

ANNUAL STATEMENT
For the Year Ended December 31, 2010
OF THE CONDITION AND AFFAIRS OF THE
UNITED STATES FIDELITY AND
GUARANTY COMPANY

NAIC Group Code 3548 3548 NAIC Company Code 25887 Employer's ID Number 52-0515280
(Current Period) (Prior Period)

Organized under the Laws of Connecticut, State of Domicile or Port of Entry Connecticut,
Country of Domicile US

INCORPORATED/ORGANIZED, MARCH 19, 1896 COMMENCED BUSINESS, AUGUST 1, 1896

Statutory Home Office: One Tower Square, Hartford, CT 06183
Main Administrative Office: One Tower Square, Hartford, CT 06183 (860) 277-0111
Mail Address: One Tower Square, Hartford, CT 06183
Primary Location of Books and Records: 385 Washington Street, St. Paul, MN 55102 (651) 310-7911
Internet Website Address: www.travelers.com
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OFFICERS

Table with 4 columns: Name, Title, Name, Title. Lists 10 officers including Brian William MacLean, Jay Steven Benet, Charles Joseph Clarke, William Herbert Heyman, Alan David Schnitzer, John Joseph Albano, Andy Francis Besette, John Patrick Clifford, Jr., William Eugene Cunningham, Jr., and William Patrick Hannon.

DIRECTORS

JAY STEVEN BENET BRIAN WILLIAM MacLEAN # KENNETH FRANKLIN SPENCE, III
WILLIAM HERBERT HEYMAN DOREEN SPADORCIA GREGORY CHESHIRE TOCZYDLOWSKI

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } 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.

Handwritten signatures and printed names of Brian W. MacLean (President), Wendy C. Skjerven (Secretary), and Douglas K. Russell (Controller).

Subscribed and sworn to before me this

25th day of January, 2011
Sandra M. Bachman Notary Public
My Commission Expires September 30, 2012



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	4,008,921,495	0	4,008,921,495	3,747,278,465
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	121,492,613	0	121,492,613	329,119,790
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	171,504	0	171,504	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....3,954,311, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....39,497,603, Sch. DA).....	43,451,915	0	43,451,915	188,399,728
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Derivatives.....	0	0	0	0
8. Other invested assets (Schedule BA).....	2,127,425	0	2,127,425	2,729,328
9. Receivables for securities.....	0	0	0	0
10. Securities lending reinvested collateral assets.....	15,258,000	0	15,258,000	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	4,191,422,951	0	4,191,422,951	4,267,527,310
13. Title plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	52,100,093	0	52,100,093	48,898,181
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	48,901,670	7,643,371	41,258,299	40,501,265
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....(1,319,201) earned but unbilled premiums).....	162,527,682	1,074,102	161,453,580	157,683,082
15.3 Accrued retrospective premiums.....	8,719,172	100,386	8,618,785	21,321,491
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	19,511,804	0	19,511,804	(641,103)
16.2 Funds held by or deposited with reinsured companies.....	2,836,086	0	2,836,086	2,460,152
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
18.2 Net deferred tax asset.....	122,408,317	65,090,596	57,317,721	43,421,795
19. Guaranty funds receivable or on deposit.....	346,920	0	346,920	518,981
20. Electronic data processing equipment and software.....	328,735	0	328,735	0
21. Furniture and equipment, including health care delivery assets (\$.....0).....	214,294	214,294	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	50,603,497	0	50,603,497	35,398,660
24. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other than invested assets.....	13,998,297	710,475	13,287,822	9,984,787
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	4,673,919,519	74,833,225	4,599,086,294	4,627,074,603
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. TOTALS (Lines 26 and 27).....	4,673,919,519	74,833,225	4,599,086,294	4,627,074,603

DETAILS OF WRITE-INS

1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Equities and deposits in pools and associations.....	8,752,603	0	8,752,603	8,485,827
2502. State surcharges receivable.....	2,390,182	0	2,390,182	1,985,825
2503. Amounts receivable under high deductible policies.....	2,189,815	613,093	1,576,721	1,370,110
2598. Summary of remaining write-ins for Line 25 from overflow page.....	665,698	97,382	568,316	(1,856,974)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	13,998,297	710,475	13,287,822	9,984,787

UNITED STATES FIDELITY AND GUARANTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,277,299,854	1,302,562,430
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	56,406,616	46,071,260
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	296,097,833	305,832,375
4. Commissions payable, contingent commissions and other similar charges.....	22,647,342	23,435,966
5. Other expenses (excluding taxes, licenses and fees).....	20,898,336	21,326,319
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	16,647,167	18,452,238
7.1 Current federal and foreign income taxes (including \$.....21,423,122 on realized capital gains (losses)).....	11,562,226	12,993,932
7.2 Net deferred tax liability.....	0	0
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....74,045,754 and including warranty reserves of \$.....0).....	364,591,325	353,277,656
10. Advance premium.....	678,732	678,732
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	1,648,449	1,630,570
12. Ceded reinsurance premiums payable (net of ceding commissions).....	49,650,489	37,419,852
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	0	0
14. Amounts withheld or retained by company for account of others.....	4,218,527	5,606,852
15. Remittances and items not allocated.....	(7,394,415)	(1,529,457)
16. Provision for reinsurance (Schedule F, Part 7).....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	0	0
20. Derivatives.....	0	0
21. Payable for securities.....	0	12,762,200
22. Payable for securities lending.....	15,258,000	0
23. Liability for amounts held under uninsured plans.....	0	0
24. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
25. Aggregate write-ins for liabilities.....	10,926,880	20,798,029
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	2,141,137,360	2,161,318,953
27. Protected cell liabilities.....	0	0
28. Total liabilities (Lines 26 and 27).....	2,141,137,360	2,161,318,953
29. Aggregate write-ins for special surplus funds.....	21,638,255	8,270,160
30. Common capital stock.....	35,214,075	35,214,075
31. Preferred capital stock.....	0	0
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	0	0
34. Gross paid in and contributed surplus.....	2,197,805,261	2,132,147,933
35. Unassigned funds (surplus).....	203,291,342	290,123,482
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	0	0
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	2,457,948,934	2,465,755,650
38. TOTALS (Page 2, Line 28, Col. 3).....	4,599,086,294	4,627,074,603

DETAILS OF WRITE-INS

2501. Investment real estate liability.....	13,542,740	13,237,004
2502. Special reserve fund.....	2,273,259	2,322,347
2503. Escheat liability.....	865,086	863,659
2598. Summary of remaining write-ins for Line 25 from overflow page.....	(5,754,206)	4,375,020
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	10,926,880	20,798,029
2901. Special surplus for deferred taxes.....	16,250,122	1,718,852
2902. Special surplus from retroactive reinsurance.....	5,388,133	6,551,308
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	21,638,255	8,270,160
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

UNITED STATES FIDELITY AND GUARANTY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	802,531,825	800,575,899
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	404,475,062	369,072,749
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	93,378,885	97,771,169
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	257,978,124	256,543,325
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	755,832,071	723,387,242
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	46,699,754	77,188,657
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	174,107,902	173,997,940
10. Net realized capital gains (losses) less capital gains tax of \$.....77,102,440 (Exhibit of Capital Gains (Losses)).....	130,079,231	10,792,253
11. Net investment gain (loss) (Lines 9 + 10).....	304,187,133	184,790,193
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....(2,242,413) amount charged off \$.....203,894).....	(2,446,307)	(2,687,702)
13. Finance and service charges not included in premiums.....	4,066,791	4,154,629
14. Aggregate write-ins for miscellaneous income.....	(184,590)	(567,386)
15. Total other income (Lines 12 through 14).....	1,435,895	899,541
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	352,322,782	262,878,390
17. Dividends to policyholders.....	1,057,578	770,908
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).....	351,265,204	262,107,482
19. Federal and foreign income taxes incurred.....	37,932,043	49,850,203
20. Net income (Line 18 minus Line 19) (to Line 22).....	313,333,161	212,257,280
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	2,465,755,650	2,065,892,465
22. Net income (from Line 20).....	313,333,161	212,257,280
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(90,797,238).....	(150,938,656)	110,842,752
25. Change in net unrealized foreign exchange capital gain (loss).....	482,689	6,379,554
26. Change in net deferred income tax.....	(11,810,716)	(3,191,294)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	(68,061,793)	62,399,495
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	9,456,546
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	65,657,328	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3. Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	(171,000,000)	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	14,531,270	1,718,852
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(7,806,716)	399,863,185
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	2,457,948,934	2,465,755,650
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Fines and penalties of regulatory authorities.....	(4,959)	(2,019)
1402. Retroactive reinsurance gain/loss.....	(78,759)	(497,884)
1403. Profit and loss, miscellaneous.....	(100,872)	(67,483)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(184,590)	(567,386)
3701. Change in special surplus from deferred taxes.....	14,531,270	1,718,852
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	14,531,270	1,718,852

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	834,878,458	793,161,532
2. Net investment income.....	191,297,601	186,330,274
3. Miscellaneous income.....	1,435,895	899,541
4. Total (Lines 1 through 3).....	1,027,611,954	980,391,347
5. Benefit and loss related payments.....	439,931,123	398,797,690
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	364,572,877	358,648,722
8. Dividends paid to policyholders.....	1,039,698	717,375
9. Federal and foreign income taxes paid (recovered) net of \$....80,164,177 tax on capital gains (losses).....	116,466,188	57,182,666
10. Total (Lines 5 through 9).....	922,009,887	815,346,453
11. Net cash from operations (Line 4 minus Line 10).....	105,602,067	165,044,893
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	434,093,433	392,703,215
12.2 Stocks.....	248,638,825	42,254,326
12.3 Mortgage loans.....	281,778	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	213,372	4,103,439
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	124,527
12.7 Miscellaneous proceeds.....	0	12,762,200
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	683,227,408	451,947,707
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	714,391,316	564,980,513
13.2 Stocks.....	65,657,328	177,013
13.3 Mortgage loans.....	453,282	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	41,662	0
13.6 Miscellaneous applications.....	12,762,200	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	793,305,788	565,157,526
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(110,078,380)	(113,209,819)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	65,657,328	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	171,000,000	0
16.6 Other cash provided (applied).....	(35,128,829)	26,909,768
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(140,471,500)	26,909,768
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(144,947,813)	78,744,842
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	188,399,728	109,654,886
19.2 End of year (Line 18 plus Line 19.1).....	43,451,915	188,399,728
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Capital contribution.....	65,657,328	0
20.0002 Exchange of stock.....	0	177,013

UNITED STATES FIDELITY AND GUARANTY COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	20,106,238	10,794,967	9,228,930	21,672,275
2. Allied lines.....	23,386,068	8,728,461	10,383,625	21,730,904
3. Farmowners multiple peril.....	6,630,443	2,993,265	3,194,428	6,429,280
4. Homeowners multiple peril.....	135,792,177	66,473,112	71,816,102	130,449,187
5. Commercial multiple peril.....	125,470,762	59,057,442	60,630,904	123,897,300
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	11,636,990	4,872,711	5,033,635	11,476,066
9. Inland marine.....	27,153,089	14,120,500	12,837,495	28,436,093
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	(515)	(208)	(188)	(535)
11.2 Medical professional liability - claims-made.....	(139)	802	44	619
12. Earthquake.....	4,682,433	1,742,328	2,120,470	4,304,291
13. Group accident and health.....	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0
15. Other accident and health.....	0	0	0	0
16. Workers' compensation.....	115,471,909	42,923,090	47,221,317	111,173,683
17.1 Other liability - occurrence.....	71,863,553	32,178,824	32,079,457	71,962,919
17.2 Other liability - claims-made.....	25,203,925	16,040,377	14,480,432	26,763,870
17.3 Excess workers' compensation.....	957,512	432,555	363,711	1,026,356
18.1 Products liability - occurrence.....	4,697,103	2,370,562	2,179,810	4,887,855
18.2 Products liability - claims-made.....	849,507	368,545	396,978	821,075
19.1, 19.2 Private passenger auto liability.....	90,004,199	25,903,038	28,897,790	87,009,447
19.3, 19.4 Commercial auto liability.....	65,621,151	29,804,985	29,742,349	65,683,787
21. Auto physical damage.....	72,676,387	24,316,753	25,507,438	71,485,702
22. Aircraft (all perils).....	(16,842)	108,333	0	91,491
23. Fidelity.....	2,660,899	1,691,386	1,650,481	2,701,804
24. Surety.....	1,507,247	(191,017)	(169,169)	1,485,400
26. Burglary and theft.....	408,430	185,483	179,067	414,846
27. Boiler and machinery.....	7,715,181	3,231,666	3,383,293	7,563,554
28. Credit.....	(738)	1,101	2,605	(2,241)
29. International.....	150,586	37,257	17,259	170,584
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	(79,819)	9,873	9,556	(79,502)
32. Reinsurance - nonproportional assumed liability.....	855,494	534,300	536,516	853,278
33. Reinsurance - nonproportional assumed financial lines.....	83,386	79,409	55,055	107,740
34. Aggregate write-ins for other lines of business.....	15,396	2,590	3,288	14,698
35. TOTALS.....	815,502,013	348,812,490	361,782,677	802,531,825

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	15,396	2,590	3,288	14,698
3402.	0	0	0	0
3403.	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	15,396	2,590	3,288	14,698

UNITED STATES FIDELITY AND GUARANTY COMPANY UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	8,943,980	366,403	(81,452)	.0	9,228,930
2. Allied lines.....	9,899,253	484,373	.0	.0	10,383,625
3. Farmowners multiple peril.....	3,194,674	(246)	.0	.0	3,194,428
4. Homeowners multiple peril.....	71,923,563	(107,460)	.0	.0	71,816,102
5. Commercial multiple peril.....	59,730,259	(102,083)	1,002,727	.0	60,630,904
6. Mortgage guaranty.....	.0	.0	.0	.0	.0
8. Ocean marine.....	5,077,843	30,762	(74,970)	.0	5,033,635
9. Inland marine.....	10,799,105	2,153,051	(114,660)	.0	12,837,495
10. Financial guaranty.....	.0	.0	.0	.0	.0
11.1 Medical professional liability - occurrence.....	(188)	.0	.0	.0	(188)
11.2 Medical professional liability - claims-made.....	44	.0	.0	.0	44
12. Earthquake.....	1,969,933	150,537	.0	.0	2,120,470
13. Group accident and health.....	.0	.0	.0	.0	.0
14. Credit accident and health (group and individual).....	.0	.0	.0	.0	.0
15. Other accident and health.....	.0	.0	.0	.0	.0
16. Workers' compensation.....	50,610,033	7,406	680,086	(4,076,208)	47,221,317
17.1 Other liability - occurrence.....	31,817,644	101,765	198,002	(37,953)	32,079,457
17.2 Other liability - claims-made.....	12,420,313	2,055,169	4,950	.0	14,480,432
17.3 Excess workers' compensation.....	356,229	7,094	388	.0	363,711
18.1 Products liability - occurrence.....	2,146,595	1,950	23,732	7,532	2,179,810
18.2 Products liability - claims-made.....	397,489	(594)	83	.0	396,978
19.1, 19.2 Private passenger auto liability.....	28,897,790	.0	.0	.0	28,897,790
19.3, 19.4 Commercial auto liability.....	29,697,852	65,321	.0	(20,824)	29,742,349
21. Auto physical damage.....	25,497,124	10,711	.0	(397)	25,507,438
22. Aircraft (all perils).....	.0	.0	.0	.0	.0
23. Fidelity.....	1,094,259	556,222	.0	.0	1,650,481
24. Surety.....	91,404	59,111	(319,684)	.0	(169,169)
26. Burglary and theft.....	137,149	41,918	.0	.0	179,067
27. Boiler and machinery.....	3,159,179	224,114	.0	.0	3,383,293
28. Credit.....	2,605	.0	.0	.0	2,605
29. International.....	17,259	.0	.0	.0	17,259
30. Warranty.....	.0	.0	.0	.0	.0
31. Reinsurance - nonproportional assumed property.....	9,556	.0	.0	.0	9,556
32. Reinsurance - nonproportional assumed liability.....	468,547	67,969	.0	.0	536,516
33. Reinsurance - nonproportional assumed financial lines.....	51,787	3,269	.0	.0	55,055
34. Aggregate write-ins for other lines of business.....	3,288	.0	.0	.0	3,288
35. TOTALS.....	358,414,565	6,176,760	1,319,201	(4,127,849)	361,782,677
36. Accrued retrospective premiums based on experience.....					4,127,849
37. Earned but unbilled premiums.....					(1,319,201)
38. Balance (sum of Lines 35 through 37).....					364,591,325

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	3,288	.0	.0	.0	3,288
3402. ....	.0	.0	.0	.0	.0
3403. ....	.0	.0	.0	.0	.0
3498. Summary of remaining write-ins for Line 34 from overflow page....	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	3,288	.0	.0	.0	3,288

(a) State here basis of computation used in each case: Daily pro rata; pools and associations as submitted.

**UNITED STATES FIDELITY AND GUARANTY COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	65,484	20,106,238	12,280	77,764	0	20,106,238
2. Allied lines.....	0	23,386,068	0	0	0	23,386,068
3. Farmowners multiple peril.....	0	6,630,443	0	0	0	6,630,443
4. Homeowners multiple peril.....	0	135,792,177	0	0	0	135,792,177
5. Commercial multiple peril.....	0	125,470,762	0	0	0	125,470,762
6. Mortgage guaranty.....	0	0	0	0	0	0
8. Ocean marine.....	0	11,637,010	(7,765)	(7,746)	0	11,636,990
9. Inland marine.....	226	27,153,089	0	226	0	27,153,089
10. Financial guaranty.....	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	(515)	0	0	0	(515)
11.2 Medical professional liability - claims-made.....	0	(139)	0	0	0	(139)
12. Earthquake.....	0	4,682,433	0	0	0	4,682,433
13. Group accident and health.....	0	0	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0
15. Other accident and health.....	0	0	0	0	0	0
16. Workers' compensation.....	94,482,110	160,080,799	112,797	139,203,796	0	115,471,909
17.1 Other liability - occurrence.....	4,678	72,434,841	(261,857)	314,109	0	71,863,553
17.2 Other liability - claims-made.....	(66,535)	25,203,925	0	(66,535)	0	25,203,925
17.3 Excess workers' compensation.....	17,360,464	957,512	0	17,360,464	0	957,512
18.1 Products liability - occurrence.....	0	4,697,103	0	0	0	4,697,103
18.2 Products liability - claims-made.....	0	849,507	0	0	0	849,507
19.1, 19.2 Private passenger auto liability.....	0	90,004,199	0	0	0	90,004,199
19.3, 19.4 Commercial auto liability.....	66,574	65,914,261	175,912	535,596	0	65,621,151
21. Auto physical damage.....	97	72,676,387	11,027	11,124	0	72,676,387
22. Aircraft (all perils).....	0	(16,842)	13,801	13,801	0	(16,842)
23. Fidelity.....	17,360	2,660,899	0	17,360	0	2,660,899
24. Surety.....	1,750,132	1,546,160	0	1,789,045	0	1,507,247
26. Burglary and theft.....	0	408,430	0	0	0	408,430
27. Boiler and machinery.....	0	7,715,181	0	0	0	7,715,181
28. Credit.....	0	(738)	(16)	(16)	0	(738)
29. International.....	0	150,586	0	0	0	150,586
30. Warranty.....	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	(79,819)	(55,982)	(55,982)	0	(79,819)
32. Reinsurance - nonproportional assumed liability.....	XXX	1,185,690	(336,176)	(5,980)	0	855,494
33. Reinsurance - nonproportional assumed financial lines.....	XXX	83,386	24,063	24,063	0	83,386
34. Aggregate write-ins for other lines of business.....	0	15,396	0	0	0	15,396
35. TOTALS.....	113,680,590	861,344,428	(311,916)	159,211,089	0	815,502,013

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	15,396	0	0	0	15,396
3402.	0	0	0	0	0	0
3403.	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page..	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	15,396	0	0	0	15,396

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	(1,826,089)	11,607,300	(1,776,171)	11,557,383	11,084,172	12,014,116	10,627,439	49.0
2. Allied lines.....	103,969	13,497,893	112,290	13,489,572	9,236,221	11,233,097	11,492,697	52.9
3. Farmowners multiple peril.....	0	3,296,224	0	3,296,224	1,988,466	1,621,088	3,663,602	57.0
4. Homeowners multiple peril.....	176,711	75,085,441	2,025,579	73,236,573	36,040,123	28,897,323	80,379,373	61.6
5. Commercial multiple peril.....	9,763,415	60,377,946	12,609,775	57,531,586	103,541,668	99,139,700	61,933,554	50.0
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0.0
8. Ocean marine.....	0	4,807,966	14,671	4,793,295	7,859,176	7,335,205	5,317,266	46.3
9. Inland marine.....	317,891	12,247,218	313,407	12,251,702	10,931,437	12,686,007	10,497,132	36.9
10. Financial guaranty.....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....	0	383,914	0	383,914	1,885,220	2,506,970	(237,836)	44,465.4
11.2 Medical professional liability - claims-made.....	0	1,712,184	0	1,712,184	4,815,766	6,698,249	(170,298)	(27,502.5)
12. Earthquake.....	0	19	(463)	482	(62,259)	143,022	(204,799)	(4.8)
13. Group accident and health.....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0.0
15. Other accident and health.....	0	10,347	10,347	0	0	0	0	0.0
16. Workers' compensation.....	81,582,757	101,404,847	127,043,012	55,944,593	495,187,854	485,513,503	65,618,944	59.0
17.1 Other liability - occurrence.....	21,753,897	36,882,930	25,108,004	33,528,823	222,008,009	242,296,721	13,240,110	18.4
17.2 Other liability - claims-made.....	1,502,957	23,456,425	7,538,049	17,421,333	71,984,136	76,725,908	12,679,561	47.4
17.3 Excess workers' compensation.....	9,355,906	545,781	9,355,906	545,781	22,930,009	20,712,229	2,763,561	269.3
18.1 Products liability - occurrence.....	1,353,943	7,270,006	2,366,968	6,256,982	64,734,768	63,987,327	7,004,422	143.3
18.2 Products liability - claims-made.....	0	254,753	0	254,753	1,157,121	1,399,754	12,121	1.5
19.1, 19.2 Private passenger auto liability.....	3,381,177	52,608,239	4,755,361	51,234,055	64,248,526	65,823,824	49,658,758	57.1
19.3, 19.4 Commercial auto liability.....	(1,375,101)	36,546,912	(851,935)	36,023,745	76,407,019	77,719,945	34,710,819	52.8
21. Auto physical damage.....	406,686	40,780,277	853,360	40,333,603	3,832,017	4,348,514	39,817,106	55.7
22. Aircraft (all perils).....	(101,897)	412,798	185,976	124,925	722,315	1,398,592	(551,352)	(602.6)
23. Fidelity.....	(43,561)	2,514,612	(49,767)	2,520,819	4,757,358	6,186,447	1,091,730	40.4
24. Surety.....	7,912,576	781,121	8,521,240	172,457	12,074,239	14,076,356	(1,829,659)	(123.2)
26. Burglary and theft.....	0	5,150	0	5,150	495,570	576,053	(75,333)	(18.2)
27. Boiler and machinery.....	(958)	2,140,579	45,047	2,094,574	1,583,759	2,053,467	1,624,865	21.5
28. Credit.....	0	2,117	8,463	(6,346)	367,922	537,976	(176,400)	7,870.6
29. International.....	0	81,716	0	81,716	379,457	410,357	50,816	29.8
30. Warranty.....	0	(49)	0	(49)	0	(60)	11	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	912,401	489,643	422,757	2,017,133	2,486,269	(46,378)	58.3
32. Reinsurance - nonproportional assumed liability.....	XXX	12,253,030	7,767,042	4,485,987	44,075,684	52,857,978	(4,296,307)	(503.5)
33. Reinsurance - nonproportional assumed financial lines.....	XXX	35,710	0	35,710	1,003,277	1,170,245	(131,258)	(121.8)
34. Aggregate write-ins for other lines of business.....	0	3,356	0	3,356	13,691	6,251	10,796	73.4
35. TOTALS.....	134,264,279	501,919,163	206,445,804	429,737,638	1,277,299,854	1,302,562,430	404,475,062	50.4

