

ANNUAL STATEMENT

OF THE

LM PROPERTY AND CASUALTY INSURANCE COMPANY

(fka PRUDENTIAL PROPERTY AND CASUALTY INSURANCE COMPANY)

of **INDIANAPOLIS**

in the state of **INDIANA**

TO THE

Insurance Department

OF THE

STATE OF

**FOR THE YEAR ENDED
December 31, 2004**

PROPERTY AND CASUALTY

2004



32352200420100100

ANNUAL STATEMENT

For the Year Ended December 31, 2004
OF THE CONDITION AND AFFAIRS OF THE

LM Property and Casualty Insurance Company (fka Prudential P&C Ins Co)

NAIC Group Code 0111 0111 NAIC Company Code 32352 Employer's ID Number 22-2053189
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated: January 2, 1975 Commenced Business: March 28, 1975

Statutory Home Office: 251 E. Ohio Street Suite 1100 Indianapolis, IN 46204

Main Administrative Office: 175 Berkeley Street Boston, MA 02117 617-357-9500

Mail Address: 175 Berkeley Street Boston, MA 02117

Primary Location of Books and Records: 175 Berkeley Street Boston, MA 02117 617-357-9500

Internet Website Address: www.LibertyMutual.com

Statutory Statement Contact: Steven Latham 617-357-9500 43660
Steven.Latham@LibertyMutual.com 617-574-5955
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 175 Berkeley Street Boston, MA 02117 617-357-9500 41015

OFFICERS

Table with 2 columns: Name, Title. Rows include James Paul Condrin, III (Chairman of the Board & President), Dexter Robert Legg (Vice President & Secretary), and Laurance Henry Soyer Yahia (Vice President & Treasurer).

Vice-Presidents

Table with 4 columns: Name, Title, Name, Title. Lists various vice-presidents such as Margaret Dillon, Anthony Alexander Fontanes, Gary Jay Ostrow, Timothy Michael Sweeney, John Derek Doyle, Dennis James Langwell, Himanshu Indravadan Patel, and Marie Anne Ward.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Lists directors or trustees including James Paul Condrin, III, Timothy Michael Sweeney, Margaret Dillon, Marie Anne Ward, Himanshu Indravadan Patel, and Kevin John Kirschner.

State of Massachusetts
County of Suffolk ss

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

(Signature) James Paul Condrin, III (Printed Name) 1. Chairman of the Board & President (Title)
(Signature) Dexter Robert Legg (Printed Name) 2. Vice President & Secretary (Title)
(Signature) Laurance Henry Soyer Yahia (Printed Name) 3. Vice President & Treasurer (Title)

Subscribed and sworn to before me this day of February, 2005

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	766,774,858		766,774,858	1,758,937,860
2. Stocks (Schedule D):				257,257
2.1 Preferred stocks				
2.2 Common stocks	21,961		21,961	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 394,111, Schedule E-Part 1), cash equivalents (\$ 61,839,731, Schedule E-Part 2) and short-term investments (\$ 31,560,620, Schedule DA)	93,794,461		93,794,461	302,652,123
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)	3,538,303		3,538,303	3,538,303
8. Receivable for securities	183,900		183,900	2,734,999
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	864,313,483		864,313,483	2,068,120,542
11. Investment income due and accrued	8,834,060		8,834,060	22,716,369
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	97,105		97,105	
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	20,476,402		20,476,402	7,494,419
13.2 Funds held by or deposited with reinsured companies	126,319		126,319	111,267
13.3 Other amounts receivable under reinsurance contracts				
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon				67,201,994
15.2 Net deferred tax asset	17,275,000	7,741,695	9,533,305	1,690,079
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software				
18. Furniture and equipment, including health care delivery assets (\$ 0)				
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivables from parent, subsidiaries and affiliates				3,865,677
21. Health care (\$ 0) and other amounts receivable				
22. Other assets nonadmitted				
23. Aggregate write-ins for other than invested assets	3,325,088		3,325,088	24,424,779
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	914,447,457	7,741,695	906,705,762	2,195,625,126
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	914,447,457	7,741,695	906,705,762	2,195,625,126

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903 + 0998) (Line 9 above)				
2301. Other assets	3,325,088		3,325,088	24,424,779
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 + 2398) (Line 23 above)	3,325,088		3,325,088	24,424,779

LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	166,444,203	196,800,000
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)	2,727,126	33,273,144
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	7,330,000	7,700,494
4. Commissions payable, contingent commissions and other similar charges		14,512,242
5. Other expenses (excluding taxes, licenses and fees)		12,000,000
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	1,980,547	
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 32,941,737 and including warranty reserves of \$ 0)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	5,625,303	16,775,010
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	(2,358,348)	906,311
14. Amounts withheld or retained by company for account of others	(118,458)	
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)	2,438,565	3,225,228
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	29,809,804	1,013,707,699
20. Payable for securities		274,936,424
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities	22,816,778	26,562,831
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	236,695,520	1,600,399,383
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	236,695,520	1,600,399,383
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	4,400,000	4,400,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	590,825,743	590,825,743
33. Unassigned funds (surplus)	74,784,499	
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38)	670,010,242	595,225,743
36. TOTALS (Page 2, Line 26, Col. 3)	906,705,762	2,195,625,126

DETAILS OF WRITE-INS		
2301. Other liabilities	22,816,778	26,562,831
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	22,816,778	26,562,831
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)		1,071,133,466
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	2,252,857	711,904,258
3. Loss expenses incurred (Part 3, Line 25, Column 1)	725,339	119,402,185
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,130	271,234,085
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	2,979,326	1,102,540,528
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(2,979,326)	(31,407,062)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	44,081,576	89,302,292
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	25,660,815	59,722,528
11. Net investment gain (loss) (Lines 9 + 10)	69,742,391	149,024,820
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)		(2,407,305)
13. Finance and service charges not included in premiums		5,773,483
14. Aggregate write-ins for miscellaneous income	(2,613)	(58,488,510)
15. Total other income (Lines 12 through 14)	(2,613)	(55,122,332)
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	66,760,452	62,495,426
17. Dividends to policyholders		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	66,760,452	62,495,426
19. Federal and foreign income taxes incurred	(296,877)	(57,418,103)
20. Net income (Line 18 minus Line 19) (to Line 22)	67,057,329	119,913,529
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	595,225,743	518,546,066
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	67,057,329	119,913,529
23. Change in net unrealized capital gains or (losses)	49,552	(5,398,632)
24. Change in net unrealized foreign exchange capital gain (loss)		
25. Change in net deferred income tax	51,850	(72,992,410)
26. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	7,791,376	87,515,555
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	786,663	1,347,520
28. Change in surplus notes		
29. Surplus (contributed to) withdrawn from protected cells		
30. Cumulative effect of changes in accounting principles		
31. Capital changes:		
31.1 Paid in		(91,099,292)
31.2 Transferred from surplus (Stock Dividend)		
31.3 Transferred to surplus		
32. Surplus adjustments:		
32.1 Paid in		41,325,930
32.2 Transferred to capital (Stock Dividend)		
32.3 Transferred from capital		
33. Net remittances from or (to) Home Office		
34. Dividends to stockholders		
35. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
36. Aggregate write-ins for gains and losses in surplus	(952,271)	(3,932,523)
37. Change in surplus as regards policyholders for the year (Lines 22 through 36)	74,784,499	76,679,677
38. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 37) (Page 3, Line 35)	670,010,242	595,225,743
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through 0503 plus Line 0598) (Line 5 above)		
1401. Other income/expense	(2,613)	(58,488,510)
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus Line 1498) (Line 14 above)	(2,613)	(58,488,510)
3601. Other surplus items	(952,271)	(3,932,523)
3602.		
3603.		
3698. Summary of remaining write-ins for Line 36 from overflow page		
3699. Totals (Lines 3601 through 3603 plus Line 3698) (Line 36 above)	(952,271)	(3,932,523)

CASH FLOW		1	2
Cash from Operations		Current Year	Prior Year
1. Premiums collected net of reinsurance		(14,003,018)	760,230,154
2. Net investment income		65,889,551	95,149,499
3. Miscellaneous income		(3,373,063)	(52,659,362)
4. Total (Lines 1 through 3)		48,513,470	802,720,291
5. Benefit and loss related payments		67,751,524	1,098,946,439
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions		736,468	547,820,910
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)		(69,479,419)	(44,283,541)
10. Total (Lines 5 through 9)		(991,427)	1,602,483,808
11. Net cash from operations (Line 4 minus Line 10)		49,504,897	(799,763,517)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds		2,298,105,826	684,133,504
12.2 Stocks		274,403	183,391,696
12.3 Mortgage loans			
12.4 Real estate			29,992,965
12.5 Other invested assets			127,829
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		2,281	(516,594)
12.7 Miscellaneous proceeds			272,248,353
12.8 Total investment proceeds (Lines 12.1 to 12.7)		2,298,382,510	1,169,377,753
13. Cost of investments acquired (long-term only):			
13.1 Bonds		1,288,196,555	1,056,795,377
13.2 Stocks		4,411	1,231,553
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications		272,385,325	
13.7 Total investments acquired (Lines 13.1 to 13.6)		1,560,586,291	1,058,026,930
14. Net increase (decrease) in policy loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		737,796,219	111,350,823
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			(91,099,292)
16.2 Capital and paid in surplus, less treasury stock			9,346,219
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)		(996,158,778)	931,439,707
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		(996,158,778)	849,686,634
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18. Net change in cash and short-term investments (Line 11, plus Lines 15 and 17)		(208,857,662)	161,273,940
19. Cash and short-term investments:			
19.1 Beginning of year		302,652,123	141,378,183
19.2 End of year (Line 18 plus Line 19.1)		93,794,461	302,652,123

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

20.0001.		
20.0002.		
20.0003.		

