ANNUAL STATEMENT

OF THE

WAUSAU UNDERWRITERS INSURANCE COMPANY

of WAUSAU

in the state of WISCONSIN

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2010

PROPERTY AND CASUALTY

2010

26042201020100100

ANNUAL STATEMENT

For the Year Ended December 31, 2010
OF THE CONDITION AND AFFAIRS OF THE

Wausau Underwriters Insurance Company

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) **NAIC Company Code** 26042 **Employer's ID Number** 39-1341459

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

Country of Domicile United States of America

Incorporated/Organized: September 27, 1979 **Commenced Business** January 1, 1980

Statutory Home Office 2000 Westwood Drive (Street and Number) , Wausau, WI 54401 (City or Town, State and Zip Code)

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

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

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

Internet Web Site Address www.LibertyMutualGroup.com

Statutory Statement Contact: Pamela Heenan (Name) 617-357-9500 x44689 (Area Code) (Telephone Number) (Extension)
Statutory.Compliance@LibertyMutual.com (E-Mail Address) 617-574-5955 (Fax Number)

OFFICERS

Chairman of the Board and CEO

Edmund Francis Kelly

	Name	Title
1.	David Henry Long #	President
2.	Dexter Robert Legg	Vice President & Secretary
3.	Laurance Henry Soyer Yahia	Vice President & Treasurer

VICE-PRESIDENTS

Name	Title	Name	Title
James Paul Condrin, III	Executive Vice President	Anthony Alexander Fontanes	EVP & Chief Investment Officer
Gary Richard Gregg	Executive Vice President	Timothy Michael Sweeney	Executive Vice President
James Martin McGlennon	SVP & Chief Information Officer	Paul Garvin Alexander	Senior Vice President
Christopher Charles Mansfield	SVP & General Counsel	John Eric Brosius #	SVP & Corporate Actuary
Helen Elizabeth Russell Sayles	Senior Vice President	John Derek Doyle	Vice President & Comptroller
George Walker Doonan	SVP & Chief Financial Officer		

DIRECTORS OR TRUSTEES

Anthony Alexander Fontanes	Timothy Michael Sweeney	Dexter Robert Legg	Edmund Francis Kelly
Dennis James Langwell	Christopher Charles Mansfield	James Paul Condrin, III	David Henry Long #

State of Massachusetts

County of Suffolk ss

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

(Signature)	(Signature)	(Signature)
David Henry Long #	Dexter Robert Legg	Laurance Henry Soyer Yahia
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Vice President & Secretary	Vice President & Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to (or affirmed) before me on this
31st day of January , 2011, 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)	178,636,018		178,636,018	165,734,950
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 (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 ($ 0, Schedule E - Part 1), cash equivalents ($ 0, Schedule E - Part 2), and short-term investments ($ 6,929,759, Schedule DA)	6,929,759		6,929,759	17,116,044
6. Contract loans (including $ 0 premium notes)				
7. Derivatives				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets	10,731,853		10,731,853	
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	196,297,630		196,297,630	182,850,994
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,492,631		1,492,631	1,496,113
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,326,242	139,568	4,186,674	4,750,864
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ (15,592) earned but unbilled premiums)	10,950,922	1,844	10,949,078	11,261,261
15.3 Accrued retrospective premiums	2,546,368	255,271	2,291,097	1,758,937
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	40,694,228		40,694,228	37,505,625
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	344	109	235	52
18.1 Current federal and foreign income tax recoverable and interest thereon				1,545,647
18.2 Net deferred tax asset	4,437,380	1,551,059	2,886,321	2,601,350
19. Guaranty funds receivable or on deposit	121,813		121,813	177,325
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	8,369,083		8,369,083	6,456,474
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	3,538,227	141,175	3,397,052	3,184,921
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	272,774,868	2,089,026	270,685,842	253,589,563
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	272,774,868	2,089,026	270,685,842	253,589,563

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	2,243,305		2,243,305	2,044,183
2502. Amounts receivable under high deductible policies	890,106	232	889,874	918,422
2503. Equities and deposits in pools and associations	244,147		244,147	146,851
2598. Summary of remaining write-ins for Line 25 from overflow page	160,669	140,943	19,726	75,465
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,538,227	141,175	3,397,052	3,184,921

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	69,763,188	67,097,056
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	3,329,085	3,008,350
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	13,981,019	13,574,501
4. Commissions payable, contingent commissions and other similar charges	369,547	639,586
5. Other expenses (excluding taxes, licenses and fees)	974,656	1,238,685
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,092,510	897,112
7.1 Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))	1,685,819	
7.2 Net deferred tax liability		
8. Borrowed money $ 0 and interest thereon $ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 207,672,770 and including warranty reserves of $ 0)	18,983,908	17,562,895
10. Advance premium	232,483	234,069
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	25,889	9,604
12. Ceded reinsurance premiums payable (net of ceding commissions)	42,217,652	23,504,100
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	331,207	577,397
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	1,696,454	1,568,150
19. Payable to parent, subsidiaries and affiliates	5,696,707	21,688,316
20. Derivatives		
21. Payable for securities	3,129,938	
22. Payable for securities lending	10,731,853	
23. Liability for amounts held under uninsured plans		
24. Capital notes $ 0 and interest thereon $ 0		
25. Aggregate write-ins for liabilities	(3,374,967)	6,477,252
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	170,866,948	158,077,073
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	170,866,948	158,077,073
29. Aggregate write-ins for special surplus funds	5,175,441	5,161,182
30. Common capital stock	4,500,000	4,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	75,147,640	75,147,640
35. Unassigned funds (surplus)	14,995,813	10,703,668
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)	99,818,894	95,512,490
38. Totals (Page 2, Line 28, Col. 3)	270,685,842	253,589,563

DETAILS OF WRITE-IN LINES		
2501. Amounts held under uninsured plans	3,156,503	3,475,382
2502. Other liabilities	1,790,919	1,952,771
2503. Private passenger auto escrow	2,191	3,753
2598. Summary of remaining write-ins for Line 25 from overflow page	(8,324,580)	1,045,346
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(3,374,967)	6,477,252
2901. Special surplus from retroactive reinsurance	5,175,441	5,161,182
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	5,175,441	5,161,182
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	41,422,967	39,838,189
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	26,977,551	26,220,425
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	7,402,183	7,761,946
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	10,392,786	10,259,293
5.	Aggregate write-ins for underwriting deductions	(1,561)	3,753
6.	Total underwriting deductions (Lines 2 through 5)	44,770,959	44,245,417
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(3,347,992)	(4,407,228)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	7,543,795	8,385,218
10.	Net realized capital gains (losses) less capital gains tax of $ 49,189 (Exhibit of Capital Gains (Losses))	91,351	(19,718)
11.	Net investment gain (loss) (Lines 9 + 10)	7,635,146	8,365,500
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 13,544 amount charged off $ 305,717)	(292,173)	(314,256)
13.	Finance and service charges not included in premiums	182,304	198,666
14.	Aggregate write-ins for miscellaneous income	(313,104)	(519,290)
15.	Total other income (Lines 12 through 14)	(422,973)	(634,880)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	3,864,181	3,323,392
17.	Dividends to policyholders	251,791	92,553
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)	3,612,390	3,230,839
19.	Federal and foreign income taxes incurred	(758,089)	(1,098,033)
20.	Net income (Line 18 minus Line 19) (to Line 22)	4,370,479	4,328,872
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	95,512,490	91,618,828
22.	Net income (from Line 20)	4,370,479	4,328,872
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ (89,354)	(165,944)	(346,376)
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	(91,454)	(1,674,030)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	119,517	1,488,786
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		
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	73,806	96,410
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	4,306,404	3,893,662
39.	Surplus as regards policyholders, as of December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	99,818,894	95,512,490

	DETAILS OF WRITE-IN LINES		
0501.	Private passenger auto escrow	(1,561)	3,753
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)	(1,561)	3,753
1401.	Retroactive reinsurance gain/(loss)	522,937	124,597
1402.	Other income/(expense)	(836,041)	(643,887)
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(313,104)	(519,290)
3701.	Other changes in surplus	73,806	96,410
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)	73,806	96,410

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	61,775,963	27,179,291
2.	Net investment income	8,135,135	8,869,906
3.	Miscellaneous income	(1,049,114)	482,781
4.	Total (Lines 1 through 3)	68,861,984	36,531,978
5.	Benefit and loss related payments	27,220,096	31,422,787
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	17,768,503	18,288,765
8.	Dividends paid to policyholders	235,507	88,940
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	(3,940,366)	(346,185)
10.	Total (Lines 5 through 9)	41,283,740	49,454,307
11.	Net cash from operations (Line 4 minus Line 10)	27,578,244	(12,922,329)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	42,320,386	43,776,192
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	42,320,386	43,776,192
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	55,924,070	47,233,873
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets	10,731,853	
	13.6 Miscellaneous applications	(3,129,938)	
	13.7 Total investments acquired (Lines 13.1 to 13.6)	63,525,985	47,233,873
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(21,205,599)	(3,457,681)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(16,558,930)	15,324,051
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(16,558,930)	15,324,051
	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)	(10,186,285)	(1,055,959)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	17,116,044	18,172,003
	19.2 End of year (Line 18 plus Line 19.1)	6,929,759	17,116,044

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

20.0001	13.1 Cost of Investment Acquired - Bonds	2,026,880	
20.0002			
20.0003			

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	832,929	485,451	436,734	881,646
2. Allied lines	402,690	244,630	205,973	441,347
3. Farmowners multiple peril	384			384
4. Homeowners multiple peril	5,661,431	2,955,614	3,182,459	5,434,586
5. Commercial multiple peril	933,916	453,987	607,428	780,475
6. Mortgage guaranty				
8. Ocean marine	185,680	76,810	78,844	183,646
9. Inland marine	2,667,415	146,075	146,031	2,667,459
10. Financial guaranty				
11.1 Medical professional liability—occurrence	44,808		31,235	13,573
11.2 Medical professional liability—claims-made	8,809	1,724	1,899	8,634
12. Earthquake	111,406	66,302	61,487	116,221
13. Group accident and health	6,977			6,977
14. Credit accident and health (group and individual)				
15. Other accident and health	1,933	2	300	1,635
16. Workers' compensation	11,262,694	214,464	93,152	11,384,006
17.1 Other liability—occurrence	2,538,536	999,361	1,158,056	2,379,841
17.2 Other liability—claims-made	834,387	627,279	527,753	933,913
17.3 Excess Workers' Compensation	390,821	130,071	194,875	326,017
18.1 Products liability—occurrence	468,579	207,015	258,040	417,554
18.2 Products liability—claims-made	29,697	6,639	5,199	31,137
19.1,19.2 Private passenger auto liability	10,159,799	4,821,726	5,126,831	9,854,694
19.3,19.4 Commercial auto liability	1,694,551	567,477	549,873	1,712,155
21. Auto physical damage	2,567,653	3,392,813	3,547,650	2,412,816
22. Aircraft (all perils)	216,724	79,946	61,337	235,333
23. Fidelity	35,723	24,265	16,138	43,850
24. Surety	5,001	2,393	5,285	2,109
26. Burglary and theft	1,443	858	606	1,695
27. Boiler and machinery	85,693	4,539	35,643	54,589
28. Credit				
29. International				
30. Warranty	25			25
31. Reinsurance-Nonproportional Assumed Property	683,069	38,303	52,470	668,902
32. Reinsurance-Nonproportional Assumed Liability	375,651	60,774	66,292	370,133
33. Reinsurance-Nonproportional Assumed Financial Lines	1,005			1,005
34. Aggregate write-ins for other lines of business				
35. TOTALS	42,209,429	15,608,518	16,451,590	41,366,357

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	424,161	12,573			436,734
2.	Allied lines	197,271	8,702			205,973
3.	Farmowners multiple peril					
4.	Homeowners multiple peril	3,182,459				3,182,459
5.	Commercial multiple peril	430,947	176,480			607,427
6.	Mortgage guaranty					
8.	Ocean marine	62,710	16,134			78,844
9.	Inland marine	104,387	41,644			146,031
10.	Financial guaranty					
11.1	Medical professional liability—occurrence	31,235				31,235
11.2	Medical professional liablity—claims-made	1,805	94			1,899
12.	Earthquake	60,716	772			61,488
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health	300				300
16.	Workers' compensation	2,244,494	225,227		(2,376,569)	93,152
17.1	Other liability—occurrence	963,284	229,944		(35,171)	1,158,057
17.2	Other liability—claims-made	324,147	203,606			527,753
17.3	Excess Workers' Compensation	178,523	16,352			194,875
18.1	Products liability—occurrence	151,367	119,268		(12,595)	258,040
18.2	Products liability—claims-made	5,199				5,199
19.1,19.2	Private passenger auto liability	5,126,831				5,126,831
19.3,19.4	Commercial auto liability	651,966	5,889		(107,982)	549,873
21.	Auto physical damage	3,548,689	(1,039)			3,547,650
22.	Aircraft (all perils)	61,337				61,337
23.	Fidelity	15,056	1,081			16,137
24.	Surety	76	5,209			5,285
26.	Burglary and theft	605				605
27.	Boiler and machinery	34,928	715			35,643
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance-Nonproportional Assumed Property	52,470				52,470
32.	Reinsurance-Nonproportional Assumed Liability	65,546	746			66,292
33.	Reinsurance-Nonproportional Assumed Financial Lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	17,920,509	1,063,397		(2,532,317)	16,451,589
36.	Accrued retrospective premiums based on experience					2,532,318
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					18,983,907

	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	27,742	832,929		27,742		832,929
2. Allied lines	50,725	402,690		50,725		402,690
3. Farmowners multiple peril		384				384
4. Homeowners multiple peril		5,661,431				5,661,431
5. Commercial multiple peril	61,231,071	933,916		61,231,071		933,916
6. Mortgage guaranty						
8. Ocean marine		185,680				185,680
9. Inland marine	553,269	2,667,415		553,269		2,667,415
10. Financial guaranty						
11.1 Medical professional liability--occurrence		44,808				44,808
11.2 Medical professional liability--claims-made		8,809				8,809
12. Earthquake	338,632	111,406		338,632		111,406
13. Group accident and health		6,977				6,977
14. Credit accident and health (group and individual)						
15. Other accident and health		1,933				1,933
16. Workers' compensation	514,633,237	11,262,694		514,633,237		11,262,694
17.1 Other liability—occurrence	29,966,429	2,538,536		29,966,429		2,538,536
17.2 Other liability—claims-made		834,387				834,387
17.3 Excess Workers' Compensation		390,821				390,821
18.1 Products liability—occurrence	6,705,864	468,579		6,705,864		468,579
18.2 Products liability—claims-made		29,697				29,697
19.1,19.2 Private passenger auto liability	15	10,159,799		15		10,159,799
19.3,19.4 Commercial auto liability	82,793,608	1,694,551		82,793,608		1,694,551
21. Auto physical damage	17,252,691	2,567,653		17,252,691		2,567,653
22. Aircraft (all perils)		216,724				216,724
23. Fidelity	55,493	35,723		55,493		35,723
24. Surety		5,001				5,001
26. Burglary and theft	28,215	1,443		28,215		1,443
27. Boiler and machinery	8,411	85,693		8,411		85,693
28. Credit						
29. International						
30. Warranty		25				25
31. Reinsurance-Nonproportional Assumed Property	X X X	683,069				683,069
32. Reinsurance-Nonproportional Assumed Liability	X X X	375,651				375,651
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	1,005				1,005
34. Aggregate write-ins for other lines of business						
35. TOTALS	713,645,402	42,209,429		713,645,402		42,209,429

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

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

If yes: 1. The amount of such installment premiums $ 528,295,174

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ 519,579,753

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				5	6	7	8
Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 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		590,144		590,144	371,518	617,488	344,174	39.038
2. Allied lines		224,482		224,482	153,334	113,252	264,564	59.945
3. Farmowners multiple peril		174		174			174	45.313
4. Homeowners multiple peril		3,152,390		3,152,390	1,542,668	1,424,012	3,271,046	60.189
5. Commercial multiple peril	20,241,410	701,998	20,241,410	701,998	1,283,619	1,300,895	684,722	87.731
6. Mortgage guaranty								
8. Ocean marine		50,187		50,187	218,931	252,189	16,929	9.218
9. Inland marine	77,233	1,891,223	77,233	1,891,223	355,289	427,999	1,818,513	68.174
10. Financial guaranty								
11.1 Medical professional liability—occurrence		(8)		(8)	(2,347)	2,380	(4,735)	(34.885)
11.2 Medical professional liability—claims-made		2,248		2,248	5,763	8,855	(844)	(9.775)
12. Earthquake		85		85	619	1,259	(555)	(0.478)
13. Group accident and health		3,151		3,151	11,221	9,957	4,415	63.279
14. Credit accident and health (group and individual)								
15. Other accident and health		983		983	7,706	8,125	564	34.495
16. Workers' compensation	341,384,454	6,234,650	341,384,454	6,234,650	40,484,136	37,804,459	8,914,327	78.306
17.1 Other liability—occurrence	12,144,312	1,693,163	12,144,312	1,693,163	7,389,467	7,318,221	1,764,409	74.140
17.2 Other liability—claims-made		429,074		429,074	1,799,598	1,659,282	569,390	60.968
17.3 Excess Workers' Compensation		64,841		64,841	1,632,228	1,386,631	310,438	95.221
18.1 Products liability—occurrence	3,648,085	420,906	3,648,085	420,906	1,494,324	2,103,342	(188,112)	(45.051)
18.2 Products liability—claims-made		4,372		4,372	86,841	79,237	11,976	38.462
19.1,19.2 Private passenger auto liability	320	5,811,453	320	5,811,453	8,299,591	7,757,718	6,353,326	64.470
19.3,19.4 Commercial auto liability	21,240,519	983,771	21,240,519	983,771	2,246,909	2,369,174	861,506	50.317
21. Auto physical damage	11,187,287	1,250,475	11,187,287	1,250,475	(9,324)	(19,921)	1,261,072	52.266
22. Aircraft (all perils)		155,308		155,308	186,458	382,828	(41,062)	(17.448)
23. Fidelity		48,795		48,795	82,553	65,066	66,282	151.156
24. Surety		397		397	3,664	6,964	(2,903)	(137.648)
26. Burglary and theft	1,212	269	1,212	269	2,628	901	1,996	117.758
27. Boiler and machinery		2,582		2,582	7,650	2,021	8,211	15.041
28. Credit								
29. International								
30. Warranty					149	55	94	376.000
31. Reinsurance-Nonproportional Assumed Property	X X X	528,178		528,178	491,970	403,152	616,996	92.240
32. Reinsurance-Nonproportional Assumed Liability	X X X	233,199		233,199	1,599,067	1,593,170	239,096	64.597
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	1,882		1,882	16,956	18,345	493	49.055
34. Aggregate write-ins for other lines of business								
35. TOTALS	409,924,832	24,480,372	409,924,832	24,480,372	69,763,186	67,097,056	27,146,502	65.625

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				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire		246,573		246,573	62,373	124,944	62,373	371,517	35,123
2. Allied lines	655	89,700	655	89,700	131,913	63,634	131,913	153,334	21,131
3. Farmowners multiple peril									
4. Homeowners multiple peril		909,358		909,358		633,310		1,542,668	411,175
5. Commercial multiple peril	28,940,462	676,732	28,940,462	676,732	49,864,867	606,887	49,864,867	1,283,619	452,164
6. Mortgage guaranty									
8. Ocean marine		123,089		123,089		95,842		218,931	41,221
9. Inland marine	69,439	63,946	69,439	63,946	18,041	291,344	18,041	355,290	43,022
10. Financial guaranty									
11.1 Medical professional liablity—occurrence		815		815		(3,162)		(2,347)	71
11.2 Medical professional liablity—claims-made		372		372		5,391		5,763	3,174
12. Earthquake		706		706		(87)		619	58
13. Group accident and health		9,345		9,345		1,876		(a) 11,221	842
14. Credit accident and health (group and individual)									
15. Other accident and health		1,152		1,152		6,554		(a) 7,706	533
16. Workers' compensation	504,418,315	22,231,685	504,418,315	22,231,685	507,188,123	18,252,451	507,188,123	40,484,136	5,489,113
17.1 Other liability—occurrence	9,325,016	2,940,282	9,325,016	2,940,282	22,336,379	4,449,185	22,336,379	7,389,467	3,339,336
17.2 Other liability—claims-made		457,588		457,588		1,342,010		1,799,598	582,527
17.3 Excess Workers' Compensation		662,078		662,078		970,151		1,632,229	133,671
18.1 Products liability—occurrence	6,764,732	367,048	6,764,732	367,048	10,294,463	1,127,277	10,294,463	1,494,325	969,341
18.2 Products liability—claims-made		(1,760)		(1,760)		88,601		86,841	53,627
19.1,19.2 Private passenger auto liability	164	4,786,537	164	4,786,537		3,513,054		8,299,591	1,613,053
19.3,19.4 Commercial auto liability	29,142,574	1,266,105	29,142,574	1,266,105	37,617,629	980,804	37,617,629	2,246,909	326,386
21. Auto physical damage		10,491		10,491		(19,815)		(9,324)	249,763
22. Aircraft (all perils)		145,197		145,197		41,261		186,458	72,875
23. Fidelity		3,857		3,857	(12,263)	78,696	(12,263)	82,553	17,799
24. Surety		2,782		2,782		882		3,664	(859)
26. Burglary and theft		115		115	1,016	2,514	1,016	2,629	1,744
27. Boiler and machinery		2,929		2,929	2,922	4,721	2,922	7,650	865
28. Credit									
29. International									
30. Warranty						149		149	(247)
31. Reinsurance-Nonproportional Assumed Property	X X X	260,145		260,145	X X X	231,825		491,970	10,441
32. Reinsurance-Nonproportional Assumed Liability	X X X	488,522		488,522	X X X	1,110,545		1,599,067	112,857
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	16,537		16,537	X X X	419		16,956	213
34. Aggregate write-ins for other lines of business									
35. TOTALS	578,661,357	35,761,926	578,661,357	35,761,926	627,505,463	34,001,263	627,505,463	69,763,189	13,981,019

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	76,392,529			76,392,529
1.2 Reinsurance assumed	3,863,758			3,863,758
1.3 Reinsurance ceded	76,392,529			76,392,529
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	3,863,758			3,863,758
2. Commission and brokerage:				
2.1 Direct, excluding contingent		57,875,500		57,875,500
2.2 Reinsurance assumed, excluding contingent		(1,974,199)		(1,974,199)
2.3 Reinsurance ceded, excluding contingent		57,875,500		57,875,500
2.4 Contingent—direct		6,785,698		6,785,698
2.5 Contingent—reinsurance assumed		441,829		441,829
2.6 Contingent—reinsurance ceded		6,785,698		6,785,698
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)		(1,532,370)		(1,532,370)
3. Allowances to manager and agents		562,134	4	562,138
4. Advertising	63,028	742,098	1,931	807,057
5. Boards, bureaus and associations	10,858	108,806	64	119,728
6. Surveys and underwriting reports	87	151,988	2,221	154,296
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	2,104,043	4,334,648	221,371	6,660,062
8.2 Payroll taxes	128,292	290,984	15,675	434,951
9. Employee relations and welfare	460,358	1,044,338	16,790	1,521,486
10. Insurance	167,390	70,909	1,866	240,165
11. Directors' fees	4	8		12
12. Travel and travel items	127,200	296,799	4,876	428,875
13. Rent and rent items	162,723	382,645	5,692	551,060
14. Equipment	140,094	336,549	6,153	482,796
15. Cost or depreciation of EDP equipment and software	26,193	203,221	4,034	233,448
16. Printing and stationery	22,122	81,608	754	104,484
17. Postage, telephone and telegraph, exchange and express	66,661	298,836	9,981	375,478
18. Legal and auditing	20,036	81,505	10,609	112,150
19. Totals (Lines 3 to 18)	3,499,089	8,987,076	302,021	12,788,186
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 26,923		1,754,429		1,754,429
20.2 Insurance department licenses and fees		81,424		81,424
20.3 Gross guaranty association assessments		1,684		1,684
20.4 All other (excluding federal and foreign income and real estate)		81,116		81,116
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		1,918,653		1,918,653
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	39,338	1,019,427	49,601	1,108,366
25. Total expenses incurred	7,402,185	10,392,786	351,622	(a) 18,146,593
26. Less unpaid expenses—current year	13,981,019	2,436,713		16,417,732
27. Add unpaid expenses—prior year	13,574,501	2,775,383		16,349,884
28. Amounts receivable relating to uninsured plans, prior year		52		52
29. Amounts receivable relating to uninsured plans, current year		235		235
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	6,995,667	10,731,639	351,622	18,078,928

DETAILS OF WRITE-IN LINES				
2401. Other expenses	178,207	1,019,427	49,601	1,247,235
2402. Change in unallocated expense reserves	(138,869)			(138,869)
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	39,338	1,019,427	49,601	1,108,366

(a) Includes management fees of $ 349,104 to affiliates and $ 631,132 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 3,016,516	3,002,518
1.1	Bonds exempt from U.S. tax	(a) 32,060	32,060
1.2	Other bonds (unaffiliated)	(a) 4,820,511	4,823,508
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 8,521	16,041
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	21,290	21,290
10.	Total gross investment income	7,898,898	7,895,417
11.	Investment expenses		(g) 351,621
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		351,621
17.	Net investment income (Line 10 minus Line 16)		7,543,796

	DETAILS OF WRITE-IN LINES		
0901.	Miscellaneous Income/(Expense)	21,290	21,290
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)	21,290	21,290
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 $ 102,515 accrual of discount less $ 690,373 amortization of premium and less $ 151,281 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 $ 0 paid for accrued interest on purchases.
(d) Includes $ 0 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.
(e) Includes $ 0 accrual of discount less $ 425 amortization of premium and less $ 7,826 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	243,966		243,966		
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)		(103,426)	(103,426)	(255,298)	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	243,966	(103,426)	140,540	(255,298)	

	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			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets			
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	139,568	78,572	(60,996)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,844		(1,844)
15.3 Accrued retrospective premiums	255,271	195,438	(59,833)
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	109	61	(48)
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	1,551,059	1,838,130	287,071
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
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	141,175	92,873	(48,302)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,089,026	2,205,074	116,048
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	2,089,026	2,205,074	116,048

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	140,943	92,259	(48,684)
2502. Amounts receivable under high deductible policies	232	614	382
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	141,175	92,873	(48,302)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

C. Accounting Policies

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

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

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

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

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

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

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

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

7. Investments in SCA companies are carried in accordance with SSAP No. 97, *Investment in Subsidiaries, Controlled Entities and Affiliates*, and the SVO Manual.

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

9. Derivative Securities, refer to Note 8.

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

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

12. The Company did not change its capitalization policy in 2010.

13. The Company has no pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Correction of Errors

A. There were no material changes in accounting principles or corrections of errors during the year.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

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

NOTES TO FINANCIAL STATEMENTS

B. Statutory Mergers

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

C. Impairment Loss

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

Note 4 - Discontinued Operations

The Company has no discontinued operations.

Note 5 - Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not invest in mortgage loans.

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loaned Backed Securities

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

2. All Loaned Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate during 2010 as of December 31, 2010: None.

3. Each Loaned Backed Security with a recognized other-than-temporary impairment held by the Company at December 31, 2010:

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
74958YAA0	1,000,000	939,250	60,750	939,250	856,625	12/31/2010
76200RAG3	968,966	926,290	42,676	926,290	872,120	12/31/2010

4. All impaired Loaned Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 31, 2010:

	1	2
	Less Than 12 Months	Greater Than 12 Months
Gross Unrealized Loss	(103,171)	(378,875)
Fair Value of Securities with Unrealized Losses	8,007,829	5,437,538

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' equity. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.

E. Repurchase Agreements and Securities Lending

1. The Company did not enter into any repurchase agreements during the year.

2. The Company maintained collateral for loaned securities.

   (1) For loaned securities, Company policies require a minimum of 102% of the fair value of securities loaned to be maintained as collateral. Cash collateral received is invested in short-term investments.

NOTES TO FINANCIAL STATEMENTS

(2) The Company has not pledged any of its assets as collateral.

(3) Sources of collateral are cash and securities. Cash collateral is reinvested by the lending agent in short term securities.

3. Aggregate Amount of Contractually open cash collateral positions:

Aging of Collateral	Total Fair Value
Open	$ 10,733,447
30 Days or Less	-
31 to 60 Days	-
61 to 90 Days	-
Greater than 90 Days	-
Sub-Total	10,733,447
Securities Received	2,704,137
Total Collateral Received	$ 13,437,583

4. Securities Lending Transactions Administered by an Affiliated Agent

Not applicable

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

	Amortized Cost	Fair Value
Open	-	-
30 Days or Less	$ 5,746,667	$ 5,746,796
31 to 60 Days	4,616,931	4,617,146
61 to 90 Days	369,378	369,505
90 to 120 Days	-	-
121 to 180 Days	-	-
181 to 365 Days	-	-
1 to 2 Years	-	-
2 to 3 Years	-	-
Greater than 3 Years	-	-
Subtotal	10,732,975	10,733,447
Securities Received	2,704,137	2,704,137
Total Collateral Reinvested	$ 13,437,111	$ 13,437,583

b. Maturity profile of the cash reinvestment program sufficiently matches loan profile with liquidity demands consistent with an open loan program.

F. Real Estate

The Company does not own real estate.

G. Investments in Low-Income Housing Tax Credits

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

Note 6 - Joint Ventures, Partnerships & Limited Liability Companies

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

The Company has no investments in joint ventures, partnerships, or limited liability companies.

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

The Company does not own any investments in joint ventures, partnerships, and limited liability companies.

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).

NOTES TO FINANCIAL STATEMENTS

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2010.

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 assets (DTAs) and liabilities (DTLs) recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2010			December 31, 2009			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2- 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross Deferred Tax Assets	4,766,051	380,089	5,146,140	4,853,075	270,435	5,123,510	(87,024)	109,654	22,630
Statutory Valuation Allowance Adjustment	0	0	0	0	0	0	0	0	0
Adjusted Gross Deferred Tax Assets	4,766,051	380,089	5,146,140	4,853,075	270,435	5,123,510	(87,024)	109,654	22,630
Deferred Tax Liabilities	(681,450)	(27,310)	(708,760)	(656,020)	(28,010)	(684,030)	(25,430)	(700)	(24,730)
Net DTA (DTL)	4,084,601	352,779	4,437,380	4,197,055	242,425	4,439,480	(112,454)	110,354	(2,100)
Deferred Tax Assets Nonadmitted	(1,551,059)	0	(1,551,059)	(1,838,130)	0	(1,838,130)	287,071	0	287,071
Net Admitted DTA (DTL)	2,533,542	352,779	2,886,321	2,358,925	242,425	2,601,350	174,617	110,354	284,971

The Company has not elected to admit DTAs pursuant to SSAP No. 10R, paragraph 10e. The current period election does not differ from the prior reporting period.

The amount of each result or component of the calculation, by tax character, of paragraphs 10a., 10bi., 10bii., 10c.:

	December 31, 2010			December 31, 2009			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2- 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Recoverable through loss carrybacks (10a.)	0	0	0	0	74,000	74,000	0	(74,000)	(74,000)
Lesser of:									
Expected to be recognized within one year (10bi.)	2,533,542	352,779	2,886,321	2,358,925	168,425	2,527,350	174,617	184,354	358,971
10% of adjusted capital and surplus (10bii.)			9,488,123			8,876,425			
Adj. gross DTAs offset against existing DTLs (10c.)	681,450	27,310	708,760	656,020	28,010	684,030	25,430	(700)	24,730
Total	3,214,992	380,089	3,595,081	3,014,945	270,435	3,285,380	200,047	109,654	309,701

The following amounts resulting from the calculation in paragraph 10a. 10b, and 10c.:

	December 31, 2010			December 31, 2009			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(Col 1 + 2)			(Col 4 + 5)	(Col 1 - 4)	(Col 2- 5)	(Col 7 + 8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted Deferred Tax Assets	2,533,542	352,779	2,886,321	2,358,925	242,425	2,601,350	174,617	110,354	284,971
Admitted Assets			270,685,842			253,589,563			17,096,279
Adjusted Statutory Surplus *			99,818,894			95,512,490			4,306,404
Total Adjusted Capital from DTAs			99,818,894			95,512,490			4,306,404

	December 31, 2010		
	(1)	(2)	(3)
Impact of Tax Planning Strategies			(Col 1 + 2)
	Ordinary Percent	Capital Percent	Total Percent
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Gross DTAs)	88%	11%	99%

NOTES TO FINANCIAL STATEMENTS

B. The Company does not have any DTLs described in SSAP No. 10R, *Income Taxes*, paragraph 6d.

C. The provisions for income taxes incurred on earnings for the years ended December 31 are:

	2010	2009
Federal	(758,089)	(1,098,033)
Foreign	0	0
Realized capital gains	49,189	(10,617)
Federal and foreign income taxes incurred	(708,900)	(1,108,650)

The Company’s DTAs and DTLs result primarily from limits on unearned premium reserve deduction, and discounting of unpaid losses.

The change in deferred income taxes is comprised of the following:

	2010
Change in net deferred income tax (without unrealized gain or loss)	(91,454)
Change in tax effect of unrealized (gains) losses	89,354
Total change in net deferred income tax	(2,100)

D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of goodwill.

E. The amount of Federal income taxes incurred and available for recoupment in the event of future losses is none from the current year and none from the preceding year.

The Company has no remaining net operating loss carry forward available to offset future net income subject to Federal income taxes.

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

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

Access Insurance Services, Co.
America First Insurance Company
American Economy Insurance Company
American States Insurance Company
American States Lloyds Insurance Company
Avomark Insurance Company (merged 2/23/2010)
Berkeley Holding Company Associates, Inc.
Bridgefield Casualty Insurance Company
Capitol Court Corporation
Capitol Agency, Inc., The (Ohio corporation) Dissolved 11/17/2010
Cascade Disability Management, Inc.
Commercial Aviation Insurance, Inc.
Companies Agency of Pennsylvania, Inc. (Dissolved 9/9/2010)
Copley Venture Capital, Inc.
Emerald City Insurance Agency, Inc.
Excelsior Insurance Company
First National Insurance Company of America
Florida State Agency, Inc. (Dissolved 8/20/2010)
General America Corporation of Texas
Golden Eagle Insurance Corporation
Hawkeye-Security Insurance Company
Indiana Insurance Company
LEXCO Limited
Liberty Assignment Corporation
Liberty Financial Services, Inc.
Liberty Insurance Corporation
Liberty Insurance Underwriters Inc.
Liberty International Holdings Inc.
Liberty Life Holdings Inc.
Liberty Management Services, Inc.
Liberty Mutual Agency Corporation
Liberty Mutual Group Inc.
Liberty Mutual Insurance Company
Liberty Northwest Insurance Corporation
Liberty RE (Bermuda) Limited
Liberty Surplus Insurance Corporation
LIU Specialty Insurance Agency Inc.
LM Insurance Corporation
AMBCO Capital Corporation
America First Lloyds Insurance Company
American Fire & Casualty Company
American States Insurance Company of Texas
American States Preferred Insurance Company
Barrier Ridge LLC
Berkeley Management Corporation
Bridgefield Employers Insurance Company
Capitol Agency, Inc., The (Arizona corporation)
Capitol Agency, Inc., The (Tennessee corporation) (Dissolved 7/1/2010)
Colorado Casualty Insurance Company
Companies Agency of New York, Inc. (Dissolved 3/3/2010)
Consolidated Insurance Company
Diversified Settlements, Inc.
Employers Insurance Company of Wausau
F.B. Beattie & Co., Inc.
First State Agency Inc.
General America Corporation
General Insurance Company of America
Gulf States AIF, Inc.
Heritage-Summit HealthCare, Inc.
Insurance Company of Illinois
Liberty-USA Corporation
Liberty Energy Canada, Inc.
Liberty Hospitality Group, Inc.
Liberty Insurance Holdings, Inc.
Liberty International Europe Inc.
Liberty Life Assurance Company of Boston
Liberty Lloyds of Texas Insurance Company
Liberty Mexico Holdings Inc.
Liberty Mutual Fire Insurance Company
Liberty Mutual Holding Company Inc.
Liberty Mutual Personal Insurance Company
Liberty Personal Insurance Company
Liberty Sponsored Insurance (Vermont) Inc.
LIH-RE of America Corporation
LM General Insurance Company
LM Personal Insurance Company
LMHC Massachusetts Holdings Inc.

NOTES TO FINANCIAL STATEMENTS

LM Property & Casualty Insurance Company
LRE Properties, Inc.
Mid-American Fire & Casualty Company
OCASCO Budget, Inc.
Ohio Casualty Corporation
Open Seas Solutions, Inc.
Peerless Indemnity Insurance Company
Pilot Insurance Services, Inc.
S.C. Bellevue, Inc.
Safeco Corporation
Safeco Insurance Company of America
Safeco Insurance Company of Indiana
Safeco Lloyds Insurance Company
Safeco Properties, Inc.
San Diego Insurance Company
St. James Insurance Company Ltd.
State Agency, Inc. (Wisconsin corporation) (Dissolved 8/24/2010)
Summit Consulting, Inc. of Louisiana
The First Liberty Insurance Corporation
The Ohio Casualty Insurance Company
Wausau General Insurance Company
West American Insurance Company
Winmar of the Desert, Inc.
Winmar-Metro, Inc.
Mid-American Agency, Inc. (Dissolved 8/20/2010)
North Pacific Insurance Company
OCI Printing, Inc.
Ohio Security Insurance Company
Oregon Automobile Insurance Company
Peerless Insurance Company
Rianoc Research Corporation
SAFECARE Company, Inc.
Safeco General Agency, Inc.
Safeco Insurance Company of Illinois
Safeco Insurance Company of Oregon
Safeco National Insurance Company
Safeco Surplus Lines Insurance Company
SCIT, Inc.
State Agency, Inc. (Indiana corporation) (Dissolved 8/23/2010)
Summit Consulting, Inc.
Summit Holding Southeast, Inc.
The Midwestern Indemnity Company
The Netherlands Insurance Company
The National Corporation
Wausau Business Insurance Company
Wausau Underwriters Insurance Company
Winmar Company, Inc.
Winmar Oregon, 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.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

A. All of the outstanding shares of capital stock of the Company are held by Liberty Mutual 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. There have been no material transactions with the Company’s affiliates during 2010.

D. At December 31, 2010, the Company reported a net $2,672,376 due from affiliates. In general, the terms of the inter-company 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.

There is a service agreement between the Company and LMIC, under which LMIC provides the Company with services of personnel employed by LMIC, office space, supplies, equipment, telephone and wire services, the use of computers and similar machines to the extent necessary or appropriate.

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

The Company is a party to a service agreement with Peerless Insurance Company ("PIC"). Under the Agreement, the Company provides services to PIC.

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

The Company received $3,940,365 under the LMIC Tax Sharing Agreement and paid $349,104 under the LMGI and LMIA investment management agreements. Pursuant to the Inter-Company Reinsurance Agreement with LMIC (Refer to Note 26), the expenses incurred under the Liberty Mutual management service agreement are allocated to the Company in accordance with the Company’s “Pool” participation percentage.

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

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

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

J. The Company does not own any investments in subsidiary, controlled or affiliated entities.

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

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

Note 11 - Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. Federal Home Loan Bank Agreements

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

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

The Company’s eligible direct employees are included in the U.S. Liberty Mutual Retirement Benefit Plan, which is a defined benefit plan; the Supplemental Income at Retirement Plan, which has both a defined benefit component and a defined contribution component; and the Thrift Incentive Plan, which is a defined contribution plan. The Company's eligible direct employees are also included in the postretirement health and life insurance benefit plans. Each of these plans is sponsored by the holding company, Liberty Mutual Group Inc. ("LMGI"). Accordingly, these plans' assets and obligations are not disclosed in this note. The costs for these plans are allocated by LMGI to LMIC, pursuant to an Employee Benefit Plan Cost-Sharing Agreement, and a portion of the costs, in turn, are allocated to the Company through the Liberty Mutual Inter-Company Reinsurance Agreement, as described in Note 26.

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

1. The Company has 20,000 shares authorized and 11,250 shares issued and outstanding as of December 31, 2010. All shares have a stated par value of $400.

2. Preferred Stock

   Not applicable

3. There are no dividend restrictions.

4. The Company did not pay any dividends to its parent during 2010.

5. The maximum amount of dividends that can be paid by Wisconsin-domiciled insurance companies to shareholders without prior approval of the Insurance Commissioner is the lesser of (a) 10% of surplus, or the greater of (b) or (c); (b) net income for calendar year preceding date of dividend less realized gains for that calendar year, or (c) the aggregate of net income for three calendar years preceding the date of dividend less realized gains for those calendar years less dividends paid/credited within the first two of the preceding three calendar years. The maximum dividend payout that may be made without prior approval in 2011 is $9,514,451.

6. As of December 31, 2010, the Company has restricted surplus of $0 and pre-tax restricted surplus of $5,175,441 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 retroactive reinsurance contracts during 2010.

10. The portion of unassigned funds (surplus) represented by cumulative net unrealized gains is $(635,121) after applicable deferred taxes of $341,988.

11. Surplus Notes

    Not applicable

12. Quasi re-organization (dollar impact)

    Not applicable

13. Quasi re-organization (effective date)

    Not applicable

Note 14 - Contingencies

A. Contingent Commitments

The Company has made no commitments, contingent commitments or guarantees on behalf of affiliates, except as indicated in Note 10E.

NOTES TO FINANCIAL STATEMENTS

B. Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums are written, or, in the case of loss based assessments, at the time the losses are incurred.

The Company has accrued a liability for guaranty funds and other assessments of $892,413 that is offset by future premium tax credits of $101,039. This represents management’s best estimate based on information received from the states in which the Company writes business and may change due to factors including the Company’s share of the ultimate cost of current insolvencies.

Current assessments are expected to be paid out in the next five years, while premium tax offsets are expected to be realized in the next eleven years, beginning in 2010.

During 2010 there were no material insolvencies to report. The Company continues to remit payments relating to prior year insolvencies.

C. Gain Contingencies

Not applicable

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

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

	Direct
Claims related ECO and bad faith losses paid during the reporting period	$60,000

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. 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 Liberty Mutual Group Inc. ("LMGI"). LMGI is the plan sponsor of the Liberty Mutual Retirement Benefit Plan, a qualified plan under federal law. Pursuant to federal law, if LMGI has not made the minimum required contributions with respect to the Liberty Mutual Retirement Benefit Plan, the Company, jointly and severally with all other members of the controlled group, would be contingently liable to make such contributions.

Note 15 - Leases

A. Lessee Leasing Arrangements

The company leases office space, plant and equipment under various non cancelable operating lease arrangements. The Company has also entered into sale-leaseback arrangements with unrelated parties on certain property, plant and equipment. The transactions have been accounted for in accordance with SSAP No. 22. The Company has a purchase option for all property, plant and equipment at the end of each respective lease.

NOTES TO FINANCIAL STATEMENTS

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

Year(s)	Sale Lease-back	All Other Operating Lease Arrangements
2011	$134,986	$432,103
2012	134,071	424,238
2013	133,912	321,284
2014	85,212	188,113
2015	83,762	112,682
2016 & thereafter	26,482	537,156
Total	$598,425	$2,015,576

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

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

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

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

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

A. Transfers of Receivables Reported as Sales

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

B. Transfers and Servicing of Financial Assets

The Company participates in a Securities Lending Program to generate additional income, whereby certain fixed income and mortgage backed securities are loaned for a period of time from the Company's portfolio to qualifying third parties, via a lending agent. The Company does not participate in term loans; therefore, the Company does not have contractual collateral transactions that extend beyond one year from the reporting date. Borrowers of these securities provide collateral equal to or in excess of 102% of the market value of the loaned securities. Acceptable collateral may be in the form of cash or U.S. Government securities, such as Treasuries and Agency Bonds. Collateral is not restricted and currently $0 extends beyond one year from December 31, 2010. 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 Company can exercise discretion as to how the collateral is invested. The loaned securities remain a recorded asset of the Company.

At December 31, 2010 the total fair value of securities on loan was $12,979,187, with corresponding collateral value of $13,437,583 of which $10,733,447 represents cash collateral.

C. Wash Sales

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

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

A. Administrative Services Only (ASO) Plans

Net reimbursement for administrative expenses in excess of actual expenses on ASO plans and the net gain was $3,696. Claim payment volume was $168,765.

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.

NOTES TO FINANCIAL STATEMENTS

Note 20 - Fair Value Measurements

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

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

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

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

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

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2010:

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds				
Residential Mortgage-Backed Securities		$3,913,120		$3,913,120
Total Bonds		3,913,120		3,913,120
Preferred Stocks	-	-	-	-
Common Stocks	-	-	-	-
Total assets at fair value	$0	$3,913,120	$0	$3,913,120
Liabilities at fair value				
Total liabilities at fair value	$0	$0	$0	$0

The Company did not have significant transfers between Levels 1 and 2 during the year ended December 31, 2010.

2. Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category.

3. Policy on Transfers Into and Out of Level 3

Transfers in and/or out of Level 3 are due to 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

NOTES TO FINANCIAL STATEMENTS

generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

Mortgage-Backed Securities

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

Asset-Backed Securities

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

Municipals

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

Corporate debt and other

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

Foreign government securities

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

Equity Securities

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

Other Investments

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

5. Derivative Fair Values

   Not applicable

6. This Disclosure was removed by NAIC December 2010.

7. Other Fair Value Disclosures

   Not applicable

8. Reasons Not Practical to Estimate Fair Value

   Not applicable

NOTES TO FINANCIAL STATEMENTS

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) Florida Special Disability Trust Fund

a) The amount of credit taken by the Company in determination of its loss reserves was $0 in 2010 and 2009.

b) The Company reported loss recoveries from the Special Disability Trust Fund of $14,976 in 2010 and $112,145 in 2009.

c) The amount the Company was assessed by the Special Disability Trust Fund was $533,241 in 2010 and $727,231 in 2009.

2) Assets in the amount of $29,004,309 and $29,075,704 as of December 31, 2010 and 2009, respectively, were on deposit with government authorities or trustees as required by law.

3) Interrogatory 6.1

In 2010, as a member of an inter-company reinsurance pooling arrangement, the Company had the benefit of Workers' Compensation Catastrophe reinsurance with limits of $400,000,000 part of $500,000,000 xs $700,000,000 purchased by LMIC, the lead company of the inter-company reinsurance pool.

Interrogatory 6.3

As a member of an inter-company reinsurance pooling arrangement, the Company had the benefit of $1,500,000,000 part of $1,700,000,000 xs $1,300,000,000, $150,000,000 xs $1,150,000,000 (Earthquake only), $455,000,000 part of $650,000,000 xs $650,000,000 xs $650,000,000 in second event coverage, and a 30% QS treaty in place for its US Homeowners portfolio that covers catastrophe losses up to $1,750,000,000 for Wind and $400,000,000 for Earthquake, purchased by LMIC, the lead company of the inter-company reinsurance pool.

D. The Company routinely assesses the collectability of its premium receivable balances. The Company does not believe that amounts in excess of non-admitted amounts are material.Business Interruption Insurance Recoveries

E. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

F. State Transferable Tax Credits

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

Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
Historical Rehabilitation Credit	OK	$236,600	$236,600
Total		$236,600	$236,600

(2) Method of Estimating Utilization of Remaining Transferable State Tax Credits

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

(3) Impairment Loss

The Company has not recognized any impairment losses associate with its Transferable State Tax Credits.

G. Subprime-Mortgage-Related Risk Exposure

1. The Company has not purchased securities characterized by the market as subprime. The Company reviews such factors as average FICO scores, loan to value ratios, and levels of documentation when evaluating securities.

2. The Company does not have any direct exposure through investments in sub-prime mortgage loans.

NOTES TO FINANCIAL STATEMENTS

3. The Company does not have any direct exposure through other investments.

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

Note 22 - Events Subsequent

A. The Company evaluated subsequent events through February 24, 2011, the date the financial statements were available to be issued.

There were no events subsequent to December 31, 2010 that would require disclosure.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

Excluding amounts arising pursuant to the Intercompany Reinsurance Agreement, as described in Note 26, there are no unsecured reinsurance recoverables with an individual reinsurer that exceed 3% of the Company's 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, 2010.

	Assumed Reinsurance		Ceded Reinsurance		Net Reinsurance	
	UEP	Commission Equity	UEP	Commission Equity	UEP	Commission Equity
Affiliates	$18,983,908	$169,272	$207,672,770	$18,816,586	$(188,688,862)	$(18,647,314)
All Other	0	0	0	0	0	0
Total	$18,983,908	$169,272	$207,672,770	$18,816,586	$(188,688,862)	$(18,647,314)

Direct Unearned Premium Reserve: $207,672,770

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, 2010 are as follows:

Description	Direct	Assumed	Ceded	Net
Contingent commissions	$6,051,464	$92,642	$6,051,464	$92,642
Sliding scale adjustments	0	0	0	0
Other profit commissions	0	(780,000)	0	(780,000)
Totals	$6,051,464	$(687,358)	$6,051,464	$(687,358)

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

D. Uncollectible Reinsurance

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

E. Commutation of Ceded Reinsurance

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

F. Retroactive Reinsurance

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

		Assumed	Ceded
a.	Reserves Transferred:		
	1. Initial	$ (9,172,822)	-
	2. Adjustments – Prior Year(s)	1,307,869	-
	3. Adjustments – Current Year	320,373	-
	4. Total	$ (7,544,580)	-
b.	Consideration Paid or Received:		
	1. Initial	$ (3,784,194)	-
	2. Adjustments – Prior Year(s)	(218,921)	-
	3. Adjustments – Current Year	(4,372)	-
	4. Total	$ (4,007,487)	-
c.	Amounts Recovered / Paid – Cumulative:		

NOTES TO FINANCIAL STATEMENTS

	1. Initial	$ (144,902)	-
	2. Adjustments – Prior Year(s)	(1,747,634)	-
	3. Adjustments – Current Year	(347,687)	-
	4. Total	$ (2,240,223)	-
d.	Special Surplus from Retroactive Reinsurance:		
	1. Initial Surplus Gain or Loss	$ 5,533,530	-
	2. Adjustments – Prior Year(s)	220,844	-
	3. Adjustments – Current Year	22,942	-
	4. Current Year Special Surplus	5,175,441	-
	5. Cumulative Total Transferred to Unassigned Funds	$ 601,875	-
e.	All cedents and reinsurers included in the above transactions:		
	Liberty Mutual Insurance Company, 23043	$ (7,544,580)	-
	Total	$ (7,544,580)	-

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

G. Reinsurance Accounted for as a Deposit

The Company has not entered into any reinsurance agreements that have been accounted for as deposits as of December 31, 2010.

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

The Company has not entered into any property and casualty run-off agreements which qualify for prospective reinsurance accounting treatment, pursuant to SSAP No. 62R, *Property and Casualty Reinsurance*.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Accrued retrospective premiums reported in Line 13.3 of the assets 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. 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 non-admitted.

a.	Total accrued retro premium	$ 2,546,368
b.	Unsecured amount	
c.	Less: Non-admitted amount (10%)	255,271
d.	Less: Non-admitted for any person for whom agents' balances or uncollected premiums are non-admitted	
e.	Admitted amount (a) - (c) - (d)	$ 2,291,097

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Incurred loss and loss adjustment expenses attributable to insured events of prior years decreased overall in 2010. The favorable development was primarily a result of decreases in the Commercial Auto Liability, Special Liability, Workers' Compensation, and Product Liability-Occurrence lines, partially offset by an increase in the Other Liability-Occurrence line. Original estimates are revised as additional information becomes known regarding individual claims.

Note 26 - Inter-Company Pooling Arrangements

The Company is a member of the Liberty Mutual Inter-Company Reinsurance Agreement consisting of the following affiliated companies:

		NAIC Company Number	Pooling Percentage	Line of Business
Lead Company:	Liberty Mutual Insurance Company ("LMIC")	23043	73.80%	All Lines
Affiliated Pool Companies:	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	12.90%	All Lines
	Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	4.00%	All Lines
	Wausau Business Insurance Company ("WBIC")	26069	0.40%	All Lines

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	Wausau Underwriters Insurance Company ("WUIC")	26042	0.40%	All Lines
	LM Insurance Corporation ("LMC")	33600	0.20%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0.10%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0.10%	All Lines
	LM Personal Insurance Company ("LMPIC")	36439	0.10%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0.00%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	Personal Lines Only
			100.00%	
100% Quota Share Affiliated Companies:	Bridgefield Employers Insurance Company ("BEIC")	10701	0.00%	All Lines
	Bridgefield Casualty Insurance Company ("BCIC")	10335	0.00%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
	LM Property and Casualty Insurance Company ("LMPAC")	32352	0.00%	All Lines

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

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

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

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

(d) There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement 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 inter-company pool as at December 31, 2010:

Affiliate:	Amount:
Liberty Mutual Insurance Company	(60,871,839)
Liberty Mutual Fire Insurance Company	28,921,566
Liberty Insurance Corporation	8,967,927
LM Insurance Corporation	448,396
The First Liberty Insurance Corporation	224,198
Employers Insurance Company of Wausau	20,067,770
Wausau Underwriters Insurance Company	896,793
Wausau Business Insurance Company	896,793
LM General Insurance Company	224,198
LM Personal Insurance Company	224,198

Effective January 1, 2010, LMMAIC cancelled its participation in the Peerless Insurance Company ("PIC") Amended and Restated Reinsurance Pooling Agreement and concurrently became a participant in the Liberty Mutual Inter-Company Reinsurance Agreement with a 0.0% pool participation percentage and entered into an 100% Quota Share Reinsurance Agreement with PIC. Pursuant to the 100% Quota Share Reinsurance Agreement with PIC, the Company continues to cede the business it wrote for the Peerless Pool to PIC. New business is ceded to LMIC, the lead company in the Liberty Pool.

Effective January 1, 2010, LMGIC and LMPIC canceled their 100% Quota Share Agreements with LMPAC and became participants in the Liberty Mutual Inter-Company Reinsurance Agreement with a 0.10% pool participation percentage.

Effective January 1, 2010, BCIC and BEIC novated their 100% Quota Share Reinsurance Agreements with PIC and entered into 100% Quota Share Inter-Company Reinsurance Agreements with LMIC.

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Effective January 1, 2010, LLOT and LMPICO terminated their 100% Quota Share Inter-Company Reinsurance Agreements with LMIC and became participants in the Liberty Mutual Inter-Company Reinsurance Agreement with a 0.00% pool participation percentage.

Note 27 - Structured Settlements

A. As a result of purchased annuities with the claimant as payee, The Company no longer carries reserves of $2,136,800 after applying Inter-Company Reinsurance Agreement percentages. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities was $2,136,800 of December 31, 2010.

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	$ 1,248,828

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	$0
2. Date of the most recent evaluation of this liability	12/31/2010
3. Was anticipated investment income utilized in the calculation?	Yes

Note 31 - High Dollar Deductible Policies

As of December 31, 2010, the amount of reserve credit recorded for high dollar deductible policies on unpaid losses was $19,290,770 and the amount billed and recoverable on paid claims was $890,106.

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 the respective states at an annual discount rate of 4.0%. Asbestos structured settlements are discounted at 4.5%. The December 31, 2010 liabilities subject to discount were carried at a value representing a discount of $4,529,722 net of all reinsurance.

For all other lines, the Company does not discount its reserves for unpaid losses and loss adjustment expenses.

Note 33 - Asbestos/Environmental Reserves

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

Upon the de-affiliation of EICOW, WBIC, WUIC and WGIC ("Wausau Companies") from the Nationwide Group and becoming members of the Liberty Pool, the Wausau Companies entered into ceded reinsurance contracts whereby Nationwide Indemnity Company assumed full responsibility for the obligations on certain policies with effective dates prior to January 1, 1986, including all asbestos and environmental exposures.

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

The uncertainties associated with establishing reserves for asbestos and environmental losses and loss 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

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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. These uncertainties cannot be reasonably estimated, but could have a material impact on the Company's future operating results and financial condition.

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

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 upon historical data and trends. As a result, the use of conventional reserving methodologies frequently has to be supplemented by subjective considerations including managerial judgment. In that regard, the estimation of asbestos claims and associated liabilities and the analysis of environmental claims considered prevailing applicable law and certain inconsistencies of court decisions as to coverage, plaintiffs' expanded theories of liability, and the risks inherent in major litigation and other uncertainties, the Company believes that in future periods it is possible that the outcome of the continued uncertainties regarding asbestos and environmental related claims could result in an aggregate liability that differs from current reserves by an amount that could be material to the Company's future operating results and financial condition.

In the third quarter of 2009, the Company completed its biennial ground-up asbestos reserve study. The study was completed by a multi-disciplined team of internal claims, legal, reinsurance and actuarial personnel, and it included all major segments of the Company's direct, assumed, and ceded asbestos claims. As part of the internal review, potential exposures of certain policyholders were individually evaluated using the Company's proprietary stochastic model, which is consistent with the latest published actuarial paper on 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, types of injury, state jurisdictions, legal defenses, and reinsurance potential. The remaining policyholders (those with less potential exposure) were evaluated using aggregate methods that utilized information and experience specific to these insureds. Between comprehensive studies, the Company monitors asbestos activity to determine whether or not any adjustment to reserves in warranted. The Company also completed its annual study on the environmental claims liability, resulting in immaterial adjustments to held reserves. During 2010 the Company monitored asbestos and environmental activity to determine whether or not any adjustment to reserves is warranted. Based on this review of actual emerged losses, no material adjustments were made.

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 table below summarizes reserve and loss activity for the Company's asbestos and environmental loss and loss adjustment expenses for each of the five most recent calendar years. Gross reserves for both asbestos and environmental are representative of the companies included in Note 26. Net reserves for asbestos and environmental are allocated based on the Company's Intercompany Reinsurance Agreement, as discussed in Note 26.

Asbestos:

	2006	2007	2008	2009	2010
Direct Basis					
Beginning Reserves	7,993,001	7,399,042	6,729,228	6,252,688	7,405,784
Incurred losses and LAE	402,075	924,810	570,577	2,197,151	307,462
Calendar year payments	996,034	1,594,624	1,047,117	1,044,054	2,264,482
Ending Reserves	7,399,042	6,729,228	6,252,688	7,405,784	5,448,764
Assumed Reinsurance Basis					
Beginning Reserves	2,055,519	2,173,851	2,833,006	2,682,152	1,919,743
Incurred losses and LAE	195,244	766,586	(30,287)	(611,028)	194,986
Calendar year payments	76,912	107,430	120,568	151,381	204,219
Ending Reserves	2,173,851	2,833,006	2,682,152	1,919,743	1,910,511
Net of Ceded Reinsurance Basis					
Beginning Reserves	4,169,424	3,588,089	3,189,340	2,637,427	3,547,480
Incurred losses and LAE	48,817	340,505	56,976	1,582,207	(428,689)
Calendar year payments	630,151	739,254	608,889	672,153	811,017
Ending Reserves	3,588,089	3,189,340	2,637,427	3,547,480	2,307,775

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Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	2,752,349
Assumed Reinsurance Basis	1,471,595
Net of Ceded Reinsurance Basis	1,107,116
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	2,103,342
Assumed Reinsurance Basis	80,997
Net of Ceded Reinsurance Basis	878,615

Environmental:	2006	2007	2008	2009	2010
Direct Basis					
Beginning Reserves	2,743,989	2,022,055	1,803,494	1,492,968	1,226,155
Incurred losses and LAE	191,403	23,525	27,349	112,614	157,765
Calendar year payments	913,337	242,086	337,875	379,427	209,711
Ending Reserves	2,022,055	1,803,494	1,492,968	1,226,155	1,174,209
Assumed Reinsurance Basis					
Beginning Reserves	209,277	191,789	163,421	162,964	211,006
Incurred losses and LAE	3,524	5,902	14,361	68,746	(2,210)
Calendar year payments	21,013	34,269	14,818	20,704	45,891
Ending Reserves	191,789	163,421	162,964	211,006	162,905
Net of Ceded Reinsurance Basis					
Beginning Reserves	1,707,286	1,581,464	1,454,544	1,246,348	1,054,784
Incurred losses and LAE	80,803	39,276	(53)	(11)	(11,337)
Calendar year payments	206,625	166,196	208,142	191,554	118,897
Ending Reserves	1,581,464	1,454,544	1,246,348	1,054,784	924,549

Ending Reserves for Bulk + IBNR included above (Loss & LAE)	
Direct Basis	712,968
Assumed Reinsurance Basis	100,816
Net of Ceded Reinsurance Basis	565,776
Ending Reserves for LAE included above (Case, Bulk & IBNR)	
Direct Basis	512,323
Assumed Reinsurance Basis	9,816
Net of Ceded Reinsurance Basis	336,337

Note 34 - Subscriber Savings Accounts

The Company is not a reciprocal insurance company.

Note 35 - Multiple Peril Crop Insurance

Not applicable

Note 36 - Financial Guarantee Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

1.3 State Regulating? Wisconsin

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

2.2 If yes, date of change:

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

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2004

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). 06/30/2006

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

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

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [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
	00000	
	00000	
	00000	

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

GENERAL INTERROGATORIES

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control. ______ %

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 Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 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 to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting 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 insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.6 If response to 10.5 is "yes," provide information related to this exemption:

10.7 Has the reporting entity established an Audit Committee in compliance with the domicilary state insurance law? Yes [X] No [ ] N/A [ ]

10.8 If the response to 10.7 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?

William Finn
175 Berkeley Street, Boston, MA 02116
Officer of 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:

GENERAL INTERROGATORIES

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
During the 1st quarter, Liberty Mutual Group published several non-material changes to its Code of Business Ethics and Conduct designed to clarify existing Code provisions.

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).

BOARD OF DIRECTORS

15. 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 [ ]

16. 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 [ ]

17. 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

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

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

19.11 To directors or other officers	$ 0
19.12 To stockholders not officers	$ 0
19.13 Trustees, supreme or grand (Fraternal only)	$ 0

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

19.21 To directors or other officers	$ 0
19.22 To stockholders not officers	$ 0
19.23 Trustees, supreme or grand (Fraternal only)	$ 0

20.1 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]

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

20.21 Rented from others	$ 0
20.22 Borrowed from others	$ 0
20.23 Leased from others	$ 0
20.24 Other	$ 0

21.1 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]

21.2 If answer is yes:

21.21 Amount paid as losses or risk adjustment	$ 0
21.22 Amount paid as expenses	$ 0
21.23 Other amounts paid	$ 0

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

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

GENERAL INTERROGATORIES

INVESTMENT

23.1 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 23.3) Yes [X] No [ ]

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

23.3 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

23.4 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 [ ]

23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs. $ 13,435,989

23.6 If answer to 23.4 is no, report amount of collateral for other programs. $ 0

23.7 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 [ ]

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

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

24.1 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 20.1 and 23.3) Yes [X] No [ ]

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

24.21	Subject to repurchase agreements	$ 0
24.22	Subject to reverse repurchase agreements	$ 0
24.23	Subject to dollar repurchase agreements	$ 0
24.24	Subject to reverse dollar repurchase agreements	$ 0
24.25	Pledged as collateral	$ 0
24.26	Placed under option agreements	$ 0
24.27	Letter stock or securities restricted as to sale	$ 0
24.28	On deposit with state or other regulatory body	$ 29,004,309
24.29	Other	$ 0

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0
		0
		0

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

25.2 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.

26.1 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]

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

GENERAL INTERROGATORIES

27. 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 [ ]

27.01 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

27.02 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)

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? Yes [ ] No [X]

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

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

27.05 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(s)	3 Address
N/A	Liberty Mutual Investment Advisors, LLC	175 Berkeley Street, Boston, MA 02116
N/A	Liberty Mutual Group Inc.	175 Berkeley Street, Boston, MA 02116

28.1 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]

28.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		0
		0
		0
28.2999 TOTAL		0

28.3 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	

GENERAL INTERROGATORIES

29. 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 (+)
29.1 Bonds	185,565,777	193,712,638	8,146,861
29.2 Preferred stocks	0	0	0
29.3 Totals	185,565,777	193,712,638	8,146,861

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

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

30.2 If the answer to 30.1 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]

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

The Company reviews the pricing methodology of its vendors on an annual basis. The company has also established acceptable price change and tolerance guidelines. Vendor prices falling outside the guidelines are further reviewed by management on a monthly basis. All prices determined internally by the insurer are reviewed and signed off by the Chief Investment Officer.

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

31.2 If no, list exceptions:

OTHER

32.1 Amount of payments to Trade associations, service organizations and statistical or Rating Bureaus, if any? $ 0

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

1 Name	2 Amount Paid
	0
	0
	0

33.1 Amount of payments for legal expenses, if any? $ 196,020

33.2 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

34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 29,949

GENERAL INTERROGATORIES

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total 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	$ 8,613	$ 207
2.2	Premium Denominator	$ 41,422,967	$ 39,838,189
2.3	Premium Ratio (2.1/2.2)	0.00	0.00
2.4	Reserve Numerator	$ 20,602	$ 19,365
2.5	Reserve Denominator	$ 102,728,115	$ 101,242,802
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 21C

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:
The Company employs industry recognized catastrophe modeling software to estimate the Probable Maximum Loss. For property exposures, we employ RiskLink v10.0 from RMS and AIR Clasic/2 v12.0. For workers' compensation, Liberty Mutual utilizes RiskLink v10.0 from RMS.

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 21C

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

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

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

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 6

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 [X]

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 32 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 $ 1,870,445

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 571,267

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? $ 426,477

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 6.00

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 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 $ 29,774,183

12.62 Collateral and other funds $ 5,381,147

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 250,900

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. 9

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

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Premiums and recoverables were allocated pursuant to the intercompany pooling agreement.

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

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

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

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

15.2 If yes, give full information

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

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

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

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

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

FIVE – YEAR HISTORICAL DATA

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

	1 2010	2 2009	3 2008	4 2007	5 2006
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)	661,531,834	618,500,366	632,986,850	612,572,284	573,594,568
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	24,834,810	20,915,785	15,722,765	16,359,948	16,988,160
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	68,323,310	47,907,644	44,106,612	45,291,249	44,321,366
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	105,152	77,341	(628,614)	1,197,192	995,831
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,059,725	1,007,932	925,238	750,465	458,857
6. Total (Line 35)	755,854,831	688,409,068	693,112,851	676,171,138	636,358,782
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)	27,432,681	25,560,331	28,306,795	31,414,169	30,367,481
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	6,583,536	7,593,247	7,333,519	7,354,206	7,821,817
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	7,083,828	5,773,770	6,893,741	7,886,562	7,812,538
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	49,659	55,067	(633,132)	1,192,913	995,831
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,059,725	1,007,932	925,238	750,465	458,857
12. Total (Line 35)	42,209,429	39,990,347	42,826,161	48,598,315	47,456,524
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(3,347,992)	(4,407,228)	(2,524,984)	(2,615,608)	(1,433,246)
14. Net investment gain (loss) (Line 11)	7,635,146	8,365,500	8,524,818	8,392,475	9,291,758
15. Total other income (Line 15)	(422,973)	(634,880)	(501,989)	(428,907)	(326,501)
16. Dividends to policyholders (Line 17)	251,791	92,553	107,163	279,090	204,110
17. Federal and foreign income taxes incurred (Line 19)	(758,089)	(1,098,033)	(436,809)	129,520	1,103,375
18. Net income (Line 20)	4,370,479	4,328,872	5,827,491	4,939,350	6,224,526
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	270,685,842	253,589,563	244,472,852	233,032,611	215,128,601
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	4,186,674	4,750,864	4,983,519	4,246,781	3,292,424
20.2 Deferred and not yet due (Line 15.2)	10,949,078	11,261,261	9,706,858	11,001,927	11,011,264
20.3 Accrued retrospective premiums (Line 15.3)	2,291,097	1,758,937	1,916,701	2,043,160	2,783,262
21. Total liabilities excluding protected cell business (Page 3, Line 26)	170,866,948	158,077,073	152,854,024	142,235,501	129,101,231
22. Losses (Page 3, Line 1)	69,763,188	67,097,056	66,427,802	66,375,561	61,169,697
23. Loss adjustment expenses (Page 3, Line 3)	13,981,019	13,574,501	12,998,554	13,558,122	12,538,892
24. Unearned premiums (Page 3, Line 9)	18,983,908	17,562,895	17,497,338	19,387,033	18,735,073
25. Capital paid up (Page 3, Lines 30 & 31)	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	99,818,894	95,512,490	91,618,828	90,797,110	86,027,370
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	27,578,244	(12,922,329)	(105,624)	24,452,473	4,638,958
Risk-Based Capital Analysis					
28. Total adjusted capital	99,818,894	95,512,490	91,618,828	90,797,110	86,027,370
29. Authorized control level risk-based capital	6,053,823	6,077,088	5,731,676	6,704,514	5,979,968
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)	91.0	90.6	90.0	91.3	93.2
31. Stocks (Lines 2.1 & 2.2)					
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	3.5	9.4	10.0	8.7	5.6
35. Contract loans (Line 6)					
36. Derivatives (Line 7)		XXX	XXX	XXX	XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)				0.0	1.2
39. Securities lending reinvested collateral assets (Line 10)	5.5	XXX	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
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					
48. Total of above Lines 42 to 47					
49. 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)					

FIVE – YEAR HISTORICAL DATA
(Continued)

		1 2010	2 2009	3 2008	4 2007	5 2006
	Capital and Surplus Accounts (Page 4)					
50.	Net unrealized capital gains (losses) (Line 24)	(165,944)	(346,376)	(31,637)	(91,164)	95,384
51.	Dividends to stockholders (Line 35)			(4,940,835)		(23,355,384)
52.	Change in surplus as regards policyholders for the year (Line 38)	4,306,404	3,893,662	821,718	4,769,740	(19,659,394)
	Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
53.	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)	394,062,160	327,837,999	285,717,854	224,777,074	190,108,207
54.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	15,222,410	11,069,845	10,887,721	9,211,411	8,680,457
55.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	24,304,049	23,446,953	24,947,204	21,720,310	23,122,313
56.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	53,326	13,902	437,109	127,562	65,536
57.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	763,259	301,689	353,099	428,981	608,520
58.	Total (Line 35)	434,405,204	362,670,388	322,342,987	256,265,338	222,585,033
	Net Losses Paid (Page 9, Part 2, Col. 4)					
59.	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)	15,644,470	16,349,314	19,392,356	16,059,420	14,969,097
60.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	3,956,678	4,930,884	4,340,873	4,000,030	4,517,241
61.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,062,639	4,212,676	5,285,420	3,564,966	3,333,881
62.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	53,326	13,902	437,109	127,562	65,536
63.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	763,259	301,689	353,099	428,981	608,520
64.	Total (Line 35)	24,480,372	25,808,465	29,808,857	24,180,959	23,494,275
	Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65.	Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66.	Losses incurred (Line 2)	65.1	65.8	67.8	61.9	61.1
67.	Loss expenses incurred (Line 3)	17.9	19.5	15.8	15.9	15.3
68.	Other underwriting expenses incurred (Line 4)	25.1	25.8	22.1	27.8	26.8
69.	Net underwriting gain (loss) (Line 8)	(8.1)	(11.1)	(5.7)	(5.5)	(3.2)
	Other Percentages					
70.	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	25.6	27.3	24.1	27.8	26.4
71.	Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	83.0	85.3	83.5	77.8	76.4
72.	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)	42.3	41.9	46.7	53.5	55.2
	One Year Loss Development (000 omitted)					
73.	Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(460)	982	(1,333)	1,250	1,974
74.	Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0)	(0.5)	1.1	(1.5)	1.5	1.9
	Two Year Loss Development (000 omitted)					
75.	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)	(434)	(183)	951	4,515	5,381
76.	Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.5)	(0.2)	1.1	4.3	5.4

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

If no, please explain:
Not applicable.

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

($000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported - Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1–2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	X X X	X X X	X X X	4,306	1,667	916	525	107	35	75	3,102	X X X
2. 2001	38,858	6,724	32,134	30,152	7,239	2,449	439	2,967	51	955	27,839	X X X
3. 2002	44,502	9,001	35,501	28,623	6,351	2,332	415	3,359	39	1,457	27,509	X X X
4. 2003	49,749	12,072	37,677	26,171	5,835	2,213	294	3,560	53	1,525	25,762	X X X
5. 2004	51,938	13,639	38,299	25,544	6,647	2,007	390	3,588	187	1,497	23,915	X X X
6. 2005	53,477	12,623	40,854	30,121	9,108	2,001	408	3,627	254	1,457	25,979	X X X
7. 2006	58,044	13,239	44,805	25,146	4,766	1,929	265	3,843	273	1,456	25,614	X X X
8. 2007	60,905	14,405	46,500	26,968	6,179	1,908	271	3,904	335	1,693	25,995	X X X
9. 2008	64,043	17,276	46,767	30,052	7,302	1,668	199	4,277	281	1,473	28,215	X X X
10. 2009	60,774	18,968	41,806	23,546	7,087	1,000	140	3,988	53	1,324	21,254	X X X
11. 2010	61,424	20,001	41,423	17,698	6,970	436	69	3,308	15	911	14,388	X X X
12. Totals	X X X	X X X	X X X	268,327	69,151	18,859	3,415	36,528	1,576	13,823	249,572	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	19,107	5,963	7,787	5,687	1,203	941	3,430	1,285	590	1	195	18,240	X X X
2. 2001	1,268	501	685	549	19	4	161	109	23		17	993	X X X
3. 2002	1,263	795	1,055	850	29	9	162	69	28	1	23	813	X X X
4. 2003	1,184	487	2,000	817	42	18	189	54	31		37	2,070	X X X
5. 2004	1,340	441	2,200	557	49	13	388	47	77		49	2,996	X X X
6. 2005	1,678	575	2,694	1,163	58	14	363	96	59	24	73	2,980	X X X
7. 2006	2,243	610	3,155	1,022	87	22	743	136	91		117	4,529	X X X
8. 2007	3,335	690	3,944	881	147	28	970	162	138	21	140	6,752	X X X
9. 2008	4,967	1,073	6,045	1,721	196	26	1,674	298	471	66	218	10,169	X X X
10. 2009	5,409	714	8,540	1,835	203	21	2,113	309	662	11	274	14,037	X X X
11. 2010	6,839	1,021	13,613	2,640	207	23	2,085	255	1,382	17	731	20,170	X X X
12. Totals	48,633	12,870	51,718	17,722	2,240	1,119	12,278	2,820	3,552	141	1,874	83,749	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	15,244	2,996
2. 2001	37,724	8,892	28,832	97.082	132.243	89.724			0.400	903	90
3. 2002	36,851	8,529	28,322	82.808	94.756	79.778			0.400	673	140
4. 2003	35,390	7,558	27,832	71.137	62.608	73.870			0.400	1,880	190
5. 2004	35,193	8,282	26,911	67.760	60.723	70.266			0.400	2,542	454
6. 2005	40,601	11,642	28,959	75.922	92.228	70.884			0.400	2,634	346
7. 2006	37,237	7,094	30,143	64.153	53.584	67.276			0.400	3,766	763
8. 2007	41,314	8,567	32,747	67.834	59.472	70.424			0.400	5,708	1,044
9. 2008	49,350	10,966	38,384	77.058	63.475	82.075			0.400	8,218	1,951
10. 2009	45,461	10,170	35,291	74.803	53.617	84.416			0.400	11,400	2,637
11. 2010	45,568	11,010	34,558	74.186	55.047	83.427			0.400	16,791	3,379
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	69,759	13,990

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

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported At Year End ($000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	One Year	Two Year
1. Prior	51,623	54,737	58,303	62,605	65,728	67,699	70,280	70,045	71,615	71,446	(169)	1,401
2. 2001	25,082	24,399	24,782	24,479	25,257	25,577	25,771	25,874	26,006	26,005	(1)	131
3. 2002	X X X	24,796	23,452	23,467	24,271	24,739	24,917	25,047	25,030	25,103	73	56
4. 2003	X X X	X X X	25,952	23,321	22,659	23,973	24,333	24,319	24,464	24,468	4	149
5. 2004	X X X	X X X	X X X	26,053	24,182	23,520	23,651	23,599	23,558	23,688	130	89
6. 2005	X X X	X X X	X X X	X X X	28,355	26,981	26,274	25,885	25,882	25,804	(78)	(81)
7. 2006	X X X	X X X	X X X	X X X	X X X	28,979	27,684	27,141	27,028	26,794	(234)	(347)
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	30,969	30,233	29,463	29,391	(72)	(842)
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	35,366	35,071	34,376	(695)	(990)
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	30,469	31,051	582	X X X
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	30,274	X X X	X X X
										12. Totals	(460)	(434)

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported At Year End ($000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
1. Prior	000	12,295	20,922	28,638	33,759	37,894	41,672	45,089	47,947	50,977	X X X	X X X
2. 2001	11,326	17,010	19,883	21,617	22,881	23,552	24,076	24,433	24,678	24,923	X X X	X X X
3. 2002	X X X	10,538	16,271	19,609	21,278	22,655	23,290	23,722	23,992	24,189	X X X	X X X
4. 2003	X X X	X X X	9,799	14,957	17,522	19,363	20,620	21,389	21,930	22,255	X X X	X X X
5. 2004	X X X	X X X	X X X	8,949	13,822	16,157	18,027	19,266	20,040	20,514	X X X	X X X
6. 2005	X X X	X X X	X X X	X X X	10,321	15,871	18,669	20,536	21,803	22,606	X X X	X X X
7. 2006	X X X	X X X	X X X	X X X	X X X	10,076	15,526	18,600	20,685	22,044	X X X	X X X
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	10,358	16,664	20,072	22,426	X X X	X X X
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	12,664	20,258	24,219	X X X	X X X
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,826	17,319	X X X	X X X
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	11,095	X X X	X X X

SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves On Net Losses and Defense and Cost Containment Expenses Reported At Year End ($000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	14,222	9,159	7,175	6,166	7,114	7,284	7,826	6,350	7,214	4,681
2. 2001	7,057	2,886	1,727	885	715	575	500	383	309	207
3. 2002	X X X	7,549	2,981	1,345	1,015	783	678	514	413	336
4. 2003	X X X	X X X	10,829	4,452	2,036	2,344	2,171	1,795	1,617	1,412
5. 2004	X X X	X X X	X X X	11,952	6,669	4,446	3,442	2,792	2,333	2,140
6. 2005	X X X	X X X	X X X	X X X	12,800	6,950	4,614	3,237	2,527	1,973
7. 2006	X X X	X X X	X X X	X X X	X X X	13,341	7,834	5,260	3,881	2,939
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	14,245	8,688	5,679	4,122
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	14,902	9,066	6,020
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	13,528	8,792
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	13,150

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	11,097,853	9,442,871	1,360	5,118,283	5,900,948	17,850,593		
2. Alaska AK	L	7,237,174	6,788,997	86	4,224,987	8,695,785	17,358,628		
3. Arizona AZ	L	13,737,381	13,495,313	4,251	4,909,426	8,438,236	17,396,020		
4. Arkansas AR	L	5,929,343	5,464,809	228	2,295,790	3,562,299	7,291,123		
5. California CA	L	109,711,136	114,451,884	54,917	70,546,886	71,611,142	243,647,045		
6. Colorado CO	L	7,645,777	7,450,616	12,843	4,472,848	5,786,576	14,763,172		
7. Connecticut CT	L	11,746,371	11,718,313	37,167	8,802,566	8,024,963	21,813,132		
8. Delaware DE	L	3,831,649	3,410,271		1,503,657	1,714,302	5,484,291		
9. District of Columbia DC	L	3,175,167	2,649,356	1	701,567	993,363	2,856,680		
10. Florida FL	L	28,762,677	28,216,728	832,250	17,174,391	12,794,744	48,738,427		
11. Georgia GA	L	17,985,268	17,117,825	1,779	9,803,289	11,647,286	23,450,267		
12. Hawaii HI	L	1,407,760	1,186,536	1	367,402	597,055	2,311,026		
13. Idaho ID	L	3,116,893	3,136,600	8,712	1,764,242	2,450,111	3,767,110		
14. Illinois IL	L	43,498,438	38,989,230	831	19,896,219	30,860,345	53,670,587		
15. Indiana IN	L	13,698,904	13,290,283	3,471	9,100,411	11,193,591	19,867,929		
16. Iowa IA	L	5,219,353	5,055,792	(8,240)	4,589,848	4,620,181	11,213,207		
17. Kansas KS	L	6,912,573	6,567,645	10,547	3,905,571	3,847,699	9,956,632		
18. Kentucky KY	L	9,835,988	9,948,540	(7)	7,330,789	7,289,300	21,748,730		
19. Louisiana LA	L	9,177,462	8,165,039	264	5,452,817	6,992,919	13,936,593		
20. Maine ME	L	3,019,949	2,890,840		974,855	1,612,440	3,733,804		
21. Maryland MD	L	10,999,696	10,130,993	593	5,760,828	7,233,215	17,567,796		
22. Massachusetts MA	L	10,992,900	9,945,715	76,513	6,929,762	8,463,874	26,628,785		
23. Michigan MI	L	11,848,026	11,665,071	559	8,292,077	9,364,385	25,346,385		
24. Minnesota MN	L	16,649,238	16,063,540	877	13,020,311	18,089,419	43,078,900		
25. Mississippi MS	L	12,075,366	11,097,673	(4,540)	5,536,444	10,093,345	17,695,841		
26. Missouri MO	L	14,048,945	13,673,032	28	10,124,001	11,884,878	25,093,085		
27. Montana MT	L	3,712,796	3,493,375	53	1,973,001	3,296,354	6,768,595		
28. Nebraska NE	L	3,799,137	3,390,026	347	2,318,009	1,718,252	5,266,112		
29. Nevada NV	L	4,042,904	4,012,919	47	1,656,426	2,952,047	7,499,624		
30. New Hampshire NH	L	5,757,065	5,111,533	(35,885)	2,379,241	3,651,812	6,638,015		
31. New Jersey NJ	L	24,578,409	23,419,474	34,304	9,169,346	18,159,623	38,204,731		
32. New Mexico NM	L	3,848,177	3,937,794		2,667,454	6,166,903	9,900,676		
33. New York NY	L	25,231,471	24,637,109	121,183	15,642,362	17,732,598	58,407,742		
34. North Carolina NC	L	19,483,306	19,022,190	3,034	12,864,321	12,721,612	31,340,821		
35. North Dakota ND	L	1,290,129	866,174		185,173	766,258	726,792		
36. Ohio OH	L	3,082,952	3,226,060		664,561	1,399,891	3,569,542		
37. Oklahoma OK	L	23,700,982	22,257,669	149	13,524,660	23,554,026	31,316,204		
38. Oregon OR	L	5,121,275	5,284,366	23,913	3,444,806	4,141,059	10,470,285		
39. Pennsylvania PA	L	31,345,460	30,673,663	27,919	19,320,283	17,027,130	42,581,864		
40. Rhode Island RI	L	3,004,852	2,543,052		1,994,143	3,418,024	3,781,845		
41. South Carolina SC	L	9,518,857	9,447,359	2,034	3,637,800	3,660,881	14,830,446		
42. South Dakota SD	L	1,920,562	1,926,807	(4)	1,410,258	2,431,101	5,142,043		
43. Tennessee TN	L	24,409,837	22,675,193	1,107	13,458,375	15,846,491	40,501,721		
44. Texas TX	L	46,548,031	43,190,639	6,862	19,274,355	26,977,644	59,886,445		
45. Utah UT	L	2,904,311	2,652,027	3,603	2,251,777	1,409,631	5,736,912		
46. Vermont VT	L	5,503,615	5,090,288	1,936	3,235,187	3,602,734	8,684,121		
47. Virginia VA	L	13,699,760	12,924,869	(27,972)	7,366,032	6,446,941	17,431,353		
48. Washington WA	L	2,400,969	2,770,844	49	1,252,634	374,487	2,679,433		
49. West Virginia WV	L	4,010,263	3,271,931		4,550,310	2,589,498	3,590,416		
50. Wisconsin WI	L	50,913,467	47,002,445	3,721,155	33,036,046	42,463,731	73,833,031		
51. Wyoming WY	L	401,960	384,254	(1)	45,003	131,913	570,387		
52. American Samoa AS	N								
53. Guam GU	N					3	4		
54. Puerto Rico PR	L	54,344	57,537			6,131	30,768		
55. U.S. Virgin Islands VI	L	15	23			(42)	70		
56. Northern Mariana Islands MP	N								
57. Canada CN	N								
58. Aggregate Other Alien OT	XXX	(791)	(120)	2	3,999	(32,553)	511,037		
59. Totals	(a) 53	713,645,402	685,283,012	4,918,326	409,924,829	496,376,581	1,206,166,823		

DETAILS OF WRITE-INS									
5801. Other alien	XXX	(791)	(120)	2	3,999	(32,553)	511,037		
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	(791)	(120)	2	3,999	(32,553)	511,037		

(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.

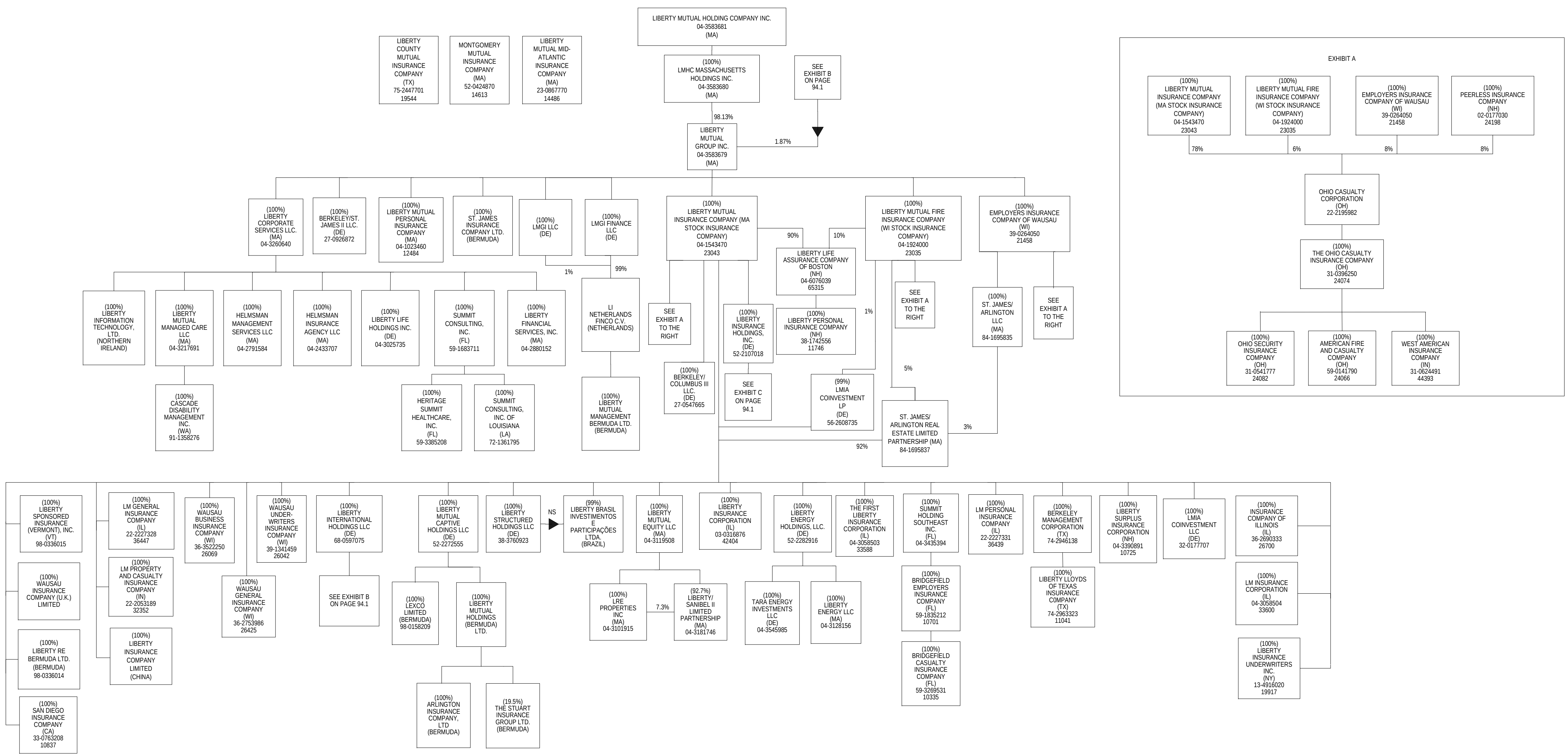
Explanation of basis of allocation of premiums by states, etc.

*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 - Surety
*Location of Principal place of garaging of each individual car - Auto Liability, Auto Physical Damage
*Address of Assured - Other Accident and Health
*Principal Location of business or location of coverage - Liability other than Auto, Fidelity, Warranty
*Location of Properties covered - Burglary and Theft
*Point of origin of shipment or principal location of assured - Inland Marine
*Principal Location of Assured - Ocean Marine, Credit
*State in which employees regularly work - Group Accident and Health
*Primary residence of Assured - Aircraft (all perils)

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

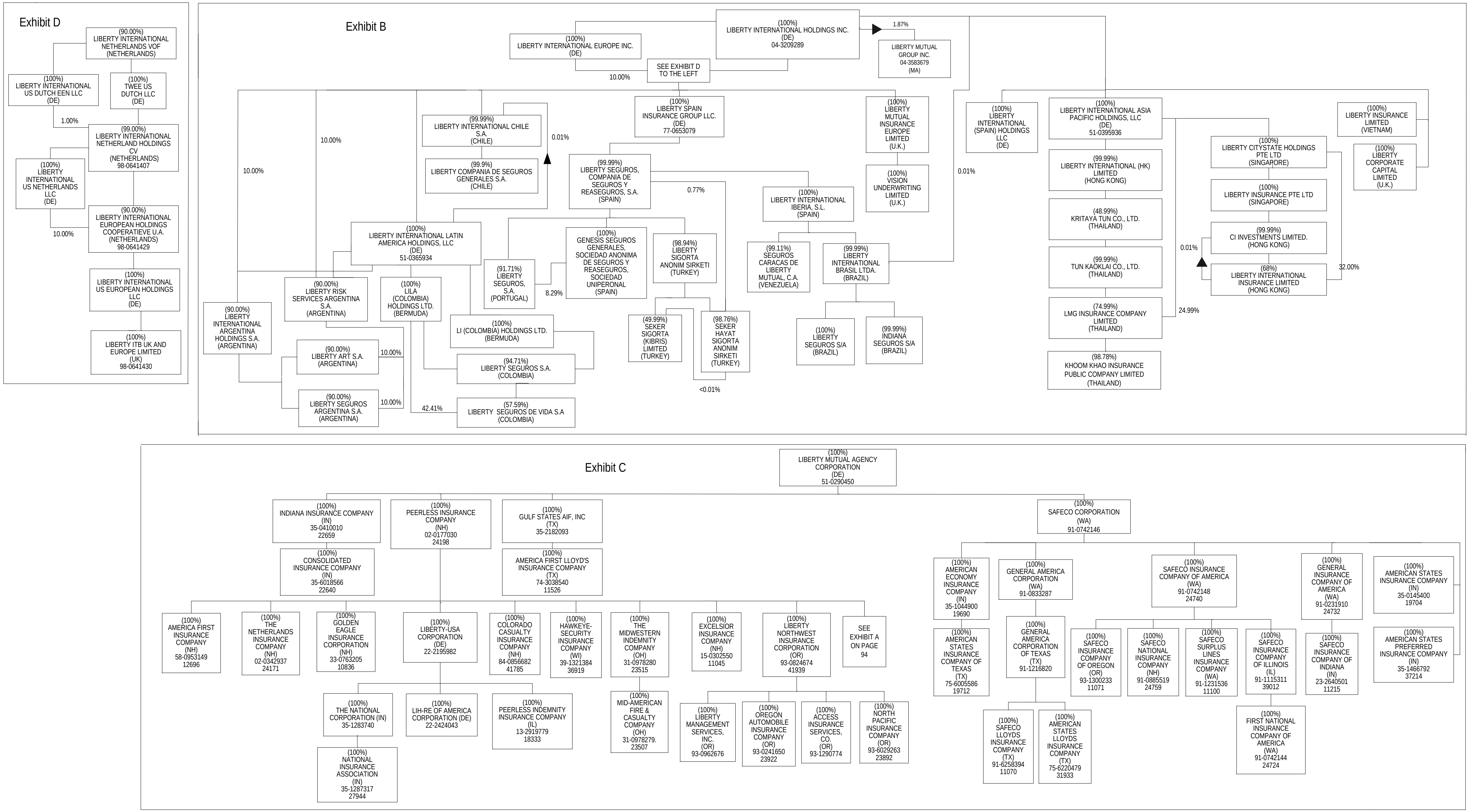
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

	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	160,669	140,943	19,726	75,465
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	160,669	140,943	19,726	75,465

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	1 Current Year	2 Prior Year
2504. Collateral held for securities loaned		9,690,299
2505. Retroactive reinsurance reserves	(8,324,580)	(8,644,953)
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	(8,324,580)	1,045,346

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT