ANNUAL STATEMENT

OF THE

LIBERTY MUTUAL INSURANCE COMPANY

of BOSTON

in the state of MASSACHUSETTS

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2014

PROPERTY AND CASUALTY

2014

23043201420100100

ANNUAL STATEMENT

For the Year Ended December 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

Liberty Mutual Insurance Company

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) **NAIC Company Code** 23043 **Employer's ID Number** 04-1543470

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

Country of Domicile United States of America

Incorporated/Organized January 1, 1912 **Commenced Business** July 1, 1912

Statutory Home Office 175 Berkeley Street (Street and Number), Boston, MA, US 02116 (City or Town, State, Country and Zip Code)

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

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

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

Internet Web Site Address www.libertymutualgroup.com

Statutory Statement Contact Gennaro Petruzziello (Name) 617-357-9500 x44532 (Area Code) (Telephone Number) (Extension)
Statutory.Compliance@LibertyMutual.com (E-Mail Address) 857-224-1430 (Fax Number)

OFFICERS

Chairman of the Board

David Henry Long

	Name	Title
1.	David Henry Long	President and Chief Executive Officer
2.	Dexter Robert Legg	Vice President and Secretary
3.	Laurance Henry Soyer Yahia	Vice President and Treasurer

VICE-PRESIDENTS

Name	Title	Name	Title
Luis Bonell	Executive Vice President	John Eric Brosius	EVP and Corporate Actuary
James Paul Condrin, III	Executive Vice President	John Derek Doyle	Vice President and Comptroller
Melanie Marie Foley	EVP-Chief Human Resources & Admin. Off.	Anthony Alexander Fontanes	EVP and Chief Investment Officer
James Francis Kelleher	EVP and Chief Legal Officer	Dennis James Langwell	EVP and Chief Financial Officer
James Martin McGlennon	EVP and Chief Information Officer	Christopher Locke Peirce	Executive Vice President
Timothy Michael Sweeney	Executive Vice President		

DIRECTORS OR TRUSTEES

James Paul Condrin, III	Anthony Alexander Fontanes	Dennis James Langwell	James Francis Kelleher
Dexter Robert Legg	David Henry Long	Christopher Locke Peirce	Timothy Michael Sweeney

State of Massachusetts

County of Suffolk ss

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

(Signature)	(Signature)	(Signature)
David Henry Long	Dexter Robert Legg	Laurance Henry Soyer Yahia
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President and Chief Executive Officer	Vice President and Secretary	Vice President and Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to (or affirmed) before me this on this
26th day of January , 2015, by

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

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	12,923,989,791		12,923,989,791	13,927,716,758
2. Stocks (Schedule D):				
2.1 Preferred stocks	223,731,361		223,731,361	207,095,260
2.2 Common stocks	9,309,706,458		9,309,706,458	8,823,866,852
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	519,551,668		519,551,668	533,145,880
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ 0 encumbrances)	277,018,283		277,018,283	250,515,870
4.2 Properties held for the production of income (less $ 0 encumbrances)	724,566		724,566	786,037
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 218,526,591, Schedule E - Part 1), cash equivalents ($ 176,971,298, Schedule E - Part 2), and short-term investments ($ 348,723,253, Schedule DA)	744,221,142		744,221,142	1,118,180,550
6. Contract loans (including $ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	10,841,825,462		10,841,825,462	10,246,718,522
9. Receivables for securities	65,878,425		65,878,425	35,022,063
10. Securities lending reinvested collateral assets (Schedule DL)	208,211,613		208,211,613	338,945,591
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	35,114,858,769		35,114,858,769	35,481,993,383
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	129,261,358		129,261,358	149,855,386
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,031,267,297	38,148,438	993,118,859	1,019,705,850
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 14,356,350 earned but unbilled premiums)	2,934,271,788	1,435,636	2,932,836,152	3,525,968,004
15.3 Accrued retrospective premiums	248,808,900	24,722,595	224,086,305	235,369,077
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	379,605,173		379,605,173	1,127,095,512
16.2 Funds held by or deposited with reinsured companies	23,133,271		23,133,271	20,025,367
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	193,594	7,018	186,576	
18.1 Current federal and foreign income tax recoverable and interest thereon	170,363,434		170,363,434	
18.2 Net deferred tax asset	1,603,189,000	167,483,832	1,435,705,168	1,622,078,425
19. Guaranty funds receivable or on deposit	11,264,228		11,264,228	10,736,889
20. Electronic data processing equipment and software	618,696,963	527,474,160	91,222,803	98,305,487
21. Furniture and equipment, including health care delivery assets ($ 0)	391,928,544	391,928,544		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	498,613,764	460,209	498,153,555	488,906,261
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	722,269,230	70,906,213	651,363,017	695,769,454
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	43,877,725,313	1,222,566,645	42,655,158,668	44,475,809,095
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	43,877,725,313	1,222,566,645	42,655,158,668	44,475,809,095

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Cash Surrender Value Life Insurance	402,778,047		402,778,047	380,876,136
2502. Other assets	142,064,684	70,807,598	71,257,086	145,094,432
2503. Amounts receivable under high deductible policies	94,812,012	98,615	94,713,397	97,633,974
2598. Summary of remaining write-ins for Line 25 from overflow page	82,614,487		82,614,487	72,164,912
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	722,269,230	70,906,213	651,363,017	695,769,454

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	13,871,348,428	14,246,684,189
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	108,698,921	624,435,364
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	3,007,976,190	3,058,379,371
4.	Commissions payable, contingent commissions and other similar charges	263,378,812	269,333,475
5.	Other expenses (excluding taxes, licenses and fees)	413,021,950	396,150,682
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	122,344,469	141,406,690
7.1	Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))		158,270,114
7.2	Net deferred tax liability		
8.	Borrowed money $ 150,000,000 and interest thereon $ 547,865	150,547,865	150,547,865
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 7,192,710,710 and including warranty reserves of $ 0 and accrued accident and health experience rating refunds including $ 0 for medical loss ratio rebate per the Public Health Service Act)	6,288,178,795	5,940,431,054
10.	Advance premium	45,629,980	44,109,881
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	1,246,547	1,226,236
12.	Ceded reinsurance premiums payable (net of ceding commissions)	823,003,731	1,724,740,983
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	211,983,009	212,659,311
14.	Amounts withheld or retained by company for account of others	547,019,423	587,712,719
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including $ 0 certified) (Schedule F, Part 8)	40,877,587	63,348,980
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	409,046,895	416,164,643
19.	Payable to parent, subsidiaries and affiliates	121,288,797	141,241,606
20.	Derivatives		
21.	Payable for securities	213,861,003	59,630,434
22.	Payable for securities lending	208,211,613	338,945,591
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $ 0 and interest thereon $ 0		
25.	Aggregate write-ins for liabilities	(761,805,335)	773,993,582
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	26,085,858,680	29,349,412,770
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	26,085,858,680	29,349,412,770
29.	Aggregate write-ins for special surplus funds	53,954,363	55,686,852
30.	Common capital stock	10,000,000	10,000,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other-than-special surplus funds	1,250,000	1,250,000
33.	Surplus notes	623,425,186	623,358,904
34.	Gross paid in and contributed surplus	8,204,442,356	7,274,929,263
35.	Unassigned funds (surplus)	7,676,228,083	7,161,171,306
36.	Less treasury stock, at cost:		
	36.1 0 shares common (value included in Line 30 $ 0)		
	36.2 0 shares preferred (value included in Line 31 $ 0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	16,569,299,988	15,126,396,325
38.	Totals (Page 2, Line 28, Col. 3)	42,655,158,668	44,475,809,095

	DETAILS OF WRITE-IN LINES		
2501.	Other liabilities	344,827,655	364,235,265
2502.	Amounts held under uninsured plans	332,663,150	376,828,265
2503.	Deposit liability	48,589,112	52,589,112
2598.	Summary of remaining write-ins for Line 25 from overflow page	(1,487,885,252)	(19,659,060)
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(761,805,335)	773,993,582
2901.	Special surplus from retroactive reinsurance	53,954,363	55,686,852
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	53,954,363	55,686,852
3201.	Guaranty funds	1,250,000	1,250,000
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	1,250,000	1,250,000

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	12,321,264,560	12,178,725,634
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	6,941,439,836	7,204,816,646
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,686,075,078	1,745,581,044
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3,966,835,277	3,964,974,147
5.	Aggregate write-ins for underwriting deductions		
6.	Total underwriting deductions (Lines 2 through 5)	12,594,350,191	12,915,371,837
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(273,085,631)	(736,646,203)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	889,123,445	1,331,811,562
10.	Net realized capital gains (losses) less capital gains tax of $ 2,114,590 (Exhibit of Capital Gains (Losses))	12,485,101	78,197,075
11.	Net investment gain (loss) (Lines 9 + 10)	901,608,546	1,410,008,637
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 2,431,469 amount charged off $ 49,078,770)	(46,647,302)	(40,156,204)
13.	Finance and service charges not included in premiums	69,096,926	66,936,403
14.	Aggregate write-ins for miscellaneous income	12,212,368	(44,868,269)
15.	Total other income (Lines 12 through 14)	34,661,992	(18,088,070)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	663,184,907	655,274,364
17.	Dividends to policyholders	11,783,650	19,264,431
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	651,401,257	636,009,933
19.	Federal and foreign income taxes incurred	(237,020,783)	128,598,187
20.	Net income (Line 18 minus Line 19) (to Line 22)	888,422,040	507,411,746
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	15,126,396,325	14,510,466,662
22.	Net income (from Line 20)	888,422,040	507,411,746
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ 13,125,215	106,890,174	351,408,096
25.	Change in net unrealized foreign exchange capital gain (loss)	(69,359,792)	(71,343,116)
26.	Change in net deferred income tax	(209,719,073)	330,318,276
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(98,138,994)	(276,739,508)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	22,471,393	(14,852,501)
29.	Change in surplus notes	66,281	66,281
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in	929,513,093	
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(64,766,000)	(199,766,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	(62,475,459)	(10,573,611)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	1,442,903,663	615,929,663
39.	Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	16,569,299,988	15,126,396,325

	DETAILS OF WRITE-IN LINES		
0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 05 from overflow page		
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401.	Other income/(expense)	20,441,077	(45,203,920)
1402.	Retroactive reinsurance gain/(loss)	(8,228,709)	335,651
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	12,212,368	(44,868,269)
3701.	Other changes in surplus	(62,475,459)	(10,573,611)
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(62,475,459)	(10,573,611)

CASH FLOW

		1	2
	Cash from Operations	Current Year	Prior Year
1.	Premiums collected net of reinsurance	12,418,740,791	13,317,088,234
2.	Net investment income	1,031,881,033	1,460,438,077
3.	Miscellaneous income	(154,206,485)	(1,126,546,502)
4.	Total (Lines 1 through 3)	13,296,415,339	13,650,979,809
5.	Benefit and loss related payments	7,070,122,917	7,060,743,241
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	5,716,564,870	5,427,473,989
8.	Dividends paid to policyholders	11,763,338	20,493,606
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	128,131,458	(216,782,840)
10.	Total (Lines 5 through 9)	12,926,582,583	12,291,927,996
11.	Net cash from operations (Line 4 minus Line 10)	369,832,756	1,359,051,813
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	4,285,219,540	4,114,004,145
	12.2 Stocks	190,756,655	770,368,419
	12.3 Mortgage loans	54,015,214	45,728,544
	12.4 Real estate		
	12.5 Other invested assets	1,348,476,508	3,684,608,743
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	8,675	29,474
	12.7 Miscellaneous proceeds	(33,999,351)	(8,630,930)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,844,477,241	8,606,108,395
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	3,444,327,513	5,633,995,510
	13.2 Stocks	237,027,382	1,249,853,383
	13.3 Mortgage loans	41,280,295	75,654,116
	13.4 Real estate	41,949,449	14,067,007
	13.5 Other invested assets	2,168,062,653	4,066,127,435
	13.6 Miscellaneous applications	(153,545,655)	(2,980,562)
	13.7 Total investments acquired (Lines 13.1 to 13.6)	5,779,101,637	11,036,716,889
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	65,375,604	(2,430,608,494)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	66,281	66,281
	16.2 Capital and paid in surplus, less treasury stock	929,513,093	
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	64,766,000	199,766,000
	16.6 Other cash provided (applied)	(1,673,981,142)	1,485,725,256
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(809,167,768)	1,286,025,537
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(373,959,408)	214,468,856
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	1,118,180,550	903,711,694
	19.2 End of year (Line 18 plus Line 19.1)	744,221,142	1,118,180,550

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

20.0001	2 - Net Investment Income	4,963,497	
20.0002	7 - Commissions, expenses paid and aggregate write-ins for deductions	712,603	
20.0003	12.1 - Proceeds from investments sold, matured or repaid - Bonds	1,483,702,577	1,408,874,006
20.0004	12.2 - Proceeds from investments sold, matured or repaid - Stocks	1,089,888	
20.0005	12.3 - Proceeds from investments sold, matured or repaid - Mortgage loans	828,374	2,877,473
20.0006	12.5 - Proceeds from investments sold, matured or repaid - Other invested assets	2,570,517	1,283,130,033
20.0007	13.1 Cost of Investment Acquired - Bonds	1,488,666,074	3,631,121,231
20.0008	13.2 Cost of Investment Acquired - Stocks	781,961	84,017,719
20.0009	13.3 Cost of Investment Acquired - Mortgage Loans		51,784,224
20.0010	13.5 Cost of Investment Acquired - Other Invested Assets	2,994,215	11,135,335

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	305,535,579	148,155,337	145,983,311	307,707,605
2. Allied lines	191,471,159	92,773,304	97,016,474	187,227,989
3. Farmowners multiple peril	48,327,289	23,641,413	24,585,785	47,382,917
4. Homeowners multiple peril	2,671,760,932	1,320,344,556	1,432,305,392	2,559,800,096
5. Commercial multiple peril	1,083,759,766	538,823,321	546,217,119	1,076,365,968
6. Mortgage guaranty				
8. Ocean marine	38,283,171	20,431,782	22,885,240	35,829,713
9. Inland marine	336,042,746	73,985,391	80,611,089	329,417,048
10. Financial guaranty				
11.1 Medical professional liability—occurrence	24,738,532	11,855,836	12,224,784	24,369,584
11.2 Medical professional liability—claims-made	12,390,164	1,947,272	5,785,546	8,551,890
12. Earthquake	43,841,167	23,075,218	21,567,182	45,349,203
13. Group accident and health	1,968,885		781,539	1,187,346
14. Credit accident and health (group and individual)				
15. Other accident and health	3,131,237	198,770	218,440	3,111,567
16. Workers' compensation	1,117,912,338	66,745,953	42,666,000	1,141,992,291
17.1 Other liability—occurrence	807,657,026	346,425,532	359,937,557	794,145,001
17.2 Other liability—claims-made	320,754,565	115,149,487	169,008,940	266,895,112
17.3 Excess workers' compensation	28,785,985	11,628,341	14,653,866	25,760,460
18.1 Products liability—occurrence	77,890,575	45,883,104	46,484,838	77,288,841
18.2 Products liability—claims-made	7,100,330	2,475,013	2,367,561	7,207,782
19.1,19.2 Private passenger auto liability	2,835,047,647	1,317,293,786	1,378,841,319	2,773,500,114
19.3,19.4 Commercial auto liability	586,969,911	269,063,746	274,436,186	581,597,471
21. Auto physical damage	1,563,067,801	980,297,390	1,056,990,886	1,486,374,305
22. Aircraft (all perils)	19,906,915	5,437,689	4,882,084	20,462,520
23. Fidelity	23,703,898	6,578,099	11,792,384	18,489,613
24. Surety	370,418,308	223,292,352	234,277,417	359,433,243
26. Burglary and theft	547,224	284,297	252,127	579,394
27. Boiler and machinery	18,842,970	7,973,110	8,125,169	18,690,911
28. Credit	2,573,904	457,242	1,729,734	1,301,412
29. International				
30. Warranty	370,955	2,557,737	1,984,440	944,252
31. Reinsurance-nonproportional assumed property	128,621,666	12,296,604	20,140,959	120,777,311
32. Reinsurance-nonproportional assumed liability	17,069,487	1,849,770	8,564,135	10,355,122
33. Reinsurance-nonproportional assumed financial lines	(79,938)			(79,938)
34. Aggregate write-ins for other lines of business				
35. TOTALS	12,688,412,194	5,670,921,452	6,027,317,503	12,332,016,143

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	144,834,634	1,148,677			145,983,311
2. Allied lines	96,689,269	327,205			97,016,474
3. Farmowners multiple peril	24,585,785				24,585,785
4. Homeowners multiple peril	1,432,305,392				1,432,305,392
5. Commercial multiple peril	550,242,659	697,338	(4,751,041)	28,163	546,217,119
6. Mortgage guaranty					
8. Ocean marine	22,033,294	851,945			22,885,239
9. Inland marine	71,298,877	9,312,212			80,611,089
10. Financial guaranty					
11.1 Medical professional liability—occurrence	12,160,003	64,781			12,224,784
11.2 Medical professional liablity—claims-made	5,526,438	259,108			5,785,546
12. Earthquake	21,487,290	79,892			21,567,182
13. Group accident and health	781,539				781,539
14. Credit accident and health (group and individual)					
15. Other accident and health	218,440				218,440
16. Workers' compensation	293,835,360	9,848,475	(6,750,794)	(254,267,041)	42,666,000
17.1 Other liability—occurrence	327,267,283	28,835,167	(416,713)	4,251,821	359,937,558
17.2 Other liability—claims-made	151,407,987	17,629,416	(28,463)		169,008,940
17.3 Excess workers' compensation	12,107,737	2,546,129			14,653,866
18.1 Products liability—occurrence	29,323,674	15,952,568	(108,820)	1,317,416	46,484,838
18.2 Products liability—claims-made	2,300,610	66,951			2,367,561
19.1,19.2 Private passenger auto liability	1,378,841,319				1,378,841,319
19.3,19.4 Commercial auto liability	272,198,956	2,373,048		(135,818)	274,436,186
21. Auto physical damage	1,056,670,544	320,342			1,056,990,886
22. Aircraft (all perils)	4,882,084				4,882,084
23. Fidelity	11,612,282	180,102			11,792,384
24. Surety	228,310,018	5,967,399			234,277,417
26. Burglary and theft	251,976	151			252,127
27. Boiler and machinery	8,036,188	88,981			8,125,169
28. Credit	1,729,734				1,729,734
29. International					
30. Warranty		1,984,440			1,984,440
31. Reinsurance-nonproportional assumed property	19,084,722	1,056,237			20,140,959
32. Reinsurance-nonproportional assumed liability	8,534,230	29,905			8,564,135
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	6,188,558,324	99,620,469	(12,055,831)	(248,805,459)	6,027,317,503
36. Accrued retrospective premiums based on experience					248,805,453
37. Earned but unbilled premiums					12,055,832
38. Balance (Sum of Lines 35 through 37)					6,288,178,788

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1. Fire	33,870,266	599,350,944	47,936,325	306,310,078	69,311,878	305,535,579
2. Allied lines	19,394,372	422,292,630	21,364,602	196,309,575	75,270,870	191,471,159
3. Farmowners multiple peril		99,796,362		48,327,289	3,141,783	48,327,290
4. Homeowners multiple peril	67,601,348	5,645,122,747	10,734,719	2,671,760,932	379,936,950	2,671,760,932
5. Commercial multiple peril	71,652,659	2,258,303,431	14,567,324	1,102,975,287	157,788,362	1,083,759,765
6. Mortgage guaranty						
8. Ocean marine	84,977,131	27,274,395	7,626,618	50,068,059	31,526,913	38,283,172
9. Inland marine	2,258,522,694	502,576,204	10,674,831	339,892,974	2,095,838,008	336,042,747
10. Financial guaranty						
11.1 Medical professional liability--occurrence	11,684	49,473,799	(14)	24,738,532	8,406	24,738,531
11.2 Medical professional liability--claims-made		12,182,437	14,056,077	12,390,164	1,458,186	12,390,164
12. Earthquake	47,354	89,291,275	6,093,148	43,841,166	7,749,444	43,841,167
13. Group accident and health	1,090,855	2,846,769	147	1,968,885		1,968,886
14. Credit accident and health (group and individual)						
15. Other accident and health	34,863	1,050,034	5,267,225	3,131,237	89,647	3,131,238
16. Workers' compensation	29,425,480	2,623,753,471	216,990,061	1,123,926,561	628,330,114	1,117,912,337
17.1 Other liability—occurrence	308,045,661	1,711,247,962	88,090,075	831,894,228	467,832,443	807,657,027
17.2 Other liability—claims-made	155,836,273	483,519,242	83,104,666	367,051,675	34,653,942	320,754,564
17.3 Excess workers' compensation	15,832,394	62,000,409	1,688,704	28,785,985	21,949,537	28,785,985
18.1 Products liability—occurrence	18,302,979	149,303,457	2,117,708	78,843,238	12,990,332	77,890,574
18.2 Products liability—claims-made	1,591,517	6,321,337	6,790,694	7,135,919	467,299	7,100,330
19.1,19.2 Private passenger auto liability	326,559,881	5,322,088,752	237,680,001	2,835,047,649	216,233,339	2,835,047,646
19.3,19.4 Commercial auto liability	23,935,006	1,149,464,615	27,106,088	588,273,780	25,262,017	586,969,912
21. Auto physical damage	277,325,555	4,002,656,249	197,587,361	2,808,951,623	105,549,741	1,563,067,801
22. Aircraft (all perils)	48,043,314	3,200,795	4,746,183	20,645,901	15,437,476	19,906,915
23. Fidelity	21,510,245	28,086,045	3,431,371	27,650,119	1,673,643	23,703,899
24. Surety	568,884,802	182,705,938	18,103,202	372,670,192	26,605,443	370,418,307
26. Burglary and theft	37,547	1,074,456	8,574	547,684	25,670	547,223
27. Boiler and machinery		38,504,100	130,000	18,842,970	948,160	18,842,970
28. Credit		4,647,808	500,000	2,573,904		2,573,904
29. International						
30. Warranty		741,909		370,955		370,954
31. Reinsurance-nonproportional assumed property	X X X	165,032,433	92,906,233	128,621,666	695,333	128,621,667
32. Reinsurance-nonproportional assumed liability	X X X	4,398,810	29,740,164	17,069,487		17,069,487
33. Reinsurance-nonproportional assumed financial lines	X X X		3,746,250	1,659,484	2,166,704	(79,938)
34. Aggregate write-ins for other lines of business						
35. TOTALS	4,332,533,880	25,648,308,815	1,152,788,337	14,062,277,198	4,382,941,640	12,688,412,194

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

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

If yes: 1. The amount of such installment premiums $ 22,993,542

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ 35,561,212

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire	4,462,540	330,632,157	197,366,558	137,728,139	126,864,427	116,045,281	148,547,285	48.275
2. Allied lines	13,637,855	210,810,588	126,293,860	98,154,583	46,874,406	51,460,713	93,568,276	49.976
3. Farmowners multiple peril		42,984,335	21,491,398	21,492,937	10,302,196	8,820,275	22,974,858	48.488
4. Homeowners multiple peril	25,491,959	2,689,247,590	1,451,604,342	1,263,135,207	469,760,439	424,465,730	1,308,429,916	51.115
5. Commercial multiple peril	39,272,816	1,153,824,560	626,469,740	566,627,636	1,014,669,442	1,068,860,749	512,436,329	47.608
6. Mortgage guaranty								
8. Ocean marine	37,523,836	13,509,471	35,444,041	15,589,266	32,227,229	34,326,810	13,489,685	37.649
9. Inland marine	1,400,497,153	221,949,599	1,426,031,813	196,414,939	47,553,728	54,781,621	189,187,046	57.431
10. Financial guaranty								
11.1 Medical professional liability—occurrence	87,948	4,561,175	2,649,434	1,999,689	38,604,626	30,611,729	9,992,586	41.004
11.2 Medical professional liability—claims-made		3,213,546	2,533,149	680,397	7,202,265	3,564,434	4,318,228	50.494
12. Earthquake		1,428,149	714,237	713,912	926,637	1,045,311	595,238	1.313
13. Group accident and health	709,024	607,163	764,469	551,718	1,375,205	1,468,656	458,267	38.596
14. Credit accident and health (group and individual)								
15. Other accident and health	128,652	2,415,263	1,560,271	983,644	9,625,918	10,171,707	437,855	14.072
16. Workers' compensation	182,194,556	3,234,023,061	1,952,827,915	1,463,389,702	6,292,672,299	6,883,390,663	872,671,338	76.417
17.1 Other liability—occurrence	240,126,082	780,595,869	613,202,789	407,519,162	1,747,821,104	1,723,966,584	431,373,682	54.319
17.2 Other liability—claims-made	89,546,267	121,544,212	159,527,201	51,563,278	373,888,963	307,269,766	118,182,475	44.280
17.3 Excess workers' compensation	1,594,206	34,968,171	21,559,389	15,002,988	282,675,045	276,790,054	20,887,979	81.085
18.1 Products liability—occurrence	16,221,810	55,203,527	43,991,141	27,434,196	193,549,669	224,032,345	(3,048,480)	(3.944)
18.2 Products liability—claims-made	21,829	1,296,379	659,104	659,104	9,501,852	16,840,444	(6,679,488)	(92.671)
19.1,19.2 Private passenger auto liability	227,200,414	3,047,673,083	1,699,450,347	1,575,423,150	2,120,112,929	1,825,761,408	1,869,774,671	67.416
19.3,19.4 Commercial auto liability	34,775,136	726,056,536	396,574,198	364,257,474	687,386,409	722,032,089	329,611,794	56.674
21. Auto physical damage	154,082,044	2,304,940,901	1,604,140,053	854,882,892	29,516,372	39,626,323	844,772,941	56.834
22. Aircraft (all perils)	28,130,899	3,606,560	19,239,375	12,498,084	18,029,413	25,051,246	5,476,251	26.762
23. Fidelity	8,947,912	2,751,496	8,196,121	3,503,287	16,628,781	14,518,865	5,613,203	30.359
24. Surety	272,088,236	13,487,811	143,481,277	142,094,770	73,315,304	67,357,622	148,052,452	41.191
26. Burglary and theft	(887)	204,456	101,762	101,807	63,768	107,509	58,066	10.022
27. Boiler and machinery		12,580,865	6,368,479	6,212,386	2,043,285	5,058,263	3,197,408	17.107
28. Credit		2,394	1,197	1,197	1,958,082	1,989,967	(30,688)	(2.358)
29. International								
30. Warranty					816,387	658,431	157,956	16.728
31. Reinsurance-nonproportional assumed property	XXX	82,666,171	41,357,266	41,308,905	92,571,754	121,483,797	12,396,862	10.264
32. Reinsurance-nonproportional assumed liability	XXX	41,253,535	20,626,767	20,626,768	120,809,990	182,984,481	(41,547,723)	(401.229)
33. Reinsurance-nonproportional assumed financial lines	XXX	5,183,836	2,781,474	2,402,362	2,000,504	2,141,319	2,261,547	(2829.126)
34. Aggregate write-ins for other lines of business								
35. TOTALS	2,776,740,287	15,143,222,459	10,627,009,167	7,292,953,579	13,871,348,428	14,246,684,192	6,917,617,815	56.095

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

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

	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire	1,600,849	243,895,341	157,628,351	87,867,839	23,839,868	67,060,777	51,904,057	126,864,427	10,341,929
2. Allied lines	10,040,957	63,629,335	44,220,928	29,449,364	3,652,851	37,992,457	24,220,266	46,874,406	5,320,827
3. Farmowners multiple peril		19,292,260	9,646,130	9,646,130		1,312,235	656,169	10,302,196	3,120,496
4. Homeowners multiple peril	11,955,001	605,809,961	325,786,012	291,978,950	2,088,209	392,205,852	216,512,572	469,760,439	107,377,553
5. Commercial multiple peril	76,460,833	1,157,800,524	662,555,252	571,706,105	4,799,625	898,487,433	460,323,721	1,014,669,442	411,314,305
6. Mortgage guaranty									
8. Ocean marine	53,418,666	15,427,110	52,548,888	16,296,888	46,454,290	15,928,476	46,452,425	32,227,229	5,285,642
9. Inland marine	43,917,007	33,644,755	53,116,338	24,445,424	179,223,096	31,583,044	187,697,836	47,553,728	7,634,626
10. Financial guaranty									
11.1 Medical professional liablity—occurrence	237,154	6,371,699	3,675,224	2,933,629	137,066	76,357,443	40,823,512	38,604,626	2,911,720
11.2 Medical professional liablity—claims-made		2,364,007	1,434,400	929,607		13,136,719	6,864,061	7,202,265	1,590,031
12. Earthquake		1,446,993	723,496	723,497	4	2,011,455	1,808,319	926,637	118,211
13. Group accident and health	1,522,001	1,030,492	1,770,233	782,260	468,484	717,405	592,944	(a) 1,375,205	65,278
14. Credit accident and health (group and individual)									
15. Other accident and health		42,348,308	38,221,835	4,126,473	162,432	16,402,690	11,065,677	(a) 9,625,918	3,424,744
16. Workers' compensation	887,303,147	7,253,674,653	4,917,310,642	3,223,667,158	517,055,478	7,291,959,572	4,740,009,909	6,292,672,299	910,714,711
17.1 Other liability—occurrence	372,733,744	1,255,049,326	966,596,153	661,186,917	534,282,344	2,497,281,769	1,944,929,926	1,747,821,104	575,428,674
17.2 Other liability—claims-made	101,720,307	166,565,535	194,912,033	73,373,809	271,286,984	566,796,994	537,568,824	373,888,963	94,206,044
17.3 Excess workers' compensation	28,198,801	299,846,439	199,205,595	128,839,645	51,286,117	350,516,067	247,966,784	282,675,045	26,762,101
18.1 Products liability—occurrence	24,422,614	98,926,031	73,873,750	49,474,895	150,014,826	157,971,598	163,911,650	193,549,669	139,183,466
18.2 Products liability—claims-made		1,122,501	1,013,728	108,773	3,590,357	15,073,455	9,270,733	9,501,852	5,128,113
19.1,19.2 Private passenger auto liability	152,053,528	2,794,084,462	1,646,037,634	1,300,100,356	118,611,864	1,573,494,950	872,094,241	2,120,112,929	480,845,362
19.3,19.4 Commercial auto liability	42,527,739	962,530,886	549,821,511	455,237,114	41,672,211	472,399,505	281,922,421	687,386,409	121,888,824
21. Auto physical damage	1,217,754	14,904,098	12,707,882	3,413,970	(3,037,359)	59,777,596	30,637,835	29,516,372	38,798,923
22. Aircraft (all perils)	44,071,140	8,350,104	41,809,890	10,611,354	12,617,012	5,955,165	11,154,118	18,029,413	7,053,288
23. Fidelity	782,318	2,628,199	2,010,821	1,399,696	32,587,224	10,590,721	27,948,860	16,628,781	2,665,732
24. Surety	89,322,752	(37,740,433)	26,453,944	25,128,375	73,683,634	28,436,047	53,932,752	73,315,304	33,685,063
26. Burglary and theft	13,271	75,214	44,243	44,242	205,929	(139,573)	46,830	63,768	44,562
27. Boiler and machinery		4,013,009	2,358,086	1,654,923	1	593,557	205,196	2,043,285	262,285
28. Credit		15,185	7,592	7,593		3,900,979	1,950,490	1,958,082	856
29. International									
30. Warranty					3,805,429	2,005,173	4,994,215	816,387	459,124
31. Reinsurance-nonproportional assumed property	X X X	86,517,066	43,273,563	43,243,503	X X X	98,681,764	49,353,513	92,571,754	1,372,247
32. Reinsurance-nonproportional assumed liability	X X X	76,760,052	38,380,026	38,380,026	X X X	166,734,320	84,304,356	120,809,990	10,954,663
33. Reinsurance-nonproportional assumed financial lines	X X X	4,015,642	2,007,821	2,007,821	X X X	3,908,771	3,916,088	2,000,504	16,800
34. Aggregate write-ins for other lines of business									
35. TOTALS	1,943,519,583	15,184,398,754	10,069,152,001	7,058,766,336	2,068,487,976	14,859,134,416	10,115,040,300	13,871,348,428	3,007,976,200

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	380,076,790			380,076,790
1.2 Reinsurance assumed	1,283,898,804			1,283,898,804
1.3 Reinsurance ceded	897,154,497			897,154,497
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	766,821,097			766,821,097
2. Commission and brokerage:				
2.1 Direct, excluding contingent		207,828,088		207,828,088
2.2 Reinsurance assumed, excluding contingent		2,555,196,654		2,555,196,654
2.3 Reinsurance ceded, excluding contingent		2,024,965,061		2,024,965,061
2.4 Contingent—direct		9,650,044		9,650,044
2.5 Contingent—reinsurance assumed		398,860,910		398,860,910
2.6 Contingent—reinsurance ceded		206,948,164		206,948,164
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)		939,622,471		939,622,471
3. Allowances to manager and agents		117,458,712		117,458,712
4. Advertising	2,493,318	217,999,765	9,124	220,502,207
5. Boards, bureaus and associations	3,678,254	23,430,996	321	27,109,571
6. Surveys and underwriting reports	51,196	45,593,904		45,645,100
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	546,585,322	1,076,785,237	26,504,060	1,649,874,619
8.2 Payroll taxes	24,753,201	95,187,065	25,130	119,965,396
9. Employee relations and welfare	101,548,596	378,113,520	674,490	480,336,606
10. Insurance	42,616,419	8,518,368	123,356	51,258,143
11. Directors' fees	298	12,145		12,443
12. Travel and travel items	37,349,753	86,749,385	840,210	124,939,348
13. Rent and rent items	29,994,611	113,057,102	245,142	143,296,855
14. Equipment	16,991,990	53,018,522	783,633	70,794,145
15. Cost or depreciation of EDP equipment and software	20,157,834	65,815,282	697,896	86,671,012
16. Printing and stationery	3,743,081	14,137,566	107,435	17,988,082
17. Postage, telephone and telegraph, exchange and express	15,409,535	62,638,482	938,060	78,986,077
18. Legal and auditing	4,346,935	13,776,699	587,722	18,711,356
19. Totals (Lines 3 to 18)	849,720,343	2,372,292,750	31,536,579	3,253,549,672
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 1,748,142		323,355,093		323,355,093
20.2 Insurance department licenses and fees		32,946,288		32,946,288
20.3 Gross guaranty association assessments		3,055,183		3,055,183
20.4 All other (excluding federal and foreign income and real estate)		22,971,593		22,971,593
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		382,328,157		382,328,157
21. Real estate expenses			25,451,090	25,451,090
22. Real estate taxes			4,307,952	4,307,952
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	69,533,638	272,591,896	11,478,570	353,604,104
25. Total expenses incurred	1,686,075,078	3,966,835,274	72,774,191	(a) 5,725,684,543
26. Less unpaid expenses—current year	3,007,976,190	796,914,331	1,830,900	3,806,721,421
27. Add unpaid expenses—prior year	3,058,379,371	804,111,400	2,779,447	3,865,270,218
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year		186,576		186,576
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,736,478,259	3,974,218,919	73,722,738	5,784,419,916

DETAILS OF WRITE-IN LINES				
2401. Other expenses	69,533,638	272,591,896	11,478,570	353,604,104
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	69,533,638	272,591,896	11,478,570	353,604,104

(a) Includes management fees of $ 1,709,964,786 to affiliates and $ 117,358,101 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

			1 Collected During Year		2 Earned During Year
1.	U.S. Government bonds	(a)	42,444,355		41,980,402
1.1	Bonds exempt from U.S. tax	(a)	154,366,896		148,888,768
1.2	Other bonds (unaffiliated)	(a)	351,425,492		342,741,335
1.3	Bonds of affiliates	(a)	5,998,200		5,998,200
2.1	Preferred stocks (unaffiliated)	(b)	11,465,615		11,497,744
2.11	Preferred stocks of affiliates	(b)			
2.2	Common stocks (unaffiliated)		7,614,405		7,494,509
2.21	Common stocks of affiliates		4,404,964		
3.	Mortgage loans	(c)	30,348,402		30,206,027
4.	Real estate	(d)	56,626,558		56,626,558
5.	Contract loans				
6.	Cash, cash equivalents and short-term investments	(e)	5,954,197		5,920,343
7.	Derivative instruments	(f)			
8.	Other invested assets		387,502,207		387,502,207
9.	Aggregate write-ins for investment income		(7,221,511)		(7,221,511)
10.	Total gross investment income		1,050,929,780		1,031,634,582
11.	Investment expenses			(g)	72,774,193
12.	Investment taxes, licenses and fees, excluding federal income taxes			(g)	
13.	Interest expense			(h)	56,432,471
14.	Depreciation on real estate and other invested assets			(i)	13,304,473
15.	Aggregate write-ins for deductions from investment income				
16.	Total deductions (Lines 11 through 15)				142,511,137
17.	Net investment income (Line 10 minus Line 16)				889,123,445

	DETAILS OF WRITE-IN LINES		
0901.	Miscellaneous Income/(Expense)	(7,221,511)	(7,221,511)
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)	(7,221,511)	(7,221,511)
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 $ 24,461,104 accrual of discount less $ 57,780,276 amortization of premium and less $ 7,240,470 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 $ 36,157 paid for accrued interest on purchases.
(d) Includes $ 55,140,230 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.
(e) Includes $ 28,677 accrual of discount less $ 141,156 amortization of premium and less $ 5,266 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 $ 49,813,078 interest on surplus notes and $ 0 interest on capital notes.
(i) Includes $ 0 depreciation on real estate and $ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	3,222,808	(20,754,220)	(17,531,412)		
1.1	Bonds exempt from U.S. tax	3,356,869		3,356,869	106,081	
1.2	Other bonds (unaffiliated)	2,187,643	(2,018,153)	169,490	(19,608,184)	17,636,917
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)	24,152		24,152	13,188,021	
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	11,321,713	(1,128,972)	10,192,741	23,584,090	(10,652,072)
2.21	Common stocks of affiliates	8,645,234		8,645,234	411,222,814	
3.	Mortgage loans	(366,868)		(366,868)	(492,426)	
4.	Real estate	(213,842)		(213,842)		
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments	8,675		8,675	(8,252)	(301,040)
7.	Derivative instruments					
8.	Other invested assets	25,058,452	(12,973,697)	12,084,755	(334,252,202)	(8,370,598)
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	53,244,836	(36,875,042)	16,369,794	93,739,942	(1,686,793)

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	38,148,438	40,959,003	2,810,565
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,435,636	3,196,084	1,760,448
15.3 Accrued retrospective premiums	24,722,595	26,104,879	1,382,284
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans	7,018	188,381	181,363
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	167,483,832	203,936,575	36,452,743
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	527,474,160	499,037,873	(28,436,287)
21. Furniture and equipment, including health care delivery assets	391,928,544	331,188,598	(60,739,946)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	460,209	2,750	(457,459)
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	70,906,213	20,153,329	(50,752,884)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,222,566,645	1,124,767,472	(97,799,173)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,222,566,645	1,124,767,472	(97,799,173)

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Other assets	70,807,598	20,152,367	(50,655,231)
2502. Amounts receivable under high deductible policies	98,615	962	(97,653)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	70,906,213	20,153,329	(50,752,884)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

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

The Company does not have any prescribed or permitted accounting practices.

	State of Domicile	2014	2013
NET INCOME			
LMIC state basis (Page 4, Line 20, Columns 1 & 2)	MA	$ 888,422,040	$ 507,411,746
State Prescribed Practices: NONE		-	-
State Permitted Practices: NONE		-	-
NAIC SAP		$ 888,422,040	$ 507,411,746

	State of Domicile	2014	2013
SURPLUS			
LMIC state basis (Page 3, Line 37, Columns 1 & 2)	MA	$16,569,299,988	$15,126,396,325
State Prescribed Practices: NONE		-	-
State Permitted Practices: NONE		-	-
NAIC SAP		$16,569,299,988	$15,126,396,325

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

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

C. Accounting Policies

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

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

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

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

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

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

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

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

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

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

9. Derivative Securities, refer to Note 8.

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

11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and an amount, based on past experience, for losses and loss adjustment expenses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods, for making

NOTES TO FINANCIAL STATEMENTS

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 2014.

13. The Company has no pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Correction of Errors

There were no material changes in accounting principles and/or correction of errors.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

On August 24, 2007, the Company and three affiliates (Liberty Mutual Fire Insurance Company ("LMFIC"), a Wisconsin insurance company; Peerless Insurance Company ("PIC"), a New Hampshire insurance company; and Employers Insurance Company of Wausau ("EICOW"), a Wisconsin insurance company) acquired all of the issued and outstanding voting shares of Ohio Casualty Corporation, a non-insurance holding company, which is the upstream parent of four property casualty insurance companies. The Company directly acquired a 78% ownership interest in Ohio Casualty Corporation, while the affiliates account for the remaining 22% (LMFIC 6%, PIC 8%, and EICOW 8%). The transaction was accounted for as a statutory purchase and the cost was $2,168,405,460, resulting in goodwill in the amount of $1,147,694,340. Goodwill amortization relating to the purchase of Ohio Casualty Corporation was $114,769,463 for year ended December 31, 2014; goodwill is being amortized over ten years.

On June 9, 2010, the Company purchased LMFIC's 2.892% holdings of the shares of Liberty Insurance Holdings, Inc. ("LIH"), a non-insurance holding company, for $249,957,350 in cash and securities and EICOW's 4.048% holdings of shares of LIH for $349,871,398 in cash and securities. The purchase price represented the estimated fair value of the LIH shares. The transaction resulted in $288,195,370 of goodwill to LMIC. Goodwill amortization was $28,819,537 for year ended December 31, 2014; goodwill is being amortized over ten years.

B. Statutory Mergers

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

C. Impairment Loss

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

Note 4 - Discontinued Operations

The Company has no discontinued operations.

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

1. The maximum and minimum lending rates for mortgage loans during 2014 were:

Farm mortgages	N/A
Residential mortgages	N/A
Commercial mortgages	3.500% and 7.250%
Purchase money mortgages	N/A
Cash flow mortgages	N/A

2. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was: 75%

	2014	2013
3. Taxes, assessments and any amounts advanced and not included in the mortgage loan total	$ 34,138	$ 44,176

4. Age Analysis of Mortgage Loans:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 519,965,175	$ -	$ 519,965,175
(b) 30-59 Days Past Due	-	-	-	-	1,555,824	-	1,555,824
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	4,854	-	4,854
(e) 180+ Days Past Due	-	-	-	-	575,773	-	575,773

NOTES TO FINANCIAL STATEMENTS

	Farm	Residential Insured	Residential All Other	Commercial Insured	Commercial All Other	Mezzanine	Total
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ 14,663,975	$ -	$ 14,663,975
(b) Number of Loans	-	-	-	-	343	-	343
(c) Percent Reduced	-	-	-	-	1.809%	-	1.809%
b. Prior Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$531,401,495	$ -	$531,401,495
(b) 30-59 Days Past Due	-	-	-	-	553,667	-	553,667
(c) 60-89 Days Past Due	-	-	-	-	45,248	-	45,248
(d) 90-179 Days Past Due	-	-	-	-	784,252	-	784,252
(e) 180+ Days Past Due	-	-	-	-	2,422,346	-	2,422,346
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ 21,434,234	$ -	$ 21,434,234
(b) Number of Loans	-	-	-	-	104	-	104
(c) Percent Reduced	-%	-%	-%	-%	1.417%	- %	1.417%

5. Investment in Impaired Loans With or Without Allowance for Credit Losses:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. With Allowance for Credit Losses	$-	$-	$-	$-	$ 5,737,671	$-	$ 5,737,671
2. No Allowance for Credit Losses	-	-	-	-	2,511,128	-	2,511,128
b. Prior Year							
1. With Allowance for Credit Losses	$-	$-	$-	$-	$ 4,798,017	$-	$ 4,798,017
2. No Allowance for Credit Losses	-	-	-	-	3,172,427	-	3,172,427

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

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Average Recorded Investment	$-	$-	$-	$-	$ 8,111,451	$-	$ 8,111,451
2. Interest Income Recognized	-	-	-	-	407,746	-	407,746
3. Recorded Investments on Nonaccrual Status	-	-	-	-	580,627	-	580,627
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	375,753	-	375,753
b. Prior Year							
1. Average Recorded Investment	$-	$-	$-	$-	$8,631,200	$-	$8,631,200
2. Interest Income Recognized	-	-	-	-	379,441	-	379,441
3. Recorded Investments on Nonaccrual Status	-	-	-	-	2,236,458	-	2,236,458

NOTES TO FINANCIAL STATEMENTS

4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	351,948	-	351,948

	2014	2013
7. Allowance for credit losses:		
a. Balance at beginning of period	2,057,533	$5,265,887
b. Additions charged to operations	1,070,884	963,044
c. Direct write-downs charged against the allowances	749,786	4,171,398
d. Recoveries of amounts previously charged off	171,328	-
e. Balance at end of period	$2,549,959	$2,057,533

8. The Company recognizes interest income on its impaired loans upon receipt.

B. Debt Restructuring

	2014	2013
1. The total recorded investment in restructured loans, as of year end	$ 7,444,648	$ 7,400,422
2. The realized capital losses related to these loans	$-	$-
3. Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	$-	$-

4. The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan Backed Securities

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

2. All Loan Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2014 as of December 31, 2014: None

3. Each Loan Backed Security with a recognized other-than-temporary impairment held by the Company at December 31, 2014:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair Value at time of OTTI	Date of Financial Statement Where Report
12544LAK7	575,248	572,644	2,603	572,644	573,304	3/31/2014
12544LAK7	4,601,981	4,581,153	20,828	4,581,153	4,586,435	3/31/2014
74958YAA0	4,385,142	4,380,496	4,646	4,380,496	4,244,369	3/31/2014
74958YAA0	548,209	547,562	647	547,562	530,546	3/31/2014
30604VAG3	74,400	23,025	51,374	23,025	27,185	3/31/2014
74958YAA0	4,138,992	4,130,210	8,782	4,130,210	4,138,243	6/30/2014
74958YAA0	517,374	516,276	1,098	516,276	517,280	6/30/2014
74958YAA0	4,134,448	4,130,210	4,238	4,130,210	4,138,243	9/30/2014
12544LAK7	507,990	495,149	12,841	495,149	494,826	12/31/2014
12544LAK7	4,063,923	3,961,192	102,731	3,961,192	3,958,605	12/31/2014
61749BAB9	124,596	119,737	4,859	119,737	92,507	12/31/2014
61749BAB9	63,107	47,424	15,683	47,424	46,931	12/31/2014
32056FAC6	9,162,213	8,823,480	338,733	8,823,480	8,812,563	12/31/2014
32056FAC6	5,453,698	5,252,072	201,627	5,252,072	5,245,573	12/31/2014

NOTES TO FINANCIAL STATEMENTS

4. All impaired Loan Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 31, 2014:

   a. The aggregate amount of unrealized losses:

1.	Less than 12 Months	$ 707,406
2.	12 Months or Longer	$ 9,173,923

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

1.	Less than 12 Months	$ 166,560,694
2.	12 Months or Longer	$ 621,242,384

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

E. Repurchase Agreements and Securities Lending

1. On July 1, 2014 the Company entered into a $1,000,000,000 one-year committed repurchase agreement for general corporate purposes, which terminates on July 2, 2015. The Company's practice is to obtain collateral that approximates 91-95% of the fair value of securities transferred to the counterparty, as of the transaction date. As of December 31, 2014, no borrowings were outstanding under the agreement.

   On December 20, 2012 the Company entered into a $1,000,000,000 three-year committed repurchase agreement for general corporate purposes, which terminates on December 20, 2015. In connection with the new repurchase agreement the Company terminated its existing $750,000,000 three-year committed repurchase agreement. As of December 31, 2014, no borrowings were outstanding under the agreement.

2. The Company has not pledged any of its assets as collateral as of December 31, 2014.

3. Aggregate Amount of Contractually open cash collateral positions:

   a. Aggregate Amount Cash Collateral Received

	Fair Value
1. Repurchase Agreement	
(a) Open	
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	
(g) Securities Received	
(h) Total Collateral Received	
2. Securities Lending	
(a) Open	$208,211,613
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	$208,211,613
(g) Securities Received	108,825,455
(h) Total Collateral Received	$317,037,068
3. Dollar Repurchase Agreement	
(a) Open	
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	
(g) Securities Received	
(h) Total Collateral Received	

   b. The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral (reinvested collateral) $208,211,613

NOTES TO FINANCIAL STATEMENTS

c. All collateral is received in the form of cash and/or securities equal to or in excess of 102% of the loaned value and are maintained in a separate custody account. Cash collateral is reinvested into short-term investments as outlined in the terms of the investment agreement. Per the terms of the investment agreement the Company has the right and ability to redeem any eligible securities on short notice.

4. Securities Lending Transactions Administered by an Affiliated Agent

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

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

	Amortized Cost	Fair Value
1. Repurchase Agreement		
(a) Open		
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(i) 2 to 3 Years		
(j) Greater Than 3 Years		
(k) Sub-Total		
(l) Securities Received		
(m) Total Collateral Reinvested		
2. Securities Lending		
(a) Open		
(b) 30 Days or Less	$106,788,531	$106,783,016
(c) 31 to 60 Days	$43,917,172	$43,917,759
(d) 61 to 90 Days	$57,511,011	$57,510,837
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(i) 2 to 3 Years		
(j) Greater Than 3 Years		
(k) Sub-Total	$208,216,714	$208,211,612
(l) Securities Received		
(m) Total Collateral Reinvested	$208,216,714	$216,211,612
3. Dollar Repurchase Agreement		
(a) Open		
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(i) 2 to 3 Years		
(j) Greater Than 3 Years		
(k) Sub-Total		
(l) Securities Received		
(m) Total Collateral Reinvested		

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

6. The securities collateral currently not listed on the balance sheet, which has been pledged to the Company against a borrowed position is not restricted from use in the event the Company wanted to use it.

7. The Company’s securities lending program is an open transaction (not contract based), and as such, the Company can recall the security lent at any time.

NOTES TO FINANCIAL STATEMENTS

F. Real Estate

The Company does not hold any investments in real estate.

G. Investments in Low-Income Housing Tax Credits (“LIHTC”)

1. There are thirteen years remaining of unexpired tax credits. The required holding period for the LIHTC investment is fifteen years.

2. The Company’s LIHTC property is required to meet regulatory benchmarks to comply with the LIHTC program which include the review of tenant files. Oversight of the projects is administered by the State Housing agencies.

3. The carrying value of the Company’s investment in LIHTC did not exceed 10% of its admitted assets.

4. The Company did not recognize any impairment loss on its LIHTC investment during the year.

5. The Company did not write-down its LIHTC investment or reclassify the LIHTC during the year due to the forfeiture or ineligibility of tax credits.

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted Assets (Including Pledged)

	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	$-	$-	$-	$-	0%	0%
b. Collateral held under security lending agreements	208,211,613	-	-	-	$208,211,613	$338,945,591	($130,733,978)	$208,211,613	0%	0%
c. Subject to repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%
d. Subject to reverse repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%
e. Subjects to dollar repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%
g. Placed under option contracts	-	-	-	-	$-	$-	$-	$-	0%	0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	$-	$-	$-	$-	0%	0%
i. FHLB capital stock	18,143,200	-	-	-	$18,143,200	$16,299,600	$1,843,600	$18,143,200	0%	0%
j. On deposit with states	1,423,735,891	-	-	-	$1,423,735,891	$1,431,326,875	($7,590,984)	$1,423,735,891	3%	3%
k. On deposit with other regulatory bodies	783,680,301	-	-	-	$783,680,301	$776,392,203	$7,288,098	$783,680,301	2%	2%
l. Pledged collateral to FHLB (including assets backing funding agreements)	182,557,320	-	-	-	$182,557,320	$165,390,450	$17,166,870	$182,557,320	0%	0%
m. Pledged as collateral not captured in other categories	621,789,437	-	-	-	$621,789,437	$340,145,746	$281,643,691	$621,789,437	1%	1%
n. Other restricted assets	-	-	-	-	$-	$-	$-	$-	0%	0%
o. Total Restricted Assets	$3,238,117,761	$-	$-	$-	$3,238,117,761	$3,068,500,465	$169,617,296	$3,238,117,761	7%	7%

(a) Subset of column 1
(b) Subset of column 3

NOTES TO FINANCIAL STATEMENTS

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

	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Description of Asset	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Lloyds Syndicate LOC	$621,459,437	$ -	$ -	$ -	$621,459,437	$339,595,746	$281,863,691	$621,459,437	1%	1%
Chubb & Sons LOC	330,000	-	-	-	330,000	550,000	(220,000)	330,000	0%	0%
Total	$621,789,437	$ -	$ -	$ -	$621,789,437	$340,145,746	$281,643,691	$621,789,437	1%	1%

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

   Not applicable

I. Working Capital Finance Investments

The Company does not invest in Working Capital Finance Investments.

J. Offsetting and Netting of Assets and Liabilities

Not applicable.

K. Structured Notes

Not applicable

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

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

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

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

The Company invests in limited partnerships that are reported in accordance with SSAP No. 48. These limited partnerships are valued by the equity method using traditional private equity valuation measures. Interim poor performance which indicates a probable inability to recover the carrying amount of the assets leads to impairment losses being recognized by management. Management may also engage to sell limited partnership interests which may also lead to impairment losses being recognized. The Company realized impairment losses of $12,938,643 during the year.

Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2014.

Note 8 - Derivative Instruments

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

NOTES TO FINANCIAL STATEMENTS

Note 9 - Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

	12/31/2014		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	$ 2,291,211,000	$ 298,727,000	$ 2,589,938,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	2,291,211,000	298,727,000	2,589,938,000
(d) Deferred Tax Assets Nonadmitted	-	167,483,832	167,483,832
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	2,291,211,000	131,243,168	2,422,454,168
(f) Deferred Tax Liabilities	904,132,000	82,617,000	986,749,000
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ 1,387,079,000	$ 48,626,168	$ 1,435,705,168

	12/31/2013		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	$ 2,500,253,700	$ 319,863,600	$ 2,820,117,300
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	2,500,253,700	319,863,600	2,820,117,300
(d) Deferred Tax Assets Nonadmitted	-	203,936,575	203,936,575
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	2,500,253,700	115,927,025	2,616,180,725
(f) Deferred Tax Liabilities	937,735,227	56,367,073	994,102,300
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ 1,562,518,473	$ 59,559,952	$ 1,622,078,425

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	$ (209,042,700)	$ (21,136,600)	$ (230,179,300)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(209,042,700)	(21,136,600)	(230,179,300)
(d) Deferred Tax Assets Nonadmitted	-	(36,452,743)	(36,452,743)
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	(209,042,700)	15,316,143	(193,726,557)
(f) Deferred Tax Liabilities	(33,603,227)	26,249,927	(7,353,300)
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ (175,439,473)	$ (10,933,784)	$ (186,373,257)

2.

	12/31/2014		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 58,388,553	$ 48,550,640	$ 106,939,193
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	1,443,908,381	75,528	1,443,983,909
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	1,443,908,381	75,528	1,443,983,909
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	2,169,177,048
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	788,914,065	82,617,000	871,531,065
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	$ 2,291,210,999	$ 131,243,168	$ 2,422,454,167

NOTES TO FINANCIAL STATEMENTS

	12/31/2013		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 41,729,325	$ 59,559,952	$ 101,289,277
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	1,666,700,541	-	1,666,700,541
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	1,666,700,541	-	1,666,700,541
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	1,918,587,144
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	791,823,834	56,367,073	848,190,907
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	$ 2,500,253,700	$ 115,927,025	$ 2,616,180,725

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 16,659,228	$ (11,009,312)	$ 5,649,916
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	(222,792,160)	75,528	(222,716,632)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(222,792,160)	75,528	(222,716,632)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	250,589,904
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	(2,909,769)	26,249,927	23,340,158
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ (209,042,701)	$ 15,316,143	$ (193,726,558)

3.

	2014	2013
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	469.7%	423.3%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	15,221,120,751	13,581,811,074

NOTES TO FINANCIAL STATEMENTS

4.

	12/31/2014		12/31/2013		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
Impact of Tax-Planning Strategies						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1 (c)	$ 2,291,211,000	$ 298,727,000	$ 2,500,253,700	$ 319,863,600	$ (209,042,700)	$ (21,136,600)
2. Percentage of adjusted gross DTAs by tax character to the impact of tax planning strategies.	0%	0%	0%	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1 (e)	$ 2,291,211,000	$ 131,243,168	$ 2,500,253,700	$ 115,927,025	$ (209,042,700)	$ 15,316,143
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	0%	0%	0%	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance: Yes ___ No _X_

B. The Company does not have any DTLs described in SSAP No. 101 Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10, paragraph 23.

C. Current income taxes incurred consist of the following major components:

	(1) 12/31/2014	(2) 12/31/2013	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ (259,664,720)	$ 104,626,584	$ (364,291,304)
(b) Foreign	22,643,937	23,971,603	(1,327,666)
(c) Subtotal	(237,020,783)	128,598,187	(365,618,970)
(d) Federal income tax on net capital gains	2,114,590	42,109,813	(39,995,223)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income tax incurred	$ (234,906,193)	$ 170,708,000	$ (405,614,193)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 306,299,000	$ 336,133,000	$ (29,834,000)
(2) Unearned premium reserve	460,122,000	444,512,000	15,610,000
(3) Policyholder reserves	-	-	-
(4) Investments	11,693,000	17,711,000	(6,018,000)
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	13,685,000	13,081,000	604,000
(8) Compensation and benefits accrual	262,965,000	229,307,000	33,658,000
(9) Pension accrual	137,237,000	131,565,000	5,672,000
(10) Receivables – nonadmitted	369,279,000	322,291,000	46,988,000
(11) Net operating loss carry-forward	325,266,000	589,562,000	(264,296,000)
(12) Tax credit carry-forward	218,128,000	171,723,000	46,405,000
(13) Other (including items <5% of total ordinary tax assets)	186,537,000	244,368,700	(57,831,700)
(99) Subtotal	2,291,211,000	2,500,253,700	(209,042,700)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	2,291,211,000	2,500,253,700	(209,042,700)
(e) Capital			

NOTES TO FINANCIAL STATEMENTS

(1) Investments	158,812,000	223,950,000	(65,138,000)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	139,915,000	95,913,600	44,001,400
(99) Subtotal	298,727,000	319,863,600	(21,136,600)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	167,483,832	203,936,575	(36,452,743)
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	131,243,168	115,927,025	15,316,143
(i) Admitted deferred tax assets (2d + 2h)	2,422,454,168	2,616,180,725	(193,726,557)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	473,812,000	500,866,000	(27,054,000)
(2) Fixed assets	50,484,000	41,810,000	8,674,000
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total capital tax liabilities)	379,836,000	395,059,227	(15,223,227)
(99) Subtotal	904,132,000	937,735,227	(33,603,227)
(b) Capital:			
(1) Investments	82,617,000	56,367,073	26,249,927
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	82,617,000	56,367,073	26,249,927
(c) Deferred tax liabilities (3a99 + 3b99)	986,749,000	994,102,300	(7,353,300)
4. Net deferred tax assets/liabilities (2i – 3c)	$ 1,435,705,168	$ 1,622,078,425	$ (186,373,257)

D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of intercompany dividends, LP & LLC income, tax exempt income, subsidiary sale, utilization of prior year net operating losses, mark to market adjustments, limits on unearned premium reserve deductions, discounting of unpaid losses and loss adjustment expenses, compensation adjustments, abandonments, intangible drilling costs, impairments, partnership income, audit settlements, revisions to prior year estimates, other interest, and foreign branch tax.

E. The Company has net operating loss carry-forwards which expire as follows:

Year Generated	Amount	Expiration
2011	$ 247,352,000	2031
2012	$ 681,978,000	2032

The Company has foreign tax credit carry-forwards which expire as follows:

Year Generated	Amount	Expiration
2009	$ 7,947,000	2019
2011	$ 10,587,000	2021
2012	$ 6,990,000	2022
2013	$ 11,462,000	2023
2014	$23,628,000	2024

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

Year Generated	Amount	Expiration
2009	$ 1,000	2029
2010	$ 27,000	2030
2011	$ 2,420,000	2031
2012	$ 22,894,000	2032
2013	$ 27,304,000	2033
2014	$28,628,000	2034

The Company has alternative minimum tax credit carry-forwards of $76,238,000. The alternative minimum tax credit carry-forward does not expire.

The amount of Federal income taxes incurred and available for recoupment in the event of future losses is none from the current year and $108,788,000 from the preceding year.

NOTES TO FINANCIAL STATEMENTS

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

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

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

NOTES TO FINANCIAL STATEMENTS

Liberty Mutual Fire Insurance Company	Winmar Company, Inc.
Liberty Mutual Group Asset Management Inc.	Winmar of the Desert, Inc.
Liberty Mutual Group Inc.	Winmar Oregon, Inc.
Liberty Mutual Holding Company Inc.	Winmar-Metro, Inc.

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

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

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 Group Inc. ("LMGI"), a Massachusetts company. The ultimate parent of LMGI is Liberty Mutual Holding Company Inc. (“LMHC”), a Massachusetts company.

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

C. For the year ended December 31, 2014, the Company had the following capital transactions with its parent and subsidiaries:

1. Received capital contributions of $929,513,093 from its parent, Liberty Mutual Group Inc.

2. Received return of capital distributions of $232,122,938

3. Contributed capital in the amount of $1,282,764,903

4. Received dividends in the amount of $386,851,989

D. At December 31, 2014 the Company reported a net $602,864,763 due from affiliates, consisting of net intercompany receivables, $376,864,763 and loans to Liberty International Netherlands VOF, amounting to $226,000,000 with maturities ranging from August 23, 2015 to April 18, 2027. Interest is paid annually. As of December 31, 2014 interest accrued and paid on the loans was $64,317 and $5,998,200, respectively. The loans are reported on Schedule BA, Other Long Term Invested Assets Owned. The terms of the intercompany arrangements, in general, require settlement at least quarterly.

E. The Company has entered into guarantees to or on behalf of the following affiliates, as described in Note 14A.

America First Insurance Company
Liberty Corporate Capital Limited
Liberty Information Technology Limited
Liberty Insurance Company Limited
Liberty Life Assurance Company of Boston
Liberty Mutual Group Inc.
Liberty Mutual Insurance Europe Limited
Liberty Personal Insurance Company
Liberty Re (Bermuda) Limited
Liberty Surplus Insurance Corporation
Safeco Insurance Company of Oregon
San Diego Insurance Company
Companies in the Liberty Mutual Group holding custodial accounts with JP Morgan Chase Bank

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

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

The Company is party to service agreements with the following SCA companies -

Berkeley/Columbus II LLC
Berkeley/Columbus Real Estate LLC
Cascade Disability Management, Inc.
Helmsman Insurance Agency LLC
Helmsman Management Services LLC
Liberty Information Technology Limited
Liberty Life Assurance Company of Boston
Liberty Lloyd’s of Texas Insurance Company
Liberty Mutual Agency Corporation
Liberty Mutual Auto and Home Services LLC
Liberty Mutual Equity LLC
Liberty Mutual Group Inc.
Liberty Mutual Managed Care LLC
LIU Specialty Insurance Agency Inc.
LM Property and Casualty Insurance Company

NOTES TO FINANCIAL STATEMENTS

San Diego Insurance Company
Wausau Signature Agency LLC

Under these agreements, the Company may provide the SCA companies with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by the Company and through a management services agreement entered into by the Company and LMGI. Services include but are not limited to the following: claims handling, credit and collections, sales, policy production, underwriting and a variety of computer activities.

The Company is a party to a management services agreement with LMGI. Under the agreement, the Company may provide the SCA companies with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by the Company and through a management services agreement entered into by the Company and LMGI. Services include but are not limited to the following: claims handling, credit and collections, sales policy production, underwriting and a variety of computer activities.

Pursuant to an Employee Benefit Plans Cost-Sharing Agreement, the Company has agreed to reimburse LMGI for certain costs related to one or more employee benefit or welfare plans covering current or past employees of the Company or its affiliates which have been transferred to LMGI or which may be transferred to LMGI in the future. The amount of the reimbursement is: (a) the required contributions to the pension plans and (b) with respect to other plans, the benefits incurred on the Company's behalf.

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

The Company is a party to an investment management agreement with the Liberty Mutual Retirement Plan Master Trust (the “Trust”). Under the agreement, the Company provides services to the Trust.

The Company is a party to an investment management agreement with LMGAM. Under the agreement, LMGAM provides sub-adviser services to the Company.

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

Company	Credit Line
American States Insurance Company	$50,000,000
Colorado Casualty Insurance Company	$50,000,000
Employers Insurance Company of Wausau	$150,000,000
General Insurance Company of America	$50,000,000
Golden Eagle Insurance Corporation	$50,000,000
Indiana Insurance Company	$50,000,000
Liberty Compania De Seguros Generales S.A.	$50,000,000
Liberty Corporate Capital Limited	$100,000,000
Liberty Insurance Corporation	$100,000,000
Liberty Insurance Underwriters Inc.	$50,000,000
Liberty International Holdings Inc.	$20,000,000
Liberty Life Assurance Company of Boston	$150,000,000
Liberty Life Assurance Company of Boston	$500,000,000
Liberty Mutual Fire Insurance Company	$150,000,000
Liberty Mutual Group Inc.	$1,150,000,000
Liberty Mutual Mid-Atlantic Insurance Company	$50,000,000
Liberty Northwest Insurance Corporation	$50,000,000
Liberty Surplus Insurance Corporation	$50,000,000
Peerless Indemnity Insurance Company	$100,000,000
Peerless Insurance Company	$150,000,000
Peerless Insurance Company	$500,000,000
Safeco Insurance Company of America	$100,000,000
The Netherlands Insurance Company	$50,000,000
The Ohio Casualty Insurance Company	$130,000,000

There were no outstanding loans as of December 31, 2014.

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

Company	Credit Line
American Economy Insurance Company	$100,000,000
American States Insurance Company	$100,000,000

NOTES TO FINANCIAL STATEMENTS

Employers Insurance Company of Wausau	$150,000,000
General Insurance Company of America	$50,000,000
Golden Eagle Insurance Corporation	$50,000,000
Indiana Insurance Company	$50,000,000
Liberty Insurance Corporation	$100,000,000
Liberty Mutual Fire Insurance Company	$450,000,000
Liberty Mutual Group Inc.	$1,000,000,000
Peerless Insurance Company	$150,000,000
Peerless Insurance Company	$500,000,000
Safeco Insurance Company of America	$100,000,000
The Ohio Casualty Insurance Company	$140,000,000

There were no outstanding borrowings as of December 31, 2014.

There is an "Agent-Company Agreement" between the Company and Helmsman Insurance Agency, LLC ("Helmsman") whereby Helmsman is appointed a property-casualty insurance agent of the Company and provides usual and customary services of an insurance agent on all insurance contracts placed by Helmsman with the Company.

The Company is a party to management service agreements (the "Agreements") with the following SCA companies –

America First Insurance Company
America First Lloyds' Insurance Company
American Economy Insurance Company
American Fire and Casualty Company
American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
Colorado Casualty Insurance Company
Consolidated Insurance Company
Employers Insurance Company of Wausau
Excelsior Insurance Company
First National Insurance Company of America
General Insurance Company of America
Golden Eagle Insurance Corporation
Hawkeye-Security Insurance Company
Indiana Insurance Company
Insurance Company of Illinois
Liberty Insurance Corporation
Liberty Insurance Underwriters Inc.
Liberty Mutual Fire Insurance Company
Liberty Mutual Mid-Atlantic Insurance Company
Liberty Mutual Personal Insurance Company
Liberty Northwest Insurance Corporation
Liberty Personal Insurance Company
Liberty Surplus Insurance Corporation
LM General Insurance Company
LM Insurance Corporation
Mid-American Fire & Casualty Company
Montgomery Mutual Insurance Company
National Insurance Association
North Pacific Insurance Company
Ohio Security Insurance Company
Oregon Automobile Insurance Company
Peerless Indemnity Insurance Company
Peerless Insurance Company
Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Insurance Company of Oregon
Safeco Lloyds Insurance Company
Safeco National Insurance Company
Safeco Surplus Lines Insurance Company
The First Liberty Insurance Corporation
The Midwestern Indemnity Company
The Netherlands Insurance Company
The Ohio Casualty Insurance Company
Wausau Business Insurance Company
Wausau General Insurance Company
Wausau Underwriters Insurance Company
West American Insurance Company

Under these Agreements, the Company may provide these subsidiaries with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by the Company and LMGI. Services provided include, but are not limited to, risk underwriting, claims processing, claims adjustments, policyholder services, contract management and administration. The Company is reimbursed for the cost of all services which it provides under these Agreements.

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

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

I. Liberty Mutual Insurance Company (LMIC) owns 100.00% of Liberty Insurance Holdings, Inc ("LIH, Inc."), a downstream holding company. LIH, Inc. is carried at audited U.S Generally Accepted Accounting Principals ("GAAP") equity, adjusted for statutory basis of accounting in accordance with SSAP No 97.

At December 31, 2014, the Company's ownership interest in LIH, Inc.'s assets, liabilities and results of operations are as follows:

	Assets	Liabilities	Results of Operations
Total LIH, Inc.	$5,277,721,080	-	$(307)
Total LMIC unamortized admitted goodwill	$156,826,314	-	-

NOTES TO FINANCIAL STATEMENTS

The Company did not change the valuation method of its subsidiaries, controlled and affiliated entities.

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

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

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

Carrying Value:	
Berkeley Management Corporation	$19,384,323
LM Captive Holdings LLC	30,485,325
Liberty Mutual Mexico, LLC	33,802,141
Berkeley/Columbus III, LLC	383,051,764
Liberty Mutual Equity LLC	$ (2,135)

The Company has limited the value of its investment in these companies to the value contained in the audited financial statements, including adjustments required by SSAP 97 of SCA entities. All liabilities, commitments, contingencies, guarantees or obligations of the downstream non-insurance holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the Company's determination of the carrying value of the investment in the downstream non-insurance holding company.

Note 11 - Debt

A. Debt (Including Capital Notes)

The Company maintains two $1,000,000,000 committed repurchase agreements for general corporate purposes (See Note 5E). There were no outstanding borrowings as of December 31, 2014.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Boston. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. On March 23, 2012, the Company borrowed $127,000,000 under the agreement with a maturity date of March 23, 2032. On April 2, 2012, the Company borrowed $23,000,000 under the agreement with a maturity date of April 2, 2032. The borrowings are fully collateralized. Interest on the March 23, 2012 borrowing accrues at an annual rate of 4.24%. Interest on the April 2, 2012 borrowing accrues at an annual rate of 4.25%. For December year-to-date, the Company has paid and incurred interest expense of $6,450,665. It is part of the Company's strategy to utilize these funds as backup liquidity. The Company has determined the actual maximum borrowing capacity as $2,000,000,000 per Board of Directors consent.

2. FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	$ -	$ -	$ -
Membership Stock – Class B	11,393,200	11,393,200	-
Activity Stock	6,750,000	6,750,000	-
Excess Stock	-	-	-
Aggregate Total	$ 18,143,200	$ 18,143,200	-
Actual Borrowing Capacity as Determined by the Insurer	$2,000,000,000	XXX	XXX

2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	$ -	$ -	$ -
Membership Stock – Class B	9,468,837	9,468,837	-
Activity Stock	6,830,763	6,830,763	-
Excess Stock	-	-	-
Aggregate Total	$ 16,299,600	$ 16,299,600	-
Actual or estimated Borrowing Capacity as Determined by the Insurer	$ 2,000,000,000	XXX	XXX

NOTES TO FINANCIAL STATEMENTS

b. Membership Stock (Class A and B) Eligible for Redemption

	Current Year Total	Not Eligible for Redemption	Less Than 6 Months	6 months to Less Than 1 year	1 to Less Than 3 Years	3 to 5 Years
Membership Stock	$ -	$ -	$ -	$ -	$ -	$ -
Class A	-	-	-	-	-	-
Class B	$ -	$11,393,200	$ -	$1,843,600 -	$ 799,000	$8,750,600

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	$ 182,557,320	$ 178,111,858	$ 150,000,000

2. Current Year General Account

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	$ 182,557,320	$ 178,111,858	$ 150,000,000

3. Current Year Protected Cell Accounts

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

4. Prior Year-end Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	$ 170,490,450	$ 165,392,080	$ 150,000,000

b. Maximum Amount Pledged During Reporting Period (1.31.14)

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
Maximum Collateral Pledged	$ 184,318,927	$ 175,932,091	$ 150,000,000

2. Current Year General Account

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
Maximum Collateral Pledged	$ 184,318,927	$ 175,932,091	$ 150,000,000

3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
Maximum Collateral Pledged	$ -	$ -	$ -

4. Prior Year-end Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
Maximum Collateral Pledged	$ 184,318,927	$ 175,932,091	$ 150,000,000

NOTES TO FINANCIAL STATEMENTS

4. Borrowing from FHLB

a. Amount As of the Reporting Date

1. Current Year

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts	(4) Funding Agreements Reserves Established
Debt	$ 150,000,000	$ 150,000,000	$ -	XXX
Funding Agreements	-	-	-	-
Other	-	-	-	XXX
Aggregate Total	$ 150,000,000	$ 150,000,000	$ -	$ -

2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts	(4) Funding Agreements Reserves Established
Debt	$ 150,000,000	$ 150,000,000	$ -	XXX
Funding Agreements	-	-	-	-
Other	-	-	-	XXX
Aggregate Total	$ 150,000,000	$ 150,000,000	$ -	$ -

b. Maximum Amount During Reporting Period (Current Year)

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Debt	$ 150,000,000	$ 150,000,000	$ -
Funding Agreements	-	-	-
Other	-	-	-
Aggregate Total	$ 150,000,000	$ 150,000,000	$ -

c. FHLB – Prepayment Obligations

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

C. The Company maintains a $450,000,000 revolving line with Liberty Mutual Fire Insurance Company ("LMFIC"), a $150,000,000 revolving line of credit with Employers Insurance Company of Wausau ("EICOW"), a $140,000,000 revolving line of credit with Ohio Casualty Insurance Company ("OCIC"), and a $100,000,000 revolving line of credit with American Economy Insurance Company ("AEIC") (see Note 10F). On April 1, 2014 under the LMFIC agreement, the Company borrowed $90,000,000 at an annual interest rate of 1.63%. The loan was repaid on September 4, 2014. Also on April 1, 2014 the Company borrowed $25,000,000 under the EICOW agreement, $70,000,000 under the OCIC agreement and $30,000,000 under the AEIC agreement at an annual interest rate of 1.63%. All loans were repaid on August 26, 2014. For December year-to-date 2014, the Company has incurred and paid interest expense of $1,206,572. There were no outstanding borrowings as of December 31, 2014.

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

Eligible employees may participate in the Liberty Mutual Retirement Benefit Plan for U.S. Employees, the Supplemental Income at Retirement Plan (SIRP) which has both a defined benefit component and defined contribution savings component, the Employees' Thrift Incentive Plan (defined contribution savings) and the U.S. postretirement health and life insurance benefit plans sponsored by the Holding Company, Liberty Mutual Group Inc. (LMGI). Accordingly, the plan assets and obligations are not included in the Company's summary of assets and obligations below.

The Company continues to sponsor non-contributory defined benefit pension and contributory defined contribution savings plans covering substantially all Canadian employees and certain U.S. employees. Also, the Company continues to provide certain health care and life insurance postretirement benefits for Canadian and certain U.S. employees. The pension and postretirement benefits and eligibility are based on age, years of service and the employee's compensation as more fully defined in the plan documents. As of December 31, the Company accrued pension cost in accordance with actuarially determined amounts, with an offset to the incremental asset amortization.

A summary of assets, obligations, and assumptions of the Company sponsored Pension Plans and Postretirement Benefit Plans are as follows as of December 31, 2014 and December 31, 2013.

NOTES TO FINANCIAL STATEMENTS

A. Defined Benefit Plan

(1) Change in Benefit Obligation

a. Pension Benefits

	Overfunded 2014	Overfunded 2013	Underfunded 2014	Underfunded 2013
1. Benefit obligation at beginning of year	$ -	$ -	$ 151,379,061	$ 155,787,067
2. Service cost	-	-	2,191,145	2,594,092
3. Interest cost	-	-	7,831,350	7,302,104
4. Contribution by plan participants	-	-	-	-
5. Actuarial (gain) loss	-	-	35,170,099	(2,222,277)
6. Foreign currency exchange rate changes	-	-	(7,275,804)	(4,823,969)
7. Benefits paid	-	-	(9,571,205)	(7,336,416)
8. Plan amendments	-	-	-	78,460
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-
10. Benefit obligation at end of year	$ -	$ -	$ 179,724,646	$ 151,379,061

b. Postretirement Benefits

	Overfunded 2014	Overfunded 2013	Underfunded 2014	Underfunded 2013
1. Benefit obligation at beginning of year	$ -	$ -	$ 178,136,648	$ 44,915,755
2. Service cost	-	-	3,571,917	4,866,216
3. Interest cost	-	-	10,017,300	9,081,551
4. Contribution by plan participants	-	-	-	-
5. Actuarial (gain) loss	-	-	5,904,256	(17,347,451)
6. Foreign currency exchange rate changes	-	-	(607,544)	(394,106)
7. Benefits paid	-	-	(1,410,546)	(5,784,140)
8. Plan amendments	-	-	-	142,798,823
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-
10. Benefit obligation at end of year	$ -	$ -	$ 195,612,031	$ 178,136,648

c. Postemployment & Compensated Absence Benefits

	Overfunded 2014	Overfunded 2013	Underfunded 2014	Underfunded 2013
1. Benefit obligation at beginning of year	N/A	N/A	N/A	N/A
2. Service cost	N/A	N/A	N/A	N/A
3. Interest cost	N/A	N/A	N/A	N/A
4. Contribution by plan participants	N/A	N/A	N/A	N/A
5. Actuarial (gain) loss	N/A	N/A	N/A	N/A
6. Foreign currency exchange rate changes	N/A	N/A	N/A	N/A
7. Benefits paid	N/A	N/A	N/A	N/A
8. Plan amendments	N/A	N/A	N/A	N/A
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	N/A	N/A	N/A	N/A
10. Benefit obligation at end of year	N/A	N/A	N/A	N/A

(2) Change in Plan Assets

	Pension Benefits 2014	Pension Benefits 2013	Postretirement Benefits 2014	Postretirement Benefits 2013	Postemployment 2014	Postemployment 2013
a. Fair value of plan assets at beginning of year	$ 65,911,322	$ 64,127,252	$ -	$ -	N/A	N/A
b. Actual return on plan assets	3,979,582	7,232,342	-	-	N/A	N/A
c. Foreign currency exchange rate changes	(5,543,485)	(4,072,855)	-	-	N/A	N/A
d. Reporting entity contribution	1,777,055	1,611,450	-	-	N/A	N/A
e. Plan participants' contributions	-	-	-	-	N/A	N/A
f. Benefits paid	(4,578,006)	(2,986,867)	-	-	N/A	N/A
g. Business combinations, divestitures and settlements	-	-	-	-	N/A	N/A
h. Fair value of plan assets at end of year	$ 61,546,468	$ 65,911,322	$ -	$ -	N/A	N/A

NOTES TO FINANCIAL STATEMENTS

(3) Funded Status

	Pension Benefits 2014	Pension Benefits 2013	Postretirement Benefits 2014	Postretirement Benefits 2013
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	$ 17,827,388	$ 20,528,308	$ -	$ -
2. Overfunded plan assets	(17,827,388)	(20,528,308)	-	-
3. Total assets (nonadmitted)	$ -	$ -	$ -	$ -
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	$ 75,444,716	$ 74,790,039	$ 58,656,834	$ 35,561,582
2. Liability for pension benefits	42,641,798	9,766,359	17,789,344	5,936,040
3. Total liabilities recognized	$ 118,086,514	$ 84,556,398	$ 76,446,178	$ 41,497,622
c. Unrecognized liabilities	$ 91,663	$ 911,340	$ 119,165,852	$ 136,639,025

(4) Components of Net Periodic Costs

	Pension Benefits 2014	Pension Benefits 2013	Postretirement Benefits 2014	Postretirement Benefits 2013	Postemployment & Compensated Absence Benefits 2014	Postemployment & Compensated Absence Benefits 2013
a. Service cost	$ 2,191,145	$ 2,594,092	$ 3,571,917	$ 4,866,216	N/A	N/A
b. Interest cost	7,831,350	7,302,104	10,017,300	9,081,551	N/A	N/A
c. Expected return on plan assets	(3,267,951)	(3,006,251)	-	-	N/A	N/A
d. Transition asset or obligation	11,589	6,331	5,936,041	6,041,408	N/A	N/A
e. Gains and losses	2,013,704	2,971,049	1,899,756	2,539,430	N/A	N/A
f. Prior service cost or credit	115,519	107,257	3,420,039	3,423,117	N/A	N/A
g. Gain or loss recognized due to a settlement or curtailment	-	-	-	-	N/A	N/A
h. Total net periodic benefit cost	$ 8,895,356	$ 9,974,582	$ 24,845,053	$ 25,951,722	N/A	N/A

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits 2014	Pension Benefits 2013	Postretirement Benefits 2014	Postretirement Benefits 2013
a. Items not yet recognized as a component of net periodic benefit cost - prior year	$ 31,206,007	$ 42,611,229	$ 142,575,065	$ 29,341,161
b. Net transition asset or obligation recognized	(11,589)	(6,331)	(5,936,041)	(6,041,408)
c. Net prior service cost or credit arising during the period	-	78,460	-	142,798,823
d. Net prior service cost or credit recognized	(115,519)	(107,257)	(3,420,039)	(3,423,117)
e. Net gain and loss arising during the period	31,495,654	(8,399,045)	5,635,968	(17,560,964)
f. Net gain and loss recognized	(2,013,704)	(2,971,049)	(1,899,756)	(2,539,430)
g. Items not yet recognized as a component of net period benefit cost - current year	$ 60,560,849	$ 31,206,007	$ 136,955,197	$ 142,575,065

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost

	Pension Benefits 2014	Pension Benefits 2013	Postretirement Benefits 2014	Postretirement Benefits 2013
a. Net transition asset or obligation	$ 55,298	$ 10,233	$ 5,936,041	$ 5,936,041
b. Net prior service cost or credit	$ 110,085	$ 115,688	$ 3,394,449	$ 3,420,833
c. Net recognized gains and losses	$ 4,429,162	$ 1,765,782	$ 2,113,373	$ 1,409,783

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	Pension Benefits 2014	Pension Benefits 2013	Postretirement Benefits 2014	Postretirement Benefits 2013
a. Net transition asset or obligation	$ 1,832,353	$ 1,707,425	$ 106,848,728	$ 112,784,769
b. Net prior service cost or credit	$ 755,389	$ 921,048	$ 16,904,816	$ 20,485,033
c. Net recognized gains and losses	$ 57,973,107	$ 28,577,534	$ 13,201,652	$ 9,305,263

NOTES TO FINANCIAL STATEMENTS

(8) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31

	Pension Benefits		Postretirement Benefits	
	2014	2013	2014	2013
a. Weighted-average discount rate	5.22%	4.65%	5.57%	4.78%
b. Expected long-term rate of return on plan assets	5.00%	5.00%	N/A	N/A
c. Rate of compensation increase	3.71%	3.95%	N/A	N/A

Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31

	Pension Benefits		Postretirement Benefits	
	2014	2013	2014	2013
d. Weighted-average discount rate	4.47%	5.22%	4.82%	5.57%
e. Rate of compensation increase	3.77%	3.71%	N/A	N/A

For measurement purposes, a 6.64% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2014. The rate was assumed to decrease gradually to 4.40% in 2032.

(9) The amount of the accumulated benefit obligation for the defined benefit pension plans was $161,967,288 for the current year and $136,860,332 for the prior year.

(10) Not Applicable

(11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point			
		Increase		Decrease
a. Effect on total of service and interest cost components	$	95,921	$	(68,638)
b. Effect on postretirement benefit obligation	$	1,227,714	$	(922,339)

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

Year(s)	Amount
a. 2015	$ 10,826,927
b. 2016	$ 11,540,130
c. 2017	$ 12,161,900
d. 2018	$ 12,938,490
e. 2019	$ 13,614,673
f. 2020 to 2024	$ 83,135,834

(13) The Company currently intends to make a contribution of $2,447,393 to the defined benefit pension plan in 2015 as required by regulation.

(14) – (17) Not Applicable

(18) The Company adopted SSAP No. 92 - Accounting for Postretirement Benefits Other Than Pensions, SSAP No. 102 Accounting for Pensions, and EITF 06-04 Accounting for Split-Dollar Life Insurance Arrangements in 2013 per Note 2. The impact of adopting these accounting principles is reported as a Plan amendment in the Change in Benefit Obligation tables. The Company elected to apply the transition guidance to record the surplus impact of adopting these new accounting principles.

(19) Not Applicable

(20) See Items 1 – 9

(21) The Company elected to apply the transition guidance to record the surplus impact of adopting SSAP No. 92 - Accounting for Postretirement Benefits Other Than Pensions, SSAP No. 102 Accounting for Pensions, and EITF 06-04 Accounting for Split-Dollar Life Insurance Arrangements in 2013. The full transition surplus impact as of January 1, 2014 was $137,550,365. During 2014, $18,292,850 was recognized resulting in an end of year transition liability of $119,257,515. It is expected that the remaining surplus impact will be recognized over the next eight years.

B. Information about Plan Assets

The Company recognizes that, based on historical data, the asset classes most likely to produce the greatest return in excess of inflation over time are also likely to exhibit the most volatility. Conversely, the asset classes likely to be the least volatile are likely to produce the lowest return over time. Therefore, the investment philosophies and strategies must take into account both return and risk objectives.

Based on the following considerations, the Company can tolerate a moderate amount of risk while striving to maximize investment returns:

NOTES TO FINANCIAL STATEMENTS

i. The Company is responsible for financing any unfunded liabilities emerging because of poor investment returns. Therefore, the Company has a direct exposure to risk. While it is important to avoid excessive volatility in investment returns, the Company can tolerate some volatility risk;

ii. The Company contributes to the Plan in compliance with regulatory requirements and at a level sufficient to finance the defined benefits. The Company will establish these contributions based on the advice of an actuary. However, periodic increases in pension contributions, to finance unfunded liabilities emerging from poorer than expected investment performance, should not significantly affect the Company's overall cash flow. Therefore, the Company can tolerate some volatility of investment returns; and,

iii. The Plan is managed on a going concern basis, including management of the assets. In the foreseeable future, it is unlikely that there will be any special liquidity demands on the Plan. Thus, shorter-term fluctuations in security values will not have a significant adverse impact on the financial stability of the Plan. Therefore, the Company can tolerate some volatility of investment returns.

Taking into consideration the investment risk and philosophy of the Plan, the Canada Pension Plan weighted-average asset allocation and target allocation for each major category of plan assets is as follows:

	2014	2013	Target Allocation
Debt Securities	56%	55%	55% - 80%
Equity Securities	39%	41%	20% - 45%
Other	5%	4%	0% - 10%
Total	**100%**	**100%**	

The investment strategy for each category of Plan assets is as follows:

Fixed maturities: To achieve superior performance against the DEX Universe Bond Index over a longer time horizon.

Equities: To achieve superior performance against a composite benchmark of Standard & Poor's/Toronto Stock Exchange and MSCI World over a longer time horizon.

The Plans' assets are administered by the Liberty Mutual Retirement Board who has the fiduciary responsibility for management of the Plans' assets in accordance with the Liberty Mutual Retirement Benefit Plan Investment Policy. This policy has been approved by the Liberty Mutual Retirement Board.

C. Fair Value of Plan Assets

All of the Plan's assets' fair value measurements are based on quoted prices in active markets for identical assets and deemed Level 1 or 2. Fair value measurements of the Plans' assets as of December 31, 2014 and 2013 are as follows

(1) Fair Value Measurement of Plan Assets at December 31, 2014.

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Cash, cash equivalents and short-term investments	$ 459,756	$ 2,366,201	$ -	$ 2,825,957
Fixed maturities:				
Corporate and other	-	5,899,052	-	5,899,052
Foreign Government Securities	-	28,473,922	-	28,473,922
Equities:				
U.S large cap equities	4,511,454	-	-	4,511,454
U.S. mid and small cap equities	389,426	-	-	389,426
European equities	3,489,624	-	-	3,489,624
Asian equities	692,392	-	-	692,392
Canadian Equities	15,078,101	-	-	15,078,101
Other Equities	186,540	-	-	186,540
Total Plan Assets	$ 24,807,293	$ 36,739,175	$ -	$ 61,546,468

NOTES TO FINANCIAL STATEMENTS

(2) Fair Value Measurement of Plan Assets at December 31, 2013.

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Cash, cash equivalents and short-term investments	$ 515,711	$ 2,242,072	$ -	$ 2,757,783
Fixed maturities:				
Canadian government	-	30,479,365	-	30,479,365
Corporate and other	-	5,651,887	-	5,651,887
Equities:				
U.S. large cap equities	4,165,587	-	-	4,165,587
U.S. mid and small cap equities	357,863	-	-	357,863
European equities	4,782,381	-	-	4,782,381
Asian equities	749,026	-	-	749,026
Canadian equities	16,721,656	-	-	16,721,656
Other equities	245,774	-	-	245,774
Total Plan Assets	$ 27,537,998	$ 38,373,324	$ -	$ 65,911,322

D. Narrative description of expected long term rate of return assumption

The expected long-term rate of return is estimated based on many factors including the expected forecast for inflation, risk premiums for each asset class, expected asset allocation, current and future financial market conditions, and diversification and rebalancing strategies.

E. Defined Contribution Plans

The Company continues to sponsor various contributory defined contribution savings plans for Canadian and certain U.S. employees. The Company's expense charged to operations amounted to approximately $303,562 and $528,440 in 2014 and 2013, respectively. The Company's contribution to the contributory defined contribution savings plans is based on the employee contribution amounts and company performance.

F. Multi-employer Plans

Not Applicable

G. Consolidated/Holding Company Plans

The Company participates in noncontributory defined benefit pension plans and contributory defined contribution savings plans sponsored by LMGI, a Holding Company. In addition, the Company provides certain other postretirement benefits to retired employees through a postretirement health and life insurance plan sponsored by LMGI. The Company has no legal obligation for benefits under these plans subsequent to September 24, 2003 except for the minimum required contributions described in Note 14.

The Holding Company allocates costs to the Company pursuant to the Employee Benefits Plans Cost-Sharing Agreement disclosed in Note 10. The Company's cost allocation for the noncontributory defined benefit pension plans was $486,434,784 and $694,467,044 for 2014 and 2013, respectively. The Company's cost allocation for the contributory defined contribution savings plans was $120,151,269 and $100,753,547 for 2014 and 2013, respectively. The Company's cost allocation for the other postretirement benefit plans was $28,268,363 and $44,881,494 for 2014 and 2013, respectively. Beginning January 1, 2014, LMGI's health and life insurance cost-sharing arrangement changed to a defined contribution model with an annual dollar contribution amount based on age and years of eligible credit service.

H. Postemployment benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation has been accrued.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable

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

1. The Company has 100,000 shares authorized, issued and outstanding as of December 31, 2014. All shares have a stated par value of $100.

   The Company has 100,000 shares authorized of 10% non-convertible perpetual Series A Preferred Stock. All shares have a stated par value of $0.01.

2. On December 31, 2008, the Company issued 7,468 preferred shares, at an issuance price of $647,660,000, to its parent, LMGI. Dividends, based on the issuance price, are cumulative and payable on a quarterly basis.

3. There are no dividend restrictions.

NOTES TO FINANCIAL STATEMENTS

4. The Company paid ordinary dividends to its parent in 2014 of:

	Ordinary	Total Dividends
March	$16,191,500	$16,191,500
June	16,191,500	16,191,500
September	16,191,500	16,191,500
December	16,191,500	16,191,500
Total	$64,766,000	$64,766,000

5. The maximum amount of dividends which can be paid by Massachusetts-domiciled insurance companies to shareholders without the prior approval of the Insurance Commissioner is the greater of (a) 10% of surplus or (b) net income, subject to the availability of accumulated undistributed earnings. The maximum dividend payout which may be made without prior approval in 2015 is $1,656,929,999.

6. As of December 31, 2014, the Company has pre-tax restricted surplus of $53,954,363 resulting from retroactive reinsurance contracts.

7. The Company had no advances to surplus.

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

9. The Company had changes in special surplus funds resulting from prior year's retroactive reinsurance contracts during 2014.

10. The portion of unassigned funds (surplus) represented by cumulative net unrealized losses is ($2,907,297,919) after applicable deferred taxes of ($30,470,088).

11. Surplus Notes

(1) Date Issued	(2) Interest Rate	(3) Amount of Note(s)	(4) Carrying Value	(5) Interest Paid Current Year	(6) Total Interest Paid	(7) Unapproved Interest	(8) Date of Maturity
May 18, 1995	8.500%	$140,000,000	$139,900,776	$11,900,000	$244,230,972	0	5/15/2025
Oct 21, 1996	7.875%	227,085,000	226,935,269	17,882,944	345,052,745	0	10/15/2026
Oct 15, 1997	7.697%	260,233,000	256,589,141	20,030,134	595,179,063	0	10/15/2097
Total		$627,318,000	$623,425,186	$49,813,078	$1,184,462,780	$ 0	

The 8.50% surplus debenture listed above was issued pursuant to Rule 144A under the Securities Act of 1993, underwritten by Merrill Lynch & Co., Goldman Sachs & Co. and Salomon Brothers Inc. and is administered by The Bank of New York Mellon as registrar/paying agent. The original amount outstanding was $150,000,000. In 2009, pursuant to approval from the Massachusetts Division of Insurance, the Company repurchased $10,000,000 of the outstanding notes. The surplus debenture has the following repayment conditions and restrictions: All interest and maturity payments must be approved by the Massachusetts Division of Insurance.

The 7.875% surplus debenture listed above was issued pursuant to Rule 144A under the Securities Act of 1993, underwritten by CS First Boston, Morgan Stanley & Co. and Salomon Brothers Inc. and is administered by The Bank of New York Mellon as registrar/paying agent. The original amount outstanding was $250,000,000. In 2009, pursuant to approval from the Massachusetts Division of Insurance, the Company repurchased $22,915,000 of the outstanding notes. The surplus debenture has the following repayment conditions and restrictions: All interest and maturity payments must be approved by the Massachusetts Division of Insurance.

The 7.697% surplus debenture listed above was issued pursuant to Rule 144A under the Securities Act of 1993, underwritten by CS First Boston, Goldman Sachs & Co. and Merrill Lynch & Co. and is administered by The Bank of New York Mellon as registrar/paying agent. The original amount outstanding was $500,000,000. In 2009 and 2012, pursuant to approval from the Massachusetts Division of Insurance, the Company repurchased $64,917,000 and $174,850,000, respectively, of the outstanding notes. The surplus debenture has the following repayment conditions and restrictions: All interest and maturity payments must be approved by the Massachusetts Division of Insurance.

12. Quasi-reorganization (dollar impact)

    Not applicable

13. Quasi-reorganization (effective date)

    Not applicable

Note 14 - Contingencies

A. Contingent Commitments

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

NOTES TO FINANCIAL STATEMENTS

2. The Company has made guarantees on behalf of its affiliates as follows:

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of the agreement	**Liability recognition of the guarantee**	**Ultimate financial statement impact if action under the guarantee is required**	**Maximum potential amount of future payments (undiscounted)**	**Current status of payment or performance risk of the guarantee**
The Company guarantees that, if America First Insurance Company should suffer any reduction to its capital or surplus as a direct result of a default of an obligor under any “qualifying Louisiana investment” as defined in Louisiana Revised Statutes 22.823, the Company shall pay America First Insurance Company a sufficient amount to reimburse it for such reduction, not exceeding $5,000,000. As of December 31, 2014, $7,888,554 in “qualifying Louisiana investment” was held. This guarantee shall remain effective until the Company no longer holds "qualifying Louisiana investments".	Wholly-owned subsidiary	Increase in investment in SCA	$5,000,000	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company is contingently liable for the performance of Liberty Corporate Capital Limited’s obligations under standby letters of credit in the aggregate amount of $464,254,200 that have been collateralized. The guarantee is effective from November 22, 2014 - November 22, 2015. As of December 31, 2014, there have been no drawings under the standby letters of credit.	Wholly-owned subsidiary	Increase in investment in SCA	$ 464,254,200	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees the future non-cancellable lease obligations of Liberty Information Technology Ltd. in the amount of $11,297,581. This guarantee was executed on March 13, 2007. The lease expires in March 2022.	No liability at inception of the guarantee	Dividend to Stockholder	$11,297,581	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees obligations of Liberty Insurance Company Limited for tax liabilities and other indebtedness prior to and arising from the conversion to a limited liability subsidiary. The amount of these obligations as of December 31, 2014 was $21,270.	Wholly-owned subsidiary	Increase in investment in SCA	$21,270	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees obligations of Liberty Life Assurance Company of Boston on policies and contracts issued and is obligated to provide additional capital to that company necessary at any time to raise its Best’s Capital Adequacy Ratio to at least 150%. This guarantee was executed in February of 1998 and shall continue until terminated.	Guarantee is considered unlimited	Increase in investment in SCA	$ -	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees the performance of Parent, LMGI, under a $750,000,000 commercial paper program. The guarantee is effective from October 17, 2011 - October 17, 2016. The amount outstanding as of December 31, 2014 was $0.	No liability at inception of the guarantee	Dividend to Stockholder	$ -	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees obligations of Liberty Mutual Insurance Europe (“LMIE”) Limited on policies and contracts issued until such time as LMIE can achieve a Standard & Poor’s rating as specified in the guarantee. This guarantee was executed April 13, 2006 and shall continue until terminated.	Wholly-owned subsidiary; Guarantee is considered unlimited	Increase in investment in SCA	$ -	Guaranteed affiliate is in compliance with the terms of guaranteed contract.

NOTES TO FINANCIAL STATEMENTS

The Company guarantees that, if Liberty Personal Insurance Company should suffer any reduction to its capital or surplus as a direct result of a default of an obligor under any "qualifying Louisiana investment" as defined in Louisiana Revised Statutes 22.823, the Company shall pay Liberty Personal Insurance Company a sufficient amount to reimburse it for such reduction, not exceeding $7,000,000. As of December 31, 2014, $7,520,787 in "qualifying Louisiana investment" was held. This guarantee shall remain effective until the Company no longer holds "qualifying Louisiana investments".	Wholly-owned subsidiary	Increase in investment in SCA	$7,000,000	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees obligations of Liberty Re (Bermuda) Limited under certain reinsurance policies issued. The guarantee was executed on December 23, 1999 and shall continue until there are no longer outstanding obligations under reinsurance policies.	Wholly-owned subsidiary	Increase in investment in SCA	$203,355,458	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company unconditionally guarantees that in order for Liberty Surplus Insurance Company (LSI) to operate as an insurance company in the state of Maine, LSI will maintain capital and surplus levels each in the amount of $500,000. This guarantee was executed on October 14, 1998 and shall continue until terminated.	Wholly-owned subsidiary	Increase in investment in SCA	$1,000,000	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees that, if Safeco Insurance Company of Oregon, should suffer any reduction to its capital or surplus as a direct result of a default of an obligor under any "qualifying Louisiana investment", as defined in Louisiana Revised Statutes 22.832, the Company shall pay Safeco Insurance Company of Oregon a sufficient amount to reimburse it for such reduction, not exceeding $15,000,000. As of December 31, 2014, $8,485,929 in "qualifying Louisiana investment" was held. This guarantee shall remain effective until the Company no longer owns or controls Safeco Insurance Company of Oregon.	Wholly-owned subsidiary	Increase in investment in SCA	$8,485,929	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees obligations of San Diego Insurance Company ("SDIC") under a reinsurance agreement with Golden Eagle Insurance Company (in liquidation) and the California Insurance Commissioner, providing reinsurance of $190,000,000 in excess of SDIC's existing obligations under an August 21, 1997 agreement, and further guarantees obligations of SDIC under an Aggregate Excess of Loss Reinsurance Agreement dated as of November 30, 2006. These agreements shall continue until there are no longer outstanding liabilities under the reinsurance agreements.	Wholly-owned subsidiary	Increase in investment in SCA	$49,403,119	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
The Company guarantees to cover any overdraft of funds, not exceeding $500,000,000, in the custodial accounts of any Liberty Mutual Group company with JPMorgan Chase Bank. This guarantee was executed on February 19, 2003 and shall continue until terminated.	No liability at inception of the guarantee	Increase in investment in SCA/ Dividend to Stockholder	$-	Guaranteed affiliate is in compliance with the terms of guaranteed contract.
		Total:	$ 749,817,557	

3. Aggregate compilation of guarantee obligations:

a. Maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees. $ 749,817,557

b. Current Liability Recognized in F/S:
1. Noncontingent Liabilities $ -
2. Contingent Liabilities $ -

NOTES TO FINANCIAL STATEMENTS

c. Ultimate Financial Statement Impact if action under the guarantee is required.

1. Investments in SCA	$ 738,519,976
2. Joint Venture	$ -
3. Dividends to Stockholders (capital contribution)	$ 11,297,581
4. Expense	$ -
5. Other	$ -

B. Assessments

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

The Company has accrued a liability for guaranty funds and other assessments of $65,415,321 that is offset by future premium tax credits of $4,088,232. Current assessments are expected to be paid out in the next two years, while premium tax offsets are expected to be realized in the next five years, beginning in 2015. During 2014 there were no material insolvencies to report. The Company continues to remit payments relating to prior year insolvencies.

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

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$ 6,142,486
b.	Decreases current year: Premium tax offset applied	2,418,343
c.	Increases current year: Premium tax offset increase	364,089
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$ 4,088,232

C. Gain Contingencies

Not applicable

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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	$3,530,122

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

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

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

E. Product Warranties

The Company does not write product warranty business.

F. Joint and Several Liabilities

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

G. All Other Contingencies

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

The Company has been in coverage litigation with Kentile Floors, Inc., a former manufacturer of floor tile products, some of which contained asbestos, since 2008. In November 1992, Kentile filed a voluntary petition for bankruptcy relief under Chapter 11 (Reorganization) of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York, and Metex Manufacturing Corporation ("Metex") emerged from the Chapter 11 Bankruptcy proceeding as the "Reorganized

NOTES TO FINANCIAL STATEMENTS

Debtor." On November 9, 2012, Metex filed for bankruptcy protection under Chapter 11 in the U.S. Bankruptcy Court for the Southern District of New York, staying all coverage litigation with LMIC as well as all other insurance carriers.

Prior to the most recent bankruptcy filing, Metex reached agreement with each of Kentile’s insurance carriers. The bankruptcy court approved the Settlement and the Metex bankruptcy became effective in the Fall 2014. A payment in the amount of $34,000,000 was made to the Trust in October 2014. A final payment in the amount of $25,000,000 is due on October 1, 2017. The Company anticipates closing this matter immediately after making the final payment.

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

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

Note 15 - Leases

A. Lessee Leasing Arrangements

1. The Company leases office space, plant and equipment under various non-cancelable operating lease arrangements.

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

Year Ending December 31,	Operating Leases
2015	81,875,738
2016	84,637,753
2017	53,375,925
2018	35,402,613
2019	21,112,553
2020 & thereafter	157,562,274
Total	433,966,854

The amount of liability the Company recognized in its financial statements for lease agreements for which it is no longer using the leased property benefits is $2,909,992.

2. The Company is not involved in any material sales-leaseback transactions.

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

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

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

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

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

A. Transfers of Receivables Reported as Sales

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

B. Transfers and Servicing of Financial Assets

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

At December 31, 2014 the total fair value of securities on loan was $310,224,292, with corresponding collateral value of $317,037,068 of which $208,211,613 represents cash collateral that was reinvested.

C. Wash Sales

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

NOTES TO FINANCIAL STATEMENTS

2) Not applicable.

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

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

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

Note 20 - Fair Value Measurements

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

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

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

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

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

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

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

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2014:

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Issuer Obligations	$ -	$ 627,102,019	$ 50	$ 627,102,069
Non-Issuer Obligations	-	19,278,810	-	19,278,810
Total Bonds	$ -	$ 646,380,829	$ 50	$ 646,380,879
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	$ -	$ 214,738,281	$ -	$ 214,738,281
Total Preferred Stocks	$ -	$ 214,738,281	$ -	$ 214,738,281
Common Stocks				
Industrial and Miscellaneous	$404,884,815	$ -	$ 18,143,200	$ 423,028,015
Total Common Stocks	$404,884,815	$ -	$ 18,143,200	$ 423,028,015
Total assets at fair value	$404,884,815	$ 861,119,110	$ 18,143,250	$ 1,284,147,175
Liabilities at fair value				
Derivative Liabilities	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -

The Company did not have significant transfers between Levels 1 and 2 during the period ended December 31, 2014.

NOTES TO FINANCIAL STATEMENTS

2. Rollforward of Level 3 Items

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

1	2	3	4	5	6	7	8	9	10	11
	Balance at 12/31/2013	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2014
Bonds	$2,248,597	$51	($11,283,684)	$ 21	($2,817)	$9,471,750	$ -	($433,750)	($118)	$50
Preferred Stock	-	-	-	-	-	-	-	-		-
Common Stock	16,299,600	-	-	-	-	1,843,600	-	-		18,143,200
Total	$18,548,197	$51	($11,283,684)	$ 21	($2,817)	$11,315,350	$ -	($433,750)	($118)	$18,143,250

3. Policy on Transfers Into and Out of Level 3

The Company holds NAIC designated 3-6 securities at the lower of cost or market as defined by SSAP No. 26. Market fluctuations cause securities to change from being held at cost to fair value or vice versa. These changes result in a transfer in or out of Level 3. In addition, the Company also transfers securities in or out of level 3 as a result of re-evaluation of the observability of pricing inputs.

4. Inputs and Techniques Used for Fair Value

Fixed Maturities

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

U.S. Government and Agency

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

Mortgage-Backed Securities

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

Asset-Backed Securities

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

Municipals

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

Corporate debt and other

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

Foreign government securities

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

Equity Securities

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

Other Investments

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

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash, Cash Equivalents and Short Term	$744,222,291	$744,221,142	$740,086,105	$4,136,186	$ -	$ -
Bonds	13,395,555,461	12,923,989,791	356,449,550	12,987,031,735	52,074,176	-
Preferred Stock	224,274,681	223,731,361	-	224,274,672	9	-
Common Stock	423,028,015	423,028,015	404,884,815	-	18,143,200	-
Securities Lending	208,211,613	208,211,613	-	208,211,613	-	-
Mortgage Loans	560,284,614	519,551,668	-	-	560,284,614	-
Surplus Notes	54,224,767	46,092,721	-	54,224,767	-	-
Total	$15,609,801,442	$15,088,826,311	$1,501,420,470	$13,477,878,973	$630,501,999	$ -

D. Reasons Not Practical to Estimate Fair Value

Not applicable

Note 21 - Other Items

A. Extraordinary Items

The Company has no extraordinary items to report.

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

1) Interrogatory 6.1

As the lead company in the inter-company pool, the Company purchased Workers' Compensation Catastrophe excess of loss reinsurance with limits of $400m, part of $500m xs $425m for multiple insureds at multiple locations; or $400m, part of $500m xs $100m (excluding CA EQ) for a single insured at a single location (with a sublimit for nuclear facilities). The Workers' Compensation Catastrophe excess of loss program covers Liberty Mutual Insurance Company's direct and assumed Workers' Compensation business from affiliates.

NOTES TO FINANCIAL STATEMENTS

Interrogatory 6.2

The Company employs industry recognized catastrophe modeling software to estimate the Probable Maximum Loss. For property exposures, we utilize RMS's RiskLink v13.0 and AIR's Clasic/2 v14 software. For workers' compensation, Liberty Mutual utilizes RiskLink v13.1 from RMS.

Interrogatory 6.3

As the lead company in the inter-company pool, the Company purchased multiple forms of reinsurance coverage to effectively protect its direct and assumed from affiliates property business. The traditional Prop Cat excess of loss reinsurance includes a Northeast only layer $300m xs $1,000m, Nationwide layers totaling $810m part of $1,300m xs $1,300m. The traditional Prop Cat excess of loss layers are complemented by a collateralized catastrophe bond (Mystic Re III), which provides additional limits of $275M (CA EQ is excluded from Class A) for exposures other than Complex Commercial and is based on actual reported losses. Additionally, the Company has purchased $1.362b of coverage based on various combinations of attachments, terms and conditions. The Company had a 2.5% Personal Insurance HO Quota Share treaty covering its direct and assumed from affiliates homeowners business. The treaty covers catastrophe losses up to $1.75b for Wind and $900m for Earthquake.

2) Florida Special Disability Trust Fund

a) The Company did not take a credit in the determination of its loss reserves in 2014 and 2013.

b) The Company received payments from the Special Disability Trust Fund of $2,621,526 in 2014 and $2,500,966 in 2013.

c) The amount the Company was assessed by the Special Disability Trust Fund was $20,199 in 2014 and $68,537 in 2013.

D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

E. State Transferable and Non-transferable Tax Credit

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

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Film Credit	PA	1,128,000	1,128,000
Total		$ 1,128,000	$ 1,128,000

(2) Method of estimating utilization of remaining transferable and non-transferable state tax credits

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

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

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

(4) State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
Transferable	-	-
Non-transferable	$ 1,128,000	-

F. Subprime-Mortgage-Related Risk Exposure

1. The Company has not purchased securities characterized by the market as subprime. The Company looks at such factors as average FICO scores, loan to value ratios, and levels of documentation when evaluating securities. The Company's only exposure to subprime was inherited through past acquisitions of insurance companies.

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

NOTES TO FINANCIAL STATEMENTS

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

Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-Than-Temporary Impairments Recognized
$6,664,734	$8,123,826	$9,665,404	$1,538,915

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

G. On April 1, 2014 Liberty Mutual Insurance Company, with regulatory approval, sold its wholly owned non-insurance subsidiary, Summit Holdings Southeast Inc., and Summit Holdings Southeast Inc.'s two wholly owned insurance subsidiaries: Bridgefield Employers Insurance Company and Bridgefield Casualty Insurance Company, to American Financial Group. Also effective on April 1, 2014, Liberty Mutual Insurance Company commuted its intercompany 100% quota share reinsurance agreements with Bridgefield Employers Insurance Company and Bridgefield Casualty Insurance Company.

Note 22 - Events Subsequent

The Company evaluated subsequent events through February 20, 2015, the date the annual statement was available to be issued.

There were no events subsequent to December 31, 2014 that would require disclosure.

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

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

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

Reinsurer	NAIC No.	Federal ID No.	Recoverable Amount
National Workers Compensation Reinsurance Pool		AA-9992118	$1,274,977,000
Total			$1,274,977,000

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed & Ceded

1. The following table sets forth the maximum return premium and commission equity due the reinsurers or the Company if all of the Company's assumed and ceded reinsurance were canceled as of December 31, 2014.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$11,894,168,004	$1,257,080,095	$6,347,805,856	$628,992,567	$5,546,362,148	$628,087,528
b. All Other	439,014,002	79,343,719	844,904,853	157,743,554	(405,890,851)	(78,399,835)
c. TOTAL	$12,333,182,006	$1,336,423,814	$7,192,710,709	$786,736,121	$5,140,471,297	$549,687,693
d. Direct Unearned Premium Reserve $1,147,707,501						

2. Certain contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2014 are as follows:

	Direct	Assumed	Ceded	Net
a. Contingent Commission	$23,149,975	$390,275,637	$207,467,739	$205,957,873
b. Sliding Scale Adjustments	-	870,656	542,609	328,047
c. Other Profit Commission Arrangements	-	-	-	-
d. TOTAL	$23,149,975	$391,146,293	$208,010,348	$206,285,920

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

D. Uncollectible Reinsurance

During the current year, the Company wrote off reinsurance balances of $743,035. This amount is shown below by Income Statement classification and by reinsurer.

a. Losses incurred	$ 297,280
b. Loss adjustment expenses incurred	435,914
c. Premiums earned	-

NOTES TO FINANCIAL STATEMENTS

d. Other Income/(Expense)	(9,841)
TOTAL	$ 743,035
e. Company	
Northwestern National Insurance Company of Milwaukee	$ 378,961
Food Service Risk Mgt Inc.	122,330
All Other	241,744
TOTAL	$ 743,035

E. Commutation of Ceded Reinsurance

The Company commuted several ceded reinsurance treaties in the current year with the reinsurers listed below. The net effect of all commutations was a decrease in Net Income of $50,995. This amount is shown below by Income Statement classification and by reinsurer.

a. Losses incurred	$ 98,734
b. Loss adjustment expenses incurred	41,284
c. Premiums earned	63,530
d. Other Income/(Expense)	25,493
TOTAL	$ 50,995
e. Company	
The Stuart Insurance Group Ltd.	$ 161,512
Liberty Mutual Insurance Europe Ltd.	(97,209)
All Other	(13,308)
TOTAL	$ 50,995

F. Retroactive Reinsurance

The Company has external assumed and ceded retroactive contracts that transferred liabilities for losses that had already occurred. The impact of the Inter-Company Reinsurance Agreement is also shown.

	Reported Company	
	As:	
	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	$502,772,115	$1,741,478,470
2. Adjustments – Prior Year (s)	(421,651,479)	(222,368,703)
3. Adjustments – Current Year	(12,826,483)	37,069,637
4. Current Total	$68,294,153	$1,556,179,404
b. Consideration Paid or Received:		
1. Initial Consideration	$496,569,042	$1,756,773,958
2. Adjustments – Prior Year (s)	14,514,272	41,956,658
3. Adjustments – Current Year	0	224,888
4. Current Total	$511,083,314	$1,798,955,504
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year (s)	$504,001,408	$337,244,581
2. Current Year	12,137,244	15,260,197
3. Current Total	$516,138,652	$352,504,778
d. Special Surplus from the Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	$10,248,945	$13,980,925
2. Adjustments – Prior Year (s)	(84,287,675)	(71,604,657)
3. Adjustments – Current Year	689,239	(52,104,946)
4. Current Year Restricted Surplus	251,909	(53,702,454)
5. Cumulative Total Transferred to Unassigned Funds	$(73,601,400)	$(56,026,224)
e. All cedents and reinsurers involved in all transactions included in summary totals above:		
Company	Assumed Amount	Ceded Amount
Great American Insurance Company, 16691	$68,456,922	-
Wettereau Insurance Co LTD., AA-3191047	88,920	-
Employers Insurance Company of Wausau, 21458	(251,689)	-
National Indemnity Co, 20087		$2,939,189,800
Federal Insurance Company, 20281	-	64,550,989
Munich Reinsurance America Inc., 10227	-	29,328,672
Swiss Reinsurance America Corporation, 25364		4,856,665
Westport Insurance Corporation, 39845	-	3,072,326
American National Insurance Company, 60739	-	1,683,183
Reliastar Life Insurance Company, 67105	-	258,624

NOTES TO FINANCIAL STATEMENTS

Arlington Insurance Company, 98-0405213	-	251,689
Nokatus Insurance Co Ltd, 00000	-	204,981
American United Life Insurance Company, 60895	-	78,697
Continental Casualty Co, 20443	-	51,725
Other	-	(250,000)
Peerless Insurance Company, 24198	-	(595,154,100)
Employers Insurance Company of Wausau, 21458	-	(238,061,641)
Liberty Mutual Fire Insurance Company, 23035	-	(238,061,641)
The Ohio Casualty Insurance Company, 24074	-	(238,061,641)
Safeco Insurance Company of America, 24740	-	(178,546,231)
Lloyds Syndicate 1212, AA-1127212	-	93,366
Lloyds Syndicate 1173, AA-1127173	-	93,357
Lloyds Syndicate 1900, AA-1127900	-	77,795
Lloyds Syndicate 1241, AA-1127241	-	62,241
Lloyds Syndicate 2020, AA-1128020	-	62,241
Lloyds Syndicate 2003, AA-1128003	-	48,542
Lloyds Syndicate 1204, AA-1127204	-	46,679
Lloyds Syndicate 2027, AA-1128027	-	46,679
Lloyds Syndicate 0183, AA-1126183	-	31,116
Lloyds Syndicate 0227, AA-1126227	-	31,116
Lloyds Syndicate 1007, AA-1127007	-	31,116
Lloyds Syndicate 1047, AA-1127047	-	31,116
Lloyds Syndicate 1218, AA-1127218	-	31,116
Lloyds Syndicate 1223, AA-1127223	-	31,116
Lloyds Syndicate 1096, AA-1127096		24,897
Lloyds Syndicate 1415, AA-1127415		15,562
Lloyds Syndicate 0138, AA-1126138		15,562
Lloyds Syndicate 1003, AA-1127003		13,690
	-	-
Total	$68,294,153	$1,556,179,404

f. List total Paid Loss/Loss Adjustment Expense amounts recoverable and amounts more than 90 days overdue, and collateral held as respects amounts recoverable from unauthorized reinsurers:

1. Authorized Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue
Westport Insurance Corporation	$313,541	$-
Munich Reinsurance America Incorporated	89,604	-
Lloyds Syndicate 1212	76,301	-
Lloyds Syndicate 1173	76,294	-
Lloyds Syndicate 1900	63,576	-
Lloyds Syndicate 1241	50,865	-
Lloyds Syndicate 2020	50,865	-
Lloyds Syndicate 2003	39,669	-
Lloyds Syndicate 1204	38,147	-
Lloyds Syndicate 2027	38,147	-
Lloyds Syndicate 0183	25,429	-
Lloyds Syndicate 0227	25,429	-
Lloyds Syndicate 1007	25,429	-
Lloyds Syndicate 1047	25,429	-
Lloyds Syndicate 1218	25,429	-
Lloyds Syndicate 1223	25,429	-
Lloyds Syndicate 1096	20,346	-
Lloyds Syndicate 1415	12,718	-
Lloyds Syndicate 0138	12,718	
Lloyds Syndicate 1003	11,188	-
Total	$1,046,553	$-

2. Unauthorized Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue	Collateral Held
NONE	$-	$-	$-
Total	$-	$-	$-

3. Certified Reinsurers

The Company does not transact business with Certified Reinsurers.

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

NOTES TO FINANCIAL STATEMENTS

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

G. Reinsurance Accounted for as a Deposit

At December 31, 2014, the deposit receivable balance for reinsurance contracts accounted for under the deposit method was $6,081,513.

At December 31, 2014, the deposit liability balance for reinsurance contracts accounted for under the deposit method was $49,587,474.

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

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

I. Certified Reinsurers Downgraded or Status Subject to Revocation.

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

   The Company does not transact business with Certified Reinsurers.

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

   The Company is not a Certified Reinsurer.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Accrued retrospective premiums reported in Line 15.3 of the asset page have been determined based upon loss experience on business subject to such experience rating adjustment.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

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

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

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

a.	Total accrued retro premium	$248,808,900
b.	Unsecured amount	-
c.	Less: Nonadmitted amount (10%)	24,722,595
d.	Less: Nonadmitted for any person for whom agents’ balances or uncollected premiums are nonadmitted	-
e.	Admitted amount (a) - (c) - (d)	$ 224,086,305

F. Risk Sharing Providisions of the Affordable Care Act

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

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expense attributable to insured events on prior years decreased slightly through the fourth quarter of 2014. The decrease was the result of updated reserve analysis in a number of lines, with the largest decreases in the Workers Compensation line of business and the Nonproportional Assumed Liability line of business. Offsetting these decreases were increases in reserve estimates on the Private Passenger Auto Liability line of business, the Other Liability Per Occurrence line of business and the Fidelity/Surety line of business. Prior estimates are revised as additional information becomes known regarding individual claims.

NOTES TO FINANCIAL STATEMENTS

Note 26 - Intercompany Pooling Arrangements

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

		NAIC Company Number	Pooling Percentage	Line of Business
Lead Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50.00%	All Lines
Affiliated Pool Companies:	Peerless Insurance Company ("PIC")	24198	20.00%	All Lines
	Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8.00%	All Lines
	The Ohio Casualty Insurance Company ("OCIC")	24074	8.00%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6.00%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0.00%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company ("ASIC")	19704	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0.00%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.00%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0.00%	All Lines
	General Insurance Company of America ("GICA")	24732	0.00%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
	Indiana Insurance Company ("IIC")	22659	0.00%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0.00%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
	LM Insurance Corporation ("LMC")	33600	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0.00%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
	National Insurance Association ("NIA")	27944	0.00%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	0.00%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	0.00%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	0.00%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
	Wausau Business Insurance Company ("WBIC")	26069	0.00%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
	Wausau Underwriters Insurance Company ("WUIC")	26042	0.00%	All Lines
	West American Insurance Company ("WAIC")	44393	0.00%	All Lines

NOTES TO FINANCIAL STATEMENTS

100% Quota Share Affiliated Companies:	LM Property and Casualty Insurance Company ("LMPAC")	32352	0.00%	All Lines

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

(a) Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the Lead Company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.

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

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

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

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

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

(g) Amounts due (to)/from affiliated entities participating in the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement as of December 31, 2014:

Affiliate:	Amount:
Peerless Insurance Company	(12,001,157)
Employers Insurance Company of Wausau	(4,800,463)
Liberty Mutual Fire Insurance Company	(4,800,463)
The Ohio Casualty Insurance Company	(4,800,463)
Safeco Insurance Company of America	(3,600,347)
Wausau General Insurance Company	399,213
Wausau Underwriters Insurance Company	28,642,483
Wausau Business Insurance Company	12,948,470

On April 1, 2014 Bridgefield Employers Insurance Company and Bridgefield Casualty Insurance Company were sold and each company's 100% quota share affiliated companies reinsurance agreement was commuted. (Please refer to Note 21G.)

Note 27 - Structured Settlements

A. As a result of purchased annuities with the claimant as payee, The Company no longer carries reserves of $296,184,815 after applying Inter-Company Reinsurance Agreement percentages. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities was $296,184,815 as of December 31, 2014.

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

Note 28 - Health Care Receivables

Not applicable

Note 29 - Participating Policies

Not applicable

Note 30 - Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2014
3. Was anticipated investment income utilized in the calculation?	Yes

Note 31 - High Dollar Deductible Policies

As of December 31, 2014, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was $2,762,681,928 and the amount billed and recoverable on paid claims was $94,812,013.

NOTES TO FINANCIAL STATEMENTS

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

For Workers Compensation the Company discounts its reserves for unpaid losses using a tabular discount on the long-term annuity portion of certain workers compensation claims. The tabular discount is based on the Unit Statistical Plan tables as approved by their respective states at an annual discount rate of 4.0%. Asbestos structured settlements are discounted at 4.5%.

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

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
	1 Case	2 IBNR
1. Homeowners/Farmowners	-	-
2. Private Passenger Auto Liability/Medical	-	-
3. Commercial Auto/Truck Liability/Medical	-	-
4. Workers' Compensation	290,559,297	220,177,625
5. Commercial Multiple Peril	-	-
6. Medical Professional Liability – occurrence	-	-
7. Medical Professional Liability – claims-made	-	-
8. Special Liability	-	-
9. Other Liability - occurrence	2,069,901	-
10. Other Liability – claims-made	-	-
11. Special Property	-	-
12. Auto Physical Damage	-	-
13. Fidelity, Surety	-	-
14. Other (including Credit, Accident & Health)	-	-
15. International	-	-
16. Reinsurance Nonproportional Assumed Property	-	-
17. Reinsurance Nonproportional Assumed Liability	-	-
18. Reinsurance Nonproportional Assumed Financial Lines	-	-
19. Products Liability – occurrence	-	-
20. Products Liability – claims-made	-	-
21. Financial Guaranty/Mortgage Guaranty	-	-
22. Warranty	-	-
23. Total	292,629,198	220,177,625

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

B. Non-tabular Discount:

Not applicable

Note 33 - Asbestos/Environmental Reserves

Factors Contributing to Uncertainty in Establishing Adequate Reserves

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

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

In the third quarter of 2014, the Company completed asbestos ground-up and aggregate environmental reserve studies. These studies were completed by a multi-disciplinary team of internal claims, legal, reinsurance and actuarial personnel, and included all major business segments of the Company's direct, assumed, and ceded asbestos and environmental unpaid claim liabilities. As part of the internal review, policyholders with the largest direct asbestos unpaid claim liabilities were individually evaluated using the Company's proprietary stochastic ground-up model, which is consistent with published actuarial methods of asbestos reserving. Among the factors reviewed in depth by the team of specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, injury type, jurisdiction and legal defenses. Reinsurance recoveries for these policyholders were then separately evaluated by the Company's reinsurance and actuarial

NOTES TO FINANCIAL STATEMENTS

personnel. Asbestos and environmental unpaid claim liabilities for all other policyholders were evaluated using aggregate methods that utilized information and experience specific to these policyholders. The studies resulted in an increase to reserves of $56 million including: $42 million of asbestos reserves, primarily associated with increased defense costs, and $14 million of pollution reserves.

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

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

The following tables summarize the activity for the Company's asbestos and environmental claims and claim adjustment expenses, a component of the Company's unpaid claims and claim adjustment expenses, for the years ended December 31, 2014, 2013, 2012, 2011, and 2010 before consideration of the NICO Reinsurance Transaction. Refer to Note 23 f.

Asbestos:	2010	2011	2012	2013	2014
Direct Basis					
Beginning Reserves	1,004,023,085	751,555,628	792,504,269	778,291,344	874,631,236
Incurred losses and LAE	38,426,280	201,829,376	119,505,560	207,292,812	142,545,430
Calendar year payments	290,893,737	160,880,735	133,718,485	110,952,920	137,747,411
Ending Reserves	751,555,628	792,504,269	778,291,344	874,631,236	879,429,255
Assumed Reinsurance Basis					
Beginning Reserves	319,271,947	308,008,390	311,562,197	287,534,269	309,882,678
Incurred losses and LAE	24,345,382	22,191,485	7,541,404	37,332,219	754,405
Calendar year payments	35,608,939	18,637,678	31,569,332	14,983,809	24,011,001
Ending Reserves	308,008,390	311,562,197	287,534,269	309,882,678	286,626,082
Net of Ceded Reinsurance Basis					
Beginning Reserves	578,338,231	407,131,530	483,870,108	445,074,542	498,611,802
Incurred losses and LAE	(53,522,592)	163,369,197	74,586,203	117,762,046	44,454,204
Calendar year payments	117,684,108	86,630,619	113,381,770	64,224,786	84,042,101
Ending Reserves	407,131,530	483,870,108	445,074,541	498,611,802	459,023,905

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

Direct Basis	543,835,390
Assumed Reinsurance Basis	204,784,690
Net of Ceded Reinsurance Basis	282,216,778

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

Direct Basis	497,397,862
Assumed Reinsurance Basis	2,857,593
Net of Ceded Reinsurance Basis	198,692,206

Environmental:	2010	2011	2012	2013	2014
Direct Basis					
Beginning Reserves	220,924,999	207,335,366	212,371,557	210,071,418	224,235,273
Incurred losses and LAE	19,358,791	43,165,486	30,517,664	47,614,743	28,977,227
Calendar year payments	32,948,423	38,129,297	32,817,802	33,450,888	42,910,863
Ending Reserves	207,335,366	212,371,556	210,071,418	224,235,273	210,301,637
Assumed Reinsurance Basis					
Beginning Reserves	38,730,652	31,668,859	29,651,132	32,494,670	32,081,393
Incurred losses and LAE	(48,777)	3,498,452	(9,071,002)	2,172,413	574,462
Calendar year payments	7,013,015	5,516,179	(11,914,540)	2,585,689	2,440,555
Ending Reserves	31,668,859	29,651,132	32,494,670	32,081,393	30,215,301

NOTES TO FINANCIAL STATEMENTS

Net of Ceded Reinsurance Basis					
Beginning Reserves	201,627,819	177,704,627	173,497,404	154,248,853	161,491,764
Incurred losses and LAE	(1,378,244)	6,992,073	(961,154)	30,503,358	14,063,692
Calendar year payments	22,544,948	11,199,296	18,287,398	23,260,447	26,118,388
Ending Reserves	177,704,627	173,497,404	154,248,853	161,491,764	149,437,068

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

Direct Basis	123,315,647
Assumed Reinsurance Basis	19,917,725
Net of Ceded Reinsurance Basis	77,467,627

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

Direct Basis	82,216,265
Assumed Reinsurance Basis	586,196
Net of Ceded Reinsurance Basis	41,138,600

Note 34 - Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 35 - Multiple Peril Crop Insurance

Not applicable

Note 36 - Financial Guaranty Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

If yes, complete Schedule Y, Parts 1, 1A and 2.

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? Massachusetts

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 [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

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

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/17/2011

3.4 By what department or departments?
Massachusetts Division of Insurance

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

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

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 [X] No [ ]
4.12 renewals? Yes [X] No [ ]

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 [X] No [ ]
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

GENERAL INTERROGATORIES

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control. 0.00 %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

12.11	Name of real estate holding company	Various
12.12	Number of parcels involved	12
12.13	Total book/adjusted carrying value	$ 858,153,091

12.2 If yes, provide explanation:
Liberty Mutual Insurance Company directly owns 100% of Liberty Real Estate Holdings, LLC, 92% of St. James/Arlington Real Estate LP, and 100% of Berkeley/Columbus III, LLC.

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

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

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

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

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

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

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

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

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
In Q2 and Q4, Liberty made technical changes to its Code related to its Registered Investment Advisor (RIA). In Q4, Liberty deregistered its investments operation as an RIA with the SEC, and removed related sections of the Code.

GENERAL INTERROGATORIES

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [X] No [ ]

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
82907008	Chambers Bank	Failure to pay and expiring	40,000
0			0
0			0

BOARD OF DIRECTORS

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

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

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

22.2 If answer is yes:

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

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

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

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]

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

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

Please reference Note 17B

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

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 317,037,086

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $ 0

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

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

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

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	$	208,211,613
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	$	208,211,613
24.103 Total payable for securities lending reported on the liability page	$	208,211,613

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No [ ]

GENERAL INTERROGATORIES

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

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Placed under option agreements	$ 0
25.26	Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 18,143,200
25.28	On deposit with states	$ 1,423,735,891
25.29	On deposit with other regulatory bodies	$ 783,680,301
25.30	Pledged as collateral - excluding collateral pledged to an FHLB	$ 585,551,646
25.31	Pledged as collateral to FHLB - including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
FHLB CAPITAL STOCK	FEDERAL HOME LOAN BANK BOSTON	18,143,200
		0
		0

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005
Royal Trust	77 King Street West, Toronto, Ontario M5W 1 P9
JP Morgan Chase	259 George Street, Sydney, Australia
Bank of New York Mellon	601 Travis Street, Houston, TX 77002
Bank of Itau	Av. Engenheiro Armondo de Arruda Pereira, 707 Torre Eudoro Villela

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

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

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

GENERAL INTERROGATORIES

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Liberty Mutual Group Asset Managemen	175 Berkeley Street, Boston, MA 02116
N/A	Liberty Mutual Investment Advisors, LLC	175 Berkeley Street, Boston, MA 02116
N/A	StanCorp	1100 SW Sixth Avenue, Portland, OR 097204

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	13,258,905,965	13,732,969,831	474,063,866
30.2 Preferred stocks	223,731,361	224,274,681	543,320
30.3 Totals	13,482,637,326	13,957,244,512	474,607,186

30.4 Describe the sources or methods utilized in determining the fair values:
The primary source for reported fair values is our pricing vendor, Interactive Data Corporation, followed by backfill from Reuters, Bloomberg, Barclays, Merrill Lynch, and Markit for Term Loan securities. Lastly, management determines fair value based on quoted market prices of similar financial instruments or by using industry recognized valuation techniques.

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

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

GENERAL INTERROGATORIES

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
All brokers used are reviewed and approved by the Valuation Committee which receive detailed assessment on a security by security basis as needed.

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

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? $ 30,343,106

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE INC.	$ 8,336,494
	$ 0
	$ 0

34.1 Amount of payments for legal expenses, if any? $ 20,564,375

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

1 Name	2 Amount Paid
	$ 0
	$ 0
	$ 0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 996,346

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

1 Name	2 Amount Paid
	$ 0
	$ 0
	$ 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

1.31 Reason for excluding

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

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

1.6 Individual policies:

Most current three years:

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

All years prior to most current three years:

1.64	Total premium earned	$ 9,913
1.65	Total incurred claims	$ 16,243
1.66	Number of covered lives	2

1.7 Group policies:

Most current three years:

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

All years prior to most current three years:

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

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 4,335,861	$ 3,049,789
2.2	Premium Denominator	$ 12,321,264,560	$ 12,178,725,634
2.3	Premium Ratio (2.1 / 2.2)	0.00	0.00
2.4	Reserve Numerator	$ 15,491,125	$ 14,529,290
2.5	Reserve Denominator	$ 23,276,202,335	$ 23,869,929,978
2.6	Reserve Ratio (2.4 / 2.5)	0.00	0.00

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

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

3.21	Participating policies	$ 4,329,286,172
3.22	Non-participating policies	$ 3,247,710

4. For Mutual reporting entities and Reciprocal Exchanges only:

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

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

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

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

5. For Reciprocal Exchanges Only:

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

5.2 If yes, is the commission paid:

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

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

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:
See Note 21C1

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
See Note 21C1

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
See Note 21C1

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

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

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

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 11

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

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

8.2 If yes, give full information

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

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

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

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

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

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

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

11.2 If yes, give full information

The Company guarantees policies issued by Liberty Life Assurance Company of Boston and Liberty Mutual Insurance Europe Ltd.

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $ 165,640,645

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 43,770,032

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 17,034,425

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

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From 4.00 %

12.42 To 7.00 %

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

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

12.61 Letters of Credit $ 2,961,540,038

12.62 Collateral and other funds $ 927,307,849

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 158,796,389

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

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

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

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

Premiums and recoverables were allocated pursuant to allocation agreements, including the intercompany pooling agreement.

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 [X] No [ ]

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

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

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

18.1	Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.	$ 0
18.3	Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
18.4	If yes, please provide the balance of the funds adminstered as of the reporting date.	$ 0

FIVE – YEAR HISTORICAL DATA

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

	1 2014	2 2013	3 2012	4 2011	5 2010
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	13,126,520,416	15,556,834,371	9,570,048,192	8,440,586,916	7,811,166,537
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	8,490,104,387	9,258,802,163	5,272,964,092	4,720,304,564	4,283,779,613
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	8,382,281,127	9,943,517,519	3,502,989,922	3,054,051,471	2,787,083,291
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	838,901,213	931,331,593	558,713,698	481,480,667	387,766,682
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	295,823,890	262,128,472	321,635,057	267,257,237	267,951,359
6. Total (Line 35)	31,133,631,033	35,952,614,118	19,226,350,961	16,963,680,855	15,537,747,482
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	5,819,247,070	6,341,048,765	5,830,786,711	5,278,159,626	5,038,587,646
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,440,505,676	2,637,500,860	1,780,070,993	1,482,946,563	1,201,652,397
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,880,881,045	4,193,005,866	1,768,427,980	1,483,287,709	1,296,251,507
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	402,167,188	596,270,882	20,514,155	9,831,546	9,081,555
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	145,611,216	121,325,676	235,569,607	195,030,554	195,221,987
12. Total (Line 35)	12,688,412,195	13,889,152,049	9,635,369,446	8,449,255,998	7,740,795,092
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(273,085,631)	(736,646,203)	(2,013,725,107)	(1,419,659,287)	(617,703,484)
14. Net investment gain (loss) (Line 11)	901,608,546	1,410,008,637	1,872,209,966	984,456,960	3,509,407,938
15. Total other income (Line 15)	34,661,992	(18,088,070)	(51,291,468)	(184,872,637)	(78,355,317)
16. Dividends to policyholders (Line 17)	11,783,650	19,264,431	18,157,361	30,021,529	46,455,510
17. Federal and foreign income taxes incurred (Line 19)	(237,020,783)	128,598,187	(374,546,282)	(113,863,689)	(154,849,787)
18. Net income (Line 20)	888,422,040	507,411,746	163,582,312	(536,232,804)	2,921,743,414
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	42,655,158,668	44,475,809,095	40,205,366,577	37,394,843,149	36,701,548,343
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	993,118,859	1,019,705,850	1,097,220,494	984,568,304	857,311,095
20.2 Deferred and not yet due (Line 15.2)	2,932,836,152	3,525,968,004	2,167,769,720	1,904,360,845	1,691,459,111
20.3 Accrued retrospective premiums (Line 15.3)	224,086,305	235,369,077	217,079,539	302,340,492	422,707,343
21. Total liabilities excluding protected cell business (Page 3, Line 26)	26,085,858,680	29,349,412,770	25,694,899,915	23,798,408,089	22,938,257,314
22. Losses (Page 3, Line 1)	13,871,348,428	14,246,684,189	14,144,212,624	13,102,230,732	12,871,308,239
23. Loss adjustment expenses (Page 3, Line 3)	3,007,976,190	3,058,379,371	2,912,207,583	2,715,673,770	2,579,498,004
24. Unearned premiums (Page 3, Line 9)	6,288,178,795	5,940,431,054	4,205,141,671	3,762,485,913	3,502,531,059
25. Capital paid up (Page 3, Lines 30 & 31)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	16,569,299,988	15,126,396,325	14,510,466,662	13,596,435,060	13,763,291,029
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	369,832,756	1,359,051,813	1,603,190,076	(230,212,254)	2,825,321,578
Risk-Based Capital Analysis					
28. Total adjusted capital	16,656,825,919	15,203,889,499	14,596,122,298	13,672,341,061	13,830,183,486
29. Authorized control level risk-based capital	3,240,473,150	3,208,928,544	3,193,275,294	2,918,044,739	2,747,324,003
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	36.8	39.3	38.6	41.0	43.7
31. Stocks (Lines 2.1 & 2.2)	27.1	25.5	24.9	26.5	27.8
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	1.5	1.5	1.5	1.5	1.6
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.8	0.7	0.8	0.9	0.9
34. Cash, cash equivalents and short-term investments (Line 5)	2.1	3.2	2.8	2.2	2.6
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	30.9	28.9	31.3	27.1	22.4
38. Receivables for securities (Line 9)	0.2	0.1	0.1	0.1	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.6	1.0		0.8	1.0
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	8,886,678,442	8,434,572,226	7,604,417,443	7,786,217,349	7,869,339,677
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)		30,000,000			
46. Affiliated mortgage loans on real estate					
47. All other affiliated	9,992,828,376	9,435,192,954	8,095,277,837	6,477,740,507	5,067,800,289
48. Total of above Lines 42 to 47	18,879,506,818	17,899,765,180	15,699,695,280	14,263,957,856	12,937,139,966
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	113.9	118.3	108.2		

FIVE – YEAR HISTORICAL DATA
(Continued)

		1 2014	2 2013	3 2012	4 2011	5 2010
	Capital and Surplus Accounts (Page 4)					
51.	Net unrealized capital gains (losses) (Line 24)	106,890,174	351,408,096	308,512,139	568,633,094	(1,964,736,596)
52.	Dividends to stockholders (Line 35)	(64,766,000)	(199,766,000)	(64,766,000)	(64,766,000)	(139,766,000)
53.	Change in surplus as regards policyholders for the year (Line 38)	1,442,903,663	615,929,663	914,031,602	(166,855,969)	1,271,738,114
	Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	8,800,903,807	1,542,766,644	5,292,467,045	5,717,494,744	4,890,767,560
55.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	4,642,644,555	4,552,826,641	3,077,088,308	2,598,174,850	2,367,809,103
56.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,046,172,891	1,440,595,000	1,745,991,474	1,756,255,006	1,508,411,697
57.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	301,137,951	152,427,503	67,140,085	44,871,695	59,216,290
58.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	129,103,542	107,061,028	120,250,172	110,369,162	196,614,015
59.	Total (Line 35)	17,919,962,746	7,795,676,816	10,302,937,084	10,227,165,457	9,022,818,665
	Net Losses Paid (Page 9, Part 2, Col. 4)					
60.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	3,907,929,140	4,738,898,531	3,481,248,497	3,570,542,239	3,067,915,421
61.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,287,996,272	1,325,091,401	1,079,420,145	866,238,394	733,431,603
62.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,885,555,516	754,883,042	914,556,854	904,161,885	759,646,261
63.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	147,134,616	46,399,381	1,600,064	4,450,188	10,109,803
64.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	64,338,035	209,023,315	88,469,643	81,029,609	146,865,481
65.	Total (Line 35)	7,292,953,579	7,074,295,670	5,565,295,203	5,426,422,315	4,717,968,569
	Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66.	Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67.	Losses incurred (Line 2)	56.3	59.2	72.6	70.3	65.1
68.	Loss expenses incurred (Line 3)	13.7	14.3	17.8	19.8	17.9
69.	Other underwriting expenses incurred (Line 4)	32.2	32.6	31.8	27.6	25.1
70.	Net underwriting gain (loss) (Line 8)	(2.2)	(6.0)	(22.1)	(17.6)	(8.1)
	Other Percentages					
71.	Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0	31.0	28.7	30.6	28.5	25.8
72.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	70.0	73.5	90.3	90.1	83.0
73.	Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	76.6	91.8	66.4	62.1	56.2
	One Year Loss Development (000 omitted)					
74.	Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(7,475)	407,604	448,858	386,372	(87,869)
75.	Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(0.0)	2.8	3.3	2.8	(0.7)
	Two Year Loss Development (000 omitted)					
76.	Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	344,712	439,502	714,913	192,022	(81,491)
77.	Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	2.4	3.2	5.2	1.5	(0.8)

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

If no, please explain:

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

($000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
				Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
	1	2	3	4	5	6	7	8	9	10	11	Number of Claims Reported
	Direct and Assumed	Ceded	Net (Cols. 1–2)	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Direct and Assumed
1. Prior	X X X	X X X	X X X	454,311	160,168	120,954	47,100	57,344	4,147	7,430	421,194	X X X
2. 2005	11,825,196	1,716,899	10,108,297	6,383,796	1,277,455	447,137	66,345	828,843	32,478	374,003	6,283,498	X X X
3. 2006	12,322,290	1,801,902	10,520,388	5,936,061	726,951	460,396	52,741	871,651	39,704	353,357	6,448,712	X X X
4. 2007	12,807,431	1,940,081	10,867,350	6,438,972	934,768	496,650	60,169	880,546	42,499	417,699	6,778,732	X X X
5. 2008	13,238,636	2,218,381	11,020,255	7,555,418	1,185,004	538,282	59,629	993,191	37,218	381,905	7,805,040	X X X
6. 2009	12,535,135	2,563,099	9,972,036	6,524,765	1,189,913	452,971	50,245	928,290	9,949	362,431	6,655,919	X X X
7. 2010	12,553,868	2,257,281	10,296,587	6,727,425	1,126,954	442,892	39,814	973,130	3,309	408,958	6,973,370	X X X
8. 2011	13,194,756	2,656,744	10,538,012	7,201,456	1,360,326	407,748	54,328	961,824	2,927	493,481	7,153,447	X X X
9. 2012	14,204,088	2,855,974	11,348,114	6,924,833	1,409,644	316,099	42,931	975,920	754	499,817	6,763,523	X X X
10. 2013	14,955,053	3,050,631	11,904,422	5,827,208	1,322,591	171,324	19,120	925,810	1,213	369,685	5,581,418	X X X
11. 2014	15,231,270	2,974,302	12,256,968	4,370,734	1,079,969	67,279	6,137	717,210	1,075	181,086	4,068,042	X X X
12. Totals	X X X	X X X	X X X	64,344,979	11,773,743	3,921,732	498,559	9,113,759	175,273	3,849,852	64,932,895	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22		Total Net	Number of Claims
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Losses and Expenses Unpaid	Outstanding Direct and Assumed
1. Prior	2,971,622	1,073,314	1,554,768	812,807	172,601	120,606	732,402	301,118	114,542	(2,492)	19,734	3,240,582	X X X
2. 2005	144,609	47,429	179,911	87,780	3,095	909	40,489	4,631	7,085	3	4,821	234,437	X X X
3. 2006	146,175	41,430	276,928	77,809	4,719	1,275	34,447	7,695	8,511		31,510	342,571	X X X
4. 2007	240,957	47,384	270,773	46,680	8,001	2,077	39,335	9,678	8,749		5,502	461,996	X X X
5. 2008	294,744	54,276	396,199	69,869	11,532	1,907	67,743	15,560	13,615	222	23,916	641,999	X X X
6. 2009	327,385	47,404	416,125	86,598	13,897	3,102	68,724	13,670	17,332		8,630	692,689	X X X
7. 2010	430,781	63,232	434,465	81,829	19,134	4,243	120,687	11,768	27,273	250	18,450	871,018	X X X
8. 2011	671,639	88,718	602,749	106,891	31,946	7,915	201,659	20,109	43,150	13	37,662	1,327,497	X X X
9. 2012	937,654	125,507	956,308	133,173	35,083	5,739	297,215	24,127	66,259	85	92,775	2,003,888	X X X
10. 2013	1,215,012	147,960	1,367,415	202,113	32,563	4,649	401,362	38,585	194,434	43	138,396	2,817,436	X X X
11. 2014	1,553,739	138,893	2,460,672	398,184	21,230	2,283	463,221	27,239	315,622	2,668	246,026	4,245,217	X X X
12. Totals	8,934,317	1,875,547	8,916,313	2,103,733	353,801	154,705	2,467,284	474,180	816,572	792	627,422	16,879,330	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter-Company Pooling Participation Percentage	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	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	2,640,269	600,313
2. 2005	8,034,965	1,517,030	6,517,935	67.948	88.359	64.481			50.000	189,311	45,126
3. 2006	7,738,888	947,605	6,791,283	62.804	52.589	64.554			50.000	303,864	38,707
4. 2007	8,383,983	1,143,255	7,240,728	65.462	58.928	66.628			50.000	417,666	44,330
5. 2008	9,870,724	1,423,685	8,447,039	74.560	64.177	76.650			50.000	566,798	75,201
6. 2009	8,749,489	1,400,881	7,348,608	69.800	54.656	73.692			50.000	609,508	83,181
7. 2010	9,175,787	1,331,399	7,844,388	73.091	58.982	76.184			50.000	720,185	150,833
8. 2011	10,122,171	1,641,227	8,480,944	76.714	61.776	80.480			50.000	1,078,779	248,718
9. 2012	10,509,371	1,741,960	8,767,411	73.988	60.994	77.259			50.000	1,635,282	368,606
10. 2013	10,135,128	1,736,274	8,398,854	67.771	56.915	70.552			50.000	2,232,354	585,082
11. 2014	9,969,707	1,656,448	8,313,259	65.456	55.692	67.825			50.000	3,477,334	767,883
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	13,871,350	3,007,980

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
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	One Year	Two Year
1. Prior	9,560,502	9,964,412	10,293,803	10,147,157	10,489,128	10,528,257	10,767,726	10,807,440	10,927,687	11,085,972	158,285	278,532
2. 2005	6,356,532	6,088,191	5,877,424	5,827,140	5,794,528	5,775,891	5,763,114	5,757,698	5,753,917	5,732,352	(21,565)	(25,346)
3. 2006	XXX	6,363,274	6,174,365	6,052,944	5,977,310	5,962,540	5,961,870	5,979,991	5,982,190	5,970,685	(11,505)	(9,306)
4. 2007	XXX	XXX	6,836,737	6,693,266	6,418,032	6,408,189	6,379,115	6,411,380	6,417,689	6,412,930	(4,759)	1,550
5. 2008	XXX	XXX	XXX	7,676,554	7,497,691	7,401,027	7,398,779	7,425,809	7,513,745	7,505,101	(8,644)	79,292
6. 2009	XXX	XXX	XXX	XXX	6,576,268	6,560,206	6,499,598	6,439,095	6,486,007	6,435,168	(50,839)	(3,927)
7. 2010	XXX	XXX	XXX	XXX	XXX	6,846,947	6,842,815	6,870,921	6,948,170	6,879,848	(68,322)	8,927
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	7,476,032	7,475,474	7,507,417	7,505,725	(1,692)	30,251
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,763,668	7,822,725	7,748,407	(74,318)	(15,261)
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,228,776	7,304,660	75,884	XXX
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,300,172	XXX	XXX
										12. Totals	(7,475)	344,712

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
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
1. Prior	000	2,017,954	3,487,316	4,555,336	5,309,852	5,989,061	6,546,683	6,958,539	7,310,252	7,678,249	XXX	XXX
2. 2005	2,523,324	3,794,030	4,419,810	4,835,439	5,106,948	5,261,098	5,345,861	5,416,056	5,462,566	5,487,133	XXX	XXX
3. 2006	XXX	2,506,488	3,774,735	4,411,538	4,880,214	5,182,351	5,368,677	5,489,341	5,560,097	5,616,765	XXX	XXX
4. 2007	XXX	XXX	2,598,882	3,997,065	4,699,742	5,199,550	5,529,401	5,735,785	5,857,156	5,940,686	XXX	XXX
5. 2008	XXX	XXX	XXX	3,108,354	4,756,243	5,550,814	6,107,263	6,486,035	6,715,057	6,849,067	XXX	XXX
6. 2009	XXX	XXX	XXX	XXX	2,623,309	3,971,478	4,682,839	5,195,148	5,540,657	5,737,578	XXX	XXX
7. 2010	XXX	XXX	XXX	XXX	XXX	2,886,056	4,365,763	5,113,862	5,663,227	6,003,550	XXX	XXX
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	3,407,670	4,828,744	5,632,227	6,194,550	XXX	XXX
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,349,909	5,026,593	5,788,358	XXX	XXX
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,154,562	4,656,821	XXX	XXX
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,351,907	XXX	XXX

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
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1. Prior	3,448,266	2,890,555	2,526,106	2,069,059	2,033,994	1,597,174	1,528,521	1,261,872	1,250,321	1,236,626
2. 2005	2,479,189	1,293,131	785,169	534,433	385,968	290,586	245,521	189,020	165,034	137,076
3. 2006	XXX	2,443,994	1,365,196	894,657	589,453	420,928	338,120	302,677	276,159	236,079
4. 2007	XXX	XXX	2,593,588	1,513,568	905,080	612,813	436,451	365,003	308,755	263,396
5. 2008	XXX	XXX	XXX	2,777,318	1,529,099	984,999	678,028	484,468	480,088	397,155
6. 2009	XXX	XXX	XXX	XXX	2,490,062	1,497,080	988,022	662,158	557,109	398,884
7. 2010	XXX	XXX	XXX	XXX	XXX	2,451,339	1,368,157	928,495	704,077	481,747
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	2,454,882	1,498,553	1,035,659	698,788
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,821,841	1,619,200	1,113,498
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,660,086	1,548,422
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,514,195

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

States, Etc.		1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L	44,359,541	44,064,509	(39)	31,221,384	16,060,441	34,920,359	2,494	
2. Alaska	AK	L	13,959,603	14,804,074	72	1,124,164	337,510	4,608,059		
3. Arizona	AZ	L	74,633,896	74,955,652	(278)	43,741,357	40,568,584	24,447,670	16,699	
4. Arkansas	AR	L	22,602,429	21,940,470	(7)	9,715,118	6,974,184	19,627,292	490	
5. California	CA	L	379,589,949	380,360,367	11	207,373,848	201,202,971	52,628,524	90,774	
6. Colorado	CO	L	55,539,311	57,922,927	(161)	34,395,355	31,750,327	23,657,040	10,380	
7. Connecticut	CT	L	35,669,830	36,702,241	250	32,594,863	21,076,102	71,419,915	96,026	
8. Delaware	DE	L	12,978,313	12,708,116		8,531,852	8,377,726	22,396,274	5,445	
9. District of Columbia	DC	L	52,645,020	52,373,597	(517)	5,047,343	24,969,681	91,586,072	1,010	
10. Florida	FL	L	219,138,105	226,451,532	9,455	169,295,710	129,485,293	135,436,941	65,784	
11. Georgia	GA	L	98,083,977	97,420,233	(835)	61,489,175	54,273,046	48,638,929	10,159	
12. Hawaii	HI	L	17,854,458	17,301,393	(102)	8,378,278	5,975,585	6,070,898	7,153	
13. Idaho	ID	L	18,185,043	17,946,678	(9)	8,255,019	8,360,851	8,365,387	1,514	
14. Illinois	IL	L	116,478,230	113,457,494	(1,370)	61,500,260	20,000,806	114,951,893	22,869	
15. Indiana	IN	L	55,558,081	55,569,630	387	26,225,681	32,244,513	62,482,713	6,274	
16. Iowa	IA	L	23,014,422	22,970,734	10	16,812,451	11,785,522	9,819,031	1,220	
17. Kansas	KS	L	29,367,490	29,737,932	406	13,428,808	14,753,989	17,617,428	1,568	
18. Kentucky	KY	L	23,950,311	24,273,112	(20)	13,290,207	10,246,116	64,215,202	6,956	
19. Louisiana	LA	L	52,630,975	54,813,297	(266)	39,459,714	44,574,876	91,089,916	11,917	
20. Maine	ME	L	9,883,326	10,069,007		7,145,289	4,477,327	11,237,444	41,808	
21. Maryland	MD	L	49,535,089	49,946,938	(130)	45,895,072	31,341,384	8,067,040	15,994	
22. Massachusetts	MA	L	575,690,703	591,664,986	10,596	353,595,833	325,395,980	390,557,490	4,728,851	
23. Michigan	MI	L	103,648,554	104,204,891	(507)	61,672,000	71,429,889	96,120,370	7,073	
24. Minnesota	MN	L	58,664,119	58,099,098	(433)	29,782,586	25,209,350	53,441,674	11,476	
25. Mississippi	MS	L	11,879,176	13,793,016		61,156,722	62,134,256	31,995,175	445	
26. Missouri	MO	L	34,649,818	34,182,966	(353)	21,590,530	18,979,323	27,729,024	6,870	
27. Montana	MT	L	21,447,547	21,217,561		7,450,807	12,679,797	21,719,191	342	
28. Nebraska	NE	L	46,333,879	46,286,746	236	13,260,728	23,646,156	29,086,451	1,744	
29. Nevada	NV	L	29,632,557	28,198,696		14,061,305	12,170,384	7,268,806	8,008	
30. New Hampshire	NH	L	13,236,036	12,709,492	182	10,408,055	5,510,175	30,925,234	33,101	
31. New Jersey	NJ	L	70,509,956	67,869,418	(240)	108,127,051	85,836,981	104,739,365	173,174	
32. New Mexico	NM	L	25,896,194	25,711,698	26	17,097,270	13,876,441	8,241,869	2,605	
33. New York	NY	L	346,352,182	337,184,055	806	212,801,455	187,897,030	399,836,850	285,618	
34. North Carolina	NC	L	178,331,046	194,518,953	573	99,584,198	84,450,476	103,123,836	376,191	
35. North Dakota	ND	L	13,786,469	13,570,566	693	6,237,143	5,708,720	2,421,140	84	
36. Ohio	OH	L	127,611,896	128,474,904		97,831,797	166,967,951	178,210,677	16,925	
37. Oklahoma	OK	L	15,160,600	15,621,001	489	17,444,508	5,637,485	22,222,743	4,494	
38. Oregon	OR	L	35,905,038	37,177,745	(14,413)	14,613,235	19,560,769	33,885,277	7,750	
39. Pennsylvania	PA	L	126,492,747	126,545,498	(364)	151,989,580	187,149,358	173,800,157	50,240	
40. Rhode Island	RI	L	9,461,531	9,433,634		6,931,528	5,087,173	19,587,749	66,199	
41. South Carolina	SC	L	49,974,598	50,487,908	202	33,330,495	24,125,017	33,728,787	4,992	
42. South Dakota	SD	L	7,795,217	7,882,089		4,596,129	2,899,988	980,341	84	
43. Tennessee	TN	L	66,092,031	66,697,751	208	44,416,801	(53,139,965)	100,331,139	10,102	
44. Texas	TX	L	232,143,676	235,205,813	4,995,929	154,495,619	(3,597,585)	296,036,908	56,166	
45. Utah	UT	L	12,640,506	12,006,349	142	10,019,381	7,392,298	(7,267,454)	2,480	
46. Vermont	VT	L	5,036,794	4,311,918	(26)	3,574,937	3,398,048	9,560,017	14,186	
47. Virginia	VA	L	110,009,512	104,733,376	105	59,697,842	57,295,154	46,783,792	61,575	
48. Washington	WA	L	69,751,531	69,708,616		29,931,368	28,676,930	15,652,601	9,687	
49. West Virginia	WV	L	13,052,826	13,338,813		11,142,386	13,585,761	29,065,672	1,414	
50. Wisconsin	WI	L	34,667,741	34,033,559	58,497	29,417,342	24,581,322	76,266,934	14,028	
51. Wyoming	WY	L	14,534,521	14,334,103		5,205,608	5,683,870	4,510,469	108	
52. American Samoa	AS	N								
53. Guam	GU	N	(25,197)	(25,627)			(12,541)	(14,275)		
54. Puerto Rico	PR	L	13,646,144	13,855,313		2,645,736	3,448,295	31,126,394		
55. U.S. Virgin Islands	VI	L	587,091	585,368		149,207	(2,092)	617,329	7	
56. Northern Mariana Islands	MP	L	220,699	25,366			4,767	4,765		
57. Canada	CAN	L	216,480,255	220,601,592		117,112,385	88,787,326	274,060,049		
58. Aggregate Other Alien	OT	XXX	235,578,497	234,746,786		120,447,779	77,236,130	442,366,981		
59. Totals		(a) 54	4,332,533,889	4,364,783,950	5,059,205	2,776,740,294	2,318,527,251	4,012,007,554	6,372,553	

DETAILS OF WRITE-INS									
58001. AUS AUSTRALIA	XXX	228,480,231	222,940,143		117,451,144	117,567,599	421,022,464		
58002. ZZZ OTHER ALIEN	XXX	1,533,560	5,001,088		1,304,852	(12,394,574)	17,056,697		
58003. JPN JAPAN	XXX	1,019,968	1,033,297		74,112	(5,146,219)	3,600,612		
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	4,544,738	5,772,258		1,617,671	(22,790,676)	687,208		
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	235,578,497	234,746,786		120,447,779	77,236,130	442,366,981		

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

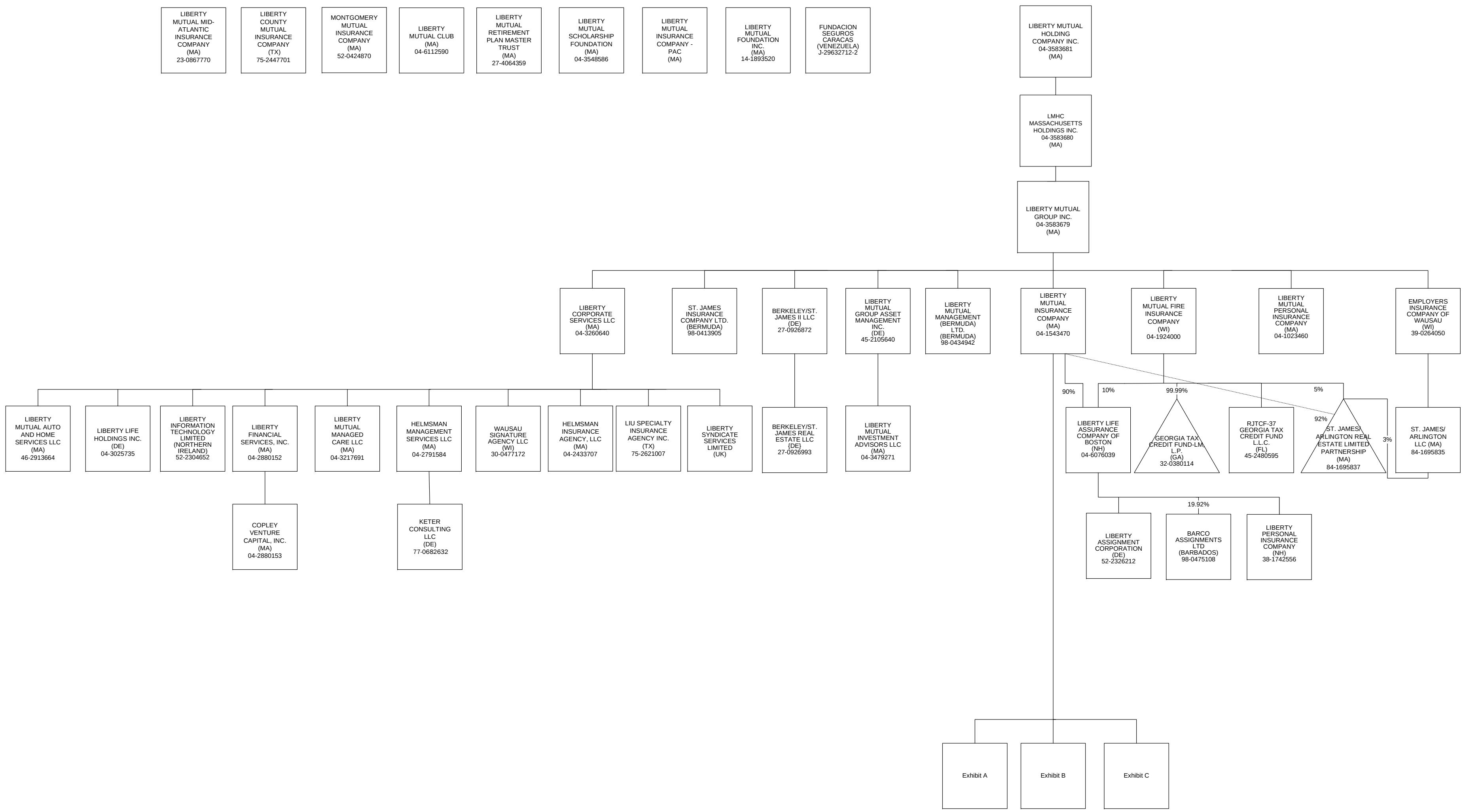
Explanation of basis of allocation of premiums by states, etc.

*Location of coverage - Fire, Allied Lines, Homeowners Multi Peril, Commercial Multi Peril, Earthquake, Boiler and Machinery
*States employee's main work place - Worker's Compensation
*Location of 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, Warranty
*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 or Obligee - 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 L responses except for Canada and Other Alien.

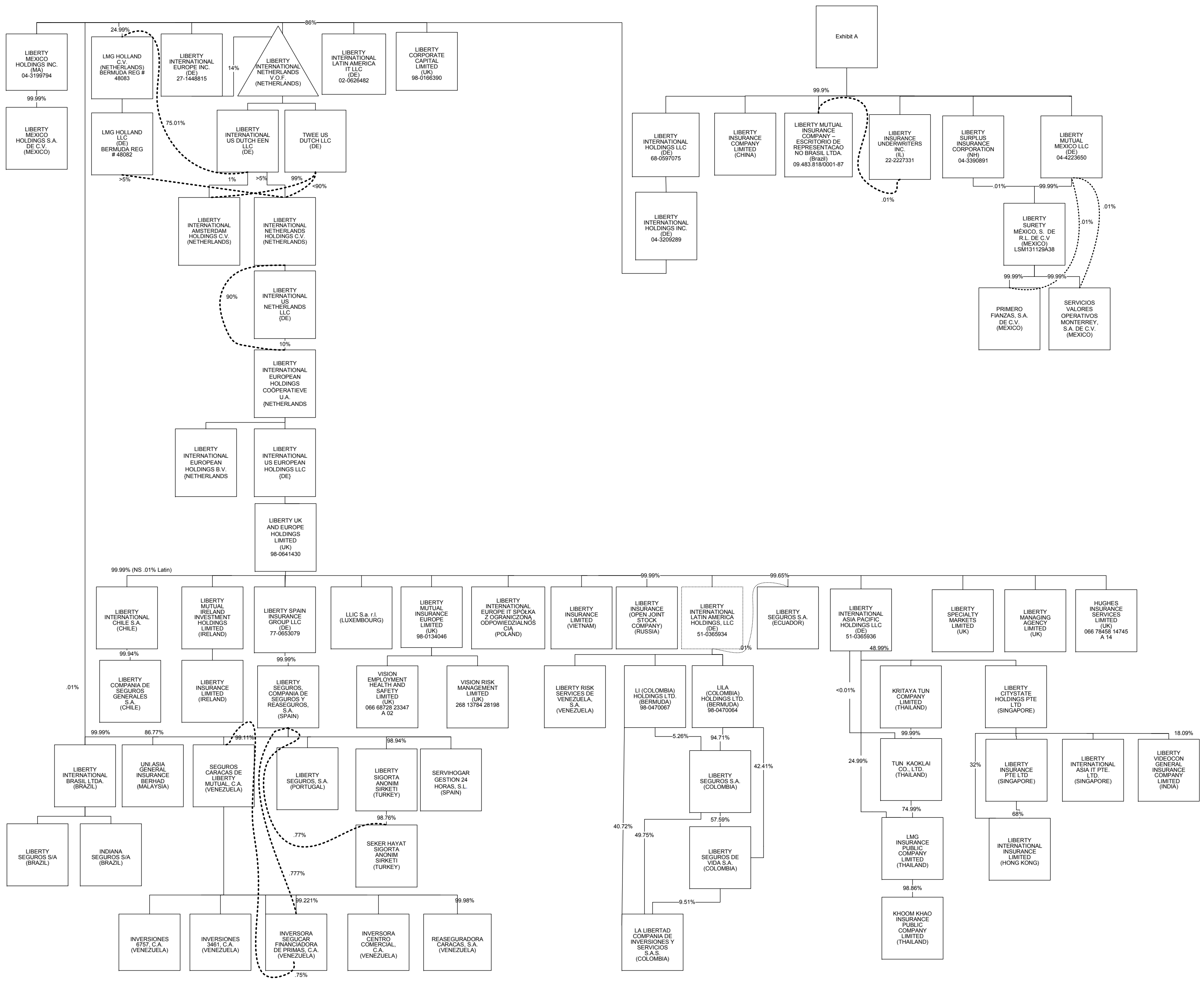
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



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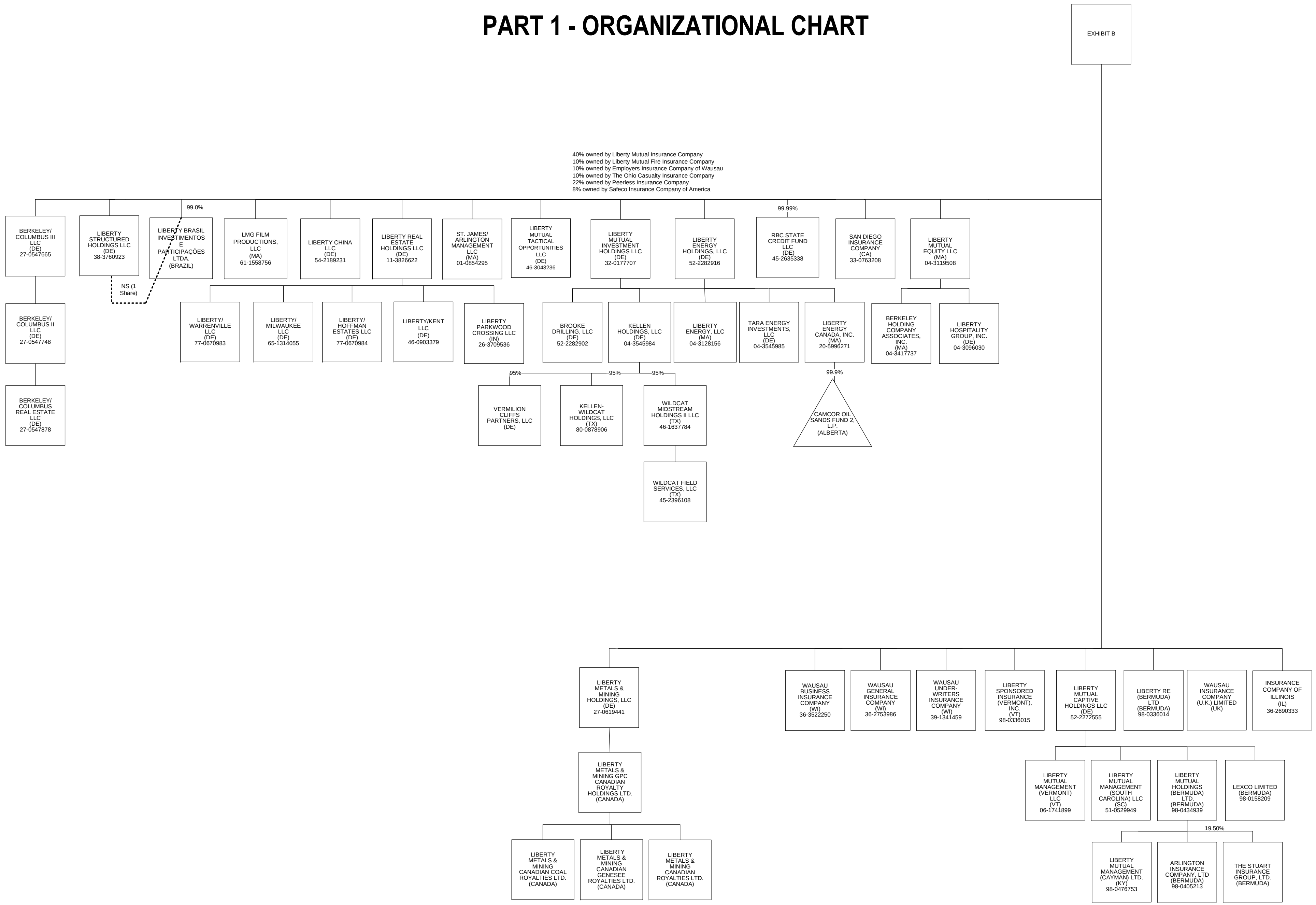
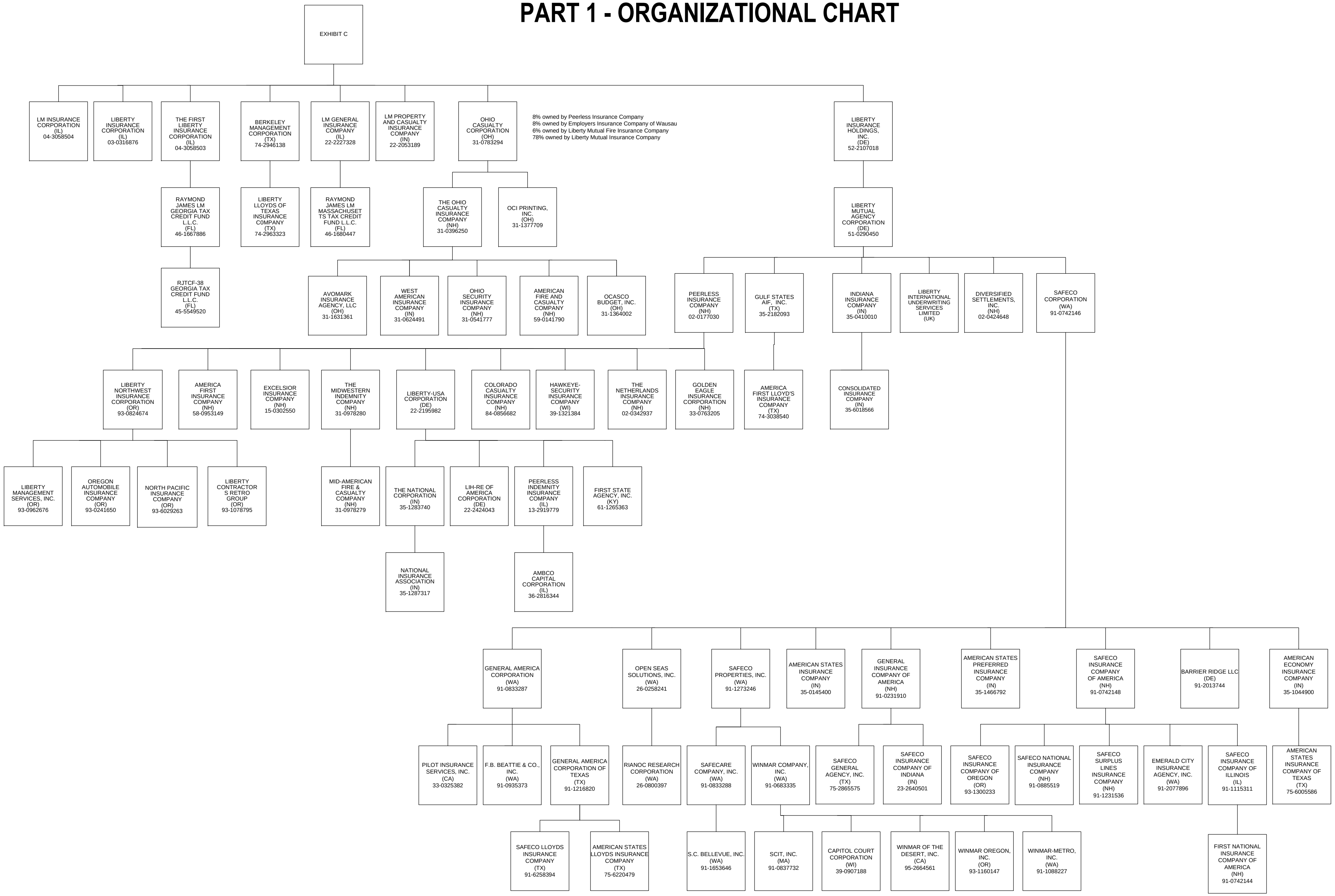
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

ASSETS

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Equities and deposits in pools and associations	82,614,487		82,614,487	72,164,912
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	82,614,487		82,614,487	72,164,912

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, SURPLUS AND OTHER FUNDS

REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	1 Current Year	2 Prior Year
2504. Retroactive reinsurance reserves	(1,487,885,252)	(19,659,060)
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	(1,487,885,252)	(19,659,060)

OVERFLOW PAGE FOR WRITE-INS

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SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

REMAINING WRITE-INS AGGREGATED AT LINE 58 FOR OTHER ALIEN	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
58004. TTO TRINIDAD AND TOBAGO	XXX	533,769	893,567			(47,627)	165,881		
58005. SGP SINGAPORE	XXX	461,681	446,774			(90,251)	508,217		
58006. BMU BERMUDA	XXX	458,980	510,690			427,097	1,317,170		
58007. DOM DOMINICAN REPUBLIC	XXX	421,877	51,556			(794,935)	65,936		
58008. IOT INDIAN OCEAN	XXX	400,136	392,890			155,752	223,353		
58009. CHL CHILE	XXX	285,675	433,073			(149,472)	303,307		
58010. BRA BRAZIL	XXX	269,871	408,427		20,661	(16,045,983)	1,390,028		
58011. ECU ECUADOR	XXX	199,142	68,164			(31,781)	78,122		
58012. GIN GUINEA	XXX	187,250	180,505			12,242	16,798		
58013. JAM JAMAICA	XXX	180,000	172,251		14,067	(412,806)	624,902		
58014. PER PERU	XXX	167,155	324,234			148,164	370,532		
58015. URY URUGUAY	XXX	125,000	6,422			2,172	2,180		
58016. ISR ISRAEL	XXX	111,162	133,089			(2,419)	169,587		
58017. GEO GEORGIA	XXX	100,824	134,493			61,018	133,675		
58018. QAT QATAR	XXX	87,638	82,141		401,997	114,638	7,951		
58019. MEX MEXICO	XXX	86,611	79,085			59,015	110,134		
58020. SAU SAUDI ARABIA	XXX	86,122	101,656			17,355	9,589		
58021. NZL NEW ZEALAND	XXX	83,781	153,524			107,481	142,910		
58022. CYM CAYMAN ISLANDS	XXX	77,505	155,844			(54,553)	272,856		
58023. COL COLOMBIA	XXX	68,036	69,805			(6,172)	50,773		
58024. TUR TURKEY	XXX	55,273	50,954			866	50,830		
58025. BES BONAIRE	XXX	38,071	41,357			13,964	25,492		
58026. PRY PARAGUAY	XXX	37,500	2,266			769	769		
58027. GBR UNITED KINGDOM	XXX	33,450	76,645			(452,116)	(7,949,281)		
58028. KOR SOUTH KOREA	XXX	31,785	45,142			9,179	14,500		
58029. HND HONDURAS	XXX	31,033	34,066			5,461	8,792		
58030. ABW ARUBA	XXX	26,000	26,000		(12,500)	(53,709)	73,736		
58031. BHS BAHAMAS	XXX	24,600	36,646		231,067	(164,632)	(15,489)		
58032. ESP SPAIN	XXX	21,747	32,581			(10,423)	14,421		
58033. GRD GRENADA	XXX	16,500	3,300			2,414	2,414		
58034. POL POLAND	XXX	11,663	8,989			399	898		
58035. DEU GERMANY	XXX	10,000	173,207			(40,022)	20,421		
58036. VNM VIETNAM	XXX	6,300	7,656			2,382	8,523		
58037. GUY GUYANA	XXX	6,167	10,273			(3,340)	(1,545)		
58038. MOZ MOZAMBIQUE	XXX	3,503	7,020						
58039. CHN CHINA	XXX	3,423	15,300			(1,614)	99		
58040. VGB BRITISH VIRGIN ISLANDS	XXX	3,231	6,475			(17,006)	(15,383)		
58041. ARE UNITED ARAB EMIRATES	XXX	1,421	716			103	103		
58042. IND INDIA	XXX	1,181	1,576			(22,834)	4,823		
58043. PRT PORTUGAL	XXX	418	2			103	5		
58044. BLR BELARUS	XXX	116	576			(31)	33		
58045. AUT AUSTRIA	XXX					38,791	1,691		
58046. BRB BARBADOS	XXX					(2,417)	(5,520)		
58047. CRI COSTA RICA	XXX					(1,303)	7,714		
58048. CYP CYPRUS	XXX					(3,568)	3,090		
58049. EGY EGYPT	XXX					20	1		
58050. SLV EL SALVADOR	XXX		1,956			(1,763)	64		
58051. ENG ENGLAND	XXX					5,733	2,662		
58052. FRA FRANCE	XXX		84,207			(26,042)	(9,618)		
58053. GRC GREECE	XXX					(1,154)	135		
58054. GUM GUAM	XXX					(9,096)	8,598		
58055. GTM GUATEMALA	XXX					(24,234)	92,703		
58056. GGY GUERNSEY	XXX					(503)	40		
58057. HKG HONG KONG	XXX					(16,987)	54,193		
58058. IRL IRELAND	XXX		19,029			(3,680)	25,118		
58059. ITA ITALY	XXX		28,225			(3,456)	(1,959)		
58060. LUX LUXEMBOURG	XXX					(17,044)	21,249		
58061. MYS MALAYSIA	XXX					(16,315)	(3,833)		
58062. MNG MONGOLIA	XXX					(76,858)	6,155		
58063. ANT NETHERLAND ANTILLES	XXX					(6,245)	4,200		
58064. NGA NIGERIA	XXX					(101)	86		
58065. PAN PANAMA	XXX					(3,535,624)	18,519		
58066. PHL PHILIPPINES	XXX					663	44		
58067. RUS RUSSIA Russia	XXX					7			
58068. SCT SCOTLAND	XXX					(5,911)	3,261		
58069. SVK SLOVAKIA	XXX		34			12	3		
58070. SGS SOUTH AFRICA	XXX					2,299	126		
58071. CHE SWITZERLAND	XXX					(7,164)	8,268		

OVERFLOW PAGE FOR WRITE-INS

Page 94 - Continuation

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

REMAINING WRITE-INS AGGREGATED AT LINE 58 FOR OTHER ALIEN	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
58072. TWN TAIWAN	XXX					8			
58073. THA THAILAND	XXX		15,886		75,000	(1,575,961)	348,936		
58074. TUV TURKS AND CAICOS	XXX					(2,033)	1,174		
58075. VEN VENEZUELA	XXX					199	(82)		
58076. NLD NETHERLANDS	XXX	(1,945)	77,368		(522)	(18,731)	1,928,717		
58077. NCL NEW CALEDONIA	XXX	(27,498)	(36,384)			(12,605)			
58078. BEL BELGIUM	XXX	(39,747)	3,081			(94,699)	(73,078)		
58079. IDN INDONESIA	XXX	(42,878)	(56,735)			(29,013)	4		
58080. ARG ARGENTINA	XXX	(98,791)	256,654		887,901	(84,749)	36,485		
58097. Total (Lines 58004 through 58096) (Page 94, Line 58998)	XXX	4,544,738	5,772,258		1,617,671	(22,790,676)	687,208		

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT