

ANNUAL STATEMENT

OF THE

EMPLOYERS INSURANCE COMPANY OF WAUSAU

of WAUSAU
STATE OF WISCONSIN

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2019

PROPERTY AND CASUALTY

2019



21458201920100100

ANNUAL STATEMENT

For the Year Ended December 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

Employers Insurance Company of Wausau

NAIC Group Code 0111 0111 NAIC Company Code 21458 Employer's ID Number 39-0264050
Organized under the Laws of Wisconsin, State of Domicile or Port of Entry WI
Country of Domicile United States of America
Incorporated/Organized August 21, 1911 Commenced Business September 1, 1911
Statutory Home Office 2000 Westwood Drive, Wausau, WI, US 54401
Main Administrative Office 175 Berkeley Street, Boston, MA, US 02116
Mail Address 175 Berkeley Street, Boston, MA, US 02116
Primary Location of Books and Records 175 Berkeley Street, Boston, MA, US 02116
Internet Web Site Address www.LibertyMutualGroup.com
Statutory Statement Contact Lindsey Pendergast, Statutory.Compliance@LibertyMutual.com

OFFICERS

Chairman of the Board

David Henry Long

Table with 2 columns: Name, Title. Rows include David Henry Long (President and Chief Executive Officer), Mark Charles Touhey (Senior Vice President and Secretary), and Laurance Henry Soyer Yahia (Senior Vice President and Treasurer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Lists various vice-presidents such as Alison Brooke Erbig, Neeti Bhalla Johnson, James Francis Kelleher, etc.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Lists directors/trustees such as Neeti Bhalla Johnson, Dennis James Langwell, Timothy Michael Sweeney, etc.

State of Massachusetts
County of Suffolk

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 and Title lines for David Henry Long, Mark Charles Touhey, and Laurance Henry Soyer Yahia.

Subscribed and sworn to (or affirmed) before me this on this 16th day of January, 2020, 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			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	4,894,840,470		4,894,840,470	4,539,899,720
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	160,389,871	683,276	159,706,595	170,717,158
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	191,448,308		191,448,308	171,328,749
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	30,720		30,720	30,720
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (67,638,888), Schedule E - Part 1), cash equivalents (\$ 65,773,660, Schedule E - Part 2), and short-term investments (\$ 29,780, Schedule DA)	(1,835,448)		(1,835,448)	(19,209,258)
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	375,995,935		375,995,935	332,520,211
9. Receivables for securities	14,941,328		14,941,328	22,682,169
10. Securities lending reinvested collateral assets (Schedule DL)	110,575,805		110,575,805	64,457,920
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	5,746,386,989	683,276	5,745,703,713	5,282,427,389
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	31,869,696		31,869,696	32,694,007
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	169,259,442	19,238,255	150,021,187	135,541,596
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 6,016,874 earned but unbilled premiums)	622,621,508	601,688	622,019,820	606,419,416
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)	26,385,227	2,648,838	23,736,389	27,724,964
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	35,105,229		35,105,229	30,142,556
16.2 Funds held by or deposited with reinsured companies	3,147,966		3,147,966	3,128,082
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	(13,185)		(13,185)	3,278
18.1 Current federal and foreign income tax recoverable and interest thereon	2,525,704		2,525,704	
18.2 Net deferred tax asset	59,057,000		59,057,000	64,248,000
19. Guaranty funds receivable or on deposit	1,770,062		1,770,062	3,125,152
20. Electronic data processing equipment and software				58,116
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	33,150,351		33,150,351	86,932,072
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	124,656,235	6,452,309	118,203,926	110,959,703
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,855,922,224	29,624,366	6,826,297,858	6,383,404,331
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	6,855,922,224	29,624,366	6,826,297,858	6,383,404,331

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	84,544,586		84,544,586	78,507,351
2502. Equities and deposits in pools and associations	17,142,293		17,142,293	17,175,601
2503. Amounts receivable under high deductible policies	14,567,490	4,530	14,562,960	13,890,455
2598. Summary of remaining write-ins for Line 25 from overflow page	8,401,866	6,447,779	1,954,087	1,386,296
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	124,656,235	6,452,309	118,203,926	110,959,703

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	2,861,132,338	2,677,185,459
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	39,353,780	33,651,987
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	584,124,274	549,248,034
4. Commissions payable, contingent commissions and other similar charges	48,684,012	51,722,929
5. Other expenses (excluding taxes, licenses and fees)	77,260,913	75,496,563
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	18,668,978	21,801,962
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		9,565,483
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 \$ 359,746,905 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	1,281,143,437	1,256,228,712
10. Advance premium	7,969,782	7,954,557
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	183,012	177,845
12. Ceded reinsurance premiums payable (net of ceding commissions)	33,995,292	33,573,137
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	1,055,773	1,364,898
14. Amounts withheld or retained by company for account of others	4,928,121	4,974,351
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)	328,000	334,299
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	38,021,078	36,434,605
20. Derivatives		
21. Payable for securities	110,899,784	71,394,313
22. Payable for securities lending	110,575,805	64,457,920
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	(201,582,187)	(168,149,055)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	5,016,742,192	4,727,417,999
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	5,016,742,192	4,727,417,999
29. Aggregate write-ins for special surplus funds	5,242,951	6,897,373
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	340,000,000	340,000,000
35. Unassigned funds (surplus)	1,459,312,714	1,304,088,960
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)	1,809,555,665	1,655,986,333
38. Totals (Page 2, Line 28, Col. 3)	6,826,297,857	6,383,404,332

DETAILS OF WRITE-IN LINES		
2501. Other Liabilities	54,554,041	42,480,769
2502. Amounts held under uninsured plans	42,100,087	43,504,342
2503. Retroactive reinsurance reserves	(298,236,315)	(254,134,166)
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(201,582,187)	(168,149,055)
2901. Special Surplus from retroactive reinsurance	5,242,951	6,897,373
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	5,242,951	6,897,373
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	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	2,556,421,912	2,486,141,557
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	1,597,092,293	1,436,049,835
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	322,330,266	304,209,314
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	730,246,099	736,214,619
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	2,649,668,658	2,476,473,768
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(93,246,746)	9,667,789
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	181,412,276	215,195,562
10. Net realized capital gains (losses) less capital gains tax of \$ 7,374,960 (Exhibit of Capital Gains (Losses))	27,803,274	(10,803,660)
11. Net investment gain (loss) (Lines 9 + 10)	209,215,550	204,391,902
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 224,915 amount charged off \$ 10,998,927)	(10,774,012)	(8,207,290)
13. Finance and service charges not included in premiums	15,752,736	16,142,648
14. Aggregate write-ins for miscellaneous income	6,521,758	(35,207,620)
15. Total other income (Lines 12 through 14)	11,500,482	(27,272,262)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	127,469,286	186,787,429
17. Dividends to policyholders	1,002,538	1,315,293
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)	126,466,748	185,472,136
19. Federal and foreign income taxes incurred	19,942,040	18,019,695
20. Net income (Line 18 minus Line 19) (to Line 22)	106,524,708	167,452,441
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,655,986,331	1,521,514,923
22. Net income (from Line 20)	106,524,708	167,452,441
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 3,303,706	46,558,769	(7,714,107)
25. Change in net unrealized foreign exchange capital gain (loss)	7,460,253	(5,703,916)
26. Change in net deferred income tax	(1,887,295)	(17,429,373)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(5,093,404)	(2,269,000)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	6,299	135,363
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
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		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
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		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	153,569,330	134,471,408
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	1,809,555,661	1,655,986,331

DETAILS OF WRITE-IN LINES		
0501.		
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)		
1401. Retroactive reinsurance gain/(loss)	5,050,095	(35,419,431)
1402. Other income/(expense)	1,471,663	211,811
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	6,521,758	(35,207,620)
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	2,546,184,660	2,521,696,359
2. Net investment income	189,852,821	222,270,299
3. Miscellaneous income	8,118,768	(29,551,528)
4. Total (Lines 1 through 3)	2,744,156,249	2,714,415,130
5. Benefit and loss related payments	1,413,611,642	1,375,026,262
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,021,960,327	998,692,011
8. Dividends paid to policyholders	997,370	1,292,252
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	39,408,187	(165,939)
10. Total (Lines 5 through 9)	2,475,977,526	2,374,844,586
11. Net cash from operations (Line 4 minus Line 10)	268,178,723	339,570,544
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	5,616,486,294	3,690,318,699
12.2 Stocks	26,256,407	9,333,888
12.3 Mortgage loans	19,990,653	18,701,991
12.4 Real estate		
12.5 Other invested assets	223,118,891	303,863,576
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(19,019)	(268,199)
12.7 Miscellaneous proceeds	7,800,220	(19,252,309)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,893,633,446	4,002,697,646
13. Cost of investments acquired (long-term only):		
13.1 Bonds	5,931,600,005	4,131,750,983
13.2 Stocks	265,771	31,295,350
13.3 Mortgage loans	40,497,110	39,877,073
13.4 Real estate		
13.5 Other invested assets	272,736,776	291,448,210
13.6 Miscellaneous applications	(39,505,471)	(24,633,466)
13.7 Total investments acquired (Lines 13.1 to 13.6)	6,205,594,191	4,469,738,150
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(311,960,745)	(467,040,504)
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		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	61,155,832	(66,051,701)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	61,155,832	(66,051,701)
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)	17,373,810	(193,521,661)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(19,209,258)	174,312,403
19.2 End of year (Line 18 plus Line 19.1)	(1,835,448)	(19,209,258)

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

20.0001	2 - Net investment income	141,493	164,738
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds	49,297,883	23,726,923
20.0003	13.1 Cost of Investment Acquired - Bonds	48,512,744	132,054,934
20.0004	16.6 - Other cash provided (applied)	(926,631)	108,163,274

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	59,287,720	25,309,579	26,163,643	58,433,656
2. Allied lines	47,541,306	21,100,779	21,822,975	46,819,110
3. Farmowners multiple peril	8,969,791	4,183,763	4,479,330	8,674,224
4. Homeowners multiple peril	503,099,741	267,393,424	269,437,786	501,055,379
5. Commercial multiple peril	188,883,674	84,835,068	93,502,903	180,215,839
6. Mortgage guaranty				
8. Ocean marine	12,915,486	5,681,280	7,497,583	11,099,183
9. Inland marine	82,049,458	18,005,221	22,494,033	77,560,646
10. Financial guaranty				
11.1 Medical professional liability—occurrence	7,671,826	3,889,015	3,571,155	7,989,686
11.2 Medical professional liability—claims-made	11,468,816	4,571,625	5,908,238	10,132,203
12. Earthquake	6,959,225	3,068,026	3,211,886	6,815,365
13. Group accident and health	17,721,227	2,951,325	3,024,743	17,647,809
14. Credit accident and health (group and individual)				
15. Other accident and health	1,552,378	341,002	552,138	1,341,242
16. Workers' compensation	162,241,727	18,075,963	18,115,255	162,202,435
17.1 Other liability—occurrence	179,282,877	101,162,335	98,683,439	181,761,773
17.2 Other liability—claims-made	78,510,524	47,083,202	53,617,918	71,975,808
17.3 Excess workers' compensation	4,939,794	1,881,297	2,094,473	4,726,618
18.1 Products liability—occurrence	14,279,889	6,693,175	6,650,985	14,322,079
18.2 Products liability—claims-made	2,740,558	1,055,895	1,280,201	2,516,252
19.1,19.2 Private passenger auto liability	536,345,655	269,889,905	267,170,517	539,065,043
19.3,19.4 Commercial auto liability	117,715,763	52,905,077	55,452,838	115,168,002
21. Auto physical damage	414,298,954	203,826,627	204,869,761	413,255,820
22. Aircraft (all perils)	4,544,431	1,943,835	1,248,747	5,239,519
23. Fidelity	3,386,306	633,462	1,062,611	2,957,157
24. Surety	80,726,845	50,387,614	57,763,991	73,350,468
26. Burglary and theft	302,995	166,861	120,010	349,846
27. Boiler and machinery	3,636,333	1,494,165	1,547,200	3,583,298
28. Credit	1,813,773	3,351,569	3,656,775	1,508,567
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property	17,850,904	8,204,199	3,419,344	22,635,759
32. Reinsurance-nonproportional assumed liability	8,566,113	3,235,258	2,982,580	8,818,791
33. Reinsurance-nonproportional assumed financial lines	2,162,213	7,130,625	7,360,271	1,932,567
34. Aggregate write-ins for other lines of business	4,055	4	943	3,116
35. TOTALS	2,581,470,357	1,220,451,175	1,248,764,272	2,553,157,260

DETAILS OF WRITE-IN LINES				
3401. Tuition Protection Plan	4,055	4	943	3,116
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)	4,055	4	943	3,116

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	24,357,706	1,805,937			26,163,643
2. Allied lines	21,883,540	(60,565)			21,822,975
3. Farmowners multiple peril	4,479,555	(224)			4,479,331
4. Homeowners multiple peril	269,375,471	62,315			269,437,786
5. Commercial multiple peril	91,532,913	4,339,376	(2,369,387)		93,502,902
6. Mortgage guaranty					
8. Ocean marine	5,031,178	2,466,405			7,497,583
9. Inland marine	17,696,734	4,797,300			22,494,034
10. Financial guaranty					
11.1 Medical professional liability—occurrence	3,309,838	261,317			3,571,155
11.2 Medical professional liability—claims-made	4,424,427	1,483,811			5,908,238
12. Earthquake	3,097,563	114,323			3,211,886
13. Group accident and health	2,013,996	1,010,747			3,024,743
14. Credit accident and health (group and individual)					
15. Other accident and health	515,040	37,097			552,137
16. Workers' compensation	60,617,951	(11,810,077)	(3,218,651)	(27,473,968)	18,115,255
17.1 Other liability—occurrence	77,994,157	20,199,851	(312,161)	801,592	98,683,439
17.2 Other liability—claims-made	26,984,071	26,635,837	(1,990)		53,617,918
17.3 Excess workers' compensation	1,927,838	204,070		(37,436)	2,094,472
18.1 Products liability—occurrence	5,154,379	2,040,842	(114,685)	(429,551)	6,650,985
18.2 Products liability—claims-made	1,033,358	246,843			1,280,201
19.1,19.2 Private passenger auto liability	267,176,998	(6,481)			267,170,517
19.3,19.4 Commercial auto liability	54,447,721	228,045	22,937	754,136	55,452,839
21. Auto physical damage	204,772,499	97,261			204,869,760
22. Aircraft (all perils)	1,218,632	30,116			1,248,748
23. Fidelity	988,480	74,130			1,062,610
24. Surety	16,204,527	41,559,465			57,763,992
26. Burglary and theft	107,917	12,093			120,010
27. Boiler and machinery	1,515,789	31,411			1,547,200
28. Credit	1,076,483	2,580,293			3,656,776
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property	1,125,770	2,293,574			3,419,344
32. Reinsurance-nonproportional assumed liability	2,872,098	110,482			2,982,580
33. Reinsurance-nonproportional assumed financial lines	7,360,271				7,360,271
34. Aggregate write-ins for other lines of business	944				944
35. TOTALS	1,180,297,844	100,845,594	(5,993,937)	(26,385,227)	1,248,764,274
36. Accrued retrospective premiums based on experience					26,385,227
37. Earned but unbilled premiums					5,993,937
38. Balance (Sum of Lines 35 through 37)					1,281,143,438

DETAILS OF WRITE-IN LINES					
3401. Tuition Protection Plan	944				944
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)	944				944

(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		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	110,135,137	59,287,720	3,685	106,111,328	4,027,494	59,287,720
2. Allied lines	34,584,602	47,541,306	3,985	33,395,026	1,193,561	47,541,306
3. Farmowners multiple peril		8,969,791				8,969,791
4. Homeowners multiple peril		533,763,269		30,663,528		503,099,741
5. Commercial multiple peril	2,556,894	188,883,674		2,556,894		188,883,674
6. Mortgage guaranty						
8. Ocean marine		12,915,486				12,915,486
9. Inland marine		82,574,293		524,835		82,049,458
10. Financial guaranty						
11.1 Medical professional liability--occurrence		7,671,826				7,671,826
11.2 Medical professional liability--claims-made		11,468,816				11,468,816
12. Earthquake	21,542,204	6,964,345		21,155,865	391,459	6,959,225
13. Group accident and health		17,721,227				17,721,227
14. Credit accident and health (group and individual)						
15. Other accident and health		1,552,378				1,552,378
16. Workers' compensation	150,463,994	163,293,797	3,579,911	154,968,813	127,162	162,241,727
17.1 Other liability—occurrence	6,193,797	182,557,631		8,751,838	716,713	179,282,877
17.2 Other liability—claims-made	65,597	78,510,524		65,597		78,510,524
17.3 Excess workers' compensation		4,939,794				4,939,794
18.1 Products liability—occurrence	506,061	14,279,889		506,061		14,279,889
18.2 Products liability—claims-made		2,740,558				2,740,558
19.1,19.2 Private passenger auto liability (432)		817,899,879		281,553,792		536,345,655
19.3,19.4 Commercial auto liability	8,240,001	117,716,002	275,290	8,313,813	201,716	117,715,764
21. Auto physical damage	2,518,322	551,942,473	966	140,162,807		414,298,954
22. Aircraft (all perils)		4,544,431				4,544,431
23. Fidelity	818,920	3,386,306		818,920		3,386,306
24. Surety	314,096	80,726,845		314,096		80,726,845
26. Burglary and theft	248,685	302,995		248,685		302,995
27. Boiler and machinery	9,765,174	3,636,333		9,765,174		3,636,333
28. Credit		1,813,773				1,813,773
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X	17,850,904				17,850,904
32. Reinsurance-nonproportional assumed liability	X X X	8,566,113	6,134		6,134	8,566,113
33. Reinsurance-nonproportional assumed financial lines	X X X	2,162,213				2,162,213
34. Aggregate write-ins for other lines of business		4,055				4,055
35. TOTALS	347,953,052	3,036,188,646	3,869,971	799,877,072	6,664,239	2,581,470,358

DETAILS OF WRITE-IN LINES						
3401. Tuition Protection Plan		4,055				4,055
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)		4,055				4,055

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

If yes: 1. The amount of such installment premiums \$ 145,169,663

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 139,813,406

UNDERWRITING AND INVESTMENT EXHIBIT PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				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 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	73,488,572	31,275,060	73,489,414	31,274,218	38,786,139	35,513,573	34,546,784	59.121
2. Allied lines	1,603,912	33,718,812	1,606,269	33,716,455	25,897,244	31,127,163	28,486,536	60.844
3. Farmowners multiple peril		5,289,467		5,289,467	2,534,938	2,379,201	5,445,204	62.775
4. Homeowners multiple peril		285,348,645	13,355,828	271,992,817	125,992,922	130,134,216	267,851,523	53.457
5. Commercial multiple peril	1,717,981	109,306,299	5,421,708	105,602,572	189,520,267	195,158,300	99,964,539	55.469
6. Mortgage guaranty								
8. Ocean marine		4,489,736		4,489,736	9,686,041	7,292,109	6,883,668	62.020
9. Inland marine		48,090,331	204,641	47,885,690	11,355,503	11,674,041	47,567,152	61.329
10. Financial guaranty								
11.1 Medical professional liability—occurrence		1,237,973		1,237,973	15,433,464	13,699,552	2,971,885	37.197
11.2 Medical professional liability—claims-made		6,231,470		6,231,470	18,509,115	18,501,252	6,239,333	61.579
12. Earthquake		102,415		102,415	(368,844)	242,690	(509,119)	(7.470)
13. Group accident and health	314,166	15,087,627	314,166	15,087,627	9,858,161	7,610,252	17,335,536	98.231
14. Credit accident and health (group and individual)								
15. Other accident and health		764,639		764,639	1,756,598	2,205,439	315,798	23.545
16. Workers' compensation	104,561,778	158,027,359	168,437,711	94,151,426	858,434,492	890,228,785	62,357,133	38.444
17.1 Other liability—occurrence	28,730,770	117,650,686	36,475,998	109,905,458	475,644,310	398,585,755	186,964,013	102.862
17.2 Other liability—claims-made	4,650	24,763,651	4,650	24,763,651	175,606,258	150,058,746	50,311,163	69.900
17.3 Excess workers' compensation	1,073,435	1,948,904	1,073,435	1,948,904	48,034,779	47,363,472	2,620,211	55.435
18.1 Products liability—occurrence	43,620,491	11,155,634	46,595,555	8,180,570	34,357,363	30,651,910	11,886,023	82.991
18.2 Products liability—claims-made		614,441		614,441	5,327,000	4,437,235	1,504,206	59.780
19.1,19.2 Private passenger auto liability	5,721	450,504,515	127,953,422	322,556,814	509,979,092	474,309,571	358,226,335	66.453
19.3,19.4 Commercial auto liability	22,173,611	82,733,138	28,292,593	76,614,156	205,358,015	165,786,494	116,185,677	100.884
21. Auto physical damage	1,853,371	313,952,180	86,139,942	229,665,609	12,832,810	9,999,171	232,499,248	56.260
22. Aircraft (all perils)		3,636,984		3,636,984	8,832,220	4,813,721	7,655,483	146.110
23. Fidelity	81,697	469,578	81,697	469,578	6,400,707	6,392,759	477,526	16.148
24. Surety		9,344,183		9,344,183	24,122,511	18,579,314	14,887,380	20.296
26. Burglary and theft	16,455	18,593	16,455	18,593	548,605	542,175	25,023	7.153
27. Boiler and machinery	1,656,635	1,482,639	1,656,635	1,482,639	1,388,945	852,711	2,018,873	56.341
28. Credit		41,416		41,416	1,356,424	833,749	564,091	37.393
29. International								
30. Warranty					75,580	131,158	(55,578)	
31. Reinsurance-nonproportional assumed property	X X X	2,823,234		2,823,234	3,915,549	(6,497,699)	13,236,482	58.476
32. Reinsurance-nonproportional assumed liability	X X X	22,540,977	18,178,057	4,362,920	37,824,153	23,187,844	18,999,229	215.440
33. Reinsurance-nonproportional assumed financial lines	X X X	94,721		94,721	2,131,977	1,390,783	835,915	43.254
34. Aggregate write-ins for other lines of business		4,172		4,172		15	4,157	133.408
35. TOTALS	280,903,245	1,742,749,479	609,298,176	1,414,354,548	2,861,132,338	2,677,185,457	1,598,301,429	62.601

DETAILS OF WRITE-IN LINES								
3401. Tuition Protection Plan		4,172		4,172		15	4,157	133.408
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)		4,172		4,172		15	4,157	133.408

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	27,257,915	21,248,434	27,270,286	21,236,063	15,074,830	17,624,305	15,149,060	38,786,138	2,550,528
2. Allied lines	1,133,605	14,265,142	1,134,341	14,264,406	5,000,588	11,659,955	5,027,705	25,897,244	1,839,794
3. Farmowners multiple peril		2,164,502		2,164,502		370,436		2,534,938	164,728
4. Homeowners multiple peril		77,425,752	2,630,929	74,794,823	(229)	54,363,681	3,165,353	125,992,922	20,665,693
5. Commercial multiple peril	2,791,840	123,535,879	9,342,370	116,985,349	9,275,529	82,075,386	18,815,997	189,520,267	54,934,293
6. Mortgage guaranty									
8. Ocean marine		3,601,573		3,601,573		6,084,468		9,686,041	923,300
9. Inland marine		9,143,679	2,709	9,140,970	(1,494,007)	2,288,067	(1,420,473)	11,355,503	1,569,143
10. Financial guaranty									
11.1 Medical professional liability—occurrence		3,240,230		3,240,230		12,193,234		15,433,464	1,411,200
11.2 Medical professional liability—claims-made		8,201,030		8,201,030		10,308,085		18,509,115	3,278,752
12. Earthquake		105,813		105,813		(474,500)	157	(368,844)	100,355
13. Group accident and health	942,047	6,089,299	942,047	6,089,299		3,768,861		(a) 9,858,160	470,446
14. Credit accident and health (group and individual)									
15. Other accident and health		656,845		656,845		1,099,753		(a) 1,756,598	62,630
16. Workers' compensation	572,394,459	870,351,661	1,044,824,760	397,921,360	317,270,713	855,412,694	712,170,275	858,434,492	165,578,369
17.1 Other liability—occurrence	44,388,713	188,915,934	57,613,283	175,691,364	163,378,023	314,110,828	177,535,906	475,644,309	119,616,258
17.2 Other liability—claims-made	9	52,464,309	9	52,464,309	69,529	123,141,950	69,529	175,606,259	35,041,418
17.3 Excess workers' compensation	8,458,904	19,138,322	8,458,904	19,138,322	757,082	28,897,384	758,008	48,034,780	7,361,529
18.1 Products liability—occurrence	58,757,704	12,007,095	63,748,928	7,015,871	138,362,107	31,094,086	142,114,700	34,357,364	23,804,176
18.2 Products liability—claims-made	1	523,950	1	523,950		4,803,050		5,327,000	2,303,796
19.1,19.2 Private passenger auto liability	58	405,218,256	130,049,779	275,168,535	12,297	390,310,774	155,512,515	509,979,091	102,070,464
19.3,19.4 Commercial auto liability	87,432,994	98,935,550	96,603,891	89,764,653	16,982,998	118,955,843	20,345,480	205,358,014	21,738,600
21. Auto physical damage	28	1,281,286	79	1,281,235	247,047	13,024,357	1,719,830	12,832,809	9,426,064
22. Aircraft (all perils)		(713,753)		(713,753)		9,545,973	57,787	8,832,220	1,529,737
23. Fidelity	224,266	1,095,951	224,267	1,095,950	925,862	5,258,212	879,316	6,400,708	1,008,969
24. Surety	14,412	(3,086,577)	14,412	(3,086,577)	(32,663)	27,209,033	(32,719)	24,122,512	4,438,181
26. Burglary and theft	30,759	142,117	30,761	142,115	7,481	406,490	7,481	548,605	116,346
27. Boiler and machinery	1,007,155	1,093,508	1,007,155	1,093,508	189,650	295,437	189,650	1,388,945	119,610
28. Credit		143,755		143,755		1,212,669		1,356,424	120,574
29. International									
30. Warranty						75,580		75,580	12,920
31. Reinsurance-nonproportional assumed property	X X X	13,374,322		13,374,322	X X X	(9,458,773)		3,915,549	515,203
32. Reinsurance-nonproportional assumed liability	X X X	93,397,370	85,667,640	7,729,730	X X X	250,369,492	220,275,068	37,824,154	1,316,340
33. Reinsurance-nonproportional assumed financial lines	X X X	704,402		704,402	X X X	1,427,575		2,131,977	34,858
34. Aggregate write-ins for other lines of business									
35. TOTALS	804,834,869	2,024,665,636	1,529,566,551	1,299,933,954	666,084,624	2,367,454,385	1,472,340,625	2,861,132,338	584,124,274

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	82,361,835			82,361,835
1.2 Reinsurance assumed	178,484,891			178,484,891
1.3 Reinsurance ceded	97,889,161			97,889,161
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	162,957,565			162,957,565
2. Commission and brokerage:				
2.1 Direct, excluding contingent		27,448,113		27,448,113
2.2 Reinsurance assumed, excluding contingent		207,120,275		207,120,275
2.3 Reinsurance ceded, excluding contingent		34,562,238		34,562,238
2.4 Contingent—direct		75,331		75,331
2.5 Contingent—reinsurance assumed		24,708,460		24,708,460
2.6 Contingent—reinsurance ceded		(35,444)		(35,444)
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)		224,825,385		224,825,385
3. Allowances to manager and agents		24,368,286		24,368,286
4. Advertising	183,190	51,024,166	24,450	51,231,806
5. Boards, bureaus and associations	592,612	4,056,359	13,703	4,662,674
6. Surveys and underwriting reports	118,288	12,207,521	15,712	12,341,521
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	94,283,658	198,945,527	3,910,518	297,139,703
8.2 Payroll taxes	4,812,005	13,766,338	941,621	19,519,964
9. Employee relations and welfare	12,430,820	35,203,840	2,339,151	49,973,811
10. Insurance	9,449,920	1,283,578	86,258	10,819,756
11. Directors' fees	3,963	10,773	785	15,521
12. Travel and travel items	4,226,492	11,348,044	184,635	15,759,171
13. Rent and rent items	6,164,175	17,539,479	2,171,502	25,875,156
14. Equipment	5,285,671	14,896,027	954,270	21,135,968
15. Cost or depreciation of EDP equipment and software	4,141,339	1,573,461	668,752	6,383,552
16. Printing and stationery	400,829	1,824,835	29,346	2,255,010
17. Postage, telephone and telegraph, exchange and express	2,523,678	13,900,565	129,814	16,554,057
18. Legal and auditing	1,810,599	3,009,393	128,713	4,948,705
19. Totals (Lines 3 to 18)	146,427,239	404,958,192	11,599,230	562,984,661
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 211,535		52,152,264		52,152,264
20.2 Insurance department licenses and fees		5,268,469		5,268,469
20.3 Gross guaranty association assessments		229,938		229,938
20.4 All other (excluding federal and foreign income and real estate)		7,815,372		7,815,372
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		65,466,043		65,466,043
21. Real estate expenses			21,307	21,307
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	12,945,461	34,996,483	1,462,272	49,404,216
25. Total expenses incurred	322,330,265	730,246,103	13,082,809	(a) 1,065,659,177
26. Less unpaid expenses—current year	584,124,274	144,613,903		728,738,177
27. Add unpaid expenses—prior year	549,248,034	149,021,455		698,269,489
28. Amounts receivable relating to uninsured plans, prior year		3,278		3,278
29. Amounts receivable relating to uninsured plans, current year		(13,185)		(13,185)
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	287,454,025	734,637,192	13,082,809	1,035,174,026

DETAILS OF WRITE-IN LINES				
2401. Other expenses	12,945,461	34,996,483	1,462,272	49,404,216
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)	12,945,461	34,996,483	1,462,272	49,404,216

(a) Includes management fees of \$ 346,361,416 to affiliates and \$ 24,365,538 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 17,025,666	18,001,515
1.1 Bonds exempt from U.S. tax	(a) 23,418,024	21,739,652
1.2 Other bonds (unaffiliated)	(a) 110,777,818	110,808,204
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	431,467	358,646
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 8,199,841	8,194,721
4. Real estate	(d) 21,307	21,307
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 3,985,381	3,893,618
7. Derivative instruments	(f)	
8. Other invested assets	30,713,285	30,713,285
9. Aggregate write-ins for investment income	764,136	764,136
10. Total gross investment income	195,336,925	194,495,084
11. Investment expenses		(g) 13,082,808
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)		13,082,808
17. Net investment income (Line 10 minus Line 16)		181,412,276

DETAILS OF WRITE-IN LINES		
0901. Miscellaneous Income/(Expense)	764,136	764,136
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)	764,136	764,136
1501.	NONE	
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 \$ 4,692,371 accrual of discount less \$ 12,671,426 amortization of premium and less \$ 11,034,060 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 \$ (515,562) accrual of discount less \$ 0 amortization of premium and less \$ 372 paid for accrued interest on purchases.
- (d) Includes \$ 21,307 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 2,075,911 accrual of discount less \$ 17 amortization of premium and less \$ 369 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 13,061,501 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	12,171,616		12,171,616		
1.1 Bonds exempt from U.S. tax	6,831,874		6,831,874	(1,014,739)	
1.2 Other bonds (unaffiliated)	25,133,426	(7,365,525)	17,767,901	5,795,774	5,887,341
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	256,779		256,779	2,463,343	
2.21 Common stocks of affiliates				12,187,164	
3. Mortgage loans	137,222		137,222	(8,559)	
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	(19,019)		(19,019)		(51,408)
7. Derivative instruments					
8. Other invested assets	(2,027,517)		(2,027,517)	30,439,492	300,021
9. Aggregate write-ins for capital gains (losses)	59,379		59,379		
10. Total capital gains (losses)	42,543,760	(7,365,525)	35,178,235	49,862,475	6,135,954

DETAILS OF WRITE-IN LINES					
0901. FOREIGN EXCHANGE GAIN/LOSS - OTHER	59,379		59,379		
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)	59,379		59,379		

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	683,276	756,063	72,787
3. Mortgage loans on real estate (Schedule B):			
3.1 First lines			
3.2 Other than first lines			
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)	683,276	756,063	72,787
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	19,238,255	12,319,217	(6,919,038)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	601,688	500,664	(101,024)
15.3 Accrued retrospective premiums and contracts subject to redetermination	2,648,838	3,080,398	431,560
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		490	490
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets		45,256	45,256
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	6,452,309	7,827,305	1,374,996
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	29,624,366	24,529,393	(5,094,973)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	29,624,366	24,529,393	(5,094,973)

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	6,447,779	7,752,120	1,304,341
2502. Amounts receivable under high deductible policies	4,530	75,185	70,655
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	6,452,309	7,827,305	1,374,996

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

Effective December 31, 1998, the Company entered into a reinsurance treaty with Nationwide Indemnity Company, with Nationwide Mutual Insurance Company as guarantor of the recoverables ceded under the treaty. The Wisconsin Insurance Commissioner has issued a Permitted Practice Decision allowing the guarantee to be used as credit for reinsurance collateral, reducing the provision for reinsurance by \$21,214,000.

NET INCOME

	SSAP #	F/S Page	F/S Line #	2019	2018
1. Employers Insurance Company of Wausau state basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$106,524,708	\$167,452,444
2. State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
3. State Permitted Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
4. NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$106,524,708</u>	<u>\$167,452,444</u>

SURPLUS

5. Employers Insurance Company of Wausau state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$1,809,555,661	\$1,655,986,334
6. State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
7. Credit for Reinsurance from Unauthorized Insurers	.....	.....	.....	\$21,214,000	\$29,404,000
8. NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$1,788,341,661</u>	<u>\$1,626,582,334</u>

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:

- 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 Investment Analysis Office (SVO Manual).
- Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the SVO Manual.
- 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).
- 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).
- Mortgage loans are carried at unpaid principal balances, less impairments as specified by the SVO Manual.

NOTES TO FINANCIAL STATEMENTS

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 based on market expectations. 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 an amount, based on past experience, for losses and loss adjustment expenses 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 2019
 13. The Company has no pharmaceutical rebate receivables.
- D. Going Concern

The Company is not aware of any conditions that would impact its ability to continue as a going concern.

Note 2 – Accounting Changes and Corrections of Errors

There were no material changes in accounting principles

Because of a contingent commission booking error in 2018, the Company recorded a decrease in Other Underwriting Expenses Incurred (Statement of Income, Line 4) of \$7,315,656 which was the reversal of an adjustment booked in 2018.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

On August 24, 2007, the Company and three affiliates (Liberty Mutual Fire Insurance Company (“LMFIC”), a Wisconsin insurance company; Peerless Insurance Company (“PIC”), a New Hampshire insurance company; and Liberty Mutual Insurance Company (“LMIC”), a Massachusetts insurance company) acquired all of the issued and outstanding voting shares of Ohio Casualty Corporation, a non-insurance holding company, which is the upstream parent of four property and casualty insurance companies. The Company directly acquired a 8% ownership interest in Ohio Casualty Corporation, while the affiliates account for the remaining 92% (LMFIC 6%, PIC 8%, and LMIC 78%). The transaction was accounted for as a statutory purchase and the cost was \$222,400,560, resulting in goodwill in the amount of \$117,712,240. Goodwill was fully amortized as of December 31, 2017.

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

1. The maximum and minimum lending rates for mortgage loans during 2019 were:

NOTES TO FINANCIAL STATEMENTS

Farm mortgages	N/A
Residential mortgages	N/A
Commercial mortgages	4.250% and 5.625%
Mezzanine	N/A

2. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was: 75%
3. Taxes, assessments and any amounts advanced and not included in the mortgage loan total:

2019	2018
\$6,098	\$6,725

4. Age Analysis of Mortgage Loans:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investments (All)							
(a) Current	\$0	\$0	\$0	\$0	\$191,421,350		\$191,421,350
(b) 30-59 Days Past Due	-	-	-	-	56,148		\$56,148
(c) 60-89 Days Past Due	-	-	-	-	-		\$0
(d) 90-179 Days Past Due	-	-	-	-	-		\$0
(e) 180+ Days Past Due	-	-	-	-	26,616		\$26,616

2. Acquiring Interest 90-179 Days Past Due

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-

3. Accruing Interest 180+ Days Past Due

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-

4. Interest Reduced

(a) Recorded Investment	-	-	-	-	\$1,001,034	-	\$1,001,034
(b) Number of Loans	-	-	-	-	41	-	41
(c) Percent Reduced	0%	0%	0%	0%	99.400%	0%	99.400%

5. Participant or Co-lender in a Mortgage Loan Agreement

(a) Recorded Investment	-	-	-	-	\$191,504,115	-	\$191,504,115
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b. Prior Year

1. Recorded Investments (All)

(a) Current	\$0	\$0	\$0	\$0	\$171,375,996	\$0	\$171,375,996
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-

2. Acquiring Interest 90-179 Days Past Due

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

3. Accruing Interest 180+ Days Past Due

(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-

4. Interest Reduced

(a) Recorded Investment	-	-	-	-	\$12,416,355	-	\$12,416,355
(b) Number of Loans	-	-	-	-	207	-	207
(c) Percent Reduced	0%	0%	0%	0%	1.453%	0%	1.453%

5. Participant or Co-lender in a Mortgage Loan Agreement

(a) Recorded Investment	-	-	-	-	\$171,375,996	-	\$171,375,996
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5. Investment in Impaired Loans With or Without Allowance for Credit Losses:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. With Allowance for Credit Losses	\$0	\$0	\$0	\$0	\$226,350	\$0	\$226,350
2. No Allowance for Credit Losses	-	-	-	-	\$880,058	-	\$880,058
3. Total (1+2)	-	-	-	-	\$1,106,408	-	\$1,106,408
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	-	-	-	-	\$1,106,408	-	\$1,106,408
b. Prior Year							
1. With Allowance for Credit Losses	\$0	\$0	\$0	\$0	\$442,864	\$0	\$442,864
2. No Allowance for Credit Losses	-	-	-	-	\$565,387	-	\$565,387
3. Total (1+2)	-	-	-	-	\$1,008,251	-	\$1,008,251
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	-	-	-	-	\$1,008,251	-	\$1,008,251

6. Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Average Recorded Investment	-	-	-	-	\$1,057,329	-	\$1,057,329
2. Interest Income Recognized	-	-	-	-	\$54,811	-	\$54,811
3. Recorded Investments on Nonaccrual Status	-	-	-	-	\$26,616	-	\$26,616
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	\$54,129	-	\$54,129

NOTES TO FINANCIAL STATEMENTS

b. Prior Year

1. Average Recorded Investment	-	-	-	-	\$1,115,128	-	\$1,115,128
2. Interest Income Recognized	-	-	-	-	\$51,718	-	\$51,718
3. Recorded Investments on Nonaccrual Status	-	-	-	-	\$0	-	\$0
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	\$53,284	-	\$53,284

7. Allowance for Credit Losses:

	2019	2018
a. Balance at beginning of period	\$47,247	\$74,576
b. Additions charged to operations	8,559	1,244
c. Direct write-downs charged against the allowances	-	(28,573)
d. Recoveries of amounts previously charged off	-	-
e. Balance at end of period	<u>\$55,806</u>	<u>\$47,247</u>

8. Mortgage Loans Derecognized as a Result of Foreclosure:

	2019	2018
a. Aggregate amount of mortgage loans derecognized	-	-
b. Real estate collateral recognized	-	-
c. Other collateral recognized	-	-
d. Receivables recognized from a government guarantee of the foreclosed mortgage loan	-	-

9. Interest income on impaired commercial mortgage loans is recognized until the loans are more than 90 days delinquent. Interest income and accrued interest receivable are reversed when a loan is put on non-accrual status. Interest income on loans more than 90 days delinquent is recognized in the period the cash is collected. Interest income recognition is continued when the loan becomes less than 90 days delinquent and management determines it is probably that the loan will continue to perform.

B. Debt Restructuring

	2019	2018
1. The total recorded investment in restructured loans, as of year end	\$1,135,597	\$1,055,498
2. The realized capital losses related to these loans	\$0	\$0
3. Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings	\$0	\$0

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loaned Backed Securities

- Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.
- All Loaned Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate as of December 31, 2019: None
- Each Loaned Backed Security with a recognized other-than-temporary impairment held by the company at December 31, 2019:

NOTES TO FINANCIAL STATEMENTS

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 Reported
61749BAB9	62,113	56,408	5,705	56,408	45,057	3/31/2019
61749BAB9	18,798	17,071	1,727	17,071	13,636	3/31/2019
Total	XXX	XXX	7,432	XXX	XXX	XXX

4. All impaired Loaned Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 31, 2019:

- a. The aggregate amount of unrealized losses:

1. Less than 12 Months	(\$703,184)
2. 12 Months or Longer	(\$2,981,318)

- b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$163,313,734
2. 12 Months or Longer	\$127,368,201

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' equity. 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. Dollar Repurchase Agreements and/or Securities Lending Transactions

1. The Company has not entered into any repurchase agreements during the year.
2. The Company has not pledged any of its assets as collateral as of December 31, 2019.
3. Collateral Received
 - a. Aggregate Amount Collateral Received

	<u>Fair Value</u>
1. Securities Lending	
(a) Open	\$110,575,805
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Sub-Total	\$110,575,805
(g) Securities Received	148,549,253
(h) Total Collateral Received	\$259,125,058
2. Dollar Repurchase Agreement	-
(a) Open	-
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-

NOTES TO FINANCIAL STATEMENTS

(f) Sub-Total	-
(g) Securities Received	-
(h) Total Collateral Received	-

b. The fair value of that collateral and of the portion of that collateral that it has sold or re-pledged	\$ 259,125,058
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- c. All collateral is received in the form of cash and/or securities equal to or in excess of 102% of the loaned value and are maintained in a separate custody account. Cash collateral is reinvested into short-term investments as outlined in the terms of the investment agreement. Per the terms of the investment agreement the Company has the right and ability to redeem any eligible securities on short notice.

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 Collateral Received

	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open	\$0	\$0
(b) 30 Days or Less	41,195,638	41,195,638
(c) 31 to 60 Days	33,248,220	33,248,220
(d) 61 to 90 Days	36,131,947	36,131,947
(e) 91 to 120 Days	-	-
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	-	-
(j) Greater Than 3 Years	-	-
(k) Sub-Total	\$110,575,805	\$110,575,805
(l) Securities Received	-	-
(m) Total Collateral Reinvested	\$110,575,805	\$110,575,805
2. Dollar Repurchase Agreement		
(a) Open	-	-
(b) 30 Days or Less	-	-
(c) 31 to 60 Days	-	-
(d) 61 to 90 Days	-	-
(e) 91 to 120 Days	-	-
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	-	-
(j) Greater Than 3 Years	-	-
(k) Sub-Total	-	-
(l) Securities Received	-	-
(m) Total Collateral Reinvested	-	-

NOTES TO FINANCIAL STATEMENTS

- 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.

- 6. The Company has not accepted collateral that it is not permitted by contract or custom to sell or re-pledge.

- 7. The Company has not accepted collateral that extends beyond one year from the reporting date for securities lending transactions.

- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

- H. Repurchase Agreements Transactions Accounted for as a Sales

Not applicable.

- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

- J. Real Estate
 - 1. The Company did not recognize any impairments on real estate during the year.
 - 2. The Company has not sold or classified real estate investments as held for sale.
 - 3. The Company has not experienced any changes to a plan of sale for investment in real estate.
 - 4. The Company does not engage in retail land sale operations.
 - 5. The Company does not hold real estate investments with participating mortgage loan features.

- K. Investments in Low-Income Housing Tax Credits ("LIHTC")

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

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. Restricted Assets (Included Pledge)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted				
	Current Year				
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending agreements	110,575,805	-	-	-	110,575,805
c. Subject to repurchase agreements	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-
e. Subjects to dollar repurchase agreements	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-
i. FHLB capital stock	1,088,000	-	-	-	1,088,000
j. On deposit with states	202,676,702	-	-	-	202,676,702
k. On deposit with other regulatory bodies	33,788,159	-	-	-	33,788,159
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-
o. Total Restricted Assets	\$348,128,667	\$0	\$0	\$0	348,128,667

(a) Subset of column 1

(b) Subset of column 3

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted			
	6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)
	a. Subject to contractual obligation for which liability is not shown	\$0	\$0	\$0	$0
b. Collateral held under security lending agreements	64,457,920	46,117,885	-	110,575,805
c. Subject to repurchase agreements	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-
e. Subjects to dollar repurchase agreements	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

g. Placed under option contracts	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-
i. FHLB capital stock	867,700	220,300	-	1,088,000
j. On deposit with states	211,746,890	(9,070,188)	-	202,676,702
k. On deposit with other regulatory bodies	33,672,250	115,909	-	33,788,159
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-
n. Other restricted assets	-	-	-	-
o. Total Restricted Assets	\$310,744,760	\$37,383,907	\$0	\$348,128,667

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

Restricted Asset Category	Percentage	
	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	-	-
b. Collateral held under security lending agreements	1.613%	1.620%
c. Subject to repurchase agreements	-	-
d. Subject to reverse repurchase agreements	-	-
e. Subjects to dollar repurchase agreements	-	-
f. Subject to dollar reverse repurchase agreements	-	-
g. Placed under option contracts	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-
i. FHLB capital stock	0.016%	0.016%
j. On deposit with states	2.956%	2.969%
k. On deposit with other regulatory bodies	0.493%	0.495%
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-
m. Pledged as collateral not captured in other categories	-	-
n. Other restricted assets	-	-
o. Total Restricted Assets	5.078%	5.100%

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are reported in the Aggregate)

Not applicable.

3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are reported in the Aggregate)

Not applicable.

NOTES TO FINANCIAL STATEMENTS

4. Collateral Received and Reflected as Assets within the Reporting Entity's Financial Statements

	1	2	3	4
Collateral Assets	Book/ Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted)*	% of BACV to Total Admitted Assets**
General Account:				
a. Cash, cash equivalents and short-term investments	-	-	-	-
b. Schedule D, Part 1	-	-	-	-
c. Schedule D, Part 2, Section 1	-	-	-	-
d. Schedule D, Part 2, Section 2	-	-	-	-
e. Schedule B	-	-	-	-
f. Schedule A	-	-	-	-
g. Schedule BA, Part 1	-	-	-	-
h. Schedule DL, Part 1	\$110,575,805	\$110,575,805	1.613%	1.620%
i. Other	-	-	-	-
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$110,575,805	\$110,575,805	1.613%	1.620%
Protected Cell:				
k. Cash, cash equivalents and short-term investments	-	-	-	-
l. Schedule D, Part 1	-	-	-	-
m. Schedule D, Part 2, Section 1	-	-	-	-
n. Schedule D, Part 2, Section 2	-	-	-	-
o. Schedule B	-	-	-	-
p. Schedule A	-	-	-	-
q. Schedule BA, Part 1	-	-	-	-
r. Schedule DL, Part 1	-	-	-	-
s. Other	-	-	-	-
t. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	-	-	-	-

* j = Column 1 divided by Asset Page, Line 26 (Column 1)

* t = Column 1 divided by Asset Page, Line 27 (Column 1)

** j = Column 1 divided Asset Page, Line 26 (Column 3)

** t = Column 1 divided Asset Page, Line 27 (Column 3)

	1	2
	Amount	% of Liability to Total Liabilities *
u. Recognized Obligation to Return Collateral Asset (General Account)	\$110,575,805	2.204%
v. Recognized Obligation to Return Collateral Asset (Protected Cell)	\$0	0.00%

* u = Column 1 divided by Liability Page, Line 26 (Column 1)

* v = Column 1 divided by Liability Page, Line 27 (Column 1)

M. Working Capital Finance Investments

The Company does not invest in working capital finance investments.

NOTES TO FINANCIAL STATEMENTS

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

O. 5GI Securities

Not applicable.

P. Short Sales

Not applicable.

Q. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	37	-
(2) Aggregate Amount of Investment Income	754,421	-

Note 6 - Joint Ventures, Partnerships and 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

B. Impairments on joint ventures, partnerships or limited liability companies

The Company's limited partnership investment is reported in accordance with SSAP No. 48. These limited partnerships are valued by the equity method using traditional private equity valuation measures. Interim poor performance which indicates a probable inability to recover the carrying amount of the assets leads to impairment losses being recognized by management. The Company did not realize any impairment losses during the year.

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.

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2019.

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 asset/(liability) at December 31 are as follows:

	12/31/2019		
	(1)	(2)	(3) (Col 1+2)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 124,291,000	\$ 6,022,000	\$ 130,313,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	124,291,000	6,022,000	130,313,000
(d) Deferred Tax Assets Nonadmitted	-	-	-

NOTES TO FINANCIAL STATEMENTS

(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	124,291,000	6,022,000	130,313,000
(f) Deferred Tax Liabilities	44,772,000	26,484,000	71,256,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 79,519,000	\$ (20,462,000)	\$ 59,057,000

	12/31/2018		
	(1)	(2)	(3) (Col 1+2)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 122,562,000	\$ 9,094,000	\$ 131,656,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	122,562,000	9,094,000	131,656,000
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	122,562,000	9,094,000	131,656,000
(f) Deferred Tax Liabilities	48,001,000	19,407,000	67,408,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 74,561,000	\$ (10,313,000)	\$ 64,248,000

	Change		
	(7)	(8)	(9)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 1,729,000	\$ (3,072,000)	\$ (1,343,000)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	1,729,000	(3,072,000)	(1,343,000)
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	1,729,000	(3,072,000)	(1,343,000)
(f) Deferred Tax Liabilities	(3,229,000)	7,077,000	3,848,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 4,958,000	\$ (10,149,000)	\$ (5,191,000)

2.

	12/31/2019		
	(1)	(2)	(3) (Col 1+2) Total
	Ordinary	Capital	
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 42,650,679	\$ 322	\$ 42,651,001
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	50,097,756	-	50,097,756
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	50,097,756	-	50,097,756
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			265,588,919
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	31,542,565	6,021,678	37,564,243
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 124,291,000	\$ 6,022,000	\$ 130,313,000

NOTES TO FINANCIAL STATEMENTS

	12/31/2018		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 15,702,588	\$ 322	\$ 15,702,910
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	75,848,605	-	75,848,605
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	75,848,605	-	75,848,605
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			242,780,008
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	31,010,807	9,093,678	40,104,485
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 122,562,000	\$ 9,094,000	\$ 131,656,000

	Change		
	(7) Ordinary	(8) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 26,948,091	\$ -	\$ 26,948,091
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	(25,750,849)	-	(25,750,849)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(25,750,849)	-	(25,750,849)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			22,808,911
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	531,758	(3,072,000)	(2,540,242)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 1,729,000	\$ (3,072,000)	\$ (1,343,000)

3.

	2019	2018
(a) Ratio Percentage Used to Determine Recovery Period And Threshold Limitation Amount	452.3%	436.8%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	\$ 1,750,498,665	\$ 1,591,738,333

NOTES TO FINANCIAL STATEMENTS

4.

	12/31/2019		12/31/2018		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) Ordinary	(6) Capital
Impact of Tax-Planning Strategies						
(a) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$124,291,000	\$6,022,000	\$122,562,000	\$9,094,000	\$1,729,000	(\$3,072,000)
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$124,291,000	\$6,022,000	\$122,562,000	\$9,094,000	\$1,729,000	(\$3,072,000)
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of Reinsurance: Yes _____ No X

- B. The Company does not have any DTLs described in SSAP No. 101 Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10, paragraph 23.
- C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	12/31/2019	12/31/2018	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$19,815,107	\$17,904,125	\$1,910,982
(b) Foreign	126,933	115,570	11,363
(c) Subtotal	19,942,040	18,019,695	1,922,345
(d) Federal income tax on net capital gains	7,374,960	(2,836,695)	10,211,655
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income tax incurred	\$27,317,000	\$15,183,000	\$12,134,000
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$51,122,000	\$49,303,000	\$1,819,000
(2) Unearned premium reserve	55,407,000	54,501,000	906,000
(3) Policyholder reserves	-	-	-
(4) Investments	2,294,000	2,583,000	(289,000)

NOTES TO FINANCIAL STATEMENTS

(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	15,000	1,000	14,000
(8) Compensation and benefits accrual	2,709,000	2,854,000	(145,000)
(9) Pension accrual	-	-	-
(10) Receivables – nonadmitted	6,221,000	4,992,000	1,229,000
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	1,585,000	4,116,000	(2,531,000)
(13) Other (including items <5% of total ordinary tax assets)	4,938,000	4,212,000	726,000
(99) Subtotal	124,291,000	122,562,000	1,729,000
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	124,291,000	122,562,000	1,729,000
(e) Capital			
(1) Investments	6,022,000	9,094,000	(3,072,000)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	6,022,000	9,094,000	(3,072,000)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	6,022,000	9,094,000	(3,072,000)
(i) Admitted deferred tax assets (2d + 2h)	130,313,000	131,656,000	(1,343,000)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	3,572,000	3,218,000	354,000
(2) Fixed assets	24,044,000	21,890,000	2,154,000
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	14,339,000	19,675,000	(5,336,000)
(5) Other (including items <5% of total ordinary tax liabilities)	2,817,000	3,218,000	(401,000)
(99) Subtotal	44,772,000	48,001,000	(3,229,000)

NOTES TO FINANCIAL STATEMENTS

(b) Capital:			
(1) Investments	26,484,000	19,407,000	7,077,000
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	26,484,000	19,407,000	7,077,000
(c) Deferred tax liabilities (3a99 + 3b99)	71,256,000	67,408,000	3,848,000
4. Net deferred tax assets/liabilities (2i – 3c)	\$59,057,000	\$64,248,000	\$(5,191,000)

- D. Effective tax rates differ from the current statutory rate of 21% principally due to the effects of discounting unpaid losses and loss adjustment expenses, tax exempt income, intercompany dividends, LP and LLC income, amortization, partnership loss, loss reverse transitional adjustments, and the utilization of prior year AMT credits .
- E. The Company has no net operating loss carry-forwards available to offset future net income subject to Federal income tax.

The Company has general business credit carry-forwards which expire as follows:

Year Generated	Amount	Expiration
2016	\$2,000	2036
2017	\$155,000	2037
2018	\$295,000	2038

The Company has alternative minimum tax credit carry-forwards of \$1,133,000. The alternative minimum tax credit carry-forward does not expire.

The amount of Federal income taxes incurred and available for recoupment in the event of future losses is \$27,669,000 from the current year and \$13,552,000 from the preceding year.

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:

America First Insurance Company	Liberty Mutual Personal Insurance Company
America First Lloyd's Insurance Company	Liberty Mutual Technology Group, Inc.
American Economy Insurance Company	Liberty Northwest Insurance Corporation
American Fire and Casualty Company	Liberty Personal Insurance Company
American States Insurance Company	Liberty RE (Bermuda) Limited
American States Insurance Company of Texas	Liberty Sponsored Insurance (Vermont), Inc.
American States Lloyds Insurance Company	Liberty Surplus Insurance Corporation
American States Preferred Insurance Company	LIH-RE of America Corporation
Barrier Ridge LLC	LIU Specialty Insurance Agency Inc.
Berkeley Holding Company Associates, Inc.	LM General Insurance Company
Berkeley Management Corporation	LM Insurance Corporation
Capitol Court Corporation	LM Property and Casualty Insurance Company
Colorado Casualty Insurance Company	LMCRT-FRE-01 IC
Consolidated Insurance Company	LMHC Massachusetts Holdings Inc.
Diversified Settlements, Inc.	Managed Care Associates Inc.
Emerald City Insurance Agency, Inc.	Mid-American Fire & Casualty Company
Employers Insurance Company of Wausau	Nationale Borg Reinsurance N.V.
Excelsior Insurance Company	North Pacific Insurance Company
Excess Risk Reinsurance Inc.	Ocasco Budget, Inc.
F.B. Beattie & Co., Inc.	OCI Printing, Inc.
First National Insurance Company of America	Ohio Casualty Corporation
First State Agency Inc.	Ohio Security Insurance Company
General America Corporation	Open Seas Solutions, Inc.
General America Corporation of Texas	Oregon Automobile Insurance Company
General Insurance Company of America	Peerless Indemnity Insurance Company
Golden Eagle Insurance Corporation	Peerless Insurance Company
Gulf States AIF, Inc.	Pilot Insurance Services, Inc.
Hawkeye-Security Insurance Company	Rianoc Research Corporation
Indiana Insurance Company	S.C. Bellevue, Inc.
Insurance Company of Illinois	SAFECARE Company, Inc.

NOTES TO FINANCIAL STATEMENTS

Ironshore Holdings (US) Inc. Ironshore Indemnity Inc. Liberty Specialty Markets Bermuda Limited Ironshore Management Inc. Ironshore Services Inc. Ironshore Specialty Insurance Company Ironshore Surety Holdings Inc. LEXCO Limited Liberty-USA 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 Holdings Inc. Liberty Lloyds of Texas Insurance Company Liberty Management Services, Inc. Liberty Mexico Holdings Inc. Liberty Mutual Agency Corporation Liberty Mutual Credit Risk Transfer PCC Inc. Liberty Mutual Fire Insurance Company Liberty Mutual Group Asset Management Inc. Liberty Mutual Group Inc. Liberty Mutual Holding Company Inc. Liberty Mutual Insurance Company	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. 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. Workgrid Software, Inc.
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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.

- G. The Company does not expect the Federal and Foreign income tax loss contingencies, as determined in accordance with SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets, with the modifications provided in SSAP No. 101, Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10, to significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT)

Not applicable.

- I. The Company recognizes \$3,379,000 of AMT credit as a current-year recoverable. An AMT credit carry-forward DTA of \$1,133,000 is expected to be utilized against regular tax or refunded in the future. The alternative minimum tax credit carry-forward does not expire. Ending carryforward balance is computed as follows:

AMT Credit Carryforward	
Beginning Balance	\$ 4,111,000
Current Year AMT Credit Recovered	(3,379,000)
Other Current Year Adjustments to AMT Credit Carryforward	401,000
Sequestration	-
Total AMT Credit Ending Balance	1,133,000
AMT Credit Carryforward Non-Admitted	-
Total AMT Credit Carryforward subject to SSAP101 DTA admittance limitations	\$ 1,133,000

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

- A. All of the outstanding shares of capital stock of the Company are held by Liberty Mutual Group Inc. ("LMGI"), a Massachusetts company. The ultimate parent of LMGI is Liberty Mutual Holding Company Inc. ("LMHC"), a Massachusetts company.
- B. Transactions between the Company and its affiliates are listed on Schedule Y Part 2.
- C. As of December 31, 2019, the Company had the following capital transactions with its parent and subsidiaries:

NOTES TO FINANCIAL STATEMENTS

1.	Received capital contributions of	\$0.00
2.	Received return of capital distributions of	\$0.00
3.	Contributed capital in the amount of	\$3,500,000.00
4.	Received dividends in the amount of	\$29,122,183.00

D. At December 31, 2019, the Company reported a net \$4,870,727 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 or other related parties.

F. Refer to Note 26 for information regarding the Inter-Company Reinsurance Agreement.

The Company is a party to a management services agreement (the "Agreement") with Liberty Mutual Insurance Company ("LMIC"). Under the Agreement, LMIC may provide the Company with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by LMIC and LMGI. Services provided include, but are not limited to, risk underwriting, claims processing, claims adjustments, policyholder services, contract management and administration. LMIC is reimbursed for the cost of all services which it provides under the Agreement.

The Company is a party to a cash management agreement with Liberty Mutual Insurance Company ("LMIC") whereby LMIC provides services to the Company.

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 an investment services agreement with LMGAM (with respect to the Canadian Branch). Under these agreements, LMGAM and LMIA provide services to the Company.

The Company is party to revolving credit agreements under which the Company may lend funds to the following SCA companies for the purpose of accommodating fluctuations in daily cash flow and to promote efficient management of investments:

Company	Credit Line
Liberty Mutual Group Inc.	\$150,000,000
Liberty Mutual Insurance Company	\$150,000,000

There were no outstanding borrowings as of December 31, 2019.

The Company is party to revolving credit agreements under which the Company may borrow funds from the following SCA companies for the purpose of accommodating fluctuations in daily cash flow and to promote efficient management of investments:

Company	Credit Line
Liberty Mutual Group Inc.	\$150,000,000
Liberty Mutual Insurance Company	\$150,000,000

There were no outstanding borrowings as of December 31, 2019.

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

The Company paid \$39,281,254 under the LMHC Tax Sharing Agreement and paid \$13,061,501 under the LMGAM and LMIA investment management agreements. Pursuant to the Inter-Company Reinsurance Agreement with LMIC (Refer to Note 26), the expenses incurred under the Liberty Mutual service agreement are allocated to the Company in accordance with the Company's "Pool" participation percentage.

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 SCA companies during the statement period.

K. The Company does not use CARVM in calculating its investment in its foreign subsidiaries.

NOTES TO FINANCIAL STATEMENTS

- L. The Company utilizes the look-through approach for the valuation of the following downstream non-insurance holding companies:

	Carrying Value
Ohio Casualty Corporation	\$ 159,301,870
St. James/Arlington LLC	\$ 22,403,425

The company has limited the value of its investment in these companies to the value contained in the audited financial statements. All liabilities, commitments, contingencies, guarantees or obligations of the downstream non-insurance holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the company's determination of the carrying value of the investment in the downstream non-insurance holding company.

- M. All SCA investments

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
N/A				
Total SSAP No. 97 8a Entities				
b. SSAP No. 97 8b(ii) Entities				
Ohio Casualty Corporation	8%	\$ 159,301,870	\$ 158,618,594	683,276
Total SSAP No. 97 8b(ii) Entities				
c. SSAP No. 97 8b(iii)				
St. James/Arlington LLC	100%	22,403,425	22,403,425	-
LMAT Holdings LLC	10%	17,636,354	17,636,354	-
Liberty Mutual Investment Holdings LLC	10%	308,447,646	308,447,646	-
Total SSAP No. 97 8b(iii) Entities				
d. SSAP No. 97 8b(iv)				
N/A				
Total SSAP No. 97 8b(iv) Entities				
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)				
		507,789,294	507,106,018	683,276
f. Aggregate Total (a+e)				
		\$ 507,789,294	\$ 507,106,018	\$ 683,276

2. NAIC Filing Response Information

SCA Entity	Type of NAIC Filing*	Date of Filing to NAIC	2018 NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities						
N/A						
Total SSAP No. 97 8a Entities						
b. SSAP No. 97 8b(ii) Entities						
Ohio Casualty Corporation (filed for nonadmitted non-P&C values only)	S2	12/28/2019	-	Yes	No	N/A
Total SSAP No. 97 8b(ii) Entities						
c. SSAP No. 97 8b(iii)						
St. James/Arlington LLC	N/A		N/A	N/A	N/A	N/A
LMAT Holdings LLC	N/A		N/A	N/A	N/A	N/A
Liberty Mutual Investment Holdings LLC	N/A		N/A	N/A	N/A	N/A
Total SSAP No. 97 8b(iii) Entities						
d. SSAP No. 97 8b(iv)						
N/A						
Total SSAP No. 97 8b(iv) Entities						
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)						
			-			
f. Aggregate Total (a+e)						
			-			

NOTES TO FINANCIAL STATEMENTS

N. Investment in Insurance SCAs

The Company does not hold investments in Insurance SCAs for which the audited statutory equity reflects a departure from the NAIC statutory accounting practices and procedures.

O. SCA Loss Tracking

The Company does not hold any material investments in SCAs which are in a deficit position.

Note 11 - Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Boston. There were no outstanding borrowings as of December 31, 2019. The Company has determined the actual maximum borrowing capacity as \$1,000,000,000 per Board of Directors consent.

2. FHLB Capital Stock

a. Aggregate Totals

1. Current year

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	\$0	\$0	\$0
Membership Stock – Class B	1,088,000	1,088,000	-
Activity Stock	-	-	-
Excess Stock	-	-	-
Aggregate Total	1,088,000	1,088,000	-
Actual Borrowing Capacity as Determined by the Insurer	\$1,000,000,000	XXX	XXX

2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	867,700	867,700	-
Activity Stock	-	-	-
Excess Stock	-	-	-
Aggregate Total	867,700	867,700	-
Actual Borrowing Capacity as Determined by the Insurer	\$1,000,000,000	XXX	XXX

NOTES TO FINANCIAL STATEMENTS

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 1 Year	6 3 to 5 Years
Membership Stock	-	-	-	-	-	-
Class A	-	-	-	-	-	-
Class B	1,088,000	1,088,000	-	-	-	-

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

2. Current Year Total General Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

4. Prior Year-end Total General Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

b. Maximum Amount Pledged During Reporting Period

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

2. Current Year Total General Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

4. Prior Year-end Total General Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

4. Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	(1)	(2)	(3)	(4)
	Total 2+3	General Account	Protected Cell Accounts	Funding Agreements Reserves Established
Debt	\$ -	\$ -	\$ -	XXX
Funding Agreements	-	-	-	-
Other	-	-	-	XXX
Aggregate Total	\$ -	\$ -	\$ -	\$ -

2. Prior Year-end

	(1)	(2)	(3)	(4)
	Total 2+3	General Account	Protected Cell Accounts	Funding Agreements Reserves Established
Debt	\$ -	\$ -	\$ -	XXX
Funding Agreements	-	-	-	-
Other	-	-	-	XXX
Aggregate Total	\$ -	\$ -	\$ -	\$ -

b. Maximum Amount During Reporting Period (Current Year)

	(1)	(2)	(3)
	Total 2+3	General Account	Protected Cell Accounts
Debt	\$ -	\$ -	\$ -
Funding Agreements	-	-	-
Other	-	-	-
Aggregate Total	\$ -	\$ -	\$ -

c. FHLB - Prepayment Obligations

	Does the Company have prepayment obligations under the following arrangements (yes/no)?
Debt	NO
Funding Agreements	N/A
Other	N/A

C. There were no outstanding borrowings as of December 31, 2019.

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences 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 postretirement 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, Dividend Restrictions and Quasi-Reorganizations

1. The Company has 5,000,000 common shares authorized, issued and outstanding as of December 31, 2019. All shares have a stated par value of \$1.00.

The Company has 5,000,000 preferred shares authorized, but no shares issued and outstanding as of December 31, 2019. All shares have a stated par value of \$0.01.
2. Preferred Stock

Not applicable.
3. There are no dividend restrictions.
4. The Company did not pay any dividends to its parent during 2019.

The maximum amount of dividends which can be paid by Indiana-domiciled insurance companies to shareholders 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 2020 is \$180,955,566.
5. As of December 31, 2019, the Company has pre-tax restricted surplus of \$5,242,951 resulting from retroactive reinsurance contracts.
6. The Company had no advances to surplus.
7. The Company does not hold stock for special purposes.
8. The Company does not hold special surplus funds.

The portion of unassigned funds (surplus) represented by cumulative net unrealized losses is (\$9,688,951) after applicable deferred taxes of \$1,040,128.
9. Surplus Notes

Not applicable.
10. Quasi-reorganization (dollar impact)

Not applicable.
11. Quasi-reorganization (effective date)

Not applicable.

Note 14 - Contingencies

- A. Contingent Commitments
Refer to Note 10E.
- 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 was subject to a New York Fair Plan assessment of \$121,347. The Company was also subject to a North Carolina Fair Plan assessment of \$107,456 and, in conjunction with that assessment, recorded a \$191,864 reduction in equity and deposits in pools and associations. In addition, The Company underwent a review of equity and deposits in pools and associations balances for the State of Massachusetts Fair Plan, which resulted in a \$561,000 write off. The Company also accrued for a Texas Windstorm assessment of \$714,332 that is expected to be settled in 2020.

The Company has accrued a liability for guaranty funds and other assessments of \$6,928,636 that is offset by future premium tax credits of \$211,535. Current guaranty fund assessments and assessments based on losses paid are expected to be paid out in the next two years, while premium tax offsets are realized over the period determined by each individual state once the guaranty fund assessment has been paid. 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	\$ 255,083
b.	Decreases current year:	
	Premium tax offset applied	\$ 255,083
c.	Increases current year:	\$ 211,535
	Premium tax offset applied	
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$ 211,535

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 to ECO and bad faith losses paid during the reporting period	\$ 2,895

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

Indicate whether claim count information is disclosed per claim or per claimant

(f) Per Claim (g) Per Claimant

E. Product Warranties

The Company does not write product warranty business.

F. Joint and Several Liabilities

The Company is not a participant in any joint and several liabilities.

G. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company.

As disclosed in Note 9 F, the Company is a member of a controlled group for federal income tax purposes, and that group includes LMGI. LMGI is the plan sponsor of the Liberty Mutual Retirement Benefit Plan, 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, 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's minimum lease obligations, including sales-leaseback transactions, under these agreements are as follows:

NOTES TO FINANCIAL STATEMENTS

Year Ending December 31	Operating Leases
2020	\$ 8,088,887
2021	7,237,799
2022	5,247,736
2023	4,058,617
2024	3,937,058
2025 & thereafter	22,310,159
Total	\$ 50,880,256

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 \$5,052,655.

2. The Company's sales-leaseback transactions are included in the operating lease obligations.

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.

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, 2019 the total fair value of securities on loan was \$233,718,631, with corresponding collateral value of \$259,125,058 of which \$110,575,805 represents cash collateral that was reinvested.

C. Wash Sales

1. The Company did not have any wash sale transactions during the year.
2. Not applicable.

Note 18 – Gain or (Loss) to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

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.

NOTES TO FINANCIAL STATEMENTS

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.

Included in various investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock, when carried at the lower of cost or market.

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 unadjusted quoted prices in active active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (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:

- 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.
- Level 2 — Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets or liabilities at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve measurement judgment. The unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2019:

Description for each class of asset or liability	Net Asset Value				
	(Level 1)	(Level 2)	(Level 3)	(NAV)	Total
a. Assets at fair value					
<i>Bonds</i>					
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	-	5,997,263	-	-	5,997,263
U.S. State and Municipal	-	-	-	-	-
Corporate and Other Foreign Government Securities	-	29,622,648	4,207,808	-	33,830,456
<i>Total Bonds</i>	-	35,619,911	4,207,808	-	39,827,719
<i>Preferred Stocks</i>					
Industrial and Miscellaneous (Unaffiliated)	-	-	-	-	-
<i>Total Preferred Stocks</i>	-	-	-	-	-
<i>Common Stocks</i>					
Industrial and Miscellaneous	-	-	1,088,000	-	1,088,000
<i>Total Common Stocks</i>	-	-	1,088,000	-	1,088,000
Derivative Assets	-	-	-	-	-
Total assets at fair value	\$ -	\$35,619,911	\$5,295,808	\$ -	\$40,915,719
b. Liabilities at fair value					
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

The Company did not have significant transfers between Levels 1 and 2 during the period ended December 31, 2019.

NOTES TO FINANCIAL STATEMENTS

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:

	Balance as of 12/31/2018	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	-	-	-	-	-
U.S. State and Municipal	-	-	-	-	-
Corporate and Other	-	-	(3,176,253)	200,156	(8,483)
Foreign Government Securities	-	-	-	-	-
Total Bonds	-	-	(3,176,253)	200,156	(8,483)
Preferred Stock	-	-	-	-	-
Common Stock	867,700	-	-	-	-
Total	\$ -	\$ -	\$ (3,176,253)	\$ 200,156	\$ (8,483)

	Purchases	Issuances	Sales	Settlements	Balance as of 12/31/2019
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	-	-	-	-	-
U.S. State and Municipal	-	-	-	-	-
Corporate and Other	21,927,902	-	(14,735,618)	104	4,207,808
Foreign Government Securities	-	-	-	-	-
Total Bonds	21,927,902	-	(14,735,618)	104	4,207,808
Preferred Stock	-	-	-	-	-
Common Stock	220,300	-	-	-	1,088,000
Total	\$ 22,148,202	-	\$ (14,735,618)	\$ 104	\$ 5,295,808

3. Policy on Transfers Into and Out of Level 3

The Company holds NAIC designated 6 fixed maturity securities at the lower of amortized cost or fair value defined by SSAP No. 26, Bonds and NAIC designated 4-6 preferred stocks at the lower of cost or fair value as defined by SSAP No. 32, Investments in Preferred Stock. Market fluctuations cause securities to change from being held at cost or amortized cost to fair value or vice versa. These changes result in a transfer in or out of Level 3. In addition, the Company also transfers securities into or out of level 3 as a result of 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 Securities

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 active markets and 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.

Municipal Securities

The Company's municipal portfolio is comprised of 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, binding 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 include bonds issued or guaranteed by foreign governments. 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, binding 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. 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.

Common and Preferred Stocks

Common stocks are recorded at fair value and preferred stocks are reported at cost or fair value, depending on their NAIC designation. 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 Invested Assets

Other invested assets include limited partnership investments, other equity method investments and other alternative investments, which are not subject to these disclosures and therefore are excluded from the table in this note.

NOTES TO FINANCIAL STATEMENTS

Derivatives

Derivatives can be exchange-traded or traded over-the-counter ("OTC"). OTC derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value an OTC derivative depends on the contractual terms of, and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be corroborated by observable market data by correlation or other means, and model selection does not involve significant management judgement. The fair value of derivatives using models with observable inputs are classified as Level 2 within the fair value hierarchy and the fair value of derivatives using models with unobservable inputs are classified as Level 3 within the fair value hierarchy.

B. Other Fair Value Disclosures

Not applicable.

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)
Cash, Cash Equivalents and Short Term	\$ (1,835,448)	\$ (1,835,448)	\$(67,638,888)	\$ 29,780	\$ -
Bonds	5,032,211,578	4,894,840,469	828,755,444	4,151,837,581	51,618,553
Preferred Stock	-	-	-	-	-
Common Stock	1,088,000	1,088,000	-	-	1,088,000
Securities Lending	110,586,628	110,575,805	-	110,586,628	-
Mortgage Loans	195,652,773	191,448,308	-	-	195,652,773
Surplus Notes	-	-	-	-	-
Derivative Assets	-	-	-	-	-
Total Assets	\$5,337,703,532	\$5,196,117,135	\$761,116,556	\$4,262,453,989	\$248,359,326
Derivative Liabilities	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -

Type of Financial Instrument	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash, Cash Equivalents and Short Term	\$65,773,660	\$ -
Bonds	-	-
Preferred Stock	-	-
Common Stock	-	-
Securities Lending	-	-
Mortgage Loans	-	-
Surplus Notes	-	-
Derivative Assets	-	-
Total Assets	\$65,773,660	-
Derivative Liabilities	-	-
Total Liabilities	\$ -	-

D. Reasons Not Practical to Estimate Fair Value

Not applicable.

NOTES TO FINANCIAL STATEMENTS

E. Instruments Measured at Net Asset Value (NAV)

The Company elected to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

Note 21 - Other Items

A. Unusual or Infrequent Items

The Company has no unusual or infrequent items to report.

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

1. Florida Special Disability Trust Fund

- a. The Company took a credit in the determination of its loss reserves of \$1,396,350 in 2019 and \$3,161,924 in 2018.
- b. The Company received payments from the Special Disability Trust Fund of \$351,135 in 2019 and \$254,105 in 2018.
- c. The amount the Company was assessed by the Special Disability Trust Fund was \$34,466 in 2019 and \$71,490 in 2018.

D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

E. State Transferable and Non-transferable Tax Credit

The Company does not hold state transferable and/or non-transferable tax credits.

F. 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 past acquisitions of insurance companies.
- 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 (excluding interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
Residential mortgage-backed securities	\$ 167,197	\$ 154,783	\$ 152,531	\$ 50,544

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

G. Insurance Linked Securities (ILS) Contracts

The Company did not receive proceeds as the issuer, ceding insurer or counterparty of insurance linked securities.

H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 22 - Events Subsequent

The Company evaluated subsequent events through February 21, 2020, the date the annual statement was available to be issued.

There were no events subsequent to December 31, 2019 that would require disclosure.

The Company did not receive any assessments under the Affordable Care Act.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

Excluding amounts arising pursuant to the Liberty Mutual Amended and Restated Intercompany Reinsurance Agreement, the following are the unsecured reinsurance recoverable or ceded unearned premium of an individual reinsurer which exceed 3% of policyholder's surplus.

Reinsurer	NAIC No.	Federal ID No.	Reinsurer
Nationwide Indemnity Co	10070	31-1399201	\$ 1,135,830,000
U.S. Aircraft Insurance Group	00000	AA-9995043	93,791,000
National Workers' Compensation Reins Pool	00000	AA-9992118	85,493,000
Michigan Catastrophic Claims Association	00000	AA-9991159	69,984,000
Minnesota WCRA	00000	AA-9991423	62,457,000
Total			\$ 1,447,555,000

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed & Ceded

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, 2019.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 1,510,789,000	\$ -	\$ 357,691,350	\$ -	\$1,153,097,650	\$ -
All Other	\$ 1,137,055	\$ 812,005	\$ 2,055,555	\$ 100,744	\$ (918,500)	\$ 711,261
Total	\$ 1,511,926,055	\$ 812,005	\$ 359,746,905	\$ 100,744	\$1,152,179,150	\$ 711,261

Directed Unearned Premium Reserve: \$ 128,964,287

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, 2019 are as follows:

		<u>Direct</u>		<u>Assumed</u>		<u>Ceded</u>		<u>Net</u>
a.	Contingent Commission	\$	-	\$ 37,874,949	\$	-	\$37,874,949	
	Sliding Scale	\$	-	-	\$	-	-	
b.	Adjustments	\$	-	-	\$	-	-	
	Other Profit Commission	\$	-	-	\$	-	-	
c.	Arrangements	\$	-	-	\$	-	-	
d.	TOTAL	\$	-	\$ 37,874,949	\$	-	\$37,874,949	

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

D. Uncollectible Reinsurance

During the current year, the Company wrote off reinsurance balances of \$1,931,396. This amount is shown below by Income Statement classification and by reinsurer.

NOTES TO FINANCIAL STATEMENTS

a.	Losses incurred	\$ 1,223,548
b.	Loss adjustment expenses incurred	707,849
c.	Premiums earned	-
d.	Other	-
	TOTAL	<u>\$ 1,931,396</u>

	<u>Company</u>	<u>Amount</u>
e.	Liberty Mutual Insurance Company, 23043	1,931,396
	TOTAL	<u>\$ 1,931,396</u>

E. Commutation of Ceded Reinsurance

The Company commuted several ceded reinsurance treaties in the current year with the reinsurers listed below. The net effect of all commutations was a decrease in Net Income of \$121,918. This amount is shown below by Income Statement classification and by reinsurer.

a.	Losses incurred	\$ 111,031
b.	Loss adjustment expenses incurred	\$ 22,233
c.	Premiums earned	\$ -
d.	Other	\$ (11,345)
	TOTAL	<u>\$ 121,918</u>

e.	<u>Company</u>	<u>Amount</u>
	Industries Ins Inc	\$ (1,182,345)
	Sage Insurance Group, Ltd.	\$ 110,553
	All Other	\$ (15,965)
	Liberty Mutual Insurance Company, 23043	\$ 1,087,757
	Liberty Mutual Insurance Company, 23043	\$ 121,918
	TOTAL	<u>\$ 121,918</u>

F. Retroactive Reinsurance

	<u>Assumed</u>	<u>Ceded</u>
a.	Reserves Transferred:	
(1)	Initial Reserves	\$ (255,951,780) \$ -
(2)	Adjustments - Prior Year(s)	\$ (40,856,036) \$ -
(3)	Adjustments - Current Year	\$ (1,428,500) \$ -
(4)	Current Total	<u>\$ (298,236,316) \$ -</u>
b.	Consideration Paid or Received:	
(1)	Initial Consideration	\$ (250,394,528) \$ -
(2)	Adjustments - Prior Year(s)	\$ (4,469,738) \$ -
(3)	Adjustments - Current Year	- \$ -
(4)	Current Total	<u>\$ (254,864,266) \$ -</u>
c.	Paid Losses Reimbursed or Recovered:	
(1)	Prior Year(s)	\$ 34,059,995 \$ -
(2)	Current Year	\$ 975,669 \$ -
(3)	Current Total	<u>\$ 35,035,664 \$ -</u>
d.	Discount Unwind on Reserves:	
(1)	Prior Year(s)	\$ (5,122,955) \$ -
(2)	Current Year	\$ (1,167,369) \$ -
(3)	Current Total	<u>\$ (6,290,323) \$ -</u>

NOTES TO FINANCIAL STATEMENTS

e. Special Surplus from Retroactive Reinsurance

(1) Initial Surplus Gain or Loss	\$ 8,240,454	\$ -
(2) Adjustments - Prior Year(s)	\$ (2,796,652)	\$ -
(3) Adjustments - Current Year	\$ (714,537)	\$ -
(4) Current Year Restricted Surplus	\$ 5,242,987	\$ -
(5) Cumulative Total Transferred to Unassigned Funds	\$ (513,722)	\$ -

f. All cedents and reinsurers involved in all transactions included in summary totals above:

<u>Company</u>	<u>Assumed Amount</u>	<u>Ceded Amount</u>
Liberty Mutual Insurance Company, 23043	\$ (298,236,316)	\$ -
Total	\$ (298,236,316)	\$ -

g. There are no Paid Loss/Loss Adjustment Expense amounts recoverable or amounts recoverable from unauthorized reinsurers:

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.

On November 5, 2019, LMIC entered into a reinsurance transaction with National Indemnity Company (“NICO”), a subsidiary of Berkshire Hathaway Inc, on a combined aggregate excess of loss agreement for certain GRM U.S. Business Lines and GRS National Insurance workers compensation liabilities, commercial auto liability and general liability excluding umbrella and warranty related to post December 31, 2018 development on: (1) workers compensation liabilities arising under policies on the books of the Company’s Global Retail Markets U.S. Business Lines and Global Risks Solutions National Insurance strategic business units as of December 31, 2018 as respects injuries or accidents occurring after December 31, 2013 and prior to January 1, 2019; (2) commercial auto liabilities arising under policies on the books of the Company’s Global Retail Markets U.S. Business Lines and Global Risks Solutions National Insurance strategic business units as of December 31, 2018 as respects injuries or accidents occurring prior to January 1, 2019; and (3) general liability excluding umbrella and warranty arising under policies on the books of the Company’s Global Retail Markets U.S. Business Lines and Global Risks Solutions National Insurance strategic business units as of December 31, 2018 as respects injuries or accidents occurring prior to January 1, 2019. This contract is accounted for on a retroactive basis

In conjunction with the Ironshore acquisition and effective May 1, 2017, Ironshore entered into a reinsurance transaction with National Indemnity Company (“NICO”), a subsidiary of Berkshire Hathaway Inc., on a combined aggregate excess of loss agreement providing coverage for substantially all of Ironshore’s reserves related to losses occurring prior to January 1, 2017. This agreement is being accounted for as retroactive reinsurance.

On July 17, 2014, Liberty Mutual Insurance reached a definitive agreement with NICO, on a combined aggregate adverse development cover for substantially all of Liberty Mutual Insurance’s U.S. workers compensation, asbestos and environmental liabilities. The agreement, accounted for as retroactive reinsurance, is effective January 1, 2014.

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, 2019.

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. Certified Reinsurers Downgraded or Status Subject to Revocation.

1. Reporting Entity Ceding to Certified Reinsurer Downgraded or Status Subject to Revocation.

The Company does not transact business with Certified Reinsurers.

2. Reporting Entity’s Certified Reinsurer Rating Downgrade or Status Subject to Revocation.

The Company is not a Certified Reinsurer.

J. Asbestos and Pollution Counterparty Reporting Exception

The Counterparty reporting party does not apply to the Company.

NOTES TO FINANCIAL STATEMENTS

Note 24 - Retrospectively rated Contracts and Contracts Subject to Redetermination

- Accrued retrospective premiums reported in Line 15.3 of the asset page have been determined based upon loss experience on business subject to such experience rating adjustment.
- A. experience on business subject to such experience rating adjustment.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. For detail of net premium written subject to retrospective rating features refer to Schedule P, Part 7A.
- D. 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	\$	26,385,227
b.	Unsecured amount	\$	-
c.	Less: Nonadmitted amount (10%)	\$	2,648,838
d.	Less: Nonadmitted for any person whom agents' balances or uncollected premiums are nonadmitted	\$	-
e.	Admitted amount (a) - (c) - (d)	\$	23,736,389

- F. Risk Sharing Provisions of the Affordable Care Act

The Company did not receive any assessments under the Affordable Care Act.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expense attributable to insured events on prior years increased through the fourth quarter of 2019. The increase was driven by reserve adjustments on Other Liability lines, Commercial Auto, and Reinsurance-Nonproportional Assumed Property lines. These increases were partially offset by decreases in reserve estimates for Workers' Compensation, Special Property, and Homeowner lines. Prior estimates are revised as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

The Company is a member of the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement consisting of the following affiliated companies:

		NAIC Company Number	Pooling Companies	Line of Business
Lead:	Liberty Mutual Insurance Company ("LMIC")	23043	50.00%	All Lines
Affiliated	Peerless Insurance Company ("PIC")	24198	20.00%	All Lines
Pool:	Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8.00%	All Lines
	The Ohio Casualty Insurance Company ("OCIC")	24074	8.00%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6.00%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0.00%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company ("ASIC")	19704	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0.00%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	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	

NOTES TO FINANCIAL STATEMENTS

	First National Insurance Company of America ("FNICA")	24724	0.00%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0.00%	All Lines
	General Insurance Company of America ("GICA")	24732	0.00%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
	Indiana Insurance Company ("IIC")	22659	0.00%	All Lines
	Ironshore Indemnity Inc. ("III")	23647	0.00%	All Lines
	Ironshore Specialty Insurance Company ("ISIC")	25445	0.00%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0.00%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
	LM Insurance Corporation ("LMC")	33600	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0.00%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
	National Insurance Association ("NIA")	27944	0.00%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	0.00%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	0.00%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	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
	Wausau Business Insurance Company ("WBIC")	26069	0.00%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
	Wausau Underwriters Insurance Company ("WUIC")	26042	0.00%	All Lines
	West American Insurance Company ("WAIC")	44393	0.00%	All Lines
100% Quota Share Affiliated:	LM Property and Casualty Insurance Company ("LMPAC")	32352	0.00%	All Lines

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

- a. Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the Lead Company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.
- b. After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.

NOTES TO FINANCIAL STATEMENTS

- 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 and 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 Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement as of December 31, 2019:

<u>Affiliate</u>	<u>Amount</u>
Liberty Mutual Insurance Company	\$ 1,754,412.31

Note 27 - Structured Settlements

- A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves 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 as of December 31, 2019 is as follows:

<u>Loss Reserves Eliminated by Annuities</u>	<u>Unrecorded Loss Contingencies</u>
\$ 79,578,462	\$ 79,578,462

- B. A summary of purchased structured settlement annuities exceeding 1% of policyholders' surplus and whereby the Company has not obtained a release of liability from the claimant is as follows:

<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile Yes/No</u>	<u>Statement Value (i.e., Present Value) of Annuities</u>	
Lincoln Life Assurance Company of Boston Massachusetts	Yes	\$	18,965,125
Prudential Insurance Company New Jersey	Yes	\$	39,938,669

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	12/31/2019
3. Was anticipated investment income utilized in the calculation?	No

Note 31 - High Dollar Deductible Policies

As of December 31, 2019, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was \$462,076,913 and the amount billed and recoverable on paid claims was \$14,573,964. There are no unsecured high dollar deductible recoverable from professional employer organizations included in these amounts.

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 Unit Statistical Plan tables as approved by the respective states at an annual discount rate of 4.0%. The December 31, 2019 liabilities include \$1,024,012,896 of such discounted reserves. The Company recognized \$2,943,680 of interest accretion in the Statement of Income for the current year related to tabular discount on Workers' Compensation. The December 31, 2019 liabilities subject to discount were carried at a value representing a discount of \$18,755,210 net of all reinsurance.

NOTES TO FINANCIAL STATEMENTS

A. The amount of tabular discount for case and IBNR reserves is as follows

Schedule P Lines of Business	Tabular discount Included in Schedule P, Part 1 *	
	1 Case	2 IBNR
1. Homeowners/Farmowners	\$ -	\$ -
2. Private Passenger Auto Liability/Medical	\$ -	\$ -
3. Commercial Auto/Truck Liability/Medical	\$ -	\$ -
4. Workers' Compensation	\$ 31,416,931	\$ 16,456,832
5. Commercial Multiple Peril	\$ -	\$ -
6. Medical Professional Liability - occurrence	\$ -	\$ -
7. Medical Professional Liability - claims-made	\$ -	\$ -
8. Special Liability	\$ -	\$ -
9. Other Liability - occurrence	\$ -	\$ -
10. Other Liability - claims-made	\$ -	\$ -
11. Special Property	\$ -	\$ -
12. Auto Physical Damage	\$ -	\$ -
13. Fidelity, Surety	\$ -	\$ -
14. Other (including Credit, Accident & Health)	\$ -	\$ -
15. International	\$ -	\$ -
16. Reinsurance Nonproportional Assumed Property	\$ -	\$ -
17. Reinsurance Nonproportional Assumed Liability	\$ -	\$ -
18. Reinsurance Nonproportional Assumed Financial Lines	\$ -	\$ -
19. Products Liability - occurrence	\$ -	\$ -
20. Products Liability - claims-made	\$ -	\$ -
21. Financial Guaranty/Mortgage Guaranty	\$ -	\$ -
22. Warranty	\$ -	\$ -
23. Total	\$ 31,416,931	\$ 16,456,832

* Must exclude medical loss reserves and all loss adjustment expense reserves.

B. Non-tabular Discount

Not applicable

Note 33 - Asbestos/Environmental Reserves

A. 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 insured 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.

NOTES TO FINANCIAL STATEMENTS

In 2019, the Company and its affiliated pool members completed asbestos ground-up and aggregate environmental reserve studies. These studies were completed by a multi-disciplinary team of internal claims, legal, reinsurance and actuarial personnel, and included all major business segments of the Company's direct, assumed, and ceded A&E unpaid claim liabilities. As part of the internal review, policyholders with the largest direct asbestos unpaid claim liabilities were individually evaluated using the Company's proprietary stochastic ground-up model, which is consistent with published actuarial methods of 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, injury type, jurisdiction and legal defenses. Reinsurance recoveries for these policyholders were then separately evaluated by the Company's reinsurance and actuarial personnel. A&E unpaid claim liabilities for all other policyholders were evaluated using aggregate methods that utilized information and experience specific to these policyholders. The studies resulted in an increase to reserves of \$275,000,000 including: \$190,000,000 of asbestos reserves, and \$85,000,000 of pollution reserves.

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 a 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.

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, 2019, 2018, 2017, 2016, and 2015 before consideration of the NICO Reinsurance Transaction. Refer to Note 23f.

Asbestos

1. Direct -

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
a. Beginning reserves:	\$ 140,708,681	\$ 118,430,235	\$ 123,910,271	\$ 117,517,690	\$ 122,040,368
b. Incurred losses and LAE	\$ 6,627,475	\$ 26,224,951	\$ 14,187,334	\$ 24,731,200	\$ 20,318,318
c. Calendar year payments	\$ 28,905,921	\$ 20,744,915	\$ 20,579,915	\$ 20,208,522	\$ 17,117,132
d. Ending reserves	<u>\$ 118,430,235</u>	<u>\$ 123,910,271</u>	<u>\$ 117,517,690</u>	<u>\$ 122,040,368</u>	<u>\$ 125,241,554</u>

2. Assumed Reinsurance -

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
a. Beginning reserves*:	\$ 45,860,173	\$ 44,251,678	\$ 40,951,919	\$ 42,449,229	\$ 39,700,375
b. Incurred losses and LAE	\$ 938,913	\$ (396,308)	\$ 4,053,333	\$ (371,535)	\$ (1,190,498)
c. Calendar year payments	\$ 2,547,408	\$ 2,999,181	\$ 2,556,023	\$ 2,377,319	\$ 2,051,413
d. Ending reserves	<u>\$ 44,251,678</u>	<u>\$ 40,856,189</u>	<u>\$ 42,449,229</u>	<u>\$ 39,700,375</u>	<u>\$ 36,458,464</u>

*Includes Ironshore acquisition in 2017

3. Net of Ceded Reinsurance -

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
a. Beginning reserves:	\$ 73,443,825	\$ 54,527,879	\$ 53,760,540	\$ 54,007,284	\$ 62,360,017
b. Incurred losses and LAE	\$ 490,554	\$ 4,983,089	\$ 6,869,767	\$ 16,061,925	\$ 20,016,764
c. Calendar year payments	\$ 19,406,500	\$ 5,750,429	\$ 6,623,022	\$ 7,709,193	\$ 14,803,082
d. Ending reserves	<u>\$ 54,527,879</u>	<u>\$ 53,760,539</u>	<u>\$ 54,007,285</u>	<u>\$ 62,360,017</u>	<u>\$ 67,573,699</u>

NOTES TO FINANCIAL STATEMENTS

4. Ending Reserves for Bulk + IBNR included above (Loss & LAE)

a.	Direct Basis	\$ 86,068,030
b.	Assumed Reinsurance Basis	\$ 25,940,601
c.	Net of Ceded Reinsurance Basis	\$ 45,757,394

5. Ending Reserves for LAE included above (Case, Bulk & IBNR)

a.	Direct Basis	\$ 75,786,733
b.	Assumed Reinsurance Basis	\$ 1,099,152
c.	Net of Ceded Reinsurance Basis	\$ 34,236,606

Environmental

1. Direct -

		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
a.	Beginning reserves:	\$ 33,648,262	\$ 28,989,390	\$ 29,816,048	\$ 30,911,571	\$ 33,153,967
b.	Incurring losses and LAE	\$ 2,358,449	\$ 6,419,911	\$ 5,145,707	\$ 8,736,239	\$ 8,953,565
c.	Calendar year payments	\$ 7,017,321	\$ 5,593,253	\$ 4,050,184	\$ 6,493,842	\$ 6,659,157
d.	Ending reserves	\$ 28,989,390	\$ 29,816,048	\$ 30,911,571	\$ 33,153,967	\$ 35,448,375

2. Assumed Reinsurance -

		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
a.	Beginning reserves*:	\$ 4,834,448	\$ 3,503,310	\$ 3,336,937	\$ 4,068,948	\$ 3,598,731
b.	Incurring losses and LAE	\$ (784,640)	\$ (13,180)	\$ 970,817	\$ (65,695)	\$ 276,374
c.	Calendar year payments	\$ 546,498	\$ 325,722	\$ 238,806	\$ 404,522	\$ 463,026
d.	Ending reserves	\$ 3,503,310	\$ 3,164,408	\$ 4,068,948	\$ 3,598,731	\$ 3,412,079

*Includes Ironshore acquisition in 2017

3. Net of Ceded Reinsurance -

		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
a.	Beginning reserves:	\$ 23,909,931	\$ 20,969,200	\$ 20,482,901	\$ 22,012,201	\$ 22,599,873
b.	Incurring losses and LAE	\$ 25,448	\$ 3,928,479	\$ 4,078,121	\$ 3,997,444	\$ 6,889,606
c.	Calendar year payments	\$ 2,966,179	\$ 4,414,778	\$ 2,548,821	\$ 3,409,772	\$ 4,862,818
d.	Ending reserves	\$ 20,969,200	\$ 20,482,901	\$ 22,012,201	\$ 22,599,873	\$ 24,626,661

B. Ending Reserves for Bulk + IBNR included above (Loss & LAE)

(1)	Direct Basis	\$ 137,635,990
(2)	Assumed Reinsurance Basis	\$ 10,446,158
(3)	Net of Ceded Reinsurance Basis	\$ 85,356,981

C. Ending Reserves for LAE included above (Case, Bulk & IBNR)

(1)	Direct Basis	\$ 16,850,206
(2)	Assumed Reinsurance Basis	\$ 366,422
(3)	Net of Ceded Reinsurance Basis	\$ 10,899,663

NOTES TO FINANCIAL STATEMENTS

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 Contracts

Not applicable.

GENERAL INTERROGATORIES

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
.....
.....

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]

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. _____ %
 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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

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:

GENERAL INTERROGATORIES

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 18A 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:

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?
 Stephanie Neyenhouse FCAS, MAAA
 175 Berkeley Street, Boston, MA 02116
 Vice President and Chief Actuary, Liberty Mutual Group Inc.

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

12.11 Name of real estate holding company	St. James/Arlington LLC
12.12 Number of parcels involved	7
12.13 Total book/adjusted carrying value	\$ 22,403,425

12.2 If yes, provide explanation:
 Employers Insurance Company of Wausau directly owns 100% of St. James/Arlington LLC and indirectly owns 3% of St James/Arlington Real Estate LP via it's ownership in St. James/Arlington LLC.

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:

GENERAL INTERROGATORIES

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

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 where the issuing or confirming bank is not on the SVO Bank List? 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
.....
.....

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 committee 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	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

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	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

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	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

GENERAL INTERROGATORIES

- 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 | \$ | |
| 22.22 Amount paid as expenses | \$ | |
| 22.23 Other amounts paid | \$ | |
- 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: \$ _____

INVESTMENT

- 24.01 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 24.03) Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto:

- 24.03 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)
 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
- 24.04 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 []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 259,125,058
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____
- 24.07 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 []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [] N/A []
- 24.09 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 []
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- | | | |
|--|----|-------------|
| 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 110,575,805 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 110,575,805 |
| 24.103 Total payable for securities lending reported on the liability page | \$ | 110,575,805 |
- 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 24.03). Yes [X] No []

GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ _____
	25.22 Subject to reverse repurchase agreements	\$ _____
	25.23 Subject to dollar repurchase agreements	\$ _____
	25.24 Subject to reverse dollar repurchase agreements	\$ _____
	25.25 Placed under option agreements	\$ _____
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ _____
	25.27 FHLB Capital Stock	\$ <u>1,088,000</u>
	25.28 On deposit with states	\$ <u>202,676,702</u>
	25.29 On deposit with other regulatory bodies	\$ <u>33,788,159</u>
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ _____
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ _____
	25.32 Other	\$ _____

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

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.

LINES 26.3 through 26.5 : FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No [X]

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

	26.41 Special accounting provision of SSAP No. 108	Yes [] No [X]
	26.42 Permitted accounting practice	Yes [] No [X]
	26.43 Other accounting guidance	Yes [] No [X]

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No [X]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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. \$ _____

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 []

GENERAL INTERROGATORIES

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
.....
.....

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 []

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

1 Name Firm or Individual	2 Affiliation
Liberty Mutual Group Asset Management Inc.	A
Liberty Mutual Investment Advisors, LLC	A
StanCorp	U
Prudential Mortgage Capital Company	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes [] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [] No []

28.06 For those firms or individuals listed in the table 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Name Firm or Individual	2 Central Registration Depository Number	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
N/A	Liberty Mutual Group	N/A	N/A	DS
N/A	Liberty Mutual Invest	N/A	N/A	DS
N/A	StanCorp	N/A	N/A	DS
N/A	Prudential Mortgage	N/A	N/A	DS

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 []

GENERAL INTERROGATORIES

29.2 If yes, complete the following schedule:

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

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

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	4,894,870,248	5,032,270,671	137,400,423
30.2 Preferred stocks			
30.3 Totals	4,894,870,248	5,032,270,671	137,400,423

30.4 Describe the sources or methods utilized in determining the fair values:

The primary source for reported fair values is our pricing vendor, Interactive Data Corporation, followed by backfill from Reuters, Bloomberg, Barclays, Merrill Lynch, and Markit for Term Loan securities. 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 [X]

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 Investment Analysis Office been followed? Yes [X] No []

32.2 If no, list exceptions:

.....

.....

.....

33 By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes [] No [X]

34 By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.

GENERAL INTERROGATORIES

- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes [] No [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- a. The shares were purchased prior to January 1, 2019.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 - d. The fund only or predominantly holds bonds in its portfolio.
 - e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 5,004,168

36.2 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
INSURANCE SERVICES OFFICE INC	\$ 1,436,002
.....	\$
.....	\$

37.1 Amount of payments for legal expenses, if any? \$ 4,697,343

37.2 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
.....	\$
.....	\$
.....	\$

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 296,091

38.2 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
.....	\$
.....	\$
.....	\$

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. \$ _____

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

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. \$ _____

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____

1.62 Total incurred claims \$ _____

1.63 Number of covered lives _____

All years prior to most current three years:

1.64 Total premium earned \$ _____

1.65 Total incurred claims \$ _____

1.66 Number of covered lives _____

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____

1.72 Total incurred claims \$ _____

1.73 Number of covered lives _____

All years prior to most current three years:

1.74 Total premium earned \$ _____

1.75 Total incurred claims \$ _____

1.76 Number of covered lives _____

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ 18,990,529		\$ 14,249,943	
2.2 Premium Denominator	\$ 2,553,157,260		\$ 2,486,141,557	
2.3 Premium Ratio (2.1 / 2.2)	0.01		0.01	
2.4 Reserve Numerator	\$ 15,724,714		\$ 13,703,473	
2.5 Reserve Denominator	\$ 4,765,753,830		\$ 4,516,314,192	
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 [X] No []

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

3.21 Participating policies \$ 331,790,256

3.22 Non-participating policies \$ 16,162,797

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? _____ %

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

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:
 The Company purchases a combination of per risk excess of loss reinsurance and excess of loss per event catastrophe reinsurance.

.....

.....

.....

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:
 The Company employs industry recognized catastrophe modeling software to estimate the Probable Maximum Loss. For property and worker's compensation exposures, we utilize RMS's RiskLink v17.0 and AIR's Touchstone v6.2 software. For workers' compensation, Liberty Mutual utilizes RiskLink v17.0 from RMS.
- 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?
 The Company purchases a combination of quota share reinsurance, per risk excess of loss reinsurance, excess of loss per event catastrophe reinsurance and aggregate programs.
- 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 [] No [X]
- 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
 The Company purchases aggregate coverage to substantially replace nonreinstated catastrophe layers.
- 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. _____
- 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 []
- 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 37 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 [] No [X]

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 No N/A

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes No

11.2 If yes, give full information

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.....

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	\$	6,225,206
12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$	3,957,881

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? \$ 683,586

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 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			%
12.42 To			%

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 No

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

12.61 Letters of Credit	\$	248,873,844
12.62 Collateral and other funds	\$	63,945,428

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 111,634,201

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

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. _____

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

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

Premiums and recoverables were allocated pursuant to the intercompany pooling agreement.

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.....

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

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

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

N/A

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

15.2 If yes, give full information

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16.1 Does the reporting entity write any warranty business? Yes No

If yes, disclose the following information for each of the following types of warranty coverage:

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

* 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 is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 exempt from the statutory provision for unauthorized reinsurance	\$ _____
17.12 Unfunded portion of Interrogatory 17.11	\$ _____
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ _____
17.14 Case reserves portion of Interrogatory 17.11	\$ _____
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ _____
17.16 Unearned premium portion of Interrogatory 17.11	\$ _____
17.17 Contingent commission portion of Interrogatory 17.11	\$ _____

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. \$ _____

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 administered as of the reporting date. \$ _____

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No [X]

FIVE – YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2019	2018	2017	2016	2015
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)	1,570,402,935	1,551,864,141	1,485,299,510	1,324,309,589	1,118,026,473
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	917,650,718	860,497,195	603,933,023	483,775,601	382,575,561
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	765,035,052	738,814,255	716,443,429	688,459,774	655,261,400
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	106,337,600	93,145,457	75,006,196	64,849,718	69,125,472
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	28,585,364	42,160,928	28,364,017	23,695,149	30,324,870
6. Total (Line 35)	3,388,011,669	3,286,481,976	2,909,046,175	2,585,089,831	2,255,313,776
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)	1,115,197,430	1,120,596,399	1,083,514,288	969,638,537	926,958,177
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	610,439,658	593,118,388	415,268,301	398,309,682	376,864,283
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	722,049,456	698,219,900	682,462,987	664,211,442	648,105,691
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	105,204,584	92,376,475	74,409,793	64,063,417	68,323,039
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	28,579,230	42,166,373	28,361,559	23,686,147	30,322,862
12. Total (Line 35)	2,581,470,358	2,546,477,535	2,284,016,928	2,119,909,225	2,050,574,052
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(93,246,746)	9,667,789	(226,160,272)	(61,640,601)	9,068,124
14. Net investment gain (loss) (Line 11)	209,215,550	204,391,902	147,253,453	131,403,457	172,782,837
15. Total other income (Line 15)	11,500,482	(27,272,262)	14,669,825	6,796,595	3,202,301
16. Dividends to policyholders (Line 17)	1,002,538	1,315,293	1,087,484	1,421,572	1,548,430
17. Federal and foreign income taxes incurred (Line 19)	19,942,040	18,019,695	(17,200,274)	17,260,454	28,359,104
18. Net income (Line 20)	106,524,708	167,452,441	(48,124,204)	57,877,425	155,145,728
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	6,826,297,858	6,383,404,331	6,056,430,890	5,614,331,777	5,477,230,768
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	150,021,187	135,541,596	130,317,352	113,320,644	114,648,710
20.2 Deferred and not yet due (Line 15.2)	622,019,820	606,419,416	585,929,979	553,511,156	496,153,199
20.3 Accrued retrospective premiums (Line 15.3)	23,736,389	27,724,964	31,156,268	31,946,332	31,519,422
21. Total liabilities excluding protected cell business (Page 3, Line 26)	5,016,742,192	4,727,417,999	4,534,915,967	4,028,494,960	3,962,842,256
22. Losses (Page 3, Line 1)	2,861,132,338	2,677,185,459	2,622,655,277	2,285,275,090	2,238,134,366
23. Loss adjustment expenses (Page 3, Line 3)	584,124,274	549,248,034	522,741,759	472,145,281	468,607,823
24. Unearned premiums (Page 3, Line 9)	1,281,143,437	1,256,228,712	1,200,504,734	1,108,755,728	1,052,883,251
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)	1,809,555,665	1,655,986,333	1,521,514,923	1,585,836,820	1,514,388,515
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	268,178,723	339,570,544	151,520,592	138,370,757	206,895,480
Risk-Based Capital Analysis					
28. Total adjusted capital	1,809,555,665	1,655,986,333	1,521,514,923	1,585,836,820	1,514,388,515
29. Authorized control level risk-based capital	386,990,686	364,395,327	360,553,412	313,109,694	295,618,633
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)	85.2	85.9	82.0	83.7	82.6
31. Stocks (Lines 2.1 & 2.2)	2.8	3.2	2.8	4.7	6.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	3.3	3.2	3.1	3.4	3.3
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.3
34. Cash, cash equivalents and short-term investments (Line 5)	(0.0)	(0.4)	3.6	1.0	1.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	6.5	6.3	6.6	5.9	5.5
38. Receivables for securities (Line 9)	0.3	0.4	0.1	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	1.9	1.2	1.9	1.2	1.0
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)	159,301,870	147,114,706	136,221,496	147,351,128	152,348,313
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)			142,166,527		
46. Affiliated mortgage loans on real estate					
47. All other affiliated	348,487,424	317,234,388	316,576,054	265,846,822	248,184,498
48. Total of above Lines 42 to 47	507,789,294	464,349,094	594,964,077	413,197,950	400,532,811
49. Total investment in parent included in Lines 42 to 47 above					
50. 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)	28.1	28.0	39.1	26.1	26.4

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2019	2018	2017	2016	2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	46,558,769	(7,714,107)	30,105,982	16,364,860	(15,065,125)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	153,569,330	134,471,408	(64,321,897)	71,448,305	121,224,346
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. 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)	1,055,038,227	1,041,017,893	918,265,508	997,213,024	1,025,701,727
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	504,119,701	441,335,680	320,702,562	254,088,777	203,770,619
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	412,928,386	413,933,196	398,255,121	347,601,587	358,644,464
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	26,107,478	14,761,117	10,239,821	1,922,685	19,966,382
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	25,458,932	35,161,220	24,176,020	32,253,355	24,927,912
59. Total (Line 35)	2,023,652,724	1,946,209,106	1,671,639,032	1,633,079,428	1,633,011,104
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. 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)	646,204,863	636,465,716	515,580,179	560,411,399	538,017,596
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	342,662,980	326,898,736	240,835,371	230,296,341	201,305,876
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	392,494,215	383,378,734	369,831,168	323,054,419	320,031,262
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	25,711,615	14,696,393	9,679,582	1,463,163	19,108,361
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	7,280,875	15,113,730	9,148,370	6,318,530	9,173,592
65. Total (Line 35)	1,414,354,548	1,376,553,309	1,145,074,670	1,121,543,852	1,087,636,687
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	62.5	57.8	66.0	56.6	55.6
68. Loss expenses incurred (Line 3)	12.6	12.2	13.5	13.2	12.7
69. Other underwriting expenses incurred (Line 4)	28.6	29.6	30.8	33.1	31.2
70. Net underwriting gain (loss) (Line 8)	(3.6)	0.4	(10.3)	(3.0)	0.5
Other Percentages					
71. 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)	27.8	30.0	29.0	32.0	30.2
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	75.1	70.0	79.5	69.8	68.4
73. 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)	142.7	153.8	150.1	133.7	135.4
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	69,279	(57,253)	70,421	16,818	(13,462)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	4.2	(3.8)	4.4	1.1	(1.0)
Two Year Loss Development (\$000 omitted)					
76. 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)	5,537	31,341	75,699	(6,953)	(15,539)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	0.4	2.0	5.0	(0.5)	(1.2)

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 []

If no, please explain:

.....
.....
.....

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 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	56,885	18,529	20,337	2,410	3,666	372	687	59,577	X X X
2. 2010	2,052,089	398,876	1,653,213	1,171,158	213,614	91,840	12,114	161,089	984	67,558	1,197,375	X X X
3. 2011	2,169,264	477,915	1,691,349	1,312,203	266,830	98,307	16,928	162,933	1,155	84,327	1,288,530	X X X
4. 2012	2,343,039	517,631	1,825,408	1,337,987	284,561	101,078	18,399	168,488	1,038	97,349	1,303,555	X X X
5. 2013	2,473,756	557,259	1,916,497	1,263,397	280,027	92,423	15,370	167,378	1,455	77,433	1,226,346	X X X
6. 2014	2,537,001	561,476	1,975,525	1,279,064	279,652	88,291	12,255	164,225	1,855	63,800	1,237,818	X X X
7. 2015	2,620,309	608,305	2,012,004	1,320,317	298,775	84,194	10,421	163,557	1,944	85,313	1,256,928	X X X
8. 2016	2,688,041	610,019	2,078,022	1,322,267	296,587	68,688	8,754	167,276	3,437	50,302	1,249,453	X X X
9. 2017	2,817,107	610,150	2,206,957	1,422,285	332,291	51,727	6,586	163,093	1,091	49,791	1,297,137	X X X
10. 2018	2,943,695	457,551	2,486,144	1,199,131	196,655	29,888	2,272	155,923	128	59,973	1,185,887	X X X
11. 2019	3,041,780	485,363	2,556,417	879,073	181,214	11,378	989	119,334	70	46,388	827,512	X X X
12. Totals	X X X	X X X	X X X	12,563,767	2,648,735	738,151	106,498	1,596,962	13,529	682,921	12,130,118	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		Other Unpaid				
	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			
1. Prior	452,512	166,504	333,441	128,265	27,583	16,588	117,406	45,248	9,427	20	2,514	583,744	X X X
2. 2010	28,272	6,144	46,699	2,925	1,141	244	5,246	460	1,991		454	73,576	X X X
3. 2011	30,121	5,454	51,680	2,753	1,185	237	9,569	474	1,771		765	85,408	X X X
4. 2012	40,624	8,958	76,459	7,207	2,190	536	14,178	892	2,311		1,316	118,169	X X X
5. 2013	44,214	11,354	82,010	11,462	3,256	1,155	14,723	1,444	6,594		1,593	125,382	X X X
6. 2014	58,588	15,488	59,925	11,797	2,675	622	16,510	1,740	4,985		1,810	113,036	X X X
7. 2015	81,857	15,388	75,331	18,039	4,597	574	21,270	2,055	6,704	2	5,942	153,701	X X X
8. 2016	123,011	19,158	80,637	26,611	7,249	1,029	28,982	3,180	14,049	6	5,064	203,944	X X X
9. 2017	205,550	22,400	165,076	46,918	10,036	1,729	50,502	4,669	21,918	1	22,406	377,365	X X X
10. 2018	257,875	37,849	309,741	40,182	6,890	812	70,379	5,431	30,491	1	30,503	591,101	X X X
11. 2019	326,924	40,917	650,274	73,908	5,941	570	92,434	4,907	64,558		45,854	1,019,829	X X X
12. Totals	1,649,548	349,614	1,931,273	370,067	72,743	24,096	441,199	70,500	164,799	30	118,221	3,445,255	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	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		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	491,184	92,560
2. 2010	1,507,436	236,485	1,270,951	73.459	59.288	76.878			8.000	65,902	7,674
3. 2011	1,667,769	293,831	1,373,938	76.882	61.482	81.233			8.000	73,594	11,814
4. 2012	1,743,315	321,591	1,421,724	74.404	62.127	77.885			8.000	100,918	17,251
5. 2013	1,673,995	322,267	1,351,728	67.670	57.831	70.531			8.000	103,408	21,974
6. 2014	1,674,263	323,409	1,350,854	65.994	57.600	68.379			8.000	91,228	21,808
7. 2015	1,757,827	347,198	1,410,629	67.085	57.076	70.111			8.000	123,761	29,940
8. 2016	1,812,159	358,762	1,453,397	67.416	58.812	69.941			8.000	157,879	46,065
9. 2017	2,090,187	415,685	1,674,502	74.196	68.128	75.874			8.000	301,308	76,057
10. 2018	2,060,318	283,330	1,776,988	69.991	61.923	71.476			8.000	489,585	101,516
11. 2019	2,149,916	302,575	1,847,341	70.680	62.340	72.263			8.000	862,373	157,456
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	2,861,140	584,115

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	2	3	4	5	6	7	8	9	10	11	12
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	One Year	Two Year
1. Prior	1,838,884	1,860,117	1,868,423	1,909,784	1,919,665	1,925,501	1,929,930	1,941,916	1,905,299	1,929,296	23,997	(12,620)
2. 2010	1,098,918	1,098,605	1,103,365	1,115,695	1,104,816	1,105,423	1,104,876	1,106,837	1,107,531	1,111,349	3,818	4,512
3. 2011	X X X	1,199,252	1,198,785	1,203,914	1,203,971	1,203,198	1,204,940	1,207,996	1,208,720	1,212,393	3,673	4,397
4. 2012	X X X	X X X	1,248,525	1,257,940	1,246,220	1,238,932	1,243,834	1,248,199	1,253,257	1,253,825	568	5,626
5. 2013	X X X	X X X	X X X	1,163,937	1,176,443	1,168,162	1,167,921	1,179,691	1,181,847	1,180,899	(948)	1,208
6. 2014	X X X	X X X	X X X	X X X	1,177,539	1,174,188	1,170,624	1,183,501	1,182,843	1,185,079	2,236	1,578
7. 2015	X X X	X X X	X X X	X X X	X X X	1,210,896	1,221,146	1,233,857	1,225,582	1,243,761	18,179	9,904
8. 2016	X X X	X X X	X X X	X X X	X X X	X X X	1,258,211	1,269,904	1,267,746	1,276,773	9,027	6,869
9. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,508,184	1,490,013	1,492,247	2,234	(15,937)
10. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,585,016	1,591,511	6,495	X X X
11. 2019	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	1,664,362	X X X	X X X
											12. Totals	
											69,279	5,537

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior	000	388,445	660,766	847,523	985,879	1,090,815	1,160,148	1,217,741	1,266,450	1,322,733	X X X	X X X
2. 2010	462,107	699,511	820,121	908,558	963,396	993,488	1,011,930	1,022,358	1,030,908	1,037,270	X X X	X X X
3. 2011	X X X	545,862	771,502	901,109	991,937	1,050,081	1,085,462	1,102,273	1,117,356	1,126,752	X X X	X X X
4. 2012	X X X	X X X	536,379	805,565	928,650	1,013,722	1,069,991	1,099,952	1,122,229	1,136,105	X X X	X X X
5. 2013	X X X	X X X	X X X	505,541	747,922	866,445	954,595	1,003,723	1,041,205	1,060,423	X X X	X X X
6. 2014	X X X	X X X	X X X	X X X	537,311	773,286	893,306	967,889	1,039,272	1,075,448	X X X	X X X
7. 2015	X X X	X X X	X X X	X X X	X X X	556,624	804,759	919,237	1,030,046	1,095,315	X X X	X X X
8. 2016	X X X	X X X	X X X	X X X	X X X	X X X	590,914	830,782	980,254	1,085,614	X X X	X X X
9. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	640,252	978,852	1,135,135	X X X	X X X
10. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	682,134	1,030,092	X X X	X X X
11. 2019	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	708,248	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	2	3	4	5	6	7	8	9	10
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Prior	866,093	675,529	523,284	486,431	427,330	383,962	361,869	350,252	294,242	284,926
2. 2010	394,817	220,964	149,960	113,649	77,841	63,638	55,707	52,596	48,339	49,341
3. 2011	X X X	394,268	242,359	167,430	113,191	87,642	73,042	67,827	59,096	58,904
4. 2012	X X X	X X X	456,760	262,928	180,912	133,765	107,880	98,333	87,978	83,464
5. 2013	X X X	X X X	X X X	431,436	251,153	178,363	127,545	113,436	94,921	84,752
6. 2014	X X X	X X X	X X X	X X X	409,915	239,683	161,492	117,853	78,039	64,178
7. 2015	X X X	X X X	X X X	X X X	X X X	419,096	246,134	174,145	96,939	77,400
8. 2016	X X X	X X X	X X X	X X X	X X X	X X X	434,385	246,497	140,380	80,908
9. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	574,999	268,746	165,220
10. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	602,448	334,762
11. 2019	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	664,506

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
States, Etc.	Active Status (a)	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L	4,070,227	3,779,942	(1,624)	2,868,760	1,719,580	16,116,205	
2. Alaska	AK	L	5,054,751	4,845,085	(163)	2,655,581	2,884,794	33,446,337	
3. Arizona	AZ	L	4,676,595	3,977,792	(1,075)	1,492,496	777,356	11,523,981	
4. Arkansas	AR	L	1,939,025	1,928,758	(791)	890,558	1,406,230	5,552,066	
5. California	CA	L	39,459,217	35,381,937	(114,074)	24,649,658	9,041,400	115,329,406	
6. Colorado	CO	L	4,363,621	4,001,293	(239)	1,167,924	649,056	11,787,091	
7. Connecticut	CT	L	3,792,817	3,764,132	123,275	3,755,056	3,408,886	25,603,357	
8. Delaware	DE	L	451,984	360,595	(19)	1,154,105	1,187,581	4,334,409	
9. District of Columbia	DC	L	1,480,289	1,351,901	(18)	626,111	293,708	2,976,562	
10. Florida	FL	L	26,566,351	25,294,854	(2,299)	16,563,906	11,805,793	43,774,034	
11. Georgia	GA	L	8,980,793	8,146,110	(1,920)	5,294,657	4,532,087	19,334,334	
12. Hawaii	HI	L	480,512	786,695	(200)	878,823	704,005	3,686,030	
13. Idaho	ID	L	1,672,785	1,779,034	(2,214)	1,596,253	1,425,148	10,711,843	
14. Illinois	IL	L	15,580,098	13,735,197	(2,316)	14,349,745	8,446,649	65,735,852	
15. Indiana	IN	L	9,825,552	9,220,848	(397)	4,795,037	4,334,983	27,415,835	
16. Iowa	IA	L	2,997,077	2,693,119	(349)	1,310,394	2,163,592	6,540,056	
17. Kansas	KS	L	2,869,290	2,543,680	(544)	13,800,540	8,734,386	18,334,868	
18. Kentucky	KY	L	3,075,015	3,387,600	(3,125)	3,946,204	3,764,121	52,135,551	
19. Louisiana	LA	L	5,517,891	5,938,928	(3,310)	10,829,667	8,761,790	14,372,608	
20. Maine	ME	L	1,188,976	1,087,040	(15,552)	908,531	314,239	3,616,766	(70)
21. Maryland	MD	L	4,448,074	3,773,163	(793)	3,004,623	2,300,458	13,600,447	
22. Massachusetts	MA	L	12,388,036	12,758,322	(135)	11,116,914	9,779,227	75,438,193	
23. Michigan	MI	L	5,262,622	5,872,350	2,243	9,247,703	6,061,937	98,497,181	
24. Minnesota	MN	L	5,498,607	5,373,149	(83,899)	7,548,973	1,307,550	66,699,808	
25. Mississippi	MS	L	3,446,079	3,458,110	(54)	970,156	1,021,658	9,472,240	
26. Missouri	MO	L	4,155,434	4,133,190	(860)	2,946,614	964,900	24,739,386	
27. Montana	MT	L	2,734,696	2,741,878	(350)	598,339	1,328,817	7,217,187	
28. Nebraska	NE	L	1,476,955	1,731,514	(158)	793,596	614,959	8,249,640	
29. Nevada	NV	L	2,381,880	1,921,862	(4)	673,233	2,495,504	6,809,016	
30. New Hampshire	NH	L	1,574,730	1,449,234	(5)	1,601,610	650,458	8,453,065	
31. New Jersey	NJ	L	10,659,308	10,017,071	712	6,273,552	3,549,132	79,783,761	
32. New Mexico	NM	L	2,020,803	1,860,162	(308)	688,376	465,037	6,173,635	
33. New York	NY	L	41,482,245	38,790,464	(10,125)	41,802,566	28,146,004	147,076,540	
34. North Carolina	NC	L	6,564,740	6,087,582	(339)	2,616,223	(2,380,919)	16,075,536	
35. North Dakota	ND	L	371,730	348,093	(6)		(108,468)	191,094	
36. Ohio	OH	L	3,464,092	3,383,937	(57)	1,299,730	1,331,676	6,730,505	
37. Oklahoma	OK	L	2,862,316	2,783,549	(2,297)	1,056,405	433,920	10,909,117	
38. Oregon	OR	L	2,646,073	2,562,171	(1,072)	2,380,649	1,817,339	15,306,109	
39. Pennsylvania	PA	L	10,532,514	10,994,352	(43,447)	12,190,495	7,934,796	77,717,283	
40. Rhode Island	RI	L	1,229,077	1,168,502	(1)	1,008,547	1,120,237	6,457,545	
41. South Carolina	SC	L	3,141,535	3,252,898	(49)	1,598,887	1,403,018	13,193,298	
42. South Dakota	SD	L	607,285	565,657	1	496,348	509,908	6,154,136	
43. Tennessee	TN	L	8,849,341	7,673,829	(787)	2,588,872	2,465,020	21,217,037	
44. Texas	TX	L	35,143,616	31,561,611	(62,770)	15,259,563	30,598,425	88,524,458	
45. Utah	UT	L	2,464,645	2,297,802	(670)	968,494	(37,954)	8,028,336	
46. Vermont	VT	L	1,162,085	1,164,859	4,064	633,109	75,646	3,398,734	
47. Virginia	VA	L	5,700,496	5,607,172	(714)	3,326,345	3,710,885	20,491,864	
48. Washington	WA	L	8,285,769	6,231,134	3,124	5,557,924	6,947,647	4,433,231	
49. West Virginia	WV	L	750,831	946,191	(30)	250,690	390,952	2,376,122	
50. Wisconsin	WI	L	12,409,243	11,600,026	326,637	28,041,357	20,035,136	122,532,472	
51. Wyoming	WY	L	168,369	151,296		10,782	96,654	292,231	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	L	26,955	114,780		787,791	209,996	258,438	
55. U.S. Virgin Islands	VI	L	13	10					
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	L				30,785	(53,040)	1,591,578	
58. Aggregate Other Alien	OT	X X X	(6)	(84,865)	(3)	(52,922)	503,095		
59. Totals	(a) 53		347,953,054	326,295,595	100,894	280,903,257	211,488,977	1,470,919,509	(70)

DETAILS OF WRITE-INS									
58001.	ZZZ Other Alien	X X X	(6)	(84,865)	(3)		(52,922)	503,095	
58002.		X X X							
58003.		X X X							
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X							
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	(6)	(84,865)	(3)		(52,922)	503,095	

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

(a) Active Status Counts

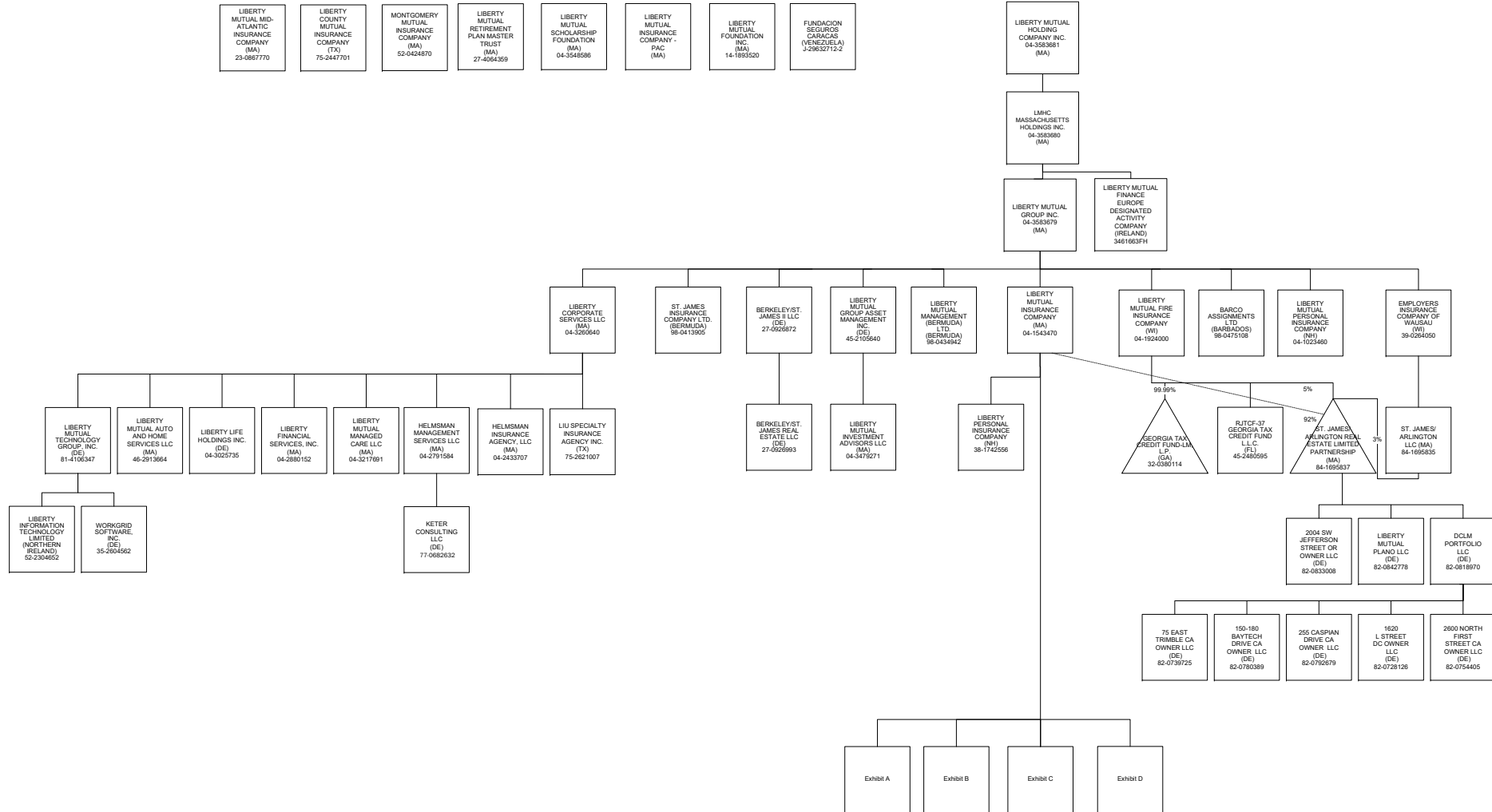
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	54
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	_____
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	_____
R - Registered - Non-domiciled RRGs	_____
Q - Qualified - Qualified or accredited reinsurer	_____
N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	3

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

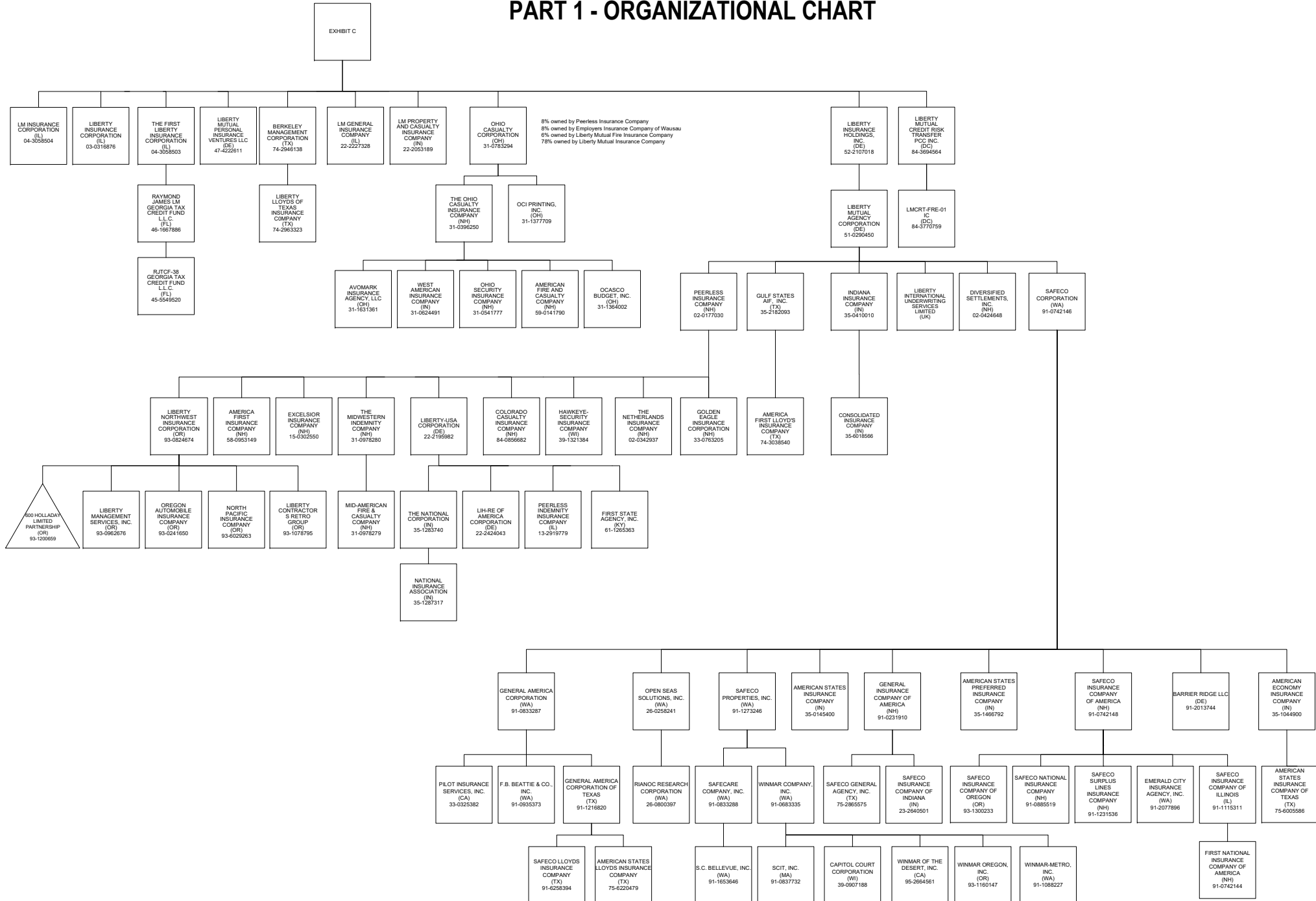
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



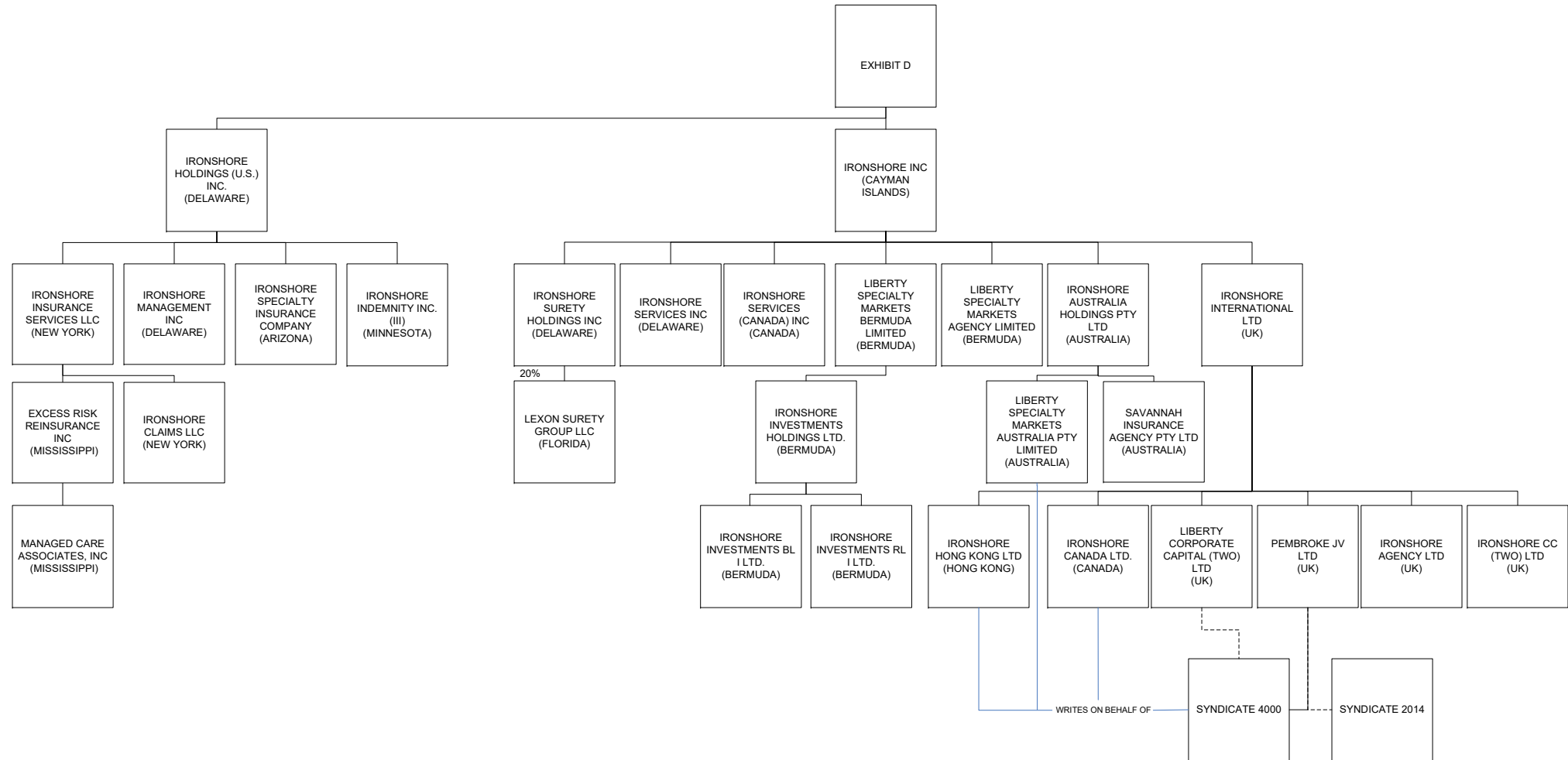
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

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 2 - Continuation

ASSETS

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Other Assets	8,401,866	6,447,779	1,954,087	1,386,296
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	8,401,866	6,447,779	1,954,087	1,386,296

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