

ANNUAL STATEMENT

OF THE

PEERLESS INSURANCE COMPANY

of **KEENE**

in the state of **NEW HAMPSHIRE**

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2014

PROPERTY AND CASUALTY

2014



24198201420100100

ANNUAL STATEMENT

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

Peerless Insurance Company

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) NAIC Company Code 24198 Employer's ID Number 02-0177030

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 March 7, 1901 Commenced Business November 23, 1903

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

OFFICERS

Chairman of the Board

James Paul Condrin, III

Table with 2 columns: Name, Title. Lists James Paul Condrin, III (President and Chief Executive Officer), Dexter Robert Legg (Vice President and Secretary), and Laurance Henry Soyer Yahia (Vice President and Treasurer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Lists 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), and Elizabeth Julia Morahan # (Vice President and General Counsel).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Lists Kristen Maria Bessette, James Paul Condrin, III, John Derek Doyle, Michael Joseph Fallon, Michael Henry Hughes, Dexter Robert Legg, Elizabeth Julia Morahan #.

State of Massachusetts

County of Suffolk ss

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

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

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

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	7,811,909,926		7,811,909,926	8,420,957,292
2. Stocks (Schedule D):				
2.1 Preferred stocks	39,186,300		39,186,300	35,989,700
2.2 Common stocks	1,430,534,170		1,430,534,170	1,386,893,605
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	267,005,473		267,005,473	216,564,506
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	3,363,537		3,363,537	3,765,572
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 4,360,493, Schedule E - Part 1), cash equivalents (\$ 28,252,604, Schedule E - Part 2), and short-term investments (\$ 66,354,323, Schedule DA)	98,967,420		98,967,420	162,390,819
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	725,263,075		725,263,075	656,397,754
9. Receivables for securities	48,924,907		48,924,907	17,023,704
10. Securities lending reinvested collateral assets (Schedule DL)	193,761,232		193,761,232	109,976,126
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	10,618,916,040		10,618,916,040	11,009,959,078
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	75,480,935		75,480,935	83,431,923
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	291,419,240	15,259,373	276,159,867	314,702,685
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 5,742,540 earned but unbilled premiums)	1,173,443,018	574,254	1,172,868,764	1,499,281,420
15.3 Accrued retrospective premiums	99,523,562	9,889,038	89,634,524	94,147,632
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				39,475,384
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	77,441	2,807	74,634	
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	327,064,000	10,360,564	316,703,436	306,510,571
19. Guaranty funds receivable or on deposit	4,505,691		4,505,691	4,294,756
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)	4,258	4,258		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	2,655,867		2,655,867	35,736,295
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	268,527,498	24,642,358	243,885,140	233,646,366
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	12,861,617,550	60,732,652	12,800,884,898	13,621,186,110
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	12,861,617,550	60,732,652	12,800,884,898	13,621,186,110

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	161,111,219		161,111,219	152,350,455
2502. Amounts receivable under high deductible policies	37,924,805	39,446	37,885,359	39,053,591
2503. Other assets	36,445,682	24,602,912	11,842,770	13,376,358
2598. Summary of remaining write-ins for Line 25 from overflow page	33,045,792		33,045,792	28,865,962
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	268,527,498	24,642,358	243,885,140	233,646,366

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	5,548,539,375	5,698,661,689
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	12,266,858	291,366,094
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,203,190,482	1,223,350,214
4. Commissions payable, contingent commissions and other similar charges	105,351,524	107,733,390
5. Other expenses (excluding taxes, licenses and fees)	164,497,202	157,373,791
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	48,937,786	56,562,675
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	61,068,032	55,875,999
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 \$ 232,789,160 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	2,515,271,520	2,376,172,424
10. Advance premium	18,251,992	17,643,953
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	498,619	490,494
12. Ceded reinsurance premiums payable (net of ceding commissions)		47,274,426
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	25,737,444	20,964,709
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	163,627,137	166,470,945
19. Payable to parent, subsidiaries and affiliates	30,536,421	225,567,815
20. Derivatives		
21. Payable for securities	12,619,882	16,127,293
22. Payable for securities lending	193,761,232	109,976,126
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	(362,187,517)	263,131,186
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	9,741,967,989	10,834,743,223
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	9,741,967,989	10,834,743,223
29. Aggregate write-ins for special surplus funds	21,581,745	22,274,741
30. Common capital stock	8,848,635	8,848,635
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	2,066,113,364	2,066,113,364
35. Unassigned funds (surplus)	962,373,165	689,206,147
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)	3,058,916,909	2,786,442,887
38. Totals (Page 2, Line 28, Col. 3)	12,800,884,898	13,621,186,110

DETAILS OF WRITE-IN LINES		
2501. Amounts held under uninsured plans	133,065,260	150,731,306
2502. Other liabilities	99,901,323	120,263,504
2503. Retroactive reinsurance reserves	(595,154,100)	(7,863,624)
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(362,187,517)	263,131,186
2901. Special surplus from retroactive reinsurance	21,581,745	22,274,741
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	21,581,745	22,274,741
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	4,928,505,824	4,871,490,812
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	2,776,575,935	2,881,931,952
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	674,430,032	698,233,501
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,572,611,588	1,568,256,854
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	5,023,617,555	5,148,422,307
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(95,111,731)	(276,931,495)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	355,486,281	500,483,805
10. Net realized capital gains (losses) less capital gains tax of \$ 8,731,163 (Exhibit of Capital Gains (Losses))	16,215,017	55,852,226
11. Net investment gain (loss) (Lines 9 + 10)	371,701,298	556,336,031
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 972,587 amount charged off \$ 19,631,508)	(18,658,921)	(16,062,299)
13. Finance and service charges not included in premiums	27,638,771	26,774,561
14. Aggregate write-ins for miscellaneous income	(10,681,278)	(9,644,843)
15. Total other income (Lines 12 through 14)	(1,701,428)	1,067,419
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	274,888,139	280,471,955
17. Dividends to policyholders	4,713,460	7,705,772
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)	270,174,679	272,766,183
19. Federal and foreign income taxes incurred	22,995,837	121,256,724
20. Net income (Line 18 minus Line 19) (to Line 22)	247,178,842	151,509,459
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	2,786,442,887	1,887,308,685
22. Net income (from Line 20)	247,178,842	151,509,459
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 1,429,216	55,603,161	(55,891,114)
25. Change in net unrealized foreign exchange capital gain (loss)	(16,583,989)	(7,059,397)
26. Change in net deferred income tax	(35,919,784)	142,523,882
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	30,228,744	(54,132,042)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		49,477,053
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		653,329,546
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)		165,716
37. Aggregate write-ins for gains and losses in surplus	(8,032,952)	19,211,099
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	272,474,022	899,134,202
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	3,058,916,909	2,786,442,887

DETAILS OF WRITE-IN LINES		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 05 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401. Retroactive reinsurance gain/(loss)	(3,291,483)	134,260
1402. Other income/(expense)	(7,389,795)	(9,779,103)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(10,681,278)	(9,644,843)
3701. Other changes in surplus	(8,032,952)	19,211,099
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(8,032,952)	19,211,099

CASH FLOW

Cash from Operations	1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance	5,393,770,055	4,671,465,905
2. Net investment income	396,370,671	493,279,473
3. Miscellaneous income	(20,811,313)	(2,945,135)
4. Total (Lines 1 through 3)	5,769,329,413	5,161,800,243
5. Benefit and loss related payments	3,159,615,800	(1,198,689,208)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,267,000,627	1,367,602,739
8. Dividends paid to policyholders	4,705,335	7,569,131
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	40,234,317	179,730,739
10. Total (Lines 5 through 9)	5,471,556,079	356,213,401
11. Net cash from operations (Line 4 minus Line 10)	297,773,334	4,805,586,842
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,678,585,067	1,173,047,393
12.2 Stocks	584,668,281	993,521,392
12.3 Mortgage loans	15,540,192	13,538,847
12.4 Real estate		
12.5 Other invested assets	671,650,993	650,579,332
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		(73,609)
12.7 Miscellaneous proceeds	(32,821,689)	(15,627,558)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,917,622,844	2,814,985,797
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,086,074,937	5,910,342,647
13.2 Stocks	608,048,884	1,139,138,648
13.3 Mortgage loans	66,229,222	95,161,501
13.4 Real estate	25,517	284,040
13.5 Other invested assets	803,371,950	1,250,319,134
13.6 Miscellaneous applications	3,530,391	(6,275,561)
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,567,280,901	8,388,970,409
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	350,341,943	(5,573,984,612)
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		653,495,262
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)	(711,538,676)	20,994,793
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(711,538,676)	674,490,055
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)	(63,423,399)	(93,907,715)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	162,390,819	256,298,534
19.2 End of year (Line 18 plus Line 19.1)	98,967,420	162,390,819

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

20.0001	2. Net investment income	3,478,572	
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds	521,362	52,780,890
20.0003	12.2 - Proceeds from investments sold, matured or repaid - Stocks	2,637,890	
20.0004	12.3 - Proceeds from investments sold, matured or repaid - Mortgage loans	112,731	467,039
20.0005	12.5 - Proceeds from investments sold, matured or repaid - Other invested assets	464,109	56,438,201
20.0006	13.1 Cost of Investment Acquired - Bonds	3,999,933	4,106,399,604
20.0007	13.2 Cost of Investment Acquired - Stocks	2,637,890	188,224,381
20.0008	13.5 Cost of Investment Acquired - Other Invested Assets	576,839	50,796,944

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	122,214,232	59,262,135	58,393,324	123,083,043
2. Allied lines	76,588,464	37,109,322	38,806,590	74,891,196
3. Farmowners multiple peril	19,330,916	9,456,565	9,834,314	18,953,167
4. Homeowners multiple peril	1,068,704,373	528,137,822	572,922,157	1,023,920,038
5. Commercial multiple peril	433,503,906	215,529,329	218,486,848	430,546,387
6. Mortgage guaranty				
8. Ocean marine	15,313,268	8,172,713	9,154,096	14,331,885
9. Inland marine	134,417,098	29,594,157	32,244,435	131,766,820
10. Financial guaranty				
11.1 Medical professional liability—occurrence	9,895,413	4,742,334	4,889,914	9,747,833
11.2 Medical professional liability—claims-made	4,956,066	778,909	2,314,218	3,420,757
12. Earthquake	17,536,467	9,230,088	8,626,873	18,139,682
13. Group accident and health	787,554		312,616	474,938
14. Credit accident and health (group and individual)				
15. Other accident and health	1,252,495	79,508	87,376	1,244,627
16. Workers' compensation	447,164,935	26,698,381	17,066,400	456,796,916
17.1 Other liability—occurrence	323,062,810	138,570,212	143,975,023	317,657,999
17.2 Other liability—claims-made	128,301,826	46,059,795	67,603,576	106,758,045
17.3 Excess workers' compensation	11,514,394	4,651,336	5,861,546	10,304,184
18.1 Products liability—occurrence	31,156,230	18,353,242	18,593,935	30,915,537
18.2 Products liability—claims-made	2,840,132	990,005	947,025	2,883,112
19.1,19.2 Private passenger auto liability	1,134,019,059	526,917,515	551,536,528	1,109,400,046
19.3,19.4 Commercial auto liability	234,787,965	107,625,499	109,774,475	232,638,989
21. Auto physical damage	625,227,120	392,118,956	422,796,355	594,549,721
22. Aircraft (all perils)	7,962,766	2,175,076	1,952,834	8,185,008
23. Fidelity	9,481,559	2,631,240	4,716,953	7,395,846
24. Surety	148,167,323	89,316,941	93,710,967	143,773,297
26. Burglary and theft	218,890	113,719	100,851	231,758
27. Boiler and machinery	7,537,188	3,189,244	3,250,068	7,476,364
28. Credit	1,029,562	182,897	691,894	520,565
29. International				
30. Warranty	148,382	1,023,095	793,776	377,701
31. Reinsurance-nonproportional assumed property	51,448,667	4,918,642	8,056,384	48,310,925
32. Reinsurance-nonproportional assumed liability	6,827,795	739,908	3,425,654	4,142,049
33. Reinsurance-nonproportional assumed financial lines	(31,975)			(31,975)
34. Aggregate write-ins for other lines of business				
35. TOTALS	5,075,364,880	2,268,368,585	2,410,927,005	4,932,806,460

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	57,933,854	459,471			58,393,325
2. Allied lines	38,675,708	130,882			38,806,590
3. Farmowners multiple peril	9,834,314				9,834,314
4. Homeowners multiple peril	572,922,157				572,922,157
5. Commercial multiple peril	220,097,064	278,935	(1,900,417)	11,265	218,486,847
6. Mortgage guaranty					
8. Ocean marine	8,813,318	340,778			9,154,096
9. Inland marine	28,519,551	3,724,885			32,244,436
10. Financial guaranty					
11.1 Medical professional liability—occurrence	4,864,001	25,912			4,889,913
11.2 Medical professional liability—claims-made	2,210,575	103,643			2,314,218
12. Earthquake	8,594,916	31,957			8,626,873
13. Group accident and health	312,616				312,616
14. Credit accident and health (group and individual)					
15. Other accident and health	87,376				87,376
16. Workers' compensation	117,534,144	3,939,390	(2,700,318)	(101,706,816)	17,066,400
17.1 Other liability—occurrence	130,906,913	11,534,067	(166,685)	1,700,728	143,975,023
17.2 Other liability—claims-made	60,563,195	7,051,767	(11,385)		67,603,577
17.3 Excess workers' compensation	4,843,095	1,018,451			5,861,546
18.1 Products liability—occurrence	11,729,470	6,381,027	(43,528)	526,966	18,593,935
18.2 Products liability—claims-made	920,244	26,780			947,024
19.1,19.2 Private passenger auto liability	551,536,528				551,536,528
19.3,19.4 Commercial auto liability	108,879,583	949,219		(54,327)	109,774,475
21. Auto physical damage	422,668,218	128,137			422,796,355
22. Aircraft (all perils)	1,952,834				1,952,834
23. Fidelity	4,644,913	72,041			4,716,954
24. Surety	91,324,007	2,386,960			93,710,967
26. Burglary and theft	100,790	60			100,850
27. Boiler and machinery	3,214,475	35,592			3,250,067
28. Credit	691,894				691,894
29. International					
30. Warranty		793,776			793,776
31. Reinsurance-nonproportional assumed property	7,633,889	422,495			8,056,384
32. Reinsurance-nonproportional assumed liability	3,413,692	11,962			3,425,654
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	2,475,423,334	39,848,187	(4,822,333)	(99,522,184)	2,410,927,004
36. Accrued retrospective premiums based on experience					99,522,183
37. Earned but unbilled premiums					4,822,333
38. Balance (Sum of Lines 35 through 37)					2,515,271,520

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		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	13,918,488	122,214,232		13,918,488		122,214,232
2. Allied lines	11,819,816	76,588,464		11,819,816		76,588,464
3. Farmowners multiple peril	11,161,145	19,330,916		11,161,145		19,330,916
4. Homeowners multiple peril	40,924,795	1,068,704,373		40,924,795		1,068,704,373
5. Commercial multiple peril	168,703,072	433,503,906		168,703,072		433,503,906
6. Mortgage guaranty						
8. Ocean marine		15,313,268				15,313,268
9. Inland marine	46,557,333	134,417,098		46,557,333		134,417,098
10. Financial guaranty						
11.1 Medical professional liability--occurrence		9,895,413				9,895,413
11.2 Medical professional liability--claims-made		4,956,066				4,956,066
12. Earthquake	1,449,298	17,536,467		1,449,298		17,536,467
13. Group accident and health		787,554				787,554
14. Credit accident and health (group and individual)						
15. Other accident and health		1,252,495				1,252,495
16. Workers' compensation	71,496,188	447,164,935		71,496,188		447,164,935
17.1 Other liability—occurrence	50,344,609	323,062,810		50,344,609		323,062,810
17.2 Other liability—claims-made	335,187	128,301,826		335,187		128,301,826
17.3 Excess workers' compensation		11,514,394				11,514,394
18.1 Products liability—occurrence	1,276,348	31,156,230		1,276,348		31,156,230
18.2 Products liability—claims-made		2,840,132				2,840,132
19.1,19.2 Private passenger auto liability	27,888,753	1,134,019,059		27,888,753		1,134,019,059
19.3,19.4 Commercial auto liability	58,299,230	234,787,965		58,299,230		234,787,965
21. Auto physical damage	41,496,510	625,227,120		41,496,510		625,227,120
22. Aircraft (all perils)		7,962,766				7,962,766
23. Fidelity	3,050	9,481,559		3,050		9,481,559
24. Surety	401,630	148,167,323		401,630		148,167,323
26. Burglary and theft	50,216	218,890		50,216		218,890
27. Boiler and machinery	716,036	7,537,188		716,036		7,537,188
28. Credit		1,029,562				1,029,562
29. International						
30. Warranty		148,382				148,382
31. Reinsurance-nonproportional assumed property	X X X	51,448,667				51,448,667
32. Reinsurance-nonproportional assumed liability	X X X	6,827,795				6,827,795
33. Reinsurance-nonproportional assumed financial lines	X X X	(31,975)				(31,975)
34. Aggregate write-ins for other lines of business						
35. TOTALS	546,841,704	5,075,364,880		546,841,704		5,075,364,880

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 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	1,113,021	35,147,136	1,113,021	35,147,136	145,137	15,598,635	145,137	50,745,771	4,136,772
2. Allied lines	1,909,851	11,779,746	1,909,851	11,779,746	26,010	6,970,017	26,010	18,749,763	2,128,331
3. Farmowners multiple peril	1,091,286	3,858,452	1,091,286	3,858,452	210,247	262,426	210,247	4,120,878	1,248,198
4. Homeowners multiple peril	14,183,968	116,791,580	14,183,968	116,791,580	2,361,069	71,112,595	2,361,069	187,904,175	42,951,021
5. Commercial multiple peril	101,317,265	228,682,442	101,317,262	228,682,445	98,849,079	177,185,335	98,849,077	405,867,782	164,525,721
6. Mortgage guaranty									
8. Ocean marine		6,518,755		6,518,755		6,372,136		12,890,891	2,114,257
9. Inland marine	3,931,905	9,778,170	3,931,905	9,778,170	483,581	9,243,322	483,581	19,021,492	3,053,851
10. Financial guaranty									
11.1 Medical professional liability—occurrence		1,173,452		1,173,452		14,268,398		15,441,850	1,164,688
11.2 Medical professional liability—claims-made		371,843		371,843		2,509,063		2,880,906	636,012
12. Earthquake		289,399		289,399		81,256		370,655	47,284
13. Group accident and health		312,904		312,904		237,178		(a) 550,082	26,111
14. Credit accident and health (group and individual)									
15. Other accident and health		1,650,589		1,650,589		2,199,778		(a) 3,850,367	1,369,898
16. Workers' compensation	99,406,618	1,289,466,863	99,406,618	1,289,466,863	113,525,524	1,227,602,057	113,525,524	2,517,068,920	364,285,884
17.1 Other liability—occurrence	30,990,931	264,474,767	30,990,931	264,474,767	83,977,634	434,645,675	83,977,634	699,120,442	230,171,470
17.2 Other liability—claims-made	19,783	29,349,523	19,783	29,349,523	164,048	120,206,062	164,048	149,555,585	37,682,418
17.3 Excess workers' compensation		51,535,858	(1)	51,535,859		61,534,160		113,070,019	10,704,840
18.1 Products liability—occurrence	719,525	19,789,958	719,525	19,789,958	979,163	57,629,910	979,163	77,419,868	55,673,387
18.2 Products liability—claims-made		43,509		43,509		3,757,232		3,800,741	2,051,245
19.1,19.2 Private passenger auto liability	69,045,547	520,040,142	69,045,547	520,040,142	13,162,103	327,806,445	13,162,103	847,846,587	192,536,729
19.3,19.4 Commercial auto liability	43,893,612	182,094,846	43,893,612	182,094,846	31,348,217	93,058,302	31,348,217	275,153,148	48,556,947
21. Auto physical damage	2,411,504	1,365,588	2,411,504	1,365,588	147,089	10,440,960	147,089	11,806,548	15,519,570
22. Aircraft (all perils)		4,244,542		4,244,542		2,967,224		7,211,766	2,821,315
23. Fidelity		559,877		559,877	410,463	6,091,634	410,463	6,651,511	1,066,293
24. Surety	182,148	10,051,350	182,148	10,051,350	62,557	19,274,772	62,557	29,326,122	13,474,025
26. Burglary and theft		17,697		17,697	742	7,811	742	25,508	17,825
27. Boiler and machinery		661,970		661,970	3,917	155,345	3,917	817,315	104,914
28. Credit		3,037		3,037		780,196		783,233	342
29. International									
30. Warranty						326,555		326,555	183,649
31. Reinsurance-nonproportional assumed property	X X X	17,297,401		17,297,401	X X X	19,731,300		37,028,701	548,899
32. Reinsurance-nonproportional assumed liability	X X X	15,352,010		15,352,010	X X X	32,971,986		48,323,996	4,381,865
33. Reinsurance-nonproportional assumed financial lines	X X X	803,128		803,128	X X X	5,073		808,201	6,720
34. Aggregate write-ins for other lines of business									
35. TOTALS	370,216,964	2,823,506,534	370,216,960	2,823,506,538	345,856,580	2,725,032,838	345,856,578	5,548,539,378	1,203,190,481

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	19,434,821			19,434,821
1.2 Reinsurance assumed	306,728,439			306,728,439
1.3 Reinsurance ceded	19,434,821			19,434,821
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	306,728,439			306,728,439
2. Commission and brokerage:				
2.1 Direct, excluding contingent		78,881,735		78,881,735
2.2 Reinsurance assumed, excluding contingent		295,223,876		295,223,876
2.3 Reinsurance ceded, excluding contingent		78,881,735		78,881,735
2.4 Contingent—direct		(1,232,246)		(1,232,246)
2.5 Contingent—reinsurance assumed		80,625,116		80,625,116
2.6 Contingent—reinsurance ceded		(1,232,246)		(1,232,246)
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)		375,848,992		375,848,992
3. Allowances to manager and agents		46,983,485		46,983,485
4. Advertising	997,327	87,199,906	5,526	88,202,759
5. Boards, bureaus and associations	1,471,302	9,372,398	194	10,843,894
6. Surveys and underwriting reports	20,478	18,237,561		18,258,039
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	218,634,129	430,714,095	16,051,642	665,399,866
8.2 Payroll taxes	9,901,280	38,074,826	15,220	47,991,326
9. Employee relations and welfare	40,619,439	151,245,408	408,491	192,273,338
10. Insurance	17,046,567	3,407,347	74,708	20,528,622
11. Directors' fees	119	4,858		4,977
12. Travel and travel items	14,939,901	34,699,754	508,856	50,148,511
13. Rent and rent items	11,997,845	45,222,841	148,465	57,369,151
14. Equipment	6,796,796	21,207,409	474,591	28,478,796
15. Cost or depreciation of EDP equipment and software	8,063,134	26,326,113	422,666	34,811,913
16. Printing and stationery	1,497,232	5,655,026	65,066	7,217,324
17. Postage, telephone and telegraph, exchange and express	6,163,814	25,055,393	568,117	31,787,324
18. Legal and auditing	1,738,774	5,510,680	355,942	7,605,396
19. Totals (Lines 3 to 18)	339,888,137	948,917,100	19,099,484	1,307,904,721
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 699,257		129,342,037		129,342,037
20.2 Insurance department licenses and fees		13,178,515		13,178,515
20.3 Gross guaranty association assessments		1,222,073		1,222,073
20.4 All other (excluding federal and foreign income and real estate)		9,188,637		9,188,637
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		152,931,262		152,931,262
21. Real estate expenses			1,134,058	1,134,058
22. Real estate taxes			334,949	334,949
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	27,813,455	94,914,235	5,698,932	128,426,622
25. Total expenses incurred	674,430,031	1,572,611,589	26,267,423	(a) 2,273,309,043
26. Less unpaid expenses—current year	1,203,190,482	318,765,730	20,782	1,521,976,994
27. Add unpaid expenses—prior year	1,223,350,214	321,644,559	25,297	1,545,020,070
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year		74,634		74,634
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	694,589,763	1,575,565,052	26,271,938	2,296,426,753

DETAILS OF WRITE-IN LINES				
2401. Other expenses	27,813,455	94,914,235	5,698,932	128,426,622
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)	27,813,455	94,914,235	5,698,932	128,426,622

(a) Includes management fees of \$ 678,310,452 to affiliates and \$ 46,943,240 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 28,568,697	28,481,824
1.1 Bonds exempt from U.S. tax	(a) 90,880,310	86,102,739
1.2 Other bonds (unaffiliated)	(a) 191,883,351	189,328,832
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 1,795,616	1,795,616
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	16,882,630	16,708,689
2.21 Common stocks of affiliates	373,956	
3. Mortgage loans	(c) 12,315,851	12,472,696
4. Real estate	(d) 2,053,598	2,053,598
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 541,583	391,940
7. Derivative instruments	(f)	
8. Other invested assets	44,476,267	44,476,267
9. Aggregate write-ins for investment income	372,278	372,278
10. Total gross investment income	390,144,137	382,184,479
11. Investment expenses		(g) 26,267,425
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 4,236
14. Depreciation on real estate and other invested assets		(i) 426,537
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		26,698,198
17. Net investment income (Line 10 minus Line 16)		355,486,281

DETAILS OF WRITE-IN LINES			
0901. Miscellaneous Income/(Expense)		372,278	372,278
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)		372,278	372,278
1501.	NONE		
1502.			
1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)			

- (a) Includes \$ 8,782,815 accrual of discount less \$ 30,365,763 amortization of premium and less \$ 2,364,343 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 \$ 87,841 paid for accrued interest on purchases.
- (d) Includes \$ 2,053,598 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 3,495 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(29,268)	(1,088,801)	(1,118,069)		
1.1 Bonds exempt from U.S. tax	7,631,128		7,631,128	120,771	
1.2 Other bonds (unaffiliated)	840,596	(671,797)	168,799	(6,342,437)	4,585,520
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)				3,196,600	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	23,410,560	(5,354,169)	18,056,391	13,483,647	(20,524,999)
2.21 Common stocks of affiliates				9,235,653	
3. Mortgage loans	(116,070)		(116,070)	(131,993)	
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	382,438	(58,438)	324,000	30,604,750	
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	32,119,384	(7,173,205)	24,946,179	50,166,991	(15,939,479)

DETAILS OF WRITE-IN LINES					
0901.	NONE				
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	15,259,373	16,383,599	1,124,226
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	574,254	1,278,434	704,180
15.3 Accrued retrospective premiums	9,889,038	10,441,952	552,914
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	2,807	75,356	72,549
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	10,360,564	57,902,429	47,541,865
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	4,258	4,801	543
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	24,642,358	4,839,618	(19,802,740)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	60,732,652	90,926,189	30,193,537
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	60,732,652	90,926,189	30,193,537

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	24,602,912	4,839,234	(19,763,678)
2502. Amounts receivable under high deductible policies	39,446	384	(39,062)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	24,642,358	4,839,618	(19,802,740)

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 Peerless Insurance Company (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* ("APP Manual").

The New Hampshire Department of Insurance approved a departure of a prescribed practice pursuant to NH RSA 402:28 I(d)(3), effective April 1, 2014. Pursuant to this departure of a prescribed practice, the Company is permitted to include as admitted assets, limited partnership investments in excess of the five percent (5%) aggregate limitation set forth in RSA 402:28 to the extent such assets, when added to all other equity interests of the insurer, do not exceed the greater of twenty-five percent (25%) of its admitted assets or one hundred percent (100%) of its surplus as regards to policyholders, provided that no investment shall be acquired hereunder if, as a result of and after giving effect to the investment, the insurer would hold more than five percent (5%) of its admitted assets in investments of all kinds issued, assumed, accepted, insured, or guaranteed by a single person.

Risk based capital would not have triggered a regulatory event had the Company not used this departure of a prescribed practice.

	State of Domicile	2014	2013
NET INCOME			
PIC state basis (Page 4, Line 20, Columns 1 & 2)	NH	\$ 247,178,842	\$ 151,509,459
State Prescribed Practices: NONE		-	-
State Permitted Practices: NONE		-	-
NAIC SAP		\$ 247,178,842	\$ 151,509,459

	State of Domicile	2014	2013
SURPLUS			
PIC state basis (Page 3, Line 37, Columns 1 & 2)	NH	\$ 3,058,916,909	\$ 2,786,442,887
State Prescribed Practices:		85,218,830	-
State Permitted Practices: NONE		-	-
NAIC SAP		\$ 2,973,698,079	\$ 2,786,442,887

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

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

C. Accounting Policies

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

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

1. Short term investments are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the Purposes and Procedures Manual of the NAIC Investment Analysis Office (IAO Manual).
2. Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the IAO Manual.
3. Common stocks are carried at fair value, except that investments in stocks of subsidiaries, controlled and affiliated ("SCA") companies are carried according to Note 1C(7).
4. Preferred stocks are carried at cost or fair value as specified by the IAO Manual. Preferred stocks of SCA companies are carried according to Note 1C(7).
5. Mortgage loans are carried at unpaid principal balances, less impairments as specified by the IAO Manual.
6. Mortgage backed/asset backed securities are carried at amortized cost or fair value based on guidance in the IAO Manual. Prepayment assumptions for mortgage backed/asset backed securities are updated monthly. The retrospective adjustment method is used to value all mortgage backed/asset backed securities.
7. Investments in SCA companies are carried in accordance with SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*, and the IAO Manual.
8. Investments in joint ventures, partnerships, and limited liability companies are carried in accordance with SSAP No. 48, *Joint Ventures, Partnerships and Limited Liability Companies*, and the IAO Manual.

NOTES TO FINANCIAL STATEMENTS

9. Derivative Securities, refer to Note 8.
10. Investment income is anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property Casualty Contracts - Premiums*. Refer to Note 30.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and an amount, based on past experience, for losses and loss adjustment expenses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods, for making such estimates and for establishing the resulting liability, are continually reviewed and follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.
12. The Company did not change its capitalization policy in 2014.
13. The Company has no pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Correction of Errors

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

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

On August 24, 2007, the Company and three affiliates (Liberty Mutual Fire Insurance Company (“LMFIC”), a Wisconsin insurance company; Employers Insurance Company of Wausau (“EICOW”), a Wisconsin insurance company; and Liberty Mutual Insurance Company (“LMIC”), a Massachusetts insurance company) acquired all of the issued and outstanding voting shares of Ohio Casualty Corporation, a non-insurance holding company, which is the upstream parent of four property casualty insurance companies. The Company directly acquired a 8% ownership interest in Ohio Casualty Corporation, while the affiliates account for the remaining 92% (LMFIC 6%, EICOW 8%, and LMIC 78%). The transaction was accounted for as a statutory purchase and the cost was \$222,400,560, resulting in goodwill in the amount of \$117,712,240. Goodwill amortization relating to the purchase of Ohio Casualty Corporation was \$11,771,227 for year ended December 31, 2014; goodwill is being amortized over ten years.

B. Statutory Mergers

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

C. Impairment Loss

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

Note 4 - Discontinued Operations

The Company has no discontinued operations.

Note 5 - Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

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

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

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

	2014	2013
3. Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$13,214	\$15,909

4. Age Analysis of Mortgage Loans:

Farm	Residential		Commercial		Mezzanine	Total
	Insured	All Other	Insured	All Other		

a. Current Year

1. Recorded Investment (All)

(a) Current	\$ -	\$ -	\$ -	\$ -	\$ 267,221,441	\$ -	\$ 267,221,441
(b) 30-59 Days Past Due	-	-	-	-	97,232	-	97,232
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	303	-	303
(e) 180+ Days Past Due	-	-	-	-	256,396	-	256,396

NOTES TO FINANCIAL STATEMENTS

2. Accruing Interest 90-179 Days
Past Due

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

3. Accruing Interest 180+ Days
Past Due

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

4. Interest Reduced

(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ 4,939,066	\$ -	\$ 4,939,066
(b) Number of Loans	-	-	-	-	324	-	324
(c) Percent Reduced	-	-	-	-	1.831%	-	1.831%

b. Prior Year

1. Recorded Investment (All)

(a) Current	\$ -	\$ -	\$ -	\$ -	\$ 216,571,580	\$ -	\$ 216,571,580
(b) 30-59 Days Past Due	-	-	-	-	78,789	-	78,789
(c) 60-89 Days Past Due	-	-	-	-	79,917	-	79,917
(d) 90-179 Days Past Due	-	-	-	-	86,716	-	86,716
(e) 180+ Days Past Due	-	-	-	-	185,409	-	185,409

2. Accruing Interest 90-179 Days
Past Due

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

3. Accruing Interest 180+ Days
Past Due

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

4. Interest Reduced

(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ 13,570,581	\$ -	\$ 13,570,581
(b) Number of Loans	-	-	-	-	146	-	146
(c) Percent Reduced	-	-	-	-	1.595%	-	1.595%

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

Farm	Residential		Commercial		Mezzanine	Total
	Insured	All Other	Insured	All Other		

a. Current Year

1. With Allowance for Credit Losses	\$-	\$-	\$-	\$-	\$ 1,261,838	\$-	\$ 1,261,838
2. No Allowance for Credit Losses	-	-	-	-	493,113	-	493,113

b. Prior Year

1. With Allowance for Credit Losses	\$-	\$-	\$-	\$-	\$ 877,982	\$-	\$ 877,982
2. No Allowance for Credit Losses	-	-	-	-	483,623	-	483,623

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

Farm	Residential		Commercial		Mezzanine	Total
	Insured	All Other	Insured	All Other		

a. Current Year

1. Average Recorded Investment	\$-	\$-	\$-	\$-	1,558,559	\$-	\$ 1,558,559
2. Interest Income Recognized	-	-	-	-	84,232	-	84,232
3. Recorded Investments on Nonaccrual Status	-	-	-	-	256,700	-	256,700
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	70,664	-	70,664

NOTES TO FINANCIAL STATEMENTS

b. Prior Year

1. Average Recorded Investment	\$-	\$-	\$-	\$-	1,486,751	\$-	\$ 1,486,751
2. Interest Income Recognized	-	-	-	-	73,616	-	73,616
3. Recorded Investments on Nonaccrual Status	-	-	-	-	357,373	-	357,373
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	60,574	-	60,574

	2014	2013
7. Allowance for credit losses:		
a. Balance at beginning of period	\$ 437,906	\$ 855,740
b. Additions charged to operations	261,749	178,860
c. Direct write-downs charged against the allowances	140,474	596,694
d. Recoveries of amounts previously charged off	10,718	-
e. Balance at end of period	\$ 569,899	\$ 437,906

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

B. Debt Restructuring

	2014	2013
1. The total recorded investment in restructured loans, as of year end	\$1,542,297	\$1,705,421
2. The realized capital losses related to these loans	\$-	\$-
3. Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	\$-	\$-
4. The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.		

C. Reverse Mortgages

The company has no reverse mortgages.

D. Loan Backed Securities

- Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.
- All Loan Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2014 as of December 31, 2014: None
- Each Loan Backed Security with a recognized other-than-temporary impairment held by the Company at December 31, 2014:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair Value at time of OTTI	Date of Financial Statement Where Report
12544LAK7	575,248	572,644	2,603	572,644	573,304	3/31/2014
12544LAK7	1,725,743	1,717,932	7,810	1,717,932	1,719,913	3/31/2014
12544LAK7	575,248	572,644	2,603	572,644	573,304	3/31/2014
12544LAK7	581,039	572,598	8,442	572,598	573,304	3/31/2014
59023XAB2	165,879	163,646	2,233	163,646	159,694	3/31/2014
74958YAA0	1,096,286	1,095,124	1,161	1,095,124	1,061,092	3/31/2014
74958YAA0	1,034,748	1,032,552	2,195	1,032,552	1,034,561	6/30/2014
74958YAA0	1,033,612	1,032,552	1,060	1,032,552	1,034,561	9/30/2014
12544LAK7	507,990	495,149	12,841	495,149	494,826	12/31/2014
12544LAK7	1,523,971	1,485,447	38,524	1,485,447	1,484,477	12/31/2014
12544LAK7	507,990	495,149	12,841	495,149	494,826	12/31/2014
12544LAK7	507,949	495,149	12,800	495,149	494,826	12/31/2014
61749BAB9	27,098	26,041	1,057	26,041	20,119	12/31/2014
61749BAB9	391,553	376,282	15,271	376,282	290,709	12/31/2014
61749BAB9	35,445	34,063	1,382	34,063	26,316	12/31/2014
32056FAC6	2,181,479	2,100,829	80,651	2,100,829	2,098,229	12/31/2014

NOTES TO FINANCIAL STATEMENTS

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

a.	The aggregate amount of unrealized losses:		
	1. Less than 12 Months	\$	778,806
	2. 12 Months or Longer	\$	9,723,848
b.	The aggregate related fair value of securities with unrealized losses:		
	1. Less than 12 Months	\$	165,187,551
	2. 12 Months or Longer	\$	593,059,219

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 to security lending.
2. The Company has not pledged any of its assets as collateral as of December 31, 2014.
3. Aggregate Amount of Contractually open cash collateral positions:

a. Aggregate Amount Cash Collateral Received

	<u>Fair Value</u>
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	\$193,761,250
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	\$193,761,250
(g) Securities Received	\$24,516,767
(h) Total Collateral Received	\$218,278,017
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)	\$193,761,250

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

	<u>Amortized Cost</u>	<u>Fair Value</u>
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	\$99,377,166	\$99,372,021
(c) 31 to 60 Days	\$40,869,208	\$40,869,762
(d) 61 to 90 Days	\$53,519,606	\$53,519,449
(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	\$193,765,980	\$193,761,232
(l) Securities Received	_____	_____
(m) Total Collateral Reinvested	\$190,765,980	\$193,761,232
3. Dollar Repurchase Agreement		
(a) Open	_____	_____
(b) 30 Days or Less	_____	_____
(c) 31 to 60 Days	_____	_____
(d) 61 to 90 Days	_____	_____
(e) 91 to 120 Days	_____	_____
(f) 121 to 180 Days	_____	_____
(g) 181 to 365 Days	_____	_____
(h) 1 to 2 Years	_____	_____
(i) 2 to 3 Years	_____	_____
(j) Greater Than 3 Years	_____	_____
(k) Sub-Total	_____	_____
(l) Securities Received	_____	_____
(m) Total Collateral Reinvested	_____	_____

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

6. The securities collateral currently not listed on the balance sheet, which has been pledged to the Company against a borrowed position is not restricted from use in the event the Company wanted to use it.
7. The Company's securities lending program is an open transaction (not contract based), and as such, the Company can recall the security lent at any time.

NOTES TO FINANCIAL STATEMENTS

F. Real Estate

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

G. Investments in Low-Income Housing Tax Credits

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

H. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross Restricted							8 Total Current Year Admitted Restricted	Percentage	
	Current Year					6 Total From Prior Year	7 Increase / (Decrease) (5 minus 6)		9 Gross Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Supporting G/A Activity (b)	5 Total (1 plus 3)					
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
b. Collateral held under security lending agreements	193,761,232	-	-	-	\$193,761,232	\$109,976,126	\$83,785,106	\$193,761,232	2%	2%
c. Subject to repurchase agreements	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
d. Subject to reverse repurchase agreements	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
e. Subjects to dollar repurchase agreements	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
g. Placed under option contracts	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
i. FHLB capital stock	6,496,300	-	-	-	\$6,496,300	\$3,815,500	\$2,680,800	\$6,496,300	0%	0%
j. On deposit with states	508,546,946	-	-	-	\$508,546,946	\$854,613,558	\$(346,066,612)	\$508,546,946	4%	4%
k. On deposit with other regulatory bodies	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
m. Pledged as collateral not captured in other categories	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
n. Other restricted assets	-	-	-	-	\$-	\$-	\$-	\$-	0%	0%
o. Total restricted assets	\$708,804,478	\$-	\$-	\$-	\$708,804,478	\$968,405,184	\$(259,600,706)	\$708,804,478	6%	6%

(a) Subset of column 1

(b) Subset of column 3

NOTES TO FINANCIAL STATEMENTS

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

Not applicable

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

Not applicable

I. Working Capital Finance Investments

The Company does not invest in Working Capital Finance Investments.

J. Offsetting and Netting of Assets and Liabilities

Not applicable

K. Structured Notes

Not applicable

Note 6 - Joint Ventures, Partnerships & Limited Liability Companies

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

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

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

The Company invests in limited partnerships that are reported in accordance with SSAP No. 48. These limited partnerships are valued by the equity method using traditional private equity valuation measures. Interim poor performance which indicates a probable inability to recover the carrying amount of the assets leads to impairment losses being recognized by management. Management may also engage to sell limited partnership interests which may also lead to impairment losses being recognized. The Company realized impairment losses of \$58,438 during the year.

Note 7 - Investment Income

- A. Accrued Investment Income

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

- B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2014.

Note 8 - Derivative Instruments

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

Note 9 - Income Taxes

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

1.

	12/31/2014		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 433,266,000	\$ 7,247,000	\$ 440,513,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	433,266,000	7,247,000	440,513,000
(d) Deferred Tax Assets Nonadmitted	10,360,564	-	10,360,564
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	422,905,436	7,247,000	430,152,436
(f) Deferred Tax Liabilities	90,511,000	22,938,000	113,449,000
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	\$ 332,394,436	\$ (15,691,000)	\$ 316,703,436

NOTES TO FINANCIAL STATEMENTS

	12/31/2013		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 441,677,550	\$ 8,054,900	\$ 449,732,450
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	441,677,550	8,054,900	449,732,450
(d) Deferred Tax Assets Nonadmitted	57,902,429	-	57,902,429
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	383,775,121	8,054,900	391,830,021
(f) Deferred Tax Liabilities	61,641,994	23,677,456	85,319,450
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	\$ 322,133,127	\$ (15,622,556)	\$ 306,510,571

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ (8,411,550)	\$ (807,900)	\$ (9,219,450)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(8,411,550)	(807,900)	(9,219,450)
(d) Deferred Tax Assets Nonadmitted	(47,541,865)	-	(47,541,865)
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	39,130,315	(807,900)	38,322,415
(f) Deferred Tax Liabilities	28,869,006	(739,456)	28,129,550
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	\$ 10,261,309	\$ (68,444)	\$ 10,192,865

2.

	12/31/2014		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 181,918,904	\$ 1,653,885	\$ 183,572,789
(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)	133,130,647	-	133,130,647
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	133,130,647	-	133,130,647
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	416,650,412
(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	90,511,000	22,938,000	113,449,000
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	\$ 405,560,551	\$ 24,591,885	\$ 430,152,436

	12/31/2013		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 214,873,974	\$ 2,021,852	\$ 216,895,826
(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)	89,614,745	-	89,614,745
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	89,614,745	-	89,614,745
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	365,501,027
(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	61,641,994	23,677,456	85,319,450
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	\$ 366,130,713	\$ 25,699,308	\$ 391,830,021

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	\$ (32,955,070)	\$ (367,967)	\$ (33,323,037)
(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)	43,515,902	-	43,515,902
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	43,515,902	-	43,515,902
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	51,149,385
(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	28,869,006	(739,456)	28,129,550
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 39,429,838	\$ (1,107,423)	\$ 38,322,415

3.

	2014	2013
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	441.3%	397.4%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	2,742,213,473	2,479,932,316

4.

	12/31/2014		12/31/2013		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
Impact of Tax-Planning Strategies						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1 (c)	\$433,266,000	\$7,247,000	\$441,677,550	\$8,054,900	\$(8,411,550)	\$(807,900)
2. Percentage of adjusted gross DTAs by tax character to the impact of tax planning strategies.	0%	0%	0%	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1 (e)	\$422,905,436	\$7,247,000	\$383,775,121	\$8,054,900	\$39,130,315	\$(807,900)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	0%	0%	0%	0%	0%	0%

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

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

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

	(1)	(2)	(3)
	12/31/2014	12/31/2013	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 22,995,837	\$ 121,255,856	\$ (98,260,019)
(b) Foreign	-	869	(869)
(c) Subtotal	22,995,837	121,256,725	(98,260,888)
(d) Federal income tax on net capital gains	8,731,163	30,074,276	(21,343,113)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income tax incurred	\$ 31,727,000	\$ 151,331,001	\$ (119,604,001)
2. Deferred Tax Assets:			

NOTES TO FINANCIAL STATEMENTS

(a) Ordinary			
(1) Discounting of unpaid losses	\$ 139,127,000	\$ 158,824,000	\$ (19,697,000)
(2) Unearned premium reserve	184,048,000	177,804,000	6,244,000
(3) Policyholder reserves	-	-	-
(4) Investments	3,379,000	4,509,000	(1,130,000)
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	385,000	272,000	113,000
(8) Compensation and benefits accrual	15,570,000	11,920,000	3,650,000
(9) Pension accrual	-	-	-
(10) Receivables – nonadmitted	17,630,000	11,558,000	6,072,000
(11) Net operating loss carry-forward	4,282,000	17,353,000	(13,071,000)
(12) Tax credit carry-forward	24,594,000	15,038,000	9,556,000
(13) Other (including items <5% of total ordinary tax assets)	44,251,000	44,399,550	(148,550)
(99) Subtotal	433,266,000	441,677,550	(8,411,550)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	10,360,564	57,902,429	(47,541,865)
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	422,905,436	383,775,121	39,130,315
(e) Capital			
(1) Investments	7,247,000	8,054,900	(807,900)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	7,247,000	8,054,900	(807,900)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	7,247,000	8,054,900	(807,900)
(i) Admitted deferred tax assets (2d + 2h)	430,152,436	391,830,021	38,322,415
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	22,958,000	7,056,000	15,902,000
(2) Fixed assets	44,119,000	32,897,000	11,222,000
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total capital tax liabilities)	23,434,000	21,688,994	1,745,006
(99) Subtotal	90,511,000	61,641,994	28,869,006
(b) Capital:			
(1) Investments	22,938,000	23,677,456	(739,456)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	22,938,000	23,677,456	(739,456)
(c) Deferred tax liabilities (3a99 + 3b99)	113,449,000	85,319,450	28,129,550
4. Net deferred tax assets/liabilities (2i – 3c)	\$ 316,703,436	\$ 306,510,571	\$ 10,192,865

- D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of intercompany dividends, LP & LLC income, tax exempt income, utilization of prior year net operating losses, limits on unearned premium reserve deductions, discounting of unpaid losses and loss adjustment expenses, and revisions to prior year estimates.
- E. The Company has net operating loss carry-forwards which expire as follows:

Year Generated	Amount	Expiration
2011	\$ 12,234,000	2031

The Company has no foreign tax credit carry-forwards.

NOTES TO FINANCIAL STATEMENTS

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

Year Generated	Amount	Expiration
2009	\$ 43	2029
2011	\$ 941,927	2031
2012	\$ 3,411,510	2032
2013	\$ 8,586,693	2033
2014	\$ 11,654,159	2034

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 is \$50,320,000 from the current year and \$146,441,000 from the preceding year.

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

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

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

NOTES TO FINANCIAL STATEMENTS

Liberty Insurance Holdings, Inc.	Summit Holding Southeast, Inc.
Liberty Insurance Underwriters Inc.	The First Liberty Insurance Corporation
Liberty International Europe Inc.	The Midwestern Indemnity Company
Liberty International Holdings Inc.	The National Corporation
Liberty Life Assurance Company of Boston	The Netherlands Insurance Company
Liberty Life Holdings Inc.	The Ohio Casualty Insurance Company
Liberty Lloyds of Texas Insurance Company	Wausau Business Insurance Company
Liberty Management Services, Inc.	Wausau General Insurance Company
Liberty Mexico Holdings Inc.	Wausau Underwriters Insurance Company
Liberty Mutual Agency Corporation	West American Insurance Company
Liberty Mutual Fire Insurance Company	Winmar Company, Inc.
Liberty Mutual Group Asset Management Inc.	Winmar of the Desert, Inc.
Liberty Mutual Group Inc.	Winmar Oregon, Inc.
Liberty Mutual Holding Company Inc.	Winmar-Metro, Inc.

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

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

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

- A. All of the outstanding shares of capital stock of the Company are held by Liberty Mutual Agency Corporation, an insurance holding company incorporated in Delaware. Liberty Mutual Agency Corporation is wholly owned by Liberty Insurance Holdings, Inc., an insurance holding company incorporated in Delaware. Liberty Insurance Holdings, Inc. is wholly owned by Liberty Mutual Insurance Company ("LMIC"), a Massachusetts insurance company. The ultimate parent of LMIC is Liberty Mutual Holding Company Inc., a Massachusetts company.
- B. Transactions between the Company and its affiliates are listed on Schedule Y Part 2.
- C. As of December 31, 2014, the Company had the following capital transactions with its parent and subsidiaries:
4. Received dividends in the amount of \$51,700,000
- D. At December 31, 2014, the Company reported a net \$27,880,554 due to affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.
- E. The Company has not made any guarantees or initiated any undertakings for the benefit of affiliates which result in a material contingent exposure of the Company's or affiliates' assets or liabilities.
- F. Refer to Note 26 for information regarding the Inter-Company Reinsurance Agreement.

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

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

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

The Company is 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:

<i>Company</i>	<i>Credit Line</i>
Indiana Insurance Company	\$50,000,000
Liberty Mutual Insurance Company	\$150,000,000
The Ohio Casualty Insurance Company	\$100,000,000
Peerless Indemnity Insurance Company	\$50,000,000
Safeco Insurance Company of America	\$100,000,000
The Netherlands Insurance Company	\$50,000,000

NOTES TO FINANCIAL STATEMENTS

There were no outstanding loans as of December 31, 2014 with the exception of the outstanding loan of \$30,320,506 to Safeco Insurance Company of America.

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:

<i>Company</i>	<i>Credit Line</i>
Indiana Insurance Company	\$50,000,000
Liberty Mutual Insurance Company	\$150,000,000
The Ohio Casualty Insurance Company	\$100,000,000
Peerless Indemnity Insurance Company	\$50,000,000
Safeco Insurance Company of America	\$100,000,000
The Netherlands Insurance Company	\$50,000,000

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

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

Note 11- Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. FHLB (Federal Home Loan Bank) Agreements

- 1. The Company is a member of the Federal Home Loan Bank (FHLB) of Boston. There were no outstanding borrowings as of December 31, 2014. The Company has determined the actual maximum borrowing capacity as \$1,200,000,000 per Board of Directors consent.
- 2. FHLB Capital Stock
 - a. Aggregate Totals

1. Current Year

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	6,496,300	6,496,300	-
Activity Stock	-	-	-
Excess Stock	-	-	-
Aggregate Total	\$ 6,496,300	\$ 6,496,300	-
Actual or estimated Borrowing Capacity as Determined by the Insurer	\$1,200,000,000	XXX	XXX

2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	3,815,500	3,815,500	-
Activity Stock	-	-	-
Excess Stock	-	-	-
Aggregate Total	\$ 3,815,500	\$ 3,815,500	-
Actual or estimated Borrowing Capacity as Determined by the Insurer	\$1,200,000,000	XXX	XXX

NOTES TO FINANCIAL STATEMENTS

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

	Current Year Total	Not Eligible for Redemption	Less Than 6 Months	6 months to Less Than 1 year	1 to Less Than 3 Years	3 to 5 Years
Membership Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class A	-	-	-	-	-	-
Class B	\$ -	\$ 6,496,300	\$ -	\$ 3,130,800	\$ -	\$ 3,815,500

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

1. Current Year Total General and Protected Cell Accounts

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

2. Current Year General Account

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

3. Current Year Protected Cell Accounts

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

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

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

b. Maximum Amount Pledged During Reporting Period (1.31.14)

1. Current Year Total General and Protected Cell Accounts

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

2. Current Year General Account

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

3. Current Year Protected Cell Accounts

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

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

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

NOTES TO FINANCIAL STATEMENTS

4. Borrowing from FHLB

a. Amount As of the Reporting Date

1. Current Year

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

2. Prior Year-end

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

b. Maximum Amount During Reporting Period (Current Year)

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

c. FHLB – Prepayment Obligations

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

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

- The Company has 5,000,000 common shares authorized, and 3,524,456 shares issued and outstanding as of December 31, 2014. All shares have a stated par value of \$2.50.

The Company has 113,043 preferred shares authorized and no shares are issued and outstanding as of December 31, 2014. All shares have a stated par value of \$2.50.

- Preferred Stock

Not applicable

- There are no dividend restrictions.

- The Company did not pay any dividends to its parent in 2014.

- The maximum amount of dividends that can be paid by New Hampshire-domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner is 10% of surplus. The maximum dividend payout that may be made without prior approval in 2015 is \$305,891,691.

- As of December 31, 2014, the Company has pre-tax restricted surplus of \$21,581,745 resulting from retroactive reinsurance contracts.

- The Company had no advances to surplus.

- The Company does not hold stock for special purposes.

NOTES TO FINANCIAL STATEMENTS

9. The Company had changes in special surplus funds resulting from prior year's retroactive reinsurance contracts during 2014.
10. The portion of unassigned funds (surplus) represented by cumulative net unrealized losses is (\$401,448,417) after applicable deferred taxes of (\$18,051,022).
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 \$26,166,128 that is offset by future premium tax credits of \$1,635,293. Current assessments are expected to be paid out in the next two years, while premium tax offsets are expected to be realized in the next five years, beginning in 2015. During 2014 there were no material insolvencies to report. The Company continues to remit payments relating to prior year insolvencies.

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

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$ 2,456,994
b. Decreases current year:	
Premium tax offset applied	967,337
c. Increases current year:	
Premium tax offset increase	145,636
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	<u>\$ 1,635,293</u>

C. Gain Contingencies

Not applicable

D. Claims related extra contractual obligation 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	\$1,419,700

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.

NOTES TO FINANCIAL STATEMENTS

F. Joint and Several Liabilities

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

G. All Other Contingencies

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

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

The Company refunded all premium and interest held in an escrow fund to certain of its policyholders in accordance with North Carolina General Statutes § 58-36-25(b). These distributions represented the full disposition of the Company's escrow fund.

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,	<u>Operating Leases</u>
2015	\$ 32,750,295
2016	33,855,101
2017	21,350,370
2018	14,161,045
2019	8,445,021
2020 & thereafter	63,024,910
Total	\$ 173,586,742

The amount of liability the Company recognized in its financial statements for lease agreements for which it is no longer using the leased property benefits is \$1,163,997.

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

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

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

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

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

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

A. Transfers of Receivables Reported as Sales

The Company did not have any transfers of receivables reported as sales 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, 2014 the total fair value of securities on loan was \$213,877,057, with corresponding collateral value of \$218,278,016 of which \$193,761,250 represents cash collateral that was reinvested.

NOTES TO FINANCIAL STATEMENTS

C. Wash Sales

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

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

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

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

Note 20 - Fair Value Measurements

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

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

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

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

- Level 1 — Valuations based on unadjusted observable quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 — Valuations based on directly or indirectly observable inputs (other than Level 1 prices) at the measurement date, such as quoted prices in active markets or prices in markets that are not active for similar assets or liabilities or other inputs that are observable.
- Level 3 — Valuations based on inputs that are unobservable and reflect the Company's own assumptions about the assumptions that market participants might use.

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

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Issuer Obligations	\$ -	\$295,022,974	\$370	\$295,023,344
Non-Issuer Obligations	-	6,297,093	-	6,297,093
Total Bonds	\$ -	\$301,320,067	\$370	\$301,320,437
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	\$ -	\$39,186,300	\$ -	\$39,186,300
Total Preferred Stocks	\$ -	\$39,186,300	\$ -	\$39,186,300
Common Stocks				
Industrial and Miscellaneous	\$768,453,675	\$ -	\$6,946,300	\$775,399,975
Total Common Stocks	\$768,453,675	\$ -	\$6,946,300	\$775,399,975
Total assets at fair value	\$768,453,675	\$340,506,367	\$6,946,670	\$1,115,906,712
Liabilities at fair value				
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

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

NOTES TO FINANCIAL STATEMENTS

2. Rollforward of Level 3 Items

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

1	2	3	4	5	6	7	8	9	10	11
	Balance at 12/31/2013	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2014
Bonds	\$4,805,110	\$1,840,919	(\$13,338,990)	\$-	\$8,226	\$7,242,500	\$-	(\$566,000)	\$8,605	\$370
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Common Stock	3,815,500	2,815	(4,175)	-	1,360	3,130,800	-	-	-	6,946,300
Other Assets	23,200,935	-	(27,963,549)	-	5,119,966	-	-	(357,352)	-	-
Total	\$31,821,545	\$1,843,734	(\$41,306,714)	\$-	\$5,129,552	\$10,373,300	\$-	(\$923,352)	\$8,605	\$6,946,670

3. Policy on Transfers Into and Out of Level 3

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

4. Inputs and Techniques Used for Fair Value

Fixed Maturities

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

U.S. Government and Agency

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

Mortgage-Backed Securities

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

Asset-Backed Securities

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

Municipals

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

NOTES TO FINANCIAL STATEMENTS

Corporate debt and other

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

Foreign government securities

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

Equity Securities

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

Other Investments

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

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash, Cash Equivalents, and Short Term	\$98,967,420	\$98,967,420	\$98,967,420	\$-	\$-	\$-
Bonds	8,046,057,664	7,811,909,926	61,283,249	7,924,572,871	60,201,544	-
Preferred Stock	39,186,300	39,186,300	-	39,186,300	-	-
Common Stock	775,399,975	775,399,975	768,453,675	-	6,946,300	-
Securities Lending	193,761,232	193,761,232	-	193,761,232	-	-
Mortgage Loans	287,263,966	267,005,473	-	-	287,263,966	-
Surplus Notes	-	-	-	-	-	-
Total	\$9,440,636,557	\$9,186,230,326	\$928,704,344	\$8,157,520,403	\$354,411,810	\$-

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

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures

1) Interrogatory 6.1

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

Interrogatory 6.2

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

Interrogatory 6.3

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

D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

E. State Transferable and Non-transferable Tax Credit

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

<u>Description of State Transferable and Non-transferable Tax Credits</u>	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
Film Credit	PA	\$ 235,000	\$ 235,000
<u>Total</u>		<u>\$ 235,000</u>	<u>\$ 235,000</u>

- (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

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
Transferable	-	-
Non-transferable	<u>\$ 235,000</u>	<u>-</u>

F. Subprime-Mortgage-Related Risk Exposure

- The Company has not purchased securities characterized by the market as subprime. The Company looks at such factors as average FICO scores, loan to value ratios, and levels of documentation when evaluating securities. The Company's only exposure to subprime was inherited through past acquisitions of insurance companies.
- The Company does not have any direct exposure through investments in subprime mortgage loans.
- The Company has direct exposure through their investment in residential mortgage-backed securities.

<u>Actual Cost</u>	<u>Book Adjusted Carrying Value</u>	<u>Fair Value</u>	<u>Other-Than-Temporary Impairments Recognized</u>
\$2,007,223	\$1,951,699	\$1,855,676	\$27,846

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

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

NOTES TO FINANCIAL STATEMENTS

Note 22 - Events Subsequent

The Company evaluated subsequent events through February 20, 2015, the date the financial statements were available to be issued.

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

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

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

Excluding amounts arising pursuant to the Liberty Mutual Amended and Restated Intercompany Reinsurance Agreement, there are no unsecured reinsurance recoverables or ceded unearned premium of an individual reinsurer which exceed 3% of policyholder's surplus.

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed & Ceded

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

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$2,515,271,519	\$242,919,447	\$232,789,160	\$33,055,195	\$2,282,482,359	\$209,864,252
b. All Other	-	-	-	-	-	-
c. TOTAL	\$2,515,271,519	\$242,919,447	\$232,789,160	\$33,055,195	\$2,282,482,359	\$209,864,252
d. Direct Unearned Premium Reserve	\$232,789,160					

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

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$61,173,383	\$82,383,149	\$61,173,383	\$82,383,149
b. Sliding Scale Adjustments	-	131,219	-	131,219
c. Other Profit Commission Arrangements	-	-	-	-
d. TOTAL	\$61,173,383	\$82,514,368	\$61,173,383	\$82,514,368

- 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.

	Reported Company	
	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	\$(495,482,542)	\$-
2. Adjustments – Prior Year (s)	(79,713,110)	-
3. Adjustments – Current Year	(19,958,448)	-
4. Current Total	\$(595,154,100)	\$-
b. Consideration Paid or Received:		
1. Initial Consideration	\$(504,081,966)	\$-
2. Adjustments – Prior Year (s)	(10,976,954)	-
3. Adjustments – Current Year	(89,955)	-
4. Current Total	\$(515,148,875)	\$-

NOTES TO FINANCIAL STATEMENTS

c. Paid Losses Reimbursed or Recovered:		
1. Prior Year (s)	\$66,702,731	\$-
2. Current Year	(1,249,181)	-
3. Current Total	\$65,453,550	\$-
d. Special Surplus from the Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	\$(1,492,792)	\$-
2. Adjustments – Prior Year (s)	(5,073,207)	-
3. Adjustments – Current Year	21,117,674	-
4. Current Year Restricted Surplus	21,581,745	-
5. Cumulative Total Transferred to Unassigned Funds	\$(7,030,070)	\$-
e. All cedents and reinsurers involved in all transactions included in summary totals above:		
	Assumed	Ceded
<u>Company</u>	<u>Amount</u>	<u>Amount</u>
Liberty Mutual Insurance Company, 23043	\$(595,154,100)	\$-
Total	\$(595,154,100)	\$-

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

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

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

G. Reinsurance Accounted for as a Deposit

The Company has not entered into any reinsurance agreements that have been accounted for as deposits as of December 31, 2014.

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

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

I. Certified Reinsurers Downgraded or Status Subject to Revocation.

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

The Company does not transact business with Certified Reinsurers.

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

The Company is not a Certified Reinsurer.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. Accrued retrospective premiums reported in Line 15.3 of the asset page have been determined based upon loss experience on business subject to such experience rating adjustment.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. For detail of net premium written subject to retrospective rating features refer to Schedule P, Part 7A.
- D. Medical Loss Ratio Rebates

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

NOTES TO FINANCIAL STATEMENTS

- 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	\$ 99,523,562
b.	Unsecured amount	
c.	Less: Nonadmitted amount (10%)	9,889,038
d.	Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	
e.	Admitted amount (a) - (c) - (d)	<u>\$ 89,634,524</u>

- F. Risk Sharing Provisions of the Affordable Care Act

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

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

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

Note 26 - Intercompany Pooling Arrangements

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

		NAIC Company <u>Number</u>	Pooling <u>Percentage</u>	Line of <u>Business</u>
Lead				
Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50.00%	All Lines
Affiliated	Peerless Insurance Company ("PIC")	24198	20.00%	All Lines
Pool	Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
Companies:	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8.00%	All Lines
	The Ohio Casualty Insurance Company ("OCIC")	24074	8.00%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6.00%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0.00%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company ("ASIC")	19704	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0.00%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.00%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0.00%	All Lines
	General Insurance Company of America ("GICA")	24732	0.00%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
	Indiana Insurance Company ("IIC")	22659	0.00%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0.00%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
	LM Insurance Corporation ("LMC")	33600	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0.00%	All Lines

NOTES TO FINANCIAL STATEMENTS

Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
National Insurance Association ("NIA")	27944	0.00%	All Lines
The Netherlands Insurance Company ("NIC")	24171	0.00%	All Lines
North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
Peerless Indemnity Insurance Company ("PIIC")	18333	0.00%	All Lines
Safeco Insurance Company of Illinois ("SICIL")	39012	0.00%	All Lines
Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
Wausau Business Insurance Company ("WBIC")	26069	0.00%	All Lines
Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
Wausau Underwriters Insurance Company ("WUIC")	26042	0.00%	All Lines
West American Insurance Company ("WAIC")	44393	0.00%	All Lines

100% Quota
Share
Affiliated
Companies:

LM Property and Casualty Insurance Company ("LMPAC")	32352	0.00%	All Lines
--	-------	-------	-----------

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

- (a) Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the Lead Company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.
- (b) After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.
- (c) The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance, is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.
- (d) There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- (e) There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.
- (f) The write-off of uncollectible reinsurance is pooled and the provision for reinsurance is recognized by the entity placing the outbound external reinsurance.
- (g) Amounts due (to)/from affiliated entities participating in the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement as of December 31, 2014:

Affiliate:	Amount:
Liberty Mutual Insurance Company	\$(12,001,157)

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

Note 27 - Structured Settlements

- A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves of \$118,473,926 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 \$118,473,926 as of December 31, 2014.
- B. A summary of purchased structured settlement annuities exceeding 1% of policyholders' surplus and whereby the Company has not obtained a release of liability from the claimant is as follows:

Life Insurance Company and Location	Licensed in Company's State of Domicile (Yes/No)	Statement Value of Annuities
Liberty Life Assurance Company of Boston Boston, Massachusetts	Yes	\$ 59,484,067

NOTES TO FINANCIAL STATEMENTS

Note 28 - Health Care Receivables

Not applicable

Note 29 - Participating Policies

Not applicable

Note 30 - Premium Deficiency Reserves

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

Note 31 - High Dollar Deductible Policies

As of December 31, 2014, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was \$1,105,072,771 and the amount billed and recoverable on paid claims was \$37,924,805.

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

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

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

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
	1 Case	2 IBNR
1. Homeowners/Farmowners		
2. Private Passenger Auto Liability/Medical		
3. Commercial Auto/Truck Liability/Medical		
4. Workers' Compensation	116,223,719	88,071,050
5. Commercial Multiple Peril		
6. Medical Professional Liability – occurrence		
7. Medical Professional Liability – claims-made		
8. Special Liability		
9. Other Liability – occurrence	827,960	
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	\$ 117,051,679	\$ 88,071,050

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

B. Nontabular Discount:

Not applicable

Note 33 - Asbestos/Environmental Reserves

Factors Contributing to Uncertainty in Establishing Adequate Reserves

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

The uncertainties associated with establishing reserves for asbestos and environmental claims and claim adjustment expenses are compounded by the differing, and at times inconsistent, court rulings on environmental and asbestos coverage

NOTES TO FINANCIAL STATEMENTS

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

In the third quarter of 2014, the Company completed asbestos ground-up and aggregate environmental reserve studies. These studies were completed by a multi-disciplinary team of internal claims, legal, reinsurance and actuarial personnel, and included all major business segments of the Company's direct, assumed, and ceded asbestos and environmental unpaid claim liabilities. As part of the internal review, policyholders with the largest direct asbestos unpaid claim liabilities were individually evaluated using the Company's proprietary stochastic ground-up model, which is consistent with published actuarial methods of asbestos reserving. Among the factors reviewed in depth by the team of specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, injury type, jurisdiction and legal defenses. Reinsurance recoveries for these policyholders were then separately evaluated by the Company's reinsurance and actuarial personnel. Asbestos and environmental unpaid claim liabilities for all other policyholders were evaluated using aggregate methods that utilized information and experience specific to these policyholders. The studies resulted in an increase to reserves of \$22 million including: \$17 million of asbestos reserves, primarily associated with increased defense costs, and \$6 million of pollution reserves.

Uncertainty Regarding Reserving Methodologies

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

Effect of Uncertainty in Reserving For Asbestos and Environmental Claims on Company's Financial Condition

The methods of determining estimates for reported and unreported losses and establishing resulting reserves and related reinsurance recoverables are periodically reviewed and updated, and adjustments resulting from this review are reflected in income currently.

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

Asbestos:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Direct Basis					
Beginning Reserves	401,609,234	300,622,251	317,001,708	311,316,538	349,852,494
Incurred losses and LAE	15,370,512	80,731,751	47,802,224	82,917,125	57,018,172
Calendar year payments	116,357,495	64,352,294	53,487,394	44,381,168	55,098,964
Ending Reserves	300,622,251	317,001,708	311,316,538	349,852,494	351,771,702
Assumed Reinsurance Basis					
Beginning Reserves	127,708,779	123,203,356	124,624,879	115,013,707	123,953,071
Incurred losses and LAE	9,738,153	8,876,594	3,016,561	14,932,887	301,762
Calendar year payments	14,243,576	7,455,071	12,627,733	5,993,524	9,604,400
Ending Reserves	123,203,356	124,624,879	115,013,707	123,953,071	114,650,433
Net of Ceded Reinsurance Basis					
Beginning Reserves	231,335,292	162,852,612	193,548,043	178,029,817	199,444,721
Incurred losses and LAE	(21,409,037)	65,347,679	29,834,481	47,104,818	17,781,682
Calendar year payments	47,073,643	34,652,248	45,352,708	25,689,914	33,616,840
Ending Reserves	162,852,612	193,548,043	178,029,817	199,444,721	183,609,563
Ending Reserves for Bulk + IBNR included above (Loss & LAE)					
Direct Basis					217,534,156
Assumed Reinsurance Basis					81,913,876
Net of Ceded Reinsurance Basis					112,886,711

NOTES TO FINANCIAL STATEMENTS

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

Direct Basis	198,959,145
Assumed Reinsurance Basis	1,143,037
Net of Ceded Reinsurance Basis	79,476,882

Environmental:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Direct Basis					
Beginning Reserves	88,369,999	82,934,147	84,948,623	84,028,567	89,694,109
Incurring losses and LAE	7,743,516	17,266,195	12,207,065	19,045,897	11,590,891
Calendar year payments	13,179,369	15,251,719	13,127,121	13,380,355	17,164,345
Ending Reserves	82,934,147	84,948,623	84,028,567	89,694,109	84,120,655

Assumed Reinsurance Basis

Beginning Reserves	15,492,261	12,667,544	11,860,453	12,997,868	12,832,557
Incurring losses and LAE	(19,511)	1,399,381	(3,628,401)	868,965	229,785
Calendar year payments	2,805,206	2,206,472	(4,765,816)	1,034,276	976,222
Ending Reserves	12,667,543	11,860,453	12,997,868	12,832,557	12,086,120

Net of Ceded Reinsurance Basis

Beginning Reserves	80,651,128	71,081,851	69,398,962	61,699,541	64,596,706
Incurring losses and LAE	(551,298)	2,796,829	(384,461)	12,201,343	5,625,477
Calendar year payments	9,017,979	4,479,718	7,314,959	9,304,179	10,447,355
Ending Reserves	71,081,851	69,398,962	61,699,541	64,596,706	59,774,828

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

Direct Basis	49,326,259
Assumed Reinsurance Basis	7,967,090
Net of Ceded Reinsurance Basis	30,987,051

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

Direct Basis	32,886,506
Assumed Reinsurance Basis	234,478
Net of Ceded Reinsurance Basis	16,455,440

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 No]
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes 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 No]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 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?
 State of New Hampshire Insurance Department

- 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No] N/A]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No]
- 4.12 renewals? Yes No]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No]
- 4.22 renewals? Yes No]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

GENERAL INTERROGATORIES

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

6.2 If yes, give full information:

.....

.....

.....

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

7.2 If yes,

7.21 State the percentage of foreign control. _____ 0.00 %

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

1 Nationality	2 Type of Entity
.....
.....

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

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

.....

.....

.....

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

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

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

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

.....

.....

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

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

.....

.....

.....

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

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

.....

.....

.....

GENERAL INTERROGATORIES

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

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

.....

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

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

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

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

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

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

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 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 No

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

In Q2 and Q4, Liberty made technical changes to its Code related to its Registered Investment Advisor (RIA). In Q4, Liberty deregistered its investments operation as an RIA with the SEC, and removed related sections of the Code.

.....

GENERAL INTERROGATORIES

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

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

.....

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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		\$ <u> 0</u>
20.22 To stockholders not officers		\$ <u> 0</u>
20.23 Trustees, supreme or grand (Fraternal only)		\$ <u> 0</u>

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		\$ <u> 0</u>
21.22 Borrowed from others		\$ <u> 0</u>
21.23 Leased from others		\$ <u> 0</u>
21.24 Other		\$ <u> 0</u>

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 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 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 No N/A

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

\$ 218,278,016

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 No N/A

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes 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 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	\$	193,761,232
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	193,761,232
24.103 Total payable for securities lending reported on the liability page	\$	193,761,232

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 No

GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ <u>0</u>
	25.22 Subject to reverse repurchase agreements	\$ <u>0</u>
	25.23 Subject to dollar repurchase agreements	\$ <u>0</u>
	25.24 Subject to reverse dollar repurchase agreements	\$ <u>0</u>
	25.25 Placed under option agreements	\$ <u>0</u>
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ <u>0</u>
	25.27 FHLB Capital Stock	\$ <u>6,946,300</u>
	25.28 On deposit with states	\$ <u>508,546,946</u>
	25.29 On deposit with other regulatory bodies	\$ <u>0</u>
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ <u>0</u>
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ <u>0</u>
	25.32 Other	\$ <u>0</u>

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
FHLB CAPITAL STOCK	FEDERAL HOME LOAN BANK BOSTON	6,946,300
		0
		0

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

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [X] 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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	7,847,943,743	8,082,984,038	235,040,295
30.2 Preferred stocks	39,186,300	39,186,300	0
30.3 Totals	7,887,130,043	8,122,170,338	235,040,295

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

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [] No [X]

GENERAL INTERROGATORIES

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing

source for purposes of disclosure of fair value for Schedule D:

All brokers used are reviewed and approved by the Valuation Committee which receive detailed assessment on a security by security basis as needed.

.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

32.2 If no, list exceptions:

.....

OTHER

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

\$ 12,137,242

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE INC.	\$ 3,334,597
.....	\$ 0
.....	\$ 0

34.1 Amount of payments for legal expenses, if any?

\$ 8,225,750

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

1 Name	2 Amount Paid
.....	\$ 0
.....	\$ 0
.....	\$ 0

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

\$ 398,539

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

1 Name	2 Amount Paid
.....	\$ 0
.....	\$ 0
.....	\$ 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

1.31 Reason for excluding

.....

.....

.....

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

	1	2	
	Current Year	Prior Year	
2.1 Premium Numerator	\$ <u>1,734,345</u>	\$ <u>1,219,916</u>	
2.2 Premium Denominator	\$ <u>4,928,505,824</u>	\$ <u>4,871,490,812</u>	
2.3 Premium Ratio (2.1 / 2.2)	<u>0.00</u>	<u>0.00</u>	
2.4 Reserve Numerator	\$ <u>6,196,450</u>	\$ <u>5,811,716</u>	
2.5 Reserve Denominator	\$ <u>9,279,268,236</u>	\$ <u>9,589,550,422</u>	
2.6 Reserve Ratio (2.4 / 2.5)	<u>0.00</u>	<u>0.00</u>	

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 \$ 3,310,667

3.22 Non-participating policies \$ 543,531,037

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 21C1

.....

.....

.....

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
See Note 21C1
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
See Note 21C1
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
The Company cedes 100% of its business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage.
- 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

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes No N/A]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes No]
- 11.2 If yes, give full information

- 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 | | \$ | 66,256,258 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | | \$ | 17,508,013 |
- 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? \$ 6,813,770
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes No N/A]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | | | |
|------------|--|--|--------|
| 12.41 From | | | 4.00 % |
| 12.42 To | | | 7.00 % |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes No]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- | | | | |
|----------------------------------|--|----|---------------|
| 12.61 Letters of Credit | | \$ | 1,184,616,015 |
| 12.62 Collateral and other funds | | \$ | 370,923,140 |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 63,518,556
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes No]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes No]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 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:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes No]
- 15.2 If yes, give full information
 0

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

		1	2	3	4	5
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$	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	\$ <u>0</u>
17.12 Unfunded portion of Interrogatory 17.11	\$ <u>0</u>
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ <u>0</u>
17.14 Case reserves portion of Interrogatory 17.11	\$ <u>0</u>
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ <u>0</u>
17.16 Unearned premium portion of Interrogatory 17.11	\$ <u>0</u>
17.17 Contingent commission portion of Interrogatory 17.11	\$ <u>0</u>

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	\$ <u>0</u>
17.19 Unfunded portion of Interrogatory 17.18	\$ <u>0</u>
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ <u>0</u>
17.21 Case reserves portion of Interrogatory 17.18	\$ <u>0</u>
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ <u>0</u>
17.23 Unearned premium portion of Interrogatory 17.18	\$ <u>0</u>
17.24 Contingent commission portion of Interrogatory 17.18	\$ <u>0</u>

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 administered 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	2	3	4	5
	2014	2013	2012	2011	2010
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	2,537,339,145	1,965,421,100	4,206,657,472	4,241,266,729	4,348,696,044
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,091,493,932	668,792,812	2,232,138,690	2,092,669,416	2,094,280,352
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,773,857,465	596,263,093	3,938,437,915	3,721,443,719	3,551,922,527
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	161,271,555	(182,145,287)	731,723,077	769,919,108	763,947,049
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	58,244,487	57,079,471	15,738	5,593	101,324
6. Total (Line 35)	5,622,206,584	3,105,411,189	11,108,972,892	10,825,304,565	10,758,947,296
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)	2,327,698,830	2,845,860,067	1,047,170,720	1,057,486,168	1,083,788,422
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	976,202,271	1,192,399,122	559,210,424	521,337,402	521,044,350
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,552,352,417	1,594,441,936	964,060,594	912,053,153	867,865,058
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	160,866,875	137,717,244	180,948,281	188,720,524	184,097,912
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	58,244,487	57,079,471			
12. Total (Line 35)	5,075,364,880	5,827,497,840	2,751,390,019	2,679,597,247	2,656,795,742
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(95,111,731)	(276,931,495)	(14,777,982)	(180,298,775)	(37,497,227)
14. Net investment gain (loss) (Line 11)	371,701,298	556,336,031	443,353,245	196,759,465	240,617,073
15. Total other income (Line 15)	(1,701,428)	1,067,419	11,655,347	5,307,361	(28,460,537)
16. Dividends to policyholders (Line 17)	4,713,460	7,705,772	6,488,375	5,299,127	(888,116)
17. Federal and foreign income taxes incurred (Line 19)	22,995,837	121,256,724	84,330,850	(7,123,147)	5,115,645
18. Net income (Line 20)	247,178,842	151,509,459	349,411,385	23,592,071	170,431,780
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	12,800,884,898	13,621,186,110	7,629,799,775	7,361,784,538	7,420,492,899
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	276,159,867	314,702,685	80,100,722	100,980,868	94,609,867
20.2 Deferred and not yet due (Line 15.2)	1,172,868,764	1,499,281,420	1,116,743,314	1,014,073,115	967,205,954
20.3 Accrued retrospective premiums (Line 15.3)	89,634,524	94,147,632	17,177	1,163,639	2,308,536
21. Total liabilities excluding protected cell business (Page 3, Line 26)	9,741,967,989	10,834,743,223	5,742,491,090	5,559,307,309	5,642,817,569
22. Losses (Page 3, Line 1)	5,548,539,375	5,698,661,689	2,228,057,451	2,271,621,602	2,250,497,523
23. Loss adjustment expenses (Page 3, Line 3)	1,203,190,482	1,223,350,214	509,545,123	502,296,047	502,280,553
24. Unearned premiums (Page 3, Line 9)	2,515,271,520	2,376,172,424	1,321,805,644	1,269,858,758	1,222,995,740
25. Capital paid up (Page 3, Lines 30 & 31)	8,848,635	8,848,635	8,848,635	8,848,635	8,848,635
26. Surplus as regards policyholders (Page 3, Line 37)	3,058,916,909	2,786,442,887	1,887,308,685	1,802,477,229	1,777,675,330
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	297,773,334	4,805,586,842	409,142,233	133,352,265	(187,953,149)
Risk-Based Capital Analysis					
28. Total adjusted capital	3,058,916,909	2,786,442,887	1,887,308,685	1,802,477,229	1,777,675,330
29. Authorized control level risk-based capital	621,450,026	624,080,541	363,747,637	355,139,007	348,747,336
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)	73.6	76.5	67.3	65.7	68.9
31. Stocks (Lines 2.1 & 2.2)	13.8	12.9	22.8	25.6	21.6
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	2.5	2.0	2.4	2.3	2.4
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.1	0.1	0.1
34. Cash, cash equivalents and short-term investments (Line 5)	0.9	1.5	4.6	4.6	5.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	6.8	6.0	1.7	0.9	0.2
38. Receivables for securities (Line 9)	0.5	0.2	0.1	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	1.8	1.0	0.9	0.8	1.3
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)	655,134,197	645,898,544	829,047,415	1,075,241,775	1,051,840,464
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	30,320,506				
46. Affiliated mortgage loans on real estate					
47. All other affiliated	503,266,546	482,371,874			
48. Total of above Lines 42 to 47	1,188,721,249	1,128,270,418	829,047,415	1,075,241,775	1,051,840,464
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)	38.9	40.5	43.9		

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2014	2013	2012	2011	2010
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	55,603,161	(55,891,114)	(166,358,574)	5,608,420	63,859,482
52. Dividends to stockholders (Line 35)			(175,000,000)		(1,087,270,097)
53. Change in surplus as regards policyholders for the year (Line 38)	272,474,022	899,134,202	84,831,456	24,801,899	(631,669,594)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,748,147,384	3,428,787,446	2,484,795,591	2,605,914,794	3,238,365,280
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	571,662,942	590,248,543	1,167,444,606	1,175,686,120	1,062,145,551
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	876,575,793	2,199,835,322	2,194,857,770	2,531,818,792	1,921,266,867
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	61,219,155	170,801,156	280,667,929	189,950,176	145,057,226
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	25,735,214	(76,839,475)	8,440,201	9,625,235	22,590,406
59. Total (Line 35)	3,283,340,488	6,312,832,992	6,136,206,097	6,512,995,117	6,389,425,330
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)	1,563,159,670	(1,564,988,550)	595,979,990	640,132,157	803,359,317
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	515,198,507	435,223,334	294,815,285	295,835,761	267,003,448
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	754,222,207	590,389,932	548,574,270	625,895,627	462,532,552
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	58,853,846	39,261,817	70,646,855	47,569,969	36,429,413
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	25,735,214	(100,676,737)	1,783,371	1,987,156	5,395,568
65. Total (Line 35)	2,917,169,444	(600,790,204)	1,511,799,771	1,611,420,670	1,574,720,298
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	56.3	59.2	54.3	61.9	56.0
68. Loss expenses incurred (Line 3)	13.7	14.3	12.4	12.1	11.8
69. Other underwriting expenses incurred (Line 4)	31.9	32.2	33.9	32.9	33.6
70. Net underwriting gain (loss) (Line 8)	(1.9)	(5.7)	(0.5)	(6.8)	(1.4)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 12 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	31.0	26.9	32.9	32.2	33.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	70.0	73.5	66.7	73.9	67.8
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)	165.9	209.1	145.8	148.7	149.5
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)	(2,991)	163,042	(105,626)	(70,998)	(30,610)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(0.1)	8.6	(5.9)	(4.0)	(1.3)
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)	137,885	175,800	(135,500)	(63,709)	(155,396)
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)	7.3	9.8	(7.6)	(2.6)	(7.7)

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

Yes [] No []

If no, please explain:

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

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES**SCHEDULE P – PART 1 – SUMMARY**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	X X X	X X X	X X X	181,724	64,067	48,382	18,840	22,937	1,659	2,972	168,477	X X X
2. 2005	4,730,078	686,760	4,043,318	2,553,518	510,982	178,855	26,538	331,537	12,991	149,601	2,513,399	X X X
3. 2006	4,928,916	720,761	4,208,155	2,374,424	290,780	184,158	21,096	348,660	15,882	141,343	2,579,484	X X X
4. 2007	5,122,972	776,032	4,346,940	2,575,589	373,907	198,660	24,067	352,218	16,999	167,080	2,711,494	X X X
5. 2008	5,295,454	887,352	4,408,102	3,022,167	474,002	215,313	23,851	397,276	14,887	152,762	3,122,016	X X X
6. 2009	5,014,054	1,025,240	3,988,814	2,609,906	475,965	181,188	20,098	371,316	3,979	144,972	2,662,368	X X X
7. 2010	5,021,547	902,912	4,118,635	2,690,970	450,781	177,157	15,925	389,252	1,323	163,583	2,789,350	X X X
8. 2011	5,277,902	1,062,698	4,215,204	2,880,582	544,130	163,099	21,731	384,729	1,171	197,392	2,861,378	X X X
9. 2012	5,681,635	1,142,390	4,539,245	2,769,933	563,857	126,439	17,172	390,368	302	199,927	2,705,409	X X X
10. 2013	5,982,021	1,220,252	4,761,769	2,330,883	529,036	68,530	7,648	370,324	485	147,874	2,232,568	X X X
11. 2014	6,092,508	1,189,721	4,902,787	1,748,293	431,987	26,911	2,455	286,884	430	72,434	1,627,216	X X X
12. Totals	X X X	X X X	X X X	25,737,989	4,709,494	1,568,692	199,421	3,645,501	70,108	1,539,940	25,973,159	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		Other Unpaid				
	13	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			
1. Prior	1,188,649	429,325	621,907	325,123	69,040	48,242	292,961	120,447	45,817	(997)	7,894	1,296,234	X X X
2. 2005	57,843	18,972	71,964	35,112	1,238	363	16,195	1,852	2,834	1	1,928	93,774	X X X
3. 2006	58,470	16,572	110,771	31,123	1,887	510	13,779	3,078	3,404		12,604	137,028	X X X
4. 2007	96,383	18,954	108,309	18,672	3,200	831	15,734	3,871	3,499		2,201	184,797	X X X
5. 2008	117,898	21,710	158,480	27,947	4,613	763	27,097	6,224	5,446	89	9,566	256,801	X X X
6. 2009	130,954	18,962	166,450	34,639	5,559	1,241	27,490	5,468	6,933		3,452	277,076	X X X
7. 2010	172,312	25,293	173,786	32,731	7,653	1,697	48,275	4,707	10,909	100	7,380	348,407	X X X
8. 2011	268,655	35,487	241,100	42,756	12,778	3,166	80,663	8,044	17,260	5	15,065	530,998	X X X
9. 2012	375,062	50,203	382,523	53,269	14,033	2,296	118,886	9,651	26,504	34	37,110	801,555	X X X
10. 2013	486,005	59,184	546,966	80,845	13,025	1,859	160,545	15,434	77,773	17	55,358	1,126,975	X X X
11. 2014	621,496	55,557	984,269	159,274	8,492	913	185,288	10,895	126,249	1,067	98,410	1,698,088	X X X
12. Totals	3,573,727	750,219	3,566,525	841,491	141,518	61,881	986,913	189,671	326,628	316	250,968	6,751,733	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	1,056,108	240,126
2. 2005	3,213,984	606,811	2,607,173	67.948	88.359	64.481			20.000	75,723	18,051
3. 2006	3,095,553	379,041	2,716,512	62.804	52.589	64.554			20.000	121,546	15,482
4. 2007	3,353,592	457,301	2,896,291	65.462	58.928	66.628			20.000	167,066	17,731
5. 2008	3,948,290	569,473	3,378,817	74.560	64.177	76.650			20.000	226,721	30,080
6. 2009	3,499,796	560,352	2,939,444	69.800	54.656	73.692			20.000	243,803	33,273
7. 2010	3,670,314	532,557	3,137,757	73.091	58.982	76.184			20.000	288,074	60,333
8. 2011	4,048,866	656,490	3,392,376	76.714	61.776	80.480			20.000	431,512	99,486
9. 2012	4,203,748	696,784	3,506,964	73.988	60.994	77.259			20.000	654,113	147,442
10. 2013	4,054,051	694,508	3,359,543	67.771	56.915	70.552			20.000	892,942	234,033
11. 2014	3,987,882	662,578	3,325,304	65.456	55.692	67.825			20.000	1,390,934	307,154
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	5,548,542	1,203,191

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

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1	2	3	4	5	6	7	8	9	10	11	12	
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	One Year	Two Year	
1. Prior	3,824,201	3,985,765	4,117,521	4,058,863	4,195,651	4,211,303	4,307,090	4,322,976	4,371,075	4,434,389	63,314	111,413	
2. 2005	2,542,613	2,435,276	2,350,970	2,330,856	2,317,811	2,310,356	2,305,245	2,303,079	2,301,567	2,292,941	(8,626)	(10,138)	
3. 2006	X X X	2,545,309	2,469,746	2,421,178	2,390,924	2,385,016	2,384,748	2,391,996	2,392,876	2,388,274	(4,602)	(3,722)	
4. 2007	X X X	X X X	2,734,695	2,677,306	2,567,213	2,563,275	2,551,646	2,564,552	2,567,076	2,565,172	(1,904)	620	
5. 2008	X X X	X X X	X X X	3,070,622	2,999,076	2,960,411	2,959,512	2,970,324	3,005,498	3,002,040	(3,458)	31,716	
6. 2009	X X X	X X X	X X X	X X X	2,630,507	2,624,082	2,599,839	2,575,638	2,594,403	2,574,067	(20,336)	(1,571)	
7. 2010	X X X	X X X	X X X	X X X	X X X	2,738,779	2,737,126	2,748,368	2,779,268	2,751,939	(27,329)	3,571	
8. 2011	X X X	X X X	X X X	X X X	X X X	X X X	2,990,413	2,990,190	3,002,967	3,002,290	(677)	12,100	
9. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,105,467	3,129,090	3,099,363	(29,727)	(6,104)	
10. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	2,891,510	2,921,864	30,354	X X X	
11. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	2,920,069	X X X	X X X	
											12. Totals	(2,991)	137,885

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
1. Prior	000	807,182	1,394,926	1,822,134	2,123,941	2,395,624	2,618,673	2,783,415	2,924,101	3,071,300	X X X	X X X
2. 2005	1,009,329	1,517,612	1,767,924	1,934,175	2,042,779	2,104,439	2,138,344	2,166,422	2,185,026	2,194,853	X X X	X X X
3. 2006	X X X	1,002,595	1,509,894	1,764,615	1,952,085	2,072,940	2,147,471	2,195,736	2,224,039	2,246,706	X X X	X X X
4. 2007	X X X	X X X	1,039,553	1,598,826	1,879,897	2,079,820	2,211,760	2,294,314	2,342,862	2,376,274	X X X	X X X
5. 2008	X X X	X X X	X X X	1,243,342	1,902,497	2,220,325	2,442,905	2,594,414	2,686,023	2,739,627	X X X	X X X
6. 2009	X X X	X X X	X X X	X X X	1,049,324	1,588,591	1,873,135	2,078,059	2,216,263	2,295,031	X X X	X X X
7. 2010	X X X	X X X	X X X	X X X	X X X	1,154,422	1,746,305	2,045,545	2,265,291	2,401,420	X X X	X X X
8. 2011	X X X	X X X	X X X	X X X	X X X	X X X	1,363,068	1,931,497	2,252,891	2,477,820	X X X	X X X
9. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,339,964	2,010,637	2,315,343	X X X	X X X
10. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,261,825	1,862,728	X X X	X X X
11. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,340,763	X X X	X X X

SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1. Prior	1,379,306	1,156,222	1,010,442	827,624	813,597	638,870	611,408	504,749	500,128	494,650
2. 2005	991,675	517,252	314,068	213,773	154,387	116,234	98,208	75,608	66,014	54,830
3. 2006	X X X	977,598	546,078	357,863	235,781	168,371	135,248	121,071	110,464	94,431
4. 2007	X X X	X X X	1,037,435	605,427	362,032	245,125	174,580	146,001	123,502	105,358
5. 2008	X X X	X X X	X X X	1,110,927	611,639	394,000	271,211	193,787	192,035	158,862
6. 2009	X X X	X X X	X X X	X X X	996,025	598,832	395,209	264,863	222,843	159,553
7. 2010	X X X	X X X	X X X	X X X	X X X	980,536	547,263	371,398	281,631	192,699
8. 2011	X X X	X X X	X X X	X X X	X X X	X X X	981,953	599,421	414,263	279,515
9. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,128,736	647,680	445,399
10. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,064,034	619,369
11. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,005,678

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9							
		Active Status	2							3	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					788									
2. Alaska	AK	L														
3. Arizona	AZ	L	89,917	62,516		(8,616)	14,789	714								
4. Arkansas	AR	L	831,027	954,846		571,969	512,941	1,033,886	6,600							
5. California	CA	L	140,376,656	178,009,332	8,967	64,629,195	75,910,915	124,722,456	1,114,920							
6. Colorado	CO	L	3,170	2,559		398	410	36,349	25							
7. Connecticut	CT	L	20,679,529	23,731,976	15,531	31,487,317	1,047,912	50,181,991	164,244							
8. Delaware	DE	L	3,333,147	3,037,605		1,298,825	889,648	4,501,224	26,473							
9. District of Columbia	DC	L	726,415	766,770		46,659	34,976	597,200	5,769							
10. Florida	FL	L	13,421	13,352		(4,685)	(10,340)	5,245	107							
11. Georgia	GA	L	5,185,627	10,663,182		8,249,292	6,479,855	7,920,038	41,186							
12. Hawaii	HI	N														
13. Idaho	ID	L														
14. Illinois	IL	L	7,631,086	8,403,413	635	4,233,311	4,159,706	13,456,166	60,609							
15. Indiana	IN	L	15,655,879	15,316,860		7,500,672	7,334,436	18,274,633	124,344							
16. Iowa	IA	L	961,248	954,301		367,475	605,935	1,284,397	7,635							
17. Kansas	KS	L	1,603,214	1,625,349		767,293	596,402	1,945,722	12,733							
18. Kentucky	KY	L	5,908,783	6,205,006		4,127,640	5,777,585	6,387,749	46,930							
19. Louisiana	LA	L	6,847,908	7,653,803		3,963,904	4,484,476	7,022,061	54,388							
20. Maine	ME	L	49,771,887	51,027,814		20,435,463	19,268,105	26,311,122	395,305							
21. Maryland	MD	L	11,045,962	11,399,296		4,948,628	4,661,013	14,903,435	87,731							
22. Massachusetts	MA	L	41,709,815	53,872,194		31,391,032	29,042,245	61,883,982	331,274							
23. Michigan	MI	L	822,280	870,569		303,928	(194,537)	114,196	6,531							
24. Minnesota	MN	L	2,467,552	2,559,609		1,363,718	1,078,488	5,520,950	19,598							
25. Mississippi	MS	L														
26. Missouri	MO	L	4,501,718	4,566,235		3,218,856	3,880,230	5,322,206	35,754							
27. Montana	MT	L														
28. Nebraska	NE	L	953,533	1,049,673		1,084,326	447,627	909,656	7,573							
29. Nevada	NV	L	4,114	9,790			587	2,490	33							
30. New Hampshire	NH	L	27,261,671	25,383,875	91,354	10,724,548	9,270,377	50,728,090	216,522							
31. New Jersey	NJ	Q	6,030	6,047	6,060		467,418	492,163	48							
32. New Mexico	NM	L	2,493	2,493			(205)	2,493	20							
33. New York	NY	L	48,246,127	58,061,233	659,362	59,125,326	22,484,596	146,015,961	383,187							
34. North Carolina	NC	L	32,289,139	54,516,389		31,743,477	14,745,745	22,672,158	256,451							
35. North Dakota	ND	L														
36. Ohio	OH	L	5,586,869	5,498,855		2,305,577	3,257,830	3,851,347	44,373							
37. Oklahoma	OK	L	6,308,004	7,220,036		7,990,225	4,022,765	10,974,657	50,100							
38. Oregon	OR	L				112,000	(128,026)	550,796								
39. Pennsylvania	PA	L	33,472,028	37,394,309	837	19,587,494	13,432,385	40,648,934	265,846							
40. Rhode Island	RI	L	30,201,897	31,157,246	8,854	16,543,665	16,039,360	20,999,761	239,874							
41. South Carolina	SC	L	6,374,940	6,717,340		6,959,410	1,537,831	13,140,742	50,632							
42. South Dakota	SD	L														
43. Tennessee	TN	L	4,676,740	4,835,365	8,213	1,695,245	2,223,394	3,805,569	37,144							
44. Texas	TX	L	4,816,951	4,836,264		2,278,241	1,283,613	4,284,846	38,258							
45. Utah	UT	L	2,365	2,364		4,909	4,547	529	19							
46. Vermont	VT	L	16,572,510	16,945,166	67,519	5,024,184	7,771,592	25,380,040	131,625							
47. Virginia	VA	L	8,626,670	13,298,244	515	11,708,464	7,874,835	11,973,817	68,516							
48. Washington	WA	L					(581,796)	5,974,596								
49. West Virginia	WV	L	184	184			28	28	1							
50. Wisconsin	WI	L	1,273,198	1,304,092	109,482	383,062	497,903	2,224,288	10,112							
51. Wyoming	WY	L														
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	X X X														
59. Totals	(a) 49		546,841,704	649,935,552	977,329	366,171,043	270,204,191	716,073,546	4,343,204							

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

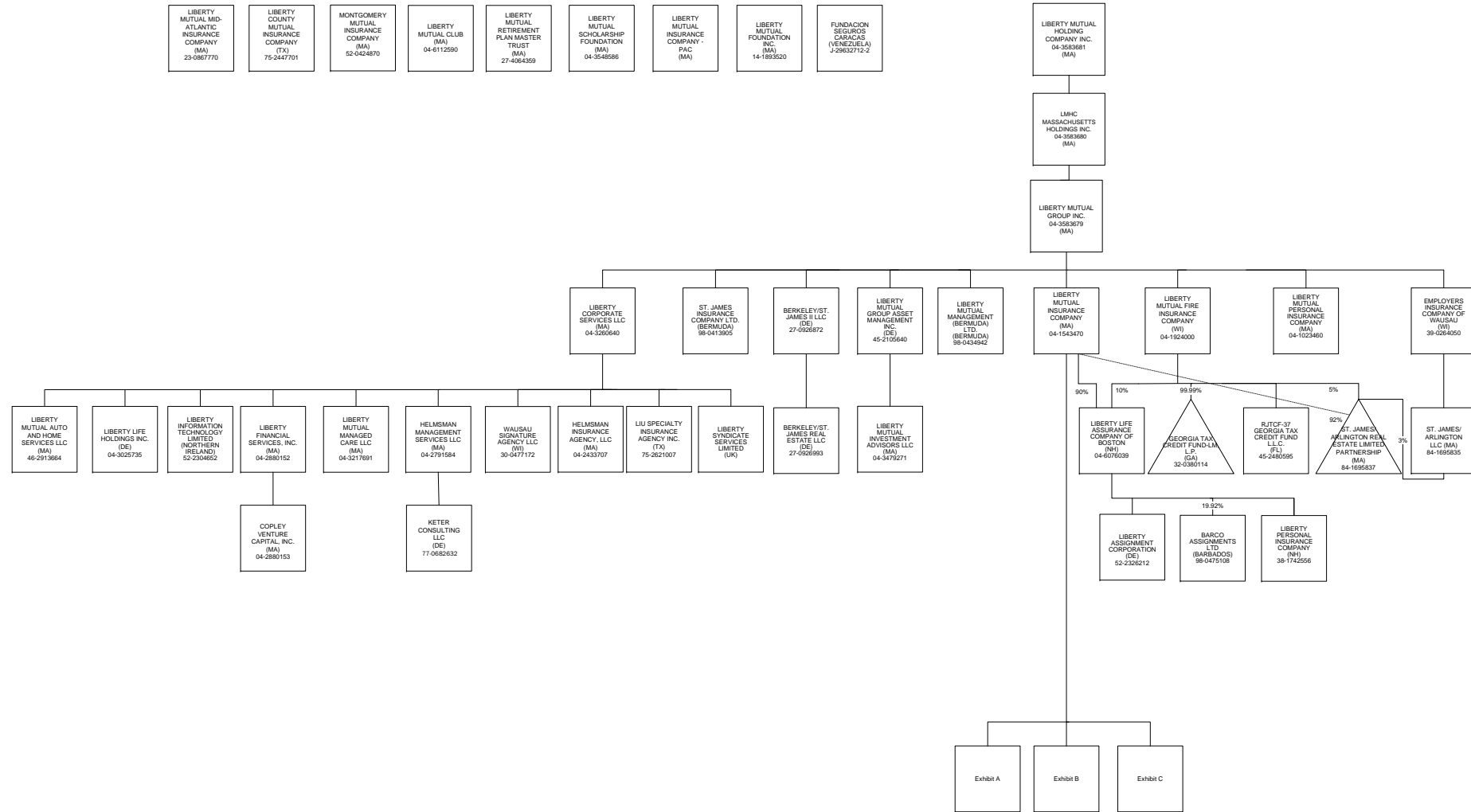
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business 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	*Location of Court or Obligor - Surety
*States employee's main work place - Worker's Compensation	*Address of Assured - Other Accident and Health
*Location of Principal place of garaging of each individual car - Auto Liability, Auto Physical Damage	*Location of Properties covered - Burglary and Theft
*Principal Location of business or location of coverage - Liability other than Auto, Fidelity, Warranty	*Principal Location of Assured - Ocean Marine, Credit
*Point of origin of shipment or principal location of assured - Inland Marine	*Primary residence of Assured - Aircraft (all perils)
*State in which employees regularly work - Group Accident and Health	

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

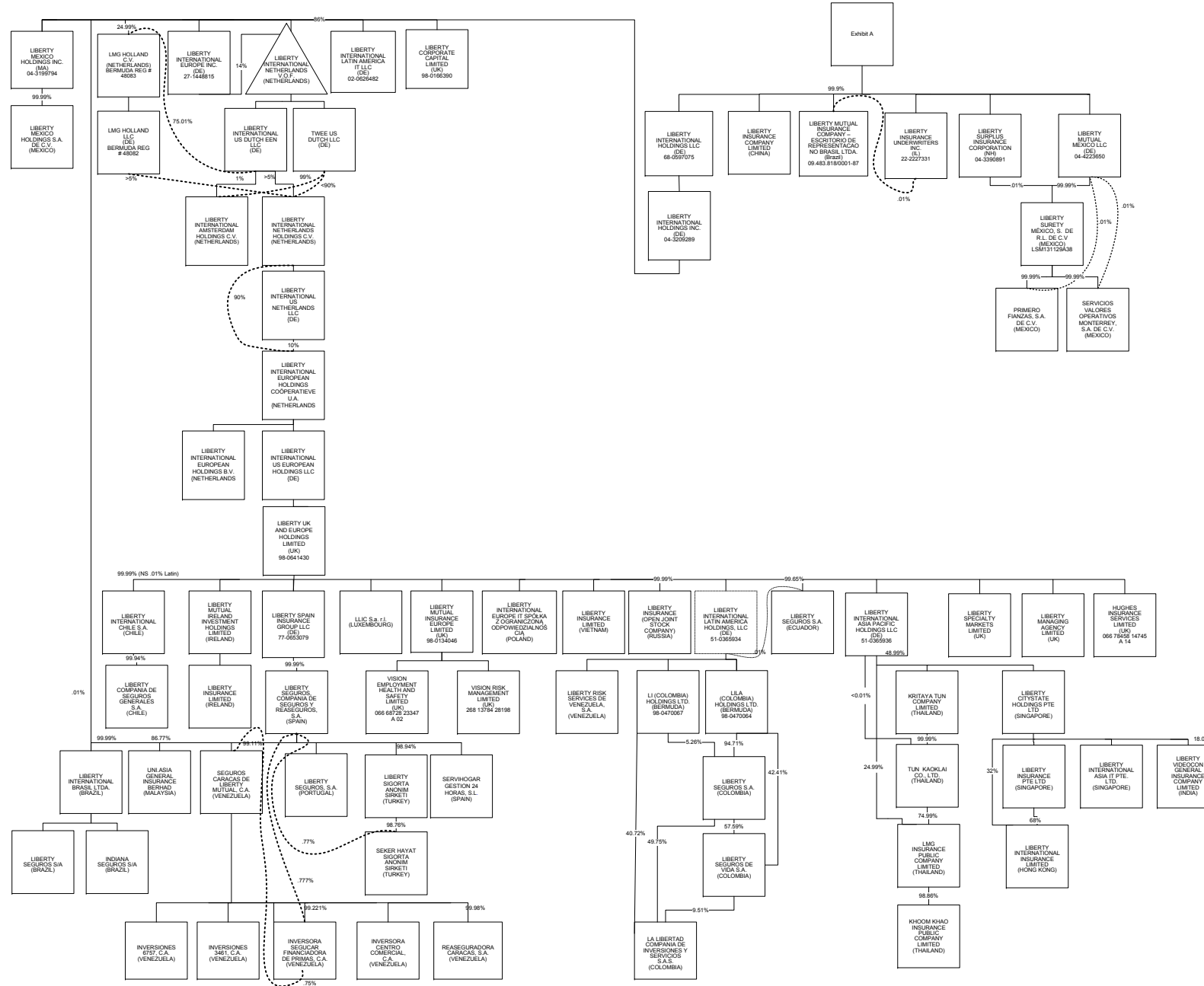
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



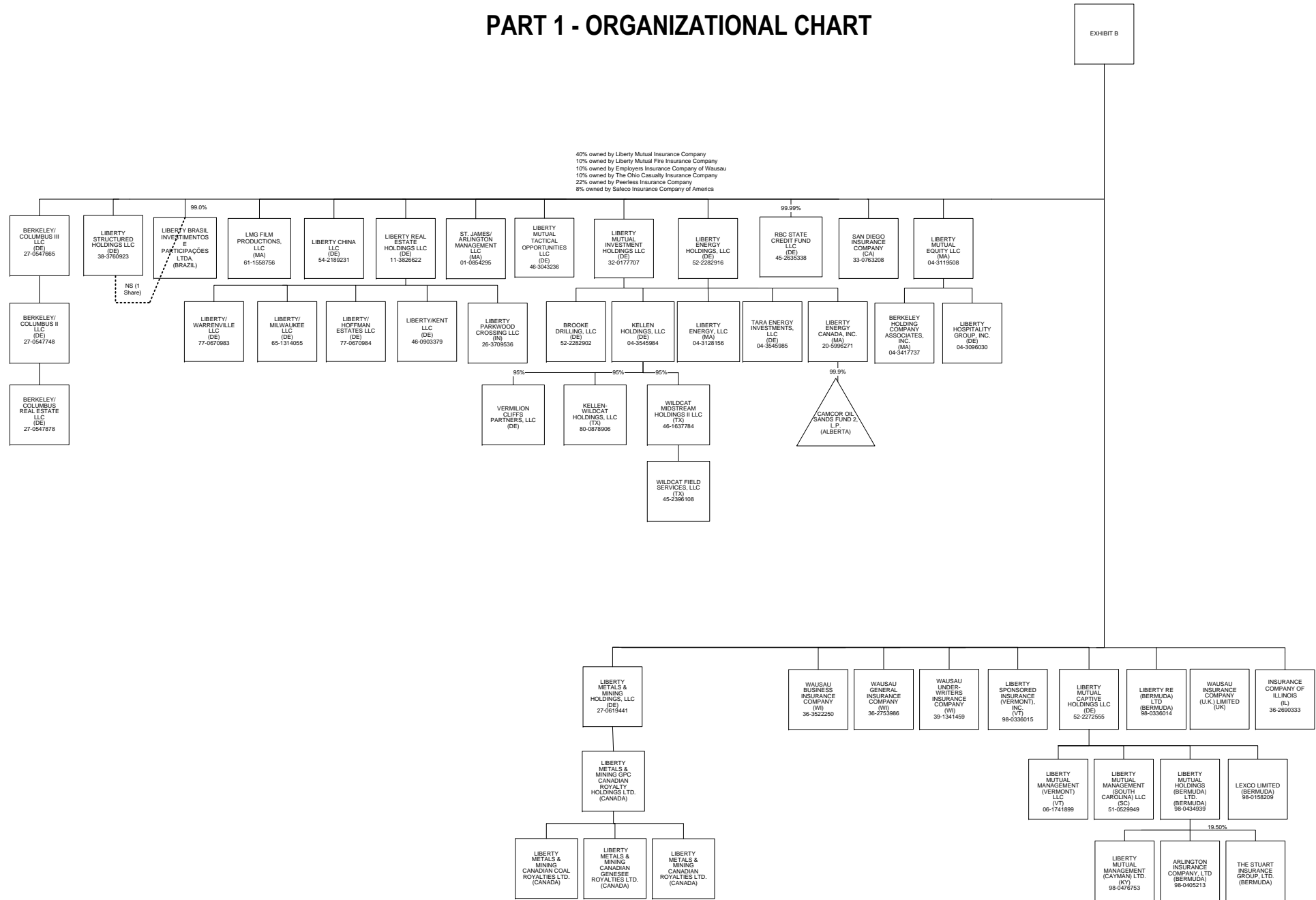
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



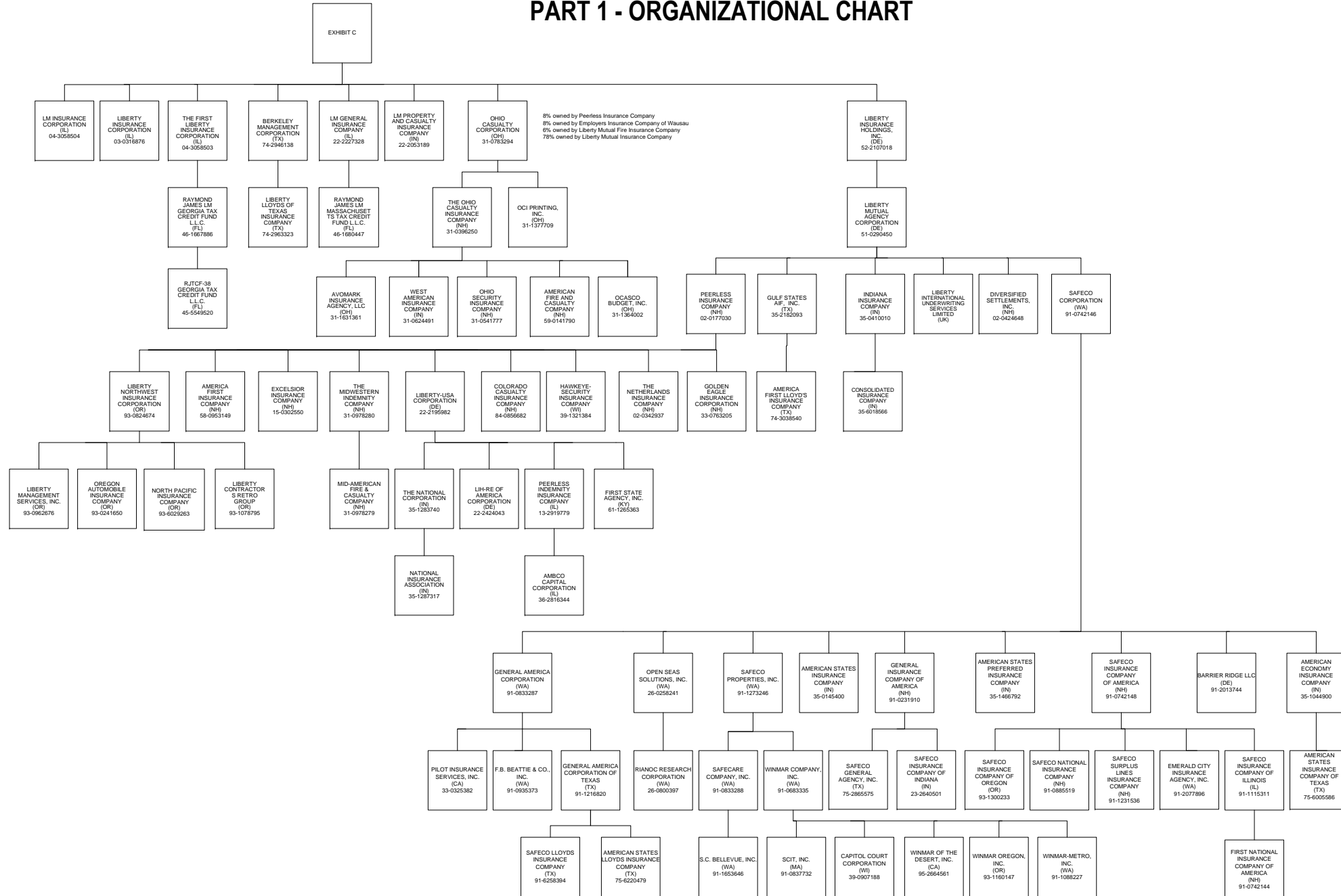
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

ASSETS

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Equities and deposits in pools and associations	33,045,792		33,045,792	28,865,962
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	33,045,792		33,045,792	28,865,962

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Assets	2	Schedule E – Part 3 – Special Deposits	E28
Cash Flow	5	Schedule E – Verification Between Years	SI15
Exhibit of Capital Gains (Losses)	12	Schedule F – Part 1	20
Exhibit of Net Investment Income	12	Schedule F – Part 2	21
Exhibit of Nonadmitted Assets	13	Schedule F – Part 3	22
Exhibit of Premiums and Losses (State Page)	19	Schedule F – Part 4	23
Five-Year Historical Data	17	Schedule F – Part 5	24
General Interrogatories	15	Schedule F – Part 6 - Section 1	25
Jurat Page	1	Schedule F – Part 6 - Section 2	26
Liabilities, Surplus and Other Funds	3	Schedule F – Part 7	27
Notes To Financial Statements	14	Schedule F – Part 8	28
Overflow Page For Write-ins	100	Schedule F – Part 9	29
Schedule A – Part 1	E01	Schedule H – Accident and Health Exhibit – Part 1	30
Schedule A – Part 2	E02	Schedule H – Part 2, Part 3 and Part 4	31
Schedule A – Part 3	E03	Schedule H – Part 5 – Health Claims	32
Schedule A – Verification Between Years	SI02	Schedule P – Part 1 – Summary	33
Schedule B – Part 1	E04	Schedule P – Part 1A – Homeowners/Farmowners	35
Schedule B – Part 2	E05	Schedule P – Part 1B – Private Passenger Auto Liability/Medical	36
Schedule B – Part 3	E06	Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	37
Schedule B – Verification Between Years	SI02	Schedule P – Part 1D – Workers' Comp (Excluding Excess Workers' Comp)	38
Schedule BA – Part 1	E07	Schedule P – Part 1E – Commercial Multiple Peril	39
Schedule BA – Part 2	E08	Schedule P – Part 1F – Section 1 – Medical Professional Liability	
Schedule BA – Part 3	E09	– Occurrence	40
Schedule BA – Verification Between Years	SI03	Schedule P – Part 1F – Section 2 – Medical Professional Liability	
Schedule D – Part 1	E10	– Claims-Made	41
Schedule D – Part 1A – Section 1	SI05	Schedule P – Part 1G – Special Liability (Ocean, Marine, Aircraft (All	
Schedule D – Part 1A – Section 2	SI08	Perils), Boiler and Machinery)	42
Schedule D – Part 2 – Section 1	E11	Schedule P – Part 1H – Section 1 – Other Liability – Occurrence	43
Schedule D – Part 2 – Section 2	E12	Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	44
Schedule D – Part 3	E13	Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule D – Part 4	E14	Earthquake, Burglary & Theft)	45
Schedule D – Part 5	E15	Schedule P – Part 1J – Auto Physical Damage	46
Schedule D – Part 6 – Section 1	E16	Schedule P – Part 1K – Fidelity/Surety	47
Schedule D – Part 6 – Section 2	E16	Schedule P – Part 1L – Other (Including Credit, Accident and Health)	48
Schedule D – Summary By Country	SI04	Schedule P – Part 1M – International	49
Schedule D – Verification Between Years	SI03	Schedule P – Part 1N – Reinsurance - Nonproportional Assumed Property	50
Schedule DA – Part 1	E17	Schedule P – Part 1O – Reinsurance - Nonproportional Assumed Liability	51
Schedule DA – Verification Between Years	SI10	Schedule P – Part 1P – Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule DB – Part A – Section 1	E18	Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	53
Schedule DB – Part A – Section 2	E19	Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	54
Schedule DB – Part A – Verification Between Years	SI11	Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	55
Schedule DB – Part B – Section 1	E20	Schedule P – Part 1T – Warranty	56
Schedule DB – Part B – Section 2	E21	Schedule P – Part 2, Part 3 and Part 4 - Summary	34
Schedule DB – Part B – Verification Between Years	SI11	Schedule P – Part 2A – Homeowners/Farmowners	57
Schedule DB – Part C – Section 1	SI12	Schedule P – Part 2B – Private Passenger Auto Liability/Medical	57
Schedule DB – Part C – Section 2	SI13	Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	57
Schedule DB - Part D - Section 1	E22	Schedule P – Part 2D – Workers' Comp (Excluding Excess Workers' Comp)	57
Schedule DB - Part D - Section 2	E23	Schedule P – Part 2E – Commercial Multiple Peril	57
Schedule DB - Verification	SI14	Schedule P – Part 2F – Section 1 – Medical Professional Liability	
Schedule DL - Part 1	E24	– Occurrence	58
Schedule DL - Part 2	E25	Schedule P - Part 2F - Medical Professional Liability - Claims - Made	58
Schedule E – Part 1 – Cash	E26	Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils),	
Schedule E – Part 2 – Cash Equivalents	E27	Boiler and Machinery)	58

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Schedule P – Part 2H – Section 1 – Other Liability – Occurrence	58	Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	69
Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	58	Schedule P – Part 4J – Auto Physical Damage	69
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59	Schedule P – Part 4K – Fidelity/Surety	69
Schedule P – Part 2J – Auto Physical Damage	59	Schedule P – Part 4L – Other (Including Credit, Accident and Health)	69
Schedule P – Part 2K – Fidelity, Surety	59	Schedule P – Part 4M – International	69
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	59	Schedule P – Part 4N – Reinsurance - Nonproportional Assumed Property	70
Schedule P – Part 2M – International	59	Schedule P – Part 4O – Reinsurance - Nonproportional Assumed Liability	70
Schedule P – Part 2N – Reinsurance - Nonproportional Assumed Property	60	Schedule P – Part 4P – Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule P – Part 2O – Reinsurance - Nonproportional Assumed Liability	60	Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	71
Schedule P – Part 2P – Reinsurance - Nonproportional Assumed Financial Lines	60	Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	71
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	61	Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	71
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	61	Schedule P – Part 4T – Warranty	71
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	61	Schedule P – Part 5A – Homeowners/Farmowners	72
Schedule P – Part 2T – Warranty	61	Schedule P – Part 5B – Private Passenger Auto Liability/Medical	73
Schedule P – Part 3A – Homeowners/Farmowners	62	Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	74
Schedule P – Part 3B – Private Passenger Auto Liability/Medical	62	Schedule P – Part 5D – Workers' Comp (Excluding Excess Workers' Comp)	75
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	62	Schedule P – Part 5E – Commercial Multiple Peril	76
Schedule P – Part 3D – Workers' Comp (Excluding Excess Workers' Comp)	62	Schedule P – Part 5F – Medical Professional Liability – Claims-Made	78
Schedule P – Part 3E – Commercial Multiple Peril	62	Schedule P – Part 5F – Medical Professional Liability – Occurrence	77
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	63	Schedule P – Part 5H – Other Liability – Claims-Made	80
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	63	Schedule P – Part 5H – Other Liability – Occurrence	79
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63	Schedule P – Part 5R – Products Liability – Claims-Made	82
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	63	Schedule P – Part 5R – Products Liability – Occurrence	81
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	63	Schedule P – Part 5T – Warranty	83
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	64	Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	84
Schedule P – Part 3J – Auto Physical Damage	64	Schedule P – Part 6D – Workers' Comp (Excluding Excess Workers' Comp)	84
Schedule P – Part 3K – Fidelity/Surety	64	Schedule P – Part 6E – Commercial Multiple Peril	85
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	64	Schedule P – Part 6H – Other Liability – Claims-Made	86
Schedule P – Part 3M – International	64	Schedule P – Part 6H – Other Liability – Occurrence	85
Schedule P – Part 3N – Reinsurance - Nonproportional Assumed Property	65	Schedule P – Part 6M – International	86
Schedule P – Part 3O – Reinsurance - Nonproportional Assumed Liability	65	Schedule P – Part 6N – Reinsurance - Nonproportional Assumed Property	87
Schedule P – Part 3P – Reinsurance - Nonproportional Assumed Financial Lines	65	Schedule P – Part 6O – Reinsurance - Nonproportional Assumed Liability	87
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	66	Schedule P – Part 6R – Products Liability – Claims-Made	88
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	66	Schedule P – Part 6R – Products Liability – Occurrence	88
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	66	Schedule P – Part 7A – Primary Loss Sensitive Contracts	89
Schedule P – Part 3T – Warranty	66	Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	91
Schedule P – Part 4A – Homeowners/Farmowners	67	Schedule P Interrogatories	93
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	67	Schedule T – Exhibit of Premiums Written	94
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	67	Schedule T – Part 2 – Interstate Compact	95
Schedule P – Part 4D – Workers' Comp (Excluding Excess Workers' Comp)	67	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P – Part 4E – Commercial Multiple Peril	67	Schedule Y - Part 1A - Detail of Insurance Holding Company System	97
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	67	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	98
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	68	Statement of Income	4
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68	Summary Investment Schedule	SI01
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	68	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	68	Underwriting and Investment Exhibit Part 1	6
		Underwriting and Investment Exhibit Part 1A	7
		Underwriting and Investment Exhibit Part 1B	8
		Underwriting and Investment Exhibit Part 2	9
		Underwriting and Investment Exhibit Part 2A	10
		Underwriting and Investment Exhibit Part 3	11