NONE **Underwriting and Investment Exhibit - Part 1**

NONE **Underwriting and Investment Exhibit - Part 1A**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees
Written and Renewed During Year

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
	Direct Business (a)	2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	1,362,116		309,468	1,655,857	15,727	
2. Allied lines	1,389,710		430,668	1,106,198	714,180	
3. Farmowners multiple peril						
4. Homeowners multiple peril	42,353,378	111,902	4,030,812	42,416,514	4,079,578	
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine	72,249			69,939	2,310	
9. Inland marine	575,317	1,637	34,683	582,213	29,424	
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake	162,794			160,794	2,000	
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	1,312,893		15,743	1,239,556	89,080	
17.2 Other liability - claims-made						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	116,991,264	98,513,058	(27,869,542)	171,251,726	16,383,054	
19.3, 19.4 Commercial auto liability						
21. Auto physical damage	73,485,122	47,922,248	339,205	112,400,996	9,345,579	
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft	1,156		459	1,615		
27. Boiler and machinery						
28. Credit						
29. International						
30. Reinsurance-Nonproportional Assumed Property	X X X					
31. Reinsurance-Nonproportional Assumed Liability	X X X					
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
33. Aggregate write-ins for other lines of business						
34. TOTALS	237,705,999	146,548,845	(22,708,504)	330,885,408	30,660,932	

DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]
 If yes: 1. The amount of such installment premiums \$ 0
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 0

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				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	2,480,614	298,002	2,778,617	(1)		(169,065)	169,064	
2. Allied lines	3,314,621	520,564	3,835,187	(2)			(2)	
3. Farmowners multiple peril								
4. Homeowners multiple peril	169,348,078	9,287,315	156,078,334	22,557,059	12,447,053	36,200,000	(1,195,888)	
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine	428,909		428,909			118,273	(118,273)	
9. Inland marine	1,192,161	57,444	1,249,605					
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims - made								
12. Earthquake	890,732		890,732					
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	8,067,818	606,844	8,368,631	306,031			306,031	
17.2 Other liability - claims - made								
18.1 Products liability - occurrence								
18.2 Products liability - claims - made								
19.1, 19.2 Private passenger auto liability	215,355,134	79,481,439	291,786,677	3,049,896	21,088,684	27,700,000	(3,561,420)	
19.3, 19.4 Commercial auto liability		158,994	158,994					
21. Auto physical damage	55,986,491	32,372,883	88,359,374					
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft	108	18	126					
27. Boiler and machinery								
28. Credit								
29. International								
30. Reinsurance-Nonproportional Assumed Property	X X X							
31. Reinsurance-Nonproportional Assumed Liability	X X X	6,695,668		6,695,668	132,908,466	132,950,792	6,653,342	
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
33. Aggregate write-ins for other lines of business								
34. TOTALS	457,064,666	129,479,171	553,935,186	32,608,651	166,444,203	196,800,000	2,252,854	

DETAILS OF WRITE-INS

3301.							
3302.							
3303.							
3398. Summary of remaining write-ins for Line 33 from overflow page							
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)							

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	707,186	31,138	738,324		753,146	28,406	781,552		
2. Allied lines	1,279,257	212,367	1,491,624		570,799	149,549	720,348		
3. Farmowners multiple peril									
4. Homeowners multiple peril	37,048,773	1,275,534	36,334,306	1,990,001	41,250,786	22,007,417	52,801,150	12,447,054	
5. Commercial multiple peril						(49,815)	(49,815)		
6. Mortgage guaranty									
8. Ocean marine	71,000		71,000		313,796	(19,875)	293,921		
9. Inland marine	69,300	(4,433)	64,867		414,571		414,571		
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims - made									
12. Earthquake	800,225		800,225		16,464		16,464		
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation					5,268		5,268		
17.1 Other liability - occurrence	14,591,244	7,616	14,598,860		6,516,282	6,045	6,522,327		
17.2 Other liability - claims - made									
18.1 Products liability - occurrence									
18.2 Products liability - claims - made									
19.1, 19.2 Private passenger auto liability	438,913,093	60,674,953	478,499,362	21,088,684	79,677,979	46,542,895	126,220,874	21,088,684	5,200,000
19.3, 19.4 Commercial auto liability									
21. Auto physical damage	431,941	1,151,518	1,583,459		2,223,362	1,192,211	3,415,573		
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft	8		8		3				3
27. Boiler and machinery									
28. Credit									
29. International									
30. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
31. Reinsurance-Nonproportional Assumed Liability	X X X	8,862,722	1,863,254	6,999,468	X X X	186,454,107	60,545,109	132,908,466	2,130,000
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
33. Aggregate write-ins for other lines of business									
34. TOTALS	493,912,027	72,211,415	536,045,289	30,078,153	131,742,456	256,310,940	251,687,342	166,444,207	7,330,000

DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)									

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

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES**

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	27,513,563			27,513,563
1.2 Reinsurance assumed	6,985,860			6,985,860
1.3 Reinsurance ceded	33,814,091			33,814,091
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	685,332			685,332
2. Commission and brokerage:				
2.1 Direct excluding contingent		38,329,184		38,329,184
2.2 Reinsurance assumed excluding contingent		15,855,077		15,855,077
2.3 Reinsurance ceded excluding contingent		54,184,261		54,184,261
2.4 Contingent-direct		21,922,490		21,922,490
2.5 Contingent-reinsurance assumed		1,243,473		1,243,473
2.6 Contingent-reinsurance ceded		23,165,963		23,165,963
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)				
3. Allowances to manager and agents				
4. Advertising			26,638	26,638
5. Boards, bureaus and associations			17	17
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries			4,023,943	4,023,943
8.2 Payroll taxes			208,122	208,122
9. Employee relations and welfare			485,941	485,941
10. Insurance			185,169	185,169
11. Directors' fees				
12. Travel and travel items			190,990	190,990
13. Rent and rent items			304,914	304,914
14. Equipment			233,919	233,919
15. Cost or depreciation of EDP equipment and software			2,713	2,713
16. Printing and stationery			908	908
17. Postage, telephone and telegraph, exchange and express			212,904	212,904
18. Legal and auditing			168,488	168,488
19. Totals (Lines 3 to 18)			6,044,666	6,044,666
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0				
20.2 Insurance department licenses and fees				
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)				
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured accident and health plans				
24. Aggregate write-ins for miscellaneous expenses	40,006	1,130	25,038	66,174
25. Total expenses incurred	725,338	1,130	6,069,704	(a) 6,796,172
26. Less unpaid expenses-current year	7,330,000	937,407,255		944,737,255
27. Add unpaid expenses-prior year	7,700,494	26,512,242		34,212,736
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,095,832	(910,893,883)	6,069,704	(903,728,347)

DETAILS OF WRITE-INS				
2401. Other expenses	40,006	1,130	25,038	66,174
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	40,006	1,130	25,038	66,174

(a) Includes management fees of \$ 274,524 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 10,789,475	7,747,521
1.1 Bonds exempt from U.S. tax	(a) 15,129,089	11,134,431
1.2 Other bonds (unaffiliated)	(a) 36,907,238	30,145,344
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 18,210	2,964
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	2,240	(95,665)
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 932,752	963,557
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	253,128	253,128
10. Total gross investment income	64,032,132	50,151,280
11. Investment expenses		(g) 6,069,704
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)		6,069,704
17. Net investment income (Line 10 minus Line 16)		44,081,576

DETAILS OF WRITE-INS			
0901. Miscellaneous Income/(Expense)		253,128	253,128
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		253,128	253,128
1501.			
1502.			
1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)			

- (a) Includes \$ 592,199 accrual of discount less \$ 8,519,322 amortization of premium and less \$ 3,907,238 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 180,468 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.
- (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 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds	2,945,615			2,945,615
1.1 Bonds exempt from U.S. tax	14,429,696			14,429,696
1.2 Other bonds (unaffiliated)	8,370,401	(100,257)	27,936	8,298,080
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)	10,252		2,156	12,408
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)	2,827		19,460	22,287
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments	2,281			2,281
7. Derivative instruments				
8. Other invested assets				
9. Aggregate write-ins for capital gains (losses)				
10. Total capital gains (losses)	25,761,072	(100,257)	49,552	25,710,367

DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)			

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivable for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Investment income due and accrued			
12. Premiums and considerations:			
12.1 Uncollected premiums and agents' balances in the course of collection			
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
12.3 Accrued retrospective premiums			
13. Reinsurance:			
13.1 Amounts recoverable from reinsurers			
13.2 Funds held by or deposited with reinsured companies			
13.3 Other amounts receivable under reinsurance contracts			
14. Amounts receivable relating to uninsured plans			
15.1 Current federal and foreign income tax recoverable and interest thereon			
15.2 Net deferred tax asset	7,741,695	15,533,071	7,791,376
16. Guaranty funds receivable or on deposit			
17. Electronic data processing equipment and software			
18. Furniture and equipment, including health care delivery assets			
19. Net adjustment in assets and liabilities due to foreign exchange rates			
20. Receivable from parent, subsidiaries and affiliates			
21. Health care and other amounts receivable			
22. Other assets nonadmitted			
23. Aggregate write-ins for other than invested assets			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	7,741,695	15,533,071	7,791,376
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	7,741,695	15,533,071	7,791,376

DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)			

NOTES TO FINANCIAL STATEMENTS

Note 1- Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. 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 uses the following accounting policies:

1. Investment grade short-term investments are carried at cost adjusted where appropriate for amortization of premium or discount, or market, as specified by the Purposes and Procedures Manual of the NAIC Securities Valuation Office (SVO Manual).
2. Investment grade bonds are carried at cost adjusted where appropriate for amortization of premium or discount, or market as specified by the SVO Manual.
3. Common stocks are carried at market value.
4. The Company does not own preferred stocks.
5. The Company does not own mortgage loans.
6. Mortgage-backed/asset backed securities are stated at amortized value. Prepayment assumptions for single class mortgage-backed/asset backed securities and multi-class securities were obtained from internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all single class mortgage-backed/asset-backed securities and multi-class securities. Non-investment grade mortgage-backed/asset backed securities are stated at the lower of amortized value or fair value.
7. The Company has no subsidiary investments.
8. The Company has no investments in joint ventures, partnerships, and limited liability companies.
9. The Company has no derivative instruments.
10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property-Casualty Contracts - Premiums*.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.
12. The Company did not change its capitalization policy in 2004.

Note 2- Accounting Changes and Correction of Errors

3 There were no material changes in accounting principles or corrections of errors during the year.

B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Indiana. Effective January 1, 2001, the State of Indiana required that insurance companies domiciled in the State of Indiana prepare their statutory basis financial statements in accordance with the NAIC APP Manual subject to any deviations prescribed or permitted by the insurance commissioner of the State of Indiana.

Note 3- Business Combinations and Goodwill

A. Statutory Purchase Method

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

NOTES TO FINANCIAL STATEMENTS

B. Statutory Mergers

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

C. Impairment Loss

Not applicable

Note 4- Discontinued Operations

The Company has no discontinued operations to report.

Note 5- Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

The Company does not hold any mortgage loans as investments.

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan-Backed Securities

1. The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date, where historical cash flows are not readily available.
2. Prepayment assumptions for single class and multi-class mortgages-backed/asset-backed securities were based upon 1-month historical constant prepayment rates.
3. The Company used IDSI, Bloomberg, and Lehman Index data in determining the market value of the vast majority of its loan-backed securities. A small number of securities are priced in other ways, such as contacting brokers.
4. The Company had no negative yield situations requiring a change from the retrospective to prospective method.

E. Repurchase Agreements

The Company did not enter into any repurchase agreements during the year.

F. Real Estate

The Company does not own real estate.

Note 6- Joint Ventures, Partnerships & Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships, or limited liability companies.

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

Not applicable

Note 7- Investment Income

A. Accrued Investment Income

All investment income due and accrued over 90 days past due is excluded from Surplus.

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2004.

Note 8- Derivative Instruments

The Company was not a party to any derivative financial instruments during the year.

NOTES TO FINANCIAL STATEMENTS

Note 9 - Income Taxes

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

	December 31, 2004	December 31, 2003	Change
Total of gross deferred tax assets	18,193,196	17,689,150	504,046
Total of deferred tax liabilities	(918,196)	(466,000)	(452,196)
Net deferred tax asset	17,275,000	17,223,150	51,850
Net deferred tax asset non-admitted	(7,741,695)	(15,533,071)	7,791,376
Net admitted deferred tax asset	9,533,305	1,690,079	7,843,226

- B. The Company does not have any deferred tax liabilities described in SSAP No. 10, Income Taxes, paragraph 6d.
- C. The provisions for incurred taxes on earnings for the years ended December 31 are:

	2004	2003
Federal	8,930,521	(57,418,103)
Net operating loss benefit	(9,227,400)	0
Foreign	0	0
Federal and foreign income tax incurred	(296,877)	(57,418,103)

The Company's deferred tax assets and liabilities result primarily from discounting of unpaid loss and LAE reserves, reversal of discount accretion on bonds, net operating loss carryforwards, and statutory non-admitted assets.

- D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of tax-exempt interest, excludible dividend income, revisions to prior year estimates, and changes in deferred taxes related to statutory non-admitted assets.
- E. The amount of Federal income taxes incurred and available for recoupment in the event of future losses is none from the current year and none from the preceding year.

As of December 31, 2003, the Company has a net loss carryforward of \$29,992,088 originating in 2001 and expiring in 2021.

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

Access Insurance Services, Co.	Liberty International Holdings, Inc.
ALM Services, Inc.	Liberty Life Assurance Company of Boston
Ambco Capital Corporation	Liberty Life Holdings, Inc.
America First Insurance Company	Liberty Lloyds of Texas Insurance Company
America First Lloyds Insurance Company	Liberty Management Services, Inc.
American Ambassador Casualty Company	Liberty Mexico Holdings, Inc.
Berkeley Management Corporation	Liberty Mutual Capital Corporation (Boston)
Bridgefield Casualty Insurance Company	Liberty Mutual Fire Insurance Company
Bridgefield Employers Insurance Company	Liberty Mutual Group Inc.
Capitol Agency, Inc. (Arizona corporation)	Liberty Mutual Holding Company, Inc.
Capitol Agency, Inc. (Ohio corporation)	Liberty Mutual Insurance Company
Capitol Agency, Inc. (Tennessee corporation)	Liberty Mutual Managed Care, Inc.
Cascade Disability Management, Inc.	Liberty Northwest Insurance Corporation
Colorado Casualty Insurance Company	Liberty Personal Insurance Company
Companies Agency Insurance Services of California	Liberty RE (Bermuda) Limited
Companies Agency of Alabama, Inc.	Liberty Real Estate Corporation
Companies Agency of Georgia, Inc.	Liberty Surplus Insurance Corporation
Companies Agency of Kentucky, Inc.	Liberty-USA Corporation
Companies Agency of Massachusetts, Inc.	LIH-Re of America Corporation
Companies Agency of Michigan, Inc.	LIH U.S. P&C Corporation
Companies Agency of New York, Inc.	LIIA Insurance Agency, Inc.
Companies Agency of Pennsylvania, Inc.	LIU Specialty Agency, Inc.
Companies Agency of Phoenix, Inc.	LLS Insurance Agency of Nevada, Inc.
Companies Agency, Inc.	LM Insurance Corporation
Companies Annuity Agency of Texas, Inc.	LMHC Massachusetts Holding, Inc.
Consolidated Insurance Company	LRE Properties, Inc.
Copley Venture Capital, Inc.	Mid-American Agency, Inc.
Countrywide Services Corporation	Mid-American Fire and Casualty Company
Diversified Settlements, Inc.	Missouri Agency, Inc.
Employers Insurance Company of Wausau	North Pacific Insurance Company
Excelsior Insurance Company	Oregon Automobile Insurance Company
First State Agency, Inc.	Peerless Indemnity Insurance Company
Florida State Agency, Inc.	Peerless Insurance Company
Globe American Casualty Company	LM Personal Insurance Company
Golden Eagle Insurance Corporation	LM General Insurance Company
Gulf States AIF, Inc.	LM Property and Casualty Insurance Company
Hawkeye-Security Insurance Company	San Diego Insurance Company
Helmsman Insurance Agency of Illinois, Inc.	State Agency, Inc. (Indiana corporation)
Helmsman Insurance Agency of Texas, Inc.	State Agency, Inc. (Wisconsin corporation)
Heritage-Summit Healthcare of Florida, Inc.	St. James Insurance Company

NOTES TO FINANCIAL STATEMENTS

Indiana Insurance Company	Summit Consulting, Inc.
LEXCO Limited	Summit Consulting, Inc. of Louisiana
Liberty Assignment Corporation	Summit Holding Southeast, Inc.
Liberty Corporate Services, Inc.	The First Liberty Insurance Corporation
Liberty Energy Corporation	The Midwestern Indemnity Company
Liberty Financial Services, Inc.	The National Corporation
Liberty Hospitality Group, Inc.	The Netherlands Insurance Company
Liberty Insurance Company of America	Wausau (Bermuda) Ltd.
Liberty Insurance Corporation	Wausau Business Insurance Company
Liberty Insurance Holdings, Inc.	Wausau General Insurance Company
Liberty Insurance Underwriters, Inc.	Wausau Holdings, Inc.
Liberty International Aberdeen, Inc.	Wausau Service Corporation
Liberty International Asia Pacific Holdings, Inc.	Wausau Underwriters Insurance Company

*This company joined the consolidated group in 2004 and its activity from the date it joined the group is included in the consolidated return.

