ANNUAL STATEMENT

OF THE

SAFECO INSURANCE COMPANY OF AMERICA

of KEENE

in the state of NEW HAMPSHIRE

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2013

PROPERTY AND CASUALTY

2013

24740201320100100

ANNUAL STATEMENT

For the Year Ended December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

Safeco Insurance Company of America

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) **NAIC Company Code** 24740 **Employer's ID Number** 91-0742148

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 September 2, 1953 **Commenced Business** October 1, 1953

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

Statutory Statement Contact James Deegan (Name) 617-357-9500 x45424 (Area Code) (Telephone Number) (Extension)
Statutory.Compliance@LibertyMutual.com (E-Mail Address) 617-574-5955 (Fax Number)

OFFICERS

Chairman of the Board

Timothy Michael Sweeney

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

VICE-PRESIDENTS

Name	Title	Name	Title
Margaret Dillon	Vice President and Chief Financial Officer	John Derek Doyle	Vice President and Comptroller
Anthony Alexander Fontanes	Vice President and Chief Investment Officer	Elizabeth Julia Morahan	Vice President and General Counsel
Christopher Locke Peirce	Executive Vice President		

DIRECTORS OR TRUSTEES

Margaret Dillon	John Derek Doyle	Paul Ivanovskis	Dexter Robert Legg
James Michael MacPhee #	Elizabeth Julia Morahan	Timothy Michael Sweeney	

State of Massachusetts

County of Suffolk ss

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

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

Subscribed and sworn to (or affirmed) before me on this
27th day of January , 2014, by

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

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	2,878,892,421		2,878,892,421	2,416,576,479
2. Stocks (Schedule D):				
2.1 Preferred stocks	3,500,000		3,500,000	12,495,000
2.2 Common stocks	553,884,533		553,884,533	527,087,191
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	99,879,516		99,879,516	86,229,327
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ 0 encumbrances)				
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 14,008,822, Schedule E - Part 1), cash equivalents ($ 5,833,600, Schedule E - Part 2), and short-term investments ($ 64,080,216, Schedule DA)	83,922,638		83,922,638	198,168,800
6. Contract loans (including $ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	193,967,240		193,967,240	6,415,206
9. Receivables for securities	9,022,078		9,022,078	5,959,141
10. Securities lending reinvested collateral assets (Schedule DL)	54,820,950		54,820,950	
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,877,889,376		3,877,889,376	3,252,931,144
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	32,114,175		32,114,175	26,269,660
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	99,325,887	4,915,080	94,410,807	48,314,722
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 2,575,224 earned but unbilled premiums)	450,167,955	383,530	449,784,425	487,529,145
15.3 Accrued retrospective premiums	31,376,875	3,132,586	28,244,289	10,361
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	90,916,608		90,916,608	85,534,595
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	22,606	22,606		
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	126,633,000	34,637,208	91,995,792	92,637,934
19. Guaranty funds receivable or on deposit	1,288,427		1,288,427	1,437,476
20. Electronic data processing equipment and software	564,764	564,764		
21. Furniture and equipment, including health care delivery assets ($ 0)	32,837,409	32,837,409		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	12,835,400		12,835,400	21,765,991
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	69,041,546	1,451,887	67,589,659	13,375,449
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,825,014,028	77,945,070	4,747,068,958	4,029,806,477
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	4,825,014,028	77,945,070	4,747,068,958	4,029,806,477

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	45,705,136		45,705,136	9,209,427
2502. Amounts receivable under high deductible policies	11,716,192	115	11,716,077	
2503. Equities and deposits in pools and associations	8,659,789		8,659,789	4,115,827
2598. Summary of remaining write-ins for Line 25 from overflow page	2,960,429	1,451,772	1,508,657	50,195
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	69,041,546	1,451,887	67,589,659	13,375,449

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	1,709,598,508	1,343,907,667
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	87,409,828	91,099,811
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	367,005,067	307,344,680
4. Commissions payable, contingent commissions and other similar charges	32,320,017	49,130,793
5. Other expenses (excluding taxes, licenses and fees)	47,204,549	25,167,454
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	16,968,803	10,677,296
7.1 Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))	4,631,717	26,448,201
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 $ 1,118,663,311 and including warranty reserves of $ 0 and accrued accident and healthexperience rating refunds including $ 0 for medical loss ratio rebate per the Public Health Service Act)	712,851,727	797,279,595
10. Advance premium	5,293,186	5,958,171
11. Dividends declared and unpaid:		
11.1 Stockholders	3,504,580	
11.2 Policyholders	147,148	213,435
12. Ceded reinsurance premiums payable (net of ceding commissions)	155,967,909	143,682,921
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	5,932,316	2,016,345
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	49,941,282	52,458,832
19. Payable to parent, subsidiaries and affiliates	219,416,810	182,686,925
20. Derivatives		2,874,943
21. Payable for securities	1,364,282	9,880,514
22. Payable for securities lending	54,820,950	
23. Liability for amounts held under uninsured plans		
24. Capital notes $ 0 and interest thereon $ 0		
25. Aggregate write-ins for liabilities	84,017,743	33,928,698
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	3,558,396,422	3,084,756,281
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	3,558,396,422	3,084,756,281
29. Aggregate write-ins for special surplus funds	6,682,422	2,667,182
30. Common capital stock	5,000,000	5,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	733,869,024	580,930,179
35. Unassigned funds (surplus)	443,121,090	356,452,835
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 $ 0)		
36.2 0 shares preferred (value included in Line 31 $ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,188,672,536	945,050,196
38. Totals (Page 2, Line 28, Col. 3)	4,747,068,958	4,029,806,477

DETAILS OF WRITE-IN LINES		
2501. Amounts held under uninsured plans	45,219,392	769,744
2502. Other liabilities	41,157,438	20,587,305
2503. Retroactive reinsurance reserves	(2,359,087)	12,571,649
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	84,017,743	33,928,698
2901. Special surplus from retroactive reinsurance	6,682,422	2,667,182
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)	6,682,422	2,667,182
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	1,461,447,245	1,631,937,139
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	864,579,587	885,602,433
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	209,470,053	202,264,867
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	470,477,063	533,847,280
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	1,544,526,703	1,621,714,580
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(83,079,458)	10,222,559
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	176,985,269	211,969,238
10. Net realized capital gains (losses) less capital gains tax of $ 25,715,951 (Exhibit of Capital Gains (Losses))	47,758,196	6,995,124
11. Net investment gain (loss) (Lines 9 + 10)	224,743,465	218,964,362
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 277,022 amount charged off $ 5,095,713)	(4,818,690)	(4,309,408)
13. Finance and service charges not included in premiums	8,032,369	13,957,341
14. Aggregate write-ins for miscellaneous income	(2,838,271)	(2,647,798)
15. Total other income (Lines 12 through 14)	375,408	7,000,135
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	142,039,415	236,187,056
17. Dividends to policyholders	2,311,732	3,913,623
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)	139,727,683	232,273,433
19. Federal and foreign income taxes incurred	(15,034,951)	38,771,395
20. Net income (Line 18 minus Line 19) (to Line 22)	154,762,634	193,502,038
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	945,050,196	870,805,635
22. Net income (from Line 20)	154,762,634	193,502,038
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ (2,106,156)	(20,559,923)	(51,180,878)
25. Change in net unrealized foreign exchange capital gain (loss)	(5,209,732)	(1,012,608)
26. Change in net deferred income tax	(14,779,156)	(7,435,831)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	23,394,900	52,658,296
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
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	152,938,845	
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(47,515,966)	(95,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	590,738	(17,286,456)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	243,622,340	74,244,561
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	1,188,672,536	945,050,196

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)	40,278	5,364,918
1402. Other income/(expense)	(2,878,549)	(8,012,716)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(2,838,271)	(2,647,798)
3701. Other changes in surplus	590,738	94,165
3702. SSAP10R incremental change		(17,380,621)
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	590,738	(17,286,456)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	1,357,902,956	1,661,459,794
2.	Net investment income	180,888,047	222,810,597
3.	Miscellaneous income	32,339,041	7,304,205
4.	Total (Lines 1 through 3)	1,571,130,044	1,891,574,596
5.	Benefit and loss related payments	506,842,885	911,508,075
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	607,474,692	724,586,572
8.	Dividends paid to policyholders	2,378,018	3,909,921
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	32,497,484	9,325,747
10.	Total (Lines 5 through 9)	1,149,193,079	1,649,330,315
11.	Net cash from operations (Line 4 minus Line 10)	421,936,965	242,244,281
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	727,916,015	731,956,321
	12.2 Stocks	308,571,397	54,375,924
	12.3 Mortgage loans	10,131,654	6,343,043
	12.4 Real estate		
	12.5 Other invested assets	207,241,998	268,733,165
	12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	(6,476,521)	(1,860,826)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,247,384,543	1,059,547,627
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	1,202,013,843	861,014,680
	13.2 Stocks	287,608,543	96,414,990
	13.3 Mortgage loans	23,810,297	14,873,679
	13.4 Real estate		
	13.5 Other invested assets	436,043,696	231,110,921
	13.6 Miscellaneous applications	8,516,231	(7,687,004)
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,957,992,610	1,195,727,266
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(710,608,067)	(136,179,639)
	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	152,938,845	
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	44,011,386	95,000,000
	16.6 Other cash provided (applied)	65,497,481	44,702,364
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	174,424,940	(50,297,636)
	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)	(114,246,162)	55,767,006
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	198,168,800	142,401,794
	19.2 End of year (Line 18 plus Line 19.1)	83,922,638	198,168,800

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

20.0001	12.1 - Proceeds from investments sold, matured or repaid - Bonds	295,144,030	77,412,373
20.0002	12.2 - Proceeds from investments sold, matured or repaid - Stocks	56,847,765	
20.0003	12.4 - Proceeds from investments sold, matured or repaid - Mortgage loans	100,271	77,412,373
20.0004	12.5 - Proceeds from investments sold, matured or repaid - Other invested assets	1,304,966	
20.0005	13.1 Cost of Investment Acquired - Bonds	176,926,153	
20.0006	13.2 Cost of Investment Acquired - Stocks	1,002,500	
20.0007	13.5 Cost of Investment Acquired - Other Invested Assets	100,271	
20.0008	16.2 - Capital and paid in surplus, less treasury stock	10,099,568	
20.0009	16.5 - Dividends to stockholders	44,011,386	

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	36,958,080	17,149,969	17,778,641	36,329,408
2. Allied lines	16,300,831	15,745,724	11,132,796	20,913,759
3. Farmowners multiple peril	1,466,890	6,807,392	2,836,970	5,437,312
4. Homeowners multiple peril	259,833,284	153,376,271	158,441,347	254,768,208
5. Commercial multiple peril	54,735,644	137,446,074	64,658,799	127,522,919
6. Mortgage guaranty				
8. Ocean marine	6,636,684		2,451,814	4,184,870
9. Inland marine	37,543,871	12,673,357	8,878,247	41,338,981
10. Financial guaranty				
11.1 Medical professional liability—occurrence	4,047,265	39,008	1,422,700	2,663,573
11.2 Medical professional liability—claims-made	694,330	2,679	233,673	463,336
12. Earthquake	5,602,174	2,751,587	2,769,026	5,584,735
13. Group accident and health	62,132			62,132
14. Credit accident and health (group and individual)				
15. Other accident and health	327,695		23,852	303,843
16. Workers' compensation	171,319,445	41,985,842	8,009,514	205,295,773
17.1 Other liability—occurrence	101,771,333	39,195,644	41,571,064	99,395,913
17.2 Other liability—claims-made	36,882,361	1,467,282	13,817,938	24,531,705
17.3 Excess workers' compensation	5,505,760		1,395,401	4,110,359
18.1 Products liability—occurrence	13,162,991	1,071,095	5,505,973	8,728,113
18.2 Products liability—claims-made	893,759		297,002	596,757
19.1,19.2 Private passenger auto liability	334,569,981	135,450,902	158,075,255	311,945,628
19.3,19.4 Commercial auto liability	46,651,355	55,858,682	32,287,650	70,222,387
21. Auto physical damage	182,121,808	109,070,697	117,635,687	173,556,818
22. Aircraft (all perils)	3,114,658		652,523	2,462,135
23. Fidelity	1,287,610	762,375	789,372	1,260,613
24. Surety	6,898,816	63,178,675	26,795,082	43,282,409
26. Burglary and theft	72,211	21,698	34,116	59,793
27. Boiler and machinery	2,939,990	14,576	956,773	1,997,793
28. Credit	188,832		54,869	133,963
29. International				
30. Warranty	411,298		306,928	104,370
31. Reinsurance-nonproportional assumed property	15,534,483		1,475,592	14,058,891
32. Reinsurance-nonproportional assumed liability	1,578,894		221,972	1,356,922
33. Reinsurance-nonproportional assumed financial lines	10,464			10,464
34. Aggregate write-ins for other lines of business				
35. TOTALS	1,349,124,929	794,069,529	680,510,576	1,462,683,882

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	17,470,588	308,052			17,778,640
2. Allied lines	11,061,278	71,518			11,132,796
3. Farmowners multiple peril	2,836,970				2,836,970
4. Homeowners multiple peril	158,441,347				158,441,347
5. Commercial multiple peril	64,799,016	298,165	(441,762)	3,380	64,658,799
6. Mortgage guaranty					
8. Ocean marine	2,275,844	175,969			2,451,813
9. Inland marine	7,207,984	1,670,263			8,878,247
10. Financial guaranty					
11.1 Medical professional liability—occurrence	1,404,355	18,345			1,422,700
11.2 Medical professional liablity—claims-made	233,673				233,673
12. Earthquake	2,739,718	29,308			2,769,026
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health	23,852				23,852
16. Workers' compensation	39,960,330	106,251	(925,959)	(31,131,105)	8,009,517
17.1 Other liability—occurrence	39,055,836	2,545,735	11,781	(42,288)	41,571,064
17.2 Other liability—claims-made	11,653,391	2,184,468	(19,920)		13,817,939
17.3 Excess workers' compensation	1,376,441	18,960			1,395,401
18.1 Products liability—occurrence	3,260,376	2,150,617	(4,421)	99,401	5,505,973
18.2 Products liability—claims-made	296,965	36			297,001
19.1,19.2 Private passenger auto liability	158,072,382	2,873			158,075,255
19.3,19.4 Commercial auto liability	32,018,523	159,385		109,741	32,287,649
21. Auto physical damage	117,565,997	69,690			117,635,687
22. Aircraft (all perils)	652,523				652,523
23. Fidelity	582,724	206,648			789,372
24. Surety	18,936,081	7,859,001			26,795,082
26. Burglary and theft	33,696	420			34,116
27. Boiler and machinery	930,787	25,986			956,773
28. Credit	54,869				54,869
29. International					
30. Warranty		306,928			306,928
31. Reinsurance-nonproportional assumed property	1,475,592				1,475,592
32. Reinsurance-nonproportional assumed liability	221,972				221,972
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	694,643,110	18,208,618	(1,380,281)	(30,960,871)	680,510,576
36. Accrued retrospective premiums based on experience					30,960,871
37. Earned but unbilled premiums					1,380,281
38. Balance (Sum of Lines 35 through 37)					712,851,728

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1. Fire	147,673,034	36,958,080		147,673,034		36,958,080
2. Allied lines	136,849,514	16,300,831		136,849,514		16,300,831
3. Farmowners multiple peril		1,466,890				1,466,890
4. Homeowners multiple peril	947,499,049	259,833,284		947,499,049		259,833,284
5. Commercial multiple peril	15,743,485	54,727,082		15,734,923		54,735,644
6. Mortgage guaranty						
8. Ocean marine		6,636,684				6,636,684
9. Inland marine	40,942,747	37,543,871		40,942,747		37,543,871
10. Financial guaranty						
11.1 Medical professional liability--occurrence		4,047,265				4,047,265
11.2 Medical professional liability--claims-made		694,330				694,330
12. Earthquake	10,378,662	5,602,174		10,378,662		5,602,174
13. Group accident and health		62,132				62,132
14. Credit accident and health (group and individual)						
15. Other accident and health		327,695				327,695
16. Workers' compensation	638,665	171,319,445		638,665		171,319,445
17.1 Other liability—occurrence	112,330,141	101,779,895		112,338,703		101,771,333
17.2 Other liability—claims-made	35	36,882,361		35		36,882,361
17.3 Excess workers' compensation		5,505,760				5,505,760
18.1 Products liability—occurrence		13,162,991				13,162,991
18.2 Products liability—claims-made		893,759				893,759
19.1,19.2 Private passenger auto liability	433,539,580	334,569,981		433,539,580		334,569,981
19.3,19.4 Commercial auto liability	3,839,432	46,651,355		3,839,432		46,651,355
21. Auto physical damage	350,147,888	182,121,808		350,147,888		182,121,808
22. Aircraft (all perils)		3,114,658				3,114,658
23. Fidelity		1,287,610				1,287,610
24. Surety	71,531,162	6,898,816		71,531,162		6,898,816
26. Burglary and theft	14,716	72,211		14,716		72,211
27. Boiler and machinery	1,200	2,939,990		1,200		2,939,990
28. Credit		188,832				188,832
29. International						
30. Warranty		411,298				411,298
31. Reinsurance-nonproportional assumed property	X X X	15,534,483				15,534,483
32. Reinsurance-nonproportional assumed liability	X X X	1,578,894				1,578,894
33. Reinsurance-nonproportional assumed financial lines	X X X	10,464				10,464
34. Aggregate write-ins for other lines of business						
35. TOTALS	2,271,129,310	1,349,124,929		2,271,129,310		1,349,124,929

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire	46,072,259	8,731,472	46,072,259	8,731,472	13,925,434	5,140,455	17,516,451	48.216
2. Allied lines	75,979,423	9,918,173	75,979,423	9,918,173	6,175,286	3,639,152	12,454,307	59.551
3. Farmowners multiple peril		3,934,981		3,934,981	1,058,433	2,392,867	2,600,547	47.828
4. Homeowners multiple peril	460,141,325	142,386,409	460,141,325	142,386,409	50,935,888	67,544,323	125,777,974	49.370
5. Commercial multiple peril	9,933,629	207,275,911	9,933,629	207,275,911	128,263,290	273,426,135	62,113,066	48.707
6. Mortgage guaranty								
8. Ocean marine		(2,378,923)		(2,378,923)	4,119,217	(1)	1,740,295	41.585
9. Inland marine	17,228,072	19,900,844	17,228,072	19,900,844	6,573,794	1,427,943	25,046,695	60.589
10. Financial guaranty								
11.1 Medical professional liability—occurrence		(2,120,111)		(2,120,111)	3,673,407	452,692	1,100,604	41.321
11.2 Medical professional liability—claims-made		(107,356)		(107,356)	427,732	85,525	234,851	50.687
12. Earthquake		(61,334)		(61,334)	125,437	(31,515)	95,618	1.712
13. Group accident and health		(107,703)		(107,703)	176,239		68,536	110.307
14. Credit accident and health (group and individual)								
15. Other accident and health		4,104,486		4,104,486	1,220,605	6,851,401	(1,526,310)	(502.335)
16. Workers' compensation	4,392,039	(210,733,478)	4,392,039	(210,733,478)	826,006,880	463,592,248	151,681,154	73.884
17.1 Other liability—occurrence	35,060,638	759,712	35,060,638	759,712	206,875,991	138,017,999	69,617,704	70.041
17.2 Other liability—claims-made		(22,303,576)		(22,303,576)	36,872,372	5,006,695	9,562,101	38.979
17.3 Excess workers' compensation		(30,521,123)		(30,521,123)	33,214,807		2,693,684	65.534
18.1 Products liability—occurrence		(15,919,360)		(15,919,360)	26,883,882	5,031,253	5,933,269	67.979
18.2 Products liability—claims-made		(1,680,765)		(1,680,765)	2,020,853		340,088	56.989
19.1,19.2 Private passenger auto liability	232,125,499	188,171,427	232,125,499	188,171,427	219,028,198	195,835,597	211,364,028	67.757
19.3,19.4 Commercial auto liability	1,638,524	107,559,493	1,638,524	107,559,493	86,703,426	152,127,427	42,135,492	60.003
21. Auto physical damage	207,225,283	100,866,652	207,225,283	100,866,652	4,755,158	7,359,033	98,262,777	56.617
22. Aircraft (all perils)		(1,430,530)		(1,430,530)	3,006,149	53,117	1,522,502	61.837
23. Fidelity	(221)	(1,263,156)	(221)	(1,263,156)	1,742,264	275,642	203,466	16.140
24. Surety	65,898,067	18,420,603	65,898,067	18,420,603	8,082,915	11,399,514	15,104,004	34.896
26. Burglary and theft		25,075		25,075	12,901	405	37,571	62.835
27. Boiler and machinery		(57,131)		(57,131)	606,992	3,560	546,301	27.345
28. Credit		(40,634)		(40,634)	238,796		198,162	147.923
29. International								
30. Warranty		(23,019)		(23,019)	79,012		55,993	53.649
31. Reinsurance-nonproportional assumed property	X X X	(10,079,532)		(10,079,532)	14,578,056		4,498,524	31.998
32. Reinsurance-nonproportional assumed liability	X X X	(17,754,192)		(17,754,192)	21,958,138	4,276,196	(72,250)	(5.325)
33. Reinsurance-nonproportional assumed financial lines	X X X	(219,946)		(219,946)	256,958		37,012	353.708
34. Aggregate write-ins for other lines of business								
35. TOTALS	1,155,694,537	495,253,369	1,155,694,537	495,253,369	1,709,598,510	1,343,907,663	860,944,216	58.861

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

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

	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire	17,223,255	9,061,218	17,223,255	9,061,218	5,570,056	4,864,216	5,570,056	13,925,434	1,152,556
2. Allied lines	6,457,563	4,127,796	6,457,563	4,127,796	1,487,664	2,047,490	1,487,664	6,175,286	961,129
3. Farmowners multiple peril		988,011		988,011		70,422		1,058,433	361,213
4. Homeowners multiple peril	98,054,002	31,055,937	98,054,002	31,055,937	60,173,667	19,879,951	60,173,667	50,935,888	12,179,217
5. Commercial multiple peril	10,419,308	76,273,395	10,419,308	76,273,395	12,364,862	51,989,896	12,364,862	128,263,291	51,197,284
6. Mortgage guaranty									
8. Ocean marine		2,512,749		2,512,749		1,606,468		4,119,217	631,754
9. Inland marine	1,452,844	2,631,722	1,452,844	2,631,722	788,980	3,942,072	788,980	6,573,794	880,243
10. Financial guaranty									
11.1 Medical professional liablity—occurrence		187,568		187,568		3,485,840		3,673,408	217,569
11.2 Medical professional liablity—claims-made		71,559		71,559		356,173		427,732	144,892
12. Earthquake		59,628		59,628	91	65,809	91	125,437	56,804
13. Group accident and health		139,326		139,326		36,912		(a) 176,238	10,637
14. Credit accident and health (group and individual)									
15. Other accident and health		548,660		548,660		671,945		(a) 1,220,605	312,182
16. Workers' compensation	56,226,330	422,809,771	56,226,330	422,809,771	14,548,634	403,197,108	14,548,634	826,006,879	116,231,693
17.1 Other liability—occurrence	43,363,732	77,829,628	43,363,732	77,829,628	59,030,621	129,046,363	59,030,621	206,875,991	66,567,629
17.2 Other liability—claims-made		7,569,691		7,569,691	52,102	29,302,682	52,102	36,872,373	10,961,219
17.3 Excess workers' compensation		13,321,420		13,321,420		19,893,387		33,214,807	3,243,326
18.1 Products liability—occurrence	50,532	6,305,713	50,532	6,305,713	92,155	20,578,168	92,155	26,883,881	15,611,185
18.2 Products liability—claims-made		44,604		44,604		1,976,249		2,020,853	1,084,460
19.1,19.2 Private passenger auto liability	187,340,524	144,246,179	187,340,524	144,246,179	61,814,405	74,782,018	61,814,405	219,028,197	55,998,347
19.3,19.4 Commercial auto liability	3,519,095	53,533,837	3,519,095	53,533,837	2,872,709	33,169,590	2,872,709	86,703,427	15,140,630
21. Auto physical damage	54,345	598,389	54,345	598,389	7,143,337	4,156,769	7,143,337	4,755,158	4,669,731
22. Aircraft (all perils)		1,380,729		1,380,729		1,625,421		3,006,150	1,058,494
23. Fidelity		289,487		289,487	80,851	1,452,777	80,851	1,742,264	274,750
24. Surety	14,947,393	(123,641)	14,947,393	(123,641)	12,667,331	8,206,556	12,667,331	8,082,915	6,221,704
26. Burglary and theft		6,469		6,469	152	6,432	152	12,901	15,917
27. Boiler and machinery		406,962		406,962	(92)	200,030	(92)	606,992	56,627
28. Credit		1		1		238,795		238,796	
29. International									
30. Warranty						79,012		79,012	36,748
31. Reinsurance-nonproportional assumed property	X X X	6,349,974		6,349,974	X X X	8,228,082		14,578,056	164,718
32. Reinsurance-nonproportional assumed liability	X X X	5,602,206		5,602,206	X X X	16,355,932		21,958,138	1,560,545
33. Reinsurance-nonproportional assumed financial lines	X X X	255,750		255,750	X X X	1,209		256,959	1,863
34. Aggregate write-ins for other lines of business									
35. TOTALS	439,108,923	868,084,738	439,108,923	868,084,738	238,687,525	841,513,774	238,687,525	1,709,598,512	367,005,066

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	78,656,740			78,656,740
1.2 Reinsurance assumed	102,382,330			102,382,330
1.3 Reinsurance ceded	78,656,740			78,656,740
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	102,382,330			102,382,330
2. Commission and brokerage:				
2.1 Direct, excluding contingent		324,663,680		324,663,680
2.2 Reinsurance assumed, excluding contingent		81,226,094		81,226,094
2.3 Reinsurance ceded, excluding contingent		324,663,680		324,663,680
2.4 Contingent—direct		137,780,249		137,780,249
2.5 Contingent—reinsurance assumed		23,391,274		23,391,274
2.6 Contingent—reinsurance ceded		137,780,249		137,780,249
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)		104,617,368		104,617,368
3. Allowances to manager and agents		17,003,466		17,003,466
4. Advertising	659,041	24,732,079	4,872	25,395,992
5. Boards, bureaus and associations	301,939	2,652,257	223	2,954,419
6. Surveys and underwriting reports	6,845	6,171,093	28,902	6,206,840
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	65,787,257	129,517,154	4,864,477	200,168,888
8.2 Payroll taxes	2,769,883	11,457,743	20,920	14,248,546
9. Employee relations and welfare	13,277,077	52,608,852	233,772	66,119,701
10. Insurance	2,964,597	702,531	57,005	3,724,133
11. Directors' fees	30	692		722
12. Travel and travel items	4,515,170	9,621,587	176,994	14,313,751
13. Rent and rent items	3,246,662	13,187,080	61,753	16,495,495
14. Equipment	1,523,009	6,358,386	176,406	8,057,801
15. Cost or depreciation of EDP equipment and software	2,241,558	8,635,503	175,287	11,052,348
16. Printing and stationery	529,844	1,933,925	17,675	2,481,444
17. Postage, telephone and telegraph, exchange and express	2,044,414	7,647,826	234,223	9,926,463
18. Legal and auditing	360,564	1,880,295	852,193	3,093,052
19. Totals (Lines 3 to 18)	100,227,890	294,110,469	6,904,702	401,243,061
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 301,466		42,216,376		42,216,376
20.2 Insurance department licenses and fees		3,402,269		3,402,269
20.3 Gross guaranty association assessments		416,004		416,004
20.4 All other (excluding federal and foreign income and real estate)		3,370,336		3,370,336
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		49,404,985		49,404,985
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	6,859,831	22,344,240	1,838,805	31,042,876
25. Total expenses incurred	209,470,051	470,477,062	8,743,507	(a) 688,690,620
26. Less unpaid expenses—current year	367,005,067	96,493,368		463,498,435
27. Add unpaid expenses—prior year	307,344,680	84,975,544		392,320,224
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year		(7,411)		(7,411)
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	149,809,664	458,951,827	8,743,507	617,504,998

DETAILS OF WRITE-IN LINES				
2401. Other expenses	6,859,831	22,344,240	1,838,805	31,042,876
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)	6,859,831	22,344,240	1,838,805	31,042,876

(a) Includes management fees of $ 211,184,652 to affiliates and $ 17,180,346 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 8,312,300	7,837,118
1.1	Bonds exempt from U.S. tax	(a) 28,125,801	27,749,252
1.2	Other bonds (unaffiliated)	(a) 73,533,017	76,816,464
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 691,881	691,881
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	7,165,667	7,082,676
2.21	Common stocks of affiliates	44,011,386	47,515,966
3.	Mortgage loans	(c) 6,198,047	6,230,580
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 1,133,571	1,120,644
7.	Derivative instruments	(f) 80,372	51,977
8.	Other invested assets	10,003,811	10,003,811
9.	Aggregate write-ins for investment income	628,406	628,406
10.	Total gross investment income	179,884,259	185,728,775
11.	Investment expenses		(g) 8,743,506
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		8,743,506
17.	Net investment income (Line 10 minus Line 16)		176,985,269

	DETAILS OF WRITE-IN LINES		
0901.	Miscellaneous Income/(Expense)	628,406	628,406
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)	628,406	628,406
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		

(a) Includes $ 1,631,027 accrual of discount less $ 11,813,948 amortization of premium and less $ 3,303,877 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 $ 33,437 amortization of premium and less $ 0 paid for accrued interest on purchases.
(d) Includes $ 0 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.
(e) Includes $ 6,219 accrual of discount less $ 0 amortization of premium and less $ 7,062 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					
1.1	Bonds exempt from U.S. tax	485,208		485,208		
1.2	Other bonds (unaffiliated)	5,401,362	(2,948,650)	2,452,712	544,680	(5,081,565)
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	76,773,950	(1,158,968)	75,614,982	(4,439,626)	
2.21	Common stocks of affiliates				(32,410,164)	
3.	Mortgage loans	(25,439)		(25,439)	(3,015)	
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments	(3,849,211)		(3,849,211)	2,874,943	
8.	Other invested assets	(65,817)		(65,817)	10,767,103	
9.	Aggregate write-ins for capital gains (losses)		(1,138,288)	(1,138,288)		
10.	Total capital gains (losses)	78,720,053	(5,245,906)	73,474,147	(22,666,079)	(5,081,565)

	DETAILS OF WRITE-IN LINES					
0901.	OTHER INCOME		(147,882)	(147,882)		
0902.	SOFTWARE IMPAIRMENT		(990,406)	(990,406)		
0903.						
0998.	Summary of remaining write-ins for Line 09 from overflow page					
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)		(1,138,288)	(1,138,288)		

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	4,915,080	7,921,832	3,006,752
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	383,530	388,533	5,003
15.3 Accrued retrospective premiums	3,132,586	1,151	(3,131,435)
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	22,606		(22,606)
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	34,637,208	46,668,066	12,030,858
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	564,764	6,029,338	5,464,574
21. Furniture and equipment, including health care delivery assets	32,837,409	38,375,168	5,537,759
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	1,451,887	1,979,505	527,618
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	77,945,070	101,363,593	23,418,523
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	77,945,070	101,363,593	23,418,523

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	1,451,772	1,979,505	527,733
2502. Amounts receivable under high deductible policies	115		(115)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,451,887	1,979,505	527,618

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

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

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

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

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

C. Accounting Policies

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

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

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

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

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

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

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

6. Mortgage backed/asset backed securities are carried at amortized cost or fair value based on guidance in the SVO Manual. Prepayment assumptions for mortgage backed/asset backed securities are updated monthly. 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, *Investment in Subsidiaries, Controlled and Affiliated Entities - A Replacement of SSAP No. 88*, and the SVO Manual.

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

9. Derivative Securities. Refer to Note 8.

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

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

12. Effective January 1, 2013 the Company changed the predefined thresholds in its capitalization policy for internally developed software. The change was to bring the thresholds for internally developed software in line with industry standards. The Company's capitalization policy, including the predefined thresholds, for all other asset classes did not change.

13. The Company has no pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Correction of Errors

Effective January 1, 2013 the Company Adopted SSAP No. 92, Postretirement Benefits Other Than Pensions, a Replacement of SSAP No. 14 and SSAP No. 102, Accounting for Pensions, a Replacement of SSAP No. 89. Also effective January 1, 2013, the Company adopted Ref #2013-02, Accounting for Deferred Compensation and Post Retirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements. The Company elected the transition option for recognizing the surplus impact of adopting SSAP No. 92, SSAP No. 102 and Ref #2013-02. The cumulative effect of

NOTES TO FINANCIAL STATEMENTS

adopting SSAP No. 92, SSAP No. 102 and Ref #2013-02 is reported in the capital and surplus account and is not considered material.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

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

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 2013 were:

Farm mortgages	N/A
Residential mortgages	N/A
Commercial mortgages	3.625% and 6.875%
Mezzanine	N/A

2. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was: 77 %

		2013	2012
3.	Taxes, assessments and any amounts advanced and not included in the mortgage loan total	5,453	2,476

4. Age Analysis of Mortgage Loans

	Farm	Residential Insured	Residential All Other	Commercial Insured	Commercial All Other	Mezzanine	Total
a. Current Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$99,797,869	$ -	$99,797,869
(b) 30-59 Days Past Due	-	-	-	-	38,122	-	38,122
(c) 60-89 Days Past Due	-	-	-	-	5,963	-	5,963
(d) 90-179 Days Past Due	-	-	-	-	40,577	-	40,577
(e) 180+ Days Past Due	-	-	-	-	-	-	-
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	$ -	$ -	$ -	$ -	$1,715,126	$ -	$1,715,126
(b) Number of Loans	-	-	-	-	13	-	13
(c) Percent Reduced	-%	-%	-%	-%	1.143%	- %	1.143%
b. Prior Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$85,942,320	$ -	$85,942,320

NOTES TO FINANCIAL STATEMENTS

(b) 30-59 Days Past Due	-	-	-	-	90,108	-	90,108
(c) 60-89 Days Past Due	-	-	-	-	160,838	-	160,838
(d) 90-179 Days Past Due	-	-	-	-	36,062	-	36,062
(e) 180+ Days Past Due	-	-	-	-	-	-	-
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	$ -	$ -	$ -	$ -	$67,518	$ -	$67,518
(b) Number of Loans	-	-	-	-	1	-	1
(c) Percent Reduced	-%	-%	-%	-%	2.000%	-%	2.000%

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

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
a. Current Year							
1. With Allowance for Credit Losses	$-	$-	$-	$-	$37,562	$-	$37,562
2. No Allowance for Credit Losses	-	-	-	-	15,285	-	15,285
b. Prior Year							
1. With Allowance for Credit Losses	$-	$-	$-	$-	$-	$-	$-
2. No Allowance for Credit Losses	-	-	-	-	15,518	-	15,518

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:

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
a. Current Year							
1. Average Recorded Investment	$-	$-	$-	$-	$34,202	$-	$34,202
2. Interest Income Recognized	-	-	-	-	808	-	808
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	809	-	809
b. Prior Year							
1. Average Recorded Investment	$-	$-	$-	$-	$7,768	$-	$7,768
2. Interest Income Recognized	-	-	-	-	820	-	820
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	828	-	828

7. Allowance for credit losses:	2013	2012
a. Balance at beginning of period	$-	$-
b. Additions charged to operations	30,539	-
c. Direct write-downs charged against the allowances	27,524	-
d. Recoveries of amounts previously charged off	-	-
e. Balance at end of period	$3,015	-

NOTES TO FINANCIAL STATEMENTS

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

B. Debt Restructuring

	2013	2012
1. The total recorded investment in restructured loans, as of year end	$15,285	$15,518
2. The realized capital losses related to these loans	$-	$-
3. Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	$-	$-

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

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan Backed Securities

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

2. All Loan Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2013 as of December 31, 2013: None

3. Each Loan Backed Security with a recognized other-than-temporary impairment held by the Company at December 31, 2013:

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
30605AAX1	201,842	191,425	10,418	191,425	257,755	3/31/2013
30604VAG3	207,751	159,068	48,683	159,068	157,954	6/30/2013
021469AL5	406,572	394,720	11,853	394,720	392,033	12/31/2013

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, 2013:

a. The aggregate amount of unrealized losses:
   1. Less than 12 Months $ 8,869,680
   2. 12 Months or Longer $ 4,377,603

b. The aggregate related fair value of securities with unrealized losses:
   1. Less than 12 Months $ 323,775,383
   2. 12 Months or Longer $ 77,603,754

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.

2. The Company has not pledged any of its assets as collateral as of December 31, 2013.

3. Aggregate Amount of Contractually open cash collateral positions:

NOTES TO FINANCIAL STATEMENTS

a. Aggregate Amount Cash Collateral Received

	Fair Value
1. Repurchase Agreement	
(a) Open	$ -
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Sub-Total	-
(g) Securities Received	-
(h) Total Collateral Received	$ -
2. Securities Lending	
(a) Open	$ 54,820,950
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Sub-Total	54,820,950
(g) Securities Received	5,850,543
(h) Total Collateral Received	$ 60,671,493
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) $ 54,820,950

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

4. Securities Lending Transactions Administered by an Affiliated Agent

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

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

	Amortized Cost	Fair Value
1. Repurchase Agreement		
(a) Open	$ -	$ -
(b) 30 Days or Less	-	-
(c) 31 to 60 Days	-	-
(d) 61 to 90 Days	-	-
(e) 91 to 120 Days	-	-
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	-	-
(j) Greater Than 3 Years	-	-
(k) Sub-Total	-	-
(l) Securities Received	-	-
(m) Total Collateral Reinvested	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

2. Securities Lending		
(a) Open	$ -	$ -
(b) 30 Days or Less	21,987,656	21,984,057
(c) 31 to 60 Days	18,495,649	18,495,649
(d) 61 to 90 Days	14,341,240	14,341,244
(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	54,824,545	54,820,950
(l) Securities Received	-	-
(m) Total Collateral Reinvested	$ 54,824,545	$ 54,820,950

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.

F. Real Estate

The Company does not have real estate.

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)

	Gross Restricted								Percentage	
	Current Year					6	7	8	9	10
	1	2	3	4	5					
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	$-	$-	$-	$-	0%	0%
b. Collateral held under security lending agreements	54,820,950	-	-	-	$54,820,950	$-	$54,820,950	$54,820,950	1%	1%
c. Subject to repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%

NOTES TO FINANCIAL STATEMENTS

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	-	-	-	-	$-	$-	$-	$-	0%	0%
i. On deposit with states	17,360,719	-	-	-	$17,360,719	$17,513,750	$(153,031)	$17,360,719	0%	0%
j. On deposit with other regulatory bodies	-	-	-	-	$-	$-	$-	$-	0%	0%
k. Pledged as collateral not captured in other categories	-	-	-	-	$-	$-	$-	$-	0%	0%
l. Other restricted assets	-	-	-	-	$-	$-	$-	$-	0%	0%
m. Total Restricted Assets	$72,181,669	$-	$-	$-	$72,181,669	$17,513,750	$54,667,919	$72,181,669	1%	2%

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

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

Note 6 - Joint Ventures, Partnerships & Limited Liability Companies

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

The Company's investment in joint ventures, partnerships, or limited liability companies does not exceed 10% of its admitted assets.

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

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

Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2013.

NOTES TO FINANCIAL STATEMENTS

Note 8 - Derivative Instruments

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

Beginning in July 2012, the Company, as part of its risk management program, diversification, and economic hedging strategies, entered into total return swap agreements with net notional amounts totaling 70,933,333. In December 2012, one position with notional amounts totaling 25,300,000 matured, the loss associated with this matured position was $1,635,836. The remaining contracts expired at various points during 2013, with the last contract expiring in September 2013. The Company reported a realized loss of $3,849,211 in 2013.

Note 9 - Income Taxes

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

1.

	12/31/2013		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	$ 147,799,200	$ 8,724,100	$ 156,523,300
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	147,799,200	8,724,100	156,523,300
(d) Deferred Tax Assets Nonadmitted	34,637,208	-	34,637,208
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	113,161,992	8,724,100	121,886,092
(f) Deferred Tax Liabilities	19,013,469	10,876,831	29,890,300
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ 94,148,523	$ (2,152,731)	$ 91,995,792

	12/31/2012		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	$ 157,613,400	$ 9,700,600	$ 167,314,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	157,613,400	9,700,600	167,314,000
(d) Deferred Tax Assets Nonadmitted	46,668,066	-	46,668,066
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	110,945,334	9,700,600	120,645,934
(f) Deferred Tax Liabilities	14,281,963	13,726,037	28,008,000
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ 96,663,371	$ (4,025,437)	$ 92,637,934

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	$ (9,814,200)	$ (976,500)	$ (10,790,700)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(9,814,200)	(976,500)	(10,790,700)
(d) Deferred Tax Assets Nonadmitted	(12,030,858)	-	(12,030,858)
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	2,216,658	(976,500)	1,240,158
(f) Deferred Tax Liabilities	4,731,506	(2,849,206)	1,882,300
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ (2,514,848)	$ 1,872,706	$ (642,142)

NOTES TO FINANCIAL STATEMENTS

2.

	12/31/2013		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 52,136,671	$ 438,881	$ 52,575,552
(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)	39,420,240	-	39,420,240
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	39,420,240	-	39,420,240
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			164,501,512
(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	19,013,469	10,876,831	29,890,300
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	$ 110,570,379	$ 11,315,713	$ 121,886,092

	12/31/2012		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 43,388,000	$ -	$ 43,388,000
(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)	47,673,282	1,576,652	49,249,934
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	47,673,282	1,576,652	49,249,934
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			136,745,146
(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	14,281,963	13,726,037	28,008,000
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	$ 105,343,245	$ 15,302,689	$ 120,645,934

	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	$ 8,748,671	$ 438,881	$ 9,187,552
(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)	(8,253,042)	(1,576,652)	(9,829,694)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(8,253,042)	(1,576,652)	(9,829,694)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			27,756,366
(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	4,731,506	(2,849,206)	1,882,300
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 5,227,134	$ (3,986,976)	$ 1,240,158

NOTES TO FINANCIAL STATEMENTS

3.

	2013	2012
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	596.46%	493.11%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	1,096,676,744	852,412,262

4.

	12/31/2013		12/31/2012		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)	$ 147,799,200	$ 8,724,100	$ 157,613,400	$ 9,700,600	$ (9,814,200)	$ (976,500)
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)	$ 113,161,992	$ 8,724,100	$ 110,945,334	$ 9,700,600	$ 2,216,658	$ (976,500)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	0%	0%	0%	0%	0%	0%

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

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

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

	(1) 12/31/2013	(2) 12/31/2012	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ (15,034,951)	$ 38,771,395	$ (53,806,346)
(b) Foreign	-	-	-
(c) Subtotal	(15,034,951)	38,771,395	(53,806,346)
(d) Federal income tax on net capital gains	25,715,951	3,766,605	21,949,346
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income tax incurred	$ 10,681,000	$ 42,538,000	$ (31,857,000)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 45,498,000	$ 45,698,000	$ (200,000)
(2) Unearned premium reserve	53,346,000	56,126,000	(2,780,000)
(3) Policyholder reserves	-	-	-
(4) Investments	16,470,000	17,179,000	(709,000)
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	37,000	-	37,000
(8) Compensation and benefits accrual	8,180,000	9,174,000	(994,000)
(9) Pension accrual	1,187,000	1,670,000	(483,000)
(10) Receivables – nonadmitted	15,158,000	19,144,000	(3,986,000)
(11) Net operating loss carry-forward	729,000	934,000	(205,000)
(12) Tax credit carry-forward	810,000	259,000	551,000
(13) Other (including items <5% of total ordinary tax assets)	6,384,200	7,429,400	(1,045,200)
(99) Subtotal	147,799,200	157,613,400	(9,814,200)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	34,637,208	46,668,066	(12,030,858)

NOTES TO FINANCIAL STATEMENTS

(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	113,161,992	110,945,334	2,216,658
(e) Capital			
(1) Investments	8,724,100	9,700,600	(976,500)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	8,724,100	9,700,600	(976,500)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	8,724,100	9,700,600	(976,500)
(i) Admitted deferred tax assets (2d + 2h)	121,886,092	120,645,934	1,240,158
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	4,488,000	2,802,000	1,686,000
(2) Fixed assets	8,961,000	8,310,000	651,000
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total capital tax liabilities)	5,564,469	3,169,963	2,394,506
(99) Subtotal	19,013,469	14,281,963	4,731,506
(b) Capital:			
(1) Investments	9,785,831	12,635,037	(2,849,206)
(2) Real estate	1,091,000	1,091,000	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	10,876,831	13,726,037	(2,849,206)
(c) Deferred tax liabilities (3a99 + 3b99)	29,890,300	28,008,000	1,882,300
4. Net deferred tax assets/liabilities (2i – 3c)	$ 91,995,792	$ 92,637,934	$ (642,142)

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 interest, airplane adjustments, allowance for doubtful accounts, and depreciation.

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

Year Generated	Amount	Expiration
2011	$ 2,082,000	2031

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

Year Generated	Amount	Expiration
2011	$ 531,000	2031
2012	$ 279,000	2032

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 $16,771,000 from the current year and $39,890,590 from the preceding year.

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

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

AMBCO Capital Corporation
America First Insurance Company
America First Lloyd's Insurance Company
American Economy Insurance Company
American Fire and Casualty Company
American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
Liberty Mutual Insurance Company
Liberty Mutual Personal Insurance Company
Liberty Northwest Insurance Corporation
Liberty Personal Insurance Company
Liberty RE (Bermuda) Limited
Liberty Sponsored Insurance (Vermont), Inc.
Liberty Surplus Insurance Corporation
LIH-RE of America Corporation
LIU Specialty Insurance Agency Inc.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

A. All of the outstanding shares of capital stock of the Company are held by Safeco Corporation (“Safeco”), an insurance holding company incorporated in Washington. Safeco is wholly owned 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.

NOTES TO FINANCIAL STATEMENTS

C. As of December 31, 2013, the Company had the following capital transactions with its parent and subsidiaries:

1. Received capital contributions of $163,422,879 from its parent, Safeco Corporation.

2. Contributed capital in the amount of $5,304,966.

3. Received dividends in the amount of $57,515,966.

4. Paid a dividend to its parent, Safeco Corporation, as follows:

				Paid By	
Date Paid	Ordinary	Extraordinary	Total	Cash	Securities
December	$ -	$58,000,000	$58,000,000	$3,889,046	$54,110,954

Statutory Statement Value - $53,748,841

Of this total, $10,484,034 was a return of capital distribution.

Of this total, $3,504,580 was unpaid as of December 31, 2013. The unpaid amount was settled in January 2014.

D. At December 31, 2013, the Company reported a net $206,581,410 due to affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.

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

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

The Company is a party to a management services agreement (the “Agreement”) with Liberty Mutual Insurance Company (“LMIC”). Under the Agreement, LMIC may provide the Company with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by LMIC and 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:

Company	***Credit Line***
American Economy Insurance Company	$50,000,000
American States Insurance Company	$50,000,000
General Insurance Company of America	$50,000,000
Liberty Mutual Insurance Company	$100,000,000
The Ohio Casualty Insurance Company	$100,000,000
Peerless Insurance Company	$100,000,000

There were no outstanding loans as of December 31, 2013.

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

Company	***Credit Line***
American Economy Insurance Company	$50,000,000
American States Insurance Company	$50,000,000
General Insurance Company of America	$50,000,000
Liberty Mutual Insurance Company	$100,000,000
The Ohio Casualty Insurance Company	$100,000,000
Peerless Insurance Company	$100,000,000

There were no outstanding borrowings as of December 31, 2013.

The Company is a party to an Amended and Restated Intercompany Short -Term Borrowing Agreement with Safeco Corporation. Pursuant to the agreement, each party agrees to lend funds to any other party to the agreement for a maximum term of 12 months. The amount of the loan is limited by statutory requirements of the Insurance Holding Company Act of the state of domicile of the Company.

There were no outstanding borrowings as of December 31, 2013.

NOTES TO FINANCIAL STATEMENTS

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 entities.

J. The Company does not own investments in subsidiary, controlled or affiliated entities, therefore no impairments were recognized.

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. Federal Home Loan Bank Agreements

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

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

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

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

1. The Company has 20,000 shares authorized, issued and outstanding as of December 31, 2013. All shares have a stated par value of $250.

2. Preferred Stock

   Not applicable

3. There are no dividend restrictions.

4. Refer to Note 10C.

5. The maximum amount of dividends which can be paid to shareholders by New Hampshire-domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner 10% of surplus. The maximum dividend payout which may be made without prior approval in 2014 is $118,867,254.

6. As of December 31, 2013, the Company has pre-tax restricted surplus of $6,682,422 resulting from retroactive reinsurance contracts.

7. The Company had no advances to surplus.

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

9. The Company had changes in special surplus funds resulting from prior year's retroactive reinsurance contracts during 2013.

10. The portion of unassigned funds (surplus) represented by cumulative net unrealized losses is ($25,980,437) after applicable deferred taxes of ($6,683,831).

11. Surplus Notes

    Not applicable

12. Quasi-reorganization (dollar impact)

    Not applicable

13. Quasi-reorganization (effective date)

    Not applicable

NOTES TO FINANCIAL STATEMENTS

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 $9,972,612 that is offset by future premium tax credits of $737,099. Current assessments are expected to be paid out in the next two years, while premium tax offsets are expected to be realized in the next eleven years, beginning in 2013. During 2013 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	$ 1,139,795
b.	Decreases current year: Premium tax offset applied	453,518
c.	Increases current year: Premium tax offset increase	50,822
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$ 737,099

C. Gain Contingencies

Not applicable

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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	$1,860,735

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

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

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

E. Product Warranties

The Company does not write product warranty business.

F. All Other Contingencies

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

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

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

NOTES TO FINANCIAL STATEMENTS

Note 15 - Leases

A. Lessee Leasing Arrangements

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

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

Year Ending December 31,	Operating Leases
2013	$ 6,810,750
2014	6,886,122
2015	5,536,018
2016	3,105,671
2017	2,228,381
2018 & thereafter	17,785,191
Total	$ 42,352,133

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 $585,964.

2. The Company is not involved in any material sale-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, 2013 the total fair value of securities on loan was $59,368,582, with corresponding collateral value of $60,671,493 of which $54,820,950 represents cash collateral that was reinvested.

C. Wash Sales

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

Note 18 - Gain or Loss 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

NOTES TO FINANCIAL STATEMENTS

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, 2013:

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Issuer Obligations	$ -	$56,657,302	$35,486,569	$92,143,871
Non-Issuer Obligations	-	5,428,257	-	5,428,257
Total Bonds	$ -	$62,085,559	$35,486,569	$97,572,128
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	$ -	$ -	$ -	$ --
Total Preferred Stocks	$ -	$ -	$ -	$ -
Common Stocks				
Industrial and Miscellaneous	$312,226,445	$ -	$102,444	$312,328,889
Total Common Stocks	$312,226,445	$ -	$102,444	$ 312,328,889
Total assets at fair value	$312,226,445	$62,085,559	$35,589,013	$409,901,017
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, 2013.

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 12/31/2012	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 12/31/2013
Bonds	$4,547,966	$30,632,863	($3,590,856)	$ -	$136,363	$6,418,289	$ -	($2,671,981)	$13,925	$35,486,569
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Common Stock	770,548	-	-	4,487,337	335	-	-	(5,155,776)	-	102,444
Total	$5,318,514	$30,632,863	($3,590,856)	$4,487,337	$136,698	$6,418,289	$ -	($7,827,757)	$13,925	$35,589,013

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.

NOTES TO FINANCIAL STATEMENTS

4. Inputs and Techniques Used for Fair Value

Fixed Maturities

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

U.S. Government and Agency

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

Mortgage-Backed Securities

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

Asset-Backed Securities

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

Municipals

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

Corporate debt and other

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

Foreign government securities

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

Equity Securities

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

NOTES TO FINANCIAL STATEMENTS

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	83,922,638	83,922,638	83,922,638	-	-	-
Bonds	2,904,710,080	2,878,892,421	6,901,485	2,825,700,996	72,107,599	-
Preferred Stock	3,760,000	3,500,000	-	3,760,000	-	-
Common Stock	312,328,889	553,884,533	312,226,445	-	102,444	-
Securities Lending	54,820,950	54,820,950	-	54,820,950	-	-
Mortgage Loans	104,591,672	99,879,516	-	-	104,591,672	-
Surplus Notes	-	-	-	-	-	-
Total	$3,464,134,229	$3,674,900,058	$403,050,568	$2,884,281,946	$176,801,715	$ -

Note 21 - Other Items

A. Extraordinary Items

The Company has no extraordinary items to report.

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

1) Assets in the amount of $17,360,719 and $17,513,750 as of December 31, 2013 and 2012, respectively, were on deposit with government authorities or trustees as required by law.

2) Interrogatory 6.1

The Company cedes 100% of its business to 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.

NOTES TO FINANCIAL STATEMENTS

E. State Transferable and Non-transferable Tax Credit

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

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Historical Rehabilitation Credit	CT	$ 3,187	$ 3,187
Film Credit	CT	220,000	220,000
Total		$ 223,187	$ 223,187

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

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

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

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

(4) State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
Transferable	-	-
Non-transferable	$ 223,187	-

F. Subprime-Mortgage-Related Risk Exposure

1. The Company has not purchased securities characterized by the market as subprime. The Company looks at such factors as average FICO scores, loan to value ratios, and levels of documentation when evaluating securities. The Company's only exposure to subprime was inherited through acquisition of collateral assets at the termination of a securities lending agreement in 2008.

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

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

Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-Than-Temporary Impairments Recognized
$2,341,593	$2,217,690	$2,182,320	$361,454

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

G. Offsetting and Netting of Assets and Liabilities

Not applicable.

H. Joint and Several Liabilities

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

Note 22 - Events Subsequent

A. The Company evaluated subsequent events through February 24, 2014, the date the annual statement was available to be issued.

There were no events subsequent to December 31, 2013 that would require disclosure.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

Excluding amounts arising pursuant to the 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.

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed & Ceded

1. The following table sets forth the maximum return premium and commission equity due the reinsurers or the Company if all of the Company's assumed and ceded reinsurance were canceled as of December 31, 2013.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$712,851,727	$55,945,627	$1,118,663,311	$227,780,538	$(405,811,584)	$(171,834,911)
b. All Other	-	-	-	-	-	-
c. TOTAL	$712,851,727	$55,945,627	$1,118,663,311	$227,780,538	$(405,811,584)	$(171,834,911)
d. Direct Unearned Premium Reserve $1,118,663,311						

2. Certain contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2013 are as follows:

	Direct	Assumed	Ceded	Net
a. Contingent Commission	$195,316,853	$25,062,341	$195,316,853	$25,062,341
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. TOTAL	$195,316,853	$25,062,341	$195,316,853	$25,062,341

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

D. Uncollectible Reinsurance

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

E. Commutation of Ceded Reinsurance

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

F. Retroactive Reinsurance

The Company's retroactive reinsurance is a result of the Intercompany Reinsurance Agreement.

	Reported Company	
	As:	
	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	$(63,731,130)	-
2. Adjustments – Prior Year (s)	(6,887,319)	-
3. Adjustments – Current Year	68,259,362	-
4. Current Total	$(2,359,087)	-
b. Consideration Paid or Received:		
1. Initial Consideration	$(9,494,162)	-
2. Adjustments – Prior Year (s)	(3,262,093)	-
3. Adjustments – Current Year	(28,033)	-
4. Current Total	$(12,784,288)	-
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year (s)	$10,652,927	-
2. Current Year	(68,324,917)	-
3. Current Total	$(57,671,990)	-
d. Special Surplus from the Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	$56,368,958	-
2. Adjustments – Prior Year (s)	(9,159,691)	-
3. Adjustments – Current Year	37,522	-
4. Current Year Restricted Surplus	6,682,422	-
5. Cumulative Total Transferred to Unassigned Funds	$40,564,367	-
e. All cedents and reinsurers involved in all transactions included in summary totals above:		
Company	Assumed Amount	Ceded Amount
Liberty Mutual Insurance Company, 23043	$(2,359,087)	-
Total	$(2,359,087)	-

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

NOTES TO FINANCIAL STATEMENTS

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.

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, 2013.

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.

The Company does not transact business with Certified Reinsurers.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

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

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

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

D. 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.

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	$31,376,875
b.	Unsecured amount	-
c.	Less: Nonadmitted amount (10%)	3,132,586
d.	Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	-
e.	Admitted amount (a) - (c) - (d)	$28,244,289

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expense attributable to insured events on prior year's has increased through the fourth quarter 2013. The increase was primarily the result of an updated reserve analysis, with the largest increases in Workers' Compensation, Private Passenger Auto Liability, and Surety lines. Other Liability Occurrence and Products Liability Occurrence also increased as a result of strengthening the asbestos and environmental reserves (Refer to Note 33). These increases were partially offset by decreases in reserve estimates for Homeowners, primarily driven by favorable development of catastrophic losses and Other Liability-Claims Made and Commercial Multiple Peril lines. Prior estimates are revised, as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

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

		NAIC Company Number	Pooling Percentage	Line of Business
Lead Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50.00%	All Lines
Affiliated Pool Companies:	Peerless Insurance Company ("PIC")	24198	20.00%	All Lines
	Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8.00%	All Lines
	The Ohio Casualty Insurance Company ("OCIC")	24074	8.00%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6.00%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0.00%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0.00%	All Lines

NOTES TO FINANCIAL STATEMENTS

	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company ("ASIC")	19704	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0.00%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.00%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0.00%	All Lines
	General Insurance Company of America ("GICA")	24732	0.00%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
	Indiana Insurance Company ("IIC")	22659	0.00%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0.00%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
	LM Insurance Corporation ("LMC")	33600	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	Liberty Personal Insurance Company (LPIC")	11746	0.00%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
	National Insurance Association ("NIA")	27944	0.00%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	0.00%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	0.00%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	0.00%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
	Wausau Business Insurance Company ("WBIC")	26069	0.00%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
	Wausau Underwriters Insurance Company ("WUIC")	26042	0.00%	All Lines
	West American Insurance Company ("WAIC")	44393	0.00%	All Lines
			100.00%	
100% Quota Share Affiliated Companies:	Bridgefield Employers Insurance Company ("BEIC")	10701	0.00%	All Lines
	Bridgefield Casualty Insurance Company ("BCIC")	10335	0.00%	All Lines
	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 that have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.

NOTES TO FINANCIAL STATEMENTS

(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, 2013:

Affiliate:	Amount:
Liberty Mutual Insurance Company	$(38,194,751)

Pursuant to the approval of the appropriate state insurance departments, effective January 1, 2013, the participants of the Peerless Amended and Restated Reinsurance Pooling Agreement (the PIC Pool) were added to the Liberty Mutual Intercompany Reinsurance Agreement (Liberty Pool). The Liberty Mutual Intercompany Reinsurance Agreement was renamed the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement. Also effective January 1, 2013 the Peerless Amended and Restated Reinsurance Pooling Agreement was terminated.

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

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

Note 27 - Structured Settlements

A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves of $36,185,415 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 $36,185,415 as of December 31, 2013.

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	$ 17,897,287

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	12/31/2013
3. Was anticipated investment income utilized in the calculation?	Yes

Note 31 - High Dollar Deductible Policies

As of December 31, 2013, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was $351,589,886 and the amount billed and recoverable on paid claims was $11,716,077.

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%.

NOTES TO FINANCIAL STATEMENTS

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

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
	1 Case	2 IBNR
1. Homeowners/Farmowners	-	-
2. Private Passenger Auto Liability/Medical	-	-
3. Commercial Auto/Truck Liability/Medical	-	-
4. Workers' Compensation	36,892,710	48,123,527
5. Commercial Multiple Peril	-	-
6. Medical Professional Liability – occurrence	-	-
7. Medical Professional Liability – claims-made	-	-
8. Special Liability	-	-
9. Other Liability - occurrence	280,599	-
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	37,173,309	48,123,527

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

B. Nontabular Discount:

Not applicable

Note 33 - Asbestos/Environmental Reserves

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

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

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

In the last few years the Company, as well as the industry generally, has seen decreases in the number of asbestos claims being filed. This turn to a more favorable trend is due to a number of factors. Screening activity used by some lawyers to find new plaintiffs utilized questionable practices discovered in the Federal Silica Multi District Litigation. Court decisions in several key states (e.g., Mississippi) have been favorable to defendants. Most importantly, several states have enacted and sustained legislation in the past few years that contain medical criteria provisions aimed at reducing the number of lawsuits filed by unimpaired plaintiffs and providing prompt and fair compensation to those who meet the criteria.

In the third quarter of 2013, 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

NOTES TO FINANCIAL STATEMENTS

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 $17 million including: a $7 million final contingent payment triggered on a large settlement; $6 million of other asbestos reserves, primarily associated with increased defense costs; and $4 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, 2013, 2012, 2011, 2010, and 2009.

Asbestos:

	2009	2010	2011	2012	2013
Direct Basis					
Beginning Reserves	103,833,254	120,482,770	90,186,675	95,100,512	93,394,961
Incurred losses and LAE	33,085,526	4,611,154	24,219,525	14,340,667	24,875,137
Calendar year payments	16,436,010	34,907,248	19,305,688	16,046,218	13,314,350
Ending Reserves	120,482,770	90,186,675	95,100,512	93,394,961	104,955,748
Assumed Reinsurance Basis					
Beginning Reserves	47,063,385	38,312,634	36,961,007	37,387,464	34,504,112
Incurred losses and LAE	(5,788,650)	2,921,446	2,662,978	904,968	4,479,866
Calendar year payments	2,962,101	4,273,073	2,236,521	3,788,320	1,798,057
Ending Reserves	38,312,634	36,961,007	37,387,464	34,504,112	37,185,921
Net of Ceded Reinsurance Basis					
Beginning Reserves	53,309,640	69,400,588	48,855,784	58,064,413	53,408,945
Incurred losses and LAE	27,545,681	(6,422,711)	19,604,304	8,950,344	14,131,446
Calendar year payments	11,454,733	14,122,093	10,395,674	13,605,812	7,706,974
Ending Reserves	69,400,588	48,855,784	58,064,413	53,408,945	59,833,416

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	62,078,509
Assumed Reinsurance Basis	27,758,786
Net of Ceded Reinsurance Basis	35,223,097
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	53,725,410
Assumed Reinsurance Basis	1,594,881
Net of Ceded Reinsurance Basis	22,972,270

NOTES TO FINANCIAL STATEMENTS

Environmental:	2009	2010	2011	2012	2013
Direct Basis					
Beginning Reserves	31,925,330	26,511,000	24,880,244	25,484,587	25,208,570
Incurred losses and LAE	1,275,507	2,323,055	5,179,858	3,662,120	5,713,769
Calendar year payments	6,689,837	3,953,811	4,575,516	3,938,136	4,014,107
Ending Reserves	26,511,000	24,880,244	25,484,587	25,208,570	26,908,233
Assumed Reinsurance Basis					
Beginning Reserves	4,504,104	4,647,678	3,800,263	3,558,136	3,899,360
Incurred losses and LAE	506,272	(5,853)	419,814	(1,088,520)	260,690
Calendar year payments	362,698	841,562	661,941	(1,429,745)	310,283
Ending Reserves	4,647,678	3,800,263	3,558,136	3,899,360	3,849,767
Net of Ceded Reinsurance Basis					
Beginning Reserves	29,162,481	24,195,338	21,324,555	20,819,688	18,509,862
Incurred losses and LAE	(1,106,281)	(165,389)	839,049	(115,338)	3,660,403
Calendar year payments	3,860,862	2,705,394	1,343,916	2,194,488	2,791,254
Ending Reserves	24,195,338	21,324,555	20,819,688	18,509,862	19,379,012

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	16,307,611
Assumed Reinsurance Basis	2,667,350
Net of Ceded Reinsurance Basis	10,386,576

Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	9,409,810
Assumed Reinsurance Basis	565,481
Net of Ceded Reinsurance Basis	4,398,419

Note 34 - Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 35 - Multiple Peril Crop Insurance

Not applicable

Note 36 - Financial Guaranty Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

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

1.3 State Regulating? 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 [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

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

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/21/2011

3.4 By what department or departments?
Washington State Office of the Insurance Commissioner

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control. 0.00 %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

12.2 If yes, provide explanation:

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

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

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

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

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

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

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

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

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Effective May 6, 2013, Liberty made significant revisions to the format and contents of its Code to make this easier for employees to read and understand. These revisions did not change the core requirements and policies in 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 thereof? Yes [X] No [ ]

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

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

FINANCIAL

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

INVESTMENT

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

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

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

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

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 60,671,493

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

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

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

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

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 54,820,950

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 54,820,950

24.103 Total payable for securities lending reported on the liability page $ 54,820,950

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

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

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Pledged as collateral	$ 0
25.26	Placed under option agreements	$ 0
25.27	Letter stock or securities restricted as to sale	$ 0
25.28	On deposit with state or other regulatory body	$ 17,360,719
25.29	Other	$ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0
		0
		0

GENERAL INTERROGATORIES

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005
Bank of New York Mellon	601 Travis Street, Houston, TX 77002

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Liberty Mutual Group Asset Managemen	175 Berkeley Street, Boston, MA 02116
N/A	Liberty Mutual Investment Advisors, LLC	175 Berkeley Street, Boston, MA 02116
N/A	StanCorp Mortgage Investors	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

GENERAL INTERROGATORIES

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	2,942,972,637	2,970,662,787	27,690,150
30.2 Preferred stocks	3,500,000	3,760,000	260,000
30.3 Totals	2,946,472,637	2,974,422,787	27,950,150

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

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

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

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

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

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 3,408,726

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

1 Name	2 Amount Paid
	$ 0
	$ 0
	$ 0

34.1 Amount of payments for legal expenses, if any? $ 3,227,405

GENERAL INTERROGATORIES

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? $ 125,822

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 Current Year	2 Prior Year
2.1	Premium Numerator	$ 365,975	$ 0
2.2	Premium Denominator	$ 1,461,447,245	$ 1,631,937,139
2.3	Premium Ratio (2.1/2.2)	0.00	0.00
2.4	Reserve Numerator	$ 1,743,515	$ 7,662,285
2.5	Reserve Denominator	$ 2,876,865,131	$ 2,539,559,166
2.6	Reserve Ratio (2.4/2.5)	0.00	0.00

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

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

3.21	Participating policies	$ 431,830
3.22	Non-participating policies	$ 2,270,697,481

4. For Mutual reporting entities and Reciprocal Exchanges only:

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

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

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

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

5. For Reciprocal Exchanges Only:

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

5.2 If yes, is the commission paid:

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

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

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

5.5 If yes, give full information

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:
See Note 21C2

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
See Note 21C2

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
See Note 21C2

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

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
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 [X] No [ ] N/A [ ]

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

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses $ 20,716,533
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 8,305,175

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? $ 3,213,793

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

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From 4.00 %
12.42 To 7.00 %

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

12.6 If yes, state the amount thereof at December 31 of current year:
12.61 Letters of Credit $ 777,322,268
12.62 Collateral and other funds $ 349,755,470

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 45,000,000

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

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

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

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

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

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

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

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

15.2 If yes, give full information

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

18.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. $ 0

18.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

18.4 If yes, please provide the balance of the funds adminstered as of the reporting date. $ 0

FIVE – YEAR HISTORICAL DATA

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

	1 2013	2 2012	3 2011	4 2010	5 2009
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,265,854,995	1,122,102,948	1,091,679,111	1,113,323,230	830,980,985
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	964,605,536	943,304,801	852,256,508	822,196,921	641,215,111
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,291,962,322	1,422,106,079	1,241,445,059	1,135,170,172	814,387,274
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	80,707,545	222,268,107	329,198,753	423,294,371	480,208,732
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	17,123,841				16
6. Total (Line 35)	3,620,254,239	3,709,781,935	3,514,579,431	3,493,984,694	2,766,792,118
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)	715,498,580	631,626,784	637,848,798	653,713,650	750,274,595
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	278,598,975	337,301,526	314,457,479	314,280,721	283,963,841
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	328,727,150	581,496,867	550,127,299	523,474,161	506,785,770
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	9,176,383	109,143,408	113,831,428	111,043,186	97,356,750
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	17,123,841				16
12. Total (Line 35)	1,349,124,929	1,659,568,585	1,616,265,004	1,602,511,718	1,638,380,972
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(83,079,458)	10,222,559	(98,352,650)	(22,529,131)	66,785,318
14. Net investment gain (loss) (Line 11)	224,743,465	218,964,362	123,444,541	133,915,007	124,731,040
15. Total other income (Line 15)	375,408	7,000,135	4,398,989	(13,163,584)	(6,506,279)
16. Dividends to policyholders (Line 17)	2,311,732	3,913,623	3,196,299	(535,689)	6,813,398
17. Federal and foreign income taxes incurred (Line 19)	(15,034,951)	38,771,395	(2,938,284)	5,461,380	73,806,207
18. Net income (Line 20)	154,762,634	193,502,038	29,232,865	93,296,601	104,390,474
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	4,747,068,958	4,029,806,477	3,854,156,105	3,837,984,130	4,327,404,574
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	94,410,807	48,314,722	60,909,097	54,564,644	60,221,355
20.2 Deferred and not yet due (Line 15.2)	449,784,425	487,529,145	458,348,157	438,837,234	427,601,133
20.3 Accrued retrospective premiums (Line 15.3)	28,244,289	10,361	701,877	1,392,450	2,482,113
21. Total liabilities excluding protected cell business (Page 3, Line 26)	3,558,396,422	3,084,756,281	2,983,350,470	2,993,078,301	3,180,292,675
22. Losses (Page 3, Line 1)	1,709,598,508	1,343,907,667	1,370,184,457	1,357,442,949	1,428,845,322
23. Loss adjustment expenses (Page 3, Line 3)	367,005,067	307,344,680	302,972,219	302,962,873	340,182,924
24. Unearned premiums (Page 3, Line 9)	712,851,727	797,279,595	765,946,552	737,679,970	699,372,386
25. Capital paid up (Page 3, Lines 30 & 31)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	1,188,672,536	945,050,196	870,805,635	844,905,829	1,147,111,899
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	421,936,965	242,244,281	63,610,360	(3,946,250)	51,033,401
Risk-Based Capital Analysis					
28. Total adjusted capital	1,188,672,536	945,050,196	870,805,635	844,905,829	1,147,111,899
29. Authorized control level risk-based capital	183,862,847	172,864,980	170,613,774	170,218,613	146,163,549
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	74.2	74.3	73.7	75.3	82.6
31. Stocks (Lines 2.1 & 2.2)	14.4	16.6	17.5	15.7	5.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	2.6	2.7	2.5	2.5	0.9
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	2.2	6.1	4.6	5.3	9.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					XXX
37. Other invested assets (Line 8)	5.0	0.2	0.1	0.1	2.2
38. Receivables for securities (Line 9)	0.2	0.2	0.2		
39. Securities lending reinvested collateral assets (Line 10)	1.4		1.4	1.1	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	241,555,644	280,449,843	353,569,928	341,231,797	101,837,244
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated	176,415,954	1,008,000			1,008,000
48. Total of above Lines 42 to 47	417,971,598	281,457,843	353,569,928	341,231,797	102,845,244
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)	35.2	29.8			

FIVE – YEAR HISTORICAL DATA
(Continued)

		1	2	3	4	5
		2013	2012	2011	2010	2009
	Capital and Surplus Accounts (Page 4)					
51.	Net unrealized capital gains (losses) (Line 24)	(20,559,923)	(51,180,878)	(634,875)	43,087,700	21,223,709
52.	Dividends to stockholders (Line 35)	(47,515,966)	(95,000,000)		(753,000,000)	
53.	Change in surplus as regards policyholders for the year (Line 38)	243,622,340	74,244,561	25,899,806	(302,206,070)	377,286,460
	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)	286,321,563	592,441,543	598,886,891	723,163,099	1,976,962,218
55.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	485,885,919	476,231,539	474,199,523	422,989,420	465,028,005
56.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	819,805,671	772,670,240	894,157,164	618,328,685	884,772,230
57.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	86,988,423	213,493,596	136,889,697	91,286,704	36,835,851
58.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	(28,053,670)	1,075,684	1,198,602	3,254,469	174,043,403
59.	Total (Line 35)	1,650,947,906	2,055,912,602	2,105,331,877	1,859,022,377	3,537,641,707
	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)	13,104,863	359,479,997	386,111,461	484,565,937	240,535,052
61.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	139,380,882	177,825,092	178,440,619	161,049,699	175,526,221
62.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	349,730,717	330,886,063	377,524,346	278,987,888	198,064,665
63.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	21,090,577	42,612,388	28,692,997	21,973,298	7,098,766
64.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	(28,053,670)	1,075,684	1,198,602	3,254,469	37,035,119
65.	Total (Line 35)	495,253,369	911,879,224	971,968,025	949,831,291	658,259,823
	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)	59.2	54.3	61.9	56.0	50.7
68.	Loss expenses incurred (Line 3)	14.3	12.4	12.1	11.8	11.9
69.	Other underwriting expenses incurred (Line 4)	32.2	32.7	32.2	33.6	33.2
70.	Net underwriting gain (loss) (Line 8)	(5.7)	0.6	(6.2)	(1.4)	4.2
	Other Percentages					
71.	Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0	34.8	31.7	31.5	33.7	32.7
72.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	73.5	66.7	73.9	67.8	62.6
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)	113.5	175.6	185.6	189.7	142.8
	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)	48,912	(63,709)	(42,825)	(18,457)	(117,240)
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)	5.2	(7.3)	(5.1)	(1.6)	(15.2)
	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)	52,740	(81,727)	(38,429)	(93,716)	(168,945)
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)	6.1	(9.7)	(3.4)	(12.2)	(20.1)

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
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 1–2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
1. Prior	X X X	X X X	X X X	48,738	18,720	14,937	5,375	2,650	319	607	41,911	X X X
2. 2004	1,411,713	229,999	1,181,714	694,658	112,912	51,681	7,027	97,745	3,370	47,050	720,775	X X X
3. 2005	1,461,242	206,028	1,255,214	778,436	151,260	54,747	7,854	99,903	3,888	44,659	770,084	X X X
4. 2006	1,527,082	216,228	1,310,854	723,612	86,447	56,145	6,071	105,057	4,757	42,232	787,539	X X X
5. 2007	1,579,441	232,810	1,346,631	780,561	110,622	59,431	6,417	106,638	5,087	49,827	824,504	X X X
6. 2008	1,623,501	266,206	1,357,295	906,873	138,434	64,158	6,596	119,802	4,458	45,311	941,345	X X X
7. 2009	1,533,736	307,572	1,226,164	775,875	139,268	52,298	5,549	111,380	1,174	42,668	793,562	X X X
8. 2010	1,534,397	270,874	1,263,523	784,663	129,945	47,815	4,171	116,108	376	47,871	814,094	X X X
9. 2011	1,612,321	318,809	1,293,512	814,941	155,532	38,510	5,540	113,584	326	56,260	805,637	X X X
10. 2012	1,737,092	342,717	1,394,375	754,593	159,946	25,465	3,498	113,388	36	54,585	729,966	X X X
11. 2013	1,827,523	366,076	1,461,447	509,313	132,206	8,684	867	89,730	31	29,047	474,623	X X X
12. Totals	X X X	X X X	X X X	7,572,263	1,335,292	473,871	58,965	1,075,985	23,822	460,117	7,704,040	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	364,434	127,535	170,257	94,784	19,974	13,974	74,452	33,524	15,271	30	4,751	374,541	X X X
2. 2004	19,785	6,790	25,910	7,749	444	151	5,550	535	1,061		855	37,525	X X X
3. 2005	20,943	6,727	25,568	11,020	438	115	4,619	558	1,213		1,067	34,361	X X X
4. 2006	21,753	5,530	36,945	9,585	734	252	4,878	940	1,363	2	4,220	49,364	X X X
5. 2007	35,100	6,190	38,680	8,884	1,319	474	7,588	1,011	1,379		1,291	67,507	X X X
6. 2008	45,509	8,892	55,405	11,320	1,818	356	13,408	2,200	2,553	15	4,452	95,910	X X X
7. 2009	52,142	7,312	62,572	12,936	2,242	438	18,487	2,132	4,079	(3)	2,316	116,707	X X X
8. 2010	78,334	10,875	73,541	11,559	2,932	559	22,419	2,275	6,506	28	3,254	158,436	X X X
9. 2011	110,857	12,329	112,453	20,177	4,563	895	35,150	3,609	11,004	2	6,919	237,015	X X X
10. 2012	158,035	17,990	179,510	26,978	4,643	768	52,090	4,786	15,558	11	17,329	359,303	X X X
11. 2013	194,967	23,607	324,765	49,101	3,210	371	57,600	3,894	42,391	30	26,254	545,930	X X X
12. Totals	1,101,859	233,777	1,105,606	264,093	42,317	18,353	296,241	55,464	102,378	115	72,708	2,076,599	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	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	312,372	62,169
2. 2004	896,834	138,534	758,300	63.528	60.232	64.170			6.000	31,156	6,369
3. 2005	985,867	181,422	804,445	67.468	88.057	64.088			6.000	28,764	5,597
4. 2006	950,487	113,584	836,903	62.242	52.530	63.844			6.000	43,583	5,781
5. 2007	1,030,696	138,685	892,011	65.257	59.570	66.240			6.000	58,706	8,801
6. 2008	1,209,526	172,271	1,037,255	74.501	64.713	76.421			6.000	80,702	15,208
7. 2009	1,079,075	168,806	910,269	70.356	54.883	74.237			6.000	94,466	22,241
8. 2010	1,132,318	159,788	972,530	73.796	58.990	76.970			6.000	129,441	28,995
9. 2011	1,241,062	198,410	1,042,652	76.974	62.235	80.606			6.000	190,804	46,211
10. 2012	1,303,282	214,013	1,089,269	75.027	62.446	78.119			6.000	292,577	66,726
11. 2013	1,230,660	210,107	1,020,553	67.340	57.394	69.832			6.000	447,024	98,906
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	1,709,595	367,004

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

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED) 1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	DEVELOPMENT 11 One Year	12 Two Year
1. Prior	1,088,797	1,145,704	1,208,402	1,261,499	1,249,521	1,293,842	1,298,691	1,328,346	1,334,793	1,351,825	17,032	23,479
2. 2004	740,642	704,096	689,719	677,027	674,276	669,971	671,093	669,422	668,721	666,324	(2,397)	(3,098)
3. 2005	XXX	790,399	755,899	727,936	719,979	715,893	713,767	712,337	711,770	711,131	(639)	(1,206)
4. 2006	XXX	XXX	793,973	767,228	749,893	740,533	738,130	737,439	739,386	739,361	(25)	1,922
5. 2007	XXX	XXX	XXX	849,645	828,390	793,401	792,123	788,822	792,773	793,089	316	4,267
6. 2008	XXX	XXX	XXX	XXX	947,330	923,946	911,965	911,872	915,366	925,027	9,661	13,155
7. 2009	XXX	XXX	XXX	XXX	XXX	812,865	810,250	802,350	794,879	800,298	5,419	(2,052)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	843,889	843,436	847,406	856,208	8,802	12,772
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	920,110	919,995	923,611	3,616	3,501
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	956,833	963,960	7,127	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	891,257	XXX	XXX
									12. Totals		48,912	52,740

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED) 1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
1. Prior	000	249,612	426,747	557,592	657,411	731,604	804,285	865,433	910,577	950,157	XXX	XXX
2. 2004	284,939	433,653	503,943	552,936	583,907	601,625	611,674	618,243	623,126	626,400	XXX	XXX
3. 2005	XXX	309,102	467,143	544,923	596,211	629,797	648,893	659,482	668,244	674,069	XXX	XXX
4. 2006	XXX	XXX	308,269	466,330	545,667	603,778	640,769	663,653	678,516	687,239	XXX	XXX
5. 2007	XXX	XXX	XXX	318,639	492,476	580,003	641,726	682,584	708,017	722,954	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	379,270	583,813	682,701	751,445	797,849	826,000	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	320,512	488,937	577,722	640,797	683,356	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	352,617	536,955	630,553	698,361	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	415,286	592,467	692,379	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	408,292	616,614	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	384,924	XXX	XXX

SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED) 1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior	337,078	266,966	250,723	236,624	196,912	205,057	158,033	153,927	127,226	131,177
2. 2004	288,503	154,386	102,582	70,983	56,108	42,695	37,762	33,660	29,611	25,328
3. 2005	XXX	314,003	164,927	99,891	67,582	48,733	37,041	31,527	24,713	21,423
4. 2006	XXX	XXX	310,157	172,905	112,683	74,474	53,331	42,537	37,864	34,278
5. 2007	XXX	XXX	XXX	327,441	189,668	113,153	77,016	55,402	46,497	39,111
6. 2008	XXX	XXX	XXX	XXX	347,233	190,418	122,802	85,265	61,759	59,881
7. 2009	XXX	XXX	XXX	XXX	XXX	311,360	186,725	123,128	82,757	69,341
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	304,414	169,894	115,301	86,714
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	306,264	186,355	128,438
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	352,248	202,854
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	331,871

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken: 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama AL	L	23,575,600	23,067,847		10,252,726	9,725,492	5,300,871	268,827	
2. Alaska AK	L	4,985,057	10,989,701		7,362,896	9,515,224	(2,895,027)	56,843	
3. Arizona AZ	L	117,907,370	107,302,959		70,064,899	(46,447,534)	(89,265,159)	1,344,467	
4. Arkansas AR	L	22,191,867	19,871,088		7,514,614	6,770,685	2,509,817	253,048	
5. California CA	L	570,105,114	560,289,730		336,573,731	491,545,494	425,469,949	7,253,379	
6. Colorado CO	L	180,553,937	165,349,462		94,762,251	103,081,969	50,459,113	2,058,810	
7. Connecticut CT	L	38,286,855	37,277,535		24,902,784	18,620,354	13,393,948	436,575	
8. Delaware DE	L	280,505	435,729		7,408	201,139	223,869	3,199	
9. District of Columbia DC	L	1,788,056	2,043,921		800	(183,988)	493,982	20,389	
10. Florida FL	L	14,101,072	13,452,758		(1,128,652)	6,544,766	7,208,486	160,791	
11. Georgia GA	L	17,570,625	18,552,395		10,386,779	12,188,993	8,002,428	200,353	
12. Hawaii HI	L	458,054	946,182		(1,011,070)	(483,452)	(137,945)	5,223	
13. Idaho ID	L	7,914,263	7,702,750		2,725,291	3,553,242	3,753,693	90,244	
14. Illinois IL	L	3,416,393	3,701,563		2,882,521	386,316	591,565	38,956	
15. Indiana IN	L	14,676,304	21,224,949		9,542,363	9,343,682	4,549,302	167,350	
16. Iowa IA	L	18,251,527	16,858,930		9,715,609	11,007,715	4,804,198	208,117	
17. Kansas KS	L	90,733,265	85,587,443		45,768,679	44,363,726	14,947,651	1,034,608	
18. Kentucky KY	L	68,829,417	57,250,152		28,274,905	38,345,770	4,844,399	784,844	
19. Louisiana LA	L	1,329,182	14,780,525		9,040,416	3,238,607	4,653,224	15,156	
20. Maine ME	L	215,306	380,081		1,537	79,185	135,170	2,455	
21. Maryland MD	L	34,979,351	33,404,622		16,032,310	9,012,823	7,095,938	398,861	
22. Massachusetts MA	L	14,802,265	12,888,348		418,630	(1,095,105)	2,823,456	168,786	
23. Michigan MI	L	42,846,287	36,149,253		16,163,387	19,494,036	15,044,065	488,565	
24. Minnesota MN	L	15,410,082	14,984,984		6,021,216	7,701,233	8,759,882	175,717	
25. Mississippi MS	L	52,862,999	49,878,977		37,248,541	36,921,680	7,418,939	602,783	
26. Missouri MO	L	103,554,189	93,912,560		41,345,044	39,877,903	16,347,546	1,180,802	
27. Montana MT	L	46,028,801	42,941,076		19,718,613	21,914,945	10,719,507	524,855	
28. Nebraska NE	L	8,993,195	7,842,536		8,625,358	9,358,244	1,420,776	102,547	
29. Nevada NV	L	16,228,537	15,709,890		4,922,221	15,449,821	3,573,954	185,050	
30. New Hampshire NH	L	50,213,158	46,157,775		16,819,885	24,177,168	12,329,123	572,568	
31. New Jersey NJ	L	2,667,239	3,873,477		(806,226)	(667,446)	(3,055,084)	30,414	5,907
32. New Mexico NM	L	62,971,834	57,729,416		29,544,974	27,869,606	14,525,765	718,052	
33. New York NY	L	11,131,097	11,792,970		6,752,421	13,242,648	(17,684,839)	126,925	
34. North Carolina NC	L	14,557,324	14,162,304		7,275,443	8,044,548	2,534,192	165,993	
35. North Dakota ND	L	10,986,934	10,085,580		4,338,141	4,853,544	1,974,038	125,281	
36. Ohio OH	L	10,275,530	7,577,603		1,644,550	1,660,277	2,644,566	117,169	
37. Oklahoma OK	L	124,976,884	108,116,112		97,780,544	104,371,659	26,220,019	1,425,079	
38. Oregon OR	L	3,703,635	3,821,223		(1,860,380)	(11,989,460)	(6,522,648)	42,232	
39. Pennsylvania PA	L	13,802,415	14,507,144		1,547,998	(1,815,797)	4,524,192	157,385	
40. Rhode Island RI	L	248,611	245,063		1,901,754	(215,292)	704,724	2,835	
41. South Carolina SC	L	37,888,820	35,247,330		13,251,309	11,844,041	(1,099,366)	432,037	
42. South Dakota SD	L	14,798,386	13,498,237		14,199,396	16,142,403	4,284,047	168,742	
43. Tennessee TN	L	53,112,367	48,154,944		18,682,006	15,354,038	9,031,222	605,627	
44. Texas TX	L	27,313,549	28,894,282	3,446,449	26,900,406	18,051,358	23,349,319	311,449	
45. Utah UT	L	10,040,858	10,075,537		4,312,108	3,592,040	2,444,680	114,493	
46. Vermont VT	L	10,894,428	10,582,609		3,588,470	3,508,542	1,334,485	124,226	
47. Virginia VA	L	6,651,759	6,802,704		1,090,889	1,101,701	2,775,346	75,848	
48. Washington WA	L	201,049,225	194,893,521		57,978,429	64,659,837	52,077,352	1,534,711	
49. West Virginia WV	L	36,455,377	34,423,279		18,316,425	15,659,636	6,203,485	415,691	
50. Wisconsin WI	L	16,560,672	14,692,770		5,681,234	6,663,358	3,777,865	188,837	
51. Wyoming WY	L	16,746,330	15,614,137		8,618,889	9,435,439	2,798,887	190,954	
52. American Samoa AS	N								
53. Guam GU	L	1,013,386	897,902			530,270	337,655	11,555	
54. Puerto Rico PR	N	(3,095)	17,653						
55. U.S. Virgin Islands VI	N	996	1,039					11	
56. Northern Mariana Islands MP	N								
57. Canada CAN	N				60	60			
58. Aggregate Other Alien OT	XXX	196,123	251,381			161,007	39,824		
59. Totals	(a) 52	2,271,129,317	2,166,893,938	3,446,449	1,155,694,532	1,216,268,150	677,796,446	25,889,714	5,907

DETAILS OF WRITE-INS									
58001. ZZZ OTHER ALIEN	XXX	196,123	251,381			161,007	39,824		
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	196,123	251,381			161,007	39,824		

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

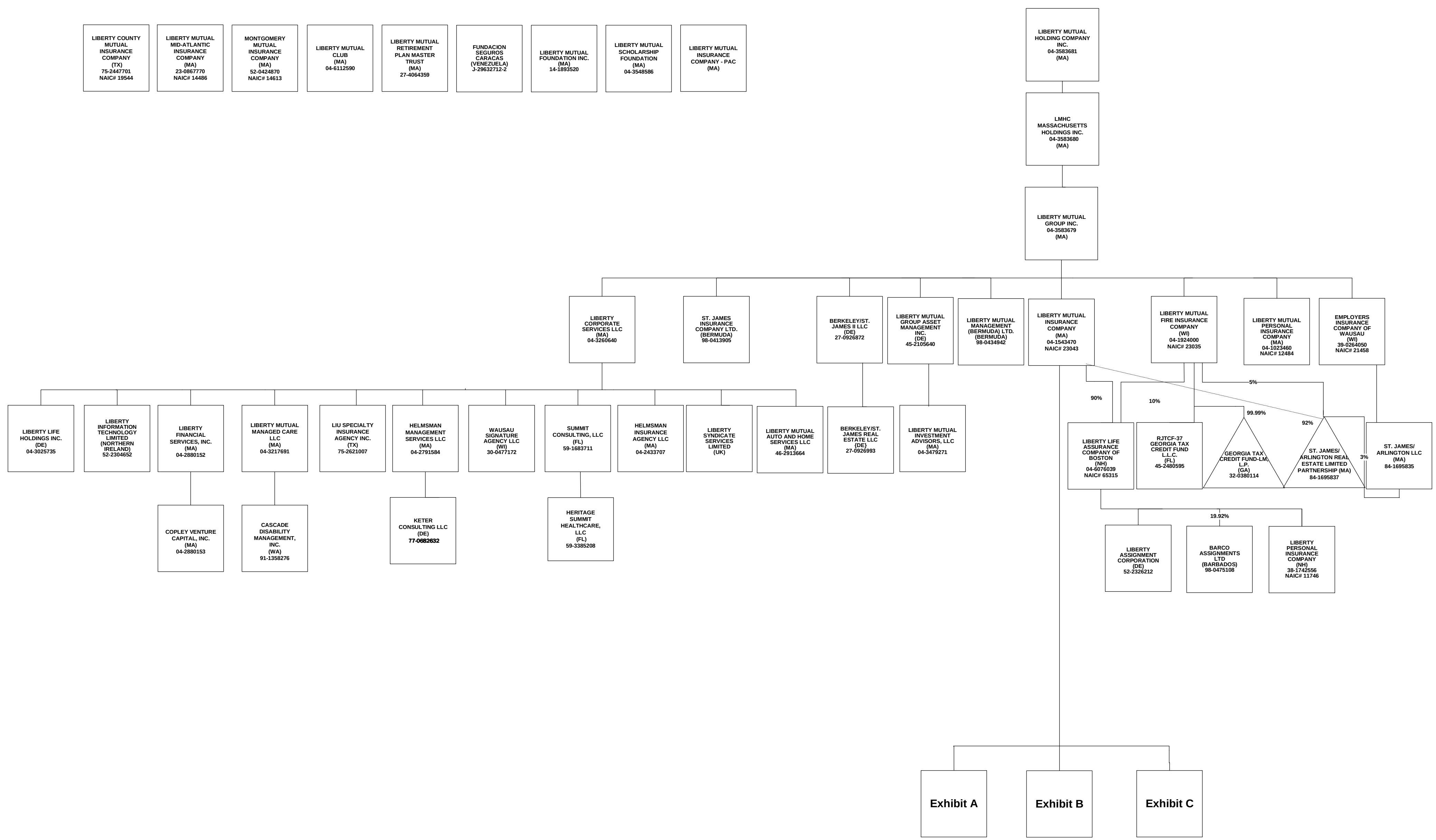
Explanation of basis of allocation of premiums by states, etc.

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

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

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

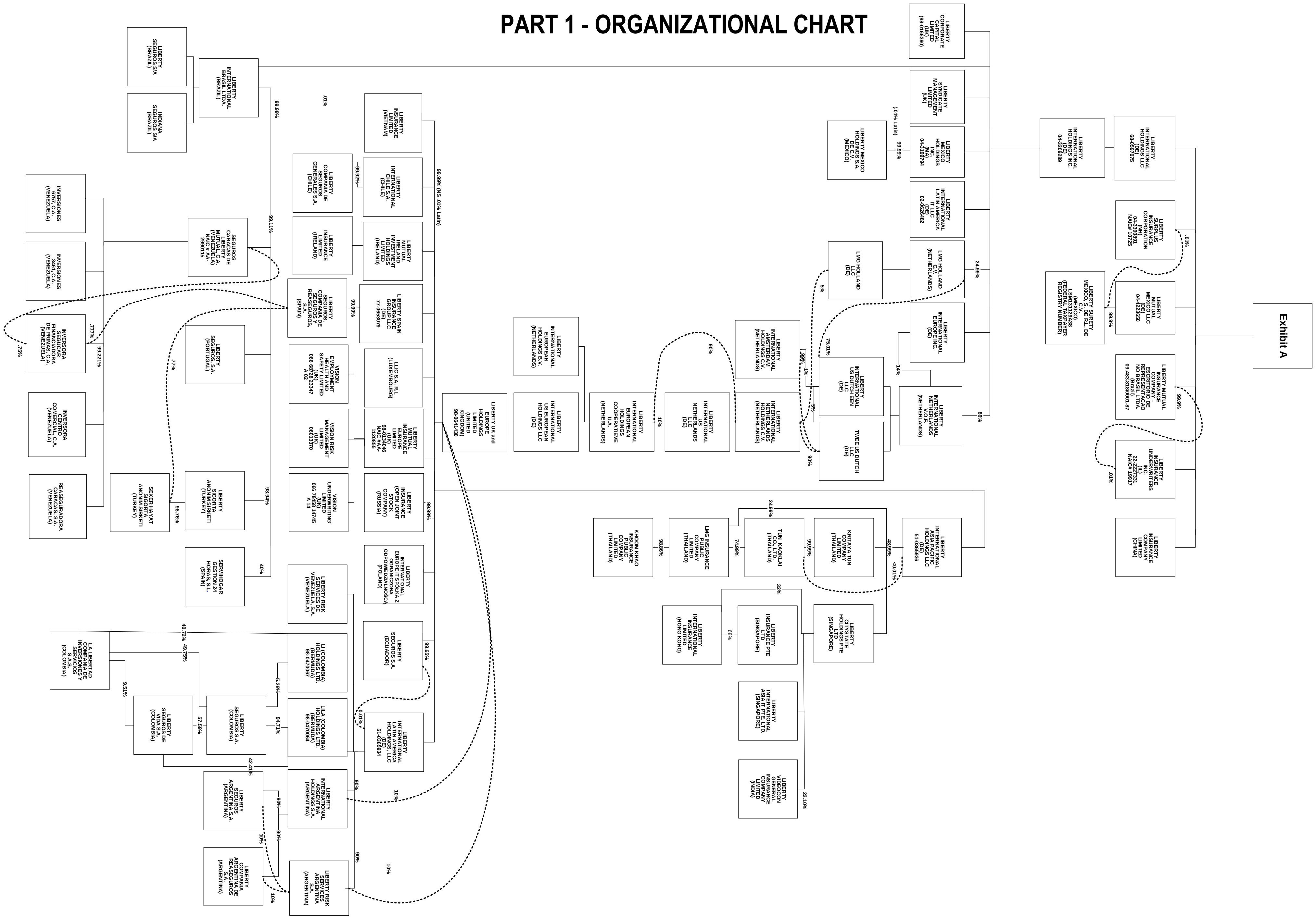
PART 1 - ORGANIZATIONAL CHART



Annual Statement for the year 2013 of the **Safeco Insurance Company of America**

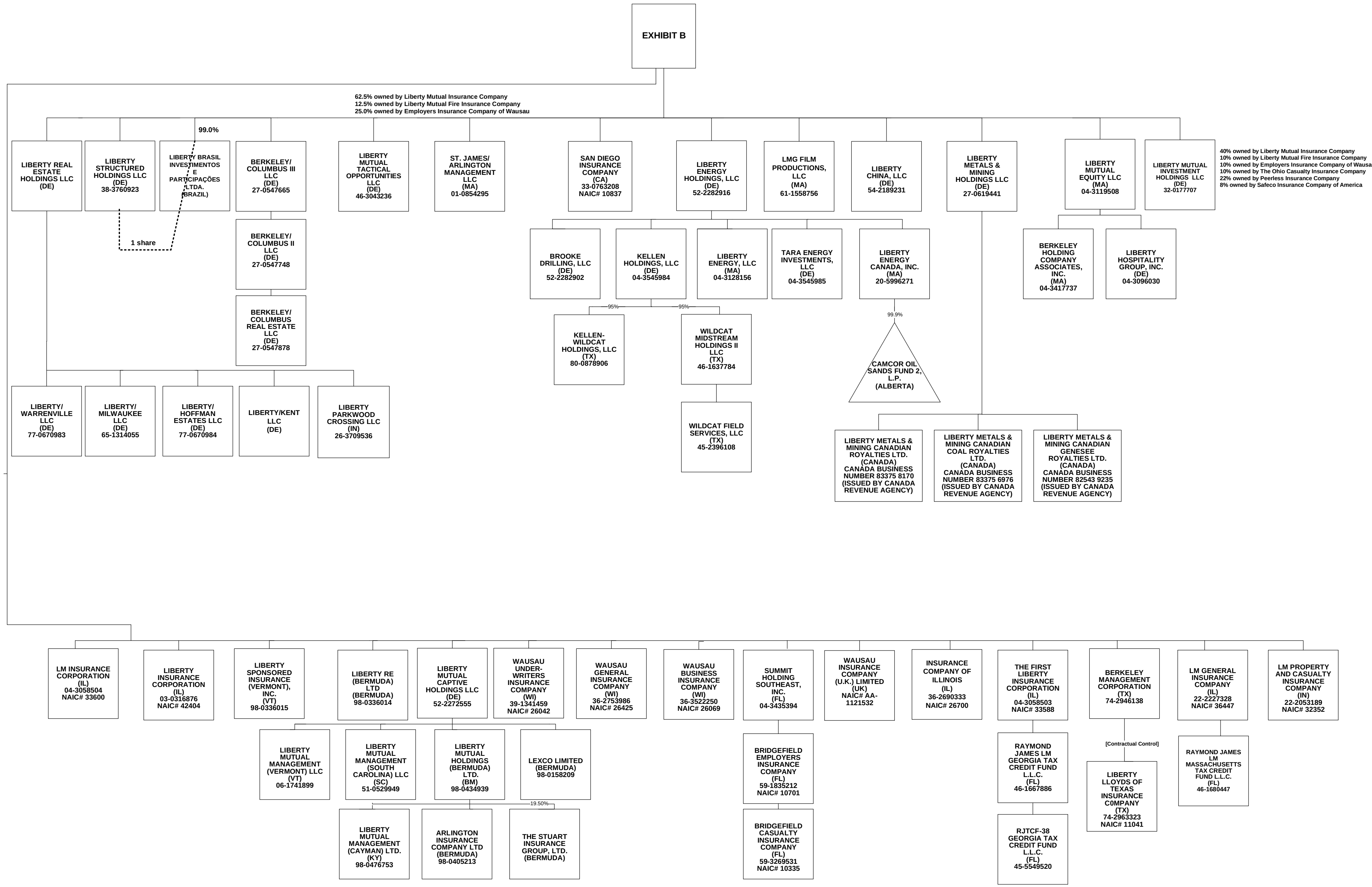
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



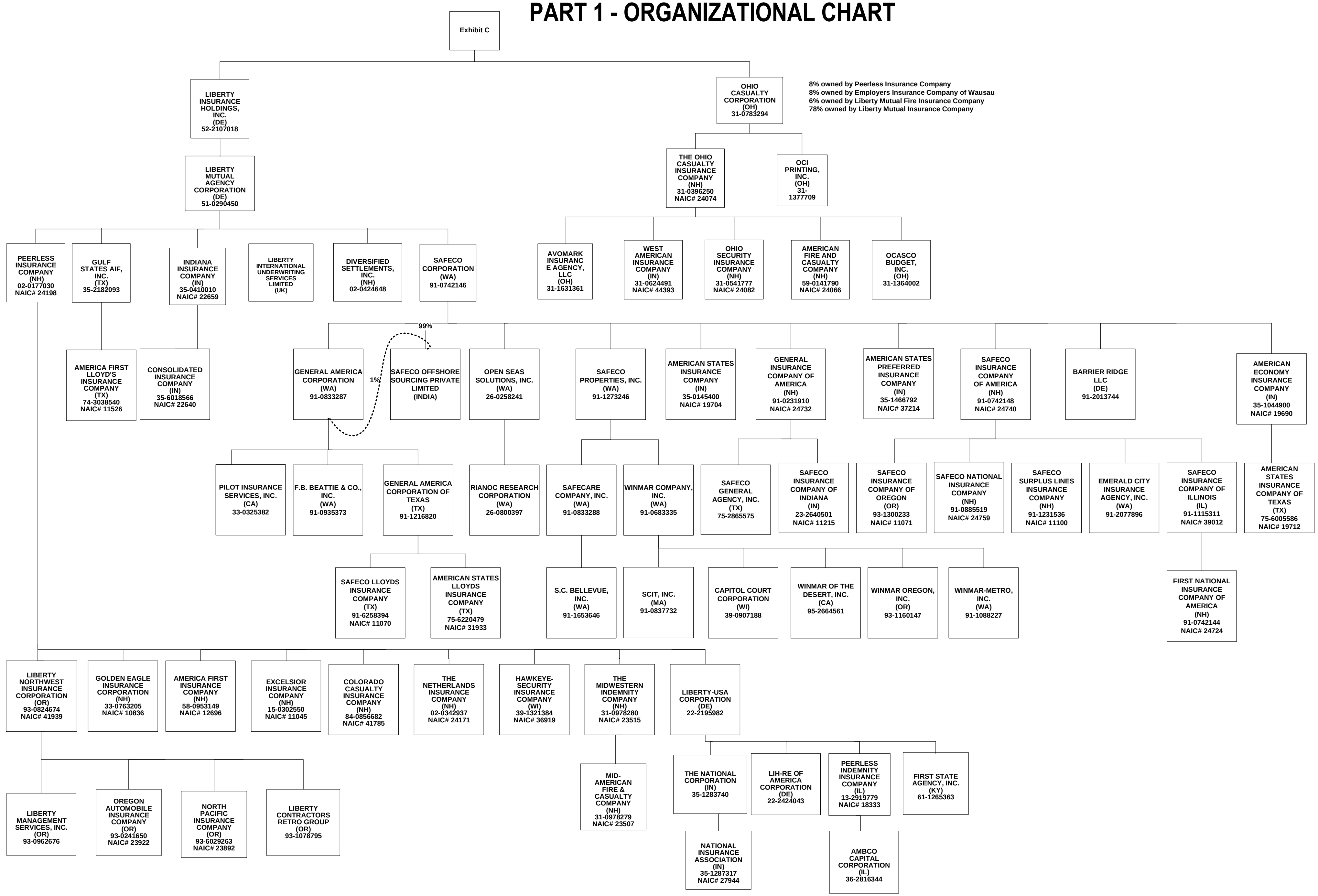
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

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

REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
2504. Other assets	2,960,429	1,451,772	1,508,657	50,195
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	2,960,429	1,451,772	1,508,657	50,195

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT