There were no investments in any entity in excess of 10% of stockholders' equity at December 31, 2003 or 2002, other than investments issued or guaranteed by the U.S. government.

Common and non-redeemable preferred equity investments and derivative financial instruments are included in other invested assets in the Company's consolidated balance sheet. The cost basis of equity investments, primarily preferred stocks, at December 31, 2003 and 2002 was approximately $142.5 million and $77.5 million, respectively. The net unrealized gain on equity investments at December 31, 2003 was approximately $5.5 million with an unrealized loss of $1.0 million at December 31, 2002. The cost basis of the derivative financial instruments at December 31, 2003 and 2002 was approximately $3.8 million and $4.4 million, respectively.

The amortized cost and estimated fair value of fixed maturity securities available for sale at December 31, 2003 are shown by contractual maturity for all securities except certain U.S. government agencies securities, which are distributed to maturity year based on the Company's estimate of the rate of future prepayments of principal over the remaining lives of the securities. These estimates are developed using prepayment rates provided in broker consensus data. Such estimates are derived from prepayment rates experienced at the interest rate levels projected for the applicable underlying collateral and can be expected to vary from actual experience. Actual maturities can differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

At December 31, 2003, the contractual maturities of investments in fixed maturity securities were as follows (in thousands):

| | Amortized Cost | Fair Value |
|---|---|---|
| **Available for sale:** | | |
| Due in one year or less | $ 65,903 | $ 67,506 |
| Due after one year through five years | 783,220 | 815,707 |
| Due after five years through ten years | 1,144,245 | 1,188,314 |
| Due after ten years | 1,397,052 | 1,573,272 |
| Asset and mortgage-backed securities | 908,177 | 930,936 |
| | $4,298,597 | $4,575,735 |

Net realized investment gains (losses) consist of the following (in thousands):

| Years ended December 31 | 2003 | 2002 | 2001 |
|---|---|---|---|
| **Fixed maturities and equity securities available for sale:** | | | |
| Realized gains | **$ 52,602** | $ 64,060 | $ 34,108 |
| Realized losses | **(45,742)** | (79,005) | (101,854) |
| Other, net | **(1,500)** | 294 | (685) |
| Net gains (losses) | **$ 5,360** | $(14,651) | $ (68,431) |

Included in net realized losses are other than temporary write-downs of fixed maturity securities of approximately $20.1 million, $33.9 million, and $43.4 million in 2003, 2002, and 2001, respectively. The Company incurred realized losses due to the other than temporary impairment in value of collateralized bond obligations of $9.7 million, $24.2 million and $36.3 million during 2003, 2002 and 2001, respectively. During 2001, the Company incurred approximately $27.0 million in realized capital losses when it liquidated substantially all of its Argentine-based investment securities. The Company reinvested the proceeds from these sales in U.S. dollar based securities in order to reduce its exposure to the volatile Argentine economy.

At December 31, 2003, fixed maturity securities held by the Company that were below investment grade had an estimated book value and fair value of approximately $94.6 million and $101.6 million, respectively. At December 31, 2003, the Company owned non-income producing securities with an amortized cost and market value of $0.1 million.

The Company monitors its fixed maturity securities to determine impairments in value. In conjunction with its external investment managers, the Company evaluates factors such as financial condition of the issuer, payment performance, the length of time and the extent to which the market value has been below amortized cost, compliance with covenants, general market conditions and industry sector, intent and ability to hold securities, and various other subjective factors. As of December 31, 2003, the Company held fixed maturities with a cost basis of $0.1 million and a market value of $0.1 million, or less than 0.1% of fixed maturities, that were non-income producing. Based on management's judgment, securities with an other than temporary impairment in value are written down to management's estimate of fair value. The Company recorded other than temporary write-downs of fixed maturities totaling $20.1 million, $33.9 million, and $43.4 million in 2003, 2002, and 2001, respectively. The circumstances that gave rise to these impairments were bankruptcy proceedings and deterioration in collateral value supporting certain asset-backed securities. During 2003 and 2002, the Company sold fixed maturity securities with fair values of $460.3 million and $466.1 million at losses of $25.2 million and $44.4 million, respectively.