,000	100,000	97,284	100,000	249	-0-	-0-	-0-	1,875	
797644JF4	SAN FRANCISCO, VARIOUS PURPOSES, 2.750%, 04/01/77	02/07/75	WEEGEN & CO., INC.		310,316	325,000	259,390	303,381	958	-0-	7,500	565	3,401	
797844JV4	SAN FRANCISCO, VARIOUS PURPOSES, 2.750%, 04/01/78	02/07/75	SMITH, BARNY & CO., INC.		588,401	630,000	486,881	562,034	1,975	-0-	26,366	-0-	6,593	
801544FA5	SANTA CLARA CO., HIGHWAY, SER. E, 3.000%, 05/01/77	02/06/75	WILSON WHITE, BELF, LAKE, ROCHLIN & CO		95,100	100,000	77,029	91,347	354	-0-	3,752	-0-	858	
COLORADO														
249163ED4	DENVER, SANITARY SEWER SYSTEM, 2.250%, 09/01/75-85	09/01/75	DIRECT MATURED		100,000	100,000	80,206	100,000	2,898	-0-	-0-	-0-	2,250	
DELAWARE														
971566HW7	WILMINGTON, HARBOR IMPROVEMENT, 3.100%, 12/01/75	12/01/75	DIRECT MATURED		100,000	100,000	93,828	100,000	876	-0-	-0-	-0-	3,100	
FLORIDA														
593388S9	MIAMI, REFUNDING, SEWAGE DISPOSAL SYSTEM, 3.000%, 07/01/75	07/01/75	DIRECT MATURED		100,000	100,000	87,620	100,000	1,125	-0-	-0-	-0-	3,000	
ILLINOIS														
1675019A5	CHICAGO BOARD OF EDUCATION, TAX ANTICIPATION NOTE, 3.250%, 04/30/75	04/30/75	DIRECT MATURED		1,000,000	1,000,000	975,680	1,000,000	11,810	-0-	-0-	-0-	62,137	
KANSAS														
967239WH1	WICHITA, VARIOUS PURPOSES, 3.900%, 12/01/75	12/01/75	DIRECT MATURED		225,000	225,000	203,735	225,000	4,084	-0-	-0-	-0-	8,775	
MARYLAND														
075879MJ1	ANNE ARUNDEL CO., SCHOOL, 3.100%, 07/01/82	02/04/75	ALEX. BROWN & SONS		83,819	100,000	70,841	78,964	202	-0-	4,854	-0-	2,016	
075879MY4	ANNE ARUNDEL CO., VARIOUS PURPOSES, 3.300%, 07/01/83	02/04/75	ALEX. BROWN & SONS		106,042	130,000	90,405	99,535	248	-0-	6,506	-0-	2,621	
059129R40	BALTIMORE CO., PUBLIC SCHOOL, 2ND ISSUE, 5.900%, 09/01/86	06/16/75	JOHNSTON, LEMON & CO., INC.		24,755	25,000	24,003	24,202	22	-0-	593	-0-	1,196	
0591479E0	BALTIMORE CO. METROPOLITAN DISTRICT, 49TH ISSUE, 5.900%, 09/01/88	06/16/75	JOHNSTON, LEMON & CO., INC.		19,442	20,000	19,356	19,441	11	-0-	0	-0-	957	
613341H81	MONTGOMERY CO., VARIOUS PURPOSES, 4.100%, 02/01/76	06/10/75	WEEGEN & CO., INC.		700,355	700,000	636,125	691,566	5,799	-0-	8,832	-0-	25,271	
940151W1	WASHINGTON SUBURBAN SANITARY DIST., VARIOUS PURPOSES, 3.250%, 06/01/76-69	02/04/75	ALEX. BROWN & SONS		145,425	150,000	125,791	143,632	432	-0-	1,792	-0-	947	
MASSACHUSETTS														
100851PH1	ROSTON, VARIOUS PURPOSES, 2.500%, 10/01/75	10/01/75	DIRECT MATURED		45,000	45,000	41,543	45,000	309	-0-	-0-	-0-	1,125	

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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 sub-totals for each group.

(I) CUSIP Number Name***	(II) DESCRIPTIONS Give complete and concise description of each bond and stock, including location of all street railways, bank, trust and miscellaneous companies.	(III) DISPOSAL DATE**	(IV) NAME OF PURCHASER (If insured or called under redemption option, so state and give price at which called.)	(V) NO. OF SHARES OF STOCK	(VI) CONSIDERATION (Including accrued interest and dividends)	(VII) PAR VALUE OF BONDS	(VIII) ACTUAL COST (Including accrued interest and dividends)	(IX) BOOK VALUE AT DISPOSAL DATE	(X) INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	(XI) DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	(XII) PROFIT ON DISPOSAL	(XIII) LOSS ON DISPOSAL	(XIV) INTEREST ON BONDS RECEIVED DURING YEAR †	(XV) DIVIDENDS ON STOCKS RECEIVED DURING YEAR †
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS (CONTINUED)														
1008512M9	MASSACHUSETTS: (CONTINUED) BOSTON, VARIOUS PURPOSES, 6.900%, 12/01/75	12/01/75	DIRECT MATURED		100,000	100,000	103,163	100,000	-0-	559	-0-	-0-	6,900	
251091WE0	MICHIGAN: DETROIT, VARIOUS PURPOSES, 2.750%, 09/15/75	09/15/75	DIRECT MATURED		85,000	85,000	81,933	85,000	250	33	-0-	-0-	2,337	
603738PA7	MINNESOTA: MINNEAPOLIS, PUBLIC BUILDING, 2.900%, 10/01/75	10/01/75	DIRECT MATURED		100,000	100,000	88,419	100,000	1,311	-0-	-0-	-0-	2,900	
514012BD4	NEBRASKA: LANCASTER CO. SCHOOL DISTRICT #1 (LINCOLN), 1.900%, 05/01/75-60	05/01/75	DIRECT MATURED		200,000	200,000	171,747	200,000	1,279	-0-	-0-	-0-	1,900	
594561DY3	NEW JERSEY: MIDDLESEX CO., COURT HOUSE, 3.450%, 11/15/78	02/04/75	SMITH, BARNEY & CO., INC.		95,311	100,000	78,461	89,654	224	-0-	5,656	-0-	824	
594561EG1	MIDDLESEX CO., COURT HOUSE, 3.450%, 11/15/79	02/04/75	SMITH, BARNEY & CO., INC.		93,482	100,000	76,814	87,303	210	-0-	6,178	-0-	824	
013516GE9	NEW MEXICO: ALBUQUERQUE, WATER, 3.800%, 07/01/75	07/01/75	DIRECT MATURED		125,000	125,000	109,306	125,000	1,552	-0-	-0-	-0-	4,750	
119673FO9	NEW YORK: BUFFALO, VARIOUS PURPOSES, 2.800%, 03/01/75	03/01/75	DIRECT MATURED		220,000	220,000	197,246	220,000	502	-0-	-0-	-0-	3,000	
295093BA6	ERIE CO., GENERAL IMPROVEMENT, 2.750%, 02/15/75	02/15/75	DIRECT MATURED		100,000	100,000	86,604	100,000	238	-0-	-0-	-0-	1,375	
171690CO5	ROCHESTER, PUBLIC IMPROVEMENT, SER. B, 3.400%, 08/15/75	08/15/75	DIRECT MATURED		400,000	400,000	344,344	400,000	7,497	-0-	-0-	-0-	13,600	
864762ES4	SUFFOLK CO., PUBLIC IMPROVEMENT, 3.250%, 09/01/77	02/12/75	F. B. COOPER & CO., INC.		280,290	300,000	268,894	286,272	581	-0-	17	-0-	4,577	
864762HC6	SUFFOLK CO., PUBLIC IMPROVEMENT, SER. B, 3.800%, 06/01/82	02/07/75	F. B. COOPER & CO., INC.		188,733	215,000	165,696	179,820	369	-0-	8,913	-0-	4,470	
871701CH6	SYRACUSE, VARIOUS PURPOSES, 2.500%, 05/01/75	05/01/75	DIRECT MATURED		125,000	125,000	107,812	125,000	982	-0-	-0-	-0-	1,562	
986081DN4	YONKERS, PUBLIC BUILDING, 3.500%, 05/01/75	05/01/75	DIRECT MATURED		100,000	100,000	84,273	100,000	1,062	-0-	-0-	-0-	2,041	
172215HP3	OHIO: CINCINNATI, VARIOUS PURPOSES, 3.500%, 11/01/66	02/06/75	MC DONALD & CO.		215,354	260,000	196,536	209,747	374	-0-	6,147	-0-	2,603	
172252FU7	CINCINNATI CITY SCHOOL DISTRICT, SCHOOL IMPROVEMENT, 3.250%, 09/01/76	02/05/75	SMITH, BARNEY & CO., INC.		146,280	150,000	122,317	142,070	462	-0-	4,209	-0-	2,193	
678518MX6	OKLAHOMA: OKLAHOMA CITY, VARIOUS PURPOSES, 2.750%, 03/01/78	02/04/75	FIRST NATIONAL BANK IN DALLAS		276,375	300,000	220,512	263,594	988	-0-	12,780	-0-	3,666	
678518NX5	OKLAHOMA CITY, VARIOUS PURPOSES, 2.750%, 03/01/79	02/04/75	FIRST NATIONAL BANK IN DALLAS		116,443	130,000	93,918	109,618	401	-0-	6,825	-0-	1,588	
678518RT0	OKLAHOMA CITY, COMBINED PURPOSES, SER. B-2, 3.000%, 03/01/83	02/05/75	FIRST NATIONAL BANK IN DALLAS		247,902	300,000	206,136	231,015	618	-0-	16,886	-0-	4,050	
7437879A3	RHODE ISLAND: PROVIDENCE, TEMPORARY NOTE, 02/28/75	02/28/75	DIRECT MATURED		972,194	1,000,000	975,173	972,194	-0-	1,155	-0-	-0-	27,805	
586141GM9	TENNESSEE: MEMPHIS, GENERAL IMPROVEMENT, 3.000%, 03/01/75	03/01/75	DIRECT MATURED		125,000	125,000	106,238	125,000	692	-0-	-0-	-0-	1,875	
05279JKC0	TEXAS: AUSTIN, VARIOUS PURPOSES, 1.750%, 01/01/75	01/01/75	DIRECT MATURED		50,000	50,000	48,132	50,000	-0-	-0-	-0-	-0-	437	
235217JU1	DALLAS, VARIOUS PURPOSE, SER. 437, 10.000%, 12/01/75	12/01/75	DIRECT MATURED		100,000	100,000	120,850	100,000	-0-	3,686	-0-	-0-	10,000	
235217JV9	DALLAS, VARIOUS PURPOSE, SER. 437, 10.000%, 12/01/76	12/18/75	T. J. RANEY & SONS, INC.		105,073	100,000	123,392	103,777	-0-	3,632	1,295	-0-	10,777	
349424GZ8	FORT WORTH, VARIOUS PURPOSES, 2.600%, 03/01/75	03/01/75	DIRECT MATURED		30,000	30,000	29,412	30,000	11	-0-	-0-	-0-	390	
442326L36	HOUSTON, PUBLIC IMPROVEMENT, 3.000%, 07/01/75	07/01/75	DIRECT MATURED		300,000	300,000	279,828	300,000	1,638	-0-	-0-	-0-	9,000	
442402JLA	HOUSTON INDEPENDENT SCHOOL DISTRICT, 3.200%, 08/10/79	02/04/75	FIRST NATIONAL BANK IN DALLAS		125,072	135,000	103,368	116,916	320	-0-	8,155	-0-	2,172	
041429HS3	VIRGINIA: ARLINGTON CO., VARIOUS PURPOSES, 3.500%, 06/01/75	06/01/75	DIRECT MATURED		145,000	145,000	134,968	145,000	382	-0-	-0-	-0-	2,537	

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SCHEDULE D—Part 4

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Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group

C/S/P Bonds, Stocks	DESCRIPTION	DISPOSAL DATE	NAME OF PURCHASER (If insured or called under redemption option, state and give price at which called)	NO. OF SHARES OF STOCK	CONSIDERATION (Including accrued interest and dividends)	PAR VALUE OF BONDS	ACTUAL COST (Including accrued interest and dividends)	BOOK VALUE AT DISPOSAL DATE	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST ON BONDS RECEIVED DURING YEAR †	DIVIDENDS ON STOCKS RECEIVED DURING YEAR †
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS (CONTINUED)														
VIRGINIA (CONTINUED)														
041479ND9	ARLINGTON CO., SCHOOL, 3.400%, 08/01/81	10/23/75	JOHNSTON, LEMON & CO., INC.		87,223									
303619HT6	FAIRFAX CO., VARIOUS PURPOSES, 3.000%, 04/01/75	04/01/75	DIRECT MATURED		325,000	100,000	73,149	45,604	1,442	-0-	3,613	-0-	4,240	
304081CC4	FAIRFAX, FUNDING, 6.000%, 04/01/75	04/01/75	DIRECT MATURED		50,000	325,000	293,281	325,000	1,614	-0-	-0-	-0-	4,475	
494746DN9	WASHINGTON KING CO., VARIOUS PURPOSE, 7.500%, 07/01/76	12/18/75	T. J. RANEY & SONS, INC.		50,000	50,000	61,993	50,000	-0-	322	-0-	-0-	1,500	
817625CS4	SEATTLE, SEWER IMPROVEMENT, SER. 2, 8.000%, 04/01/76	12/18/75	T. J. RANEY & SONS, INC.		101,434	100,000	110,184	100,925	-0-	1,617	508	-0-	11,208	
					102,317	100,000	111,860	101,416	-0-	1,863	900	-0-	10,622	
WISCONSIN														
558447GT9	MADISON, CORPORATE PURPOSE, 3.000%, 05/15/75	05/15/75	DIRECT MATURED		180,000	180,000	166,230	180,000	442	-0-	-0-	-0-	2,700	
602363CS6	MILWAUKEE, CORPORATE PURPOSE, PUBLIC IMPROVEMENTS, SER. C, 2.700%, 02/01/75	02/01/75	DIRECT MATURED		175,000	175,000	155,841	175,000	208	-0-	-0-	-0-	2,362	
602363JL8	MILWAUKEE, VARIOUS PURPOSES, 2.600%, 02/01/77	02/05/75	FIRST BOSTON COMP.		141,250	150,000	120,248	137,044	479	-0-	4,204	-0-	2,405	
602363JL1	MILWAUKEE, CORPORATE PURPOSE, PUBLIC IMPROVEMENT, SER. L, 3.600%, 02/01/78	02/07/75	FIRST BOSTON COMP.		292,170	700,000	284,497	284,600	462	-0-	7,549	-0-	3,910	
TOTAL POLITICAL SUBDIVISIONS OF STATES, TERRITORIES & POSSESSIONS					11,833,112	12,735,000	10,614,672	11,671,165	81,537	12,871	162,512	565	359,216	
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS														
CONNECTICUT														
237759E70	EXPRESSWAY REVENUE & MOTOR FUEL TAX, 1ST SER., 2.500%, 01/01/94-94		VARIOUS DILLON READ MUNICIPALS, INC.		144,750	700,000	134,781	145,589	1,461	-0-	-0-	839	7,986	
MICHIGAN														
594678CS1	LIMITED ACCESS HIGHWAY REVENUE, SER. 1, 2.000%, 10/01/75-96	10/01/75	DIRECT MATURED		753,000	753,000	593,113	753,000	21,222	-0-	-0-	-0-	15,000	
594678CT9	LIMITED ACCESS HIGHWAY, DEDICATED TAX, 2.000%, 10/01/75-96	10/01/75	DIRECT MATURED		100,000	100,000	93,015	100,000	2,884	-0-	-0-	-0-	2,000	
OHIO														
677585GB8	HIGHWAY IMPROVEMENT, SER. F, 6.500%, 04/15/76	12/18/75	T. J. RANEY & SONS, INC.		200,824	200,000	217,100	200,925	-0-	2,747	-0-	101	15,672	
CALIFORNIA														
4445039A5	LOS ANGELES, ELECTRIC PLANT REVENUE, COUPON BEARING INTF, 4.250%, 02/01/75	02/01/75	DIRECT MATURED		500,000	500,000	452,475	500,000	1,021	-0-	-0-	-0-	10,625	
NEW YORK														
6316529A4	NASSAU CO., REVENUE ANTICIPATION NOTE, 7.800%, 07/28/75-75	12/31/74	DIRECT-REDEEMED (\$100.00) (1974)		-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	35,100	
649692CK0	POWER AUTH. OF THE STATE OF NEW YORK, GEN. REV., SER. A, 2.750%, 01/01/75-63		VARIOUS DIRECT MATURED		790,000	790,000	686,205	790,000	-0-	-0-	-0-	-0-	10,862	
TOTAL SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS					2,488,574	2,543,000	2,216,690	2,489,514	26,592	2,747	-0-	940	97,286	
INDUSTRIAL & MISCELLANEOUS														
3836749E5	GOVERNMENT EMPLOYEES FINANCIAL CORPORATION, 9.000%, 04/30/80	04/30/75	DIRECT REPAYMENT OF PRINCIPAL		80,000	80,000	72,678	75,428	508	-0-	4,571	-0-	7,200	
TOTAL INDUSTRIAL & MISCELLANEOUS					80,000	80,000	72,678	75,428	508	-0-	4,571	-0-	7,200	
TOTAL COLUMNS 6 TO 14 OF PART 5					1,034,123,303	1,035,403,770	1,034,144,372	1,034,146,707	25,092	22,757	39,559	62,963	1,481,495	
TOTAL BONDS					1,084,827,737	1,087,059,770	1,082,292,899	1,084,444,306	291,600	45,445	463,464	80,034	2,950,374	
STOCKS														
PUBLIC UTILITIES - PREFERRED														
030177208	AMERICAN TELEPHONE & TELEGRAPH COMPANY, 84.00 CUM. CONV.	VARIOUS	SPENCER TRASK & CO., INC.	16,000	618,521		874,480	874,488	-0-	-0-	-0-	55,967	64,000	
030177307	AMERICAN TELEPHONE & TELEGRAPH COMPANY, 85.64 CUM.	VARIOUS	VARIOUS	39,000	1,624,642		1,950,000	1,950,000	-0-	-0-	-0-	325,357	126,490	
341081404	FLORIDA POWER & LIGHT COMPANY, 7.288 CUM., SER. F	02/27/75	E. F. HUTCH & CO., INC.	10,000	746,200		1,000,306	1,000,306	-0-	-0-	-0-	252,106	18,200	
341095604	FLORIDA POWER CORPORATION, 8.800 CUM.	02/27/75	SALOMON BROTHERS	12,200	1,015,223		1,339,820	1,339,800	-0-	-0-	-0-	324,577	26,840	
837004902	SOUTH CAROLINA ELECTRIC & GAS COMPANY, 4.60% CUM., SER. B	04/01/75	DIRECT-REDEEMED (\$50.00)	332	16,600		9,835	9,835	-0-	-0-	6,764	-0-	381	

ANNUAL STATEMENT FOR THE YEAR 1975 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.

CLASS Symbol Cusip**	DESCRIPTION (1475)	NAME OF PURCHASER (2 measured as called under redemption terms, in case not given price in which called)	NO OF SHARES OF STOCK	ACQUISITION (Including forward business and dividends)	PAR VALUE OF BONDS	ACTUAL COST Including accrued interest and dividends	BOOK VALUE AT ORIGINAL DATE	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST ON BONDS RECEIVED DURING YEAR †	DIVIDENDS ON STOCKS RECEIVED DURING YEAR †	
														DATE
PUBLIC UTILITIES - PREFERRED (CONTINUED)														
837004510	SOUTH CAROLINA ELECTRIC & GAS COMPANY, 5.125% CUM.		44	7,200		7,200	7,200	-0-	-0-	-0-	-0-		63	
837004444	SOUTH CAROLINA ELECTRIC & GAS COMPANY, 6% CUM.		601	30,050		29,111	29,111	-0-	-0-	6,938	-0-		601	
913508400	UTAH POWER & LIGHT COMPANY, 81.28 CUM., SER. A		20,500	234,165		473,149	473,149	-0-	-0-	-0-	217,044		13,120	
955278000	WEST PENN POWER COMPANY, 18.00 CUM., SER. G		-0-	-0-		-0-	-0-	-0-	-0-	-0-	-0-		4,040	
955278000	WEST PENN POWER COMPANY, 18.00 CUM., SER. G		3,200	464,100		525,675	525,675	-0-	-0-	-0-	61,575		10,504	
976454005	WISCONSIN ELECTRIC POWER COMPANY, 8.908 CUM.		11,000	1,087,625		1,223,250	1,223,250	-0-	-0-	-0-	152,625		24,473	
TOTAL PUBLIC UTILITIES - PREFERRED				6,063,246		7,421,616	7,421,616	-0-	-0-	13,703	1,372,253		288,717	
INDUSTRIAL & MISCELLANEOUS - PREFERRED														
110097201	BRISTOL-MYERS COMPANY, 82.00 CUM. CONV.		4,000	160,241		170,498	170,498	-0-	-0-	-0-	10,256		4,000	
847528202	NORTHWEST INDUSTRIES, INCORPORATED, 14.20 CUM. CONV. PRIOR		8,000	357,551		102,602	102,602	-0-	-0-	454,948	-0-		33,600	
117452205	PHILADELPHIA & READING CORPORATION, 6% CUM., SER. A		6,602	477,984		497,416	497,416	-0-	-0-	-0-	19,431		39,459	
TOTAL INDUSTRIAL & MISCELLANEOUS - PREFERRED				1,195,727		770,516	770,516	-0-	-0-	454,948	29,687		79,059	
PUBLIC UTILITIES - COMMON														
010177109	AMERICAN TELEPHONE & TELEGRAPH COMPANY		26,545	1,260,780		1,151,420	1,151,420	-0-	-0-	209,359	-0-		49,113	
144141100	CAROLINA POWER & LIGHT COMPANY		22,000	249,454		819,210	819,210	-0-	-0-	-0-	266,055		17,600	
445777101	NORTHERN STATES POWER COMPANY (MINNESOTA)		35,000	428,866		1,046,747	1,046,747	-0-	-0-	-0-	117,881		32,703	
494441101	PANHANDLE EASTERN PIPE LINE COMPANY		45,000	1,887,018		2,427,307	2,427,307	-0-	-0-	-0-	540,289		99,125	
744441105	PUBLIC SERVICE COMPANY OF INDIANA, INCORPORATED		70,000	2,353,000		2,766,497	2,766,497	-0-	-0-	-0-	413,497		134,400	
794441104	SAN DIEGO GAS & ELECTRIC COMPANY		40,000	434,040		850,322	850,322	-0-	-0-	-0-	394,322		24,600	
917508103	UTAH POWER AND LIGHT COMPANY		75,000	1,901,604		2,497,294	2,497,294	-0-	-0-	-0-	595,890		88,500	
976454108	WISCONSIN ELECTRIC POWER COMPANY		70,000	1,190,003		1,536,354	1,536,354	-0-	-0-	298,711	44,999		80,200	
TOTAL PUBLIC UTILITIES - COMMON				11,026,631		12,891,505	12,891,505	-0-	-0-	508,071	2,372,445		546,641	
INDUSTRIAL & MISCELLANEOUS - COMMON														
002224100	ARROTT LABORATORIES		5,000	178,543		276,742	134,371	-0-	-0-	40,212	-0-		3,250	
081608105	BETHLEHEM STEEL CORPORATION		46,000	1,437,311		1,238,355	1,238,355	-0-	-0-	198,956	-0-		31,250	
263534104	DUPONT (E. I.) DE NEMOURS & COMPANY		14,000	1,780,648		1,946,856	1,946,856	-0-	-0-	84,940	192,129		45,500	
302290101	EXXON CORPORATION		20,000	1,563,750		1,533,241	1,533,241	-0-	-0-	94,863	84,375		25,000	
384401103	GENERAL ELECTRIC COMPANY		40,000	2,777,904		2,763,413	2,763,413	-0-	-0-	65,552	51,559		96,000	
402401109	GULF OIL CORPORATION		25,000	496,703		679,750	679,750	-0-	-0-	-0-	183,046		10,425	
454528100	INTERNATIONAL HARVESTER COMPANY		20,000	450,627		656,785	656,785	-0-	-0-	-0-	206,157		34,000	
480146103	INTERNATIONAL PAPER COMPANY		50,000	2,490,235		1,687,159	1,687,159	-0-	-0-	603,100	-0-		65,000	
498627104	MCM CORPORATION		20,000	479,314		752,261	752,261	-0-	-0-	-0-	272,946		7,200	
480645205	OLIN CORPORATION		40,000	1,073,748		849,564	849,564	-0-	-0-	224,183	-0-		24,000	
881694103	TEXACO, INCORPORATED		23,000	586,500		742,625	742,625	-0-	-0-	-0-	156,125		11,500	
912456105	UNITED STATES STEEL CORPORATION		-0-	-0-		-0-	-0-	-0-	-0-	-0-	-0-		3,000	
940402105	WESTINGHOUSE ELECTRIC CORPORATION		2,500	33,125		47,032	47,032	-0-	-0-	-0-	11,907		2,430	
TOTAL INDUSTRIAL & MISCELLANEOUS - COMMON				13,308,458		13,374,286	13,235,915	-0-	-0-	1,233,820	1,161,246		340,755	
TOTAL COLUMNS 6 TO 14 OF PART 5				236,609		66,388	204,759	-0-	-0-	93,649	-0-		900	
TOTAL STOCKS				31,652,783		34,524,513	34,524,513	-0-	-0-	2,264,403	4,936,139		1,256,072	
GRAND TOTAL BONDS & STOCKS				1,116,680,520		1,087,059,770	1,116,817,412	1,118,968,820	291,600	45,445	2,727,867	5,016,167	2,958,374	1,256,072

†Enter as a summary item the totals of Columns 6 to 14 of Part 5. All bonds and stocks acquired and fully disposed of during the year are not to be itemized in this Part.

ANNUAL STATEMENT FOR THE YEAR 1975 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.

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CLMP Number Account	NAME AND ADDRESS OF ISSUER OF EACH SECURITY, TYPE OF SECURITY, PAR VALUE AND MATURITY DATE	DATE ACQUIRED	NAME OF VENUE**	INSTRUMENT DATE**	NAME OF PURCHASER *If entered in actual name Indication as to state and group of which entered.	PAR VALUE (BOOK VALUE) OR NUMBER OF SHARES ISSUED	COST TO COMPANY Including Broker's Commission	CONSIDERATION Including Broker's Commission and Discount	BOOK VALUE AT DISPOSAL DATE	INCREASE OR DECREASE IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	PROFIT ON DISPOSAL	LOAN ON DISPOSAL	INTEREST AND DIVIDENDS RECEIVED DURING YEAR	PAID FOR ACQUIRED INTEREST AND DIVIDENDS
BONDS															
GOVERNMENTS															
UNITED STATES GOVERNMENT															
91279344	UNITED STATES TREASURY BILL, 06/05/75		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	2,480,000	2,671,367	2,671,367	2,671,362	-0-	-0-	-0-	-0-	620	-0-
91279342	UNITED STATES TREASURY BILL, 12/16/75		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	2,440,000	2,605,978	2,605,958	2,605,998	-0-	-0-	-0-	-0-	703	-0-
91279340	UNITED STATES TREASURY BILL, TAX ANTICIPATION, 04/16/75		VARIOUS LOMBARD-WALL, INC.		VARIOUS LOMBARD-WALL, INC.	12,190,000	12,190,000	12,190,000	12,190,000	-0-	-0-	-0-	-0-	3,125	-0-
91279338	UNITED STATES TREASURY BILL, 07/03/75		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	8,940,000	8,915,200	8,915,200	8,915,200	-0-	-0-	-0-	-0-	2,480	-0-
91279336	UNITED STATES TREASURY BILL, 07/31/75		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	4,200,000	4,291,373	4,291,373	4,291,373	-0-	-0-	-0-	-0-	694	-0-
91279334	UNITED STATES TREASURY BILL, 04/07/75		VARIOUS VARIOUS		VARIOUS VARIOUS	17,155,000	17,026,125	17,026,125	17,026,125	-0-	-0-	-0-	-0-	2,585	-0-
91279332	UNITED STATES TREASURY BILL, 10/23/75		04/30/75 WEEBEN & CO., INC.		04/30/75 WEEBEN & CO., INC.	875,000	871,718	871,718	871,714	-0-	-0-	-0-	-0-	152	-0-
91279330	UNITED STATES TREASURY BILL, 11/13/75		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	8,070,000	8,011,700	8,011,700	8,011,700	-0-	-0-	-0-	-0-	1,327	-0-
91279328	UNITED STATES TREASURY BILL, 11/28/75		11/26/75 WEEBEN & CO., INC.		11/26/75 WEEBEN & CO., INC.	1,860,000	1,860,000	1,860,000	1,860,000	-0-	-0-	-0-	-0-	542	-0-
91279326	UNITED STATES TREASURY BILL, 12/04/75		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	5,190,000	5,253,302	5,253,302	5,253,302	-0-	-0-	-0-	-0-	908	-0-
91279324	UNITED STATES TREASURY BILL, 02/10/76		VARIOUS CANTON, FITZGERALD SECURITIES CORP.		VARIOUS CANTON, FITZGERALD SECURITIES CORP.	1,330,000	1,287,000	1,287,000	1,287,000	-0-	-0-	-0-	-0-	298	-0-
91279322	UNITED STATES TREASURY BILL, 04/04/76		06/06/75 CANTON, FITZGERALD SECURITIES CORP.		06/06/75 CANTON, FITZGERALD SECURITIES CORP.	5,500,000	5,400,010	5,400,010	5,400,010	-0-	-0-	-0-	-0-	2,362	-0-
91279320	UNITED STATES TREASURY BILL, 03/04/76		06/11/75 CANTON, FITZGERALD SECURITIES CORP.		06/11/75 CANTON, FITZGERALD SECURITIES CORP.	2,100,000	2,101,000	2,101,000	2,101,000	-0-	-0-	-0-	-0-	299	-0-
91279318	UNITED STATES TREASURY BILL, 01/31/76		12/10/75 WEEBEN & CO., INC.		12/10/75 WEEBEN & CO., INC.	1,000,000	990,000	990,000	990,000	-0-	-0-	-0-	-0-	143	-0-
91279316	UNITED STATES TREASURY BILL, 01/02/76		12/22/75 WEEBEN & CO., INC.		12/22/75 WEEBEN & CO., INC.	4,300,000	4,293,120	4,293,120	4,293,120	-0-	-0-	-0-	-0-	626	-0-
91279314	UNITED STATES TREASURY BILL, 01/08/76		10/16/75 WEEBEN & CO., INC.		10/16/75 WEEBEN & CO., INC.	2,555,000	2,420,135	2,420,139	2,420,139	-0-	-0-	-0-	-0-	394	-0-
91279312	UNITED STATES TREASURY BILL, 01/19/76		11/17/75 WEEBEN & CO., INC.		11/17/75 WEEBEN & CO., INC.	1,740,000	1,774,421	1,774,421	1,774,421	-0-	-0-	-0-	-0-	258	-0-
91279310	UNITED STATES TREASURY BILL, 01/22/76		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	6,810,000	6,569,225	6,569,225	6,569,225	-0-	-0-	-0-	-0-	1,182	-0-
91279308	UNITED STATES TREASURY BILL, 01/24/76		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	7,310,000	7,249,896	7,249,896	7,249,896	-0-	-0-	-0-	-0-	2,511	-0-
91279306	UNITED STATES TREASURY BILL, 02/05/76		12/09/75 WEEBEN & CO., INC.		12/09/75 WEEBEN & CO., INC.	1,920,000	1,905,600	1,905,600	1,905,600	-0-	-0-	-0-	-0-	277	-0-
91279304	UNITED STATES TREASURY BILL, 02/11/76		VARIOUS CANTON, FITZGERALD SECURITIES CORP.		VARIOUS CANTON, FITZGERALD SECURITIES CORP.	2,100,000	2,170,812	2,170,812	2,170,812	-0-	-0-	-0-	-0-	377	-0-
91279302	UNITED STATES TREASURY BILL, 02/19/76		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	2,800,000	2,570,500	2,570,500	2,570,500	-0-	-0-	-0-	-0-	367	-0-
91279300	UNITED STATES TREASURY BILL, 04/15/76		10/22/75 WEEBEN & CO., INC.		10/22/75 WEEBEN & CO., INC.	2,000,000	1,941,200	1,941,200	1,941,200	-0-	-0-	-0-	-0-	299	-0-
91279298	UNITED STATES TREASURY BILL, 04/22/76		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	2,830,000	2,770,470	2,770,470	2,770,470	-0-	-0-	-0-	-0-	4,237	-0-
91279296	UNITED STATES TREASURY BILL, 04/29/76		12/17/75 WEEBEN & CO., INC.		12/17/75 WEEBEN & CO., INC.	1,840,000	1,800,806	1,800,808	1,800,808	-0-	-0-	-0-	-0-	252	-0-
91279294	UNITED STATES TREASURY BILL, 05/04/76		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	3,640,000	3,597,975	3,597,975	3,597,975	-0-	-0-	-0-	-0-	524	-0-
91279292	UNITED STATES TREASURY BILL, 05/13/76		12/23/75 LOMBARD-WALL, INC.		12/23/75 LOMBARD-WALL, INC.	1,020,000	997,050	997,050	997,050	-0-	-0-	-0-	-0-	145	-0-
91279290	UNITED STATES TREASURY BILL, 06/24/76		12/08/75 WEEBEN & CO., INC.		12/08/75 WEEBEN & CO., INC.	2,000,000	1,930,000	1,930,000	1,930,000	-0-	-0-	-0-	-0-	281	-0-
91279288	UNITED STATES TREASURY BILL, 04/21/76		VARIOUS VARIOUS		VARIOUS VARIOUS	16,665,000	15,582,905	15,582,905	15,582,905	-0-	-0-	-0-	-0-	2,598	-0-
91279286	UNITED STATES TREASURY BILL, 11/15/76		VARIOUS WEEBEN & CO., INC.		VARIOUS WEEBEN & CO., INC.	8,400,000	7,896,000	7,896,000	7,896,000	-0-	-0-	-0-	-0-	1,159	-0-
113388D15	FEDERAL HOME LOAN BANKS, BOND, A, 8000, 08/25/77		01/16/75 LOMBARD-WALL, INC.		01/16/75 LOMBARD-WALL, INC.	4,000,000	4,100,000	4,100,000	4,100,000	-0-	-0-	-0-	-0-	768	-0-
113388D17	FEDERAL HOME LOAN BANKS, BOND, A, 1500, 05/25/79		VARIOUS CANTON, FITZGERALD SECURITIES CORP.		VARIOUS CANTON, FITZGERALD SECURITIES CORP.	4,000,000	3,950,000	3,950,000	3,950,000	-0-	-0-	-0-	-0-	1,961	-0-
113388D18	FEDERAL HOME LOAN BANKS, BOND, A, 6500, 02/26/79		VARIOUS VARIOUS		VARIOUS VARIOUS	16,100,000	16,603,587	16,603,587	16,603,587	-0-	-0-	-0-	-0-	2,827	-0-
113388D19	FEDERAL HOME LOAN BANKS, BOND, A, 9500, 08/25/76		VARIOUS LOMBARD-WALL, INC.		VARIOUS LOMBARD-WALL, INC.	2,600,000	2,683,000	2,683,000	2,683,000	-0-	-0-	-0-	-0-	568	-0-

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Bonds, preferred stocks and common stocks to be 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

CLMP Identify Account	DESCRIPTION	DATE ACQUISITION	NAME OF ISSUER	NAME OF PURCHASER (If received by called making redemption option, or issue and not price at which called)	PAR VALUE (BONDS) OR NUMBER OF SHARES (STOCKS)	COST TO COMPANY (Including accrued interest and dividends)	CONSIDERATION (Including Accrued Interest and Dividends)	BOOK VALUE AT DISPOSAL DATE	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST AND DIVIDENDS RECEIVED DURING YEAR	PAID FOR ACCURED INTEREST AND DIVIDENDS	
BONDS (CONTINUED)															
UNITED STATES GOVERNMENT (CONTINUED)															
113100K2	FEDERAL HOME LOAN BANKS, BOND, 9.375%, 02/27/78	05/01/75	LOMBARD-WALL, INC.	05/01/75	LOMBARD-WALL, INC.	975,000	1,001,812	1,001,812	1,001,812	-0-	-0-	-0-	-0-	146	-0-
113300E0	FEDERAL HOME LOAN BANKS, BOND, 9.450%, 02/28/79	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	10,753,000	11,443,706	11,443,700	11,443,700	-0-	-0-	-0-	-0-	3,885	-0-
113300E8	FEDERAL HOME LOAN BANKS, BOND, 9.450%, 02/28/79	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	8,530,000	9,146,100	9,146,100	9,146,100	-0-	-0-	-0-	-0-	2,674	-0-
113300E9	FEDERAL HOME LOAN BANKS, BOND, 8.450%, 11/25/81	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	16,035,000	16,681,200	16,681,200	16,681,200	-0-	-0-	-0-	-0-	5,107	-0-
113300F0	FEDERAL HOME LOAN BANKS, BOND, 8.050%, 02/29/77	07/10/75	LOMBARD-WALL, INC.	07/10/75	LOMBARD-WALL, INC.	3,000,000	3,022,500	3,022,500	3,022,500	-0-	-0-	-0-	-0-	495	-0-
113300F5	FEDERAL HOME LOAN BANKS, BOND, 7.400%, 11/28/79	01/04/75	WEEDEN & CO., INC.	01/04/75	WEEDEN & CO., INC.	1,000,000	1,000,000	1,000,000	1,000,000	-0-	-0-	-0-	-0-	229	-0-
113400A8	FEDERAL HOME MORTGAGE CORPORATION, BOND, (GNMA), 7.050%, 08/25/76	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	7,180,000	7,205,000	7,205,000	7,205,000	-0-	-0-	-0-	-0-	1,175	-0-
113513C50	TWELVE FEDERAL LAND BANKS, BOND, 6.800%, 10/23/79	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	40,860,000	39,211,712	39,211,712	39,211,712	-0-	-0-	-0-	-0-	9,538	-0-
113504CC1	FEDERAL NATIONAL MORTGAGE ASSOCIATION, BOND, (GNMA), 8.475%, 10/01/80	02/11/75	LOMBARD-WALL, INC.	02/11/75	LOMBARD-WALL, INC.	4,000,000	4,010,000	4,010,000	4,010,000	-0-	-0-	-0-	-0-	1,392	-0-
004205A25	(NINTEN) FCN COOPERATIVES, 01/26/75	03/26/75	LOMBARD-WALL, INC.	03/26/75	LOMBARD-WALL, INC.	4,840,000	4,840,000	4,840,000	4,840,000	-0-	-0-	-0-	-0-	605	-0-
004205B09	THIRTEEN BANKS FCN COOPERATIVES, 08/18/75	08/18/75	CANTON, FITZGERALD SECURITIES CORP.	08/18/75	CANTON, FITZGERALD SECURITIES CORP.	1,000,000	993,750	993,750	993,750	-0-	-0-	-0-	-0-	169	-0-
001178A22	TWELVE FEDERAL LAND BANKS, BOND, 05/14/75	05/14/75	LOMBARD-WALL, INC.	05/14/75	LOMBARD-WALL, INC.	920,000	924,600	924,600	924,600	-0-	-0-	-0-	-0-	125	-0-
001178A04	TWELVE FEDERAL LAND BANKS, BOND, 02/28/75	02/28/75	LOMBARD-WALL, INC.	02/28/75	LOMBARD-WALL, INC.	1,445,000	1,457,642	1,457,642	1,457,642	-0-	-0-	-0-	-0-	713	-0-
001178A53	TWELVE FEDERAL LAND BANKS, BOND, 01/23/78	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	3,750,000	3,918,700	3,918,700	3,918,700	-0-	-0-	-0-	-0-	1,460	-0-
001178B40	TWELVE FEDERAL LAND BANKS, BOND, 05/23/75	05/23/75	WEEDEN & CO., INC.	05/23/75	WEEDEN & CO., INC.	1,000,000	1,007,500	1,007,500	1,007,500	-0-	-0-	-0-	-0-	559	-0-
001178B04	TWELVE FEDERAL LAND BANKS, BOND, 08/18/75	08/18/75	CANTON, FITZGERALD SECURITIES CORP.	08/18/75	CANTON, FITZGERALD SECURITIES CORP.	350,000	347,812	347,812	347,812	-0-	-0-	-0-	-0-	59	-0-
001178B22	TWELVE FEDERAL LAND BANKS, BOND, 12/08/75	12/08/75	WEEDEN & CO., INC.	12/08/75	WEEDEN & CO., INC.	1,000,000	957,500	957,500	957,500	-0-	-0-	-0-	-0-	165	-0-
001178B07	TWELVE FEDERAL LAND BANKS, BOND, 01/20/75	VARIOUS	WEEDEN & CO., INC.	VARIOUS	WEEDEN & CO., INC.	6,775,000	7,006,712	7,006,712	7,006,712	-0-	-0-	-0-	-0-	1,080	-0-
012810A88	UNITED STATES TREASURY BOND, 8.500%, 05/15/99-94	VARIOUS	WEEDEN & CO., INC.	VARIOUS	WEEDEN & CO., INC.	5,375,000	5,582,187	5,582,187	5,582,187	-0-	-0-	-0-	-0-	1,634	-0-
012810A56	UNITED STATES TREASURY BOND, 7.875%, 02/15/00-95	VARIOUS	VARIOUS	VARIOUS	VARIOUS	22,455,000	21,574,812	21,574,812	21,574,812	-0-	-0-	-0-	-0-	9,484	-0-
012810A14	UNITED STATES TREASURY BOND, 8.250%, 05/15/90	VARIOUS	WEEDEN & CO., INC.	VARIOUS	WEEDEN & CO., INC.	14,225,000	14,420,462	14,420,462	14,420,462	-0-	-0-	-0-	-0-	3,057	-0-
012810A01	UNITED STATES TREASURY BOND, 8.250%, 05/15/05-00	VARIOUS	VARIOUS	VARIOUS	VARIOUS	6,905,000	6,898,437	6,898,437	6,898,437	-0-	-0-	-0-	-0-	965	-0-
012810B99	UNITED STATES TREASURY BOND, 8.375%, 08/15/00-95	VARIOUS	WEEDEN & CO., INC.	VARIOUS	WEEDEN & CO., INC.	9,190,000	9,149,666	9,149,666	9,149,666	-0-	-0-	-0-	-0-	3,187	-0-
113506A16	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 4.500%, 02/10/77	VARIOUS	CANTON, FITZGERALD SECURITIES CORP.	VARIOUS	CANTON, FITZGERALD SECURITIES CORP.	2,540,000	2,420,875	2,420,875	2,420,875	-0-	-0-	-0-	-0-	1,013	-0-
113506C49	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 6.650%, 06/10/82	02/18/75	LOMBARD-WALL, INC.	02/18/75	LOMBARD-WALL, INC.	500,000	476,250	476,250	476,250	-0-	-0-	-0-	-0-	148	-0-
113506C7	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 5.650%, 07/10/78	08/15/75	CANTON, FITZGERALD SECURITIES CORP.	08/15/75	CANTON, FITZGERALD SECURITIES CORP.	3,000,000	2,960,100	2,960,100	2,960,100	-0-	-0-	-0-	-0-	1,510	-0-
113506C45	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 7.450%, 12/10/76	VARIOUS	CANTON, FITZGERALD SECURITIES CORP.	VARIOUS	CANTON, FITZGERALD SECURITIES CORP.	4,000,000	3,972,500	3,972,500	3,972,500	-0-	-0-	-0-	-0-	2,636	-0-
113506D49	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 6.750%, 09/12/83	VARIOUS	CANTON, FITZGERALD SECURITIES CORP.	VARIOUS	CANTON, FITZGERALD SECURITIES CORP.	6,000,000	5,630,000	5,630,000	5,630,000	-0-	-0-	-0-	-0-	1,533	-0-
113506D48	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 5.850%, 06/10/76	11/10/75	CANTON, FITZGERALD SECURITIES CORP.	11/10/75	CANTON, FITZGERALD SECURITIES CORP.	3,000,000	3,000,000	3,000,000	3,000,000	-0-	-0-	-0-	-0-	841	-0-
113506D51	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 5.700%, 12/10/75	VARIOUS	CANTON, FITZGERALD SECURITIES CORP.	VARIOUS	CANTON, FITZGERALD SECURITIES CORP.	8,000,000	7,943,750	7,943,750	7,943,750	-0-	-0-	-0-	-0-	6,978	-0-
113506D74	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 6.250%, 12/10/76	01/13/75	LOMBARD-WALL, INC.	01/13/75	LOMBARD-WALL, INC.	9,000,000	8,820,000	8,820,000	8,820,000	-0-	-0-	-0-	-0-	1,715	-0-

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D--Part 5

Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group.

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

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100 Y-12P 1000000 1000000	101 DESCRIPTION	102 DATE ACQUIRED	103 NAME OF ISSUER	104 DISPOSAL DATE	105 NAME OF PURCHASER (If matured or called under redemption option, or any and date from which called)	106 PAR VALUE (BONDS) OR NUMBER OF SHARES (STOCKS)	107 COST TO COMPANY (Including Accrued Interest and Dividends)	108 CONSIDERATION Including Accrued Interest and Dividends	109 BOOK VALUE AT DISPOSAL DATE	110 INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	111 DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	112 PROFIT ON DISPOSAL	113 LOSS ON DISPOSAL	114 INTEREST AND DIVIDENDS RECEIVED DURING YEAR	115 PAID FOR ACCRUED INTEREST AND DIVIDENDS
BONDS (CONTINUED)															
UNITED STATES GOVERNMENT (CONTINUED)															
113586F5	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 7.300%, 06/10/81	02/21/75	LOMBARD-WALL, INC.	02/21/75	LOMBARD-WALL, INC.	4,000,000	3,970,000	3,970,000	3,970,000	-0-	-0-	-0-	-0-	1,902	-0-
113586F9	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 7.500%, 09/10/80	06/10/75	CANTOR, FITZGERALD SECURITIES CORP.	06/10/75	CANTOR, FITZGERALD SECURITIES CORP.	3,500,000	3,445,000	3,465,000	3,465,000	-0-	-0-	-0-	-0-	495	-0-
113586F0R	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 7.050%, 03/10/77	12/11/75	CANTOR, FITZGERALD SECURITIES CORP.	12/11/75	CANTOR, FITZGERALD SECURITIES CORP.	5,000,000	4,975,000	4,975,000	4,975,000	-0-	-0-	-0-	-0-	718	-0-
113586FA	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 7.150%, 09/11/78	02/10/75	LOMBARD-WALL, INC.	02/10/75	LOMBARD-WALL, INC.	2,500,000	2,501,125	2,501,125	2,501,125	-0-	-0-	-0-	-0-	782	-0-
113586E3	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 8.875%, 03/10/82	06/10/75	CANTOR, FITZGERALD SECURITIES CORP.	06/10/75	CANTOR, FITZGERALD SECURITIES CORP.	5,000,000	5,200,000	5,200,000	5,200,000	-0-	-0-	-0-	-0-	780	-0-
113586F2B	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 9.800%, 06/11/79	11/07/75	WEEDEN & CO., INC.	11/07/75	WEEDEN & CO., INC.	2,000,000	2,122,500	2,122,500	2,122,500	-0-	-0-	-0-	-0-	950	-0-
113586FAZ	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 9.700%, 09/10/81	01/14/75	LOMBARD-WALL, INC.	01/14/75	LOMBARD-WALL, INC.	3,200,000	4,132,500	4,132,500	4,132,500	-0-	-0-	-0-	-0-	817	-0-
113586FCB	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 7.800%, 09/10/79	VARIOUS	WEEDEN & CO., INC.	VARIOUS	WEEDEN & CO., INC.	5,130,000	5,130,000	5,130,000	5,130,000	-0-	-0-	-0-	-0-	1,434	-0-
113586FF1	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 7.250%, 03/10/80	VARIOUS	VARIOUS	VARIOUS	VARIOUS	19,500,000	18,791,750	18,791,750	18,791,750	-0-	-0-	-0-	-0-	12,341	-0-
113586FAO	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 7.750%, 12/10/79	VARIOUS	CANTOR, FITZGERALD SECURITIES CORP.	VARIOUS	CANTOR, FITZGERALD SECURITIES CORP.	980,000	967,200	967,200	967,200	-0-	-0-	-0-	-0-	558	-0-
113586FF3	FEDERAL NATIONAL MORTGAGE ASSOCIATION, DEBENTURE, 8.000%, 12/10/80	VARIOUS	WEEDEN & CO., INC.	VARIOUS	WEEDEN & CO., INC.	4,100,000	4,116,000	4,116,000	4,116,000	-0-	-0-	-0-	-0-	1,201	-0-
113604A0Z	FEDERAL NATIONAL MORTGAGE ASSOCIATION, PARTICIPATION CIP, (GNMA), 5.700%, 12/01/75	09/10/75	CANTOR, FITZGERALD SECURITIES CORP.	09/10/75	CANTOR, FITZGERALD SECURITIES CORP.	1,200,000	1,176,000	1,176,000	1,176,000	-0-	-0-	-0-	-0-	202	-0-
113604A5B	FEDERAL NATIONAL MORTGAGE ASSOCIATION, PARTICIPATION CIP, (GNMA), 4.500%, 02/01/76	10/01/75	CANTOR, FITZGERALD SECURITIES CORP.	10/01/75	CANTOR, FITZGERALD SECURITIES CORP.	2,000,000	1,930,000	1,930,000	1,930,000	-0-	-0-	-0-	-0-	327	-0-
113604A03	FEDERAL NATIONAL MORTGAGE ASSOCIATION, PARTICIPATION CIP, (GNMA), 5.200%, 01/19/77	08/26/75	CANTOR, FITZGERALD SECURITIES CORP.	08/26/75	CANTOR, FITZGERALD SECURITIES CORP.	2,900,000	2,769,500	2,769,500	2,769,500	-0-	-0-	-0-	-0-	480	-0-
113604A2Z	FEDERAL NATIONAL MORTGAGE ASSOCIATION, PARTICIPATION CIP, (GNMA), 4.500%, 07/01/78	VARIOUS	CANTOR, FITZGERALD SECURITIES CORP.	VARIOUS	CANTOR, FITZGERALD SECURITIES CORP.	4,170,000	3,870,000	3,870,000	3,870,000	-0-	-0-	-0-	-0-	1,311	-0-
901174A7	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURE, 6.65%, 01/05/76	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	10,560,000	10,600,150	10,600,150	10,600,150	-0-	-0-	-0-	-0-	3,313	-0-
901174A6	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURE, 8.80%, 07/03/75	01/06/75	WEEDEN & CO., INC.	01/06/75	WEEDEN & CO., INC.	600,000	600,000	600,000	600,000	-0-	-0-	-0-	-0-	137	-0-
901174B7	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURE, 8.05%, 09/02/75	VARIOUS	LOMBARD-WALL, INC.	VARIOUS	LOMBARD-WALL, INC.	22,485,000	22,669,143	22,669,143	22,669,143	-0-	-0-	-0-	-0-	6,014	-0-
901174A8	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURE, 7.400%, 01/02/79	VARIOUS	VARIOUS	VARIOUS	VARIOUS	6,310,000	6,276,018	6,276,018	6,276,018	-0-	-0-	-0-	-0-	1,908	-0-
901174A4	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURE, 8.050%, 01/05/76	05/14/75	LOMBARD-WALL, INC.	05/14/75	LOMBARD-WALL, INC.	4,000,000	4,000,000	4,000,000	4,000,000	-0-	-0-	-0-	-0-	541	-0-
901174A5	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURE, 5.80%, 04/01/76	10/01/75	CANTOR, FITZGERALD SECURITIES CORP.	10/01/75	CANTOR, FITZGERALD SECURITIES CORP.	320,000	310,400	310,400	310,400	-0-	-0-	-0-	-0-	52	-0-
901174A2	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURE, 6.20%, 09/01/76	12/22/75	CANTOR, FITZGERALD SECURITIES CORP.	12/22/75	CANTOR, FITZGERALD SECURITIES CORP.	1,000,000	1,000,000	1,000,000	1,000,000	-0-	-0-	-0-	-0-	1,001	-0-
901174A3	TWELVE FEDERAL INTERMEDIATE CREDIT BANKS, DEBENTURE, 7.40%, 01/02/80	VARIOUS	CANTOR, FITZGERALD SECURITIES CORP.	VARIOUS	CANTOR, FITZGERALD SECURITIES CORP.	2,500,000	2,401,500	2,401,500	2,401,500	-0-	-0-	-0-	-0-	3,319	-0-
912627A7B	UNITED STATES TREASURY NOTE, 5.75%, 02/15/75	02/13/75	LOMBARD-WALL, INC.	02/13/75	LOMBARD-WALL, INC.	5,160,000	5,160,000	5,160,000	5,160,000	-0-	-0-	-0-	-0-	824	-0-

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Bonds, preferred stocks and common stocks to be 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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
CUSIP Identif. Number	DESCRIPTION	DATE ACQUIRED	NAME OF VENDOR	DISPOSAL DATE	NAME OF PURCHASER (If insured or called under redemption option, so state and give price at which called)	PAR VALUE (BONDS) OR NUMBER OF SHARES (STOCKS)	COST TO COMPANY (Including Accrued Interest and Dividends)	CONSIDERATION (Including Accrued Interest and Dividends)	BOOK VALUE AT DISPOSAL DATE	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST AND DIVIDENDS RECEIVED DURING YEAR 1	PAID FOR ACCURED INTEREST AND DIVIDENDS
BONDS (CONTINUED)															
UNITED STATES GOVERNMENT (CONTINUED)															
912827HE1	UNITED STATES TREASURY NOTE, SER. B, 6.500%, 05/15/76		VARIOUS		VARIOUS	3,300,000	3,265,500	3,265,500	3,265,500	-0-	-0-	-0-	-0-	956	-0-
912827BJ0	UNITED STATES TREASURY NOTE, SER. C, 7.500%, 08/15/76		VARIOUS		LOMBARD-WALL, INC.	12,435,000	12,630,025	12,630,025	12,630,025	-0-	-0-	-0-	-0-	3,812	-0-
912827BN1	UNITED STATES TREASURY NOTE, SER. A, 8.000%, 02/15/77		VARIOUS		LOMBARD-WALL, INC.	22,335,000	22,696,225	22,696,225	22,696,225	-0-	-0-	-0-	-0-	4,068	-0-
912827BS0	UNITED STATES TREASURY NOTE, SER. B, 7.750%, 04/15/77		VARIOUS		VARIOUS	27,060,000	27,547,537	27,547,537	27,547,537	-0-	-0-	-0-	-0-	4,747	-0-
912827CD2	UNITED STATES TREASURY NOTE, SER. C, 5.875%, 08/15/75		VARIOUS		VARIOUS	11,380,000	11,380,000	11,380,000	11,380,000	-0-	-0-	-0-	-0-	1,719	-0-
912827CH3	UNITED STATES TREASURY NOTE, SER. D, 7.000%, 11/15/75		VARIOUS		VARIOUS	11,955,000	11,915,087	11,915,087	11,915,087	-0-	-0-	-0-	-0-	1,841	-0-
912827CK6	UNITED STATES TREASURY NOTE, SER. D, 6.250%, 11/15/76		VARIOUS		LOMBARD-WALL, INC.	6,220,000	6,193,567	6,193,567	6,193,567	-0-	-0-	-0-	-0-	3,514	-0-
912827CP5	UNITED STATES TREASURY NOTE, SER. E, 5.750%, 05/15/76		VARIOUS		LOMBARD-WALL, INC.	720,000	717,762	717,762	717,762	-0-	-0-	-0-	-0-	104	-0-
912827CS9	UNITED STATES TREASURY NOTE, SER. F, 5.875%, 02/15/76		VARIOUS		VARIOUS	7,100,000	7,099,674	7,099,674	7,099,674	-0-	-0-	-0-	-0-	1,386	-0-
912827CW0	UNITED STATES TREASURY NOTE, SER. G, 6.500%, 08/15/76		VARIOUS		VARIOUS	6,155,000	6,131,625	6,131,625	6,131,625	-0-	-0-	-0-	-0-	3,404	-0-
912827DL3	UNITED STATES TREASURY NOTE, SER. A, 6.875%, 05/15/80		VARIOUS		VARIOUS	7,710,000	7,563,162	7,563,162	7,563,162	-0-	-0-	-0-	-0-	2,757	-0-
912827DH9	UNITED STATES TREASURY NOTE, SER. H, 7.000%, 12/31/75	02/26/75	LOMBARD-WALL, INC.	02/26/75	LOMBARD-WALL, INC.	4,000,000	4,030,000	4,030,000	4,030,000	-0-	-0-	-0-	-0-	657	-0-
912827DP4	UNITED STATES TREASURY NOTE, SER. C, 7.000%, 11/15/79		VARIOUS		LOMBARD-WALL, INC.	13,130,000	12,995,625	12,995,625	12,995,625	-0-	-0-	-0-	-0-	6,669	-0-
912827DQ2	UNITED STATES TREASURY NOTE, SER. C, 6.875%, 05/15/77		VARIOUS		LOMBARD-WALL, INC.	1,400,000	1,345,750	1,345,750	1,345,750	-0-	-0-	-0-	-0-	686	-0-
912827DR0	UNITED STATES TREASURY NOTE, SER. A, 7.000%, 02/15/81		VARIOUS		VARIOUS	3,600,000	3,496,781	3,496,781	3,496,781	-0-	-0-	-0-	-0-	1,145	-0-
912827DS8	UNITED STATES TREASURY NOTE, SER. H, 8.000%, 03/31/76		VARIOUS		LOMBARD-WALL, INC.	44,465,000	44,944,937	44,944,937	44,944,937	-0-	-0-	-0-	-0-	7,021	-0-
912827DU3	UNITED STATES TREASURY NOTE, SER. C, 8.750%, 08/15/78		VARIOUS		LOMBARD-WALL, INC.	3,000,000	3,202,500	3,202,500	3,202,500	-0-	-0-	-0-	-0-	511	-0-
912827DU9	UNITED STATES TREASURY NOTE, SER. B, 9.000%, 08/15/80		VARIOUS		LOMBARD-WALL, INC.	605,000	648,862	648,862	648,862	-0-	-0-	-0-	-0-	114	-0-
912827DX7	UNITED STATES TREASURY NOTE, SER. J, 8.250%, 09/30/76		VARIOUS		LOMBARD-WALL, INC.	1,450,000	1,488,750	1,488,750	1,488,750	-0-	-0-	-0-	-0-	238	-0-
912827DY5	UNITED STATES TREASURY NOTE, SER. D, 7.875%, 05/15/79		VARIOUS		VARIOUS	99,055,000	100,524,412	100,524,412	100,524,412	-0-	1,163	13,585	-0-	293,415	203,906
912827EA6	UNITED STATES TREASURY NOTE, SER. B, 7.750%, 11/15/81		VARIOUS		VARIOUS	25,190,000	25,137,575	25,137,575	25,137,575	-0-	-0-	-0-	-0-	6,173	-0-
912827EH4	UNITED STATES TREASURY NOTE, SER. K, 7.250%, 12/31/76		VARIOUS		VARIOUS	13,195,000	13,300,840	13,295,215	13,295,071	-0-	5,769	1,168	41,024	165,302	112,154
912827EC2	UNITED STATES TREASURY NOTE, SER. D, 7.125%, 05/15/78		VARIOUS		VARIOUS	30,545,000	30,317,747	30,317,747	30,317,747	-0-	-0-	-0-	-0-	4,658	-0-
912827ED0	UNITED STATES TREASURY NOTE, SER. C, 7.375%, 02/15/81		VARIOUS		VARIOUS	11,535,000	11,419,475	11,419,475	11,419,475	-0-	-0-	-0-	-0-	1,714	-0-
912827EE8	UNITED STATES TREASURY NOTE, SER. L, 5.875%, 08/31/76		VARIOUS		VARIOUS	6,175,000	6,077,375	6,077,375	6,077,375	-0-	-0-	-0-	-0-	981	-0-
912827EF5	UNITED STATES TREASURY NOTE, SER. F, 6.000%, 02/28/77		VARIOUS		VARIOUS	12,630,000	12,520,900	12,520,900	12,520,900	-0-	-0-	-0-	-0-	3,990	-0-
912827EH1	UNITED STATES TREASURY NOTE, SER. G, 6.500%, 03/31/77		VARIOUS		VARIOUS	19,000,000	18,905,625	18,918,750	18,909,621	3,996	-0-	9,930	801	177,583	78,319
912827EJ7	UNITED STATES TREASURY NOTE, SER. M, 7.125%, 11/30/76		VARIOUS		VARIOUS	5,410,000	5,383,737	5,383,737	5,383,737	-0-	-0-	-0-	-0-	961	-0-
912827EK4	UNITED STATES TREASURY NOTE, SER. H, 7.375%, 04/30/77	05/09/75	WEEDEN & CO., INC.	05/09/75	WEEDEN & CO., INC.	3,000,000	3,007,500	3,007,500	3,007,500	-0-	-0-	-0-	-0-	1,284	-0-
912827EM0	UNITED STATES TREASURY NOTE, SER. A, 8.000%, 05/15/82		VARIOUS		WEEDEN & CO., INC.	13,355,000	13,698,450	13,698,450	13,698,450	-0-	-0-	-0-	-0-	3,768	-0-
912827EN8	UNITED STATES TREASURY NOTE, SER. I, 6.750%, 05/31/77	11/11/75	HIGGS NATIONAL BANK	11/11/75	HIGGS NATIONAL BANK	2,400,000	2,400,000	2,400,000	2,400,000	-0-	-0-	-0-	-0-	600	-0-
912827EP3	UNITED STATES TREASURY NOTE, SER. J, 6.500%, 10/31/76		VARIOUS		VARIOUS	10,415,000	10,347,775	10,326,837	10,347,970	195	-0-	-0-	21,132	81,916	9,891
912827EQ1	UNITED STATES TREASURY NOTE, SER. J, 6.500%, 06/30/77		VARIOUS		CANTOR, FITZGERALD SECURITIES CORP.	15,060,000	14,809,937	14,809,937	14,809,937	-0-	-0-	-0-	-0-	13,790	-0-
912827ER9	UNITED STATES TREASURY NOTE, SER. E, 7.750%, 06/30/75		VARIOUS		VARIOUS	7,750,000	7,689,654	7,694,187	7,689,899	243	-0-	4,287	-0-	11,866	6,317
912827ES7	UNITED STATES TREASURY NOTE, SER. K, 7.500%, 07/31/77	09/12/75	CANTOR, FITZGERALD SECURITIES CORP.	09/12/75	CANTOR, FITZGERALD SECURITIES CORP.	790,000	780,125	780,125	780,125	-0-	-0-	-0-	-0-	403	-0-

ANNUAL STATEMENT FOR THE YEAR 1975 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 sub-totals for each group.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
CLASSIFICATION	DESCRIPTION	DATE ACQUIRED	NAME OF VENDOR	NAME OF PURCHASER (If incurred on called order redemption option, no price and par value of which called)	PAR VALUE (BONDS) OR NUMBER OF SHARES (STOCKS)	COST TO COMPANY (Including Accrued Interest and Dividends)	CONSIDERATION (Including Accrued Interest and Dividends)	BONA FIDE AT DISPOSAL DATE	INCREASE BY ADJUSTMENT IN BONA FIDE VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BONA FIDE VALUE DURING YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST AND DIVIDENDS RECEIVED DURING YEAR	PAID FOR ACCRUED INTEREST AND DIVIDENDS	
BONDS (CONTINUED)															
UNITED STATES GOVERNMENT (CONTINUED)															
912827F5	UNITED STATES TREASURY NOTE, 5 1/2% F. 7.875%, 05/15/78		VARIOUS	VARIOUS	12,800,000	12,806,000	12,806,000	12,806,000	-0-	-0-	-0-	-0-	2,067	-0-	
912827F2	UNITED STATES TREASURY NOTE, 5 1/2% F. 8.125%, 08/15/82		VARIOUS	VARIOUS	15,065,000	15,009,568	15,009,568	15,009,568	-0-	-0-	-0-	-0-	3,262	-0-	
912827E6	UNITED STATES TREASURY NOTE, 5 1/2% F. 8.500%, 09/30/79	10/14/75	WEEDEN & CO., INC.	10/14/75 WEEDEN & CO., INC.	2,000,000	2,032,500	2,032,500	2,032,500	-0-	-0-	-0-	-0-	331	-0-	
912827E6	UNITED STATES TREASURY NOTE, 5 1/2% F. 8.375%, 09/30/77		VARIOUS	WEEDEN & CO., INC.	9,319,000	9,319,403	9,319,403	9,319,403	-0-	-0-	-0-	-0-	1,510	-0-	
912827E4	UNITED STATES TREASURY NOTE, 5 1/2% F. 8.000%, 02/28/78		VARIOUS	WEEDEN & CO., INC.	3,400,000	3,455,000	3,455,000	3,455,000	-0-	-0-	-0-	-0-	825	-0-	
912827E2	UNITED STATES TREASURY NOTE, 5 1/2% F. 8.125%, 12/31/78		VARIOUS	WEEDEN & CO., INC.	9,020,000	9,197,497	9,197,497	9,197,497	-0-	-0-	-0-	-0-	1,461	-0-	
912827F5	UNITED STATES TREASURY NOTE, 5 1/2% F. 7.500%, 10/31/77	12/12/75	WEEDEN & CO., INC.	12/12/75 WEEDEN & CO., INC.	4,000,000	4,000,000	4,000,000	4,000,000	-0-	-0-	-0-	-0-	1,750	-0-	
TOTAL UNITED STATES GOVERNMENT					1,018,000,000	1,016,819,077	1,016,782,592	1,016,816,579	4,435	6,932	28,972	62,958	969,047	410,590	
TOTAL GOVERNMENTS					1,018,000,000	1,016,819,077	1,016,782,592	1,016,816,579	4,435	6,932	28,972	62,958	969,047	410,590	
STATES, TERRITORIES AND POSSESSIONS															
NEW YORK															
649182V3	BOND ANTICIPATION NOTE, 3.710%, 05/20/75 FIRST JUSTICE COMP. 12/15/75			12/15/75 DIRECT MATURED	2,000,000	1,960,320	2,000,000	2,000,000	19,680	-0-	-0-	-0-	32,634	12,018	
TOTAL STATES, TERRITORIES AND POSSESSIONS					2,000,000	1,960,320	2,000,000	2,000,000	19,680	-0-	-0-	-0-	32,634	12,018	
POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS															
CONNECTICUT															
82920094	SIMSBURY, BOND ANTICIPATION NOTE, 4.500%, 03/17/75	03/05/75	LEEDY, WHEELER & ALLEMAN, INC.	03/17/75 DIRECT MATURED	1,000,000	1,000,010	1,000,000	1,000,000	-0-	10	-0-	-0-	45,250	43,825	
ILLINOIS															
16750194	CHICAGO BOARD OF EDUCATION, TAX ANTICIPATION NOTE, 5.250%, 04/30/75	02/06/75	MELLEN BANK	04/30/75 DIRECT MATURED	500,000	501,310	500,000	500,000	-0-	1,310	-0-	-0-	31,068	25,674	
KANSAS															
96723964	WICHITA, TAX ANTICIPATION NOTE, 01/17/75 UNIC, INC. 5.450%, 06/12/75			06/12/75 DIRECT MATURED	500,000	500,770	500,000	500,000	-0-	770	-0-	-0-	14,457	4,011	
MASSACHUSETTS															
10085194	BOSTON, BOND ANTICIPATION NOTE, 5.900%, 03/31/75	02/13/75	JOHN J. RYAN & CO., INC.	03/31/75 DIRECT MATURED	500,000	500,800	500,000	500,000	-0-	800	-0-	-0-	7,839	4,687	
10085192	BOSTON, TAX ANTICIPATION NOTE, 4.870%, 09/05/75	02/11/75	CONT. ILL. NATL. BK. & TR. CO. OF CHI.	05/05/75 DIRECT MATURED	1,250,000	1,251,430	1,250,000	1,250,000	-0-	1,430	-0-	-0-	14,443	2,148	
10085190	BOSTON, TEMPORARY LOAN NOTE, 4.270%, 05/05/75	02/13/75	EMERICH-BORER & CO., INC.	05/05/75 DIRECT MATURED	1,000,000	1,000,000	1,000,000	1,000,000	-0-	-0-	-0-	-0-	9,358	467	
NEW YORK															
63165194	ALBANY CO., TAX ANTICIPATION NOTE, 6.010%, 03/31/75	01/20/75	INDUSTRIAL NATIONAL BANK OF N. Y.	03/31/75 DIRECT MATURED	3,500,000	3,503,465	3,500,000	3,500,000	-0-	3,465	-0-	-0-	41,485	-0-	
63165192	ALBANY CO., BOND ANTICIPATION NOTE, 5.700%, 04/24/75	02/24/75	MELLEN BANK	04/24/75 DIRECT MATURED	900,000	901,602	900,000	900,000	-0-	1,602	-0-	-0-	51,300	44,175	
86476294	SUFFOLK CO., BOND ANTICIPATION NOTE, 4.280%, 03/04/75	02/12/75	MELLEN BANK	03/04/75 DIRECT MATURED	1,000,000	1,000,020	1,000,000	1,000,000	-0-	20	-0-	-0-	42,800	41,016	
86476292	SUFFOLK CO., BOND ANTICIPATION NOTE, 4.340%, 05/14/75	02/14/75	BANK OF NEW YORK	05/14/75 DIRECT MATURED	574,027	574,505	574,027	574,027	-0-	478	-0-	-0-	6,159	-0-	
98688192	YONKERS, BOND ANTICIPATION NOTE, 01/17/75 5.130%, 12/12/75		INDUSTRIAL NATIONAL BANK OF N. Y.	12/12/75 DIRECT MATURED	1,000,000	999,090	1,000,000	1,000,000	910	-0-	-0-	-0-	57,140	6,525	
98688190	YONKERS, BOND ANTICIPATION NOTE, 05/09/75 6.340%, 11/14/75		CRAIGIE, HANSON-HAGAN, INC.	11/14/75 DIRECT MATURED	1,000,000	1,003,190	1,000,000	1,000,000	-0-	3,190	-0-	-0-	63,223	31,876	
TOTAL POLITICAL SUBDIVISIONS OF STATES, TERRITORIES AND POSSESSIONS					12,124,027	12,736,236	12,724,027	12,724,027	910	15,119	-0-	-0-	384,927	204,478	

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE D—Part 5

Bonds, preferred stocks and common stocks to be 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

CUSIP Identification Number	Description of each bond and stock, including location of issue (state, bank, trust, and identification number, if applicable)	DATE ACQUIRED	NAME OF VENDOR	DATE OF MATURITY	NAME OF PURCHASER (If matured or called under redemption option, so state and give price at which called)	PAR VALUE (BONDS) OR NUMBER OF SHARES (STOCKS)	COST TO COMPANY (Including accrued interest and dividends)	CONSIDERATION (Including accrued interest and dividends)	BOOK VALUE AT DISPOSAL DATE	INCREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	DECREASE BY ADJUSTMENT IN BOOK VALUE DURING YEAR	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST AND DIVIDENDS RECEIVED DURING YEAR	PAID FOR ACCRUED INTEREST AND DIVIDENDS
BONDS (CONTINUED)															
SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS															
NEW JERSEY															
418021945	MIRRIE CO. MUNICIPAL UTILITY AUTH., TEMP. REVENUE BOND, 5.5000, 05/01/75	03/10/75	JOHN J. RYAN & CO., INC.	05/01/75	DIRECT MATURED	500,000	500,703	500,000	500,000	-0-	703	-0-	-0-	27,500	23,754
TOTAL SPECIAL REVENUE, SPECIAL ASSESSMENT AND ALL NON-GUARANTEED OBLIGATIONS						500,000	500,703	500,000	500,000	-0-	703	-0-	-0-	27,500	23,754
PUBLIC UTILITIES															
544185469	MICHIGAN BELL TELEPHONE COMPANY, DEBENTURE, 8.6250, 02/01/70	03/14/75	SHIELDS, ROEL, ROLAND, INC.	06/06/75	FREEMAN SECURITIES CO., INC.	500,000	440,040	440,690	440,057	17	-0-	632	-0-	15,812	9,989
442400895	SOUTHERN CALIFORNIA Edison COMPANY, 1ST & 2ND PFD, 8.4750, 01/01/00	VARIOUS	SHIELDS, ROEL, ROLAND, INC.	VARIOUS	VARIOUS	1,000,000	558,750	461,875	938,795	45	-0-	3,084	4	18,640	6,143
454278455	WEST PENN POWER COMPANY, FIRST MORTGAGE SER. BB, 9.7500, 11/01/04	01/10/75	REYNOLDS SECURITIES, INC.	VARIOUS	REYNOLDS SECURITIES, INC.	500,000	407,500	454,375	487,504	4	-0-	4,870	-0-	12,012	9,763
TOTAL PUBLIC UTILITIES						2,000,000	1,926,290	1,938,960	1,926,357	67	-0-	10,587	4	44,465	21,916
PARENTS, SUBSIDIARIES AND AFFILIATES															
383742981	CRICO WASHINGTON PROPERTIES, INCORPORATED, SUBORDINATED NOTE, 8.0000, 08/01/87	07/24/75	DIRECT	VARIOUS	DIRECT REPAYMENT OF PRINCIPAL	179,743	179,743	179,743	179,743	-0-	-0-	-0-	-0-	3,320	-0-
TOTAL PARENTS, SUBSIDIARIES AND AFFILIATES						179,743	179,743	179,743	179,743	-0-	-0-	-0-	-0-	3,320	-0-
TOTAL BONDS						1,039,403,770	1,034,144,372	1,034,123,303	1,034,146,707	25,092	22,757	39,559	62,963	1,481,895	672,761
STOCKS															
PUBLIC UTILITIES-COMMON															
030177109	AMERICAN TELEPHONE & TELEGRAPH COMPANY	10/01/75	DIRECT-DIVIDEND REINVESTMENT PLAN	11/14/75	DIRECT CASH IN LIEU OF SCRIPT	0.00	3	4	3	-0-	-0-	0	-0-	-0-	-0-
444308107	PACIFIC GAS & ELECTRIC COMPANY	05/02/75	DIRECT RIGHTS	05/09/75	AMERICAN SECURITIES CORP.	64,000	-0-	11,000	-0-	-0-	-0-	11,000	3	-0-	-0-
TOTAL PUBLIC UTILITIES-COMMON							3	11,004	3	-0-	-0-	11,000	-0-	-0-	-0-
INDUSTRIAL AND MISCELLANEOUS-COMMON															
002624100	ARONIS LABORATORIES	06/22/75	DIRECT 2-1 STOCK SPLIT	09/24/75	BAKER, WATTS & CO.	5,000	-0-	178,583	138,371	-0-	-0-	40,212	-0-	-0-	-0-
413835103	MARNES CORPORATION	VARIOUS	VARIOUS	10/06/75	L. F. ROTHSCCHILD & CO.	3,000	66,381	69,021	66,185	-0-	-0-	2,836	-0-	900	-0-
TOTAL INDUSTRIAL AND MISCELLANEOUS-COMMON							66,385	247,605	204,556	-0-	-0-	42,048	-0-	900	-0-
TOTAL STOCKS							66,388	258,609	204,759	-0-	-0-	53,049	-0-	900	-0-
TOTAL BONDS AND STOCKS							1,034,210,760	1,034,381,912	1,034,351,467	25,092	22,757	93,408	62,963	1,482,795	672,761

*The items with reference to each issue of bonds and stocks acquired at public offerings may be totaled in one line and the word "Various" inserted in Columns 2 and 3.
 **Companies may at their option summarize all bonds of the same issue called, matured or redeemed during the year and omit disposal dates.
 ***May be left blank if no CUSIP identification number is listed in the NAIC Valuation of Securities Manual.

†Including accrued interest and dividends on bonds and stocks disposed of if the bonds are serial issues give amounts maturing each year.