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

Note 10- Information concerning Parent, Subsidiaries and Affiliates

- A. All of the outstanding shares of capital stock of the Company are held by Liberty Mutual Insurance Company (the "Parent Company"), a Massachusetts insurance company. Liberty Mutual Insurance Company is wholly owned by Liberty Mutual Holding Company Inc., a Massachusetts company. Prior to November 1, 2003, the Company was a wholly owned subsidiary of PRUCO, Inc. (New Jersey non-insurer whose ultimate parent was Prudential Financial Inc., a New Jersey non-insurer).
- B. All non-insurance transactions which the Company had with its affiliates involved less than ½ of 1% of the total admitted assets of the reporting entity.
- C. There have been no material transactions with the company's affiliates during 2004.
- D. At December 31, 2004 the Company reported \$29,809,804 due to affiliates. In general, the terms of the intercompany arrangement require settlement at least quarterly.
- E. The Company has made no guarantee or initiated undertaking for the benefit of affiliates which result in a material contingent exposure of the Company's or affiliates' assets or liabilities.
- F. See Note 26 for information regarding intercompany pooling arrange

There is a "Service Agreement" between the Company and the Parent Company, under which the Parent Company provides the Company with services of personnel employed by the Parent Company, office space, supplies, equipment, telephone and wire services, the use of computers and similar machines to the extent necessary or appropriate. The Company has an investment services agreement with Parent Company.

There is a "Distribution Agreement" between the Company and Helmsman Insurance Agency, Inc., ("Helmsman") whereby Helmsman provides agent commission payments, accounting, office services and other services under the terms of the "Distribution Agreement".

- E. The Company is part of a holding company structure as illustrated in Schedule Y part 1.
- F. 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.
- G. The Company does not own investments in subsidiary, controlled or affiliated companies.
- H. Not applicable

Note 11- Debt

- A. The Company has no capital notes.
- B. The Company has no outstanding borrowed money.

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 post retirement benefit plans. Services for the operation of the Company are provided under provisions of an intercompany cost-sharing arrangement as described in note 10(f).

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

1. The Company has 800 shares authorized, issued, and outstanding as of December 31, 2004. All shares have a stated par value of \$5,500.

NOTES TO FINANCIAL STATEMENTS

2. Preferred Stock

Not applicable

3. Dividend Restrictions

There are no dividend restrictions.

4. The maximum amount of dividends which can be paid by Indiana domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner, is the greater of (a) 10% of policyholder surplus, or (b) net income, not including realized capital gains. The maximum dividend payout which may be made without prior approval during 2005 is \$25,660,815.

5. The Company does not have restricted unassigned surplus.

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.

9. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

	Cumulative Increase (Decrease) in Surplus	Current Year Increase (Decrease) in Surplus
a. Unrealized gains/(losses)	\$18,909	\$49,552
b. Nonadmitted asset values	(7,741,695)	7,791,376
e. Provision for reinsurance	(3,225,228)	786,663
Total	<u>(\$10,948,014)</u>	<u>\$8,627,591</u>

10. Surplus Notes

Not applicable

11. Quasi re-organization (dollar impact and effective date)

Effective December 31, 2003 the Company restated its unassigned funds (surplus) to \$0, by reclassifying \$31,979,711 from Gross paid in and contributed surplus to unassigned funds (surplus). The restatement was made in accordance with SSAP #72, *Surplus and Quasi-reorganizations*, and was approved by the Indiana Department of Insurance. There have been no previous restatements of unassigned funds (surplus) during the previous 10 years.

Note 14- Contingencies

A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities as indicated in Note 10E, the Company has made no guarantees on behalf of affiliates.

B. Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums are written, or, in the case of loss based assessments, at the time the losses are incurred.

As a result of the inter-company reinsurance arrangement with Liberty Mutual Insurance Company, refer to Note 26, all balances are ceded to the Liberty pool.

C. Gain Contingencies

Not applicable

D. 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.

Note 15- Leases

A. The Company is not involved in material lease obligations.

B. Leasing as a significant part of lessor's business activities

Not applicable

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 with concentrations of credit risk.

NOTES TO FINANCIAL STATEMENTS

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

A. Transfers of Receivables reported as sales:

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

B. Transfers and servicing of financial assets:

The Company did not have any transfers and servicing of financial assets during the year.

C. Wash Sales

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

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

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

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 through managing general agents or third party administrators.

Note 20 – September 11 Events

As a result of the inter-company reinsurance agreement with Liberty Mutual Insurance Company, refer to Note 26, the Company has no exposure to losses arising from the September 11, 2001 World Trade Center disaster.

Note 21- Other Items

A. The Company has no extraordinary items to report.

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

1) Assets in the amount of \$6,602,761 and \$6,711,378 as of December 31, 2004 and 2003 respectively, were on deposit with government authorities or trustees as required by law.

D. As a result of the inter-company reinsurance agreement with Liberty Mutual Insurance Company, refer to Note 26, the Company has no exposure to uncollectible premium receivable balances.

E. Business Interruption Insurance Recoveries

There were no reported losses that exceeded the policy deductible.

Note 22- Events Subsequent

There were no events subsequent to December 31, 2004 which would require disclosure.

Note 23- Reinsurance

A. Excluding amounts arising pursuant to the intercompany pooling agreement, as described in Note 26, the unsecured reinsurance recoverables with an individual reinsurer which exceed 3% of policyholders surplus are listed below.

<u>Reinsurer</u>	<u>Naic No.</u>	<u>Federal ID No.</u>	<u>Recoverable Amount</u>
New Jersey Unsatisfied Claim and Judgment Fund		AA-9991160	\$181,373,000
Michigan Catastrophic Claims Association		AA-9991159	65,617,000
Vantage Casualty Insurance Company	11821	06-1709211	53,301,000
General Reinsurance Corporation	22039	13-2673100	41,317,000

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

NOTES TO FINANCIAL STATEMENTS

- C. 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, 2004.

	Assumed Reinsurance		Ceded Reinsurance		Net Reinsurance	
	UEP	Commission Equity	UEP	Commission Equity	UEP	Commission Equity
Affiliates	\$14,464,988	\$2,332,424	\$52,253,611	\$8,425,695	(37,788,623)	\$(6,093,271)
All Other	783,528	178,984	(19,311,874)	(3,113,966)	20,095,402	3,292,950
Total	\$15,248,516	\$2,511,408	\$32,941,737	\$5,311,729	(17,693,221)	\$(2,800,321)

Direct Unearned Premium Reserve: \$17,693,220

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, 2004 are as follows:

Description	Direct	Assumed	Ceded	Net
Contingent commissions	\$13,356,509	\$0	\$13,356,509	\$0
Sliding scale adjustments	0	0	0	0
Other profit commissions	0	0	0	0
Totals	\$13,356,509	\$0	\$13,356,509	\$0

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

- D. The Company has not written off any uncollectible balances in the current year.
- E. The Company commuted ceded reinsurance treaties in the current year with the reinsurers listed below. The net effect of the commutations was an increase in the losses and loss adjustment expenses of \$254,290 and an increase to other income of \$153. These amounts are shown below by Income Statement classification and by reinsurer.

Income Statement Classification	Amount
Losses Incurred	\$254,290
Loss Adjustment Expenses Incurred	0
Premiums Earned	0
Other	153
Total	\$254,137
Reinsurer	Amount
Arig Reinsurance Company, AA-4190035	\$(153)
Constellation Reinsurance Company, 31-0908652	254,290
Total	\$254,137

- F. The Company has no retroactive reinsurance.
- G. There are no contracts recorded as deposit accounting.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company does not have net accrued retrospective premiums.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

- A. As a result of the inter-company reinsurance arrangement with Liberty Mutual Insurance Company, refer to Note 26, the Company has no exposure to changes in incurred losses and loss adjustment expenses.

Note 26- Intercompany Pooling Arrangements

The Company participates in a 100% Quota Share (Fronting) Reinsurance Agreement (the Agreement) with an affiliate, Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Inter-Company Reinsurance Agreement. Pursuant to the Agreement, after external reinsurance, the Company cedes its net underwriting activity to the lead company.

Note 27- Structured Settlements

- B. As a result of the inter-company reinsurance arrangement with Liberty Mutual Insurance Company, refer to Note 26, the Company has no exposure to contingent liabilities from the purchase of annuities.

B. Not applicable

Note 28 - Health Care Receivables

Not applicable

Note 29 - Participating Policies

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 30 – Premium Deficiency Reserves

As a result of the inter-company reinsurance agreement with Liberty Mutual Insurance Company, refer to Note 26, the Company has no exposure to liabilities related to premium deficiency reserves.

Note 31- High Dollar Deductible Policies

Not applicable

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

See Note 26.

Note 33 - Asbestos/Environmental Reserves

The Company has exposure to asbestos and environmental claims which emanate principally from two main exposures 1) the assumption of certain liabilities and obligations of Prudential-LMI Commercial Insurance Company (Prudential-LMI), effective December 31, 1986 and 2) the assumption of reserves from Everest Reinsurance Holdings, Inc. (Everest Re), related to Prudential Financials' sale of Gibraltar Casualty Company to Everest Re.

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

In recent years, the Company, as well as the industry generally, has witnessed a significant increase in the number of asbestos claims being filed, due to a number of variables, including more intensive advertising by lawyers seeking asbestos claimants, and the increasing focus by plaintiffs on new and previously peripheral defendants, attempts to broaden the interpretation of compensable loss, and courts expanding the scope of the coverage.

As a result of the significant uncertainty inherent in determining a company's asbestos and environmental liabilities, the amount of reserves required to adequately fund the Company's asbestos and environmental claims cannot be accurately estimated using conventional reserving methodologies based upon historical data and trends. As a result, the use of conventional reserving methodologies frequently has to be supplemented by subjective considerations including managerial judgment.

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.

As a direct result of the significant uncertainties associated with estimating its asbestos and environmental exposures and establishing appropriate levels of reserves, the ultimate liability of the Company for asbestos and environmental exposures may vary materially from the reserves currently recorded. The Company and other industry members have and will continue to litigate the broadening judicial interpretation of policy coverage and the liability issues. If the courts continue to expand the scope of the coverage provided, additional liabilities could emerge for amounts in excess of reserves held. This emergence, as well as the other uncertainties noted above, cannot be reasonably estimated, but could have a material impact on the Company's future operating results and financial condition.

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, 2004, 2003, 2002, 2001, and 2000:

- A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses Yes (X)

	2000	2001	2002	2003	2004
Gross Asbestos:					
January 1 reserves:	\$ 6,342,093	\$6,059,016	\$11,419,932	\$174,514,566	\$175,311,805
Incurred activity	263,580	6,032,767	4,902,489	1,681,681	-
Paid activity	546,657	671,852	1,807,854	884,443	146,485
Ending reserves	<u>\$6,059,016</u>	<u>\$11,419,932</u>	<u>\$14,514,566</u>	<u>\$175,311,805</u>	<u>\$175,165,320</u>

NOTES TO FINANCIAL STATEMENTS

Net Asbestos:					
January 1 reserves:	\$6,342,093	\$6,059,016	\$11,419,932	\$116,641,075	\$117,516,732
Incurred activity	263,580	6,032,767	1,268,797	1,693,636	-
Paid activity	546,657	671,852	1,647,654	817,978	146,485
Ending reserves	<u>\$6,059,016</u>	<u>\$11,419,932</u>	<u>\$11,041,075</u>	<u>\$117,516,732</u>	<u>\$117,370,247</u>

- B. State the amount of the ending reserves for Bulk + IBNR included in A (Loss and LAE):
- Gross of Reinsurance **\$171,757,200**
 - Net of Reinsurance \$115,088,200**
- C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk, + IBNR)
- Gross of Reinsurance \$862,700
 - Net of Reinsurance Basis \$862,700
- D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses Yes (X)

Gross	2000	2001	2002	2003	2004
Environmental:					
January 1 reserves:	\$14,798,218	\$14,137,705	\$11,419,932	\$14,514,566	\$15,311,805
Incurred activity	615,021	(2,045,921)	4,902,489	1,681,681	-
Paid activity	1,275,534	671,852	1,807,854	884,443	146,485
Ending reserves	<u>\$14,137,705</u>	<u>\$11,419,932</u>	<u>\$14,514,566</u>	<u>\$15,311,805</u>	<u>\$15,165,320</u>
Net					
Environmental:					
January 1 reserves:	\$14,798,218	\$14,137,705	\$11,419,932	\$11,041,075	\$11,916,732
Incurred activity	615,021	(2,045,921)	1,268,797	1,693,636	-
Paid activity	1,275,534	671,852	1,647,654	817,978	146,485
Ending reserves	<u>\$14,137,705</u>	<u>\$11,419,932</u>	<u>\$11,041,075</u>	<u>\$11,916,732</u>	<u>\$11,770,247</u>

- E. State the amount of the ending reserves for Bulk + IBNR included in D (Loss & LAE):
- Gross of Reinsurance \$11,757,200
 - Net of Reinsurance \$ 9,088,200
- F. State the amount of the ending reserves for loss adjustment expenses included in D(Case, Bulk, IBNR)
- Gross of Reinsurance \$862,700
 - Net of Reinsurance \$862,700

Note: Effective in 2003, as part of the series of transactions related to the sale of the company to Liberty Mutual Group Inc., the Company terminated its keep well agreement under which Prudential Financial, Inc. would reimburse asbestos losses and for which the Company had a permitted practice allowing gross asbestos reserves to be reported net of the keep well agreement. In its place, the Company executed a reinsurance agreement with Vantage Casualty Insurance Company ("Vantage", a wholly owned subsidiary of the Prudential) whereby any increase in asbestos and pollution reserves are reinsured by Vantage. Vantage's obligations are fully guaranteed by Prudential Financial Inc. Accordingly, the gross and net asbestos reserves have been adjusted in 2003.

Note 34- Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 35 - Multiple Peril Crop Insurance

Not applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	108,349,587	12.536	108,349,587	12.536
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	50,288,768	5.818	50,288,768	5.818
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	6,093,769	0.705	6,093,769	0.705
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations	122,833,632	14.212	122,833,632	14.212
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	18,616,944	2.154	18,616,944	2.154
1.512 Issued or guaranteed by FNMA and FHLMC	133,813,009	15.482	133,813,009	15.482
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	58,072,503	6.719	58,072,503	6.719
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage- backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other	42,694,636	4.940	42,694,636	4.940
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	217,155,386	25.125	217,155,386	25.125
2.2 Unaffiliated foreign securities	8,856,625	1.025	8,856,625	1.025
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	21,961	0.003	21,961	0.003
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities	183,900	0.021	183,900	0.021
8. Cash, cash equivalents and short-term investments	93,794,461	10.852	93,794,461	10.852
9. Other invested assets	3,538,303	0.409	3,538,303	0.409
10. Total invested assets	864,313,484	100.000	864,313,484	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? INDIANA
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No []
- 2.2 If yes, date of change: 04/13/2004
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2000
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2000
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/31/2002
- 3.4 By what department or departments? INDIANA
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 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? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 6.2 If yes, give full information N/A
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0 %
- 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

GENERAL INTERROGATORIES

- 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.

N/A

- 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 location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Ernst & Young, LLP
 200 Claredon Street, Boston, MA 02116
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Roy K. Morell, FCAS, MAAA, Vice President & Senior Actuary
 175 Berkeley Street, Boston, MA 02117
 Liberty Mutual Insurance Company

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

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

N/A

- 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]
 11.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

BOARD OF DIRECTORS

12. 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 []
 13. 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 []
 14. 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 which is in or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.11 To directors or other officers \$ _____
 - 15.12 To stockholders not officers \$ _____
 - 15.13 Trustees, supreme or grand (Fraternal only) \$ _____
- 15.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.21 To directors or other officers \$ _____
 - 15.22 To stockholders not officers \$ _____
 - 15.23 Trustees, supreme or grand (Fraternal only) \$ _____
- 16.1 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]
- 16.2 If yes, state the amount thereof at December 31 of the current year:
- 16.21 Rented from others \$ _____
 - 16.22 Borrowed from others \$ _____
 - 16.23 Leased from others \$ _____
 - 16.24 Other \$ _____
- Disclose in Notes to Financial the nature of each obligation.
- 17.1 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]
- 17.2 If answer is yes:
- 17.21 Amount paid as losses or risk adjustment \$ _____
 - 17.22 Amount paid as expenses \$ _____
 - 17.23 Other amounts paid \$ _____

GENERAL INTERROGATORIES

INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes [] No [X]	Yes [] No [X]
Common	800	800	5,500,000.00	X X X	X X X X X X	X X X X X X

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

19.2 If no, give full and complete information, relating thereto

20.1 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, except as shown on Schedule E - Part 3 - Special Deposits, 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 16.1). Yes [] No [X]

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

20.21 Loaned to others	\$ _____
20.22 Subject to repurchase agreements	\$ _____
20.23 Subject to reverse repurchase agreements	\$ _____
20.24 Subject to dollar repurchase agreements	\$ _____
20.25 Subject to reverse dollar repurchase agreements	\$ _____
20.26 Pledged as collateral	\$ _____
20.27 Placed under option agreements	\$ _____
20.28 Letter stock or securities restricted as to sale	\$ _____
20.29 Other	\$ _____

20.3 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

21.2 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.

22.1 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]

22.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

GENERAL INTERROGATORIES

INVESTMENT

23. Excluding items in Schedule E, 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 Part 1-General, Section IV.H-Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

23.01 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
JP Morgan Chase	3 Chase Metro Tech Center, Brooklyn, NY 11245

23.02 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)

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year? Yes [] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

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

24.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
9999999	Total	

24.3 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

GENERAL INTERROGATORIES

INVESTMENT

25. 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 (+)
25.1 Bonds	798,335,479	808,592,431	10,256,953
25.2 Preferred stocks			
25.3 Totals	798,335,479	808,592,431	10,256,953

25.4 Describe the sources or methods utilized in determining the fair values: Fair values are based on quoted market prices when available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or values obtained from independent pricing services.

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

26.2 If no, list exceptions:

OTHER

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ _____

27.2 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
	\$
	\$
	\$
	\$
	\$

28.1 Amount of payments for legal expenses, if any? \$ _____

28.2 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
	\$
	\$
	\$
	\$
	\$

29.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ _____

29.2 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 department 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	\$ _____	\$ _____
2.2 Premium Denominator	\$ _____	\$ _____
2.3 Premium Ratio (2.1/2.2)	_____	_____
2.4 Reserve Numerator	\$ _____	\$ _____
2.5 Reserve Denominator	\$ _____	\$ _____
2.6 Reserve Ratio (2.4/2.5)	_____	_____

3.1 Does the reporting entity issue both participating and non-participating policies? YES [] NO [X]
 3.2 If yes, state the amount of calendar year premiums written on:
 3.21 Participating policies \$ _____
 3.22 Non-participating policies \$ _____

4. For Mutual Reporting Entities and Reciprocal Exchange 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. \$ _____

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? _____
 N/A _____
 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 _____

GENERAL INTERROGATORIES
(Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 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 of loss:
 The company has a 100% quota share agreement with Liberty Mutual Insurance Company
- 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:
- 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 has a 100% quota share agreement with Liberty Mutual Insurance Company
- 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
- 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 uninsured catastrophic loss
 N/A
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which 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
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. _____
- 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
- 8.2 If yes, give full information _____
9. 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
- 10.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? YES NO
- 10.2 If yes, give full information _____
- 11.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 12.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | | |
|-------|---|----|-------|
| 11.11 | Unpaid losses | \$ | _____ |
| 11.12 | Unpaid underwriting expenses (including loss adjustment expenses) | \$ | _____ |
- 11.2 Of the amount on Line 12.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds? \$ _____
- 11.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? YES NO N/A
- 11.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | | | |
|-------|------|-------|---|
| 11.41 | From | _____ | % |
| 11.42 | To | _____ | % |
- 11.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium 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
- 11.6 If yes, state the amount thereof at December 31 of current year:
- | | | | |
|-------|----------------------------|----|-------|
| 11.61 | Letters of Credit | \$ | _____ |
| 11.62 | Collateral and other funds | \$ | _____ |
- 12.1 What amount of installment notes is owned and now held by the reporting entity? \$ _____
- 12.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? YES NO
- 12.3 If yes, what amount? \$ _____
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ _____
- 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. _____ 1

GENERAL INTERROGATORIES
(Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? YES [] NO [X]

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

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

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

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

15.1 Has the reporting entity guaranteed any financed premium accounts? YES [] NO [X]

15.2 If yes, give full information
N/A

16.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? YES [] NO [X]

16.11 Name of real estate holding company N/A

16.12 Number of parcels involved _____

16.13 Total book/adjusted carrying value \$ _____

16.2 If yes, provide explanation
N/A

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

	1	2	3	4	5
	Direct Losses	Direct Losses	Direct Written	Direct Premium	Direct Premium
	Incurred	Unpaid	Premium	Unearned	Earned
17.11 Home	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.12 Products	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.13 Automobile	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.14 Other*	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

* Disclose type of coverage: _____

FIVE-YEAR HISTORICAL DATA

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

	1 2004	2 2003	3 2002	4 2001	5 2000
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	188,963,416	522,024,193	556,105,461	509,861,456	441,855,176
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	126,014,583	368,316,786	386,449,600	356,308,454	301,053,408
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	46,568,341	409,190,795	389,411,552	365,358,287	356,498,260
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)				48,646	29,189
5. Nonproportional reinsurance lines (Lines 30, 31 & 32)		6,239	2,084		
6. Total (Line 34)	361,546,340	1,299,538,013	1,331,968,697	1,231,576,843	1,099,436,033
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)		329,807,563	553,584,107	506,669,626	440,030,567
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)		223,401,689	377,164,128	347,032,051	292,287,442
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)		111,215,660	367,950,939	346,210,958	339,152,267
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)				48,646	29,189
11. Nonproportional reinsurance lines (Lines 30, 31 & 32)		303,945	4,808		
12. Total (Line 34)		664,728,857	1,298,703,982	1,199,961,281	1,071,499,465
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(2,979,326)	(31,407,062)	(221,644,691)	(132,460,056)	(104,629,856)
14. Net investment gain (loss) (Line 11)	69,742,391	149,024,820	31,000,090	96,500,696	140,085,894
15. Total other income (Line 15)	(2,613)	(55,122,332)	4,450,830	(6,539,031)	(5,606,237)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(296,877)	(57,418,103)	(53,739,598)	(39,096,735)	(12,397,668)
18. Net income (Line 20)	67,057,329	119,913,529	(132,454,173)	(3,401,656)	42,247,469
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	906,705,762	2,195,625,126	2,007,441,955	1,948,865,345	2,254,864,031
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 12.1)	97,105		7,216,304	7,091,296	8,162,343
20.2 Deferred and not yet due (Line 12.2)			91,297,538	92,202,529	90,472,122
20.3 Accrued retrospective premiums (Line 12.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 24)	236,695,520	1,600,399,383	1,488,895,888	1,221,374,884	1,174,086,262
22. Losses (Page 3, Lines 1 and 2)	169,171,329	230,073,144	616,600,596	412,491,542	458,717,125
23. Loss adjustment expenses (Page 3, Line 3)	7,330,000	7,700,494	102,866,926	85,599,840	99,479,214
24. Unearned premiums (Page 3, Line 9)			406,404,608	382,427,117	355,271,503
25. Capital paid up (Page 3, Lines 28 & 29)	4,400,000	4,400,000	4,400,000	4,400,000	4,400,000
26. Surplus as regards policyholders (Page 3, Line 35)	670,010,242	595,225,743	518,546,067	727,490,461	1,080,777,768
Risk-Based Capital Analysis					
27. Total adjusted capital	670,010,242	595,225,743	518,546,067	727,490,461	1,080,777,768
28. Authorized control level risk-based capital	29,300,710	91,614,964	147,717,530	170,627,008	188,999,540
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1)	88.7	85.1	80.6	79.5	76.0
30. Stocks (Lines 2.1 & 2.2)			10.1	14.5	15.1
31. Mortgage loans on real estate (Lines 3.1 and 3.2)					
32. Real estate (Lines 4.1, 4.2 & 4.3)			0.8	0.8	0.7
33. Cash and short-term investments (Line 5)	10.9	14.6	8.3	5.1	8.1
34. Contract loans (Line 6)			XXX	XXX	XXX
35. Other invested assets (Line 7)	0.4	0.2	0.2		
36. Receivable for securities (Line 8)		0.1			
37. Aggregate write-ins for invested assets (Line 9)					
38. Cash and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated bonds, (Sch. D, Summary, Line 25, Col. 1)					
40. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
41. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)			127,532,713	193,444,540	184,971,627
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)					
43. Affiliated mortgage loans on real estate					
44. All other affiliated					
45. Total of above Lines 39 to 44			127,532,713	193,444,540	184,971,627
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0)			24.6	26.6	17.1

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2004	2 2003	3 2002	4 2001	5 2000
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (losses) (Line 23)	49,552	(5,398,632)	(11,114,184)	(1,201,331)	(26,073,644)
48. Dividends to stockholders (Line 34)				(69,588,615)	
49. Change in surplus as regards policyholders for the year (Line 37)	74,784,499	76,679,677	(208,944,394)	(353,287,307)	12,333,609
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	303,670,229	421,793,223	420,597,881	349,834,425	320,590,130
51. Property lines (Lines 1, 2, 9, 12, 21 & 26)	97,113,638	208,644,498	238,758,949	240,367,559	192,206,636
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	179,064,302	236,421,089	258,059,053	244,094,320	213,694,599
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)					
54. Nonproportional reinsurance lines (Lines 30, 31 & 32)	6,695,668	(24,612,840)	(74,794,689)	1,222,205	1,691,926
55. Total (Line 34)	586,543,837	842,245,970	842,621,194	835,518,509	728,183,291
Net Losses Paid (Page 9, Part 2, Col. 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	3,355,927	731,678,167	369,346,743	340,421,623	310,558,998
57. Property lines (Lines 1, 2, 9, 12, 21 & 26)	(3)	150,983,251	204,491,772	235,006,458	189,255,873
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	22,557,059	266,652,781	250,281,438	244,065,054	212,673,820
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)					
60. Nonproportional reinsurance lines (Lines 30, 31 & 32)	6,695,668	(25,650,885)	(75,195,191)	1,222,205	1,691,926
61. Total (Line 34)	32,608,651	1,123,663,314	748,924,762	820,715,340	714,180,617
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2)		66.5	75.2	65.6	56.2
64. Loss expenses incurred (Line 3)		11.1	12.6	11.0	13.1
65. Other underwriting expenses incurred (Line 4)		25.3	29.6	34.8	40.7
66. Net underwriting gain (loss) (Line 8)		(2.9)	(17.4)	(11.3)	(9.9)
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)		49.1	28.8	34.5	40.5
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)		77.6	87.7	76.5	69.3
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0)		111.7	250.5	164.9	99.1
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	(5,816)	(121)	35,102	(33,152)	(39,077)
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Col. 1 x 100.0)	(1.0)		4.8	(3.1)	(3.7)
Two Year Loss Development (000 omitted)					
72. 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)	(2,178)	11,622	(17,288)	(55,261)	(27,339)
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.4)	1.6	(1.6)	(5.2)	(2.4)

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	162,344,874	162,020,945	163,687,157	156,238,425
	2. Canada				
	3. Other Countries				
	4. Totals	162,344,874	162,020,945	163,687,157	156,238,425
States, Territories and Possessions (Direct and guaranteed)	5. United States	6,093,769	6,356,533	6,093,460	6,105,000
	6. Canada				
	7. Other Countries				
	8. Totals	6,093,769	6,356,533	6,093,460	6,105,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	338,598,972	348,212,964	338,571,239	339,830,135
	14. Canada				
	15. Other Countries				
	16. Totals	338,598,972	348,212,964	338,571,239	339,830,135
Public Utilities (unaffiliated)	17. United States	31,716,371	32,078,910	31,693,700	32,000,000
	18. Canada				
	19. Other Countries				
	20. Totals	31,716,371	32,078,910	31,693,700	32,000,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	219,164,247	222,938,177	221,172,670	210,281,000
	22. Canada				
	23. Other Countries	8,856,625	8,801,700	8,882,080	9,000,000
	24. Totals	228,020,872	231,739,877	230,054,750	219,281,000
Parent, Subsidiaries and Affiliates	25. Totals				
26. Total Bonds		766,774,858	780,409,229	770,100,306	753,454,560
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States		15		
	36. Canada				
	37. Other Countries				
	38. Totals		15		
Parent, Subsidiaries and Affiliates	39. Totals				
40. Total Preferred Stocks			15		
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States	21,961	21,961	2,500	
	50. Canada				
	51. Other Countries				
	52. Totals	21,961	21,961	2,500	
Parent, Subsidiaries and Affiliates	53. Totals				
54. Total Common Stocks		21,961	21,961	2,500	
55. Total Stocks		21,961	21,976	2,500	
56. Total Bonds and Stocks		766,796,819	780,431,205	770,102,806	

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	1,759,195,117	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 7, Part 3	1,288,200,966	6.1 Column 15, Part 1	
3. Increase (decrease) by adjustment:		6.2 Column 19, Part 2, Section 1	
3.1 Columns 12 + 13 - 14, Part 1	(5,972,322)	6.3 Column 16, Part 2, Section 2	
3.2 Column 18, Part 2, Section 1		6.4 Column 15, Part 4	
3.3 Column 15, Part 2, Section 2	19,460	7. Book/adjusted carrying value at end of current period	766,796,819
3.4 Column 14, Part 4	(2,024,966)	8. Total valuation allowance	
4. Total gain (loss), Column 19, Part 4	25,758,791	9. Subtotal (Lines 7 plus 8)	766,796,819
5. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	2,298,380,227	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	766,796,819

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	15,703	13,347	3,721	3,721	172	172		2,356	X X X
2. 1995	1,497,370	1,495,359	2,011	1,019,775	1,019,596	30,393	30,392	121,927	121,927		180	X X X
3. 1996	1,367,830	1,365,294	2,536	907,506	907,328	26,804	26,804	122,890	122,890		178	X X X
4. 1997	1,230,625	1,230,031	594	708,412	708,352	19,769	19,769	108,862	108,862		60	X X X
5. 1998	1,099,346	1,099,305	41	658,174	658,168	21,006	21,002	116,111	116,087		34	X X X
6. 1999	1,031,254	1,031,219	35	619,313	619,165	19,079	19,079	114,434	114,432		150	X X X
7. 2000	1,080,428	1,080,392	36	707,545	707,262	20,997	20,959	124,173	124,171		323	X X X
8. 2001	1,204,352	1,200,732	3,620	857,276	852,330	23,018	22,537	125,624	125,588		5,463	X X X
9. 2002	1,308,335	1,304,294	4,041	869,547	852,967	15,181	14,134	103,649	103,639		17,637	X X X
10. 2003	1,309,881	1,305,637	4,244	705,393	676,981	6,867	6,530	30,046	30,042		28,753	X X X
11. 2004	729,052	729,052		277,642	277,704	4,935	4,935	7,144	7,143		(61)	X X X
12. Totals	X X X	X X X	X X X	7,346,286	7,293,200	191,770	189,862	975,032	974,953		55,073	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		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior	285,056	257,317	186,446	60,537			1,088	1,088	(10,023)	(17,154)		160,779	X X X
2. 1995	2,614	2,601		1			8	8	35	34		13	X X X
3. 1996	(389)	(616)	(50)	(50)			(25)	(25)	21	23		225	X X X
4. 1997	5,442	5,333							109	105		113	X X X
5. 1998	2,650	2,645		(66)			300	300	94	92		73	X X X
6. 1999	14,154	14,886		(81)			500	500	38	34		(647)	X X X
7. 2000	12,088	11,336	1,000	653			2,000	2,000	455	448		1,106	X X X
8. 2001	11,211	10,488	5,889	4,405			5,478	5,478	1,020	976		2,251	X X X
9. 2002	53,671	53,306	13,333	10,304	1	1	13,151	13,151	2,349	2,310		3,433	X X X
10. 2003	97,744	96,867	39,328	33,877	7	7	21,978	21,978	4,015	3,981		6,362	X X X
11. 2004	81,883	81,883	142,108	142,108	15	15	28,226	28,226	45,462	45,399		63	X X X
12. Totals	566,124	536,046	388,054	251,688	23	23	72,704	72,704	43,575	36,248		173,771	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	153,648	7,131
2. 1995	1,174,752	1,174,559	193	78,454	78,547	9,597				12	1
3. 1996	1,056,757	1,056,354	403	77,258	77,372	15,891				227	(2)
4. 1997	842,594	842,421	173	68,469	68,488	29,125				109	4
5. 1998	798,335	798,228	107	72,619	72,612	260,976				71	2
6. 1999	767,518	768,015	(497)	74,426	74,476	(1,420,000)				(651)	4
7. 2000	868,258	866,829	1,429	80,362	80,233	3,969,444				1,099	7
8. 2001	1,029,516	1,021,802	7,714	85,483	85,098	213,094				2,207	44
9. 2002	1,070,882	1,049,812	21,070	81,851	80,489	521,406				3,394	39
10. 2003	905,378	870,263	35,115	69,119	66,654	827,403				6,328	34
11. 2004	587,415	587,413	2	80,572	80,572						63
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	166,444	7,327

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
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	One Year	Two Year
1. Prior	79,472	88,115	86,874	90,328	90,297	88,405	93,614	95,696	97,308	92,355	(4,953)	(3,341)
2. 1995	210	559	192	171	171	171	171	171	179	192	13	21
3. 1996	X X X	226	383	155	169	169	170	171	178	405	227	234
4. 1997	X X X	X X X	125	39	41	41	42	43	53	169	116	126
5. 1998	X X X	X X X	X X X	X X X			1	3	8	81	73	78
6. 1999	X X X	X X X	X X X	X X X			2	300	151	(503)	(654)	(803)
7. 2000	X X X	X X X	X X X	X X X	X X X		10	1,010	685	1,420	735	410
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X	215	7,099	7,285	7,634	349	535
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	20,459	18,984	21,021	2,037	562
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	38,836	35,077	(3,759)	X X X
11. 2004	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	(62)	X X X	X X X
12. Totals											(5,816)	(2,178)

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
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
1. Prior	000	7,643	16,180	21,222	25,348	29,563	32,618	(40,619)	(63,649)	(61,293)	X X X	X X X
2. 1995	(9)	163	171	171	171	171	171	171	179	180	X X X	X X X
3. 1996	X X X	69	154	155	169	169	170	171	178	178	X X X	X X X
4. 1997	X X X	X X X	34	39	41	41	42	43	53	60	X X X	X X X
5. 1998	X X X	X X X	X X X	X X X			1	3	8	10	X X X	X X X
6. 1999	X X X	X X X	X X X	X X X			2	4	75	148	X X X	X X X
7. 2000	X X X	X X X	X X X	X X X	X X X		10	50	252	321	X X X	X X X
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X	185	3,533	4,707	5,427	X X X	X X X
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	7,546	15,548	17,627	X X X	X X X
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	9,114	28,749	X X X	X X X
11. 2004	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	(62)	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
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1. Prior	19,631	23,955	19,570	20,096	18,543	15,857	19,429	97,205	136,901	125,909
2. 1995			8							(1)
3. 1996	X X X	58	92							
4. 1997	X X X	X X X	36							
5. 1998	X X X	X X X	X X X	X X X						66
6. 1999	X X X	X X X	X X X	X X X				275		81
7. 2000	X X X	X X X	X X X	X X X	X X X			826		347
8. 2001	X X X	X X X	X X X	X X X	X X X	X X X		3,856	2,100	1,484
9. 2002	X X X	X X X	X X X	X X X	X X X	X X X	X X X	12,545	2,100	3,029
10. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	15,200	5,451
11. 2004	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	

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

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	YES	576,719	2,186,375	2,439,413	2,336,142	770,828	5,357	
2. Alaska	AK	YES	(2)	(1)		(136)	135		
3. Arizona	AZ	YES	15,873,090	19,291,088	10,219,171	10,093,805	10,672,010	73,334	
4. Arkansas	AR	YES	302,873	845,602	581,702	710,055	576,819	3,060	
5. California	CA	YES	20,253,382	50,173,084	45,128,103	32,014,532	37,210,093	77,353	
6. Colorado	CO	YES	2,352,128	6,635,836	6,412,740	6,133,790	4,024,333	21,341	
7. Connecticut	CT	YES	9,688,209	20,668,438	17,513,229	16,919,350	20,134,797	95,189	
8. Delaware	DE	YES	2,357,543	5,182,829	5,784,888	4,222,958	4,091,576	22,456	
9. Dist. Columbia	DC	YES	12,887	42,437	93,114	143,125	1,050,172	113	
10. Florida	FL	YES	20,673,346	49,235,625	72,790,740	69,151,543	43,098,659	48,300	
11. Georgia	GA	YES	6,761,007	15,724,913	13,187,353	11,802,042	9,181,513	58,644	
12. Hawaii	HI	YES	(1,330)	(1,330)	455,389	(40,556)	(1,768)		
13. Idaho	ID	YES	783,339	2,360,523	2,927,657	1,688,720	2,260,980	8,194	
14. Illinois	IL	YES	6,182,242	20,527,161	13,901,552	8,824,311	11,241,282	66,921	
15. Indiana	IN	YES	2,633,731	11,982,042	8,876,793	5,911,434	7,375,487	42,621	
16. Iowa	IA	YES	794,953	2,348,439	1,154,841	381,835	735,970	7,779	
17. Kansas	KS	YES	982,970	2,733,295	1,527,193	2,063,051	1,670,345	8,350	
18. Kentucky	KY	YES	2,685,964	5,900,033	3,626,333	5,050,362	4,108,892	22,701	
19. Louisiana	LA	YES	5,622,563	14,456,213	11,090,608	9,756,104	10,789,446	50,615	
20. Maine	ME	YES	1,917,198	4,255,729	2,133,719	3,376,984	3,063,365	28,883	
21. Maryland	MD	YES	2,337,222	7,915,377	5,864,923	4,997,077	3,697,651	17,651	
22. Massachusetts	MA	YES	505,319	3,649,119	2,345,177	1,340,585	1,596,087	7,757	
23. Michigan	MI	YES	4,795,520	14,997,778	14,499,301	(8,465,160)	66,059,739	54,413	
24. Minnesota	MN	YES	2,659,076	9,118,335	5,864,696	3,592,578	4,371,531	23,095	
25. Mississippi	MS	YES	444,907	1,603,133	1,126,722	827,013	1,069,763	4,791	
26. Missouri	MO	YES	1,206,090	4,639,176	3,012,451	2,065,847	1,445,883	13,069	
27. Montana	MT	YES	368,309	877,191	913,285	979,435	454,293	2,782	
28. Nebraska	NE	YES	825,374	2,067,977	1,287,894	1,624,269	1,240,531	5,967	
29. Nevada	NV	YES	2,590,125	6,291,122	6,074,257	7,448,935	8,087,945	21,792	
30. New Hampshire	NH	YES	510,854	1,989,058	1,559,766	1,338,373	925,452	4,250	
31. New Jersey	NJ	NO	(854)	(854)	7,372,708	32,065,545	197,930,501		
32. New Mexico	NM	YES	1,004,083	2,808,847	2,521,015	2,923,912	2,292,595	8,911	
33. New York	NY	YES	52,876,202	86,325,265	52,241,794	22,871,421	47,770,551	500,034	
34. No. Carolina	NC	YES	1,271,400	3,580,176	2,661,389	2,443,337	2,804,356	10,737	
35. No. Dakota	ND	YES	133,837	360,452	273,392	251,654	130,301	1,211	
36. Ohio	OH	YES	4,509,245	15,102,620	10,990,287	10,144,115	8,769,882	62,953	
37. Oklahoma	OK	YES	2,499,667	8,295,813	7,837,198	4,735,680	3,414,396	28,190	
38. Oregon	OR	YES	581,931	1,701,695	1,725,062	1,065,551	1,454,813	5,160	
39. Pennsylvania	PA	YES	34,805,729	78,815,513	62,087,048	18,585,064	63,471,348	406,051	
40. Rhode Island	RI	YES	1,126,634	2,837,812	2,581,088	1,886,095	3,080,812	16,620	
41. So. Carolina	SC	YES	2,191,337	7,033,455	4,141,627	3,373,184	2,273,414	16,168	
42. So. Dakota	SD	YES	239,721	975,688	678,719	160,775	422,617	2,338	
43. Tennessee	TN	YES	914,355	3,373,855	2,171,356	726,269	1,136,683	11,476	
44. Texas	TX	YES	8,288,746	14,903,095	12,994,247	12,669,508	11,935,210	77,856	
45. Utah	UT	YES	1,211,178	3,343,726	2,702,081	1,671,027	1,835,411	10,568	
46. Vermont	VT	YES	507,552	1,181,762	760,317	468,439	403,762	7,180	
47. Virginia	VA	YES	2,067,286	8,649,267	6,557,294	2,751,350	4,060,292	21,839	
48. Washington	WA	YES	1,530,591	3,866,086	4,073,481	2,418,143	2,440,985	12,683	
49. West Virginia	WV	YES	2,850,499	6,210,582	5,038,448	5,652,867	4,848,744	21,499	
50. Wisconsin	WI	YES	2,079,754	6,451,038	4,541,927	2,165,094	3,949,528	19,062	
51. Wyoming	WY	YES	321,494	1,431,836	721,178	381,574	224,477	2,342	
52. American Samoa	AS	NO							
53. Guam	GU	NO							
54. Puerto Rico	PR	NO							
55. U.S. Virgin Islands	VI	NO							
56. Canada	CN	NO							
57. Aggregate other alien	OT	XXX							
58. Totals	(a)	50	237,705,995	544,944,326	457,064,666	335,699,007	625,654,487	2,039,656	

DETAILS OF WRITE-INS									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX								
5799. Totals (Lines 5701 through 5703 + 5798) (Line 57 above)	XXX								

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

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

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

OVERFLOW PAGE FOR WRITE-INS