DETAILS OF WRITE-INS

3401. Tribal workers' compensation.....	0	3,356	0	3,356	13,691	6,251	10,796	73.4
3402.	0	0	0	0	0	0	0	0.0
3403.	0	0	0	0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	3,356	0	3,356	13,691	6,251	10,796	73.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	328	9,829,593	1,149,291	8,680,630	617,460	2,496,946	710,863	11,084,172	1,334,918
2. Allied lines.....	1,308,766	7,735,576	1,316,960	7,727,382	1,119,901	2,652,514	2,263,575	9,236,221	2,012,531
3. Farmowners multiple peril.....	0	1,002,085	0	1,002,085	12,942	986,384	12,944	1,988,466	365,908
4. Homeowners multiple peril.....	450,983	17,964,630	1,251,468	17,164,144	330,420	19,242,239	696,680	36,040,123	5,201,060
5. Commercial multiple peril.....	17,898,014	61,575,698	23,499,149	55,974,563	47,192,345	55,850,923	55,476,163	103,541,668	45,225,700
6. Mortgage guaranty.....	0	0	0	0	0	0	0	0	0
8. Ocean marine.....	0	5,477,258	416,532	5,060,727	4,462	2,798,657	4,670	7,859,176	1,557,846
9. Inland marine.....	1,001	5,381,963	36,649	5,346,315	2,867,537	5,587,825	2,870,239	10,931,437	815,640
10. Financial guaranty.....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	1,654,857	0	1,654,857	304	230,363	304	1,885,220	266,113
11.2 Medical professional liability - claims-made.....	0	3,171,320	0	3,171,320	0	1,644,446	0	4,815,766	699,131
12. Earthquake.....	0	11,951	0	11,951	913	(74,059)	1,064	(62,259)	59,204
13. Group accident and health.....	0	0	0	0	0	0	0	(a).....0	0
14. Credit accident and health (group and individual).....	0	0	0	0	0	0	0	0	0
15. Other accident and health.....	0	33,574	33,574	0	123,735	0	123,735	(a).....0	0
16. Workers' compensation.....	383,870,350	557,777,366	682,784,141	258,863,575	322,128,375	502,817,041	588,621,137	495,187,854	63,924,255
17.1 Other liability - occurrence.....	30,864,631	52,012,887	41,111,326	41,766,192	55,038,245	187,779,472	62,575,901	222,008,009	72,067,639
17.2 Other liability - claims-made.....	320,257	29,005,485	6,540,100	22,785,642	1,972,808	49,247,918	2,022,233	71,984,136	27,540,269
17.3 Excess workers' compensation.....	160,312,245	7,657,440	160,312,245	7,657,440	104,947,745	67,713,983	157,389,159	22,930,009	612,546
18.1 Products liability - occurrence.....	8,344,632	12,375,716	10,221,062	10,499,287	11,722,997	56,394,540	13,882,056	64,734,768	37,919,999
18.2 Products liability - claims-made.....	0	153,642	0	153,642	1,017,183	1,003,977	1,017,681	1,157,121	909,825
19.1, 19.2 Private passenger auto liability.....	20,722,159	50,868,257	31,985,995	39,604,420	83,630,352	26,171,419	85,157,664	64,248,526	14,360,271
19.3, 19.4 Commercial auto liability.....	32,740,206	45,302,467	34,850,365	43,192,308	17,307,087	37,937,257	22,029,633	76,407,019	12,632,691
21. Auto physical damage.....	10,153	2,947,513	409,337	2,548,328	738,855	2,977,497	2,432,663	3,832,017	2,010,219
22. Aircraft (all perils).....	296,444	2,150,896	2,180,586	266,754	1,439,735	458,189	1,442,363	722,315	268,681
23. Fidelity.....	457,563	875,486	493,769	839,279	500,041	3,961,144	543,106	4,757,358	1,757,965
24. Surety.....	127,209,796	7,243,000	129,045,782	5,407,014	62,158,613	10,825,686	66,317,074	12,074,239	1,536,117
26. Burglary and theft.....	0	2,669	0	2,669	185,451	519,032	211,582	495,570	219,399
27. Boiler and machinery.....	0	554,651	0	554,651	33,549	1,036,135	40,577	1,583,759	330,293
28. Credit.....	0	619,658	374,993	244,665	0	123,257	0	367,922	18,814
29. International.....	0	161,508	0	161,508	0	217,949	0	379,457	2,776
30. Warranty.....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	XXX	3,167,688	1,508,780	1,658,908	XXX	358,225	0	2,017,133	90,347
32. Reinsurance - nonproportional assumed liability.....	XXX	134,317,125	110,132,967	24,184,158	XXX	19,891,526	0	44,075,684	2,318,444
33. Reinsurance - nonproportional assumed financial lines.....	XXX	494,998	253,533	241,466	XXX	761,811	0	1,003,277	36,729
34. Aggregate write-ins for other lines of business.....	0	2,990	0	2,990	0	10,700	0	13,691	2,504
35. TOTALS.....	784,807,529	1,021,529,947	1,239,908,606	566,428,870	715,091,053	1,061,622,997	1,065,843,067	1,277,299,854	296,097,833
DETAILS OF WRITE-INS									
3401. Tribal workers' compensation.....	0	2,990	0	2,990	0	10,700	0	13,691	2,504
3402.	0	0	0	0	0	0	0	0	0
3403.	0	0	0	0	0	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	2,990	0	2,990	0	10,700	0	13,691	2,504

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

UNITED STATES FIDELITY AND GUARANTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	52,229,352	0	0	52,229,352
1.2 Reinsurance assumed.....	52,450,858	0	0	52,450,858
1.3 Reinsurance ceded.....	56,898,350	0	0	56,898,350
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	47,781,860	0	0	47,781,860
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....	0	4,439,292	0	4,439,292
2.2 Reinsurance assumed, excluding contingent.....	0	123,799,395	0	123,799,395
2.3 Reinsurance ceded, excluding contingent.....	0	5,312,364	0	5,312,364
2.4 Contingent - direct.....	0	0	0	0
2.5 Contingent - reinsurance assumed.....	0	941,581	0	941,581
2.6 Contingent - reinsurance ceded.....	0	10	0	10
2.7 Policy and membership fees.....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	123,867,894	0	123,867,894
3. Allowances to manager and agents.....	0	137,594	0	137,594
4. Advertising.....	1,852	5,603,072	0	5,604,924
5. Boards, bureaus and associations.....	232,790	3,265,943	0	3,498,733
6. Surveys and underwriting reports.....	51	3,454,695	0	3,454,746
7. Audit of assureds' records.....	0	0	0	0
8. Salary and related items:				
8.1 Salaries.....	28,092,739	58,302,264	1,270,868	87,665,871
8.2 Payroll taxes.....	2,061,584	3,870,205	36,338	5,968,127
9. Employee relations and welfare.....	4,707,229	8,524,989	117,653	13,349,871
10. Insurance.....	3,067,341	893,934	1,512	3,962,787
11. Directors' fees.....	0	0	0	0
12. Travel and travel items.....	1,638,515	3,113,526	21,657	4,773,698
13. Rent and rent items.....	1,808,256	4,221,842	44,340	6,074,438
14. Equipment.....	361,101	1,357,216	15,711	1,734,028
15. Cost or depreciation of EDP equipment and software.....	869,054	10,009,248	33,792	10,912,094
16. Printing and stationery.....	229,666	619,945	4,451	854,062
17. Postage, telephone and telegraph, exchange and express.....	554,273	3,976,738	7,651	4,538,662
18. Legal and auditing.....	1,516,620	2,170,546	78,854	3,766,020
19. Totals (Lines 3 to 18).....	45,141,071	109,521,757	1,632,827	156,295,655
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....314,198.....	0	19,115,232	0	19,115,232
20.2 Insurance department licenses and fees.....	0	2,104,944	0	2,104,944
20.3 Gross guaranty association assessments.....	0	(334,056)	0	(334,056)
20.4 All other (excluding federal and foreign income and real estate).....	0	900,299	0	900,299
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	21,786,418	0	21,786,418
21. Real estate expenses.....	0	0	22	22
22. Real estate taxes.....	0	0	0	0
23. Reimbursements by uninsured plans.....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses.....	455,954	2,802,055	190,448	3,448,457
25. Total expenses incurred.....	93,378,885	257,978,124	1,823,297	(a) 353,180,306
26. Less unpaid expenses - current year.....	296,097,833	59,567,838	625,006	356,290,677
27. Add unpaid expenses - prior year.....	305,832,375	63,221,225	(6,702)	369,046,899
28. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year.....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	103,113,428	261,631,511	1,191,589	365,936,528

DETAILS OF WRITE-INS

2401. Miscellaneous expenses.....	1,745,143	9,831,791	190,448	11,767,382
2402. Cost of computer software developed for internal use.....	(1,053,106)	(4,872,340)	0	(5,925,446)
2403. Service reimbursements.....	(236,083)	(2,157,397)	0	(2,393,479)
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	455,954	2,802,055	190,448	3,448,457

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....6,568,882	.....6,252,560
1.1 Bonds exempt from U.S. tax.....	(a).....109,075,079	.....111,230,592
1.2 Other bonds (unaffiliated).....	(a).....51,841,830	.....53,208,329
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....750,510	.....750,510
2.21 Common stocks of affiliates.....	.....4,000,000	.....4,000,000
3. Mortgage loans.....	(c).....16,266	.....16,266
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	(e).....290,100	.....286,323
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....145,366	.....145,366
9. Aggregate write-ins for investment income.....	.....41,254	.....41,254
10. Total gross investment income.....	.....172,729,288	.....175,931,199
11. Investment expenses.....		(g).....1,823,297
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....1,823,297
17. Net investment income (Line 10 minus Line 16).....		.....174,107,902

DETAILS OF WRITE-INS

0901. Securities Lending Income.....	.....20,471	.....20,471
0902. Miscellaneous Income.....	.....13,015	.....13,015
0903. Property and wind plans.....	.....7,768	.....7,768
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....41,254	.....41,254
1501. ....	.....0	.....0
1502. ....	.....0	.....0
1503. ....	.....0	.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....0	.....0

- (a) Includes \$.....2,691,485 accrual of discount less \$.....22,451,544 amortization of premium and less \$.....3,094,957 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 \$.....26,955 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....0	.....0	.....0	.....0	.....0
1.1 Bonds exempt from U.S. tax.....	.....1,216,853	.....0	.....1,216,853	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....2,239,220	.....(5,418,805)	.....(3,179,586)	.....2,698,946	.....368,992
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....229,687,956	.....(8,876)	.....229,679,080	.....(264,239,088)	.....0
2.21 Common stocks of affiliates.....	.....(18,949,442)	.....0	.....(18,949,442)	.....18,053,776	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash, cash equivalents and short-term investments.....	.....0	.....151,132	.....151,132	.....0	.....0
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....(2,180,821)	.....(2,180,821)	.....1,750,471	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....444,453	.....444,453	.....0	.....113,698
10. Total capital gains (losses).....	.....214,194,587	.....(7,012,917)	.....207,181,670	.....(241,735,894)	.....482,689

DETAILS OF WRITE-INS

0901. Foreign Exchange.....	.....0	.....444,453	.....444,453	.....0	.....113,698
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....444,453	.....444,453	.....0	.....113,698

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).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	10,809,994	10,809,994
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale.....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans.....	0	0	0
7. Derivatives.....	0	0	0
8. Other invested assets (Schedule BA).....	0	0	0
9. Receivables for securities.....	0	0	0
10. Securities lending reinvested collateral assets.....	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	10,809,994	10,809,994
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued.....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	7,643,371	8,152,247	508,876
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,074,102	1,203,266	129,164
15.3 Accrued retrospective premiums.....	100,386	89,499	(10,887)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	0	0	0
16.2 Funds held by or deposited with reinsured companies.....	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	0	0	0
17. Amounts receivable relating to uninsured plans.....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0
18.2 Net deferred tax asset.....	65,090,596	0	(65,090,596)
19. Guaranty funds receivable or on deposit.....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	214,294	0	(214,294)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets.....	710,475	679,714	(30,761)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	74,833,225	20,934,720	(53,898,505)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. TOTALS (Lines 26 and 27).....	74,833,225	20,934,720	(53,898,505)

DETAILS OF WRITE-INS

1101.....	0	0	0
1102.....	0	0	0
1103.....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Amounts receivable under high deductible policies.....	613,093	595,834	(17,259)
2502. Other assets nonadmitted.....	97,382	83,880	(13,502)
2503.....	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	710,475	679,714	(30,761)

NOTES TO FINANCIAL STATEMENTS**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. United States Fidelity and Guaranty Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Connecticut. The State of Connecticut requires that insurance companies domiciled in Connecticut prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Connecticut Insurance Commissioner.
- B. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and losses and expenses during the reporting period. Actual results could differ from those estimates.
- C. Certain assets designated as nonadmitted are excluded from the statutory balance sheet and changes in such amounts are charged or credited directly to unassigned surplus. The costs of acquiring both new and renewal insurance business are charged to income as incurred. Premiums are recognized as revenues pro rata over the policy period. Unearned premium reserves represent the unexpired portion of policy premiums, net of reinsurance. Reserves for losses, loss adjustment expenses (LAE) and unearned premiums ceded to reinsurers have been reported as reductions of the related reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the loss liability associated with the reinsured business. A liability is established for unsecured, unauthorized reinsurance and overdue authorized reinsurance recoverables. The provision for federal income taxes is comprised of two components, current income taxes and deferred income taxes. Deferred federal income taxes arise from changes during the year in cumulative temporary differences between the statutory basis and tax basis of assets and liabilities, and are recognized in accordance with Statement of Statutory Accounting Principles (SSAP) No. 10R, *Income Taxes- Revised, A Temporary Replacement of SSAP No. 10*.

Invested assets are valued according to statutory requirements and the bases of valuation adopted by the NAIC.

Short-term investments are stated at amortized cost.

Bonds are generally stated at amortized cost, except bonds that are defined by the NAIC as non-investment grade (NAIC Class 3-6) which are stated at the lower of amortized cost or NAIC fair value. Amortization is calculated using the constant yield method.

Common stocks of non-affiliates are stated at NAIC fair value.

Mortgage loans are stated at the amount of principal outstanding, adjusted for unamortized premium or discount, net of encumbrances and specific impairments.

Loan-backed and structured securities are amortized using the retrospective method, except for securities that have incurred a decline in fair value that is other than temporary are amortized using the prospective method. The effective yield used to determine amortization is calculated based on actual historical and projected future cash flows, which are obtained from a widely-accepted securities data provider.

Investments in subsidiaries and affiliated entities are based on the net worth of the entity, determined in accordance with statutory accounting valuation methods. Dividends received from subsidiaries are recorded as net investment income and undistributed net income is recorded as net unrealized capital gains (losses).

The Company's investments in partnerships, joint ventures and limited liability companies are reported using the equity method of accounting, determined in accordance with statutory accounting valuation methods. Distributions of accumulated earnings received from these investments are recorded as net investment income and undistributed net income is recorded as net unrealized capital gains (losses).

The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.

Property-casualty reserves are established for loss and LAE and represent management's estimate of the ultimate cost of all unpaid reported and unreported claims incurred and related expenses. In establishing loss and LAE reserves, the Company also takes into account estimated recoveries, reinsurance, salvage and subrogation. The loss and LAE reserves are reviewed regularly by qualified actuaries employed by the Company. The Company continually refines its loss and LAE reserve estimates in a regular ongoing process as historical loss experience develops and additional claims are reported and settled. Because establishment of loss and LAE reserves is an inherently uncertain process involving estimates, currently established reserves may change. The Company reflects adjustments to loss and LAE reserves in the period in which the estimates are changed. Such changes in estimates could occur in a future period and may be material to the Company's net income in such period. For a discussion of loss and LAE reserves related to asbestos and environmental reserves, see Note 33.

The Company has not modified its accounting policy regarding the capitalization of fixed assets from the prior period.

At December 31, 2010, the Company changed its presentation of the reporting for unsettled affiliated reinsurance balances in the balance sheet. Reinsurance recoverables on paid losses are reported in "Amounts recoverable from reinsurers"; losses payable on assumed reinsurance are reported in "Reinsurance payable on paid losses and loss adjustment expenses"; the remaining amounts are subject to the right of offset and are reported on a net basis in either "Uncollected premiums and agents' balances in course of collection" or "Ceded reinsurance premiums payable", depending on whether the net balance is a receivable or payable. The amounts presented for December 31, 2009 have been reclassified to conform to the 2010 presentation. This change did not impact surplus. See Note 10. D. (2) for additional information.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company had no material changes in accounting principles during 2010.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS**A. Mortgage Loans:**

Upon the dissolution of its subsidiary Discover Re Managers, Inc. in January 2010, the Company received a mortgage with a carrying value of \$453,282. The mortgage has an interest rate of 5% and matures in the third quarter of 2011.

NOTES TO FINANCIAL STATEMENTS

B. Debt Restructuring:

Not applicable.

C. Reverse Mortgages:

Not applicable.

D. Loan-Backed Securities:

The Company applies the retrospective method of revaluing loan-backed securities. The Company's loan-backed securities are revalued quarterly using actual and currently estimated future cash flows, including anticipated prepayments, with the original cost. For those securities where an other-than-temporary impairment has been recognized, the prospective method is utilized.

For collateralized mortgage obligations, asset-backed securities and pass-through certificates prepayment assumptions are adjusted periodically based upon actual historical and/or projected future cash flows, which are obtained from a nationally recognized securities data provider.

When unit prices published by the Securities Valuation Office were not available, the Company used Bloomberg and Financial Times Interactive Data, as well as broker quotes in determining the fair value of its loan-backed securities.

As a result of recording other-than-temporary impairments during 2010, the Company changed from the retrospective to prospective method for valuing the security listed below.

Cusip
94982FAK7

The following table provides aggregated information on structured securities classified on the basis for the recognized other-than-temporary impairments:

	<u>Amortized cost basis before other-than-temporary impairment</u>	<u>Other-than-temporary impairment recognized in loss</u>	<u>Amortized cost basis after other-than-temporary impairment</u>	<u>Fair Value</u>
Aggregate Intent & Ability to Retain	\$ 91,988,686	\$7,896,583	\$77,115,235	\$62,779,898

The above table does not reflect the impact of amortization and/or payment of principal that have occurred on securities that have multiple other-than-temporary impairments.

Loan-backed and structured securities with other-than-temporary impairments are as follows:

<u>Cusip</u>	<u>Amortized cost basis before other-than-temporary impairment</u>	<u>Projected Cash Flow</u>	<u>Other-than-temporary impairment recognized in loss</u>	<u>Amortized cost basis after other-than-temporary impairment</u>	<u>Fair Value</u>	<u>Impairment Quarter</u>
32051GB79	\$ 20,408,345	\$20,348,438	\$ 59,908	\$ 20,348,438	\$15,170,864	Q3 - 2009
07386YAE4	24,514,159	23,668,871	845,287	23,668,871	16,670,356	Q3 - 2009
05530NAV9	8,260,250	7,507,813	752,437	7,507,813	6,348,739	Q3 - 2009
12544WAG2	15,868,218	15,027,264	840,954	15,027,264	11,162,713	Q3 - 2009
74958TAJ2	20,331,865	18,087,677	2,244,188	18,087,677	11,205,842	Q3 - 2009
32051GB79	20,360,590	19,679,063	681,528	19,679,063	14,801,852	Q4 - 2009
74958TAJ2	16,074,882	15,171,227	903,654	15,171,227	12,103,517	Q4 - 2009
07386YAE4	22,817,552	22,548,830	268,723	22,548,830	15,968,563	Q4 - 2009
05530NAV9	7,509,600	7,217,188	292,413	7,217,188	6,128,597	Q4 - 2009
74958TAJ2	14,641,706	14,437,714	203,993	14,437,714	11,877,533	Q1 - 2010
05530NAV9	7,216,100	6,840,540	375,560	6,840,540	6,330,643	Q1 - 2010
94982FAK7	2,605,849	2,604,712	1,137	2,604,712	2,638,190	Q3 - 2010
12544WAG2	13,245,990	12,820,548	425,442	12,820,548	13,011,390	Q3 - 2010
94982FAK7	789,902	788,542	1,360	788,542	789,917	Q4 - 2010

The gross unrealized investment losses and related fair value for impaired securities for which an other-than-temporary impairment has not been recognized as a realized loss were as follows:

	<u>Less Than 12 Months</u>		<u>12 Months or Longer</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Gross Unrealized Loss</u>	<u>Fair Value</u>	<u>Gross Unrealized Loss</u>	<u>Fair Value</u>	<u>Gross Unrealized Loss</u>
Loan-backed securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Structured securities	5,361,636	178,403	45,557,704	3,846,033	50,919,340	4,024,436

When determining whether or not to recognize an other-than-temporary impairment, the Company considers estimated cash flows, the investee's current financial condition, liquidity, near term recovery prospects, and other relevant information, including the outlook for the business sectors in which the investee operates.

E. Repurchase Agreements and/or Securities Lending Transactions:

The Company requires collateral equal to at least 102% of the market value of the loaned security plus accrued interest. The Company accepts only cash as collateral for securities on loan and restricts the manner in which that cash is invested to U.S. Treasury securities and U.S. Treasury repurchase agreements.

NOTES TO FINANCIAL STATEMENTS

Securities Lending as of December 31, 2010:

Aggregate Cash Collateral Reinvestment

<u>Maturity</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
30 Days or Less	\$15,258,000	\$15,258,000

F. Real Estate

Not applicable.

G. Investments in Low-Income Housing Tax Credits (LIHTC):

Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Not applicable.

B. Joint ventures and partnerships are recorded on a lag basis with changes in the Company's proportional share of equity recorded as an unrealized gain (loss), subject to testing for possible impairment. As part of the impairment testing process, the Company evaluates those assets for other-than-temporary impairments (OTTI) using financial information that is received from the respective joint venture or partnership. The Company concluded that some of the aforementioned assets, as a result of deteriorating economic conditions, had OTTI and recorded a realized loss of \$2,180,821 with an offsetting entry to unrealized gains (losses). There was no impact to surplus as the change in unrealized gains (losses) was offset by the realized loss of the same amount.

7. INVESTMENT INCOME

A. Surplus excludes due and accrued investment income if amounts are over 180 days past due for mortgage loans and over 90 days past due for all other invested assets.

B. At December 31, 2010, the Company had no past due accrued investment income.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

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

	<u>December 31, 2010</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
1. a) Gross deferred tax assets	\$ 159,407,506	\$ 11,027,051	\$ 170,434,557
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	159,407,506	11,027,051	170,434,557
d) Deferred tax liabilities (DTL)	(42,430,046)	(5,596,194)	(48,026,240)
e) Subtotal (net deferred tax assets)	116,977,460	5,430,857	122,408,317
f) Deferred tax assets nonadmitted	(60,607,904)	(4,482,692)	(65,090,596)
g) Net admitted deferred tax asset (liability)	<u>\$ 56,369,556</u>	<u>\$ 948,165</u>	<u>\$ 57,317,721</u>

	<u>December 31, 2009</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ 163,261,266	\$ 16,960,874	\$ 180,222,140
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	163,261,266	16,960,874	180,222,140
d) Deferred tax liabilities	(39,649,124)	(97,151,221)	(136,800,345)
e) Subtotal (net deferred tax assets)	123,612,142	(80,190,347)	43,421,795
f) Deferred tax assets nonadmitted	-	-	-
g) Net admitted deferred tax asset (liability)	<u>\$ 123,612,142</u>	<u>\$ (80,190,347)</u>	<u>\$ 43,421,795</u>

	<u>Change</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Gross deferred tax assets	\$ (3,853,760)	\$ (5,933,823)	\$ (9,787,583)
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets	(3,853,760)	(5,933,823)	(9,787,583)
d) Deferred tax liabilities	(2,780,922)	91,555,027	88,774,105
e) Subtotal (net deferred tax assets)	(6,634,682)	85,621,204	78,986,522
f) Deferred tax assets nonadmitted	(60,607,904)	(4,482,692)	(65,090,596)
g) Net admitted deferred tax asset (liability)	<u>\$ (67,242,586)</u>	<u>\$ 81,138,512</u>	<u>\$ 13,895,926</u>

2. The Company has elected to admit deferred tax assets (DTA) pursuant to SSAP No. 10R for 2010 and 2009.

3. The increase in the admitted DTA as the result of SSAP No. 10R is as follows:

	<u>With SSAP 10R (10e)</u>	<u>Without SSAP 10R (10e)</u>	<u>Change</u>
Admitted DTA – Ordinary	\$ 56,369,556	\$ 40,751,544	\$ 15,618,012
Admitted DTA – Capital	948,165	316,055	632,110
Total Admitted DTA	<u>\$ 57,317,721</u>	<u>\$ 41,067,599</u>	<u>\$ 16,250,122</u>

NOTES TO FINANCIAL STATEMENTS

4. The amount of each result or component of the deferred tax calculation as determined in SSAP No. 10R paragraph 10 is as follows:

Admission Calculation Components SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:		December 31, 2010		
	Ordinary	Capital	Total	
a) Paragraph 10.a.	\$ 40,751,544	\$ 316,055	\$ 41,067,599	
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	-	-	-	
c) Paragraph 10.b.i.	-	-	-	
d) Paragraph 10.b.ii.	xxxx	xxxx	245,156,336	
e) Paragraph 10.c.	42,430,046	5,596,194	48,026,240	
f) Total (a+b+e)	83,181,590	5,912,249	89,093,839	
DTL netted against DTA	(42,430,046)	(5,596,194)	(48,026,240)	
Total	<u>\$ 40,751,544</u>	<u>\$ 316,055</u>	<u>\$ 41,067,599</u>	

Admission Calculation Components SSAP No. 10R, paragraph 10.e.:				
g) Paragraph 10.e.i.	\$ 50,687,796	\$ 632,110	\$ 51,319,906	
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	5,681,760	316,055	5,997,815	
i) Paragraph 10.e.ii.a.	5,681,760	316,055	5,997,815	
j) Paragraph 10.e.ii.b.	xxxx	xxxx	367,734,505	
k) Paragraph 10.e.iii.	42,430,046	5,596,194	48,026,240	
l) Total (g+h+k)	98,799,602	6,544,359	105,343,961	
DTL netted against DTA	(42,430,046)	(5,596,194)	(48,026,240)	
Total	<u>\$ 56,369,556</u>	<u>\$ 948,165</u>	<u>\$ 57,317,721</u>	

Admission Calculation Components SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:		December 31, 2009		
	Ordinary	Capital	Total	
a) Paragraph 10.a.	\$ 41,702,943	\$ -	\$ 41,702,943	
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	-	-	-	
c) Paragraph 10.b.i.	-	-	-	
d) Paragraph 10.b.ii.	xxxx	xxxx	215,045,081	
e) Paragraph 10.c.	119,839,471	16,960,874	136,800,345	
f) Total (a+b+e)	161,542,414	16,960,874	178,503,288	
DTL netted against DTA	(39,649,124)	(97,151,221)	(136,800,345)	
Total	<u>\$ 121,893,290</u>	<u>\$ (80,190,347)</u>	<u>\$ 41,702,943</u>	

Admission Calculation Components SSAP No. 10R, paragraph 10.e.:				
g) Paragraph 10.e.i.	\$ 43,421,795	\$ -	\$ 43,421,795	
h) Paragraph 10.e.ii (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	-	-	-	
i) Paragraph 10.e.ii.a.	-	-	-	
j) Paragraph 10.e.ii.b.	xxxx	xxxx	322,567,622	
k) Paragraph 10.e.iii.	119,839,471	16,960,874	136,800,345	
l) Total (g+h+k)	163,261,266	16,960,874	180,222,140	
DTL netted against DTA	(39,649,124)	(97,151,221)	(136,800,345)	
Total	<u>\$ 123,612,142</u>	<u>\$ (80,190,347)</u>	<u>\$ 43,421,795</u>	

Admission Calculation Components SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:		Change		
	Ordinary	Capital	Total	
a) Paragraph 10.a.	\$ (951,399)	\$ 316,055	\$ (635,344)	
b) Paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii. below)	-	-	-	
c) Paragraph 10.b.i.	-	-	-	
d) Paragraph 10.b.ii.	xxxx	xxxx	30,111,255	
e) Paragraph 10.c.	(77,409,425)	(11,364,680)	(88,774,105)	
f) Total (a+b+e)	(78,360,824)	(11,048,625)	(89,409,449)	
DTL netted against DTA	(2,780,922)	91,555,027	88,774,105	
Total	<u>\$ (81,141,746)</u>	<u>\$ 80,506,402</u>	<u>\$ (635,344)</u>	

Admission Calculation Components SSAP No. 10R, paragraph 10.e.:				
g) Paragraph 10.e.i.	\$ 7,266,001	\$ 632,110	\$ 7,898,111	
h) Paragraph 10.e.ii. (the lesser of paragraph 10.e.ii.a and 10.e.ii.b. below)	5,681,760	316,055	5,997,815	
i) Paragraph 10.e.ii.a.	5,681,760	316,055	5,997,815	
j) Paragraph 10.e.ii.b.	xxxx	xxxx	45,166,883	
k) Paragraph 10.e.iii.	(77,409,425)	(11,364,680)	(88,774,105)	
l) Total (g+h+k)	(64,461,664)	(10,416,515)	(74,878,179)	
DTL netted against DTA	(2,780,922)	91,555,027	88,774,105	
Total	<u>\$ (67,242,586)</u>	<u>\$ 81,138,512</u>	<u>\$ 13,895,926</u>	

Risk-based capital used in SSAP No. 10R. paragraph 10.d.:		December 31, 2010	December 31, 2009	Change
Total adjusted capital		\$ 2,441,341,389	\$ 2,463,673,435	\$ (22,332,046)
Authorized control level risk-based capital		135,886,593	147,545,060	(11,658,467)

NOTES TO FINANCIAL STATEMENTS

5. SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:

December 31, 2010

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Admitted DTA	\$ 40,751,544	\$ 316,055	\$ 41,067,599
b) Admitted assets	xxxx	xxxx	4,599,086,294
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	2,451,563,364
d) Total adjusted capital from DTA	xxxx	xxxx	16,250,122

Increases due to SSAP No. 10R, paragraph 10.e.:

e) Admitted DTA	15,618,012	632,110	16,250,122
f) Admitted assets	15,618,012	632,110	16,250,122
g) Statutory surplus	15,618,012	632,110	16,250,122

December 31, 2009

SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Admitted DTA	\$ 121,893,290	\$ (80,190,347)	\$ 41,702,943
b) Admitted assets	xxxx	xxxx	4,627,074,603
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	2,150,450,810
d) Total adjusted capital from DTA	xxxx	xxxx	1,718,852

Increases due to SSAP No. 10R, paragraph 10.e.:

e) Admitted DTA	1,718,852	-	1,718,852
f) Admitted assets	1,718,852	-	1,718,852
g) Statutory surplus	1,718,852	-	1,718,852

Change

SSAP No. 10R, paragraphs 10.a., 10.b., and 10.c.:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a) Admitted DTA	\$ (81,141,746)	\$ 80,506,402	\$ (635,344)
b) Admitted assets	xxxx	xxxx	(27,988,309)
c) Adjusted statutory surplus (surplus used for limitation)	xxxx	xxxx	301,112,554
d) Total adjusted capital from DTA	xxxx	xxxx	14,531,270

Increases due to SSAP No. 10R, paragraph 10.e.:

e) Admitted DTA	13,899,160	632,110	14,531,270
f) Admitted assets	13,899,160	632,110	14,531,270
g) Statutory surplus	13,899,160	632,110	14,531,270

December 31, 2010

6. Impact of Tax Planning Strategies:

	<u>Ordinary Percent</u>	<u>Capital Percent</u>	<u>Total</u>
a) Adjusted gross DTA (% of total adjusted gross DTA)	0%	0%	
b) Net admitted adjusted gross DTA (% of total net admitted adjusted gross DTA)	0%	0%	

B. DTL not recognized for the following amounts:

Not applicable.

C. The provisions for incurred tax on earnings are as follows:

	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>Change</u>
1. Federal	\$ 38,382,043	\$ 49,850,203	\$ (11,468,160)
Foreign	(450,000)	-	(450,000)
Subtotal	37,932,043	49,850,203	(11,918,160)
Federal income taxes on net capital gains	77,102,440	8,866,004	68,236,436
Federal and foreign income taxes incurred	<u>\$ 115,034,483</u>	<u>\$ 58,716,207</u>	<u>\$ 56,318,276</u>

2. The tax effects of temporary differences that give rise to significant portions of the DTA and DTL are as follows:

	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>Change</u>
DTA:			
<u>Ordinary:</u>			
Discounting of unpaid losses	\$ 43,328,436	\$ 47,916,458	\$ (4,588,022)
Unearned premium reserve	25,568,906	24,776,949	791,957
Investments	80,568,252	80,509,676	58,576
Other	9,941,912	10,058,183	(116,271)
Total DTA - ordinary	159,407,506	163,261,266	(3,853,760)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	(60,607,904)	-	(60,607,904)
Admitted ordinary DTA	<u>\$ 98,799,602</u>	<u>\$ 163,261,266</u>	<u>\$ (64,461,664)</u>
<u>Capital:</u>			
Investments	\$ 11,027,051	\$ 16,960,874	\$ (5,933,823)
Total DTA - capital	11,027,051	16,960,874	(5,933,823)
Statutory valuation allowance adjustment	-	-	-
Nonadmitted DTA	(4,482,692)	-	(4,482,692)
Admitted capital DTA	6,544,359	16,960,874	(10,416,515)
Total admitted DTA	<u>\$ 105,343,961</u>	<u>\$ 180,222,140</u>	<u>\$ (74,878,179)</u>

NOTES TO FINANCIAL STATEMENTS

DTL:

Ordinary:

Investments	\$ 39,382,012	\$ 38,802,304	\$ 579,708
Compensation and benefits accrual	2,379,986	189	2,379,797
Other	668,048	846,631	(178,583)
Total ordinary DTL	<u>42,430,046</u>	<u>39,649,124</u>	<u>2,780,922</u>

Capital:

Investments	\$ 5,596,194	\$ 97,151,221	\$ (91,555,027)
Total capital DTL	5,596,194	97,151,221	(91,555,027)

Total DTL	<u>48,026,240</u>	<u>136,800,345</u>	<u>(88,774,105)</u>
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Net admitted DTA/(DTL)	<u>\$ 57,317,721</u>	<u>\$ 43,421,795</u>	<u>\$ 13,895,926</u>
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- Deferred income taxes do not include any benefit from investment tax credits.
- Deferred income taxes include a benefit of \$0 from net operating losses.
- There are no adjustments to a DTA or DTL for enacted changes in tax laws or rates or a change in the tax status of the Company.
- There are no adjustments to gross DTA because of change in circumstances that causes a change in judgment about the realizability of the related DTA.

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

	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>Change</u>
Total DTA	\$ 170,434,557	\$ 180,222,140	\$ (9,787,583)
Total DTL	(48,026,240)	(136,800,345)	88,774,105
Net DTA/(DTL)	<u>\$ 122,408,317</u>	<u>\$ 43,421,795</u>	78,986,522
Tax effect of unrealized gains (losses)			(90,797,238)
Change in net deferred income tax			<u>\$ (11,810,716)</u>

- The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate before income tax. The significant items causing this difference are as follows:

	<u>December 31, 2010</u>
Pretax net income (loss)	\$ 428,367,644
Taxes at statutory rate	\$ 149,928,675
Increase (decrease) attributable to:	
Nontaxable investment income	(34,607,985)
Other	11,524,509
	<u>\$ 126,845,199</u>
Federal and foreign taxes incurred	\$ 115,034,483
Change in net deferred taxes	11,810,716
Total statutory income tax	<u>\$ 126,845,199</u>
Effective tax rate	29.6%

- The Company has no operating loss or tax credit carryforwards available for tax purposes.
 - The Company has \$117,620,250 and \$56,113,692 of federal income tax from the current and prior tax year respectively, available for recoupment in the event of future losses.
 - The Company has no protective tax deposits with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.
- The Company is included in a consolidated federal income tax return with its ultimate parent company, The Travelers Companies, Inc. (TRV). A list of the entities included with the Company in a consolidated federal income tax return filing is attached.
 - The Company is a party to a tax allocation agreement that sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. Member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated federal income tax return. Member companies are reimbursed by TRV in the event the Internal Revenue Service levies upon a member's assets for unpaid taxes in excess of the amount specifically allocated to a member.

In the event that the consolidated group develops an Alternative Minimum Tax (AMT), each company with an AMT on a separate company basis will be allocated a portion of the consolidated AMT. Settlement of the AMT will be made in the same manner and timing as the regular federal income tax.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

- A-C. (1) On January 1, 2010 in accordance with the "Agreement and Plan of Merger" dated December 1, 2009 the Company's indirect subsidiary, Discovery Managers, Ltd., merged with and into its parent and the Company's wholly-owned subsidiary, Discover Re Managers, Inc., with Discover Re Managers, Inc. being the surviving entity.

Also on January 1, 2010, immediately following the transaction above and in accordance with the "Agreement and Plan of Merger" dated December 16, 2009, the Company's wholly-owned subsidiary, Discover Re Managers, Inc. merged with and into the Company, with the Company being the surviving entity.

These mergers had no impact on the Company's surplus and all required regulatory approvals were obtained by the Company and its affiliates in connection with these transactions.

NOTES TO FINANCIAL STATEMENTS

- (2) On November 1, 2010 in accordance with a "Plan of Merger" and in connection with and as part of a series of related transactions as contemplated by and described in the "Agreement and Plan of Restructuring" by and among Fidelity and Guaranty Insurance Underwriters, Inc. (FGIU), Travelers Auto Insurance Co. of New Jersey (TNJ), the Company, St. Paul Fire and Marine Insurance Company (Fire and Marine), TRV, Travelers Property Casualty Corp. (TPC), Travelers Insurance Group Holdings Inc. (TIGHI), The Travelers Indemnity Company (Indemnity), and First Trenton Indemnity Company (FTI), TNJ merged with and into FGIU. At the time of this merger TNJ had a statutory carrying value of \$65,657,328.

As part of these transactions, FTI distributed 100% of the common shares of TNJ to its parent, Indemnity, which in turn distributed these same shares to TIGHI. TIGHI then distributed 100% of the common shares of TNJ to its sole shareholder, TPC which in turn distributed these same shares to TRV. Each of these transactions qualifies as a tax-free spin-off distribution under Section 355 of the Internal Revenue Code.