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
Galco Properties, Inc. Galco Washington Properties, Inc.	No No	-- --	1,000 1,000	100% 100%
	XXXX	TOTAL	XXXX	XXXX

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) \$ 103,048,706

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	XXXX	XXXX

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 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-	3,641,358	5,697,221	3,379,463
Employers Reinsurance Corporation	Kansas City, Missouri	-0-	2,971	-0-	-0-
North Carolina Reinsurance Facility	Raleigh, North Carolina	-0-	20,550	429,059	315,521
Massachusetts Motor Vehicle Reinsurance Facility	Boston, Massachusetts	-0-	5,230	64,496	-0-
South Carolina Reinsurance Facility	Columbia, South Carolina	-0-	144,840	2,719,439	1,686,696
New Hampshire Automobile Reinsurance Facility	New York City, New York	-0-	2,380	52,982	40,437
	Total Non-affiliates	-0-	3,817,329	8,963,199	5,422,119
	TOTALS	-0-	3,817,329	8,963,199	5,422,119

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	4 Unearned Premiums (Estimated)
Non syndicated FAIR plans and other non syndicated state pools	Various	-0-	109,165	125,703
North Carolina Reinsurance Facility	Raleigh, North Carolina	-0-	631,620	721,090
Massachusetts Motor Vehicle Reinsurance Facility	Boston, Massachusetts	-0-	340,311	177,597
South Carolina Reinsurance Facility	Columbia, South Carolina	-0-	572,978	1,142,423
	Total Non-affiliates	-0-	1,654,074	2,166,813
	TOTALS	-0-	1,654,074	2,166,813

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

Name of Company	1 Date of Contract	2 Amount of Original Premiums	3 Amount of Reinsurance Premiums
(a) Reinsurance Ceded			
N O N E			
Total Reinsurance Ceded by Portfolio			
(b) Reinsurance Assumed			
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 1+2	4 Deposits by and Funds Withheld from Reinsurers (Credit)	5 Miscellaneous Balances (Credit)	6 Sum of 4+5 but not in excess of 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		2	3	4	5	6
Net Losses Unpaid December 31st per Annual Statement for Each of the Following Years (Exclude Reserves for Claims Incurred But Not Reported) Viz			Total Amount Paid to Date Since December 31 of Year in Column 1	Estimated Liability December 31st Current Year	Total 3 + 4	Increase or (-) Decrease Estimated Liability 5 - 2
1968	Fidelity					
	Surety					
1969	Fidelity					
	Surety					
1970	Fidelity					
	Surety					
1971	Fidelity					
	Surety					
1972	Fidelity					
	Surety					
1973	Fidelity					
	Surety					
1974	Fidelity					
	Surety					

NONE

SCHEDULE K

Computation of Excess of Statutory Reserve over Statement Reserves Credit

<p>1 Net unpaid losses on policies expired prior to October 1, current year</p> <p>2 Reserve for losses on policies expired in October, November and December, current year</p> <p>(a) Net premiums written on such policies</p> <p>(b) 50% of (a)</p> <p>(c) Net losses paid under such policies</p> <p>(d) Difference (b) - (c)</p> <p>(e) Net losses unpaid under such policies</p> <p>(f) Difference (d) - (e), show zero if negative</p> <p>3 Reserve for accrued losses on policies in force December 31, current year</p> <p>(a) Net premiums earned under such policies</p> <p>(b) 50% of (a)</p> <p>(c) Net losses paid under such policies</p> <p>(d) Difference (b) - (c)</p> <p>(e) Net losses unpaid under such policies</p> <p>(f) Difference (d) - (e), show zero if negative</p> <p>4 Excess of Statutory Reserve over Statement Reserves 2(f) + 3(f)</p>	<p>NONE</p>
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Note: Sum of 1 + 2(e) + 3(e) should equal Page 9 Column 5, Item 28

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE H—ACCIDENT AND HEALTH EXHIBIT (To be filed not later than April 1)

	1		2		3		4		Other Individual Policies									
	Total		Group Accident and Health		Credit* (Group and Individual)		Collectively Renewable		5		6		7		8		9	
	Amount	%†	Amount	%†	Amount	%†	Amount	%†	Amount	%†	Amount	%†	Amount	%†	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																		
4 TOTALS (Gross)																		
5 Reinsurance ceded																		
6 TOTALS (Net)																		
C. GRAND TOTALS (Net)																		

N O N E

N O N E

N O N E

*Supplemental loss ratios for Columns 4 to 7 inclusive
 †Enter only for Lines 15d, 16d and 17 to 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.
 *Includes § reported as *Policy, membership and other fees retained by agents

†Enter only for Lines 15d, 16d and 17 to 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
Theodore R. Brantover, Vice President	2,681	Travel	R. C. Peck, President
Thomas N. Exarhakis, Vice President	3,327	Travel	R. C. Peck, President
Edward S. Ring, Senior Vice President	3,512	Travel	R. C. Peck, President

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, NW Washington, D. C. 20036	9,013	Legal	R. C. Peck, President
Lederer, Fox & Grove	Sears Tower - Suite 7916 233 South Wacker Drive Chicago, Illinois 60606	24,500	Legal	R. C. Peck, President
Cravath, Swaine & Moore	One Chase Manhattan Plaza New York, New York 10005	6,211	Legal	R. C. Peck, President
Senmes, Bowen & Senmes	10 Light Street Baltimore, Maryland 21202	5,199	Legal	R. C. Peck, President
O'Donnell & Hughes, P. A.	904 Market Tower Wilmington, Delaware 19899	1,556	Legal	R. C. Peck, President
Morgan, Lewis & Bockius	1140 Connecticut Avenue Washington, D. C. 20036	3,309	Legal	R. C. Peck, President
Murphy L. Clark	206 Central Building 308 G Street Anchorage, Alaska 99501	6,195	Legal	R. C. Peck, President
Sullivan & Cromwell	48 Wall Street New York, New York 10005	3,683	Legal	R. C. Peck, President
Kasen & Kraemer	1180 Raymond Boulevard Newark, New Jersey 07102	6,517	Legal	R. C. Peck, President
Donovan, Turnbull & Burns	Donovan Building 106 Little Falls Street Falls Church, Virginia 22046	1,105	Legal	R. C. Peck, President
Keen, O'Kelley & Spitz	P.O. Box 1879 Tallahassee, Florida 32302	2,419	Legal	R. C. Peck, President
Young, Moore & Henderson	2610 Wycliff Road Raleigh, North Carolina 27609	635	Legal	R. C. Peck, President
Hogan & Hartson	815 Connecticut Avenue Washington, D. C. 20006	586	Legal	R. C. Peck, President
Wydler, Balin, Pares, Soloway, Seaton & Marglin	1510 Jericho Turnpike New Hyde Park, New York 11040	2,500	Legal	R. C. Peck, President
Brault, Graham, Scott & Brault	101 South Washington St. Rockville, Maryland 20850	4,800	Legal	R. C. Peck, President
Shaffer, Calkins & Balaban	223 North Front Street Harrisburg, Pennsylvania 17108	551	Legal	R. C. Peck, President
Aranow, Brodsky, Bohlinger, Benetar & Einhorn	469 Fifth Avenue New York, New York 10017	2,005	Legal	R. C. Peck, President
Gurney, Gurney & Handley	203 N. Magnolia Avenue Orlando, Florida 32802	2,698	Legal	R. C. Peck, President
Linowes & Blocher	8720 Georgia Avenue Silver Spring, Maryland 20910	3,710	Legal	R. C. Peck, President

SCHEDULE M—Continued

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
Automobile Insurance Plans Service Office	733 Third Avenue New York, New York	71,240	Assessments	R. C. Peck, President
Alabama		1,115	Assessments	R. C. Peck, President
Connecticut		1,017	Assessments	R. C. Peck, President
District of Columbia		1,358	Assessments	R. C. Peck, President
Florida J.U.A.		1,264,681	Fees	R. C. Peck, President
Louisiana		5,690	Assessments	R. C. Peck, President
Missouri J.U.A.		1,042	Fees	R. C. Peck, President
New Jersey		35,652	Assessments	R. C. Peck, President
New York		60,738	Assessments	R. C. Peck, President
Pennsylvania		3,093	Assessments	R. C. Peck, President
Tennessee		3,516	Assessments	R. C. Peck, President
Vermont		1,114	Assessments	R. C. Peck, President
Hawaii J.U.P.		27,627	Fees	R. C. Peck, President
California Automobile Assigned Risk Plan	P. O. Box 7917 San Francisco, Calif.	6,523	Assessments	R. C. Peck, President
California Fair Plan Association	1930 Wilshire Boulevard Los Angeles, Calif.	1,167	Assessments	R. C. Peck, President
Connecticut Assigned Claims Plan	60 Washington Street Hartford, Connecticut	1,646	Assessments	R. C. Peck, President
Insurance Crime Prevention Institute	15 Franklin Street Westport, Connecticut	65,307	Assessments	R. C. Peck, President
Insurance Rating Bureau of the District of Columbia	733 Fifteenth St., N.W. Washington, D. C.	8,568	Assessments	R. C. Peck, President
District of Columbia Property Insurance Facility	1750 Pennsylvania Ave, NW Washington, D. C.	10,621	Assessments	R. C. Peck, President
National Association of Independent Insurers	2600 River Road Des Plaines, Illinois	396,655	Assessments	R. C. Peck, President
Illinois Auto Insurance Plan	11 South LaSalle Street Chicago, Illinois	3,265	Assessments	R. C. Peck, President
Kentucky Automobile Insurance Plan	205 Marion E. Taylor Bldg. Louisville, Kentucky	3,676	Assessments	R. C. Peck, President
Louisiana Rating & Fire Prevention Bureau	P. O. Box 69730 New Orleans, Louisiana	4,442	Assessments	R. C. Peck, President
Louisiana Insurance Rating Commission	P. O. Box 44157, Capitol Station Baton Rouge, Louisiana	98,466	Fees & Assessments	R. C. Peck, President
Maryland Joint Insurance Association	One East Redwood Street Baltimore, Maryland	12,714	Assessments	R. C. Peck, President
Massachusetts Automobile Rating & Accident Prevention Bureau	89 Broad Street Boston, Massachusetts	22,111	Assessments	R. C. Peck, President
Massachusetts Motor Vehicle Reinsurance Facility	40 Broad Street Boston, Massachusetts	228,690	Assessments	R. C. Peck, President
Massachusetts Property Insurance Underwriting Association	Two Center Plaza Boston, Massachusetts	9,024	Assessments	R. C. Peck, President
Michigan Basic Property Insurance Association	P. O. Box 86 Detroit, Michigan	3,490	Assessments	R. C. Peck, President
Mississippi Automobile Insurance Plan	P. O. Box 22585 Jackson, Mississippi	1,827	Assessments	R. C. Peck, President
Mississippi Insurance Commission	1801 Walter Sillers State Office Building Jackson, Mississippi	1,511	Assessments	R. C. Peck, President
Nevada Assigned Claims Plan	P. O. Box 7496 Las Vegas, Nevada	1,847	Assessments	R. C. Peck, President
New Hampshire Automobile Reinsurance Facility	733 Third Avenue New York, New York	1,966	Assessments	R. C. Peck, President
New Jersey Insurance Underwriting Association	744 Broad Street Newark, New Jersey	9,661	Assessments	R. C. Peck, President
National Automobile Theft Bureau	390 North Broadway Jericho, New York	92,281	Assessments	R. C. Peck, President
Insurance Services Office	160 Water Street New York, New York	757,447	Assessments	R. C. Peck, President
American Arbitration Association	140 West 51st Street New York, New York	1,554	Assessments	R. C. Peck, President
New York Property Insurance Underwriting Association	110 William Street New York, New York	24,330	Assessments	R. C. Peck, President
North Carolina Automobile Rate Administrative Office	P. O. Box 12227 Raleigh, North Carolina	4,581	Fees & Assessments	R. C. Peck, President
North Carolina Reinsurance Facility	P. O. Box 12227 Raleigh, North Carolina	7,343	Assessments	R. C. Peck, President
North Carolina Fire Insurance Rating Bureau	P. O. Box 2021 Raleigh, North Carolina	2,464	Fees & Assessments	R. C. Peck, President
Insurance Placement Facility of Pennsylvania	325 Chestnut Street Philadelphia, Penna.	1,571	Assessments	R. C. Peck, President
State Rate & Statistical Division, S. C. Department of Insurance	P. O. Box 4067 Columbia, South Carolina	8,758	Assessments	R. C. Peck, President
South Carolina Reinsurance Facility	P. O. Box 4383 Columbia, South Carolina	192,158	Fees & Assessments	R. C. Peck, President
South Carolina Windstorm & Hill Underwriting Association	P. O. Box 202 Columbia, South Carolina	1,258	Assessments	R. C. Peck, President
Texas Automobile Insurance Plan	404 Brown Building Austin, Texas	4,400	Assessments	R. C. Peck, President
Texas Catastrophe Property Insurance Association	P. O. Box 2930 Austin, Texas	1,352	Assessments	R. C. Peck, President
Texas Automobile Insurance Service Office	P. O. Box 788 Austin, Texas	10,108	Assessments	R. C. Peck, President
Virginia Property Insurance Association	P. O. Box 1938 Richmond, Virginia	7,767	Assessments	R. C. Peck, President
Virginia Automobile Insurance Plan	P. O. Box 27543 Richmond, Virginia	29,528	Assessments	R. C. Peck, President
Hawaii Insurance Rating Bureau	P. O. Box 4500 Honolulu, Hawaii	2,509	Assessments	R. C. Peck, President

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-	1,682,349
Central Bank of North Dade Miami, Florida	-0-	-0-	47,520
Chase Manhattan Bank New York, New York	-0-	-0-	108,437
Citizens and Southern National Bank Macon, Georgia	-0-	-0-	294,300
Crocker National Bank San Francisco, California	-0-	-0-	140,543
Equitable Trust Company Baltimore, Maryland	-0-	-0-	54,653
First National Bank of Maryland Baltimore, Maryland	-0-	-0-	59,193
Girard Bank Philadelphia, Pennsylvania	-0-	-0-	100,819
Glenview State Bank Glenview, Illinois	-0-	-0-	45,779
Long Island Trust Company Garden City, New York	-0-	-0-	101,267
Manufacturers Hanover Trust Company New York, New York	-0-	-0-	734,772
Marine Midland Bank Forest Hills, New York	-0-	-0-	59,085
Maryland National Bank Silver Spring, Maryland	-0-	-0-	105,021
National Bank of Washington Washington, D. C.	-0-	-0-	357,171
National Community Bank Fair Lawn, New Jersey	-0-	-0-	88,382
Riggs National Bank Washington, D. C.	-0-	-0-	6,352,101
Security Pacific National Bank Los Angeles, California	-0-	-0-	41,538
Suburban Trust Company Huntville, Maryland	-0-	-0-	1,634,703
Union Trust Company Washington, D. C.	-0-	-0-	190,000
United Bank of Lakewood Denver, Colorado	-0-	-0-	266,751
Virginia National Bank Norfolk, Virginia	-0-	-0-	59,635
Wells Fargo Bank San Francisco, California	-0-	-0-	144,676
Deposits in 25 Depositories which do not exceed the Federally insured amount in any one depository	-0-	-0-	383,904
TOTALS - Open Depositories			13,052,610
SUSPENDED DEPOSITORIES			
TOTALS - Suspended Depositories	-0-	-0-	-0-
GRAND TOTALS - All Depositories	-0-	-0-	13,052,610

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

January	2,714,973	April	5,885,060	July	5,811,831	October	5,655,448
February	5,030,560	May	6,821,258	August	6,512,894	November	5,815,811
March	5,773,628	June	5,066,611	September	5,374,160	December	13,052,610

*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 placed 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 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE O
(000 omitted)

1	2 3 4 Losses paid during the year less salvage and reinsurance received thereon during the year (a)			5 6 7 Salvage and reinsurance received in the current year			8 Total (Col. 2+3+4 -5-6-7) net disbursements per Col. 4 Part 3	9 Losses paid during 1974 on losses incurred prior to 1974, (Col. 3+4, Schedule O, 1974)	10 11 12 13 Losses unpaid December 31 of current year				14 15 Development		16 17 Estimated liability on unpaid losses		18 19 Change in such estimated liability	
	On losses incurred during 1975	On losses incurred during 1974	On losses incurred prior to 1974	On losses incurred and paid during 1974	On losses incurred prior to 1974 and paid during 1974	On losses paid prior to 1974			On losses incurred during 1975	On losses incurred during 1974	On losses incurred prior to 1974	Total per Col. 5 Part 3A, (Col. 10+11+12) (b)	On losses incurred prior to 1975 (Col. 3+4 +11+12)	On losses incurred prior to 1974 (Col. 4-6 +9+12)	Dec. 31 1974 per Col. 5 Part 3A, 1974 (b)	Dec. 31 1973 per Col. 5 Part 3A, 1973 (b)	Dec. 31, 1974 (Col. 14 less Col. 16)	Dec. 31, 1973 (Col. 15 less Col. 17)
1 Fire	903	610	-12	-0-	-0-	-0-	1,501	331	417	98	26	541	722	343	494	336	28	9
2 Allied lines	285	74	3	-0-	-0-	-0-	362	146	340	24	20	384	121	169	222	196	-101	-27
9 Inland marine	848	217	-4	-0-	-0-	-0-	1,061	142	281	37	15	333	265	153	179	97	86	56
10.																		
12 Earthquake	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
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																		
18 Liability other than auto (P D)(c)																		
20 Auto liability (P D)(c)	XXXX	XXXX	122	XXXX	-0-	-0-	122	209	XXXX	XXXX	149	149	271	480	381	794	-110	-314
21 Auto phys. damage	175,895	13,366	-2,619	884	12	30	185,716	6,194	16,901	328	90	17,319	11,165	3,653	13,877	13,423	-2,712	-9,770
23 Fidelity																		
24 Surety	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
25 Glass																		
26 Burglary and theft																		
28 Credit																		
29 International																		
30 Reinsurance																		
31 TOTAL	177,931	14,267	-2,510	884	12	30	188,762	7,022	17,939	487	300	18,726	12,544	4,800	15,353	14,846	-2,808	-10,046

* 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.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE P—PART 1—SUMMARY

Years in Which Policies Were Issued	1 Years in Which Premiums Were Earned and Losses Were Incurred	2 Premiums Earned	3 Loss Payments	(d) Loss Expense Payments				6 Loss and Loss Expense Payments (3+4+5)	7 Ratio 6 ÷ 2 %	8 Number of Claims Outstanding	9 (e) Losses Unpaid	10 (d)(e) Loss Expense Unpaid	11 Total Losses and Loss Expense Incurred (6+9+10)	12 Ratio 11 ÷ 2 %
				4 Allocated	4a Ratio 4 ÷ 3 %	5 (g) Unallocated	5a Ratio 5 ÷ 3 %							
1	Prior to 1975	2,119,664,674	1,327,567,301	126,928,693	9.56	130,688,612	9.84	1,585,184,608	74.78	44,078	129,201,562	17,106,165	1,731,492,336	81.69
2	1975	390,759,917	131,919,446	5,242,095	3.97	22,910,575	17.37	160,072,117	40.96	111,546	177,974,790	24,316,395	362,363,303	92.73
3	TOTALS	2,510,424,591	1,459,486,748	132,170,788	9.06	153,599,188	10.52	1,745,256,725	69.52	155,624	307,176,352	41,422,561	2,093,855,640	83.41

SCHEDULE P—PART 1A—AUTO LIABILITY†

1	Prior to 1968	Prior to 1969	578,276,919	359,763,079	46,763,797	13.00	27,928,577	7.76	434,455,454	75.13	213	453,071	65,723	434,974,249	75.22
2	1968	Prior to 1969	45,294,634	36,066,227	4,428,648	12.28	3,601,227	9.99	44,096,103	97.35	67	231,473	34,769	44,362,345	97.94
3		1969	106,588,050	75,980,984	9,358,453	12.32	4,445,265	5.85	89,784,703	84.24	237	755,056	105,332	90,645,091	85.04
4		1970	129,276,202	88,965,447	10,203,092	11.47	4,623,203	5.20	103,791,742	80.29	631	2,126,684	304,055	106,222,483	82.17
5		1971	234,838,719	160,544,604	15,358,493	9.57	13,650,057	8.50	189,553,155	80.72	2,098	5,871,553	812,413	196,237,123	83.56
6		1972	277,048,036	181,197,305	14,706,612	8.12	19,222,824	10.61	215,126,742	77.65	5,241	14,651,476	2,043,548	231,821,767	83.68
7		1973	298,768,759	183,366,385	12,251,720	6.68	23,439,540	12.78	219,057,646	73.32	10,614	34,573,288	4,509,584	258,140,519	86.40
8		1974	318,134,079	164,873,067	8,292,177	5.03	24,235,651	14.70	197,400,896	62.05	22,441	68,815,210	9,028,940	275,245,047	86.52
9		1975	355,921,004	114,837,765	4,403,703	3.83	21,341,587	18.58	140,583,056	39.50	104,945	171,177,911	23,637,963	335,398,930	94.23
10		TOTALS	2,344,146,405	1,365,594,867	125,766,698	9.21	142,487,935	10.43	1,633,849,501	69.70	146,487	298,655,725	40,542,331	1,973,047,557	84.27

COMPUTATION OF EXCESS OF STATUTORY RESERVE OVER STATEMENT RESERVES—AUTO LIABILITY

1975 \$	-0-	1974 \$	-0-	1973 \$	-0-	Total \$	-0-
		Calculation Method	75	% of Column 2, less Column 11, if negative enter zero See Note a			

SCHEDULE P—PART 1B—OTHER LIABILITY†

1	Prior to 1968	Prior to 1969	2,646,061	757,538	144,492	19.07	151,331	19.98	1,053,362	39.81	8	1,561	944	1,055,868	39.90
2	1968	Prior to 1969	82,576	17,008	3,305	19.44	6,547	38.49	26,861	32.53	0	-0-	-0-	26,861	32.53
3		1969	208,522	48,987	11,034	22.52	9,991	20.40	70,013	33.58	4	1,275	772	72,061	34.56
4		1970	210,015	31,952	10,257	32.10	6,827	21.37	49,037	23.35	4	1,434	868	51,341	24.45
5		1971	217,279	71,452	6,365	8.91	11,331	15.86	89,149	41.03	17	13,881	8,402	111,434	51.29
6		1972	222,140	45,237	8,225	18.18	12,881	28.48	66,344	29.87	23	30,621	18,535	115,501	51.99
7		1973	258,148	36,899	6,389	17.32	13,381	36.27	56,670	21.95	41	2,683	1,624	60,978	23.62
8		1974	299,593	13,796	5,625	40.78	22,475	162.91	41,898	13.99	33	18,620	13,698	74,217	24.77
9		1975	320,982	67,520	5,873	8.70	43,409	64.29	116,804	36.39	52	48,798	36,214	201,817	62.87
10		TOTALS	4,465,320	1,090,393	201,570	18.49	278,178	25.51	1,570,142	35.16	182	118,877	81,060	1,770,080	39.64

COMPUTATION OF EXCESS OF STATUTORY RESERVE OVER STATEMENT RESERVES—OTHER LIABILITY

1975 \$	-0-	1974 \$	105,538	1973 \$	93,910	Total \$	199,449
		Calculation Method	60	% of Column 2, less Column 11, if negative enter zero See Note a			

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE P--PART 1C--MEDICAL MALPRACTICE

1 Years in Which Policies Were Issued	2 Years in Which Premiums Were Earned and Losses Were Incurred	3 Premiums Earned	4 Loss Payments	(d) Loss Expense Payments				6 Loss and Loss Expense Payments (3+4+5)	7 Ratio 6+2 %	8 Number of Claims Outstanding	9 (e)(f) Losses Unpaid	10 (d)(e) Loss Expense Unpaid	11 Total Losses and Loss Expense Incurred (6+9+10)	12 Ratio 11+2 %			
				5 Allocated	4a Ratio 4+3 %	5 (g) Unallocated	5a Ratio 5+3 %										
1	Prior to 1975			N O N E													
2	1975																
3	TOTALS																

COMPUTATION OF EXCESS OF STATUTORY RESERVE OVER STATEMENT RESERVES--MEDICAL MALPRACTICE

1975 \$ Calculation method % of Column 2 less Column 11, if negative enter zero. See Note a

SCHEDULE P--PART 1D--WORKMEN'S COMPENSATION

1	Prior to 1968	Prior to 1969												
2	1968	Prior to 1969												
3		1969												
4		1970												
5		1971												
6		1972												
7		1973												
8		1974												
9		1975												
10		TOTALS												

COMPUTATION OF EXCESS OF STATUTORY RESERVE OVER STATEMENT RESERVES--WORKMEN'S COMPENSATION

1975 \$ 1974 \$ 1973 \$ Total \$

Calculation Method % of Column 2 less Column 11, if negative enter zero. See Note a

SCHEDULE P--PART 1E--FAROWNERS MULTIPLE PERIL, HOMEOWNERS MULTIPLE PERIL, COMMERCIAL
MULTIPLE PERIL, OCEAN MARINE, AIRCRAFT (ALL PERILS) AND BOILER AND MACHINERY

1	Prior to 1973	73,599,178	44,012,783	3,566,892	8.10	5,257,653	11.95	52,837,329	71.79	437	198,520	22,712	53,058,562	72.09
2	1973	24,333,797	13,699,875	825,354	6.02	1,527,363	11.15	16,052,593	65.97	782	437,592	42,783	16,532,970	67.94
3	1974	29,361,960	18,074,667	977,754	5.41	2,522,478	13.96	21,574,900	73.48	1,187	1,017,556	91,455	22,683,912	77.26
4	1975	34,517,930	17,014,160	832,518	4.89	1,525,578	8.97	19,372,256	56.12	6,549	6,748,081	642,218	26,762,555	77.53
5	TOTALS	161,812,866	92,801,487	6,202,519	6.68	10,833,074	11.67	109,837,081	67.88	8,955	8,401,749	799,169	119,038,000	73.57

See Schedule P--Part 1f for footnotes

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE P—PART 1F—INCURRED BUT NOT REPORTED LOSSES

1 Years in Which Losses Were Incurred	Incurred But Not Reported Losses Unpaid Included in Column 9 of					Incurred But Not Reported Losses Paid During Current Year Included in Column 3 of				
	2 Part 1A	3 Part 1B	4 Part 1C	5 Part 1D	6 Part 1E	7 Part 1A	8 Part 1B	9 Part 1C	10 Part 1D	11 Part 1E
1 Prior to 1969	-0-	-0-			-0-	58,086	10			3,033
2 1969	-0-	-0-			-0-	32,613	-0-			10,000
3 1970	-0-	-0-			-0-	171,136	-0-			7,499
4 1971	-0-	-0-			-0-	496,023	2,750			49,267
5 1972	-0-	-0-	NONE	NONE	-0-	1,241,592	9,079	NONE	NONE	5,375
6 1973	7,401,121	-0-			132,160	1,887,369	1,056			94,718
7 1974	13,388,513	6,496			453,120	4,481,017	7,138			937,147
8 1975	48,485,955	17,864			3,254,912	-0-	-0-			-0-
9 TOTALS	69,275,590	24,360			3,840,192	8,367,840	20,034			1,111,041

Footnotes

- (a) The percentage used should be 60% if fewer than 3 of the 5 years immediately prior to the most recent 3 years have at least \$1,000,000 reported in Column 2, and in any event for years prior to 1975. In other cases the percentage used should be the lowest ratio reported in Column 12, for any of the 5 years immediately prior to the most recent 3 years which has at least \$1,000,000 reported in Column 2, but not less than 60% nor more than 75%. Round percentage to nearest tenth of one percent. Indicate percentage used. (In Schedule P - Part 1D substitute 65% for 60%)
- (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, rent, 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 reported in this statement? Answer **Yes**
- (e) Include due provision for incurred but not reported items _____ %
- (f) State maximum rate of interest used in determining present values of future workmen's compensation payments _____ %
- (g) 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**

SCHEDULE P - PART 2 - SUMMARY (d)

1 Years in Which Losses Were Incurred	(a) Incurred Losses and Loss Expense Reported at end of year (000 omitted)						(b) Incurred loss and Loss Expense Ratio Reported					
	2 1970	3 1971	4 1972	5 1973	6 1974	7 1975	8 1970	9 1971	10 1972	11 1973	12 1974	13 1975
1 Prior to 1970							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
2 1970												
3 Cumulative Total							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4 1971	XXXX						XXXX					
5 Cumulative Total	XXXX						XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
6 1972	XXXX	XXXX					XXXX	XXXX				
7 Cumulative Total	XXXX	XXXX					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
8 1973	XXXX	XXXX	XXXX				XXXX	XXXX	XXXX			
9 Cumulative Total	XXXX	XXXX	XXXX				XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
10 1974	XXXX	XXXX	XXXX	XXXX			XXXX	XXXX	XXXX	XXXX		
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX			XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
12 1975	XXXX	XXXX	XXXX	XXXX	XXXX	362,363	XXXX	XXXX	XXXX	XXXX	XXXX	92.73

SCHEDULE P - PART 2A - AUTO LIABILITY†

1 Prior to 1970	556,689	557,548	563,866	567,598	569,363	569,982	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
2 1970	82,499	87,440	95,251	101,066	104,504	106,222	63.82	67.64	73.68	78.18	80.84	82.17
3 Cumulative Total	639,188	644,988	659,117	668,664	673,867	676,204	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4 1971	XXXX	189,693	180,806	184,822	192,614	196,237	XXXX	80.78	76.99	78.70	82.02	83.56
5 Cumulative Total	XXXX	834,681	839,923	853,486	866,481	872,441	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
6 1972	XXXX	XXXX	214,426	209,481	221,830	231,822	XXXX	XXXX	77.40	75.61	80.07	83.68
7 Cumulative Total	XXXX	XXXX	1,054,349	1,062,967	1,088,311	1,104,263	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
8 1973	XXXX	XXXX	XXXX	240,625	231,834	258,141	XXXX	XXXX	XXXX	80.54	77.60	86.40
9 Cumulative Total	XXXX	XXXX	XXXX	1,303,592	1,320,145	1,362,404	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
10 1974	XXXX	XXXX	XXXX	XXXX	249,523	275,245	XXXX	XXXX	XXXX	XXXX	78.43	86.52
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX	1,569,668	1,637,649	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
12 1975	XXXX	XXXX	XXXX	XXXX	XXXX	335,399	XXXX	XXXX	XXXX	XXXX	XXXX	94.23

SCHEDULE P - PART 2B - OTHER LIABILITY†

1 Prior to 1970	1,092	1,125	1,142	1,146	1,144	1,155	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
2 1970	36	44	47	61	48	51	17.00	21.17	22.56	28.81	22.97	24.45
3 Cumulative Total	1,128	1,169	1,189	1,207	1,192	1,206	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4 1971	XXXX	83	94	104	105	111	XXXX	38.40	43.40	48.09	48.36	51.29
5 Cumulative Total	XXXX	1,252	1,283	1,311	1,297	1,317	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
6 1972	XXXX	XXXX	61	57	60	116	XXXX	XXXX	27.58	25.57	27.18	51.99
7 Cumulative Total	XXXX	XXXX	1,344	1,368	1,357	1,433	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
8 1973	XXXX	XXXX	XXXX	65	42	61	XXXX	XXXX	XXXX	25.13	16.13	23.62
9 Cumulative Total	XXXX	XXXX	XXXX	1,433	1,399	1,494	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
10 1974	XXXX	XXXX	XXXX	XXXX	138	74	XXXX	XXXX	XXXX	XXXX	46.22	24.77
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX	1,537	1,568	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
12 1975	XXXX	XXXX	XXXX	XXXX	XXXX	202	XXXX	XXXX	XXXX	XXXX	XXXX	62.87

SCHEDULE P - PART 2C - MEDICAL MALPRACTICE (d)

1 Prior to 1970							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
2 1970												
3 Cumulative Total							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4 1971	XXXX						XXXX					
5 Cumulative Total	XXXX						XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
6 1972	XXXX	XXXX					XXXX	XXXX				
7 Cumulative Total	XXXX	XXXX					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
8 1973	XXXX	XXXX	XXXX				XXXX	XXXX	XXXX			
9 Cumulative Total	XXXX	XXXX	XXXX				XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
10 1974	XXXX	XXXX	XXXX	XXXX			XXXX	XXXX	XXXX	XXXX		
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX			XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
12 1975	XXXX	XXXX	XXXX	XXXX	XXXX		XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

See Schedule P - Part 2E for footnotes.

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ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE P—PART 2D—WORKMEN'S COMPENSATION

1 Years in Which Losses Were Incurred	(a) Incurred Losses and Loss Expense Reported at end of year (000 omitted)						(b) Incurred loss and Loss Expense Ratio Reported					
	2 1970	3 1971	4 1972	5 1973	6 1974	7 1975	8 1970	9 1971	10 1972	11 1973	12 1974	13 1975
1 Prior to 1970							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
2 1970												
3 Cumulative Total							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4 1971	XXXX						XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
5 Cumulative Total	XXXX						XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
6 1972	XXXX	XXXX					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
7 Cumulative Total	XXXX	XXXX					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
8 1973	XXXX	XXXX	XXXX				XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
9 Cumulative Total	XXXX	XXXX	XXXX				XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
10 1974	XXXX	XXXX	XXXX	XXXX			XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX	XXXX		XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
12 1975	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

**SCHEDULE P—PART 2E—FARMOWNERS MULTIPLE PERIL,
HOMEOWNERS MULTIPLE PERIL, COMMERCIAL MULTIPLE PERIL,
OCEAN MARINE, AIRCRAFT (all peril) AND BOILER AND MACHINERY (c)**

1 Prior to 1970							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
2 1970												
3 Cumulative Total							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4 1971	XXXX						XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
5 Cumulative Total	XXXX						XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
6 1972	XXXX	XXXX					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
7 Cumulative Total	XXXX	XXXX					XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
8 1973	XXXX	XXXX	XXXX	17,668	16,080	16,533	XXXX	XXXX	XXXX	72.61	66.08	67.94
9 Cumulative Total	XXXX	XXXX	XXXX	67,542	68,855	69,592	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
10 1974	XXXX	XXXX	XXXX	XXXX	20,612	22,684	XXXX	XXXX	XXXX	XXXX	70.20	77.26
11 Cumulative Total	XXXX	XXXX	XXXX	XXXX	89,467	92,276	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
12 1975	XXXX	XXXX	XXXX	XXXX	XXXX	26,763	XXXX	XXXX	XXXX	XXXX	XXXX	77.53

(a) From Schedule P—Part 1, Column 11. Use corresponding column for annual statements prior to 1973.

(b) From Schedule P—Part 1, Column 12. Use corresponding column for annual statements prior to 1973.

(c) Completion of data for years prior to 1973 is optional.

(d) Completion of data for years prior to 1975 is optional.

†Includes only Bodily Injury Liability prior to 1971.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE P—PART 3—SUMMARY (d)
 Calendar Year Premiums Earned, Accident Year Loss and Loss Expense Incurred

	Dollars (000 omitted)							Percentages						
	1 1969	2 1970	3 1971	4 1972	5 1973	6 1974	7 1975	8 1969	9 1970	10 1971	11 1972	12 1973	13 1974	14 1975
	Summary Data from Schedule P—Part 1—Summary													
1 Premiums Earned							390,760	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2 Loss & Loss Exp. Inc'd.							362,363							92.7
	Loss & Loss Expense through 1 year													
3 Paid							160,072							41.0
4 Reserve (2) - (3)							202,291							51.7
	Loss & Loss Expense through 2 years													
5 Paid							XX							XX
6 Reserve (2) - (5)							XX							XX
	Loss & Loss Expense through 3 years													
7 Paid						XX	XX						XX	XX
8 Reserve (2) - (7)						XX	XX						XX	XX
	Loss & Loss Expense through 4 years													
9 Paid					XX	XX	XX					XX	XX	XX
10 Reserve (2) - (9)					XX	XX	XX					XX	XX	XX
	Loss & Loss Expense through 5 years													
11 Paid				XX	XX	XX	XX				XX	XX	XX	XX
12 Reserve (2) - (11)				XX	XX	XX	XX				XX	XX	XX	XX

SCHEDULE P—PART 3A—AUTO LIABILITY†
 Calendar Year Premiums Earned, Accident Year Loss and Loss Expense Incurred

	Dollars (000 omitted)							Percentages						
	1 1969	2 1970	3 1971	4 1972	5 1973	6 1974	7 1975	8 1969	9 1970	10 1971	11 1972	12 1973	13 1974	14 1975
	Summary Data from Schedule P—Part 1A													
1 Premiums Earned	106,588	129,276	234,839	277,048	298,769	318,134	355,921	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2 Loss & Loss Exp. Inc'd.	90,645	106,222	196,237	231,822	258,141	275,245	335,399	85.0	82.2	83.6	83.7	86.4	86.5	94.2
	Loss & Loss Expense through 1 year													
3 Paid	18,131	20,756	72,853	85,740	100,643	109,916	140,583	17.0	16.1	31.0	30.9	33.7	34.5	39.5
4 Reserve (2) - (3)	72,514	85,466	123,384	146,082	157,498	165,329	194,816	68.0	66.1	52.6	52.8	52.7	52.0	54.7
	Loss & Loss Expense through 2 years													
5 Paid	49,663	58,120	135,045	158,840	179,424	197,401	XX	46.6	45.0	57.5	57.4	60.1	62.0	XX
6 Reserve (2) - (5)	40,982	48,102	61,192	72,982	78,717	77,844	XX	38.4	37.2	26.1	26.3	26.3	24.5	XX
	Loss & Loss Expense through 3 years													
7 Paid	68,642	79,698	164,363	194,856	219,058	XX	XX	64.4	61.7	70.0	70.4	73.4	XX	XX
8 Reserve (2) - (7)	22,003	26,524	31,874	36,966	39,083	XX	XX	20.6	20.5	13.6	13.3	13.0	XX	XX
	Loss & Loss Expense through 4 years													
9 Paid	79,711	92,496	180,266	215,127	XX	XX	XX	74.7	71.6	76.8	77.6	XX	XX	XX
10 Reserve (2) - (9)	10,934	13,726	15,971	16,695	XX	XX	XX	10.3	10.6	6.8	6.1	XX	XX	XX
	Loss & Loss Expense through 5 years													
11 Paid	85,626	99,629	189,553	XX	XX	XX	XX	80.3	77.1	80.8	XX	XX	XX	XX
12 Reserve (2) - (11)	5,019	6,593	6,684	XX	XX	XX	XX	4.7	5.1	2.8	XX	XX	XX	XX

SCHEDULE P—PART 3B—OTHER LIABILITY†
 Calendar Year Premiums Earned, Accident Year Loss and Loss Expense Incurred

	Dollars (000 omitted)							Percentages						
	1 1969	2 1970	3 1971	4 1972	5 1973	6 1974	7 1975	8 1969	9 1970	10 1971	11 1972	12 1973	13 1974	14 1975
	Summary Data from Schedule P—Part 1B													
1 Premiums Earned	209	210	217	222	258	300	321	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2 Loss & Loss Exp. Inc'd.	72	51	111	116	61	74	202	34.4	24.3	51.2	52.3	23.6	24.7	62.9
	Loss & Loss Expense through 1 year													
3 Paid	14	16	19	31	20	95	117	6.7	7.6	8.8	14.0	7.8	31.7	36.4
4 Reserve (2) - (3)	58	35	92	85	41	-21	85	27.7	16.7	42.4	38.3	15.8	-7.0	26.5
	Loss & Loss Expense through 2 years													
5 Paid	32	26	50	35	19	42	XX	15.3	12.4	23.0	15.8	7.4	14.0	XX
6 Reserve (2) - (5)	40	25	61	81	42	32	XX	19.1	11.9	28.2	36.5	16.2	10.7	XX
	Loss & Loss Expense through 3 years													
7 Paid	43	38	48	63	57	XX	XX	20.6	18.1	22.1	28.4	22.1	XX	XX
8 Reserve (2) - (7)	29	13	63	53	4	XX	XX	13.8	6.2	29.1	23.9	1.5	XX	XX
	Loss & Loss Expense through 4 years													
9 Paid	49	45	86	66	XX	XX	XX	23.4	21.4	39.6	29.7	XX	XX	XX
10 Reserve (2) - (9)	23	6	25	50	XX	XX	XX	11.0	2.9	11.6	22.6	XX	XX	XX
	Loss & Loss Expense through 5 years													
11 Paid	50	47	89	XX	XX	XX	XX	23.9	22.4	41.1	XX	XX	XX	XX
12 Reserve (2) - (11)	22	4	22	XX	XX	XX	XX	10.5	1.9	10.1	XX	XX	XX	XX

See Schedule P—Part 3E for footnotes

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE P—PART 3C—MEDICAL MALPRACTICE (d)

Calendar Year Premiums Earned, Accident Year Loss and Loss Expense Incurred

	Dollars (000 omitted)							Percentages						
	1 1969	2 1970	3 1971	4 1972	5 1973	6 1974	7 1975	8 1969	9 1970	10 1971	11 1972	12 1973	13 1974	14 1975
	Summary Data from Schedule P - Part 1C													
1 Premiums Earned								100.0	100.0	100.0	100.0	100.0	100.0	100.0
2 Loss & Loss Exp Inc'd														
	Loss & Loss Expense through 1 year													
3 Paid														
4 Reserve (2) - (3)														
	Loss & Loss Expense through 2 years													
5 Paid							XX							XX
6 Reserve (2) - (5)							XX							XX
	Loss & Loss Expense through 3 years													
7 Paid							XX							XX
8 Reserve (2) - (7)							XX						XX	XX
	Loss & Loss Expense through 4 years													
9 Paid					XX	XX	XX					XX	XX	XX
10 Reserve (2) - (9)					XX	XX	XX					XX	XX	XX
	Loss & Loss Expense through 5 years													
11 Paid				XX	XX	XX	XX				XX	XX	XX	XX
12 Reserve (2) - (11)				XX	XX	XX	XX				XX	XX	XX	XX

SCHEDULE P—PART 3D—WORKMEN'S COMPENSATION

Calendar Year Premiums Earned, Accident Year Loss and Loss Expense Incurred

	Dollars (000 omitted)							Percentages						
	1 1969	2 1970	3 1971	4 1972	5 1973	6 1974	7 1975	8 1969	9 1970	10 1971	11 1972	12 1973	13 1974	14 1975
	Summary Data from Schedule P - Part 1D													
1 Premiums Earned								100.0	100.0	100.0	100.0	100.0	100.0	100.0
2 Loss & Loss Exp Inc'd														
	Loss & Loss Expense through 1 year													
3 Paid														
4 Reserve (2) - (3)														
	Loss & Loss Expense through 2 years													
5 Paid							XX							XX
6 Reserve (2) - (5)							XX							XX
	Loss & Loss Expense through 3 years													
7 Paid							XX							XX
8 Reserve (2) - (7)							XX						XX	XX
	Loss & Loss Expense through 4 years													
9 Paid					XX	XX	XX					XX	XX	XX
10 Reserve (2) - (9)					XX	XX	XX					XX	XX	XX
	Loss & Loss Expense through 5 years													
11 Paid				XX	XX	XX	XX				XX	XX	XX	XX
12 Reserve (2) - (11)				XX	XX	XX	XX				XX	XX	XX	XX

SCHEDULE P—PART 3E—FARMOWNERS MULTIPLE PERIL, HOMEOWNERS MULTIPLE PERIL, COMMERCIAL MULTIPLE PERIL, OCEAN MARINE, AIRCRAFT (ALL PERILS) AND BOILER AND MACHINERY (c)

Calendar Year Premiums Earned, Accident Year Loss and Loss Expense Incurred

	Dollars (000 omitted)							Percentages						
	1 1969	2 1970	3 1971	4 1972	5 1973	6 1974	7 1975	8 1969	9 1970	10 1971	11 1972	12 1973	13 1974	14 1975
	Summary Data from Schedule P - Part 1E													
1 Premiums Earned					24,334	29,362	34,518	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2 Loss & Loss Exp Inc'd					16,533	22,684	26,763					67.9	77.3	77.5
	Loss & Loss Expense through 1 year													
3 Paid					11,140	15,804	19,372					45.8	53.8	56.1
4 Reserve (2) - (3)					5,393	6,880	7,391					22.1	23.5	21.4
	Loss & Loss Expense through 2 years													
5 Paid					15,676	21,575	XX					64.4	73.5	XX
6 Reserve (2) - (5)					857	1,109	XX					3.5	3.8	XX
	Loss & Loss Expense through 3 years													
7 Paid					16,053	XX	XX					66.0	XX	XX
8 Reserve (2) - (7)					480	XX	XX					1.9	XX	XX
	Loss & Loss Expense through 4 years													
9 Paid					XX	XX	XX					XX	XX	XX
10 Reserve (2) - (9)					XX	XX	XX					XX	XX	XX
	Loss & Loss Expense through 5 years													
11 Paid				XX	XX	XX	XX				XX	XX	XX	XX
12 Reserve (2) - (11)				XX	XX	XX	XX				XX	XX	XX	XX

(c) Completion of data for years prior to 1973 is optional.

(d) Completion of data for years prior to 1975 is optional.

Includes only Bodily Injury Liability prior to 1971.

Note: Item 2 is taken from this year's Schedule P - Part 1 and is consequently updated each year. Items 3, 5, 7, 9 and 11 are taken from the Schedule P - Part 1 (or corresponding Part for years prior to 1975) of the year indicated by the heading immediately above each item, and consequently do not change after once being entered.

ANNUAL STATEMENT FOR THE YEAR 1975 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
N O N E										
		TOTALS	X X X X							

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
N O N E				
		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
N O N E									
		TOTALS			X X X X	X X X X X X X X X X X X X X X X			

*Companies should limit 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 8, Page 5; any other receipts should be reported in Item 12, Page 4.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES INSURANCE COMPANY

SCHEDULE Y—TRANSACTIONS WITH AFFILIATES

PART 1. Transactions by the company and any affiliated insurer with any affiliate. Non-insurance transactions involving less than 1/32 of 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.

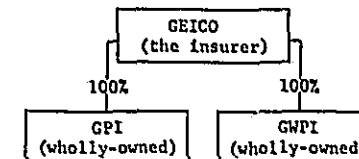
1 Date of Transaction	2 Explanation of Transaction	3 Name of Insurer	4 Name of Affiliate	Assets Received by Insurer		Assets Transferred by Insurer	
				5 Statement Value	6 Description	7 Statement Value	8 Description
July 24, 1975	Sale of land and building (Operations Building, Chevy Chase, Maryland)	Government Employees Insurance Company (GEICO)	GEICO Washington Properties, Inc. (GWPI)	\$34,000,000	\$23,300,000 in Cash and \$10,700,000 in long-term note	\$12,721,907	Land and building
July 24, 1975	Sale of land and building (Bailey's Crossroads property, Fairfax County, Virginia)	Government Employees Insurance Company (GEICO)	GEICO Washington Properties, Inc. (GWPI)	\$ 277,121	Cash	\$ 277,121	Land and building
July 24, 1975	Sale of land and building (Clinton property, Prince George's County, Maryland)	Government Employees Insurance Company (GEICO)	GEICO Washington Properties, Inc. (GWPI)	\$ 242,359	Cash	\$ 242,359	Land and building

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:

NONE

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



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 1/32 of 1% of the total assets of the largest affiliated insurer.

See chart immediately to right hereof.

NOTE: All members of a Holding Company Group shall prepare a common Schedule for inclusion in each of the individual annual statements and the consolidated Fire and Casualty Annual Statement of the Group.

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					
1 Alabama	6,834,500	6,072,189		4,985,655	5,100,134	1,569,128	99,281
2 Alaska	4,484,746	3,833,727		3,130,660	3,457,257	915,146	51,713
3 Arizona	4,918,889	4,817,336		3,650,377	4,256,676	1,534,647	78,372
4 Arkansas	2,053,757	1,816,384		1,393,543	1,297,889	335,303	28,586
5 California	50,507,261	44,718,224		31,072,427	32,756,606	15,755,905	663,328
6 Colorado	5,751,133	5,224,946		3,961,796	4,110,951	1,225,972	82,453
7 Connecticut	5,388,140	4,928,954		3,737,440	3,984,637	2,454,420	72,244
8 Delaware	1,509,754	1,259,640		1,018,241	1,163,396	572,865	22,986
9 Dist Columbia	18,598,728	16,417,442		12,708,864	14,731,361	5,553,688	261,031
10 Florida	60,536,258	52,367,217		38,156,434	48,916,720	23,355,068	677,303
11 Georgia	15,481,470	13,770,752		10,591,886	11,240,771	3,660,731	240,395
12 Hawaii	4,396,383	3,961,622		2,950,585	3,663,242	1,839,361	62,254
13 Idaho	382,528	352,740		212,861	204,959	60,337	6,592
14 Illinois	12,914,595	11,299,101		9,092,049	9,556,371	3,872,471	155,173
15 Indiana	1,654,933	1,554,151		1,178,517	1,190,928	511,243	24,075
16 Iowa	535,648	506,398		360,171	423,586	132,322	8,620
17 Kansas	1,690,028	1,586,978		1,193,375	1,265,246	383,779	26,373
18 Kentucky	3,297,251	3,051,561		2,335,302	2,347,545	706,938	50,368
19 Louisiana	11,608,064	11,079,166		7,981,823	8,572,631	3,585,722	78,429
20 Maine	1,185,546	1,147,038		721,030	800,873	440,751	20,146
21 Maryland	69,024,893	62,250,805		51,265,291	57,304,986	21,513,396	1,006,961
22 Massachusetts	3,756,255	3,805,537		2,953,789	3,073,369	1,642,365	46,175
23 Michigan	3,055,262	3,024,118		2,092,651	2,401,419	932,196	41,859
24 Minnesota	856,333	837,831		702,785	682,855	380,828	14,114
25 Mississippi	3,363,359	3,143,974		2,303,212	2,364,910	683,875	50,979
26 Missouri	2,726,303	2,526,928		1,801,427	1,905,515	669,817	34,966
27 Montana	491,611	446,987		232,680	290,880	309,032	8,186
28 Nebraska	1,454,800	1,302,327		1,325,868	1,420,347	353,957	22,624
29 Nevada	1,096,776	960,985		650,696	728,744	249,223	16,518
30 New Hampshire	1,464,150	1,394,421		980,688	1,239,537	845,464	10,800
31 New Jersey	64,266,123	56,705,767		46,967,675	55,250,228	29,830,933	786,331
32 New Mexico	2,745,158	2,413,614	2,649	1,819,096	2,056,874	776,751	41,072
33 New York	151,652,495	136,473,573		116,587,021	135,268,075	71,586,550	1,658,436
34 No Carolina	7,316,629	7,012,506	210,108	4,241,404	4,253,118	1,522,136	62,547
35 No Dakota	269,624	259,801		191,982	183,075	50,751	5,058
36 Ohio	7,203,491	6,808,544		4,976,356	4,823,485	2,249,678	99,926
37 Oklahoma	4,036,035	3,571,715	9,003	2,710,731	2,984,557	801,768	57,896
38 Oregon	1,051,139	1,009,062		703,538	819,067	329,664	15,534
39 Pennsylvania	23,027,307	20,486,182		16,104,996	17,082,408	9,338,950	274,666
40 Rhode Island	2,238,707	2,031,344		1,754,918	2,053,117	1,312,085	28,725
41 So Carolina	13,428,352	11,384,366		9,483,655	10,268,939	3,447,476	210,386
42 So Dakota	291,496	269,017		145,055	204,666	104,435	4,965
43 Tennessee	8,874,188	7,911,100		6,073,848	6,406,452	2,285,681	123,643
44 Texas	19,575,530	18,402,690	170,520	12,924,468	13,662,579	4,330,828	337,348
45 Utah	653,313	601,913		318,906	371,680	135,062	10,664
46 Vermont	445,260	423,296		297,609	343,803	169,424	6,958
47 Virginia	49,213,069	44,660,905		30,595,549	31,704,035	12,337,930	376,397
48 Washington	4,063,753	3,753,277		2,993,003	3,468,844	1,370,680	60,656
49 West Virginia	973,891	898,187		679,105	711,264	306,106	16,487
50 Wisconsin	1,221,758	1,157,625		656,160	771,304	556,458	18,893
51 Wyoming	379,033	321,359		272,272	261,982	68,499	6,178
52 Guam	1,324,387	1,264,393		1,079,260	1,114,221	228,388	21,857
53 Puerto Rico	-	-		-2,029,239	-2,701,579	7,023	-
54 U S Virgin Is.	-	-		-	-	-	-
55 Canada	-	-		-	-	-	-
56 Mexico	-	-		-	-	-	-
57 Philippine Is	-	-		-	-	-	-
58 Other foreign (Memize)	-	-		-	-	-	-
Canal Zone	208,276	179,997		119,439	118,768	47,792	1,565
Newfoundland	10,219	7,817		3,120	2,023	6	74
98 TOTALS	665,488,612	597,468,554	392,282	464,412,076	521,937,350	239,243,032	8,189,446

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 1a in Part 3A, Page 9. Total for Column 8 to agree with Item 11, Page 4.

BY-LAWS

of

GOVERNMENT EMPLOYEES INSURANCE COMPANY

* * * * *

SECTION I
Offices

The principal office and place of business of the Company shall be in the City of Washington, District of Columbia. The Company may also have offices and places of business at such other places without the District of Columbia as the Board of Directors may from time to time designate.

SECTION II
Corporate Seal

The Company shall have a Corporate Seal which shall be circular in form, with the words "GOVERNMENT EMPLOYEES INSURANCE COMPANY," imprinted around the outer margin, and the words "DISTRICT OF COLUMBIA 1937" imprinted across the center.

SECTION III
Meetings of Shareholders

Par. 1 -- Annual Meetings. The annual meeting of the shareholders shall be held at 10:00 o'clock in the forenoon, on the last Wednesday in March of each year (if that day be a legal holiday, then on the next succeeding Wednesday not a legal holiday), or on such other day in March or April as the Board of Directors may designate. At such meeting, the shareholders shall elect a Board of Directors and may transact such other business as may properly come before the meeting. If the election of Directors is for any reason not made on the day designated herein or by the Board of Directors as aforesaid, the Board of Directors shall cause such election to be held as soon thereafter as conveniently may be.

Par. 2 -- Special Meetings. Special meetings of the shareholders for any purpose or purposes may be called at any time by the President in his discretion, and shall be called by the President or the Secretary either (a) at the request in writing or by vote of a majority of all the Directors, or

(b) at the request in writing of shareholders of record owning at least twenty-five percentum (25%) of all the shares of capital stock of the Company outstanding and entitled to be voted at the time of the request. Such request or vote shall state the purpose or purposes of the proposed meeting.

Par. 3 -- Place of Meeting. All meetings of shareholders shall be held at the principal office of the Company in Washington, D. C., or at such other place or places within the District of Columbia as the Board of Directors may designate for any annual meeting, or as the Board of Directors or the President may designate for any special meeting. Any meeting of shareholders, after being convened at the designated time and place, may by majority vote be adjourned to a more convenient place within the District of Columbia.

Par. 4 -- Notice of Meetings. Written notice of every meeting of shareholders, annual or special, stating the time, place and purpose or purposes thereof, shall be given by the Secretary to each shareholder of record entitled to vote thereat, by mailing a copy thereof to said shareholder at his address as it appears on the books of the Company, at least ten (10) days and not more than fifty (50) days in advance of said meeting. Public notice of the time and place of holding any election of Directors shall also be published not less than thirty (30) days previous thereto in a newspaper printed and published in the District of Columbia.

Par. 5 -- Quorum. At any meeting of shareholders, the holders of a majority of the stock outstanding and entitled to be voted thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum for the transaction of business, except as otherwise provided by law, or by the Articles of Incorporation. In the absence of a quorum, the shareholders present in person or by proxy and entitled to vote thereat may adjourn the meeting from time to time without further notice until a quorum shall be secured, whereupon any business may be transacted which might have been transacted at the meeting as originally notified or fixed. At any meeting of shareholders for the election of Directors, the election shall be made by such of the shareholders as shall attend for that purpose, either in person or by proxy.

Par. 6 -- Voting. At every meeting of shareholders, each shareholder entitled to vote thereat shall have one vote for each full share of voting stock registered in his name on the books of the Company on the record date for said meeting. Votes may be cast in person, or by written proxy signed by the shareholder. All questions before any meeting of shareholders shall be decided by a vote of the holders of a majority of the shares present or represented thereat and entitled to vote. Voting for Directors shall be by ballot and voting on any other matter may be by ballot or viva voce.

Par. 7 -- Record Date. The Board of Directors may designate a record date for the determination of shareholders entitled to vote at any annual or special meeting of shareholders. In the absence of such designation, the record date shall be the twentieth (20th) day before an annual meeting, or the tenth (10th) day before a special meeting. Only shareholders of record on the record date designated by the Board of Directors, or by these By-Laws in the absence of such designation, shall be entitled to notice of, and to vote at, any meeting or adjournment thereof, notwithstanding the transfer of any stock on the books of the Company after such record date. At all times during any meeting of shareholders, the Secretary shall keep the capital stock book of the Company open for the inspection of any shareholder who may be present.

Par. 8 -- Proxies. All proxies must be in writing, signed by the shareholder, and in order to be effective, must be filed with the Secretary no later than the opening of the meeting. Proxies used at a meeting shall be attached as exhibits to the minutes of the meeting, or referred to therein and preserved in the files of the Company for a period of three years, after which they may be destroyed. All proxies used in the election of Directors shall be valid for a period of not exceeding one (1) year from the election for which they were signed and in which they were authorized to be voted.

SECTION IV Directors

Par. 1 -- Number and Qualifications. The stock, property, business and affairs of the Company shall be managed and controlled by a Board of not less than seven (7) and not more than fifteen (15) Directors, each of whom shall be a shareholder of the Company. The number of Directors for any year shall be fixed by the shareholders at the annual meeting, and the Directors shall be annually elected by the shareholders. Not more than 40% of the Directors shall be full-time, salaried, operating officers of the Company.

Par. 2 -- Term of Office. Each Director elected by the shareholders at any annual meeting shall hold office for one (1) year and until his successor is duly elected and qualified, unless sooner removed pursuant to paragraph 3 of this Section.

Par. 3 -- Removal of Directors. A Director may be removed at any time, with or without cause, at a special meeting of shareholders called for that purpose, by a vote of a majority of the shares of stock represented and entitled to be voted at such meeting. At any such meeting, a successor to such Director may be elected for his unexpired term.

Par. 4 -- Vacancies. In the event of any vacancy caused by death, resignation or incapacity of a Director, or by failure of the shareholders to elect a successor to a Director who has been removed, the Board of Directors may fill such vacancy by vote of a majority of all the Directors then in office. Directors so elected shall serve for the unexpired term of their predecessors, and until their successor is duly elected and qualified.

Par. 5 -- Powers. The Board of Directors shall have and may exercise all powers of the Company, including the power to do all lawful acts and things in behalf of the Company which are not by statute or by the Articles of Incorporation required to be exercised or done by the shareholders. Without limiting the generality of the foregoing, the Board of Directors shall have the powers:

- (a) To purchase or otherwise acquire for the Company any property, rights or privileges, which the Company has the power to take, at such prices and upon such terms as the Board of Directors may deem proper;
- (b) To pay for such property, rights or privileges in whole or in part with money, services, stocks, bonds, debentures, or other securities of the Company, or by the delivery of other property of the Company;
- (c) To create, make, and issue mortgages, bonds, deeds of trust, trust agreements, and negotiable or transferable instruments and securities, secured by mortgages or otherwise, and to do every act and thing necessary to effectuate the same;
- (d) To appoint agents, clerks, assistants, employees and trustees, and to dismiss them at the discretion of the Board; to fix their duties, functions and emoluments, and to change them from time to time; and to require security as it may deem proper;
- (e) To confer upon the President or any other officer of the Company the power of selecting, discharging or suspending agents, clerks, assistants and employees;
- (f) To determine by whom and in what manner the Company's bills, notes, checks, acceptances, endorsements, receipts, releases, contracts, or other documents shall be signed; and to authorize the execution of any such documents; and

(g) To exercise any and all other powers conferred upon them by law, by the Articles of Incorporation or by these By-Laws, subject to the terms and conditions thereof.

SECTION V Meetings of Directors

Par. 1 -- Regular Meetings. After each annual election of Directors at a meeting of shareholders, the newly elected Directors shall meet the first business day following such annual election for the purposes of organization, election of officers and the transaction of other business. Regular meetings of the Board of Directors shall also be held on the last Wednesday of January, May, July, September and November of each year or, if such day be a legal holiday, then on the next succeeding Wednesday not a legal holiday. The Board of Directors may, by resolution or by written waiver of all the Directors, fix some other time for any regular meeting in lieu of the day specified herein.

Par. 2 -- Special Meetings. Special meetings of the Board of Directors may be called by the President upon written notice of not less than four (4) days, or telegraphic notice of not less than two (2) days, to all the Directors, fixing the time and place thereof within or without the District of Columbia; and a special meeting shall be called by the President or the Secretary in like manner upon the written request of two (2) or more Directors.

Par. 3 -- Place of Meeting. Meetings of the Board of Directors shall be held at such place within or without the District of Columbia as may from time to time be fixed by resolution of the Board or as may be specified in the call of any meeting.

Par. 4 -- Quorum. At all meetings of the Board of Directors, a majority of the Directors then in office shall constitute a quorum for the transaction of business, but a smaller number may adjourn from time to time without further notice until a quorum is secured. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may otherwise be provided by law, by the Articles of Incorporation, or elsewhere in these By-Laws.

SECTION VI Committees

Par. 1 -- Executive Committee

(a) There shall be an Executive Committee consisting of the Chief Executive Officer and such additional Directors as may be elected

by the Board of Directors: Provided, that the total number of members of the Executive Committee shall not be more than half the number of all Directors.

(b) The Executive Committee shall exercise all powers of the Board of Directors when the Board is not in session in all cases in which specific directions shall not have been given by the Board of Directors, but the Committee shall not have the power to make, alter, amend or repeal the By-Laws, nor to fill any vacancies on the Board of Directors or the Committee. Vacancies in the membership of the Executive Committee shall be filled by the Board of Directors. The Executive Committee shall advise with and aid the officers of the Company in all matters concerning its interests and the management of its business, and shall perform such duties and exercise such powers as may be directed or delegated by the Board of Directors from time to time.

(c) The Board of Directors shall select the Chairman of the Executive Committee who shall preside at all meetings of the Executive Committee.

Par. 2 -- Investment Committee

(a) There shall be an Investment Committee of the Board of Directors consisting of at least three (3) but not more than seven (7) Directors, who shall be elected by the Board of Directors; provided that at least three of said members are members of the Executive Committee. The Board of Directors shall designate one of the members of the Investment Committee to be the Chairman and may designate one of the members to be the Vice Chairman thereof.

(b) The Investment Committee shall have the power to authorize the purchase, conversion, transfer and sale by the Company of stocks, bonds, and other securities and all matters relating thereto; and shall have such other powers as may be delegated to it by the Board of Directors. The Investment Committee shall act by a majority vote of all its members expressed by vote at a meeting of such committee, or by agreement or consents given orally or in writing. All such actions shall be reported in writing by the Chairman of the Investment Committee to the Board of Directors at its next meeting.

(c) Each member of the Investment Committee is authorized and empowered: (i) to certify to whom it may concern that the Investment Committee has authorized or approved any transaction of purchase,

conversion, transfer or sale of securities by the Company, and such certification shall be valid and binding upon the Company; (ii) to sell, assign, authorize conversion of, or transfer any securities of the Company pursuant to authorization by the Investment Committee; and (iii) to execute any and all instruments he deems to be necessary or desirable for any of the aforesaid purposes.

Par. 3 -- Other Committees. The Board may designate one or more other Committees, each consisting of at least two but less than half the total number of Directors, which shall have such powers as may be specified by resolution of the Board.

Par. 4 -- Meetings. The Executive and Investment Committees shall meet on the Tuesday preceding the last Wednesday of January, March, May, July, September and November and on the last Tuesday of February, April, June and October of each year or, if such day be a legal holiday, then on the next succeeding Tuesday not a legal holiday, or at the call of any of its members. Any other committees shall meet at stated times or at the call of any of its members. Each committee shall keep regular minutes of its proceedings, shall report the same to the Board of Directors and shall fix its rules of procedure. The affirmative vote of a majority of the whole committee shall be necessary for the action of the committee. The members of the committee may, by resolution or by written waiver of all the members, fix some other time for the meeting in lieu of the dates specified herein.

SECTION VII

Compensation of Officers and Employees

The salary, compensation, allowances, and emoluments of officers, Directors, agents and employees of the Company shall be fixed by the Board of Directors or the Executive Committee, or by the President or other officer pursuant to authorization of the Board or the Committee.

SECTION VIII

Officers

Par. 1 -- Number and Title. The officers of the Company shall be a Chairman of the Board, a President, one or more Vice Presidents as may be designated by the Board of Directors, a General Counsel, a Secretary and a Treasurer. There also may be elected a Vice Chairman of the Board, an Executive Vice President, one or more Senior Vice Presidents, an Actuary, a Comptroller and such other officers, associates and assistants under appropriate titles as may be necessary or advisable in the judgment of the Board of Directors. The officers shall be elected by the Board of Directors at the first meeting of the Board held after the annual election of Directors, or at any later meeting thereof. The President shall be selected from the Board

of Directors. When elected, the President, the Chairman of the Board, the Vice Chairman of the Board, the Executive Vice President, the Senior Vice President(s), and the Vice Presidents shall hold office for one (1) year and until their successors are duly elected and qualified; all other officers shall hold office at the pleasure of the Board of Directors. Any two offices may be held by the same person. All elections of officers shall be by majority vote of the Directors present. If any office shall become vacant for any reason, the vacancy may be filled for the unexpired portion of the term by the Board of Directors at their next meeting, regular or special.

Par. 2 -- Chairman of the Board. The Chairman of the Board shall preside at all meetings of shareholders and of the Board of Directors. In the absence or disability of the Chairman of the Board and the Vice Chairman of the Board, the Board of Directors shall designate one of its members to preside at all such meetings.

The Chairman of the Board shall be the Chief Executive Officer of the Company with the following powers, functions and duties:

- (a) Under the direction of the Board of Directors, he shall have general supervision and management of the property, affairs, and business of the Company;
- (b) He shall see that all orders and resolutions of the Board of Directors are carried into effect;
- (c) He shall have the general supervision and direction of the staff officers of the Company and shall see that their duties are properly performed;
- (d) With the President, he shall submit an annual report of the operations of the Company for the year to the shareholders at their annual meeting and also to the Board of Directors;
- (e) He shall be ex-officio a member of all standing committees except the Compensation Committee;
- (f) He shall be vested with such other powers of supervision and management and he shall perform such other duties as may be delegated to him by the Board of Directors, or as may devolve upon the Chief Executive Officer of like companies.

Par. 3 -- The President. The President shall be the Chief Operating Officer of the Company with the following powers, functions and duties:

(a) Under the direction of the Board of Directors and the Chief Executive Officer, he shall have general supervision and active management of the property, affairs, and business of the Company;

(b) He shall have the general supervision and direction of the operating officers of the Company, and he shall see that their duties are properly performed;

(c) He shall execute and acknowledge all contracts, agreements, deeds, bonds, mortgages and other obligations and instruments in the name of the Company when so authorized by the Board of Directors, and all other papers and documents necessary and proper to be executed in the performance of his duties;

(d) With the Chairman of the Board, he shall submit an annual report of the operations of the Company for the year to the shareholders at their annual meeting, and also to the Board of Directors;

(e) He shall be ex-officio a member of all standing committees, except the Compensation Committee;

(f) He shall be vested with such other powers of supervision and management and he shall perform such other duties as may be delegated to him by the Chief Executive Officer or the Board of Directors, or as may devolve upon the Chief Operating Officer of like companies.

(g) In the absence or disability of the President, his authority and duties shall be vested in such officer as may be designated by the Board of Directors, the Chief Executive Officer or the President, before or after the event.

Par. 4 -- Vice Chairman of the Board. The Vice Chairman of the Board shall preside at all meetings of shareholders and the Board of Directors during the absence or disability of the Chairman of the Board, and shall perform such other functions and duties as may be prescribed by the Board of Directors.

Par. 5 -- Executive Vice President. The Executive Vice President, in addition to his other duties as Vice President, shall assist the Chief Executive Officer and the President in supervising and administering the Company's business and affairs.

Par. 6 -- Senior Vice President. The Senior Vice President(s), in addition to his (their) other duties as Vice President(s), shall assist the Chief Executive Officer, the President and/or Executive Vice President in supervising and administering the line and staff organizational functions of the Company.

Par. 7 -- Vice Presidents. The Vice Presidents shall perform such duties as may from time to time be assigned to them by the Board of Directors or by the President.

Par. 8 -- General Counsel. The General Counsel shall be the chief legal officer of the Company. He shall render legal advice and opinions to the Board of Directors and the President of the Company upon request, with respect to the business of the Company. He shall be charged with all legal matters with which the Company may be concerned or involved, and shall perform all other duties incident to such office.

Par. 9 -- Secretary. The Secretary shall have the following duties:

(a) He shall attend all meetings of shareholders and of the Board of Directors; and, upon request, he shall also attend meetings of the Executive Committee or standing committees. He shall act as clerk of all meetings of shareholders or Directors, and shall record all notes and proceedings thereof in a minute book to be kept for that purpose; and, upon request, he shall also perform such duties in respect of meetings of the Executive Committee and standing committees.

(b) He shall attend to the giving and serving of all notices to the shareholders or Directors or other notices required by law, by the Articles of Incorporation or by these By-Laws.

(c) He shall have custody of the corporate seal, and shall affix the same to contracts, agreements, deeds, bonds, mortgages; and other obligations and instruments of the Company requiring a seal, when so authorized by the Board of Directors. He shall execute and affix the corporate seal to all certificates and other documents certifying to the authenticity of By-Laws of the Company, resolutions and orders adopted or other action taken by the Board of Directors, the Executive Committee, or officers of the Company, and as to the names and identity of the Directors and the officers of the Company:

Provided, that the Board of Directors may authorize any member of the Executive Committee to certify to the authenticity of resolutions and orders adopted or other action taken by the Board of Directors or by such Committee.

(d) He shall have charge of the capital stock books, and such other books and papers as the Board of Directors may prescribe. He shall keep an account of stock registered and transferred in such manner and subject to such regulations as the Board of Directors may prescribe.

(e) The Secretary shall perform all other functions incident to the office of Secretary, and such other functions as the Board of Directors may prescribe.

Par. 10 -- Treasurer. The Treasurer shall have the following powers and duties:

(a) He shall have custody of the funds and securities of the Company, shall keep full and accurate accounts of the receipts and disbursements in books belonging to the Company, and shall deposit all monies and other valuable effects belonging to the Company in the name and to the credit of the Company, in such depositories as may be designated by the Board of Directors.

(b) He shall disburse the funds of the Company as may be ordered by the Board of Directors or the President, taking proper vouchers for such disbursements, and shall render to the President and Directors, whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Company, and at the regular meeting of the Board of Directors next preceding the annual shareholders' meeting, he shall make a like report for the preceding year.

(c) He shall give the Company a bond, if required by the Board of Directors, in such sum and in form and with security satisfactory to the Board of Directors, for the faithful performance of the duties of his office and the restoration to the Company, in case of his death, resignation or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession, belonging to the Company.

(d) He shall perform such other functions as the Board of Directors may from time to time prescribe.

Par. 11 - Actuary. The Actuary shall have the following responsibilities:

- (a) Establish and obtain approval from state regulatory authorities of underwriting rate levels in compliance with governing statutes which generally state that rates must not be excessive, inadequate or unfairly discriminatory.
- (b) File and obtain approval, where necessary, from state regulatory authorities, Company underwriting rules and forms.
- (c) Analysis of internal Company statistical experience in order to present recommendations to the President concerning the Company's underwriting experience and general financial position.
- (d) Establish loss and loss expense reserves for all reported and unreported claims.
- (e) Compilation and filing of Company statistical data directly with regulatory authorities or through designated statistical agencies.
- (f) The Actuary shall perform all other functions incident to the Office of the Actuary, and such other functions as the Board of Directors or President may prescribe.

Par. 12 -- Comptroller. The Comptroller shall:

- (a) Be responsible for all aspects of expense control;
- (b) Establish standards by which management may qualitatively and quantitatively evaluate short and long range financial and operational performance;
- (c) Develop and monitor reports and controls to determine variance from standard performance; and
- (d) Also perform all other duties and functions incident to the Office of the Comptroller, and such other functions as the Board of Directors or President may prescribe.

Par. 13 -- Assistant and Associate Officers. The Board of Directors may designate and appoint such assistant or associate officers as may be deemed desirable, who shall aid the superior officer in his functions and duties, and perform such other duties as may be prescribed by the Board of Directors, the President or the superior officer. In the absence or

disability of the superior officer, his associate or assistant shall perform his functions, but the Board of Directors may delegate any or all of the functions of the office to any other officer or Director.

SECTION IX Bank and Custodian Accounts

Par. 1 -- Bank Accounts. All monies belonging to the Company shall be deposited to the credit of Government Employees Insurance Company in such depositories as may be designated from time to time by the Board of Directors. All checks, drafts and orders for the payment of money from any such depository shall be signed by such persons as the Board may designate, or as the President may designate under delegation from the Board of Directors. All checks shall be made payable to the order of the person or persons entitled to receive the money, and no check shall be signed in blank.

Par. 2 -- Execution of Instruments. All contracts, deeds, agreements, releases, assignments, transfers, and other instruments in the name of the Company shall be executed by such officer or officers as the Board of Directors may designate, but in the absence of such designation, they shall be signed by the President or a Vice-President, and by the Secretary or Treasurer.

Par. 3 -- Securities. The stocks, bonds, debentures, mortgages and any other securities of the Company shall be deposited for safekeeping in a custodian account with such banking institution as the Board of Directors may designate, and shall be withdrawn only upon the signed order and direction of such officer or officers as may be designated by the Board of Directors.

SECTION X Capital Stock

Par. 1 -- Stock Certificates. The certificates for the capital stock of the Company shall be numbered consecutively and shall be entered in the books of the Company as they are issued. Each certificate shall exhibit the holder's name and the number of shares of stock represented thereby, and shall be signed by or shall contain the facsimile signatures of the President or a Vice-President, and the Secretary or Treasurer, or such other officers as the Board of Directors may designate, and the corporate seal shall be affixed thereto or a facsimile thereof imprinted thereon. If a transfer agent is appointed, the certificate shall be countersigned by such transfer agent.

Par. 2 -- Transfer Agent. The Board may appoint a transfer agent for the capital stock of the Company, who shall keep a record of the issuance, transfer and ownership of such stock, countersign the stock certificates

if so authorized, and perform such other duties as are normally performed by the transfer agent of like companies. All transfers of stock shall be made upon the books of the Company by the holder of the shares in person or by his lawfully constituted representative, upon surrender of the certificate of stock for cancellation.

Par. 3 -- Lost Certificate. If a certificate of stock be lost or destroyed, another may be issued in its stead upon proof of such loss or destruction and the giving of a satisfactory bond of indemnity, in a amount sufficient to indemnify the Company against any claim. A new certificate may be issued without requiring bond when (a) in the judgment of the Board of Directors it is proper to do so, or (b) upon authorization by the President, provided a properly executed indemnification agreement is obtained from the transfer agent. Any such certificate shall be plainly marked "Duplicate" upon its face.

Par. 4 -- Transfer of Stock. The capital stock of the Company shall be transferable only upon the books of the Company, by the holder of the shares in person or by his lawfully constituted representative, upon endorsement and surrender of the certificate to the Company for cancellation.

SECTION XI Fractional Shares and Scrip

Par. 1 -- Fractional Shares. Fractional shares of stock may be issued if authorized by the Board of Directors. A fractional share of stock shall not be entitled to any vote nor to receive dividends, unless the Board of Directors expressly so provides.

Par. 2 -- Fractional Scrip. The Board of Directors may, in its discretion, authorize the issuance of certificates for fractional scrip or other evidence of ownership in lieu of a fractional share, which shall entitle the holder thereof to receive a certificate for a full share upon the surrender of such scrip or evidence of ownership aggregating a full share, but which shall not, unless otherwise provided by the Board of Directors, entitle the holder to vote or to receive dividends. The Board of Directors may cause such scrip or evidence of ownership to be issued subject to the condition that it shall become void if not exchanged for certificates of full shares before a specified date, or subject to the condition that the shares for which such scrip or evidence of ownership is exchangeable may be sold by the Company and the proceeds thereof distributed to the holders of such scrip or evidence of ownership, or subject to any other conditions that the Board of Directors shall deem advisable.

SECTION XII
Shareholders of Record

Par. 1 -- Record Owners. The Company shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the District of Columbia.

Par. 2 -- Closing Transfer Books. The Board of Directors may, in its discretion, close the stock transfer books of the Company for a period not exceeding fifty (50) days preceding the date of any meeting of the shareholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change, conversion, or exchange of capital stock shall go into effect, or a date for obtaining the consent of the shareholders for any purpose.

Par. 3 -- Record Date for Shareholders. In lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date not exceeding fifty (50) days preceding the date of any meeting of shareholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change, conversion, or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of shareholders for any purpose, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive and exercise the other rights and privileges referred to herein. In such case only shareholders of record on the date so fixed shall be entitled to the notice, voting rights, dividends and other rights and privileges referred to hereinabove, notwithstanding the transfer of any stock on the books of the Company after such date.

SECTION XIII
Dividends and Reserves

Dividends upon the capital stock may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash or in property or in shares of the capital stock. Dividends shall not be paid unless the Company possesses assets in the amount of such payment in excess of its liabilities, including its capital stock, and the surplus required by the laws of the District of Columbia. Before paying any dividend or making any distribution of profits, the Board of Directors may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may alter or abolish any such reserves, subject to the requirements of law.

SECTION XIV
Fiscal Year: Books and Records

Par. 1 -- Fiscal Year. The fiscal year of the Company shall begin on the first day of January and end on the thirty-first day of the succeeding December.

Par. 2 -- Books and Records. The books, records and accounts of the Company shall be kept at its main office within the District of Columbia, but the transfer agent of the Company may maintain duplicate stock books and records.

Par. 3 -- Stock Book. The Secretary shall keep a book containing the names of all persons, alphabetically arranged, who are or shall within six (6) years have been shareholders of the Company, and showing their place of residence, the number of shares of capital stock held by them respectively, the time when they became owners of such shares, and the amount of capital stock actually paid in.

Par. 4 -- Inspection.

(a) The stock book described in paragraph 3 of this Section XIV shall, during the usual business hours of the day, on every business day, be kept open for inspection at the principal office of the Company, by policyholders, shareholders and creditors of the Company and their personal representatives, who may make extracts from such book.

(b) In respect of all other accounts and books of the Company, the Board of Directors shall determine from time to time the conditions and regulations governing inspection by shareholders, subject to such right of inspection as may be granted by law.

SECTION XV
Notices

Par. 1 -- Form. Whenever under the provisions of these By-Laws notice is required to be given to any shareholder, Director, or officer, it shall not be construed to require personal notice, but such notice may be given.

(a) in writing by mail, by depositing the same in the post office or letter-box in a postpaid, sealed wrapper, addressed to such shareholder, Director or officer at such address as appears for him on the books of the Company, or if there be no such address, then at his last known address; or

(b) by telegram addressed as aforesaid and sent prepaid in the customary manner.

Any such notice shall be deemed to be given at the time that the same shall be thus mailed or telegraphed.

Par. 2 -- Waiver. Any shareholder, Director, or Officer may waive in writing any notice required to be given under these By-Laws, whether before or after the time stated herein.

SECTION XVI Indemnification of Directors and Officers

Par. 1 -- Right of Indemnification. All Directors and Officers, former Directors and Officers of this Company and any person who may have served at the request of the Company as a Director or Officer of any other corporation in which the Company owns stock or of which the Company is a creditor (and his heirs, executors or administrators) shall be indemnified by the Company against all costs and legal or other expenses, including costs or amount of settlement, reasonably incurred by or imposed upon them, or any of them, in connection with or resulting from any claim, action or proceeding, civil or criminal, in which they, or any of them, are made parties by reason of being or having been Directors or Officers or a Director or Officer of the Company, or of such other corporation.

Par. 2 -- Application of Right. The right of indemnification herein provided shall apply whether or not such Director or Officer or former Director or Officer or person indemnified is such at the time such costs or expenses are incurred or imposed. The right of indemnification shall not apply, however, in relation to matters as to which any such Director or Officer or former Director or Officer or person shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty as such Director or Officer; provided, however, that an entry of judgment by consent as part of a settlement shall not be deemed a final adjudication of liability for negligence or misconduct in the performance of duty. If any such claim, action or proceeding is settled (by consent or otherwise), the determination in good faith by the Board of Directors that such claim, action or proceeding did not arise out of negligence or misconduct in the performance of his duty by the Director or Officer or former Director or Officer or person indemnified, and that such Director or Officer or former Director or Officer or person would not be held liable for such claim, action or proceeding, shall be necessary and sufficient to justify indemnification. The right of indemnification herein provided shall not be exclusive of any other rights to which those indemnified may be entitled under any statute, other by-law, agreement, vote of shareholders or otherwise.

SECTION XVII
Amendment of By-Laws

These By-Laws may be supplemented, amended, altered, or repealed (1) by the affirmative vote of the holders of a majority of the stock entitled to vote thereat at any regular meeting of the shareholders, or at any special meeting of the shareholders if notice of the proposed action in respect of the By-Laws be contained in the notice of the meeting; or (2) by the affirmative vote of a majority of the whole Board of Directors at a regular or special meeting.

EXHIBIT 8

EMPLOYMENT CONTRACT

This AGREEMENT, entered into as of this 2nd day of June, 1975, by and between GOVERNMENT EMPLOYEES INSURANCE COMPANY, a corporation duly organized and existing under the laws of the District of Columbia, party of the first part (hereinafter called the "COMPANY"), and J. GARDNER LAWLOR, residing at 4217 Everett Street, Kensington, Maryland 20795, party of the second part (hereinafter called "LAWLOR"),

WITNESSETH THAT:

WHEREAS, LAWLOR has been employed by the GOVERNMENT EMPLOYEES COMPANIES since 1961, serving as an officer for fourteen years and as Vice President, Investments of the COMPANY since 1968; and

WHEREAS, LAWLOR retired as a senior officer and employee of the COMPANY as of the close of business on May 30, 1975; and

WHEREAS, the COMPANY desires to use the services of LAWLOR as a Consultant to the Vice President, Finance from time to time and LAWLOR is willing to act in this capacity if so requested and at his own convenience;

NOW, THEREFORE, in consideration of the mutual promises and agreements of the parties hereto and for other good and valuable consideration, the parties hereto agree as follows:

1. LAWLOR shall cease to be an officer and employee of the COMPANY as of May 30, 1975, and all his duties and responsibilities as an officer and employee shall be terminated on said date. Commencing June 1, 1975, LAWLOR agrees to make his services available to the COMPANY as a Consultant to the Vice President, Finance for one (1) year, subject to the terms and conditions hereinafter set forth.

2. The initial term of this Agreement shall be one (1) year. Thereafter, this Agreement shall be renewable from month to month at the option of the COMPANY.

3. During the period of LAWLOR's services as such Consultant, the COMPANY shall pay LAWLOR a Consulting Fee of Ten Thousand Dollars (\$10,000.00) per annum, payable in monthly installments.

4. Upon request by the COMPANY, LAWLOR agrees to serve as a Consultant to the Vice President, Finance on such matters and specific problems relating to the investment operations and financial affairs of the COMPANY as may be requested from time to time.

5. The rendition of consulting services described in Paragraph 4 shall be subject to the following conditions and limitations:

(a) The COMPANY will not call upon LAWLOR to render consulting services for more than ninety (90) days out of any twelve-month period during the life of this Agreement.

(b) The COMPANY shall not call upon LAWLOR without prior reasonable notice nor request or expect LAWLOR to subordinate his own plans or activities to those of the COMPANY. The services to be performed by LAWLOR hereunder shall be only at such times and at such places as may be mutually convenient to LAWLOR and the COMPANY, and LAWLOR may render such services by mail, telephone or telegraph in the event the parties cannot agree on a mutually convenient time and place. LAWLOR shall be free to arrange his own time and pursuits and the COMPANY shall not require him to observe any routine or fixed hours of work in performing the services requested of him hereunder.

(c) The COMPANY shall not request LAWLOR

to perform any active duties on behalf of the COMPANY, the request for services hereunder to be for discussing, conferring and advising the COMPANY with respect to those problems or matters referred to LAWLOR for his opinion.

(d) As a courtesy to the COMPANY, LAWLOR will advise the COMPANY in the event he is undertaking any extended trip.

6. During the term of this Agreement, LAWLOR agrees not to engage in, or to become connected with as officer, Director, employee or substantial stockholder, any business, enterprise or company which is in competition with the COMPANY or any of its affiliated companies, whether now existing or hereafter organized. Subject to the aforesaid restrictions, LAWLOR shall not be precluded from accepting and continuing any other employment or business engagement.

7. Effective June 1, 1975, LAWLOR shall not be eligible to participate in any benefit plan or program for employees of the COMPANY, including (but without being limited to) a plan or program for life, accident, health, medical or travel insurance, executive incentive bonus, stock option or vacation or health leave, except where such plan or program expressly provides benefits, or eligibility for benefits, to retirees of the COMPANY. Nothing contained in this Agreement shall, however, prevent or preclude LAWLOR from receiving the retirement income or other benefits to which LAWLOR may be entitled by virtue of his severance of employment on May 30, 1975, under the COMPANY's Pension Plan or Profit Sharing Plan.

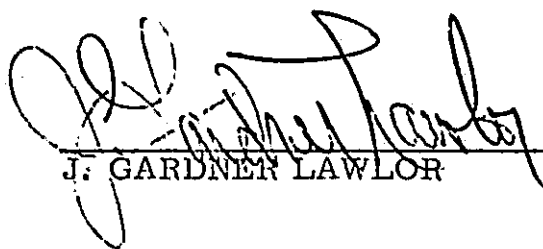
8. The validity, construction, interpretation and enforceability of this Agreement and the capacity of the parties shall be determined and governed by the laws of the District of Columbia.

9. This Agreement is personal to each of the parties hereto, and

neither party may assign or delegate any of the rights or obligations hereunder without first obtaining a written consent of the other party.

10. This Agreement constitutes the entire Agreement between the parties respecting the consulting services of LAWLOR, and there are no representations, warranties or commitments, except as set forth herein. This Agreement may be amended only by an instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, J. GARDNER LAWLOR has hereunto affixed his hand, and GOVERNMENT EMPLOYEES INSURANCE COMPANY has caused this Agreement to be signed and its corporate seal to be affixed hereto by its corporate officers thereunto duly organized.

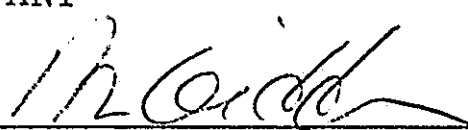


J. GARDNER LAWLOR

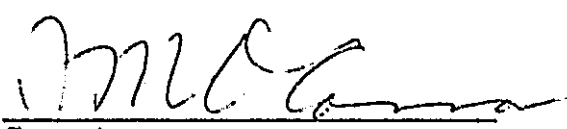
GOVERNMENT EMPLOYEES INSURANCE
COMPANY

Attest:

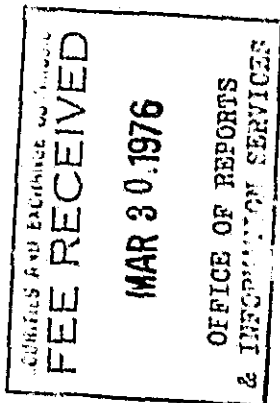
By:



Chairman of the Board and
Chief Executive Officer



Secretary



Government Employees Insurance Company

GOVERNMENT EMPLOYEES INSURANCE OPERATIONS BUILDING
WASHINGTON, D.C. 20076

March 8, 1976

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MARCH 31, 1976

To the Shareholders of Government Employees Insurance Company:

Notice is hereby given that the Annual Meeting of shareholders of Government Employees Insurance Company will be held in the Federal Room of the Statler Hilton Hotel, 16th and K Streets, N.W., Washington, D.C., on Wednesday, March 31, 1976, at 10:00 o'clock in the forenoon, District of Columbia Time, for the following purposes:

- I. To fix the number of and to elect a Board of Directors for the ensuing year.
- II. To consider and vote upon a proposed resolution to amend the Certificate of Incorporation to increase the authorized capital stock of the Company from 24,000,000 shares of Common Stock, par value \$4 per share, to 36,000,000 shares of Common Stock, par value \$1 per share, for the purposes stated in the Proxy Statement.
- III. To transact such other business as may properly come before the meeting or any adjournment thereof.

By resolution of the Board of Directors, the close of business on February 11, 1976 has been fixed as the record date for determination of the shareholders entitled to notice of and to vote at such meeting and any adjournment thereof. In accordance with the By-Laws of the Company, only shareholders of record on said record date shall be entitled to vote at such meeting and any adjournment thereof.

By Order of the Board of Directors,
JOHN M. O'CONNOR, Secretary

★ It is important that your stock be represented at the meeting in person or by
★ proxy. If you do not expect to attend the meeting, please sign, date and return the
★ enclosed proxy promptly. If you expect to attend the meeting, please return the
★ enclosed attendance form together with your proxy. You may nevertheless vote in
★ person if you do attend. No admittance tickets will be required and none will be
★ issued. The attendance form is for the Company's information in estimating how
★ many shareholders will attend the meeting. The envelope furnished needs no postage
★ if mailed in the United States.

Government Employees Insurance Company

PROXY STATEMENT

This proxy statement is furnished to holders of the capital stock of Government Employees Insurance Company ("GEICO") in connection with the solicitation of proxies for use at the Annual Meeting of shareholders to be held at the time and place and for the purposes set forth in the foregoing notice of meeting. The securities of the Company entitled to be voted at this meeting consist of 17,736,760 shares of Common Stock having a par value of \$4.00 per share which were outstanding on the record date, February 11, 1976. Each shareholder is entitled to one vote for each share of Common Stock registered in his name on the Company's books at the close of business on that date.

Your proxy is solicited by the Management of the Company. Any shareholder giving such proxy has the power to revoke it at any time before it is exercised. At the meeting, Management intends to vote its proxies in order to carry out the proposals set forth in the foregoing notice of meeting.

The cost of soliciting proxies in the accompanying form will be borne by the Company. Proxies may be solicited without extra compensation by certain Directors, Officers and regular employees of the Company by mail, telephone, telegraph or personally. GEICO has retained Georgeson & Co. to assist in the proxy solicitation and its fee, including expenses, is estimated not to exceed \$6000. All shares represented by valid proxies will be voted.

The details of our operations in 1975 are set forth in the Annual Report of the Company which is being mailed to you with this proxy statement but which is not to be construed as a part of this proxy solicitation. The financial statements contained in the 1975 Annual Report have been examined by Ernst & Ernst, the Company's independent accountants, who have also been appointed by the Board of Directors to examine the 1976 financial statements. A representative of Ernst & Ernst is expected to be present at the Annual Meeting in order (a) to respond to appropriate questions and (b) to make a statement if he desires to do so.

I. INFORMATION CONCERNING THE ELECTION OF DIRECTORS

Management Proposes the Election of the Nominees Listed Below

At the Annual Meeting of shareholders, Directors are to be elected for the ensuing year, and until their successors are duly elected and qualified, in such number as is fixed at the meeting. Management proposes that the number of Directors for the ensuing year be fixed at twelve and that the twelve Directors listed below be elected. All of the nominees are presently members of the Board of Directors.

It is intended that shares represented by proxies in the accompanying form will be voted for the election of the nominees listed below unless a contrary direction is indicated. In the event that any of such nominees is not a candidate for election as a Director, an event which Management does not now anticipate, it is intended that votes will be cast for a substitute nominee as may be designated by Management, unless the shareholders, because of such an event, reduce the number of Directors to be elected. Proxies will not be voted for a greater number of persons than the number of nominees named.

The following information is presented with respect to the twelve nominees proposed by Management for election to the Board of Directors (See also Footnotes beginning on page 6):

TABLE A — NOMINEES FOR ELECTION AS DIRECTORS

<u>Name and Year He First Became a Director</u>	<u>Principal Occupation</u>	<u>Securities of the Company Beneficially Owned on December 31, 1975¹</u>	
		<u>Common Stock (Shares)</u>	<u>Warrants²</u>
Norman L. Gidden (1962)	Chairman of the Board, Chief Executive Officer, Member of Executive and Investment Committees and Director, Government Employees Companies.	4,375	411
Thomas E. Bolger (1973)	Executive Vice President, American Telephone & Telegraph Company, New York, New York.	111	0
Samuel C. Butler (1972)	Partner, Cravath, Swaine & Moore, attorneys, New York, New York.	213	1
John M. Christie ^{3,4} (1967)	Chairman of the Board, The Riggs National Bank of Washington, D.C.	572	14

Name and Year He First Became a Director	Principal Occupation	Securities of the Company Beneficially Owned on December 31, 1975 ¹	
		Common Stock (Shares)	Warrants ²
Lorimer A. Davidson (1952)	Chairman of Investment Committees, Member of Executive Committees, Consultant and Director, Government Employees Companies.	52,998	2,022
Shelby Cullom Davis ³ (1973)	Chairman, Shelby Cullom Davis & Co., investment bankers, New York, New York.	57,400 ⁵	1,568 ⁵
Leo Goodwin, Jr. ⁶ (1948)	Private Investment Banker.	877,937	0
Paul J. Hanna ⁴ (1967)	Executive Vice President, Manufacturers Hanover Corporation, a bank holding company, New York, New York.	280	9
William K. Jacobs, Jr. ^{3,6,7} (1948)	Private Financial Consultant.	1,866	0
David Lloyd Kreeger (1948)	Chairman of Executive Committees, Member of Investment Committees and Director, Government Employees Companies.	649,671	25,090
Melvin M. Payne (1971)	President and Chief Executive Officer, National Geographic Society, a scientific and educational organization, Washington, D.C.	408	0
Ralph C. Peck (1972)	President, Chief Operating Officer, Member of Executive and Investment Committees and Director, GEICO.	9,152	0

REMUNERATION OF OFFICERS AND DIRECTORS

There is set forth in the following Table information as to remuneration and other benefits concerning the Directors and three highest paid Officers (two of whom are also Directors) receiving in excess of \$30,000 for the year 1975 and the same information as to all persons as a group who were Officers and Directors of the Company in 1975.

TABLE B — INFORMATION WITH RESPECT TO REMUNERATION OF OFFICERS AND DIRECTORS

Name and Capacity in Which Remuneration Was Received	1975 Aggregate Direct Remuneration ⁸	Benefits Accrued or Set Aside During 1975		Estimated Annual Benefits Upon Retirement	
		Pension Plan	Profit Sharing Plan ⁹	Pension Plan ¹⁰	Profit Sharing Plan
Norman L. Gidden Chairman of the Board and Chief Executive Officer	\$ 98,842 ¹¹	See Footnote 12	\$ 4,367	\$ 45,445	See Footnote 13
Ralph C. Peck President and Chief Operating Officer	83,566	See Footnote 12	2,683	37,334	See Footnote 13
Lorimer A. Davidson Chairman of Investment Committee, Member of Executive Committee, Consultant and Director	35,297	See Footnote 14	See Footnote 14	See Footnote 14	See Footnote 14
Martin Adler Vice President and Actuary	56,123 ¹⁵	See Footnote 12	0	16,855	See Footnote 13
Directors and Officers as a Group ¹⁶ (Number in Group: 79)	2,173,610	See Footnote 12	51,137	789,322	See Footnote 13

INCENTIVE STOCK OPTION PLAN FOR EXECUTIVES

The following Tables set forth information with respect to options to purchase Common Stock granted to and exercised by the Officers named and Officers as a group, from January 1, 1975 to December 31, 1975, under the 1963 and 1973 Stock Option Plans as approved and amended by the shareholders.

TABLE C — STOCK OPTIONS GRANTED DURING 1975

Name	Number of Shares	Option Price	Market Value on Date Granted ¹⁷
Norman L. Gidden	979	\$20¼	\$20¼
Ralph C. Peck	1,180	20¼	20¼
Lorimer A. Davidson	See Footnote 18		
Martin Adler	See Footnote 19		
Officers as a Group (Number in Group: 62)	11,841	20¼	20¼

TABLE D — STOCK OPTIONS EXERCISED DURING 1975

Name	Period (1975)	Number of Shares	Option Price ¹⁸	Market Value Per Share			
				Low		High	
				Bid	Asked	Bid	Asked
Ralph C. Peck	2nd Quarter	1,040	\$19.231	\$19¼	\$19¾	\$27½	\$28
Officers as a Group	1st Quarter	207	19.231	20¼	20¾	27¼	27¾
(Number in Group: 27)	2nd Quarter	6,579	19.231	19¼	19¾	27½	28

II. CHANGE IN AUTHORIZED CAPITAL STOCK

As the shareholders were advised by a letter dated January 14, 1976, the Board of Directors on that date voted to amend the Certificate of Incorporation to increase the authorized capital stock of the Company from 24,000,000 shares of Common Stock, par value \$4 per share, to 36,000,000 shares of Common Stock, par value \$1 per share, subject to shareholder approval. As of February 11, 1976, 17,736,760 shares of Common Stock were issued and outstanding, 1,348,999 shares were reserved for issuance upon the exercise of outstanding Warrants and 377,087 shares were reserved for stock options granted or to be granted under the 1963 and 1973 Stock Option Plans for Officers and Executive Personnel of the Company as approved by the shareholders. Accordingly, 4,537,154 shares of Common Stock presently remain authorized but unreserved and available for proper corporate purposes.

As the shareholders were also advised in the letter of January 14, the Board of Directors has authorized Management to proceed with the exploration of a capital financing program which could include the issuance and sale of additional shares of Common Stock. Since only a few shares remain authorized, unissued and unreserved, the number of shares of Common Stock must be increased in order to implement this program. While Management is having preliminary discussions with various persons as to a number of different proposals, some of which include the possible issuance of additional shares of Common Stock, none of such discussions have reached the stage of actual negotiations and no commitments or understandings of any sort have been reached as to the issuance of any of the additional shares of Common Stock proposed to be authorized. Management will, of course, announce any preliminary agreement or understanding involving the issuance of additional shares of Common Stock or other financing programs as soon as they have been reached. In addition, such additional shares of Common Stock, if approved by the shareholders, will be available for other proper corporate purposes.

Under Section 35-1316 of the District of Columbia Code, 1973 edition as amended, every stock company authorized to do business in the District of Columbia shall have and shall at all times maintain a paid-up capital stock of not less than \$300,000 and a surplus of not less than \$300,000. On December 31, 1975, the paid-up capital stock of the Company totalled \$70,947,040. On a statutory basis, the Company's surplus, excluding capital, declined from \$32,166,878 on December 31, 1974 to (\$21,644,759) on December 31, 1975. Underwriting losses sustained in 1975 were a major factor in the decline in the Company's surplus to its impaired state. On March 1, 1976, the Superintendent of Insurance of the District of Columbia deemed the Company to be impaired in surplus and ordered that the Company make good the deficiency not later than April 30, 1976. Failure to make good such deficiency by the latter date will result in proceedings by the Superintendent in accordance with District of Columbia law.

When the Board of Directors voted on January 14 to recommend to the shareholders an increase in the number of shares of authorized capital stock, it also voted to recommend a reduction in the par value of the authorized, issued and outstanding shares of Common Stock from \$4 to \$1 per share. If the shareholders and the regulatory authorities approve the amendment to the authorized capital stock, there would be transferred from the Company's capital stock account to its paid-in surplus account a sum equal to \$3 per share for each share of Common Stock then issued and outstanding. Based on the number of shares issued and outstanding on February 11, 1976, this would result in a decrease in the capital stock account to a level of \$17,736,760 and increase the paid-in surplus by \$53,210,280. Such transfer would remedy the impaired state of the Company's surplus and allow the Company to comply with the Superintendent's order and meet the surplus requirements of the District of Columbia Code. Naturally, any sale of additional shares of Common Stock which are proposed for approval by the shareholders would also strengthen the Company's base and further increase its surplus for purposes of the Code.

The Board of Directors believes that the foregoing change in the authorized Common Stock is desirable and in the best interests of the Company and its shareholders in order to provide the Company with increased flexibility in obtaining additional capital resources and is necessary in order to bring the Company into compliance with the District of Columbia Code. Approval of the proposed amendment requires the affirmative vote of shareholders holding at least two-thirds of the shares of Common Stock outstanding on the record date.

THE MANAGEMENT RECOMMENDS THAT YOU VOTE IN FAVOR OF THE PROPOSAL TO CHANGE THE AUTHORIZED CAPITAL STOCK AS DESCRIBED.

III. ARRANGEMENTS AND TRANSACTIONS AMONG THE GOVERNMENT EMPLOYEES COMPANIES

In the course of its business, GEICO entered into various transactions with the other Government Employees Companies ("the Companies"). In 1973 and 1974, GEICO sold certain of its real estate to its wholly-owned subsidiary, GEICO Properties, Inc. ("GPI"). 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 its subsidiary to meet the latter's obligations under the Indentures. Some of the notes are also secured by mortgages on certain of the properties. In 1975, GEICO and GPI sold certain of their real estate to another of GEICO's wholly-owned subsidiaries, GEICO Washington Properties, Inc. (GWPI). GWPI's purchases were financed, in part, by the issuance of a long-term note to an institutional investor and secured by (1) an indenture of mortgage and deed of trust on the properties, (2) an assignment to the lender of a long-term lease between GEICO and GWPI, and, in part, by an 8% Subordinated Note due August 1, 1987 in the amount of \$10,700,000 issued by GWPI to GEICO. GEICO subleases 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 1975, GEICO received \$4,229,662 from the Companies for such space and services. In 1975, GEICO paid \$88,771 for services rendered to it by the Companies. In addition, in 1970 GEICO purchased from Government Employees Corporation, a wholly-owned subsidiary of GEFCO, \$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, GWPI, the Companies or their subsidiaries was on terms as favorable to GEICO as could have been obtained from other persons. GEICO also provides leads, without charge, to GELICO and GEFCO through the use of its customer lists.

Cravath, Swaine & Moore, a law firm of which Mr. Samuel C. Butler, a Director of GEICO, is a partner, performed legal services during 1975 for GEICO and GWPI for which it received payments of \$40,250.

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 \$1,607,300 incurred for 1975.

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 generally 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 bears the policywriting and claims responsibilities 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.

IV. CLASS ACTIONS

In January 1976, a purported class action, alleging violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder and the common law, and naming as defendants GEICO, all of its Directors or nominees, except one, certain of its Officers, certain former Directors, and its independent accountants, was filed in the United States District Court for the Southern District of New York. In February 1976, a second purported class action, alleging violations of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, and naming as defendants GEICO, its independent accountants, and the partners thereof, was filed in the United States District Court for the District of Columbia. Both Complaints allege various disclosure violations and one also alleges breaches of common law duties. The purported class is alleged to be all purchasers of GEICO stock during an unspecified time period. The Complainants seek judgment directing the defendants to account to members of the purported class for unspecified damages sustained by them, including costs, and for such other relief as the courts deem appropriate.

V. OTHER MATTERS

As of this date, Management knows of no business which will come before the meeting in addition to the matters referred to above; but if any other matters properly come before the meeting, the persons named as proxies will vote on them in accordance with their best judgment, and discretionary authority to do so is included in the proxy.

Shareholders are urged to send in their proxies without delay. Prompt response is helpful and your cooperation will be appreciated.

By Order of the Board of Directors,
RALPH C. PECK, President

¹ Figures are based on information furnished by the persons named. Pursuant to regulations adopted by the Government of the District of Columbia, there is set forth below the approximate amount of stock beneficially owned by each nominee in the other Government Employees Companies (Government Employees Life Insurance Company — GELICO; Criterion Insurance Company — CRICO; and Government Employees Financial Corporation — GEFCO):

<u>NAME</u>	<u>GELICO Common Stock</u>	<u>CRICO Common Stock</u>	<u>GEFCO Common Stock</u>	<u>GEFCO Preferred Stock</u>
Norman L. Gidden	5,314	278	2,624	9
Thomas E. Bolger	115	111	200	0
Samuel C. Butler	155	246	115	57
John M. Christie	405	258	136	218
Lorimer A. Davidson	6,229	2,705	8,509	1,763
Shelby Cullom Davis	108,999	87,256	3,503	0
Leo Goodwin, Jr.	301,125	196,039	104,193	39,696
Paul J. Hanna	323	261	136	73
William K. Jacobs, Jr.	4,265	2,940	448	39
David Lloyd Kreeger	96,455	26,447	7,963	13,457
Melvin M. Payne	155	388	115	57
Ralph C. Peck	0	0	500	0

In certain cases the securities of GEICO are owned jointly with another person, are owned in the name of a corporation or are held in an estate or trust in which the Director or Nominee has an interest and/or of which he is a trustee. The figures are exclusive of 967,007 shares of GEICO Common Stock and 6,164 GEICO Warrants owned by spouses (individually or as trustee), minor children or relatives sharing the homes of Directors or Nominees or held by "associates" of Directors or Nominees or in estates or trusts of which the Directors or Nominees are trustees, with respect to which securities the concerned Directors or Nominees disclaim beneficial ownership. The figures are also exclusive of 223,129 shares of GEICO Common Stock owned by a trust of which Mr. Jacobs is a co-trustee and contingent life beneficiary (Mrs. Jacobs is the life beneficiary) and 13,401 shares GEICO Common Stock owned by Mr. Jacobs' wife.

2. Warrants, which expire August 1, 1978, were issued pursuant to a subscription offering in 1971 and entitle the holder, upon exercise of each Warrant, to purchase 2.08 shares of Common Stock at \$35.10 per share.
3. Member of Investment Committee.
4. Member of Audit Committee.
5. Mr. Shelby Cullom Davis claims indirect beneficial ownership of these securities registered in the name of Shelby Cullom Davis & Co.
6. Member of Executive Committee.
7. Chairman of Audit Committee.
8. Includes salaries, fees and other taxable income. Some of the Officers and Directors of the Company are also Officers and/or Directors of one or more of the other Government Employees 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 and/or Director to the particular company and such allocations are reflected herein. However, of the Officers and Directors named above, Messrs. Peck and Adler devote substantially all of their working time and Messrs. Gidden and Davidson devote the principal portion of their working time to the affairs of GEICO.
9. Under the Profit Sharing Plan, an employee may contribute from 1% to 10% of his base salary on a voluntary basis. Pursuant to the prescribed formula, based on length of time in the Plan, the Company matches from 50% to 100% of the employee's contribution, up to a maximum of 4½% to 6% of his base salary. In the table are shown the amounts of the Company's contributions.
10. 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, 1975, and that the Pension Plan will continue in its present form.
11. On March 29, 1974, Mr. Norman L. 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 of each of the Companies at a total 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 1975 is included under "1975 Aggregate Direct Remuneration."
12. The cost of pension benefits accrued in 1975 was computed on an actuarial basis utilizing the entry age normal cost method with such Plan providing that normal retirement benefits must be 50% of final average earnings, prorated over 25 years at 2% per year, less 50% of the employee's primary Social Security benefits.
13. The Company's contributions to the Plan may be invested primarily in securities of the Government Employees Companies. A participant's contributions may be invested, at his option, in a portfolio of common stocks, an income fund consisting principally of corporate bonds, or a combination of both. A participant may also elect, at any time after his 60th birthday or after his 50th and before his 60th birthday if he intends to retire within one year, 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 at that time. Annual benefits are not paid upon retirement but, at that time, the value of the participant's account will be paid to the participant in accordance with the various payment options available under the terms of the Plan. Contributions to the Plan on behalf of the present eligible Directors and Officers as a group, from the Plan's inception in 1952 to December 31, 1975, totalled \$744,240. See Footnote 9.
14. The Company has a contract with Mr. Lorimer A. Davidson which provides, among other things, that he is to receive compensation at a rate of \$23,000 annually for his services as a Consultant. Said amount paid in 1975 pursuant thereto is included under "1975 Aggregate Direct Remuneration." This amount is in addition to annual benefits of \$18,563 under the Pension Plan based upon contributions to the Plan in his behalf prior to retirement and other benefits to which he may be entitled under the Company's Employee Benefits Plans.
15. Includes payment of moving and other related expenses.
16. Mr. David Lloyd Kreeger retired as Chairman of the Board and Chief Executive Officer on March 29, 1974. Upon retirement, Mr. Kreeger entered into an agreement with the Government Employees Companies which provides, among other things, for the payment to him of a total 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 1975 amounted to \$21,919 and is included under "1975 Aggregate Direct Remuneration." During 1975, the Company had

agreements with Messrs. Daniel J. Callahan, Jr. (until his retirement as a Director on March 26, 1975), Lorimer A. Davidson, Leo Goodwin, Jr. and William K. Jacobs, Jr. which provided for the payment of annual advisory fees to them for their services as members of the Executive Committee. The payment of all such advisory fees by the Company in 1975 amounted to \$14,866 and is included under "1975 Aggregate Direct Remuneration." The Company has a one year contract with Mr. J. Gardner Lawlor, who retired as Vice President on June 1, 1975, which provides for the payment to him of \$10,000 per annum for his services as a Consultant. The amount paid by GEICO in 1975 amounted to \$5,000. These amounts are in addition to any retirement income or other benefits to which the designated individuals may be entitled under the Company's Employee Benefits Plans.

- ¹⁷. Mean of inside Bid and Asked prices on date of grant.
- ¹⁸. Mr. Davidson retired as Chairman of the Board and Chief Executive Officer on March 27, 1970 and thereafter ceased to participate in the Plan.
- ¹⁹. Under the terms of the Stock Option Plan, no option could be granted to Mr. Adler in 1975.
- ²⁰. Pursuant to the anti-dilution provision of the Stock Option Plan, the number of shares held under option and the per share price of the total number of shares held under option have been adjusted to reflect stock dividends and distributions.

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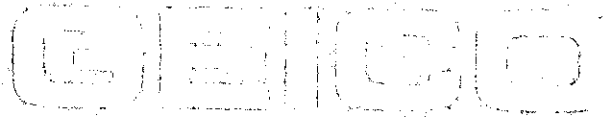
1975

ADDENDUM TO
1975 ANNUAL REPORT TO SHAREHOLDERS OF
GOVERNMENT EMPLOYEES INSURANCE COMPANY

Since the printing of the Annual Report the Company has received an Order from the Director of Insurance of Arizona suspending the Company's Certificate of Authority in that State. Thus, while the Company cannot write any new business in Arizona, it can continue to service and renew its existing business.

March 10, 1976

ANNUAL REPORT 1975



GOVERNMENT EMPLOYEES INSURANCE COMPANY

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

WASHINGTON, D. C.

ANNUAL MEETING

The Annual Meeting of Shareholders will be held at
10:00 a.m. on March 31, 1976 in the Federal Room
of the Statler Hilton Hotel in Washington, D.C.

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GOVERNMENT EMPLOYEES INSURANCE COMPANY AND SUBSIDIARIES

Government Employees Insurance Company, perhaps more widely known as GEICO, is a multiple line property and casualty insurer engaged primarily in the writing of all lines of private passenger automobile insurance. To a much more limited degree, the Company also writes homeowners, fire and extended coverage, comprehensive personal liability and boatowners insurance.

The Company has two wholly-owned subsidiaries: GEICO Properties, Inc., and GEICO Washington Properties, Inc.

In accordance with accounting changes made in 1974, the financial data set forth in this Report unless otherwise noted have been prepared on the basis of Generally Accepted Accounting Principles (GAAP) rather than on a statutory accounting basis supplemented by GAAP adjustments, as in years prior to 1974.



Mr. Norman L. Gidden
Chairman of the Board



Mr. Ralph C. Peck
President

To Our Shareholders

This fortieth Annual Report of Government Employees Insurance Company covering the year 1975 is submitted on behalf of the Board of Directors.

The past year was by far the most difficult one ever experienced by property and casualty insurance companies as attested by the severe underwriting losses registered by the industry. It is estimated that the industry suffered a statutory underwriting loss of more than \$4.1 billion in 1975. Insurers such as GEICO, specializing in automobile insurance, were severely impacted during 1975 by the effects of rampant inflation on medical and auto repair costs, which drove the cost of claims to unprecedented levels. Existing premium rates, particularly in no-fault states, proved inadequate in the face of these increasing costs and the present estimate of the industry's underwriting loss on private passenger automobile insurance alone is nearly \$2 billion. GEICO sustained its second consecutive year of underwriting losses, and suffered a very substantial net operating loss which resulted in an impairment of the Company's surplus.

The pre-tax underwriting loss of \$190,896,022 compares with the 1974 loss of \$5,889,860. Investment income increased to a new high of \$33,559,751 from \$32,328,347 in 1974. Our net operating loss after taxes, excluding realized capital losses, was \$124,173,553 compared with 1974's profit of \$26,124,665 and, on a weighted average per share basis, the loss was \$7.00 which compares with the 1974 profit of \$1.48 per share.

With the substantial premium rate increases we implemented in 1974 and 1975, our written premium vol-

ume for the year including service charges increased 18.4% to \$669,011,623. Policies in force in all lines were 2,844,744 at year-end, an increase of 8.7%. The growth in policies in force was at a decreasing rate during the year because of the more stringent underwriting standards put into effect in all jurisdictions.

In spite of the inevitable time lag which occurs between incurring underwriting losses and implementation of the requisite rate relief, significant progress was made during 1975 toward restoring premium rates to adequate levels. In 1975 premium rate increases were received in states representing approximately 90% of our voluntary premium volume. As of year-end 1975, the annualized premium value of those rate increases for voluntary auto business, based on 1975 volume, totaled \$111,175,000, an increase in the average rate level of 21.0%. This amount includes premium rate adjustments implemented in 1974 as well as premium rate reductions mandated by those states enacting no-fault insurance laws.

Involuntary auto insurance business has been a significant factor in contributing to our underwriting loss. While involuntary risks represented only 7.2% of our 1975 automobile insurance earned premium volume, they produced a statutory underwriting loss of \$29,938,000 or 19.9% of our losses in the automobile line. In 1975 annualized premium rate increases totaling \$11,264,000, based on 1975 volume, were received for this historically unprofitable portion of our business, but they will only partially offset the continuing underwriting losses which are expected for these risks in 1976.

The effects of inflation on building repair costs also impacted our other lines such as homeowners and fire insurance. The increases in average premium per policy that result from appreciation in the value of property insured by these coverages aids in offsetting the increased costs of partial losses on such property. However, the unusually rapid rate at which claim costs increased during 1975 caused our experience in this relatively small portion of our business to deteriorate. Since we establish our rates for these lines generally as a deviation from Insurance Services Office (ISO) rate levels, we have benefited from the considerable rate filing activity by ISO in 1975.

An area of major concern is our ratio of premium writings to policyholders' surplus which increased at year-end 1975 to 13.40 to 1 from 1974's ratio of 5.44 to 1. While GEICO has traditionally written business at a higher ratio than the industry because of the nature of our book of business, our conservative investment policy and our long record of underwriting profits, a number of actions were deemed necessary in 1975 in order to prevent further deterioration of our surplus position. We omitted cash dividends to our shareholders after the first quarter of 1975. GEICO's statutory policyholders' surplus was increased by \$21.3 million on July 24, 1975 by the transfer to and lease back of real estate from GEICO Washington Properties, Inc., a wholly-owned subsidiary.

In addition, to substantially improve our liquidity position, we selectively sold common stocks from our investment portfolio and reinvested the proceeds in short and medium term U. S. Treasury Notes. The book value of our portfolio of short and medium term U. S. Treasury Securities totaled \$83,334,445 on December 31, 1975 and \$173,106,560 on February 29, 1976.

In July 1975, Management informed the Board of Directors of its intention to retain a consulting actuarial firm to assist in the review and analysis of GEICO's reserve for losses and loss expenses. A large and well-known consulting actuarial firm was retained in September 1975 and an interim report was received from them in late December. After considering their recommendations and a review by GEICO's own actuary of that report and the methods used in making the analysis, the Board of Directors at a special meeting on January 14, 1976 approved Management's recommendation to provide in the fourth quarter of 1975 an additional \$35 million to settle claims arising from accidents which had occurred prior to September 30, 1975. At that time, the losses incurred in the fourth quarter of 1975 were estimated

at \$190 million including the \$35 million for prior periods. Payments made in settlement of claims in the fourth quarter were about \$147 million, resulting in a net increase in the reserve for losses and loss expenses of approximately \$43 million in the fourth quarter with the total loss reserve estimated to be \$343 million at year-end. A preliminary report of unaudited results for 1975 reflecting the foregoing was issued to shareholders on January 14, 1976.

Subsequently, on February 23, 1976, shareholders were advised that Management and its actuaries were continuing their review of the loss reserves based on data developed through the fourth quarter ending December 31, 1975 and that the Company's consulting actuaries and independent auditors were reviewing the level of reserves as of that date. It was announced that the loss reserves might require further substantial strengthening, that other financial adjustments might be required and that for this reason Management had requested a suspension of trading in the Company's securities.

On March 1, 1976, our shareholders were advised that, based upon the findings of the independent consulting actuaries, with the concurrence of the Company's independent auditors, and after discussions with the Superintendent of Insurance of the District of Columbia, Management determined that a further addition of approximately \$25.6 million should be made to the loss reserves as of December 31, 1975, bringing those reserves to \$368,438,778. Additional discussion of this subject is included under Loss Reserves on page 9 and in the Notes to Financial Statements.

Due to the magnitude of our 1975 underwriting loss, a write down of all remaining deferred policy acquisition costs, amounting to \$40,644,610, was necessitated in the fourth quarter resulting in a net decrease of \$45,667,224 for the full year. These amounts are included in the underwriting loss of \$117,321,458 for the fourth quarter of 1975 and in the underwriting loss for the full year.

By reason of the actions described above, the Company does not now comply with provisions of District of Columbia law, under which it is organized, requiring the maintenance of a specified surplus above the par value of the outstanding shares of capital stock. The Superintendent of Insurance of the District of Columbia has ordered this deficiency to be remedied by April 30, 1976. The shareholders at the Annual Meeting scheduled to be held on March 31, 1976, will vote on Management's proposal of a reduction in the par value of the common stock that

will restore compliance with District of Columbia law.

Following the special meeting of the Board of Directors on January 14, 1976, the Company reported in a letter to shareholders on its plans to improve operating results and GEICO's financial position as quickly as possible, as follows:

- In order to strengthen the capital base of the Company, the Board authorized Management to proceed with an exploration of a capital financing program which could include the issuance and sale of additional common stock and/or preferred stock.
- For that purpose, and to increase statutory surplus, the Board voted to increase the authorized capital stock of the Company from 24 million shares of \$4 par value common stock to 36 million shares of \$1 par value common stock, subject to shareholders approval at the Annual Meeting scheduled for March 31, 1976. If approved by the shareholders and the regulatory authorities, this action will result in the transfer of approximately \$53 million from the capital stock account to the paid-in surplus account. Such transfer would remedy the present impairment of the Company's surplus under District of Columbia law.
- Rate increases of an overall magnitude at least as great as were obtained in 1975 will be actively sought in 1976. In order to maintain rate adequacy, the rates used in every state will be reviewed continuously to assure that they will support an underwriting profit. When rates prove to be inadequate, the appropriate rate adjustment action will be taken promptly.
- The Board approved Management's plan to gradually reduce the number of voluntary automobile insurance policies in force during 1976 until underwriting profitability is again restored, thereby diminishing our Company's exposure to losses. The reduction in unit exposure will be accomplished by applying stringent underwriting guidelines in evaluating individual risks in the acceptance of new business and the renewal of expiring policies. Our efforts will be concentrated on the servicing of our policyholders and claimants. Because of the rate increases received in 1974 and 1975 but not yet fully reflected in written premiums plus new increases to be obtained in 1976, it is expected that, although unit exposure will decrease, GEICO's written premium dollar volume will not decline significantly during 1976 from \$669.0 million written in 1975.

The Board has retained two investment banking firms to act as financial advisers with regard to the Company's

capital financing program and merger possibilities. Various approaches are being considered which could be utilized to improve the Company's capital base and add to policyholders' surplus and we will advise shareholders as soon as more definite information becomes available. The Company has received preliminary and tentative expressions of interest from several sources.

Our Company has historically operated at one of the lowest expense ratios within the property and casualty insurance industry. Our expense ratio, which has not exceeded 16.5% in the last 30 years, was 14.4% in 1975 compared with 15.8% in the prior year. To assure that this ratio will not be adversely affected by this interim program, Management will continue to control operating costs closely to achieve additional internal economies consistent with maintaining the strength and efficiency of GEICO's highly trained and loyal staff of employees and the quality of its service to its policyholders.

GEICO has communicated its plans for improving its financial position to the Insurance Commissioner, Superintendent or Director of each of the fifty states.

The District of Columbia Insurance Department commenced on March 1, 1976 the triennial examination of the Company in participation with the National Association of Insurance Commissioners (NAIC). The Company was last examined under the Association Plan of the NAIC as of December 31, 1972 for the three year period ended on that date.

In spite of the disastrous year through which we have passed, GEICO's efficient organization, which services policyholders and claimants throughout the country, remains intact. The plans of Management to regain underwriting profitability are sound and we believe will be successful. Premium rate increases heretofore granted and to be obtained in 1976 will continue to have a beneficial effect on our earned premiums during the year ahead and the proper balance between premium rates and losses should be gradually restored. We enter the year 1976 determined to meet the challenging problems that face us and confident that we can cope with them.

Ralph C. Park *N. L. Gidden*
President Chairman of the Board

March 10, 1976
Washington, D. C.

SUMMARY OF OPERATIONS

YEAR ENDED DECEMBER 31

	1975	1974	1973	1972	1971
Net Premiums Earned					
(Including Service Charges) ..	\$ 603,320,611	\$ 536,689,676	\$ 499,536,612	\$ 451,878,436	\$ 377,328,635
Losses and Loss Expenses	\$ 652,396,388	\$ 453,991,029	\$ 410,432,050	\$ 360,027,736	\$ 312,745,382
Underwriting and Other Expenses	\$ 96,153,021	\$ 94,923,941	\$ 84,194,274	\$ 72,495,369	\$ 57,164,012
Change in Deferred Policy					
Acquisition Costs	\$ 45,667,224	\$ (6,335,434)	\$ (6,715,672)	\$ (3,336,287)	\$ (6,644,562)
Underwriting Income (Loss) ...	\$ (190,896,022)	\$ (5,889,860)	\$ 11,625,960	\$ 22,691,618	\$ 14,063,803
Investment Income	\$ 33,559,751	\$ 32,328,347	\$ 27,867,975	\$ 23,836,624	\$ 18,763,708
Interest Expense	\$ 2,973,118	\$ 1,717,575	\$ 34,375	\$ —0—	\$ —0—
Income (Loss) Before Taxes and					
Realized Gains or Losses	\$ (160,309,389)	\$ 24,720,912	\$ 39,459,560	\$ 46,528,242	\$ 32,827,511
Federal Income Taxes (Credit) .	\$ (36,135,836)	\$ (1,403,753)	\$ 7,664,088	\$ 13,110,230	\$ 8,885,096
Income (Loss) Before Realized					
Gains or Losses	\$ (124,173,553)	\$ 26,124,665	\$ 31,795,472	\$ 33,418,012	\$ 23,942,415
Realized Gains (Losses),					
Net of Taxes	\$ (2,283,441)	\$ (1,035,286)	\$ 6,962	\$ (853,944)	\$ (842,939)
Net Income (Loss)	\$ (126,456,994)	\$ 25,089,379	\$ 31,802,434	\$ 32,564,068	\$ 23,099,476
Per Share: ⁽¹⁾					
Income (Loss) Before Realized					
Gains or Losses	\$ (7.00)	\$ 1.48	\$ 1.80	\$ 1.89	\$ 1.39
Realized Gains (Losses)	\$ (.13)	\$ (.06)	\$ —0—	\$ (.05)	\$ (.05)
Net Income (Loss)	\$ (7.13)	\$ 1.42	\$ 1.80	\$ 1.84	\$ 1.34
Unrealized Appreciation					
(Depreciation) from Changes					
in Valuation on Preferred					
and Common Stocks, Net of					
Tax Benefit ⁽²⁾	\$ 22,936,834	\$ (33,011,963)	\$ (18,275,151)	\$ 6,800,510	\$ 6,128,736
Weighted Average Shares					
Outstanding	17,731,891	17,719,081	17,704,756	17,669,713	17,174,720
Cash Dividends Paid	\$ 3,544,454	\$ 14,175,429	\$ 12,640,368	\$ 11,215,479	\$ 10,823,507
Cash Dividends Paid Per Share ⁽³⁾	\$.20	\$.80	\$.71	\$.63	\$.63
Stock Dividends and					
Distributions Paid	—0—	—0—	4.0%	100.0%	—0—
Net Premiums Written (Including					
Service Charges)	\$ 669,011,623	\$ 565,226,189	\$ 534,219,554	\$ 479,651,806	\$ 428,349,283
Policies in Force	2,844,744	2,617,617	2,447,287	2,219,446	2,031,978
Statutory Ratios:					
Loss	109.8%	85.4%	82.8%	80.2%	82.9%
Expense	14.4%	15.8%	14.8%	14.1%	12.5%
Combined Loss and Expense .	124.2%	101.2%	97.6%	94.3%	95.4%

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

(2) Added (deducted) directly from shareholders' equity.

(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 1975, including service charges for installment premium payments, totaled \$669,011,623, an increase of \$103,785,434, or 18.4% over net premiums of \$565,226,189 in 1974. In 1974 the net written premiums increased \$31,006,635 or 5.8% over the 1973 net written premiums of \$534,219,554. The net written premiums for voluntarily selected and underwritten business increased 17.0% to \$619,754,461 from \$529,824,487 in 1974.

The following table shows by line the apportionment and percent of change in premiums written for 1975 and 1974:

	1975 Premiums Written	% Increase (Decrease) from 1974	% Distri- bution by Line	1974 Premiums Written	% Increase (Decrease) from 1973	% Distri- bution by Line
Automobile:						
Voluntary	\$575,710,189	17.2	86.0	\$491,202,183	5.4	86.9
Involuntary	49,257,162	39.1	7.4	35,401,702	(2.1)	6.3
Total Auto	624,967,351	18.7	93.4	526,603,885	4.9	93.2
Homeowners	39,174,436	14.6	5.9	34,174,141	21.3	6.0
Fire & Extended Coverage	3,218,863	10.6	0.5	2,910,939	11.5	0.5
Comprehensive Personal Liability	105,880	8.1	—	97,961	(32.0)	—
Boatowners	1,545,093	7.4	0.2	1,439,263	17.0	0.3
TOTALS	\$669,011,623	18.4	100.0	\$565,226,189	5.8	100.0

During the latter portion of 1974 and throughout 1975, significant premium rate increases were implemented in most jurisdictions. During 1974 these increases were largely offset by premium rate reductions that were mandated as a concomitant of the new no-fault laws. Therefore, 1974's written premium growth was relatively moderate compared to the prior year. However, the effects of these rate increases became noticeable in 1975, and premiums written increased much more rapidly than policies in force.

Total written premium volume by quarter for 1975 and 1974 is shown in the following table:

QUARTER	Premiums Written (Including Service Charges)	% Increase Over Same Period Prior Year
1975		
1st	\$156,449,744	20.0
2nd	\$172,524,248	14.0
3rd	\$178,966,477	17.9
4th	\$161,071,154	22.3
1974		
1st	\$130,362,524	3.4
2nd	\$151,368,342	9.8
3rd	\$151,807,951	4.2
4th	\$131,687,372	5.8

The following table shows the percentage increase in voluntarily written premiums (including service charges) by quarter for 1975 and 1974 after making appropriate adjustments for policy processing schedule changes in the first quarter of 1974:

QUARTER	Voluntarily Written Premiums Adjusted (Including Service Charges)	% Increase Over Same Period Prior Year
1975		
1st		13.2
2nd		12.9
3rd		14.0
4th		20.8
1974		
1st		11.8
2nd		8.5
3rd		9.1
4th		8.2

Premiums Earned Premiums earned on all lines including service charges for premiums paid on installment totaled \$603,320,611 in 1975, an increase of \$66,630,935 or 12.4% over 1974's earned premiums of \$536,689,676. In 1974, net earned premiums increased by \$37,153,064 or 7.4% over 1973 earned premiums of \$499,536,612. The following table shows the percent of change over the prior year and the percentage distribution of premiums earned by line for 1975 and 1974:

	Net 1975 Earned Premiums	% Increase (Decrease) from 1974	% Distri- bution by Line	Net 1974 Earned Premiums	% Increase (Decrease) from 1973	% Distri- bution by Line
Automobile:						
Voluntary	\$522,728,836	11.5	86.6	\$468,934,879	8.6	87.4
Involuntary	40,847,340	21.1	6.8	33,718,916	(13.7)	6.3
Total Auto	563,576,176	12.1	93.4	502,653,795	6.7	93.7
Homeowners	35,202,509	17.8	5.8	29,890,258	20.9	5.6
Fire & Extended Coverage	2,993,350	10.9	0.5	2,699,066	7.7	0.5
Comprehensive Personal Liability	111,842	(12.8)	—	128,187	78.0	—
Boatowners	1,436,725	9.0	0.3	1,318,370	15.0	0.2
TOTALS	\$603,320,611	12.4	100.0	\$536,689,676	7.4	100.0

LOSSES AND EXPENSES INCURRED

Losses and Loss Adjustment Expenses

Losses and loss adjustment expenses incurred in 1975 totaled \$652,396,388, an increase of \$198,405,359 or 43.7% over the \$453,991,029 incurred in 1974. The 1974 losses and loss adjustment expenses reflected an increase of \$43,558,979 or 10.6% over the \$410,432,050 incurred in 1973. The ratio of losses incurred to premiums earned on our total book of business increased to 109.8% in 1975 from 85.4% in 1974 and 82.8% in 1973. Incurred losses on the automobile line accounted for 111.6% of automobile premiums earned in 1975. The adjacent table shows the 1975 and 1974 loss ratios by line of insurance.

Loss Ratios

	1975 %	1974 %
Automobile	111.6	86.2
Homeowners	85.4	74.4
Fire & Extended Coverage	78.0	76.0
Comprehensive Personal Liability	181.1	10.3
Boatowners	76.1	59.4

The losses and loss expenses increased dramatically under the impact of double digit inflation on the cost of settling claims, and because of the significant strengthening of loss reserves during the year.

Underwriting and Other Expenses These expenses which are costs associated with obtaining and processing insurance business, increased in 1975 by \$1,229,080 or 1.3% over 1974 underwriting and other expenses. By comparison, these expenses increased in 1974 by \$10,729,667 or 12.7% over those for 1973.

The ratio of underwriting expenses to written premiums decreased significantly in 1975 to 14.4% from 15.8% in 1974. The expense ratio for the whole property and casualty insurance industry is also estimated to have improved in 1975, decreasing to approximately 27.6% from 28.2% in 1974. GEICO's ratio is significantly lower than the industry's ratio because of our economical methods of marketing and servicing policies.

The underwriting expense ratio stated in this report is the ratio of underwriting expenses, without deferred policy acquisition cost additions or deductions, to premiums written excluding service charges.

Change in Deferred Policy Acquisition Costs

A significant contributor to the increase in the underwriting loss in 1975 over 1974 was the \$45,667,224 charge to expense caused by the decrease in deferred policy acquisition costs during the year. Generally Accepted Accounting Principles (GAAP) provide for the matching of revenues with expenses over the term of an insurance policy. This results in a deferral of expenses to the extent recoverable to the period over which the premium is earned, instead of charging them against current income as is required by statutory accounting rules. Therefore, the amount of policy acquisition costs to be deferred cannot exceed the amount recoverable from the related reserve for unearned premiums.

The unearned premium reserve must first be sufficient to cover future losses, based on current trends and future assumptions, after which the residual is compared to the deferred asset account. In times of adverse underwriting experience, losses absorb a greater proportion of the unearned premium reserve, resulting in a diminished residual available to cover deferred acquisition costs. This occurred during 1975 and resulted in unrecoverable deferred policy acquisition costs.

Combined Loss and Expense Ratio GEICO's combined ratio of losses incurred to premiums earned and underwriting expenses to premiums written on all lines of insurance for 1975 was 124.2% compared with 101.2% for 1974 and 97.6% for 1973.

UNDERWRITING INCOME (LOSS)

Our underwriting operations in 1975 produced a pretax loss of \$190,896,022, compared with the 1974 pretax underwriting loss of \$5,889,860. In 1973, we had a pretax underwriting income of \$11,625,960.

INVESTMENT INCOME

Investment income continued to grow in 1975 as it reached a record high of \$33,559,751. This represented a \$1,231,404 or 3.8% increase over the 1974 pretax investment income of \$32,328,347, which—in turn—was \$4,460,372 or 16.0% over 1973 investment income of \$27,867,975. Investment income in 1975 reflected the more rapid and higher payout of claims, thus making available fewer funds for new investments, and lower yields in the short-term money market.

INTEREST EXPENSE

On July 24, 1975, GEICO transferred to its wholly-owned subsidiary, GEICO Washington Properties, Inc. (GWPI),

the GEICO Operations Building in Chevy Chase, Maryland along with drive-in claim facilities in Clinton, Maryland and Bailey's Crossroads, Virginia, and GWPI purchased from GEICO Properties, Inc. (another wholly-owned subsidiary of GEICO) the drive-in claim facility at Smithtown, Long Island. The properties were leased back to GEICO and GWPI financed them by obtaining a 9 $\frac{3}{8}$ % 35 year mortgage loan and by issuing to GEICO an 8% 12 year note. Total interest expense in 1975 on this mortgage loan and all outstanding notes was \$2,973,118 and will be approximately \$4,264,060 in 1976. Total interest expense was \$1,717,575 in 1974 and \$34,375 in 1973.

FEDERAL INCOME TAXES

Income tax credits of \$36,135,836 consist of current income tax credits amounting to \$12,719,614 which are recoverable from the Federal government and result from carrying back net operating losses to prior years, and deferred income tax credits of \$23,416,222 which are applicable to previously provided deferred income taxes on policy acquisition costs and other timing differences. The Notes to Financial Statements contain additional data concerning Federal income taxes.

NET INCOME (LOSS)

The severe underwriting losses which occurred throughout 1975 caused our Company to sustain a net loss of \$126,456,994 or \$7.13 per share for the year compared with net income totaling \$25,089,379 or \$1.42 per share in 1974, and \$31,802,434 or \$1.80 per share in 1973. For the fourth quarter the net loss was \$107,245,601 or \$6.04 per share compared with \$2,119,847 or \$.12 per share in 1974 and net income of \$4,408,997 or \$.25 per share in the fourth quarter of 1973. See the Notes to Financial Statements for additional explanation of the fourth quarter 1975 results.

STOCK MARKET APPRECIATION AND DEPRECIATION

The Company experienced an unrealized gain, net of tax effect, of \$22,936,834 during 1975, reducing the cumulative unrealized loss on equity securities to \$19,362,762 at the end of 1975. From January 1, 1976 through February 29, 1976 this cumulative unrealized loss was further reduced to approximately \$7,589,749 as a result of appreciation in the market values of equity securities. The cumulative unrealized loss net of tax benefits at the end of 1974 and 1973 was \$42,299,596 and \$9,287,633 respectively.

RECORD OF GEICO

ACTIONS OF STATE INSURANCE REGULATORS

The Company was licensed to write fire, casualty and inland marine insurance in 50 States and the District of Columbia at December 31, 1975, and is subject to varying legal requirements in each of those jurisdictions. As previously described in this Report, the Superintendent of Insurance of the District of Columbia has ordered the Company's surplus deficiency to be remedied by April 30, 1976. Failure to remedy the deficiency by that date will result in proceedings by the Superintendent in accordance with District of Columbia law. See "Actions of State Insurance Regulators" in the Notes to Financial Statements for additional information.

POLICIES IN FORCE

The number of policies in force on our five lines of insurance totaled 2,844,744 at the end of 1975, an increase of 8.7% or 227,127 policies compared with the 2,617,617 policies in force at year-end 1974. Excluding involuntarily written policies, policies in force on all lines of insurance increased by 8.1% in 1975 to 2,703,650 from 2,502,190 in 1974.

	<u>1975 Policies in Force</u>	<u>% Increase (Decrease) from 1974</u>	<u>% Distri- bution</u>
Automobile:			
Voluntary	2,235,244	7.6	78.5
Involuntary	141,094	22.2	5.0
Total Automobile	2,376,338	8.3	83.5
Homeowners	399,373	12.1	14.1
Fire & Extended Coverage	43,014	0.5	1.5
Comprehensive Personal Liability	5,654	(10.7)	0.2
Boatowners	20,365	9.5	0.7

Our primary line, automobile insurance, increased by 8.3% to 2,376,338 during 1975 and accounted for 83.5% of the policies in force at year-end compared with 83.8% at the end of 1974. Voluntarily written automobile policies increased by 7.6% or 157,014 policies from the end of 1974 to December 31, 1975. During the fourth quarter these policies in force decreased at an annualized rate of 0.4% as a result of the implementation of stringent underwriting guidelines. In 1975 our volume of involuntary business reversed previous years' trends and increased

rapidly as the voluntary auto insurance markets contracted in most jurisdictions in the wake of the mounting underwriting losses being sustained by the industry.

LOSS RESERVES

Loss reserves are estimates of the eventual cost of claims incurred but not finally settled. These reserve estimates are based not only on historical experience but also, of necessity, include a judgment of the effect on such claim costs of future economic and social forces. A reconciliation of past reserve estimates with actual loss cost developments is monitored continuously, and such revisions of the reserves as are indicated are made periodically.

In the past two years, escalating inflation of double-digit magnitude on the costs for medical care, auto crash parts and home repairs combined to make loss reserve estimates of future claim costs extremely vulnerable to variations from assumed limits of accuracy. In addition to economic inflation, social inflation of jury awards and recent structural changes in the tort liability system introduced by "no fault" automobile insurance made an accurate assessment of future events in loss reserve estimates even more difficult.

On December 31, 1975 our estimated reserve for losses and loss adjustment expenses was \$368,438,778 compared with \$262,981,553 at the end of 1974, an increase of 40.1%. This reserve is established to cover the payment of all claims incurred on or before December 31, 1975 but not finally settled at that date and includes losses which are estimated to have occurred in 1975 but were not reported to us by the end of the year.

Additional discussion of the reserve for losses and loss expenses is presented in the Letter to Shareholders at the beginning of this Annual Report and in the Notes to Financial Statements.

UNEARNED PREMIUM RESERVE

The unearned premium reserve is established to cover the unexpired portion of premiums written on all policies in force and not yet taken into underwriting income. This reserve is calculated with precision since it is a mathematical computation not requiring estimates or assumptions of future events.

Our reserve for unearned premiums was \$384,863,669 on December 31, 1975, an increase of 20.6% over the reserve of \$319,172,657 at the end of 1974.

INVESTMENTS

The value of our investment portfolio on December 31, 1975 was \$578,776,776 compared with \$515,595,689 on December 31, 1974. Net new investments in 1975 totaled \$35,082,421.

Throughout 1975 we followed a policy of selectively selling our common stock holdings, and on January 28, 1976, the Board of Directors approved a program to sell substantially all common stocks in our portfolio in an orderly manner at or about the then current prices. In addition, GEICO's portfolio of preferred stocks will be substantially reduced. The proceeds from the sales of all such securities are being invested in short and intermediate term U.S. Treasury bonds and notes. These actions were taken to eliminate the risk of erosion in the value of these securities and to protect policyholders' surplus and shareholders' equity during this prevailing period of economic uncertainty.

The value of the bonds and stocks listed in the Investment Portfolio Summary shown below are those used to establish the value of assets on the Balance Sheet on page 12. These values are stated as prescribed by the Committee on Valuation of Securities of the National Association of Insurance Commissioners, which requires the use of amortized value for bonds and the approximate market values for stocks as of December 31, 1975. A detailed schedule of GEICO's investment portfolio showing the market value of all stocks and bonds as of December 31, 1975 is listed in the Investment Portfolio report and, upon request to the Office of the Secretary, is available to shareholders as a Supplement to this Annual Report.

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 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.

DIVIDENDS

Regular quarterly cash dividends were paid to shareholders during 1974 and the first quarter of 1975. However, since the underwriting losses which occurred during the fourth quarter of 1974 and in the subsequent quarters of 1975 more than offset the income realized from investments for the same period, the Board of Directors considered it prudent to omit the cash dividends after that declared in January for the first quarter of 1975.

Cash dividends of twenty cents per share (totaling \$3,544,454) were paid to shareholders in 1975 compared with cash dividends of eighty cents per share (totaling \$14,175,429) paid in 1974 as detailed below:

CASH DIVIDENDS PAID PER SHARE			
1975		1974	
March 28	\$0.20	March 26	\$0.20
		June 28	\$0.20
		September 30	\$0.20
		December 31	\$0.20

INVESTMENT PORTFOLIO SUMMARY

	December 31		Increase (Decrease)
	1975	1974	
U.S. Government Bonds	\$ 83,334,445	\$ 28,725,774	\$54,608,671
Certificates of Deposit	223,591	207,806	15,785
Corporate Bonds	1,199,407	749,200	450,207
Tax-Exempt Bonds	396,260,477	383,880,509	12,379,968
	<u>481,017,920</u>	<u>413,563,289</u>	<u>67,454,631</u>
Guaranteed Railroad Stocks	358,980	311,710	47,270
Preferred Stocks	38,784,489	35,400,548	3,383,941
Convertible Preferred Stocks	3,813,035	4,477,360	(664,325)
Railroad Common Stocks	800,000	1,000,000	(200,000)
Public Utility Common Stocks	27,628,307	30,380,125	(2,751,818)
Industrial Common Stocks	26,374,045	30,462,657	(4,088,612)
	<u>97,758,856</u>	<u>102,032,400</u>	<u>(4,273,544)</u>
TOTALS	<u>\$578,776,776</u>	<u>\$515,595,689</u>	<u>\$63,181,087</u>

FINANCIAL AND POLICYHOLDERS' RATINGS

The A. M. Best Company, an insurance industry rating service, has withdrawn its previous financial and policyholders' ratings of the Company and assigned a "deferred" rating which allows Management an opportunity to achieve the benefits of the program described in the Letter to Shareholders elsewhere in this Report.

STOCK OPTION PLAN

Under the provisions of a Stock Option Plan which was approved by the shareholders in 1963 and which terminated as to the granting of further options in 1973, a total of 257,944 shares of common stock of the Company was purchased by 255 officers and key executives.

Under the provisions of a new Stock Option Plan approved by the shareholders at the 1973 Annual Meeting, options for a total of 105,099 shares of common stock of the Company have been granted to 415 officers and key executives. No shares of common stock of the Company were acquired in 1975 through the exercise of options under the 1973 plan; however, a total of 16,303 optioned shares under the 1963 plan were purchased during the year by 111 optionees at prices ranging from \$19.231 to \$20.913 per share.

PRICES OF COMMON STOCK

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

The following table shows the high and low bid and asked prices for our Company's common stock for each quarter of 1975 and 1974:

TWO-YEAR SUMMARY OF STOCK PRICES

	1975			
	High		Low	
	Bid	Asked	Bid	Asked
1st Quarter	27¼	27¾	20¼	20¾
2nd Quarter	27½	28	19¼	19¾
3rd Quarter	24½	24¾	10%	11½
4th Quarter	14%	15½	9%	9%

	1974			
	High		Low	
	Bid	Asked	Bid	Asked
1st Quarter	41¾	42¾	23½	23%
2nd Quarter	27½	27¾	18%	19%
3rd Quarter	23	23½	14%	15%
4th Quarter	26	26½	15%	15¾

BOARD OF DIRECTORS

Mr. Daniel J. Callahan, Jr., a member of our Board of Directors since 1948 and a member of our Executive Committee since 1973, having reached retirement age, did not stand for reelection as a Director of our Company at the Annual Meeting of Shareholders on March 26, 1975. The Board appointed Mr. Callahan an Honorary Director, effective March 27, 1975, in recognition of his outstanding contributions to the growth and progress of our Company and his dedicated services to the Government Employees Companies, which have extended over a period of twenty-seven years.

THE STAFF

Employees of our Company numbered 7,760 on December 31, 1975, a decrease of 8.6% from the 8,492 employed at year-end 1974. Throughout 1975 our Staff responded admirably to the challenges presented by these extraordinary times. Despite reductions in the number of employees and a temporary deferment of individual employee salary reviews, our Staff worked diligently to maintain the high servicing standards of our Company. The program we have adopted for reducing voluntary policies in force will require a further reduction in the size of our staff. This will be accomplished in an orderly manner, largely through attrition and with full appreciation of the vital need to retain the staff required to carry out our program in this period of adversity and of the need to maintain morale so that the present high levels of quality and productivity are maintained.

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

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 20076

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 the 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.

CONSOLIDATED BALANCE SHEET

ASSETS	December 31, 1975	December 31, 1974
Cash	\$ 18,625,438	\$ 12,307,790
Investments:		
Certificates of deposit	223,591	207,806
Bonds and notes — at amortized cost		
United States Government bonds	83,334,445	28,725,774
State, municipal and corporate bonds and notes	397,459,884	384,629,709
Corporate stocks — at market values as established by the National Association of Insurance Commissioners:		
Preferred (cost: 1975 — \$54,631,137; 1974 — \$58,498,056)	42,810,524	40,092,408
Common (cost: 1975 — \$64,064,385; 1974 — \$90,187,972)	54,948,332	61,939,992
Premiums in course of collection — less allowance of \$3,000,000 and \$5,000,000 for amounts uncollectible on cancelled policies	208,347,759	173,588,647
Real estate — at cost less accumulated depreciation of \$6,210,683 and \$5,313,515	36,317,583	36,422,691
Furniture and equipment — at cost, less accumulated depreciation of \$11,136,514 and \$11,127,370	17,821,599	13,661,356
Accrued investment income	7,335,633	6,346,532
Amounts receivable on sale of securities	483,753	4,263,532
Recoverable Federal income taxes	12,658,477	6,248,210
Deferred policy acquisition costs	—0—	45,667,224
Other assets	5,282,592	2,668,275
Total Assets	\$885,649,610	\$816,769,946
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Reserve for losses and loss expenses	\$368,438,778	\$262,981,553
Reserve for unearned premiums	384,863,669	319,172,657
Federal income taxes payable		
Current	1,425	38,268
Deferred	367,907	21,004,000
Accounts payable and accrued expenses	6,995,983	8,693,282
Licenses, fees and other taxes	9,043,209	7,084,343
Other liabilities	30,847,925	30,721,299
Long-term debt	48,176,029	23,409,118
Total Liabilities	848,734,925	673,104,520
Shareholders' equity:		
Capital stock, par value \$4 a share		
Authorized 24,000,000 shares		
Issued and outstanding: 1975 — 17,736,760 shares; 1974 — 17,720,457 shares	70,947,040	70,881,828
Paid-in surplus	43,725,049	43,476,388
Deficiency arising from revaluation of investment securities	(19,362,762)	(42,299,596)
Retained earnings (deficit)	(58,394,642)	71,606,806
Total Shareholders' Equity	36,914,685	143,665,426
Total Liabilities and Shareholders' Equity	\$885,649,610	\$816,769,946

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Two Years ended December 31, 1975

	Capital Stock	Paid-in Surplus	Revaluation of Investment Securities	Retained Earnings (Deficit)	Total
Balance at January 1, 1974	\$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	43,476,388	(42,299,596)	71,606,806	143,665,426
Exercise of stock options —					
16,303 shares	65,212	248,661			313,873
Net loss for the year				(126,456,994)	(126,456,994)
Cash dividends — \$.20 a share .				(3,544,454)	(3,544,454)
Unrealized gain from change in valuation of investment securities during the year less reduction in deferred taxes of \$2,780,129			22,936,834		22,936,834
Balance at December 31, 1975 .	\$70,947,040	\$43,725,049	\$(19,362,762)	\$(58,394,642)	\$ 36,914,685

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

	Year Ended December 31,	
	1975	1974
Premiums and service charges written	\$ 669,011,623	\$565,226,189
Less increase in unearned premium reserve	65,691,012	28,536,513
Earned Premiums and service charges	603,320,611	536,689,676
Losses and loss expenses	652,396,388	453,991,029
Underwriting expenses	93,312,958	88,392,655
Policyholders' dividends	349,728	1,425,869
Provision for amounts uncollectible on cancelled policies	2,490,335	5,105,417
(Increase) decrease in deferred policy acquisition costs ..	45,667,224	(6,335,434)
	<u>794,216,633</u>	<u>542,579,536</u>
Underwriting Loss	(190,896,022)	(5,889,860)
Interest, dividends and rental income	34,298,751	32,808,234
Investment expenses	739,000	479,887
Investment Income	33,559,751	32,328,347
Underwriting and Investment Income (Loss)	(157,336,271)	26,438,487
Interest expense	2,973,118	1,717,575
Income (Loss) Before Federal Income Taxes and Realized Investment Losses	(160,309,389)	24,720,912
Federal income taxes (credits)		
Current	(12,719,614)	(4,953,490)
Deferred	(23,416,222)	3,549,737
	<u>(36,135,836)</u>	<u>(1,403,753)</u>
Income (Loss) Before Realized Investment Losses	(124,173,553)	26,124,665
Realized losses on sales of investments, net of related tax benefits of \$436,325 in 1974. (Net unrealized appreciation (depreciation) of preferred and common stock of \$22,936,834 in 1975 and \$(33,011,963) in 1974 has been credited (charged) directly to shareholders' equity)	(2,283,441)	(1,035,286)
Net Income (Loss)	\$ (126,456,994)	\$ 25,089,379
Earnings per share:		
Income (loss) before realized investment losses	\$(7.00)	\$1.48
Realized losses on sales of investments	(.13)	(.06)
Net Income (Loss)	\$(7.13)	\$1.42

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	<u>Year Ended December 31,</u>	
	<u>1975</u>	<u>1974</u>
SOURCE OF FUNDS		
From operations:		
Net income (loss)	\$ (126,456,994)	\$25,089,379
Income statement items not affecting cash:		
Increase in unearned premium reserve	65,691,012	28,536,513
Increase in reserve for losses and loss expenses	105,457,225	15,197,037
Increase (Decrease) in general liabilities	(17,740,608)	2,648,742
Increase in premiums in course of collection and accrued investment income	(35,748,213)	(19,774,956)
Provision for depreciation	3,996,761	3,309,902
Accrual of discount and amortization of premiums on bonds — net	(4,665,144)	(4,701,466)
(Increase) Decrease in deferred policy acquisition costs	45,667,224	(6,335,434)
Increase in recoverable Federal income taxes	(6,410,267)	(3,813,604)
Deferred income (tax) benefit of unrealized losses on investment securities	(2,780,129)	1,061,818
Total Provided from Operations	<u>27,010,867</u>	<u>41,217,931</u>
Increase in long-term debt	24,766,911	8,409,118
Proceeds from sale of stock through exercise of stock options and Warrants	313,873	134,300
Total Funds Provided	<u>52,091,651</u>	<u>49,761,349</u>
APPLICATION OF FUNDS		
Purchase of bonds and stocks, net of sales	32,798,981	9,506,067
Cash dividends to shareholders	3,544,454	14,175,429
Decrease in amounts payable on purchase of securities .	2,544,135	2,429,524
Purchases of real estate, furniture and equipment net of sales	8,051,895	16,543,931
Increase (Decrease) in other assets	(1,165,462)	4,304,727
Total Application of Funds	<u>45,774,003</u>	<u>46,959,678</u>
INCREASE IN CASH	6,317,648	2,801,671
Cash at beginning of year	12,307,790	9,506,119
CASH AT END OF YEAR	<u>\$ 18,625,438</u>	<u>\$12,307,790</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1975

SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The financial statements include the accounts of the Company and its two wholly-owned subsidiaries, GEICO Properties, Inc. and GEICO Washington Properties, Inc., which were formed principally to own property and real estate for the Company's use. All intercompany accounts and transactions have been eliminated in consolidation.

BASIS OF REPORTING

The accompanying financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). These principles differ from statutory accounting practices prescribed or permitted by the Department of Insurance of the District of Columbia in several material respects. The more significant variances between GAAP and statutory accounting practices are: costs attributable to obtaining business are deferred and charged to income in proportion to the recognition of premium revenues rather than being charged to operations as incurred (at December 31, 1975 none of the acquisition costs were considered recoverable); deferred income taxes are provided on the timing differences between pretax accounting income and taxable income; 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 stock dividends are charged to retained earnings at market value rather than par value. In addition, intercompany gains on real estate transfers, which are eliminated in consolidation for GAAP, are permitted in the calculation of net income and statutory surplus.

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 and vary approximately 1% from values determined by market quotations for corporate stocks.

Realized gains and losses on sales of investment securities are included in the statement of 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

The reserve for losses and allocated loss adjustment expenses is provided based upon averages for claims reported

within the most recent six months, case basis estimates for older claims, and calculated estimates of unreported losses. Reserve for unallocated loss adjustment expenses is provided based upon estimates of future expenses to be incurred in settlement of the claims provided in the reserve for losses. The reserve for losses further includes additional amounts to compensate for possible deficiencies caused by future changes in economic and social conditions. In 1975 the determination of these additional amounts was based upon Company studies of its reserve levels using various projection techniques and included consideration of studies performed by a firm of independent consulting actuaries.

Reserve for unearned premiums is determined by prorating policy premiums over the terms of the policies. Unpaid claims and unearned premiums are reported net of reinsurance.

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 purchases since January 1, 1974. Prior to that time, for furniture, data processing and other equipment accelerated methods were used. 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 (LOSS)	
	1975	1974
Statutory accounting practices	\$ (84,978,974)	\$24,320,601
Deferred policy acquisition costs ..	(45,667,224)	6,335,434
Allowance for amounts uncollectible on cancelled policies	2,000,000	(2,400,000)
Deferred Federal income (taxes) credits	23,416,222	(3,549,737)
Gain in 1975 (\$21,278,092) on sale of buildings and other effects of consolidated subsidiaries	(21,340,859)	396,348
Other	113,841	(13,267)
In Accordance with Generally Accepted Accounting Principles..	<u>\$ (126,456,994)</u>	<u>\$25,089,379</u>

SHAREHOLDERS' EQUITY

	1975	1974
Statutory accounting practices	\$ 49,302,281	\$103,048,706
Deferred policy acquisition costs....	—0—	45,667,224
Allowance for amounts uncollectible on cancelled policies	(3,000,000)	(5,000,000)
Deferred Federal income taxes	(367,907)	(21,004,000)
Non-admitted assets	11,536,030	20,606,991
Effects of consolidated subsidiaries	(20,755,168)	119,066
Other	199,449	227,439
In Accordance with Generally Accepted Accounting Principles..	<u>\$ 36,914,685</u>	<u>\$143,665,426</u>

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:

	1975	1974
Income tax at 48% of pretax income (loss) (\$160,309,389 in 1975 and \$24,720,912 in 1974	\$(76,948,507)	\$11,866,038
Effect of:		
Tax-exempt interest income	(8,019,831)	(7,541,949)
Dividends received deduction	(3,692,136)	(4,049,373)
Amounts to be taxed as capital gains.....	1,668,077	(898,886)
Investment tax credit	1,022,632	(820,385)
Unused net operating loss carryforward.....	51,055,947	—0—
Other items	(1,222,018)	40,802
Income Tax Credits	<u>\$(36,135,836)</u>	<u>\$(1,403,753)</u>

The deferred tax expense (credit) for 1975 and 1974 results from timing differences in recognition of revenue and expense for tax and financial statements purposes as follows:

	1975	1974
Deferral of policy acquisition costs	\$(22,507,889)	\$3,041,008
Accrued investment income	(2,780,129)	1,061,819
Provision for amounts uncollectible on cancelled policies	2,400,000	(1,152,000)
Accelerated depreciation	(528,204)	707,201
Other items	—0—	(108,291)
Deferred Income Tax Expense (credit)	<u>\$(23,416,222)</u>	<u>\$3,549,737</u>

At December 31, 1975 the Company had a net operating loss carryforward for tax purposes of approximately \$117 Million which will expire in 1980 and unused Investment Tax Credit carryforwards of approximately \$2 Million. Because of timing differences, principally accrued investment income and allowances for uncollectible premiums receivable, the net operating loss carryforward for book purposes is approximately \$104 Million. As actual tax net operating losses are utilized to reduce future taxable income, certain deferred tax benefits taken in 1975 will have to be restored.

The cumulative unrealized investment loss at December 31, 1975 of \$19,362,762 is net of reduction for future tax benefits of \$1,573,903.

LONG-TERM DEBT

The long-term debt is owed by the Company's wholly-owned subsidiaries as follows:

GEICO Properties, Inc.:

8¼ % notes, due in equal quarterly installments of \$338,599, including interest, until June 15, 2004 ..	\$14,815,361
8½ % note, due in equal quarterly installments of \$196,373, including interest, until May 1, 2004	8,400,346
	<u>23,215,707</u>

GEICO Washington Properties, Inc.:

9¾ % note, due in equal monthly installments of \$203,125, including interest until June 1, 2010	24,960,322
	<u>\$48,176,029</u>

All of the real estate has been pledged as security to the notes and the Company has made assignments of long-term leases as additional collateral. All of the note agreements provide that the entire unpaid principal and interest become due and payable in the event of default.

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 including amortization of prior service costs over thirty years. Fund assets at December 31, 1975 exceeded vested benefits. Pension expense was \$1,607,300 in 1975 and \$1,308,700 in 1974.

Based on a recalculation of the Company's 1975 pension costs to give effect to the 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 \$399,094 in 1975 and \$496,245 in 1974.

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 17,731,891 in 1975 and 17,719,081 in 1974.

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, 1974	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	260,162	19.23 to 55.53	147,299
Granted	(28,902)	20.25	28,902
Exercised	—	19.23 to 20.91	(16,303)
Terminated	3,449	19.23 to 55.53	(17,520)
Balance at December 31, 1975	<u>234,709</u>	20.25 to 55.53	<u>142,378</u>

At December 31, 1975 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 1,726,086 shares have been reserved for stock options and Warrants.

COMMITMENTS

Total rental expense for all leases was approximately \$4,560,000 in 1975 and \$3,450,000 in 1974.

The future minimum rental commitments as of December 31, 1975, for all noncancellable leases are as follows:

	Total	Building Space	Equipment
1976	\$ 4,963,616	\$ 2,882,140	\$2,081,476
1977	3,156,680	2,617,148	539,532
1978	2,404,138	2,302,594	101,544
1979	1,133,343	1,100,737	32,606
1980	974,231	974,231	—
1981-1985	3,769,599	3,769,599	—
1986-1990	1,639,431	1,639,431	—
1991-1992	28,744	28,744	—
	<u>\$18,069,782</u>	<u>\$15,314,624</u>	<u>\$2,755,158</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.

YEAR-END ADJUSTMENTS

The substantial increase in the fourth quarter net loss resulted from (1) the write-down of approximately \$40 million in deferred policy acquisition costs and (2) exhaustion of substantially all income tax benefits in the third quarter of 1975.

During 1975 Management modified estimating procedures employed in arriving at the reserve for losses and loss expenses. These modifications resulted in some increases as well as some decreases in reserve components. The net

result of these modifications, although intended to reflect more accurately the level of the reserves, produced an aggregate reserve lower by approximately \$7.5 million at September 30, 1975 than had such modifications not been effected. Subsequent analyses indicated that these modifications had not achieved their purpose. Further discussion of the Company's substantial strengthening of the reserve for losses and loss expenses is included in the President's and Chairman's Letter to Shareholders and under Loss Reserves on page 9.

INVESTMENTS

At December 31, 1975 there were gross unrealized gains of \$1,822,200 and gross unrealized losses of \$22,758,865 pertaining to the preferred and common stocks.

Through February 29, 1976, the Company realized a loss of approximately \$5,000,000 on sales of equity securities owned as of December 31, 1975, and the cumulative unrealized loss was reduced to approximately \$7,500,000.

At December 31, 1975, the amortized cost of bonds and notes determined as prescribed by the National Association of Insurance Commissioners exceeded the market value as determined by market quotations or yield to maturity calculations by approximately \$33.7 Million.

RELATED PARTIES

GEICO is the principal Company of the Government Employees Companies, four separate capital stock companies engaged in the casualty, fire and life insurance and consumer finance businesses. The other Companies comprising the Group are Criterion Insurance Company, Government Employees Life Insurance Company and Government Employees Financial Corporation. A majority of the members on GEICO's Board of Directors are also directors of the other three Companies.

In the normal course of business, GEICO enters into various transactions with the other Government Employees Companies on terms as favorable to GEICO as could have been obtained from other persons and provides leads, without charge, to two of the Companies through the use of its customer lists.

ACTIONS OF STATE INSURANCE REGULATORS

The Company was licensed to write fire, casualty and inland marine insurance in 50 States and the District of Columbia at December 31, 1975, and is subject to varying legal requirements in each of those jurisdictions. As previously described in this Report, the Superintendent of Insurance of the District of Columbia has ordered the Company's statutory surplus deficiency to be remedied by April 30, 1976. Failure to remedy the deficiency by that date will result in proceedings by the Superintendent in accordance with District of Columbia law. Because of this surplus prob-

lem, the Commissioner of Insurance of Kansas has called a hearing to determine, among other things, whether the Company's Certificate of Authority to do business in that State should be suspended or revoked, and the Commissioner of Insurance of Wyoming has suspended the Company's Certificate of Authority for that State. Pursuant to agreement with regulators in two other states, the Company is not writing any new business therein.

LITIGATION

In January and February 1976 two purported class actions, alleging violations of the Securities Exchange Act of 1934 and the common law, and naming as defendants the Company, certain of its directors and officers, certain former directors, its independent auditors, and the partners thereof, were filed, one in the United States District Court for the Southern District of New York and the other in the United States District Court for the District of Columbia. Not all of the defendants are named defendants in each suit. Both Complaints allege various disclosure violations and one also alleges breaches of common law duties. The purported class is alleged to be all purchasers of the Company's securities during an unspecified time period. The Complaints seek judgment directing the defendants to account to members of the purported class for unspecified damages sustained by them and for such other relief as the courts deem appropriate. Management believes these suits are without merit. While it is not practicable to calculate the amount of compensatory damages thus sought to be recovered, such amount could be material to the Company's financial position.

In August 1975 an action alleging various violations of the Federal antitrust laws and California law and naming as defendants twelve major insurance companies, including the Company, was filed in the United States District Court for the Northern District of California. The Complaint, brought by five independent auto body shops, charges the insurance companies have combined and conspired to restrict interstate commerce in auto body repairs and forced the plaintiffs to perform auto body repairs at prices less than those they would have been able to charge in a freely competitive market. Treble damages in an unspecified amount are sought. Management believes this suit is without merit but is unable to predict the outcome of this litigation.

In February 1976 the Securities and Exchange Commission (SEC) commenced a private investigation of recent trading in the Company's securities and reports filed by the Company at the SEC. The Company is cooperating fully with the SEC in its conduct of the investigation and cannot comment further upon the substance of the investigation at this time.

The Company has been advised by a terminating employee of a suit soon to be filed in Federal District

Court. In her notice of termination, said employee alleges certain actions by the Company which she deems discriminatory. Management is unaware of any such suit and is unable to evaluate the scope of the allegations, and damages, if any, which may be alleged if suit is filed.

REPORT OF INDEPENDENT AUDITORS

ERNST & ERNST
1225 CONNECTICUT AVE., N.W.
WASHINGTON, D.C. 20038

To the Shareholders
Government Employees Insurance Company

We have examined the consolidated balance sheet of Government Employees Insurance Company and subsidiaries as of December 31, 1975 and December 31, 1974, 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.

The Company sustained substantial operating losses during the year ended December 31, 1975 and statutory surplus was reduced below the minimum required by various state regulations. The ability to continue to do business in these various states is dependent upon certain events as more fully described in the notes to financial statements under the caption "Actions of State Insurance Regulators."

In addition, there is certain litigation pending, described under the caption "Litigation" in the notes to financial statements, and at this time management is unable to give any appraisal as to the eventual outcome.

In our opinion, subject to the effects on the financial statements of the ultimate resolutions of the uncertainties discussed in the preceding two paragraphs, the financial statements referred to above present fairly the financial position of Government Employees Insurance Company and subsidiaries at December 31, 1975 and December 31, 1974, 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.

Ernst & Ernst

Washington, D.C.
March 9, 1976

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

DIRECTORS AND OFFICERS

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

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

SAMUEL C. BUTLER

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

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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

Chairman, Shelby Cullom Davis & Co., investment bankers, New York, N.Y.

LEO GOODWIN, JR.

Private investment banker.

PAUL J. HANNA

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

WILLIAM K. JACOBS, JR.

Private financial consultant.

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

HOWARD A. NEWMAN

Chairman of the Board, President and Chief Executive Officer, Western Pacific Industries Inc., a management and holding company, San Francisco, California.

MELVIN M. PAYNE

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

RALPH C. PECK

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

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NORMAN L. GIDDEN
LEO GOODWIN, JR.
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Government Employees Companies

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GEICO

ANNUAL REPORT

1975

ADDENDUM TO
1975 ANNUAL REPORT TO SHAREHOLDERS OF
GOVERNMENT EMPLOYEES INSURANCE COMPANY

Since the printing of the Annual Report the Company has received an Order from the Director of Insurance of Arizona suspending the Company's Certificate of Authority in that State. Thus, while the Company cannot write any new business in Arizona, it can continue to service and renew its existing business.

March 10, 1976

ANNUAL REPORT 1975

GEICO
GOVERNMENT EMPLOYEES INSURANCE COMPANY
A Capital Stock Company Not Affiliated With The U.S. Government
WASHINGTON, D. C.

ANNUAL MEETING

The Annual Meeting of Shareholders will be held at
10:00 a.m. on March 31, 1976 in the Federal Room
of the Statler Hilton Hotel in Washington, D.C.

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GOVERNMENT EMPLOYEES INSURANCE COMPANY AND SUBSIDIARIES

Government Employees Insurance Company, perhaps more widely known as GEICO, is a multiple line property and casualty insurer engaged primarily in the writing of all lines of private passenger automobile insurance. To a much more limited degree, the Company also writes homeowners, fire and extended coverage, comprehensive personal liability and boatowners insurance.

The Company has two wholly-owned subsidiaries: GEICO Properties, Inc., and GEICO Washington Properties, Inc.

In accordance with accounting changes made in 1974, the financial data set forth in this Report unless otherwise noted have been prepared on the basis of Generally Accepted Accounting Principles (GAAP) rather than on a statutory accounting basis supplemented by GAAP adjustments, as in years prior to 1974.



Mr. Norman L. Gidden
Chairman of the Board



Mr. Ralph C. Peck
President

To Our Shareholders

This fortieth Annual Report of Government Employees Insurance Company covering the year 1975 is submitted on behalf of the Board of Directors.

The past year was by far the most difficult one ever experienced by property and casualty insurance companies as attested by the severe underwriting losses registered by the industry. It is estimated that the industry suffered a statutory underwriting loss of more than \$4.1 billion in 1975. Insurers such as GEICO, specializing in automobile insurance, were severely impacted during 1975 by the effects of rampant inflation on medical and auto repair costs, which drove the cost of claims to unprecedented levels. Existing premium rates, particularly in no-fault states, proved inadequate in the face of these increasing costs and the present estimate of the industry's underwriting loss on private passenger automobile insurance alone is nearly \$2 billion. GEICO sustained its second consecutive year of underwriting losses, and suffered a very substantial net operating loss which resulted in an impairment of the Company's surplus.

The pre-tax underwriting loss of \$190,896,022 compares with the 1974 loss of \$5,889,860. Investment income increased to a new high of \$33,559,751 from \$32,328,347 in 1974. Our net operating loss after taxes, excluding realized capital losses, was \$124,173,553 compared with 1974's profit of \$26,124,665 and, on a weighted average per share basis, the loss was \$7.00 which compares with the 1974 profit of \$1.48 per share.

With the substantial premium rate increases we implemented in 1974 and 1975, our written premium vol-

ume for the year including service charges increased 18.4% to \$669,011,623. Policies in force in all lines were 2,844,744 at year-end, an increase of 8.7%. The growth in policies in force was at a decreasing rate during the year because of the more stringent underwriting standards put into effect in all jurisdictions.

In spite of the inevitable time lag which occurs between incurring underwriting losses and implementation of the requisite rate relief, significant progress was made during 1975 toward restoring premium rates to adequate levels. In 1975 premium rate increases were received in states representing approximately 90% of our voluntary premium volume. As of year-end 1975, the annualized premium value of those rate increases for voluntary auto business, based on 1975 volume, totaled \$111,175,000, an increase in the average rate level of 21.0%. This amount includes premium rate adjustments implemented in 1974 as well as premium rate reductions mandated by those states enacting no-fault insurance laws.

Involuntary auto insurance business has been a significant factor in contributing to our underwriting loss. While involuntary risks represented only 7.2% of our 1975 automobile insurance earned premium volume, they produced a statutory underwriting loss of \$29,938,000 or 19.9% of our losses in the automobile line. In 1975 annualized premium rate increases totaling \$11,264,000, based on 1975 volume, were received for this historically unprofitable portion of our business, but they will only partially offset the continuing underwriting losses which are expected for these risks in 1976.

The effects of inflation on building repair costs also impacted our other lines such as homeowners and fire insurance. The increases in average premium per policy that result from appreciation in the value of property insured by these coverages aids in offsetting the increased costs of partial losses on such property. However, the unusually rapid rate at which claim costs increased during 1975 caused our experience in this relatively small portion of our business to deteriorate. Since we establish our rates for these lines generally as a deviation from Insurance Services Office (ISO) rate levels, we have benefited from the considerable rate filing activity by ISO in 1975.

An area of major concern is our ratio of premium writings to policyholders' surplus which increased at year-end 1975 to 13.40 to 1 from 1974's ratio of 5.44 to 1. While GEICO has traditionally written business at a higher ratio than the industry because of the nature of our book of business, our conservative investment policy and our long record of underwriting profits, a number of actions were deemed necessary in 1975 in order to prevent further deterioration of our surplus position. We omitted cash dividends to our shareholders after the first quarter of 1975. GEICO's statutory policyholders' surplus was increased by \$21.3 million on July 24, 1975 by the transfer to and lease back of real estate from GEICO Washington Properties, Inc., a wholly-owned subsidiary.

In addition, to substantially improve our liquidity position, we selectively sold common stocks from our investment portfolio and reinvested the proceeds in short and medium term U. S. Treasury Notes. The book value of our portfolio of short and medium term U. S. Treasury Securities totaled \$83,334,445 on December 31, 1975 and \$173,106,560 on February 29, 1976.

In July 1975, Management informed the Board of Directors of its intention to retain a consulting actuarial firm to assist in the review and analysis of GEICO's reserve for losses and loss expenses. A large and well-known consulting actuarial firm was retained in September 1975 and an interim report was received from them in late December. After considering their recommendations and a review by GEICO's own actuary of that report and the methods used in making the analysis, the Board of Directors at a special meeting on January 14, 1976 approved Management's recommendation to provide in the fourth quarter of 1975 an additional \$35 million to settle claims arising from accidents which had occurred prior to September 30, 1975. At that time, the losses incurred in the fourth quarter of 1975 were estimated

at \$190 million including the \$35 million for prior periods. Payments made in settlement of claims in the fourth quarter were about \$147 million, resulting in a net increase in the reserve for losses and loss expenses of approximately \$43 million in the fourth quarter with the total loss reserve estimated to be \$343 million at year-end. A preliminary report of unaudited results for 1975 reflecting the foregoing was issued to shareholders on January 14, 1976.

Subsequently, on February 23, 1976, shareholders were advised that Management and its actuaries were continuing their review of the loss reserves based on data developed through the fourth quarter ending December 31, 1975 and that the Company's consulting actuaries and independent auditors were reviewing the level of reserves as of that date. It was announced that the loss reserves might require further substantial strengthening, that other financial adjustments might be required and that for this reason Management had requested a suspension of trading in the Company's securities.

On March 1, 1976, our shareholders were advised that, based upon the findings of the independent consulting actuaries, with the concurrence of the Company's independent auditors, and after discussions with the Superintendent of Insurance of the District of Columbia, Management determined that a further addition of approximately \$25.6 million should be made to the loss reserves as of December 31, 1975, bringing those reserves to \$368,438,778. Additional discussion of this subject is included under Loss Reserves on page 9 and in the Notes to Financial Statements.

Due to the magnitude of our 1975 underwriting loss, a write down of all remaining deferred policy acquisition costs, amounting to \$40,644,610, was necessitated in the fourth quarter resulting in a net decrease of \$45,667,224 for the full year. These amounts are included in the underwriting loss of \$117,321,458 for the fourth quarter of 1975 and in the underwriting loss for the full year.

By reason of the actions described above, the Company does not now comply with provisions of District of Columbia law, under which it is organized, requiring the maintenance of a specified surplus above the par value of the outstanding shares of capital stock. The Superintendent of Insurance of the District of Columbia has ordered this deficiency to be remedied by April 30, 1976. The shareholders at the Annual Meeting scheduled to be held on March 31, 1976, will vote on Management's proposal of a reduction in the par value of the common stock that

will restore compliance with District of Columbia law.

Following the special meeting of the Board of Directors on January 14, 1976, the Company reported in a letter to shareholders on its plans to improve operating results and GEICO's financial position as quickly as possible, as follows:

- In order to strengthen the capital base of the Company, the Board authorized Management to proceed with an exploration of a capital financing program which could include the issuance and sale of additional common stock and/or preferred stock.
- For that purpose, and to increase statutory surplus, the Board voted to increase the authorized capital stock of the Company from 24 million shares of \$4 par value common stock to 36 million shares of \$1 par value common stock, subject to shareholders approval at the Annual Meeting scheduled for March 31, 1976. If approved by the shareholders and the regulatory authorities, this action will result in the transfer of approximately \$53 million from the capital stock account to the paid-in surplus account. Such transfer would remedy the present impairment of the Company's surplus under District of Columbia law.
- Rate increases of an overall magnitude at least as great as were obtained in 1975 will be actively sought in 1976. In order to maintain rate adequacy, the rates used in every state will be reviewed continuously to assure that they will support an underwriting profit. When rates prove to be inadequate, the appropriate rate adjustment action will be taken promptly.
- The Board approved Management's plan to gradually reduce the number of voluntary automobile insurance policies in force during 1976 until underwriting profitability is again restored, thereby diminishing our Company's exposure to losses. The reduction in unit exposure will be accomplished by applying stringent underwriting guidelines in evaluating individual risks in the acceptance of new business and the renewal of expiring policies. Our efforts will be concentrated on the servicing of our policyholders and claimants. Because of the rate increases received in 1974 and 1975 but not yet fully reflected in written premiums plus new increases to be obtained in 1976, it is expected that, although unit exposure will decrease, GEICO's written premium dollar volume will not decline significantly during 1976 from \$669.0 million written in 1975.

The Board has retained two investment banking firms to act as financial advisers with regard to the Company's

capital financing program and merger possibilities. Various approaches are being considered which could be utilized to improve the Company's capital base and add to policyholders' surplus and we will advise shareholders as soon as more definite information becomes available. The Company has received preliminary and tentative expressions of interest from several sources.

Our Company has historically operated at one of the lowest expense ratios within the property and casualty insurance industry. Our expense ratio, which has not exceeded 16.5% in the last 30 years, was 14.4% in 1975 compared with 15.8% in the prior year. To assure that this ratio will not be adversely affected by this interim program, Management will continue to control operating costs closely to achieve additional internal economies consistent with maintaining the strength and efficiency of GEICO's highly trained and loyal staff of employees and the quality of its service to its policyholders.

GEICO has communicated its plans for improving its financial position to the Insurance Commissioner, Superintendent or Director of each of the fifty states.

The District of Columbia Insurance Department commenced on March 1, 1976 the triennial examination of the Company in participation with the National Association of Insurance Commissioners (NAIC). The Company was last examined under the Association Plan of the NAIC as of December 31, 1972 for the three year period ended on that date.

In spite of the disastrous year through which we have passed, GEICO's efficient organization, which services policyholders and claimants throughout the country, remains intact. The plans of Management to regain underwriting profitability are sound and we believe will be successful. Premium rate increases heretofore granted and to be obtained in 1976 will continue to have a beneficial effect on our earned premiums during the year ahead and the proper balance between premium rates and losses should be gradually restored. We enter the year 1976 determined to meet the challenging problems that face us and confident that we can cope with them.

Ralph C. Park *N. L. Giddon*
President Chairman of the Board

March 10, 1976
Washington, D. C.

SUMMARY OF OPERATIONS

YEAR ENDED DECEMBER 31

	1975	1974	1973	1972	1971
Net Premiums Earned					
(Including Service Charges) ..	\$ 603,320,611	\$536,689,676	\$499,536,612	\$451,878,436	\$377,328,635
Losses and Loss Expenses	\$ 652,396,388	\$453,991,029	\$410,432,050	\$360,027,736	\$312,745,382
Underwriting and Other Expenses \$	96,153,021	\$ 94,923,941	\$ 84,194,274	\$ 72,495,369	\$ 57,164,012
Change in Deferred Policy					
Acquisition Costs	\$ 45,667,224	\$ (6,335,434)	\$ (6,715,672)	\$ (3,336,287)	\$ (6,644,562)
Underwriting Income (Loss) ...	\$ (190,896,022)	\$ (5,889,860)	\$ 11,625,960	\$ 22,691,618	\$ 14,063,803
Investment Income	\$ 33,559,751	\$ 32,328,347	\$ 27,867,975	\$ 23,836,624	\$ 18,763,708
Interest Expense	\$ 2,973,118	\$ 1,717,575	\$ 34,375	\$ —0—	\$ —0—
Income (Loss) Before Taxes and					
Realized Gains or Losses	\$ (160,309,389)	\$ 24,720,912	\$ 39,459,560	\$ 46,528,242	\$ 32,827,511
Federal Income Taxes (Credit) .	\$ (36,135,836)	\$ (1,403,753)	\$ 7,664,088	\$ 13,110,230	\$ 8,885,096
Income (Loss) Before Realized					
Gains or Losses	\$ (124,173,553)	\$ 26,124,665	\$ 31,795,472	\$ 33,418,012	\$ 23,942,415
Realized Gains (Losses),					
Net of Taxes	\$ (2,283,441)	\$ (1,035,286)	\$ 6,962	\$ (853,944)	\$ (842,939)
Net Income (Loss)	\$ (126,456,994)	\$ 25,089,379	\$ 31,802,434	\$ 32,564,068	\$ 23,099,476
Per Share:⁽¹⁾					
Income (Loss) Before Realized					
Gains or Losses	\$ (7.00)	\$ 1.48	\$ 1.80	\$ 1.89	\$ 1.39
Realized Gains (Losses)	\$ (.13)	\$ (.06)	\$ —0—	\$ (.05)	\$ (.05)
Net Income (Loss)	\$ (7.13)	\$ 1.42	\$ 1.80	\$ 1.84	\$ 1.34
Unrealized Appreciation					
(Depreciation) from Changes					
in Valuation on Preferred					
and Common Stocks, Net of					
Tax Benefit ⁽²⁾	\$ 22,936,834	\$ (33,011,963)	\$ (18,275,151)	\$ 6,800,510	\$ 6,128,736
Weighted Average Shares					
Outstanding	17,731,891	17,719,081	17,704,756	17,669,713	17,174,720
Cash Dividends Paid	\$ 3,544,454	\$ 14,175,429	\$ 12,640,368	\$ 11,215,479	\$ 10,823,507
Cash Dividends Paid Per Share⁽³⁾ \$.20	.80	.71	.63	.63
Stock Dividends and					
Distributions Paid	—0—	—0—	4.0%	100.0%	—0—
Net Premiums Written (Including					
Service Charges)	\$ 669,011,623	\$565,226,189	\$534,219,554	\$479,651,806	\$428,349,283
Policies in Force	2,844,744	2,617,617	2,447,287	2,219,446	2,031,978
Statutory Ratios:					
Loss	109.8%	85.4%	82.8%	80.2%	82.9%
Expense	14.4%	15.8%	14.8%	14.1%	12.5%
Combined Loss and Expense .	124.2%	101.2%	97.6%	94.3%	95.4%

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

(2) Added (deducted) directly from shareholders' equity.

(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 1975, including service charges for installment premium payments, totaled \$669,011,623, an increase of \$103,785,434, or 18.4% over net premiums of \$565,226,189 in 1974. In 1974 the net written premiums increased \$31,006,635 or 5.8% over the 1973 net written premiums of \$534,219,554. The net written premiums for voluntarily selected and underwritten business increased 17.0% to \$619,754,461 from \$529,824,487 in 1974.

The following table shows by line the apportionment and percent of change in premiums written for 1975 and 1974:

	1975 Premiums Written	% Increase (Decrease) from 1974	% Distri- bution by Line	1974 Premiums Written	% Increase (Decrease) from 1973	% Distri- bution by Line
Automobiles:						
Voluntary	\$575,710,189	17.2	86.0	\$491,202,183	5.4	86.9
Involuntary	49,257,162	39.1	7.4	35,401,702	(2.1)	6.3
Total Auto	624,967,351	18.7	93.4	526,603,885	4.9	93.2
Homeowners	39,174,436	14.6	5.9	34,174,141	21.3	6.0
Fire & Extended Coverage	3,218,863	10.6	0.5	2,910,939	11.5	0.5
Comprehensive Personal Liability	105,880	8.1	—	97,961	(32.0)	—
Boatowners	1,545,093	7.4	0.2	1,439,263	17.0	0.3
TOTALS	\$669,011,623	18.4	100.0	\$565,226,189	5.8	100.0

During the latter portion of 1974 and throughout 1975, significant premium rate increases were implemented in most jurisdictions. During 1974 these increases were largely offset by premium rate reductions that were mandated as a concomitant of the new no-fault laws. Therefore, 1974's written premium growth was relatively moderate compared to the prior year. However, the effects of these rate increases became noticeable in 1975, and premiums written increased much more rapidly than policies in force.

Total written premium volume by quarter for 1975 and 1974 is shown in the following table:

QUARTER	Premiums Written (Including Service Charges)	% Increase Over Same Period Prior Year
1975		
1st	\$156,449,744	20.0
2nd	\$172,524,248	14.0
3rd	\$178,966,477	17.9
4th	\$161,071,154	22.3
1974		
1st	\$130,362,524	3.4
2nd	\$151,368,342	9.8
3rd	\$151,807,951	4.2
4th	\$131,687,372	5.8

The following table shows the percentage increase in voluntarily written premiums (including service charges) by quarter for 1975 and 1974 after making appropriate adjustments for policy processing schedule changes in the first quarter of 1974:

QUARTER	Voluntarily Written Premiums Adjusted (Including Service Charges)	% Increase Over Same Period Prior Year
1975		
1st		13.2
2nd		12.9
3rd		14.0
4th		20.8
1974		
1st		11.8
2nd		8.5
3rd		9.1
4th		8.2

Premiums Earned Premiums earned on all lines including service charges for premiums paid on installment totaled \$603,320,611 in 1975, an increase of \$66,630,935 or 12.4% over 1974's earned premiums of \$536,689,676. In 1974, net earned premiums increased by \$37,153,064 or 7.4% over 1973 earned premiums of \$499,536,612. The following table shows the percent of change over the prior year and the percentage distribution of premiums earned by line for 1975 and 1974:

	Net 1975 Earned Premiums	% Increase (Decrease) from 1974	% Distri- bution by Line	Net 1974 Earned Premiums	% Increase (Decrease) from 1973	% Distri- bution by Line
Automobile:						
Voluntary	\$522,728,836	11.5	86.6	\$463,934,879	8.6	87.4
Involuntary	40,847,340	21.1	6.8	33,718,916	(13.7)	6.3
Total Auto	563,576,176	12.1	93.4	502,653,795	6.7	93.7
Homeowners	35,202,509	17.8	5.8	29,890,258	20.9	5.6
Fire & Extended Coverage	2,993,359	10.9	0.5	2,699,066	7.7	0.5
Comprehensive Personal Liability	111,842	(12.8)	—	128,187	78.0	—
Boatowners	1,436,725	9.0	0.3	1,318,370	15.0	0.2
TOTALS	\$603,320,611	12.4	100.0	\$536,689,676	7.4	100.0

LOSSES AND EXPENSES INCURRED

Losses and Loss Adjustment Expenses

Losses and loss adjustment expenses incurred in 1975 totaled \$652,396,388, an increase of \$198,405,359 or 43.7% over the \$453,991,029 incurred in 1974. The 1974 losses and loss adjustment expenses reflected an increase of \$43,558,979 or 10.6% over the \$410,432,050 incurred in 1973. The ratio of losses incurred to premiums earned on our total book of business increased to 109.8% in 1975 from 85.4% in 1974 and 82.8% in 1973. Incurred losses on the automobile line accounted for 111.6% of automobile premiums earned in 1975. The adjacent table shows the 1975 and 1974 loss ratios by line of insurance.

Loss Ratios

	1975 %	1974 %
Automobile	111.6	86.2
Homeowners	85.4	74.4
Fire & Extended Coverage	78.0	76.0
Comprehensive Personal Liability	181.1	10.3
Boatowners	76.1	59.4

The losses and loss expenses increased dramatically under the impact of double digit inflation on the cost of settling claims, and because of the significant strengthening of loss reserves during the year.

Underwriting and Other Expenses These expenses which are costs associated with obtaining and processing insurance business, increased in 1975 by \$1,229,080 or 1.3% over 1974 underwriting and other expenses. By comparison, these expenses increased in 1974 by \$10,729,667 or 12.7% over those for 1973.

The ratio of underwriting expenses to written premiums decreased significantly in 1975 to 14.4% from 15.8% in 1974. The expense ratio for the whole property and casualty insurance industry is also estimated to have improved in 1975, decreasing to approximately 27.6% from 28.2% in 1974. GEICO's ratio is significantly lower than the industry's ratio because of our economical methods of marketing and servicing policies.

The underwriting expense ratio stated in this report is the ratio of underwriting expenses, without deferred policy acquisition cost additions or deductions, to premiums written excluding service charges.

Change in Deferred Policy Acquisition Costs

A significant contributor to the increase in the underwriting loss in 1975 over 1974 was the \$45,667,224 charge to expense caused by the decrease in deferred policy acquisition costs during the year. Generally Accepted Accounting Principles (GAAP) provide for the matching of revenues with expenses over the term of an insurance policy. This results in a deferral of expenses to the extent recoverable to the period over which the premium is earned, instead of charging them against current income as is required by statutory accounting rules. Therefore, the amount of policy acquisition costs to be deferred cannot exceed the amount recoverable from the related reserve for unearned premiums.

The unearned premium reserve must first be sufficient to cover future losses, based on current trends and future assumptions, after which the residual is compared to the deferred asset account. In times of adverse underwriting experience, losses absorb a greater proportion of the unearned premium reserve, resulting in a diminished residual available to cover deferred acquisition costs. This occurred during 1975 and resulted in unrecoverable deferred policy acquisition costs.

Combined Loss and Expense Ratio GEICO's combined ratio of losses incurred to premiums earned and underwriting expenses to premiums written on all lines of insurance for 1975 was 124.2% compared with 101.2% for 1974 and 97.6% for 1973.

UNDERWRITING INCOME (LOSS)

Our underwriting operations in 1975 produced a pretax loss of \$190,896,022, compared with the 1974 pretax underwriting loss of \$5,889,860. In 1973, we had a pretax underwriting income of \$11,625,960.

INVESTMENT INCOME

Investment income continued to grow in 1975 as it reached a record high of \$33,559,751. This represented a \$1,231,404 or 3.8% increase over the 1974 pretax investment income of \$32,328,347, which—in turn—was \$4,460,372 or 16.0% over 1973 investment income of \$27,867,975. Investment income in 1975 reflected the more rapid and higher payout of claims, thus making available fewer funds for new investments, and lower yields in the short-term money market.

INTEREST EXPENSE

On July 24, 1975, GEICO transferred to its wholly-owned subsidiary, GEICO Washington Properties, Inc. (GWPI),

the GEICO Operations Building in Chevy Chase, Maryland along with drive-in claim facilities in Clinton, Maryland and Bailey's Crossroads, Virginia, and GWPI purchased from GEICO Properties, Inc. (another wholly-owned subsidiary of GEICO) the drive-in claim facility at Smithtown, Long Island. The properties were leased back to GEICO and GWPI financed them by obtaining a 9 $\frac{3}{8}$ % 35 year mortgage loan and by issuing to GEICO an 8% 12 year note. Total interest expense in 1975 on this mortgage loan and all outstanding notes was \$2,973,118 and will be approximately \$4,264,060 in 1976. Total interest expense was \$1,717,575 in 1974 and \$34,375 in 1973.

FEDERAL INCOME TAXES

Income tax credits of \$36,135,836 consist of current income tax credits amounting to \$12,719,614 which are recoverable from the Federal government and result from carrying back net operating losses to prior years, and deferred income tax credits of \$23,416,222 which are applicable to previously provided deferred income taxes on policy acquisition costs and other timing differences. The Notes to Financial Statements contain additional data concerning Federal income taxes.

NET INCOME (LOSS)

The severe underwriting losses which occurred throughout 1975 caused our Company to sustain a net loss of \$126,456,994 or \$7.13 per share for the year compared with net income totaling \$25,089,379 or \$1.42 per share in 1974, and \$31,802,434 or \$1.80 per share in 1973. For the fourth quarter the net loss was \$107,245,601 or \$6.04 per share compared with \$2,119,847 or \$.12 per share in 1974 and net income of \$4,408,997 or \$.25 per share in the fourth quarter of 1973. See the Notes to Financial Statements for additional explanation of the fourth quarter 1975 results.

STOCK MARKET APPRECIATION AND DEPRECIATION

The Company experienced an unrealized gain, net of tax effect, of \$22,936,834 during 1975, reducing the cumulative unrealized loss on equity securities to \$19,362,762 at the end of 1975. From January 1, 1976 through February 29, 1976 this cumulative unrealized loss was further reduced to approximately \$7,589,749 as a result of appreciation in the market values of equity securities. The cumulative unrealized loss net of tax benefits at the end of 1974 and 1973 was \$42,299,596 and \$9,287,633 respectively.

RECORD OF GEICO

ACTIONS OF STATE INSURANCE REGULATORS

The Company was licensed to write fire, casualty and inland marine insurance in 50 States and the District of Columbia at December 31, 1975, and is subject to varying legal requirements in each of those jurisdictions. As previously described in this Report, the Superintendent of Insurance of the District of Columbia has ordered the Company's surplus deficiency to be remedied by April 30, 1976. Failure to remedy the deficiency by that date will result in proceedings by the Superintendent in accordance with District of Columbia law. See "Actions of State Insurance Regulators" in the Notes to Financial Statements for additional information.

POLICIES IN FORCE

The number of policies in force on our five lines of insurance totaled 2,844,744 at the end of 1975, an increase of 8.7% or 227,127 policies compared with the 2,617,617 policies in force at year-end 1974. Excluding involuntarily written policies, policies in force on all lines of insurance increased by 8.1% in 1975 to 2,703,650 from 2,502,190 in 1974.

	<u>1975 Policies in Force</u>	<u>% Increase (Decrease) from 1974</u>	<u>% Distri- bution</u>
Automobile:			
Voluntary	2,235,244	7.6	78.5
Involuntary	141,094	22.2	5.0
Total Automobile	2,376,338	8.3	83.5
Homeowners	399,373	12.1	14.1
Fire & Extended Coverage	43,014	0.5	1.5
Comprehensive Personal Liability	5,654	(10.7)	0.2
Boatowners	20,365	9.5	0.7

Our primary line, automobile insurance, increased by 8.3% to 2,376,338 during 1975 and accounted for 83.5% of the policies in force at year-end compared with 83.8% at the end of 1974. Voluntarily written automobile policies increased by 7.6% or 157,014 policies from the end of 1974 to December 31, 1975. During the fourth quarter these policies in force decreased at an annualized rate of 0.4% as a result of the implementation of stringent underwriting guidelines. In 1975 our volume of involuntary business reversed previous years' trends and increased

rapidly as the voluntary auto insurance markets contracted in most jurisdictions in the wake of the mounting underwriting losses being sustained by the industry.

LOSS RESERVES

Loss reserves are estimates of the eventual cost of claims incurred but not finally settled. These reserve estimates are based not only on historical experience but also, of necessity, include a judgment of the effect on such claim costs of future economic and social forces. A reconciliation of past reserve estimates with actual loss cost developments is monitored continuously, and such revisions of the reserves as are indicated are made periodically.

In the past two years, escalating inflation of double-digit magnitude on the costs for medical care, auto crash parts and home repairs combined to make loss reserve estimates of future claim costs extremely vulnerable to variations from assumed limits of accuracy. In addition to economic inflation, social inflation of jury awards and recent structural changes in the tort liability system introduced by "no fault" automobile insurance made an accurate assessment of future events in loss reserve estimates even more difficult.

On December 31, 1975 our estimated reserve for losses and loss adjustment expenses was \$368,438,778 compared with \$262,981,553 at the end of 1974, an increase of 40.1%. This reserve is established to cover the payment of all claims incurred on or before December 31, 1975 but not finally settled at that date and includes losses which are estimated to have occurred in 1975 but were not reported to us by the end of the year.

Additional discussion of the reserve for losses and loss expenses is presented in the Letter to Shareholders at the beginning of this Annual Report and in the Notes to Financial Statements.

UNEARNED PREMIUM RESERVE

The unearned premium reserve is established to cover the unexpired portion of premiums written on all policies in force and not yet taken into underwriting income. This reserve is calculated with precision since it is a mathematical computation not requiring estimates or assumptions of future events.

Our reserve for unearned premiums was \$384,863,669 on December 31, 1975, an increase of 20.6% over the reserve of \$319,172,657 at the end of 1974.

INVESTMENTS

The value of our investment portfolio on December 31, 1975 was \$578,776,776 compared with \$515,595,689 on December 31, 1974. Net new investments in 1975 totaled \$35,082,421.

Throughout 1975 we followed a policy of selectively selling our common stock holdings, and on January 28, 1976, the Board of Directors approved a program to sell substantially all common stocks in our portfolio in an orderly manner at or about the then current prices. In addition, GEICO's portfolio of preferred stocks will be substantially reduced. The proceeds from the sales of all such securities are being invested in short and intermediate term U.S. Treasury bonds and notes. These actions were taken to eliminate the risk of erosion in the value of these securities and to protect policyholders' surplus and shareholders' equity during this prevailing period of economic uncertainty.

The value of the bonds and stocks listed in the Investment Portfolio Summary shown below are those used to establish the value of assets on the Balance Sheet on page 12. These values are stated as prescribed by the Committee on Valuation of Securities of the National Association of Insurance Commissioners, which requires the use of amortized value for bonds and the approximate market values for stocks as of December 31, 1975. A detailed schedule of GEICO's investment portfolio showing the market value of all stocks and bonds as of December 31, 1975 is listed in the Investment Portfolio report and, upon request to the Office of the Secretary, is available to shareholders as a Supplement to this Annual Report.

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 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.

DIVIDENDS

Regular quarterly cash dividends were paid to shareholders during 1974 and the first quarter of 1975. However, since the underwriting losses which occurred during the fourth quarter of 1974 and in the subsequent quarters of 1975 more than offset the income realized from investments for the same period, the Board of Directors considered it prudent to omit the cash dividends after that declared in January for the first quarter of 1975.

Cash dividends of twenty cents per share (totaling \$3,544,454) were paid to shareholders in 1975 compared with cash dividends of eighty cents per share (totaling \$14,175,429) paid in 1974 as detailed below:

CASH DIVIDENDS PAID PER SHARE

1975		1974	
March 28	\$0.20	March 26	\$0.20
		June 28	\$0.20
		September 30	\$0.20
		December 31	\$0.20

INVESTMENT PORTFOLIO SUMMARY

	December 31		Increase (Decrease)
	1975	1974	
U.S. Government Bonds	\$ 83,334,445	\$ 28,725,774	\$54,608,671
Certificates of Deposit	223,591	207,806	15,785
Corporate Bonds	1,199,407	749,200	450,207
Tax-Exempt Bonds	396,260,477	383,880,509	12,379,968
	<u>481,017,920</u>	<u>413,563,289</u>	<u>67,454,631</u>
Guaranteed Railroad Stocks	358,980	311,710	47,270
Preferred Stocks	38,784,489	35,400,548	3,383,941
Convertible Preferred Stocks	3,813,035	4,477,360	(664,325)
Railroad Common Stocks	800,000	1,000,000	(200,000)
Public Utility Common Stocks	27,628,307	30,380,125	(2,751,818)
Industrial Common Stocks	26,374,045	30,462,657	(4,088,612)
	<u>97,758,856</u>	<u>102,032,400</u>	<u>(4,273,544)</u>
TOTALS	<u>\$578,776,776</u>	<u>\$515,595,689</u>	<u>\$63,181,087</u>

FINANCIAL AND POLICYHOLDERS' RATINGS

The A. M. Best Company, an insurance industry rating service, has withdrawn its previous financial and policyholders' ratings of the Company and assigned a "deferred" rating which allows Management an opportunity to achieve the benefits of the program described in the Letter to Shareholders elsewhere in this Report.

STOCK OPTION PLAN

Under the provisions of a Stock Option Plan which was approved by the shareholders in 1963 and which terminated as to the granting of further options in 1973, a total of 257,944 shares of common stock of the Company was purchased by 255 officers and key executives.

Under the provisions of a new Stock Option Plan approved by the shareholders at the 1973 Annual Meeting, options for a total of 105,099 shares of common stock of the Company have been granted to 415 officers and key executives. No shares of common stock of the Company were acquired in 1975 through the exercise of options under the 1973 plan; however, a total of 16,303 optioned shares under the 1963 plan were purchased during the year by 111 optionees at prices ranging from \$19.231 to \$20.913 per share.

PRICES OF COMMON STOCK

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

The following table shows the high and low bid and asked prices for our Company's common stock for each quarter of 1975 and 1974:

TWO-YEAR SUMMARY OF STOCK PRICES

	1975			
	High		Low	
	Bid	Asked	Bid	Asked
1st Quarter	27¼	27¾	20¼	20¾
2nd Quarter	27½	28	19¼	19¾
3rd Quarter	24½	24¾	10½	11½
4th Quarter	14¾	15¾	9½	9¾

	1974			
	High		Low	
	Bid	Asked	Bid	Asked
1st Quarter	41¾	42¾	23½	23¾
2nd Quarter	27½	27¾	18¾	19¾
3rd Quarter	23	23½	14¾	15¾
4th Quarter	26	26½	15¼	15¾

BOARD OF DIRECTORS

Mr. Daniel J. Callahan, Jr., a member of our Board of Directors since 1948 and a member of our Executive Committee since 1973, having reached retirement age, did not stand for reelection as a Director of our Company at the Annual Meeting of Shareholders on March 26, 1975. The Board appointed Mr. Callahan an Honorary Director, effective March 27, 1975, in recognition of his outstanding contributions to the growth and progress of our Company and his dedicated services to the Government Employees Companies, which have extended over a period of twenty-seven years.

THE STAFF

Employees of our Company numbered 7,760 on December 31, 1975, a decrease of 8.6% from the 8,492 employed at year-end 1974. Throughout 1975 our Staff responded admirably to the challenges presented by these extraordinary times. Despite reductions in the number of employees and a temporary deferment of individual employee salary reviews, our Staff worked diligently to maintain the high servicing standards of our Company. The program we have adopted for reducing voluntary policies in force will require a further reduction in the size of our staff. This will be accomplished in an orderly manner, largely through attrition and with full appreciation of the vital need to retain the staff required to carry out our program in this period of adversity and of the need to maintain morale so that the present high levels of quality and productivity are maintained.

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

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 20076

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 the 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.

CONSOLIDATED BALANCE SHEET

ASSETS	December 31, 1975	December 31, 1974
Cash	\$ 18,625,438	\$ 12,307,790
Investments:		
Certificates of deposit	223,591	207,806
Bonds and notes — at amortized cost		
United States Government bonds	83,334,445	28,725,774
State, municipal and corporate bonds and notes	397,459,884	384,629,709
Corporate stocks — at market values as established by the National Association of Insurance Commissioners:		
Preferred (cost: 1975 — \$54,631,137; 1974 — \$58,498,056)	42,810,524	40,092,408
Common (cost: 1975 — \$64,064,385; 1974 — \$90,187,972)	54,948,332	61,939,992
Premiums in course of collection — less allowance of \$3,000,000 and \$5,000,000 for amounts uncollectible on cancelled policies	208,347,759	173,588,647
Real estate — at cost less accumulated depreciation of \$6,210,683 and \$5,313,515	36,317,583	36,422,691
Furniture and equipment — at cost, less accumulated depreciation of \$11,136,514 and \$11,127,370	17,821,599	13,661,356
Accrued investment income	7,335,633	6,346,532
Amounts receivable on sale of securities	483,753	4,263,532
Recoverable Federal income taxes	12,658,477	6,248,210
Deferred policy acquisition costs	—0—	45,667,224
Other assets	5,282,592	2,668,275
Total Assets	<u>\$885,649,610</u>	<u>\$816,769,946</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Reserve for losses and loss expenses	\$368,438,778	\$262,981,553
Reserve for unearned premiums	384,863,669	319,172,657
Federal income taxes payable		
Current	1,425	38,268
Deferred	367,907	21,004,000
Accounts payable and accrued expenses	6,995,983	8,693,282
Licenses, fees and other taxes	9,043,209	7,084,343
Other liabilities	30,847,925	30,721,299
Long-term debt	48,176,029	23,409,118
Total Liabilities	<u>848,734,925</u>	<u>673,104,520</u>
Shareholders' equity:		
Capital stock, par value \$4 a share		
Authorized 24,000,000 shares		
Issued and outstanding: 1975 — 17,736,760 shares; 1974 — 17,720,457 shares	70,947,040	70,881,828
Paid-in surplus	43,725,049	43,476,388
Deficiency arising from revaluation of investment securities	(19,362,762)	(42,299,596)
Retained earnings (deficit)	(58,394,642)	71,606,806
Total Shareholders' Equity	<u>36,914,685</u>	<u>143,665,426</u>
Total Liabilities and Shareholders' Equity	<u>\$885,649,610</u>	<u>\$816,769,946</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Two Years ended December 31, 1975

	Capital Stock	Paid-in Surplus	Revaluation of Investment Securities	Retained Earnings (Deficit)	Total
Balance at January 1, 1974	\$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	43,476,388	(42,299,596)	71,606,806	143,665,426
Exercise of stock options — 16,303 shares	65,212	248,661			313,873
Net loss for the year				(126,456,994)	(126,456,994)
Cash dividends — \$.20 a share .				(3,544,454)	(3,544,454)
Unrealized gain from change in valuation of investment securities during the year less reduction in deferred taxes of \$2,780,129			22,936,834		22,936,834
Balance at December 31, 1975 .	\$70,947,040	\$43,725,049	\$(19,362,762)	\$(58,394,642)	\$ 36,914,685

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

	Year Ended December 31,	
	1975	1974
Premiums and service charges written	\$ 669,011,623	\$565,226,189
Less increase in unearned premium reserve	65,691,012	28,536,513
Earned Premiums and service charges	603,320,611	536,689,676
Losses and loss expenses	652,396,388	453,991,029
Underwriting expenses	93,312,958	88,392,655
Policyholders' dividends	349,728	1,425,869
Provision for amounts uncollectible on cancelled policies	2,490,335	5,105,417
(Increase) decrease in deferred policy acquisition costs ..	45,667,224	(6,335,434)
	<u>794,216,633</u>	<u>542,579,536</u>
Underwriting Loss	(190,896,022)	(5,889,860)
Interest, dividends and rental income	34,298,751	32,808,234
Investment expenses	739,000	479,887
Investment Income	33,559,751	32,328,347
Underwriting and Investment Income (Loss)	(157,336,271)	26,438,487
Interest expense	2,973,118	1,717,575
Income (Loss) Before Federal Income Taxes and Realized Investment Losses	(160,309,389)	24,720,912
Federal income taxes (credits)		
Current	(12,719,614)	(4,953,490)
Deferred	(23,416,222)	3,549,737
	<u>(36,135,836)</u>	<u>(1,403,753)</u>
Income (Loss) Before Realized Investment Losses	(124,173,553)	26,124,665
Realized losses on sales of investments, net of related tax benefits of \$436,325 in 1974. (Net unrealized appreciation (depreciation) of preferred and common stock of \$22,936,834 in 1975 and \$(33,011,963) in 1974 has been credited (charged) directly to shareholders' equity)	(2,283,441)	(1,035,286)
Net Income (Loss)	\$ (126,456,994)	\$ 25,089,379
Earnings per share:		
Income (loss) before realized investment losses	\$(7.00)	\$1.48
Realized losses on sales of investments	(.13)	(.06)
Net Income (Loss)	\$(7.13)	\$1.42

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

SOURCE OF FUNDS	Year Ended December 31,	
	1975	1974
From operations:		
Net income (loss)	\$ (126,456,994)	\$25,089,379
Income statement items not affecting cash:		
Increase in unearned premium reserve	65,691,012	28,536,513
Increase in reserve for losses and loss expenses	105,457,225	15,197,037
Increase (Decrease) in general liabilities	(17,740,608)	2,648,742
Increase in premiums in course of collection and accrued investment income	(35,748,213)	(19,774,956)
Provision for depreciation	3,996,761	3,309,902
Accrual of discount and amortization of premiums on bonds — net	(4,665,144)	(4,701,466)
(Increase) Decrease in deferred policy acquisition costs	45,667,224	(6,335,434)
Increase in recoverable Federal income taxes	(6,410,267)	(3,813,604)
Deferred income (tax) benefit of unrealized losses on investment securities	(2,780,129)	1,061,818
Total Provided from Operations	<u>27,010,867</u>	<u>41,217,931</u>
Increase in long-term debt	24,766,911	8,409,118
Proceeds from sale of stock through exercise of stock options and Warrants	313,873	134,300
Total Funds Provided	<u>52,091,651</u>	<u>49,761,349</u>
APPLICATION OF FUNDS		
Purchase of bonds and stocks, net of sales	32,798,981	9,506,067
Cash dividends to shareholders	3,544,454	14,175,429
Decrease in amounts payable on purchase of securities .	2,544,135	2,429,524
Purchases of real estate, furniture and equipment net of sales	8,051,895	16,543,931
Increase (Decrease) in other assets	(1,165,462)	4,304,727
Total Application of Funds	<u>45,774,003</u>	<u>46,959,678</u>
INCREASE IN CASH	6,317,648	2,801,671
Cash at beginning of year	12,307,790	9,506,119
CASH AT END OF YEAR	<u>\$ 18,625,438</u>	<u>\$12,307,790</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1975

SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The financial statements include the accounts of the Company and its two wholly-owned subsidiaries, GEICO Properties, Inc. and GEICO Washington Properties, Inc., which were formed principally to own property and real estate for the Company's use. All intercompany accounts and transactions have been eliminated in consolidation.

BASIS OF REPORTING

The accompanying financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). These principles differ from statutory accounting practices prescribed or permitted by the Department of Insurance of the District of Columbia in several material respects. The more significant variances between GAAP and statutory accounting practices are: costs attributable to obtaining business are deferred and charged to income in proportion to the recognition of premium revenues rather than being charged to operations as incurred (at December 31, 1975 none of the acquisition costs were considered recoverable); deferred income taxes are provided on the timing differences between pretax accounting income and taxable income; 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 stock dividends are charged to retained earnings at market value rather than par value. In addition, intercompany gains on real estate transfers, which are eliminated in consolidation for GAAP, are permitted in the calculation of net income and statutory surplus.

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 and vary approximately 1% from values determined by market quotations for corporate stocks.

Realized gains and losses on sales of investment securities are included in the statement of 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

The reserve for losses and allocated loss adjustment expenses is provided based upon averages for claims reported

within the most recent six months, case basis estimates for older claims, and calculated estimates of unreported losses. Reserve for unallocated loss adjustment expenses is provided based upon estimates of future expenses to be incurred in settlement of the claims provided in the reserve for losses. The reserve for losses further includes additional amounts to compensate for possible deficiencies caused by future changes in economic and social conditions. In 1975 the determination of these additional amounts was based upon Company studies of its reserve levels using various projection techniques and included consideration of studies performed by a firm of independent consulting actuaries.

Reserve for unearned premiums is determined by prorating policy premiums over the terms of the policies. Unpaid claims and unearned premiums are reported net of reinsurance.

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 purchases since January 1, 1974. Prior to that time, for furniture, data processing and other equipment accelerated methods were used. 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 (LOSS)	
	1975	1974
Statutory accounting practices	\$ (84,978,974)	\$24,320,601
Deferred policy acquisition costs ..	(45,667,224)	6,335,434
Allowance for amounts uncollectible on cancelled policies	2,000,000	(2,400,000)
Deferred Federal income (taxes) credits	23,416,222	(3,549,737)
Gain in 1975 (\$21,278,092) on sale of buildings and other effects of consolidated subsidiaries	(21,340,859)	396,348
Other	113,841	(13,267)
In Accordance with Generally Accepted Accounting Principles..	<u>\$ (126,456,994)</u>	<u>\$25,089,379</u>

SHAREHOLDERS' EQUITY

	1975	1974
Statutory accounting practices	\$ 49,302,281	\$103,048,706
Deferred policy acquisition costs....	—0—	45,667,224
Allowance for amounts uncollectible on cancelled policies	(3,000,000)	(5,000,000)
Deferred Federal income taxes	(367,907)	(21,004,000)
Non-admitted assets	11,536,030	20,606,991
Effects of consolidated subsidiaries	(20,755,168)	119,066
Other	199,449	227,439
In Accordance with Generally Accepted Accounting Principles..	<u>\$ 36,914,685</u>	<u>\$143,665,426</u>

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:

	1975	1974
Income tax at 48% of pretax income (loss) (\$160,309,389) in 1975 and \$24,720,912 in 1974	\$(76,948,507)	\$11,866,038
Effect of:		
Tax-exempt interest income	(8,019,831)	(7,541,949)
Dividends received deduction	(3,692,136)	(4,049,373)
Amounts to be taxed as capital gains.....	1,668,077	(898,886)
Investment tax credit	1,022,632	(820,385)
Unused net operating loss carryforward.....	51,055,947	—0—
Other items	(1,222,018)	40,802
Income Tax Credits	<u>\$(36,135,836)</u>	<u>\$(1,403,753)</u>

The deferred tax expense (credit) for 1975 and 1974 results from timing differences in recognition of revenue and expense for tax and financial statements purposes as follows:

	1975	1974
Deferral of policy acquisition costs	\$(22,507,889)	\$3,041,008
Accrued investment income	(2,780,129)	1,061,819
Provision for amounts uncollectible on cancelled policies	2,400,000	(1,152,000)
Accelerated depreciation	(528,204)	707,201
Other items	—0—	(108,291)
Deferred Income Tax Expense (credit)	<u>\$(23,416,222)</u>	<u>\$3,549,737</u>

At December 31, 1975 the Company had a net operating loss carryforward for tax purposes of approximately \$117 Million which will expire in 1980 and unused Investment Tax Credit carryforwards of approximately \$2 Million. Because of timing differences, principally accrued investment income and allowances for uncollectible premiums receivable, the net operating loss carryforward for book purposes is approximately \$104 Million. As actual tax net operating losses are utilized to reduce future taxable income, certain deferred tax benefits taken in 1975 will have to be restored.

The cumulative unrealized investment loss at December 31, 1975 of \$19,362,762 is net of reduction for future tax benefits of \$1,573,903.

LONG-TERM DEBT

The long-term debt is owed by the Company's wholly-owned subsidiaries as follows:

GEICO Properties, Inc.:

8¼% notes, due in equal quarterly installments of \$338,599, including interest, until June 15, 2004 ..	\$14,815,361
8½% note, due in equal quarterly installments of \$196,373, including interest, until May 1, 2004	8,400,346
	<u>23,215,707</u>

GEICO Washington Properties, Inc.:

9¾% note, due in equal monthly installments of \$203,125, including interest until June 1, 2010	24,960,322
	<u>\$48,176,029</u>

All of the real estate has been pledged as security to the notes and the Company has made assignments of long-term leases as additional collateral. All of the note agreements provide that the entire unpaid principal and interest become due and payable in the event of default.

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 including amortization of prior service costs over thirty years. Fund assets at December 31, 1975 exceeded vested benefits. Pension expense was \$1,607,300 in 1975 and \$1,308,700 in 1974.

Based on a recalculation of the Company's 1975 pension costs to give effect to the 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 \$399,094 in 1975 and \$496,245 in 1974.

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 17,731,891 in 1975 and 17,719,081 in 1974.

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, 1974	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	<u>1,359</u>	19.23 to 55.53	<u>(15,164)</u>
Balance at December 31, 1974	260,162	19.23 to 55.53	147,299
Granted	(28,902)	20.25	28,902
Exercised	—	19.23 to 20.91	(16,303)
Terminated	<u>3,449</u>	19.23 to 55.53	<u>(17,520)</u>
Balance at December 31, 1975	<u>234,709</u>	20.25 to 55.53	<u>142,378</u>

At December 31, 1975 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 1,726,086 shares have been reserved for stock options and Warrants.

COMMITMENTS

Total rental expense for all leases was approximately \$4,560,000 in 1975 and \$3,450,000 in 1974.

The future minimum rental commitments as of December 31, 1975, for all noncancellable leases are as follows:

	Total	Building Space	Equipment
1976	\$ 4,963,616	\$ 2,882,140	\$2,081,476
1977	3,156,680	2,617,148	539,532
1978	2,404,138	2,302,594	101,544
1979	1,133,343	1,100,737	32,606
1980	974,231	974,231	—
1981-1985	3,769,599	3,769,599	—
1986-1990	1,639,431	1,639,431	—
1991-1992	28,744	28,744	—
	<u>\$18,069,782</u>	<u>\$15,314,624</u>	<u>\$2,755,158</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.

YEAR-END ADJUSTMENTS

The substantial increase in the fourth quarter net loss resulted from (1) the write-down of approximately \$40 million in deferred policy acquisition costs and (2) exhaustion of substantially all income tax benefits in the third quarter of 1975.

During 1975 Management modified estimating procedures employed in arriving at the reserve for losses and loss expenses. These modifications resulted in some increases as well as some decreases in reserve components. The net

result of these modifications, although intended to reflect more accurately the level of the reserves, produced an aggregate reserve lower by approximately \$7.5 million at September 30, 1975 than had such modifications not been effected. Subsequent analyses indicated that these modifications had not achieved their purpose. Further discussion of the Company's substantial strengthening of the reserve for losses and loss expenses is included in the President's and Chairman's Letter to Shareholders and under Loss Reserves on page 9.

INVESTMENTS

At December 31, 1975 there were gross unrealized gains of \$1,822,200 and gross unrealized losses of \$22,758,865 pertaining to the preferred and common stocks.

Through February 29, 1976, the Company realized a loss of approximately \$5,000,000 on sales of equity securities owned as of December 31, 1975, and the cumulative unrealized loss was reduced to approximately \$7,500,000.

At December 31, 1975, the amortized cost of bonds and notes determined as prescribed by the National Association of Insurance Commissioners exceeded the market value as determined by market quotations or yield to maturity calculations by approximately \$33.7 Million.

RELATED PARTIES

GEICO is the principal Company of the Government Employees Companies, four separate capital stock companies engaged in the casualty, fire and life insurance and consumer finance businesses. The other Companies comprising the Group are Criterion Insurance Company, Government Employees Life Insurance Company and Government Employees Financial Corporation. A majority of the members on GEICO's Board of Directors are also directors of the other three Companies.

In the normal course of business, GEICO enters into various transactions with the other Government Employees Companies on terms as favorable to GEICO as could have been obtained from other persons and provides leads, without charge, to two of the Companies through the use of its customer lists.

ACTIONS OF STATE INSURANCE REGULATORS

The Company was licensed to write fire, casualty and inland marine insurance in 50 States and the District of Columbia at December 31, 1975, and is subject to varying legal requirements in each of those jurisdictions. As previously described in this Report, the Superintendent of Insurance of the District of Columbia has ordered the Company's statutory surplus deficiency to be remedied by April 30, 1976. Failure to remedy the deficiency by that date will result in proceedings by the Superintendent in accordance with District of Columbia law. Because of this surplus prob-

lem, the Commissioner of Insurance of Kansas has called a hearing to determine, among other things, whether the Company's Certificate of Authority to do business in that State should be suspended or revoked, and the Commissioner of Insurance of Wyoming has suspended the Company's Certificate of Authority for that State. Pursuant to agreement with regulators in two other states, the Company is not writing any new business therein.

LITIGATION

In January and February 1976 two purported class actions, alleging violations of the Securities Exchange Act of 1934 and the common law, and naming as defendants the Company, certain of its directors and officers, certain former directors, its independent auditors, and the partners thereof, were filed, one in the United States District Court for the Southern District of New York and the other in the United States District Court for the District of Columbia. Not all of the defendants are named defendants in each suit. Both Complaints allege various disclosure violations and one also alleges breaches of common law duties. The purported class is alleged to be all purchasers of the Company's securities during an unspecified time period. The Complaints seek judgment directing the defendants to account to members of the purported class for unspecified damages sustained by them and for such other relief as the courts deem appropriate. Management believes these suits are without merit. While it is not practicable to calculate the amount of compensatory damages thus sought to be recovered, such amount could be material to the Company's financial position.

In August 1975 an action alleging various violations of the Federal antitrust laws and California law and naming as defendants twelve major insurance companies, including the Company, was filed in the United States District Court for the Northern District of California. The Complaint, brought by five independent auto body shops, charges the insurance companies have combined and conspired to restrict interstate commerce in auto body repairs and forced the plaintiffs to perform auto body repairs at prices less than those they would have been able to charge in a freely competitive market. Treble damages in an unspecified amount are sought. Management believes this suit is without merit but is unable to predict the outcome of this litigation.

In February 1976 the Securities and Exchange Commission (SEC) commenced a private investigation of recent trading in the Company's securities and reports filed by the Company at the SEC. The Company is cooperating fully with the SEC in its conduct of the investigation and cannot comment further upon the substance of the investigation at this time.

The Company has been advised by a terminating employee of a suit soon to be filed in Federal District

Court. In her notice of termination, said employee alleges certain actions by the Company which she deems discriminatory. Management is unaware of any such suit and is unable to evaluate the scope of the allegations, and damages, if any, which may be alleged if suit is filed.

REPORT OF INDEPENDENT AUDITORS

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 subsidiaries as of December 31, 1975 and December 31, 1974, 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.

The Company sustained substantial operating losses during the year ended December 31, 1975 and statutory surplus was reduced below the minimum required by various state regulations. The ability to continue to do business in these various states is dependent upon certain events as more fully described in the notes to financial statements under the caption "Actions of State Insurance Regulators."

In addition, there is certain litigation pending, described under the caption "Litigation" in the notes to financial statements, and at this time management is unable to give any appraisal as to the eventual outcome.

In our opinion, subject to the effects on the financial statements of the ultimate resolutions of the uncertainties discussed in the preceding two paragraphs, the financial statements referred to above present fairly the financial position of Government Employees Insurance Company and subsidiaries at December 31, 1975 and December 31, 1974, 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.

Ernst & Ernst

Washington, D.C.
March 9, 1976.

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

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, N.Y.

SAMUEL C. BUTLER

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

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

Chairman, Shelby Cullom Davis & Co., investment bankers, New York, N.Y.

LEO GOODWIN, JR.

Private investment banker.

PAUL J. HANNA

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

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, President and Chief Executive Officer, Western Pacific Industries Inc., a management and holding company, San Francisco, California.

MELVIN M. PAYNE

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

RALPH C. PECK

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

EXECUTIVE COMMITTEE

DAVID LLOYD KREEGER, *Chairman*

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*

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

HARRY C. CLAY

EDWARD S. RING

TREASURER AND COMPTROLLER

HENRY J. COLLINS

VICE PRESIDENTS

MARTIN ADLER, *Actuary*

RALPH L. BELFORD, III

THEODORE R. BRANTHOVER

MILTON S. COLE

THEODORE F. CULP

WALTER F. CULVER

THOMAS N. EXARHAKIS

FRANK J. GILLEN

THOMAS R. HEFNER, *President Government Employees Life Insurance Company*

BARTLETT R. HENDRICKSON

DEANE W. HILLENBRAND

MERRILL D. KNIGHT

GEORGE F. LEWIN, *President Criterion Insurance Company*

ARTHUR T. Y. LOH

ERNEST M. LUCAS
Legislative Counsel

ERNEST L. MARKS, *President Government Employees Financial Corporation*

ROSS D. PIERCE

JAMES E. REAGAN

LOUIS E. SCHOEMER

DONALD K. SMITH, *General Counsel*

LAWRENCE J. SZAMBELAN

WALTER R. TINSLEY

EDWARD H. UTLEY

STACY L. WILLIAMS

SECRETARY

JOHN M. O'CONNOR

Government Employees Companies

MEDICAL DIRECTOR

ELAINE W. MURPHY, M.D.

ASSISTANT VICE PRESIDENTS

TONY R. ALLMOND

CHARLES R. ARMSTRONG

HARRY I. BOND, JR.

JOSEPH T. BRADY

MARION E. BYRD

JOHN F. CASEY

NOEL A. CHANDONNET

CHARLES E. COCHRAN

CHARLES T. CONNOLLY

DANIEL J. COUGHLIN, III

DEWAYNE C. CUTHBERTSON

CHARLES R. DAVIES

LUTHER M. DEAN

DONALD M. DOCKRELL

RAYMOND O. GIBSON

GERALD T. JACKSON

K. THOMAS KEMP

MORDECAI J. LEBOWITZ

ANDREW J. LYONS

BRIAN J. McCREESH

OLZA M. NICELY

JOHN C. OWEN, JR.

VERNON G. PHELPS

WALTER E. POSE

JOSEPH D. REICH

JOHN R. WILLIAMS

ASSISTANT SECRETARIES

CLARA MAE COGAR

MARION G. METZGER

MYRTLE N. PITSENBARGER

ASSISTANT COMPTROLLER

ROBERT E. HOFFMAN

ASSISTANT TREASURER

ALBERT M. McKENNEY

Government Employees Life Insurance Co. [D.C.] Co: G626450000
 5260 Western Avenue
 Chevy Chase, Md. 20076
 SEC File No: 2-48506 Exch: Other
 IRS No: 53-0238667 CUSIP: 3837309
 Fiscal Year Ends: 12/31 SIC No: 631

10-K For: 12/31/74

Auditor: Ernst & Ernst

Shareholders: 2,900

For the years ended: 12/31/74

12/31/73

Revenues: \$29,065,615 \$26,219,074

Earnings: \$5,975,147/\$1.34 \$5,255,323/\$1.17

Extr. Items: None None

Assets: \$123,518,195 \$108,487,966

Net Worth: \$35,075,812 \$29,919,417

Description of Business: Writes individual and group life insurance, accident and health insurance, and annuities. Solicits business through commissioned agents and through mail. Licensed to operate in 46 states and D.C.

□ Life insurance companies; Accident and health insurance cos

Auditor's Report: Unqualified

Financial Statements and Notes:

□ Deferred insurance policy acq costs

□ Lines of business reporting; Income statements

□ Unusual effective tax rate; Special insurance co tax deductions

□ Unusual effective tax rate; Dividends received deductions (IRC)

□ Unusual effective tax rate; Tax sheltered income

Exhibits:

□ Ex: Employee profit sharing plans; *Amendments dated 9/25/74 and 1/29/75

□ Ex: Employee bonus plans; *Amendment dated 11/27/74

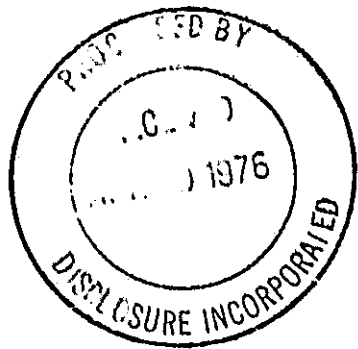
8-K For: 3/31/75

Exhibits: None

Government Employees Life Insurance Co. [D.C.] Co: G626450000
5260 Western Avenue
Chevy Chase, Md. 20076
SEC File No: 2-48506 Exch: Other
IRS No: 53-0238667 CUSIP: 3837309
Fiscal Year Ends: 12/31 SIC No: 631
Auditor: Ernst & Ernst

Prspct Eff: 5/22/75
Related Reg. No: 2-48506
Covers 162,768 shares of Common Stock offered under 1963 and 1973
Stock Option Plans for Officers and Executive Personnel.
ARS For: 12/31/74

135

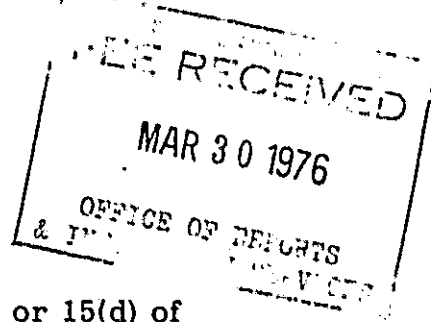


G626 450

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, 1975 Commission File Number 2-48506

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

District of Columbia 53-0238667 (Jurisdiction of Incorporation) (IRS Employer Identification No.)

5260 Western Avenue, Chevy Chase, Md. 20076

Registrant's Telephone Number 301-986-2200

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 Sections 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 (\$1.50 par value) registered pursuant to the Securities Act of 1933

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY
(GELICO)

Form 10-K Annual Report

PART I

Item 1. Business

(a) Description

GELICO writes individual and group life insurance, accident and health insurance and annuities. GELICO originally offered its insurance by mail directly to its customers. Since 1956, it has also solicited business through agents compensated on a commission basis. In 1975, 96% of its new individual life insurance was written through such agents. GELICO and its wholly-owned subsidiary, Government Employees Life Insurance Company of New York (GELICONY), are licensed and conducting business in 46 states and the District of Columbia and have approximately 220 producing agents (174 of whom are producing at a rate of more than \$500,000 of insurance per year) operating in 40 states and the District of Columbia (1). All those agents are under exclusive contract to GELICO to handle the lines of insurance which it markets. Certain of GELICO's agents represent other companies for lines of insurance not marketed by GELICO.

GELICO is subject to regulation and supervision in the jurisdictions in which it does business. In general, the various state laws establish supervisory agencies with broad administrative powers. Those powers relate to the grant and revocation of licenses to insurers and their agents, standards of solvency, regulation of investments, form and content of financial statements, methods of accounting, policy forms and reserves. In general, such regulation is for the protection of policyholders rather than shareholders.

GELICO uses a system for marketing its policies that combines direct mail advertising with personal sales follow-up. Its sales system involves the use of direct mail advertising on a national scale to identify prospects for life insurance and develop a substantial volume of inquiries. GELICO's sales follow-up procedure is of a dual nature. All inquiries in those geographic areas where GELICO has producing agents are forwarded to such agents for personal sales follow-up. Other inquiries are processed at the Home Office in GELICO's direct mail follow-up system. Total sales made by GELICO's producing agents increased from \$211,066,248 in 1974 to \$260,632,000 in 1975.

GELICO's principal direct mail advertising effort is directed toward the clientele of the Government Employees companies. Uncertainty as to the future direction of GEICO (see Item 1(c)), the largest of these Companies, has caused some speculation regarding the ability of GELICO to effectively develop additional markets. It is management's belief that GELICO's unique merchandising plan can be successfully expanded to include additional markets and other sources of new business.

With minor exceptions, GELICO had maintained the same rate structure and portfolio of ordinary life insurance policies since 1964. On January 1, 1975, GELICO introduced a new portfolio incorporating a change in loan interest rate and a revised premium rate structure for many plans. The contractual interest rate in the policy loan provisions of its new policies has been raised from 5% to 6%. In view of the inflationary rise in its cost per policy, GELICO also realigned the gradation of premiums per \$1,000 of insurance and established an equitable premium relationship over the entire range of policy sizes. As in the past, special lower rates were determined for women in acknowledge-

(1) All statistics in this report are presented on a consolidated basis.

ment of their greater longevity. In addition, the new portfolio provides both a wide choice of Whole Life, Term, Endowment, and Family Plan, as well as Single and Joint Life Mortgage Cancellation policies and permits the attachment thereto of Income Riders, Parent-Child Riders and Decreasing Term Riders.

Early in 1974, GELICO established a Group Insurance Division. This Division continued to make progress in product and market development during 1975. It is anticipated that in 1976 the major emphasis of this Division will be the marketing of group life insurance products.

GELICO maintains a Separate Account in order to provide an equity based funding vehicle for its pension business. In accordance with both Generally Accepted Accounting Principles and statutory accounting requirements, group annuity contract considerations credited to the Separate Account are not recorded as premium income to the Company, and investment income credited to the Separate Account is not recorded as investment income to the Company. Instead, the net asset value of the Separate Account is carried in GELICO's Consolidated Balance Sheet as an asset with offsetting liability, and earnings to the Company resulting from the administration of the Separate Account will stem from management fees.

GELICO's premium income, excluding group annuity considerations, totalled \$25,386,763 in 1975. This is an increase of 11% over the comparable figure for 1974. Group annuity considerations in the amount of \$1,516,100 were credited to the Separate Account in 1975. Individual life insurance premiums in 1975 accounted for 77% of total premium income. The average annual premium per \$1,000 of individual life insurance in force is \$16.13 and the average premium per policy is \$140.03, which compare to \$16.36 and \$136.17, respectively, for 1974.

During 1975 GELICO paid policy benefits in the gross amount of \$9,988,573. Of this amount, payments under life insurance contracts amounted to \$5,225,477 for death and disability benefits and \$2,180,091 for matured endowment policies and cash surrender benefits. Sickness and accident policyholders were paid \$2,237,689 as disability income or as reimbursement for medical expenses. Payments under annuities and supplementary contracts amounted to \$345,316 including excess interest allowances. Excess interest above contractually guaranteed minimum rates is currently being paid to provide a 5.4% return on funds held on deposit or being paid in installments to recipients of benefits under annuity and supplementary contracts not involving life contingencies.

GELICO's investment portfolio on December 31, 1975 totalled \$108,883,383 based on statutory evaluation of common stocks at market values, preferred stocks at cost and bonds and mortgages at their amortized values. The portfolio was producing an average yield of 7.08% at year end compared with 7.12% a year earlier. Net investment income in 1975 totalled \$7,063,825, an increase of 16% over the prior year.

(b)(1) Competition

GELICO competes with a large number of other insurance companies, including mutual companies. Most life insurance companies are stock companies. By the end of 1974, however, mutual life insurance companies accounted for

slightly over half of the total life insurance in force in the United States. Mutual companies may have a competitive advantage in that certain earnings inure to the benefit of policyholders rather than shareholders. Many of the companies with which GELICO competes have substantially greater resources.

GELICO's new policy series which was implemented effective January 1, 1975 incorporates a revised premium rate structure for many plans. Management believes that the new rate structure will improve GELICO's competitive position for medium and large size policies without jeopardizing its position in the marketing of smaller policies.

The latest available statistics published in the National Underwriter reveal that GELICO is, based on 1974 insurance in force, the 187th largest life insurer out of over 1,800 stock, mutual and fraternal companies in the United States.

(2) Employees

GELICO has approximately 132 full-time employees principally located at its office in Chevy Chase, Maryland. A number of benefits are provided or made available for full-time employees, including a savings plan, pension plan and various insurance programs. See Item 15.

(c) Government Employees Companies

GELICO is one of the Government Employees companies which presently consist of GELICO and the following three corporations (the "Companies"):

Government Employees Insurance Company (GEICO), a multiple line property and casualty insurer engaged principally in writing, on preferred risks, all lines of automobile insurance;

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 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 under the heading "Summary of Operations" on page 10 of the Annual Report to shareholders for the year ended December 31, 1975, filed as Exhibit 1 hereto, which is incorporated herein by reference. Such summary should be read in conjunction with the 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 page 11 of the Annual Report to shareholders for the year ended December 31, 1975, filed as Exhibit 1 hereto, which is incorporated herein by reference.

(c) Additional Note to the Summary of Operations

The effective income tax rate is less than the prevailing federal income tax rate due to the special provisions of the Life Insurance Company Income Tax Act of 1959 and dividends received deductions.

Item 3. Properties

GELICO owns no real estate nor any substantial amount of physical property. Office furniture, equipment and supplies are valued at \$54,939. In addition, GELICO maintains electronic data processing equipment with a depreciated cost as of December 31, 1975 of \$70,790 at its leased space in GEICO's Chevy Chase, Maryland Operations Office Building. See Item 15 with regard to Property

Item 4. Parents and Subsidiaries

Government Employees Life Insurance Company of New York (GELICONY), a wholly-owned subsidiary of GELICO, was incorporated in New York in 1965 and carries on substantially the same business as its parent. There are no parents or other subsidiaries of GELICO. GELICONY is included in GELICO's consolidated financial statements (see pages 12-19 of Exhibit No. 1).

Item 5. Pending Legal Proceedings

There are no material pending legal proceedings to which GELICO is a party or of which property of GELICO is the subject other than insurance claims arising out of policy contracts issued by it. GELICO 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

See Exhibit No. 1, Statement of Consolidated Shareholders' Equity (page 14), which is incorporated herein by reference.

Item 7. Approximate Number of Equity Security Holders

<u>Title of Class</u>	<u>Number of Record Holders as of December 31, 1975</u>
Common Stock - \$1.50 par value	2,942

Item 8. Executive Officers of the Registrant

Norman L. Gidden, 59, having served as a Vice President since 1970, was elected Chairman of the Board and Chief Executive Officer effective

March 29, 1974, Mr. Gidden had been Vice Chairman of the Board, President and Chief Operating Officer of GEICO and has been a Director of GEICO since 1962. He is a member of the Executive, the Investment, the Pension Plan Administrative and the Profit Sharing Plan Administrative Committees. Mr. Gidden is Chairman of the Board and Chief Executive Officer of GEICO, CRICO and GEFCO 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. On March 29, 1974, Mr. Gidden entered into a three-year employment contract with GELICO and the other Companies which provides that he will serve as Chairman of the Board and Chief Executive Officer of each of the Companies at a salary of \$150,000 per year (exclusive of bonuses, stock options and other benefits), such salary to be prorated among GELICO and the other Companies.

George E. Fries, 65, retired as President and Chief Operating Officer on September 30, 1975. He is a Director and a member of the Executive, the Investment and the Pension Plan Administrative Committees.

Thomas R. Hefner, 50, was elected President and Chief Operating Officer effective October 1, 1975, having served as Executive Vice President since 1974 and Senior Vice President, Administration, since 1972. He has been a Director of GELICO since 1973, is a member of the Executive, the Investment and the Profit Sharing Plan Administrative Committees, and is a Vice President of GEICO, CRICO and GEFCO. Mr. Hefner was elected GELICO's Vice President and Treasurer in 1965.

John M. Maphis, 44, was elected Senior Vice President, Marketing, in 1972. Mr. Maphis had served as a Vice President of GELICO since 1967.

Donald L. Fisher, 50, was elected Senior Vice President and Actuary in 1975, having served as Vice President and Actuary since 1968.

Bruce K. Bridgman, 49, was elected Vice President, Products and Compliance, in 1972, after serving as an Assistant Secretary of GELICO since 1964.

Donald H. Williams, 49, was elected Vice President, Underwriting, in 1972. He had been an Assistant Vice President of GELICO since 1966.

George F. Lewin, 59, 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, Mr. Lewin was elected GEICO's Staff Vice President in 1970. He is Chairman of the Pension Plan Administrative Committee, a member of the Profit Sharing Plan Administrative Committee and a Vice President of GEICO and GEFCO.

Ernest L. Marks, 49, was elected a Vice President in 1974. Prior to his election as President and Chief Operating Officer of GEFCO in 1974, Mr. Marks had served as its Executive Vice President since 1970. He is also a Vice President of GEICO and CRICO. Mr. Marks was elected a Director of GEFCO in 1973 and is a member of the Pension Plan Administrative Committee.

Ralph C. Peck, 58, was elected a Vice President in 1974. Mr. Peck is a Director, President and Chief Operating Officer of GEICO, had served as its Executive Vice President since 1973, and was elected its Senior Vice President in 1970. He is a member of the Pension Plan Administrative Committee

and a Vice President of CRICO and GEFCO.

Karl F. Sennewald, 44, was elected Treasurer in 1972, after serving as Assistant Treasurer since 1964.

John M. O'Connor, 46, was elected Secretary in 1970. He was also elected Secretary of each of the other Companies in 1970.

Ernest M. Lucas, 50, has been Legislative Counsel since 1972. In 1972, he was also elected Vice President and Legislative Counsel of GEICO and CRICO. Mr. Lucas had served as Vice President and General Counsel of GEICO and General Counsel of GELICO, CRICO and GEFCO since 1969.

Donald K. Smith, 43, was elected General Counsel in 1972. He also serves as Vice President and General Counsel of GEICO and CRICO and as Special Counsel of GEFCO. Mr. Smith had served as Assistant Vice President and Assistant General Counsel of GEICO since 1969.

All executive officers are elected for one-year terms, or for the balance thereof. All terms expire April 1, 1976. There is no family relationship between the above-named executive officers of the registrant. All of GELICO's Executive Officers have been with it or the Companies for more than the past five years and have been actively engaged in GELICO's business or that of the Companies during that period.

Item 9. Indemnification of Directors and Officers

In accordance with the provisions of General Instruction H, information regarding indemnification is not included for this item, as it is unchanged from the information reported in Item 9 of GELICO's Form 10-K Report for the fiscal year ended December 31, 1974.

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, 1975. * |
| Exhibit 2 | Convention Form Annual Statement for the year ended December 31, 1975. * |
| Exhibit 3-a | Exhibit 3-a of Registration Statement No. 2-48506 is hereby incorporated by reference (Certificate of Incorporation, as amended through June 26, 1970). |
| Exhibit 3-b | Exhibit 1 of Form 8-K for the month of March 1974 is hereby incorporated by reference (Amendment to Certificate of Incorporation). |

*Filed herewith.

- Exhibit 4 By-laws as amended through March 27, 1976.*
- Exhibit 5 Exhibit 4 of Registration Statement No. 2-48506 is hereby incorporated by reference (Specimen certificate representing the Common Stock, \$1.50 par value).
- Exhibit 6 Advisory Contract dated as of January 1, 1976 between GELICO and George E. Fries. *

PART II

Item 11. Principal Security Holders and Security Holdings of Management

The following table sets forth information with respect to each person who owned of record, or to the knowledge of the Company owned beneficially, 10% or more of its Common Stock, and with respect to the holdings of the Common Stock by the Directors and Officers of GELICO, as a group, on December 31, 1975:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Number of Shares</u>	<u>Approximate Percentag of Shares Outstanding</u>
Great American Insurance Company (1) 580 Walnut Street Cincinnati, Ohio 45202	Record	676,346	15.1%
Directors and Officers as a Group (2)	Record and Beneficial	537,573	12.0%

(1) Purchased on March 9, 1976.

(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 174,718 shares owned by wives (individually or as trustees), minor children or relatives sharing the 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 31, 1976.

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

* Filed herewith.

<u>Name and Year He First Became a Director</u>	<u>Age</u>	<u>Offices and Positions Presently Held With GELICO and Business Experience</u>
Thomas E. Bolger (1973)	48	Director. (3) Mr. Bolger is Executive Vice President, American Telephone & Telegraph Company, New York, N. Y. Prior to his election as Executive Vice President 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 and Telegraph Company, since April 1, 1970.
Samuel C. Butler (1972)	46	Director. (3) Mr. Butler is a Partner, Cravath, Swaine & Moore, attorneys, New York, N. Y.
John M. Christie (1967)	65	Director. (2)(7) Mr. Christie is Chairman of the Executive Committee and a Director of The Riggs National Bank of Washington, D. C.
Lorimer A. Davidson (1952)	73	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 GELICO.
Shelby Cullom Davis (1973)	66	Director. (2) Mr. Davis is Chairman, Shelby Cullom Davis & Co., investment bankers, New York City and served as United States Ambassador to Switzerland from 1969 to 1975.
George E. Fries (1961)	65	Former President, now retired, Director and Advisor to the Chief Executive Officer. (1)(2)(4)
Norman L. Gidden (1974)	59	Chairman of the Board, Chief Executive Officer and Director. (1)(2)(4)(5)
Leo Goodwin, Jr. (1949)	61	Director and Chairman of the Profit Sharing Plan Administrative Committee. (1)(3)(6) Mr. Goodwin is a private investment banker.
Paul J. Hanna (1967)	60	Director and Chairman of the Compensation Committee. (3)(7) Mr. Hanna is Executive Vice President, Manufacturers Hanover Corporation, New York, N. Y., a bank holding company.
Thomas R. Hefner (1973)	50	President, Chief Operating Officer and Director. (1)(2)(5) Mr. Hefner was elected GELICO's Senior Vice President, Administration, in 1972 and its Executive Vice President in 1974.

<u>Name and Year He First Became a Director</u>	<u>Age</u>	<u>Offices and Positions Presently Held With GELICO and Business Experience</u>
William K. Jacobs, Jr. (1949)	67	Director and Chairman of the Audit Committee. (1)(6) Mr. Jacobs is a private financial consultant.
David L. Kreeger (1949)	67	Director and Chairman of the Executive Committee. (2)(5)(6) Mr. Kreeger is a retired Chairman of the Board of GELICO.
Howard A. Newman (1954)	55	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)	64	Director and Chairman of the Stock Option Plan Administrative Committee. (5) Dr. Payne is President and Chief Executive Officer, National Geographic Society, Washington, D. C., a scientific and educational organization.

-
- (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 Profit Sharing Plan Administrative Committee.
 - (6) Member of the Compensation Committee.
 - (7) Member of the Audit Committee.

Item 13. Remuneration of Directors and Officers

During 1975, the aggregate remuneration paid by GELICO directly or indirectly to (a) each director and each of the three highest paid officers of GELICO 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	Payments(1)	Profit Sharing Plan		Estimated Annual Bene- fits upon Re- tirement Un- der Pension Plan (4)
		Benefits Ac- rued or Set Aside During 1975(2)	Vested In- terest in Plan at December 31, 1975 (3)	
George E. Fries, Former President, now retired	\$103,845	\$ 3,842	\$ 497,957	See Footnote(5)
Thomas R. Hefner, President and Chief Operating Officer	\$ 56,419	\$ 2,488	\$ 48,163	\$ 23,007
John M. Maphis, Senior Vice Presi- dent	\$ 48,033	\$ 1,964	\$ 26,417	\$ 19,053
Donald L. Fisher, Senior Vice Presi- dent and Actuary	\$ 44,236	\$ 1,808	\$ 21,543	\$ 17,514
33 Directors and Officers as a group (6)	\$510,176	\$ 15,761	\$ 688,714	\$169,353

(1) Includes salaries, fees, bonuses and other taxable income incurred in 1975. The Boards of Directors of GELICO 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 GELICO 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. Hefner, Maphis and Fisher devote substantially all their working time to the affairs of GELICO, as did Mr. Fries prior to his retirement as President.

(2) GELICO 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 contri-

bution, up to a maximum of 4-1/2% to 6% of his base salary. Company contributions may be invested primarily in securities of GELICO 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 both. A participant may also elect, at a specified time prior to early or normal retirement, 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. This Plan is currently being revised effective retroactively to January 1, 1976, to comply with the provisions of the Employee Retirement Income Security Act of 1974. The expense to GELICO of this plan in 1975 for all participants was \$20,131.

(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, 1975, and that the Pension Plan will continue in its present form. This Plan is currently being revised effective retroactively to January 1, 1976, to comply with the provisions of the Employee Retirement Income Security Act of 1974.

(5) Mr. George E. Fries retired as President of GELICO, effective September 30, 1975, and as an employee, effective January 1, 1976. Upon retirement, Mr. Fries entered into an agreement with the Company to serve as an Advisor to the Chief Executive Officer for one year (subject to specific approval annually by future Boards of Directors for each of two additional years) at \$15,000 per annum. This amount is in addition to annual benefits of \$27,768 Mr. Fries will receive under the Pension Plan based on contributions to the Plan in his behalf prior to retirement and other benefits to which he may be entitled under the Company's employee benefits plan.

(6) Effective March 29, 1974, Mr. Norman L. Gidden entered into a three-year employment contract with the Government Employees companies, which contract is subject to annual review by the Board of Directors of GELICO, and which provides, among other things, that he will serve as Chairman of the Board and Chief Executive Officer of each of the Companies at a total salary of \$150,000 per year (exclusive of bonuses, stock options and other benefits), with such salary to be prorated among the Companies.

The Government Employees companies have an agreement with Mr. David Lloyd Kreeger, who retired as Chairman of the Board and Chief Executive Officer on March 29, 1974, 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.

GELICO has a contract (subject to specific approval annually by future Boards of Directors) with Mr. Lorimer A. Davidson, who retired as Chairman of the Board and Chief Executive Officer on March 27, 1970, which provides, among other things, that he is to receive compensation at the rate of \$5,000 annually for his services as a Consultant.

During 1975, the Company had agreements with Daniel J. Callahan, Jr. (until his retirement as a Director on March 26, 1975), Lorimer A. Davidson, Leo Goodwin, Jr., and William K. Jacobs, Jr. which provided for the payment of annual advisory fees to them for their services as members of the Executive Committee.

The amounts paid by GELICO in 1975 to the designated persons under the above contracts and agreements totalled \$41,598 and are included under "Direct Payments" and are in addition to retirement income or other benefits to which they may be entitled under GELICO's employee benefits plans.

Item 14. Options Granted to Management to Purchase Securities

The following table sets forth information concerning options to purchase GELICO Common Stock granted to or exercised by the following persons since January 1, 1975, and as to all options held by such persons as of December 31, 1975:

<u>Options Granted:</u>	<u>G. E. Fries</u>	<u>T. R. Hefner</u>	<u>J. M. Maphis</u>	<u>D. L. Fisher</u>	<u>Directors and Officers as a Group</u>
Number of shares	None	448	267	267	1,871
Average option price per share	-0-	\$28.75	\$28.75	\$28.75	\$28.75
<u>Options Exercised:</u>					
Number of shares	None	None	417	None	2,914
Aggregate option price of shares purchased	-0-	-0-	\$5,449	-0-	\$38,824
Aggregate market value of shares on date options were exercised	-0-	-0-	\$10,217	-0-	\$83,404
<u>Unexercised options held at December 31, 1975:</u>					
Number of shares	2,611	1,382	1,201	1,106	18,579
Average option price per share	\$33.46	\$32.34	\$32.88	\$32.78	\$30.69

Item 15. Interest of Management and Others in Certain Transactions

In the normal course of business, GELICO enters into various transactions with the other Government Employees companies. In the opinion of management, each of such transactions with the Companies or subsidiaries of the Companies was on terms as favorable to GELICO as could have been obtained from other persons.

A majority of the members of GELICO's Board of Directors are also Directors of GEICO, CRICO and GEFCO. As was indicated in GELICO's original rights offering to shareholders of GEICO, one source of GELICO's life insurance business would be the clientele of GEICO and GEICO continues to maintain several mailing lists, including its list of policyholders, which are available without charge to GELICO.

GEICO subleases space in its Chevy Chase, Maryland, Operations Office Building and in its Northeastern Regional Office Building to GELICO and GELICONY, and also provides corporate, personnel, medical, investment and other services to GELICO and GELICONY. 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. The annual amount paid by GELICO and GELICONY to GEICO for office space and services during 1975 amounted to \$319,794.

GELICO and GELICONY also write group pension annuities and group life, accident and health insurance covering employees of the Companies and credit life for the customers of certain of the Companies, as well as for other customers. During the year ended December 31, 1975, GELICO and GELICONY received premiums from the Companies aggregating \$867,693 for their contributions to such employee benefits plans; \$965,089 from employees of the Companies for their contributions to such employee benefits plans; and \$1,160,662 from GEFCO, its subsidiaries and their customers for credit life insurance, making a total of \$2,993,444 in premiums received by GELICO and GELICONY from such Companies, subsidiaries of the Companies, their employees and customers during 1975. In addition, GELICO received \$1,445,900 in the form of contributions to the Companies' retirement plan which is administered by GELICO as an account separate from the rest of its business. In 1970, GELICO purchased from Government Employees Corporation \$400,000 principal amount of 9% Subordinated Notes due September 30, 1980, at a price 90.848 for an effective yield of 10.5%.

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 LIFE
INSURANCE COMPANY

By /s/ K. F. SENNEWALD
K. F. Sennewald, Treasurer

Dated March 30, 1976

FORM 10-K

ITEM 10(a)

FINANCIAL STATEMENTS AND SCHEDULES

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

December 31, 1975, and December 31, 1974

The following consolidated financial statements of the registrant and its subsidiary included in the annual report of the registrant to its shareholders for the year ended December 31, 1975, are incorporated herein by reference:

Consolidated Balance Sheet - December 31, 1975, and December 31, 1974

Statement of Consolidated Income - Years ended December 31, 1975, and December 31, 1974

Statement of Consolidated Changes in Financial Position - Years ended December 31, 1975, and December 31, 1974

Notes to Consolidated Financial Statements

The following consolidated financial information for the years 1975 and 1974 is submitted herewith:

Report of Independent Accountants

Additional Notes to Consolidated Financial Statements

Schedule I - Summary of Investments - Other than Investments in Affiliates

Schedule IV - Deferred Policy Acquisition Costs

Schedule VII - Future Policy Benefits and Insurance In Force

All other schedules pursuant to Rule 7A-06 (Nos. II, III, V, VI, VIII, X, XI, XII) for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted. Schedule IX is not required because the pertinent information is included in the financial statements.

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.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders
Government Employees Life Insurance Company

We have examined the consolidated balance sheet of Government Employees Life Insurance Company and subsidiary as of December 31, 1975, and December 31, 1974, and the related consolidated 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 Life Insurance Company for the year ended December 31, 1975, and the additional notes to consolidated financial statements and the schedules listed in the index on the preceding page. 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 Life Insurance Company and subsidiary at December 31, 1975, and December 31, 1974, 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. 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

Washington, D. C.
February 20, 1976

ADDITIONAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY AND SUBSIDIARY

Additional Federal Income Tax Information

The deferred tax expense for 1975 and 1974 results from timing differences in the recognition of revenue and expense for tax and financial statement purposes as follows:

	<u>Year Ended December 31</u>	
	<u>1975</u>	<u>1974</u>
Capitalization of deferred policy acquisition costs, net of amortization	\$535,001	\$406,014
Adjustment to increase in reserve for future policy benefits	202,144	122,391
Other items	(20,571)	(28,405)
	<u>\$716,574</u>	<u>\$500,000</u>

DETAILS OF INVESTMENT INCOME

	<u>Year Ended December 31</u>	
	<u>1975</u>	<u>1974</u>
Interest on bonds	\$4,042,796	\$3,349,364
Dividends on stocks	1,767,285	1,542,892
Interest on mortgage loans	1,285,064	1,209,325
Interest on policy loans	335,054	291,632
	<u>7,430,199</u>	<u>6,393,213</u>
Less investment expenses	366,374	322,163
Net investment income	<u>\$7,063,825</u>	<u>\$6,071,050</u>

ANALYSIS OF INVESTMENT GAINS OR LOSSES

The following is a summary of the realized gains on investments and the change or difference between cost (principally amortized cost for bonds) and value for the years ended December 31, 1975 and 1974:

	<u>Bonds</u>	<u>Stocks</u>	
		<u>Preferred</u>	<u>Common</u>
Year ended December 31, 1975:			
Realized losses, net of applicable income tax benefit*	\$ -	\$ -	\$ (23)
Unrealized gains, without tax effect**	1,264,060	1,298,430	3,885,334
Year ended December 31, 1974:			
Realized gains, net of applicable income tax benefit*	-	-	71,035
Unrealized losses, without tax effect**	(4,709,417)	(2,827,831)	(3,108,672)

* Realized gains included in the statement of income include amounts from investments other than bonds and stocks of \$250 and \$28 for the years ended December 31, 1975 and December 31, 1974, respectively. Cost is determined by the specific identification method.

** The aggregate net unrealized loss on common and those preferred stocks without sinking fund provisions at December 31, 1975 of \$4,376,156 has been charged directly to shareholders' equity. Unrealized gains and losses on bonds and preferred stocks with sinking fund provisions have been excluded from the determination of financial position and results of operations.

ADDITIONAL STOCK OPTION INFORMATION

OPTIONS GRANTED

Year ended December 31:	<u>Number of</u>	<u>Per Share</u>	<u>Total</u>
	<u>Shares</u>		
1974	3,707	\$23.63	\$87,596
1975	2,149	28.75	61,784

OPTIONS WHICH HAVE BECOME EXERCISABLE

Year ended December 31:	<u>Number of</u>	<u>Option Price</u>		<u>Market Price on Date</u>		
		<u>Shares</u>	<u>Per Share</u>	<u>Total</u>	<u>Options became Exercisable</u>	<u>Total</u>
					<u>Per Share</u>	<u>Total</u>
1974	8,925	\$14.03 to \$41.87	\$244,361	\$23.50 to \$38.50	\$239,946	
1975	5,031	23.63 to 41.87	154,371	28.87 to 29.63	147,592	

OPTIONS EXERCISED

Year ended December 31:	<u>Number of</u>	<u>Option Price</u>		<u>Market Price on Date</u>		
		<u>Shares</u>	<u>Per Share</u>	<u>Total</u>	<u>Options became Exercisable</u>	<u>Total</u>
					<u>Per Share</u>	<u>Total</u>
1974	4,127	\$14.03 to \$27.02	\$ 76,062	\$22.50 to \$40.00	\$118,655	
1975	2,914	13.07 to 14.03	38,824	24.50 to 31.13	83,404	

SHARES UNDER OPTION

<u>Period During which</u>	<u>Option Price</u>	<u>December 31, 1975</u>		<u>December 31, 1974</u>	
		<u>Per Share</u>	<u>Shares</u>	<u>Total</u>	<u>Shares</u>	Total
<u>Options Were Granted</u>					
Year ended December 31:					
1970	\$13.07 to \$14.03	-	-	2,914	\$ 38,824
1971	27.02	5,954	160,895	5,954	160,895
1972	33.00	3,371	111,243	3,371	111,243
1973	41.87	3,987	166,947	3,987	166,947
1974	23.63	3,707	87,578	3,707	87,578
1975	28.75	2,149	61,784	-	-
		<u>19,168</u>	<u>\$588,447</u>	<u>19,933</u>	<u>\$565,487</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 par value of the shares issued is credited to paid-in surplus. There are no charges to income with respect to the above arrangements. Per share option information has been restated to give effect to the stock distribution.

PROPERTY AND EQUIPMENT

The annual provision for depreciation of office furniture and equipment is computed based on expected useful lives of ten years.

When equipment is retired or otherwise disposed of the asset account is relieved of the cost of the particular item and the allowance for depreciation 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 unappropriated earned surplus. Expenditures for equipment repairs and maintenance are charged to operations as incurred.

OTHER

Policy reserves are stated net of reserves applicable to insurance ceded to other companies. Should the reinsurance companies fail to meet the obligations assumed in the reinsurance agreements contingent liability would exist with respect to risks reinsured which would become a direct liability of the insuring company.

SCHEDULE I - SUMMARY OF INVESTMENTS

OTHER THAN INVESTMENTS IN AFFILIATES

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY AND SUBSIDIARY

<u>Type of Investment</u>	<u>(1)</u> <u>Cost</u>	<u>Value</u>	<u>Amount at which shown in the balance sheet</u>
Bonds:			
		(Thousands of Dollars)	
U. S. Government	\$ 12,192	\$11,969	\$ 12,192
Public Utilities	43,296	38,671	43,296
Industrial and Miscellaneous	2,119	2,007	2,119
Total bonds	<u>57,606</u>	<u>52,647</u>	<u>57,606</u>
Preferred stocks:			
With sinking fund provisions	2,549	2,527	2,549
Other	13,944	9,094	9,094
Total preferred stocks	<u>16,493</u>	<u>11,621</u>	<u>11,643</u>
Common stocks:			
Public Utilities	2,636	2,459	2,459
Industrial, miscellaneous and all other	13,625	14,276	14,276
Total common stocks	<u>16,261</u>	<u>16,735</u>	<u>16,735</u>
Total bonds and stocks	<u>90,360</u>	<u>\$81,003</u>	<u>85,984</u>
Mortgage loans on real estate	18,048		18,048
Policy loans	6,630		6,630
Total investments	<u>\$115,038</u>		<u>\$110,662</u>

Note 1 - Original cost for stock; cost adjusted for amortization of premium and accrual of discounts for bonds and mortgage loans.

SCHEDULE IV - DEFERRED POLICY ACQUISITION COSTS

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY AND SUBSIDIARY

<u>Line of Business</u>	<u>Balance at beginning of period</u>	<u>Additions</u>	<u>Deductions</u>		<u>Balance at close of period</u>	<u>First year premiums written</u>	<u>Renewal premiums written</u>
			<u>Charged to costs and expenses</u>	<u>Charged to other accounts - describe</u>			
Year ended December 31, 1975:							
Life insurance:							
Ordinary	<u>\$12,338,697</u>	<u>\$3,383,900</u>	<u>\$1,154,728</u>	-	<u>\$14,567,869</u>	<u>\$3,481,890</u>	<u>\$15,871,716</u>
Year ended December 31, 1974:							
Life insurance:							
Ordinary	<u>\$10,646,972</u>	<u>\$2,815,805</u>	<u>\$1,124,080</u>	-	<u>\$12,338,697</u>	<u>\$2,829,360</u>	<u>\$14,332,621</u>

SCHEDULE VII - FUTURE POLICY BENEFITS AND INSURANCE IN FORCE

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY AND SUBSIDIARY

Line of business	Life insurance in force (Thousands of Dollars)	Amount of future policy benefits (Thousands of Dollars)	Year of issue	Bases of assumptions						
				Interest rates					Mortality	Withdrawals
				1-5	6-10	11-15	16-20	there-after		
Life and annuity:										
Life insurance:										
Ordinary	\$ 25,808	\$10,682	Prior to 1958		(1)					
	251,200	40,974	1958-1968	3 3/4%	3 1/2%	3 1/4%	3 1/4%	3 1/4%		
	607,025	21,841	1969-1974	5 1/2%	5 1/4%	5 %	4 3/4%	4 1/2%		
	218,018	1,740	1975-	6 %	5 1/2%	5 1/4%	5 %	4 3/4%		
Group	633,574	1,408	All	-	-	-	-	-		
Annuities:										
Individual		526	All		(1)					
Group		7,647	All	-	-	-	-	-		
Miscellaneous										
Other	158,743	1,165								
Total life and annuity	\$1,894,368	\$85,983					(1)	(1)		
Accident and health (all short-term)		410	All	-	-	-	-	-		
	\$1,894,368	\$86,393								

Note 1 - Assumptions as to mortality and withdrawals have been based on prior experience which follows the 1954 Select and Ultimate Table for mortality and the Linton A and 150% Linton A Tables for 1958 to 1974 permanent and term withdrawals, respectively and Linton BA for 1975 withdrawals. Assumptions used in the calculations of reserves for future policy benefits include provision for possible unfavorable deviations. Reserves for all ordinary life policies issued prior to 1958, miscellaneous other benefits, individual annuities and accident and health have been determined on a statutory basis.

EXHIBIT 1



GOVERNMENT EMPLOYEES LIFE

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CAPITAL STOCK

Traded in the Over-The-Counter market.
NASDAQ symbol: GELI

TRANSFER AGENT

The Riggs National Bank
of Washington, D.C.

ANNUAL MEETING

The regularly scheduled annual meetings of shareholders of Government Employees Life Insurance Company are held at 11:15 A.M. on the last Wednesday of each March. The 1976 meeting will be held on March 31, in the Federal Room of the Statler Hilton Hotel in Washington, D.C. Notice of the Annual Meeting of Shareholders together with the proxy statement will be mailed on March 3, 1976 to shareholders of record February 11, 1976.

FORM 10-K

Government Employees Life 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 Life Insurance
Company
5260 Western Avenue
Chevy Chase, Maryland 20076

HIGHLIGHTS of Progress (Consolidated)

	1975	1974	Increase 1975 over 1974
Sales Individual Life ..	\$ 273,465,857	\$ 228,673,610	20%
Insurance in Force	\$1,894,367,584	\$1,708,877,853	11%
Premium Income	\$ 25,386,763	\$ 22,780,829	11%
Investment Income	\$ 7,063,825	\$ 6,071,050	16%
Benefit Payments	\$ 9,988,573	\$ 9,789,197	2%
Net Income	\$ 6,657,689	\$ 5,904,084	13%
(before realized investment gains)			
Assets	\$ 135,870,508	\$ 123,518,195	10%
Yield on New Investments	8.20%	7.91%	

GOVERNMENT EMPLOYEES LIFE

Insurance Company

Home Office: 1705 L Street, N.W.
Operations Office: 5260 Western Avenue
WASHINGTON, D.C. 20076

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



Thomas R. Hefner
President

Norman L. Gidden
Chairman of the Board

1975 Annual Report

To the Shareholders and Policyholders of Government Employees Life Insurance Company

The commentary and data presented in this Annual Report for 1975 summarize the combined operations of Government Employees Life Insurance Company (GELICO) and its wholly-owned subsidiary, Government Employees Life Insurance Company Of New York (GELICONY). All financial statements are presented on a consolidated basis and, unless otherwise noted, all figures are reported on the basis of Generally Accepted Accounting Principles (GAAP).

The year 1975 witnessed continued growth and progress for our Company. Excellent results were achieved in most areas of our operations which have a direct and significant bearing on our capacity to increase earnings and to enhance financial strength.

Sales of individual life insurance reached a new high in 1975 totaling \$273,465,857 for the year, an increase of 20% over 1974. This outstanding result was achieved during a year in which the life insurance industry was experiencing the lowest dollar increase in ordinary life insurance sales (\$2.9 billion) since 1962 and the lowest percent of increase (1.6%) in recent history. We believe that our current year results and our recurring record of sales increases in excess of the industry averages attest to the effectiveness of our unique approach to the sale of life insurance. GELICO's merchandising program combines the advantages of direct mail advertising to identify prospects for insurance with personal interviews by field representatives to provide insurance counseling service and to effect sales. We are confident that we will achieve continued growth for our Company through the further expansion of this unique merchandising plan.

Net income in the amount of \$6,657,689 or \$1.49 per share, before realized investment gains, was up 13% over the prior year. Gain on sales of investments was \$227 in 1975 and \$71,063 in 1974.

Total life insurance in force reached a new high of \$1,894,367,584 on December 31, 1975, an increase of \$185,489,731 or 11% for the year. Individual life insurance in force increased 14% to \$1,260,794,018 in 1975.

Premium income from all sources increased 11% to a total of \$25,386,763 for the year. Individual life insurance continued to account for the major portion of our premium growth showing an increase of 12% to \$19,543,884 in 1975.

Investment income of \$7,063,825, before Federal income tax, was 16% above that of last year, reflecting both the growth of our Company's investment portfolio and the high yields realized on new investments made during 1975. A generally favorable investment climate prevailed throughout 1975 and the aggregate gross rate of return on new investments made during the year was 8.20%, the highest in our Company's history. Our investment portfolio topped the one hundred million dollar mark during 1975 and had a statutory value of \$108,883,383 at year end compared to \$91,911,737 a year earlier.

The annual cash dividend to shareholders was raised from twenty cents to twenty-four cents per share in 1975, an increase of 20% over 1974. On January 28, 1976 the annual cash dividend to shareholders was increased from twenty-four cents to thirty-two cents per share, an increase of 33% over the rate in effect during 1975, and the dividend payment schedule was changed from semiannual to

quarterly. Government Employees Life Insurance Company has increased its annual cash dividend to shareholders each year since the first dividend was paid in 1956.

Claims experience in 1975 was more favorable than in the previous year. The rate of mortality on our individual life insurance was moderately lower in 1975 and adjustments made in the premium structure of our group sickness and accident business brought about a slightly improved loss ratio in that line of insurance.

The problem of health insurance in this country continues to be a major political issue which will certainly receive a great deal of attention during this election year. The prevailing uncertainty about the future role of private health insurance is not conducive to the development and introduction of any major new health insurance programs by our Company at this time. We intend to continue our present course of keeping our health policies current and merchandising them as a supplementary line to life insurance until the present confused picture is clarified.

GELICO constantly studies new product developments in the life insurance industry with a view toward evaluating their salability. One of the more important developments in 1975 was brought about by the enactment of the Employees Retirement Income Security Act of 1974. This Act provides an opportunity for individuals not participating in an employer-sponsored retirement plan to establish their own Individual Retirement Accounts (IRA). The primary incentive for the establishment of IRA's by individuals is provided in the form of tax deductible contributions up to \$1,500 a year. We have evaluated our ability to market life insurance policies and annuity contracts that qualify to fund IRA's and have concluded that there is limited potential for this product in our present market. We will continue to monitor the IRA regulatory developments and market potential to determine when it may be expedient for us to enter the market.

Another product of considerable interest for the future is variable life insurance. The variable life insurance policy offers policyholders an opportunity to provide benefits which vary with the investment performance of a separate equities account. The Securities and Exchange Commission, which has assumed regulatory authority over the business of variable life insurance, has recently released its rules and has granted exemptions from certain portions of the Investment Company Act of 1940 so that this product will probably reach the market in 1976. In our opin-

ion there are still many complex matters to be resolved and we will, for the present, continue in the role of interested observer.

The Nation's economy seems to have reached the nadir for this cycle during 1975 and the prospects for 1976 are generally optimistic. Most forecasts project an improving economy through 1976 with a real growth of 6% in the Gross National Product, substantial growth in the sale of consumer products and a decline in unemployment to about the 7% level.

However, indications are that this welcome improvement in the economy will be coupled with a rate of inflation that remains a matter of concern for the life insurance industry. The management of Government Employees Life Insurance Company will continue to make every effort to maintain above average profit margins through increased productivity and effective cost control measures. Our planned programs to improve internal systems and procedures should permit us to absorb future growth without a proportional increase in personnel and facilities.

The financial data in this Annual Report are presented on the basis of Generally Accepted Accounting Principles as set forth in the Audit Guide for Stock Life Insurance Companies promulgated by the American Institute of Certified Public Accountants. Life insurance companies must, however, continue to file Annual Statements with State regulatory authorities on a statutory basis and must meet minimum surplus and other financial requirements as determined from such statutory financial statements. In addition, all considerations of cash and stock dividends to shareholders must be based on statutory results. The Notes to Consolidated Financial Statements contain reconciliations of financial results as determined under statutory accounting practices to those determined under GAAP.

On behalf of the Board of Directors, we express our sincere appreciation for the conscientious and effective efforts of our executives, staff and field representatives who helped to make 1975 another year of excellent progress for our Company.



President



Chairman of the Board

March 3, 1976
Washington, D.C.

INSURANCE OPERATIONS

Our Company's insurance operations are broadly diversified. Products include life insurance, accident and health insurance and annuities, available on both an individual and group basis. The principal thrust of our operations, however, has always been directed toward the sale and service of individual life insurance.

Individual life insurance sales in 1975 recorded the greatest dollar increase in our Company's history and exceeded one-quarter billion dollars for the first time. Sales totaling \$273,465,857 were 20% above the prior year.

Approximately 96% of our individual life sales was produced through our field representative staff which is being constantly enlarged and upgraded. The remaining 4% of total individual life sales was produced by our direct mail follow-up program.

The Group Insurance Division established in 1974 continued to make progress in product and market development during 1975. The major emphasis of this division in 1976 will be the marketing of group life insurance products.

Sickness and accident insurance operations showed modest gains in 1975. As has been previously pointed out, our market for individual hospital-medical insurance has been largely pre-empted by Medicare, Medicaid and comprehensive group health insurance plans for Federal employees and for dependents of Armed Forces personnel. Our individual sickness and accident policies are marketed primarily in the non-Government employee sector to persons who do not have employer-sponsored group coverage available.

Government Employees Life Insurance Company maintains a Separate Account in order to provide an equity based funding vehicle for the Company's pension business. Group annuity contract considerations credited to the Separate Account are not recorded as premium income to the Company and investment income credited to the Separate Account is not recorded as investment income to the Company. Instead, the net asset value of the Separate Account is carried in GELICO's Consolidated Balance Sheet as an asset with an offsetting liability. Earnings to the Company resulting from the administration of the Separate Account stem from management fees.

LIFE INSURANCE IN FORCE

Life insurance in force at the end of 1975 amounted to \$1,894,367,584, an increase of 11% for the year.

Individual life insurance in force on December 31, 1975 totaled \$1,260,794,018, an increase of 14% over 1974.

Group life insurance in force totaled \$633,573,566 on December 31, 1975, an increase of 5%. Group life insurance in force includes \$142,367,316 allocated to our Company as a participant in the Servicemen's Group Life Insurance (SGLI) program, up from \$140,956,574 at December 31, 1974.

PREMIUM INCOME

The Company's premium income, excluding group annuity considerations, totaled \$25,386,763 in 1975. This is an increase of 11% over the comparable figure for 1974. Group annuity considerations in the amount of \$1,516,100 were credited to the Separate Account in 1975.

The cumulative effect of our Company's emphasis on individual life sales is reflected in the fact that individual life insurance premiums in 1975 accounted for 77% of our total premium income compared to 76% in the prior year. The average annual premium per \$1,000 of individual life insurance in force is \$16.13 and the average annual premium per policy is \$140.03.

Premium income from group credit life insurance showed moderate improvement during 1975 after suffering a 10% decrease during 1974. With an improving economy generating an increased demand for personal credit, we expect a modest increase in this line for 1976. Premium income from regular group life insurance decreased slightly during 1975, due partly to premium rate reductions for some of our employer-sponsored group life policies. We also expect income from this line of insurance to show improvement during 1976.

The increased premium income from sickness and accident insurance resulted primarily from premium rate increases on certain of our group policies during 1975. The effect of these premium rate increases will continue into the first few months of 1976.

SOURCES OF PREMIUM INCOME

	1975	1974	% Increase (Decrease)
Individual Life	\$19,543,884	\$17,390,905	12
Group Credit Life	1,331,806	1,271,372	5
Group Life	1,646,650	1,656,770	(1)
Sickness and Accident ..	<u>2,864,423</u>	<u>2,461,782</u>	16
Total	\$25,386,763	\$22,780,829	11

INVESTMENT OPERATIONS

Our Company's investment portfolio on December 31, 1975 totaled \$108,883,383 based on statutory evaluation of common stocks at market values, preferred stocks at cost and bonds and mortgages at their amortized values. The portfolio was producing an average yield of 7.08% at year end compared with 7.12% a year earlier.

New investments in the amount of \$17,570,801 yielding an average rate of return of 8.20% were made during the year.

Our common stock purchase program, which was inaugurated in 1968 on a price averaging basis, was continued without interruption through 1975 and current plans call for its continuation in 1976. Purchases of common stocks in 1975 amounted to \$2,149,255. At 1975 year end, the market value of our common stock portfolio was \$16,735,531 which compares with a cost of \$16,261,012.

This Annual Report does not include a listing of the securities comprising the Company's Investment Portfolio. Interested persons may request a copy of our Investment Portfolio as of December 31, 1975 by writing to the Company.

INVESTMENT INCOME

Net investment income in 1975 totaled \$7,063,825, an increase of 16% over the prior year.

The ratio of pre-tax net investment income to statutory mean assets was 6.62% compared with 6.40% in 1974.

Income from investments comprised 240% of the interest required to maintain statutory policy reserves.

SOURCES OF NET INVESTMENT INCOME

	1975	1974	% Increase (Decrease)
Government Bonds	\$ 671,979	\$ 749,110	(10)
Corporate Bonds	3,225,487	2,485,254	30
Mortgages	1,178,502	1,101,853	7
Preferred Stocks	1,044,157	882,976	18
Common Stocks	655,963	602,537	9
Policy Loans	<u>287,737</u>	<u>249,320</u>	15
Total	\$7,063,825	\$6,071,050	16

BENEFIT PAYMENTS

During 1975 our Company paid policy benefits in the gross amount of \$9,988,573. Of this amount, payments under life insurance contracts amounted to \$5,225,477 for death and disability benefits and \$2,180,091 for matured endowment policies and cash surrender benefits. Sickness and accident policyholders were paid \$2,237,689 as disability income or as reimbursement for medical expenses. Payments under annuities and supplementary contracts amounted to \$345,316 including excess interest allowances. Excess interest above contractually guaranteed rates is currently being paid to provide a 5.4% return on funds held on deposit or being paid in installments to recipients of benefits under annuity and supplementary contracts not involving life contingencies.

Mortality experience in 1975 for both individual and group life insurance was more favorable than that of the prior year and continued to be well within the mortality assumptions on which our premium rates are based.

The loss ratio of 83% for the sickness and accident insurance lines in 1975 reflects a slight improvement from the 84% loss ratio of the prior year. This improvement was brought about by effecting needed premium rate increases during 1975 for certain group policies which had developed adverse loss experience.

NEW POLICIES

On January 1, 1975 GELICO introduced a new portfolio of Ordinary life insurance policies, the first major change since 1964. The new portfolio incorporated a change in loan interest rate and a revised premium rate structure for many plans.

The underlying assumptions used in the premium computations reflected the most recent expense, interest and mortality experience of our Company. The new premium rate structure provides a more equitable distribution of per policy costs over the entire range of policy sizes while having little effect on the aggregate premium of all policies. The Company's competitive position for medium and large size policies has thus been improved without jeopardizing its position in the marketing of smaller policies.

As in the past, special lower rates were determined for women in acknowledgement of their greater longevity.

In view of prevailing high interest rates, the contractual interest rate in the policy loan provisions of our

new policies has been raised from 5% to 6%. By reducing the spread between commercial loan and policy loan interest rates, the incentive to arbitrage is reduced.

The new policy series continues to provide a wide choice of Whole Life, Term, Endowment, and Family Plan, as well as Single and Joint Life Mortgage Cancellation insurance. Income Riders, Parent-Child Riders and Decreasing Term Riders can be attached to all permanent forms of life insurance. This permits the prospective policyholder to buy a single policy that will provide coverage for many different purposes. As an example, a single contract could build up cash values that might be borrowed in time of need, provide insurance on the spouse and children, and protect the insured's ability to purchase additional insurance regardless of health or occupation at various times in the future when insurance needs may be greater.

DIVIDENDS

On January 28, 1976 the Board of Directors of Government Employees Life Insurance Company revised the dividend policy of the Company to provide for the payment of quarterly cash dividends instead of semiannual cash dividends. The following is the policy by which the Company will be guided in the future:

- A. To pay quarterly cash dividends, retaining the major portion of statutory earnings to provide a strong base for continuing growth.
- B. 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.

On May 28, 1975 the Board of Directors, acting under the then current dividend policy, fixed an annual cash dividend rate of twenty-four cents per share, which represented an increase of 20% over the rate in effect during 1974. Reflecting this new dividend rate, the Board of Directors declared semiannual cash dividends of twelve cents per share which were paid on June 30 and December 29, to shareholders of record June 9 and December 5, 1975.

On January 28, 1976 the Board of Directors, acting under the new dividend policy, fixed an annual cash dividend rate of thirty-two cents per share on the capital stock outstanding and declared a quarterly dividend of eight cents per share, payable March 31, 1976 to shareholders of record March 9, 1976.

This action by the Board of Directors marks the first quarterly dividend payment by Government Employees Life Insurance Company and represents an increase of 33% over the annual dividend rate in effect during 1975.

TWO-YEAR SUMMARY OF CASH DIVIDEND PAYMENTS

		1975		1974	
		Per Share	Total	Per Share	Total
1st	Semiannual	\$0.12	\$ 537,284	\$0.10	\$447,368
2nd	Semiannual	<u>0.12</u>	<u>537,284</u>	<u>0.10</u>	<u>447,445</u>
	Annual	\$0.24	\$1,074,568	\$0.20	\$894,813

CAPITAL STOCK

The authorized capital stock of the Company is 8,000,000 shares of common stock having a par value of \$1.50 per share.

On December 31, 1975 there were 4,477,366 shares of capital stock issued and outstanding to approximately 2,900 shareholders. The following table shows the reported range of high and low bid and asked prices per share for the Company's capital stock for each quarter of 1975 and 1974, adjusted to reflect the 50% stock distribution paid June 7, 1974. These stock quotations represent prices between dealers without retail markups or commissions and do not necessarily represent actual transactions.

TWO-YEAR SUMMARY OF STOCK PRICES

	1975	Bid Prices		Asked Prices	
		High	Low	High	Low
4th Quarter		19	13	20	14
3rd Quarter		26	12 ³ / ₄	26 ³ / ₄	13 ³ / ₄
2nd Quarter		29 ³ / ₄	22 ³ / ₄	30 ¹ / ₂	23 ³ / ₄
1st Quarter		28 ³ / ₄	23	29 ³ / ₄	24
	1974	Bid Prices		Asked Prices	
		High	Low	High	Low
4th Quarter		29 ¹ / ₂	21	30 ¹ / ₂	22
3rd Quarter		31 ¹ / ₄	26 ¹ / ₂	32 ¹ / ₄	27 ¹ / ₂
2nd Quarter		32 ⁵ / ₈	22	34	23
1st Quarter		40	27 ⁵ / ₈	41	28 ³ / ₈

The capital stock is traded in the Over-The-Counter market. NASDAQ symbol: GELI.

COMPLIANCE

A steady flow of consumer oriented legislation and regulation continues to have its effect upon life and health insurers. Topics such as life insurance disclosure and minimum health insurance standards shared the spotlight of regulatory action in 1975.

Life insurance disclosure requirements continued to be an important aspect of insurance regulation in 1975 as evidenced by the adoption of new regulations by several additional state insurance departments. These regulations require an agent or company to provide a new policyholder, and in some cases a prospective policyholder, with a separate written statement showing information about such policy provisions as premium, death benefits and cash values. The "cost of insurance" computed by the Interest Adjusted Cost Method is generally required as a part of the disclosure information. This complex method of computing cost takes into consideration the time value of money by making allowance for interest earnings and can be misleading since it assumes that the policy will be surrendered at the end of specific time intervals. In no case does it reflect the true cost of insurance if the policyholder dies, only if he lives.

The National Association of Insurance Commissioners has developed a model regulation for cost comparison of life insurance. It is hoped that this model will foster uniformity of regulation among the states.

The area of health insurance continues to receive its share of attention from regulatory authorities in the enactment of new legislation and regulations mandating benefits to be provided in accident and health policies. Directives establishing minimum benefits to be provided in such policies, both as to type of benefit and dollar amount, are being promulgated by many insurance regulatory authorities.

Legislation introduced by Senator Philip D. Hart (D.-Mich.) at the Federal level would impose stiff life insurance cost and disclosure provisions. In addition, an important aspect of his bill, if enacted, would have a substantial impact on the life insurance agency system. The proposed bill would limit a company's right to contractually require exclusive representation, beyond a three year period, from an agent for whom it has spent considerable time, effort and money to train as a qualified, knowledgeable life insurance salesman.

Our Company fully supports viable objectives sought on behalf of the consumer and encourages the enactment of regulations which do indeed protect and better inform the public. However, we must also point out

that regulations which do not serve the intended purpose or that have the effect of limiting the availability of products or tend to reduce competition must eventually be paid for by the consumer.

MARKETING

A combination of several factors contributed to our achievement of a 20% increase in individual life insurance sales during 1975. Among these factors were an excellent growth in the number of our actively producing field representatives and improved results achieved by our direct mail advertising.

During 1975 our staff of actively producing field representatives rose from 116 to 174. Total sales by representatives increased from \$211,066,248 in 1974 to \$260,632,000 in 1975. Field representatives produced 96% of our Company's total individual life sales.

Leading our field representatives was Mr. Herbert M. Rovner whose \$4,880,000 of individual life insurance sales earned him our top sales award for the fourth consecutive year. In addition to Mr. Rovner, four other field representatives topped \$4,000,000 of sales and another thirty representatives sold over \$2,000,000 of new business during 1975. A total of 94 representatives placed over \$1,000,000 of new business during 1975 compared to 71 in 1974.



Mr. & Mrs. Herbert M. Rovner display GELICO's top sales award, presented to Mr. Rovner for individual life insurance sales totaling \$4,880,000 in 1975.

As women have come to take a more active part in the business and professional world, their financial responsibilities have grown and they have been recognized as a significant source of new business for our industry. We believe the women's market is one which



George E. Fries



Thomas R. Hefner

we are uniquely able to reach through our direct mail advertising and one that will become an increasing source of new business for our Company. Reflected in our Company's 1975 sales is a significant increase in the number of women purchasing permanent plans of life insurance. Generally women purchased somewhat smaller amounts of insurance than men which contributed to a slight decrease in our average size policy.

The heart of our Company's marketing program is an extensive direct mail advertising effort which identifies prospects for life insurance through the development of substantial volumes of inquiries. These inquiries are followed-up by our field representatives to consummate the sale. Improved results achieved by our direct mail advertising during 1975 made available an additional sustained volume of inquiries. These additional inquiries provided our Company with an increased opportunity to recruit new representatives and improve the performance of our existing representatives.

GELICO's principal direct mail advertising effort is directed toward the clientele of the Government Employees Companies. Uncertainty as to the future direction of Government Employees Insurance Company, the largest of these Companies, has caused some speculation regarding the ability of GELICO to effectively develop additional markets. It is management's belief that our unique merchandising plan can be successfully expanded to include additional markets and other sources of new business.

In looking forward to 1976 we expect to continue the uninterrupted growth our Company has enjoyed since its inception. The increased number of our actively producing field representatives provides an excellent base from which to develop improved individual performances during the coming year. In addition, we will continue to recruit new field representatives and to devote special attention to further improvement and expansion of our direct mail advertising programs.

CONTINUITY OF MANAGEMENT PROGRAM

At a regular meeting of the Board of Directors held on September 25, 1974, George E. Fries, President and Chief Operating Officer, announced his intention to retire three to six months prior to attaining mandatory retirement age in January 1976.

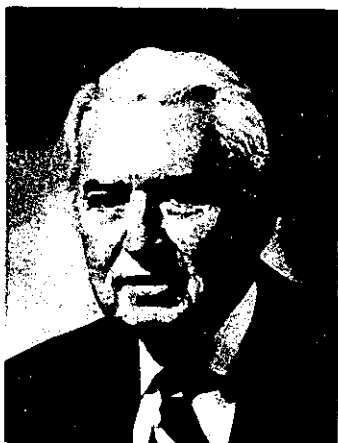
At the July 30, 1975 meeting of the Board of Directors, Mr. Fries stated that he wished his retirement from the offices of President of GELICO and President and Director of GELICONY to become effective September 30, 1975. The Board expressed its deep appreciation and gratitude for Mr. Fries' devoted and loyal services to the Company since its organization in 1949 and for his brilliant leadership during the eleven years since he assumed the Presidency in 1964. Mr. Fries will continue as a Director and member of the Executive and Investment Committees of GELICO.

In conformance with the continuity of management program of the Companies, the Board of Directors, at the July 30, 1975 meeting, elected Thomas R. Hefner to the office of President of GELICO and to membership on the Executive and Investment Committees of the Board effective October 1, 1975. The GELICONY Board, at its meeting on July 30, 1975, also elected Mr. Hefner to the office of President and to membership on its Board of Directors effective October 1, 1975.

Mr. Hefner joined the Government Employees Companies in 1951. He was elected Assistant Treasurer of GELICO in 1958; Vice President of GELICO in 1964; Vice President and Treasurer of GELICO and its wholly-owned subsidiary, GELICONY, in 1965; Senior Vice President, Administration, of GELICO and GELICONY in 1972; member of the Board of Directors of GELICO in 1973; and Executive Vice President of GELICO in 1974.

Mr. Hefner served in the U. S. Air Force during World War II. He received a B.S. degree in Accounting from Marshall University in 1950 and was awarded the Fellowship, Life Management Institute (FLMI) in 1962.

Mr. Helner, FLMI (standing) presents the coveted fellowship awards to (seated left to right) Don Bennett, FLMI, Jeff Heckler, FLMI and Steve Springer, FLMI for the successful completion of advanced studies in the Life Office Management Institute.



Daniel J. Callahan, Jr.

BOARD OF DIRECTORS

Mr. Daniel J. Callahan, Jr., a member of our Board of Directors since 1949, and a member of our Executive and Investment Committees since 1972, having reached retirement age, did not stand for re-election as a Director of our Company at the Annual Meeting of Shareholders on March 26, 1975. The Board appointed Mr. Callahan an Honorary Director, effective March 27, 1975, in recognition of his outstanding contributions to the growth and progress of our Company and his dedicated services to the Government Employees Companies which have extended over a period of twenty-seven years.

LICENSED TERRITORY

Government Employees Life Insurance Company is licensed in forty-five states and the District of Columbia. Applications for licenses in the several remaining states will be filed at such time as it appears feasible to expand our operations in those areas.

GELICO is accredited by the Department of Defense to solicit life insurance on U. S. military installations in foreign areas.

GELICO's wholly-owned subsidiary, Government Employees Life Insurance Company Of New York, is domiciled in and licensed by the State of New York.



Margaret Kozakoff, Mill (left to right) receive certificates of studies in Principles



CONSOLIDATED FIVE-YEAR SUMMARY

Operating Data		5-Year Annual Compound Growth %	Increase or (Decrease) 1974 Over 1975	1975	1974	1973	1972	1971
SALES—	Whole life & endowment	14	18	\$ 218,351,839	184,814,387	154,463,908	125,387,246	116,619,515
	Term	11	26	\$ 55,114,018	43,859,223	49,410,289	41,163,567	37,168,724
	Total	13	20	\$ 273,465,857	228,673,610	203,874,197	166,550,813	153,788,239
	Average policy size	4	(2)	\$ 11,105	11,343	11,115	10,307	9,369
IN FORCE—	Whole life & endowment	14	15	\$ 970,538,391	842,206,483	732,944,001	647,918,204	578,064,554
	Term	12	11	\$ 290,255,627	260,958,381	241,359,372	212,448,513	188,858,413
	Total individual life	13	14	\$1,260,794,018	1,103,164,864	974,303,373	860,366,717	766,922,967
	Group	9	5	\$ 633,573,566	605,712,989	512,810,453	481,776,006	450,551,760
	Total in force	12	11	\$1,894,367,584	1,708,877,853	1,487,113,826	1,342,142,723	1,217,474,727
	Average policy size	4	4	\$ 8,180	7,861	7,525	7,178	6,902
	*Average premium per \$1,000 ..	(1)	(1)	\$ 16.13	16.36	16.62	16.97	17.10
	*Average premium per policy ..	3	3	\$ 140.03	136.17	131.87	127.72	122.86
	**Lapse ratio (individual life insurance)			% 8.4	8.1	8.4	7.5	7.6
	***Mortality ratio			% 45	46	41	44	48
****Sickness & accident claims ratio			% 83	84	78	73	81	
Investment income to mean assets (statutory)			% 6.62	6.40	6.20	6.05	6.07	
Interest earned to required (statutory)			% 240	231	230	221	221	

Balance Sheet Data

ASSETS								
Cash and invested assets	12	7	\$ 111,578,479	104,513,595	92,592,422	81,552,892	72,138,170	
Other	25	28	\$ 24,292,029	19,004,600	15,895,544	13,162,479	10,284,940	
Total assets	13	10	\$ 135,870,508	123,518,195	108,487,966	94,715,371	82,423,110	
LIABILITIES								
Policy and benefit reserves	12	11	\$ 87,937,362	78,872,961	71,494,143	64,411,103	57,653,611	
Other	31	21	\$ 11,611,318	9,569,422	7,074,406	4,938,091	3,224,270	
Total liabilities	13	13	\$ 99,548,680	88,442,383	78,568,549	69,349,194	60,877,881	
SHAREHOLDERS' EQUITY	15	4	\$ 36,321,828	35,075,812	29,919,417	25,366,177	21,545,229	

*Life premium in force including accidental death and disability premium.

**Amount of current year voluntary and contractual terminations divided by amount in force at prior year end plus amount written during prior year.

***Death benefits incurred less reserves released divided by tabular cost. (Individual policies)

****Claims incurred to premiums earned.

Summary of Operations

Premium income	11	11	25,386,763	22,780,829	20,732,167	18,880,984	17,483,114
Investment income	16	16	7,063,825	6,071,050	5,339,588	4,625,098	4,043,612
Insurance benefits and reserves	10	11	19,473,781	17,472,526	15,589,567	14,584,393	14,052,575
Operating expenses, taxes and commissions	13	10	4,244,256	3,861,557	3,559,837	3,070,710	2,571,249
Income before income taxes and realized							
Investment gains	16	16	8,953,952	7,731,532	7,069,670	5,908,569	5,019,337
Provision for Federal income taxes	16	26	2,296,263	1,827,448	1,821,701	1,525,743	1,288,693
Income before realized investment gains ..	16	13	6,657,689	5,904,084	5,247,969	4,382,826	3,730,644
Investment gains or (losses) net of							
income tax	—	—	227	71,063	7,354	53,849	4,994
Net income (1)	16	11	6,657,916	5,975,147	5,255,323	4,436,675	3,735,638

Per share of Capital Stock (2)

Income before realized investment gains							
or losses			1.49	1.32	1.17	.98	.84
Net income			1.49	1.34	1.17	.99	.84
Cash dividend per share .....			.24	.20	.17	.16	.15
Stock distribution			—	50	—	3	—
Average shares outstanding			4,476,088	4,472,507	4,467,910	4,462,584	4,454,766

(1) Net income excludes unrealized gains or (losses) on marketable equity securities of \$4,936,819 in 1975, (\$5,730,244) in 1974, (\$2,793,253) in 1973, \$1,232,489 in 1972 and \$630,155 in 1971. (See Note 1 to the financial statements)

(2) Per share data is based on the weighted average shares outstanding during each year adjusted for stock dividends and stock distributions, and excluding stock options which have a dilutive effect of less than 3%. Cash dividends per share are based on the shares outstanding at the date paid, adjusted for the aforementioned stock dividends and stock distributions. Percent stock dividends and stock distributions are as actually declared.

MANAGEMENTS' DISCUSSION AND ANALYSIS OF THE SUMMARY OF OPERATIONS

The following discussion is presented relating to items in the preceding Summary of Operations which reflect a change of more than 10% between the years 1973 and 1974 or the years 1974 and 1975.

The increases in premium income of \$2,605,934 or 11% in 1975 and \$2,048,662 or 10% in 1974 are consistent with our growth rate during the past few years. These increases reflect the constantly increasing production of new business coupled with continuing good persistency of existing business.

The increases in investment income, net of investment expenses, of \$992,775 or 16% in 1975 and \$731,462 or 14% in 1974 are consistent with our growth rate in recent years. The compound growth of investment income during the past five years is 16% compared to a growth rate in assets of 13%. The higher growth rate in investment income reflects the higher investment yields generally available during the past few years. Investment income should continue to parallel the growth in assets with variances resulting from changes in prevailing investment yield levels.

The increases in insurance benefits and reserves of \$2,001,255 or 11% in 1975 and \$1,883,959 or 12% in 1974 reflect the continuing growth of our life and sickness and accident insurance in force as well as the year to year changes in our mortality and morbidity ratios. These increases are consistent with the growth rate of our insurance in force. The Operating Data on the preceding page includes statistical information regarding life insurance in force, individual life mortality ratios and sickness and accident claims ratios.

The operating expenses, taxes and commissions in the Summary of Operations are net of deferred acquisition costs. Those costs which generally vary with and are primarily related to the production of new business, such as commissions, direct mail solicitation and certain underwriting and policy issue expenses, are deferred and charged to each year's operations in proportion to the receipt of premium revenue. The increases in operating expenses, taxes and commissions of \$382,699 or 10% in 1975 and \$301,720 or 8% in 1974 are less than the growth rates of total revenue and insurance in force and would indicate continued satisfactory operating expense control.

As of December 31, 1975 GELICO had experienced a cumulative unrealized loss of \$4,376,156 in its portfolio of marketable equity securities compared to \$9,312,975 at the end of 1974. The nature of the life insurance business makes it extremely unlikely that the Company will find it necessary to realize any of these unrealized losses.

Reflecting the general improvement in the market prices for common and preferred stocks for the period January 1, 1976 through February 23, 1976, GELICO experienced an unrealized gain of approximately \$2,900,000 in its portfolio of marketable equity securities. On February 23, 1976 the cumulative unrealized loss on GELICO's portfolio of marketable equity securities was approximately \$1,500,000.

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY OF NEW YORK

Government Employees Life Insurance Company Of New York commenced operations in 1965 with capital and surplus of \$1,000,000 consisting of 5,000 shares of capital stock with a par value of \$100 per share and paid-in surplus of \$500,000. All of the capital stock is owned by Government Employees Life Insurance Company. Financial data relating to Government Employees Life Insurance Company Of New York are consolidated with those of the parent Company in this Annual Report. However, specific information describing the record of GELICONY in 1975 follows.

During 1975 Government Employees Life Insurance Company Of New York continued its record of growth and progress.

Sales of individual life insurance in 1975 totaled \$42,983,795 compared with \$34,430,533 in 1974, an increase of 25%.

Life insurance in force at December 31, 1975 totaled \$197,609,626, an increase of \$31,403,389 or 19% for the year. Life insurance in force consisted of \$160,069,340 individual life insurance and \$37,540,286 group insurance.

Premium income for the year totaled \$2,671,259, an increase of 19%. Life insurance premiums increased from \$1,971,516 to \$2,395,901 and sickness and accident premiums from \$266,375 to \$275,358.

Net investment income for the year totaled \$461,702, an increase of 35%.

New investments in the amount of \$603,078 in U. S. Government Bonds and \$1,154,800 in corporate bonds were made during the year. The composite yield on new investments made in 1975 was 8.89%.

The Company's investment portfolio based on statutory evaluation of bonds at amortized value and preferred stocks at cost totaled \$7,073,262 on December 31, 1975 and was producing an average yield of 8.23% compared with 7.99% at the end of the prior year.

Payments to policyholders and beneficiaries in 1975 amounted to \$583,479 compared with \$539,461 for the prior year.

Net income for 1975 totaled \$695,128 compared with \$542,079 for 1974, an increase of 28%.

CONSOLIDATED BALANCE SHEET

December 31, 1975 and 1974

ASSETS:	1975	1974
Bonds—at amortized cost:		
United States Government (market: 1975—\$11,969,000; 1974—\$9,206,500)	\$ 12,192,319	\$ 9,651,689
Corporate (market: 1975—\$40,677,868; 1974—\$30,474,320)	45,414,709	36,253,351
Total bonds	<u>57,607,028</u>	<u>45,905,040</u>
Stocks:		
Preferred with sinking fund provisions—at cost (market: 1975—\$2,526,620; 1974—\$1,624,958)	2,548,660	1,893,942
Marketable equity securities: (Note 1)		
Preferred—at cost (market: 1975—\$9,093,813; 1974—\$8,022,523) . . .	13,944,487	13,924,683
Common—at cost (market: 1975—\$16,735,531; 1974—\$11,515,225) .	16,261,012	14,926,040
Adjustment to reduce value to lower of aggregate cost or market . . .	(4,376,156)	—
Total stocks	<u>28,378,003</u>	<u>30,744,665</u>
Mortgage loans	18,047,677	18,672,848
Policy loans	6,629,752	6,108,295
Cash	916,019	3,082,747
Deferred policy acquisition costs (Note 1)	14,567,869	12,338,697
Investment income due or accrued	1,637,289	1,374,775
Separate account	5,534,779	3,179,822
Other assets	2,552,092	2,111,306
Total assets	<u>\$135,870,508</u>	<u>\$123,518,195</u>
LIABILITIES:		
Reserve for life policies and annuity contracts (Note 3)	\$ 85,983,100	\$ 77,145,224
Reserve for life claims	1,081,698	1,002,578
Reserve for sickness and accident policies	409,633	371,395
Reserve for sickness and accident claims	462,931	353,764
Federal income taxes: (Note 4)		
Current	174,081	17,947
Deferred	4,066,277	3,349,703
Commissions, expenses and other taxes due or accrued	508,618	432,769
Separate account	5,534,779	3,179,822
Other liabilities	1,327,563	2,589,181
Total liabilities	<u>99,548,680</u>	<u>88,442,383</u>
SHAREHOLDERS' EQUITY:		
Capital Stock, \$1.50 par value, authorized 8,000,000 shares, issued and outstanding: 1975—4,477,366; 1974—4,474,452	6,716,049	6,711,678
Paid-in surplus (Note 2)	64,146	29,693
Unrealized losses on marketable equity securities (Note 1)	(4,376,156)	—
Retained earnings: (Notes 2 & 4)		
Special group contingency reserve	618,548	551,499
Unappropriated, including: 1975—\$13,249,971 and 1974— \$16,701,079 in excess of statutory unassigned surplus	33,299,241	27,782,942
Total shareholders' equity	<u>36,321,828</u>	<u>35,075,812</u>
Total liabilities and shareholders' equity	<u>\$135,870,508</u>	<u>\$123,518,195</u>

See Notes to Consolidated Financial Statements

STATEMENT OF CONSOLIDATED INCOME

Years Ending December 31, 1975 and 1974

INCOME:	1975	1974
Premiums — Life, annuity and supplementary contracts	\$22,522,340	\$20,319,047
Sickness and accident	2,864,423	2,461,782
Investment income, net of expenses: 1975 — \$366,374; 1974 — \$322,162	7,063,825	6,071,050
Other income	221,401	213,736
Total income	32,671,989	29,065,615
BENEFITS AND EXPENSES:		
Benefits to policyholders and beneficiaries:		
Life and annuity	7,668,117	7,419,665
Sickness and accident	2,346,856	2,041,876
Increase in policy and other reserves	9,458,808	8,010,985
Commissions	2,104,758	1,828,017
Taxes, licenses and fees	684,886	610,177
General administrative and operating expenses	3,683,784	3,115,088
Increase in deferred policy acquisition costs (deduction) (Note 1) ...	(2,229,172)	(1,691,725)
Total benefits and expenses	23,718,037	21,334,083
Income before income taxes and realized investment gains or losses .	8,953,952	7,731,532
Provision for Federal income taxes:(Note 4)		
Current	1,579,689	1,327,448
Deferred	716,574	500,000
	2,296,263	1,827,448
Income before realized investment gains or losses	6,657,689	5,904,084
Realized gains on sale of investments net of related income taxes: 1975 — \$3,445; 1974 — \$27,000 (Exclusive of unrealized gains or (losses) on common and certain preferred stock of \$4,936,819 in 1975 and (\$5,730,244) in 1974)(Note 1)	227	71,063
Net income	\$ 6,657,916	\$ 5,975,147
Per share: (Note 6)		
Income before realized investment gains or losses	\$ 1.49	\$ 1.32
Realized gains on sale of investments	—	.02
Net income	\$ 1.49	\$ 1.34
Average shares outstanding	4,476,088	4,472,507

See Notes to Consolidated Financial Statements

STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY

Two Years Ended December 31, 1975

	Capital Stock	Paid-in Surplus	Unrealized Loss on Marketable Equity Securities	Retained Earnings	
				Appro- priated	Unappro- priated
Balance at January 1, 1974	\$4,470,350	\$596,937	\$ —	\$492,056	\$24,360,074
50% stock distribution — 1,490,757 shares ..	2,236,136	(638,113)	—	—	(1,598,023)
Net income	—	—	—	—	5,975,147
Cash dividends — \$0.20 per share	—	—	—	—	(894,813)
Sale of Capital Stock upon exercise of stock options — 3,462 shares	5,192	70,869	—	—	—
Increase in group contingency reserve	—	—	—	59,443	(59,443)
Balance at December 31, 1974	<u>6,711,678</u>	<u>29,693</u>	<u>—</u>	<u>551,499</u>	<u>27,782,942</u>
Net income	—	—	—	—	6,657,916
Cash dividends — \$0.24 per share	—	—	—	—	(1,074,568)
Equity securities valuation reserve	—	—	(4,376,156)	—	—
Sale of Capital Stock upon exercise of stock options — 2,914 shares	4,371	34,453	—	—	—
Increase in group contingency reserve	—	—	—	67,049	(67,049)
Balance at December 31, 1975	<u><u>\$6,716,049</u></u>	<u><u>\$ 64,146</u></u>	<u><u>(\$4,376,156)</u></u>	<u><u>\$618,548</u></u>	<u><u>\$33,299,241</u></u>

See Notes to Consolidated Financial Statements

STATEMENT OF CONSOLIDATED CHANGES IN FINANCIAL POSITION

Years Ending December 31, 1975 and 1974

SOURCE OF FUNDS:	1975	1974
From Operations:		
Net income	\$ 6,657,916	\$ 5,975,147
Income statement items not requiring use of cash:		
Increase in policy reserves	8,876,114	7,477,255
Increase (decrease) in claim liabilities	188,287	(98,437)
Increase (decrease) in other liabilities	(1,029,635)	1,082,467
Increase in deferred policy acquisition costs	(2,229,172)	(1,691,725)
Increase in accrued investment income	(262,514)	(197,958)
Increase in other assets	(439,679)	(192,163)
Provision for:		
Depreciation and loss on agents balances	55,079	57,681
Deferred Federal income taxes	716,574	500,000
Total provided from operations	12,532,970	12,912,267
Proceeds from exercise of stock options and sale of fractional shares	38,824	76,061
Decrease in mortgage loans — net	625,171	—
	13,196,965	12,988,328
 APPLICATION OF FUNDS:		
Cash dividends to shareholders	1,074,568	894,813
Purchase of bonds and stocks (1975 — \$17,209,532; 1974 — \$11,197,740), net of sales	13,711,482	8,101,212
Increase in policy loans	521,457	807,367
Increase in mortgage loans — net	—	979,017
Other assets — net	56,186	172,342
	15,363,693	10,954,751
Increase (decrease) in cash	(2,166,728)	2,033,577
Cash at beginning of year	3,082,747	1,049,170
Cash at end of year	\$ 916,019	\$ 3,082,747

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1975

NOTE 1 — Significant Accounting Policies

CONSOLIDATION

The financial statements include the accounts of Government Employees Life Insurance Company (GELICO) and its wholly-owned subsidiary, Government Employees Life Insurance Company Of New York (GELICONY). Intercompany accounts and transactions have been eliminated.

MARKETABLE EQUITY SECURITIES

Marketable equity securities (preferred stocks without sinking fund provisions and common stocks) are carried at the lower of aggregate cost or market at December 31, 1975 as required by Statement of Financial Accounting Standards No. 12 issued in 1975, whereas these securities were permitted to be carried at cost at December 31, 1974. To reduce the carrying amount of these securities to market, in 1975, a valuation adjustment was made by a charge to shareholders' equity for the net unrealized loss of \$4,376,156. This net unrealized loss consists of gross unrealized gains of \$474,519 and gross unrealized losses of \$4,850,675.

DEFERRED ACQUISITION COSTS

Those costs which generally vary with and are primarily related to the production of new business, principally commissions, direct mail solicitation and related expenses, and certain policy underwriting and issue costs, have been deferred. These costs are being amortized through the use of factors over the lesser of 35 years or the premium paying period of the related policies in a manner which charges each year's operations with costs in proportion to the receipt of premium revenue. The factors were developed using the same assumptions as to interest, mortality and withdrawals as were used in computing the liability for future policy benefits.

Acquisition costs deferred in the years 1975 and 1974 were \$3,383,900 and \$2,815,805 respectively. Amortization of acquisition costs charged to income for 1975 and 1974 was \$1,154,728 and \$1,124,080 respectively.

RESERVE FOR LIFE POLICIES

The reserve liability for individual life policies has been computed by the net level premium method based upon assumptions regarding investment yield, mortality and withdrawals, including provisions for unfavorable deviations from such assumptions. Reserves for life policies are graded to cash values over 35 years. Independent consulting actuaries have reviewed and tested the actuarial assumptions and concepts utilized by the Company in the preparation of its financial statements.

RECOGNITION OF PREMIUM REVENUES AND COSTS

For individual life and annuity contracts, premiums are recognized as revenues over the premium paying period. Benefits and expenses are associated with earned premiums so as to result in recognition of profits over the premium paying period of the policies. This association is accomplished by means of the provision for reserves on life policies and the amortization of policy acquisition costs. Provision has been made for maintenance expenses on limited pay policies.

Gross premiums are recognized over the contract terms of credit life policies (rule of 78) and accident and health policies (pro rata) with the unearned premiums included in policy liabilities. Experience refunds on group contracts are charged to premium income.

Claim liabilities include provisions for claims in course of settlement and claims incurred but not reported.

NOTE 2 — Basis of Financial Reporting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

The more significant generally accepted accounting principles employed herein that differ from the statutory accounting practices prescribed or permitted by regulatory authorities (which are primarily designed to demonstrate solvency) are as follows:

- (a) acquisition costs of obtaining new business are deferred and amortized over the premium paying period of the policies rather than charged to operations as incurred;
- (b) the reserve liability for life policies is based on realistic estimates of mortality, interest and withdrawals with provision for unfavorable deviations from such assumptions rather than on statutory mortality and interest requirements without consideration of withdrawals;
- (c) investments in marketable equity securities are reported at the lower of aggregate cost or market rather than at cost for preferred stocks and market for common stocks;
- (d) deferred income taxes are provided for significant timing differences between pre-tax accounting income and taxable income;
- (e) stock distributions are charged at par value to paid-in surplus, to the extent available, and then to retained earnings rather than charged entirely to retained earnings; stock dividends are charged to retained earnings at market value rather than par value, with the excess of market value over par value credited to paid-in surplus;

- (f) the mandatory securities valuation reserve is reported as part of retained earnings rather than as a liability;
- (g) certain assets, principally furniture, equipment and agents' debit balances, are reported as as-

- sets rather than charged directly to surplus and excluded from the balance sheet; and
- (h) realized investment gains or losses are recognized in net income rather than directly in shareholders' equity.

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

	Net Income		Shareholders' Equity	
	1975	1974	1975	1974
Statutory reporting practices	\$4,902,316	\$3,399,638	\$23,709,970	\$19,012,846
Deferred policy acquisition costs	2,229,172	1,691,725	14,567,869	12,338,697
Life policy reserves	242,775	1,312,721	2,971,848	2,729,073
Deferred Federal income taxes	(716,574)	(500,000)	(4,066,277)	(3,349,703)
Mandatory securities valuation reserve	—	—	3,598,898	617,418
Gains on sale of investments	227	71,063	—	—
Investments at cost	—	—	—	3,410,814
Investments at lower of cost or market ...	—	—	(4,850,675)	—
Non-admitted assets	—	—	390,195	316,667
As reported in the accompanying financial statements	<u>\$6,657,916</u>	<u>\$5,975,147</u>	<u>\$36,321,828</u>	<u>\$35,075,812</u>

The net income in accordance with statutory reporting practices shown above includes for 1975 and 1974 respectively, \$4,455,388 and \$3,205,970 for GELICO and \$446,927 and \$193,668 for GELICONY.

NOTE 3 — Reserve for Life Policies and Annuity Contracts

The reserve liability for life policies and annuity contracts as of December 31, 1975 and 1974 consists of the following:

	1975	1974
Life Policies:		
Individual	\$76,402,735	\$67,899,667
Group	1,407,716	1,279,734
Annuities:		
Individual	525,619	527,997
Group	7,647,030	7,437,826
	<u>\$85,983,100</u>	<u>\$77,145,224</u>

Effective January 1, 1975, GELICO changed the assumptions used in developing deferred policy acquisition costs and the reserve for life policies for 1975 business issued. The changes reflect more recent interest, withdrawal and expense experience of the Company. The net effect of these changes on 1975 net income was not material.

The variances between statutory and generally accepted accounting principles were not considered significant for policies issued prior to 1958.

The significant assumptions used by the Company in calculating life insurance policy reserves in accordance with generally accepted accounting principles are as follows:

Years of Issue	Investment Yield	Mortality	Withdrawals	
			Permanent	Term
1975	6% graded to 4¾% after 20 years	1954 select & ultimate	Linton BA	Linton BA
1969-1974	5½% graded to 4½% after 20 years	1954 select & ultimate	Linton A	150% Linton A
1958-1968	3½% graded to 3¼% after 10 years	1954 select & ultimate	Linton A	150% Linton A
1949-1957 Statutory	3%, 2¾%	1941 CSO		

Generally, it is GELICO's practice to reinsure that portion of all life insurance policies whose face amount less the accumulated policy reserve exceeds \$50,000, through purchase of yearly renewable term insurance. At December 31, 1975, approximately 3% of life insurance in force was reinsured.

NOTE 4 — Federal Income Taxes

Deferred Federal income taxes arise from the recognition of certain expenses, principally policy acquisition costs and future policy benefits and expenses, in different periods for financial reporting purposes than for income tax purposes.

Deferred taxes have been provided on the timing differences which have occurred each year since the enactment of the Life Insurance Company Income Tax Act of 1959 (the Act). The amount of tax provided was

based upon calculations of income tax expense with and without such timing differences, using the net-change method.

A reconciliation of the effective tax rate in the consolidated statements of income and the prevailing Federal income tax rate (48%) follows:

	Year Ending December 31	
	1975	1974
Income tax at 48% of GAAP pre-tax income (\$8,953,952—1975; \$7,731,532—1974)	\$4,297,896	\$3,711,135
Tax effect of:		
Income not presently subject to taxation under Federal income tax regulations—GAAP basis	(1,130,471)	(979,355)
Special deductions—GAAP basis ..	(479,269)	(455,625)
Dividends received deduction	(425,191)	(360,932)
Other items	33,298	(87,775)
Provision for Federal income taxes	<u>\$2,296,263</u>	<u>\$1,827,448</u>

Under the Act, a portion of statutory "gain from operations" is not subject to current income taxation but is accumulated for tax purposes as "policyholders' surplus." Annual accumulations for the years 1975 and 1974 were approximately \$2,000,000 and \$1,926,000 and the aggregate accumulation at December 31, 1975 was approximately \$16,500,000 upon which no deferred taxes have been provided. The foregoing amounts are based upon the Companies' Federal income tax returns. Should the accumulation in the policyholders' surplus account exceed a prescribed maximum or be distributed to shareholders, such excess or distribution would become subject to Federal income taxes at rates then effective. The Company contemplates no action and can foresee no events which would result in a tax on these amounts.

NOTE 5 — Employee Pension Plan

GELICO administers a pension plan for itself and the other Government Employees Companies. The assets and liabilities of the plan are included in the accompanying balance sheet. GELICO's total pension expense, which includes amortization of prior service cost over 30 years, amounted to \$80,700 in 1975 and \$70,200 in 1974. The Company's policy is to fund pension costs accrued. The actuarially computed value of vested benefits at December 31, 1974 (the latest valuation date) exceeded the value of the fund assets by approximately \$270,000.

In accordance with the provisions of the Employee Retirement Income Security Act of 1974, the Board of Directors adopted certain revisions to the pension plan to be effective January 1, 1976. Based on a recalculation of 1975 pension costs to give effect to the foregoing revisions, it is management's opinion that the resulting increase in funding and annual costs will not be significant.

NOTE 6 — Earnings Per Share

Earnings per share are based upon the weighted average shares outstanding during each year adjusted for stock dividends and stock distributions and exclude shares reserved for stock options which have a dilutive effect of less than 3%. Average outstanding shares, adjusted as described, were 4,476,088 in 1975 and 4,472,507 in 1974.

NOTE 7 — Stock Options

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 ten years thereafter (five years in the case of qualified options).

Options are also outstanding under a 1963 stock option plan which has terminated as to granting further options. These options expire at various dates through 1977. Option information has been restated to give effect to stock dividends and distributions.

	Shares Available for Grant	Options Granted	
		Per Share at Date of Grant	Number of Shares
January 1, 1974	79,726	\$13.07 to \$41.87	22,754
Granted	(3,707)	23.63	3,707
Exercised		14.03 to 27.02	(4,127)
Terminated	287		(2,401)
Balance at December 31, 1974	76,306	13.07 to 41.87	19,933
Granted	(2,149)	28.75	2,149
Exercised		13.07 to 14.03	(2,914)
Balance at December 31, 1975	<u>74,157</u>	13.07 to 41.87	<u>19,168</u>

A total of 93,325 shares have been reserved for stock options.

NOTE 8 — Related Parties

GELICO is one of the Government Employees Companies, four separate capital stock companies engaged in the casualty, fire and life insurance and consumer finance businesses. The other companies comprising the group are Government Employees Insurance Company (GEICO), Government Employees Financial Corporation, and Criterion Insurance Company. A majority of the members of GELICO's Board of Directors are also directors of the other three Companies. GELICO engages in various transactions with the other Companies, including leasing of its office space, on terms as favorable as could have been obtained from other sources. As was indicated in GELICO's original rights offering to the shareholders of GEICO, one source of GELICO's life insurance business would be the clientele of GEICO and the latter continues to maintain several mailing lists, including its list of policyholders, which are available without charge to GELICO.

ERNST & ERNST

1225 CONNECTICUT AVE., N. W.
WASHINGTON, D. C. 20036

To the Shareholders
Government Employees Life Insurance Company

We have examined the consolidated balance sheet of Government Employees Life Insurance Company and subsidiary as of December 31, 1975, and December 31, 1974, 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 Life Insurance Company and subsidiary at December 31, 1975, and December 31, 1974, 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.

Ernst & Ernst

Washington, D. C.
February 20, 1976

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

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Member of Executive and Investment
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NORMAN L. GIDDEN
LEO GOODWIN, JR.
THOMAS R. HEFNER
WILLIAM K. JACOBS, JR.

AUDIT COMMITTEE

WILLIAM K. JACOBS, JR., Chairman
JOHN M. CHRISTIE
PAUL J. HANNA

INVESTMENT COMMITTEE

LORIMER A. DAVIDSON, Chairman
JOHN M. CHRISTIE
SHELBY CULLOM DAVIS
GEORGE E. FRIES
NORMAN L. GIDDEN
THOMAS R. HEFNER
DAVID LLOYD KREEGER

OFFICERS

NORMAN L. GIDDEN, Chairman of the Board and Chief Executive Officer, Government Employees
Companies
THOMAS R. HEFNER, President and Chief Operating Officer
JOHN M. MAPHIS, Senior Vice President, Marketing
DONALD L. FISHER, Senior Vice President and Actuary
BRUCE K. BRIDGMAN, Vice President, Products and Compliance
DONALD H. WILLIAMS, Vice President, Underwriting
RALPH C. PECK, Vice President; President, Government Employees Insurance Company
GEORGE F. LEWIN, Vice President; President, Criterion Insurance Company
ERNEST L. MARKS, Vice President; President, Government Employees Financial Corporation
KARL F. SENNEWALD, Treasurer
JOHN M. O'CONNOR, Secretary, Government Employees Companies
ERNEST M. LUCAS, Legislative Counsel; Vice President and Legislative Council, Government
Employees Insurance Company
DONALD K. SMITH, General Counsel; Vice President and General Counsel, Government
Employees Insurance Company
ROBERT O. JENNINGS, JR., Assistant Vice President
CHARLES L. JENNINGS, Assistant Treasurer
RALF G. PEUCKER, Assistant Secretary
ELAINE W. MURPHY, M.D., Medical Director

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY OF NEW YORK

BOARD OF DIRECTORS

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

HERMAN C. BIEGEL
Partner, Lee, Toomey and Kent, Attorneys,
Washington, D. C.

SAMUEL C. BUTLER
Partner, Cravath, Swaine & Moore, Attorneys,
New York, New York

RICHARD W. GALIHER
Senior Partner, Galiher, Clarke, Martell and
Donnelly, Attorneys, Washington, D. C.

OFFICERS

NORMAN L. GIDDEN, Chairman of the Board
and Chief Executive Officer

THOMAS R. HEFNER, President and Chief
Operating Officer

JOHN M. MAPHIS, Senior Vice President,
Marketing

DONALD L. FISHER, Vice President and
Actuary

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

THOMAS R. HEFNER
President, Chief Operating Officer

WILLIAM K. JACOBS, JR.
Private Financial Consultant

VINCENT H. MALONEY
Partner, Lee, Toomey and Kent, Attorneys,
New York, New York

SIDNEY F. MILBOURNE
Director of Customer Relations, Northeastern
Region, Government Employees Insurance
Company, Woodbury, New York

BRUCE K. BRIDGMAN, Vice President, Products
and Compliance

DONALD H. WILLIAMS, Vice President,
Underwriting

ROBERT S. THISTLE, Vice President

KARL F. SENNEWALD, Treasurer

JOHN M. O'CONNOR, Secretary

HOWARD A. NEWMAN
Chairman of the Board and President, Western
Pacific Industries, Inc., a management and
holding company, San Francisco, California

RAWLINGS RAGLAND
Attorney, Washington, D. C.

JAMES E. REAGAN
Regional Vice President, Government
Employees Insurance Company, Woodbury,
New York

CHARLES R. WALKER
Vice President and Treasurer, H. L. Rust
Company, Washington, D. C.

ERNEST M. LUCAS, Legislative Counsel

DONALD K. SMITH, General Counsel

ROBERT O. JENNINGS, JR., Assistant Vice
President

CHARLES L. JENNINGS, Assistant Treasurer

RALF G. PEUCKER, Assistant Secretary

RICHARD E. WINTER, M.D., Medical Director

ANNUAL STATEMENT

OF THE

**GOVERNMENT EMPLOYEES
LIFE INSURANCE COMPANY**

WASHINGTON, D. C.

TO THE

Insurance Department

OF THE

STATE OF

FOR THE YEAR ENDED
DECEMBER 31, 1975

1975

ANNUAL STATEMENT

For the Year Ended December 31, 1975
OF THE CONDITION AND AFFAIRS OF THE

GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

NAIC Group Code 081 NAIC Company Code 63940

Organized under the Laws of the District of Columbia, made to the

INSURANCE DEPARTMENT OF THE STATE OF

PURSUANT TO THE LAWS THEREOF

Incorporated April 28, 1949 Commenced Business November 8, 1949

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 301 986-2200
(Area Code) (Telephone Number)

OFFICERS**

President Thomas R. Hefner 235-24-7011

Secretary John M. O'Connor 175-26-1256

Treasurer Karl F. Sennevald 577-44-5725

Actuary Donald L. Fisher 015-20-4725

Vice-Presidents

Bruce K. Bridgman 579-28-6283

Donald L. Fisher 015-20-4725

George F. Lewin 022-16-1869

John H. Maphis 222-18-1076

Ernest L. Marks 234-32-4555

Ralph C. Peck 152-05-8332

Donald H. Williams 200-16-7430

DIRECTORS OR TRUSTEES**

<u>Thomas E. Bolger</u> <u>472-20-1164</u>	<u>George E. Fries</u> <u>387-07-9938</u>	<u>Thomas R. Hefner</u> <u>235-24-7011</u>
<u>Samuel C. Butler</u> <u>723-18-4332</u>	<u>Norman L. Gidden, Chmn.</u> <u>125-12-9066</u>	<u>William K. Jacobs, Jr.</u> <u>286-24-1016</u>
<u>John M. Christie</u> <u>577-22-1927</u>	<u>Leo Goodwin, Jr.</u> <u>579-01-1900</u>	<u>David Lloyd Kreeger</u> <u>577-50-4844</u>
<u>Lorimer A. Davidson</u> <u>212-28-6179</u>	<u>Paul J. Hanna</u> <u>167-07-7148</u>	<u>Howard A. Newman</u> <u>096-16-7538</u>
<u>Shelby Cullom Davis</u> <u>184-01-2831</u>		<u>Melvin M. Payne</u> <u>579-48-8323</u>

State of Maryland
County of Montgomery }SS

T. R. Hefner, President, J. M. O'Connor, Secretary, K. F. Sennevald, Treasurer*
of the Government Employees Life 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.

President

Secretary

Treasurer*

Actuary**

Subscribed and sworn to before me this

day of _____, 1975

*Or corresponding persons having charge of the accounts and finances of the insurer
**Show name and social security number

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

Except for items 25A and 26, the figures on this page do not include Separate Account items, if any

ASSETS	1 Current Year	2 Previous Year
1 Bonds (Schedule D)	51,140,309	41,094,201
2 Stocks (Schedule D)		
2.1 Preferred stocks	15,886,604	15,212,081
2.2 Common stocks	18,803,750	13,154,259
3 Mortgage loans on real estate (Schedule B)	18,047,676	18,672,847
4 Real estate (Schedule A)		
4.1 Properties occupied by the company (less \$ encumbrances)		
4.2 Properties acquired in satisfaction of debt (less \$ encumbrances)		
4.3 Investment real estate (less \$ encumbrances)		
5 Policy loans	6,514,454	6,037,083
6 Premium notes		
7 Collateral loans (Schedule C)		
8 Cash on hand and on deposit (Exhibit 13)	656,174	2,312,177
9		
10 Other invested assets (Schedule BA)		
10A Subtotals, cash and invested assets, sum of Items 1 to 10 inclusive	111,048,969	96,482,650
11 Reinsurance ceded		
11.1 Amounts recoverable from reinsurers (Schedule S)	12,465	18,549
11.2 Commissions and expense allowances due		
11.3 Experience rating and other refunds due	53,953	
11.4		
12 Federal Employees Group Life Insurance Conversion Pool Fund	516,453	477,005
13 Due from subsidiary	12,800	3,497
14 Data processing equipment	70,790	101,129
15 Amounts recoverable from Federal Employees Group Life Insurance Conversion Pool Fund		18,680
16 Accounts receivable	116,292	223,303
17 Life insurance premiums and annuity considerations deferred and uncollected	5,761,446	5,104,325
18 Accident and health premiums due and unpaid	109,414	65,011
19 Investment income due and accrued	1,468,243	1,257,979
20 Net adjustment in assets and liabilities due to foreign exchange rates		
21 Federal income tax recoverable		30,000
22		
23 (Mortgage Escrow Funds - Current Year \$297,157, Previous Year \$327,405)		
24		
25		
25A Separate Account Business (see Separate Account Statement)	5,534,778	3,179,821
26 Totals	124,705,607	106,961,954

NOTE: The items on this page to agree with Exhibit 13, Col. 4 State basis of valuation.

Bonds - Amortized

Common Stock of Subsidiary - Net Worth

Preferred Stocks - Cost

Mortgage Loans - Amortized

Common Stocks - Market

Failure of items to add to the total is due to dropping of amounts less than one dollar.

Except for Items 25A, 26, 29A, 29C, 30 and 31, the figures on this page do not include Separate Account items, if any.

LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Year	2 Previous Year
1. Aggregate reserve for life policies and contracts (Exhibit 8) \$ 68,013,660 less \$ -0- included in Item 73	88,013,660	79,732,028
2. Aggregate reserve for accident and health policies (Exhibit 9)	355,577	332,332
3. Supplementary contracts without life contingencies (Exhibit 10, Col. 5)	291,279	289,293
4. Policy and contract claims (Exhibit 11, Part 1):		
4.1 Life	1,030,192	914,455
4.2 Accident and health	408,595	326,032
5. Policyholders' dividend and coupon* accumulations (Exhibit 10, Col. 6 plus Col. 7)		
6. Policyholders' dividends \$ and coupons* \$ due and unpaid		
7. Provision for policyholders' dividends and coupons* payable in following calendar year—estimated amounts:		
7.1 Dividends apportioned for payment to 19		
7.2 Dividends not yet apportioned		
7.3 Coupons and similar benefits		
8. Amount provisionally held for deferred dividend policies not included in Item 7		
9. Premiums and annuity considerations received in advance less \$ 11,115 discount; including \$ 17,892 accident and health premiums	260,209	212,442
10. Liability for premium deposit funds		
11. Policy and contract liabilities not included elsewhere:		
11.1 Surrender values on cancelled policies		
11.2 Provision for experience rating refunds - Life	250,004	226,983
11.3 Other amounts payable on reinsurance assumed		
11.4 Accrued interest on policy or contract funds	8,530	439
12. Unpaid conversion costs		119
13. Commissions to agents due or accrued—life and annuity \$ 52,953 accident and health \$ 1,123	54,077	27,989
13A. Commissions and expense allowances payable on reinsurance assumed		
14. General expenses due or accrued (Exhibit 5, Line 12)	184,295	172,794
15. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 6, Line 9)	239,866	194,425
15A. Federal income taxes due or accrued, including \$ 1,026 on capital gains (excluding deferred taxes)	93,650	
16. "Cost of collection" on premiums and annuity considerations deferred and uncollected in excess of total loading thereon		
17. Unearned investment income (Exhibit 3, Col. 2)	1,389	2,851
18. Amounts withheld or retained by company as agent or trustee	9,449	8,421
19. Amounts held for agents' account, including \$ 196 agents' credit balances	196	111
20. Remittances and items not allocated	486,683	499,548
21. Net adjustment in assets and liabilities due to foreign exchange rates		
22. Liability for benefits for employees and agents if not included above		
23. Borrowed money \$ and interest thereon \$		
24. Dividends to stockholders declared and unpaid		
25. Miscellaneous liabilities (give items and amounts):		
25.1 Mandatory securities valuation reserve	3,574,069	605,025
25.2 Reinsurance in unauthorized companies		
25.3 Funds held under reinsurance treaties with unauthorized reinsurers		
25.4 Unreimbursed expenditures by a parent, affiliate or subsidiary company	4,812	538
25.5 Accounts payable	192,057	1,217,868
25.6 Reserve for checks written off and unclaimed funds	12,944	8,788
25.7		
25.8 Contingent mortgage commitment fees		5,240
25.9		
25A. Separate Account Business (see Separate Account Statement)	5,534,778	3,179,821
26. Total liabilities	101,006,319	87,957,552
27A. Capital paid up	6,716,049	6,711,678
27B.		
28. Gross paid in and contributed surplus	702,258	667,806
29A. Special surplus funds:		
(a) Reserve for mortality and expense contingency	607,866	543,054
(b)		
(c)		
29B. Unassigned funds (surplus)	15,673,114	11,081,863
29C. Surplus (total Items 27B, 28, 29A, and 29B)	16,983,239	12,292,723
30. Total of Items 27A and 29C	23,699,288	19,004,401
31. Totals	124,705,607	106,961,954

*Direct business only, excluding commissions receivable on reinsurance ceded and payable on reinsurance assumed.

**Include coupons, guaranteed annual pure endowment and similar benefits.

Failure of amounts to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

Except for items 32, 44, 49 and 50, the figures on this page do not include Separate Account items, if any

SUMMARY OF OPERATIONS (Excluding Capital Gains and Losses)		1 Current Year	2 Previous Year
1. Premiums and annuity considerations (Exhibit 1, Part 1)		22,654,041	20,442,812
2. Considerations for supplementary contracts with life contingencies		3,272	6,782
3. Considerations for supplementary contracts without life contingencies and dividend and coupon* accumulations		58,190	93,341
4. Net investment income (Exhibit 2)		6,602,123	5,727,970
5. Commissions and expense allowances on reinsurance ceded			
5A. Reserve adjustments on reinsurance ceded			
6. Other income		189,460	210,856
7. Totals		29,507,087	26,481,765
8. Death benefits		4,807,215	4,746,865
9. Matured endowments (excluding guaranteed annual pure endowments)		864,626	945,177
10. Annuity benefits		248,528	191,924
11. Disability benefits and benefits under accident and health policies		2,199,131	1,907,447
11A. Coupons, guaranteed annual pure endowments and similar benefits (Exhibit 7)			
12. Surrender benefits		1,254,812	1,004,284
13. Group conversions		3,783	5,795
14. Interest on policy or contract funds		34,969	33,542
15. Payments on supplementary contracts with life contingencies		3,779	3,822
16. Payments on supplementary contracts without life contingencies and of dividend and coupon* accumulations		63,814	65,431
17. Increase in aggregate reserves for life and accident and health policies and contracts		8,304,876	8,224,249
18. Increase in reserve for supplementary contracts without life contingencies and for dividend and coupon* accumulations		1,986	34,708
19. Increase in experience rating refund reserve - Life		23,020	(76,856)
20. Totals (Items 8 to 19)		17,810,545	17,086,393
21. Commissions on premiums and annuity considerations (direct business only)		1,837,393	1,611,166
21A. Commissions and expense allowances on reinsurance assumed			
22. General insurance expenses (Exhibit 5, Cols 1 and 2, Line 10)		3,210,924	2,742,805
23. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Cols 1 and 2, Line 7)		639,086	562,258
24. Increase in loading on and cost of collection in excess of loading on deferred and uncollected premiums		133,544	48,934
25.			
26. Totals (Items 20 to 25)		23,631,494	22,051,557
27. Net gain from operations before dividends to policyholders and federal income taxes (Item 7 minus Item 26)		5,875,593	4,430,207
28. Dividends to policyholders (Exhibit 7)			
29. Net gain from operations after dividends to policyholders and before federal income taxes (Item 27 minus Item 28)		5,875,593	4,430,207
30. Federal income taxes incurred (excluding tax on capital gains)		1,420,205	1,224,237
31. NET GAIN FROM OPERATIONS AFTER DIVIDENDS TO POLICYHOLDERS AND FEDERAL INCOME TAXES (excluding tax on capital gains) (Item 29 minus Item 30)		4,455,388	3,205,970
CAPITAL AND SURPLUS ACCOUNT			
32. Capital and surplus, December 31, previous year		19,004,401	18,596,292
33. Net gain (from Item 31)		4,455,388	3,205,970
34. Net capital gains (Exhibit 4, Line 10 2)		4,314,746	(2,923,035)
35. Change in non-admitted assets and related items (Exhibit 14, Col. 3, Line 40)		(70,461)	(27,367)
36. Change in liability for reinsurance in unauthorized companies, increase (-) or decrease (+)			
37. Change in reserve on account of change in valuation basis, increase (-) or decrease (+)			
38. Change in mandatory securities valuation reserve, increase (-) or decrease (+)		(2,969,043)	998,235
39. Settlement of prior years federal income tax			(26,942)
40.			
41.			
42.			
43.			
44. Change in surplus of Separate Account Business (see Separate Account Statement)			
45. Capital changes			
(a) Paid in		4,371	5,193
(b) Transferred from surplus (Stock Dividend)			2,236,135
(c) Transferred to surplus			
46. Surplus adjustments			
(a) Paid in		34,452	70,868
(b) Transferred to capital (Stock Dividend)			(2,236,135)
(c) Transferred from capital			
47. Dividends to stockholders		(1,074,567)	(894,813)
48.			
49. Net change in capital and surplus for the year		4,694,886	408,108
50. Capital and surplus, December 31, current year (Item 30, Page 3)		23,699,288	19,004,401

*Includes coupons, guaranteed annual pure endowments and similar benefits.

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS
(Gain and Loss Exhibit) (Excluding Capital Gains and Losses)

	1 Total	2 Industrial Life	Ordinary			6 Credit Life ^a (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 ^b Credit (Group and Individual)	11 Other
1 Premiums and annuity considerations (Exhibit 1, Part 1)	22,654,041		17,258,263	1,644	X X X	1,270,010	1,535,056		1,627,889	X X X	961,175
2 Considerations for supplementary contracts with life contingencies	3,272		X X X	X X X	3,272				X X X		X X X
3 Considerations for supplementary contracts without life contingencies and dividend and coupon ^c accumulations	58,190				58,190						
4 Net investment income (Exhibit 2)	6,602,123		5,804,402	15,561	24,949	106,076	17,330	579,150	27,332		27,319
5 Commissions and expense allowances on reinsurance ceded											
5A Reserve adjustments on reinsurance ceded											
6 Other income	189,460		169,114	1	6	179	18,250	122	689		1,097
7 Totals	29,507,087		23,231,780	17,207	86,418	1,376,266	1,570,637	579,272	1,655,911		989,592
8 Death benefits	4,807,215		2,699,834	X X X		769,075	1,338,305	X X X	X X X	X X X	X X X
9 Matured endowments (excluding guaranteed annual pure endowments)	864,626		864,626	X X X				X X X	X X X	X X X	X X X
10 Annuity benefits	248,528		X X X	14,043		X X X	X X X	234,484	X X X	X X X	X X X
11 Disability benefits and benefits under accident and health policies	2,199,131		62,032			72	5,567		1,523,521		607,937
11A Coupons, guaranteed annual pure endowments and similar benefits (Exhibit 7)											
12 Surrender benefits	1,254,812		1,254,812	X X X				X X X	X X X	X X X	X X X
13 Group conversions	3,783		(25,889)	X X X			29,672	X X X			
13A Transfers on account of group package policies and contracts	X X X	X X X	X X X	X X X	X X X						X X X
14 Interest on policy or contract funds	34,969		26,160	889	7,688		201	30			
15 Payments on supplementary contracts with life contingencies	3,779		X X X	X X X	2,925		854		X X X	X X X	X X X
16 Payments on supplementary contracts without life contingencies and of dividend and coupon ^c accumulations	63,814				63,814						
17 Increase in aggregate reserves for life and accident and health policies and contracts	8,304,876		7,995,686	(6,589)	2,225	25,349	55,333	209,628	23,445		(201)
18 Increase in reserve for supplementary contracts without life contingencies and for dividend and coupon ^c accumulations	1,986				1,986						
19 Increase in experience refund reserve - Life	23,020					859	22,161				
20 Totals (Items 8 to 19)	17,810,545		12,877,262	8,344	78,638	795,356	1,452,096	444,142	1,546,966		607,736
21 Commissions on premiums and annuity considerations (direct business only)	1,837,393		1,571,658			208,216	1,770		13		55,733
21A Commissions and expense allowances on reinsurance assumed											
22 General insurance expenses (Exhibit 5, Cols. 1 and 2, Line 10)	3,210,924		2,770,065	164	1,392	37,308	52,133	25,392	143,053		181,414
23 Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Cols. 1 and 2, Line 7)	639,086		495,087	13	149	35,330	41,053		42,137		25,314
24 Increase in loading on and cost of collection in excess of loading on deferred and uncollected premiums	133,544		133,544								
25											
26 Totals (Items 20 to 25)	23,631,494		17,847,618	8,522	80,180	1,076,211	1,547,053	469,534	1,732,172		870,199
27 Net gain from operations before dividends to policyholders and federal income taxes (Item 7 minus Item 26)	5,875,593		5,384,162	8,684	6,237	300,054	23,584	109,738	(76,260)		119,392
28 Dividends to policyholders (Exhibit 7)											
29 Net gain from operations after dividends to policyholders and before federal income taxes (Item 27 minus Item 28)	5,875,593		5,384,162	8,684	6,237	300,054	23,584	109,738	(76,260)		119,392
30 Federal income taxes incurred (excluding tax on capital gains)	1,420,205		1,301,476	2,130	1,562	72,573	5,681	26,416	(18,463)		28,850
31 Net gain from operations after dividends to policyholders and federal income taxes (excluding tax on capital gains) (Item 29 minus Item 30)	4,455,388	-0-	4,082,686	6,554	4,675	227,481	17,903	83,322	(57,797)	-0-	90,562

^aBusiness not exceeding 120 months duration
^bIncludes the following amounts for FEGLI/SGL: Line 1 1,146,434
^cIncludes coupons, guaranteed annual pure endowments and similar benefits.

Line 8 1,110,388 Line 13 3,783 Line 22 7,813 Line 23 21,436

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR
(Gain and Loss Exhibit)

	1 Total	2 Industrial Life	Ordinary			6 Credit Life ^a (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
1 Reserve Dec 31 of previous year	80,021,321		70,780,627	205,637	322,360	1,194,298	92,571	7,425,829
2 Tabular net premiums or considerations	17,134,511		14,677,059	1,591	3,272	952,508	1,500,081	
3 Considerations for supplementary contracts without life contingencies and dividend accumulations	58,191				58,191			
4 Present value of disability claims incurred	100,715		91,715		X X X		9,000	
5 Tabular interest	2,775,325		2,246,744	6,679	8,488	50,086	8,249	455,079
6 Tabular less actual reserve released	16,255	X X X	8,773	(816)	1,000	(983)	2,791	5,490
7 Increase in reserve on account of change in valuation basis								
8 Other increases (net)	(205,104)		(205,104)					
9 Totals (Items 1 to 8)	99,901,214		87,599,814	213,091	393,311	2,195,908	1,612,692	7,886,398
10 Tabular cost	7,645,373		5,210,817		X X X	976,190	1,458,366	
11 Reserves released by death	311,632		311,632	X X X	X X X			X X X
12 Reserves released by other terminations (net)	3,255,477		3,239,020					16,457
13 Annuity, supplementary contract, disability and accumulated dividend payments	383,793		62,032	14,043	66,740	72	6,422	234,484
14 Total deductions (Items 10 to 13)	11,596,275		8,823,501	14,043	66,740	976,262	1,464,788	250,941
15 Reserve Dec 31 of current year	88,304,939	-0-	78,776,313	199,048	326,571	1,219,646	147,904	7,635,457

^aBusiness not exceeding 120 months duration.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any.

EXHIBIT 1-PART 1-PREMIUMS AND ANNUITY CONSIDERATIONS

	1 Total	2 Industrial Life	Ordinary		5 Credit Life ^a (Group and Individual)	Group		Accident and Health			
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit ^a (Group and Individual)	10 Other	
FIRST YEAR (other than single)											
Current Year	1. Uncollected	67,995	62,765		1,415	198				3,615	1.
	2. Deferred	1,178,317	1,178,317								2.
	3. Deferred & uncollected:										3.
	a. Direct	1,255,181	1,249,951		1,415	198				3,615	a.
	b. Reinsurance assumed										b.
	c. Reinsurance ceded	8,867	8,867								c.
	d. Net (Line 1 + Line 2)	1,246,313	1,241,083		1,415	198				3,615	d.
	4. Advance	20,693	19,486							1,206	4.
	5. Line 3d - Line 4	1,225,620	1,221,597		1,415	198				2,408	5.
	6. Collected during year:										6.
	a. Direct	2,943,528	2,718,419		14,615	11,712		551		198,229	a.
	b. Reinsurance assumed										b.
	c. Reinsurance ceded	13,148	10,007			2,695		445			c.
	d. Net	2,930,379	2,708,411		14,615	9,016		106		198,229	d.
	7. Line 5 + Line 6d	4,155,999	3,930,009		16,031	9,215		106		200,638	7.
	8. Previous year (uncollected + deferred - advance)	1,010,918	994,369			14,153		(309)		2,705	8.
	9. First year premiums and considerations:										9.
	a. Direct	3,162,418	2,949,835		16,031	(2,243)		861		197,933	a.
b. Reinsurance assumed										b.	
c. Reinsurance ceded	17,337	14,196			2,695		445			c.	
d. Net (Line 7 - Line 8)	3,145,081	2,935,639		16,031	(4,938)		415		197,933	d.	
SINGLE											
10. Single premiums and considerations:											10.
a. Direct	1,215,651		127,168		1,088,483						a.
b. Reinsurance assumed											b.
c. Reinsurance ceded											c.
d. Net	1,215,651		127,168		1,088,483						d.
RENEWAL											
Current Year	11. Uncollected	416,593	227,695		722	82,376		96,416		9,382	11.
	12. Deferred	5,265,796	5,265,796								12.
	13. Deferred & uncollected:										13.
	a. Direct	5,647,307	5,528,965		722	11,918		96,317		9,382	a.
	b. Reinsurance assumed	70,825				70,726		98			b.
	c. Reinsurance ceded	35,742	35,473			268					c.
	d. Net (Line 11 + Line 12)	5,682,390	5,493,492		722	82,376		96,416		9,382	d.
	14. Advance	239,516	219,257			2,592		325		16,359	14.
	15. Line 13d - Line 14	5,442,873	5,274,234		(980)	79,784		96,090		(6,977)	15.
	16. Collected during year:										16.
	a. Direct	16,848,676	13,821,460	701	170,739	538,731		1,549,530		767,513	a.
	b. Reinsurance assumed	1,135,745				1,090,802		44,942			b.
	c. Reinsurance ceded	263,712	133,114			117,492		13,105			c.
	d. Net	17,720,709	13,688,346	701	170,739	1,512,042		1,581,366		767,513	d.
	17. Line 15 + Line 16d	23,163,582	18,962,580	(279)	171,461	1,591,826		1,677,457		760,536	17.
	18. Previous year (uncollected + deferred - advance)	4,870,274	4,767,124	(1,923)	5,965	51,830		49,983		(2,705)	18.
	19. Renewal premiums and considerations:										19.
	a. Direct	17,428,820	14,346,709	1,644	165,496	556,090		1,595,637		763,242	a.
b. Reinsurance assumed	1,146,434				1,101,492		44,941			b.	
c. Reinsurance ceded	281,946	151,253			117,587		13,105			c.	
d. Net (Line 17 - Line 18)	18,293,308	14,195,455	1,644	165,496	1,539,995		1,627,474		763,242	d.	
TOTAL											
20. Total premiums and annuity considerations:											20.
a. Direct	21,806,890		17,423,713	1,644	1,270,010	553,847		1,596,498		961,175	a.
b. Reinsurance assumed	1,146,434					1,101,492		44,941			b.
c. Reinsurance ceded	299,284		165,449			120,283		13,551			c.
d. Net	22,654,041	-0-	17,258,263	1,644	1,270,010	1,535,056	-0-	1,627,889	-0-	961,175	d.

^aBusiness not exceeding 120 months duration.
*Lines 9d, 10d and 19d (to agree with Item 1, Page 4)

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any. **7**

EXHIBIT 1-PART 2-DIVIDENDS AND COUPONS* APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)

	1 Total	2 Industrial Life	Ordinary		5 Credit Life ⁴ (Group and Individual)	Group		Accident and Health			
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 ¹ Credit (Group and Individual)		10 Other
DIVIDENDS AND COUPONS* APPLIED (Included in Part 1)											
21. To pay renewal premiums (Exhibit 7, Line 1)					NONE					21.	
22. All other (Exhibit 7, Lines 2, 3 & 4)										22.	
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):										23.	
a. Reinsurance ceded										a.	
b. Reinsurance assumed										b.	
c. Net ceded less assumed										c.	
24. Single:										24.	
a. Reinsurance ceded										a.	
b. Reinsurance assumed										b.	
c. Net ceded less assumed					NONE					c.	
25. Renewal:										25.	
z. Reinsurance ceded										a.	
b. Reinsurance assumed										b.	
c. Net ceded less assumed										c.	
26. Totals:										26.	
a. Reinsurance ceded										a.	
b. Reinsurance assumed										b.	
c. Net ceded less assumed										c.	
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	1,305,113		1,265,036		147	166		12		39,752	27.
28. Single	203,954				203,954						28.
29. Renewal	328,325		306,622		4,114	1,605		1		15,981	29.
30. Totals (to agree with Item 21, Page 5)	1,837,393	-0-	1,571,658	-0-	208,216	1,770	-0-	13	-0-	55,733	30.

¹Business not exceeding 120 months duration.

⁴Includes coupons, guaranteed annual pure endowments and similar benefits.

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ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any.

EXHIBIT 2-NET INVESTMENT INCOME

1. Gross investment income (Exhibit 3, Col. 7, Line 10)	6,915,324
2. Investment expenses (Exhibit 5, Col. 3, Line 10)	294,529
3. Investment taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Col. 3, Line 7)	18,671
4. Depreciation on real estate and other invested assets	
5.	
6. Total (Lines 2 - 5)	313,201
7. Net Investment Income-Line 1 less Line 6 (to Item 4, Page 4)	6,602,123
8. Ratio of net investment income to mean assets (see instructions)	6.48 %

YEAR OF INVESTMENT INTERROGATORIES

(To be completed by companies allocating Net Investment Income to line of business on Page 5 by a year of investment method)

- Has the material described in Interrogatories 2 and 3 below been previously submitted to the supervisory official of this jurisdiction? Answer **Not Applicable**
- If the answer to Interrogatory 1 is no, attach a full description of the year of investment method used to allocate net investment income by line of business, including:
 - The method of classification of investments into categories;
 - The method of determination of the contribution of each line of business to each category of investments.
- If the answer to Interrogatory 1 is no, is the method described in answer to Interrogatory 2 specifically authorized by the law or insurance supervisory official of the state or other jurisdiction under whose laws the company is organized? Answer **Not Applicable**
- If the answer to Interrogatory 1 is yes,
 - as to what statement year was the material furnished? Answer **Not Applicable**
 - does the description then furnished remain a full description of the year of investment method currently used to allocate net investment income by line of business? Answer **Not Applicable** If not, attach a full description of the method currently used.

EXHIBIT 3-GROSS INVESTMENT INCOME

	1 Collected During Year	Current Year				6 Previous Year 3 + 4 - 2 - 5	7 Earned During Year 1 - 2 + 3 + 4 - 5 - 6
		2 Unearned	3 Due	4 Accrued	5 Non-Admitted		
1. U.S. government bonds	571,473			178,263		133,224	616,511
1.1 Bonds exempt from U.S. tax							
1.2 Other bonds (unaffiliated)	2,837,781		8,487	834,858		700,201	2,980,925
1.3 Bonds of affiliates							
2.1 Preferred stocks (unaffiliated)	1,021,154			128,079		116,210	1,033,023
2.1.1 Preferred stocks of affiliates							
2.2 Common stocks (unaffiliated)	675,932			45,699		36,150	685,481
2.2.1 Common stocks of affiliates							
3. Mortgage loans	1,290,712	1,316	5,353	103,346		113,031	1,285,064
4. Real estate							
5. Premium notes, policy loans and liens	306,545	73	9,002	155,154		156,309	314,318
6. Collateral loans							
7. Cash on deposit							
8. Other invested assets (Schedule BA)							
9.							
9.1							
10. Totals	6,703,598	1,389	22,843	1,445,400	-0-	1,255,127	6,915,324

*Includes \$ 10,401 accrual of discount less \$ 20,896 amortization of premium and less \$ 144,786 paid for accrued interest on purchases.
 †Excludes \$ -0- paid for accrued dividends on purchases.
 *Includes \$ 2,798 accrual of discount less \$ -0- amortization of premium and less \$ -0- paid for accrued interest on purchases.
 †Includes \$ -0- for company's occupancy of its own buildings; and excludes \$ -0- interest on encumbrances.
 ‡State bases of exclusions:
 Bonds None
 Stocks None
 Mortgage loans None
 Real estate None
 Collateral loans None
 Cash on deposit None
 Other invested assets None

*EXHIBIT 4-CAPITAL GAINS AND LOSSES ON INVESTMENTS

	1 Increase in Book Value	2 Profit on Sale or Maturity	3 Decrease in Book Value	4 Loss on Sale or Maturity	5 Net Gain (+) or Loss (-) From Change in Difference Between Book and Admitted Values	6 Net Gains (+) or Losses (-) 1 + 2 - 3 - 4 + 5
1. U.S. government bonds				55,934		-55,934
1.1 Bonds exempt from U.S. tax						
1.2 Other bonds (unaffiliated)		2,290				+2,290
1.3 Bonds of affiliates						
2.1 Preferred stocks (unaffiliated)		1,453		5,969		-4,515
2.1.1 Preferred stocks of affiliates						
2.2 Common stocks (unaffiliated)		266,128		204,546	+4,314,518	+4,376,100
2.2.1 Common stocks of affiliates						
3. Mortgage loans		250				+250
4. Real estate			**			
5. Premium notes, policy loans and liens						
6. Collateral loans						
7. Cash on hand and on deposit						
8. Other invested assets (Schedule BA)			**			
9. Foreign exchange	XXX	XXX	XXX	XXX		
9.1						
10. Totals	-0-	270,122	-0-	266,449	+4,314,518	+4,318,191
10.1 Less federal income taxes incurred on capital gains (show figure in Col. 6)						3,445
10.2 Balance to Surplus Account, Page 4 (show figure in Col. 6)						4,314,746
Distribution of Line 10.2, Col. 6. (Attach statement or memorandum explaining basis of division.)						
11. Net realized capital gains (+) or losses (-) on assets disposed of during the year \$ 3,672				-0-	reflected in previous	+227
12. Net unrealized capital gains (+) or losses (-) of the year						+4,314,518

*Adjustments due to amortization to be reported in Exhibit 3.
 †Excluding \$ depreciation on real estate and \$ depreciation on other invested assets included in Exhibit 2, Line 4.

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ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any.

EXHIBIT 5—GENERAL EXPENSES

	Insurance		3 Investment	4 Total
	1 Life	2 Accident and Health		
1. Rent	99,966	15,623	11,432	127,022
2. Salaries and wages	1,211,685	217,563	158,805	1,588,054
3.11 *Contributions for benefit plans for employees	74,757	13,679	11,413	99,850
3.12 *Contributions for benefit plans for agents	12,205	1,046		13,252
3.21 Payments to employees under non-funded benefit programs				
3.22 Payments to agents under non-funded benefit programs				
3.31 Other employee welfare	24,597	4,445	3,407	32,451
3.32 Other agent welfare				
3.4				
4.1 Legal fees and expenses	720	129	94	944
4.2 Medical examination fees	145,704	292		145,996
4.3 Inspection report fees	162,516	489		163,005
4.4 Fees of public accountants and consulting actuaries	22,584	4,055	2,959	29,599
4.5 Expense of investigation and settlement of policy claims	8,007	2,618		10,626
4.6				
5.1 Traveling expenses	39,399	2,813	2,456	44,670
5.2 Advertising	221,053	8,078		229,132
5.3 Postage, express, telegraph and telephone	520,065	20,853	2,718	543,637
5.4 Printing and stationery	143,074	11,985	172	155,233
5.5 Cost or depreciation of furniture and equipment	15,574	2,807	2,111	20,493
5.6 Rental of equipment	10,111	673		10,785
5.7 Data processing equipment	54,904	4,209	1,891	61,004
6.1 Books and periodicals	5,658	408		6,066
6.2 Bureau and association dues	11,380	819		12,199
6.3 Insurance, except on real estate	3,402	610	445	4,458
6.4 Miscellaneous losses	1,389	95		1,484
6.5 Collection and bank service charges	2			2
6.6 Sundry general expenses	60,065	9,501	12,185	81,752
6.7 Group service and administration fees				
6.8				
7.1 Agency expense allowance				
7.2 Agents' balances charged off (less \$ -0- recovered)	7,802	359		8,161
7.3 Agency conferences other than local meetings	29,823	1,307		31,130
8.1				
8.2				
9.1 Real estate expenses				
9.2 Investment expenses not included elsewhere			84,435	84,435
9.3				
10. General Expenses Incurred	2,886,455	324,468	294,529	3,505,454
Reconciliation with Exhibit 12	(To Item 22, Page 4)		(To Line 2, Exhibit 2)	
11. General expenses unpaid December 31, previous year	134,305	18,651	19,837	172,794
12. General expenses unpaid December 31, current year	142,665	19,023	22,606	184,295
13. General expenses paid during year (10 + 11 - 12)	2,878,096	324,096	291,760	3,493,953
			(To Line 27, Exhibit 12)	

ORDINARY LIFE INSURANCE AND INDIVIDUAL ANNUITY BUSINESS ONLY

A. Compensation to agents on a plan other than commissions, included in Col. 1: First year \$ -0- Renewal \$ -0-
 B. Agency supervision, except home office, included in Col. 1: Line 2 \$ -0- Line 5.1 \$ -0- Line \$ -0-
 C. Branch office expenses other than those in A and B included in Col. 1: Line 1 \$ 8,960 Line 2 \$ -0- All other lines \$ 819

*These items include \$ -0- on account of prior service.

EXHIBIT 6—TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance		3 Investment	4 Total
	1 Life	2 Accident and Health		
1. Real estate taxes	14,722	224		14,946
2. State insurance department licenses and fees	414,101	53,695		467,796
3. State taxes on premiums	9,148	798	10,641	20,588
4. Other state taxes, incl. \$ 4,061 Social Security	114,862	12,447	8,030	135,340
5. U.S. Social Security taxes	18,800	286		19,086
6. All other taxes				
7. Taxes, licenses and fees incurred	571,634	67,452	18,671	657,758
Reconciliation with Exhibit 12	(To Item 23, Page 4)		(To Line 3, Exhibit 2)	
8. Taxes, licenses and fees unpaid December 31, previous year	166,369	27,888	167	194,425
9. Taxes, licenses and fees unpaid December 31, current year	209,121	30,514	230	239,866
10. Taxes, licenses and fees paid during year (7 + 8 - 9)	528,882	64,825	18,608	612,317
			(To Line 28.1, Exhibit 12)	

NOTE: Canadian and other foreign taxes are included appropriately in Lines 1, 2, 3, 4 and 6.

EXHIBIT 7—DIVIDENDS AND COUPONS* TO POLICYHOLDERS

	Dividends		Coupons*	
	1 Life	2 Accident and Health	3 Life	4 Accident and Health
1. Applied to pay renewal premiums				
2. Applied to shorten the endowment or premium-paying period				
3. Applied to provide paid-up additions				
4. Applied to provide paid-up annuities				
5. Total Lines 1-4				
6. Paid in cash				
7. Left on deposit with the company				
8.				
9. Total Lines 5-8				
10. Amount due and unpaid (Item 6, Page 3)				
11. Provision for annual dividend and coupon* policies (Item 7, Page 3, in part)				
11A. Terminal dividends (Item 7, Page 3, in part)				
12. Provision for deferred dividend policies (Item 7, Page 3, in part)				
12A. Amount provisionally held for deferred dividend policies not included in line 12 (Item 8, Page 3)				
13. Total Lines 10-12A				
14. Line 13 of previous year				
15. Total Dividends and Coupons* to Policyholders (Lines 9 + 13 - 14)				
		(To Item 28, Page 4)		(To Item 11A, Page 4)

*Includes coupons, guaranteed annual pure endowments and similar benefits.

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ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

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EXHIBIT 8--AGGREGATE RESERVE FOR LIFE POLICIES AND CONTRACTS

1 Valuation Standard (Indicate mortality and interest bases and valuation method by years of issue and in the case of annuities indicate whether immediate, deferred or both)	2 Total	3 Industrial	4 Ordinary	5 Credit ^a (Group and Individual)	6 Group
A. LIFE INSURANCE:					
1. 1941 CSO 2 3/4% NL 1949-1963	19,080,040		19,080,040		
2. 1941 CSO 3% NL 1955-1963	6,062,300		6,062,300		
3. 1941 CSO 3% CRVM 1958-1963	4,355,507		4,355,507		
4. 1958 CSO 3% NL 1964 & Later NB	39,710,991		39,710,991		
5. 1958 CSO 3 1/2% NL 1967 & Later NB	2,209,157		2,209,157		
6. 1958 CSO 3 1/2% 20 Yrs. 3% NL 1975 NB	1,327,870		1,327,870		
7.					
8. Nonforfeiture Paid-Up Policies					
9. 1941 CSO 2 3/4% NL 1949-1963	1,681,961		1,681,961		
10. 1941 CSO 3% NL 1949-1963	205,653		205,653		
11. 1941 CET 3% NL 1949-1963	76,429		76,429		
12. 1958 CET 3% NL 1964 & Later	588,528		588,528		
13. 1958 CSO 3% NL 1964 & Later	191,570		191,570		
14. 1958 CET 3 1/2% NL 1964 & Later	12,339		12,339		
15.					
16. Death of Applicant					
17. 1941 CSO 2 3/4% 1949-1963	1,795		1,795		
18. 1958 CSO 3% 1964 & Later	3,177		3,177		
19.					
20. Unearned Premiums					
21. Payor Death (1/2 Gross Premium)	14,069		14,069		
22. Rated Extras (1/2 Gross Premium)	103,629		103,629		
23. Single Premium Decreasing Term - Group	1,219,646			1,219,646	
24. Group Li.Fa	253				253
25.					
26. Excess Mort. on Group Conversions	465,584		465,584		
27. Excess Mort. on Conversion Under GIB	1,734		1,734		
28. Paid-Up Group Life 1958 CSO 3% NL	96,491				96,491
29. Totals (Gross)	77,408,723		76,092,333	1,219,646	96,744
30. Reinsurance ceded	66,595		66,595		
31. Totals (Net)	77,342,128		76,025,738	1,219,646	96,744
B. ANNUITIES (excluding supplementary contracts with life contingencies):					
1. Individual Deferred Annuities		X X X		X X X	
2. 2 1/2% Interest Accumulation	41,968	X X X	41,968	X X X	
3. Individual Annuities - Income Now		X X X		X X X	
4. Payable 1937 Std. Annuity Table @ 2 1/2%		X X X		X X X	
5. Age Set Back One Year	7,059	X X X	7,059	X X X	
6. Individual Annuities - Income Now		X X X		X X X	
7. Payable 1955 Annuity Table @ 3 1/2%		X X X		X X X	
8. Age Set Back One Year	150,021	X X X	150,021	X X X	
9. Group Annuities - Income Now Payable		X X X		X X X	
10. 1937 Std. Annuity Table @ 2 1/2%		X X X		X X X	
11. Age Set Back One Year	3,064	X X X		X X X	3,064
12. Group Annuities - Income Now Payable		X X X		X X X	
13. GA Table @ 3 1/2% - Year of Birth		X X X		X X X	
14. 1905 Projection C	797,732	X X X		X X X	797,732
15. Group Annuity Policy - IPG Contract		X X X		X X X	
16. General Investment Account	6,834,661	X X X		X X X	6,834,661
17. Totals (Gross)	7,834,505	X X X	199,048	X X X	7,635,457
18. Reinsurance ceded	-0-	X X X		X X X	
19. Totals (Net)	7,834,505	X X X	199,048	X X X	7,635,457
C. SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
1. 1937 Std. Annuity Table @ 2 1/2%					
2. Age Set Back One Year	35,292		35,292		
3. 1955 Am. Annuity Table @ 3 1/2%					
4. Age Set Back One Year	11,573				11,573
5. Totals (Gross)	46,865		35,292		11,573
6. Reinsurance ceded	-0-				
7. Totals (Net)	46,865		35,292		11,573
D. ACCIDENTAL DEATH BENEFITS:					
1. 1926-33 Inter-Company D.I. Mort. Combined					
2. with 1941 CSO 2 1/2% 1949-1963	254,274		254,274		
3. 1959 ADB Table Combined with 1958 CSO					
4. 3% - 1964 & Later NB	179,130		179,130		
5. Totals (Gross)	433,404		433,404		
6. Reinsurance ceded	-0-				
7. Totals (Net)	433,404		433,404		
E. DISABILITY--ACTIVE LIVES:					
1. 150 % Modified 1926 Class (3) Dis. Table					
2. with 1941 CSO 2 1/2% 1949-1963	178,842		178,842		
3. 1952 Dis. Table - Benefit 5 Period 2					
4. with 1958 CSO 3% - 1964 & Later NB	440,629		440,629		
5.					
6.					
7. Totals (Gross)	619,471		619,471		
8. Reinsurance ceded	3,645		3,645		
9. Totals (Net)	615,826		615,826		
F. DISABILITY--DISABLED LIVES:					
1. 1926 Class (3) Dis. @ 2 1/2% Combined					
2. with 1941 CSO 2 1/2% - 1949-1963	152,770		152,770		
3. 1952 Dis. Table - Benefit 5 @ 3% Combined					
4. with 1958 CSO - 1964 & Later	195,693		161,054		34,639
5. Incurred But Unreported Dis. Claims					
6. Based on 1952 Dis. Table @ 3%	25,253		20,305		4,948
7. Totals (Gross)	373,716		334,129		39,587
8. Reinsurance ceded	1,048		1,048		
9. Totals (Net)	372,668		333,081		39,587

^aBusiness not exceeding 120 months duration.

The figures on this page do not include Separate Account items, if any.

EXHIBIT 8--AGGREGATE RESERVE FOR LIFE POLICIES AND CONTRACTS (Continued)

1 Valuation Standard (Indicate mortality and interest bases and valuation method by years of issue)	2 Total	3 Industrial	4 Ordinary	5 Credit ^a (Group and Individual)	6 Group
G. Miscellaneous Reserves:					
1 For excess of valuation net premiums over corresponding gross premiums or respective policies, computed according to the standard of valuation required by this state	937,086		937,086		
2 For non-deduction of deferred fractional premiums or return of premiums at the death of the insured	431,178		431,178		
3 For surrender values in excess of reserves otherwise required and carried in this schedule					
4					
5					
6					
7 Totals (Gross)	1,368,264		1,368,264		
8 Reinsurance ceded	-0-				
9 Totals (Net)	1,368,264		1,368,264		
H Grand Totals (Net)--(Item 1, Page 3)	88,013,660	-0-	79,010,653	1,219,646	7,783,361

**EXHIBIT 8A--CHANGES IN BASES OF VALUATION DURING THE YEAR
(Including supplementary contracts set up on a basis other than that used to determine benefits)**

1 Description of Valuation Class	Valuation Bases		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
1			
2			
3			
4			
5			
6			
7 Total (Item 7, Page 6)			

NONE

GENERAL INTERROGATORIES

- Has the company ever issued both participating and non-participating policies? Answer: No
- Does the company at present issue both participating and non-participating policies? Answer: No
If not, state which kind is issued
Answer: Non-Participating
- State the amount of insurance, if any, on which the gross premiums are less than the net premiums according to the standard of valuation required by this State.
Answer: \$ 78,761,647
The additional reserve to cover deficiencies in gross premiums must be included in Exhibit 8. If not reported in G.1. above, state amount \$ and indicate where reported
- Does the company (a) waive deduction of deferred fractional premiums at death on any of its business or (b) return any portion of final premium for period beyond the date of death? Answer: (a) Yes (b) No
- Is any surrender value promised in excess of the reserve as legally computed? Answer: No. If so, the amount of such excess must be included in G.3. above. Has this been done?
Answer:
- Attach statement of methods employed in the valuation of policies issued at or subsequently subject to, an extra premium or in the valuation of policies otherwise issued on lives classed as substandard for the plan of contract issued or on special class lives (including paid up insurance). 1/2 extra premium or P. V. of extras due to conversion
- Has the company any assessment or stipulated premium policies in force?
Answer: No. If so, state:
Amount of insurance \$
Amount of reserve \$
Basis of reserve:
Basis of regular assessments:
Basis of special assessments:
Assessments collected during year \$
- If the policy loan interest rate guaranteed in any one or more of its currently issued policies is less than 5%, not in advance, state the policy loan rate guarantees on any such policies.
Answer: None

EXHIBIT 9--AGGREGATE RESERVE FOR ACCIDENT AND HEALTH POLICIES

	1 Total	2 Group Accident and Health	3 Credit ^a (Group and Individual)	4 Collectively Renewable	Other Individual Policies				
					5 Non-Cancellable	6 Guaranteed Renewable	7 Non Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
A. ACTIVE LIFE RESERVE									
1 Unearned premium reserve	105,005					30,077		58	74,870
2 Additional reserves ^b	102,135					102,135			
3 Reserve for future contingent benefits (deferred maternity and other similar benefits)	46,044	44,094			1,950				
4 Reserve for rate credits	41	41							
5 Totals (Gross)	253,225	44,135			1,950	132,212		58	74,870
6 Reinsurance ceded									
7 Totals (Net)	253,225	44,135	-0-	-0-	1,950	132,212	-0-	58	74,870
B. CLAIM RESERVE									
1 Present value of amounts not yet due on claims ^c	100,025	90,525							9,500
2 Reserve for future contingent benefits (deferred maternity and other similar benefits)	2,327	2,327							
3									
4 Totals (Gross)	102,352	92,852							9,500
5 Reinsurance ceded									
6 Totals (Net)	102,352	92,852	-0-	-0-	-0-	-0-	-0-	-0-	9,500
C GRAND TOTALS (Net) (Item 2, Page 3)	355,577	136,987	-0-	-0-	1,950	132,212	-0-	58	84,370

^aAttach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods
^bIncludes reserves for unaccrued benefits on incurred but unreported claims. Accrued benefits should be reported in Exhibit 11, Part 1, Lines 22 and 3

EXHIBIT 10--SUPPLEMENTARY CONTRACTS WITHOUT LIFE CONTINGENCIES, DIVIDEND ACCUMULATIONS, AND COUPON* ACCUMULATIONS

1 Valuation Rate	2 Contract Rate or Rates	Supplementary Contracts Without Life Contingencies			6 Dividend Accumulations	7 Coupon* Accumulations
		3 Present Value of Amounts Not Yet Due	4 Amounts Left on Deposit	5 Totals		
1 2.75%	2.75%	107,510		107,510		
2 2.50%	2.50%	178,717	5,052	183,769		
3						
4						
5						
6						
7 Totals (Items 3 and 5, Page 3)		286,227	5,052	291,279	-0-	-0-

¹Show contract rate or rates corresponding to each valuation rate. ²Business not exceeding 120 months duration. *Includes coupons, guaranteed annual pure endowments and similar benefits.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any.

EXHIBIT 11—POLICY AND CONTRACT CLAIMS

PART 1—Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life ^a (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit ^a (Group and Individual)	11 Other
1. Due and unpaid											
2. In course of settlement											
21. Resisted	108,214		↑ 75,621	↑		↑ 31,388	↑ 1,203		XXXX	XXXX	XXXX
22. Other	843,656		↑ 484,026	↑		↑ 1,665	↑ 60,415		↑ 203,898	↑	↑ 93,650
3. Incurred but unreported (less reinsurance ceded)	518,583		↑ 227,836	↑		↑ 123,553	↑ 56,146		↑ 71,663	↑	↑ 39,384
4. Totals	1,470,454		787,485			156,607	117,765		275,561		133,034
5. Less: Reinsurance ceded on reported claims (Schedule S)	31,666		31,666								
6. Net liability (Column 1 to item 4, Page 3)	1,438,788	-0-	**755,819	-0-	-0-	156,607	117,765	-0-	275,561	-0-	133,034

^aIncluding matured endowments unpaid (but not guaranteed annual pure endowments) amounting to \$ -0- **Including matured endowments unpaid (but not guaranteed annual pure endowments) amounting to \$ 31,656
 †Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves for unaccrued benefits for Ordinary Life Insurance \$ 333,081
 Credit Life (Group and Individual) \$ -0- and Group Life \$ 39,587 are included in item 1, Page 3 (See Exhibit 8, Section F); and for Group Accident and Health \$ 90,525
 Individual Accident and Health \$ -0- and Other Accident and Health \$ 9,500 are included in item 2, Page 3 (See Exhibit 9, Section B).

PART 2—Incurred During the Year

	1 Total	2 Industrial Life*	Ordinary			6 Credit Life ^a (Group and Individual)	Group		Accident and Health		
			3 Life Insurance**	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit ^a (Group and Individual)	11 Other
1. Settlements during the year	8,123,403		3,633,383	14,043	66,739	800,585	1,325,270	234,484	1,433,875		615,020
2. Deduct reinsurance ceded	140,690		134,924				5,766				
3. Net settlements (Line 1 minus Line 2)	7,982,712		3,498,458	14,043	66,739	800,585	1,319,504	234,484	1,433,875		615,020
4. Net liability December 31, current year from Part 1	1,438,788		755,819			156,607	117,765		275,561		133,034
5. Amounts recoverable from reinsurers December 31, previous year	18,549		18,549								
6. Line 3 plus Line 4 plus Line 5	9,440,049		4,272,827	14,043	66,739	957,193	1,437,269	234,484	1,709,436		748,054
7. Net liability December 31, previous year	1,240,487		633,868			188,045	92,541		185,915		140,116
8. Amounts recoverable from reinsurers December 31, current year (Schedule S)	12,465		12,465								
9. Line 7 plus Line 8	1,252,952		646,333			188,045	92,541		185,915		140,116
10. Net Incurred Benefits (Line 6 minus Line 9)	8,187,096	-0-	3,626,493	14,043	66,739	769,148	1,344,728	234,484	1,523,521	-0-	607,937

^aIncluding matured endowments (but not guaranteed annual pure endowments) amounting to \$ -0- in Line 1 and \$ -0- in Line 10. **Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 866,376 in Line 1 and \$ 864,826 in Line 10.
 †Equals sum of Lines 16.1, 16.2, 17 and 22, Exhibit 12. Includes \$ 54,639 premiums waived under total and permanent disability benefits.
 *Business not exceeding 120 months duration.

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

Except for Items 14A, 15, 37A and 38-41, the figures on this page do not include Separate Account items, if any.

EXHIBIT 12—RECONCILIATION OF LEDGER ASSETS
INCREASES IN LEDGER ASSETS

1	Premiums on life policies and annuity considerations (see Exhibit 1, Part 1)	19,319,524
2	Accident and health cash premiums, including \$ -0- policy, membership and other fees	2,547,215
3	Considerations for supplementary contracts with life contingencies	3,272
4	Considerations for supplementary contracts without life contingencies, including \$ disability	58,190
5	Dividends left with the company to accumulate at interest	
5A	Coupons* left with the company to accumulate at interest	
6	Gross investment income (Exhibit 3, Col. 1, Line 10)	6,703,598
7	Increase of paid up capital during the year	4,371
8	From other sources (give items and amounts):	
81	Increase in paid in surplus	34,452
82	Increase in amounts held as agent or trustee	1,028
83	Increase in due to affiliates	4,273
8.4	Net credit from Federal Employees Group Life Insurance Conversion Pool Fund	138,731
9	Borrowed money gross \$ less amount repaid \$	
10	Commissions and expense allowances on reinsurance ceded	
10A	Reserve adjustments on reinsurance ceded	
11	Increase in reserve for checks written off and unclaimed funds	4,155
12	Other income	15,455
13	From sale or maturity of ledger assets (Exhibit 4, Column 2)	270,122
14	By adjustment in book value of ledger assets (Exhibit 4, Column 1)	
14A	Separate Account Business (see Separate Account Statement)	1,860,672
15	Total Increases in Ledger Assets	30,965,064

DECREASES IN LEDGER ASSETS

16	Policy and contract claims (Exhibit 11, Part 2):		
161	Life	5,617,694	
162	Accident and health	2,048,895	
17	For annuities with life contingencies, excluding payments on supplementary contracts (including cash refund payments)	248,528	
18	Premium notes and liens voided by lapse, less \$ restorations		
19	Surrender values	1,254,812	
19A	Group conversions	3,903	
19B	Interest on policy or contract funds	26,878	
20	Dividends to policyholders:		
20.1	Life insurance and annuities (Exhibit 7)		
20.2	Accident and health (Exhibit 7)		
20A	Coupons, guaranteed annual pure endowments and similar benefits (Exhibit 7)		
21	Total Paid Policyholders		9,200,712
22	Paid for claims on supplementary contracts:		
22.1	With life contingencies	3,779	
22.2	Without life contingencies	63,814	67,594
23	Dividends and interest thereon held on deposit disbursed during the year		
23A	Coupons* and interest thereon held on deposit disbursed during the year		
24			
25			
26	Commissions to agents (direct business only):		
26.1	Life insurance and annuities, including \$ -0- commuted commissions	1,755,408	
26.2	Accident and health, including \$ -0- commuted commissions	55,897	
26.3	Policy, membership and other fees retained by agents		1,811,305
26A	Commissions and expense allowances on reinsurance assumed		
27	General expenses (Exhibit 5, Line 13)		3,493,953
28.1	Taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Line 10)		612,317
28.2	Federal income taxes, including \$ 29,418 on capital gains		1,300,000
29	Decrease of paid up capital during the year		
30	Paid stockholders for dividends (cash \$ 1,074,567, stock \$ -0-)		1,074,567
31	Borrowed money repaid gross \$ less amount borrowed \$		
32	Interest on borrowed money		
33	Decrease in accounts payable		1,025,810
34	Decrease in remittances and items not allocated		12,865
35	Decrease in mortgage commitment fees		5,240
36	From sale or maturity of ledger assets (Exhibit 4, Column 4)		266,449
37	By adjustment in book value of ledger assets (Exhibit 4, Column 3 and Exhibit 2, Line 4)		
37A	Separate Account Business (see Separate Account Statement)		78,368
38	Total Decreases in Ledger Assets		18,889,184

RECONCILIATION BETWEEN YEARS

39	Amount of ledger assets December 31st of previous year	104,097,426
40	Increase (+) or decrease (-) in ledger assets during the year (Line 15 minus Line 38)	+12,075,880
41	Total = Ledger Assets December 31st of Current Year	116,173,306

*Includes coupons, guaranteed annual pure endowments and similar benefits.

Failure of items to add to the total is due to dropping of amounts less than one dollar.

Except for Items 25A and 26, the figures on this page do not include Separate Account items, if any.

EXHIBIT 13—ASSETS

	1 Ledger Assets	2 Non Ledger Assets	3 Assets Not Admitted	4 Net Admitted Assets
1 Bonds	51,140,309			51,140,309
2 Stocks:				
2.1 Preferred stocks	15,886,604			15,886,604
2.2 Common stocks	17,261,012	1,542,738		18,803,750
3 Mortgage loans on real estate:				
3.1 First liens	18,047,676			18,047,676
3.2 Other than first liens				
4 Real estate (less \$ encumbrances):				
4.1 Properties occupied by the company				
4.2 Properties acquired in satisfaction of debt				
4.3 Investment real estate				
5 Policy loans	6,514,454			6,514,454
6 Premium notes, including \$ for first year premiums				
7 Collateral loans				
8 Cash on hand and on deposit				
8.1 Cash in company's office	201,471			201,471
8.2 Cash on deposit (Schedule E)	454,702			454,702
9 FEGLI Conversion Pool Fund	516,453			516,453
10 Other invested assets				
11 Reinsurance ceded:				
11.1 Amounts recoverable from reinsurers (Schedule S)		12,465		12,465
11.2 Commissions and expense allowances due		53,953		53,953
11.3 Experience rating and other refunds due				
11.4				
12 Other assets (give items and amounts):				
12.1 Agents' balances (gross debit 245,515 less -0- for doubtful accounts less 196 credit balances)	245,318		245,318	0
12.2 Bills receivable				0
12.3 Furniture and equipment	49,677		49,677	0
12.4 Cash advanced to or in hands of officers or agents				0
12.5 Loans on personal security, endorsed or not				0
12.6				
12.7	70,790			70,790
13 Data processing equipment	116,292			116,292
14 Accounts receivable	12,800			12,800
15 Due from subsidiary				
16				
17 Life insurance premiums and annuity considerations deferred and uncollected on in force Dec. 31st of current year (less premiums on reinsurance ceded):				
17.1 Industrial uncollected (excluding \$ loading)	\$ -0-			
17.2 Ordinary deferred and uncollected—New business (excluding \$ 195,265 loading)	1,645,817			
17.3 Ordinary deferred and uncollected—Renewal (excluding \$ 862,576 loading)	4,630,915			
17.4 Credit life deferred and uncollected (excluding \$ -0- loading) ^a	2,138			
17.5 Group life deferred and uncollected (excluding \$ -0- loading)	82,575			
17.6 Group annuity deferred and uncollected (excluding \$ -0- loading)	-0-			
17.7 Total (to Col. 2)		5,761,446		5,761,446
18 Accident and health premiums due and unpaid		109,414		109,414
19 Investment income due and accrued		1,468,243		1,468,243
20 Net adjustment in assets and liabilities due to foreign exchange rates				
21				
22				
23				
24				
25				
25A Separate Account Business (see Separate Account Statement)	5,655,762	(120,963)		5,534,778
26 Totals	116,173,306	8,827,297	294,995	124,705,607

EXHIBIT 14—ANALYSIS OF NON-ADMITTED ASSETS AND RELATED ITEMS

(Excluding Investment Adjustments Not Listed)

	1 End of Previous Year	2 End of Current Year	3 Changes for Year Increase (-) or Decrease (+)
27 Company's stock owned			XXXXX
28 Loans on company's stock			
29 Supplies, stationery, printed matter			
30 Furniture and equipment	49,082	49,677	594-
31 Commuted commissions			XXXXX
32 Agents' balances (net)	175,537	245,318	69,781-
33 Cash advanced to or in the hands of officers or agents			
34 Loans on personal security, endorsed or not			
35 Bills receivable			
36 Premium notes, etc. in excess of net value and other policy liabilities on individual policies			XXXXX
37 Accident and health premiums due and unpaid			
38 Other assets not admitted (itemize)			
38.1			
38.2			
38.3			
39 Agents' credit balances (Page 3, Item 19 inside)	111	196	85-
40 Total Change (Col. 3) ^a	XXXXX	XXXXX	70,461-

^a(Carry to Item 35, Page 4)^bBusiness not exceeding 120 months duration

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

14A

FIVE-YEAR HISTORICAL DATA

All Figures Taken From or Developed From Annual Statements of Corresponding Years

Show amounts in whole dollars only, no cents; show ratios and percentages to one decimal place, i.e. 17.6. Amounts of life insurance in this exhibit shall be shown in thousands (omit 000). Items from prior years should be included only if they are available from prior year's statements.

	1 1975	2 1974	3 1973	4 1972	5 1971
<u>Life Insurance in Force (Page 15)</u>					
1 Ordinary-Whole Life and Endowment (Line 31D, Col. 4, 1974 & Prior Line 31C)	661,972	568,773	480,085	421,522	391,769
2 Ordinary-Term (Line 22, Col. 4, less Line 31D, Col. 4, 1974 & Prior Line 31C instead of 31D)	438,753	400,170	380,133	344,345	295,410
3 Credit Life (Line 22, Col. 6)	171,462	163,588	159,135	XXX	XXX
4 Group, excluding FEGLI/SGLI (Line 22, Col. 9 less Lines 38 & 39, Col. 4)	147,598	141,482	115,093	251,232	228,276
5 Industrial (Line 22, Col. 2)	-0-	-0-	-0-	-0-	-0-
6 FEGLI/SGLI (Lines 38 & 39, Col. 4)	276,973	268,659	213,537	213,257	209,305
7 Total (Line 22, Col. 10)	1,696,758	1,542,672	1,347,984	1,230,356	1,124,761
<u>New Business Issued (Page 15)</u>					
8 Ordinary-Whole Life and Endowment (Line 31D, Col. 2, 1974 & Prior Line 31C)	152,387	126,861	104,971	80,083	70,387
9 Ordinary-Term (Line 2, Col. 4, less Line 31D, Col. 2, 1974 & Prior Line 31C instead of 31D)	78,095	67,382	67,829	62,595	53,985
10 Credit Life (Line 2, Col. 6)	3,796	2,682	651	XXX	XXX
11 Group (Line 2, Col. 9)	4,810	84,857	-0-	970	12,745
12 Industrial (Line 2, Col. 2)	-0-	-0-	-0-	-0-	-0-
13 Total (Line 2, Col. 10)	238,998	281,782	173,452	143,649	145,118
<u>Premium Income (Exhibit 1-Part 1)</u>					
14 Ordinary and Industrial Life-First Year (Line 9d, Cols. 2 & 3, 1974 and 1973; Line 9, Cols. 2 & 3, 1972 and 1971; Cols. 2, 3, 4 and 5)	2,935,639	2,407,107	2,178,012	1,929,446	1,801,190
15 Ordinary and Industrial Life-Single and Renewal (Line 10d, Line 19d, Cols. 2 & 3, 1974 and 1973; Line 10 & Line 19, Cols. 2 & 3, 1972 and 1971; Cols. 2, 3, 4 and 5)	14,322,623	13,044,924	11,761,700	10,762,904	9,698,626
16 Other Life (Line 20d, Cols. 5 & 6, 1974 and 1973; Line 20, Cols. 5 & 6, 1972 and 1971; Col. 7)	2,803,067	2,793,729	2,841,644	2,740,691	2,338,186
17 Annuity (Line 20d, Cols. 4 & 7, 1974 and 1973; Line 20, Cols. 4 & 7, 1972 and 1971; Cols. 6 and 8)	1,644	1,644	1,608	1,508	947,145
18 A & H (Line 20d, Cols. 8, 9 and 10, 1974 and 1973; Line 20, Cols. 8, 9 & 10, 1972 and 1971; Cols. 9 and 10)	2,589,064	2,195,406	2,034,221	1,891,280	1,465,130
19 Total (Line 20d, Col. 1, 1974 & Prior Line 20, Col. 1)	22,654,041	20,442,813	18,817,187	17,325,832	16,250,280
<u>Balance Sheet Items (Pages 2 & 3)</u>					
20 Total Admitted Assets Excluding Separate Account Business (Page 2, Item 26 less Line 25A)	119,170,829	103,782,133	95,447,859	86,320,590	75,792,812
21 Total Liabilities Excluding Separate Account Business (Page 3, Item 26 less Line 25A)	95,471,541	84,777,731	76,851,566	70,324,848	61,833,902
22 Aggregate Life Reserves (Page 3, Item 1)	88,013,660	79,732,028	71,521,955	64,321,804	57,767,703
23 Aggregate A & H Reserves (Page 3, Item 2)	355,577	332,332	318,155	313,322	207,194
24 Mandator Securities Valuation Reserve (Page 3, Item 25.1)	3,574,069	605,025	1,603,261	3,174,104	1,516,690
25 Capital (Page 3, Item 27A, 1971 Item 28A)	6,716,049	6,711,678	4,470,349	4,465,771	4,329,898
26 Surplus (Page 3, Item 29C, 1971 Items 27, 28B & 29C)	16,983,239	12,292,723	14,125,943	11,529,970	9,629,011
<u>Percentage Distribution of Assets</u> (Page 2) (Item No. ÷ Page 2, Item 10A) × 100.0					
27 Bonds (Item 1)	46.1	42.6	44.3	42.8	39.7
28 Stocks (Items 21 and 22)	31.2	29.4	28.9	28.1	25.8
29 Mortgage Loans on Real Estate (Item 3)	16.2	19.4	19.9	22.6	27.5
30 Real Estate (Items 4.1, 4.2 and 4.3)	-	-	-	-	-
31 Policy Loans (Item 5)	5.9	6.2	5.9	5.9	6.3
32 Premium Notes (Item 6)	-	-	-	-	-
33 Collateral Loans (Item 7)	-	-	-	-	-
34 Other Invested Assets (Item 10)	-	-	-	-	-
35 Cash (Item 8)	.6	2.4	1.0	.6	.7
36 Cash and Invested Assets (Item 10A)	100.0	100.0	100.0	100.0	100.0

Failure of items to add to the total is due to dropping of amounts less than one dollar.

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 1975	2 1974	3 1973	4 1972	5 1971
<u>Total Nonadmitted and Admitted Assets</u>					
37. Total Nonadmitted Assets (Page 14, Line 26, Col. 3)	294,995	224,620	197,258	149,015	131,801
38. Total Admitted Assets (Page 14, Line 26, Col. 4)	124,705,607	106,961,954	97,715,133	87,497,070	75,792,812
<u>Investment Data (Page 8)</u>					
39. Ratio of Net Investment Income to Mean Assets (Exhibit 2, Line 8) (To 2 decimal places)	6.48%	6.29%	6.06%	5.93%	5.96%
40. Net Investment Income (Exhibit 2, Line 7)	6,602,123	5,727,970	5,045,192	4,408,479	3,880,129
41. Realized Capital Gains (Losses) (Exhibit 4, Line 11, Col. 6)	227	71,063	10,191	53,849	4,993
42. Unrealized Capital Gains (Losses) (Exhibit 4, Line 12, Col. 6)	4,314,518	(2,994,098)	(1,708,054)	1,423,432	490,568
43. Total of above lines 40, 41 & 42	10,916,868	2,804,935	3,348,329	5,885,760	4,375,690
<u>Benefits and Reserve Increases (Page 5)</u>					
44. Total Policy Benefits—Life (Items 8, 9, 10, 11, 11A & 12, Col. 1, less Items 11 & 11A, cols. 9, 10, & 11, 1974 & Prior; Items 8, 9, 10, 11, & 12, Col. 1)	7,242,855	6,973,989	6,057,625	5,679,626	5,409,624
45. Total Policy Benefits—A & H (Items 11 & 11A, Cols. 9, 10 & 11, 1974 & Prior; Item 13, Col. 1)	2,131,459	1,821,708	1,575,923	1,314,910	1,161,429
46. Increase in Life Reserves—Other than Group and Annuities (Item 17, Cols. 2 and 3, 1972 and 1971; Cols. 2, 3, 4 and 5)	7,995,686	7,988,328	6,688,727	6,092,771	5,424,887
47. Increase in A & H Reserves (Item 17, Cols. 9, 10 & 11, 1974 & Prior; Item 19, Col. 1)	23,244	14,176	4,833	106,127	(32,415)
48. Dividends to Policyholders (Item 28, Col. 1, 1974 & Prior; Item 32, Col. 1)	-0-	-0-	-0-	-0-	-0-
<u>Operating Ratios</u>					
49. Insurance Expense Ratio (Page 5, Col. 1, Items 21, 21A & 22 + (Page 5, Col. 1, Item 1 plus group annuity contribution funds) × 100; 1974 & Prior; Items 21 & 23 instead of 21, 21A & 22)	22.3	21.3	20.3	20.0	18.3
50. Lapse Ratio (Ordinary Only) [(Page 15, Col. 4, Lines 14 & 15) × 100 + 1/2 (Lines 1 & 22)]	8.0	7.8	8.0	7.2	7.6
51. A & H Loss Ratio (Schedule H, Line 15d, Col. 1, % shown)	83.0	84.0	78.0	74.0	77.5
52. A & H Expense Ratio (Schedule H, Line 17, Col. 1, % shown)	12.0	15.0	15.0	15.2	15.4
<u>A & H Claim Reserve Adequacy</u>					
53. Incurred Losses on Prior Years' Claims—Group Health (Schedule H, Line 27, Col. 2)	236,815	205,737	157,311	124,370	111,714
54. Prior Years' Claim Liability and Reserve—Group Health (Schedule H, Line 28, Col. 2)	262,333	253,793	161,788	111,015	114,752
55. Incurred Losses on Prior Years' Claims—Health other than Group (Schedule H, Line 27, Col. 1 less Col. 2)	142,612	112,477	111,939	80,244	68,941
56. Prior Years' Claim Liability and Reserve—Health Other than Group (Schedule H, Line 28, Col. 1 less Col. 2)	156,108	148,362	140,664	86,953	64,434
<u>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 5, Item 31; 1974 & Prior; Item 33)</u>					
57. Industrial Life (Col. 2)	-0-	-0-	-0-	-0-	-0-
58. Ordinary-Life (Col. 3) (1972 & 1971, Cols. 3, 4, & 5)	4,082,686	2,759,775	3,080,099	2,570,100	2,278,607
59. Ordinary-Individual Annuities (Col. 4) (1972 & 1971, Col. 6)	6,554	5,288	485	4,541	5,985
60. Ordinary Supp. Contracts (Col. 5) (1972 & 1971, Col. 7)	4,675	3,341	4,965	3,789	2,968
61. Credit Life (Col. 6)	227,481	293,511	239,407	XX	XX
62. Group Life (Col. 7) (1972 & 1971, Col. 8)	17,903	106,391	2,829	187,574	144,112
63. Group Annuities (Col. 8) (1972 & 1971, Col. 9)	83,322	64,779	76,860	66,170	101,791
64. A & H—Group (Col. 9) (1972 & 1971, Col. 10)	(57,797)	(93,581)	(35,355)	10,364	(22,096)
65. A & H—Credit (Col. 10)	-0-	-0-	-0-	XX	XX
66. A & H—Other (Col. 11)	90,562	66,463	108,502	84,089	67,369
67. Total (Col. 1)	4,455,388	3,205,970	3,477,793	2,926,630	2,578,678

Failure of items to add to the total is due to dropping of amounts less than one dollar.

The figures on this page do not include Separate Account items, if any

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life ¹ (Group and Individual)		Group			10 Total Amount of Insurance*
	1 Number of Policies	2 Amount of Insurance*	3 Number of Policies	4 Amount of Insurance*	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance*	Number of		9 Amount of Insurance*	
							7 Policies	8 Certificates		
1 In force end of previous year	-0-	-0-	128,037	968,943	130,619	163,588	22	67,511	410,141	1,542,672
2 Issued during year			21,064	230,482	3,320	3,706	2	231	4,810	238,998
3 Reinsurance assumed										
4 Revived during year			460	2,881						2,881
5 Increased during year (net)			204		10,384	5,688		18,562	11,315	17,003
5A Subtotals, Lines 2 to 5			21,728	233,363	13,704	9,394	2	18,793	16,125	258,882
6 Additions by dividends during year	X X X		X X X		X X X		X X X	X X X		
7										
9 Totals, Lines 1 to 8			149,765	1,202,306	144,323	172,982	24	86,304	426,266	1,801,554
Deductions during year										
10 Death			410	2,633	598	799	X X X	238	1,329	4,761
11 Maturity			583	847			X X X			847
12 Disability							X X X			
13 Expiry			1,177	7,578	117	5				7,583
14 Surrender			1,661	13,516			1	18	366	13,882
15 Lapse			6,339	69,755	975	716				70,471
16 Conversion			116	927			X X X	X X X	X X X	927
17 Decreased (net)				6,325						6,325
18 Reinsurance										
19										
20										
21 Totals, Lines 10 to 20			10,286	101,581	1,690	1,520	1	256	1,695	104,796
22 In force end of year, Line 9 minus Line 21	-0-	-0-	139,479	1,100,725	142,633	171,462	23	86,048	424,571	1,696,758
23 Reinsurance ceded end of year	X X X		X X X	27,181	X X X		X X X	X X X	12,812	39,993
24 Line 22 minus Line 23	X X X		X X X	1,073,544	X X X	171,462	X X X	X X X	411,759	1,656,765

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
25 Additions by dividends	X X X	-0-	X X X	-0-
26 Other paid up insurance	-0-	-0-	12,716	35,399,048
27 Debit ordinary insurance	X X X	X X X	-0-	-0-

ADDITIONAL INFORMATION ON ORDINARY TERM INSURANCE (EXCLUDING EXTENDED TERM INSURANCE)

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 22)	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
28 Term policies—decreasing	1,831	23,905,464	12,127	128,769,914
29 Term policies—other	991	20,222,054	5,557	85,534,898
30 Other term insurance—decreasing	X X X	20,557,000	X X X	93,627,180
31 Other term insurance	X X X	13,410,500	X X X	105,252,182
31A Totals, Lines 28 to 31	2,822	78,095,018	17,684	413,184,174
Reconciliation to Lines 2 and 22				
31B Term additions	X X X	X X X	X X X	-0-
31C Totals, extended term insurance	X X X	X X X	7,259	25,567,824
31D Totals, whole life and endowment	18,242	152,387,044	114,536	661,972,680
31E Totals, Lines 31A to 31D	21,064	230,482,062	139,479	1,100,724,678

CLASSIFICATION OF AMOUNT OF INSURANCE BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 22)	
	1 Non Participating	2 Participating	3 Non Participating	4 Participating
32 Industrial ¹				
33 Ordinary	230,482,062		1,100,724,678	
33A Credit Life (Group and Individual) ¹	3,706,212		171,462,052	
34 Group	4,810,924		424,571,228	
35 Totals	238,999,198	-0-	1,696,757,958	-0-

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life ¹		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance	3 Number of Certificates	4 Amount of insurance
36 Amount of insurance included in Line 2 ceded to other companies	X X X	-0-	X X X	-0-
37 Number in force end of year if the number under shared groups is counted on a pro-rata basis	No Shared Groups	X X X	No Shared Groups	X X X
38 Federal Employees' Group Life Insurance included in Line 22	-0-	-0-	8,160	134,606,900
39 Servicemen's Group Life Insurance included in Line 22	-0-	-0-	7,237	142,367,316
40 Group Permanent Insurance included in Line 22	-0-	-0-	-0-	-0-

ADDITIONAL ACCIDENTAL DEATH BENEFITS

41 Amount of additional accidental death benefits in force end of year under ordinary policies	425,467,351
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

42 State basis of calculation of (i) decreasing term insurance contained in Family Income, Mortgage Protection, etc. policies and riders and of (ii) term insurance on wife and children under Family, Parent and Children, etc. policies and riders included above (i) One half the initial amount of insurance (ii) Family Plan \$3,000 - Wife \$1,000, Children \$2,000. Parent-Child Rider \$5,000 - Parent \$3,000, Children \$2,000

¹Business not exceeding 120 months duration. *(\$000 omitted)
†Group \$ 171,462 ; Individual \$ -0-

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

EXHIBITS OF ANNUITIES (PAID-FOR BASIS) AND SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES

Classification	Individual Annuities*		Group Annuities			Supplementary Contracts	
	1 No.	2 Annual Income	3 Contracts	4 Certificates	5 Annual Income	6 No.	7 Annual Income
1. Outstanding at end of previous year	17	20,284	1	36	72,612	8	3,693
2. Issued during year						..	..
3. Transferred from Insurance account during year	..	..	..	..	..	1	171
4. Totals	17	20,284	1	36	72,612	9	3,865
5. Other net changes during year							
6. Outstanding at end of current year	17	20,284	1	36	72,612	9	3,865

CLASSIFICATION OF ANNUITIES AND SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES OUTSTANDING AT THE END OF THE YEAR

Classification	Individual Annuities*		Group Annuities			Supplementary Contracts		Total	
	1 No.	2 Annual Income	3 Contracts	4 Certificates	5 Annual Income	6 No.	7 Annual Income	8 No.	9 Annual Income
7. Income now payable	10	14,046	..	36	72,612	9	3,865	55	90,523
8. Deferred; fully paid			..						
9. Deferred; not fully paid	7	6,237	..					7	6,237
10. Totals	17	20,284	..	36	72,612	9	3,865	62	96,761

*Individual Annuities. Include here all survivorship annuities and deferred annuities, including contracts providing for deferred annuities purchased by accumulations during deferred period and which provide for a death benefit during the period of deferral substantially equal to the value of the non-forfeiture benefit available on lapse.

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The information on this page pertains to the entire company business, including Separate Account business, if any

GENERAL INTERROGATORIES—PART A

- 1 Have all the transactions of the company of which notice was received at the home office on or before the close of business December 31, been truthfully and accurately entered on its books? Answer **Yes**
- 2 Except as shown in the next succeeding question does this statement show the condition of the company as shown by the books, records and data at the home office at the close of business December 31? Answer **Yes**
- 3 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**
- 34 In all cases where the company has assumed accident and health risks from another company, provision should be made in this statement on account of such reinsurances for a reserve equal to that which the original company would have been required to establish had it retained the risks. Has this been done? Answer **No** A & B reinsurances assumed except for FEGLI
- 4 Is the business of the company conducted upon the mutual, mixed or strictly proprietary plan? Answer **Proprietary**
- 4A 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**
- 4B If answer is no, explain in detail in separate memorandum to the Insurance Commissioner of domiciliary state
- 4B 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**
- 4C If the answer to General Interrogatory 4B 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**
- 5 What dividends and what proportion of the profits of the company may be paid to the stockholders? Answer **Only as authorized by the Board of Directors**
- 6 State total amount of advances to surplus not repaid (Mutual Companies only) \$ **Not applicable**
- 7 Is the unassigned surplus per Item 29B, Page 3 of this statement, held for the stockholders or the policyholders? Answer **Policyholders**
- 8 If any part of such unassigned surplus is held for the stockholders, what was the amount thereof on Dec 31 of current year? Answer **None**
- 8A Total amount paid in by stockholders since organization of the company as surplus funds (Stock Companies only) \$ **702,258**
- 9 Total dividends paid stockholders since organization of the company cash \$ **7,392,807** stock \$ **6,376,073**
- 10 What interest, direct or indirect, has this company in the capital stock of any other insurance company? Answer **100% ownership of the Capital Stock of GELICONY**
- 10A Are personnel or facilities of this company used by another company or companies or are personnel or facilities of another company or companies used by this company (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Answer **Yes** Net reimbursement of such expenses between companies, paid \$ **174,674** received \$ **105,300**
- 11 Is the company directly or indirectly owned or controlled by any other company, corporation, group of companies, partnership or individual? Answer **No** If so give full particulars

CAPITAL STOCK OF THIS COMPANY

Class	Number Shares Authorized	Number Shares Outstanding	Par Value Per Share	Redemption Price if Stock is Callable	Is Dividend Rate Limited?	Are Dividends Cumulative?
Preferred	None					
Common	8,000,000	4,477,366	1.50	*****	*****	*****

- 12A If company has outstanding bonds, debentures, guaranty capital notes, etc. furnish pertinent information concerning redemption price, interest features, etc. Answer **None**
- 12B 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, See Attached**
- If the answer is in the affirmative, attach a statement providing the information required by the Instructions for this General Interrogatory
- 13 Does the company own any securities of a real estate holding company or otherwise hold real estate indirectly? Answer **No** If so, explain Name of real estate holding company
- No. of parcels involved **Total book value \$**
- 14 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**
- 14A 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**
- 15 Amount of compensation if any received during the year by any representative officer, trustee or director of the company for services rendered as a member of any bondholders' or stockholders' reorganization or protective committee with which the company has deposited any securities? Answer **\$ None**
- 16 Amount of such compensation retained by the representative? Answer **\$ None**
- 16A Does the company have a retirement plan (a) for agents, (b) for staff employees? Answer (a) **No** (b) **Yes** If so in what items are the reserves included? Answer (a) **Not applicable**, (b) **Page 3, lines 1 and 25A**
- 17 Total amount loaned during the year to directors or other officers \$ **None** to stockholders not officers \$ **None** Total amount of loans outstanding at end of year to directors or other officers \$ **None** to stockholders not officers \$ **None** (exclusive of policy loans)
- 18 Have the future loadings on the premiums, or any part thereof, been assigned or hypothecated in any way? If so, give full information. Answer **No**
- 18A Except as reported in General Interrogatory 16A, has the company any agreement with any person, other than contracts with its agents for the payment of commissions, 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 item 12B above. There are existing personal service contracts with Lorimer A. Davidson and Norman L. Gidden**
- 19 What proportion of premiums on policies issued by the company may be taken in notes or other form of lien on the policies? Answer **None**
- 20 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 **Yes** If not, give full and complete information relating thereto
- 20A 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**
- 20B 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 **Not applicable**
- 20C Have filings been made with the Valuation of Securities office of the NAIC in connection with acquisition and disposition of securities as required by Section 8 of the Valuation Procedures and Instructions for Bonds and Stocks? Answer **Yes**
- 21 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
- 22 State as of what date the latest examination of the company was made or is being made, and by what department or departments? Answer **December 31, 1972** **District of Columbia, Georgia, Indiana and North Carolina**
- 23 Has any change been made during the year of this statement in the charter, bylaws, articles of incorporation, or deed of settlement of the company? Answer **No** If so, when? **By-Laws March 27, 1975** If not previously filed, furnish herewith a certified copy of the instrument as amended. (Only United States branches of alien companies need answer interrogatories 24.)
- 24 What changes have been made during the year in the United States Manager or the United States Trustees of the company? Answer **Does this statement contain all business transacted for the company through its United States Branch on risks wherever located? Answer: Have there been any changes made to any of the trust indentures during the year? Answer: If yes, has the domiciliary or entry state approved the changes? Answer:**
- 25 What officials and heads of departments of the company supervised the making of this report? Answer **Treasurer, Vice President and Actuary**
- 26A In what states, territories, or foreign countries is the company authorized to transact business? Answer **Ala., Alaska, Ariz., Ark., Calif., Colo., Conn., Del., D.C., Fla., Ga., Hawaii, Idaho, Ill., Ind., Iowa, Kans., Ky., La., Md., Mich., Minn., Miss., Mo., Mont., Neb., Nev., N.H., N.J., N. Mex., N.C., Ohio, Okla., Oreg., Pa., R.I., S.C., S. Dak., Tenn., Texas, Utah, Vt., Va., Wash., W. Va., Wisc.**
- 26B Has any direct new business been solicited or written in any state where the company was not licensed? Answer **Yes** X **No** If answer is "yes" explain **Business is written by direct mail in unlicensed states which do not have unauthorized insurer statutes.**
- 27 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**
- 28 Does the company keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Answer **Yes**
- 29 Have the instructions accompanying the blank furnished by this department been followed in every detail? Answer **Yes**
- 30 Does this company have Separate Accounts? Answer **Yes** If so, has Separate Account Statement been filed with this Department? Answer **Yes** State the authority under which Separate Accounts are maintained. Answer **District of Columbia Insurance Code, Section 35-541**

GENERAL INTERROGATORIES — PART B

Report briefly the Nature of Contingent Liabilities which may 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.

N O N E

Has the company committed any surplus funds to reserves for contingent liabilities or arrangements mentioned above? Answer **Not applicable** 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**

*Including but not limited to notes receivable discounted, accounts and agents' balances assigned, accommodation paper, lawsuits, additional taxes, guarantees of liabilities of other companies, establishment of compensating balances, long-term contracts and lease agreements, loan take-out agreements and indemnification agreements. Include also deferred expense contracts and arrangements between parents, subsidiaries, or affiliates.

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
Treasurer, State of Georgia	U. S. Treasury Bonds, Series B, 2 3/4% 04/01/75-80	10,000	10,000	8,000
	U. S. Treasury Bonds, 3% 02/01/95	20,000	20,031	15,600
	For protection of Georgia policyholders			
	TOTALS	30,000	30,031	23,600

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 E, 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
Superintendent of Insurance, District of Columbia	U. S. Treasury Notes, Series B, 6% 11/15/78	1,000,000	1,000,485	980,000
	For protection of all policyholders			
	TOTALS	1,000,000	1,000,485	980,000

SCHEDULE OF EXAMINATION FEES AND EXPENSES

1 Type of Exam (a)	2 State Initiating Exam (b)	3 States Participating (b)	4 Date Begun	5 Date Completed	6 Date Report Published	Fees and Expenses Incurred in Current Year		9 Offsetting Credits, If Any
						7 Amount (c)	8 State (b)	
N O N E								
Total							XXXX	

(a) "M" for marketing conduct, "F" for financial condition, describe others

(b) Use 2 digit post office abbreviation

(c) Show amount paid to each state (or representatives thereof) separately. The total amount plus \$ 14,946 for other state insurance department licenses and fees should agree with Page 9, Exhibit 6, Column 4, Item 2 in this statement plus the separate account business statement, if any.

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.

N O N E

SCHEDULE A—PART 2

Showing all Real Estate SOLD during the Year, including Payments during the Year on "Sales under Contract"

N O N E

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any.

SCHEDULE B-PART 1-SECTION 1

Summary of Mortgage Loans (including foreclosed liens subject to redemption) owned at December 31 of Current Year and changes therein during the year

	Farm Mortgages		Other than Farm Mortgages			6 Total
	1 Purchase Money**	2 Other	3 Insured or Guaranteed Under FHA, NHA or VA	4 Purchase Money**	5 All Other	
1 Book value of mortgages owned, December 31st of previous year			3,942,870		14,729,977	18,672,847
2 Loans in cash or granted on disposal of real estate						
3 Cost of mortgages, insured and other, purchased					372,000	372,000
4 Additional cash loaned on \$ of refunded mortgages*						
5 Interest covered by increase in, or refunding of, mortgages						
6 Taxes covered by increase in, or refunding of, mortgages						
7 Other items covered by increase in, or refunding of, mortgages						
8 Accrual of discount on mortgages purchased			2,798			2,798
9 Transfers						
10						
11						
12 Totals			3,945,668		15,101,977	19,047,646
13 Payments on principal including cash on mortgages refunded			404,364		595,604	999,969
14 Mortgages foreclosed and transferred to real estate						
15 Mortgages on properties acquired by deed, in lieu of foreclosure, and transferred to real estate						
16 Decrease in book value of mortgages refunded or by adjustment in book value of mortgages						
17 Amortization of premium on mortgages purchased						
18 Transfers						
19						
20						
21 Total Deductions			404,364		595,604	999,969
22						
23 Book value of mortgages owned, end of year, per Exhibit 13, Line 3, Col 1			3,541,304		14,506,372	18,047,676

*Where refunding or extension involves the advance of no additional cash, no entries should be made

SCHEDULE B-PART 1-SECTION 2

Summary of Mortgage Loans (including foreclosed liens subject to redemption) owned at December 31st of Current Year and Foreign Country

1 State or foreign Country	Farm Mortgages						Other Than Farm Mortgages								10 Grand Total			
	2 Purchase Money**		3 Other		4 Total Farm		5 Insured or Guaranteed by Federal Housing Administration or Under National Housing Act (Canada)		6 Insured or Guaranteed by Veterans Administration (exclusive of any portion insured by F.H.A.)		7 Purchase Money**		8 All Other				9 Total Other Than Farm	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
California													11	2,765,532	11	2,765,532	11	2,765,532
Colorado													18	4,167,901	18	4,167,901	18	4,167,901
District of Columbia							45	391,762					17	843,952	62	1,235,715	62	1,235,715
Maryland							201	2,015,913					234	5,169,678	435	7,185,592	435	7,185,592
Texas							26	151,508					26	151,508	26	151,508	26	151,508
Virginia							78	982,120					61	1,559,306	139	2,541,426	139	2,541,426
Totals							350	3,541,304					341	14,506,372	691	18,047,676	691	18,047,676

**A purchase money mortgage is understood to be one which represents a part of the consideration received on sale of property owned by the company (Mortgagee).

GENERAL INTERROGATORIES

- Are there any prior liens other than unpaid taxes? No. If so, explain
- Rates of interest on new loans made during year of statement? Farm properties: Maximum -0- %; Minimum -0- %; Other properties: Maximum 9 7/8 %; Minimum 9 7/8 %. Purchase money mortgages: Maximum -0- %; Minimum -0- %.
- Maximum percentage of any one loan to the value of security at the time loan is made, exclusive of purchase money mortgages and insured or guaranteed mortgages 75 %.
- Are any investments other than mortgage loans, such as ground rents, included in schedule B? Answer No.
- Where a loan is secured by both land and buildings, is fire insurance carried in every case at least equal to the excess of the loan over the maximum loan which would be permitted by law on the land without the buildings? Answer Yes.
- Total book value of mortgage with interest more than one year overdue \$ -0- Interest overdue thereon -0-
- Show data on mortgage loans where interest has been reduced as follows: Reduction 3%, No. -0- Amt. \$ -0-; Reduction 2%, No. -0- Amt. \$ -0-; Reduction 1%, No. -0- Amt. \$ -0-
- Taxes, assessments and all other amounts advanced by the company on account of mortgage loans outstanding and not included in Exhibit 13, Line 3, Col 1 \$ -0-
Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any

SCHEDULE B-PART 2-SECTION 1

Mortgages owned at December 31 of Current Year upon which interest is not overdue more than three months, which are not in process of foreclosure or in course of voluntary conveyance to the company. Show individually those which exceed \$1,000,000 or 4% of admitted assets December 31 preceding year, whichever is smaller, and others upon which taxes, assessments or other liens are delinquent more than one year and with appropriate comment, those where mortgagor is an officer, director, subsidiary or affiliate, classified by States in each subsection. All others may be summarized.

1 Number	2 State and County or City	3 Year Given	4 Amount of Principal Indebtedness at End of Year	5 Book Value	6 Increase by Adjustment in Book Value During Year	7 Decrease by Adjustment in Book Value During Year	8 Interest Due and Unpaid	9 Unpaid Taxes	10 Value of Land and Buildings	11 Comment
FARM MORTGAGES-PURCHASE MONEY										
							XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX			
Totals	XXXXXXXXXXXXXXXXXXXX	XXXXXX					XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX	XX
FARM MORTGAGES-OTHER THAN PURCHASE MONEY										
							XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX			
Totals	XXXXXXXXXXXXXXXXXXXX	XXXXXX					XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX	XX
CITY MORTGAGES-INSURED OR GUARANTEED										
	District of Columbia	Various	391,762	391,762			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		767,100	
	Maryland	Various	2,015,913	2,015,913			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		3,759,600	
	Texas	Various	151,508	151,508	2,798		XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		380,300	
	Virginia	Various	984,218	982,120			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		1,778,300	
Totals	XXXXXXXXXXXXXXXXXXXX	XXXXXX	3,543,403	3,541,303	2,798		XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX	XX
CITY MORTGAGES-PURCHASE MONEY										
							XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX			
Totals	XXXXXXXXXXXXXXXXXXXX	XXXXXX					XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX	XX
CITY MORTGAGES-ALL OTHER										
	California Loan #70112	Various 1973	2,110,319 653,213	2,110,319 653,213			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		3,025,574 902,025	
	Colorado	Various	4,167,901	4,167,901			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		6,493,500	
	District of Columbia	Various	843,952	843,952			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		1,893,710	
	Maryland	Various	5,169,678	5,169,678			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		9,312,673	
	Virginia	Various	1,559,306	1,559,306			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		2,667,365	
Totals	XXXXXXXXXXXXXXXXXXXX	XXXXXX	14,506,372	14,506,372			XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX	XX
Grand Totals	XXXXXXXXXXXXXXXXXXXX	XXXXXX	18,049,775	18,047,676	2,798		5,353		XXXXXXXXXXXXXXXXXXXX	XX

*Report all taxes unpaid by mortgagor, if any taxes are unpaid more than one year from date when penalty attaches.
*Show grand total only.
Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

SCHEDULE B—PART 2—SECTION 2

Mortgages owned at December 31 of Current Year upon which interest is overdue more than three months which are not in process of foreclosure or in course of voluntary conveyance to the Company. Mortgages upon which interest is overdue more than one year or upon which taxes or other liens are delinquent more than one year or which exceed \$100,000 or 1/5% of admitted assets or where mortgagor is an officer, director, parent, subsidiary or affiliate (with appropriate comment) shall be listed individually, classified by States in each sub section. All others may be summarized.

NONE

SCHEDULE B—PART 2—SECTION 3

All Mortgages owned at December 31 of Current Year in process of foreclosure (including those in which transfer of legal title is awaiting expiration of redemption or moratorium period) and including those where properties are in course of voluntary conveyance to the Company. Classify by States and list all items. State if mortgagor is an officer, director, parent, subsidiary or affiliate.

NONE

SCHEDULE B—PART 3

Mortgages foreclosed, properties transferred to real estate during the year, including properties acquired by voluntary conveyance to the Company. Classify by States and list all items.

NONE

SCHEDULE B A—PART 1

Showing Other Invested Assets OWNED December 31, Current Year

NONE

SCHEDULE B A—PART 2

Showing Other Invested Assets ACQUIRED During Current Year

NONE

SCHEDULE B A—PART 3

Showing Other Invested Assets DISPOSED of During Current Year

NONE

SCHEDULE C—PART 1

Showing all Collateral Loans IN FORCE December 31 of Current Year

NONE

SCHEDULE C—PART 2

Showing all Collateral Loans MADE During the year

NONE

SCHEDULE C—PART 3

Showing all Collateral Loans DISCHARGED in Whole or in Part During the year

NONE

SCHEDULE C—PART 4

Showing All Substitutions of Collateral During the Year

NONE

SCHEDULE D—SUMMARY BY COUNTRY

Bonds and Stocks OWNED December 31 of Current Year

The figures on this page do not include Separate Account items, if any.

1 Description	2 Book Value	3 †Market Value (Excluding accrued interest)	4 Actual Cost (Excluding accrued interest)	5 Par Value of Bonds	6 *Amortized or Investment Value
BONDS					
1. United States	10,429,091	10,244,600	10,445,032	10,420,000	10,429,091
2. Canada					
3. Other Countries					
4. Totals	10,429,091	10,244,600	10,445,032	10,420,000	10,429,091
5. United States					
6. Canada					
7. Other Countries					
8. Totals					
9. United States					
10. Canada					
11. Other Countries					
12. Totals					
13. United States					
14. Canada					
15. Other Countries					
16. Totals					
17. United States					
18. Canada					
19. Other Countries					
20. Totals					
21. United States	38,592,747	34,276,680	38,626,826	38,281,000	38,592,747
22. Canada					
23. Other Countries					
24. Totals	38,592,747	34,276,680	38,626,826	38,281,000	38,592,747
25. United States	2,118,470	2,007,157	2,113,927	2,105,000	2,118,470
26. Canada					
27. Other Countries					
28. Totals	2,118,470	2,007,157	2,113,927	2,105,000	2,118,470
29. Totals					
30. Total Bonds	51,140,309	46,528,437	51,185,787	50,806,000	51,140,309
PREFERRED STOCKS					
31. United States					
32. Canada					
33. Other Countries					
34. Totals					
35. United States	14,684,335	10,123,432	14,684,335		
36. Canada					
37. Other Countries					
38. Totals	14,684,335	10,123,432	14,684,335		
39. United States					
40. Canada					
41. Other Countries					
42. Totals					
43. United States	1,202,268	947,250	1,202,268		
44. Canada					
45. Other Countries					
46. Totals	1,202,268	947,250	1,202,268		
47. Totals					
48. Total Preferred Stocks	15,886,604	11,070,682	15,886,604		
COMMON STOCKS					
49. United States	576,692	496,000	576,692		
50. Canada					
51. Other Countries					
52. Totals	576,692	496,000	576,692		
53. United States	2,635,676	2,459,118	2,635,676		
54. Canada					
55. Other Countries					
56. Totals	2,635,676	2,459,118	2,635,676		
57. United States					
58. Canada					
59. Other Countries					
60. Totals					
61. United States	12,485,017	13,353,687	12,485,017		
62. Canada	563,625	426,725	563,625		
63. Other Countries					
64. Totals	13,048,642	13,780,412	13,048,642		
65. Totals	1,000,000	2,068,219	1,000,000		
66. Total Common Stocks	17,261,012	18,803,750	17,261,012		
67. Total Stocks	33,147,616	29,874,432	33,147,616		
68. Total Bonds and Stocks	84,287,925	76,402,870	84,333,403		

†For certain bonds, values other than actual market may appear in this column (See Schedule D, Part 1, for details).

The aggregate value of bonds which are valued at other than actual market is \$ 1,136,157.

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

SCHEDULE D—VERIFICATION BETWEEN YEARS

1. Book value of bonds and stocks, per Items 1 and 2, Col. 1, Exhibit 13, previous year	72,232,323	6. Deduct consideration for bonds and stocks disposed of, Col. 5, Part 4	380,867,043
2. Cost of bonds and stocks acquired, Col. 5, Part 3	292,929,720	7. Decrease by adjustment in book value:	
3. Increase by adjustment in book value:		(a) Col. 11, Part 1	19,975
(a) Col. 10, Part 1	10,209	(b) Col. 10, Part 2, Sec. 1	
(b) Col. 9, Part 2, Sec. 1		(c) Col. 9, Part 2, Sec. 2	
(c) Col. 8, Part 2, Sec. 2		(d) Col. 10, Part 4	20,896
(d) Col. 9, Part 4	191	8. Loss on disposal of bonds and stocks, Col. 12, Part 4	265,449
4. Profit on disposal of bonds and stocks, Col. 11, Part 4	269,871	9. Book value of bonds and stocks, per Items 1 and 2, Col. 1, Exhibit 13, current year	84,287,925
5. Total	165,442,315		

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

FORM FOR CALCULATING MANDATORY SECURITIES VALUATION RESERVE
(Section 5(E) of NAIC Valuation Procedures and Instructions for Bonds and Stocks)
DATA FROM ANNUAL STATEMENT OF BONDS AND STOCKS OWNED

Bond and Preferred Stock Reserve Component				Common Stock Reserve Component				
Bond and Preferred Stock Component as of December 31, Previous Year			605,025	A	Common Stock Reserve Component as of December 31, Previous Year		-0-	P
Maximum Bond and Preferred Stock Component as of December 31, Previous Year	1,414,677	A.1			Statement Value of Common Stocks (including \$ 2,068,219 statement value of shares of controlled or affiliated companies valued under Section 4(B) but excluding Federally Insured Building and Savings and Loan Shares and shares of certain wholly owned life insurance subsidiaries - See Section 5(B))	18,803,750		Q
Line A + Line A.1 (carried to three decimals)	428	A.2			Enter 1% of Line Q	188,038		R
	Statement Value	Reserve Factor			Net Current Year realized and unrealized capital gain (If company has net realized and unrealized capital loss, report None here and report net capital loss on Line SL)	4,317,940	SG.1	
Bonds in 2% Maximum Reserve Class	40,711,218	× .001 =	40,711	B	Excess capital losses not yet restored as of December 31, Previous Year*	1,695,564	SL.1	
Bonds in 10% Maximum Reserve Class		× .005 =		C	Line SG.1 less Line SL.1 (if negative report None)	2,622,376		SG
Bonds in 20% Maximum Reserve Class		× .02 =		D	Net Current Year realized and unrealized capital loss (Enter net loss as a positive number. If company has net realized and unrealized capital gain, report None here and report the net capital gain on Line SG.1)	None		SL
Preferred Stocks in 5% Maximum Reserve Class	15,886,604	× .0025 =	39,717	E	Voluntary Addition \$ (see Section 5(B)(c) for limitation), plus Voluntary Allocation from Temporary Excess Reserve Component. Do not include any amount which would make component greater than maximum			T
Preferred Stocks in 20% Maximum Reserve Class		× .01 =		F	Total Lines P, R, SG and T minus Line SL	2,810,414		U
Federally Insured Building and Savings and Loan Shares carried in Schedule D, Part 2		× .001 =		G	Minus adjustment (down to Maximum) if Line U is greater than Maximum (Maximum is 20% of shares of controlled or affiliated companies valued under Section 4(B)(a)(i) or 4(B)(a)(iii), and federally chartered banks valued under Section 4(B)(a)(ii) - (book value) - included in Line Q above plus 33 1/3% of the balance of common stocks included in Line Q, above)			V
Total Securities in Bond and Preferred Stock Component	56,597,822	H			Maximum Common Stock Reserve Component	5,992,154		
Total Lines B, C, D, E, F and G			80,428	I	Common Stock Reserve Component, December 31, Current Year (Line U minus Line V if negative enter None)	2,810,414		W
Additional Accumulation. If the ratio shown on Line A.2 is equal to or greater than 500 show 0 on this line. If lower than 500 show the amount indicated on Line I			80,428	I.1	Excess capital losses not yet restored as of December 31, Current Year (Line SL.1 less Line SG.1 if negative report None)	None		W.1
Total Lines A.1 and I.1			765,881	J	Temporary Excess Reserve Component			
Net Current Year realized and unrealized capital gains (or losses) permitted in the Bond and Preferred Stock Reserve Component (see Section 5(A)(b) Paragraphs (1-4) for limitations)			2,226	K	Temporary Excess Reserve Component as of December 31, Previous Year. Note: If no amount appears on Line X, disregard Lines Y and Z			X
Voluntary Addition \$ (see Section 5(A)(c) for limitation), plus Voluntary Allocation from Temporary Excess Reserve Component. Do not include any amount which would make component greater than maximum				L	Total Charges to Temporary Excess Reserve Component			Y
Total Lines J, K (minus K, if loss) and L			763,655	M	Temporary Excess Reserve Component, December 31, Current Year (Line X minus Line Y, if negative enter None)	-0-		Z
Minus adjustment (down to Maximum) if Line M is greater than Maximum (Maximum is 20 times Lines B, C, E, F and G, plus 10 times Line D)				N	Recapitulation of Reserve Components			
Maximum Bond and Preferred Stock Reserve Component	1,608,560				Bond and Preferred Stock Reserve Component (Line O above)	763,655		
Bond and Preferred Stock Reserve Component, December 31, Current Year (Line M minus Line N, if negative enter None)			763,655	O	Common Stock Reserve Component (Line W above)	2,810,414		
					Temporary Excess Reserve Component (Line Z above)			
					Total Mandatory Securities Valuation Reserve, December 31, Current Year (Page 1 Item 25.1 of Annual Statement)	3,574,069		

*For 1975, excess capital losses equal the sum of the absolute values of line U, if negative, from the 1973 MSVR form and Line U, if negative, from the 1974 MSVR form.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

Bonds to be grouped in the following manner and each group arranged alphabetically (the listing in Groups 2 J and 4 should be alphabetical by State.)

- Governments (including all obligations guaranteed by governments)
- States, Territories and Possessions (direct and guaranteed)
- Political Subdivisions of States, Territories and Possessions (direct and guaranteed)
- Special revenue and special assessment obligations and all non guaranteed obligations of agencies and authorities of governments and their political subdivisions
- Roads, (unaffiliated)
- Public Utilities, (unaffiliated)
- Industrial and Miscellaneous, (unaffiliated)
- Parents, Subsidiaries, and Affiliates

SCHEDULE D—PART 1
Showing all BONDS Owned December 31 of Current Year

The figures on this page do not include Separate Account Items, if any.

CUSIP Identification**	Description***	Interest		Date of				Book Value	Par Value	Rate Used to Obtain Market Value	Market Value (excluding accrued interest)	Actual Cost (including accrued interest)	Interest		Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Amount of Interest due and accrued Dec 31 current year on bonds in default as to principal or interest	SHAIC Default: nabor	Year Acquired	Effective Rate of Interest at Which Purchase Was Made	Amount or Investment Value Dec 31 of Current Year	Increase in Amortized Value During Year	Decrease in Amortized Value During Year		
		Rate of	How Paid	Maturity		Call Option							91 Amount Due and Accrued Dec 31 of Current Year on Bonds not in default	92 Gross Amt Received During Year											
				Year	Month	Year	Call Price																		
GOVERNMENTS																									
912010AW	U S TREASURY	4 3/4	F-A	83	02			199,618	250,000	88	176,033	199,403	3,330	8,000							199,618				
912010L1	U S TREASURY	4 3/4	F-A	82	02			1,412,365	1,400,000	94	1,492,000	1,418,535	43,031	114,750							1,412,365				
912010F6	U S TREASURY	3	F-A	95	02			23,320	20,000	78	15,420	20,000	225	400							23,320				
	U S TREASURY INVESTMENT SERIES A	2 3/4	A-U	80	04	75		100,000	100,000	60	90,000	101,717	687	2,750							100,000				
912027CE	U S TREASURY NOTES SERIES A	4 1/2	F-A	78	02			1,501,000	1,500,000	99	1,485,000	1,502,944	35,156	91,750							1,501,000				
912027HE	U S TREASURY NOTES SERIES B	4 1/2	M-N	76	05			601,014	600,000	100	600,000	604,781	4,875	39,000	18	2,122					601,014				
912027ME	U S TREASURY NOTES SERIES B	4 1/2	M-N	76	05			1,700,825	1,700,000	98	1,686,000	1,701,790	12,750	102,000							1,700,825				
912027PE	U S TREASURY NOTES SERIES C	4 1/2	M-N	78	11			502,752	500,000	99	502,000	502,752	752	35,000	1,212	255					502,752				
912027FE	U S TREASURY NOTES SERIES E	7 3/8	F-A	78	08			490,587	500,000	99	493,000	493,000	3,587	33,000							490,587				
912027DE	U S TREASURY NOTES SERIES D	4 1/2	M-N	79	09			1,005,638	1,000,000	131	1,010,000	1,006,875	24,550	1,214							1,005,638				
91727EM	U S TREASURY NOTES SERIES E	4 1/2	M-N	77	03			500,000	500,000	104	520,000	501,875	13,875								500,000				
91727EM	U S TREASURY NOTES SERIES E	4 1/2	M-N	77	03			498,144	500,000	100	500,000	497,300	844	16,250	405	122					498,144				
912027EO	U S TREASURY NOTES SERIES E	4 3/4	M-N	77	05			498,422	1,000,000	100	1,000,000	997,812	5,625	34,491	610	97					498,422				
912027EO	U S TREASURY NOTES SERIES E	4 3/4	F-A	77	08			499,425	1,000,000	100	1,000,000	499,320	1,105								499,425				
TOTAL GOVERNMENTS								10,429,091	13,420,320		13,244,430	10,445,032	178,263	446,591	7,825	5,861							10,429,091		
PUBLIC UTILITIES																									
010392AW	ALABAMA POWER CO 1ST MTG	7	M-N	98	11	97		107,229	110,000	74	41,400	107,227	1,283	10,500	2			YES	X	VAR	VAR	107,229			
010392Z1	ALABAMA POWER CO 1ST MTG	4 1/2	F-A	91	07	00		283,912	314,000	83	288,600	283,364	13,433	8,500	92	11		YES	X	VAR	VAR	283,912			
010392BD	ALABAMA POWER CO 1ST MTG	4 1/2	F-A	03	08	02		569,445	600,000	90	540,000	569,445	22,187	24,625	44	19		YES	X	VAR	VAR	569,445			
030177AV	AMERICAN TELEPHONE & TELEGRAPH CO DEB	6 7/8	F-A	00	08	96		100,000	100,000	75	75,000	100,000	4,000	6,000				YES	X	VAR	VAR	100,000			
030177BB	AMERICAN TELEPHONE & TELEGRAPH CO DEB	6 7/8	F-A	02	12	96		658,674	600,000	102	612,000	662,962	4,350	52,200			1,099	YES	X	VAR	VAR	658,674			
037735A2	APPALACHIAN POWER CO 1ST MTG	7 1/2	J-D	98	12	97		202,174	200,000	78	162,000	202,174	1,250	15,000				YES	X	VAR	VAR	202,174			
041033A2	ARKANSAS POWER & LIGHT CO 1ST MTG	7 3/8	J-D	99	06	97		131,916	130,000	76	104,000	131,916	7,916	3,150				YES	X	VAR	VAR	131,916			
059145A4	BALTIMORE GAS & ELECTRIC CO 1ST MTG	4 1/2	F-A	97	08	96		111,405	115,000	70	40,300	111,432	2,934	6,125	16	35		YES	X	VAR	VAR	111,405			
059145B0	BALTIMORE GAS & ELECTRIC CO 1ST MTG	4 1/2	M-N	99	09	98		101,035	100,000	88	88,000	101,115	2,406	8,250				YES	X	VAR	VAR	101,035			
059145AR	BALTIMORE GAS & ELECTRIC CO 1ST MTG	4 1/2	M-N	90	09	98		77,672	72,000	91	65,320	77,672	1,811	6,210				YES	X	VAR	VAR	77,672			
100199AL	BOSTON EDISON CO 1ST MTG SER L	9	J-D	99	12	99		323,973	300,000	84	252,000	323,973	2,250	27,000			362	YES	X	VAR	VAR	323,973			
144141A2	CAROLINA POWER & LIGHT CO 1ST MTG	7 3/4	F-A	04	08	98		107,161	100,000	86	86,320	107,500	3,665	8,750			109	YES	X	VAR	VAR	107,161			
144141A1	CAROLINA POWER & LIGHT CO 1ST MTG	7 3/4	F-A	03	05	02		158,258	140,000	76	121,600	158,258	11,825		2	5		YES	X	VAR	VAR	158,258			
153643AC	CENTRAL HUDSON GAS & ELECTRIC COMP 1ST MTG	7 1/8	J-D	94	01	98		100,000	100,000	74	74,000	100,000	3,265					YES	X	VAR	VAR	100,000			
153643AP	CENTRAL ILLINOIS PUBLIC SERVICE CO 1ST MTG	8 3/4	A-D	00	04	99		218,322	200,000	93	170,000	218,322	4,325	17,500			297	YES	X	VAR	VAR	218,322			
153643AR	CENTRAL ILLINOIS PUBLIC SERVICE CO 1ST MTG	7 7/8	M-N	01	09	00		188,719	200,000	86	172,000	188,719	5,250	19,750	275			YES	X	VAR	VAR	188,719			
154053AR	CENTRAL MARYLAND PUBLIC CO 1ST MTG SER 2	4 3/8	F-A	95	08	94		198,000	198,000	92	182,160	198,000	7,872	38,414				YES	X	VAR	VAR	198,000			
154053AP	CENTRAL MARYLAND PUBLIC CO 1ST MTG SER 2	4 3/8	F-A	95	08	94		496,233	400,000	100	300,000	496,233	1,000	7,500			73	YES	X	VAR	VAR	496,233			
165079A0	CHESAPEAKE & POTOMAC TELEPHONE CO OF VA DEB	4 3/4	M-N	10	03	05		309,232	300,000	99	309,232	309,491	259					YES	X	VAR	VAR	309,232			
180108A2	CLEVELAND ELECTRIC ILLUMINATING CO 1ST MTG	4 3/4	M-N	91	11	90		200,419	200,000	94	188,000	200,419	12,419	24,500			8	YES	X	VAR	VAR	200,419			
197448A4	COLUMBIA GAS SYSTEM INC DEB	7 1/4	M-N	93	05	92		222,511	225,000	92	184,500	222,511	2,718	15,406			48	YES	X	VAR	VAR	222,511			
197448A3	COLUMBIA GAS SYSTEM INC DEB	9	A-D	94	10	93		100,444	100,000	95	95,000	100,444	2,500	9,000			10	YES	X	VAR	VAR	100,444			
202979E1	COMMONWEALTH EDISON CO 1ST MTG	7 1/4	F-A	01	08	00		216,487	225,000	93	202,500	216,487	7,500	18,000	65	34		YES	X	VAR	VAR	216,487			
202979A0	CONNECTICUT LIGHT & POWER CO 1ST MTG SER 5	4 1/2	A-D	03	13	97		124,243	135,000	65	87,750	124,407	1,357	7,250	72	34		YES	X	VAR	VAR	124,243			
202979A7	CONNECTICUT LIGHT & POWER CO 1ST MTG SER 5	4 1/2	A-D	03	13	97		429,217	430,000	93	363,333	429,217	4,875	33,500				YES	X	VAR	VAR	429,217			
210615A0	CONSUMERS POWER CO 1ST MTG	7 3/4	M-N	97	07	96		130,220	130,000	62	62,000	130,220	3,000	6,000				YES	X	VAR	VAR	130,220			
210615A8	CONSUMERS POWER CO 1ST MTG	4 3/4	M-N	00	11	99		210,207	200,000	90	168,000	210,207	1,207	7,250				YES	X	VAR	VAR	210,207			
235199A6	DALLAS POWER & LIGHT CO 1ST MTG	9 3/8	J-D	00	06	97		190,889	187,000	103	192,610	190,889	1,460	15,794				YES	X	VAR	VAR	190,889			
240019A8	DAYTON POWER & LIGHT CO 1ST MTG	9 1/2	J-D	00	06	99		385,185	400,000	95	380,000	385,252	3,166	9,500	9	16		YES	X	VAR	VAR	385,185			
240019A5	DAYTON POWER & LIGHT CO 1ST MTG	4 3/4	F-A	91	08	90		216,839	210,000	82	172,200	216,872	7,109	16,250	4	132		YES	X	VAR	VAR	216,839			
247109A7	DELMARVA POWER & LIGHT CO 1ST MTG	7 1/2	M-N	98	11	97		295,574	325,000	73	237,250	295,574	3,791	18,375	195			YES	X	VAR	VAR	295,574			
247109A4	DELMARVA POWER & LIGHT CO 1ST & COLL MTG	10	M-N	98	11	97		900,124	900,000	99	895,000	900,124	4,166	25,000			87	YES	X	VAR	VAR	900,124			
252759A7	DIAMOND STATE TELEPHONE CO DEB	4 3/4	J-D	13	07	04		109,253	100,000	99	109,253	109,253	0					YES	X	VAR	VAR	109,253			
264399A1	DUKE POWER CO 1ST MTG	6 1/2	M-N	00	03	99		305,982	300,000	89	267,000	305,982	8,982	8,750				YES	X	VAR	VAR	305,982			
264399A6	DUKE POWER CO 1ST MTG	4 5/8	F-A	00	04	99		490,197	467,000	90	420,300	490,197	16,782	34,500	14	107		YES	X	VAR	VAR	490,197			
266228A2	DUQUESNE LIGHT CO 1ST MTG	9 1/2	M-N	05	03	04		250,042	250,000	99	247,500	250													

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

Bonds to be grouped in the following manner and each group arranged alphabetically (the listing in Groups 2, 3 and 4 should be alphabetical by State):

- 1 Governments (including all obligations guaranteed by governments)
- 2 States, Territories and Possessions (direct and guaranteed)
- 3 Political Subdivisions of States, Territories and Possessions (direct and guaranteed)
- 4 Special Revenue and Special Assessment Obligations and all non guaranteed obligations of agencies and authorities of governments and their political subdivisions
- 5 Railroads (unaffiliated)
- 6 Public Utilities (unaffiliated)
- 7 Industrial and Miscellaneous (unaffiliated)
- 8 Parents, Subsidiaries and Affiliates

SCHEDULE D - PART 1

The figures on this page do not include Separate Account items, if any.

Showing all BONDS Owned December 31 of Current Year

Supplemental columns for data concerning Amortization

See Note

CUSIP Identification	Description	Interest		Date of				Book Value	Par Value	Rate Used to Obtain Market Value	Yield to Maturity	Actual Cost (excluding accrued interest)	Interest		Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Amount of interest due and accrued Dec 31 of current year on bonds in default as to principal or interest	GNAC Designation	Year Acquired	Effective Rate of Interest at Which Purchase Was Made	Amortized or Value Dec 31 of Current Year	Increase in Amortized Value During Year	Decrease in Amortized Value During Year	
		Rate of	How Paid	Maturity		Call Price	9-1						9-2											
				Year	Month									Year										Call Price
4624164C2	INDIANAPOLIS POWER & LIGHT CO 1ST MTG	7 7/8	M-5	05	09	04	44,193	75,333	101	45.930	94,192	2,736		1			YFS X	75	9.96		94,193			
4624164C2	IOWA ELECTRIC LIGHT & POWER CO 1ST MTG SER A	8 5/8	M-6	09	11	00	109,294	100,350	84	84.225	109,297	1,437					YFS X	69	8.62		100,249			
4624164M6	IOWA POWER & LIGHT CO 1ST MTG	10 3/4	F-A	04	06	03	211,004	200,000	103	200.000	211,160	1,156					YFS X	74	10.15		211,044			
4655344E2	IOWA PUBLIC SERVICE CO 1ST MTG	10 1/8	J-0	03	12		496,101	500,000	100	500.000	496,500	399					YFS X	75	10.20		496,501			
4655344E2	JERSEY CENTRAL POWER & LIGHT CO 1ST MTG	7 1/4	A-0	02	10	97	101,664	100,000	73	73.352	101,832	1,812					YFS X	68	7.10		101,664			
4651334E8	KANSAS CITY POWER & LIGHT CO 1ST MTG	7 1/4	F-0	09	02	98	141,488	140,000	80	80.000	141,488	1,488					YFS X	74	8.25		140,000			
4651334E8	KANSAS CITY POWER & LIGHT CO 1ST MTG	7 1/4	F-0	01	06	00	201,233	200,000	80	80.000	201,362	1,129					YFS X	69	7.07		201,233			
4652404H6	KANSAS GAS & ELECTRIC CO 1ST MTG	8 1/2	F-5	00	03	94	190,919	200,000	85	170.002	190,720	1,199			104		YFS X	74	8.16		190,919			
4653144D0	KANSAS POWER & LIGHT CO 1ST MTG	4 5/8	M-0	05	02	94	194,927	200,000	81	186.000	194,750	1,177					YFS X	70	VAR		194,927			
4916744J6	KENTUCKY UTILITIES CO 1ST MTG SER I	8 3/4	A-0	02	04	94	98,814	100,000	95	100.000	98,250	6,564					YFS X	70	8.67		98,814			
4916744J6	KENTUCKY UTILITIES CO 1ST MTG SER A	7 1/8	J-0	02	12	01	197,000	200,000	81	162.000	197,000						YFS X	70	8.07		197,000			
4926744E2	LEAD ISLAND LIGHTING CO 1ST MTG SER M	8 2/8	M-5	09	02	98	182,994	185,032	87	183.950	182,987	9,045					YFS X	VAR	VAR		182,994			
5466304E3	LOUISIANA POWER & LIGHT CO 1ST MTG	9 3/8	J-0	09	12	98	203,000	200,000	97	194.000	200,011	5,011			12	14		YFS X	69	VAR		200,000		
5466304E3	LOUISIANA POWER & LIGHT CO 1ST MTG	8 1/2	M-1	05	12	04	492,542	500,000	96	490.000	492,500	4,042					YFS X	75	9.02		492,542			
5750344E0	MASSACHUSETTS ELECTRIC CO 1ST MTG SER J	7 1/2	A-0	08	04	97	214,200	220,000	75	185.000	213,727	3,910					YFS X	VAR	VAR		214,200			
5944574E8	MICHIGAN CONSOLIDATED GAS CO 1ST MTG	7 1/2	J-0	03	12		200,000	200,000	98	162.000	200,000						YFS X	VAR	VAR		200,000			
6054004R8	MISSISSIPPI POWER & LIGHT CO 1ST MTG	4 5/8	J-0	09	12	98	165,196	165,333	97	165.000	165,333	137					YFS X	68	7.25		204,903			
6054004R8	MISSISSIPPI POWER & LIGHT CO 1ST MTG	9 1/4	F-A	00	08	98	222,990	250,000	94	188.000	224,000	2,108			28		YFS X	VAR	VAR		222,990			
6054004R8	MISSISSIPPI POWER & LIGHT CO 1ST MTG	8 1/4	M-5	03	04	02	378,039	400,000	84	336.000	378,120	11,000			32		YFS X	VAR	VAR		378,039			
6054174D7	MISSISSIPPI POWER & LIGHT CO 1ST MTG	7 1/2	M-4	07	11	96	201,366	200,000	75	150.000	201,550	2,375					YFS X	VAR	VAR		201,366			
6102024E2	MONMOUTH POWER CO 1ST MTG	8 1/2	A-0	06	09	97	389,132	435,000	76	339,100	389,025	3,093					YFS X	VAR	VAR		389,132			
6102024E2	MONMOUTH POWER CO 1ST MTG	8 1/2	A-0	06	09	96	204,138	200,000	83	186,333	204,138	1,334					YFS X	VAR	VAR		204,138			
6120174J2	MONTANA-DARLTA UTILITIES CO 1ST MTG	7 1/2	M-N	03	11	92	198,907	200,000	77	184,000	198,907	198,907					YFS X	69	7.93		204,733			
6426264L0	MOUNTAIN STATES TEL & TEL CO DEB	4	M-N	10	11	35	563,000	500,000	102	510.000	506,140	2,375					YFS X	68	VAR		506,140			
6426264L0	MOUNTAIN STATES TEL & TEL CO DEB	4 5/8	M-5	15	04	10	246,170	250,000	105	262,500	246,125	6,020					YFS X	75	9.70		246,170			
6441884M0	NEW ENGLAND POWER CO 1ST MTG SER M	6 7/8	A-0	07	10	96	101,968	100,000	75	75.000	102,250	1,118					YFS X	67	6.70		101,968			
6441884M0	NEW ENGLAND POWER CO 1ST MTG SER D	7 3/8	J-0	09	12	97	101,934	103,333	80	80,000	102,139	614					YFS X	68	7.20		101,934			
6441884M0	NEW ENGLAND POWER CO 1ST MTG SER H	7 3/8	J-0	09	12	97	178,769	233,333	91	178,000	173,570	1,395			174		YFS X	74	9.75		173,769			
6442394M5	NEW ENGLAND TELEPHONE & TELEGRAPH CO DEB	8 2/8	J-0	04	06	33	100,000	100,000	98	91,333	100,000	11,333					YFS X	71	8.20		100,000			
6442394M5	NEW ENGLAND TELEPHONE & TELEGRAPH CO DEB	8 5/8	M-5	09	03	92	431,550	400,000	96	431,550	431,550						YFS X	VAR	VAR		431,550			
6457674L8	NEW JERSEY BELL TELEPHONE COMPANY DEB	9 3/8	J-0	10	06	03	222,132	200,000	103	206.000	223,000	11,000					YFS X	VAR	VAR		222,132			
6300744N3	NEW YORK STATE ELECTRIC & GAS CO 1ST MTG	7 1/4	A-0	07	04	00	400,000	400,000	101	200,000	400,000	3,625					YFS X	67	7.25		200,000			
6300744N3	NEW YORK STATE ELECTRIC & GAS CO 1ST MTG	7 1/4	A-0	07	04	00	99,766	100,000	72	72,000	99,753	2,000					YFS X	67	6.02		99,766			
6300744N3	NEW YORK STATE TELEPHONE CO 1ST MTG SER O	9 1/4	M-5	07	09	02	326,186	300,000	102	308,000	327,100	3,468			2		YFS X	VAR	VAR		326,186			
6300744N3	NEW YORK STATE TELEPHONE CO 1ST MTG SER O	9 1/4	M-5	07	09	02	100,000	100,000	71	100,000	100,000						YFS X	VAR	VAR		100,000			
6300744N3	NEW YORK STATE TELEPHONE CO 1ST MTG SER O	9 1/4	M-5	07	09	02	99,766	100,000	72	72,000	99,753	2,000					YFS X	67	6.02		99,766			
6313224E1	NIAGARA MOHAWK POWER CORP GEN MTG	4 1/8	J-0	09	12	98	300,000	300,000	101	300,000	300,000						YFS X	VAR	VAR		300,000			
6452264E2	NORTHERN INDIANA PUBLIC SERVICE CO 1ST MTG	8 1/4	J-0	03	07	02	459,912	462,333	88	388,960	463,895	3,161			20		YFS X	VAR	VAR		459,912			
6452264E2	NORTHERN INDIANA PUBLIC SERVICE CO 1ST MTG	8 1/4	J-0	03	07	02	321,464	330,000	80	284,333	321,464	11,171					YFS X	73	8.00		301,464			
6452264E2	NORTHERN INDIANA PUBLIC SERVICE CO 1ST MTG	10 4/8	M-5	04	09	01	101,402	103,333	73	73,333	101,685	6,310					YFS X	73	8.00		320,316			
6457224N9	NORTHERN STATES POWER CO 1ST MTG	6 1/8	J-0	05	06	94	101,402	103,333	73	73,333	101,685	6,310					YFS X	73	8.00		320,316			
6457224N9	NORTHERN STATES POWER CO 1ST MTG	8 1/4	J-0	01	04	00	205,358	200,000	91	188,000	205,306	1,375					YFS X	73	8.00		205,358			
6457224N9	NORTHERN STATES POWER CO 1ST MTG	7 1/2	F-A	03	02	02	220,333	200,000	83	166,230	200,000	6,250					YFS X	73	7.50		200,000			
6457224N9	NORTHERN STATES TELEPHONE CO DEB	8 3/4	J-0	01	05	01	198,000	200,000	82	184,000	198,000	7,000					YFS X	69	VAR		198,000			
6457224N9	NORTHERN STATES TELEPHONE CO DEB	8 3/4	J-0	01	05	01	198,000	200,000	82	184,000	198,000	7,000					YFS X	69	VAR		198,000			
6457224N9	NORTHERN STATES TELEPHONE CO DEB	8 3/4	J-0	01	05	01	198,000	200,000	82	184,000	198,000	7,000					YFS X	69	VAR		198,000			
6457224N9	NORTHERN STATES TELEPHONE CO DEB	8 3/4	J-0	01	05	01	198,000	200,000	82	184,000	198,000	7,000					YFS X	69	VAR		198,000			
6457224N9	NORTHERN STATES TELEPHONE CO DEB	8 3/4	J-0	01	05	01	198,000	200,000	82	184,000	198,000	7,000					YFS X	69	VAR		198,000			
6457224N9	NORTHERN STATES TELEPHONE CO DEB	8 3/4	J-0	01	05	01	198,000	200,000	82	184,000	198,000	7,000					YFS X	69	VAR		198,000			
6457224N9	NORTHERN STATES TELEPHONE CO DEB	8 3/4	J-0	01	05	01	198,000	200,000	82	184,000	198,000	7,000					YFS X	69	VAR		198,000			
645722																								

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

Bonds to be grouped in the following manner and each group arranged alphabetically (the listing in Groups 2, 3 and 4 should be alphabetical by State)

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- 5 Railroads (unaffiliated)
- 6 Public Utilities (unaffiliated)
- 7 Industrial and Miscellaneous (unaffiliated)
- 8 Parents, Subsidiaries, and Affiliates

Show sub totals for each group

SCHEDULE D - PART 1
Showing all BONDS Owned December 31 of Current Year

The figures on this page do not include Separate Account items, if any.

Supplemental columns for data concerning Amortization See Note

CUSIP Identification**	1 Description Give complete and accurate description of all bonds owned, including the location of all street railway and miscellaneous companies. If bonds are "serial" issues give amount maturing each year	2 Interest		3 Date of				4 Book Value	5 Par Value	6 Rate Used to Obtain Market Value	7 Market Value (excluding accrued interest)	8 Actual Cost (including accrued interest)	9 Interest		10 Increase by Adjustment of Book Value During Year	11 Decrease by Adjustment of Book Value During Year	12 Amount of Interest due and accrued Dec 31 of current year, on bonds in default, as to principal or interest	13 GNIC Designation	14 Year Acquired	15 Effective Rate of Interest at Which Purchase Was Made	16 Amortized or Investment Value Dec 31 of Current Year	17 Increase in Amortized Value During Year	18 Decrease in Amortized Value During Year
		Rate of	How Paid	Maturity		11 Open							91 Amount Due and Accrued Dec 31 of Current Year on Bonds not in Default	92 Gross Am't Received During Year									
				Year	Month	Year	Call Price																
424008A0	SOUTHERN CALIFORNIA EDISON CO 1ST MTG SER A	7 1/8	J-J	94	01	93		200,540	200,000	81	162,000	200,633	6,531	14,250	2	19		YES X	69	VAR	200,540		
424008B8	SOUTHERN CALIFORNIA EDISON CO 1ST MTG SER B	8 1/8	A-D	94	10	92		209,540	200,000	92	184,500	211,000	3,385	16,250		286		YES X	71	7.40	209,940		
424008A4	SOUTHERN NEW ENGLAND TELEPHONE CO DEB	9 5/8	J-D	10	12	06		600,000	600,000	103	618,000	600,000	4,812	57,750				YES X	74	9.63	600,000		
42335A27	SOUTHWESTERN BELL TELEPHONE CO DEB	8 1/4	M-S	05	04	01		202,407	200,000	95	190,000	202,548	5,500	18,500		27		YES X	69	8.14	202,407		
425431A4	SOUTHWESTERN ELECTRIC POWER CO 1ST MTG	9 1/4	J-D	99	12	98		301,394	300,000	78	294,000	301,413	2,250	27,000		13		YES X	75	8.95	301,394		
425127A7	TAMPA ELECTRIC CO 1ST MTG	7 1/4	J-D	98	12	97		203,344	200,000	79	198,000	203,704	1,208	14,500		62		YES X	68	7.10	203,344		
425127A1	TAMPA ELECTRIC CO 1ST MTG	7 3/8	J-J	02	01	01		279,236	300,000	79	237,000	279,067	11,082	22,125	194			YES X	VAR	VAR	279,236		
424046A8	TEXAS ELECTRIC SERVICE CO 1ST MTG	6 1/8	M-H	97	05	96		102,674	100,000	73	73,000	102,434	1,020	6,125		51		YES X	67	5.95	102,674		
424046A5	TEXAS ELECTRIC SERVICE CO 1ST MTG	7 5/8	M-S	99	03	98		101,903	100,000	87	87,000	102,387	2,541	7,625		33		YES X	69	7.45	101,903		
424046A9	TEXAS ELECTRIC SERVICE CO 1ST MTG	9 1/2	J-D	04	12	03		522,925	500,000	105	525,300	523,000	3,958	23,750		19		YES X	75	9.05	522,925		
424046A5	TEXAS ELECTRIC SERVICE CO 1ST MTG	8 3/8	F-A	00	02	99		151,407	150,000	97	145,500	151,500	5,390	12,937		94		YES X	70	8.53	151,407		
424046A9	TEXAS ELECTRIC SERVICE CO 1ST MTG	7 1/2	F-A	02	02	02		332,795	200,000	85	170,000	202,396	6,250	15,000		28		YES X	72	7.40	202,295		
424046A2	TEXAS POWER & LIGHT CO 1ST MTG	4 1/4	F-A	04	02	03		100,000	100,000	93	93,000	100,000	3,437	9,250		35		YES X	74	8.25	100,000		
42419A85	TOLEDO EDISON CO 1ST MTG	9	M-H	00	11	99		352,508	324,300	93	301,323	354,235	5,940	27,000	6	379		YES X	VAR	VAR	352,508		
42419A02	TUCSON GAS & ELECTRIC CO 1ST MTG	7-60	M-H	03	05	02		114,463	125,000	72	90,000	114,275	1,563	9,562	94			YES X	VAR	VAR	114,463		
426548A3	UNION ELECTRIC CO 1ST MTG	9	A-U	00	04	00		200,000	200,000	92	184,000	200,300	4,500	18,000				YES X	70	9.00	200,000		
406488A8	UNION ELECTRIC CO 1ST MTG	8 1/8	A-U	01	13	00		849,558	800,000	83	844,000	851,593	16,250	63,000		617		YES X	VAR	VAR	849,558		
406488A8	UNION LIGHT HEAT & POWER CO 1ST MTG	9 5/8	J-U	00	06	99		51,898	50,000	102	51,000	52,000	401	4,812		22		YES X	70	9.23	51,898		
42780A84	UNION POWER & LIGHT CO 1ST MTG	9 1/4	A-U	00	04	99		202,899	200,000	94	188,000	200,000	4,625	18,500		35		YES X	70	VAR	202,899		
42780A84	VIRGINIA ELECTRIC & POWER CO 1ST MTG SER M	7 1/4	J-J	99	01	98		201,681	200,000	76	152,000	201,840	7,125	14,250		31		YES X	69	7.05	201,681		
42780A84	VIRGINIA ELECTRIC & POWER CO 1ST MTG SER X	7 3/4	J-D	99	04	98		200,000	200,000	82	164,000	200,000	1,291	15,500				YES X	69	7.75	200,000		
430837A0	WASHINGTON GAS LIGHT CO 1ST MTG	6 1/4	J-C	92	06	91		100,494	100,000	72	72,000	100,621	260	6,250		19		YES X	67	6.07	100,494		
430837A7	WASHINGTON GAS LIGHT CO 1ST MTG	8 3/4	A-D	94	10	93		193,131	194,000	92	178,480	193,050	4,243	16,975	26	10		YES X	69	VAR	193,131		
430837A0	WEST PENN POWER CO 1ST MTG SER V	7	M-H	97	11	96		315,972	355,000	78	276,900	315,173	4,141	23,800	577	23		YES X	VAR	VAR	315,972		
430837A0	WEST PENN POWER CO 1ST MTG SER Z	8 1/8	J-J	01	07	00		525,732	500,000	88	440,000	526,554	20,312	40,625		321		YES X	73	VAR	525,732		
430837A0	WEST PENN POWER CO 1ST MTG SER Z	8 1/8	J-J	01	07	00		50,000	50,000	92	46,000	49,625	697	4,181		4		YES X	69	8.44	49,641		
430837A7	WISCONSIN ELECTRIC POWER CO 1ST MTG	7	M-H	99	11	98		200,000	200,000	78	156,000	200,000	1,750	14,000				YES X	66	7.00	200,000		
430837A7	WISCONSIN ELECTRIC POWER CO 1ST MTG SER M	8	J-U	93	06	98		100,000	100,000	87	87,000	100,000	666	8,000				YES X	69	8.00	100,000		
TOTAL PUBLIC UTILITIES								38,592,747	38,281,300		34,276,680	38,626,826	808,008	2,791,112	4,203	12,144			38,592,747				
INDUSTRIAL AND MISCELLANEOUS																							
240943A1	DOM CHEMICAL CO DEB	6-90	M-H	00	11	95		142,608	150,000	102	153,000	142,937	2,225	13,350		155		YES X	73	8.11	142,608		
240943A8	DOM CHEMICAL CO DEB	7-90	J-J	02	07	97		303,000	300,000	86	258,000	300,000	10,175	22,200				YES X	72	7.40	300,000		
102290A9	ERCON CORP DEB	6	M-H	97	11	92		100,000	100,000	78	78,000	100,000	1,000	6,000				YES X	67	6.00	100,000		
440148A1	INTERNATIONAL PAPER CO DEB	8-85	M-S	95	03	94		341,157	360,000	102	341,157	327,052	48,600	3,180				YES X	70	VAR	341,157		
440148A1	NATIONAL ASSOC INDEPENDENT INSURERS 1ST MTG	4 1/4	M-S	96	03	94		200,000	200,000	98	192,000	200,000	5,162	17,700				YES X	70	8.85	200,000		
402020A5	SANPA FE INDUSTRIES COMB SUB DEB	4 1/2	F-A	98	04	97		95,000	95,000	98	95,000	95,000	4,375	8,075				YES X	72	8.50	95,000		
402020A5	WESTERN ELECTRIC CO PROMISSORY NOTE	7 1/2	J-D	03	06	99		203,278	200,000	94	192,000	210,437	3,208	12,500	1,150			YES X	68	5.56	203,278		
402020A5	WESTINGHOUSE ELECTRIC CORP DEB	8 5/8	M-S	95	09	89		500,000	500,000	92	500,000	500,000	1,750	37,500				YES X	73	7.50	500,000		
402020A5	WESTINGHOUSE ELECTRIC CORP DEB	8 5/8	M-S	95	09	89		216,426	200,000	93	186,300	216,500	5,750	17,250	663			YES X	72	7.45	216,426		
TOTAL INDUSTRIAL AND MISCELLANEOUS								2,118,478	2,105,300		2,007,157	2,113,927	35,337	183,175	3,180	1,969			2,118,478				
TOTAL BONDS								51,140,309	50,806,000		46,526,437	51,185,787	1,021,608	3,420,879	10,209	19,975			51,140,309				

**Insert initial letters of months in which interest is payable

***Where a bond is payable in a foreign currency the par value and purchase price in that currency should be included as a part of the description.
†Perpetual bonds, bonds in default as to principal or interest and bonds not amply secured, are to be entered in this column at market value.
‡Companies which use "Amortized Values" as "Book Values" may omit entering figures in these columns, and provide the following footnotes: "The increases and decreases in amortized values are the same as those shown in the columns for Increase and Decrease by Adjustment in Book Value, excepting as otherwise indicated."

§Insert the GNIC designation for such security printed in the GNIC Valuation of Securities Manual

¶Failure of items to add to the total is due to dropping of amounts less than one dollar.

NOTE - This supplemental information, required of all Companies which amortize their bonds, is not to be used as a substitute for the information required in preceding columns but in addition thereto.
†Show year and call price pertaining to option, if any, on which amortization is based. On bonds purchased at a premium, the maturity date or call feature producing lowest amortized value should be used.
‡Where amortized value or any value other than the market value published in the GNIC Valuation of Securities Manual is entered in Column 7, insert a symbol alongside of the amount reported.

§May be left blank if no CUSIP identification number is listed in the GNIC Valuation of Securities Manual

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

Stocks to be grouped in following order and each group arranged alphabetically:
 Railroads (unaffiliated)
 Public Utilities (unaffiliated)
 Banks, Trust and Insurance Companies (unaffiliated)
 Industrial and Miscellaneous (unaffiliated)
 Patents, Subsidiaries and Affiliates

SCHEDULE D - PART 2 - SECTION 1
 Showing all PREFERRED STOCKS Owned December 31 of Current Year

CUSIP Ident- ification	1 Description Give complete and accurate description of all preferred stocks owned, and location of all street railway, tram, trust and miscellaneous companies	2 No of Shares	3 Par Value Per Share	4 Book Value	5 Rate Per Share	6 Statement Value	7A GA Share Used to Obtain Market Value	7B Market Value	7C Actual Cost	Dividends		9 Increase by Adjustment in Book Value During Year	10 Decrease by Adjustment in Book Value During Year	11 SIC Design- ation	12 Year Acquired
										11 Declared but Unpaid	12 Amount Retained During Year				
PUBLIC UTILITIES															
010392504	ALABAMA POWER CO 6.888 CUM PFD	1,400	100.00	190,928	CSST	190,928	42,375	82,412	190,928	2,204	8,816			U S	64-65
010192843	ALABAMA POWER CO 8.168 CUM PFD	2,000	100.00	198,500	CSST	198,500	78,000	156,000	198,500	4,068	16,120			L S	74
010177307	AMERICAN TEL & TEL CO 53.64 CUM PFD	8,000	50.00	400,000	CSST	400,000	44,123	353,000	400,000	7,280	29,120			L S	73
030177234	AMERICAN TEL & TEL CO 34.00 CUM CENV PFD	3,100	34.00	105,900	CSST	105,900	53,123	170,887	105,900	3,100	12,400			L S	71
030317234	AMERICAN TEL & TEL CO 34.00 CUM PFD	2,000	100.00	202,800	CSST	202,800	42,000	84,000	202,800	2,200	9,120			U S	64
030303203	ARIZONA POWER & LIGHT CO 7.400 CUM PFD	2,000	100.00	202,800	CSST	202,800	87,500	135,000	202,800	3,700	14,800			U S	72
040103300	ARIZONA POWER & LIGHT CO 7.400 CUM PFD	2,000	100.00	202,800	CSST	202,800	87,500	135,000	202,800	3,700	14,800			U S	68
050163508	BALTIMORE GAS & ELEC CO 61.22 CUM CENV PFD	1,000	100.00	100,000	CSST	100,000	72,000	72,000	100,000	2,700	10,800			U S	67
050163508	BALTIMORE GAS & ELEC CO 61.22 CUM CENV PFD	1,000	100.00	200,000	CSST	200,000	59,315	118,750	200,000					U S	68
144141207	CAROLINA POWER & LIGHT CO 34.20 CUM PFD	3,000	NO PAR	206,709	CSST	206,709	41,000	123,000	206,709	3,150	12,600			U S	60-73
155033301	CENTRAL POWER & LIGHT CO 7.128 CUM PFD	3,500	100.00	321,125	CSST	321,125	80,000	240,000	321,125	2,420	24,920			U S	74
172070020	CINCINNATI GAS & ELEC CO 9.258 CUM PFD	2,000	100.00	200,000	CSST	200,000	98,500	197,000	200,000	4,640	18,560			L S	74
197642207	COLLIERIA GAS SYSTEM INC 11.252 SER A CUM PFD	8,000	50.00	408,000	CSST	408,000	56,000	408,000	408,000					U S	64-66
202793209	COMMONWEALTH EDISON CO 61.425 CUM CENV PFD	3,000	NO PAR	108,681	CSST	108,681	19,875	99,875	108,681	1,141	37,150			L S	74-75
207597501	CONN LIGHT & POWER CO SERIES E 32.00 CUM PFD	5,000	NO PAR	227,754	CSST	227,754	20,000	100,000	227,754	2,375	10,300			L S	73
207597501	CONN LIGHT & POWER CO SERIES E 64.48 CUM PFD	6,300	50.00	364,330	CSST	364,330	43,250	281,125	364,330	7,200	29,120			U S	73
210615209	CONSUMERS POWER CO OF N Y SERIES 51.742 CUM PFD	2,333	100.00	233,333	CSST	233,333	41,125	82,250	233,333	2,625	10,500			A S	63-65
210615504	CONSUMERS POWER CO 67.45 CUM PFD	2,000	100.00	200,000	CSST	200,000	37,000	74,000	199,000	2,080	8,320			L S	60-66
235199302	DALLAS POWER & LIGHT CO 34.80 CUM PFD	1,400	NO PAR	101,587	CSST	101,587	54,000	54,000	101,587	3,725	14,900			L S	71
244349205	DUKE POWER CO SERIES C 4.508 CUM PFD	1,000	100.00	100,000	CSST	100,000	43,500	43,500	100,000		4,500			A S	64
141081305	DUKE POWER CO SERIES D 5.128 CUM PFD	1,000	100.00	100,000	CSST	100,000	55,250	55,250	100,000		5,720			U S	66
141081305	DUKE POWER & LIGHT CO SER D 4.228 CUM PFD	1,100	100.00	105,423	CSST	105,423	45,423	47,487	105,423		4,752			U S	64-65
341081434	FLORIDA POWER & LIGHT CO SER F 7.208 CUM PFD	4,000	100.00	400,000	CSST	400,000	73,500	294,000	369,337		29,120			U S	72-74
341094604	FLORIDA POWER & LIGHT CO SER F 7.208 CUM PFD	1,400	100.00	140,000	CSST	140,000	88,875	142,200	140,000		14,080			U S	73
373064433	GENERAL ELECTRIC CO OF FLORIDA 6.186 CUM PFD	3,000	100.00	337,200	CSST	337,200	85,000	252,200	337,200		28,560			U S	73-74
373334887	GEORGIA POWER CO 35.286 CUM PFD	2,000	NO PAR	200,245	CSST	200,245	49,425	99,250	200,245	2,420	11,280			U S	66
402350701	GULF STATES UTILITIES CO 68.08 CUM PFD	1,000	100.00	101,333	CSST	101,333	68,375	68,375	101,333		6,045			U S	67
418324103	HARTFORD ELECTRIC LIGHT CO 3.492 CUM PFD	3,100	50.00	155,000	CSST	155,000	18,250	59,515	155,000		1,392			U S	64-67
442164307	HOUSTON LIGHTING & POWER CO 16.12 CUM PFD	1,100	NO PAR	100,550	CSST	100,550	79,825	79,825	100,550	1,848	9,400			L S	73
452024204	ILLINOIS POWER CO 4.708 CUM PFD	4,000	50.00	204,763	CSST	204,763	27,000	108,000	204,763		9,400			L S	71
452024204	ILLINOIS POWER CO 4.708 CUM PFD	4,000	50.00	203,456	CSST	203,456	48,000	184,000	203,456		16,480			L S	71
483134405	KANSAS CITY POWER & LIGHT CO 4.538 CUM PFD	2,333	100.00	197,481	CSST	197,481	48,500	97,000	197,481		9,300			U S	60-66
483280004	KANSAS GAS & ELEC CO 92.42 CUM PFD	10,000	25.00	250,000	CSST	250,000	43,500	108,750	250,000	6,050	14,384			L S	75
483280202	KANSAS GAS & ELEC CO 4.208 CUM PFD	2,530	100.00	224,000	CSST	224,000	22,000	43,500	224,000		10,700			U S	61-67
483280509	KANSAS GAS & ELECTRIC CO 7.448 CUM PFD	1,000	100.00	101,224	CSST	101,224	75,000	75,000	101,224	1,860	7,400			U S	72
342671607	LONG ISLAND LIGHTING CO 8.128 CUM PFD SER J	3,200	100.00	309,200	CSST	309,200	78,000	249,600	309,200		25,984			L S	74
346387804	LOUISIANA POWER & LIGHT CO 7.848 CUM PFD	2,000	100.00	203,636	CSST	203,636	77,500	155,000	203,636		15,480			L S	71
065772804	NORTHERN STATES POWER CO MEM 84.18 CUM PFD	2,200	100.00	194,331	CSST	194,331	43,500	95,700	194,331	2,288	9,152			L S	60-73
065772801	NORTHERN STATES POWER CO MINY 810.36 CUM PFD	2,000	100.00	202,200	CSST	202,200	101,500	215,000	202,200	5,180	20,720			L S	74
077347403	OHIO EDISON CO 4.448 CUM PFD	2,000	100.00	184,598	CSST	184,598	45,000	93,000	184,598		8,880			L S	59-65
077415200	OHIO POWER CO 4.208 CUM PFD	2,300	100.00	176,079	CSST	176,079	38,375	76,750	176,079		8,400			U S	62-64
077415406	OHIO POWER CO 7.724 CUM PFD	1,000	100.00	101,578	CSST	101,578	69,500	69,500	101,578		7,720			U S	71
078058405	OKLAHOMA GAS & ELECTRIC CO 5.548 CUM PFD	2,300	100.00	200,000	CSST	200,000	59,425	119,250	200,000	2,670	10,680			U S	67
094308503	PACIFIC GAS & ELECTRIC CO 5. CUM REGM 1ST PFD	4,000	25.00	100,000	CSST	100,000	13,250	108,000	100,000		10,330			L S	62-65
094308867	PACIFIC GAS & ELECTRIC CO 8.168 REGM 1ST PFD	4,000	25.00	100,000	CSST	100,000	13,250	108,000	100,000		10,330			L S	71
094478304	PACIFIC LIGHTING CORP 14.33 CUM PFD	2,000	NO PAR	200,944	CSST	200,944	80,000	80,000	200,944	2,250	9,000			L S	64
109051304	PENNSYLVANIA POWER & LIGHT CO 4.408 CUM PFD	2,000	100.00	157,315	CSST	157,315	44,250	84,500	157,315	2,200	8,800			L S	64-65
137679407	PITCHER ELECTRIC POWER CO 32.44 CUM CENV PFD	2,500	50.00	126,250	CSST	126,250	32,500	81,250	126,250		6,100			L S	64-67
137679508	PITCHER ELECTRIC POWER CO 32.44 CUM PFD	4,000	50.00	200,000	CSST	200,000	28,000	96,000	200,000		9,840			L S	62-65
764444808	PUBLIC SERVICE CO OF CALIFORNIA 4.408 CUM PFD	2,000	100.00	206,400	CSST	206,400	24,000	208,400	206,400		9,472			U S	61-65
764445303	PUBLIC SERVICE CO OF CALIFORNIA 4.418 CUM PFD	9,300	25.00	205,036	CSST	205,036	11,500	106,950	205,036		9,472			L S	74
764533407	PUBLIC SERVICE CO OF OKLAHOMA 7.928 CUM PFD	1,500	100.00	148,500	CSST	148,500	89,000	148,500	148,500	2,970	11,880			L S	74
764533803	PUBLIC SERV ELECTRIC & GAS CO 5.058 CUM PFD	1,000	100.00	103,108	CSST	103,108	48,500	48,500	103,108		5,050			L S	60-62
764537700	PUBLIC SERV ELECTRIC & GAS CO 5.288 CUM PFD	2,000	100.00	178,216	CSST	178,216	51,500	103,000	178,216	3,900	15,600			L S	60-73
197404809	SAN DIEGO GAS & ELECTRIC CO 17.80 CUM PFD	2,000	NO PAR	200,000	CSST	200,000	69,000	138,000	200,000		13,800			L S	71
	SOUTH CAROLINA ELEC & GAS CO 5.128 CUM PFD	3,595	50.00	182,495	CSST	182,495	28,000	93,470	182,495		9,212			A S	61-74
	SOUTH CAROLINA ELEC & GAS CO 6. CUM PFD	10,450	50.00	381,013	CSST	381,013	30,000	341,013	325,300		21,327			A S	73-75
837034407	SOUTH CAROLINA ELEC & GAS CO 9.408 CUM PFD	1,200	50.00	57,275	CSST	57,275	17,000	36,400	57,275	1,410	3,407			L S	75
842400509	SOUTHERN CALIFORNIA EDISON CO 4.748 CUM PFD	8,000	25.00	199,856	CSST	199,856	13,000	104,000	199,856		4,560			L S	60-65
842400806	SOUTHERN CALIF EDISON CO 5.708 CUM CENV PFD	8,000	25.00	200,000	CSST	200,000	14,250	114,000	200,000	2,600	10,400			L S	68
842400809	SOUTHERN CALIFORNIA EDISON CO 4.948 CUM PFD	1,500	100.00	110,250	CSST	110,250	97,000	110,250	110,250		8,960			L S	73
845743806	SOUTHWESTERN PUBLIC SERVICE CO 58 CUM PFD	8,500	25.00	222,223	CSST	222,223	14,125	120,062	222,223		13,825			L S	73
845743863	SOUTHWESTERN PUBLIC SERVICE CO 58 CUM PFD	2,600	100.00	241,280	CSST	241,280	90,000	234,000	241,280		20,800				

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

Stocks to be grouped in following order and each group arranged alphabetically
 Railroads (unaffiliated)
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 Banks, Trust and Insurance Companies (unaffiliated)
 Industrial and Miscellaneous (unaffiliated)
 Parents, Subsidiaries and Affiliates

SCHEDULE D—PART 2—SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

Show sub-totals for each group.

CUSIP Identification***	Description	2 No. of Shares	3 Book Value	4 Rate Per Share Used to Obtain Market Value	5 Market Value	6 Actual Cost	Dividends		8 Increase by Adjustment in Book Value During Year	9 Decrease by Adjustment in Book Value During Year	10 SNAIC Designation	11 Year Acquired
							7.1 Declared but Unpaid	7.2 Amount Received During Year				
RAILROADS												
L21897102	BURLINGTON NORTHERN	15,500	576,692	32.000	496,000	576,692		13,175				73-74
TOTAL RAILROADS				576,692	496,000	576,692		13,175				
PUBLIC UTILITIES												
033177109	AMERICAN TELEPHONE & TELEGRAPH CO	15,291,762	757,096	50.875	777,968	757,096	12,998	51,634			L	68-75
144141108	CAROLINA POWER & LIGHT CO	3,800	103,412	20.000	76,000	103,412		6,080			L	71
172070104	CINCINNATI GAS & ELECTRIC CO	5,000	121,875	18.875	94,375	121,875		8,200			L	71
462542101	IOWA SOUTHERN UTILITIES CO	11,000	321,025	22.375	246,125	321,025		21,120			U	68-71
698465101	PANHANDLE EASTERN PIPE LINE CO	10,000	399,326	29.000	290,000	399,326		20,500			L	71-73
744465105	PUBLIC SERVICE CO OF INDIANA INC	10,000	386,730	39.500	395,000	386,730		26,000			L	69-73
842587107	SOUTHERN CO	10,200	207,533	14.750	150,450	207,533		14,280			L	71-72
976656108	WISCONSIN ELECTRIC POWER CO	14,800	338,677	29.000	429,200	338,677		28,120			L	66-71
TOTAL PUBLIC UTILITIES				2,635,676	2,459,118	2,635,676	12,998	175,934				
INDUSTRIAL AND MISCELLANEOUS												
322824103	ABBOTT LABORATORIES	19,000	519,967	41.250	783,750	519,967		12,551			L	74-75
019087105	ALLIED CHEMICAL CORP	26,600	970,030	33.250	884,450	970,030		35,820			L	68-75
019519107	ALLIED STORES CORP	8,800	267,040	45.750	402,600	267,040	3,520	13,420			L	69-71
244199105	DEERE & CO	16,200	693,948	51.875	840,375	693,948	7,695	28,350			L	72-74
263534109	DUPONT E I DE NEMOURS & CO	5,100	813,825	126.500	645,150	813,825		21,675			L	71-73
277461109	EASTMAN KODAK CO	10,400	882,478	106.125	1,103,700	882,478	9,256	16,593			L	71-75
302290101	EXXON CORP	7,500	528,027	88.750	665,625	528,027		37,500			L S	68-71
345370100	FORD MOTOR CO	6,500	410,550	44.000	286,000	410,550		16,900			L	72-73
369604103	GENERAL ELECTRIC CO	16,400	723,151	46.125	756,450	723,151	6,560	24,400			L	69-75
370334104	GENERAL MILLS INC	17,400	360,730	29.875	519,825	360,730		10,788			L	71-75
370442105	GENERAL MOTORS CORP	6,000	450,240	57.625	345,750	450,240		14,400			L	68-71
402460109	GULF OIL CORP	12,400	283,004	20.500	254,200	283,004		8,500			L	73
413875105	HARRIS CORP	9,400	252,018	34.375	323,125	252,018		3,420			L	75
459200101	INTERNATIONAL BUSINESS MACHINES CORP	1,400	285,999	224.250	313,950	285,999		6,850			L	74-75
460056302	INTERNATIONAL NICKEL CO OF CANADA LTD	16,900	563,625	25.250	426,725	563,625		27,040			L	71-74
478124100	JOHNS-MANVILLE CORP	14,300	519,137	23.250	332,475	519,137		17,160			L	70-72
492386107	KERR MCGEE CORP	3,800	246,485	70.250	266,950	246,485	950	3,800			L	74
	NCR CORP	12,500	300,856	23.750	296,875	300,856	2,250	8,568			L	74
693506107	PPG INDUSTRIES INC	19,500	735,133	35.375	689,812	735,133		33,637			L	72-74
812387108	SEARS ROEBUCK & CO	4,900	328,791	64.500	316,050	328,791	2,470	720			L	75
832377105	SMITHKLINE CORP	6,300	319,320	59.000	354,000	319,320		12,000			L	73-74
853139103	STANDARD BRANDS INC	20,000	504,871	36.250	725,000	504,871		21,400			L	72-75
880370101	TENNECO INC	18,000	468,100	26.750	481,500	468,100		30,240			L	73-74
905581104	UNION CARBIDE CORP	16,100	697,754	61.125	984,112	697,754		38,640			L	68-73
960402105	WESTINGHOUSE ELECTRIC CORP	11,000	361,575	13.375	147,125	361,575		12,271			L	71-74
962166104	WEYERHAEUSER CO	17,100	561,978	37.125	634,837	561,978		10,440			L	74-75
TOTAL INDUSTRIAL AND MISCELLANEOUS				13,048,642	13,780,412	13,048,642	32,701	467,084				
PARENTS SUBSIDIARIES AND AFFILIATES												
	GOVT EMP LIFE INS CO OF NEW YORK	5,000	1,000,000		2,068,219	1,000,000						65
TOTAL PARENTS SUBSIDIARIES AND AFFILIATES				1,000,000	2,068,219	1,000,000						
TOTAL COMMON STOCKS				17,261,012	18,803,750	17,261,012	45,699	656,193				
TOTAL PREFERRED AND COMMON STOCKS				33,147,616	29,874,432	33,147,616	173,778	1,675,933				

NOTES: Complete information must be furnished in connection with any holding of preferred or common stock on the statement date which is optioned or restricted in any way as to its sale by the insurer.
 Identify all such securities by the symbol "R" to be inserted beside the figure shown as the rate per share to obtain market value.
 Transferable shares only, of Savings and Loan or Building and Loan Associations to be reported herein.
 ***May be left blank if no CUSIP identification number is listed in the NAIC Valuation of Securities Manual.

Insert the NAIC designation for such security printed in the NAIC Valuation of Securities Manual.

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

SCHEDULE D - PART 3

Showing all Bonds and Stocks ACQUIRED During Year

The figures on this page do not include Separate Account items, if any.

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

1 CUSIP Identification***	2 Description Give complete and accurate description of each bond and stock, including location of all street railway, bank, trust and miscellaneous companies +†	3 Date Acquired*	4 Name of Vendor*	5 No of Shares of Stock	6 Actual Cost (Excluding Accrued Interest and Dividends)	7 Par Value of Bonds	8 Paid for Accrued Interest and Dividends
BONDS							
010392A98	Alabama Power Co., 1st Mtg., November 1, 1998, 7%	12/04/75	Freeman Securities Co., Inc.		7,227	10,000	77
010392AZ1	Alabama Power Co., 1st Mtg., July 1, 2001, 8 1/2%	Various	Various		182,364	216,000	3,488
010392BD9	Alabama Power Co., 1st Mtg., August 1, 2003, 8 7/8%	10/22/75	Reynolds Securities, Inc.		267,075	300,000	6,508
059165A24	Baltimore Gas & Electric Co., 1st & Refunding Mtg., August 1, 1997, 6 1/8%	10/03/75	Freeman Securities Co., Inc.		9,903	15,000	176
144141AQ1	Carolina Power & Light Co., 1st Mtg., May 1, 2003, 7 3/4%	11/07/75	American Securities Corp.		7,744	10,000	34
153663AR0	Central Illinois Public Service Co., 1st Mtg., September 1, 2001, 7 7/8%	01/07/75	Loeb, Rhoades & Co.		168,644	200,000	5,818
153033AF8	Central Power & Light Co., 1st Mtg., June 1, 2004, 9 3/8%	Various	Various		898,203	900,000	13,072
197648AY4	Columbia Gas System, Inc., Deb., May 1, 1993, 7 1/4%	07/14/75	American Securities Corp.		20,393	25,000	402
202795BE9	Commonwealth Edison Co., 1st Mtg., August 1, 2001, 8%	01/07/75	Shields Model Roland, Inc.		21,386	25,000	905
207597AH8	Connecticut Light & Power Co., 1st Mtg., May 1, 1997, 6%	Various	Various		23,009	35,000	527
235199AH6	Dallas Power & Light Co., 1st Mtg., June 1, 2000, 9 3/8%	06/23/75	Reynolds Securities, Inc.		38,364	37,000	279
280019AB8	Dayton Power & Light Co., 1st Mtg., June 1, 2000, 9 1/2%	12/10/75	Shields Model Roland, Inc.		283,752	300,000	1,345
240019AK5	Dayton Power & Light Co., 1st Mtg., August 1, 2001, 8 1/8%	10/03/75	Freeman Securities Co., Inc.		7,972	10,000	155
247109AB7	Delaerwa Power & Light Co., 1st & Coll. Mtg., November 1, 1998, 7%	06/16/75	Freeman Securities Co., Inc.		95,378	125,000	1,263
247109AA8	Delaerwa Power & Light Co., 1st & Coll. Mtg., June 1, 2004, 10%	11/06/75	Salomon Brothers		500,125	500,000	22,638
264399AP1	Duke Power Co., 1st Mtg., August 1, 2000, 8 5/8%	10/03/75	Freeman Securities Co., Inc.		56,296	67,000	1,107
266228AZ8	Duquesne Light Co., 1st Mtg., March 1, 2005, 9 1/2%	10/20/75	Reynolds Securities, Inc.		250,062	250,000	3,694
341099AP4	El Paso Electric Co., 1st Mtg., November 1, 2004, 9%	01/09/75	American Securities Corp.		253,664	265,000	4,968
341091AM7	Florida Power Corp., 1st Mtg., August 1, 1997, 6 1/8%	12/03/75	Reynolds Securities, Inc.		26,810	40,000	877
341081B82	Florida Power & Light Co., 1st Mtg., December 1, 1998, 7%	06/23/75	American Securities Corp.		15,183	20,000	112
416506AP0	Florida Power & Light Co., 1st Mtg., September 1, 2001, 7 3/4%	08/04/75	American Securities Corp.		24,007	30,000	1,033
419866AX4	Hartford Electric Light Co., 1st Mtg., November 1, 1998, 7 1/8%	07/08/75	American Securities Corp.		72,461	100,000	1,464
	Hawaiian Electric Co., Inc., 1st Mtg., October 1, 2000, 9%	07/31/75	American Securities Corp.		13,882	15,000	472
	Indianapolis Power & Light Co., 1st Mtg., September 15, 2005, 9 7/8%	10/03/75	Reynolds Securities, Inc.		94,192	95,000	651
	Iowa Public Service Co., 1st Mtg., December 1, 2005, 10 1/8%	12/03/75	Dean Witter & Co., Inc.		496,500	500,000	1,406
485314AD0	Kansas Power & Light Co., 1st Mtg., February 1, 2005, 8 5/8%	02/06/75	Smith, Barney & Co., Inc.		199,000	200,000	622
54267LAH2	Long Island Lighting Co., 1st Mtg., September 1, 1999, 8.20%	Various	Freeman Securities Co., Inc.		12,987	15,000	528
546676AL1	Louisville Gas & Electric Co., 1st Mtg., March 1, 2005, 8 7/8%	03/11/75	Craigie, Mason-Hagan, Inc.		492,500	500,000	2,095
575634AE0	Massachusetts Electric Co., 1st Mtg., April 1, 1998, 7 1/8%	11/13/75	Hornblower, Weeks, Hemphill, Noyes, Inc.		7,627	10,000	96
60540GAR6	Mississippi Power & Light Co., 1st Mtg., December 1, 1999, 9 5/8%	07/26/75	Reynolds Securities, Inc.		243,652	250,000	4,210
605400AP5	Mississippi Power & Light Co., 1st Mtg., September 1, 2003, 8 1/4%	11/04/75	Reynolds Securities, Inc.		172,504	200,000	3,254
610202AJ2	Monongahela Power Co., 1st Mtg., June 1, 1998, 7 1/2%	Various	Various		84,598	110,000	2,395
624284AL9	Mountain States Telephone & Telegraph Co., Deb., November 1, 2010, 9%	03/20/75	Freeman Securities Co., Inc.		195,390	200,000	7,300
	Mountain States Telephone & Telegraph Co., Deb., September 1, 2015, 9 5/8%	09/17/75	Various		248,125	250,000	1,604
653522AS1	Niagara Mohawk Power Corp., General Mtg., December 1, 1999, 9 1/8%	Various	Various		37,885	42,000	349
677347AH6	Ohio Edison Co., 1st Mtg., June 1, 2001, 8 3/8%	06/23/75	Reynolds Securities, Inc.		185,626	200,000	1,349
678858AS0	Oklahoma Gas & Electric Co., 1st Mtg., January 1, 2005, 9 1/8%	02/18/75	Smith, Barney & Co., Inc.		309,000	300,000	4,106
709051AX2	Pennsylvania Power & Light Co., 1st Mtg., January 1, 2003, 7 1/2%	12/02/75	Freeman Securities Co., Inc.		32,010	40,000	1,316
709051AN6	Pennsylvania Power & Light Co., 1st Mtg., May 1, 2005, 9 3/4%	09/04/75	Reynolds Securities, Inc.		197,550	200,000	7,041
744448AH3	Public Service Co. of Colorado, 1st Mtg., September 1, 2000, 8 3/4%	06/24/75	Reynolds Securities, Inc.		243,757	250,000	7,291
744448AQ4	Public Service Co. of Colorado, 1st Mtg., October 1, 2005, 9 3/8%	11/18/75	American Securities Corp.		195,550	200,000	1,354
	Public Service Co. of Indiana, 1st Mtg., August 1, 2005, 9.60%	Various	Various		395,106	400,000	3,839
744567BG2	Public Service Electric & Gas Co., 1st & Refunding Mtg., May 15, 2001, 8 3/8%	Various	Freeman Securities Co., Inc.		68,963	75,000	678
837004AD2	South Carolina Electric & Gas Co., 1st & Refunding Mtg., March 1, 2001, 8%	Various	Various		29,244	35,000	1,048
845437AC6	Southwestern Electric Power Co., 1st Mtg., December 1, 2004, 9 1/2%	03/10/75	American Securities Corp.		301,413	300,000	7,950
	Texas Electric Service Co., 1st Mtg., December 1, 2004, 9 1/2%	06/06/75	Reynolds Securities, Inc.		523,000	500,000	1,583
889175AE5	Toledo Edison Co., 1st Mtg., November 1, 2000, 9%	07/31/75	Freeman Securities Co., Inc.		22,410	24,000	576
912827DF4	U. S. Treasury Notes, Series C, November 15, 1979, 7%	05/30/75	Bankers Trust Co.		989,375	1,000,000	2,853
912827EL2	U. S. Treasury Notes, Series E, August 15, 1978, 7 5/8%	05/13/75	Bankers Trust Co.		1,006,875	1,000,000	
912827EM8	U. S. Treasury Notes, Series F, September 30, 1979, 8 1/2%	09/10/75	Paine, Webber, Jackson & Curtis, Inc.		501,875	500,000	696
912827EH1	U. S. Treasury Notes, Series G, March 31, 1977, 6 1/2%	06/02/75	Bankers Trust Co.		497,343	500,000	5,394
	U. S. Treasury Notes, Series I, May 31, 1977, 6 3/4%	05/30/75	Bankers Trust Co.		997,812	1,000,000	556
912827EVO	U. S. Treasury Notes, Series L, August 31, 1977, 8 1/4%	Various	Various		499,328	500,000	1,538
953278AL0	West Penn Power Co., 1st Mtg., November 1, 1997, 7%	07/14/75	American Securities Corp.		23,438	30,000	466
	Total from Schedule D - Part 3				277,478,066	277,993,000	
Total Bonds					290,028,619	290,914,000	144,786
PREFERRED STOCKS							
197648Z07	Columbia Gas System, Inc., 11 1/4%, Cum. Pfd.	05/22/75	Loeb, Rhoades & Co.	4,000	208,000		
485260608	Kansas Gas & Electric Co., \$2.42, Cum. Pfd.	02/19/75	Various	10,000	250,000		
	South Carolina Electric & Gas Co., 6%, Cum. Pfd.	07/08/75	Loeb, Rhoades & Co.	4,988	149,640		
837004407	South Carolina Electric & Gas Co., 9.40% Cum. Pfd.	Various	Thosson, McKinnon, Auchincloss, Kohlmeier, Inc.	1,200	57,275		
882406606	Texas Electric Service Co., \$8.92 Cum. Pfd.	09/03/75	Paine, Webber, Jackson, Curtis, Inc.	800	76,200		
Total Preferred Stocks					741,115		

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

SCHEDULE D - PART 3
Showing all Bonds and Stocks ACQUIRED During Year

Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group

1 CUSIP Identification***	2 Description†	3 Date Acquired*	4 Name of Vendor*	5 No of Shares of Stock	6 Actual Cost (Excluding Accrued Interest and Dividends)	7 Par Value of Bonds	8 Paid for Accrued Interest and Dividends
COMMON STOCKS							
002824100	Abbott Laboratories	Various	Various	11,900	167,073		
019087105	Allied Chemical Corp.	Various	Various	12,300	431,009		
030177109	American Telephone & Telegraph Co.	10/01/75	American Telephone & Telegraph Co.	291,762	13,384		
121897102	Burlington Northern	01/29/75	Weeden & Co., Inc.	800	33,500		
277461109	Eastman Kodak Co.	Various	Various	5,400	234,762		
369604103	General Electric Co.	Various	Various	2,800	124,783		
370334104	General Mills, Inc.	10/10/75	General Mills, Inc.	8,700	-0-		
402460109	Gulf Oil Corp.	Various	Various	7,400	154,879		
413875105	Harris Corp.	Various	Various	9,400	252,018		
459200101	International Business Machines Corp.	Various	Various	400	87,425		
812387108	Sears, Roebuck & Co.	Various	Various	4,900	328,791		
853139103	Standard Brands, Inc.	09/19/75	Standard Brands, Inc.	10,000	-0-		
962166104	Weyerhaeuser Co.	Various	Various	8,900	321,625		
Total from Schedule D - Part 3					2,139,985		
Total Common Stocks					2,139,985		
Total Bonds and Stocks					292,929,720	290,914,000	144,786

*The items with reference to each issue of bonds or stocks acquired at public offerings may be totaled in one line and the word "Various" inserted in Columns 2 and 3. †Enter as a summary item the totals of Columns 6, 7 and 8 of Part 5. All bonds and stocks acquired and fully disposed of during the year are not to be itemized in this Part.

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 sub-totals for each group

1 CUSIP Identification***	2 Description†	3 Disposal Date**	4 Name of Purchaser (If matured or called under redemption option, so state and give price at which called)	5 No of Shares of Stock	6 Consideration (Excluding Accrued Interest and Dividends)	7 Par Value of Bonds	8 Actual Cost (Excluding Accrued Interest and Dividends)	9 Book Value at Disposal Date	10 Increase by Adjustment in Book Value During Year	11 Decrease by Adjustment in Book Value During Year	12 Profit on Disposal	13 Loss on Disposal	14 Interest on Bonds Received During Year†	15 Dividends on Stocks Received During Year†
BONDS														
744567AU2	Government Employees Corp., Senior Subordinated Notes, June 30, 1980, 9%	06/30/75	Redeemed		40,000	40,000	36,339	37,725	172		2,274		3,600	
912827AY8	Public Service Electric & Gas Co., Deb., December 1, 1993, 7 1/4%	08/08/75	Redeemed		6,118	6,000	6,120	6,103		1	15			
912827AZ3	U. S. Treasury Notes, Series A, February 15, 1975, 5 3/4%	02/15/75	Matured		1,000,000	1,000,000	1,001,140	1,000,000		25			28,750	
912827B31	U. S. Treasury Notes, Series B, May 15, 1976, 6 1/2%	05/15/75	Matured		1,000,000	1,000,000	1,007,250	1,000,000		887			30,000	
912810B74	U. S. Treasury Bonds, February 15, 1995, 3%	07/17/75	Weeden & Co., Inc.		199,187	200,000	199,781	199,966	19			778	8,725	
		12/24/75	Salomon Brothers		193,000	250,000	250,250	250,155		5		55,155	10,271	
Total from Schedule D - Part 5					277,478,066	277,993,000	277,478,066	277,478,066					62,309	
Total Bonds					279,918,372	280,489,000	279,978,946	279,972,016	191	920	2,290	55,934	143,656	
PREFERRED STOCKS														
976636405	South Carolina Electric & Gas Co., 5 1/8% Cum. Pfd.	05/01/75	Redeemed	95	4,750		4,750	4,750						142
	South Carolina Electric & Gas Co., 6% Cum. Pfd.	02/01/75	Redeemed	138	6,900		3,446	3,446			1,453			138
	Wisconsin Electric Power Co., 8.90% Cum. Pfd.	02/19/75	E. F. Hutton & Co., Inc.	510	50,426		56,395	56,395				5,969		1,134
Total Preferred Stocks					62,076		66,592	66,592			1,453	5,969		1,414
COMMON STOCKS														
460146103	International Paper Co.	Various	Various	15,000	793,254		528,694	528,694			264,559			15,000
960402105	Westinghouse Electric Corp.	11/25/75	Merrill Lynch, Pierce, Fenner & Smith, Inc.	6,500	81,041		285,587	285,587				204,546		4,738
Total from Schedule D - Part 5					12,300		10,731	10,731			1,569			
Total Common Stocks					886,595		825,013	825,013			266,128	204,546		19,738
Total Bonds and Stocks					280,867,043	280,489,000	280,870,552	280,863,622	191	920	269,871	266,449	143,656	21,153

†Enter as a summary item the totals of Columns 6 to 14 of Part 5. All bonds and stocks acquired and fully disposed of during the year are not to be itemized in this Part.

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY
SCHEDULE D - PART 5

Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group

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

1 CUSIP Identification***	2 Description Give complete and accurate description of each bond and stock, including location of all street railway, bank, trust and miscellaneous companies.††	3 Date Acquired*	4 Name of Vendor*	5 Disposal Date**	6 Name of Purchaser (If matured or called under redemption option, so state and give price at which called.)	7 Par Value (Bonds) or Number of Shares (Stocks)	8 Cost to Company (Excluding Accrued Interest and Dividends)	9 Consideration (Excluding Accrued Interest and Dividends)	10 Book Value at Disposal Date	11 Increase by Adjustment in Book Value During Year	12 Decrease by Adjustment in Book Value During Year	13 Profit on Disposal	14 Loss on Disposal	15 Interest and Dividends Received During Year†	16 Paid for Accrued Interest and Dividends
BONDS															
	Banks for Cooperatives, 04/01/75, 9.35%	Various	Lombard-Wall, Inc.	Various	Lombard-Wall, Inc.	3,790,000	3,799,450	3,799,450	3,799,450					666	
	Banks for Cooperatives, 12/01/75, 5.80%	Various	Various	Various	Various	2,610,000	2,608,462	2,608,462	2,608,462					533	
	Export-Import Banks Bonds, 12/01/76, 5.70%	Various	Cantor, Fitzgerald Sec. Corp.	Various	Cantor, Fitzgerald Sec. Corp.	845,000	807,000	807,000	807,000					277	
	Export-Import Banks Bonds, 08/02/77, 6 1/4%	08/01/75	Cantor, Fitzgerald Sec. Corp.	08/04/75	Cantor, Fitzgerald Sec. Corp.	450,000	437,062	437,062	437,062					222	
	Fed. Home Loan Banks Bonds, 02/23/76, 7 3/8%	10/16/75	Weeden & Co., Inc.	10/17/75	Weeden & Co., Inc.	500,000	501,250	501,250	501,250					81	
	Fed. Home Loan Banks Bonds, 02/23/76, 9.20%	01/31/75	Lombard-Wall, Inc.	02/03/75	Lombard-Wall, Inc.	480,000	491,400	491,400	491,400					266	
	Fed. Home Loan Banks Bonds, 08/23/76, 9.35%	01/22/75	Lombard-Wall, Inc.	01/03/75	Lombard-Wall, Inc.	970,000	999,100	999,100	999,100					228	
	Fed. Home Loan Banks Bonds, 11/26/76, 8.60%	01/10/75	Lombard-Wall, Inc.	01/13/75	Lombard-Wall, Inc.	980,000	999,600	999,600	999,600					583	
	Fed. Home Loan Banks Bonds, 11/27/78, 9.10%	02/07/75	Lombard-Wall, Inc.	02/10/75	Lombard-Wall, Inc.	850,000	901,000	901,000	901,000					431	
	Fed. Home Loan Banks Bonds, 02/26/79, 8.65%	Various	Lombard-Wall, Inc.	Various	Lombard-Wall, Inc.	1,940,000	2,004,262	2,004,262	2,004,262					337	
	Fed. Home Loan Banks Bonds, 02/26/79, 9.45%	Various	Lombard-Wall, Inc.	Various	Lombard-Wall, Inc.	2,070,000	2,194,200	2,194,200	2,194,200					418	
	Fed. Home Loan Banks Bonds, 05/25/79, 8 3/4%	06/11/75	Cantor, Fitzgerald Sec. Corp.	06/12/75	Cantor, Fitzgerald Sec. Corp.	1,000,000	1,000,000	1,000,000	1,000,000					142	
	Fed. Home Loan Banks Bonds, 11/26/79, 7 1/2%	06/27/75	Cantor, Fitzgerald Sec. Corp.	06/30/75	Cantor, Fitzgerald Sec. Corp.	600,000	600,000	600,000	600,000					300	
	Fed. Home Loan Banks Bonds, 11/25/81, 8.65%	Various	Lombard-Wall, Inc.	Various	Lombard-Wall, Inc.	2,690,000	2,798,800	2,798,800	2,798,800					991	
	Fed. Home Loan Mortgage Corp. Guaranteed Bonds, 08/23/76, 7.05%	03/04/75	Lombard-Wall, Inc.	03/05/75	Lombard-Wall, Inc.	1,800,000	1,800,000	1,800,000	1,800,000					293	
	Fed. Intermediate Credit Banks Bonds, 09/02/75, 8.05%	01/24/75	Lombard-Wall, Inc.	01/27/75	Lombard-Wall, Inc.	395,000	397,962	397,962	397,962					219	
	Fed. Intermediate Credit Banks Bonds, 04/01/76, 5.80%	Various	Cantor, Fitzgerald Sec. Corp.	Various	Cantor, Fitzgerald Sec. Corp.	1,915,000	1,902,850	1,902,850	1,902,850					717	
	Fed. Intermediate Credit Banks Bonds, 01/02/79, 7.40%	01/06/75	Weeden & Co., Inc.	01/07/75	Weeden & Co., Inc.	900,000	900,000	900,000	900,000					206	
	Fed. Intermediate Credit Banks Bonds, 01/02/80, 7.40%	12/11/75	Cantor, Fitzgerald Sec. Corp.	12/12/75	Cantor, Fitzgerald Sec. Corp.	1,230,000	1,225,000	1,225,000	1,225,000					176	
	Fed. Land Banks Bonds, 07/21/75, 5.70%	Various	Lombard-Wall, Inc.	Various	Lombard-Wall, Inc.	4,750,000	4,750,000	4,750,000	4,750,000					688	
	Fed. Land Banks Bonds, 07/20/77, 7 1/2%	02/28/75	Lombard-Wall, Inc.	03/01/75	Lombard-Wall, Inc.	1,965,000	1,999,387	1,999,387	1,999,387					978	
	Fed. Land Banks Bonds, 10/23/79, 6.80%	Various	Lombard-Wall, Inc.	Various	Lombard-Wall, Inc.	3,980,000	3,803,275	3,803,275	3,803,275					1,109	
	Fed. National Mortgage Assoc. Deb., 09/10/73, 6.80%	01/17/75	Weeden & Co., Inc.	01/20/75	Weeden & Co., Inc.	1,030,000	1,026,137	1,026,137	1,026,137					598	
	Fed. National Mortgage Assoc. Deb., 09/10/76, 6 1/8%	02/26/75	Lombard-Wall, Inc.	02/27/75	Lombard-Wall, Inc.	2,000,000	1,987,500	1,987,500	1,987,500					324	
	Fed. National Mortgage Assoc. Deb., 12/10/76, 7.45%	08/11/75	Cantor, Fitzgerald Sec. Corp.	08/12/75	Cantor, Fitzgerald Sec. Corp.	1,500,000	1,498,125	1,498,125	1,498,125					253	
	Fed. National Mortgage Assoc. Deb., 02/10/77, 4 1/2%	Various	Cantor, Fitzgerald Sec. Corp.	Various	Cantor, Fitzgerald Sec. Corp.	2,250,000	2,156,250	2,156,250	2,156,250					775	
	Fed. National Mortgage Assoc. Deb., 03/10/78, 8.43%	01/13/75	Lombard-Wall, Inc.	01/14/75	Lombard-Wall, Inc.	975,000	999,375	999,375	999,375					194	
	Fed. National Mortgage Assoc. Deb., 09/11/78, 7.15%	Various	Lombard-Wall, Inc.	Various	Lombard-Wall, Inc.	3,750,000	3,700,125	3,700,125	3,700,125					701	
	Fed. National Mortgage Assoc. Deb., 03/10/80, 7 1/4%	08/21/75	Cantor, Fitzgerald Sec. Corp.	08/22/75	Cantor, Fitzgerald Sec. Corp.	1,000,000	950,000	950,000	950,000					163	
	Fed. National Mortgage Assoc. Deb., 09/10/81, 9.70%	01/14/75	Lombard-Wall, Inc.	01/15/75	Lombard-Wall, Inc.	1,010,000	1,098,375	1,098,375	1,098,375					217	
	Fed. National Mortgage Assoc. Deb., 06/10/83, 7.30%	Various	Lombard-Wall, Inc.	Various	Lombard-Wall, Inc.	3,025,000	3,002,312	3,002,312	3,002,312					479	
	Fed. National Mortgage Assoc. Deb., 09/12/83, 6 3/4%	Various	Cantor, Fitzgerald Sec. Corp.	Various	Cantor, Fitzgerald Sec. Corp.	4,000,000	3,590,000	3,590,000	3,590,000					613	
	Government National Mortgage Assoc. Part. Cert., 12/01/75, 4.70%	Various	Cantor, Fitzgerald Sec. Corp.	Various	Cantor, Fitzgerald Sec. Corp.	3,480,000	3,414,945	3,414,945	3,414,945					661	

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
Government Employees Life Insurance Company of New York	No	Not Applicable	5,000	100
	TOTAL		X X X X	X X X X

Amount of Insurer's Capital and Surplus (Page 3, Line 30 of previous year's statement filed by the insurer with its domiciliary insurance department): \$ 19,004,401

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
N O N E				
	TOTAL		X X X X	X X X X

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 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.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

SCHEDULE E

Showing all Banks, Trust Companies, Savings and Loan and Building and Loan Associations in which a deposit was maintained at any time during the year, with Balances, if any, at December 31 of Current Year (according to Company's records) and showing Largest Balance Carried in Each Month of the Current Year in Each Bank, Trust Company, Savings and Loan or Building and Loan Association in which the Largest Balance during the Year exceeded 1/40% of Admitted Assets, January 1, or \$500,000, whichever is smaller. (Any other items to be shown where required by Statute.) 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 Balance December 31 of Current Year	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued Dec. 31 of Current Year	6 JANUARY	7 FEBRUARY	8 MARCH	9 APRIL	10 MAY	11 JUNE	12 JULY	13 AUGUST	14 SEPTEMBER	15 OCTOBER	16 NOVEMBER	17 DECEMBER
OPEN DEPOSITORIES																
Riggs National Bank - Regular Account - Washington, D.C.	326,001	-			1,046,364	1,606	438,206	221,961	172,193	223,552	425,326	240,021	293,771	258,221	412,319	337,048
Riggs National Bank - Medical Fee Account - Washington, D.C.	6,332	-			5,916	5,529	5,569	7,404	5,312	5,454	4,052	5,314	5,704	5,256	4,873	5,873
Riggs National Bank - Expense Voucher Account - Washington, D.C.	38,977	-			39,453	34,112	53,228	138,591	47,884	58,243	124,830	74,453	50,073	69,625	49,221	63,040
Riggs National Bank - A & H Claims Account - Washington, D.C.	18,940	-			44,913	37,839	23,881	37,377	32,370	71,973	54,829	29,387	33,536	39,304	31,133	33,753
Riggs National Bank - Refund & CSV Account - Washington, D.C.	31,968	-			30,162	29,591	29,545	62,144	36,577	30,227	30,947	34,886	33,697	29,039	25,230	20,694
Riggs National Bank - Stockholders Account - Washington, D.C.	5,271	-			10,605	10,605	10,697	11,942	12,194	12,194	5,324	5,324	5,324	5,324	5,324	5,371
First & Merchants National Bank - Arlington, Virginia	3,937	-			10,413	12,194	12,194	5,606	7,493	7,493	6,177	7,989	9,679	6,517	3,433	3,937
National Bank of Washington - Loan Account - Washington, D.C.	23,174	-			29,269	33,927	24,607	84,413	30,544	31,873	27,455	28,337	24,018	21,819	27,328	22,448
Totals-Open Depositories	454,702		-0-	-0-	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
SUSPENDED DEPOSITORIES																
N O N E																
Totals-Suspended Depositories					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
Grand Totals	454,702		-0-	-0-	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

*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 placed 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

Failure of items to add to the total is due to dropping of amounts less than one dollar.

The figures on this page do not include Separate Account items, if any

SCHEDULE F

*Showing all claims for death losses and all other policy claims resisted or compromised during the year, and all claims for death losses and all other policy claims resisted December 31 of current year

1 Policy Numbers	2 Claim Numbers	3 State of Residence of Claimant	4 Year of Claim for Death or Disability	5 Amount Claimed	6 Amount Paid During the Year	7 Amount Re- sisted Dec. 31 of Current Year	8 Why Compromised or Resisted
DISPOSED OF Individual Death							
195072	LC- 7212	Miss.	1970	30,000	5,000		Compromise Settlement
204325	LC- 8287	N. Jersey	1971	5,000			Dropped
227515	LC- 8642	Virginia	1972	13,040			Dropped
210244	LC- 8210	N. Jersey	1972	38,800			Dropped
232849	LC- 8659	D. of C.	1972	15,000			Dropped
				101,840	5,000		
Disability							
33601	LC-11884	Arizona	1975	1,069	291		Compromise Settlement
239023	LC- 9108	D. of C.	1972	489			Dropped
				1,558	291		
Grp. Cr. Dis.							
Grp. 141	GC- 1013	Maryland	1971	433			Dropped
Grp. 141	GC- 1642	Maryland	1971	2,098			Dropped
				2,532			
RESISTED Individual Death							
121562	LC- 9818	Arizona	1973	2,000		666	Not Insured Under Policy
154573	LC- 9480	Louisiana	1975	2,090		2,000	Misrepresentation - No Contract
225398	LC-10056	Florida	1973	10,395		10,395	Policy Lapsed - Ext. Term Ben. Not Due
238635	LC- 9795	N. Jersey	1973	5,000		1,666	Misrepresentation - No Contract
248061	LC-10132	Penn.	1973	2,000		666	Misrepresentation - No Contract
249603	LC- 9489	Florida	1973	12,000		4,000	Misrepresentation - No Contract
249688	LC- 9631	Florida	1973	2,000		666	Misrepresentation - No Contract
258485	LC-11537	Penn.	1974	1,086		1,086	Misrepresentation - Dep. Not Covered
260843	LC- 9755	Illinois	1973	5,000		1,666	Misrepresentation - No Contract
268133	LC-10124	Nevada	1973	15,000		15,000	Misrepresentation - No Contract
269326	LC-11789	Wash.	1975	1,629		1,629	Policy Lapsed Without Value
286547	LC-11700	Maryland	1974	5,000		5,000	Policy Lapsed Without Value
302094	LC-12208	S. Caro.	1975	4,750		4,750	Misrepresentation - No Contract
314769	LC-12245	Texas	1975	636		636	Misrepresentation - Death of App.
				68,496		49,826	
Acc. Death							
104118	LC-11012	Florida	1974	5,000		3,333	Excluded Under ADB Provision
114875	LC- 8777	Calif.	1972	10,000		3,333	Excluded Under ADB Provision
122034	LC-10244	New York	1973	5,000		1,666	Excluded Under ADB Provision
145784	LC-10546	N. Jersey	1974	5,000		3,333	Excluded Under ADB Provision
260843	LC- 9755	Illinois	1973	5,000		1,666	Misrepresentation - No Contract
				30,000		13,331	
Disability							
40820	LC- 9401	Ohio	1972	1,102		367	Misrepresentation - Dis. Ben. Rescinded
59669	LC- 9648	Illinois	1973	560		188	Dis. Ben. Not In Effect
94619	LC-11781	Alabama	1975	71		71	Not Totally Disabled
98025	LC- 9574	Penn.	1973	756		252	Policy Lapsed - Dis. Ben. Not In Effect
114547	LC- 9609	Virginia	1973	3,367		1,121	Not Totally Disabled
117878	LC- 9481	Arizona	1973	2,207		736	Not Totally Disabled
126889	LC-11770	Michigan	1975	3,660		3,660	Not Totally Disabled
190183	LC- 9337	Maryland	1972	785		262	Not Totally Disabled
207189	LC-12642	Virginia	1975	1,274		1,274	Not Totally Disabled
212331	LC- 9338	Maryland	1972	921		307	Not Totally Disabled - Dis. Ben. Rescinded
213264	LC- 9339	Maryland	1972	685		230	Not Totally Disabled - Dis. Ben. Rescinded
264213	LC-11863	Florida	1975	3,165		3,165	Misrepresentation - Dis. Ben. Rescinded
282911	LC-11374	Florida	1974	1,245		830	Misrepresentation - Dis. Ben. Rescinded
				19,804		12,464	
Grp. Cr. Death							
Grp. 129	GC- 3092	Colorado	1975	63		63	Coverage Terminated
Grp. 134	GC- 1769	D. of C.	1972	9,975		3,327	Pre-Existing Condition - Excluded
Grp. 134	GC- 2212	D. of C.	1973	1,466		490	Pre-Existing Condition - Excluded
Grp. 134	GC- 2280	D. of C.	1973	2,391		1,596	Pre-Existing Condition - Excluded
Grp. 134	GC- 2315	D. of C.	1973	3,174		2,115	Pre-Existing Condition - Excluded
Grp. 134	GC- 2532	D. of C.	1974	2,171		1,448	Pre-Existing Condition - Excluded
Grp. 134	GC- 2694	D. of C.	1974	3,755		2,504	Pre-Existing Condition - Excluded
Grp. 134	GC- 2838	D. of C.	1974	1,945		1,945	Pre-Existing Condition - Excluded
Grp. 134	GC- 2839	D. of C.	1974	1,095		1,095	Pre-Existing Condition - Excluded
Grp. 134	GC- 2961	D. of C.	1974	1,000		1,000	Pre-Existing Condition - Excluded
Grp. 134	GC- 3063	D. of C.	1974	524		524	Pre-Existing Condition - Excluded
Grp. 134	GC- 3065	D. of C.	1974	2,855		2,855	Pre-Existing Condition - Excluded
Grp. 134	GC- 3066	D. of C.	1974	815		815	Pre-Existing Condition - Excluded
Grp. 134	GC- 3134	D. of C.	1975	1,901		1,901	Pre-Existing Condition - Excluded
Grp. 134	GC- 3393	D. of C.	1975	2,025		2,025	Pre-Existing Condition - Excluded
Grp. 206	GC- 3702	Illinois	1975	998		998	Not Covered
Grp. 206	GC- 3714	Georgia	1975	62		62	Coverage Terminated
Grp. 223	GC- 2851	Calif.	1974	3,141		2,093	Suicide - Not Covered
				39,363		26,860	

*Claims under Accident and Health policies need not be reported in this schedule. All other claims should be classified and reported in the following sub-divisions:

(a) Claims disposed of during current year. (b) Claims resisted. In each of the above sections, Death claims, Additional Accidental Death Benefit claims, Disability Benefit claims, Matured Endowment claims and Annuities with Life Contingencies claims, should be listed separately with sub-totals for each group. (c) Classify separately as between Ordinary, Credit, Group and Industrial.

Failure of items to add to the total is due to dropping of amounts less than one dollar.

The figures on this page do not include Separate Account items, if any.

SCHEDULE F

*Showing all claims for death losses and all other policy claims resisted or compromised during the year, and all claims for death losses and all other policy claims resisted December 31 of current year

1 Policy Numbers	2 Claim Numbers	3 State of Residence of Claimant	4 Year of Claim for Death or Disability	5 Amount Claimed	6 Amount Paid During the Year	7 Amount Re- sisted Dec 31 of Current Year	8 Why Compromised or Resisted
Grp. Cr. Dis.							
Grp. 141	GC- 2336	Maryland	1973	1,459		492	Pre-Existing Condition - Excluded
Grp. 141	GC- 2337	Maryland	1973	1,563		522	Pre-Existing Condition - Excluded
Grp. 141	GC- 2498	Maryland	1974	592		395	Pre-Existing Condition - Excluded
Grp. 141	GC- 2562	Maryland	1974	2,654		1,771	Pre-Existing Condition - Excluded
Grp. 141	GC- 3733	Maryland	1975	1,347		1,347	Pre-Existing Condition - Excluded
				7,628		4,527	
Grp. Death							
Grp. 127	GC- 1769	D. of C.	1972	65		23	Pre-Existing Condition - Excluded
Grp. 127	GC- 2212	D. of C.	1972	398		133	Pre-Existing Condition - Excluded
Grp. 127	GC- 2694	D. of C.	1974	7		5	Pre-Existing Condition - Excluded
Grp. 127	GC- 2838	D. of C.	1974	762	62	699	Pre-Existing Condition - Excluded
Grp. 127	GC- 3134	D. of C.	1975	5		5	Pre-Existing Condition - Excluded
Grp. 127	GC- 3393	D. of C.	1975	1,000	663	336	Pre-Existing Condition - Excluded
				2,239	725	1,203	
			Totals	273,464	6,017	108,214	

*Claims under Accident and Health policies need not be reported in this schedule. All other claims should be classified and reported in the following sub divisions:

(a) Claims disposed of during current year (b) Claims resisted. In each of the above sections, Death claims, Additional Accidental Death Benefit claims, Disability Benefit claims, Matured Endowment claims and Annuities with Life Contingencies claims, should be listed separately with sub-totals for each group (c) Classify separately as between Ordinary, Credit, Group and Industrial.

SCHEDULE G

Showing (1) all payments in excess of \$1,000 to each Trade Association, Service Organization, Statistical, Actuarial or Rating Bureau or Organization during the year, and (2) all salaries, compensation and emoluments, excepting bonafide commissions paid to or retained by agents, received in the current year by: (a) each director or trustee regardless of the amount thereof, (b) each of the ten officers or employees receiving the largest amounts, (include in this schedule the aggregate amount received by the officer or employee attributable to his services to the reporting insurer whether paid directly by the insurer or by related or affiliated companies,) and (c) any other person, firm or corporation if the amount received was in excess of \$30,000, except for amounts included in Schedules I, J and K. (Any other amounts to be shown where required by statute.)

LIST ITEMS UNDER (1) AND (2) IN SEPARATE GROUPINGS

1 Title	2 Name of Payee	3 Location of Payee	4 Amount Paid	5 Date	6 By Whom Authorized
Item (1)	American Life Insurance Assoc.	New York, New York	3,961	Various	T. R. Hefner, President
	American Para-Professional Systems, Inc.	Jericho, New York	2,224	Various	T. R. Hefner, President
	Bodimetric Profiles	Chicago, Illinois	26,654	Various	T. R. Hefner, President
	Ernst & Ernst	Washington, D.C.	24,000	Various	T. R. Hefner, President
	Home Office Reference Laboratory	Shawnee Mission, Kansas	10,171	Various	T. R. Hefner, President
	Hooper Holmes	Morristown, New Jersey	6,104	Various	T. R. Hefner, President
	Insurance Medical Reporter	San Diego, California	1,740	Various	T. R. Hefner, President
	Insurex Corporation	Tampa, Florida	2,307	Various	T. R. Hefner, President
	Life Office Management Assoc.	New York, New York	2,734	Various	T. R. Hefner, President
	Medical Information Systems	Ft. Wayne, Indiana	10,235	Various	T. R. Hefner, President
	Milliman & Robertson	Wayne, Pennsylvania	2,975	Various	T. R. Hefner, President
	Million Dollar Round Table	Des Plaines, Illinois	2,655	Various	T. R. Hefner, President
	Mobile Medex	Roslyn Heights, New York	4,070	Various	T. R. Hefner, President
	National Medical Consultants	Shawnee Mission, Kansas	1,025	Various	T. R. Hefner, President
	Recording & Statistical Corp	New York, New York	17,211	Various	T. R. Hefner, President
	Retail Credit	Atlanta, Georgia	151,193	Various	T. R. Hefner, President
	Towers, Perrin, Forster and Crosby, Inc.	Philadelphia, Pennsylvania	2,460	Various	T. R. Hefner, President
Item (2)	See Attached Schedule				

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The figures on this page do not include Separate Account items, if any.

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SCHEDULE H-ACCIDENT AND HEALTH EXHIBIT

	1		2		3		4		Other Individual Policies										
	Total		Group Accident and Health		Credit ¹ (Group and Individual)		Collectively Renewable		5 Non Cancellable		6 Guaranteed Renewable		7 Non Renewable for Stated Reasons Only		8 Other Accident Only		9 All Other		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
PART 1. Premiums in Force																			
1 Premiums in force, Dec. 31, previous year	319,670		101,131									59,799				115		158,623	
2 Premiums paid in advance, Dec. 31, previous year	15,338		341									3,939						11,057	
3 Premiums written or renewed during year	2,605,169		1,641,424									235,126				216		728,402	
4 Excess of original premiums over reinsurance assumed	-0-																		
5 Expirations and excess of original premiums over return premiums on cancellations	2,561,986		1,592,282									233,568				198		735,937	
6 Premiums paid in advance, Dec. 31, current year	17,892		325									5,143				18		12,404	
7 Premiums in force, Dec. 31, current year	360,300		150,290									60,154				115		149,740	
8 Deduct reinsurance ceded premiums in force	13,551		13,551																
9 Net premiums in force, Dec. 31, current year	346,749		136,738		-0-		-0-		-0-			60,154		-0-		115		149,740	
PART 2. Analysis of Underwriting Operations																			
10 Premiums written a. Direct	2,560,227		1,596,482									235,126				216		728,402	
b. Reinsurance assumed	44,941		44,941																
c. Reinsurance ceded	13,551		13,551																
d. Net	2,591,618		1,627,873									235,126				216		728,402	
11 Increase in advance premiums and active life reserves	15,856		6,996									11,686				18		(2,844)	
12 Premiums earned: a. Direct	2,544,371		1,589,486									223,439				198		731,246	
b. Reinsurance assumed	44,941		44,941																
c. Reinsurance ceded	13,551		13,551																
d. Net	2,575,761	100	1,620,877	100								223,439	100			198	100	731,246	
13 Benefits of current year	2,131,459		1,523,521									132,718						471,219	
14 Increase in claim reserves	9,941		16,433															(3,492)	
15 Incurred claims: a. Direct	2,097,750		1,496,304									132,718						468,727	
b. Reinsurance assumed	43,650		43,650																
c. Reinsurance ceded																			
d. Net*	2,141,400	83	1,539,954	95				XXXXX		XXXXX		132,718	XXXXX		XXXXX			468,727	
16 **Commissions a. Direct	55,747		13									13,505				4		42,224	
b. Reinsurance assumed																			
c. Reinsurance ceded																			
d. Net	55,747	2	13									13,505	6			4	2	42,224	
17 General insurance expense	324,468	12	143,053	9								42,112	19			33	17	139,269	
18 Taxes, licenses, and fees	67,452	3	42,137	2								5,923	3			5	3	19,385	
19 Total expenses incurred	447,668	17	185,205	11								61,541	28			43	22	200,879	
20 Gain from underwriting before dividends	(13,307)	-	(104,282)	(6)								29,180	13			155	78	61,640	
21 Dividends to policyholders																			
22 Gain from underwriting after dividends	(13,307)	-	(104,282)	(6)	-0-		-0-		-0-			29,180	13	-0-		155	78	61,640	
PART 3. Claims and Claim Liability and Reserve																			
CLAIMS PAID DURING YEAR																			
23 On claims incurred prior to current year	349,776		236,239									19,194						94,342	
24 On claims incurred during current year	1,699,118		1,197,635									109,946						391,536	
CLAIM LIABILITY AND RESERVE DECEMBER 31, CURRENT YEAR																			
25 On claims incurred prior to current year	29,650		575									9,424						19,650	
26 On claims incurred during current year	481,296		367,838									22,285				100		91,072	
27 Line 23 and Line 25	379,427		236,815									28,618						113,993	
28 Claim liability and reserve, Dec. 31, previous year	418,442		262,333									28,608				100		127,400	
29 Amounts recovered under reinsurance ceded during year on claims paid prior to current year	-0-																		
PART 4. Reconciliation to Page 5, Line 32A																			
	1 Group Accident and Health				2 Credit ¹ (Group and Individual)				3 Other Accident and Health				[Enter only for Lines 15d, 16d and 17 to 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. *Supplemental Loss ratios for Columns 4 to 7 inclusive, $\frac{\text{Line 15d} + \text{Line 17}}{\text{Line 10d}}$ Column 4 -0- %; Column 5 -0- %; Column 6 6.1 %; Column 7 -0- %. **Includes \$ -0- reported as "Policy, membership and other fees retained by agents." *Business not exceeding 120 months duration.						
30 Gain from underwriting after dividends	(104,282)								90,975										
31 Net investment income	27,332								27,319										
32 Other income	689								1,097										
33																			
34																			
35																			
36 Net gain from operations after dividends to policyholders and before federal income taxes, excluding capital gains and losses	(76,260)				-0-				119,392										

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

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SCHEDULE I

Showing all commissions and collection fees paid in connection with loans or properties during the year where the same amounted to more than \$5,000 to any person, firm or corporation

1 Date	Payee		What Acquired or Disposed of		6 Amount of Commission Paid
	2 Name	3 Address	4 Description	5 Amount Involved	

NONE

SCHEDULE J

Showing in detail all legal expenses paid during the year (List individually all items of \$500 or more)

Payee		3 Amount Paid	4 Occasion of Expense
1 Name	2 Address		
Total of all other items		944	
Grand total		944	

SCHEDULE K

Showing all expenditures in connection with matters before legislative bodies, officers or departments of government during the year (Items of less than \$500 may be grouped unless prohibited by statute)

1 Date	Payee		4 Amount Paid	5 Measure or Proceeding	6 Interest of The Company Therein
	2 Name	3 Address			

NONE

SCHEDULE L

Proceedings at last annual election held on March 26, 1975

1 Name of Candidates for Director or Trustee	Number of Votes Cast for Each Candidate			5 Total Votes
	2 In Person	3 By Proxy	4 By Mail	
Thomas E. Bolger	744,587	2,485,323		3,229,910
Samuel C. Butler	744,587	2,485,361		3,229,948
John M. Christie	744,587	2,485,361		3,229,948
Lorimer A. Davidson	744,587	2,485,361		3,229,948
Shelby Cullom Davis	744,587	2,485,361		3,229,948
George E. Fries	744,587	2,485,361		3,229,948
Norman L. Gidden	744,587	2,485,361		3,229,948
Leo Goodwin, Jr.	744,587	2,485,361		3,229,948
Paul J. Hanna	744,587	2,485,361		3,229,948
Thomas R. Hefner	744,587	2,485,361		3,229,948
William K. Jacobs, Jr.	744,587	2,485,361		3,229,948
David Lloyd Kroeger	744,587	2,485,361		3,229,948
Howard A. Newman	744,587	2,485,361		3,229,948
Melvin M. Payne	744,587	2,485,361		3,229,948
Totals	10,424,218	34,795,016	-0-	45,219,234

NOTE--Attach to this schedule a copy of the official minutes of annual meeting.

SCHEDULE M--PART 1

Dividends Actually Paid On Policies Issued Twenty Years Prior To Year of Statement (Year of Issue 19 ...)
All Figures Per \$1,000 Face Amount of Individual Life Insurance

NONE

SCHEDULE M--PART 2

Illustrative Dividends For Policies Issued In Year of Statement Based Upon Dividend Scale In Effect For Year of Statement
All Figures Per \$1,000 Face Amount of Individual Life Insurance

NONE

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

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The figures on this page do not include Separate Account items, if any

SCHEDULE O

Development of Incurred Losses

Non-Cancellable, Guaranteed Renewable, and Non-Renewable for Stated Reasons Only, Accident and Health Insurance

1 Years in Which Losses Were Incurred	Sum of Net Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year				
	2 1971	3 1972	4 1973	5 1974	6 1975
1971	79,535	81,911	80,526	XXX	XXX
1972	XXX	85,109	80,862	80,728	XXX
1973	XXX	XXX	118,941	114,339	113,819
1974	XXX	XXX	XXX	116,038	116,925
1975	XXX	XXX	XXX	XXX	132,232

*Equals the sum of Lines 24 and 26, Columns 5, 6 and 7 of Schedule H

SCHEDULE S-PART 1

Showing Names and Locations of Companies and Amounts Recoverable on Paid and Unpaid Losses for all Reinsurance Ceded

1 Name of Company	2 Location	3 Paid Losses	4 Unpaid Losses
LIFE			
Connecticut General Life Insurance Company	Hartford, Connecticut		30,000
Lincoln National Life Insurance Company	Fort Wayne, Indiana		1,666
Prudential Insurance Company	Newark, New Jersey	12,465	
	Total-Life	12,465	31,666
ACCIDENT AND HEALTH			
	NONE		
	Totals-Accident and Health		
	Grand Totals-Life and Accident and Health	12,465	31,666

SCHEDULE S-PART 2†

Showing All Accident and Health Reinsurance Ceded as of December 31, Current Year

1 Name of Company	2 Location	3 Type	4 Premiums in Force	5 Unearned Premiums (estimated)	6 Reserve Credit Taken Other than for Unearned Premiums
Connecticut General Life Insurance Company	Hartford, Connecticut	GPO	13,551		
	Total		13,551	-0-	-0-
			(To agree with Line 8, Sched. H, Col. 1)	(To agree with appropriate lines in Exh. 9)	

†Include actual reinsurance ceded on group cases but exclude jointly underwritten group contracts.

‡Show also domiciliary state or country.

*Use the following abbreviations: GP (group business conserved); GPO (group business reinsured on basis other than consurance); YRT (individual business reinsured on yearly renewable term plan); M (individual business reinsured on modified consurance plan); CO (individual business reinsured on consurance plan); OTH (other reinsurance of individual business). If more than one type in the same reinsuring company, show separate line for each type.

SCHEDULE S-PART 3A

Showing Data on Reinsurance Ceded for ALL Life Insurance and Related Benefits†

1 Name of Company	2 Location	3 Type of Reinsurance Ceded	4 Amount in Force at End of Year	5 Reserve Credit Taken	6 Premiums
Connecticut General Life Insurance Co.	Hartford, Connecticut	YRT	8,950,000	20,548	24,159
		CO	Disability	2,839	1,058
		YRT-Bulk	D. I.	-0-	26,649
		YRT-Grp.		-0-	119,108
General Reassurance Corporation	Greenwich, Connecticut	CAT	Catas. Excess Reins.	-0-	6,238
		YRT-Grp.	107,000	-0-	42
Lincoln National Life Insurance Co.	Fort Wayne, Indiana	YRT	8,639,000	18,194	34,212
		CO	Disability	1,854	834
		YRT-Bulk	D. I.	-0-	18,460
Prudential Insurance Company	Newark, New Jersey	YRT	9,592,000	27,853	54,968
	Total		39,993,000	71,288	285,733
			(To agree with Line 23, Page 15)	(To agree with appro- priate lines in Exh. 8)	(To agree with Line 23c, Exh. a, Col. 1 less Cols. 8, 9 and 10)

Failure of items to add to the total is due to dropping of amounts less than one dollar.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

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SCHEDULE S—PART 3B

Showing Data on Life and Accident and Health Reinsurance in Unauthorized Companies

NONE

NOTES Securities held on deposit should be valued in accordance with NAIC valuations.
Letters of credit are to be included in Column 5 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 S—PART 3C

Showing Data on Policies Assumed by Reinsurance Outstanding at End of Year

1	Whole Life and Endowment Policies		Term and Other Policies		Additions to Policies by Dividends	Total Numbers and Amounts	
	2 No.	3 Amount	4 No.	5 Amount	6 Amount	7 No.	8 Amount
1 Ordinary							
2 Group	XXX	XXX	XXX	XXX	XXX	2	276,974,216
3 Industrial							
4 Totals						2	276,974,216

† Include actual reinsurance ceded on group cases but exclude jointly underwritten group contracts.

‡ Show also domiciliary state or country.

* Use the following abbreviations: GP (group business consured); CAT (catastrophe reinsurance of group only, individual only, or group and individual combined); GPO (reinsurance of group business other than consurance or catastrophe); DIS (disability benefits included in individual policies); ADB (accidental death benefits included in individual policies); YRT (individual life reinsured on yearly renewable term plan); M (individual life reinsured on modified consurance plan); CO (individual life reinsured on consurance plan); OTH (other reinsurance of individual life business) If more than one type in same reinsuring company show separate line for each type.

† For catastrophe reinsurance (CAT), disability reinsurance (DIS) and accidental death benefit reinsurance (ADB) leave this column blank.

NOTE Companies actively engaged in the business of reinsuring the life and related business of other companies may show Totals only and file the details of the information required in Part 3A on or before June 30th of the year following the statement date. Such information together with that in Part 3C will not be considered as part of the annual statement which is a public document.

GENERAL INTERROGATORIES

- 1 Has the company reported in this schedule the required data on all reinsurance ceded? Answer: **Yes**
- 2 Are any of the reinsurers listed in this schedule owned or controlled, either directly or indirectly, by the company, or by any representative, officer, trustee, or director of the company? Answer: **No**
so, give full particulars.
- 3 Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) which is owned or controlled directly or indirectly by the insured, the beneficiary, a creditor of the insured, or any other person not primarily engaged in the insurance business? Answer: **No**
- 4 Is the answer to question 6 of Section 5, Schedule S—Part 4 on Page 43A 30% or more? Answer: **No** If so, has Schedule S—Part 4, Page 43A been completed and have the instructions contained therein relating to credit for ceded reinsurance been adhered to? Answer:

SCHEDULE S—PART 4

CEDED REINSURANCE REPORT

(This schedule does not have to be completed unless the answer to the first question in General Interrogatory 4 on Page 43 is answered "yes".)

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

NONE

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

NONE

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

NONE

SCHEDULE Y—TRANSACTIONS WITH AFFILIATES

PART 1. Transactions by the company and any affiliated insurer with any affiliate. Non-insurance transactions involving less than 1/2 of 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.

NONE

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:

NONE

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

Service Agreement dated July 20, 1973 provides that Government Employees Life Insurance Company will perform certain insurance processing and record keeping services for Government Employees Life Insurance Company of New York on a continuing basis. The costs of these services are billed monthly and determined in accordance with generally accepted accounting principles.

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.

Government Employees Life Insurance Company of New York is a wholly-owned subsidiary of Government Employees Life Insurance Company, Washington, D.C.

ANNUAL STATEMENT FOR THE YEAR 1975 OF THE GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

The information on this page pertains to the entire company business, including Separate Account business, if any.

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS
Allocated by States and Territories

1 States, Etc	Direct Business Only			1 States, Etc	Direct Business Only		
	2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees		2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy, Mem- bership and Other Fees
1 Alabama	183,011		20,445	Totals (forward)	15,974,509	701	2,287,567
2 Alaska	75,321		4,458	45 Utah	14,339		1,147
3 Arizona	173,431		5,756	46 Vermont	9,359		432
4 Arkansas	36,127		5,463	47 Virginia	1,898,181		208,117
5 California	2,104,807		214,195	48 Washington	155,642		3,553
6 Colorado	1,038,317		66,474	49 West Virginia	29,057		9,049
7 Connecticut	101,206		3,646	50 Wisconsin	59,403		3,847
8 Delaware	63,421		1,628	51 Wyoming	9,811		451
9 Dist Columbia	711,799		243,143	52 Guam	1,395		118
10 Florida	1,873,533		186,314	53 Puerto Rico	8,966		110
11 Georgia	603,512		210,166	54 U S Virgin Is			
12 Hawaii	200,575		1,014	55 Canada	5,562		200
13 Idaho	11,756		408	56 Mexico	2,678		240
14 Illinois	671,854	600	184,208	57 Philippine Is	1,856		
15 Indiana	72,324		4,624	58 Other foreign	248,482		1,776
16 Iowa	19,677		2,009				
17 Kansas	56,414		2,507				
18 Kentucky	117,825		4,508				
19 Louisiana	184,829		48,783	91 Dividends applied to purchase paid up addi- tions and annuities			
20 Maine	26,532		1,326				
21 Maryland	2,144,439		674,778	92 Dividends applied to shorten endowment or premium-paying period			
22 Massachusetts	86,467		6,360				
23 Michigan	111,578		3,362	93 *Premium or annuity considerations waived under disability or other contract provisions	72,084		
24 Minnesota	38,154		1,980				
25 Mississippi	103,058		31,190	94 Totals (Direct Business)	18,491,330	701	2,515,824
26 Missouri	105,506		8,065	95 Plus Reinsurance As- sumed	1,090,802		44,942
27 Montana	12,148		351	96 Totals (All Business)	19,582,133	701	2,560,766
28 Nebraska	33,929		2,953	97 Less Reinsurance Ceded	263,309		13,551
29 Nevada	46,624		4,622	98 **Totals (All Business) less Reinsurance Ceded	19,318,823	701	2,547,215
30 New Hampshire	17,598		399				
31 New Jersey	1,813,383		118,033				
32 New Mexico	73,983		11,208				
33 New York	235,037		11,508				
34 North Carolina	364,384		6,532				
35 North Dakota	5,365		329				
36 Ohio	315,903	101	16,507				
37 Oklahoma	106,931		10,270				
38 Oregon	32,263		3,506				
39 Pennsylvania	710,713		60,523				
40 Rhode Island	50,523		858				
41 South Carolina	310,932		6,621				
42 South Dakota	7,112		408				
43 Tennessee	222,220		47,763				
44 Texas	699,966		48,347				
Totals (forward)	15,974,509	701	2,287,567				

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Allocated on the basis of the address from which premium payment was made.
Employee groups with more than 500 participants allocated on the basis
of the state of residence.

†Dividend accumulations used to purchase paid up additions and annuities, or to shorten endowment or premium-paying period, should not be included in this item but should be included in Columns 2 and 3 and distributed by states for those states which allowed the dividends to be deducted in calculating premium taxes. For other states, separate totals similar to those for dividends so applied may be shown. Dividends applied to pay renewal premiums and consideration for annuities must also be included in Columns 2 and 3 and distributed by states.
*Premium or annuity considerations waived under disability or other contract provisions should be shown here in one sum and not included in the distribution by states.
**The sum of Columns 2 and 3 should balance with Exhibit I, Lines 6d, 10d and 16d, Col. 1, less Cols. 8, 9 and 10, this statement, plus the corresponding items of the Separate Account Statement Column 4 should balance with Exhibit I, Lines 6d, 10d and 16d, Cols. 8, 9 and 10, or with Schedule H, Line 10d; indicate which Exhibit I.

Failure of items to add to the total is due to dropping of amounts less than one dollar.

DIRECT BUSINESS IN THE STATE OF

DURING THE YEAR

LIFE INSURANCE

1 DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS (Excluding Reinsurance Accepted and without deduction of Reinsurance Ceded)	2 Ordinary		3 Credit Life ^a (Group and Individual)		4 Group		5 Industrial		6 Total	
	No	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
1 Life insurance										
2 Annuity considerations										
3										
4 Totals										
5 DIRECT DIVIDENDS TO POLICYHOLDERS (Excluding Reinsurance Accepted and without deduction of Reinsurance Ceded)										
5 Life insurance										
a Paid in cash or left on deposit										
b Applied to pay renewal premiums										
c Applied to provide paid up additions or shorten the endowment or term paying period										
d Applied to provide paid up annuities										
6 Annuities										
a Paid in cash or left on deposit										
b Other										
7 Totals										
8 DIRECT CLAIMS AND BENEFITS PAID (Excluding Reinsurance Accepted and without deduction of Reinsurance Ceded)										
8 Death benefits										
9 Matured endowments										
10 Annuity benefits										
11 Surrender values										
12										
13 All other benefits, except accident and health										
14 Totals										
15 DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED (Excluding Reinsurance Accepted and without deduction of Reinsurance Ceded)										
15 Unpaid December 31, previous year										
16 Incurred during current year										
17 Settled during current year										
a By payment in full										
b By payment on compromised claims										
c Totals paid										
d Reduction by compromise										
e Amount rejected										
f Total settlements										
18 Unpaid Dec. 31, current year (15+16-17f)										
19 POLICY EXHIBIT (Excluding Reinsurance Accepted and without deduction of Reinsurance Ceded)										
19 In force December 31, previous year										
20 Issued during year										
21 Ceased to be in force during year (Net)										
22 In force December 31 of current year										

^aIncludes Individual Credit Life Insurance: previous year \$ _____ current year \$ _____
 Includes Group Credit Life Insurance: Loans less than or equal 60 months at issue, previous year \$ _____ current year \$ _____
 Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS previous year \$ _____ current year \$ _____
 NOTE: This company's participations in the FEGLI and SGLI policies are shown in this Policy Exhibit as direct business.

ACCIDENT AND HEALTH INSURANCE

1	2 Direct Premiums (Excluding Reinsurance Accepted and without deduction of Reinsurance Ceded)	3 Direct Premiums Earned	4 Dividends Paid Or Credited On Direct Business	5 Direct Losses Paid	6 Direct Losses Incurred
23 Group Policies					
23A Credit (Group and Individual) ^a					
23B Collectively Renewable Policies					
24 Other Individual Policies					
a Non cancellable					
b Guaranteed renewable					
c Non renewable for stated reasons only					
d Other accident only					
e All other					
f Totals (sum of a to e)					
25 Totals (Lines 23+23A+23B+24f)					

CREDIT LIFE AND ACCIDENT AND HEALTH INSURANCE
(Included in the above schedules)

Submission of data required below may be deferred to April 1st.

1	2 Direct Premiums (Excluding Reinsurance Accepted and without deduction of Reinsurance Ceded)	3 Direct Premiums Earned* (prior to Dividends and Retrospective Rate Credits Paid or Credited)	4 Dividends And Retrospective Rate Credits Paid Or Credited On Direct Business*	5 Direct Losses Paid	6 Direct Losses Incurred*
26 Individual Life Policies					
27a Group life policies—loans OF 60 OR LESS months duration					
27b Group life policies—loans OF GREATER THAN 60 MONTHS' DURATION BUT NOT GREATER THAN 120 MONTHS					
28 Totals (lines 26+27)					
29a Group A & H policies—loans OF 60 OR LESS months duration					
29b Group A & H policies—loans OF GREATER THAN 60 MONTHS' DURATION BUT NOT GREATER THAN 120 MONTHS					
30 Other A & H Policies					
31 Totals (Lines 29+30)					
32 Totals (Lines 28+31)					

*The figures shown in these columns should be consistent with the corresponding figures in the Credit Life and Accident and Health Exhibit
^aBusiness not exceeding 120 months duration

BY-LAWS
OF
GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY

SECTION I
Offices

The principal office and place of business of the Company shall be in the City of Washington, District of Columbia. The Company may also have offices and places of business at such other places, within and without the District of Columbia, as the Board of Directors may from time to time designate.

SECTION II
Corporate Seal

The Company shall have a Corporate Seal which shall be circular in form, with the words, "GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY" imprinted around the outer margin, and the words "DISTRICT OF COLUMBIA 1949" imprinted across the center.

SECTION III
Meetings of Shareholders

Par. 1 - Annual Meetings. The annual meeting of the shareholders shall be held at 11:15 o'clock in the forenoon, on the last Wednesday in March of each year (if that day be a legal holiday, then on the next succeeding Wednesday not a legal holiday), or on such other day in March or April as the Board of Directors may designate. At such meeting, the shareholders shall elect a Board of Directors, in accordance with the provisions for cumulative voting contained in Section III, Par. 6, of these By-Laws and may transact such other business as may properly come before the meeting. If the election of Directors is for any reason not made on the day designated herein, the Board of Directors shall cause such election to be held as soon thereafter as conveniently may be.

Par. 2 - Special Meetings. Special meetings of the shareholders for any purpose or purposes may be called at any time by the President in his discretion, and shall be called by the President or the Secretary either (a) at the request in writing or by vote of a majority of all the Directors, or (b) at the request in writing of shareholders of record owning at least

twenty-five percentum (25%) of all the shares of capital stock of the Company outstanding and entitled to be voted at the time of the request. Such request or vote shall state the purpose or purposes of the proposed meeting.

Par. 3 - Place of Meetings. All meetings of shareholders shall be held at the principal office of the Company, Washington, D. C., or at such other place or places within the District of Columbia as the Board of Directors may designate for any annual meeting, or as the Board of Directors or the President may designate for any special meeting. Any meeting of shareholders, after being convened at the designated time and place, may by majority vote be adjourned to a more convenient place within the District of Columbia.

Par. 4 - Notice of Meetings. Written notice of every meeting of shareholders, annual or special, stating the time, place and purpose or purposes thereof, shall be given by the Secretary to each shareholder of record entitled to vote thereat, by mailing a copy thereof to said shareholder at his address as it appears on the books of the Company, at least ten (10) days and not more than fifty (50) days in advance of said meeting.

Par. 5 - Quorum. At any meeting of shareholders, annual or special, the holders of a majority of the stock outstanding and entitled to be voted thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum for the transaction of business, except as otherwise provided by law, or by the Articles of Incorporation. In the absence of a quorum, the shareholders present in person or by proxy and entitled to vote thereat may adjourn the meeting from time to time without further notice until a quorum shall be secured, whereupon any business may be transacted which might have been transacted at the meeting as originally notified or fixed.

Par. 6 - Cumulative Voting for Directors. The Life Insurance Act of the District of Columbia (Title 35, Section 35-524 of the District of Columbia Code of 1940, as amended) provides:

"In an election for directors of any stock company in which the policyholders do not vote, each stockholder having a right to vote may cast the whole number of his votes for one candidate, or distribute them upon two or more candidates, as he may prefer, that is to say: If the stockholder having a right to vote owns one share of stock, or has one vote, or is entitled to one vote for each of said seven directors, by virtue thereof, he may give one vote to each of said seven directors, or seven votes for any one thereof, or a less number of votes for any less number of directors, whatever may be the actual number to be elected, and in this manner may distribute or cumulate his votes as he may see fit."

In accordance with this statutory requirement, the Articles of Incorporation of this Company contain the following provision (Article VI, Section 3):

"At all elections of directors of the Company, each stockholder shall be entitled to as many votes as shall equal the number of his shares of stock multiplied by the number of directors to be elected; and he may distribute or cumulate his votes as he may see fit, that is to say, he may cast all of such votes for a single director or may distribute them among the actual number to be elected or among any two or more of them, as he may see fit. The persons receiving the greatest number of votes shall be directors."

All elections of Directors shall be by ballot, and shall be made by such of the shareholders as shall attend for that purpose, either in person or by proxy. The persons receiving the greatest number of votes shall be Directors.

Par. 7 - Voting on Other Matters. At every meeting of shareholders on any matter other than the election of Directors, each shareholder entitled to vote thereat shall have one vote for each full share of voting stock registered in his name on the books of the Company on the record date for said meeting. Votes may be cast in person, or by written proxy signed by the shareholder. Except in the election of directors, as to which cumulative voting shall be in force, all questions before any meeting of shareholders shall be decided by a vote of the holders of a majority of the shares present or represented thereat and entitled to vote. Voting may be by ballot or viva voce.

Par. 8 - Record Date. The Board of Directors may designate a record date for the determination of shareholders entitled to vote at any annual or special meeting of shareholders. In the absence of such designation, and subject to the provisions of Section XII, Par. 2 hereof, the record date shall be the twentieth (20th) day before an annual meeting, or the tenth (10th) day before a special meeting. Notice of the record date or of the date of closing the stock transfer books pursuant to Section XII, Par. 2 hereof shall be mailed to each shareholder at least five (5) days prior to said date. Only shareholders of record on the record date designated by the Board of Directors, or by these By-Laws in the absence of such designation, shall be entitled to notice of, and to vote at, any meeting or adjournment thereof, notwithstanding the transfer of any stock on the books of the Company after such record date. At all times during any meeting of shareholders, the Secretary shall keep the capital stock book of the Company open for the inspection of any shareholders who may be present.

Par. 9 - Proxies. All proxies must be in writing, signed by the shareholder, and in order to be effective, must be filed with the Secretary no later than the opening of the meeting. Proxies used at a meeting shall be attached as exhibits to the minutes of the meeting, or referred to therein and preserved in the files of the Company for a period of three years, after which they may be destroyed. All proxies used in the election of Directors shall be valid for a period of not exceeding one (1) year from the election for which they were signed and in which they were authorized to be voted.

SECTION IV Directors

Par. 1 - Number and Qualifications. The stock, property, business and affairs of the Company shall be managed and controlled by a Board of not less than seven (7) and not more than fifteen (15) Directors, each of whom shall be a shareholder of the Company. The number of Directors for any year shall be fixed at fifteen (15) provided that the shareholders at any shareholders meeting of the Company, regular or special, may fix the number of Directors at less than fifteen (15), but not less than seven (7). The Directors shall be annually elected by the shareholders and not more than 40% of the Directors shall be full-time, salaried, operating officers of the Company.

Par. 2 - Term of Office. The Directors for the first year, who are named in the Articles of Incorporation, shall hold office until their successors are elected at the annual meeting of shareholders to be held in 1950. Each Director elected by the shareholders at such and succeeding annual meetings shall hold office for one (1) year and until his successor is duly elected and qualified, unless sooner removed pursuant to Par. 3 of this Section.

Par. 3 - Removal of Directors. A Director may be removed at any time, with or without cause, at a special meeting of shareholders called for that purpose, by a vote of a majority of the shares of stock represented and entitled to be voted at such meeting, provided that a quorum is present. At any such meeting, a successor to such Director may be elected for his unexpired term, and if the election is to fill more than one vacancy, the cumulative voting provisions of Section III, Par. 6, hereof, shall apply.

Par. 4 - Vacancies. In the event of any vacancy caused by death, resignation or incapacity of a Director, or by failure of the shareholders to elect a successor to a Director who has been removed, the Board of Directors may fill such vacancy by vote of a majority of all the Directors then in office. Each Director so elected shall serve for the unexpired term of his predecessor, and until his successor is duly elected and qualified.

Par. 5 - Powers. The Board of Directors shall have and may exercise all powers of the Company, including the power to do all lawful acts and things in behalf of the Company which are not by statute or by the Articles of Incorporation required to be exercised or done by the shareholders. Without limiting the generality of the foregoing, the Board of Directors shall have the Powers:

- (a) To purchase or otherwise acquire for the Company any property, rights or privileges, which the Company has the power to take, at such prices and upon such terms as the Board of Directors may deem proper;
- (b) To make contracts, issue securities, adopt a seal and do such other lawful acts as shall be needful to accomplish the purposes of the Company;
- (c) To invest and re-invest the funds of the Company as permitted by law;
- (d) To appoint agents, clerks, assistants, employees and trustees, and to dismiss them at the discretion of the Board; to fix their duties, functions and emoluments, and to change them from time to time; and to require security as it may deem proper;
- (e) To confer upon the President or any other Officer of the Company the power of selecting, discharging or suspending agents, clerks, assistants and employees;
- (f) To determine by whom and in what manner the Company's bills, notes, checks, acceptances, endorsements, receipts, releases, contracts, or other documents shall be signed; and to authorize the execution of any such documents; and
- (g) To exercise any and all other powers conferred upon them by law, by the Articles of Incorporation or by these By-Laws, subject to the terms and conditions thereof.

SECTION V Meetings of Directors

Par. 1 - Regular Meetings. After each annual election of Directors at a meeting of shareholders, the newly elected Directors shall meet the first business day following such annual election for the purposes of organization, election of Officers and the transaction of other business. Regular meetings of the Board of Directors shall also be held on the last Wednesday of January, May, July, September and November of each year, or if such day be a legal holiday, then on

the next succeeding Wednesday not a legal holiday. The Board of Directors may, by resolution or by written waiver of all of the Directors, fix some other time for any regular meeting in lieu of the day specified herein.

Par. 2 - Special Meetings. Special meetings of the Board of Directors may be called by the President upon written notice of not less than four (4) days or telegraphic notice of not less than two (2) days to all Directors fixing the time and place thereof within or without the District of Columbia; and a special meeting shall be called by the President or the Secretary in like manner upon the written request of two (2) or more Directors.

Par. 3 - Place of Meeting. Meetings of the Board of Directors shall be held at such place within or without the District of Columbia as may from time to time be fixed by resolution of the Board or as may be specified in the call of any meeting.

Par. 4 - Quorum. At all meetings of the Board of Directors, a majority of the Directors then in office shall constitute a quorum for the transaction of business, but a smaller number may adjourn from time to time without further notice until a quorum is secured. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may otherwise be provided by law, by the Articles of Incorporation, or elsewhere in these By-Laws.

SECTION VI Committees

Par. 1 - Executive Committee.

(a) There shall be an Executive Committee consisting of the Chief Executive Officer and such additional Directors as may be elected by the Board of Directors: Provided, that the total number of members of the Executive Committee shall not be more than half the number of all Directors.

(b) The Executive Committee shall exercise all powers of the Board of Directors when the Board is not in session, but shall not have any of the following powers:

(i) To make, amend or repeal any By-Laws;

(ii) To fill any vacancies on the Board of Directors or the Executive Committee, nor to elect any officers, except for an interim period, until the next meeting of the Board of Directors;

(iii) To determine the record date pursuant to Section III, Par. 8, of Section XII, Par. 3 hereof;

(iv) To authorize the closing of the stock transfer books pursuant to Section XII, Par. 2 hereof;

(v) To declare dividends pursuant to Section XIII hereof; or

(vi) To exercise the power of the Board pursuant to the last clause of Section VII hereof.

In all other respects, any reference to the Board of Directors in these By-Laws shall be construed to include the Executive Committee, unless the context otherwise requires.

(c) The Board of Directors shall select the Chairman of the Executive Committee who shall preside at all meetings of the Executive Committee.

(d) The Executive Committee shall advise with, and aid, the officers of the Company from time to time in all matters concerning the interests of the Company.

Par. 2 - Investment Committee.

(a) There shall be an Investment Committee of the Board of Directors consisting of at least three (3) but not more than seven (7) Directors, who shall be elected by the Board of Directors; provided that at least three of said members are members of the Executive Committee. The Board of Directors shall designate one of the members of the Investment Committee to be the Chairman and may designate one of the members to be the Vice Chairman thereof.

(b) The Investment Committee shall have the power and is authorized on behalf of the Company to make, supervise, and control the investments and property of the Company, inclusive of all real and personal property acquired by virtue of or incidental to any investment authorized by law, including the power to purchase, sell, transfer, convert, assign, exchange, lease or otherwise dispose of the investments and property of the Company and to do and perform all things deemed necessary and proper in relation to such investments and property. The Investment Committee shall also have such other powers as may be delegated to it by the Board of Directors. The Investment Committee shall act by a majority vote of all its members expressed by vote at a meeting of such Committee or by agreement or consents given orally or in writing. All such actions

shall be reported in writing by the Chairman of the Investment Committee to the Board of Directors at its next meeting.

(c) Each member of the Investment Committee is authorized and empowered: (i) to certify to whom it may concern that the Investment Committee has authorized or approved any transaction of purchase, sale, transfer, conversion, assignment, exchange, lease or other transaction relating to the investments and property of the Company, and such certification shall be valid and binding upon the Company; (ii) to purchase, sell, transfer, convert, assign, exchange, lease or make any other required transaction relating to the investments and property of the Company pursuant to authorization by the Investment Committee; and (iii) to execute any instrument or documents necessary or desirable to effectuate any of the aforesaid transactions.

Par. 3 - Other Committees. The Board of Directors may designate one or more other Committees, each consisting of at least two but less than half the total number of Directors, which shall have such powers as may be specified by resolution of the Board.

Par. 4 - Meetings. The Executive and Investment Committees shall meet on the Tuesday preceding the last Wednesday of January, March, May, July, September and November and on the last Tuesday of February, April, June and October, or if such day be a legal holiday then on the next succeeding Tuesday not a legal holiday, or at the call of any of its members. Any other committees shall meet at stated times or at the call of any of its members. Each committee shall keep regular minutes of its proceedings, shall report the same to the Board of Directors and shall fix its rules of procedure. The affirmative vote of a majority of the whole committee shall be necessary for the action of the committee. The members of the committee may, by resolution or by written waiver of all the members, fix some other time for the meeting in lieu of the dates specified herein.

SECTION VII Compensation of Officers and Employees

The salary, compensation, allowances, and emoluments of officers, Directors, agents and employees of the Company shall be fixed by the Board of Directors or the Executive Committee, or by the President or other officer pursuant to authorization of the Board or the Committee; but any salary, allowance or emolument to any officer or Director of the Company amounting in any one year, to more than five thousand dollars (\$5,000) must be authorized by the Board of Directors.

SECTION VIII
Officers

Par. 1 - Number and Title. The officers of the Company shall be a Chairman of the Board, a President, one or more Vice Presidents as may be designated by the Board of Directors, a General Counsel, a Secretary, a Treasurer, a Medical Director and an Actuary. There also may be elected a Vice Chairman of the Board, an Executive Vice President, one or more Senior Vice Presidents and such other officers, associates and assistants under appropriate titles as may be necessary or advisable in the judgment of the Board of Directors. The officers shall be elected by the Board of Directors at the first meeting of the Board held after the annual election of Directors, or at some adjourned meeting thereof. When elected, the President, the Chairman and Vice Chairman of the Board, the Executive Vice President, the Senior Vice President(s) and the Vice Presidents shall hold office for one (1) year and until their successors are duly elected and qualified; all other officers shall hold office at the pleasure of the Board of Directors. Any two offices, except the office of President, Secretary and Treasurer, may be held by the same person. All elections of officers shall be by a majority vote of the Directors present. If any office becomes vacant for any reason, the vacancy may be filled for the unexpired portion of the term by the Board of Directors at their next meeting, regular or special.

Par. 2 - Chairman of the Board. The Chairman of the Board shall preside at all meetings of shareholders and of the Board of Directors. In the absence or disability of the Chairman of the Board and the Vice Chairman of the Board, the Board of Directors shall designate one of its members to preside at all such meetings.

The Chairman of the Board shall be the Chief Executive Officer of the Company with the following powers, functions and duties:

- (a) Under the direction of the Board of Directors, he shall have general supervision and management of the property, affairs, and business of the Company;
- (b) He shall see that all orders and resolutions of the Board of Directors are carried into effect;
- (c) He shall have the general supervision and direction of the staff officers of the Company and shall see that their duties are properly performed;
- (d) With the President, he shall submit an annual report of the operations of the Company for the year to the shareholders at their annual meeting and also to the Board of Directors;

(e) He shall be ex-officio a member of all standing committees except the Compensation Committee;

(f) He shall be vested with such other powers of supervision and management and he shall perform such other duties as may be delegated to him by the Board of Directors, or as may devolve upon the Chief Executive Officer of like companies.

Par. 3 - The President. The President shall be the Chief Operating Officer of the Company with the following powers, functions and duties:

(a) Under the direction of the Board of Directors and the Chief Executive Officer, he shall have general supervision and active management of the property, affairs and business of the Company;

(b) He shall have the general supervision and direction of the operating officers of the Company, and he shall see that their duties are properly performed;

(c) He shall execute and acknowledge all contracts, agreements, deeds, bonds, mortgages and other obligations and instruments in the name of the Company when so authorized by the Board of Directors, and all other papers and documents necessary and proper to be executed in the performance of his duties;

(d) With the Chairman of the Board, he shall submit an annual report of the operations of the Company for the year to the shareholders at their annual meeting, and also to the Board of Directors;

(e) He shall be ex-officio a member of all standing committees, except the Compensation Committee;

(f) He shall be vested with such other powers of supervision and management and he shall perform such other duties as may be delegated to him by the Chief Executive Officer or the Board of Directors, or as may devolve upon the Chief Operating Officer of like companies.

(g) In the absence or disability of the President, his authority and duties shall be vested in such officer as may be designated by the Board of Directors, the Chief Executive Officer or the President, before or after the event.

Par. 4 - Vice Chairman of the Board. The Vice Chairman of the Board shall preside at all meetings of shareholders and the Board of Directors during the absence or disability of the Chairman of the Board, and shall perform such other functions and duties as may be prescribed by the Board of Directors.

Par. 5 - Executive Vice President. The Executive Vice President, in addition to his other duties as Vice President, shall assist the Chief Executive Officer and the President in supervising and administering the Company's business and affairs.

Par. 6 - Senior Vice President. The Senior Vice President(s), in addition to his (their) other duties as Vice President(s), shall assist the Chief Executive Officer, the President and/or Executive Vice President in supervising and administering the line and staff organizational functions of the Company.

Par. 7 - Vice Presidents. The Vice Presidents shall perform such duties as may from time to time be assigned to them by the Board of Directors or by the President.

Par. 8 - General Counsel. The General Counsel shall be the chief legal officer of the Company. He shall render legal advice and opinions to the Board of Directors and the President of the Company upon request, with respect to the business of the Company. He shall be charged with all legal matters with which the Company may be concerned or involved, and shall perform all other duties incident to such office.

Par. 9 - Secretary. The Secretary shall have the following duties:

(a) He shall attend all meetings of shareholders and of the Board of Directors; and, upon request, he shall also attend meetings of the Executive Committee or standing committees. He shall act as clerk of all meetings of shareholders or Directors, and shall record all notes and proceedings thereof in a minute book to be kept for that purpose; and, upon request, he shall also perform such duties in respect of meetings of the Executive Committee and standing committees.

(b) He shall attend to the giving and serving of all notices to the shareholders or Directors or other notices required by law, by the Articles of Incorporation or by these By-Laws.

(c) He shall have custody of the corporate seal, and shall affix the same to contracts, agreements, deeds, bonds, mortgages, and other obligations and instruments of the Company requiring a

seal, when so authorized by the Board of Directors. He shall execute and affix the corporate seal to all certificates and other documents certifying to the authenticity of By-Laws of the Company, resolutions and orders adopted or other action taken by the Board of Directors, the Executive Committee, or officers of the Company, and as to names and identity of the Directors and the officers of the Company; resolutions and orders adopted or other action taken by the Board of Directors; Provided, that the Board of Directors may authorize any member of the Executive Committee to certify to the authenticity of the resolutions and orders adopted or other action taken by the Board of Directors or by such committee.

(d) He shall have charge of the capital stock books, and such other books and papers as the Board of Directors may prescribe. He shall keep an account of stock registered and transferred in such manner and subject to such regulations as the Board of Directors may prescribe.

(e) The Secretary shall perform all other functions incident to the office of the Secretary, and such other functions as the Board of Directors may prescribe.

Par. 10 - Treasurer. The Treasurer shall have the following powers and duties:

(a) He shall have custody of the funds and securities of the Company, shall keep full and accurate accounts of the receipts and disbursements in books belonging to the Company and shall deposit all monies and other valuable effects belonging to the Company in the name and to the credit of the Company, in such depositories as may be designated by the Board of Directors.

(b) He shall disburse the funds of the Company as may be ordered by the Board of Directors or the President, taking proper vouchers for such disbursements, and shall render to the President and Directors, whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Company, and at the regular meeting of the Board of Directors next preceding the annual shareholders' meeting, he shall make a like report for the preceding year. No disbursement of one hundred dollars (\$100) or more shall be made unless it is evidenced by a voucher signed by or on behalf of the person, firm, or corporation receiving the money and describing the consideration for the payment; and if the expenditure be in connection with any matter pending before any legislative or public body or

before any department or officer of any state or government, the voucher shall describe the nature of the matter and the interest of the Company therein, or, if such voucher cannot be obtained, the expenditure shall be evidenced by affidavit describing its character and object and stating the reasons for not obtaining such voucher.

(c) He shall give the Company a bond, if required by the Board of Directors, in such sum and in form and with security satisfactory to the Board of Directors, for the faithful performance of the duties of his office and the restoration to the Company, in case of his death, resignation or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession, belonging to the Company.

(d) He shall perform such other functions as the Board of Directors may from time to time prescribe.

Par. 11 - Medical Director. The Medical Director shall act as advisor to lay underwriters and claims adjudicators in questions relating to the evaluation of physical impairments and medical conditions pertaining to applications for insurance or claims for benefits, and shall perform all other duties incident to that office.

Par. 12 - Actuary. The Actuary shall be responsible for the calculation of insurance and annuity premiums, reserves and dividends and shall also perform all other duties incident to such office.

Par. 13 - Assistant and Associate Officers. The Board of Directors may designate and appoint such assistant or associate officers as may be deemed desirable, who shall aid the superior officer in his functions and duties, and perform such other duties as may be prescribed by the Board of Directors, the President or the superior officer. In the absence or disability of the superior officer, his associate or assistant shall perform his functions, but the Board of Directors may delegate any or all of the functions of the office to any officer or director.

SECTION IX

Bank and Custodian Accounts

Par. 1 - Bank Accounts. All monies belonging to the Company shall be deposited to the credit of Government Employees Life Insurance Company in such depositories as may be designated from time to time by the Board of Directors. All checks, drafts and orders for the payment of money from any such depository shall be signed by such persons as the Board may designate, or as the President may designate under delegation from the Board of Directors. All checks shall be made payable to the order of the person or persons entitled to receive the money, and no check shall be signed in blank.

Par. 2 - Execution of Instruments. All contracts, deeds, agreements, releases, assignments, transfers, and other instruments in the name of the Company shall be executed by such officer or officers as the Board of Directors may designate, but in the absence of such designation, they shall be signed by the President or a Vice President, and by the Secretary or Treasurer.

Par. 3 - Securities. The stocks, bonds, debentures, mortgages and any other securities of the Company shall be deposited for safe-keeping in a custodian account with such banking institution as the Board of Directors may designate, and shall be withdrawn only upon the signed order or direction of such officer or officers as may be designated by the Board of Directors.

SECTION X Capital Stock

Par. 1 - Stock Certificates. The certificates for the capital stock of the Company shall be numbered consecutively and shall be entered in the books of the Company as they are issued. Each certificate shall exhibit the holder's name and the number of shares of stock represented thereby, and shall be signed by or shall contain the facsimile signatures of the President or a Vice President, and the Secretary or Treasurer, or such other officers as the Board of Directors may designate, and the corporate seal shall be affixed thereto or a facsimile thereof imprinted thereon. If a transfer agent is appointed, the certificates shall also be countersigned by such transfer agent.

Par. 2 - Transfer Agent. The Board may appoint a transfer agent for the capital stock of the Company, who shall keep a record of the issuance, transfer and ownership of such stock, countersign the stock certificates if so authorized, and perform such other duties as are normally performed by the transfer agent of like companies. All transfers of stock shall be made upon the books of the company by the holder of the shares in person or by his lawfully constituted representative, upon surrender of the certificate of stock for cancellation.

Par. 3 - Lost Certificate. If a certificate of stock be lost or destroyed, another may be issued in its stead upon proof of such loss or destruction and the giving of a satisfactory bond of indemnity, in an amount sufficient to indemnify the Company against any claim. A new certificate may be issued without requiring bond when (a) in the judgment of the Board of Directors it is proper to do so, or (b) upon authorization by the President, provided a properly executed indemnification agreement is obtained from the transfer agent. Any such certificate shall be plainly marked "Duplicate" upon its face.

Par. 4 - Transfer of Stock. The capital stock of the Company shall be transferable only upon the books of the Company, by the holder of the shares in person or by his lawfully constituted representative, upon endorsement and surrender of the certificate to the Company for cancellation.

SECTION XI Fractional Shares and Scrip

Par. 1 - Fractional Shares. Fractional shares of stock may be issued if authorized by the Board of Directors. A fractional share of stock shall not be entitled to any vote nor to receive dividends, unless the Board of Directors expressly so provides.

Par. 2 - Fractional Scrip. The Board of Directors may, in its discretion, authorize the issuance of certificates for fractional scrip or other evidence of ownership in lieu of a fractional share, which shall entitle the holder thereof to receive a certificate for a full share upon the surrender of such scrip or evidence of ownership aggregating a full share, but which shall not, unless otherwise provided by the Board of Directors, entitle the holder to vote or to receive dividends. The Board of Directors may cause such scrip or evidence of ownership to be issued subject to the condition that it shall become void if not exchanged for certificates of full shares before a specified date, or subject to the condition that the shares for which such scrip or evidence of ownership is exchangeable may be sold by the Company and the proceeds thereof distributed to the holders of such scrip or evidence of ownership, or subject to any other conditions that the Board of Directors shall deem advisable.

SECTION XII Shareholders of Record

Par. 1 - Record Owners. The Company shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the District of Columbia.

Par. 2 - Closing Transfer Books. The Board of Directors may, in its discretion, close the stock transfer books of the Company for a period not exceeding fifty (50) days preceding the date of any meeting of the shareholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change, conversion, or exchange of capital stock shall go into effect, or a date for obtaining the consent of the shareholders for any purpose.

Par. 3 - Record Date for Shareholders. In lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date not exceeding fifty (50) days preceding the date of any meeting of shareholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change, conversion, or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of shareholders for any purpose, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive and exercise the other rights and privileges referred to herein. In such case only shareholders of record on the date so fixed shall be entitled to the notice, voting rights, dividends and other rights and privileges referred to hereinabove, notwithstanding the transfer of any stock on the books of the Company after such date.

SECTION XIII Dividends and Reserves

Dividends upon the capital stock may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash or in property or in shares of the capital stock. Dividends shall not be paid unless the Company possesses assets in the amount of such payment in excess of its liabilities, including its capital stock, and the surplus required by the laws of the District of Columbia. Before paying any dividend or making any distribution of profits, the Board of Directors may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may alter or abolish any such reserves, subject to the requirements of law.

SECTION XIV Fiscal Year: Books and Records

Par. 1 - Fiscal Year. The fiscal year of the Company shall begin on the first of January and end on the thirty-first day of the succeeding December.

Par. 2 - Books and Records. The books, records and accounts of the Company shall be kept at its main office within the District of Columbia, but the transfer agent of the Company may maintain duplicate stock books and records.

Par. 3 - Stock Book. The Secretary shall keep a book containing the names of all persons, alphabetically arranged, who are or shall within six (6) years have been shareholders of the Company, and showing their place of residence, the number of shares of capital stock held by them, respectively, the time when they became owners of such shares, and the amount of capital stock actually paid in.

Par. 4 - Inspection.

(a) The stock book described in paragraph 3 of this Section XIV shall, during the usual business hours of the day, on every business day, be kept open for inspection at the principal office of the Company, by policyholders, shareholders and creditors of the Company and their personal representatives, who may make extracts from such book.

(b) In respect of all other accounts and books of the Company, the Board of Directors shall determine from time to time the conditions and regulations governing inspection by shareholders, subject to such right of inspection as may be granted by law.

SECTION XV
Notices

Par. 1 - Form. Whenever under the provisions of these By-Laws notice is required to be given to any shareholder, Director, or Officer it shall not be construed to require personal notice, but such notice may be given

(a) in writing by mail, by depositing the same in the post office or letter-box in a postpaid, sealed wrapper, addressed to such shareholder, Director or Officer at such address as appears for him on the books of the Company, or if there be no such address, then at his last known address; or

(b) by telegram addressed as aforesaid and sent prepaid in the customary manner.

Any such notice shall be deemed to be given at the time that the same shall be thus mailed or telegraphed.

Par. 2 - Waiver. Any shareholder, Director, or Officer may waive in writing any notice required to be given under these By-Laws, whether before or after the time stated herein.

SECTION XVI
Indemnification of Directors and Officers

Par. 1 - Right of Indemnification. All Directors and Officers, former Directors and Officers of this Company and any person who may have served at the request of the Company as a Director or Officer of any other corporation in which the Company owns stock or of which the Company is a creditor (and his heirs, executors or administrators) shall be indemnified by the Company against all costs and legal or other expenses, including

costs or amount of settlement, reasonably incurred by or imposed upon them, or any of them, in connection with or resulting from any claim, action or proceeding, civil or criminal, in which they, or any of them, are made parties by reason of being or having been Directors or Officers or a Director or Officer of the Company, or of such other corporation.

Par. 2 - Application of Right. The right of indemnification herein provided shall apply whether or not such Director or Officer or former Director or Officer or person indemnified is such at the time such costs or expenses are incurred or imposed. The right of indemnification shall not apply, however, in relation to matters as to which any such Director or Officer or former Director or Officer or person shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty as such Director or Officer; provided, however, that an entry of judgment by consent as part of a settlement shall not be deemed a final adjudication of liability for negligence or misconduct in the performance of duty. If any such claim, action or proceeding is settled (by consent or otherwise), the determination in good faith by the Board of Directors that such claim, action or proceeding did not arise out of negligence or misconduct in the performance of his duty by the Director or Officer or former Director or Officer or person indemnified, and that such Director or Officer or former Director or Officer or person would not be held liable for such claim, action or proceeding, shall be necessary and sufficient to justify indemnification. The right of indemnification herein provided shall not be exclusive of any other rights to which those indemnified may be entitled under any statute, other by-law, agreement, vote of shareholders or otherwise.

SECTION XVII Amendment of By-Laws

These By-Laws may be supplemented, amended, altered, or repealed by the affirmative vote of a majority of the whole Board of Directors at a regular or special meeting.

ADVISORY CONTRACT

This AGREEMENT, entered into as of this 1st day of January, 1976, by and between GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY, a corporation duly organized and existing under the laws of the District of Columbia, party of the first part (hereinafter called the "COMPANY"), and GEORGE E. FRIES, residing at 3636 North Piedmont Street, Arlington, Virginia 22207, party of the second part (hereinafter called "FRIES").

WITNESSETH THAT:

WHEREAS, FRIES has been employed by the GOVERNMENT EMPLOYEES COMPANIES since 1948, serving as a senior officer for twenty-five years and as President of the COMPANY since 1964; and

WHEREAS, FRIES retired as President of the COMPANY on September 30, 1975, and as an employee of the COMPANY as of the close of business on December 31, 1975; and

WHEREAS, the COMPANY desires to use the services of FRIES as an Advisor to the Chief Executive Officer from time to time and FRIES is willing to act in this capacity if so requested and at his own convenience;

NOW, THEREFORE, in consideration of the mutual promises and agreements of the parties hereto and for other good and valuable consideration, the parties hereto agree as follows:

1. FRIES ceased to be an officer of the COMPANY on September 30, 1975, and an employee of the COMPANY as of December 31, 1975, and all his duties and responsibilities as an officer or employee terminated on said dates. Commencing January 1, 1976, FRIES agrees to make his services available to the COMPANY

as an Advisor to the Chief Executive Officer for one (1) year, which term is subject to annual renewal for an additional two (2) years at the discretion of the COMPANY's Board of Directors, subject to the terms and conditions hereinafter set forth.

2. During the period of FRIES' services as such Advisor, the COMPANY shall pay FRIES an Advisory Fee of Fifteen Thousand Dollars (\$15,000.00) per annum, payable in monthly installments, such fee to be in addition to other fees or compensation he may be entitled to receive as a Director, if so elected.

3. Upon request by the COMPANY, FRIES agrees to serve as an Advisor to the Chief Executive Officer on such matters and specific problems relating to the business and affairs of the COMPANY as may be requested from time to time.

4. The rendition of advisory services described in Paragraph 3 shall be subject to the following conditions and limitations:

(a) The COMPANY will not call upon FRIES to render advisory services for more than sixty (60) days out of any twelve-month period during the life of this Agreement. It is agreed that any time spent by FRIES in the performance of duties as a Director shall not be subject to the foregoing limitation nor charged against the said 60-day period.

(b) The COMPANY shall not call upon FRIES without prior reasonable notice nor request or expect FRIES to subordinate his own plans or activities to those of the COMPANY. The services to be performed by FRIES hereunder shall be only at such times and at such places as may be mutually convenient to FRIES and the

COMPANY, and FRIES may render such services by mail, telephone or telegraph in the event the parties cannot agree on a mutually convenient time and place. FRIES shall be free to arrange his own time and pursuits and the COMPANY shall not require him to observe any routine or fixed hours of work in performing the services requested of him hereunder.

(c) The COMPANY shall not request FRIES to perform any active duties on behalf of the COMPANY, the request for services hereunder to be for discussing, conferring and advising the COMPANY with respect to those problems or matters referred to FRIES for his opinion.

(d) As a courtesy to the COMPANY, FRIES will advise the COMPANY in the event he is undertaking any extended trip and the COMPANY may request that he see certain people or visit certain offices, which he is willing to do provided it fits into his own plans.

5. During the term of this Agreement, FRIES agrees not to engage in, or to become connected with as advisor, consultant, officer, Director, employee or substantial stockholder, any business, enterprise or company which is in competition with the COMPANY or any of its affiliated companies, whether now existing or hereafter organized. Subject to the aforesaid restrictions, FRIES shall not be precluded from accepting and continuing any other business engagement.

6. Effective January 1, 1976, FRIES shall not be eligible to participate in any benefit plan or program for employees of the


COMPANY, including (but without being limited to) a plan or program for life, accident, health, medical or travel insurance, executive incentive bonus, stock option or vacation or health leave, except where such plan or program expressly provides benefits, or eligibility for benefits, to retirees of the COMPANY. Nothing contained in this Agreement shall, however, prevent or preclude FRIES from receiving the retirement income or other benefits to which FRIES may be entitled by virtue of his severance of employment on December 31, 1975, under the COMPANY's Pension Plan or Profit Sharing Plan.

7. The validity, construction, interpretation and enforceability of this Agreement and the capacity of the parties shall be determined and governed by the laws of the District of Columbia.

8. This Agreement is personal to each of the parties hereto, and neither party may assign or delegate any of the rights or obligations hereunder without first obtaining a written consent of the other party.

9. This Agreement constitutes the entire Agreement between the parties respecting the advisory services of FRIES, and there are no representations, warranties or commitments, except as set forth herein. This Agreement may be amended only by an instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, GEORGE E. FRIES has hereunto affixed his hand, and GOVERNMENT EMPLOYEES LIFE INSURANCE COMPANY has caused this Agreement to be signed and its corporate seal to be affixed hereto by its corporate officers thereunto duly organized.

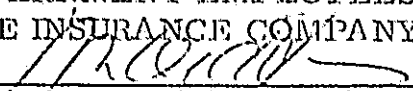


GEORGE E. FRIES

Attest:



Secretary

GOVERNMENT EMPLOYEES
LIFE INSURANCE COMPANY
By: 

Chairman of the Board and
Chief Executive Officer

END