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, 2014

PROPERTY AND CASUALTY

2014

24740201420100100

ANNUAL STATEMENT

For the Year Ended December 31, 2014
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 www.safeco.com

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

OFFICERS

Chairman of the Board

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
John Derek Doyle	Vice President and Comptroller	Anthony Alexander Fontanes	Vice President and Chief Investment Officer
Julie Marie Haase #	Vice President and Chief Financial Officer	Sean Bulman McSweeney #	Vice President and General Counsel
Christopher Locke Peirce	Executive Vice President		

DIRECTORS OR TRUSTEES

John Derek Doyle	Julie Marie Haase #	Paul Ivanovskis	Dexter Robert Legg
James Michael MacPhee	Sean Bulman McSweeney #	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 this on this
26th day of January , 2015, by

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

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	2,558,357,543		2,558,357,543	2,878,892,421
2. Stocks (Schedule D):				
2.1 Preferred stocks	5,799,385		5,799,385	3,500,000
2.2 Common stocks	550,891,354		550,891,354	553,884,533
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	114,114,913		114,114,913	99,879,516
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 ($ 13,475,728, Schedule E - Part 1), cash equivalents ($ 9,069,635, Schedule E - Part 2), and short-term investments ($ 53,769,698, Schedule DA)	76,315,061		76,315,061	83,922,638
6. Contract loans (including $ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	213,286,480		213,286,480	193,967,240
9. Receivables for securities	5,505,765		5,505,765	9,022,078
10. Securities lending reinvested collateral assets (Schedule DL)	56,185,152		56,185,152	54,820,950
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,580,455,653		3,580,455,653	3,877,889,376
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	25,616,214		25,616,214	32,114,175
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	87,425,773	4,577,813	82,847,960	94,410,807
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 1,722,762 earned but unbilled premiums)	352,032,905	172,276	351,860,629	449,784,425
15.3 Accrued retrospective premiums	29,857,068	2,966,711	26,890,357	28,244,289
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				90,916,608
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	23,231	842	22,389	
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	125,590,000	34,884,215	90,705,785	91,995,792
19. Guaranty funds receivable or on deposit	1,351,707		1,351,707	1,288,427
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($ 0)	24,512,373	24,512,373		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	2,013,196		2,013,196	12,835,400
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	78,807,073	7,319,546	71,487,527	67,589,659
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,307,685,193	74,433,776	4,233,251,417	4,747,068,958
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	4,307,685,193	74,433,776	4,233,251,417	4,747,068,958

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	48,333,366		48,333,366	45,705,136
2502. Amounts receivable under high deductible policies	11,377,442	11,834	11,365,608	11,716,077
2503. Equities and deposits in pools and associations	9,913,739		9,913,739	8,659,789
2598. Summary of remaining write-ins for Line 25 from overflow page	9,182,526	7,307,712	1,874,814	1,508,657
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	78,807,073	7,319,546	71,487,527	67,589,659

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	1,664,561,813	1,709,598,508
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	3,680,057	87,409,828
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	360,957,146	367,005,067
4.	Commissions payable, contingent commissions and other similar charges	31,605,457	32,320,017
5.	Other expenses (excluding taxes, licenses and fees)	49,342,926	47,204,549
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	14,681,336	16,968,803
7.1	Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))	15,060,129	4,631,717
7.2	Net deferred tax liability		
8.	Borrowed money $ 30,320,506 and interest thereon $ 7,672	30,328,177	
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 1,224,809,114 and including warranty reserves of $ 0 and accrued accident and health experience rating refunds including $ 0 for medical loss ratio rebate per the Public Health Service Act)	754,581,457	712,851,727
10.	Advance premium	5,475,598	5,293,186
11.	Dividends declared and unpaid:		
	11.1 Stockholders		3,504,580
	11.2 Policyholders	149,586	147,148
12.	Ceded reinsurance premiums payable (net of ceding commissions)		155,967,909
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	7,421,013	5,932,316
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	49,088,140	49,941,282
19.	Payable to parent, subsidiaries and affiliates	15,256,907	219,416,810
20.	Derivatives		
21.	Payable for securities	3,807	1,364,282
22.	Payable for securities lending	56,185,152	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	(104,044,420)	84,017,743
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,954,334,281	3,558,396,422
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	2,954,334,281	3,558,396,422
29.	Aggregate write-ins for special surplus funds	6,474,524	6,682,422
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	733,869,024
35.	Unassigned funds (surplus)	533,573,588	443,121,090
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)	1,278,917,136	1,188,672,536
38.	Totals (Page 2, Line 28, Col. 3)	4,233,251,417	4,747,068,958

	DETAILS OF WRITE-IN LINES		
2501.	Amounts held under uninsured plans	39,919,578	45,219,392
2502.	Other liabilities	34,582,232	41,157,438
2503.	Retroactive reinsurance reserves	(178,546,230)	(2,359,087)
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(104,044,420)	84,017,743
2901.	Special surplus from retroactive reinsurance	6,474,524	6,682,422
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)	6,474,524	6,682,422
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)	1,478,551,750	1,461,447,245
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	832,972,781	864,579,587
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	202,329,011	209,470,053
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	471,783,484	470,477,063
5.	Aggregate write-ins for underwriting deductions		
6.	Total underwriting deductions (Lines 2 through 5)	1,507,085,276	1,544,526,703
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(28,533,526)	(83,079,458)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	145,558,415	176,985,269
10.	Net realized capital gains (losses) less capital gains tax of $ 6,962,942 (Exhibit of Capital Gains (Losses))	12,931,179	47,758,196
11.	Net investment gain (loss) (Lines 9 + 10)	158,489,594	224,743,465
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 291,776 amount charged off $ 5,889,453)	(5,597,676)	(4,818,690)
13.	Finance and service charges not included in premiums	8,291,632	8,032,369
14.	Aggregate write-ins for miscellaneous income	(3,437,396)	(2,838,271)
15.	Total other income (Lines 12 through 14)	(743,440)	375,408
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	129,212,628	142,039,415
17.	Dividends to policyholders	1,414,038	2,311,732
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)	127,798,590	139,727,683
19.	Federal and foreign income taxes incurred	21,006,058	(15,034,951)
20.	Net income (Line 18 minus Line 19) (to Line 22)	106,792,532	154,762,634
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,188,672,536	945,050,196
22.	Net income (from Line 20)	106,792,532	154,762,634
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ (9,587,566)	8,077,305	(20,559,923)
25.	Change in net unrealized foreign exchange capital gain (loss)	(14,106,639)	(5,209,732)
26.	Change in net deferred income tax	(10,630,566)	(14,779,156)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	3,521,854	23,394,900
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	(1,000,000)	(47,515,966)
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	(2,409,886)	590,738
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	90,244,600	243,622,340
39.	Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	1,278,917,136	1,188,672,536

	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)	(987,445)	40,278
1402.	Other income/(expense)	(2,449,951)	(2,878,549)
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(3,437,396)	(2,838,271)
3701.	Other changes in surplus	(2,409,886)	590,738
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(2,409,886)	590,738

CASH FLOW

		1	2
	Cash from Operations	Current Year	Prior Year
1.	Premiums collected net of reinsurance	1,471,287,199	1,357,902,956
2.	Net investment income	155,431,259	180,888,047
3.	Miscellaneous income	(7,037,746)	32,339,041
4.	Total (Lines 1 through 3)	1,619,680,712	1,571,130,044
5.	Benefit and loss related payments	868,810,747	506,842,885
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	680,099,475	607,474,692
8.	Dividends paid to policyholders	1,411,601	2,378,018
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	21,650,392	32,497,484
10.	Total (Lines 5 through 9)	1,571,972,215	1,149,193,079
11.	Net cash from operations (Line 4 minus Line 10)	47,708,497	421,936,965
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	558,795,924	727,916,015
	12.2 Stocks	450,973,746	308,571,397
	12.3 Mortgage loans	11,629,650	10,131,654
	12.4 Real estate		
	12.5 Other invested assets	276,832,390	207,241,998
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	3,414,458	(6,476,521)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,301,646,168	1,247,384,543
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	242,651,104	1,202,013,843
	13.2 Stocks	454,729,485	287,608,543
	13.3 Mortgage loans	25,868,441	23,810,297
	13.4 Real estate		
	13.5 Other invested assets	287,226,474	436,043,696
	13.6 Miscellaneous applications	1,360,475	8,516,231
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,011,835,979	1,957,992,610
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	289,810,189	(710,608,067)
	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	30,328,177	
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	4,504,580	44,011,386
	16.6 Other cash provided (applied)	(370,949,860)	65,497,481
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(345,126,263)	174,424,940
	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)	(7,607,577)	(114,246,162)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	83,922,638	198,168,800
	19.2 End of year (Line 18 plus Line 19.1)	76,315,061	83,922,638

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

20.0001	2. Net Investment Income	818,798	
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds		295,144,030
20.0003	12.2 - Proceeds from investments sold, matured or repaid - Stocks		56,847,765
20.0004	12.3 - Proceeds from investments sold, matured or repaid - Mortgage loans	37,056	100,271
20.0005	12.5 - Proceeds from investments sold, matured or repaid - Other invested assets		1,304,966
20.0006	13.1 Cost of Investment Acquired - Bonds	818,798	176,926,153
20.0007	13.2 Cost of Investment Acquired - Stocks		1,002,500
20.0008	13.5 Cost of Investment Acquired - Other Invested Assets	37,056	100,271
20.0009	16.2 - Capital and paid in surplus, less treasury stock		10,099,568
20.0010	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	36,664,270	17,778,641	17,517,997	36,924,914
2. Allied lines	22,976,539	11,132,796	11,641,977	22,467,358
3. Farmowners multiple peril	5,799,275	2,836,970	2,950,294	5,685,951
4. Homeowners multiple peril	320,611,312	158,441,347	171,876,647	307,176,012
5. Commercial multiple peril	130,051,172	64,658,799	65,546,054	129,163,917
6. Mortgage guaranty				
8. Ocean marine	4,593,981	2,451,814	2,746,229	4,299,566
9. Inland marine	40,325,130	8,878,247	9,673,331	39,530,046
10. Financial guaranty				
11.1 Medical professional liability—occurrence	2,968,624	1,422,700	1,466,974	2,924,350
11.2 Medical professional liability—claims-made	1,486,820	233,673	694,265	1,026,228
12. Earthquake	5,260,940	2,769,026	2,588,062	5,441,904
13. Group accident and health	236,266		93,785	142,481
14. Credit accident and health (group and individual)				
15. Other accident and health	375,748	23,852	26,213	373,387
16. Workers' compensation	134,149,481	8,009,514	5,119,920	137,039,075
17.1 Other liability—occurrence	96,918,843	41,571,064	43,192,507	95,297,400
17.2 Other liability—claims-made	38,490,548	13,817,938	20,281,073	32,027,413
17.3 Excess workers' compensation	3,454,318	1,395,401	1,758,464	3,091,255
18.1 Products liability—occurrence	9,346,869	5,505,973	5,578,181	9,274,661
18.2 Products liability—claims-made	852,040	297,002	284,107	864,935
19.1,19.2 Private passenger auto liability	340,205,718	158,075,255	165,460,959	332,820,014
19.3,19.4 Commercial auto liability	70,436,389	32,287,650	32,932,343	69,791,696
21. Auto physical damage	187,568,136	117,635,687	126,838,907	178,364,916
22. Aircraft (all perils)	2,388,830	652,523	585,850	2,455,503
23. Fidelity	2,844,468	789,372	1,415,086	2,218,754
24. Surety	44,450,197	26,795,082	28,113,290	43,131,989
26. Burglary and theft	65,667	34,116	30,255	69,528
27. Boiler and machinery	2,261,156	956,773	975,020	2,242,909
28. Credit	308,868	54,869	207,568	156,169
29. International				
30. Warranty	44,515	306,928	238,133	113,310
31. Reinsurance-nonproportional assumed property	15,434,600	1,475,592	2,416,915	14,493,277
32. Reinsurance-nonproportional assumed liability	2,048,338	221,972	1,027,696	1,242,614
33. Reinsurance-nonproportional assumed financial lines	(9,593)			(9,593)
34. Aggregate write-ins for other lines of business				
35. TOTALS	1,522,609,465	680,510,576	723,278,102	1,479,841,939

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	17,380,156	137,841			17,517,997
2.	Allied lines	11,602,712	39,265			11,641,977
3.	Farmowners multiple peril	2,950,294				2,950,294
4.	Homeowners multiple peril	171,876,647				171,876,647
5.	Commercial multiple peril	66,029,119	83,681	(570,125)	3,380	65,546,055
6.	Mortgage guaranty					
8.	Ocean marine	2,643,995	102,233			2,746,228
9.	Inland marine	8,555,865	1,117,465			9,673,330
10.	Financial guaranty					
11.1	Medical professional liability—occurrence	1,459,200	7,774			1,466,974
11.2	Medical professional liablity—claims-made	663,173	31,093			694,266
12.	Earthquake	2,578,475	9,587			2,588,062
13.	Group accident and health	93,785				93,785
14.	Credit accident and health (group and individual)					
15.	Other accident and health	26,213				26,213
16.	Workers' compensation	35,260,243	1,181,817	(810,095)	(30,512,045)	5,119,920
17.1	Other liability—occurrence	39,272,074	3,460,220	(50,006)	510,219	43,192,507
17.2	Other liability—claims-made	18,168,958	2,115,530	(3,416)		20,281,072
17.3	Excess workers' compensation	1,452,928	305,535			1,758,463
18.1	Products liability—occurrence	3,518,841	1,914,308	(13,058)	158,090	5,578,181
18.2	Products liability—claims-made	276,073	8,034			284,107
19.1,19.2	Private passenger auto liability	165,460,959				165,460,959
19.3,19.4	Commercial auto liability	32,663,875	284,766		(16,298)	32,932,343
21.	Auto physical damage	126,800,466	38,441			126,838,907
22.	Aircraft (all perils)	585,850				585,850
23.	Fidelity	1,393,474	21,612			1,415,086
24.	Surety	27,397,202	716,088			28,113,290
26.	Burglary and theft	30,237	18			30,255
27.	Boiler and machinery	964,343	10,678			975,021
28.	Credit	207,568				207,568
29.	International					
30.	Warranty		238,133			238,133
31.	Reinsurance-nonproportional assumed property	2,290,167	126,748			2,416,915
32.	Reinsurance-nonproportional assumed liability	1,024,108	3,589			1,027,697
33.	Reinsurance-nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	742,627,000	11,954,456	(1,446,700)	(29,856,654)	723,278,102
36.	Accrued retrospective premiums based on experience					29,856,655
37.	Earned but unbilled premiums					1,446,700
38.	Balance (Sum of Lines 35 through 37)					754,581,457

	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	152,741,002	36,664,270		152,741,002		36,664,270
2. Allied lines	151,315,197	22,976,539		151,315,197		22,976,539
3. Farmowners multiple peril		5,799,275				5,799,275
4. Homeowners multiple peril	1,060,767,156	320,611,312		1,060,767,156		320,611,312
5. Commercial multiple peril	12,181,539	130,051,172		12,181,539		130,051,172
6. Mortgage guaranty						
8. Ocean marine		4,593,981				4,593,981
9. Inland marine	43,759,206	40,325,130		43,759,206		40,325,130
10. Financial guaranty						
11.1 Medical professional liability--occurrence		2,968,624				2,968,624
11.2 Medical professional liability--claims-made		1,486,820				1,486,820
12. Earthquake	10,266,441	5,260,940		10,266,441		5,260,940
13. Group accident and health		236,266				236,266
14. Credit accident and health (group and individual)						
15. Other accident and health		375,748				375,748
16. Workers' compensation	634,989	134,149,481		634,989		134,149,481
17.1 Other liability—occurrence	122,133,641	96,918,843		122,133,641		96,918,843
17.2 Other liability—claims-made	39	38,490,548		39		38,490,548
17.3 Excess workers' compensation		3,454,318				3,454,318
18.1 Products liability—occurrence		9,346,869				9,346,869
18.2 Products liability—claims-made		852,040				852,040
19.1,19.2 Private passenger auto liability	460,019,586	340,205,718		460,019,586		340,205,718
19.3,19.4 Commercial auto liability	2,886,371	70,436,389		2,886,371		70,436,389
21. Auto physical damage	386,742,773	187,568,136		386,742,773		187,568,136
22. Aircraft (all perils)		2,388,830				2,388,830
23. Fidelity	100	2,844,468		100		2,844,468
24. Surety	57,189,940	44,450,197		57,189,940		44,450,197
26. Burglary and theft	11,432	65,667		11,432		65,667
27. Boiler and machinery	679	2,261,156		679		2,261,156
28. Credit		308,868				308,868
29. International						
30. Warranty		44,515				44,515
31. Reinsurance-nonproportional assumed property	X X X	15,434,600				15,434,600
32. Reinsurance-nonproportional assumed liability	X X X	2,048,338				2,048,338
33. Reinsurance-nonproportional assumed financial lines	X X X	(9,593)				(9,593)
34. Aggregate write-ins for other lines of business						
35. TOTALS	2,460,650,091	1,522,609,465		2,460,650,091		1,522,609,465

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

	Losses Paid Less Salvage				5	6	7	8
	1	2	3	4				
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire	49,643,394	16,527,377	49,643,394	16,527,377	15,223,731	13,925,434	17,825,674	48.275
2. Allied lines	85,679,736	11,778,550	85,679,736	11,778,550	5,624,929	6,175,286	11,228,193	49.976
3. Farmowners multiple peril		2,579,153		2,579,153	1,236,263	1,058,433	2,756,983	48.488
4. Homeowners multiple peril	511,638,312	151,576,225	511,638,312	151,576,225	56,371,253	50,935,888	157,011,590	51.115
5. Commercial multiple peril	7,526,265	67,995,317	7,526,265	67,995,317	121,760,334	128,263,290	61,492,361	47.608
6. Mortgage guaranty								
8. Ocean marine		1,870,712		1,870,712	3,867,267	4,119,217	1,618,762	37.649
9. Inland marine	18,137,555	23,569,793	18,137,555	23,569,793	5,706,447	6,573,794	22,702,446	57.431
10. Financial guaranty								
11.1 Medical professional liability—occurrence		239,963		239,963	4,632,555	3,673,407	1,199,111	41.004
11.2 Medical professional liability—claims-made		81,648		81,648	864,272	427,732	518,188	50.494
12. Earthquake		85,669		85,669	111,196	125,437	71,428	1.313
13. Group accident and health		66,206		66,206	165,025	176,239	54,992	38.596
14. Credit accident and health (group and individual)								
15. Other accident and health		118,037		118,037	1,155,110	1,220,605	52,542	14.072
16. Workers' compensation	5,607,607	175,606,764	5,607,607	175,606,764	755,120,676	826,006,880	104,720,560	76.417
17.1 Other liability—occurrence	30,997,764	48,902,299	30,997,764	48,902,299	209,736,133	206,875,991	51,762,441	54.317
17.2 Other liability—claims-made		6,187,593		6,187,593	44,866,676	36,872,372	14,181,897	44.280
17.3 Excess workers' compensation		1,800,359		1,800,359	33,921,006	33,214,807	2,506,558	81.085
18.1 Products liability—occurrence	2,917	3,292,103	2,917	3,292,103	23,225,960	26,883,882	(365,819)	(3.944)
18.2 Products liability—claims-made		79,093		79,093	1,140,222	2,020,853	(801,538)	(92.670)
19.1,19.2 Private passenger auto liability	242,108,438	189,047,182	242,108,438	189,047,182	254,353,977	219,028,198	224,372,961	67.416
19.3,19.4 Commercial auto liability	2,247,590	43,710,897	2,247,590	43,710,897	82,545,945	86,703,426	39,553,416	56.674
21. Auto physical damage	221,519,924	102,585,946	221,519,924	102,585,946	3,541,964	4,755,158	101,372,752	56.834
22. Aircraft (all perils)		1,499,770		1,499,770	2,163,530	3,006,149	657,151	26.762
23. Fidelity	(203)	420,394	(203)	420,394	1,995,454	1,742,264	673,584	30.359
24. Surety	(3,455,323)	17,051,372	(3,455,323)	17,051,372	8,797,837	8,082,915	17,766,294	41.191
26. Burglary and theft		12,217		12,217	7,652	12,901	6,968	10.022
27. Boiler and machinery		745,486		745,486	245,194	606,992	383,688	17.107
28. Credit		144		144	234,970	238,796	(3,682)	(2.358)
29. International								
30. Warranty					97,966	79,012	18,954	16.728
31. Reinsurance-nonproportional assumed property	XXX	4,957,069		4,957,069	11,108,610	14,578,056	1,487,623	10.264
32. Reinsurance-nonproportional assumed liability	XXX	2,475,212		2,475,212	14,497,199	21,958,138	(4,985,727)	(401.229)
33. Reinsurance-nonproportional assumed financial lines	XXX	288,283		288,283	242,460	256,958	273,785	(2854.008)
34. Aggregate write-ins for other lines of business								
35. TOTALS	1,171,653,976	875,150,833	1,171,653,976	875,150,833	1,664,561,813	1,709,598,510	830,114,136	56.095

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

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

Line of Business	Reported Losses 1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Incurred But Not Reported 5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
1. Fire	18,149,885	10,544,141	18,149,885	10,544,141	4,473,857	4,679,591	4,473,857	15,223,732	1,241,031
2. Allied lines	6,434,645	3,533,924	6,434,645	3,533,924	1,641,672	2,091,005	1,641,672	5,624,929	638,499
3. Farmowners multiple peril		1,157,536		1,157,536	60	78,728	60	1,236,264	374,460
4. Homeowners multiple peril	109,362,172	35,037,474	109,362,172	35,037,474	61,435,863	21,333,779	61,435,863	56,371,253	12,885,306
5. Commercial multiple peril	10,100,540	68,604,733	10,100,540	68,604,733	2,848,960	53,155,601	2,848,960	121,760,334	49,357,717
6. Mortgage guaranty									
8. Ocean marine		1,955,626		1,955,626		1,911,641		3,867,267	634,277
9. Inland marine	1,289,934	2,933,451	1,289,934	2,933,451	1,153,357	2,772,996	1,153,357	5,706,447	916,155
10. Financial guaranty									
11.1 Medical professional liablity—occurrence		352,036		352,036		4,280,520		4,632,556	349,406
11.2 Medical professional liablity—claims-made		111,553		111,553		752,719		864,272	190,804
12. Earthquake		86,820		86,820		24,377		111,197	14,185
13. Group accident and health		93,871		93,871		71,153		(a) 165,024	7,833
14. Credit accident and health (group and individual)									
15. Other accident and health		495,177		495,177		659,933		(a) 1,155,110	410,969
16. Workers' compensation	54,448,815	386,840,059	54,448,815	386,840,059	15,835,241	368,280,617	15,835,241	755,120,676	109,285,766
17.1 Other liability—occurrence	54,948,906	79,342,430	54,948,906	79,342,430	61,082,333	130,393,703	61,082,333	209,736,133	69,051,441
17.2 Other liability—claims-made		8,804,857		8,804,857	50,360	36,061,819	50,360	44,866,676	11,304,725
17.3 Excess workers' compensation		15,460,757		15,460,757		18,460,248		33,921,005	3,211,452
18.1 Products liability—occurrence	50,532	5,936,987	50,532	5,936,987	88,499	17,288,973	88,499	23,225,960	16,702,016
18.2 Products liability—claims-made		13,053		13,053		1,127,170		1,140,223	615,374
19.1,19.2 Private passenger auto liability	203,620,256	156,012,043	203,620,256	156,012,043	55,830,170	98,341,933	55,830,170	254,353,976	57,761,019
19.3,19.4 Commercial auto liability	3,144,551	54,628,454	3,144,551	54,628,454	1,372,234	27,917,491	1,372,234	82,545,945	14,567,084
21. Auto physical damage	72,854	409,676	72,854	409,676	7,949,625	3,132,288	7,949,625	3,541,964	4,655,871
22. Aircraft (all perils)		1,273,363		1,273,363		890,167		2,163,530	846,395
23. Fidelity		167,963		167,963	79,612	1,827,490	79,612	1,995,453	319,888
24. Surety	12,504,393	3,015,405	12,504,393	3,015,405	789,861	5,782,432	789,861	8,797,837	4,042,207
26. Burglary and theft		5,309		5,309		2,343		7,652	5,348
27. Boiler and machinery		198,591		198,591		46,603		245,194	31,474
28. Credit		911		911		234,059		234,970	103
29. International									
30. Warranty						97,966		97,966	55,095
31. Reinsurance-nonproportional assumed property	X X X	5,189,220		5,189,220	X X X	5,919,390		11,108,610	164,670
32. Reinsurance-nonproportional assumed liability	X X X	4,605,603		4,605,603	X X X	9,891,596		14,497,199	1,314,560
33. Reinsurance-nonproportional assumed financial lines	X X X	240,938		240,938	X X X	1,522		242,460	2,016
34. Aggregate write-ins for other lines of business									
35. TOTALS	474,127,483	847,051,961	474,127,483	847,051,961	214,631,704	817,509,853	214,631,704	1,664,561,814	360,957,146

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	73,899,165			73,899,165
1.2 Reinsurance assumed	92,018,533			92,018,533
1.3 Reinsurance ceded	73,899,165			73,899,165
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	92,018,533			92,018,533
2. Commission and brokerage:				
2.1 Direct, excluding contingent		349,106,363		349,106,363
2.2 Reinsurance assumed, excluding contingent		88,567,166		88,567,166
2.3 Reinsurance ceded, excluding contingent		349,106,363		349,106,363
2.4 Contingent—direct		114,808,255		114,808,255
2.5 Contingent—reinsurance assumed		24,187,536		24,187,536
2.6 Contingent—reinsurance ceded		114,808,255		114,808,255
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)		112,754,702		112,754,702
3. Allowances to manager and agents		14,095,045		14,095,045
4. Advertising	299,198	26,159,972	1,948	26,461,118
5. Boards, bureaus and associations	441,390	2,811,720	68	3,253,178
6. Surveys and underwriting reports	6,143	5,471,268		5,477,411
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	65,590,239	129,214,228	5,659,381	200,463,848
8.2 Payroll taxes	2,970,384	11,422,448	5,366	14,398,198
9. Employee relations and welfare	12,185,832	45,373,622	144,023	57,703,477
10. Insurance	5,113,970	1,022,204	26,340	6,162,514
11. Directors' fees	36	1,457		1,493
12. Travel and travel items	4,481,970	10,409,926	179,409	15,071,305
13. Rent and rent items	3,599,353	13,566,852	52,345	17,218,550
14. Equipment	2,039,039	6,362,223	167,328	8,568,590
15. Cost or depreciation of EDP equipment and software	2,418,940	7,897,834	149,021	10,465,795
16. Printing and stationery	449,170	1,696,508	22,941	2,168,619
17. Postage, telephone and telegraph, exchange and express	1,849,144	7,516,618	200,303	9,566,065
18. Legal and auditing	521,632	1,653,204	125,496	2,300,332
19. Totals (Lines 3 to 18)	101,966,440	284,675,129	6,733,969	393,375,538
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 209,777		38,802,611		38,802,611
20.2 Insurance department licenses and fees		3,953,555		3,953,555
20.3 Gross guaranty association assessments		366,622		366,622
20.4 All other (excluding federal and foreign income and real estate)		2,756,591		2,756,591
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		45,879,379		45,879,379
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	8,344,037	28,474,271	2,009,221	38,827,529
25. Total expenses incurred	202,329,010	471,783,481	8,743,190	(a) 682,855,681
26. Less unpaid expenses—current year	360,957,146	95,629,719		456,586,865
27. Add unpaid expenses—prior year	367,005,067	96,493,368		463,498,435
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year		22,389		22,389
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	208,376,931	472,669,519	8,743,190	689,789,640

DETAILS OF WRITE-IN LINES				
2401. Other expenses	8,344,037	28,474,271	2,009,221	38,827,529
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)	8,344,037	28,474,271	2,009,221	38,827,529

(a) Includes management fees of $ 204,796,860 to affiliates and $ 14,082,972 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 5,423,292	5,538,396
1.1	Bonds exempt from U.S. tax	(a) 27,297,304	26,309,772
1.2	Other bonds (unaffiliated)	(a) 83,007,726	81,074,067
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 250,658	261,244
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	15,833,537	15,616,135
2.21	Common stocks of affiliates	3,504,580	
3.	Mortgage loans	(c) 6,105,963	6,122,884
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 39,820	39,820
7.	Derivative instruments	(f)	
8.	Other invested assets	19,010,656	19,010,656
9.	Aggregate write-ins for investment income	329,461	329,461
10.	Total gross investment income	160,802,997	154,302,435
11.	Investment expenses		(g) 8,743,190
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 830
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)		8,744,020
17.	Net investment income (Line 10 minus Line 16)		145,558,415

	DETAILS OF WRITE-IN LINES		
0901.	Miscellaneous Income/(Expense)	329,461	329,461
0902.	Investment Income/(Expense) – Pooling Restatement		
0903.			
0998.	Summary of remaining write-ins for Line 09 from overflow page		
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	329,461	329,461
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 $ 5,499,679 accrual of discount less $ 8,187,670 amortization of premium and less $ 749,967 paid for accrued interest on purchases.
(b) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued dividends on purchases.
(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 35,484 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 $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.
(f) Includes $ 0 accrual of discount less $ 0 amortization of premium.
(g) Includes $ 0 investment expenses and $ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 0 interest on surplus notes and $ 0 interest on capital notes.
(i) Includes $ 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	(7,771)		(7,771)		
1.1	Bonds exempt from U.S. tax	1,264,372		1,264,372		
1.2	Other bonds (unaffiliated)	7,513,922	(1,045,794)	6,468,128	(5,601,618)	(3,825,178)
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	11,903,112	(136,899)	11,766,213	(10,499,082)	(10,088,108)
2.21	Common stocks of affiliates				4,371,444	
3.	Mortgage loans	(6,409)		(6,409)	3,015	
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets	420,281	(10,693)	409,588	10,215,980	
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	21,087,507	(1,193,386)	19,894,121	(1,510,261)	(13,913,286)

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	4,577,813	4,915,080	337,267
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	172,276	383,530	211,254
15.3 Accrued retrospective premiums	2,966,711	3,132,586	165,875
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	842	22,606	21,764
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	34,884,215	34,637,208	(247,007)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software		564,764	564,764
21. Furniture and equipment, including health care delivery assets	24,512,373	32,837,409	8,325,036
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	7,319,546	1,451,887	(5,867,659)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	74,433,776	77,945,070	3,511,294
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	74,433,776	77,945,070	3,511,294

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	7,307,712	1,451,772	(5,855,940)
2502. Amounts receivable under high deductible policies	11,834	115	(11,719)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,319,546	1,451,887	(5,867,659)

NONE

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

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

	State of Domicile	2014	2013
NET INCOME			
SICOA state basis (Page 4, Line 20, Columns 1 & 2)	NH	$ 106,792,532	$ 154,762,634
State Prescribed Practices: NONE		-	-
State Permitted Practices: NONE		-	-
NAIC SAP		$ 106,792,532	$ 154,762,634

	State of Domicile	2014	2013
SURPLUS			
SICOA state basis (Page 3, Line 37, Columns 1 & 2)	NH	$ 1,278,917,136	$ 1,188,672,536
State Prescribed Practices:		1,623,909	-
State Permitted Practices: NONE		-	-
NAIC SAP		$ 1,277,293,227	$ 1,188,672,536

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

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

C. Accounting Policies

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

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

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

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

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

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

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

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

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

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

9. Derivative Securities. Refer to Note 8.

NOTES TO FINANCIAL STATEMENTS

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

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

12. The Company did not change its capitalization policy in 2014.

13. The Company has no pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Correction of Errors

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

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

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 2014 were:

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

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

	2014	2013
3. Taxes, assessments and any amounts advanced and not included in the mortgage loan total	$4,906	$5,453

4. Age Analysis of Mortgage Loans:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 114,114,913	$ -	$ 114,114,913
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

	Farm	Residential Insured	Residential All Other	Commercial Insured	Commercial All Other	Mezzanine	Total
4. Interest Reduced							
(a) Recorded Investment	$ -	$ -	$ -	$ -	$ 7,324,527	$ -	$ 7,324,527
(b) Number of Loans	-	-	-	-	211	-	211
(c) Percent Reduced	-	-	-	-	2.296%	-	2.296%
b. Prior 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%

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

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. With Allowance for Credit Losses	$-	$-	$-	$-	$ 8,462	$-	$ 8,462
2. No Allowance for Credit Losses	-	-	-	-	-	-	-
b. Prior Year							
1. With Allowance for Credit Losses	$-	$-	$-	$-	$ 37,562	$-	$ 37,562
2. No Allowance for Credit Losses	-	-	-	-	15,285	-	15,285

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

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Average Recorded Investment	$-	$-	$-	$-	$ 30,664	$-	$ 30,664
2. Interest Income Recognized	-	-	-	-	2,190	-	2,190
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	797	-	797
b. Prior 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

NOTES TO FINANCIAL STATEMENTS

	2014	2013
7. Allowance for credit losses:		
a. Balance at beginning of period	$ 3,015	$ -
b. Additions charged to operations	5,412	30,539
c. Direct write-downs charged against the allowances	8,427	27,524
d. Recoveries of amounts previously charged off	-	-
e. Balance at end of period	$ -	$ 3,015

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

B. Debt Restructuring

	2014	2013
1. The total recorded investment in restructured loans, as of year end	$ 15,039	$ 15,285
2. The realized capital losses related to these loans	$-	$-
3. Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	$-	$-

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

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan Backed Securities

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

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

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

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair Value at time of OTTI	Date of Financial Statement Where Report
05539TAR6	150,786	150,733	54	150,733	119,677	3/31/2014
30604VAG3	121,207	27,999	93,209	27,999	28,420	3/31/2014
30604VAG3	34,185	27,905	6,280	27,905	28,155	3/31/2014
05539TAR6	148,398	147,431	967	147,431	118,770	6/30/2014
05539TAR6	104,075	103,201	874	103,201	83,289	12/31/2014
61749BAB9	135,699	130,407	5,292	130,407	100,750	12/31/2014

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

a. The aggregate amount of unrealized losses:
   1. Less than 12 Months $ 190,646
   2. 12 Months or Longer $ 3,083,275

b. The aggregate related fair value of securities with unrealized losses:
   1. Less than 12 Months $ 64,367,850
   2. 12 Months or Longer $ 196,455,049

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.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements and Securities Lending

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

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

3. Aggregate Amount of Contractually open cash collateral positions:

a. Aggregate Amount Cash Collateral Received

	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	$56,185,158
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	$56,185,158
(g) Securities Received	$2,841,045
(h) Total Collateral Received	$59,026,203
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) $56,185,158

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		

NOTES TO FINANCIAL STATEMENTS

(j) Greater Than 3 Years		
(k) Sub-Total		
(l) Securities Received		
(m) Total Collateral Reinvested		

2. Securities Lending

(a) Open		
(b) 30 Days or Less	$28,816,502	$28,815,012
(c) 31 to 60 Days	$11,850,890	$11,851,049
(d) 61 to 90 Days	$15,519,140	$15,519,092
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(i) 2 to 3 Years		
(j) Greater Than 3 Years		
(k) Sub-Total	$56,186,532	$56,185,153
(l) Securities Received		
(m) Total Collateral Reinvested	$56,186,532	$56,185,153

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

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

2. The Company is not aware of any regulatory reviews related to the LIHTC properties.

3. The LIHTC investments do not exceed 10% of the Company’s total admitted assets.

4. The Company did not recognize an impairment loss on the LIHTC investments.

5. The Company did not recognize a write-down or reclassification of the LIHTC investments during the year due to forfeiture or ineligibility of the tax credits.

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted Assets (Including Pledged)

	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	$-	$-	$-	$-	0%	0%
b. Collateral held under security lending agreements	56,185,152	-	-	-	$56,185,152	$54,820,950	$1,364,202	$56,185,152	1%	1%
c. Subject to repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%
d. Subject to reverse repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%
e. Subjects to dollar repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	$-	$-	$-	$-	0%	0%
g. Placed under option contracts	-	-	-	-	$-	$-	$-	$-	0%	0%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	-	-	-	-	$-	$-	$-	$-	0%	0%
i. FHLB capital stock	-	-	-	-	$-	$-	$-	$-	0%	0%
j. On deposit with states	161,021,418	-	-	-	$161,021,418	$17,360,719	$143,660,699	$161,021,418	4%	4%
k. On deposit with other regulatory bodies	-	-	-	-	$-	$-	$-	$-	0%	0%
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	$-	$-	$-	$-	0%	0%
m. Pledged as collateral not captured in other categories	-	-	-	-	$-	$-	$-	$-	0%	0%
n. Other restricted assets	-	-	-	-	$-	$-	$-	$-	0%	0%
o. Total restricted assets	$217,206,570	$-	$-	$-	$217,206,570	$72,181,669	$145,024,901	$217,206,570	5%	5%

(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

I. Working Capital Finance Investments

The Company does not invest in Working Capital Finance Investments.

J. Offsetting and Netting of Assets and Liabilities

Not applicable

NOTES TO FINANCIAL STATEMENTS

K. Structured Notes

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 invests in limited partnerships that are reported in accordance with SSAP No. 48. These limited partnerships are valued by the equity method using traditional private equity valuation measures. Interim poor performance which indicates a probable inability to recover the carrying amount of the assets leads to impairment losses being recognized by management. Management may also engage to sell limited partnership interests which may also lead to impairment losses being recognized. The Company realized impairment losses of $10,693 during the year.

Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2014.

Note 8 - Derivative Instruments

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

Note 9 - Income Taxes

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

1.

	12/31/2014		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	$ 149,690,000	$ 10,242,000	$ 159,932,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	149,690,000	10,242,000	159,932,000
(d) Deferred Tax Assets Nonadmitted	28,921,269	5,962,946	34,884,215
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	120,768,731	4,279,054	125,047,785
(f) Deferred Tax Liabilities	30,074,000	4,268,000	34,342,000
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ 90,694,731	$ 11,054	$ 90,705,785

	12/31/2013		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) 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

NOTES TO FINANCIAL STATEMENTS

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	$ 1,890,800	$ 1,517,900	$ 3,408,700
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	1,890,800	1,517,900	3,408,700
(d) Deferred Tax Assets Nonadmitted	(5,715,939)	5,962,946	247,007
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	7,606,739	(4,445,046)	3,161,693
(f) Deferred Tax Liabilities	11,060,531	(6,608,831)	4,451,700
(g) Net Admitted Deferred Tax Asset (Net Deferred Tax Liability) (1e – 1f)	$ (3,453,792)	$ 2,163,785	$ (1,290,007)

2.

	12/31/2014		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 42,749,986	$ 11,054	$ 42,761,040
(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)	47,944,745	-	47,944,745
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	47,944,745	-	47,944,745
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	183,803,024
(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	30,074,000	4,268,000	34,342,000
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) + 2(c))	$ 120,768,731	$ 4,279,054	$ 125,047,785

	12/31/2013		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 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

NOTES TO FINANCIAL STATEMENTS

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ (9,386,685)	$ (427,827)	$ (9,814,512)
(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)	8,524,505	-	8,524,505
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	8,524,505	-	8,524,505
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	-	-	19,301,512
(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	11,060,531	(6,608,831)	4,451,700
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 10,198,352	$ (7,036,659)	$ 3,161,693

3.

	2014	2013
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	651.5%	596.5%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	1,188,211,351	1,096,676,744

4.

	12/31/2014		12/31/2013		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
Impact of Tax-Planning Strategies						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1 (c)	$ 149,690,000	$ 10,242,000	$ 147,799,200	$ 8,724,100	$ 1,890,800	$ 1,517,900
2. Percentage of adjusted gross DTAs by tax character to the impact of tax planning strategies.	0%	0%	0%	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1 (e)	$ 120,768,731	$ 4,279,054	$ 113,161,992	$ 8,724,100	$ 7,606,739	$ (4,445,046)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	0%	0%	0%	0%	0%	0%

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

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

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

	(1) 12/31/2014	(2) 12/31/2013	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ 21,006,058	$ (15,034,951)	$ 36,041,009
(b) Foreign	-	-	-
(c) Subtotal	21,006,058	(15,034,951)	36,041,009
(d) Federal income tax on net capital gains	6,962,942	25,715,951	(18,753,009)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income tax incurred	$ 27,969,000	$ 10,681,000	$ 17,288,000

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 43,183,000	$ 45,498,000	$ (2,315,000)
(2) Unearned premium reserve	55,219,000	53,346,000	1,873,000
(3) Policyholder reserves	-	-	-
(4) Investments	17,779,000	16,470,000	1,309,000
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed Assets	100,000	37,000	63,000
(8) Compensation and benefits accrual	9,515,000	8,180,000	1,335,000
(9) Pension accrual	3,020,000	1,187,000	1,833,000
(10) Receivables – nonadmitted	13,843,000	15,158,000	(1,315,000)
(11) Net operating loss carry-forward	207,000	729,000	(522,000)
(12) Tax credit carry-forward	861,000	810,000	51,000
(13) Other (including items <5% of total ordinary tax assets)	5,963,000	6,384,200	(421,200)
(99) Subtotal	149,690,000	147,799,200	1,890,800
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	28,921,269	34,637,208	(5,715,939)
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	120,768,731	113,161,992	7,606,739
(e) Capital			
(1) Investments	10,242,000	8,724,100	1,517,900
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	10,242,000	8,724,100	1,517,900
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	5,962,946	-	5,962,946
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	4,279,054	8,724,100	(4,445,046)
(i) Admitted deferred tax assets (2d + 2h)	125,047,785	121,886,092	3,161,693
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	9,844,000	4,488,000	5,356,000
(2) Fixed assets	11,506,000	8,961,000	2,545,000
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total capital tax liabilities)	8,724,000	5,564,469	3,159,531
(99) Subtotal	30,074,000	19,013,469	11,060,531
(b) Capital:			
(1) Investments	2,775,000	9,785,831	(7,010,831)
(2) Real estate	1,091,000	1,091,000	-
(3) Other (including items <5% of total capital tax liabilities)	402,000	-	402,000
(99) Subtotal	4,268,000	10,876,831	(6,608,831)
(c) Deferred tax liabilities (3a99 + 3b99)	34,342,000	29,890,300	4,451,700
4. Net deferred tax assets/liabilities (2i – 3c)	$ 90,705,785	$ 91,995,792	$ (1,290,007)

D. Effective tax rates differ from the current statutory rate of 35% principally due to effects of excludable dividend income, intercompany dividends, LP & LLC income, discounting of unpaid losses and loss adjustment expenses, tax exempt income, and revisions to prior year estimates.

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

Year Generated	Amount	Expiration
2011	$ 591,000	2031

NOTES TO FINANCIAL STATEMENTS

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

Year Generated	Amount	Expiration
2011	$ 531,000	2031
2012	$ 279,000	2032
2013	$ 51,000	2033

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 $34,223,000 from the current year and $12,117,000 from the preceding year.

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

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

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

NOTES TO FINANCIAL STATEMENTS

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.
The First Liberty Insurance Corporation
The Midwestern Indemnity Company
The National Corporation
The Netherlands Insurance Company
The Ohio Casualty Insurance Company
Wausau Business Insurance Company
Wausau General Insurance Company
Wausau Underwriters Insurance Company
West American Insurance Company
Winmar Company, Inc.
Winmar of the Desert, Inc.
Winmar Oregon, Inc.
Winmar-Metro, Inc.

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

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

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.

C. As of December 31, 2014, the Company had the following capital transactions with its parent and subsidiaries:

4. Received dividends in the amount of $18,800,000

The Company paid a dividend to its parent, Safeco Corporation, as follows:

				Paid By	
Date Paid	Ordinary	Extraordinary	Total	Cash	Securities
October	$1,000,000	$ -	$1,000,000	$1,000,000	$ -

Statutory Statement Value - $1,000,000

Of this total, $0 was a return of capital distribution.

Of this total, $0 was unpaid as of December 31, 2014.

D. At December 31, 2014, the Company reported a net $13,243,710 due to affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.

E. The Company has not made any guarantees or initiated any undertakings for the benefit of affiliates which result in a material contingent exposure of the Company's or affiliates' assets or liabilities.

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

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

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

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

The Company is party to revolving credit agreements under which the Company may lend funds to the following affiliated companies for the purpose of accommodating fluctuations in daily cash flow and to promote efficient management of investments (See Note 11B):

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, 2014.

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

The Company has an outstanding borrowing as of December 31, 2014 in the amount of $30,320,506 pursuant to the revolving credit agreement with Peerless Insurance Company.

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, 2014.

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

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

I. The Company does not own investments in subsidiary, controlled or affiliated 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)

Refer to Note 11B.

B. The Company maintains a $100,000,000 revolving line with Peerless Insurance Company (“PIC”), a $100,000,000 revolving line of credit with Ohio Casualty Insurance Company (“OCIC”), and a $50,000,000 revolving line of credit with American Economy Insurance Company (“AEIC”) (see Note 10F). On August 26, 2014, the Company borrowed $70,000,000, $50,000,000, and $30,000,000, under the respective agreements with a maturity date of November 26, 2014. Interest on this borrowed money is accrued at an annual interest rate of 1.64%. Thirty million of the loan with PIC was refinanced with a maturity date of January 26, 2015, but was repaid on January 5, 2015. For December year-to-date 2014, the Company has incurred and paid interest expense of $583,316 and $575,644, respectively. There was $30,320,506 of outstanding borrowings as of December 31, 2014.

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, 2014. 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 2015 is $127,891,713.

6. As of December 31, 2014, the Company has pre-tax restricted surplus of $6,474,524 resulting from retroactive reinsurance contracts.

7. The Company had no advances to surplus.

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

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

10. The portion of unassigned funds (surplus) represented by cumulative net unrealized losses is ($40,520,510) after applicable deferred taxes of $2,903,734.

11. Surplus Notes

    Not applicable

12. Quasi-reorganization (dollar impact)

    Not applicable

13. Quasi-reorganization (effective date)

    Not applicable

Note 14 - Contingencies

A. Contingent Commitments

   Refer to Note 10E.

B. Assessments

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

   The Company has accrued a liability for guaranty funds and other assessments of $7,849,838 that is offset by future premium tax credits of $490,588. Current assessments are expected to be paid out in the next two years, while premium tax offsets are expected to be realized in the next five years, beginning in 2015. During 2014 there were no material insolvencies to report. The Company continues to remit payments relating to prior year insolvencies.

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

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$ 737,098
b.	Decreases current year: Premium tax offset applied	290,201
c.	Increases current year: Premium tax offset increase	43,691
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$ 490,588

C. Gain Contingencies

   Not applicable

NOTES TO FINANCIAL STATEMENTS

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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	$3,261,978

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

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

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

E. Product Warranties

The Company does not write product warranty business.

F. Joint and Several Liabilities

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

G. All Other Contingencies

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

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

Note 15 - Leases

A. Lessee Leasing Arrangements

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

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

Year Ending December 31,	Operating Leases
2015	9,825,089
2016	10,156,530
2017	6,405,111
2018	4,248,314
2019	2,533,506
2020 & thereafter	18,907,473
Total	$ 52,076,023

   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 $349,199.

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.

NOTES TO FINANCIAL STATEMENTS

B. Transfers and Servicing of Financial Assets

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

At December 31, 2014 the total fair value of securities on loan was $57,822,046, with corresponding collateral value of $59,026,203 of which $56,185,158 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

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.

NOTES TO FINANCIAL STATEMENTS

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

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Issuer Obligations	$ -	$112,162,018	$13,138,770	$125,300,788
Non-Issuer Obligations	-	1,230,306	-	1,230,306
Total Bonds	$ -	$113,392,324	$13,138,770	$126,531,094
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	$ -	$ -	$ -	$ -
Total Preferred Stocks	$ -	$ -	$ -	$ -
Common Stocks				
Industrial and Miscellaneous	$304,861,819	$ -	$102,447	$304,964,266
Total Common Stocks	$304,861,819	$ -	$102,447	$304,964,266
Total assets at fair value	$304,861,819	$113,392,324	$13,241,217	$431,495,360
Liabilities at fair value				
Derivative Liabilities	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -

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

2. Rollforward of Level 3 Items

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

1	2	3	4	5	6	7	8	9	10	11
	Balance at 12/31/2013	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2014
Bonds	$35,486,569	$-	$-	($28,708)	$78,876	$6,666,186	$-	($29,059,390)	($4,763)	$13,138,770
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Common Stock	102,444	-	-	-	3	-	-	-	-	102,447
Total	$35,589,013	$-	$-	($28,708)	$78,879	$6,666,186	$-	($29,059,390)	($4,763)	$13,241,217

3. Policy on Transfers Into and Out of Level 3

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

4. Inputs and Techniques Used for Fair Value

Fixed Maturities

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

U.S. Government and Agency

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

NOTES TO FINANCIAL STATEMENTS

Mortgage-Backed Securities

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

Asset-Backed Securities

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

Municipals

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

Corporate debt and other

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

Foreign government securities

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

Equity Securities

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

Other Investments

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

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

NOTES TO FINANCIAL STATEMENTS

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	$76,315,061	$76,315,061	$76,315,061	$-	$-	$-
Bonds	2,644,741,023	2,558,357,543	6,527,244	2,598,373,513	39,840,266	-
Preferred Stock	6,319,660	5,799,385	-	6,319,660	-	-
Common Stock	304,964,266	304,964,265	304,861,819	-	102,447	-
Securities Lending	56,185,152	56,185,152	-	56,185,152	-	-
Mortgage Loans	122,574,281	114,114,913	-	-	122,574,281	-
Surplus Notes	-	-	-	-	-	-
Total	$3,211,099,443	$3,115,736,319	$387,704,124	$2,660,878,325	$162,516,994	$-

Note 21 - Other Items

A. Extraordinary Items

The Company has no extraordinary items to report.

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

1) Interrogatory 6.1

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

Interrogatory 6.2

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

Interrogatory 6.3

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

D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

E. State Transferable and Non-transferable Tax Credits

The Company does not hold state transferable and/or non-transferable tax credits.

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
$1,629,071	$1,518,989	$1,507,821	$366,747

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

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

NOTES TO FINANCIAL STATEMENTS

Note 22 - Events Subsequent

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

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

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

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

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

B. Reinsurance Recoverable in Dispute

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

C. Reinsurance Assumed & Ceded

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

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$754,581,456	$72,875,834	$1,224,809,114	$230,917,372	$(470,227,658)	$(158,041,538)
b. All Other	-	-	-	-	-	-
c. TOTAL	$754,581,456	$72,875,834	$1,224,809,114	$230,917,372	$(470,227,658)	$(158,041,538)
d. Direct Unearned Premium Reserve $1,224,809,114						

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

	Direct	Assumed	Ceded	Net
a. Contingent Commission	$180,167,847	$24,714,945	$180,167,847	$24,714,945
b. Sliding Scale Adjustments	-	39,365	-	39,365
c. Other Profit Commission Arrangements	-	-	-	-
d. TOTAL	$180,167,847	$24,754,310	$180,167,847	$24,754,310

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	$(148,644,764)	$-
2. Adjustments – Prior Year (s)	(23,913,933)	-
3. Adjustments – Current Year	(5,987,534)	-
4. Current Total	$(178,546,231)	$-
b. Consideration Paid or Received:		
1. Initial Consideration	$(151,224,590)	$-
2. Adjustments – Prior Year (s)	(3,293,086)	-
3. Adjustments – Current Year	(26,987)	-
4. Current Total	$(154,544,663)	$-

NOTES TO FINANCIAL STATEMENTS

c. Paid Losses Reimbursed or Recovered:		
1. Prior Year (s)	$20,010,819	$-
2. Current Year	(374,754)	-
3. Current Total	$19,636,065	$-
d. Special Surplus from the Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	$(447,836)	$-
2. Adjustments – Prior Year (s)	(1,521,962)	-
3. Adjustments – Current Year	6,335,301	-
4. Current Year Restricted Surplus	6,474,524	-
5. Cumulative Total Transferred to Unassigned Funds	$(2,109,021)	$-
e. All cedents and reinsurers involved in all transactions included in summary totals above:		
Company	Assumed Amount	Ceded Amount
Liberty Mutual Insurance Company, 23043	$(178,546,231)	$-
Total	$(178,546,231)	$-

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

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

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

G. Reinsurance Accounted for as a Deposit

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

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

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

I. Certified Reinsurers Downgraded or Status Subject to Revocation.

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

   The Company does not transact business with Certified Reinsurers.

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

   The Company is not a Certified Reinsurer.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

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

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

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

D. Medical Loss Ratio Rebates

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

NOTES TO FINANCIAL STATEMENTS

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

a.	Total accrued retro premium	$29,857,068
b.	Unsecured amount	
c.	Less: Nonadmitted amount (10%)	2,966,711
d.	Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted	
e.	Admitted amount (a) - (c) - (d)	$26,890,357

F. Risk Sharing Provisions of the Affordable Care Act

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

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

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

Note 26 - Intercompany Pooling Arrangements

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

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

NOTES TO FINANCIAL STATEMENTS

	Liberty Surplus Insurance Corporation (“LSI”)	10725	0.00%	All Lines
	Mid-American Fire & Casualty Company (“MAFCC”)	23507	0.00%	All Lines
	Montgomery Mutual Insurance Company (“MMIC”)	14613	0.00%	All Lines
	The Midwestern Indemnity Company (“MWIC”)	23515	0.00%	All Lines
	National Insurance Association (“NIA”)	27944	0.00%	All Lines
	The Netherlands Insurance Company (“NIC”)	24171	0.00%	All Lines
	North Pacific Insurance Company (“NPIC”)	23892	0.00%	All Lines
	Ohio Security Insurance Company (“OSIC”)	24082	0.00%	All Lines
	Oregon Automobile Insurance Company (“OAIC”)	23922	0.00%	All Lines
	Peerless Indemnity Insurance Company (“PIIC”)	18333	0.00%	All Lines
	Safeco Insurance Company of Illinois (“SICIL”)	39012	0.00%	All Lines
	Safeco Insurance Company of Indiana (“SICIN”)	11215	0.00%	All Lines
	Safeco Insurance Company of Oregon (“SICOR”)	11071	0.00%	All Lines
	Safeco Lloyds Insurance Company (“SLICO”)	11070	0.00%	All Lines
	Safeco National Insurance Company (“SNIC”)	24759	0.00%	All Lines
	Safeco Surplus Lines Insurance Company (“SSLIC”)	11100	0.00%	All Lines
	Wausau Business Insurance Company (“WBIC”)	26069	0.00%	All Lines
	Wausau General Insurance Company (“WGIC”)	26425	0.00%	All Lines
	Wausau Underwriters Insurance Company (“WUIC”)	26042	0.00%	All Lines
	West American Insurance Company (“WAIC”)	44393	0.00%	All Lines
100% Quota Share Affiliated Companies:	LM Property and Casualty Insurance Company (“LMPAC”)	32352	0.00%	All Lines

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

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

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

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

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

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

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

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

Affiliate:	Amount:
Liberty Mutual Insurance Company	$(3,600,347)

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

Note 27 - Structured Settlements

A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves of $35,542,178 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 $35,542,178 as of December 31, 2014.

B. A summary of purchased structured settlement annuities exceeding 1% of policyholders’ surplus and whereby the Company has not obtained a release of liability from the claimant is as follows:

Life Insurance Company and Location	Licensed in Company’s State of Domicile (Yes/No)	Statement Value of Annuities
Liberty Life Assurance Company of Boston Boston, Massachusetts	Yes	$ 17,845,220

NOTES TO FINANCIAL STATEMENTS

Note 28 - Health Care Receivables

Not applicable

Note 29 - Participating Policies

Not applicable

Note 30 - Premium Deficiency Reserves

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

Note 31 - High Dollar Deductible Policies

As of December 31, 2014, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was $331,521,831 and the amount billed and recoverable on paid claims was $11,377,442.

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

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

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

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
	1 Case	2 IBNR
1. Homeowners/Farmowners		
2. Private Passenger Auto Liability/Medical		
3. Commercial Auto/Truck Liability/Medical		
4. Workers' Compensation	34,867,116	26,421,315
5. Commercial Multiple Peril		
6. Medical Professional Liability – occurrence		
7. Medical Professional Liability – claims-made		
8. Special Liability		
9. Other Liability – occurrence	248,388	
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	$ 35,115,504	$ 26,421,315

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

B. Nontabular Discount:

Not applicable

Note 33 - Asbestos/Environmental Reserves

Factors Contributing to Uncertainty in Establishing Adequate Reserves

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

NOTES TO FINANCIAL STATEMENTS

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

In the third quarter of 2014, the Company completed asbestos ground-up and aggregate environmental reserve studies. These studies were completed by a multi-disciplinary team of internal claims, legal, reinsurance and actuarial personnel, and included all major business segments of the Company’s direct, assumed, and ceded asbestos and environmental unpaid claim liabilities. As part of the internal review, policyholders with the largest direct asbestos unpaid claim liabilities were individually evaluated using the Company's proprietary stochastic ground-up model, which is consistent with published actuarial methods of asbestos reserving. Among the factors reviewed in depth by the team of specialists were the type of business, level of exposure, coverage limits, geographic distribution of products, injury type, jurisdiction and legal defenses. Reinsurance recoveries for these policyholders were then separately evaluated by the Company’s reinsurance and actuarial 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 $7 million including: $5 million of asbestos reserves, primarily associated with increased defense costs, and $2 million of pollution reserves.

Uncertainty Regarding Reserving Methodologies

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

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

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

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

Asbestos:

	2010	2011	2012	2013	2014
Direct Basis					
Beginning Reserves	120,482,770	90,186,675	95,100,512	93,394,961	104,955,748
Incurred losses and LAE	4,611,154	24,219,525	14,340,667	24,875,137	17,105,452
Calendar year payments	34,907,248	19,305,688	16,046,218	13,314,350	16,529,689
Ending Reserves	90,186,675	95,100,512	93,394,961	104,955,748	105,531,511
Assumed Reinsurance Basis					
Beginning Reserves	38,312,634	36,961,007	37,387,464	34,504,112	37,185,921
Incurred losses and LAE	2,921,446	2,662,978	904,968	4,479,866	90,529
Calendar year payments	4,273,073	2,236,521	3,788,320	1,798,057	2,881,320
Ending Reserves	36,961,007	37,387,464	34,504,112	37,185,921	34,395,130
Net of Ceded Reinsurance Basis					
Beginning Reserves	69,400,588	48,855,784	58,064,413	53,408,945	59,833,416
Incurred losses and LAE	(6,422,711)	19,604,304	8,950,344	14,131,446	5,334,504
Calendar year payments	14,122,093	10,395,674	13,605,812	7,706,974	10,085,052
Ending Reserves	48,855,784	58,064,413	53,408,945	59,833,416	55,082,868

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	65,260,247
Assumed Reinsurance Basis	24,574,163
Net of Ceded Reinsurance Basis	33,866,013

NOTES TO FINANCIAL STATEMENTS

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

Direct Basis	59,687,743
Assumed Reinsurance Basis	342,911
Net of Ceded Reinsurance Basis	23,843,065

Environmental:	2010	2011	2012	2013	2014
Direct Basis					
Beginning Reserves	26,511,000	24,880,244	25,484,587	25,208,570	26,908,233
Incurred losses and LAE	2,323,055	5,179,858	3,662,120	5,713,769	3,477,267
Calendar year payments	3,953,811	4,575,516	3,938,136	4,014,107	5,149,304
Ending Reserves	24,880,244	25,484,587	25,208,570	26,908,233	25,236,196
Assumed Reinsurance Basis					
Beginning Reserves	4,647,678	3,800,263	3,558,136	3,899,360	3,849,767
Incurred losses and LAE	(5,853)	419,814	(1,088,520)	260,690	68,935
Calendar year payments	841,562	661,941	(1,429,745)	310,283	292,867
Ending Reserves	3,800,263	3,558,136	3,899,360	3,849,767	3,625,835
Net of Ceded Reinsurance Basis					
Beginning Reserves	24,195,338	21,324,555	20,819,688	18,509,862	19,379,012
Incurred losses and LAE	(165,389)	839,049	(115,338)	3,660,403	1,687,643
Calendar year payments	2,705,394	1,343,916	2,194,488	2,791,254	3,134,207
Ending Reserves	21,324,555	20,819,688	18,509,862	19,379,012	17,932,448

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

Direct Basis	14,797,878
Assumed Reinsurance Basis	2,390,127
Net of Ceded Reinsurance Basis	9,296,115

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

Direct Basis	9,865,952
Assumed Reinsurance Basis	70,344
Net of Ceded Reinsurance Basis	4,936,632

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. 12/31/2013

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008

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

3.4 By what department or departments?
State of New Hampshire Insurance Department

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

GENERAL INTERROGATORIES

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control. 0.00 %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] 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).
In Q2 and Q4, Liberty made technical changes to its Code related to its Registered Investment Advisor (RIA). In Q4, Liberty deregistered its investments operation as an RIA with the SEC, and removed related sections of the Code.

GENERAL INTERROGATORIES

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

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

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

22.2 If answer is yes:

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

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

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

INVESTMENT

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

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

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

Please reference Note 17B

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

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 59,026,203

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	$	56,185,152
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	$	56,185,152
24.103 Total payable for securities lending reported on the liability page	$	56,185,152

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

GENERAL INTERROGATORIES

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

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Placed under option agreements	$ 0
25.26	Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 0
25.28	On deposit with states	$ 161,021,418
25.29	On deposit with other regulatory bodies	$ 0
25.30	Pledged as collateral - excluding collateral pledged to an FHLB	$ 0
25.31	Pledged as collateral to FHLB - including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0
		0
		0

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005
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]

GENERAL INTERROGATORIES

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

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

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

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

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	2,612,127,241	2,700,155,922	88,028,681
30.2 Preferred stocks	5,799,385	6,319,660	520,275
30.3 Totals	2,617,926,626	2,706,475,582	88,548,956

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

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

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

GENERAL INTERROGATORIES

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

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

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? $ 3,641,173

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE INC.	$ 1,000,379
	$ 0
	$ 0

34.1 Amount of payments for legal expenses, if any? $ 2,467,725

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? $ 119,562

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	$ 515,868	$ 365,975
2.2	Premium Denominator	$ 1,479,841,939	$ 1,461,447,245
2.3	Premium Ratio (2.1 / 2.2)	0.00	0.00
2.4	Reserve Numerator	$ 1,858,935	$ 1,743,515
2.5	Reserve Denominator	$ 2,783,780,474	$ 2,876,865,131
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 [ ] No [X]

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

3.21 Participating policies $ 0

3.22 Non-participating policies $ 0

4. For Mutual reporting entities and Reciprocal Exchanges only:

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

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

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

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

5. For Reciprocal Exchanges Only:

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

5.2 If yes, is the commission paid:

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

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

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

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

5.5 If yes, give full information

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

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
The Company cedes 100% of its business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage.

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

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

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

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

8.2 If yes, give full information

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

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

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

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

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

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

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [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 $ 19,876,877
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 5,252,404

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? $ 2,044,131

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 $ 355,384,805
12.62 Collateral and other funds $ 111,276,942

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 19,055,567

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
0

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

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

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

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

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

FIVE – YEAR HISTORICAL DATA

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

	1 2014	2 2013	3 2012	4 2011	5 2010
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,283,984,276	1,265,854,995	1,122,102,948	1,091,679,111	1,113,323,230
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,037,696,733	964,605,536	943,304,801	852,256,508	822,196,921
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,538,655,100	1,291,962,322	1,422,106,079	1,241,445,059	1,135,170,172
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	105,450,102	80,707,545	222,268,107	329,198,753	423,294,371
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	17,473,345	17,123,841			
6. Total (Line 35)	3,983,259,556	3,620,254,239	3,709,781,935	3,514,579,431	3,493,984,694
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)	698,309,650	715,498,580	631,626,784	637,848,798	653,713,650
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	292,860,682	278,598,975	337,301,526	314,457,479	314,280,721
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	465,705,726	328,727,150	581,496,867	550,127,299	523,474,161
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	48,260,062	9,176,383	109,143,408	113,831,428	111,043,186
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	17,473,345	17,123,841			
12. Total (Line 35)	1,522,609,465	1,349,124,929	1,659,568,585	1,616,265,004	1,602,511,718
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(28,533,526)	(83,079,458)	10,222,559	(98,352,650)	(22,529,131)
14. Net investment gain (loss) (Line 11)	158,489,594	224,743,465	218,964,362	123,444,541	133,915,007
15. Total other income (Line 15)	(743,440)	375,408	7,000,135	4,398,989	(13,163,584)
16. Dividends to policyholders (Line 17)	1,414,038	2,311,732	3,913,623	3,196,299	(535,689)
17. Federal and foreign income taxes incurred (Line 19)	21,006,058	(15,034,951)	38,771,395	(2,938,284)	5,461,380
18. Net income (Line 20)	106,792,532	154,762,634	193,502,038	29,232,865	93,296,601
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	4,233,251,417	4,747,068,958	4,029,806,477	3,854,156,105	3,837,984,130
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	82,847,960	94,410,807	48,314,722	60,909,097	54,564,644
20.2 Deferred and not yet due (Line 15.2)	351,860,629	449,784,425	487,529,145	458,348,157	438,837,234
20.3 Accrued retrospective premiums (Line 15.3)	26,890,357	28,244,289	10,361	701,877	1,392,450
21. Total liabilities excluding protected cell business (Page 3, Line 26)	2,954,334,281	3,558,396,422	3,084,756,281	2,983,350,470	2,993,078,301
22. Losses (Page 3, Line 1)	1,664,561,813	1,709,598,508	1,343,907,667	1,370,184,457	1,357,442,949
23. Loss adjustment expenses (Page 3, Line 3)	360,957,146	367,005,067	307,344,680	302,972,219	302,962,873
24. Unearned premiums (Page 3, Line 9)	754,581,457	712,851,727	797,279,595	765,946,552	737,679,970
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)	1,278,917,136	1,188,672,536	945,050,196	870,805,635	844,905,829
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	47,708,497	421,936,965	242,244,281	63,610,360	(3,946,250)
Risk-Based Capital Analysis					
28. Total adjusted capital	1,278,917,136	1,188,672,536	945,050,196	870,805,635	844,905,829
29. Authorized control level risk-based capital	182,388,040	183,862,847	172,864,980	170,613,774	170,218,613
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)	71.5	74.2	74.3	73.7	75.3
31. Stocks (Lines 2.1 & 2.2)	15.5	14.4	16.6	17.5	15.7
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	3.2	2.6	2.7	2.5	2.5
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	2.1	2.2	6.1	4.6	5.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	6.0	5.0	0.2	0.1	0.1
38. Receivables for securities (Line 9)	0.2	0.2	0.2	0.2	
39. Securities lending reinvested collateral assets (Line 10)	1.6	1.4		1.4	1.1
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)	245,927,089	241,555,644	280,449,843	353,569,928	341,231,797
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	184,015,608	176,415,954	1,008,000		
48. Total of above Lines 42 to 47	429,942,697	417,971,598	281,457,843	353,569,928	341,231,797
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)	33.6	35.2	29.8		

FIVE – YEAR HISTORICAL DATA
(Continued)

		1 2014	2 2013	3 2012	4 2011	5 2010
	Capital and Surplus Accounts (Page 4)					
51.	Net unrealized capital gains (losses) (Line 24)	8,077,305	(20,559,923)	(51,180,878)	(634,875)	43,087,700
52.	Dividends to stockholders (Line 35)	(1,000,000)	(47,515,966)	(95,000,000)		(753,000,000)
53.	Change in surplus as regards policyholders for the year (Line 38)	90,244,600	243,622,340	74,244,561	25,899,806	(302,206,070)
	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)	749,912,217	286,321,563	592,441,543	598,886,891	723,163,099
55.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	529,540,161	485,885,919	476,231,539	474,199,523	422,989,420
56.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	745,431,240	819,805,671	772,670,240	894,157,164	618,328,685
57.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	14,200,627	86,988,423	213,493,596	136,889,697	91,286,704
58.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	7,720,564	(28,053,670)	1,075,684	1,198,602	3,254,469
59.	Total (Line 35)	2,046,804,809	1,650,947,906	2,055,912,602	2,105,331,877	1,859,022,377
	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)	468,947,901	13,104,863	359,479,997	386,111,461	484,565,937
61.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	154,559,552	139,380,882	177,825,092	178,440,619	161,049,699
62.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	226,266,663	349,730,717	330,886,063	377,524,346	278,987,888
63.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	17,656,153	21,090,577	42,612,388	28,692,997	21,973,298
64.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	7,720,564	(28,053,670)	1,075,684	1,198,602	3,254,469
65.	Total (Line 35)	875,150,833	495,253,369	911,879,224	971,968,025	949,831,291
	Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66.	Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67.	Losses incurred (Line 2)	56.3	59.2	54.3	61.9	56.0
68.	Loss expenses incurred (Line 3)	13.7	14.3	12.4	12.1	11.8
69.	Other underwriting expenses incurred (Line 4)	31.9	32.2	32.7	32.2	33.6
70.	Net underwriting gain (loss) (Line 8)	(1.9)	(5.7)	0.6	(6.2)	(1.4)
	Other Percentages					
71.	Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0	31.0	34.8	31.7	31.5	33.7
72.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	70.0	73.5	66.7	73.9	67.8
73.	Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	119.1	113.5	175.6	185.6	189.7
	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)	(896)	48,912	(63,709)	(42,825)	(18,457)
75.	Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(0.1)	5.2	(7.3)	(5.1)	(1.6)
	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)	41,365	52,740	(81,727)	(38,429)	(93,716)
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)	4.4	6.1	(9.7)	(3.4)	(12.2)

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 1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss and Loss Expense Payments Loss Payments 4 Direct and Assumed	5 Ceded	Defense and Cost Containment Payments 6 Direct and Assumed	7 Ceded	Adjusting and Other Payments 8 Direct and Assumed	9 Ceded	10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported Direct and Assumed
1. Prior	X X X	X X X	X X X	54,517	19,220	14,514	5,652	6,881	498	892	50,542	X X X
2. 2005	1,419,024	206,028	1,212,996	766,056	153,295	53,656	7,961	99,461	3,897	44,880	754,020	X X X
3. 2006	1,478,675	216,228	1,262,447	712,327	87,234	55,248	6,329	104,598	4,764	42,403	773,846	X X X
4. 2007	1,536,892	232,810	1,304,082	772,677	112,172	59,598	7,220	105,665	5,100	50,124	813,448	X X X
5. 2008	1,588,636	266,206	1,322,430	906,650	142,200	64,594	7,155	119,183	4,466	45,829	936,606	X X X
6. 2009	1,504,216	307,572	1,196,644	782,972	142,790	54,356	6,029	111,395	1,194	43,492	798,710	X X X
7. 2010	1,506,464	270,874	1,235,590	807,291	135,234	53,147	4,778	116,776	397	49,075	836,805	X X X
8. 2011	1,583,371	318,809	1,264,562	864,175	163,239	48,930	6,519	115,419	351	59,218	858,415	X X X
9. 2012	1,704,491	342,717	1,361,774	830,980	169,157	37,932	5,152	117,110	90	59,978	811,623	X X X
10. 2013	1,794,606	366,076	1,428,530	699,265	158,711	20,559	2,294	111,097	146	44,362	669,770	X X X
11. 2014	1,827,752	356,916	1,470,836	524,488	129,596	8,073	736	86,065	129	21,730	488,165	X X X
12. Totals	X X X	X X X	X X X	7,721,398	1,412,848	470,607	59,825	1,093,650	21,032	461,983	7,791,950	X X X

	Losses Unpaid Case Basis 13 Direct and Assumed	14 Ceded	Bulk + IBNR 15 Direct and Assumed	16 Ceded	Defense and Cost Containment Unpaid Case Basis 17 Direct and Assumed	18 Ceded	Bulk + IBNR 19 Direct and Assumed	20 Ceded	Adjusting and Other Unpaid 21 Direct and Assumed	22 Ceded	23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
1. Prior	356,595	128,798	186,572	97,537	20,712	14,473	87,888	36,134	13,745	(299)	2,368	388,869	X X X
2. 2005	17,353	5,691	21,589	10,534	371	109	4,859	556	850		579	28,132	X X X
3. 2006	17,541	4,972	33,231	9,337	566	153	4,134	923	1,021		3,781	41,108	X X X
4. 2007	28,915	5,686	32,493	5,602	960	249	4,720	1,161	1,050		660	55,440	X X X
5. 2008	35,369	6,513	47,544	8,384	1,384	229	8,129	1,867	1,634	27	2,870	77,040	X X X
6. 2009	39,286	5,688	49,935	10,392	1,668	372	8,247	1,640	2,080		1,036	83,124	X X X
7. 2010	51,694	7,588	52,136	9,819	2,296	509	14,482	1,412	3,273	30	2,214	104,523	X X X
8. 2011	80,597	10,646	72,330	12,827	3,834	950	24,199	2,413	5,178	2	4,519	159,300	X X X
9. 2012	112,518	15,061	114,757	15,981	4,210	689	35,666	2,895	7,951	10	11,133	240,466	X X X
10. 2013	145,801	17,755	164,090	24,254	3,908	558	48,163	4,630	23,332	5	16,608	338,092	X X X
11. 2014	186,449	16,667	295,281	47,782	2,548	274	55,586	3,269	37,875	320	29,523	509,427	X X X
12. Totals	1,072,118	225,065	1,069,958	252,449	42,457	18,565	296,073	56,900	97,989	95	75,291	2,025,521	X X X

	Total Losses and Loss Expenses Incurred 26 Direct and Assumed	27 Ceded	28 Net	Loss and Loss Expense Percentage (Incurred/Premiums Earned) 29 Direct and Assumed	30 Ceded	31 Net	Nontabular Discount 32 Loss	33 Loss Expense	34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount 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	316,832	72,037
2. 2005	964,195	182,043	782,152	67.948	88.358	64.481			6.000	22,717	5,415
3. 2006	928,666	113,712	814,954	62.804	52.589	64.554			6.000	36,463	4,645
4. 2007	1,006,078	137,190	868,888	65.462	58.928	66.628			6.000	50,120	5,320
5. 2008	1,184,487	170,841	1,013,646	74.560	64.176	76.650			6.000	68,016	9,024
6. 2009	1,049,939	168,105	881,834	69.800	54.655	73.692			6.000	73,141	9,983
7. 2010	1,101,095	159,767	941,328	73.091	58.982	76.184			6.000	86,423	18,100
8. 2011	1,214,662	196,947	1,017,715	76.714	61.776	80.480			6.000	129,454	29,846
9. 2012	1,261,124	209,035	1,052,089	73.988	60.993	77.259			6.000	196,233	44,233
10. 2013	1,216,215	208,353	1,007,862	67.771	56.915	70.552			6.000	267,882	70,210
11. 2014	1,196,365	198,773	997,592	65.456	55.692	67.825			6.000	417,281	92,146
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	1,664,562	360,959

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

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										DEVELOPMENT	
	1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	11 One Year	12 Two Year
1. Prior	1,147,260	1,195,729	1,235,256	1,217,659	1,258,695	1,263,391	1,292,127	1,296,893	1,311,322	1,330,317	18,995	33,424
2. 2005	762,784	730,583	705,291	699,257	695,343	693,107	691,574	690,924	690,470	687,882	(2,588)	(3,042)
3. 2006	XXX	763,593	740,924	726,353	717,277	715,505	715,424	717,599	717,863	716,482	(1,381)	(1,117)
4. 2007	XXX	XXX	820,408	803,192	770,164	768,983	765,494	769,366	770,123	769,552	(571)	186
5. 2008	XXX	XXX	XXX	921,186	899,723	888,123	887,853	891,097	901,649	900,612	(1,037)	9,515
6. 2009	XXX	XXX	XXX	XXX	789,152	787,225	779,952	772,691	778,321	772,220	(6,101)	(471)
7. 2010	XXX	XXX	XXX	XXX	XXX	821,634	821,138	824,511	833,780	825,582	(8,198)	1,071
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	897,124	897,057	900,890	900,687	(203)	3,630
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	931,640	938,727	929,809	(8,918)	(1,831)
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	867,453	876,559	9,106	XXX
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	876,021	XXX	XXX
										12. Totals	(896)	41,365

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014		
1. Prior	000	242,154	418,478	546,640	637,182	718,687	785,602	835,025	877,230	921,390	XXX	XXX
2. 2005	302,799	455,284	530,377	580,253	612,834	631,332	641,503	649,927	655,508	658,456	XXX	XXX
3. 2006	XXX	300,779	452,968	529,385	585,626	621,882	644,241	658,721	667,212	674,012	XXX	XXX
4. 2007	XXX	XXX	311,866	479,648	563,969	623,946	663,528	688,294	702,859	712,882	XXX	XXX
5. 2008	XXX	XXX	XXX	373,002	570,749	666,098	732,872	778,324	805,807	821,888	XXX	XXX
6. 2009	XXX	XXX	XXX	XXX	314,797	476,577	561,941	623,418	664,879	688,509	XXX	XXX
7. 2010	XXX	XXX	XXX	XXX	XXX	346,327	523,892	613,663	679,587	720,426	XXX	XXX
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	408,920	579,449	675,867	743,346	XXX	XXX
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	401,989	603,191	694,603	XXX	XXX
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	378,547	558,818	XXX	XXX
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	402,229	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 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014
1. Prior	413,792	346,867	303,133	248,287	244,079	191,661	183,423	151,425	150,039	148,395
2. 2005	297,503	155,176	94,220	64,132	46,316	34,870	29,463	22,682	19,804	16,449
3. 2006	XXX	293,279	163,824	107,359	70,734	50,511	40,574	36,321	33,139	28,329
4. 2007	XXX	XXX	311,231	181,628	108,610	73,538	52,374	43,800	37,051	31,608
5. 2008	XXX	XXX	XXX	333,278	183,492	118,200	81,363	58,136	57,611	47,659
6. 2009	XXX	XXX	XXX	XXX	298,807	179,650	118,563	79,459	66,853	47,866
7. 2010	XXX	XXX	XXX	XXX	XXX	294,161	164,179	111,419	84,489	57,810
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	294,586	179,826	124,279	83,855
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	338,621	194,304	133,620
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	319,210	185,811
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	301,703

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	24,222,910	23,853,871		9,688,818	8,113,674	3,725,729	287,298	
2. Alaska	AK	L	4,261,883	4,554,090		(945,163)	(1,637,037)	(3,586,900)		
3. Arizona	AZ	L	132,616,165	125,406,868		62,993,325	195,130,547	42,872,062	1,572,908	
4. Arkansas	AR	L	26,808,688	24,305,102		12,654,994	12,375,566	2,230,391	317,967	
5. California	CA	L	578,581,244	573,188,945		301,399,732	142,346,175	266,416,390	6,862,322	
6. Colorado	CO	L	212,198,640	195,061,937		143,710,913	155,110,137	61,858,339	2,516,804	
7. Connecticut	CT	L	37,306,492	38,367,108		15,232,740	15,932,835	14,094,045	442,477	
8. Delaware	DE	L	177,825	187,448		(25)	(232,863)	(8,970)	2,109	
9. District of Columbia	DC	L	1,693,180	1,870,259		23,505	(434,147)	36,330	20,082	
10. Florida	FL	L	15,182,573	14,508,175		3,901,869	3,593,313	6,899,930	180,074	
11. Georgia	GA	L	16,377,703	16,862,336		9,898,840	6,382,989	4,486,571	194,249	
12. Hawaii	HI	L	384,202	577,425		659,930	29,879	(767,995)	4,557	
13. Idaho	ID	L	8,149,417	7,965,224		5,089,732	3,972,041	2,636,000	96,657	
14. Illinois	IL	L	2,352,683	2,560,673		2,692,423	2,301,431	200,572	27,904	
15. Indiana	IN	L	993,030	5,006,048		4,600,891	1,123,341	1,071,754	11,778	
16. Iowa	IA	L	19,895,277	19,293,211		11,904,430	11,633,186	4,532,954	235,970	
17. Kansas	KS	L	93,677,165	92,326,335		41,822,494	43,307,073	16,432,231	1,111,068	
18. Kentucky	KY	L	73,319,164	71,330,770		22,937,609	28,709,483	10,616,274	869,609	
19. Louisiana	LA	L	1,294,496	1,485,163		3,030,690	177,877	1,800,412	15,354	
20. Maine	ME	L	189,365	265,314		1,801	(133,002)	367	2,246	
21. Maryland	MD	L	35,823,191	35,308,503		19,033,927	19,137,277	7,199,293	424,885	
22. Massachusetts	MA	L	32,224,359	20,499,510		5,151,910	4,710,690	2,382,236	382,200	
23. Michigan	MI	L	51,650,121	47,442,607		32,864,107	29,056,744	11,236,705	612,602	
24. Minnesota	MN	L	15,504,162	15,416,699		6,462,132	4,069,405	6,367,153	183,889	
25. Mississippi	MS	L	57,840,778	55,271,651		26,222,039	28,718,984	9,915,881	686,026	
26. Missouri	MO	L	119,728,808	111,241,000		47,965,962	45,617,118	13,998,702	1,420,056	
27. Montana	MT	L	50,830,899	48,400,016		45,035,270	43,259,070	8,943,306	602,885	
28. Nebraska	NE	L	10,364,957	9,694,676		8,144,084	7,772,450	1,049,141	122,935	
29. Nevada	NV	L	17,195,498	16,673,416		4,900,600	1,071,819	(254,828)	203,949	
30. New Hampshire	NH	L	51,711,629	50,916,433		21,633,376	25,211,378	15,907,123	613,331	
31. New Jersey	NJ	L	1,830,005	2,333,418		(542,953)	(2,066,611)	(4,578,740)	21,705	6,372
32. New Mexico	NM	L	70,024,160	66,176,780		27,611,418	30,805,776	17,720,124	830,529	
33. New York	NY	L	10,473,457	10,926,193		2,307,918	(62,813)	(20,055,572)	124,222	
34. North Carolina	NC	L	32,012,168	21,545,172		6,580,487	7,625,404	3,579,109	379,684	
35. North Dakota	ND	L	12,274,123	11,602,650		4,843,265	5,434,859	2,565,634	145,578	
36. Ohio	OH	L	12,410,329	11,746,808		2,874,292	3,954,512	3,724,786	147,194	
37. Oklahoma	OK	L	148,613,362	136,546,131		53,218,137	51,486,012	24,487,893	1,762,644	
38. Oregon	OR	L	3,237,485	3,542,357		5,007,688	19,338,005	7,807,665	38,399	
39. Pennsylvania	PA	L	15,867,201	14,516,294		4,088,695	3,739,121	4,174,620	188,195	
40. Rhode Island	RI	L	196,266	227,623		11,839	(199,607)	493,277	2,328	
41. South Carolina	SC	L	38,869,933	38,234,542		16,038,162	18,171,900	1,034,370	461,021	
42. South Dakota	SD	L	17,515,685	16,130,520		12,692,371	12,604,154	4,195,832	207,747	
43. Tennessee	TN	L	61,470,605	56,970,167		22,832,186	22,995,110	9,194,146	729,078	
44. Texas	TX	L	23,509,126	24,117,609	1,516,008	16,081,855	17,562,211	24,829,675	278,832	
45. Utah	UT	L	11,211,946	10,625,520		4,008,669	3,031,143	1,467,159	132,980	
46. Vermont	VT	L	10,956,686	10,895,676		4,854,622	5,422,222	1,902,086	129,953	
47. Virginia	VA	L	7,199,164	7,034,192		1,734,380	452,175	1,493,144	85,386	
48. Washington	WA	L	215,435,489	208,541,248		82,678,514	106,470,516	75,869,356	2,555,195	
49. West Virginia	WV	L	38,461,615	37,276,121		19,231,446	22,504,767	9,476,805	456,178	
50. Wisconsin	WI	L	17,315,827	17,083,428		7,774,335	8,370,075	4,373,607	205,376	
51. Wyoming	WY	L	17,839,747	17,276,695		9,013,695	8,914,760	2,699,953	211,592	
52. American Samoa	AS	N								
53. Guam	GU	L	1,256,441	1,153,754			(323,202)	14,453	14,902	
54. Puerto Rico	PR	N	(100)							
55. U.S. Virgin Islands	VI	N	200	188						
56. Northern Mariana Islands	MP	N								
57. Canada	CAN	N								
58. Aggregate Other Alien	OT	XXX	112,672	160,247			(41,206)	(1,382)		
59. Totals		(a) 52	2,460,650,096	2,354,504,146	1,516,008	1,171,653,976	1,182,616,716	688,759,198	29,132,909	6,372

DETAILS OF WRITE-INS									
58001. ZZZ Other Alien	XXX	112,672	160,247			(41,206)	(1,382)		
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	112,672	160,247			(41,206)	(1,382)		

(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.

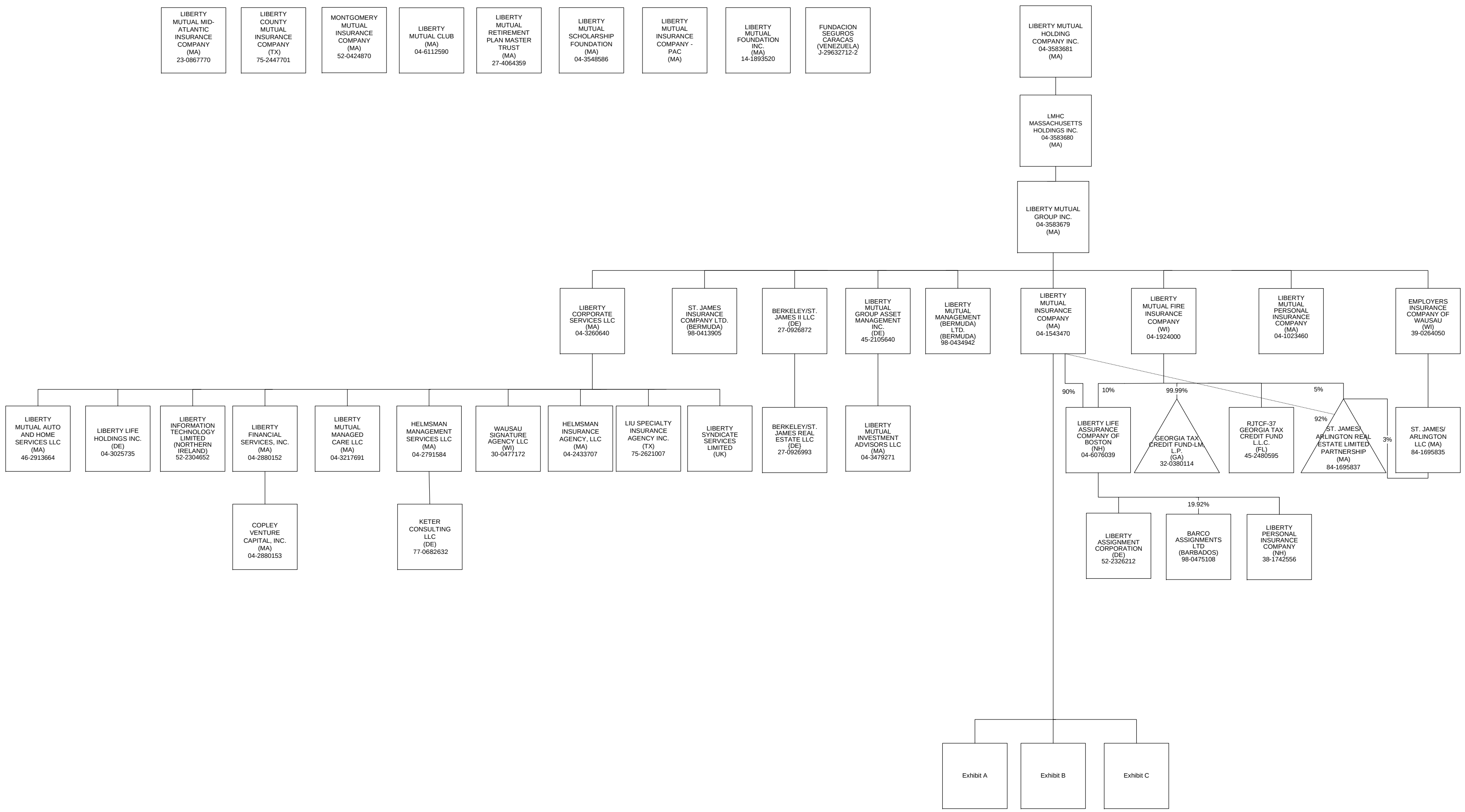
Explanation of basis of allocation of premiums by states, etc.

*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



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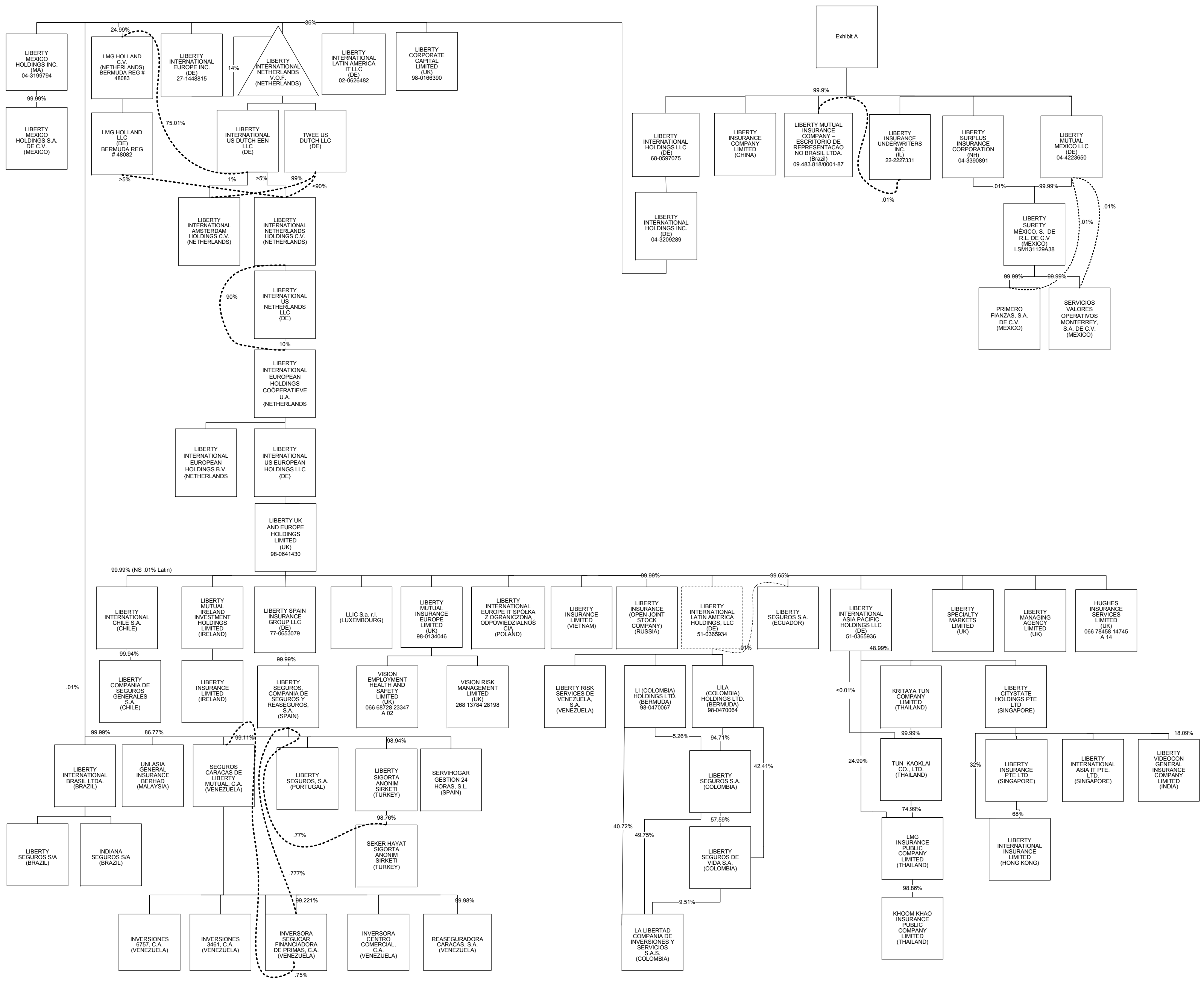
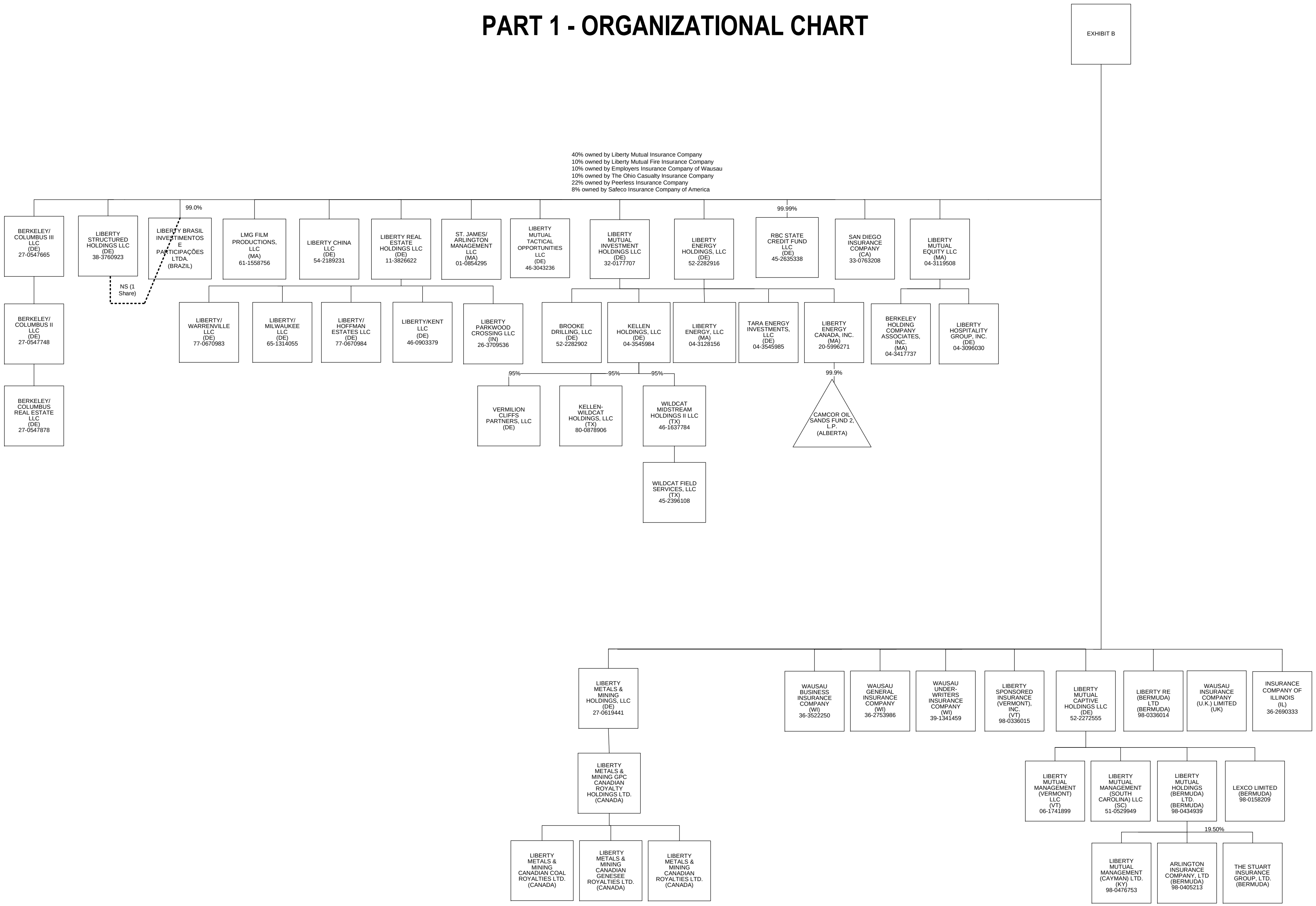
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



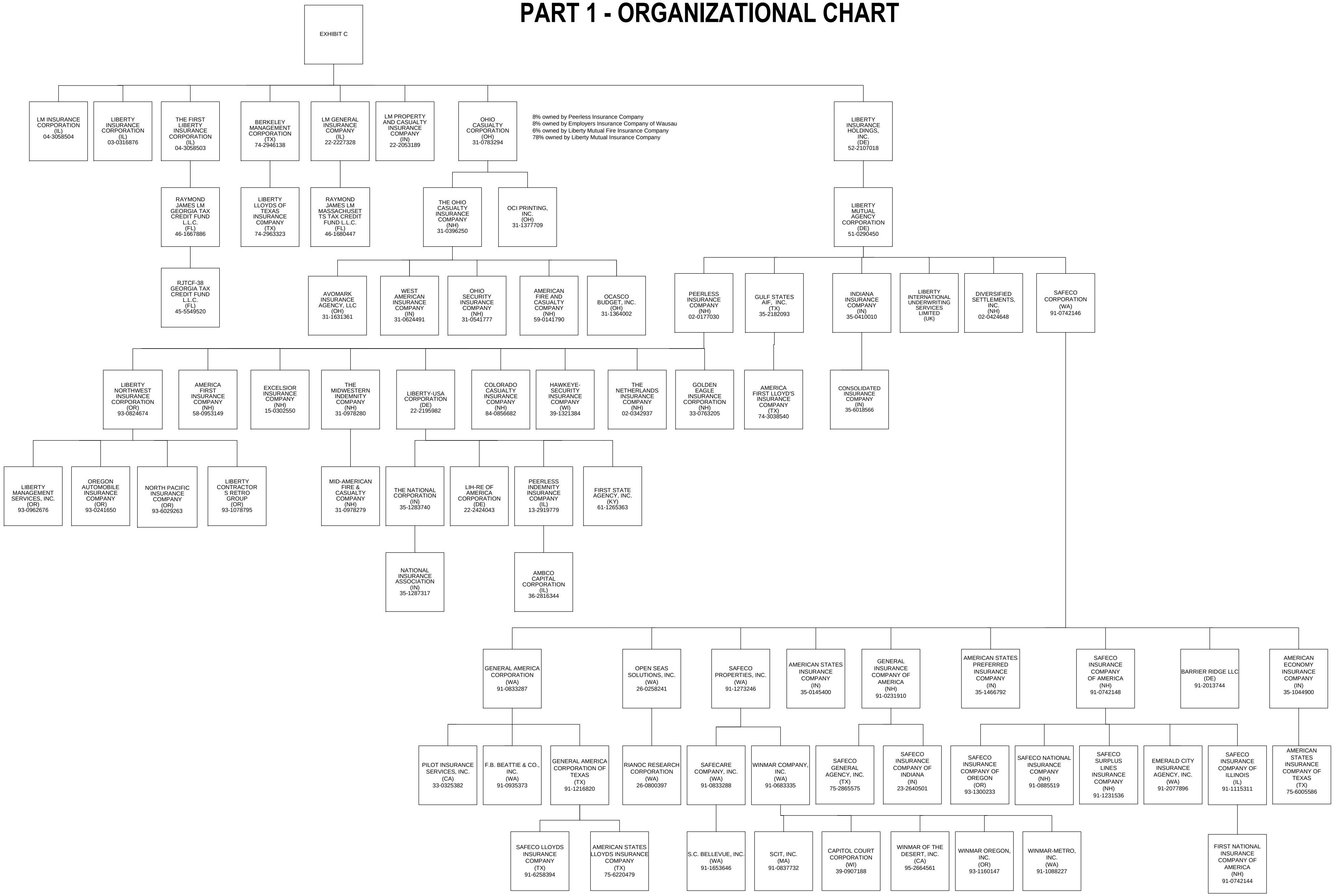
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

ASSETS

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Other assets	9,182,526	7,307,712	1,874,814	1,508,657
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	9,182,526	7,307,712	1,874,814	1,508,657

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT