ANNUAL STATEMENT

OF THE

THE OHIO CASUALTY INSURANCE COMPANY

of FAIRFIELD

in the state of OHIO

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2012

PROPERTY AND CASUALTY

2012

24074201220100100

ANNUAL STATEMENT

For the Year Ended December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

The Ohio Casualty Insurance Company

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) **NAIC Company Code** 24074 **Employer's ID Number** 31-0396250

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

Country of Domicile United States of America

Incorporated/Organized November 6, 1919 **Commenced Business** March 1, 1920

Statutory Home Office 62 Maple Avenue (Street and Number) , Keene, NH, US 03431 (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 Pamela Heenan (Name) 617-357-9500 x44689 (Area Code) (Telephone Number) (Extension)
Statutory.Compliance@LibertyMutual.com (E-Mail Address) 617-574-5955 (Fax Number)

OFFICERS

Chairman of the Board

James Paul Condrin, III

	Name	Title
1.	James Paul Condrin, III	President and Chief Executive Officer
2.	Dexter Robert Legg	Secretary and Vice President
3.	Laurance Henry Soyer Yahia #	Treasurer and Vice President

VICE-PRESIDENTS

Name	Title	Name	Title
John Derek Doyle #	Vice President and Comptroller	Michael Joseph Fallon #	Vice President and Chief Financial Officer
Anthony Alexander Fontanes	Vice President and Chief Investment Officer	Christpoher Locke Peirce #	Executive Vice President
Kathryn Mary Winn #	Vice President and General Counsel		

DIRECTORS OR TRUSTEES

Kristen Maria Bessette #	James Paul Condrin, III	John Derek Doyle	Michael Joseph Fallon
Michael Henry Hughes #	Dexter Robert Legg	Kathryn Mary Winn #	

State of Massachusetts

County of Suffolk ss

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

(Signature)	(Signature)	(Signature)
James Paul Condrin, III	Dexter Robert Legg	Laurance Henry Soyer Yahia #
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President and Chief Executive Officer	Secretary and Vice President	Treasurer and Vice President
(Title)	(Title)	(Title)

Subscribed and sworn to (or affirmed) before me on this
22nd day of January , 2013, 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)	3,098,039,469		3,098,039,469	2,997,650,085
2. Stocks (Schedule D):				
2.1 Preferred stocks	13,109,846		13,109,846	9,544,400
2.2 Common stocks	640,059,856		640,059,856	539,744,585
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	104,955,242		104,955,242	101,689,613
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ 0 encumbrances)	27,623,539		27,623,539	28,393,247
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 30,123,564, Schedule E - Part 1), cash equivalents ($ 26,877,392, Schedule E - Part 2), and short-term investments ($ 104,198,305, Schedule DA)	161,199,261		161,199,261	142,916,936
6. Contract loans (including $ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	19,843,001		19,843,001	10,803,078
9. Receivables for securities	7,664,784		7,664,784	8,742,010
10. Securities lending reinvested collateral assets (Schedule DL)	75,351,318		75,351,318	60,001,971
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	4,147,846,316		4,147,846,316	3,899,485,925
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	34,142,770		34,142,770	38,086,880
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	75,475,375	10,631,933	64,843,442	81,746,419
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 5,214,504 earned but unbilled premiums)	654,836,883	521,451	654,315,432	615,151,474
15.3 Accrued retrospective premiums	15,451	1,545	13,906	941,994
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	16,432,399		16,432,399	15,738,006
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	208,840,000	79,664,624	129,175,376	129,275,220
19. Guaranty funds receivable or on deposit	1,929,244		1,929,244	2,452,752
20. Electronic data processing equipment and software	64,582		64,582	276,909
21. Furniture and equipment, including health care delivery assets ($ 0)	76,210	76,210		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	32,218,259		32,218,259	57,223,229
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	22,183,506	2,656,704	19,526,802	19,582,056
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,194,060,995	93,552,467	5,100,508,528	4,859,960,864
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	5,194,060,995	93,552,467	5,100,508,528	4,859,960,864

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	12,360,021		12,360,021	12,048,781
2502. Equities and deposits in pools and associations	5,523,873		5,523,873	5,343,812
2503. Other assets	4,299,612	2,656,704	1,642,908	2,189,463
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	22,183,506	2,656,704	19,526,802	19,582,056

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	1,803,665,553	1,838,931,772
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	122,265,536	137,260,609
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	412,488,914	406,620,610
4.	Commissions payable, contingent commissions and other similar charges	65,938,696	57,253,356
5.	Other expenses (excluding taxes, licenses and fees)	34,157,196	32,330,400
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	14,330,055	15,135,483
7.1	Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))	48,335,863	1,662,152
7.2	Net deferred tax liability		
8.	Borrowed money $ 0 and interest thereon $ 0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 156,302,876 and including warranty reserves of $ 0 and accrued accident and healthexperience rating refunds including $ 0 for medical loss ratio rebate per the Public Health Service Act)	1,070,033,142	1,027,980,899
10.	Advance premium	7,996,493	7,017,093
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	286,452	281,485
12.	Ceded reinsurance premiums payable (net of ceding commissions)	21,869,564	19,742,872
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	2,685,692	2,029,688
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including $ 0 certified) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	70,405,274	72,639,090
19.	Payable to parent, subsidiaries and affiliates	34,513,579	49,802,134
20.	Derivatives	3,555,633	
21.	Payable for securities	10,088,667	8,951,500
22.	Payable for securities lending	75,351,318	60,001,971
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $ 0 and interest thereon $ 0		
25.	Aggregate write-ins for liabilities	27,908,613	34,759,759
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	3,825,876,240	3,772,400,873
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	3,825,876,240	3,772,400,873
29.	Aggregate write-ins for special surplus funds	3,579,638	42,811,154
30.	Common capital stock	4,500,000	4,500,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds		
33.	Surplus notes		
34.	Gross paid in and contributed surplus	532,278,647	532,278,647
35.	Unassigned funds (surplus)	734,274,003	507,970,190
36.	Less treasury stock, at cost:		
	36.1 0 shares common (value included in Line 30 $ 0)		
	36.2 0 shares preferred (value included in Line 31 $ 0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,274,632,288	1,087,559,991
38.	Totals (Page 2, Line 28, Col. 3)	5,100,508,528	4,859,960,864

	DETAILS OF WRITE-IN LINES		
2501.	Retroactive reinsurance reserves	16,872,476	18,095,830
2502.	Other liabilities	10,003,059	15,565,054
2503.	Amounts held under uninsured plans	1,033,078	1,098,875
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	27,908,613	34,759,759
2901.	Special surplus from retroactive reinsurance	3,579,638	4,288,575
2902.	SSAP 10R incremental change		38,522,579
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	3,579,638	42,811,154
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	2,190,231,423	2,136,133,072
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	1,188,571,687	1,321,583,844
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	271,460,743	258,060,957
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	716,479,244	688,709,475
5. Aggregate write-ins for underwriting deductions		(218,342)
6. Total underwriting deductions (Lines 2 through 5)	2,176,511,674	2,268,135,934
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	13,719,749	(132,002,862)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	145,926,027	156,950,204
10. Net realized capital gains (losses) less capital gains tax of $ (1,894,882) (Exhibit of Capital Gains (Losses))	(3,519,067)	(1,555,031)
11. Net investment gain (loss) (Lines 9 + 10)	142,406,960	155,395,173
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 33,430 amount charged off $ 5,817,108)	(5,783,679)	(4,774,581)
13. Finance and service charges not included in premiums	18,732,222	18,035,299
14. Aggregate write-ins for miscellaneous income	(2,885,283)	(6,620,424)
15. Total other income (Lines 12 through 14)	10,063,260	6,640,294
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	166,189,969	30,032,605
17. Dividends to policyholders	5,252,494	4,289,770
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)	160,937,475	25,742,835
19. Federal and foreign income taxes incurred	48,887,882	(2,092,676)
20. Net income (Line 18 minus Line 19) (to Line 22)	112,049,593	27,835,511
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,087,559,991	1,117,154,713
22. Net income (from Line 20)	112,049,593	27,835,511
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ 22,435,367	47,690,158	(5,075,850)
25. Change in net unrealized foreign exchange capital gain (loss)	4,695,826	(5,742,804)
26. Change in net deferred income tax	14,138,367	2,303,194
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	46,593,193	(63,357,386)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		1,634,689
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(38,094,840)	12,807,924
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	187,072,297	(29,594,722)
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	1,274,632,288	1,087,559,991

DETAILS OF WRITE-IN LINES		
0501. Private passenger auto escrow		(218,342)
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)		(218,342)
1401. Retroactive reinsurance gain/(loss)	7,200,285	(435,460)
1402. Other income/(expense)	(10,085,568)	(6,184,964)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(2,885,283)	(6,620,424)
3701. Other changes in surplus	427,739	5,325,381
3702. SSAP 10R incremental change	(38,522,579)	7,482,543
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(38,094,840)	12,807,924

CASH FLOW

		1	2
	Cash from Operations	Current Year	Prior Year
1.	Premiums collected net of reinsurance	2,211,379,000	2,137,958,335
2.	Net investment income	165,541,314	172,844,079
3.	Miscellaneous income	10,473,407	6,295,359
4.	Total (Lines 1 through 3)	2,387,393,721	2,317,097,773
5.	Benefit and loss related payments	1,241,761,190	1,280,603,760
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	974,590,698	931,496,499
8.	Dividends paid to policyholders	5,247,526	4,199,506
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	319,289	1,838,341
10.	Total (Lines 5 through 9)	2,221,918,703	2,218,138,106
11.	Net cash from operations (Line 4 minus Line 10)	165,475,018	98,959,667
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	1,009,694,965	603,731,389
	12.2 Stocks	25,977,430	114,611,073
	12.3 Mortgage loans	6,362,148	7,858,946
	12.4 Real estate		
	12.5 Other invested assets	325,793,526	256,645,873
	12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	1,065,951	(8,312,194)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,368,894,020	974,535,087
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	1,097,448,110	522,011,684
	13.2 Stocks	81,289,711	194,953,722
	13.3 Mortgage loans	9,941,658	169,361
	13.4 Real estate	877,163	464,680
	13.5 Other invested assets	353,504,533	303,043,365
	13.6 Miscellaneous applications	925,409	1,481,632
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,543,986,584	1,022,124,444
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(175,092,564)	(47,589,357)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	27,899,871	(48,308,919)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	27,899,871	(48,308,919)
	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)	18,282,325	3,061,391
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	142,916,936	139,855,545
	19.2 End of year (Line 18 plus Line 19.1)	161,199,261	142,916,936

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

20.0001	12.1 - Proceeds from investments sold, matured or repaid - Bonds	1,318,750	
20.0002	12.4 - Proceeds from investments sold, matured or repaid - Mortgage loans	936,123	539,635
20.0003	13.5 - Cost of Investment Acquired - Other invested assets	936,123	539,635

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	43,829,228	21,723,618	23,017,063	42,535,783
2. Allied lines	38,715,391	18,567,743	21,132,419	36,150,715
3. Farmowners multiple peril	18,029,100	8,531,498	9,136,236	17,424,362
4. Homeowners multiple peril	384,739,447	181,231,380	205,847,100	360,123,727
5. Commercial multiple peril	377,514,637	190,868,313	184,467,100	383,915,850
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	35,846,313	16,623,420	17,008,979	35,460,754
10. Financial guaranty				
11.1 Medical professional liability—occurrence	149,673	59,394	52,353	156,714
11.2 Medical professional liability—claims-made	13,379	9,341	3,596	19,124
12. Earthquake	7,269,526	3,712,684	3,692,919	7,289,291
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation	162,371,279	70,098,430	56,349,420	176,120,289
17.1 Other liability—occurrence	108,712,959	53,318,824	52,604,680	109,427,103
17.2 Other liability—claims-made	4,634,963	2,083,851	1,969,246	4,749,568
17.3 Excess workers' compensation				
18.1 Products liability—occurrence	2,853,416	1,347,596	1,437,522	2,763,490
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability	412,257,638	160,525,357	181,789,369	390,993,626
19.3,19.4 Commercial auto liability	156,716,323	80,513,287	74,968,231	162,261,379
21. Auto physical damage	326,974,365	129,651,238	146,384,357	310,241,246
22. Aircraft (all perils)				
23. Fidelity	1,255,230	1,072,598	1,023,187	1,304,641
24. Surety	145,226,711	88,661,376	84,792,433	149,095,654
26. Burglary and theft	59,331	28,558	29,121	58,768
27. Boiler and machinery	146,824	12,081	19,562	139,343
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property				
32. Reinsurance-nonproportional assumed liability				
33. Reinsurance-nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	2,227,315,733	1,028,640,587	1,065,724,893	2,190,231,427

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	23,017,053	10			23,017,063
2. Allied lines	21,132,402	17			21,132,419
3. Farmowners multiple peril	9,135,713	523			9,136,236
4. Homeowners multiple peril	205,847,100				205,847,100
5. Commercial multiple peril	185,680,384	5,793	(1,219,077)		184,467,100
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	17,008,260	720			17,008,980
10. Financial guaranty					
11.1 Medical professional liability—occurrence	52,353				52,353
11.2 Medical professional liablity—claims-made	3,596				3,596
12. Earthquake	3,692,920				3,692,920
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation	59,522,630	608	(3,158,367)	(15,451)	56,349,420
17.1 Other liability—occurrence	52,185,088	249,400	170,192		52,604,680
17.2 Other liability—claims-made	2,075,839	8,800	(115,392)		1,969,247
17.3 Excess workers' compensation					
18.1 Products liability—occurrence	1,407,563	110	29,849		1,437,522
18.2 Products liability—claims-made					
19.1,19.2 Private passenger auto liability	181,789,369				181,789,369
19.3,19.4 Commercial auto liability	74,957,734	10,497			74,968,231
21. Auto physical damage	146,382,707	1,650			146,384,357
22. Aircraft (all perils)					
23. Fidelity	382,698	640,489			1,023,187
24. Surety	60,117,187	24,675,246			84,792,433
26. Burglary and theft	29,121				29,121
27. Boiler and machinery	19,562				19,562
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property					
32. Reinsurance-nonproportional assumed liability					
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	1,044,439,279	25,593,863	(4,292,795)	(15,451)	1,065,724,896
36. Accrued retrospective premiums based on experience					15,451
37. Earned but unbilled premiums					4,292,795
38. Balance (Sum of Lines 35 through 37)					1,070,033,142

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	5,086,331	43,829,228		5,086,331		43,829,228
2. Allied lines	4,760,301	38,715,391		4,760,301		38,715,391
3. Farmowners multiple peril		18,029,100				18,029,100
4. Homeowners multiple peril	6,776,854	384,739,447		6,776,854		384,739,447
5. Commercial multiple peril	52,497,438	377,514,637		52,497,438		377,514,637
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	13,322,385	35,846,313		13,322,385		35,846,313
10. Financial guaranty						
11.1 Medical professional liability--occurrence		149,673				149,673
11.2 Medical professional liability--claims-made		13,379				13,379
12. Earthquake	68,391	7,269,526		68,391		7,269,526
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health	52,465			52,465		
16. Workers' compensation	25,175,923	162,371,279		25,175,923		162,371,279
17.1 Other liability—occurrence	103,584,576	108,712,959		103,584,576		108,712,959
17.2 Other liability—claims-made	394,988	4,634,963		394,988		4,634,963
17.3 Excess workers' compensation						
18.1 Products liability—occurrence	2,140,724	2,853,416		2,140,724		2,853,416
18.2 Products liability—claims-made						
19.1,19.2 Private passenger auto liability	5,941,408	412,257,638		5,941,408		412,257,638
19.3,19.4 Commercial auto liability	23,666,012	156,716,323		23,666,012		156,716,323
21. Auto physical damage	10,749,283	326,974,365		10,749,283		326,974,365
22. Aircraft (all perils)						
23. Fidelity	5,628,806	1,255,230		5,628,806		1,255,230
24. Surety	69,610,144	145,226,711		69,610,144		145,226,711
26. Burglary and theft	5,068	59,331		5,068		59,331
27. Boiler and machinery	11,224	146,824		11,224		146,824
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X					
32. Reinsurance-nonproportional assumed liability	X X X					
33. Reinsurance-nonproportional assumed financial lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	329,472,321	2,227,315,733		329,472,321		2,227,315,733

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire	2,516,317	15,573,535	2,516,317	15,573,535	6,899,032	6,856,468	15,616,099	36.713
2. Allied lines	5,096,114	23,514,104	5,096,114	23,514,104	4,884,125	6,040,614	22,357,615	61.846
3. Farmowners multiple peril		9,356,581		9,356,581	3,211,479	3,449,929	9,118,131	52.330
4. Homeowners multiple peril	4,921,175	220,375,667	4,921,175	220,375,667	90,651,591	97,267,462	213,759,796	59.357
5. Commercial multiple peril	28,409,393	214,283,519	28,409,393	214,283,519	366,966,655	379,028,246	202,221,928	52.674
6. Mortgage guaranty								
8. Ocean marine		81		81		4,921	(4,840)	
9. Inland marine	4,803,178	11,797,484	4,803,178	11,797,484	1,916,450	2,077,179	11,636,755	32.816
10. Financial guaranty								
11.1 Medical professional liability—occurrence		16,460		16,460	607,561	549,310	74,711	47.673
11.2 Medical professional liability—claims-made					114,784	107,942	6,842	35.777
12. Earthquake					(42,296)	324	(42,620)	(0.585)
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health	55,327	152,600	55,327	152,600	9,195,301	9,470,258	(122,357)	
16. Workers' compensation	17,823,267	125,859,517	17,823,267	125,859,517	622,189,596	601,329,877	146,719,236	83.306
17.1 Other liability—occurrence	53,751,035	30,491,056	53,751,035	30,491,056	185,234,683	174,886,011	40,839,728	37.321
17.2 Other liability—claims-made	64,774	1,583,176	64,774	1,583,176	6,719,512	7,312,215	990,473	20.854
17.3 Excess workers' compensation								
18.1 Products liability—occurrence	139,325	2,429,891	139,325	2,429,891	6,752,472	6,551,279	2,631,084	95.209
18.2 Products liability—claims-made								
19.1,19.2 Private passenger auto liability	7,765,074	221,399,618	7,765,074	221,399,618	262,831,985	273,553,517	210,678,086	53.883
19.3,19.4 Commercial auto liability	23,661,938	100,680,278	23,661,938	100,680,278	204,171,021	191,738,029	113,113,270	69.711
21. Auto physical damage	5,856,518	187,773,386	5,856,518	187,773,386	9,876,597	10,976,055	186,673,928	60.171
22. Aircraft (all perils)		69,387		69,387	71,289	94,485	46,191	
23. Fidelity	768,966	279,669	768,966	279,669	369,941	432,426	217,184	16.647
24. Surety	15,805,159	56,758,041	15,805,159	56,758,041	15,299,348	26,803,150	45,254,239	30.352
26. Burglary and theft		1,483		1,483	544	610	1,417	2.411
27. Boiler and machinery		(1,307)		(1,307)	4,778	(17,616)	21,087	15.133
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-nonproportional assumed property	XXX							
32. Reinsurance-nonproportional assumed liability	XXX	1,443,681		1,443,681	5,739,106	40,419,079	(33,236,292)	
33. Reinsurance-nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	171,437,560	1,223,837,907	171,437,560	1,223,837,907	1,803,665,554	1,838,931,770	1,188,571,691	54.267

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 from Authorized and Unauthorized Companies	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	913,647	5,335,148	913,647	5,335,148	57,664	1,563,885	57,664	6,899,033	701,981
2. Allied lines	830,336	3,574,555	830,336	3,574,555	51,480	1,309,570	51,480	4,884,125	1,008,689
3. Farmowners multiple peril		2,956,824		2,956,824		254,655		3,211,479	1,135,821
4. Homeowners multiple peril	1,848,804	60,150,189	1,848,804	60,150,189	906,048	30,501,402	906,048	90,651,591	17,077,840
5. Commercial multiple peril	30,839,493	228,094,636	30,839,493	228,094,636	19,579,790	138,872,019	19,579,790	366,966,655	152,842,482
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	809,116	2,166,251	809,116	2,166,251	206,573	(249,801)	206,573	1,916,450	434,639
10. Financial guaranty									
11.1 Medical professional liablity—occurrence		87,454		87,454		520,107		607,561	313,088
11.2 Medical professional liablity—claims-made		10,200		10,200		104,584		114,784	25,302
12. Earthquake		159		159		(42,456)		(42,297)	3,126
13. Group accident and health								(a)	(520)
14. Credit accident and health (group and individual)									
15. Other accident and health	151,234	1,902,171	151,234	1,902,171	86,617	7,293,130	86,617	(a) 9,195,301	1,088,812
16. Workers' compensation	111,005,841	373,807,127	111,005,841	373,807,127	59,010,835	248,382,469	59,010,835	622,189,596	72,669,724
17.1 Other liability—occurrence	57,694,576	68,231,807	57,694,576	68,231,807	209,030,858	117,002,876	209,030,858	185,234,683	43,429,896
17.2 Other liability—claims-made	23,812	3,920,707	23,812	3,920,707	169,622	2,798,805	169,622	6,719,512	3,505,679
17.3 Excess workers' compensation									71
18.1 Products liability—occurrence	1,404,481	5,308,059	1,404,481	5,308,059	1,503,774	1,444,413	1,503,774	6,752,472	1,950,820
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability	26,335,836	228,998,702	26,335,836	228,998,702	3,396,603	33,833,283	3,396,603	262,831,985	61,838,794
19.3,19.4 Commercial auto liability	22,452,584	125,399,097	22,452,584	125,399,097	14,129,679	78,771,925	14,129,679	204,171,022	28,681,071
21. Auto physical damage	702,527	5,135,798	702,527	5,135,798	601,117	4,740,800	601,117	9,876,598	4,964,459
22. Aircraft (all perils)		70,812		70,812		477		71,289	3,025
23. Fidelity	(80,153)	(1,481)	(80,153)	(1,481)	2,413,111	371,422	2,413,111	369,941	169,762
24. Surety	(13,378,127)	(18,048,851)	(13,378,127)	(18,048,851)	19,944,604	33,348,199	19,944,604	15,299,348	20,618,841
26. Burglary and theft		172		172	(50)	372	(50)	544	2,794
27. Boiler and machinery		261		261	15	4,517	15	4,778	8,992
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-nonproportional assumed property	X X X				X X X				
32. Reinsurance-nonproportional assumed liability	X X X				X X X	5,739,106		5,739,106	13,724
33. Reinsurance-nonproportional assumed financial lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	241,554,007	1,097,099,797	241,554,007	1,097,099,797	331,088,340	706,565,759	331,088,340	1,803,665,556	412,488,912

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	5,990,295			5,990,295
1.2 Reinsurance assumed	104,929,956			104,929,956
1.3 Reinsurance ceded	5,990,295			5,990,295
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	104,929,956			104,929,956
2. Commission and brokerage:				
2.1 Direct, excluding contingent		57,059,729		57,059,729
2.2 Reinsurance assumed, excluding contingent		332,236,829		332,236,829
2.3 Reinsurance ceded, excluding contingent		57,059,729		57,059,729
2.4 Contingent—direct		1,166,670		1,166,670
2.5 Contingent—reinsurance assumed		40,441,132		40,441,132
2.6 Contingent—reinsurance ceded		1,166,670		1,166,670
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)		372,677,961		372,677,961
3. Allowances to manager and agents	15,918	84,939		100,857
4. Advertising	1,125,955	12,329,326	7,152	13,462,433
5. Boards, bureaus and associations	858,276	4,143,116	361	5,001,753
6. Surveys and underwriting reports	28,337	14,357,569	124,755	14,510,661
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	101,065,835	120,813,387	4,528,632	226,407,854
8.2 Payroll taxes	2,333,833	12,041,088	29,325	14,404,246
9. Employee relations and welfare	17,219,684	58,633,290	220,483	76,073,457
10. Insurance	4,436,883	1,643,956	104,397	6,185,236
11. Directors' fees	303	1,601	1	1,905
12. Travel and travel items	7,246,161	9,595,049	170,387	17,011,597
13. Rent and rent items	3,828,844	12,904,334	54,188	16,787,366
14. Equipment	3,455,563	8,734,285	77,598	12,267,446
15. Cost or depreciation of EDP equipment and software	619,744	7,969,984	154,174	8,743,902
16. Printing and stationery	1,514,351	1,932,391	12,868	3,459,610
17. Postage, telephone and telegraph, exchange and express	8,989,579	7,002,485	147,215	16,139,279
18. Legal and auditing	395,749	1,240,224	397,488	2,033,461
19. Totals (Lines 3 to 18)	153,135,015	273,427,024	6,029,024	432,591,063
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 451,225		47,049,076		47,049,076
20.2 Insurance department licenses and fees		6,911,620		6,911,620
20.3 Gross guaranty association assessments		248,384		248,384
20.4 All other (excluding federal and foreign income and real estate)		5,209,763		5,209,763
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		59,418,843		59,418,843
21. Real estate expenses			2,262,524	2,262,524
22. Real estate taxes			486,716	486,716
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	13,395,773	10,955,424	1,125,002	25,476,199
25. Total expenses incurred	271,460,744	716,479,252	9,903,266	(a) 997,843,262
26. Less unpaid expenses—current year	412,488,914	114,046,124	379,823	526,914,861
27. Add unpaid expenses—prior year	406,620,610	104,445,894	273,345	511,339,849
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	265,592,440	706,879,022	9,796,788	982,268,250

DETAILS OF WRITE-IN LINES				
2401. Other expenses	13,395,773	10,955,424	1,125,002	25,476,199
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)	13,395,773	10,955,424	1,125,002	25,476,199

(a) Includes management fees of $ 22,767,549 to affiliates and $ 420,420 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 11,122,108	11,205,286
1.1	Bonds exempt from U.S. tax	(a) 35,150,244	34,579,673
1.2	Other bonds (unaffiliated)	(a) 94,034,346	90,565,823
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 616,576	616,798
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	6,768,509	6,729,706
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c) 6,787,110	6,802,837
4.	Real estate	(d) 5,029,845	5,029,845
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 231,278	230,225
7.	Derivative instruments	(f) 84,008	119,720
8.	Other invested assets	1,403,744	1,403,744
9.	Aggregate write-ins for investment income	192,505	192,505
10.	Total gross investment income	161,420,273	157,476,162
11.	Investment expenses		(g) 9,903,264
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 1,646,871
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		11,550,135
17.	Net investment income (Line 10 minus Line 16)		145,926,027

	DETAILS OF WRITE-IN LINES		
0901.	Miscellaneous Income/(Expense)	192,505	192,505
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)	192,505	192,505
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 $ 2,063,325 accrual of discount less $ 15,969,877 amortization of premium and less $ 2,288,654 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 $ 13,998 paid for accrued interest on purchases.
(d) Includes $ 5,029,845 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.
(e) Includes $ 37,797 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.
(f) Includes $ 0 accrual of discount less $ 0 amortization of premium.
(g) Includes $ 0 investment expenses and $ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 0 interest on surplus notes and $ 0 interest on capital notes.
(i) Includes $ 1,646,871 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	(34,306)		(34,306)		
1.1	Bonds exempt from U.S. tax	1,874,303		1,874,303		
1.2	Other bonds (unaffiliated)	19,312,681	(4,940,580)	14,372,101	10,330,692	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)	9,041		9,041	2,593,223	26
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	(934,282)	(18,296,111)	(19,230,393)	49,780,162	4,695,799
2.21	Common stocks of affiliates				10,720,579	
3.	Mortgage loans	(294,881)		(294,881)	(19,000)	
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments	(2,062,575)		(2,062,575)	(3,555,633)	
8.	Other invested assets	(38,365)	(8,874)	(47,239)	275,502	
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	17,831,616	(23,245,565)	(5,413,949)	70,125,525	4,695,825

	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	10,631,933	10,561,777	(70,156)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	521,451	127,784	(393,667)
15.3 Accrued retrospective premiums	1,545	104,555	103,010
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	79,664,624	87,861,780	8,197,156
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software		421,801	421,801
21. Furniture and equipment, including health care delivery assets	76,210	79,688	3,478
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	2,656,704	2,465,696	(191,008)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	93,552,467	101,623,081	8,070,614
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	93,552,467	101,623,081	8,070,614

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	2,656,704	2,465,696	(191,008)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,656,704	2,465,696	(191,008)

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 New Hampshire, the accompanying financial statements of The Ohio Casualty Insurance Company (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* ("APP Manual").

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

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

C. Accounting Policies

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

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

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

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

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

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

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

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

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

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

9. Derivative Securities, refer to Note 8.

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

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

12. The Company did not change its capitalization policy in 2012.

13. The Company has no pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Correction of Errors

Effective January 1, 2012, the Company adopted SSAP No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10* ("SSAP No. 101"). There was no cumulative effect adjustment resulting from the adoption of SSAP No. 101.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

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

NOTES TO FINANCIAL STATEMENTS

B. Statutory Mergers

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

C. Impairment Loss

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 commercial mortgage loans during 2012 were 10.00% and 4.13% respectively.

2. During 2012, the Company did not reduced interest rates of outstanding mortgage loans.

3. 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%

		Current Year	Prior Year
4.	As of year end, the Company held mortgages with interest more than 180 days past due with a recorded investment excluding accrued interest	$255,612	$157,983
	a. Total interest due on mortgages with interest more than 180 days past due	$11,596	$18,585
5.	Taxes, assessments and any amounts advanced and not included in the mortgage loan total	$9,922	$15,454
6.	Current year impaired loans with a related allowance for credit losses	$1,420,595	$1,358,051
	a. Related allowance for credit losses	$592,847	$573,847
7.	Impaired Mortgage loans without an allowance for credit losses	$158,531	$ -
8.	Average recorded investment in impaired loans	$36,426	$41,153
9.	Amount of interest income recognized within that period that the loans were impaired	$34,794	$22,463
10.	Amount of interest income recognized on a cash basis during the time within that period that the loans were impaired	$34,794	$22,463
11.	Allowance for credit losses:		
	a. Balance at beginning of period	$573,847	$432,583
	b. Additions charged to operations	$347,328	$446,620
	c. Direct write-downs charged against the allowances	$328,328	$305,356
	d. Recoveries of amounts previously charged off	$ -	$ -
	e. Balance at end of period	$592,847	$573,847

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

B. Troubled Debt Restructuring for Creditors

		Current Year	Prior Year
1.	The total recorded investment in restructured loans, as of year end	$1,383,838	$2,257,790
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 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.

NOTES TO FINANCIAL STATEMENTS

2. All Loan Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2012 as of December 31, 2012: None

3. Each Loan Backed Security with a recognized other-than-temporary impairment held by the Company at December 31, 2012:

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
021460AB6	1,552,657	1,518,901	33,756	1,518,901	1,201,209	3/31/2010
021460AB6	1,270,779	1,182,182	88,597	1,182,182	1,156,616	9/30/2010
021460AB6	1,130,094	1,090,903	39,191	1,090,903	1,058,912	12/31/2010
021460AB6	1,026,428	1,018,707	7,721	1,018,707	898,929	3/31/2011
021460AB6	1,000,639	996,519	4,120	996,519	847,174	6/30/2011
021460AB6	978,598	969,105	9,494	969,105	798,319	9/30/2011
021460AB6	959,301	912,285	47,016	912,285	666,161	12/31/2011
021460AB6	893,799	846,721	47,078	846,721	672,720	3/31/2012
06606WAM6	1,527,933	1,255,040	272,893	1,255,040	1,242,727	3/31/2009
06606WAM6	615,947	463,257	152,690	463,257	457,945	3/31/2009
07387AGC3	3,549,538	2,987,604	561,934	2,987,604	2,195,961	6/30/2009
07387AGC3	2,621,365	2,511,705	109,660	2,511,705	2,272,885	9/30/2010
07387AGC3	2,494,689	2,470,267	24,422	2,470,267	2,281,422	12/31/2010
07387AGC3	2,335,667	1,959,723	375,944	1,959,723	1,990,555	3/31/2012
07387AGC3	1,952,633	1,809,329	143,304	1,809,329	1,814,695	6/30/2012
126670QT8	1,362,936	725,950	636,986	725,950	1,169,368	3/31/2009
126670QT8	3,333,203	2,271,560	1,061,643	2,271,560	2,283,894	3/31/2009
126670QT8	2,599,075	2,540,985	58,089	2,540,985	2,531,143	9/30/2012
126670QT8	1,559,445	1,524,591	34,854	1,524,591	1,518,686	9/30/2012
17309BAB3	3,080,419	2,766,622	313,798	2,766,622	2,682,340	3/31/2009
17309BAB3	1,626,121	1,532,290	93,832	1,532,290	1,266,465	6/30/2011
17309BAB3	986,082	973,554	12,528	973,554	783,440	12/31/2011
17309BAB3	812,478	767,490	44,988	767,490	619,089	3/31/2012
17309BAB3	662,242	636,114	26,128	636,114	494,198	6/30/2012
17309BAB3	623,288	596,504	26,784	596,504	520,416	9/30/2012
17309BAB3	585,192	581,764	3,428	581,764	525,800	12/31/2012
32052GAA2	2,299,799	2,003,745	296,054	2,003,745	1,997,709	9/30/2010
32052GAA2	1,864,231	1,807,552	56,679	1,807,552	1,596,718	12/31/2010
32052GAA2	1,694,824	1,669,767	25,057	1,669,767	1,479,986	3/31/2011
32052GAA2	1,506,587	1,487,953	18,634	1,487,953	1,215,698	12/31/2011
32052GAA2	1,414,986	1,310,952	104,034	1,310,952	1,213,245	3/31/2012
41161PMY6	3,635,940	2,292,079	1,343,862	2,292,079	1,012,622	9/30/2010
41161PMY6	2,243,758	1,998,780	244,978	1,998,780	1,027,113	12/31/2010
41161PMY6	1,956,434	1,818,088	138,346	1,818,088	962,275	3/31/2011
41161PMY6	1,693,386	1,573,108	120,279	1,573,108	772,678	12/31/2011
41161PMY6	1,543,479	1,362,726	180,753	1,362,726	824,939	3/31/2012
41161PMY6	1,310,171	963,622	346,549	963,622	726,064	6/30/2012
41161PMY6	946,567	871,289	75,279	871,289	682,647	9/30/2012
65538PAE8	3,107,647	2,858,503	249,145	2,858,503	2,810,660	6/30/2009
76110VHJ0	560,598	492,356	68,242	492,356	488,636	3/31/2009
76110VNV6	6,247,999	4,592,298	1,655,700	4,592,298	4,475,162	3/31/2009
74958AAC8	1,890,067	1,801,013	89,054	1,801,013	1,738,206	3/31/2011
74958AAC8	1,462,138	1,409,024	53,114	1,409,024	1,340,542	6/30/2011
74958AAC8	1,342,316	1,336,469	5,847	1,336,469	1,154,882	9/30/2011
74958AAC8	1,273,012	1,242,593	30,419	1,242,593	1,084,638	12/31/2011
74958AAC8	1,184,582	1,151,144	33,437	1,151,144	1,097,222	3/31/2012
73316PJD3	2,333,910	2,249,704	84,206	2,249,704	1,674,137	3/31/2012
73316PJD3	2,195,587	2,028,234	167,353	2,028,234	1,538,307	6/30/2012
73316PJD3	1,934,902	1,815,794	119,108	1,815,794	1,703,786	9/30/2012

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, 2012:

a. The aggregate amount of unrealized losses:			
	1. Less than 12 Months	$	(68,188)
	2. 12 Months or Longer	$	(944,716)
b. The aggregate related fair value of securities with unrealized losses:			
	1. Less than 12 Months	$	6,694,929
	2. 12 Months or Longer	$	9,072,769

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

E. Repurchase Agreements and Securities Lending

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

2. The Company has not pledged any of its assets as collateral as of December 31, 2012.

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	$75,351,318
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Sub-Total	75,351,318
(g) Securities Received	-
(h) Total Collateral Received	$75,351,318
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)	$75,351,318

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	11,568,705	11,568,705
(c) 31 to 60 Days	29,448,844	29,448,521
(d) 61 to 90 Days	34,349,332	34,334,092
(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	75,366,881	75,351,318
(l) Securities Received	-	-
(m) Total Collateral Reinvested	$75,366,881	$75,351,318
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.

F. Real Estate

1. The Company did not recognize any impairments on real estate during the year.

2. The Company has not sold or classified real estate investments as held for sale.

NOTES TO FINANCIAL STATEMENTS

3. The Company has not experienced any changes to a plan of sale for investment in real estate.

4. The Company does not engage in retail land sale operations.

5. The Company does not hold real estate investments with participating mortgage loan features.

G. Investments in Low-Income Housing Tax Credits

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

Note 6 - Joint Ventures, Partnerships & Limited Liability Companies

A. Investments in joint ventures, partnerships and limited liability companies

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. The Company realized impairment losses of $8,874 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, 2012.

Note 8 - Derivative Instruments

The Company has a Derivative Use Policy, which was approved in 2011 by the state of New York Insurance Department. Pursuant to the policy, the Company may enter into derivative transactions. The Company may also acquire derivatives as additions to bond, common stock, or preferred stock investments. These derivatives are ancillary to the overall investment and immaterial to the underlying investment portfolio.

Beginning in July 2012, the Company, as part of its risk management program, diversification, and economic hedging strategies, entered into total return swap agreements with notional amounts totaling $95,900,000. As of December 31, 2012, the losses on these contracts totaled $5,618,209. Of this total, one position with notional amounts totaling 31,900,000 matured in December 2012 with realized losses of $2,062,575. The remaining losses $3,555,633 are attributable to the unrealized loss on the open positions. The remaining contracts expire at various points during 2013, with the last contract expiring in September 2013.

Note 9 - Income Taxes

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

1.

	12/31/2012		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	$ 197,545,400	$ 34,018,600	231,564,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	197,545,400	34,018,600	231,564,000
(d) Deferred Tax Assets Nonadmitted	52,569,151	27,095,473	79,664,624
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	144,976,249	6,923,127	151,899,376
(f) Deferred Tax Liabilities	16,429,547	6,294,453	22,724,000
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ 128,546,702	$ 628,674	$ 129,175,376

NOTES TO FINANCIAL STATEMENTS

	12/31/2011		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	$ 193,969,937	$ 47,854,063	$ 241,824,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	193,969,937	47,854,063	241,824,000
(d) Deferred Tax Assets Nonadmitted	42,498,078	45,363,702	87,861,780
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	151,471,859	2,490,361	153,962,220
(f) Deferred Tax Liabilities	24,053,850	633,150	24,687,000
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ 127,418,009	$ 1,857,211	$ 129,275,220

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	$ 3,575,463	$ (13,835,463)	$ (10,260,000)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	3,575,463	(13,835,463)	(10,260,000)
(d) Deferred Tax Assets Nonadmitted	10,071,073	(18,268,229)	(8,197,156)
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	(6,495,610)	4,432,766	(2,062,844)
(f) Deferred Tax Liabilities	(7,624,303)	5,661,303	(1,963,000)
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ 1,128,693	$ (1,228,537)	$ (99,844)

2.

	12/31/2012		
	(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	$ 46,729,000	$ 628,674	$ 47,357,674
(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)	81,817,702	-	81,817,702
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	81,817,702	-	81,817,702
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			180,958,653
(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	16,429,547	6,294,453	22,724,000
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	$ 144,976,249	$ 6,923,127	$ 151,899,376

	12/31/2011		
	(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	$ -	$ 1,857,211	$ 1,857,211
(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)	127,418,009	-	127,418,009
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	127,418,009	-	127,418,009
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			133,343,145
(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	24,053,850	633,150	24,687,000
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	$ 151,471,859	$ 2,490,361	$ 153,962,220

NOTES TO FINANCIAL STATEMENTS

	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	$ 46,729,000	$ (1,228,537)	$ 45,500,463
(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)	(45,600,307)	-	(45,600,307)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(45,600,307)	-	(45,600,307)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			47,615,508
(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	(7,624,303)	5,661,303	(1,963,000)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ (6,495,610)	$ 4,432,766	$ (2,062,844)

3.

	2012	2011
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	564.04%	481.12%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	1,145,456,912	958,284,771

4.

	12/31/2012			12/31/2011			Change		
	(1) Ordinary Percent	(2) Capital Percent	(3) (Col 1+2) Total Percent	(4) Ordinary Percent	(5) Capital Percent	(6) (Col 4+5) Total Percent	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital Percent	(9) (Col 7+8) Total Percent
Impact of Tax-Planning Strategies									
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%

(c) 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) 12/31/2012	(2) 12/31/2011	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ 48,869,190	$ (2,092,676)	$ 50,961,866
(b) Foreign	18,692	-	18,692
(c) Subtotal	48,887,882	(2,092,676)	50,980,558
(d) Federal income tax on net capital gains	(1,894,882)	(837,324)	(1,057,558)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income tax incurred	$ 46,993,000	$ (2,930,000)	$ 49,923,000
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 59,730,000	$ 62,815,000	$ (3,085,000)
(2) Unearned premium reserve	75,321,000	72,450,000	2,871,000
(3) Policyholder reserves	-	-	-
(4) Investments	6,632,000	6,536,000	96,000
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	5,371,000	7,918,000	(2,547,000)
(8) Compensation and benefits accrual	21,681,000	22,625,000	(944,000)

NOTES TO FINANCIAL STATEMENTS

(9) Pension accrual	-	-	-
(10) Receivables – nonadmitted	4,861,000	4,816,000	45,000
(11) Net operating loss carry-forward	11,899,000	9,130,000	2,769,000
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	12,050,400	7,679,937	4,370,463
(99) Subtotal	197,545,400	193,969,937	3,575,463
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	52,569,151	42,498,078	10,071,073
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	144,976,249	151,471,859	(6,495,610)
(e) Capital			
(1) Investments	34,018,600	47,854,063	(13,835,463)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	34,018,600	47,854,063	(13,835,463)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	27,095,473	45,363,702	(18,268,229)
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	6,923,127	2,490,361	4,432,766
(i) Admitted deferred tax assets (2d + 2h)	151,899,376	153,962,220	(2,062,844)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	7,928,000	8,210,000	(282,000)
(2) Fixed assets	522,000	2,366,000	(1,844,000)
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	250,000	250,000	-
(5) Other (including items <5% of total capital tax liabilities)	7,729,547	13,227,850	(5,498,303)
(99) Subtotal	16,429,547	24,053,850	(7,624,303)
(b) Capital:			
(1) Investments	6,294,453	633,150	5,661,303
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	6,294,453	633,150	5,661,303
(c) Deferred tax liabilities (3a99 + 3b99)	22,724,000	24,687,000	(1,963,000)
4. Net deferred tax assets/liabilities (2i – 3c)	$ 129,175,376	$ 129,275,220	$ (99,844)

D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of tax exempt interest, unearned premium reserves, discounting of unpaid losses and LAE reserves, tax amortization and the allowance for doubtful accounts.

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

Year Generated	Amount	Expiration
2011	$ 33,977,000	2031

The Company has no alternative minimum tax credit carry-forwards.

The amount of Federal income taxes incurred and available for recoupment in the event of future losses are $46,729,000 from the current year and none from the preceding year.

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

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

AMBCO Capital Corporation
America First Insurance Company
America First Lloyd’s Insurance Company
American Economy Insurance Company

Liberty Mutual Insurance Company
Liberty Mutual Personal Insurance Company
Liberty Northwest Insurance Corporation
Liberty Personal Insurance Company

NOTES TO FINANCIAL STATEMENTS

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

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.

NOTES TO FINANCIAL STATEMENTS

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

A. All of the outstanding shares of capital stock of the Company are held by Ohio Casualty Corporation ("OCC"), a Ohio insurance holding company. OCC is owned by Liberty Mutual Insurance Company ("LMIC" 78%), a Massachusetts insurance company; Liberty Mutual Fire Insurance Company ("LMFIC" 6%), a Wisconsin insurance company; Employers Insurance Company of Wausau ("EICOW 8%), a Wisconsin insurance company; and Peerless Insurance Company ("PIC" 8%), a New Hampshire insurance company. The ultimate parent of LMIC, LMFIC, EICOW and PIC is Liberty Mutual Holding Company Inc., a Massachusetts company.

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

C. There have been no material transactions with the Company's affiliates during 2012.

D. At December 31, 2012, the Company reported a net $2,295,320 due from affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.

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

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

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

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

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

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

Company	**Credit Line**
Liberty Mutual Insurance Company	$140,000,000
Peerless Insurance Company	$100,000,000
Safeco Insurance Company of America	$100,000,000

There were no outstanding loans as of December 31, 2012.

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

Company	**Credit Line**
Liberty Mutual Insurance Company	$130,000,000
Peerless Insurance Company	$100,000,000
Safeco Insurance Company of America	$100,000,000

There were no outstanding borrowings as of December 31, 2012.

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

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

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

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

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

L. The Company did not utilize the look-through approach for the valuation of its downstream non-insurance holding companies.

NOTES TO FINANCIAL STATEMENTS

Note 11 - Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. Federal Home Loan Bank Agreements

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

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

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

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

1. The Company has 1,000,000 shares authorized and 900,000 shares issued and outstanding as of December 31, 2012. All shares have a stated par value of $5.

2. Preferred Stock

   Not applicable

3. There are no dividend restrictions.

4. The Company did not pay dividends in 2012.

5. The maximum amount of dividends which can be paid to shareholders by New Hampshire-domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner is 10% of surplus. The maximum dividend payout which may be made without prior approval in 2013 is $127,463,229.

6. As of December 31, 2012, the Company has pre-tax restricted surplus of $3,579,638 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 2012.

10. The portion of unassigned funds (surplus) represented by cumulative net unrealized gains is $190,664,638 after applicable deferred taxes of $6,045,253.

11. Surplus Notes

    Not applicable

12. Quasi-reorganization (dollar impact)

    Not applicable

13. Quasi-reorganization (effective date)

    Not applicable

Note 14 - Contingencies

A. Contingent Commitments

Refer to Note 10E.

B. Assessments

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

The Company has accrued a liability for guaranty funds and other assessments of $7,083,591 that is offset by future premium tax credits of $932,254. Current assessments are expected to be paid out in the next two years, while premium tax offsets are expected to be realized in the next eleven years, beginning in 2013. During 2012 there were no material insolvencies to report. The Company continues to remit payments relating to prior year insolvencies.

NOTES TO FINANCIAL STATEMENTS

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

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$ 1,070,354
b.	Decreases current year: Premium tax offset applied	138,100
c.	Increases current year: Premium tax offset increase	-
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$ 932,254

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	$274,500

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

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

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

E. Product Warranties

The Company does not write product warranty business.

F. All Other Contingencies

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

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

Note 15 - Leases

A. Lessee Leasing Arrangements

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
2013	$ 8,805,678
2014	8,439,466
2015	6,622,662
2016	5,849,093
2017	4,256,677
2018 & thereafter	2,312,331
Total	$ 36,285,907

   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 $2,765,260.

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

A. Transfers of Receivables Reported as Sales

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

B. Transfers and Servicing of Financial Assets

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

At December 31, 2012 the total fair value of securities on loan was $73,605,630, with corresponding collateral value of $75,351,318 of which $75,351,318 represents cash collateral.

C. Wash Sales

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

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

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

In 2008, certain members of the PIC Amended and Restated Reinsurance Pooling Agreement (refer to Note 26) agreed to become participating insurers of the California Earthquake Authority ("CEA"), a publicly-managed, privately funded organization that provides residential earthquake insurance in California. As participating insurers of the CEA, the companies act as third party administrators and perform certain administrative services on behalf of the CEA, including underwriting, policy issuance, premium collection, and claims payment. The CEA reimburses the companies for commissions and claims paid on behalf of the CEA. The companies also receive an administrative fee equal to 3.43% of premium and 9% of claims paid. These administrative fees are subject to the inter-company pooling agreement. In 2012, the Company recorded net CEA administrative fees of $223,354.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

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

Note 20 - Fair Value Measurements

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2012:

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Issuer Obligations	$ -	$19,831,736	$139,034	$19,970,770
Residential Mortgage-Backed Securities	-	6,039,636		$6,039,636
Total Bonds	$ -	$25,871,372	$139,034	$26,010,406
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	$ -	$12,811,179	$667	$12,811,846
Total Preferred Stocks	$ -	$12,811,179	$667	$12,811,846
Common Stocks				
Industrial and Miscellaneous	$315,666,526	$ -	$286,109	$315,952,635
Total Common Stocks	$315,666,526	$ -	$286,109	$315,952,635
Total assets at fair value	$315,666,526	$38,682,551	$425,810	$354,774,887
Liabilities at fair value				
Derivative Liabilities	$ -	$3,555,633	$ -	$3,555,633
Total liabilities at fair value	$ -	$3,555,633	$ -	$3,555,633

The Company did not have significant transfers between Levels 1 and 2 during the period ended December 31, 2012.

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 12/31/2011	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 12/31/2012
Bonds	$3,119,680	$2,505,000	$(3,000,000)	$10,689	$23,936	$ -	$ -	$(2,520,271)	$ -	$139,034
Preferred Stock	-	-	-	-	(119)	786	-	-	-	$667
Common Stock	319,231	245,287	(218,591)	(10)	(32,581)	$ -	-	(27,227)	-	$286,109
Total	$3,438,911	$2,750,287	$(3,218,591)	$10,679	$(8,764)	$786	$ -	$(2,547,498)	$ -	$425,810

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:

NOTES TO FINANCIAL STATEMENTS

U.S. Government and Agency

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

Mortgage-Backed Securities

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

Asset-Backed Securities

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

Municipals

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

Corporate debt and other

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

Foreign government securities

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

Equity Securities

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

Other Investments

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

NOTES TO FINANCIAL STATEMENTS

5. Derivative Fair Values

Type of Financial Instrument	Aggregate Fair Value	Liabilities	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Derivative Liabilities	$3,555,633	$3,555,633	$ -	$3,555,633	$ -	$ -
Total	$3,555,633	$3,555,633	$ -	$3,555,633	$ -	$ -

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	$161,199,261	$161,199,261	$161,199,261	$ -	$ -	$ -
Bonds	3,277,953,847	3,098,039,469	3,467,239	3,219,364,989	55,121,619	-
Preferred Stock	14,783,421	13,109,846	-	12,811,179	1,972,242	-
Common Stock	315,952,635	315,952,635	315,666,526	-	286,109	-
Securities Lending	75,351,318	75,351,318	-	75,351,318	-	-
Mortgage Loans	117,608,227	104,955,242	-	-	117,608,227	-
Surplus Notes	-	-	-	-	-	-
Total	$3,962,848,709	$3,768,607,771	$480,333,026	$3,307,527,486	$174,988,197	$ -

D. Not Practicable to Estimate Fair Value

Not applicable

Note 21 - Other Items

A. Extraordinary Items

The Company has no extraordinary items to report.

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

1) Assets in the amount of $13,048,585 and $9,452,359 as of December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law.

2) Interrogatory 6.1

The Company cedes 100% of its business to Peerless Insurance Company, the lead company in the Peerless Pool. Peerless Insurance Company purchases external catastrophe reinsurance coverage.

Interrogatory 6.2

The Company cedes 100% of its business to Peerless Insurance Company, the lead company in the Peerless Pool. Peerless Insurance Company purchases external catastrophe reinsurance coverage.

Interrogatory 6.3

The Company cedes 100% of its business to Peerless Insurance Company, the lead company in the Peerless Pool. Peerless Insurance Company purchases external catastrophe reinsurance coverage.

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

E. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

NOTES TO FINANCIAL STATEMENTS

F. 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	CT	44,000	44,000
Total		44,000	44,000

(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	44,000	-

G. Subprime-Mortgage-Related Risk Exposure

1. The Company has 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 is through Investments in residential mortgage-backed securities.

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

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

Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-Than-Temporary Impairments Recognized
$19,487,490	$17,194,271	$20,270,025	$12,242,018

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

Note 22 - Events Subsequent

A. The Company evaluated subsequent events through February 23, 2013, the date the annual statement was available to be issued.

There were no events subsequent to December 31, 2012 that would require disclosure.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

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

B. Reinsurance Recoverable in Dispute

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

NOTES TO FINANCIAL STATEMENTS

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, 2012.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$1,070,033,142	$160,504,971	$156,302,876	$23,445,431	$913,730,266	$137,059,540
b. All Other	-	-	-	-	-	-
c. TOTAL	$1,070,033,142	$160,504,971	$156,302,876	$23,445,431	$913,730,266	$137,059,540
d. Direct Unearned Premium Reserve $ 156,302,876						

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, 2012 are as follows:

	Direct	Assumed	Ceded	Net
a. Contingent Commission	$2,589,706	$65,283,653	$2,589,706	$65,283,653
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. TOTAL	$2,589,706	$65,283,653	$2,589,706	$65,283,653

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

D. Uncollectible Reinsurance

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

E. Commutation of Ceded Reinsurance

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

F. Retroactive Reinsurance

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

	Reported Company	
	As:	
	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	$96,862,589	$ -
2. Adjustments – Prior Year (s)	(78,766,759)	-
3. Adjustments – Current Year	(1,223,354)	-
4. Current Total	$16,872,476	$ -
b. Consideration Paid or Received:		
1. Initial Consideration	$79,707,366	$ -
2. Adjustments – Prior Year (s)	3,038,158	-
3. Adjustments – Current Year	-	-
4. Current Total	$82,745,524	$ -
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year (s)	$99,506,718	$ -
2. Current Year	1,917,868	-
3. Current Total	$101,424,586	$ -
d. Special Surplus from the Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	$(20,141,504)	$ -
2. Adjustments – Prior Year (s)	(17,701,801)	-
3. Adjustments – Current Year	(694,514)	-
4. Current Year Restricted Surplus	3,579,638	-
5. Cumulative Total Transferred to Unassigned Funds	$(42,117,457)	$ -
e. All cedents and reinsurers involved in all transactions included in summary totals above:		
Company	Assumed Amount	Ceded Amount
Peerless Insurance Company	$16,872,476	$ -
Total	$16,872,476	$ -

f. There are no Paid Loss/LAE amounts recoverable or amounts recoverable from unauthorized reinsurers.

NOTES TO FINANCIAL STATEMENTS

G. Reinsurance Accounted for as a Deposit

The Company has not entered into any reinsurance agreements that have been accounted for as deposits as of December 31, 2012.

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 has not entered into any reinsurance contracts with Certified Reinsurers.

2. Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation

The Company is not a Certified Reinsurer.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

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

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

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

D. The Company was not required to make medical loss rebates pursuant to the Public Health Service Act.

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	$15,451
b.	Unsecured amount	-
c.	Less: Nonadmitted amount (10%)	1,545
d.	Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	-
e.	Admitted amount (a) - (c) - (d)	$13,906

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expense attributable to insured events on prior years has decreased through the fourth quarter of 2012. This decrease was primarily the result of updated reserve analysis and improving loss trends in the Nonproportional Assumed Liability, Commercial Multiple Peril, Other Liability Occurrence, Fidelity/Surety, Homeowners and Farmowners lines. This increase was partially offset by by deteriorating loss trends in the Workers' Compensation, Commercial Auto and Truck Liability lines. Prior estimates are revised as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

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

		NAIC Company Number	Pooling Percentage	Line of Business
Lead Company:	Peerless Insurance Company ("PIC")	24198	25.20%	All Lines
Affiliated Pool Companies:	The Ohio Casualty Insurance Company ("OCIC")	24074	20.40%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	15.20%	All Lines
	General Insurance Company of America ("GICA")	24732	9.20%	All Lines
	American States Insurance Company ("ASIC")	19704	7.60%	All Lines
	American Economy Insurance Company ("AEIC")	19690	5.60%	All Lines
	Indiana Insurance Company ("IIC")	22659	4.80%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	3.00%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	3.00%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	2.00%	All Lines

NOTES TO FINANCIAL STATEMENTS

	The Netherlands Insurance Company ("NIC")	24171	1.80%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	0.80%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.80%	All Lines
	American Fire and Casualty Company ("AFCIC")	24066	0.60%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyds Insurance Company ("ASLCO")	31933	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
	National Insurance Association ("NIA")	27944	0.00%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
	West American Insurance Company ("WAIC")	44393	0.00%	All Lines
			100.0%	
100% Quota Share Affiliated Companies:	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	All Lines

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

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

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

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

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

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

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

(g) Amounts due (to)/from affiliated entities participating in the PIC Amended and Restated Reinsurance Pooling Agreement as of December 31, 2012:

Affiliate:	Amount:
Peerless Insurance Company	$ (29,638,430)

Pursuant to the approval of the appropriate state insurance departments, effective January 1, 2013, the Peerless Amended and Restated Reinsurance Pooling Agreement (the PIC Pool) was terminated and concurrently the participants in the PIC Pool became participants in the Liberty Mutual Second Amended and Restated Inter-Company Reinsurance Agreement (The Liberty Pool).

Effective January 1, 2013, Liberty County Mutual Insurance Company cancelled its 100% Quota Share Reinsurance Agreement with Liberty Mutual Insurance Company, the lead company in the Liberty Pool and became a participant in the Liberty Pool.

NOTES TO FINANCIAL STATEMENTS

Effective January 1, 2013, Liberty Northwest Insurance Corporation, North Pacific Insurance Company, Oregon Automobile Insurance Company and Liberty Mutual Mid-Atlantic Insurance Company cancelled its 100% Quota Share Reinsurance Agreements with Peerless Insurance Company, the Lead Company in the PIC Pool, and became participants in the Liberty Pool.

Effective January 1, 2013, the Liberty Pool structure is as follows:

		NAIC Company Number	Pooling Percentage	Line of Business
Lead Company:	Liberty Mutual Insurance Company (“LMIC”)	23043	50.0%	All Lines
Affiliated Pool Companies:	Peerless Insurance Company (“PIC”)	24198	20.0%	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	6.0%	All Lines
	American Economy Insurance Company (“AEIC”)	19690	0.0%	All Lines
	America First Insurance Company (“AFIC”)	12696	0.0%	All Lines
	America Fire and Casualty Company (“AFCIC”)	24066	0.0%	All Lines
	America First Lloyd’s Insurance Company (“AFLIC”)	11526	0.0%	All Lines
	American States Insurance Company (“ASIC”)	19704	0.0%	All Lines
	American States Insurance Company of Texas (“ASICT”)	19712	0.0%	All Lines
	American States Lloyd’s Insurance Company (“ASLCO”)	31933	0.0%	All Lines
	American States Preferred Insurance Company (“ASPCO”)	37214	0.0%	All Lines
	Colorado Casualty Insurance Company (“CCIC”)	41785	0.0%	All Lines
	Consolidated Insurance Company (“CIC”)	22640	0.0%	All Lines
	Excelsior Insurance Company (“EIC”)	11045	0.0%	All Lines
	First National Insurance Company of America (“FNICA”)	24724	0.0%	All Lines
	The First Liberty Insurance Corporation (“FST”)	33588	0.0%	All Lines
	General Insurance Company of America (“GICA”)	24732	0.0%	All Lines
	Golden Eagle Insurance Corporation (“GEIC”)	10836	0.0%	All Lines
	Hawkeye-Security Insurance Company (“HSIC”)	36919	0.0%	All Lines
	Insurance Company of Illinois (“ICIL”)	26700	0.0%	All Lines
	Indiana Insurance Company (“IIC”)	22659	0.0%	All Lines
	Liberty Insurance Corporation (“LIC”)	42404	0.0%	All Lines
	Liberty Insurance Underwriters, Inc. (“LIU”)	19917	0.0%	All Lines
	Liberty County Mutual Insurance Company (“LCMIC”)	19544	0.0%	All Lines
	LM General Insurance Company (“LMGIC”)	36447	0.0%	All Lines
	Liberty Lloyd’s of Texas Insurance Company (“LLOT”)	11041	0.0%	All Lines
	LM Insurance Corporation (“LMC”)	33600	0.0%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company (“LMMAIC”)	14486	0.0%	All Lines
	Liberty Mutual Personal Insurance Company (“LMPICO”)	12484	0.0%	All Lines
	Liberty Northwest Insurance Corporation (“LNW”)	41939	0.0%	All Lines
	Liberty Personal Insurance Company (LPIC”)	11746	0.0%	All Lines
	Liberty Surplus Insurance Corporation (“LSI”)	10725	0.0%	All Lines
	Mid-American Fire & Casualty Company (“MAFCC”)	23507	0.0%	All Lines
	Montgomery Mutual Insurance Company (“MMIC”)	14613	0.0%	All Lines
	The Midwestern Indemnity Company (“MWIC”)	23515	0.0%	All Lines
	National Insurance Association (“NIA”)	27944	0.0%	All Lines
	The Netherlands Insurance Company (“NIC”)	24171	0.0%	All Lines
	North Pacific Insurance Company (“NPIC”)	23892	0.0%	All Lines
	Ohio Security Insurance Company (“OSIC”)	24082	0.0%	All Lines
	Oregon Automobile Insurance Company (“OAIC”)	23922	0.0%	All Lines
	Peerless Indemnity Insurance Company (“PIIC”)	18333	0.0%	All Lines
	Safeco Insurance Company of Illinois (“SICIL”)	39012	0.0%	All Lines
	Safeco Insurance Company of Indiana (“SICIN”)	11215	0.0%	All Lines
	Safeco Insurance Company of Oregon (“SICOR”)	11071	0.0%	All Lines
	Safeco Lloyds Insurance Company (“SLICO”)	11070	0.0%	All Lines
	Safeco National Insurance Company (“SNIC”)	24759	0.0%	All Lines
	Safeco Surplus Lines Insurance Company (“SSLIC”)	11100	0.0%	All Lines
	Wausau Business Insurance Company (“WBIC”)	26069	0.0%	All Lines
	Wausau General Insurance Company (“WGIC”)	26425	0.0%	All Lines
	Wausau Underwriters Insurance Company (“WUIC”)	26042	0.0%	All Lines
	West American Insurance Company (“WAIC”)	44393	0.0%	All Lines
			100.00%	

NOTES TO FINANCIAL STATEMENTS

100% Quota Share Affiliated Companies:	Bridgefield Employers Insurance Company ("BEIC")	10701	0.0%	All Lines
	Bridgefield Casualty Insurance Company ("BCIC")	10335	0.0%	All Lines
	LM Property and Casualty Insurance Company ("LMPAC")	32352	0.0%	All Lines

Note 27 - Structured Settlements

A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves of $23,394,371 after applying Intercompany Reinsurance Agreement percentages. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities was $23,394,371 as of December 31, 2012.

B. The Company has not purchased annuities from any life insurers and the Company has not obtained a release from the claimant, to the extent that the aggregate value of those annuities equals or exceeds 1% of policyholders' surplus.

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	12/31/2012
3. Was anticipated investment income utilized in the calculation?	Yes

Note 31 - High Dollar Deductible Policies

Not applicable

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 Stastical Plan tables as approved by their respective states at an annual discount rate of 4.0%.

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	14,783,413	10,273,219
5. Commercial Multiple Peril	-	-
6. Medical Professional Liability – occurrence	-	-
7. Medical Professional Liability – claims-made	-	-
8. Special Liability	-	-
9. Other Liability - occurrence	-	-
10. Other Liability – claims-made	-	-
11. Special Property	-	-
12. Auto Physical Damage	-	-
13. Fidelity, Surety	-	-
14. Other (including Credit, Accident & Health)	-	-
15. International	-	-
16. Reinsurance Nonproportional Assumed Property	-	-
17. Reinsurance Nonproportional Assumed Liability	-	-
18. Reinsurance Nonproportional Assumed Financial Lines	-	-
19. Products Liability – occurrence	-	-
20. Products Liability – claims-made	-	-
21. Financial Guaranty/Mortgage Guaranty	-	-
22. Warranty	-	-
23. Total	14,783,413	10,273,219

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

B. Nontabular Discount:

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 33 - Asbestos/Environmental Reserves

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

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

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

In the third quarter of 2011, 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 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.

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

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

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, 2012, 2011, 2010, 2009, and 2008:

Asbestos:

	2008	2009	2010	2011	2012
Direct Basis					
Beginning Reserves	33,001,800	34,145,999	31,946,427	28,747,712	20,946,036
Incurred losses and LAE	5,031,725	436,086	(2,644)	(5,788,518)	(940,978)
Calendar year payments	3,887,526	2,635,659	3,196,070	2,013,159	1,879,402
Ending Reserves	34,145,999	31,946,427	28,747,712	20,946,036	18,125,656

NOTES TO FINANCIAL STATEMENTS

Assumed Reinsurance Basis					
Beginning Reserves	27,133,137	23,225,771	32,356,060	28,231,385	31,307,893
Incurred losses and LAE	(921,951)	11,481,000	(11,377)	5,005,367	910,812
Calendar year payments	2,985,415	2,350,710	4,113,298	1,928,859	2,411,459
Ending Reserves	23,225,771	32,356,060	28,231,385	31,307,893	29,807,246
Net of Ceded Reinsurance Basis					
Beginning Reserves	48,726,792	46,743,997	55,040,504	48,413,150	42,313,909
Incurred losses and LAE	2,456,613	12,962,772	25,902	(363,150)	(1,305,995)
Calendar year payments	4,439,409	4,666,265	6,653,256	5,736,091	1,245,664
Ending Reserves	46,743,997	55,040,504	48,413,150	42,313,909	39,762,250

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	$7,026,528
Assumed Reinsurance Basis	18,309,371
Net of Ceded Reinsurance Basis	21,735,323
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	5,187,615
Assumed Reinsurance Basis	636,814
Net of Ceded Reinsurance Basis	3,896,008

Environmental:	2008	2009	2010	2011	2012
Direct Basis					
Beginning Reserves	37,930,446	32,404,759	27,603,477	24,708,163	26,123,655
Incurred losses and LAE	835,151	(1,406,612)	(147,631)	4,966,080	(186,429)
Calendar year payments	6,360,839	3,394,669	2,747,684	3,550,588	2,895,034
Ending Reserves	32,404,759	27,603,477	24,708,163	26,123,655	23,042,192
Assumed Reinsurance Basis					
Beginning Reserves	7,282,685	7,002,815	5,040,793	4,612,727	3,542,327
Incurred losses and LAE	410	(1,784,742)	92,784	(495,559)	604,085
Calendar year payments	280,280	177,280	520,851	574,841	640,196
Ending Reserves	7,002,815	5,040,793	4,612,726	3,542,327	3,506,216
Net of Ceded Reinsurance Basis					
Beginning Reserves	41,728,507	35,588,663	28,470,189	25,351,465	27,319,486
Incurred losses and LAE	(734,768)	(3,760,776)	15,863	(3,060)	6,099,600
Calendar year payments	5,405,076	3,357,697	3,134,587	(1,971,082)	9,455,186
Ending Reserves	35,588,663	28,470,189	25,351,465	27,319,486	23,963,899

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	9,513,835
Assumed Reinsurance Basis	2,177,240
Net of Ceded Reinsurance Basis	9,860,870
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	4,255,148
Assumed Reinsurance Basis	174,916
Net of Ceded Reinsurance Basis	3,835,961

Note 34 - Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 35 - Multiple Peril Crop Insurance

Not applicable

Note 36 - Financial Guaranty Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? New Hampshire

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

2.2 If yes, date of change: 10/01/2012

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008

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. 12/31/2008

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). 05/28/2010

3.4 By what department or departments?
Ohio Department of Insurance

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control. 0.00 %

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

1 Nationality	2 Type of Entity

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

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

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

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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?
Kristen M. Bessette, FCAS, MAAA
175 Berkeley Street Boston, MA 02116
Sr. Vice President & Chief Actuary

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

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

12.2 If yes, provide explanation:

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

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

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

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

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

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

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

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

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
During Q1 and Q3, 2012, Liberty Mutual Insurance Group published certain non-material changes to its Code of Business Ethics and Conduct designed to clarify existing Code provisions.

GENERAL INTERROGATORIES

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance 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
42101514	Traditional Bank	Failure to pay and expiring	2,500,000
71922256	Metropolitan Bank & Trust C	Failure to pay and expiring	20,900
82907008	Chambers Bank	Failure to pay and expiring	1,025,000

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

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

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

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

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. $ 75,351,318

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	$ 75,351,318
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	$ 75,351,318
24.103	Total payable for securities lending reported on the liability page	$ 75,351,318

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 [ ]

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

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Pledged as collateral	$ 28,624,789
25.26	Placed under option agreements	$ 0
25.27	Letter stock or securities restricted as to sale	$ 0
25.28	On deposit with state or other regulatory body	$ 13,048,585
25.29	Other	$ 0

GENERAL INTERROGATORIES

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0
		0
		0

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

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [X] No [ ] N/A [ ]
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
Bank of New York Mellon	601 Travis Street, Houston, TX 77002
US Bank Corporate Trust Services	21 South Street, 3rd Floor, Morristown, NJ 07960

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Liberty Mutual 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 Mortgage Advisors	1100 SW Sixth Avenue, Portland, OR 97204

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]

GENERAL INTERROGATORIES

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	3,216,935,886	3,396,872,540	179,936,654
30.2 Preferred stocks	13,109,846	14,783,276	1,673,430
30.3 Totals	3,230,045,732	3,411,655,816	181,610,084

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

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

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

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

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

32.2 If no, list exceptions:

OTHER

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

GENERAL INTERROGATORIES

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

1 Name	2 Amount Paid
0	$ 0
0	$ 0
	$ 0

34.1 Amount of payments for legal expenses, if any? $ 367,022

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
	$ 0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 48,719

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
	$ 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

0

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ (0)	$ 0
2.2	Premium Denominator	$ 2,190,231,423	$ 2,136,133,072
2.3	Premium Ratio (2.1/2.2)	(0.00)	0.00
2.4	Reserve Numerator	$ 10,283,593	$ 10,731,108
2.5	Reserve Denominator	$ 3,407,681,524	$ 3,410,793,889
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 $ 38,026

3.22 Non-participating policies $ 329,434,294

4. For Mutual reporting entities and Reciprocal Exchanges only:

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

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

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

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

5. For Reciprocal Exchanges Only:

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

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [X]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]

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

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

5.5 If yes, give full information

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

See Note 21C2

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 21C2

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 21C2

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

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
Refer to Note 21C

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

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

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

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

8.2 If yes, give full information

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses $ 69,135,907
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 6,557,087

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? $ 15,451

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

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

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

12.6 If yes, state the amount thereof at December 31 of current year:
12.61 Letters of Credit $ 151,700,295
12.62 Collateral and other funds $ 29,027,184

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 65,484,000

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

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

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

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

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

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

14.5 If the answer to 14.4 is no, please explain:
0

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 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,008,613,261	1,015,556,089	1,058,953,026	1,187,968,712	1,499,009,659
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	486,685,913	455,329,743	459,324,548	496,308,804	385,503,736
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	839,715,524	794,121,905	770,316,390	727,426,025	888,761,762
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	221,773,356	212,325,111	208,811,040	227,683,900	257,106,776
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)				22	
6. Total (Line 35)	2,556,788,054	2,477,332,848	2,497,405,004	2,639,387,463	3,030,381,933
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)	847,709,630	856,060,231	877,352,532	974,486,881	1,084,558,992
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	452,694,154	422,035,039	421,797,809	452,276,436	298,867,262
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	780,430,008	738,328,743	702,557,428	645,820,076	733,095,049
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	146,481,941	152,773,758	149,031,643	166,312,961	155,607,313
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)				22	
12. Total (Line 35)	2,227,315,733	2,169,197,771	2,150,739,412	2,238,896,376	2,272,128,616
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	13,719,749	(132,002,862)	(30,232,067)	89,758,817	60,719,680
14. Net investment gain (loss) (Line 11)	142,406,960	155,395,173	225,022,066	182,330,441	169,032,368
15. Total other income (Line 15)	10,063,260	6,640,294	(17,097,090)	(3,289,700)	(21,416,349)
16. Dividends to policyholders (Line 17)	5,252,494	4,289,770	(718,951)	9,144,297	13,276,122
17. Federal and foreign income taxes incurred (Line 19)	48,887,882	(2,092,676)	13,743,662	62,522,399	135,449,037
18. Net income (Line 20)	112,049,593	27,835,511	164,668,198	197,132,862	59,610,540
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	5,100,508,528	4,859,960,864	4,842,037,189	5,277,204,131	4,943,004,035
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	64,843,442	81,746,419	73,231,496	80,823,397	70,158,197
20.2 Deferred and not yet due (Line 15.2)	654,315,432	615,151,474	588,965,763	573,885,732	541,515,013
20.3 Accrued retrospective premiums (Line 15.3)	13,906	941,994	1,868,815	3,331,257	10,421,842
21. Total liabilities excluding protected cell business (Page 3, Line 26)	3,825,876,240	3,772,400,873	3,724,882,476	3,941,032,445	3,834,866,528
22. Losses (Page 3, Line 1)	1,803,665,553	1,838,931,772	1,821,831,326	1,917,660,827	2,009,472,054
23. Loss adjustment expenses (Page 3, Line 3)	412,488,914	406,620,610	406,608,066	456,561,292	460,148,275
24. Unearned premiums (Page 3, Line 9)	1,070,033,142	1,027,980,899	990,044,170	938,631,360	860,020,840
25. Capital paid up (Page 3, Lines 30 & 31)	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	1,274,632,288	1,087,559,991	1,117,154,713	1,336,171,686	1,108,137,507
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	165,475,018	98,959,667	(117,060,928)	206,551,300	479,445,684
Risk-Based Capital Analysis					
28. Total adjusted capital	1,274,632,288	1,087,559,991	1,117,154,713	1,336,171,686	1,035,405,036
29. Authorized control level risk-based capital	203,082,588	199,178,749	199,436,790	200,799,926	197,456,092
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)	74.7	76.9	79.6	81.6	78.6
31. Stocks (Lines 2.1 & 2.2)	15.7	14.1	12.6	8.5	10.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	2.5	2.6	2.8	2.2	2.2
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.7	0.7	0.8	0.5	0.4
34. Cash, cash equivalents and short-term investments (Line 5)	3.9	3.7	3.6	7.0	8.7
35. Contract loans (Line 6)					
36. Derivatives (Line 7)				XXX	XXX
37. Other invested assets (Line 8)	0.5	0.3	0.0	0.1	0.0
38. Receivables for securities (Line 9)	0.2	0.2	0.0		0.0
39. Securities lending reinvested collateral assets (Line 10)	1.8	1.5	0.6	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	324,107,221	313,386,642	293,678,584	280,770,518	340,068,880
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated	50	325	49,851	49,851	
48. Total of above Lines 42 to 47	324,107,271	313,386,967	293,728,435	280,820,369	340,068,880
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)	25.4				

FIVE – YEAR HISTORICAL DATA
(Continued)

		1 2012	2 2011	3 2010	4 2009	5 2008
	Capital and Surplus Accounts (Page 4)					
51.	Net unrealized capital gains (losses) (Line 24)	47,690,158	(5,075,850)	(6,750,435)	31,959,245	(38,874,289)
52.	Dividends to stockholders (Line 35)			(400,000,000)	(5,000,000)	(352,820,372)
53.	Change in surplus as regards policyholders for the year (Line 38)	187,072,297	(29,594,722)	(219,016,973)	300,766,650	(322,922,967)
	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)	585,665,409	609,776,670	765,081,221	759,723,251	(132,905,381)
55.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	256,932,119	257,384,906	236,670,655	234,898,291	75,299,439
56.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	477,414,496	543,491,862	414,893,144	430,535,707	253,094,993
57.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	73,819,762	45,727,258	37,430,054	28,247,658	(23,805,607)
58.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,443,681	1,608,650	4,367,840	(37,942,395)	(251,170)
59.	Total (Line 35)	1,395,275,467	1,457,989,346	1,458,442,914	1,415,462,512	171,432,274
	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)	482,459,996	518,202,223	650,338,495	589,937,286	349,355,375
61.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	238,659,992	239,486,092	216,145,650	212,893,360	131,411,743
62.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	444,083,928	506,677,412	374,431,113	387,303,859	302,802,191
63.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	57,190,310	38,509,022	29,490,478	23,509,157	(20,739,857)
64.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,443,681	1,608,650	4,367,840	(37,942,395)	(251,170)
65.	Total (Line 35)	1,223,837,907	1,304,483,399	1,274,773,576	1,175,701,267	762,578,282
	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)	54.3	61.9	56.0	50.7	52.4
68.	Loss expenses incurred (Line 3)	12.4	12.1	11.8	11.9	10.8
69.	Other underwriting expenses incurred (Line 4)	32.7	32.2	33.6	33.2	33.8
70.	Net underwriting gain (loss) (Line 8)	0.6	(6.2)	(1.4)	4.2	3.0
	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	31.7	31.4	33.7	31.9	31.2
72.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	66.7	73.9	67.8	62.6	63.2
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)	174.7	199.5	192.5	167.6	219.4
	One Year Loss Development (000 omitted)					
74.	Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(85,504)	(57,477)	(24,776)	(157,349)	(181,011)
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)	(7.9)	(5.1)	(1.9)	(15.2)	(13.3)
	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)	(109,690)	(51,573)	(125,789)	(226,742)	(312,691)
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)	(9.8)	(3.9)	(12.1)	(16.7)	(28.9)

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

If no, please explain:

Not Applicable

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

($000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1–2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	X X X	X X X	X X X	27,244	17,507	6,466	1,450	1,544	(2,265)	1,216	18,562	X X X
2. 2003	2,030,459	169,583	1,860,876	996,889	87,372	70,657	5,123	149,041	7,082	62,275	1,117,010	X X X
3. 2004	2,185,106	120,560	2,064,546	1,023,680	41,940	65,448	2,315	146,179	3,126	78,038	1,187,926	X X X
4. 2005	2,276,387	92,200	2,184,187	1,052,766	43,423	69,296	2,536	153,678	2,407	74,192	1,227,374	X X X
5. 2006	2,273,370	101,531	2,171,839	1,069,689	25,924	69,798	2,893	156,936	3,472	64,998	1,264,134	X X X
6. 2007	2,320,357	113,322	2,207,035	1,077,730	24,010	71,774	2,454	155,591	2,187	72,335	1,276,444	X X X
7. 2008	2,315,798	86,096	2,229,702	1,203,133	37,385	71,283	2,851	173,870	1,785	63,053	1,406,265	X X X
8. 2009	2,172,724	135,882	2,036,842	989,618	61,382	53,701	3,086	154,451	1,315	59,284	1,131,987	X X X
9. 2010	2,147,517	43,425	2,104,092	956,676	6,492	41,128	249	165,064	312	69,461	1,155,815	X X X
10. 2011	2,175,616	39,483	2,136,133	1,011,900	3,281	27,767	299	150,961	274	86,062	1,186,774	X X X
11. 2012	2,230,238	40,007	2,190,231	664,149	1,791	9,617	97	126,450	7	49,022	798,321	X X X
12. Totals	X X X	X X X	X X X	10,073,474	350,507	556,935	23,353	1,533,765	19,702	679,936	11,770,612	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			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	273,596	72,204	109,147	18,048	9,085	942	19,826	2,684	23,607	12	10,582	341,371	X X X
2. 2003	13,870	2,268	6,888	1,656	358	1	1,792	150	1,396	(1)	1,540	20,230	X X X
3. 2004	19,153	4,267	7,694	1,826	473		2,049	173	1,941	2	2,248	25,042	X X X
4. 2005	21,558	1,545	9,783	2,212	540		3,541	185	2,471		3,257	33,951	X X X
5. 2006	21,857	4,580	14,457	2,742	725		5,276	406	2,881	2	11,015	37,466	X X X
6. 2007	41,733	2,199	21,917	3,200	1,095	1	6,648	582	3,903	6	4,099	69,308	X X X
7. 2008	57,926	4,804	26,475	4,253	1,512	17	13,756	854	5,698	17	11,527	95,422	X X X
8. 2009	93,852	3,485	43,714	4,881	2,189	35	22,708	1,033	10,026	55	9,340	163,000	X X X
9. 2010	140,094	962	67,905	6,498	2,563	12	41,999	1,447	15,819	91	14,598	259,370	X X X
10. 2011	211,016	1,092	132,449	6,315	3,762	112	56,055	807	28,655	132	33,236	423,479	X X X
11. 2012	300,748	895	321,794	4,025	3,423	12	75,368	332	51,862	411	58,264	747,520	X X X
12. Totals	1,195,403	98,301	762,223	55,656	25,725	1,132	249,018	8,653	148,259	727	159,706	2,216,159	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	292,491	48,880
2. 2003	1,240,891	103,651	1,137,240	61.114	61.121	61.113			20.400	16,834	3,396
3. 2004	1,266,617	53,649	1,212,968	57.966	44.500	58.752			20.400	20,754	4,288
4. 2005	1,313,633	52,308	1,261,325	57.707	56.733	57.748			20.400	27,584	6,367
5. 2006	1,341,619	40,019	1,301,600	59.015	39.416	59.931			20.400	28,992	8,474
6. 2007	1,380,391	34,639	1,345,752	59.490	30.567	60.976			20.400	58,251	11,057
7. 2008	1,553,653	51,966	1,501,687	67.089	60.358	67.349			20.400	75,344	20,078
8. 2009	1,370,259	75,272	1,294,987	63.066	55.395	63.578			20.400	129,200	33,800
9. 2010	1,431,248	16,063	1,415,185	66.647	36.990	67.259			20.400	200,539	58,831
10. 2011	1,622,565	12,312	1,610,253	74.580	31.183	75.382			20.400	336,058	87,421
11. 2012	1,553,411	7,570	1,545,841	69.652	18.922	70.579			20.400	617,622	129,898
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	1,803,669	412,490

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) 1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	DEVELOPMENT 11 One Year	12 Two Year
1. Prior	1,176,175	1,178,332	1,191,573	1,202,181	1,206,815	1,174,728	1,235,785	1,261,264	1,277,311	1,270,423	(6,888)	9,159
2. 2003	1,057,686	1,038,300	1,012,434	1,007,200	1,014,155	1,006,355	1,002,674	998,629	997,744	994,915	(2,829)	(3,714)
3. 2004	XXX	1,189,486	1,160,628	1,145,519	1,095,679	1,089,012	1,076,451	1,073,540	1,071,089	1,069,232	(1,857)	(4,308)
4. 2005	XXX	XXX	1,241,259	1,194,033	1,135,002	1,127,775	1,114,032	1,111,041	1,107,671	1,108,645	974	(2,396)
5. 2006	XXX	XXX	XXX	1,221,593	1,196,675	1,165,423	1,139,371	1,143,102	1,145,064	1,146,468	1,404	3,366
6. 2007	XXX	XXX	XXX	XXX	1,309,381	1,274,649	1,194,954	1,194,332	1,191,053	1,189,816	(1,237)	(4,516)
7. 2008	XXX	XXX	XXX	XXX	XXX	1,417,238	1,352,779	1,347,490	1,331,719	1,325,208	(6,511)	(22,282)
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	1,209,845	1,171,711	1,151,621	1,133,073	(18,548)	(38,638)
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,282,274	1,252,624	1,235,913	(16,711)	(46,361)
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,465,366	1,432,065	(33,301)	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,368,664	XXX	XXX
										12. Totals	(85,504)	(109,690)

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) 1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
1. Prior	000	305,273	508,213	633,230	716,326	782,005	822,567	869,659	924,191	938,944	XXX	XXX
2. 2003	493,836	711,145	815,331	883,294	929,181	949,213	961,273	967,786	972,225	975,050	XXX	XXX
3. 2004	XXX	512,381	769,488	889,404	960,630	1,002,701	1,023,493	1,033,469	1,040,693	1,044,872	XXX	XXX
4. 2005	XXX	XXX	524,554	778,866	900,639	979,782	1,029,357	1,053,339	1,065,814	1,076,103	XXX	XXX
5. 2006	XXX	XXX	XXX	534,217	793,683	906,668	997,893	1,054,254	1,088,541	1,110,671	XXX	XXX
6. 2007	XXX	XXX	XXX	XXX	555,131	824,564	948,355	1,038,070	1,093,948	1,123,040	XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX	643,663	951,794	1,085,996	1,175,616	1,234,180	XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	537,631	779,240	895,867	978,851	XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	590,507	863,614	991,062	XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	743,814	1,036,087	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	671,878	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 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior	491,167	343,550	268,561	233,899	192,193	177,233	188,888	185,639	147,173	121,944
2. 2003	295,755	147,286	84,229	58,328	42,451	31,108	21,136	13,406	11,127	7,906
3. 2004	XXX	371,341	184,800	122,027	65,791	48,382	26,174	19,208	14,347	9,002
4. 2005	XXX	XXX	414,814	206,289	104,307	64,670	36,832	25,414	18,476	11,988
5. 2006	XXX	XXX	XXX	374,149	188,360	114,836	55,305	31,407	21,163	17,796
6. 2007	XXX	XXX	XXX	XXX	386,820	201,784	95,079	51,721	31,713	26,147
7. 2008	XXX	XXX	XXX	XXX	XXX	420,608	185,059	110,402	61,978	36,411
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	368,702	186,695	109,152	61,701
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	364,075	172,489	103,168
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	376,758	182,403
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	393,523

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
States, Etc.		Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L	3,561,922	3,735,023		3,207,234	(1,784,076)	4,066,045	11,510	
2. Alaska	AK	L	11,460,978	11,587,561		2,514,677	4,514,442	14,160,465	37,035	
3. Arizona	AZ	L	4,623,247	4,461,212		550,561	(1,178,697)	3,982,212	14,940	
4. Arkansas	AR	L	1,484,082	1,704,181		1,733,231	4,256	2,482,706	4,796	
5. California	CA	L	5,879,148	4,869,522			(3,681,977)	(1,757,541)	18,998	
6. Colorado	CO	L	3,568,686	3,075,561		2,545,904	1,183,651	2,577,300	11,532	
7. Connecticut	CT	L	6,655,330	6,392,301		4,911,922	(8,334,361)	12,080,462	21,506	693,754
8. Delaware	DE	L	1,701,916	1,520,262		39,965	533,494	1,994,729	5,500	
9. District of Columbia	DC	L	855,459	919,638		925	(564,389)	513,457	2,764	
10. Florida	FL	L	22,430,404	21,671,374		9,980,749	6,532,551	28,201,101	72,481	
11. Georgia	GA	L	7,255,975	6,998,668		9,442,347	2,295,180	10,324,579	23,447	542,931
12. Hawaii	HI	L	349,968	276,658			2,211	321,241	1,131	
13. Idaho	ID	L	1,943,855	1,574,209		367,825	310,857	1,380,087	6,281	
14. Illinois	IL	L	10,937,682	11,016,508		3,371,023	2,132,815	16,799,453	35,344	
15. Indiana	IN	L	5,599,148	5,623,731		2,196,235	1,352,858	6,736,985	18,093	
16. Iowa	IA	L	895,417	879,500		69,679	275,761	2,225,274	2,893	
17. Kansas	KS	L	1,615,266	1,550,370		353,345	426,203	1,487,988	5,220	
18. Kentucky	KY	L	17,146,798	18,139,276		8,934,298	9,160,189	28,534,414	55,408	
19. Louisiana	LA	L	3,894,538	3,632,900		1,150,742	(543,738)	1,013,809	12,585	
20. Maine	ME	L	1,581,672	1,525,906		104,755	271,182	1,110,248	5,111	
21. Maryland	MD	L	13,019,946	13,353,018		11,956,428	10,746,125	18,971,381	42,072	
22. Massachusetts	MA	L	9,207,036	8,583,123		3,751,634	3,969,869	17,648,636	29,752	
23. Michigan	MI	L	2,977,817	3,063,349		2,055,695	537,869	11,753,939	9,622	
24. Minnesota	MN	L	1,872,942	1,791,502		424,518	741,443	4,031,369	6,052	
25. Mississippi	MS	L	3,512,838	3,635,469		2,283,874	698,279	2,797,735	11,351	
26. Missouri	MO	L	4,537,386	4,609,478		3,970,720	4,327,864	10,559,065	14,662	30,925
27. Montana	MT	L	1,349,286	1,186,902		117,573	37,561	598,360	4,360	
28. Nebraska	NE	L	962,203	884,911		355,027	678,358	1,470,724	3,109	
29. Nevada	NV	L	915,980	701,750		1,413,800	(21,639)	(765,378)	2,960	
30. New Hampshire	NH	L	779,369	821,064		17,867	(172,840)	2,581,616	2,518	
31. New Jersey	NJ	L	29,275,588	32,516,473		32,473,794	29,556,411	124,873,558	94,601	18,845
32. New Mexico	NM	L	3,204,006	3,701,872		854,707	725,665	3,152,535	10,353	
33. New York	NY	L	12,558,785	12,156,870		6,523,228	(607,874)	38,568,824	40,582	807,790
34. North Carolina	NC	L	14,978,927	15,415,271		5,008,128	3,702,075	20,195,528	48,403	33,052
35. North Dakota	ND	L	416,188	328,027		8,736	1,087	317,956	1,345	
36. Ohio	OH	L	13,307,673	14,536,184		3,332,532	3,894,062	19,894,674	43,002	
37. Oklahoma	OK	L	10,411,116	11,922,416		7,475,749	6,889,598	10,578,743	33,642	
38. Oregon	OR	L	10,234,535	8,993,715		2,010,065	1,845,498	6,795,084	33,072	
39. Pennsylvania	PA	L	20,025,039	21,029,813		9,712,033	14,960,253	57,959,640	64,709	
40. Rhode Island	RI	L	1,163,438	1,059,983		(38,133)	(87,258)	2,092,042	3,760	
41. South Carolina	SC	L	5,041,228	5,178,903		4,012,541	484,107	9,054,327	16,290	
42. South Dakota	SD	L	191,625	164,369		131,690	240,560	344,856	619	
43. Tennessee	TN	L	6,837,302	7,009,485		2,409,898	2,171,010	9,414,242	22,094	
44. Texas	TX	L	16,428,742	15,970,278		6,699,188	2,866,988	24,328,935	53,088	
45. Utah	UT	L	3,078,074	3,344,133		1,145,198	2,069,910	4,627,569	9,946	
46. Vermont	VT	L	378,259	174,197			20,783	242,203	1,222	
47. Virginia	VA	L	6,101,289	5,840,494		7,453,521	3,080,700	9,709,305	19,716	
48. Washington	WA	L	17,626,575	15,829,885		4,381,991	1,745,583	15,901,132	56,958	387,818
49. West Virginia	WV	L	734,046	726,511		75,263	73,476	533,145	2,372	
50. Wisconsin	WI	L	3,506,939	3,762,752		44,319	1,927,036	5,441,833	11,332	
51. Wyoming	WY	L	1,396,658	1,606,471		(99,439)	(186,943)	733,754	4,513	
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CAN	N								
58. Aggregate Other Alien	OT	XXX								
59. Totals		(a) 51	329,472,326	331,053,029		171,437,562	109,824,028	572,642,346	1,064,652	2,515,115

DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX								

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

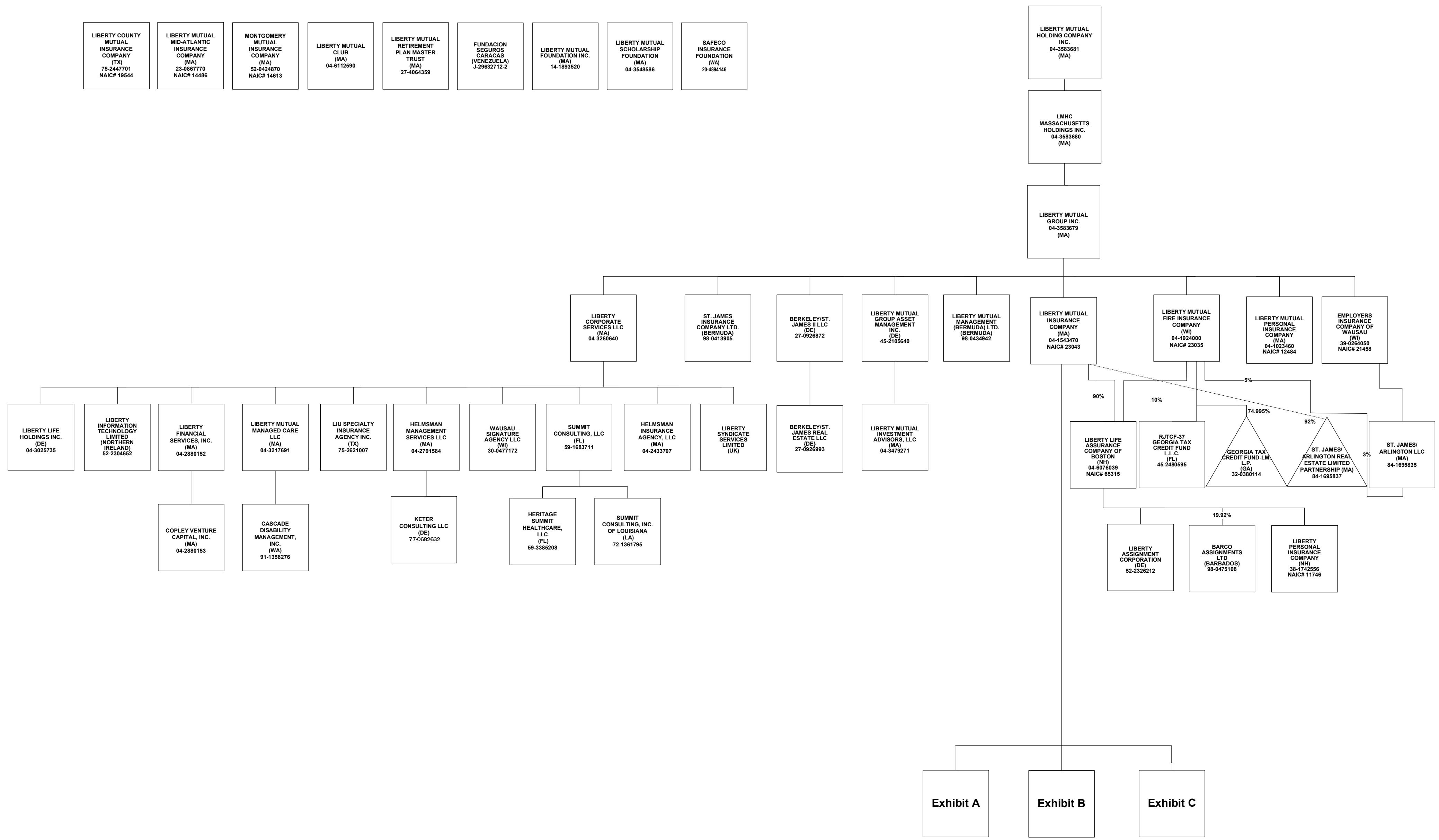
Explanation of basis of allocation of premiums by states, etc.

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

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

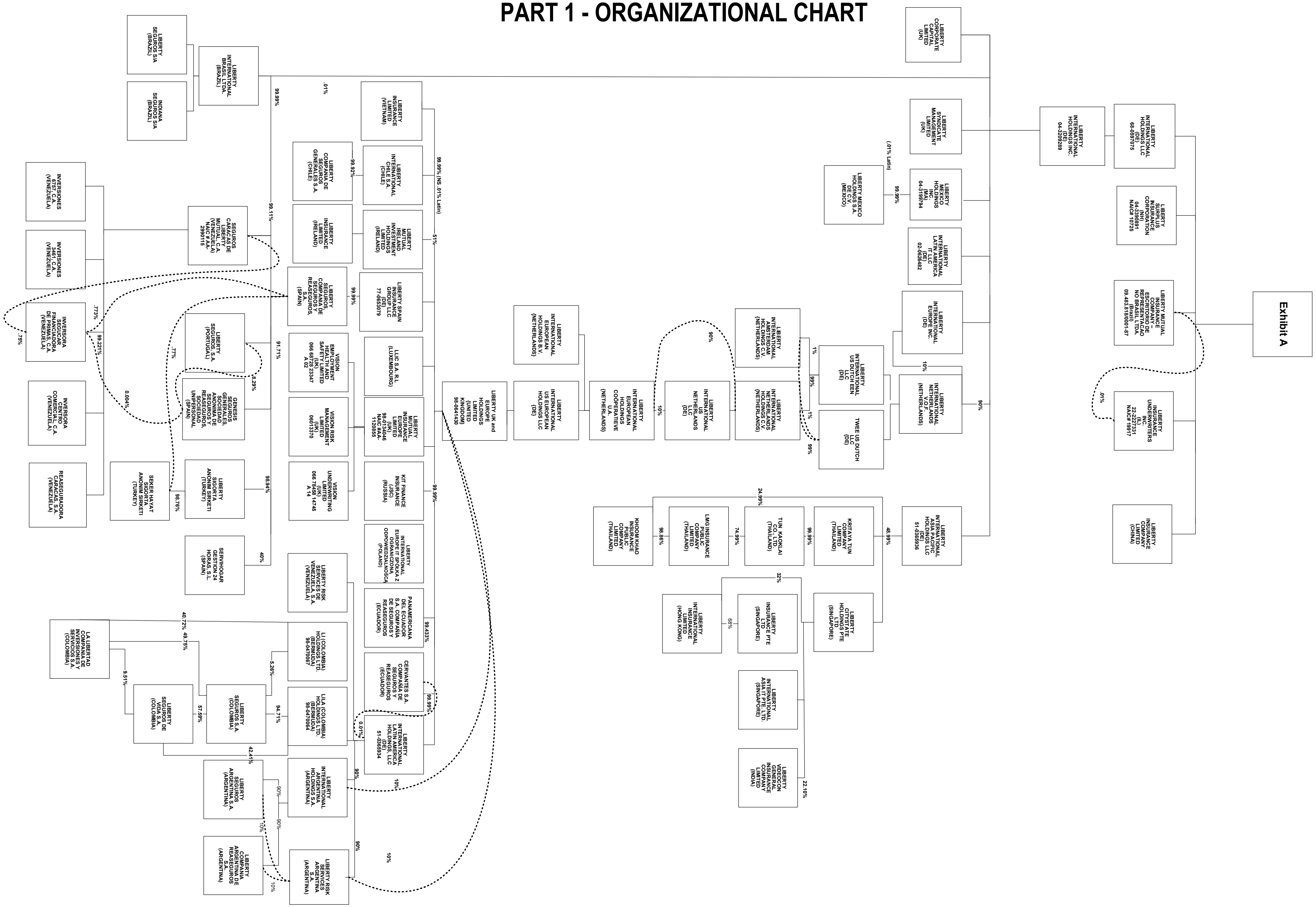
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



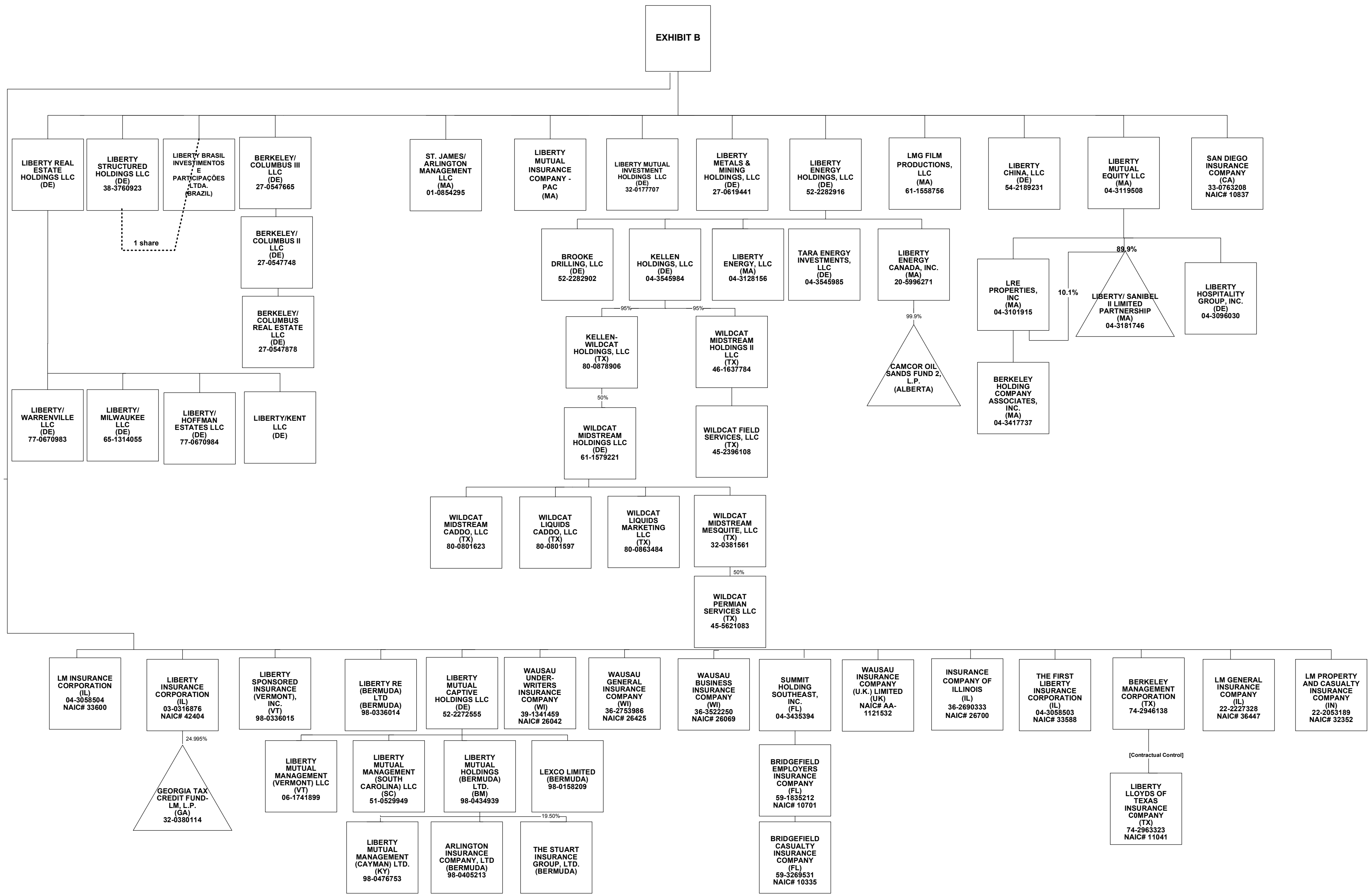
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



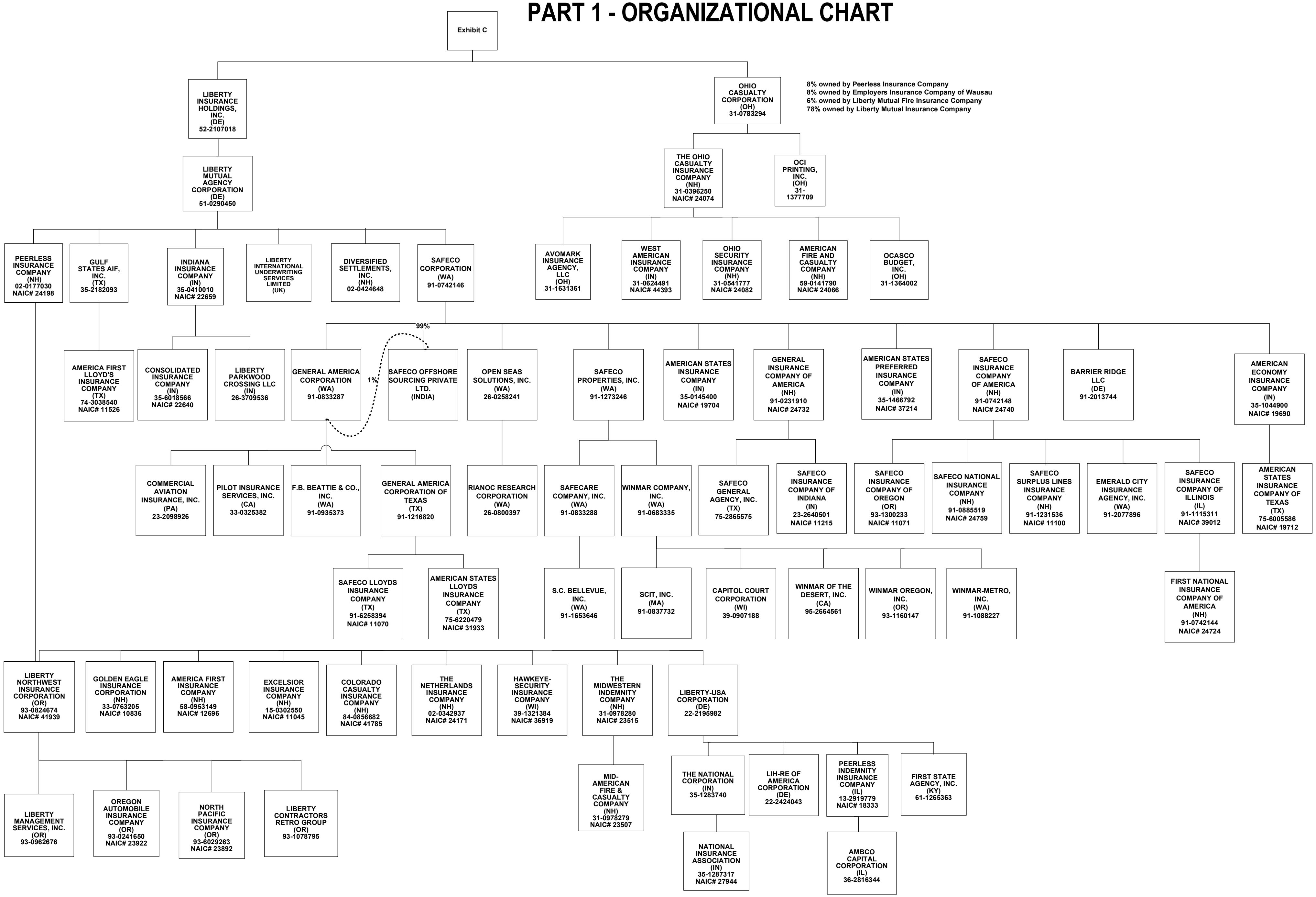
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT