ANNUAL STATEMENT

OF THE

AMERICAN STATES INSURANCE COMPANY

of INDIANAPOLIS

in the state of INDIANA

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2011

PROPERTY AND CASUALTY

2011

19704201120100100

ANNUAL STATEMENT

For the Year Ended December 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

American States Insurance Company

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) **NAIC Company Code** 19704 **Employer's ID Number** 35-0145400

Organized under the Laws of Indiana **, State of Domicile or Port of Entry** Indiana

Country of Domicile United States of America

Incorporated/Organized July 15, 1929 **Commenced Business** July 15, 1929

Statutory Home Office 350 East 96th Street (Street and Number) , Indianapolis, IN 46240 (City or Town, State and Zip Code)

Main Administrative Office 175 Berkeley Street (Street and Number)
Boston, MA 02116 (City or Town, State and Zip Code) 617-357-9500 (Area Code) (Telephone Number)

Mail Address 175 Berkeley Street (Street and Number or P.O. Box) , Boston, MA 02116 (City or Town, State and Zip Code)

Primary Location of Books and Records 175 Berkeley Street (Street and Number) Boston, MA 02116 (City or Town, State and Zip Code) 617-357-9500 (Area Code) (Telephone Number)

Internet Web Site Address WWW.SAFECO.COM

Statutory Statement Contact Pamela Heenan (Name) 617-357-9500 x44689 (Area Code) (Telephone Number) (Extension)
Statutory.Compliance@LibertyMutual.com (E-Mail Address) 617-574-5955 (Fax Number)

OFFICERS

Chairman of the Board

James Paul Condrin, III #

	Name	Title
1.	James Paul Condrin, III #	President and Chief Executive Officer
2.	Dexter Robert Legg	Secretary
3.	James Paul McKenney #	Treasurer and Chief Financial Officer

VICE-PRESIDENTS

Name	Title	Name	Title
Anthony Alexander Fontanes	EVP and Chief Investment Officer	Michael Joseph Fallon #	Executive Vice President

DIRECTORS OR TRUSTEES

James Paul Condrin, III #	John Derek Doyle	Michael Joseph Fallon	Kevin John Kirschner
Dexter Robert Legg #	Christopher Charles Mansfield	James Paul McKenney #	

State of Massachusetts

County of Suffolk ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
James Paul Condrin, III #	Dexter Robert Legg	James Paul McKenney #
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President and Chief Executive Officer	Secretary	Treasurer and Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to (or affirmed) before me on this
23rd day of January , 2012, by

a. Is this an original filing? [X] Yes [ ] No
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	1,251,242,169		1,251,242,169	1,227,792,281
2. Stocks (Schedule D):				
2.1 Preferred stocks	4,250,000		4,250,000	10,846,550
2.2 Common stocks	60,446,711		60,446,711	48,585,636
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ 0 encumbrances)				
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 50,075,191, Schedule E - Part 1), cash equivalents ($ 4,870,905, Schedule E - Part 2), and short-term investments ($ 42,972,374, Schedule DA)	97,918,470		97,918,470	95,576,031
6. Contract loans (including $ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	1,029,683		1,029,683	2,681,185
9. Receivables for securities	645,000		645,000	2,852,093
10. Securities lending reinvested collateral assets (Schedule DL)	47,679,585		47,679,585	29,660,375
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,463,211,618		1,463,211,618	1,417,994,151
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	12,014,496		12,014,496	12,304,131
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	34,389,328	3,934,780	30,454,548	27,282,323
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 476,054 earned but unbilled premiums)	229,221,684	47,606	229,174,078	219,418,618
15.3 Accrued retrospective premiums	389,891	38,952	350,939	696,226
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	28,816,460		28,816,460	31,559,226
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	2,148,739		2,148,739	13,012,956
18.2 Net deferred tax asset	89,898,000	43,796,226	46,101,774	4,418,550
19. Guaranty funds receivable or on deposit	913,770		913,770	1,284,159
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	5,106,822		5,106,822	
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	7,417,142	918,593	6,498,549	6,658,736
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,873,527,950	48,736,157	1,824,791,793	1,734,629,076
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,873,527,950	48,736,157	1,824,791,793	1,734,629,076

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Cash Surrender Value Life Insurance	4,488,762		4,488,762	4,418,094
2502. Equities and deposits in pools and associations	1,990,832		1,990,832	2,010,425
2503. Other assets	937,548	918,593	18,955	230,217
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,417,142	918,593	6,498,549	6,658,736

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	685,092,229	678,721,474
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	51,136,305	45,540,456
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	151,486,110	151,481,436
4.	Commissions payable, contingent commissions and other similar charges	21,329,682	20,499,969
5.	Other expenses (excluding taxes, licenses and fees)	11,942,825	5,999,760
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	5,638,709	6,855,744
7.1	Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $ 0 and interest thereon $ 0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 197,804,232 and including warranty reserves of $ 0 and accrued accident and healthexperience rating refunds including $ 0 for medical loss ratio rebate per the Public Health Service Act)	382,973,276	368,839,985
10.	Advance premium	2,614,211	2,499,879
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	104,867	71,239
12.	Ceded reinsurance premiums payable (net of ceding commissions)	26,618,458	26,136,729
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	800,453	(370,746)
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	27,061,622	24,876,945
19.	Payable to parent, subsidiaries and affiliates	10,363,836	20,580,639
20.	Derivatives		
21.	Payable for securities	5,036,139	10,192,870
22.	Payable for securities lending	47,679,585	29,660,375
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $ 0 and interest thereon $ 0		
25.	Aggregate write-ins for liabilities	12,629,352	13,018,203
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,442,507,659	1,404,604,957
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	1,442,507,659	1,404,604,957
29.	Aggregate write-ins for special surplus funds	16,964,962	1,643,803
30.	Common capital stock	5,000,000	5,000,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds		
33.	Surplus notes		
34.	Gross paid in and contributed surplus	303,892,772	303,892,772
35.	Unassigned funds (surplus)	56,426,400	19,487,544
36.	Less treasury stock, at cost:		
	36.1 0 shares common (value included in Line 30 $ 0)		
	36.2 0 shares preferred (value included in Line 31 $ 0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	382,284,134	330,024,119
38.	Totals (Page 2, Line 28, Col. 3)	1,824,791,793	1,734,629,076

	DETAILS OF WRITE-IN LINES		
2501.	Retroactive reinsurance reserves	6,741,584	7,250,479
2502.	Other liabilities	5,478,383	3,943,331
2503.	Amounts held under uninsured plans	409,385	817,819
2598.	Summary of remaining write-ins for Line 25 from overflow page		1,006,574
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	12,629,352	13,018,203
2901.	SSAP 10R incremental change	15,367,258	
2902.	Special surplus from retroactive reinsurance	1,597,704	1,643,803
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	16,964,962	1,643,803
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	795,814,282	783,877,680
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	492,354,766	439,214,459
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	96,140,357	92,537,763
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	256,576,828	263,432,904
5.	Aggregate write-ins for underwriting deductions	(81,343)	(42,880)
6.	Total underwriting deductions (Lines 2 through 5)	844,990,608	795,142,246
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(49,176,326)	(11,264,566)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	55,881,280	63,307,965
10.	Net realized capital gains (losses) less capital gains tax of $ 1,068,633 (Exhibit of Capital Gains (Losses))	1,984,604	8,857,923
11.	Net investment gain (loss) (Lines 9 + 10)	57,865,884	72,165,888
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 28,186 amount charged off $ 1,806,952)	(1,778,766)	(3,293,759)
13.	Finance and service charges not included in premiums	6,719,033	6,916,996
14.	Aggregate write-ins for miscellaneous income	(2,491,444)	(9,822,983)
15.	Total other income (Lines 12 through 14)	2,448,823	(6,199,746)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	11,138,381	54,701,576
17.	Dividends to policyholders	1,598,149	(267,845)
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	9,540,232	54,969,421
19.	Federal and foreign income taxes incurred	(7,843,633)	(8,142,451)
20.	Net income (Line 18 minus Line 19) (to Line 22)	17,383,865	63,111,872
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	330,024,119	641,760,792
22.	Net income (from Line 20)	17,383,865	63,111,872
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ (2,407,147)	(4,470,416)	1,915,715
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	83,072,303	(18,598,911)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(59,701,997)	2,296,750
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles	609,002	
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		(253,864,430)
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		(106,135,570)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	15,367,258	(462,099)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	52,260,015	(311,736,673)
39.	Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	382,284,134	330,024,119

	DETAILS OF WRITE-IN LINES		
0501.	Private passenger auto escrow	(81,343)	(42,880)
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 05 from overflow page		
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)	(81,343)	(42,880)
1401.	Retroactive reinsurance gain/(loss)	(162,230)	(9,707,311)
1402.	Other income/(expense)	(2,329,214)	(115,672)
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(2,491,444)	(9,822,983)
3701.	SSAP 10R incremental change	15,367,258	
3702.	Other changes in surplus		(462,099)
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	15,367,258	(462,099)

CASH FLOW

		1	2
	Cash from Operations	Current Year	Prior Year
1.	Premiums collected net of reinsurance	797,500,073	799,127,627
2.	Net investment income	61,857,649	73,826,576
3.	Miscellaneous income	3,312,508	(12,409,121)
4.	Total (Lines 1 through 3)	862,670,230	860,545,082
5.	Benefit and loss related payments	475,460,719	478,289,259
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	346,547,760	392,176,073
8.	Dividends paid to policyholders	1,564,522	306,154
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	(17,639,217)	13,027
10.	Total (Lines 5 through 9)	805,933,784	870,784,513
11.	Net cash from operations (Line 4 minus Line 10)	56,736,446	(10,239,431)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	260,358,141	885,356,235
	12.2 Stocks	18,875,158	19,901,534
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets	141,883,895	
	12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	2,207,093	(2,852,092)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	423,324,287	902,405,677
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	288,261,488	516,312,960
	13.2 Stocks	27,545,781	46,955,009
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets	159,903,105	29,660,375
	13.6 Miscellaneous applications	5,156,732	441,504
	13.7 Total investments acquired (Lines 13.1 to 13.6)	480,867,106	593,369,848
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(57,542,819)	309,035,829
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		(253,864,430)
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		106,135,570
	16.6 Other cash provided (applied)	3,148,812	55,147,047
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	3,148,812	(304,852,953)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,342,439	(6,056,555)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	95,576,031	101,632,586
	19.2 End of year (Line 18 plus Line 19.1)	97,918,470	95,576,031

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

20.0001	12.1 - Proceeds from investments sold, matured or repaid - Bonds		368,707,423
20.0002	12.2 - Proceeds from investments sold, matured or repaid - Stocks		18,081,642
20.0003	16.5 - Dividends to stockholders		106,135,570
20.0004	16.2 - Capital and paid in surplus, less treasury stock		(212,377,174)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	15,338,839	7,580,064	8,093,113	14,825,790
2. Allied lines	12,733,624	6,293,970	6,917,394	12,110,200
3. Farmowners multiple peril	6,336,716	2,949,737	3,178,401	6,108,052
4. Homeowners multiple peril	126,943,869	60,872,770	67,517,573	120,299,066
5. Commercial multiple peril	141,774,812	72,142,671	71,107,803	142,809,680
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	12,834,852	6,184,656	6,193,039	12,826,469
10. Financial guaranty				
11.1 Medical professional liability—occurrence	55,896	27,462	22,127	61,231
11.2 Medical professional liability—claims-made	7,555	3,174	3,480	7,249
12. Earthquake	2,677,061	1,321,287	1,383,157	2,615,191
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation	67,196,434	28,917,749	26,115,101	69,999,082
17.1 Other liability—occurrence	40,568,765	20,293,437	19,863,875	40,998,327
17.2 Other liability—claims-made	1,726,164	812,299	776,337	1,762,126
17.3 Excess workers' compensation				
18.1 Products liability—occurrence	993,780	565,680	502,046	1,057,414
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability	146,313,904	53,906,045	59,803,564	140,416,385
19.3,19.4 Commercial auto liability	62,061,902	31,056,396	29,995,146	63,123,152
21. Auto physical damage	113,623,043	44,427,224	48,301,442	109,748,825
22. Aircraft (all perils)				
23. Fidelity	489,570	406,767	399,595	496,742
24. Surety	56,426,144	33,121,803	33,030,709	56,517,238
26. Burglary and theft	21,322	11,336	10,639	22,019
27. Boiler and machinery	8,253	6,294	4,501	10,046
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property				
32. Reinsurance-nonproportional assumed liability				
33. Reinsurance-nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	808,132,505	370,900,821	383,219,042	795,814,284

DETAILS OF WRITE-IN LINES				
3401.				
3402.				
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	8,093,113				8,093,113
2. Allied lines	6,917,394				6,917,394
3. Farmowners multiple peril	3,178,401				3,178,401
4. Homeowners multiple peril	67,517,573				67,517,573
5. Commercial multiple peril	70,836,872	535	266,114	4,281	71,107,802
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	6,177,430	15,609			6,193,039
10. Financial guaranty					
11.1 Medical professional liability—occurrence	22,127				22,127
11.2 Medical professional liablity—claims-made	3,466	14			3,480
12. Earthquake	1,383,157				1,383,157
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation	26,216,436		288,557	(389,891)	26,115,102
17.1 Other liability—occurrence	19,708,346	80,112	79,698	(4,281)	19,863,875
17.2 Other liability—claims-made	766,926	9,045	365		776,336
17.3 Excess workers' compensation					
18.1 Products liability—occurrence	501,124		921		502,045
18.2 Products liability—claims-made					
19.1,19.2 Private passenger auto liability	59,803,564				59,803,564
19.3,19.4 Commercial auto liability	29,766,729	228,417			29,995,146
21. Auto physical damage	48,263,543	37,898			48,301,441
22. Aircraft (all perils)					
23. Fidelity	141,304	258,291			399,595
24. Surety	22,712,585	10,318,124			33,030,709
26. Burglary and theft	10,639				10,639
27. Boiler and machinery	4,501				4,501
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property					
32. Reinsurance-nonproportional assumed liability					
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	372,025,230	10,948,045	635,655	(389,891)	383,219,039
36. Accrued retrospective premiums based on experience					389,891
37. Earned but unbilled premiums					(635,656)
38. Balance (Sum of Lines 35 through 37)					382,973,274

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1. Fire	6,151,921	15,338,839		6,151,921		15,338,839
2. Allied lines	6,716,272	12,733,624		6,716,272		12,733,624
3. Farmowners multiple peril	19,189,503	6,336,716		19,189,503		6,336,716
4. Homeowners multiple peril	343,613	126,943,869		343,614		126,943,868
5. Commercial multiple peril	116,773,496	141,774,812		116,773,496		141,774,812
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	10,793,760	12,834,852		10,793,760		12,834,852
10. Financial guaranty						
11.1 Medical professional liability--occurrence		55,896				55,896
11.2 Medical professional liability--claims-made		7,555				7,555
12. Earthquake	565,553	2,677,061		565,553		2,677,061
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health	422,912			422,912		
16. Workers' compensation	19,153,111	67,196,434		19,153,111		67,196,434
17.1 Other liability—occurrence	73,882,396	40,568,765		73,882,396		40,568,765
17.2 Other liability—claims-made	426,556	1,726,164		426,556		1,726,164
17.3 Excess workers' compensation						
18.1 Products liability—occurrence	1,674,474	993,780		1,674,474		993,780
18.2 Products liability—claims-made						
19.1,19.2 Private passenger auto liability	41,083,986	146,313,904		41,083,986		146,313,904
19.3,19.4 Commercial auto liability	63,835,561	62,061,902		63,835,561		62,061,902
21. Auto physical damage	40,461,638	113,623,043		40,461,638		113,623,043
22. Aircraft (all perils)						
23. Fidelity	427,844	489,570		427,844		489,570
24. Surety	7,174,476	56,426,144		7,174,476		56,426,144
26. Burglary and theft	52,179	21,322		52,179		21,322
27. Boiler and machinery	280,107	8,253		280,107		8,253
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X					
32. Reinsurance-nonproportional assumed liability	X X X					
33. Reinsurance-nonproportional assumed financial lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	409,409,358	808,132,505		409,409,359		808,132,504

DETAILS OF WRITE-IN LINES						
3401.						
3402.						
3403.						
3498. Sum of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums $ 0

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ 0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire	1,626,765	4,920,563	1,626,765	4,920,563	2,554,370	2,476,636	4,998,297	33.714
2. Allied lines	3,669,344	10,287,477	3,669,344	10,287,477	2,250,425	2,071,764	10,466,138	86.424
3. Farmowners multiple peril	13,868,500	4,046,942	13,868,500	4,046,942	1,285,268	1,763,806	3,568,404	58.421
4. Homeowners multiple peril	239,125	96,750,276	239,125	96,750,276	36,236,898	29,706,390	103,280,784	85.853
5. Commercial multiple peril	65,430,425	87,966,365	65,430,425	87,966,365	141,206,602	130,378,562	98,794,405	69.179
6. Mortgage guaranty								
8. Ocean marine		35		35	1,833	(63)	1,931	
9. Inland marine	3,906,722	5,230,376	3,906,722	5,230,376	773,851	1,082,067	4,922,160	38.375
10. Financial guaranty								
11.1 Medical professional liability—occurrence		6,710		6,710	204,645	179,677	31,678	51.735
11.2 Medical professional liability—claims-made		(1)		(1)	40,214	36,722	3,491	48.158
12. Earthquake		1,225		1,225	121	2,997	(1,651)	(0.063)
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health	625,403	29,809	625,403	29,809	3,528,135	3,442,857	115,087	
16. Workers' compensation	27,194,065	50,327,634	27,194,065	50,327,634	224,024,856	211,805,175	62,547,315	89.354
17.1 Other liability—occurrence	34,975,109	21,542,197	34,975,109	21,542,197	65,153,612	73,190,122	13,505,687	32.942
17.2 Other liability—claims-made	1,245,646	582,700	1,245,646	582,700	2,724,159	3,979,487	(672,628)	(38.171)
17.3 Excess workers' compensation								
18.1 Products liability—occurrence	281,299	359,982	281,299	359,982	2,440,673	1,614,149	1,186,506	112.208
18.2 Products liability—claims-made								
19.1,19.2 Private passenger auto liability	14,235,690	80,499,290	14,235,690	80,499,290	101,912,094	105,934,799	76,476,585	54.464
19.3,19.4 Commercial auto liability	62,416,908	39,737,217	62,416,908	39,737,217	71,431,815	71,662,704	39,506,328	62.586
21. Auto physical damage	22,176,489	68,771,826	22,176,489	68,771,826	4,089,119	4,427,281	68,433,664	62.355
22. Aircraft (all perils)		(238)		(238)	35,200	5,989	28,973	
23. Fidelity	90,190	61,828	90,190	61,828	161,100	61,523	161,405	32.493
24. Surety	5,738,949	14,254,861	5,738,949	14,254,861	9,985,487	20,016,668	4,223,680	7.473
26. Burglary and theft	90,420	8,842	90,420	8,842	227	268	8,801	39.970
27. Boiler and machinery	(28,199)	(1,206)	(28,199)	(1,206)	(6,563)	3,949	(11,718)	(116.643)
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-nonproportional assumed property	XXX							
32. Reinsurance-nonproportional assumed liability	XXX	599,301		599,301	15,058,088	14,877,946	779,443	
33. Reinsurance-nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	257,782,850	485,984,011	257,782,850	485,984,011	685,092,229	678,721,475	492,354,765	61.868

DETAILS OF WRITE-IN LINES								
3401.								
3402.								
3403.								
3498. Sum of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Reported Losses				Incurred But Not Reported			8	9
Line of Business	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire	1,696,669	1,635,014	1,696,669	1,635,014	87,050	919,357	87,050	2,554,371	211,991
2. Allied lines	1,060,058	2,039,782	1,060,058	2,039,782	155,851	210,642	155,851	2,250,424	135,269
3. Farmowners multiple peril	3,380,714	1,269,500	3,380,714	1,269,500	65,360	15,768	65,360	1,285,268	418,006
4. Homeowners multiple peril	14,054	23,864,382	14,054	23,864,382	504,991	12,372,516	504,991	36,236,898	5,589,434
5. Commercial multiple peril	86,195,344	86,210,381	86,195,344	86,210,381	63,239,700	54,996,221	63,239,700	141,206,602	57,911,454
6. Mortgage guaranty									
8. Ocean marine		2,155		2,155		(321)		1,834	4
9. Inland marine	436,617	820,373	436,617	820,373	343,254	(46,521)	343,254	773,852	126,145
10. Financial guaranty									
11.1 Medical professional liablity—occurrence		29,934		29,934		174,710		204,644	105,252
11.2 Medical professional liablity—claims-made						40,214		40,214	11,365
12. Earthquake		121		121				121	1,275
13. Group accident and health								(a)	(194)
14. Credit accident and health (group and individual)									
15. Other accident and health	2,782,953	775,219	2,782,953	775,219	2,898,490	2,752,916	2,898,490	(a) 3,528,135	469,922
16. Workers' compensation	156,141,344	141,144,641	156,141,344	141,144,641	56,932,933	82,880,215	56,932,933	224,024,856	26,598,894
17.1 Other liability—occurrence	54,459,705	25,362,590	54,459,705	25,362,590	99,190,378	39,791,022	99,190,378	65,153,612	18,435,943
17.2 Other liability—claims-made	477,427	1,115,793	477,427	1,115,793	282,248	1,608,365	282,248	2,724,158	1,777,814
17.3 Excess workers' compensation									27
18.1 Products liability—occurrence	3,021,110	1,790,317	3,021,110	1,790,317	1,369,401	650,355	1,369,401	2,440,672	889,038
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability	40,390,001	87,425,937	40,390,001	87,425,937	3,329,510	14,486,158	3,329,510	101,912,095	19,842,356
19.3,19.4 Commercial auto liability	72,291,748	45,957,840	72,291,748	45,957,840	34,816,910	25,473,975	34,816,910	71,431,815	10,866,393
21. Auto physical damage	1,041,948	2,119,055	1,041,948	2,119,055	(2,016,983)	1,970,064	(2,016,983)	4,089,119	738,718
22. Aircraft (all perils)		35,047		35,047		154		35,201	
23. Fidelity	16,939	33,901	16,939	33,901	(7,590)	127,198	(7,590)	161,099	58,229
24. Surety	(43,285,011)	(5,755,085)	(43,285,011)	(5,755,085)	795,610	15,740,572	795,610	9,985,487	6,881,202
26. Burglary and theft		23		23	501	204	501	227	997
27. Boiler and machinery	10,000	(5,508)	10,000	(5,508)	3,711	(1,055)	3,711	(6,563)	2,856
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-nonproportional assumed property	XXX				XXX				
32. Reinsurance-nonproportional assumed liability	XXX	6,400,876		6,400,876	XXX	8,657,212		15,058,088	413,719
33. Reinsurance-nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	380,131,620	422,272,288	380,131,620	422,272,288	261,991,325	262,819,941	261,991,325	685,092,229	151,486,109

DETAILS OF WRITE-IN LINES									
3401.									
3402.									
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)									

(a) Including $ 0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	(7,788,008)			(7,788,008)
1.2 Reinsurance assumed	37,334,644			37,334,644
1.3 Reinsurance ceded	(7,788,008)			(7,788,008)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	37,334,644			37,334,644
2. Commission and brokerage:				
2.1 Direct, excluding contingent		60,773,006		60,773,006
2.2 Reinsurance assumed, excluding contingent		120,187,862		120,187,862
2.3 Reinsurance ceded, excluding contingent		60,773,006		60,773,006
2.4 Contingent—direct		134,411		134,411
2.5 Contingent—reinsurance assumed		11,254,220		11,254,220
2.6 Contingent—reinsurance ceded		134,411		134,411
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1+2.2-2.3+2.4+2.5-2.6+2.7)		131,442,082		131,442,082
3. Allowances to manager and agents	5,895	43,299		49,194
4. Advertising	538,585	6,171,146	23,579	6,733,310
5. Boards, bureaus and associations	118,764	1,664,164	676	1,783,604
6. Surveys and underwriting reports	9,026	4,934,443	16,774	4,960,243
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	34,197,385	43,399,640	1,515,448	79,112,473
8.2 Payroll taxes	931,702	4,916,752	50,890	5,899,344
9. Employee relations and welfare	4,985,632	17,494,435	193,963	22,674,030
10. Insurance	2,597,831	700,036	27,910	3,325,777
11. Directors' fees	105	151	1	257
12. Travel and travel items	2,473,005	3,248,759	51,447	5,773,211
13. Rent and rent items	1,532,211	5,561,128	62,227	7,155,566
14. Equipment	1,230,588	2,999,759	33,762	4,264,109
15. Cost or depreciation of EDP equipment and software	302,086	2,800,085	72,074	3,174,245
16. Printing and stationery	536,631	681,907	6,475	1,225,013
17. Postage, telephone and telegraph, exchange and express	3,260,309	2,671,142	70,244	6,001,695
18. Legal and auditing	162,814	518,080	103,096	783,990
19. Totals (Lines 3 to 18)	52,882,569	97,804,926	2,228,566	152,916,061
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 247,743		17,869,234		17,869,234
20.2 Insurance department licenses and fees		2,246,387		2,246,387
20.3 Gross guaranty association assessments		144,316		144,316
20.4 All other (excluding federal and foreign income and real estate)		1,582,911		1,582,911
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		21,842,848		21,842,848
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	5,923,144	5,486,968	432,813	11,842,925
25. Total expenses incurred	96,140,357	256,576,824	2,661,379	(a) 355,378,560
26. Less unpaid expenses—current year	151,486,110	38,911,215		190,397,325
27. Add unpaid expenses—prior year	151,481,436	33,355,472		184,836,908
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	96,135,683	251,021,081	2,661,379	349,818,143

DETAILS OF WRITE-IN LINES				
2401. Other expenses	5,923,144	5,486,968	432,813	11,842,925
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	5,923,144	5,486,968	432,813	11,842,925

(a) Includes management fees of $ 8,069,596 to affiliates and $ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 8,745,848	8,740,725
1.1	Bonds exempt from U.S. tax	(a) 18,097,312	17,514,392
1.2	Other bonds (unaffiliated)	(a) 29,639,049	30,005,818
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 759,287	665,300
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	896,058	922,676
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 199,817	198,825
7.	Derivative instruments	(f)	
8.	Other invested assets	208,363	208,363
9.	Aggregate write-ins for investment income	286,560	286,560
10.	Total gross investment income	58,832,294	58,542,659
11.	Investment expenses		(g) 2,661,379
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		2,661,379
17.	Net investment income (Line 10 minus Line 16)		55,881,280

	DETAILS OF WRITE-IN LINES		
0901.	Miscellaneous Income/(Expense)	286,560	286,560
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 09 from overflow page		
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)	286,560	286,560
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		

(a) Includes $ 1,248,364 accrual of discount less $ 6,935,098 amortization of premium and less $ 916,312 paid for accrued interest on purchases.
(b) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued dividends on purchases.
(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.
(d) Includes $ 0 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.
(e) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.
(f) Includes $ 0 accrual of discount less $ 0 amortization of premium.
(g) Includes $ 0 investment expenses and $ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 0 interest on surplus notes and $ 0 interest on capital notes.
(i) Includes $ 0 depreciation on real estate and $ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax	(370,990)	(634,249)	(1,005,239)	570,834	
1.2	Other bonds (unaffiliated)	3,868,314	(53,408)	3,814,906	(2,147,226)	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)	183,031		183,031	(721,550)	
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	722,881	(662,342)	60,539	(2,928,119)	
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets				(1,651,502)	
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	4,403,236	(1,349,999)	3,053,237	(6,877,563)	

	DETAILS OF WRITE-IN LINES					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 09 from overflow page					
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)					

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	3,934,780	3,291,381	(643,399)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	47,606	5,088	(42,518)
15.3 Accrued retrospective premiums	38,952	77,235	38,283
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	43,796,226		(43,796,226)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	918,593	1,027,712	109,119
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	48,736,157	4,401,416	(44,334,741)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	48,736,157	4,401,416	(44,334,741)

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Other assets	918,593	1,027,712	109,119
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	918,593	1,027,712	109,119

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

Effective January 1, 2001, and subject to any deviations prescribed or permitted by the State of Indiana, the accompanying financial statements of American States Insurance Company (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* ("APP Manual").

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company applies the following accounting policies, where applicable:

1. Short term investments are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the Purposes and Procedures Manual of the NAIC Securities Valuation Office (SVO Manual).

2. Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the SVO Manual.

3. Common stocks are carried at fair value, except that investments in stocks of subsidiaries, controlled and affiliated ("SCA") companies are carried according to Note 1C(7).

4. Preferred stocks are carried at cost or fair value as specified by the SVO Manual. Preferred stocks of SCA companies are carried according to Note 1C(7).

5. Mortgage loans are carried at unpaid principal balances, less impairments as specified by the SVO Manual.

6. Mortgage backed/asset backed securities are carried at amortized cost or fair value based on guidance in the SVO Manual. Prepayment assumptions for mortgage backed/asset backed securities are updated monthly using the Bloomberg data service. The retrospective adjustment method is used to value all mortgage backed/asset backed securities.

7. Investments in SCA companies are carried in accordance with SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88,* and the SVO Manual.

8. Investments in joint ventures, partnerships, and limited liability companies are carried in accordance with SSAP No. 48, *Joint Ventures, Partnerships and Limited Liability Companies,* and the SVO Manual.

9. Derivative Securities, refer to Note 8.

10. Investment income is anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property Casualty Contracts - Premiums*. Refer to Note 30.

11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods, for making such estimates and for establishing the resulting liability, are continually reviewed and follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.

12. The Company did not change its capitalization policy in 2011.

13. The Company has no pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Correction of Errors

A. The Company adopted SSAP No. 35R, *Guaranty Fund and Other Assessments*, effective January 1, 2011. The cumulative effect of adopting SSAP No. 35R is reported in the Capital and Surplus Account and is not considered material.

The Company adopted SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets*, effective December 31, 2011. The adoption of SSAP No. 5R has no impact on the Company.

NOTES TO FINANCIAL STATEMENTS

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

The Company did not enter into any statutory purchases during the year.

B. Statutory Mergers

The Company did not enter into any statutory mergers during the year.

C. Impairment Loss

The Company did not recognize an impairment loss during the period.

Note 4 - Discontinued Operations

The Company has no discontinued operations.

Note 5 - Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not invest in mortgage loans.

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan-Backed Securities

1. Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.

2. All Loan-Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2011 as of December 31, 2011: None

3. Each Loan-Backed Security with a recognized other-than-temporary impairment held by the Company at December 31, 2011:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair Value at time of OTTI	Date of Financial Statement Where Report
59023XAB2	2,108,279	1,844,135	264,144	1,844,135	1,846,863	3/31/2009
59023XAB2	1,398,053	1,213,436	184,617	1,213,436	965,957	12/31/2009
59023XAB2	924,777	902,805	21,972	902,805	706,347	3/31/2010
59023XAB2	628,903	623,096	5,806	623,096	431,938	9/30/2011
59023XAB2	574,754	527,152	47,602	527,152	417,814	12/31/2011
61746WFH8	1,054,970	902,079	152,891	902,079	826,225	9/30/2010
61749BAB9	2,200,265	2,089,959	110,306	2,089,959	2,089,959	12/31/2009
61749BAB9	1,838,301	1,822,061	16,240	1,822,061	1,786,968	3/31/2010
61749BAB9	1,483,889	1,476,693	7,196	1,476,693	1,372,117	12/31/2010
05551PAC0	180,847	84,710	96,137	84,710	84,709	12/31/2010

4. All impaired Loan-Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 31, 2011:

	1	2
	Less Than 12 Months	12 Months or Longer
Gross Unrealized Loss	(7,237)	(851,473)
Fair Value of Securities with Unrealized Losses	10,148,492	13,043,638

NOTES TO FINANCIAL STATEMENTS

5. The Company reviews fixed income securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, and (g) the past impairment of the security holding or the issuer. If the Company believes a decline in the value of a particular investment is temporary, the decline is recorded as an unrealized loss in policyholders' surplus. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.

E. Repurchase Agreements and Securities Lending

1. The Company did not enter into any repurchase agreements during the year. Refer to Note 17B for the policy on requiring collateral for securities lending.

2. The Company has not pledged any of its assets as collateral as of December 31, 2011.

3. Aggregate Amount of Contractually open cash collateral positions:

Aging of Collateral	Total Fair Value
Open	$ 47,679,585
30 Days or Less	-
31 to 60 Days	-
61 to 90 Days	-
Sub-Total	47,679,585
Securities Received	-
Total Collateral Received	$ 47,679,585

4. Securities Lending Transactions Administered by an Affiliated Agent

The Company's security lending transactions are not administered by an affiliate agent.

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

	Amortized Cost	Fair Value
Open	$ -	$ -
30 Days or Less	11,813,382	11,813,420
31 to 60 Days	23,319,325	23,319,733
61 to 90 Days	12,551,130	12,551,890
90 to 120 Days	-	-
121 to 180 Days	-	-
181 to 365 Days	-	-
1 to 2 Years	-	-
2 to 3 Years	-	-
Greater than 3 Years	-	-
Subtotal	47,683,837	47,685,043
Securities Received	-	-
Total Collateral Reinvested	$ 47,683,837	$ 47,685,043

b. The reporting entity's sources of cash that it uses to return the cash collateral is dependent on the liquidity of the current market conditions. Under current conditions, the reporting entity could liquidate all or a portion of its cash collateral reinvestment securities in order to meet the collateral calls that could come due under a worst-case scenario.

F. Real Estate

The Company does not own real estate.

G. Investments in Low-Income Housing Tax Credits

The Company does not hold investments in low-income housing tax credits.

Note 6 - Joint Ventures, Partnerships & Limited Liability Companies

A. Investments in joint ventures, partnerships and limited liability companies that exceed 10% of its admitted assets

The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

NOTES TO FINANCIAL STATEMENTS

B. Impairments on joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets

The Company does not own any investments in joint ventures, partnerships, and limited liability companies that exceed 10% of its admitted assets.

Note 7 - Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due (over 180 days for mortgage loans in default).

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2011.

Note 8 - Derivative Instruments

The Company's investment activities do not include derivatives. However, the Company may acquire derivatives as additions to bond, common stock, or preferred stock investments. These derivatives are ancillary to the overall investment and are immaterial to the underlying investment portfolio.

Note 9 - Income Taxes

A. The components of the net deferred tax assets (DTAs) and liabilities (DTLs) recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2011			December 31, 2010			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2- 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross Deferred Tax Assets	94,436,600	3,064,400	97,501,000	95,700,650	3,704,050	99,404,700	(1,264,050)	(639,650)	(1,903,700)
Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
Adjusted Gross Deferred Tax Assets	94,436,600	3,064,400	97,501,000	95,700,650	3,704,050	99,404,700	(1,264,050)	(639,650)	(1,903,700)
Deferred Tax Liabilities	(6,532,000)	(1,071,000)	(7,603,000)	(5,863,627)	(89,122,523)	(94,986,150)	(668,373)	88,051,523	87,383,150
Net DTA (DTL)	87,904,600	1,993,400	89,898,000	89,837,023	(85,418,473)	4,418,550	(1,932,423)	87,411,873	85,479,450
Deferred Tax Assets Nonadmitted	(41,802,826)	(1,993,400)	(43,796,226)	-	-	-	(41,802,826)	(1,993,400)	(43,796,226)
Net Admitted DTA (DTL)	46,101,774	-	46,101,774	89,837,023	(85,418,473)	4,418,550	(43,735,249)	85,418,473	41,683,224

The Company has elected to admit additional DTAs pursuant to SSAP No. 10R, paragraph 10e. The current period election differs from the prior reporting period.

The Company does not utilize tax planning strategies.

The amount of each result or component of the calculation, by tax character, of paragraphs 10a., 10bi., 10bii., 10c.:

	December 31, 2011			December 31, 2010			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2- 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Recoverable through loss carrybacks (10a.)	-	-	-	8,703,810	-	8,703,810	(8,703,810)	-	(8,703,810)
Lesser of:									
Expected to be recognized within one year (10bi.)	40,213,925	-	40,213,925	48,273,107	1,315,377	49,588,484	(8,059,182)	(1,315,377)	(9,374,559)
10% of adjusted capital and surplus (10bii.)			30,734,516			28,892,024			1,842,492
Adj. gross DTAs offset against existing DTLs (10c.)	6,532,000	1,071,000	7,603,000	5,863,627	55,945,239	61,808,866	668,373	(54,874,239)	(54,205,866)
Total	37,266,516	1,071,000	38,337,516	42,144,084	57,260,616	99,404,700	(4,877,568)	(56,189,616)	(61,067,184)

The amount of each result or component of the calculation, by tax character, of paragraphs 10ei., 10eiia., 10eiib., and 10eiii.:

	December 31, 2011			December 31, 2010			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2- 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Recoverable through loss carrybacks (10ei.)	-	-	-	-	-	-	-	-	-
Lesser of:									
Expected to be recognized within three years (10eiia.)	56,105,315	-	56,105,315	-	-	-	56,105,315	-	56,105,315
15% of adjusted capital and surplus (10eiib.)			46,101,774			-			46,101,774
Adj. gross DTAs offset against existing DTLs (10eiii.)	6,532,000	1,071,000	7,603,000	-	-	-	6,532,000	1,071,000	7,603,000
Total	52,633,774	1,071,000	53,704,774	-	-	-	52,633,774	1,071,000	53,704,774

NOTES TO FINANCIAL STATEMENTS

Used in SSAP No. 10R, Paragraph 10.d.	December 31, 2011	December 31, 2010	Change
Total Adjusted Capital	366,916,876	330,024,119	36,892,757
Authorized Control Level	71,278,187	71,456,361	(178,174)

The following amounts result from the calculation in paragraphs 10a., 10b., and 10c.:

	December 31, 2011			December 31, 2010			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2- 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted Deferred Tax Assets	30,734,516	-	30,734,516	89,837,023	(85,418,473)	4,418,550	(59,102,507)	85,418,473	26,315,966
Admitted Assets			1,809,424,535			1,734,629,06			
Adjusted Statutory Surplus*			307,345,160			288,920,240			
Total Adjusted Capital from DTAs	30,734,516	-	30,734,516	89,837,023	(85,418,473)	4,418,550	(59,102,507)	85,418,473	26,315,966

* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No.10R, Paragraph 10bii

Increase due to SSAP No. 10R, Paragraph 10.e.	December 31, 2011			December 31, 2010			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2- 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted Deferred Tax Assets	15,367,258	-	15,367,258	-	-	-	15,367,258	-	15,367,258
Admitted Assets	15,367,258	-	15,367,258	-	-	-	15,367,258	-	15,367,258
Adjusted Statutory Surplus	15,367,258	-	15,367,258	-	-	-	15,367,258	-	15,367,258

B. The Company does not have any DTLs described in SSAP No. 10R, *Income Taxes*, paragraph 6d.

C. The provisions for incurred taxes on earnings for the years ended December 31 are:

	2011	2010
Federal	(7,843,633)	(8,142,451)
Foreign	-	-
Realized capital gains	1,068,633	4,769,651
Federal and foreign income taxes incurred	(6,775,000)	(3,372,800)

The Company's deferred tax assets and liabilities result primarily from limits on unearned premium reserves, discounting of unpaid losses and LAE reserves, goodwill, alternative minimum tax credit carry-forward, and net operating loss carry-forward.

The change in deferred income taxes is comprised of the following:

	2011
Change in net deferred income tax (without unrealized gain or loss)	83,072,303
Change in tax effect of unrealized (gains) losses	2,407,147
Total change in net deferred income tax	85,479,450

D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of tax-exempt interest, goodwill, unearned premium reserves, discounting of unpaid losses and LAE reserves, and net operating loss carry-forward.

E. The amount of Federal income taxes incurred and available for recoupment in the event of future losses is none from the current year and none from the preceding year.

The Company has net operating loss carry forward available to offset future net income subject to Federal income taxes as follows:

Year Generated	Amount	Expiration
2011	36,384,000	2031

The Company does not have deposits admitted under Section 6603 of the Internal Revenue Code.

F. The Company's Federal income tax return is consolidated with the following entities:

Access Insurance Services, Co. (Dissolved 10/24/2011)
AMBCO Capital Corporation
America First Insurance Company
America First Lloyds Insurance Company
American Economy Insurance Company
American Fire & Casualty Company
Liberty Mutual Holding Company Inc.
Liberty Mutual Insurance Company
Liberty Mutual Personal Insurance Company
Liberty Northwest Insurance Corporation
Liberty Personal Insurance Company
Liberty RE (Bermuda) Limited

NOTES TO FINANCIAL STATEMENTS

American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
Barrier Ridge LLC
Berkeley Holding Company Associates, Inc.
Berkeley Management Corporation
Bridgefield Casualty Insurance Company
Bridgefield Employers Insurance Company
Capitol Court Corporation
Capitol Agency, Inc., The (Arizona corporation) (Dissolved 1/20/2011)
Cascade Disability Management, Inc.
Colorado Casualty Insurance Company
Commercial Aviation Insurance, Inc.
Consolidated Insurance Company
Copley Venture Capital, Inc.
Diversified Settlements, Inc.
Emerald City Insurance Agency, Inc.
Employers Insurance Company of Wausau
Excelsior Insurance Company
F.B. Beattie & Co., Inc.
First National Insurance Company of America
First State Agency Inc.
General America Corporation
General America Corporation of Texas
General Insurance Company of America
Golden Eagle Insurance Corporation
Gulf States AIF, Inc.
Hawkeye-Security Insurance Company
Heritage-Summit HealthCare, Inc.
Indiana Insurance Company
Insurance Company of Illinois
LEXCO Limited
Liberty-USA Corporation
Liberty Assignment Corporation
Liberty Energy Canada, Inc.
Liberty Financial Services, Inc.
Liberty Hospitality Group, Inc.
Liberty Insurance Corporation
Liberty Insurance Holdings, Inc.
Liberty Insurance Underwriters Inc.*
Liberty International Europe Inc.
Liberty International Holdings Inc.
Liberty Life Assurance Company of Boston
Liberty Life Holdings Inc.
Liberty Lloyds of Texas Insurance Company
Liberty Management Services, Inc.
Liberty Mexico Holdings Inc.
Liberty Mutual Agency Corporation
Liberty Mutual Fire Insurance Company
Liberty Mutual Group Asset Management Inc.**
Liberty Mutual Group Inc.
Liberty Sponsored Insurance (Vermont) Inc.
Liberty Surplus Insurance Corporation
LIH-RE of America Corporation
LIU Specialty Insurance Agency Inc.
LM General Insurance Company
LM Insurance Corporation
LM Property & Casualty Insurance Company
LMHC Massachusetts Holdings Inc.
LRE Properties, Inc.
Mid-American Fire & Casualty Company
North Pacific Insurance Company
OCASCO Budget, Inc.
OCI Printing, Inc.
Ohio Casualty Corporation
Ohio Security Insurance Company
Open Seas Solutions, Inc.
Oregon Automobile Insurance Company
Peerless Indemnity Insurance Company
Peerless Insurance Company
Pilot Insurance Services, Inc.
Rianoc Research Corporation
S.C. Bellevue, Inc.
SAFECARE Company, Inc.
Safeco Corporation
Safeco General Agency, Inc.
Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Insurance Company of Oregon
Safeco Lloyds Insurance Company
Safeco National Insurance Company
Safeco Properties, Inc.
Safeco Surplus Lines Insurance Company
San Diego Insurance Company
SCIT, Inc.
St. James Insurance Company Ltd.
Summit Consulting, Inc.
Summit Consulting, Inc. of Louisiana
Summit Holding Southeast, Inc.
The First Liberty Insurance Corporation
The Midwestern Indemnity Company
The National Corporation
The Netherlands Insurance Company
The Ohio Casualty Insurance Company
Wausau Business Insurance Company
Wausau General Insurance Company
Wausau Underwriters Insurance Company
West American Insurance Company
Winmar Company, Inc.
Winmar of the Desert, Inc.
Winmar Oregon, Inc.
Winmar-Metro, Inc.

* Merged with and into LM Personal Insurance Company and LM Personal Insurance Company changed its name to Liberty Insurance Underwriters Inc. on January 3, 2011.

** This company joined the consolidated group in 2011 and its activity from the date it joined the group is included in the consolidated return.

The method of federal income tax allocation is subject to a written agreement. Allocation is based upon separate return calculations with credit applied for losses as appropriate. The Company has the enforceable right to recoup prior year payments in the event of future losses.

NOTES TO FINANCIAL STATEMENTS

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

A. All of the outstanding shares of capital stock of the Company are held by Safeco Corporation ("Safeco"), an insurance holding company incorporated in Washington. Safeco is wholly owned by Liberty Mutual Agency Corporation, an insurance holding company incorporated in Delaware. Liberty Mutual Agency Corporation is wholly owned by Liberty Insurance Holdings, Inc., an insurance holding company incorporated in Delaware. Liberty Insurance Holdings, Inc. is wholly owned by Liberty Mutual Insurance Company ("LMIC"), a Massachusetts insurance company. The ultimate parent of LMIC is Liberty Mutual Holding Company Inc., a Massachusetts company.

B. Transactions between the Company and its affiliates are listed on Schedule Y Part 2.

C. There have been no material transactions with the Company's affiliates during 2011.

D. At December 31, 2011, the Company reported a net $5,257,014 due to affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.

E. The Company has not made any guarantees or initiated any undertakings, written or otherwise for the benefit of affiliates.

F. Refer to Note 26 for information regarding the Amended and Restated Reinsurance Pooling Agreement.

The Company is a party to a management services agreement (the "Agreement") with Peerless Insurance Company ("PIC"). The Agreement allows PIC to provide services related to common management function including, but not limited to, coordinating marketing and advertising, information systems support, payroll and human resource services, actuarial support, accounting and other financial services, as well as consulting and other services as the parties may request.

The Company is a party to an investment management agreement with Liberty Mutual Group Asset Management Inc. ("LMGAM"), an investment management agreement with Liberty Mutual Investment Advisors LLC ("LMIA") and a cash management agreement with LMIA. Under these agreements, LMGAM and LMIA provide services to the Company.

The Company is party to a Federal Tax Sharing Agreement between LMHC and affiliates. Refer to Note 9F.

The Company is a party to a revolving credit agreement under which the Company may borrow up to $100,000,000 from LMIC. The purpose of the extension of credit is for operating liquidity to accommodate fluctuations in daily cash flow and to promote efficient management of investments. As of December 31, 2011, there have been no drawings under this agreement.

The Company is a party to a revolving credit agreement under which the Company may borrow up to $50,000,000 from LMIC. The purpose of the extension of credit is for operating liquidity to accommodate fluctuations in daily cash flow and to promote efficient management of investments. As of December 31, 2011, there have been no drawings under this agreement.

The Company is a party to an Amended and Restated Short Term Borrowing Agreement with Safeco Corporation and affiliates.

G. The Company is a member of a holding company structure as illustrated in Schedule Y Part 1.

H. The Company does not own shares of any upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.

I. The Company does not own investments in subsidiary, controlled or affiliated companies that exceed 10% of its admitted assets.

J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled, or affiliated entities during the statement period.

K. The Company does not hold any investments in foreign insurance subsidiaries.

L. The Company does not hold any investments in downstream non-insurance holding companies.

Note 11 - Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. Federal Home Loan Bank Agreements

The Company has not entered into any agreements with the Federal Home Loan Bank.

Note 12 - Retirement Plans, Deferred Compensation, Compensated Absences, Post Employment Benefits and Other Postretirement Benefit Plans

The Company does not have any direct employees and therefore, does not have any direct obligations for a defined benefit plan, deferred compensation arrangements, compensated absences or other post retirement benefit plans. Services for the operation of the Company are provided under provisions of the management services agreements, as described in Note 10F.

NOTES TO FINANCIAL STATEMENTS

Note 13 - Capital and Surplus, Shareholders' Dividend restrictions and Quasi-Reorganizations

1. The Company has 1,000,000 common shares authorized, issued, and outstanding as of December 31, 2011. All shares have a stated par value of $5.

   The Company has 164,200 preferred shares authorized, but no shares issued and outstanding as of December 31, 2011. All shares have a stated par value of $10.

2. Preferred Stock

   Not applicable

3. There are no dividend restrictions.

4. The Company did not pay any dividends to its parent during 2011.

5. The maximum amount of dividends which can be paid to shareholders by Indiana-domiciled insurance companies without the prior approval of the Insurance Commissioner is the greater of (a) 10% of surplus or (b) net income, subject to the availability of accumulated undistributed earnings. The maximum dividend payout which may be made without prior approval in 2012 is $38,228,413.

6. As of December 31, 2011, the Company has restricted surplus of $15,367,258 from recording the increase in admitted deferred tax assets as a result of applying the revised guidance in SSAP No. 10R, *Income Taxes,* and pre-tax restricted surplus of $1,597,704 resulting from retroactive reinsurance contracts.

7. The Company had no advances to surplus.

8. The Company does not hold stock for special purposes.

9. The Company had changes in special surplus funds resulting from prior year's retroactive reinsurance contracts during 2011 and from the adoption of the revised guidance on calculating admitted deferred tax assets in SSAP 10R.

10. The portion of unassigned funds (surplus) represented by cumulative net unrealized losses is $(2,920,429) after applicable deferred taxes of $1,022,150.

11. Surplus Notes

    Not applicable

12. Quasi-reorganization (dollar impact)

    Not applicable

13. Quasi-reorganization (effective date)

    Not applicable

Note 14 - Contingencies

A. Contingent Commitments

   1. The Company has made no commitments or contingent commitments on behalf of affiliates.

   2. The Company has made no guarantees on behalf of affiliates.

B. Assessments

   The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments and premium-based assessments are presumed probable when the premium on which the assessments are expected to be based are written. In the case of loss-based assessments, the event that obligates the entity is an entity incurring the losses on which the assessments are expected to be based.

   The Company has accrued a liability for guaranty funds and other assessments of $3,102,689 that is offset by future premium tax credits of $398,759. Current assessments are expected to be paid out in the next two years, while premium tax offsets are expected to be realized in the next eleven years, beginning in 2012. During 2011 there were no material insolvencies to report. The Company continues to remit payments relating to prior year insolvencies.

NOTES TO FINANCIAL STATEMENTS

Reconciliation of paid and accrued premium tax offsets and policy surcharges at prior year-end to current year-end:

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$ 633,434
b.	Decreases current year: Premium tax offset applied	234,675
c.	Increases current year: Premium tax offset increase	-
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$ 398,759

C. Gain Contingencies

Not applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related ECO and bad faith losses paid during the reporting period	$70,000

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant.
(f) Per Claim [X] (g) Per Claimant [ ]

E. Product Warranties

The Company does not write product warranty business.

F. All Other Contingencies

As disclosed in Note 9 F, the Company is a member of a controlled group for federal income tax purposes, and that group includes Liberty Mutual Group Inc. ("LMGI") and Liberty Mutual Agency Corporation ("LMAC"). LMGI is the plan sponsor of the Liberty Mutual Retirement Benefit Plan, a qualified plan under federal law. LMAC is the Plan Sponsor of the Liberty Mutual Agency Corporation Retirement Benefit Plan, also a qualified plan under federal law. Pursuant to federal law, if LMGI has not made the minimum required contributions with respect to the Liberty Mutual Retirement Benefit Plan, or LMAC has not made the minimum required contributions with respect to the Liberty Mutual Agency Corporation Retirement Benefit Plan, the Company, jointly and severally with all other members of the controlled group, would be contingently liable to make such contributions.

Note 15 - Leases

A. Lessee Leasing Arrangements

The Company leases office space, plant and equipment under various non-cancelable operating lease arrangements. The Company has also entered into sale-leaseback arrangements with unrelated parties on certain property, plant and equipment. The transactions have been accounted for in accordance with SSAP No. 22. The Company has a purchase option for all property, plant and equipment at the end of each respective lease.

The Company's minimum lease obligations under these agreements are as follows:

Year(s)	Sale Lease-back	All Other Operating Lease Arrangements
2012	$ 431,113	$ 3,062,552
2013	431,113	3,051,244
2014	35,926	2,831,958
2015	-	2,207,956
2016	-	2,008,459
2017 & thereafter	-	2,474,730
Total	$ 898,153	$ 15,636,900

The amount of liability the Company recognized in its financial statements for lease agreements for which it is no longer using the leased property benefits is $1,085,503.

NOTES TO FINANCIAL STATEMENTS

B. Leasing as a Significant Part of Lessor's Business Activities

Leasing is not a significant part of the Company's business activities.

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

The Company is not exposed to financial instruments with off-balance sheet risk or concentration of credit risk.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

The Company did not have any transfers of receivables reported as sales during the year.

B. Transfers and Servicing of Financial Assets

The Company participates in a Securities Lending Program to generate additional income, whereby certain fixed income and mortgage backed securities are loaned for a period of time from the Company's portfolio to qualifying third parties, via a lending agent. The Company does not participate in term loans; therefore, the Company does not have contractual collateral transactions that extend beyond one year from the reporting date. Borrowers of these securities provide collateral equal to or in excess of 102% of the market value of the loaned securities. Acceptable collateral may be in the form of cash or U.S. Government securities, such as Treasuries and Agency Bonds. The market value of the loaned securities is monitored and additional collateral is obtained if the market value of the collateral falls below 102% of the market value of the loaned securities. Additionally, the lending agent indemnifies the Company against borrower defaults. Cash collateral is carried as an asset with an offsetting liability on the balance sheet, as the collateral is unrestricted and the Company can exercise discretion as to how the collateral is invested. The loaned securities remain a recorded asset of the Company.

At December 31, 2011 the total fair value of securities on loan was $46,678,410, with corresponding collateral value of $47,679,585 of which $47,679,585 represents cash collateral.

C. Wash Sales

The Company did not have any wash sale transactions during the year.

Note 18 - Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

In 2008, certain members of the PIC Amended and Restated Reinsurance Pooling Agreement (refer to Note 26) agreed to become participating insurers of the California Earthquake Authority ("CEA"), a publicly-managed, privately funded organization that provides residential earthquake insurance in California. As participating insurers of the CEA, the companies act as third party administrators and perform certain administrative services on behalf of the CEA, including underwriting, policy issuance, premium collection, and claims payment. The CEA reimburses the companies for commissions and claims paid on behalf of the CEA. The companies also receive an administrative fee equal to 3.43% of premium and 9% of claims paid. These administrative fees are subject to the intercompany pooling agreement. In 2011, the Company recorded net CEA administrative fees of $87,038.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

The Company has no direct premiums written or produced through managing general agents or third party administrators.

Note 20 - Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Levels 1, 2 and 3

Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which generally utilizes market transaction data for identical or similar instruments.

The hierarchy level assigned to each security in the Company's portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to Level 1 measurements and the lowest priority to Level 3 measurements. Securities are classified based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period. The three hierarchy levels are defined as follows:

NOTES TO FINANCIAL STATEMENTS

- Level 1 — Valuations based on unadjusted observable quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2 — Valuations based on directly or indirectly observable inputs (other than Level 1 prices) at the measurement date, such as quoted prices in active markets or prices in markets that are not active for similar assets or liabilities or other inputs that are observable.

- Level 3 — Valuations based on inputs that are unobservable and reflect the Company's own assumptions about the assumptions that market participants might use.

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2011:

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Issuer Obligations	-	$ 83,576,421	-	$ 83,576,421
Residential Mortgage-Backed Securities	-	421,498	-	421,498
Total Bonds	-	$ 83,997,919	-	$ 83,997,919
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	-	-	-	-
Total Preferred Stocks	-	-	-	-
Common Stocks				
Industrial and Miscellaneous	$ 60,424,656	-	$ 22,056	$ 60,446,712
Total Common Stocks	$ 60,424,656	-	$ 22,056	$ 60,446,712
Total assets at fair value	$ 60,424,656	$ 83,997,919	$ 22,056	$ 144,444,631
Liabilities at fair value	-	-	-	-
Total liabilities at fair value	$ 0	$ 0	$ 0	$ 0

The Company did not have significant transfers between Levels 1 and 2 during the period ended December 31, 2011.

2. Rollforward of Level 3 Items

The following tables set forth the fair values of assets basis classified as Level 3 within the fair value hierarchy:

1	2	3	4	5	6	7	8	9	10	11
	Balance at 12/31/2010	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2011
Bonds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Common Stock	22,056	-	-	-	-	-	-	-	-	22,056
Total	$ 22,056	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,056

3. Policy on Transfers Into and Out of Level 3

Transfers in and/or out of Level 3 are due to re-evaluation of the observability of pricing inputs.

4. Inputs and Techniques Used for Fair Value

Fixed Maturities

At each valuation date, the Company uses various valuation techniques to estimate the fair value of its fixed maturities portfolio. The primary method for valuing the Company's securities is through independent third-party valuation service providers. For positions where valuations are not available from independent third-party valuation service providers, the Company utilizes broker quotes and internal pricing methods to determine fair values. The Company obtains a single non-binding price quote from a broker familiar with the security who, similar to the Company's valuation service providers, may consider transactions or activity in similar securities, as applicable, among other information. The brokers providing price quotes are generally from the brokerage divisions of leading financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation. The evaluation and prioritization of these valuation sources is systematic and predetermined resulting in a single quote or price for each financial instrument. The following describes the techniques generally used to determine the fair value of the Company's fixed maturities by asset class:

NOTES TO FINANCIAL STATEMENTS

U.S. government and agency

U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal Home Loan Bank, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As the fair values of the Company's U.S. Treasury securities are based on unadjusted market prices, they are classified within Level 1. The fair value of U.S. government agency securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

Mortgage-Backed Securities

The Company's portfolio of residential mortgage-backed securities ("MBS") and commercial MBS are originated by both agencies and non-agencies, the majority of which are pass-through securities issued by U.S. government agencies. The fair value of MBS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of MBS is primarily classified within Level 2.

Asset-Backed Securities

Asset-backed securities ("ABS") include mostly investment-grade bonds backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, credit card receivables, and collateralized loan obligation securities originated by a variety of financial institutions. The fair value of ABS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of ABS is primarily classified within Level 2.

Municipals

The Company's municipal portfolio comprises bonds issued by U.S. domiciled state and municipal entities. The fair value of municipal securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, broker quotes, issuer ratings, reported trades and credit spreads. Accordingly, the fair value of municipal securities is primarily classified within Level 2.

Corporate debt and other

Corporate debt securities consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. The fair value of corporate and other securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, new issuances, issuer ratings, reported trades of identical or comparable securities, bids, offers and credit spreads. Accordingly, the fair value of corporate and other securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Foreign government securities

Foreign government securities comprise bonds issued by foreign governments and their agencies along with supranational organizations. The fair value of foreign government securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, broker quotes, issuer ratings, reported trades of identical or comparable securities and credit spreads. Accordingly, the fair value of foreign government securities is primarily classified within Level 2.

Equity Securities

Equity securities include common and preferred stocks. Common stocks with fair values based on quoted market prices in active markets are classified in Level 1. Common stocks with fair values determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active are classified in Level 2. The fair value of preferred stock is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active. Accordingly, the fair value of preferred stock is primarily classified within Level 2.

Other Investments

Other investments include primarily international loans, foreign cash deposits and equity investments in privately held businesses. International loans and cash deposits are primarily valued using quoted prices for similar instruments in active markets; these assets are categorized as Level 2 of the fair value hierarchy. Equity investments in privately held businesses are valued using internal management estimates; they are categorized as Level 3 of the hierarchy. Limited partnership investments, which represent the remainder of the other investment balance on the consolidated balance sheet, are not subject to these disclosures and therefore are excluded from the above table.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Reasons Not Practical to Estimate Fair Value

Not applicable

Note 21 - Other Items

A. Extraordinary Items

The Company has no extraordinary items to report.

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

1) Assets in the amount of $12,878,355 and $64,078,409 as of December 31, 2011 and 2010, respectively, were on deposit with government authorities or trustees as required by law.

2) Interrogatory 6.2

The Company employs industry recognized catastrophe modeling software to estimate the Probable Maximum Loss. For property exposures, the Company employs RiskLink v11.0 from RMS and AIR Clasic/2 v12.0. For workers' compensation, Liberty Mutual utilizes RiskLink v11.0 from RMS.

Interrogatory 6.3

In 2011, the Company ceded 100% of its business to Peerless Insurance Company and had the benefit, together with its affiliates that cede business to the Peerless Insurance Company or that are members of the intercompany reinsurance pool of which Peerless Insurance Company is the lead company, of traditional prop cat excess of loss reinsurance with limits of $742,500,000,000 part of $825,000,000 xs $500,000,000 purchased by Peerless Insurance Company and covering Peerless' direct and assumed from affiliates property business.

D. The Company routinely assesses the collectability of its premium receivable balances. The Company does not believe that amounts in excess of non-admitted amounts are material.

E. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

F. State Transferable and Non-transferable Tax Credits

(1) Carrying value of transferable and non-transferable state tax credits gross of any related state tax liabilities and total unused transferable and non-transferable state tax credits by state and in total

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Historical Rehabilitation Credit	CT	$48,000	$48,000
Total		$48,000	$48,000

(2) Method of estimating utilization of remaining transferable and non-transferable state tax credits or other projected recovery of the current carrying value; and

The Company estimated the utilization of the remaining transferable and non-transferable State Tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits

(3) Impairment amount recognized by the reporting period, if any.

The Company has not recognized any impairment losses associate with its transferable and non-transferable state tax credits during the reporting period.

(4) Identify state tax credit by transferable and non-transferable classification, and identify the admitted and nonadmitted portions of each classification.

Description of State Transferable and Non-transferable Tax Credits	State		Transferable	Non-Transferable
Historical Rehabilitation Credit	CT	Admitted	-	$48,000
		Non Admitted	-	-
Total				$48,000

NOTES TO FINANCIAL STATEMENTS

G. Subprime-Mortgage-Related Risk Exposure

1. The Company has not purchased securities characterized by the market as subprime. The Company looks at such factors as average FICO scores, loan to value ratios, and levels of documentation when evaluating securities. The Company's only exposure to subprime was inherited through acquisition of collateral assets at the termination of a securities lending agreement in 2008.

2. The Company does not have any direct exposure through investments in subprime mortgage loans.

3. The Company has direct exposure through their investment in residential mortgage-backed securities.

Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-Than-Temporary Impairments Recognized
$ 1,594,634	$ 1,613,301	$ 1,538,231	$ 657,882

4. The Company does not have any underwriting exposure to sub-prime mortgage risk.

Note 22 - Events Subsequent

A. The Company evaluated subsequent events through February 24, 2012, the date the financial statements were available to be issued.

There were no events subsequent to December 31, 2011 that would require disclosure.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

Excluding amounts arising pursuant to the Intercompany Reinsurance Agreement, as described in Note 26, there are no unsecured reinsurance recoverables with an individual reinsurer which exceed 3% of policyholder's surplus.

B. Reinsurance Recoverable in Dispute

There are no reinsurance recoverables in dispute from an individual reinsurer which exceeds 5% of the Company's surplus. In addition, the aggregate reinsurance recoverables in dispute do not exceed 10% of the Company's surplus.

C. Reinsurance Assumed & Ceded

1. The following table sets forth the maximum return premium and commission equity due the reinsurers or the Company if all of the Company's assumed and ceded reinsurance were canceled as of December 31, 2011.

	Assumed Reinsurance		Ceded Reinsurance		Net Reinsurance	
	UEP	Commission Equity	UEP	Commission Equity	UEP	Commission Equity
Affiliates	$ 382,973,276	$ 57,445,991	$ 197,804,232	$29,670,635	$ 185,169,044	$ 27,775,357
All Other	-	-	-	-	-	-
Total	$ 382,973,276	$ 57,445,991	$ 197,804,232	$29,670,635	$ 185,169,044	$ 27,775,357

Direct Unearned Premium Reserve: $ 197,804,232

2. Certain contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2011 are as follows:

Description	Direct	Assumed	Ceded	Net
Contingent commissions	$ -	$ 21,192,450	$ -	$ 21,192,450
Sliding scale adjustments	-	-	-	-
Other profit commissions	-	-	-	-
Totals	$ -	$ 21,192,450	$ -	$ 21,192,450

3. The Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

The Company did not write off any uncollectible balances in the current year.

E. Commutation of Ceded Reinsurance

The Company did not commute any reinsurance treaties in the current year.

F. Retroactive Reinsurance

The Company's retroactive reinsurance is a result of the Intercompany Reinsurance Agreement as described in Note 26.

NOTES TO FINANCIAL STATEMENTS

		Assumed	Ceded
a.	Reserves Transferred:		
	1. Initial	$ 36,086,063	-
	2. Adjustments – Prior Year(s)	(28,835,583)	-
	3. Adjustments – Current Year	(508,895)	-
	4. Total	$ 6,741,584	-
b.	Consideration Paid or Received:		
	1. Initial	$ 29,694,901	-
	2. Adjustments – Prior Year(s)	1,131,863	-
	3. Adjustments – Current Year	-	-
	4. Total	$ 30,826,764	-
c.	Amounts Recovered / Paid – Cumulative:		
	1. Initial		
	2. Adjustments – Prior Year(s)	$ 36,516,953	-
	3. Adjustments – Current Year	554,177	-
	4. Total	$ 37,071,130	-
d.	Special Surplus from Retroactive Reinsurance:		
	1. Initial Surplus Gain or Loss	$ (7,503,698)	-
	2. Adjustments – Prior Year(s)	(6,549,506)	-
	3. Adjustments – Current Year	(45,282)	-
	4. Current Year Special Surplus	1,597,704	-
	5. Cumulative Total Transferred to Unassigned Funds	$ (15,696,191)	-
e.	All cedents and reinsurers included in the above transactions:		
	Peerless Insurance Company	$ 6,741,584	-
	Total	$ 6,741,584	-

There are no reinsurance contracts covering losses that have occurred prior to the inception of the contract that have not been accounted for in conformity with the NAIC Accounting Practices and Procedures Manual.

G. Reinsurance Accounted for as a Deposit

The Company has not entered into any reinsurance agreements that have been accounted for as deposits as of December 31, 2011.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

The Company has not entered into any agreements which have been approved by their domiciliary regulator and have qualified pursuant to SSAP No. 62R, *Property and Casualty Reinsurance* to receive P&C Run-off Accounting Treatment.

I. Effective January 1, 2009, the Peerless Insurance Company (PIC) Amended and Restated Reinsurance Pooling Agreement was amended to add the Company as a party to the agreement. Pursuant to the terms of agreement and upon the Company's entry into the intercompany pool, all of the Company's ceded and assumed external reinsurance, respectively, was assigned to PIC, the lead company in the pool. As of January 1, 2009, the top four individual assumed and ceded balances assigned and the aggregate assumed and ceded balances assigned to PIC were:

Assumed Balances

FEIN	NAIC #	Reinsured	#	Premium	Total Paid Loss & Case Reserve
13-2997499	38776	Folksamerica Reinsurance Corp	1	-	29,306,234
23-0902325	14168	Harleysville Mutual Insurance Company	1	-	12,275,661
38-0315280	18988	Auto-Owners Insurance Company	1	-	8,263,125
48-0921045	39845	Employers Reinsurance Corporation	1	-	6,319,478
		Aggregate of all other reinsureds including Pools and Associations	155	3,767,773	134,571,354
		Aggregate assumed balances assigned (excluding affiliated pooling)	159	3,767,773	190,735,852

Ceded Balances

FEIN	NAIC #	Reinsurer	#	Premium	Net Recoverable/ Payable
48-0921045	39845	Westport Ins. Corp.	1	-	47,218,448
13-1675535	25364	Swiss Reins America Corp.	1	-	35,361,419
35-0472300	65676	Lincoln National Life Ins. Co.	1	-	12,869,986
13-1988169	34835	National Reins. Corp.	1	-	5,023,301
		Aggregate of all other reinsureds including Pools and Associations	92	5,582	61,016,963
		Aggregate assumed balances assigned (excluding affiliated pooling)	96	5,582	161,490,117

The net results of the assignment were settled during 2009.

NOTES TO FINANCIAL STATEMENTS

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case-base loss development with that anticipated in the policy contract to arrive at the best estimate of return or additional retrospective premium.

B. Accrued retrospective premiums are recorded as a component of written premiums.

C. For detail of net premium written subject to retrospective rating features refer to Schedule P, Part 7A.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

The Company does not recognize a liability for medical loss ratio rebates pursuant to the Public Health Service Act, as the Company does not write direct comprehensive major medical health business.

E. Ten Percent of the amount of accrued retrospective premiums not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss adjustment expense reserves), or collateral as permitted by SSAP No. 66, *Retrospectively Rated Contracts*, has been nonadmitted.

a. Total accrued retro premium	$389,891
b. Unsecured amount	
c. Less: Nonadmitted amount (10%)	38,952
d. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	
e. Admitted amount (a) - (c) - (d)	$350,939

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expense attributed to insured events on prior years has decreased $22,275,989 during 2011. This decrease was primarily the result of updated reserving analysis and improving loss trends in the Commercial Multiple Peril $9,519,360, Other Liability $8,388,004, Fidelity/Surety $6,744,484, and Private Passenger Auto Liability / Medical $6,066,379 lines. This was partially offset by deteriorating loss trends in the Workers Compensation $8,487,917 line. Prior estimates are revised as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

The Company is a member of the PIC Amended and Restated Reinsurance Pooling Agreement consisting of the following affiliated companies:

		NAIC Company Number	Pooling Percentage	Line of Business
Lead Company:	Peerless Insurance Company ("PIC")	24198	25.20%	All Lines
Affiliated Pool Companies:	The Ohio Casualty Insurance Company ("OCIC")	24074	20.40%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	15.20%	All Lines
	General Insurance Company of America ("GICA")	24732	9.20%	All Lines
	American States Insurance Company ("ASIC")	19704	7.60%	All Lines
	American Economy Insurance Company ("AEIC")	19690	5.60%	All Lines
	Indiana Insurance Company ("IIC")	22659	4.80%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	3.00%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	3.00%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	2.00%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	1.80%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	0.80%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.80%	All Lines
	American Fire and Casualty Company ("AFCIC")	24066	0.60%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyds Insurance Company ("ASLCO")	31933	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines

NOTES TO FINANCIAL STATEMENTS

	National Insurance Association ("NIA")	27944	0.00%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
	West American Insurance Company ("WAIC")	44393	0.00%	All Lines
			100.0%	
100% Quota Share Affiliated Companies:	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	All Lines

Under the terms of the Reinsurance Agreements, the sequence of transactions is as follows:

(a) Each Affiliated Pool Company cedes its net underwriting activity to the Lead Company. Each 100% Quota Share Affiliated Company cedes its net underwriting activity to the Lead Company.

(b) After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.

(c) The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.

(d) There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement that have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.

(e) There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.

(f) The write-off of uncollectible reinsurance is pooled and the Provision for Reinsurance is recognized by the entity placing the outbound external reinsurance

(g) Amounts due (to)/from affiliated entities participating in the PIC Amended and Restated Reinsurance Pooling Agreement as of December 31, 2011:

Affiliate:	Amount:
Peerless Insurance Company	$ (7,781,828)

Note 27 - Structured Settlements

A. As a result of purchased annuities with the claimant as payee, The Company no longer carries reserves of $9,317,582 after applying Intercompany Reinsurance Agreement percentages. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities was $ 9,317,582 as of December 31, 2011.

B. The Company does not have material structured settlements from life insurers for which the Company has not obtained a release of liability from the claimant.

Note 28 - Health Care Receivables

Not applicable

Note 29 - Participating Policies

Not applicable

Note 30 - Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2011
3. Was anticipated investment income utilized in the calculation?	Yes

Note 31 - High Dollar Deductible Policies

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 32 - Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

For Workers Compensation, the Company discounts its reserves for unpaid losses using a tabular discount on the long-term annuity portion of certain workers compensation claims. The tabular discount is based on the Unit Statistical Plan tables as approved by the respective states at an annual discount rate of 4.0%. The December 31, 2011 liabilities subject to discount were carried at a value representing a discount of $10,095,823 net of all reinsurance.

For all other lines, the Company does not discount its reserves for unpaid losses and loss adjustment expenses.

Note 33 - Asbestos/Environmental Reserves

The Company has exposure to asbestos and environmental claims that emanate principally from general liability policies written prior to the mid-1980's. In establishing the Company's asbestos and environmental reserves, the Company estimates case reserves for anticipated losses and bulk reserves for claim adjustment expenses and incurred but not reported claims reserves ("IBNR"). The Company maintained casualty excess of loss reinsurance during the relevant periods. The reserves are reported net of cessions to reinsurers and include any reserves reported by ceding reinsurers on assumed reinsurance contracts.

Factors Contributing to Uncertainty in Establishing Adequate Reserves
The process of establishing reserves for asbestos and environmental claims is subject to greater uncertainty than the establishment of reserves for liabilities relating to other types of insurance claims. A number of factors contribute to this greater uncertainty surrounding the establishment of asbestos and environmental reserves, including, without limitation: (i) the lack of available and reliable historical claims data as an indicator of future loss development, (ii) the long waiting periods between exposure and manifestation of any bodily injury or property damage, (iii) the difficulty in identifying the source of asbestos or environmental contamination, (iv) the difficulty in properly allocating liability for asbestos or environmental damage, (v) the uncertainty as to the number and identity of insureds with potential exposure, (vi) the cost to resolve claims, and (vii) the collectability of reinsurance.

The uncertainties associated with establishing reserves for asbestos and environmental claims and claim adjustment expenses are compounded by the differing, and at times inconsistent, court rulings on environmental and asbestos coverage issues involving: (i) the differing interpretations of various insurance policy provisions and whether asbestos and environmental losses are or were ever intended to be covered, (ii) when the loss occurred and what policies provide coverage, (iii) whether there is an insured obligation to defend, (iv) whether a compensable loss or injury has occurred, (v) how policy limits are determined, (vi) how policy exclusions are applied and interpreted, (vii) the impact of entities seeking bankruptcy protection as a result of asbestos-related liabilities, (viii) whether clean-up costs are covered as insured property damage, and (ix) applicable coverage defenses or determinations, if any, including the determination as to whether or not an asbestos claim is a products/completed operation claim subject to an aggregate limit and the available coverage, if any, for that claim. The uncertainties cannot be reasonably estimated, but could have a material impact on the Company's future operating results and financial condition.

In the last few years the Company, as well as the industry generally, has seen decreases in the number of asbestos claims being filed. This turn to a more favorable trend is due to a number of factors. Screening activity used by some lawyers to find new plaintiffs utilized questionable practices discovered in the Federal Silica Multi District Litigation. Court decisions in several key states (e.g., Mississippi) have been favorable to defendants. Most importantly, several states have enacted and sustained legislation in the past few years that contain medical criteria provisions aimed at reducing the number of lawsuits filed by unimpaired plaintiffs and providing prompt and fair compensation to those who meet the criteria.

In the third quarter of 2011, the Company completed ground-up asbestos and environmental reserve studies. The studies were completed by a multi-disciplined team of internal claims, legal, reinsurance and actuarial personnel, and they included all major segments of the Company's direct, assumed, and ceded asbestos and environmental claims. As part of the internal reviews, potential exposures of certain policyholders were individually evaluated using the Company's proprietary stochastic model, which is consistent with published actuarial papers on asbestos reserving. Among the factors reviewed in depth by the team of specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, types of injury, state jurisdictions, legal defenses, and reinsurance potential. The remaining policyholders (those with less potential exposure) were evaluated using aggregate methods that utilized information and experience specific to these insureds. The studies resulted in an increase to reserves. Between comprehensive studies, the Company monitors asbestos and environmental activity to determine whether or not any adjustment to reserves is warranted.

Uncertainty Regarding Reserving Methodologies
As a result of the significant uncertainty inherent in determining a company's asbestos and environmental liabilities and establishing related reserves, the amount of reserves required to adequately fund the Company's asbestos and environmental claims cannot be accurately estimated using conventional reserving methodologies based on historical data and trends. As a result, the use of conventional reserving methodologies frequently has to be supplemented by subjective considerations including managerial judgment. In that regard, the estimation of asbestos claims and associated liabilities and the analysis of environmental claims considered prevailing applicable law and certain inconsistencies of court decisions as to coverage, plaintiffs' expanded theories of liability, and the risks inherent in major litigation and other uncertainties, the Company believes that in future periods it is possible that the outcome of the continued uncertainties regarding asbestos and environmental related claims could result in an aggregate liability that differs from current reserves by an amount that could be material to the Company's future operating results and financial condition.

Effect of Uncertainty in Reserving For Asbestos and Environmental Claims on Company's Financial Condition
The methods of determining estimates for reported and unreported losses and establishing resulting reserves and related reinsurance recoverables are periodically reviewed and updated, and adjustments resulting from this review are reflected in income currently.

NOTES TO FINANCIAL STATEMENTS

The following tables summarize the activity for the Company's asbestos and environmental claims and claim adjustment expenses, a component of the Company's unpaid claims and claim adjustment expenses, for the years ended December 31, 2011, 2010, 2009, 2008, and 2007:

Asbestos:

	2007	2008	2009	2010	2011
Direct Basis					
Beginning Reserves	13,032,542	12,294,788	12,721,059	11,901,610	10,709,932
Incurred losses and LAE	711,827	1,874,564	162,463	(985)	(2,156,507)
Calendar year payments	1,297,578	1,448,294	981,912	1,190,693	750,000
Ending Reserves	12,446,791	12,721,058	11,901,610	10,709,932	7,803,425
Assumed Reinsurance Basis					
Beginning Reserves	8,184,666	10,108,424	8,652,738	12,054,219	10,517,575
Incurred losses and LAE	2,329,047	(343,472)	4,277,235	(4,238)	1,864,744
Calendar year payments	784,140	1,112,213	875,755	1,532,405	718,595
Ending Reserves	9,729,573	8,652,739	12,054,218	10,517,576	11,663,725
Net of Ceded Reinsurance Basis					
Beginning Reserves	17,139,759	18,153,119	17,414,430	20,505,286	18,036,272
Incurred losses and LAE	2,514,609	915,209	4,829,268	9,650	(135,291)
Calendar year payments	1,733,207	1,653,897	1,738,413	2,478,664	2,136,975
Ending Reserves	17,921,161	17,414,431	20,505,285	18,036,272	15,764,005

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	1,174,480
Assumed Reinsurance Basis	59,219
Net of Ceded Reinsurance Basis	608,097
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	2,291,268
Assumed Reinsurance Basis	99,315
Net of Ceded Reinsurance Basis	1,547,086

Environmental:	2007	2008	2009	2010	2011
Direct Basis					
Beginning Reserves	14,862,474	14,130,950	12,072,361	10,283,648	9,205,002
Incurred losses and LAE	3,910,269	311,135	(524,032)	(55,000)	1,850,108
Calendar year payments	2,825,745	2,369,724	1,264,681	1,023,647	1,322,768
Ending Reserves	15,946,998	12,072,361	10,283,648	9,205,001	9,732,342
Assumed Reinsurance Basis					
Beginning Reserves	2,791,462	2,713,157	2,608,892	1,877,943	1,718,467
Incurred losses and LAE	40,773	153	(664,904)	34,567	(184,620)
Calendar year payments	71,182	104,418	66,045	194,042	214,156
Ending Reserves	2,761,053	2,608,892	1,877,943	1,718,468	1,319,690
Net of Ceded Reinsurance Basis					
Beginning Reserves	15,546,702	15,545,914	13,258,522	10,606,541	9,444,663
Incurred losses and LAE	4,314,365	(273,737)	(1,401,074)	5,910	(1,140)
Calendar year payments	2,397,770	2,013,656	1,250,907	1,167,787	(734,325)
Ending Reserves	17,463,297	13,258,521	10,606,541	9,444,664	10,177,848

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	708,944
Assumed Reinsurance Basis	2,533
Net of Ceded Reinsurance Basis	593,408
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	1,649,358
Assumed Reinsurance Basis	17,085
Net of Ceded Reinsurance Basis	1,508,128

NOTES TO FINANCIAL STATEMENTS

Upon entering the PIC Pool, effective January 1, 2008 (refer to Note 26), the Ohio Casualty Companies' asbestos and environmental claims coding was revised to reflect the definition employed by the PIC Pool, which is consistent with industry practice. As a result, the 2007 ending balances for asbestos and environmental reserves, which is the sum of the former PIC Pool's amounts and the Ohio Casualty Companies' Pool amounts, differ from the 2008 beginning balances, which reflect a single common definition.

Note 34 - Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 35 - Multiple Peril Crop Insurance

Not applicable

Note 36 - Financial Guaranty Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity 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 (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Indiana

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

2.2 If yes, date of change: 04/18/2011

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/29/2011

3.4 By what department or departments?
Indiana Department of Insurance

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

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

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]
4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [ ] No [X]

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

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

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
	00000	
	00000	
	00000	

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

GENERAL INTERROGATORIES

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control. 0.00 %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP
200 Clarendon Street
Boston, MA 02116

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

GENERAL INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kristen M. Bessette, FCAS, MAAA
175 Berkeley Street Boston, MA 02116
Sr. Vice President & Chief Actuary of Liberty Mutual Agency Corporation

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11	Name of real estate holding company	
12.12	Number of parcels involved	0
12.13	Total book/adjusted carrying value	$ 0

12.2 If yes, provide explanation:

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [X]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules, and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code. Yes [X] No [ ]

14.11 If the response to 14.1 is no, please explain:

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
In 2011, Code provisions were added for Registered Investment Adviser compliance, as a Liberty Mutual subsidiary obtained SEC approval as a Registered Investment Adviser. Several non-material Code changes were also made to clarify existing provisions.

GENERAL INTERROGATORIES

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

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
0			0
0			0
0			0

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity 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 that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11	To directors or other officers	$ 0
20.12	To stockholders not officers	$ 0
20.13	Trustees, supreme or grand (Fraternal only)	$ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21	To directors or other officers	$ 0
20.22	To stockholders not officers	$ 0
20.23	Trustees, supreme or grand (Fraternal only)	$ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21	Rented from others	$ 0
21.22	Borrowed from others	$ 0
21.23	Leased from others	$ 0
21.24	Other	$ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21	Amount paid as losses or risk adjustment	$ 0
22.22	Amount paid as expenses	$ 0
22.23	Other amounts paid	$ 0

GENERAL INTERROGATORIES

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

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

INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [X] No [ ]

24.2 If no, give full and complete information, relating thereto:

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided):
Please reference Note 17B.

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [ ] N/A [ ]

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. $ 47,679,585

24.6 If answer to 24.4 is no, report amount of collateral for other programs. $ 0

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [ ] N/A [ ]

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [ ] N/A [ ]

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [ ] N/A [ ]

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Pledged as collateral	$ 0
25.26	Placed under option agreements	$ 0
25.27	Letter stock or securities restricted as to sale	$ 0
25.28	On deposit with state or other regulatory body	$ 12,878,355
25.29	Other	$ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0
		0
		0

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

GENERAL INTERROGATORIES

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York	601 Travis Street, Houston, TX 77002
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

28.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Liberty Mutual Investment Advisors, LLC	175 Berkeley Street, Boston, MA 02116
N/A	Liberty Mutual Group Asset Managemen	175 Berkeley Street, Boston, MA 02116

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		0
		0
		0
29.2999 TOTAL		0

GENERAL INTERROGATORIES

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
		0	
		0	
		0	

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	1,294,214,543	1,352,641,146	58,426,603
30.2 Preferred stocks	4,250,000	4,403,000	153,000
30.3 Totals	1,298,464,543	1,357,044,146	58,579,603

30.4 Describe the sources or methods utilized in determining the fair values:
The primary source is published unit prices from the NAIC Securities Valuation Office. The secondary source is the pricing vendor, Interactive Data Corporation, followed by backfill from Bloomberg and Markit. Lastly, management determines fair value based on quoted market prices of similar financial instruments or by using industry recognized valuation techniques.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	$ 0
	$ 0
	$ 0

34.1 Amount of payments for legal expenses, if any? $ 160,172

GENERAL INTERROGATORIES

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	$ 0
	$ 0
	$ 0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 38,914

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	$ 0
	$ 0
	$ 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61	Total premium earned	$ 0
1.62	Total incurred claims	$ 0
1.63	Number of covered lives	0

All years prior to most current three years:

1.64	Total premium earned	$ 0
1.65	Total incurred claims	$ 0
1.66	Number of covered lives	0

1.7 Group policies:

Most current three years:

1.71	Total premium earned	$ 0
1.72	Total incurred claims	$ 0
1.73	Number of covered lives	0

All years prior to most current three years:

1.74	Total premium earned	$ 0
1.75	Total incurred claims	$ 0
1.76	Number of covered lives	0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 0	$ 0
2.2	Premium Denominator	$ 795,814,282	$ 783,877,680
2.3	Premium Ratio (2.1/2.2)	0.00	0.00
2.4	Reserve Numerator	$ 3,997,864	$ 3,830,038
2.5	Reserve Denominator	$ 1,270,687,920	$ 1,245,508,590
2.6	Reserve Ratio (2.4/2.5)	0.00	0.00

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.21	Participating policies	$ 0
3.22	Non-participating policies	$ 0

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [X]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0 %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $ 0

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [ ] No [X]

5.2 If yes, is the commission paid:

5.21	Out of Attorney's-in-fact compensation	Yes [ ] No [ ] N/A [X]
5.22	As a direct expense of the exchange	Yes [ ] No [ ] N/A [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [X]

5.5 If yes, give full information

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:
In 2011, the Company was a member of an intercompany reinsurance pooling arrangement where it ceded its business to Peerless Insurance Company.

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
See Note 21C

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
See Note 21C

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [X]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [X] No [ ]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [ ] No [X]
11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses $ 26,038,097
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 2,422,124

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 323,912

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [X] No [ ] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From 0.00 %
12.42 To 9.00 %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No [ ]

12.6 If yes, state the amount thereof at December 31 of current year:
12.61 Letters of Credit $ 60,360,075
12.62 Collateral and other funds $ 13,536,116

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 35,518,300

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 1

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [X]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:

		1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11	Home	$ 0	$ 0	$ 0	$ 0	$ 0
16.12	Products	$ 0	$ 0	$ 0	$ 0	$ 0
16.13	Automobile	$ 0	$ 0	$ 0	$ 0	$ 0
16.14	Other*	$ 0	$ 0	$ 0	$ 0	$ 0

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	$ 0
17.12	Unfunded portion of Interrogatory 17.11	$ 0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	$ 0
17.14	Case reserves portion of Interrogatory 17.11	$ 0
17.15	Incurred but not reported portion of Interrogatory 17.11	$ 0
17.16	Unearned premium portion of Interrogatory 17.11	$ 0
17.17	Contingent commission portion of Interrogatory 17.11	$ 0

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	$ 0
17.19	Unfunded portion of Interrogatory 17.18	$ 0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	$ 0
17.21	Case reserves portion of Interrogatory 17.18	$ 0
17.22	Incurred but not reported portion of Interrogatory 17.18	$ 0
17.23	Unearned premium portion of Interrogatory 17.18	$ 0
17.24	Contingent commission portion of Interrogatory 17.18	$ 0

18.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. $ 0

18.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

18.4 If yes, please provide the balance of the funds adminstered as of the reporting date. $ 0

FIVE – YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	518,980,484	529,015,464	604,643,668	756,676,815	832,259,627
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	221,970,064	212,805,815	193,603,867	330,958,933	349,341,464
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	411,650,369	408,777,419	408,633,627	424,824,951	466,939,978
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	64,940,946	64,365,449	51,221,782	95,486,611	84,142,839
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)			8	23,864	1,785
6. Total (Line 35)	1,217,541,863	1,214,964,147	1,258,102,952	1,607,971,174	1,732,685,693
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3,19.4)	318,924,400	326,856,825	357,730,525	422,887,814	459,247,735
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	157,228,741	157,140,361	130,939,788	256,569,758	266,762,327
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	275,063,649	261,737,082	238,125,747	249,642,578	274,547,409
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	56,915,714	55,521,593	42,311,326	85,678,821	74,109,816
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)			8	2,028	210
12. Total (Line 35)	808,132,504	801,255,861	769,107,394	1,014,780,999	1,074,667,497
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(49,176,326)	(11,264,566)	33,421,953	27,986,377	69,007,394
14. Net investment gain (loss) (Line 11)	57,865,884	72,165,888	70,627,731	78,270,986	98,315,996
15. Total other income (Line 15)	2,448,823	(6,199,746)	(1,386,719)	1,707,098	3,373,301
16. Dividends to policyholders (Line 17)	1,598,149	(267,845)	3,406,699	1,262,647	901,469
17. Federal and foreign income taxes incurred (Line 19)	(7,843,633)	(8,142,451)	11,065,288	10,781,041	24,917,593
18. Net income (Line 20)	17,383,865	63,111,872	88,190,978	95,920,773	144,877,629
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	1,824,791,793	1,734,629,076	2,071,916,038	2,077,124,323	2,069,992,619
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	30,454,548	27,282,323	30,110,678	94,554,501	129,452,322
20.2 Deferred and not yet due (Line 15.2)	229,174,078	219,418,618	213,800,567	159,005,678	140,444,602
20.3 Accrued retrospective premiums (Line 15.3)	350,939	696,226	1,241,056	443,682	387,092
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,442,507,659	1,404,604,957	1,430,155,246	1,535,875,738	1,557,928,351
22. Losses (Page 3, Line 1)	685,092,229	678,721,474	714,422,661	736,682,283	725,883,465
23. Loss adjustment expenses (Page 3, Line 3)	151,486,110	151,481,436	170,091,462	171,729,286	172,824,567
24. Unearned premiums (Page 3, Line 9)	382,973,276	368,839,985	349,686,193	383,835,113	419,458,971
25. Capital paid up (Page 3, Lines 30 & 31)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	382,284,134	330,024,119	641,760,792	541,248,585	512,064,268
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	56,736,446	(10,239,431)	(20,631,798)	100,698,885	135,153,701
Risk-Based Capital Analysis					
28. Total adjusted capital	382,284,134	330,024,119	641,760,792	541,248,585	512,064,268
29. Authorized control level risk-based capital	71,285,681	71,456,361	72,082,419	89,719,169	96,629,983
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	85.5	86.6	92.3	85.6	84.7
31. Stocks (Lines 2.1 & 2.2)	4.4	4.2	1.7	2.9	14.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	6.7	6.7	5.9	11.2	1.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)			XXX	XXX	XXX
37. Other invested assets (Line 8)	0.1	0.2	0.1	0.3	0.3
38. Receivables for securities (Line 9)	0.0	0.2		0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	3.3	2.1	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated	1,008,000	1,008,000	1,008,000	3,091,034	2,970,000
48. Total of above Lines 42 to 47	1,008,000	1,008,000	1,008,000	3,091,034	2,970,000
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.3	0.3	0.2	0.6	0.6

FIVE – YEAR HISTORICAL DATA
(Continued)

		1 2011	2 2010	3 2009	4 2008	5 2007
	Capital and Surplus Accounts (Page 4)					
50.	Net unrealized capital gains (losses) (Line 24)	(4,470,416)	1,915,715	8,168,734	(48,105,267)	(8,672,228)
51.	Dividends to stockholders (Line 35)		(106,135,570)			(370,000,000)
52.	Change in surplus as regards policyholders for the year (Line 38)	52,260,015	(311,736,673)	100,512,208	29,184,316	(258,645,317)
	Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
53.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	333,404,446	378,101,592	396,687,600	411,035,813	451,582,349
54.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	120,690,049	107,418,221	127,726,859	185,375,561	186,054,011
55.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	268,272,025	215,372,852	210,860,583	257,160,840	219,661,566
56.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	20,801,040	27,414,998	66,229,043	6,870,858	3,405,316
57.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	599,301	1,627,235	224,167,631	26,188,468	16,898,793
58.	Total (Line 35)	743,766,861	729,934,898	1,025,671,716	886,631,540	877,602,035
	Net Losses Paid (Page 9, Part 2, Col. 4)					
59.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	193,055,729	242,282,968	188,535,402	242,649,930	277,946,310
60.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	89,220,309	80,524,850	90,306,055	145,919,324	147,952,017
61.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	188,762,174	139,493,944	117,945,574	166,239,669	127,590,540
62.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	14,346,498	10,986,648	5,796,099	4,335,790	(595,158)
63.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	599,301	1,627,235	23,478,664	4,014,223	2,637,538
64.	Total (Line 35)	485,984,011	474,915,645	426,061,794	563,158,936	555,531,247
	Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65.	Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66.	Losses incurred (Line 2)	61.9	56.0	50.7	55.5	53.1
67.	Loss expenses incurred (Line 3)	12.1	11.8	11.9	11.5	9.7
68.	Other underwriting expenses incurred (Line 4)	32.2	33.6	33.2	30.3	30.7
69.	Net underwriting gain (loss) (Line 8)	(6.2)	(1.4)	4.2	2.7	6.5
	Other Percentages					
70.	Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0	31.4	33.6	34.6	31.2	30.0
71.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	73.9	67.8	62.6	67.0	62.9
72.	Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	211.4	242.8	119.8	187.5	209.9
	One Year Loss Development (000 omitted)					
73.	Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(21,411)	(9,235)	(58,619)	(29,593)	(27,915)
74.	Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0)	(6.5)	(1.4)	(10.8)	(5.8)	(3.6)
	Two Year Loss Development (000 omitted)					
75.	Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(19,213)	(46,865)	(84,470)	(42,464)	(58,544)
76.	Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	(3.0)	(8.7)	(16.5)	(5.5)	(7.6)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [X]

If no, please explain:

Not applicable

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

($000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1–2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	X X X	X X X	X X X	18,784	2,231	2,598	140	1,004	215	252	19,800	X X X
2. 2002	692,879	68,116	624,763	382,418	38,221	28,970	2,721	49,098	2,482	22,494	417,062	X X X
3. 2003	756,446	63,178	693,268	370,494	32,431	26,038	1,899	55,488	2,634	23,155	415,056	X X X
4. 2004	814,059	44,914	769,145	380,077	15,442	23,929	854	54,409	1,158	28,662	440,961	X X X
5. 2005	848,066	34,349	813,717	388,722	15,758	25,020	917	57,094	896	27,396	453,265	X X X
6. 2006	846,942	37,825	809,117	390,826	8,859	24,634	1,066	57,852	1,293	23,912	462,094	X X X
7. 2007	864,447	42,218	822,229	393,228	8,659	23,877	897	57,483	814	25,748	464,218	X X X
8. 2008	862,748	32,075	830,673	429,972	13,098	22,047	947	63,712	667	22,633	501,019	X X X
9. 2009	809,446	50,623	758,823	343,158	22,471	14,139	1,072	55,908	483	20,205	389,179	X X X
10. 2010	800,056	16,178	783,878	315,182	2,157	8,797	83	59,226	113	20,343	380,852	X X X
11. 2011	810,524	14,709	795,815	274,534	976	3,582	32	46,580	91	15,408	323,597	X X X
12. Totals	X X X	X X X	X X X	3,687,395	160,303	203,631	10,628	557,854	10,846	230,208	4,267,103	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	92,489	32,318	45,743	6,701	3,118	714	8,899	1,062	7,497	2	2,179	116,949	X X X
2. 2002	16,564	2,584	2,148	897	189	16	639	56	723		14	16,710	X X X
3. 2003	6,152	921	3,024	421	132	1	1,221	46	587		334	9,727	X X X
4. 2004	7,668	1,891	4,270	519	203	1	1,218	60	780		1,412	11,668	X X X
5. 2005	9,472	1,048	4,928	725	287	1	2,373	87	994		1,691	16,193	X X X
6. 2006	14,662	1,946	4,999	736	459	1	3,310	157	1,467		4,562	22,057	X X X
7. 2007	24,733	1,166	9,037	1,817	796	2	4,427	353	2,294		1,671	37,949	X X X
8. 2008	34,425	753	17,430	3,463	1,405	10	8,937	415	4,220		5,490	61,776	X X X
9. 2009	54,119	1,139	30,573	3,207	1,685	49	13,322	528	6,424		5,732	101,200	X X X
10. 2010	79,551	728	46,849	3,080	1,856	14	20,797	766	11,148		9,493	155,613	X X X
11. 2011	127,572	638	116,848	1,462	1,521	2	24,889	142	18,459	312	15,945	286,733	X X X
12. Totals	467,407	45,132	285,849	23,028	11,651	811	90,032	3,672	54,593	314	48,523	836,575	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	99,213	17,736
2. 2002	480,749	46,977	433,772	69.384	68.966	69.430			7.600	15,231	1,479
3. 2003	463,136	38,353	424,783	61.225	60.706	61.273			7.600	7,834	1,893
4. 2004	472,554	19,925	452,629	58.049	44.363	58.848			7.600	9,528	2,140
5. 2005	488,890	19,432	469,458	57.648	56.572	57.693			7.600	12,627	3,566
6. 2006	498,209	14,058	484,151	58.824	37.166	59.837			7.600	16,979	5,078
7. 2007	515,875	13,708	502,167	59.677	32.470	61.074			7.600	30,787	7,162
8. 2008	582,148	19,353	562,795	67.476	60.337	67.752			7.600	47,639	14,137
9. 2009	519,328	28,949	490,379	64.158	57.185	64.624			7.600	80,346	20,854
10. 2010	543,406	6,941	536,465	67.921	42.904	68.437			7.600	122,592	33,021
11. 2011	613,985	3,655	610,330	75.752	24.849	76.692			7.600	242,320	44,413
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	685,096	151,479

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior	397,823	425,122	429,521	442,795	448,138	452,979	443,583	464,003	473,960	474,281	321	10,278
2. 2002	400,068	398,027	394,431	386,092	384,698	381,584	379,025	381,350	381,271	386,933	5,662	5,583
3. 2003	X X X	394,040	386,818	377,181	375,231	377,822	374,917	373,545	372,038	371,709	(329)	(1,836)
4. 2004	X X X	X X X	443,142	432,391	426,762	408,194	405,710	401,031	399,946	399,033	(913)	(1,998)
5. 2005	X X X	X X X	X X X	462,430	444,836	422,844	420,151	415,031	413,917	412,662	(1,255)	(2,369)
6. 2006	X X X	X X X	X X X	X X X	455,103	445,820	434,177	424,472	425,862	426,593	731	2,121
7. 2007	X X X	X X X	X X X	X X X	X X X	487,809	474,869	445,179	444,947	443,725	(1,222)	(1,454)
8. 2008	X X X	X X X	X X X	X X X	X X X	X X X	527,991	503,977	502,006	496,131	(5,875)	(7,846)
9. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	450,727	436,520	429,035	(7,485)	(21,692)
10. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	477,710	466,664	(11,046)	X X X
11. 2011	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	545,921	X X X	X X X
									12. Totals		(21,411)	(19,213)

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										11	12
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	118,076	191,541	239,013	271,205	293,837	313,039	325,310	339,815	358,826	X X X	X X X
2. 2002	182,322	266,890	307,154	335,286	349,669	357,995	363,261	366,102	369,141	370,446	X X X	X X X
3. 2003	X X X	183,978	264,937	303,751	329,070	346,166	353,628	358,121	360,548	362,202	X X X	X X X
4. 2004	X X X	X X X	190,887	286,672	331,347	357,882	373,555	381,301	385,018	387,709	X X X	X X X
5. 2005	X X X	X X X	X X X	195,422	290,166	335,532	365,017	383,486	392,420	397,068	X X X	X X X
6. 2006	X X X	X X X	X X X	X X X	199,022	295,686	337,778	371,764	392,762	405,535	X X X	X X X
7. 2007	X X X	X X X	X X X	X X X	X X X	206,813	307,191	353,309	386,732	407,549	X X X	X X X
8. 2008	X X X	X X X	X X X	X X X	X X X	X X X	239,796	354,590	404,587	437,974	X X X	X X X
9. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	200,294	290,305	333,754	X X X	X X X
10. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	219,993	321,739	X X X	X X X
11. 2011	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	277,107	X X X	X X X

SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior	151,497	121,221	92,832	79,742	72,240	61,501	59,335	64,179	65,473	52,494
2. 2002	121,495	61,763	35,157	20,310	14,899	10,100	6,693	6,191	3,686	2,335
3. 2003	X X X	110,183	54,871	31,379	21,730	15,815	11,589	7,874	4,994	4,146
4. 2004	X X X	X X X	138,343	68,847	45,461	24,511	18,025	9,751	7,156	5,345
5. 2005	X X X	X X X	X X X	154,539	76,853	38,860	24,093	13,722	9,468	6,883
6. 2006	X X X	X X X	X X X	X X X	139,389	70,173	42,782	20,604	11,701	7,884
7. 2007	X X X	X X X	X X X	X X X	X X X	144,110	75,174	35,422	19,269	11,815
8. 2008	X X X	X X X	X X X	X X X	X X X	X X X	156,697	68,943	41,130	23,090
9. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	137,360	69,553	40,665
10. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	135,636	64,261
11. 2011	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	140,361

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

States, Etc.		1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	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	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L	4,219,498	4,726,814		2,177,064	3,486,073	8,556,228	51,442	
2. Alaska	AK	L	377,227	404,375		47,777	65,198	262,460	4,599	
3. Arizona	AZ	L	2,243,998	2,464,432		1,628,194	2,060,544	6,547,602	27,357	
4. Arkansas	AR	L	1,225,378	1,425,588		577,017	410,900	2,271,259	14,939	
5. California	CA	L	44,665,855	49,749,383		25,954,601	16,059,698	84,626,173	544,539	
6. Colorado	CO	L	5,688,507	6,143,590		2,755,720	1,576,805	6,529,932	69,351	
7. Connecticut	CT	L	4,776,195	5,276,859		4,867,924	(322,324)	13,952,943	58,228	
8. Delaware	DE	L	34,614	31,985		200,007	232,970	39,641	422	
9. District of Columbia	DC	L	176,535	215,849		67,106	52,895	157,433	2,152	
10. Florida	FL	L	45,639,170	45,712,009		22,758,037	18,648,049	38,171,626	556,405	
11. Georgia	GA	L	4,581,603	5,546,000		3,464,036	3,190,307	9,349,079	55,856	
12. Hawaii	HI	L	40,607	39,013			200	200	495	
13. Idaho	ID	L	6,817,509	7,318,604		4,214,006	1,131,798	7,665,143	83,115	
14. Illinois	IL	L	12,219,607	13,380,982		8,770,205	6,007,454	30,682,036	148,974	
15. Indiana	IN	L	3,534,439	3,873,498		3,103,192	6,155,300	19,330,952	43,090	
16. Iowa	IA	L	606,361	681,386		267,510	344,530	2,394,637	7,392	
17. Kansas	KS	L	2,013,714	2,241,258		1,923,710	837,173	10,365,801	24,550	
18. Kentucky	KY	L	1,956,331	2,193,002		1,114,998	129,144	9,469,008	23,850	
19. Louisiana	LA	L	5,397,389	6,055,927		4,263,394	2,713,737	8,281,460	65,802	
20. Maine	ME	L	57,257	75,442		5,844	218	9,843	698	
21. Maryland	MD	L	1,156,688	1,458,930		1,103,466	(279,771)	2,051,315	14,102	
22. Massachusetts	MA	L	1,199,245	1,342,507		1,112,187	640,747	4,654,558	14,620	
23. Michigan	MI	L	3,736,178	4,404,233		6,050,907	3,105,837	33,890,094	45,549	
24. Minnesota	MN	L	3,452,498	3,858,173		4,547,723	1,561,060	26,519,574	42,091	
25. Mississippi	MS	L	2,476,051	2,951,840		3,263,034	2,671,009	14,107,567	30,187	
26. Missouri	MO	L	6,288,999	6,883,456		6,571,640	5,063,767	9,596,202	76,672	
27. Montana	MT	L	10,867,912	11,721,123		8,424,437	4,593,749	7,060,751	132,495	
28. Nebraska	NE	L	796,094	830,842		499,526	436,232	1,369,405	9,705	
29. Nevada	NV	L	2,169,398	2,328,168		2,273,969	391,483	2,333,537	26,448	
30. New Hampshire	NH	L	602,486	719,120		449,296	1,486,685	8,408,068	7,345	
31. New Jersey	NJ	L	5,668,888	6,030,491		6,214,430	3,349,794	15,028,636	69,112	
32. New Mexico	NM	L	2,309,212	2,414,177		1,789,853	1,811,148	5,125,821	28,153	
33. New York	NY	L	46,681,100	40,492,080		35,386,149	35,025,506	73,046,026	569,108	
34. North Carolina	NC	L	1,013,693	1,219,450		367,203	(100,389)	1,407,814	12,358	
35. North Dakota	ND	L	879,978	895,531		104,136	(20,100)	317,116	10,728	
36. Ohio	OH	L	2,486,731	2,869,657		779,180	(148,310)	18,899,129	30,317	
37. Oklahoma	OK	L	3,411,060	3,534,672		4,797,271	2,739,605	6,152,710	41,586	
38. Oregon	OR	L	27,071,470	27,929,824		10,394,021	1,745,279	32,009,474	330,039	
39. Pennsylvania	PA	L	30,598,654	19,653,062		10,826,125	11,532,002	20,211,149	373,040	
40. Rhode Island	RI	L	188,699	171,310		14,239	(24,694)	202,302	2,301	
41. South Carolina	SC	L	2,371,605	2,590,858		1,352,396	2,265,108	3,979,769	28,913	
42. South Dakota	SD	L	1,240,346	1,334,752		1,144,578	1,348,641	7,629,962	15,122	
43. Tennessee	TN	L	3,147,136	3,489,656		4,082,551	4,147,513	7,930,246	38,368	
44. Texas	TX	L	36,827,800	40,032,723		25,801,401	23,433,806	(10,946,127)	448,982	
45. Utah	UT	L	3,091,362	3,498,487		1,267,047	3,411,299	6,497,932	37,688	
46. Vermont	VT	L	126,885	140,302		82,860	(57,895)	71,928	1,547	
47. Virginia	VA	L	1,868,256	2,116,317		1,383,372	887,863	4,892,886	22,777	
48. Washington	WA	L	55,116,269	57,579,084		25,351,705	(13,599,918)	73,291,677	671,944	
49. West Virginia	WV	L	1,282,543	1,275,627		162,493	(380,858)	2,013,199	15,636	
50. Wisconsin	WI	L	639,734	735,062		677,271	1,302,331	2,662,413	7,799	
51. Wyoming	WY	L	4,370,595	4,526,630		3,348,045	3,330,620	3,044,366	53,284	
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CN	N								
58. Aggregate Other Alien	OT	XXX								
59. Totals		(a) 51	409,409,359	416,584,140		257,782,853	164,449,818	642,122,955	4,991,272	

DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines In the state; (N) None of the above - Not allowed to write business in the state.

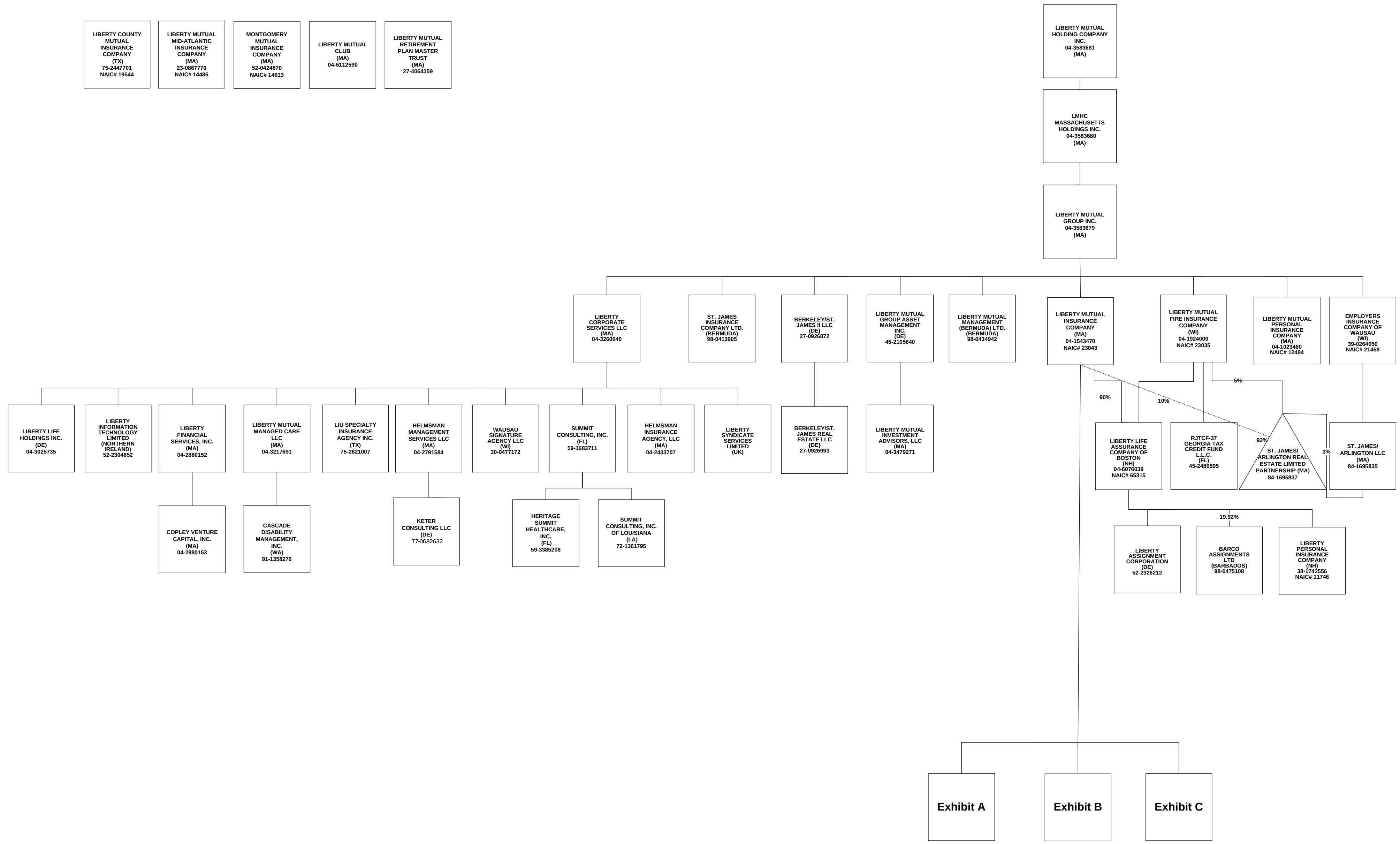
Explanation of basis of allocation of premiums by states, etc.

*Location of coverage - Fire, Allied Lines, Homeowners Multi Peril, Commercial Multi Peril, Earthquake, Boiler and Machinery
*States employee's main work place - Worker's Compensation
*Location of court or obligee- Surety
*Location of Principal place of garaging of each individual car - Auto Liability, Auto Physical Damage
*Address of Assured - Other Accident and Health
*Principal Location of business or location of coverage - Liability other than Auto, Fidelity, Warranty
*Location of Properties covered - Burglary and Theft
*Point of origin of shipment or principal location of assured - Inland Marine
*Principal Location of Assured - Ocean Marine, Credit
*State in which employees regularly work - Group Accident and Health
*Primary residence of Assured - Aircraft (all perils)

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

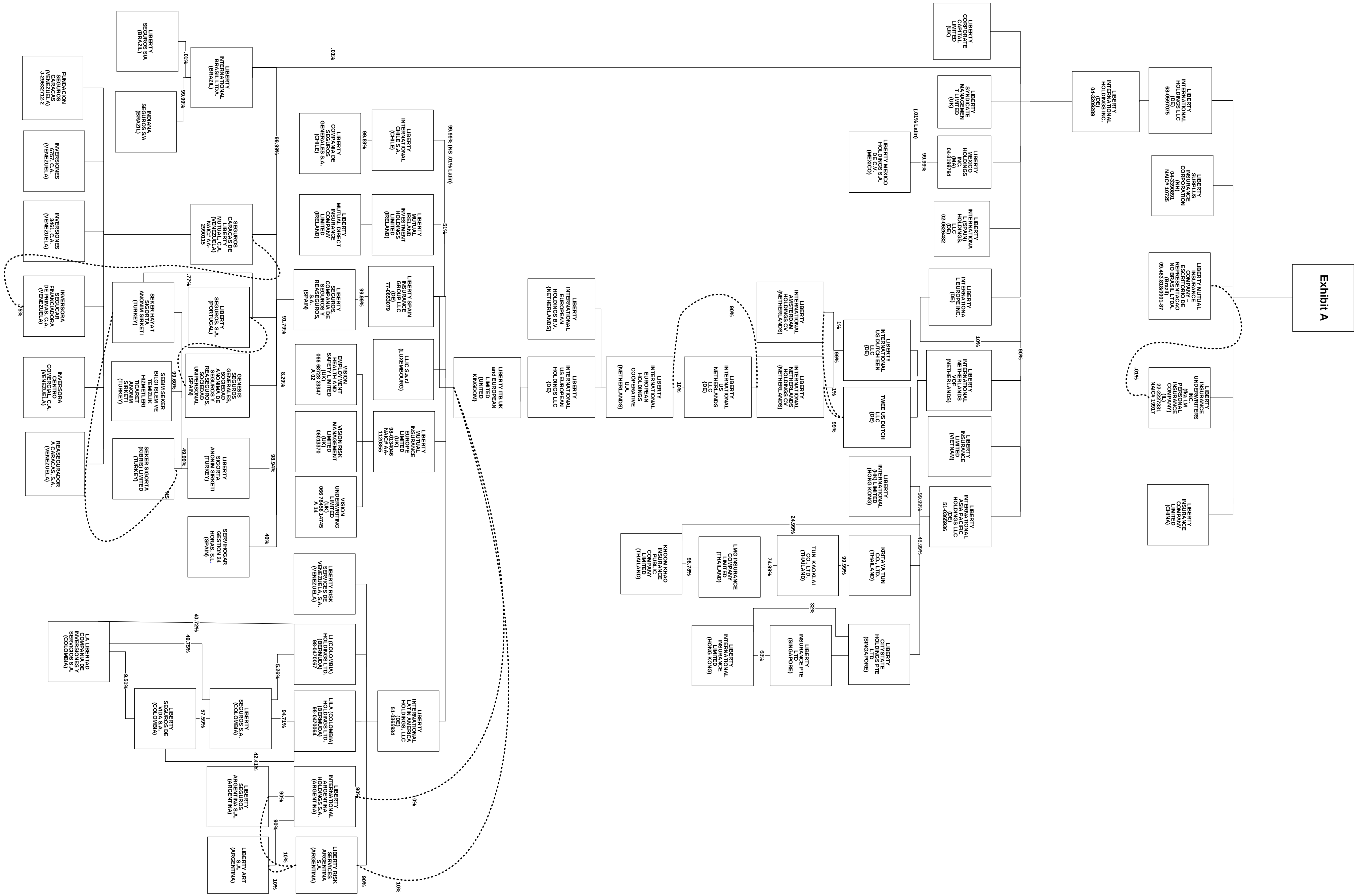
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



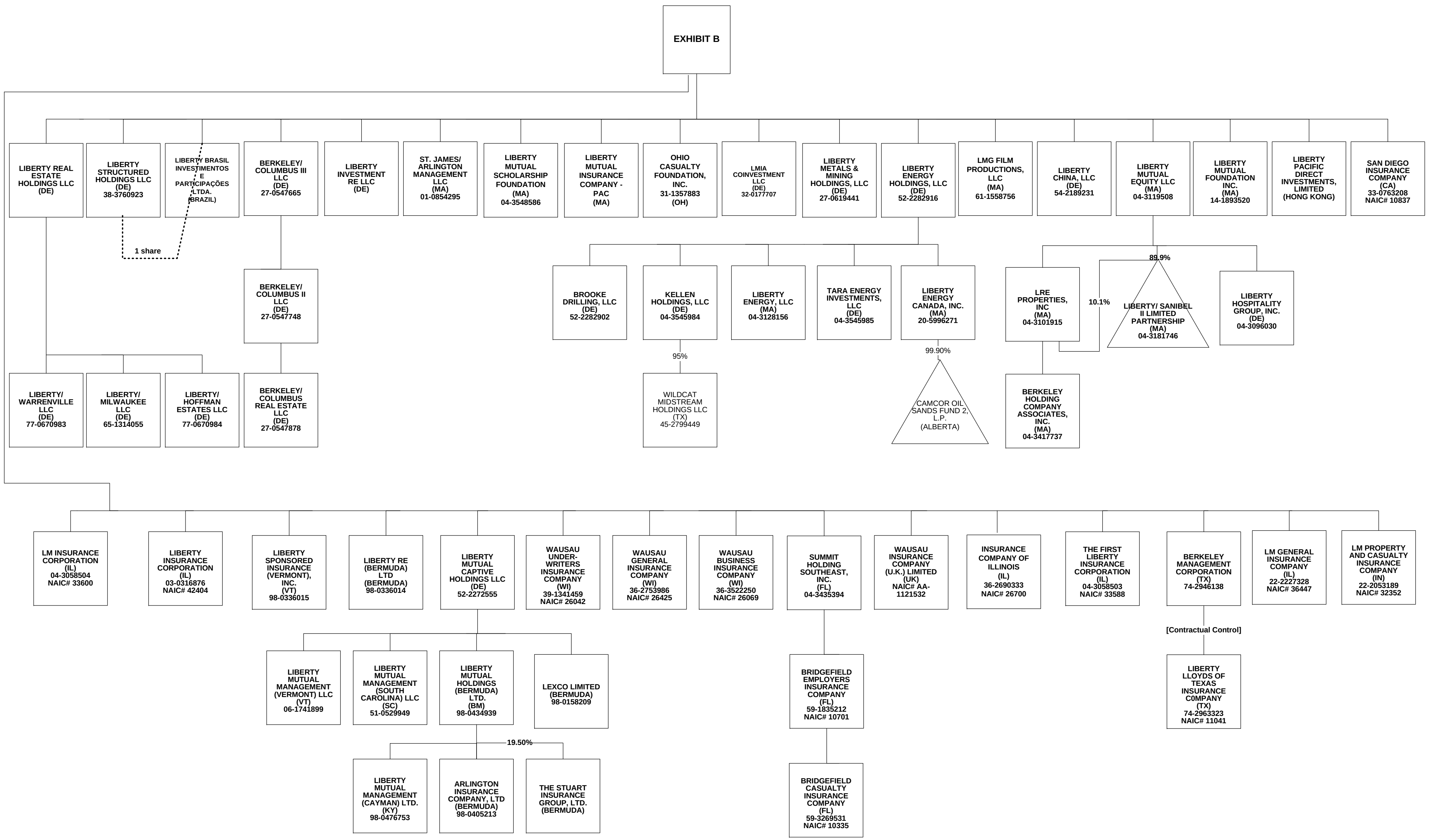
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



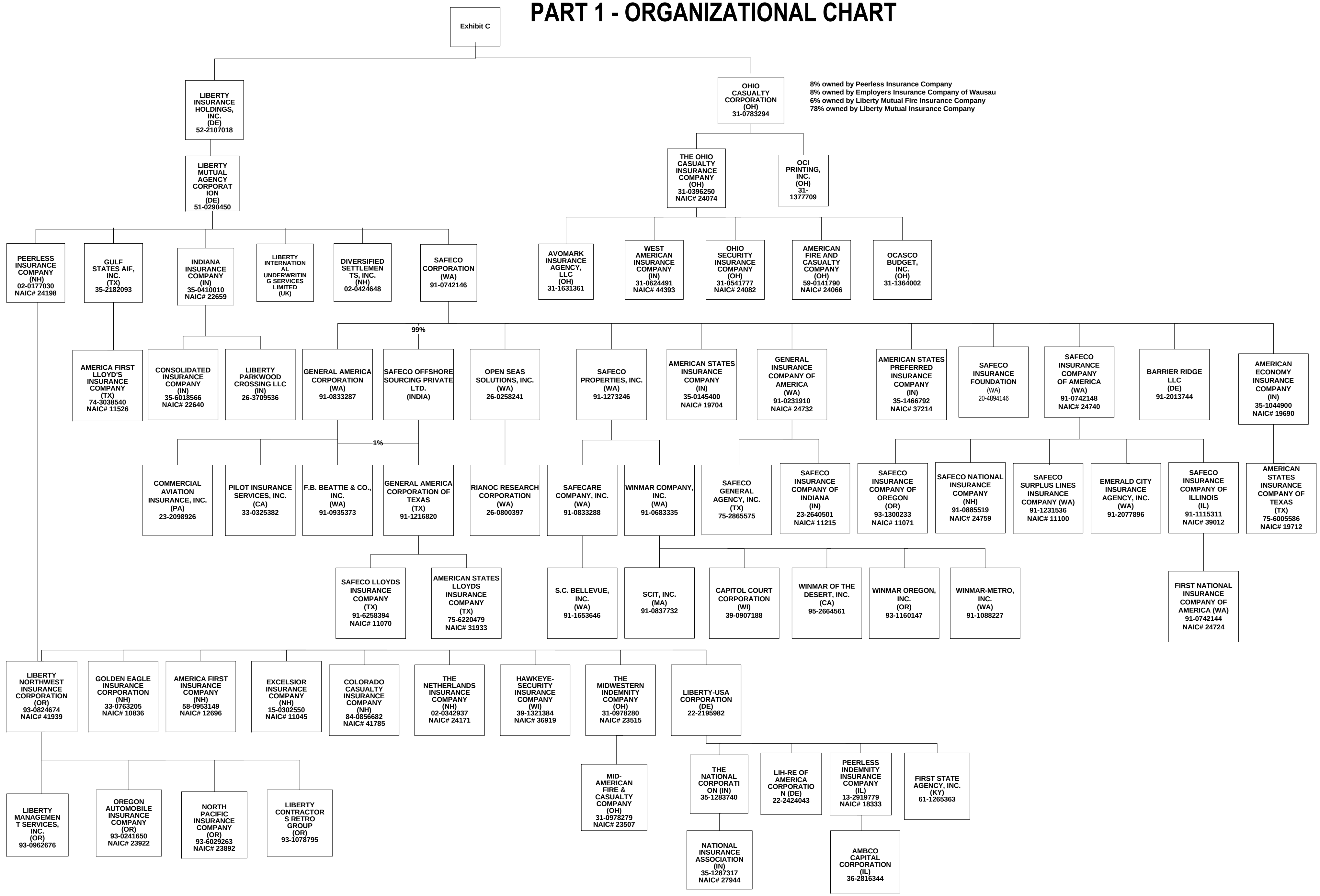
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	1 Current Year	2 Prior Year
2504. Accrued return retrospective premiums		925,238
2505. Private passenger auto escrow		81,336
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)		1,006,574

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

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