In accordance with the "Plan of Merger", TNJ then merged with and into FGIU at which time all issued and outstanding shares of TNJ were converted into and exchanged for 84,349 shares of FGIU. TRV then contributed all common stock shares received in the exchange to Fire and Marine which in turn contributed these shares to the Company. Following this merger, the Company continues to own 100% of the issued and outstanding common stock of FGIU. The statutory merger method was utilized in merging the two entities, of which FGIU was the surviving entity.

Schedule Y - Part 2 summarizes the net flow of funds among affiliates for various types of transactions between affiliates. Regulatory prior approval and/or prior notification has been satisfied for any transaction requiring such action.

The following are general business arrangements that result in or are used for transactions with affiliates in the normal course of business:

1. The principal banking functions for the property-casualty operations of TRV and some or all of its affiliated property-casualty insurance companies are handled by Indemnity. Settlements between the companies are made at least monthly.
 2. TRV maintains a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. This pool is managed by Indemnity. Each company may convert its position in the pool into cash at any time and may also use its position in the pool to settle transactions with other affiliated participants in the pool. The position of each company in the pool is calculated and adjusted daily. Each participating insurance company carries its share of the pool as a short-term investment in Schedule DA. At December 31, 2010 and 2009, the TRVMMLP totaled \$5.4 billion and \$4.6 billion, respectively.
- D. (1) At December 31, 2010 and 2009, the Company had \$50,603,497 and \$35,398,660 receivable from affiliates, respectively. Accounts between and among the Company and its affiliates are settled on a daily basis through the TRVMMLP or cash. Any items open at the end of the month are settled in the following month.
- (2) As described in Note 1, in 2010 the Company changed the presentation of the reporting for unsettled affiliated reinsurance balances in the balance sheet.

The Company participates in an intercompany reinsurance pooling agreement as described in Note 26. The following represents the unsettled balances resulting from affiliated reinsurance that are reported in the respective balance sheet accounts:

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Amounts recoverable from reinsurers	\$ 19,511,804	\$ (641,103)
Reinsurance payable on paid losses and loss adjustment expenses	55,938,991	45,779,446
Ceded reinsurance premiums payable	32,245,288	15,322,457

These balances were settled net through the intercompany settlement process during January 2011 and January 2010, respectively.

- E. The Company is a partner in a real estate joint venture. TRV is the guarantor of certain debt of the real estate joint venture. The Company entered into an agreement to reimburse TRV in the event that TRV is required to make payments under the guarantee. The Company has recorded a liability of \$13,542,740 on the balance sheet as of December 31, 2010 under this reimbursement agreement.
- F. Material management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements:

TYPE OF CONTRACT AND DESCRIPTION	SERVICING COMPANY	OTHER PARTY
Expense Allocation	The Travelers Indemnity Company	Travelers P&C ¹
Reinsurance Allocation	The Travelers Indemnity Company	Travelers P&C ¹

¹ "Travelers P&C¹" includes The Travelers Indemnity Company and some or all of its insurance subsidiaries and affiliates.

- G. All of the issued and outstanding common stock of the Company is owned by Fire and Marine, an insurance company domiciled in Connecticut. The Company is a member of TRV, the organization of which is shown in Schedule Y - Part 1.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. Not applicable.

11. DEBT

Not applicable.

NOTES TO FINANCIAL STATEMENTS

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Plans:

Not applicable.

B. Defined Contribution Plans:

Not applicable.

C. Multiemployer Plans:

Not applicable.

D. Consolidated/Holding Company Plans:

1. Employee Retirement Plans:

The Company participates in a qualified noncontributory defined benefit pension plan sponsored by TRV that provides benefits, primarily under a cash balance formula, for substantially all employees of the Company and its property-casualty affiliates. In addition the Company participates in a nonqualified defined benefit pension plan sponsored by TRV which covers certain highly-compensated employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under these plans. The Company is charged for its allocable share of pension expense for these plans based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the pension expense was \$3,771,449 and \$1,943,526 for 2010 and 2009, respectively.

2. Postretirement Benefit Plan:

The Company participates in a postretirement health and life insurance benefit plan sponsored by TRV for employees of the Company and its property-casualty affiliates that satisfy certain age and service requirements and for certain retirees. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of postretirement benefit expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the postretirement benefit expense was \$512,530 and \$623,821 for 2010 and 2009, respectively.

3. Deferred Compensation Plans:

The Company participates in a 401(k) savings plan sponsored by TRV for substantially all employees of the Company and its property-casualty affiliates. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of expense for this plan based on its allocated and/or direct salary costs in accordance with an expense allocation agreement. The Company's allocated share of the 401(k) savings plan expense was \$3,678,896 and \$3,917,578 for 2010 and 2009, respectively.

E. Postemployment Benefits and Compensated Absences:

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits:

Not applicable.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

The Company has 2,000,000 shares of common capital stock authorized and 1,408,563 shares of common stock issued and outstanding with a par value of \$25 per share.

The Company paid ordinary dividends of \$171.0 million to its parent company, Fire and Marine in 2010.

Dividends to shareholders and the proportion of the profits of the Company that may be paid to shareholders are not limited by charter. The maximum amount of dividends which can be paid by Connecticut insurance companies to shareholders without prior approval of the domiciliary Insurance Commissioner is subject to restrictions relating to statutory surplus or net income. The maximum amount of dividends to shareholders that can be made during 2011 without prior approval is \$172,003,000.

There are no restrictions on the use of the Company's unassigned surplus and such surplus is held for the benefit of the shareholder.

The change in the balance of special surplus from retroactive reinsurance is a result of ongoing activity occurring in 2010. See Note 23F for additional detail. In addition, special surplus was generated in 2009 from the Company's adoption of SSAP No. 10R. These additional admitted DTA's have fluctuated from prior year and are segregated as an aggregate write-in for special surplus funds. See Note 9 for additional detail.

Unassigned funds or surplus has been increased by cumulative net unrealized gains of \$125,151,277.

14. CONTINGENCIES

A. Contingent Commitments:

Not applicable.

B. Assessments:

The Company has accrued liabilities of \$10.4 million for guaranty fund and other insurance-related assessments (primarily second injury fund assessments) and related recoverables of \$282 thousand at December 31, 2010. The assessments are expected to be paid over a period ranging from one year to the life expectancy of certain workers' compensation claimants and the recoverables are expected to occur over the same period of time.

NOTES TO FINANCIAL STATEMENTS**C. Gain Contingencies:**

On August 20, 2010, in a reinsurance dispute in New York state court captioned *United States Fidelity & Guaranty Company v. American Re-Insurance Company et al.*, the trial court granted summary judgment for the Company, awarding it \$251 million, plus pre-judgment interest in the amount of \$166 million. As the Company is a participant in the Travelers Reinsurance Pool (TRV Pool), any recoverable is subject to the participation percentages of the TRV Pool (see Note 26). Accordingly, the Company's respective TRV Pool participation share of the \$251 million awarded by the court represents the amounts owed to the Company under the terms of the reinsurance agreements, and is reported as part of amounts recoverable from reinsurers. The Company's respective TRV Pool participation share of the interest awarded by the Court is treated for accounting purposes as a gain contingency in accordance with SSAP No. 5, *Liabilities, Contingencies and Impairment of Assets*, and accordingly has not been recognized in the Company's statutory financial statements.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits:

The Company paid \$105,500 in the reporting period on three claims to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits. The claim count information provided herein is disclosed on a per claim direct basis.

E. All Other Contingencies:

The Company has purchased annuities from life insurance companies to fund structured settlements. For a discussion of the Company's contingent liabilities for structured settlements, see Note 27.

In the process of selling business entities to third parties, the Company has agreed to indemnify purchasers for losses arising out of breaches of representations and warranties with respect to the business entities being sold, covenants and obligations of the Company and/or its subsidiaries following the close, and in certain cases obligations arising from undisclosed liabilities, imposition of additional taxes due to either a change in the tax law or an adverse interpretation of the tax law. Such indemnification provisions generally survive for periods ranging from the applicable closing date to the expiration of the relevant statutes of limitations, no term or in some cases agreed upon limitations. Certain of these contingent obligations are subject to deductibles which have to be incurred by the obligee before the Company is obligated to make payments.

In the ordinary course of business, the Company is a defendant or codefendant in various litigation matters. Although there can be no assurances, as of December 31, 2010, the Company believes, based on information currently available, that the ultimate resolution of these legal proceedings would not be likely to have a material adverse effect on its net income, financial condition or liquidity.

For a discussion of contingencies related to asbestos and environmental reserves, see Note 33.

15. LEASES**A. Lessee Leasing Arrangements:**

- At December 31, 2010, the Company is a party to various lease agreements for office space and office equipment. The office space and office equipment leases are for various periods of time. Total rental expense under operating leases for the Company for 2010 and 2009 was \$2,687,012 and \$1,979, respectively. Rental expenses incurred by the Company are subject to an intercompany expense allocation agreement.

There are numerous leases with renewal terms, none of which are material to the Company.

- Aggregate future minimum rental payments for leases having initial or remaining noncancelable lease terms in excess of one year for the Company totaled \$1,121,766 at December 31, 2010. Future minimum rental payments for each of the three succeeding years are as follows:

<u>Year</u>	<u>Operating Leases</u>
2011	\$ 994,422
2012	72,146
2013	55,198

At December 31, 2010, aggregate future minimum rental payments to be received by the Company under noncancelable subleases totaled \$222,290.

- Sale-Leaseback Transactions:

Not applicable.

B. Lessor's Business Activities:

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

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**A. Transfers of Receivables Reported as Sales:**

Not applicable.

B. Transfer and Servicing of Financial Assets:

The Company engages in securities lending activities from which it generates net investment income from the lending of certain of its investments to other institutions for short periods of time. Borrowers of these securities provide collateral equal to at least 102% of the market value of the loaned securities plus accrued interest. This collateral is held by a third party custodian, and the Company has the right to access the collateral only in the event that the institution borrowing the Company's securities is in default under the lending agreement. The loaned securities remain a recorded asset of the Company. The Company accepts only cash as collateral for securities on loan and restricts the manner in which that cash is invested to U.S. Treasury securities and U.S. Treasury repurchase agreements. These securities typically have a duration of 1 day. See Schedule D – Part 1 for identification and description of securities on loan.

NOTES TO FINANCIAL STATEMENTS

C. Wash Sales:

Not applicable.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Not applicable.

19. DIRECT PREMIUMS WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company did not have any direct premiums written through managing general agents (as defined in Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*) or third party administrators.

20. FAIR VALUE MEASUREMENTS

(1) Assets measured at Fair Value as of December 31, 2010:

Description	Level 1	Level 2	Level 3	Total
Bonds				
Industrial and Miscellaneous	\$ -	8,942,720	-	\$ 8,942,720
Common Stock	-	-	1,219,078	1,219,078
Total Assets at Fair Value	\$ -	8,942,720	1,219,078	\$ 10,161,798

There were no significant transfers between level 1 and level 2.

(2) Assets measured at fair value using significant unobservable inputs:

	Balance at 01/01/2010	Transfers in level 3	Transfers out level 3	Total gains and (losses) included in net income	Total gains and (losses) included in surplus	Purchases Issuance, sales and settlements	Balance at 12/31/2010
Common Stock	\$ 1,666,049	-	-	-	(446,971)	-	\$ 1,219,078
Total	\$ 1,666,049	-	-	-	(446,971)	-	\$ 1,219,078

(3) Not applicable.

(4) Bonds and preferred stocks were carried at fair value under the lower of cost or market requirement. These bonds were generally priced by the SVO or by a third party organization.

The Company holds common stock where the fair value estimate is determined by an internal fund manager based on recent filings, operating results, balance sheet stability, growth and other business and market sector fundamentals. Due to the significant unobservable inputs in these valuations, the Company includes the total fair value estimate for all of these investments in level 3.

21. OTHER ITEMS

A. Extraordinary Items:

Not applicable.

B. Troubled Debt Restructuring:

Not applicable.

C. Other Disclosures:

The Company elected to use rounding in reporting amounts in this statement.

2010 Schedule P:

The 2000 and prior "Total Net Losses and Expenses Unpaid" (Schedule P - Part 1, Column 24, Line 1) is separately reported to accident year as follows (in thousands):

Schedule P	Accident Years				
	2000	1999	1998	1997	1996 & Prior
Part 1A	\$ 28	\$ (28)	\$ 30	\$ 34	\$ 88
Part 1B	189	(76)	42	52	11,945
Part 1C	363	402	161	19	969
Part 1D	19,254	14,511	17,133	13,763	153,519
Part 1E	2,353	3,158	2,331	1,394	13,092
Part 1F - Section 1	394	101	29	40	189
Part 1F - Section 2	1,449	852	140	438	918
Part 1G	307	113	158	131	636
Part 1H - Section 1	3,861	4,680	3,006	1,563	93,322
Part 1H - Section 2	1,645	783	893	751	4,020
Part 1M	96	22	-	-	7
Part 1N	220	210	87	52	150
Part 1O	3,169	2,369	1,609	1,075	26,404
Part 1P	129	111	5	17	22
Part 1R - Section 1	2,699	2,705	1,155	718	67,320
Part 1R - Section 2	2	30	9	66	460

NOTES TO FINANCIAL STATEMENTS

The following loss and/or LAE reserves have been assumed / (ceded) under retroactive reinsurance agreements. They are reported here by line of business and accident year to facilitate loss discounting under Internal Revenue Code Section 846 (in thousands):

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Commercial Auto	\$ (46)	\$ (72)	\$ (7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	(408)	(263)	(80)	(2,661)	-	(61)	-	-	-
Commercial Multiple Peril	-	-	-	-	-	-	-	-	-
Medical Malpractice – CM	-	-	(1,222)	-	-	-	-	-	-
Special Liability	(1)	-	-	-	-	-	-	-	-
Other Liability – Occ	(221)	-	-	-	-	-	-	-	(8)
Other Liability – CM	-	(317)	-	-	-	-	-	-	-
Special Property	(4)	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Reinsurance A	(22)	-	-	-	-	-	-	-	-
Reinsurance B	(308)	-	-	-	-	-	-	-	-

D. Uncollectible Premium Balances:

Not applicable.

E. Business Interruption Insurance Recoveries:

Not applicable.

F. State Transferable Tax Credits:

Not applicable.

G. Subprime Mortgage Related Risk Exposure:

The Company defines exposure to subprime mortgage-backed securities as investments which contain loans to borrowers that exhibit one or more of the following characteristics at the time of issuance:

- low FICO scores,
- above prime interest rates,
- high loan-to-value ratios,
- high debt-to-income ratios,
- low loan documentation (e.g. limited or no verification of income and assets), or
- other characteristics that are inconsistent with conventional underwriting standards employed by government sponsored mortgage entities.

In addition, because of their high loan-to-value ratios, the Company has categorized second-lien mortgage-backed securities as subprime, regardless of the credit characteristics of the borrower on the underlying mortgage.

The Company reviews the credit characteristics of the loans that back these mortgage-backed securities when making the determination to categorize them as subprime exposure. Since the primary purpose of the investment portfolio is to fund future claim payments, the Company employs a conservative investment philosophy. In applying this philosophy to structured securities, including subprime mortgage-backed securities, the Company favors the purchase of senior credit tranches over junior or leveraged credit tranches.

Overall exposure to subprime mortgage-backed securities is sufficiently small in that the Company would likely have other securities available for liquidity needs. The Company utilizes discounted cash flow valuation analysis in its regular, ongoing review of its existing subprime mortgage portfolio, as well as in its analysis of subprime mortgage-backed bonds for purchase. Based upon the credit performance of mortgages within each securitization, the Company projects voluntary prepayments, defaults and loss severity to estimate any expected losses.

Exposure through investments in subprime securities directly held by the Company is as follows:

a. Actual cost	\$ 9,741,045
b. Book adjusted carrying value	8,464,963
c. Fair value	10,519,899
d. Other-than-temporary impairments	1,420,410

22. EVENTS SUBSEQUENT

The Company had no material subsequent events through February 11, 2011.

23. REINSURANCE

A. Unsecured Reinsurance Recoverables:

1. Affiliated Company Recoverables:

The Company participates in the TRV Pool and/or other reinsurance programs with affiliates and takes credit for reinsurance ceded directly and indirectly to these companies. The unsecured aggregate recoverables for ceded losses, loss adjustment expenses and unearned premiums at December 31, 2010, in connection with reinsurance agreements among affiliated insurers, were as follows:

Reinsurance balances ceded to affiliates and recoverable by The Travelers Indemnity Company (06-0566050):

<u>Company</u>	<u>F.E.I.N.</u>	<u>Amount</u>
St. Paul Fire and Marine Insurance Company	41-0406690	\$ 11,232,876,589
Travelers Casualty and Surety Company	06-6033504	9,279,398,667
The Phoenix Insurance Company	06-0303275	2,257,936,201
The Standard Fire Insurance Company	06-6033509	2,188,399,477
United States Fidelity and Guaranty Company	52-0515280	1,992,117,530
Travelers Casualty Insurance Company of America	06-0876835	1,232,980,676
Farmington Casualty Company	06-1067463	668,343,092
The Travelers Indemnity Company of Connecticut	06-0336212	619,047,506

NOTES TO FINANCIAL STATEMENTS

The Automobile Insurance Company of Hartford, Connecticut	06-0848755	618,668,943
The Charter Oak Fire Insurance Company	06-0291290	574,007,179
Northland Insurance Company	41-6009967	551,293,169
St. Paul Surplus Lines Insurance Company	41-1230819	397,393,187
The Travelers Indemnity Company of America	58-6020487	347,783,167
St. Paul Protective Insurance Company	36-2542404	262,089,067
Northfield Insurance Company	41-0983992	234,823,238
Travelers Casualty Company of Connecticut	06-1286266	212,244,068
Travelers Commercial Insurance Company	06-1286268	212,244,068
Travelers Commercial Casualty Company	95-3634110	212,201,885
St. Paul Mercury Insurance Company	41-0881659	184,565,506
Travelers Property Casualty Company of America	36-2719165	163,986,947
Travelers Property Casualty Insurance Company	06-1286274	135,474,942
Athena Assurance Company	41-1435765	130,959,098
St. Paul Medical Liability Insurance Company	41-1435766	130,959,098
Travelers Personal Security Insurance Company	06-1286264	121,927,435
Travelers Personal Insurance Company	36-3703200	121,927,435
Travelers Excess and Surplus Lines Company	06-1203698	121,927,435
TravCo Insurance Company	35-1838077	121,927,435
The Travelers Home and Marine Insurance Company	35-1838079	121,927,435
Discover Property & Casualty Insurance Company	36-2999370	63,268,632
Discover Specialty Insurance Company	52-1925132	63,221,620
Northland Casualty Company	94-6051964	63,221,620
St. Paul Guardian Insurance Company	41-0963301	45,158,302
American Equity Specialty Insurance Company	86-0868106	45,152,061
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	45,139,267
Total		<u>\$ 34,774,591,977</u>

Reinsurance balances assumed by The Travelers Indemnity Company and recoverable by the following affiliated insurers:

Company	F.E.I.N.	Amount
Travelers Property Casualty Company of America	36-2719165	\$ 9,184,203,454
St. Paul Fire and Marine Insurance Company	41-0406690	6,898,943,814
Travelers Casualty and Surety Company	06-6033504	3,947,047,732
United States Fidelity and Guaranty Company	52-0515280	2,745,903,369
The Travelers Indemnity Company of America	58-6020487	2,574,365,902
The Travelers Indemnity Company of Connecticut	06-0336212	2,207,830,735
St. Paul Mercury Insurance Company	41-0881659	2,186,534,352
The Charter Oak Fire Insurance Company	06-0291290	2,175,840,609
The Standard Fire Insurance Company	06-6033509	1,897,530,618
The Travelers Home and Marine Insurance Company	35-1838079	1,835,543,646
The Phoenix Insurance Company	06-0303275	1,699,382,577
Travelers Casualty Insurance Company of America	06-0876835	1,057,584,482
Discover Property & Casualty Insurance Company	36-2999370	884,347,183
The Automobile Insurance Company of Hartford, Connecticut	06-0848755	785,041,616
St. Paul Surplus Lines Insurance Company	41-1230819	678,284,854
Northland Insurance Company	41-6009967	635,704,215
Farmington Casualty Company	06-1067463	564,391,915
Travelers Commercial Insurance Company	06-1286268	322,765,498
Travelers Property Casualty Insurance Company	06-1286274	291,954,431
TravCo Insurance Company	35-1838077	277,712,424
St. Paul Guardian Insurance Company	41-0963301	257,916,426
Northfield Insurance Company	41-0983992	190,528,460
St. Paul Protective Insurance Company	36-2542404	182,279,149
Fidelity and Guaranty Insurance Underwriters, Inc.	52-0616768	171,992,465
Travelers Personal Security Insurance Company	06-1286264	139,734,628
Travelers Commercial Casualty Company	95-3634110	126,741,349
Travelers Excess and Surplus Lines Company	06-1203698	116,722,591
Travelers Personal Insurance Company	36-3703200	79,164,570
Travelers Casualty Company of Connecticut	06-1286266	68,449,535
St. Paul Medical Liability Insurance Company	41-1435766	59,886,649
Athena Assurance Company	41-1435765	30,783,751
Northland Casualty Company	94-6051964	21,338,519
Discover Specialty Insurance Company	52-1925132	21,191,648
American Equity Specialty Insurance Company	86-0868106	11,756,319
Total		<u>\$ 44,329,399,485</u>

2. Unaffiliated Company Recoverables:

Not applicable.

B. Reinsurance Recoverable in Dispute:

Not applicable.

C. Reinsurance Assumed and Ceded:

	Assumed		Ceded		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 385,192,331	\$ -	\$ 74,045,754	\$ 10,100,970	\$ 311,146,577	\$ (10,100,970)
All Other	<u>186,678</u>	<u>25,466</u>	-	-	<u>186,678</u>	<u>25,466</u>
Total	<u>\$ 385,379,009</u>	<u>\$ 25,466</u>	<u>\$ 74,045,754</u>	<u>\$ 10,100,970</u>	<u>\$ 311,333,255</u>	<u>\$ (10,075,504)</u>

Direct Unearned Premium Reserve \$ 53,258,070

NOTES TO FINANCIAL STATEMENTS

2. Accruals for contingent, sliding scale adjustment and other profit sharing commissions, net of reinsurance assumed and ceded, amounted to \$2,095,762 at December 31, 2010. This balance represents the Company's 4.41% pro rata share of the net amount of the TRV Pool (see Note 26):

Direct Business	\$ -
Add: Reinsurance Assumed	2,095,772
Less: Reinsurance Ceded	<u>10</u>
Net	<u>\$ 2,095,762</u>

D. Uncollectible Reinsurance:

Not applicable.

E. Commutation of Ceded Reinsurance:

Not applicable.

F. Retroactive Reinsurance:

	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$ 414,540	\$ 21,403,169
(2) Adjustments - Prior Year(s)	(132,300)	8,594,409
(3) Adjustments - Current Year	<u>-</u>	<u>(42,639)</u>
(4) Current Total	<u>\$ 282,240</u>	<u>\$ 29,954,939</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ 461,069	\$ 18,965,659
(2) Adjustments - Prior Year(s)	-	2,366,008
(3) Adjustments - Current Year	<u>-</u>	<u>-</u>
(4) Current Total	<u>\$ 461,069</u>	<u>\$ 21,331,667</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ 179,690	\$ 22,586,592
(2) Current Year	<u>1,730</u>	<u>1,485,413</u>
(3) Current Total	<u>\$ 181,420</u>	<u>\$ 24,072,005</u>
d. Special Surplus From Retroactive Reinsurance:		
(1) Initial Surplus Gain or Loss	\$ 46,529	\$ 2,437,510
(2) Adjustments - Prior Year(s)	132,300	6,228,401
(3) Adjustments - Current Year	<u>-</u>	<u>(42,639)</u>
(4) Current Year Restricted Surplus	<u>\$ 178,829</u>	<u>\$ 5,209,303</u>
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ 3,413,969</u>

e. List the other insurers included in the above transactions:

<u>Company</u>	<u>Assumed</u>	<u>Ceded</u>
Munich Reinsurance America, Inc. (10227)	\$ 282,240	\$ -
Commercial Risk Re-Insurance Co. (27955)	-	582,120
General Reinsurance Corporation (22039)	-	13,230,000
nSpire Re Limited (AA-1784124)	-	3,516,267
Platinum Underwriters Reinsurance Inc. (10357)	-	4,185,656
Various	<u>-</u>	<u>8,440,896</u>
Total	<u>\$ 282,240</u>	<u>\$ 29,954,939</u>

f. Paid Loss/LAE Recoverable:

<u>Company</u>	<u>Paid Loss/LAE Recoverables</u>	<u>Amount Over 90 Days Past Due</u>	<u>Collateral Held</u>
Platinum Underwriters Reinsurance Inc. (10357)	\$ 99,717	\$ -	\$ -
nSpire Re Limited (AA-178412)	-	-	881,434
Various	<u>82,932</u>	<u>5,401</u>	<u>6,818</u>
Total	<u>\$ 182,649</u>	<u>\$ 5,401</u>	<u>\$ 888,252</u>

F. Reinsurance Accounted for as a Deposit:

Not applicable.

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

Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A. Accrued retrospective premiums (Page 2, Line 15.3) have been determined based upon loss experience on business subject to such experience rating adjustment. Accrued retrospectively rated premiums, including all of those relating to bulk IBNR, have been determined by or allocated to individual policyholder accounts. Ten percent of the amount not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss expense reserves), or collateral as permitted by SSAP No. 66, *Retrospectively Rated Contracts*, has been nonadmitted. The amount shown in Part D below is the Company's proportionate share of the accrued retrospective premiums of the TRV Pool (see Note 26).
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. See Schedule P - Part 7A.

NOTES TO FINANCIAL STATEMENTS

D. Calculation of nonadmitted retrospective premium:

1. Total accrued retrospective premium	\$ 8,719,171
2. Unsecured amount	1,003,865
3. Less: Nonadmitted amount (10%)	<u>100,386</u>
4. Admitted amount (1) - (3)	<u>\$ 8,618,785</u>

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During the period from January 1, 2010 to December 31, 2010, the prior year-end total loss and loss adjustment expense reserves developed favorably by \$49,622,722, resulting primarily from better than expected loss development in the other liability – occurrence, special property, workers' compensation, and reinsurance (nonproportional assumed liability) lines, partially offset by deterioration in the products liability – occurrence line. The improvement in the other liability – occurrence line was concentrated in excess coverages for accident years 2007 and prior, and was attributable to favorable legal and judicial environments. Also contributing to the improvement was a reclassification of IBNR to products liability – occurrence. This improvement was partially offset by unfavorable development in environmental reserves. The improvement in the special property line reflected better than expected development for property and inland marine exposures for recent accident years, primarily 2008 and 2009. The improvement in the workers' compensation line was concentrated in accident years 2001-2009, and resulted from better than expected loss emergence. The improvement in reinsurance (nonproportional assumed liability) resulted primarily from favorable resolutions of claims and disputes from accident years 2002 and prior, partially offset by an increase in projected assumed asbestos liability payments.

The deterioration in products liability – occurrence was primarily caused by a reclassification of IBNR from other liability – occurrence. Also contributing to the deterioration was a strengthening of the asbestos reserves, driven by an increase in estimated costs associated with litigating asbestos-related coverage matters and an increase in projected settlement and defense costs for a broad number of policyholders.

The remaining changes are generally the result of ongoing analyses of recent loss data and trends. A portion of the change from prior year effects relates to retrospectively rated policies, and these policies are subject to premium adjustments.

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company is a participant in the TRV Pool, an intercompany pooling arrangement. The lead company of the TRV Pool is Indemnity. Under the terms of the arrangement, the property-casualty underwriting risks for substantially all lines of business of the intercompany pool participants are reinsured with Indemnity. The pool of net underwriting risks remaining after reinsurance is transacted with third parties by Indemnity is then retroceded to the pool participants based on pool participation percentages. The provision for reinsurance and the write-off of uncollectible reinsurance are reported in the statutory financial statements of Indemnity and are not allocated to the other pool participants.

The names, NAIC company codes and intercompany pool percentages of the companies participating in the TRV Pool are as follows:

<u>TRV Pool Participant</u>	<u>NAIC Company Code</u>	<u>Pool Participation %</u>
St. Paul Fire and Marine Insurance Company	24767	24.79
The Travelers Indemnity Company	25658	23.29
Travelers Casualty and Surety Company	19038	20.36
The Phoenix Insurance Company	25623	5.00
The Standard Fire Insurance Company	19070	4.84
United States Fidelity and Guaranty Company	25887	4.41
Travelers Casualty Insurance Company of America	19046	2.73
Farmington Casualty Company	41483	1.48
The Automobile Insurance Company of Hartford, Connecticut	19062	1.37
The Travelers Indemnity Company of Connecticut	25682	1.37
The Charter Oak Fire Insurance Company	25615	1.27
Northland Insurance Company	24015	1.22
St. Paul Surplus Lines Insurance Company	30481	0.88
The Travelers Indemnity Company of America	25666	0.77
St. Paul Protective Insurance Company	19224	0.58
Northfield Insurance Company	27987	0.52
Travelers Casualty Company of Connecticut	36170	0.47
Travelers Commercial Casualty Company	40282	0.47
Travelers Commercial Insurance Company	36137	0.47
St. Paul Mercury Insurance Company	24791	0.40
Travelers Property Casualty Company of America	25674	0.36
Travelers Property Casualty Insurance Company	36161	0.30
Athena Assurance Company	41769	0.29
St. Paul Medical Liability Insurance Company	41750	0.29
TravCo Insurance Company	28188	0.27
Travelers Excess and Surplus Lines Company	29696	0.27
The Travelers Home and Marine Insurance Company	27998	0.27
Travelers Personal Security Insurance Company	36145	0.27
Travelers Personal Insurance Company	38130	0.27
Discover Property & Casualty Insurance Company	36463	0.14
Discover Specialty Insurance Company	10213	0.14
Northland Casualty Company	24031	0.14
American Equity Specialty Insurance Company	10819	0.10
Fidelity and Guaranty Insurance Underwriters, Inc.	25879	0.10
St. Paul Guardian Insurance Company	24775	0.10

All of the above TRV Pool companies are party to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have contractual rights of direct recovery from the non-affiliated reinsurers under the terms of such reinsurance agreements.

As of December 31, 2010 the Company had \$68,672,475 payable to affiliates as a result of its intercompany reinsurance transactions which settled in January 2011.

NOTES TO FINANCIAL STATEMENTS**27. STRUCTURED SETTLEMENTS**

The Company has purchased annuities from life insurance companies, under which the claimant is the payee and the Company is the owner of the annuity contract, to fund structured settlements. These annuity contracts are now the direct responsibility of the life insurance companies from whom they have been purchased and claims settled by the purchase of such annuity contracts are treated as closed claims.

The following life insurance companies held reserves at December 31, 2010, for structured settlement annuities purchased by members of the TRV Pool (see Note 26), of which \$145,457,695 is attributable to the Company:

<u>Life Insurance Company and Location</u>	<u>Licensed in Company's State of Domicile</u>	<u>Statement Value of Annuities</u>
OM Financial Life Insurance Company, Baltimore, MD	Yes	\$991,958,824
MetLife Insurance Company of Connecticut, Bloomfield, CT	Yes	427,776,230
Genworth Life and Annuity Insurance Company, Richmond, VA	Yes	255,770,747
Symetra Life Insurance Company, Bellevue, WA	Yes	245,196,641
Genworth Life Insurance Company, Richmond, VA	Yes	201,168,857
All other companies		1,176,489,125

Fire and Marine has an indemnification agreement with OM Financial Life Insurance Company's parent, Old Mutual Plc, to indemnify Fire and Marine for any contingent liability associated with annuities issued between February 3, 1999 and September 30, 2001 in the event OM Financial Life Insurance Company and its affiliate do not pay the claimant in accordance with the annuity contract. The value of the annuities included in this indemnification agreement is \$354,577,904, and is included in the value of annuities for OM Financial Life Insurance Company and its affiliate for which Fire and Marine is contingently liable.

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

As of December 31, 2010, the Company had liabilities of \$0 related to premium deficiency reserves. See Note 1 Part C, regarding the consideration of investment income in the calculation of this premium deficiency reserve.

31. HIGH DEDUCTIBLES

At December 31, 2010, the amount of reserve credit recorded by the Company for high deductible policies on unpaid claims was \$314,821,741 and the amount billed and outstanding on paid claims was \$3,235,750. These amounts represent the Company's proportionate share of the TRV Pool (see Note 26).

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

A. Except for certain third party administered claims, tabular workers' compensation case reserves have been discounted in accordance with the various state laws under which the benefits are paid. The tabular case reserves, as included in Schedule P, reflect a discount rate of 3.5% or as specified by state requirements, generally using the following United States Life Tables:

Non-Fatal Cases:	United States Life Tables Total Population 1969-71 – MI United States Life Tables Total Population 1979-81 – TX United States Life Tables Total Population 1999 – FL, NJ & NY United States Life Tables Total Male or Total Female 1989-91 – CA United States Life Tables Total Male or Total Female 2003 – MA United States Life Tables Total Male or Total Female 2000 – MN United States Life Tables Total Male or Total Female 1999 – all other states
Fatal Cases:	United States Life Tables Total Female 1969-71 – MI * United States Life Tables Total Female 1979-81 – TX * United States Life Tables Total Female 1989-91 – CA * United States Life Tables Total Female 2003 – MA * * and the 1979 NCCI Remarriage Table New York Mandated Mortality & Remarriage Table – NY United States Life Tables Total Female 2000 – MN ** United States Life Tables Total Female 1999 – all other states ** ** and the Railroad Retirement Board Remarriage Table

Other Liability reserves relating to excess coverage on workers' compensation life table claims have been discounted on the same basis as workers' compensation reserves. Other liability reserves related to annuity obligations from structured settlements are discounted using a discount rate of 5% reflecting the 1999 US Life Tables for Males and for Females.

The Company develops loss reserve estimates for workers' compensation tabular claims that are expectations of what the ultimate settlement costs for these claims will be upon final resolution in the future. These estimates are based on the Company's assessment of facts and circumstances currently known and, using Company experience, multiple actuarial estimation methods. This includes estimates of payment patterns reflecting actual mortality, morbidity and settlement history that relate both to claims currently identified as tabular as well as claims not yet identified as tabular ("IBNR" tabular). The total reserves and the corresponding discount that the Company has established for these claims reflects these multiple estimation methods, payment patterns and a discount rate of 5%. The liabilities and discount amounts shown below reflect estimates of the ultimate liability for tabular claims. Furthermore, the case vs. IBNR discount amounts shown below each reflects estimates of the ultimate resolution costs for these claims: case amounts for claims already identified as tabular; IBNR amounts for claims yet to be identified as tabular.

NOTES TO FINANCIAL STATEMENTS

The December 31, 2010 liabilities of the Company and its affiliates listed below included the following amounts of such discounted liabilities:

<u>Company</u>	<u>Workers' Compensation</u>	<u>Other Liability</u>	<u>Other Liability-Structured Payments</u>
St. Paul Fire and Marine Insurance Company	\$ 418,837,182	\$ 12,307,736	\$ 12,576,011
The Travelers Indemnity Company	393,494,071	11,563,019	11,815,061
Travelers Casualty and Surety Company	343,990,523	10,108,333	10,328,666
The Phoenix Insurance Company	84,477,044	2,482,400	2,536,509
The Standard Fire Insurance Company	81,773,779	2,402,963	2,455,341
United States Fidelity and Guaranty Company	74,508,753	2,189,477	2,237,201
Travelers Casualty Insurance Company of America	46,124,466	1,355,390	1,384,934
Farmington Casualty Company	25,005,205	734,790	750,807
The Automobile Insurance Company of Hartford, Connecticut	23,146,710	680,178	695,004
The Travelers Indemnity Company of Connecticut	23,146,710	382,290	695,004
The Charter Oak Fire Insurance Company	21,457,169	630,530	644,273
Northland Insurance Company	20,612,399	605,706	618,908
St. Paul Surplus Lines Insurance Company	14,867,960	436,902	446,426
The Travelers Indemnity Company of America	13,009,465	382,290	390,622
St. Paul Protective Insurance Company	9,799,337	287,958	294,235
Northfield Insurance Company	8,785,613	258,170	263,797
Travelers Casualty Company of Connecticut	7,940,842	233,346	238,432
Travelers Commercial Casualty Company	7,940,842	233,346	238,432
Travelers Commercial Insurance Company	7,940,842	233,346	238,432
St. Paul Mercury Insurance Company	6,758,164	198,592	202,921
Travelers Property Casualty Company of America	6,082,347	178,733	182,629
Travelers Property Casualty Insurance Company	5,068,623	148,944	152,191
St. Paul Medical Liability Insurance Company	4,899,669	143,979	147,118
Athena Assurance Company	4,899,669	143,979	147,118
TravCo Insurance Company	4,561,760	134,050	136,972
Travelers Excess and Surplus Lines Company	4,561,760	134,050	136,972
The Travelers Home and Marine Insurance Company	4,561,760	134,050	136,972
Travelers Personal Insurance Company	4,561,760	134,050	136,972
Travelers Personal Security Insurance Company	4,561,760	134,050	136,972
Discover Property & Casualty Insurance Company	2,365,357	69,507	71,022
Discover Specialty Insurance Company	2,365,357	69,507	71,022
Northland Casualty Company	2,365,357	69,507	71,022
American Equity Specialty Insurance Company	1,689,541	49,648	50,730
St. Paul Guardian Insurance Company	1,689,541	49,648	50,730
Fidelity and Guaranty Insurance Underwriters, Inc.	1,689,541	49,648	50,730
Total	<u>\$ 1,689,540,878</u>	<u>\$ 49,648,000</u>	<u>\$ 50,730,188</u>

The amount of tabular discount for workers' compensation and other liability reserves at December 31, 2010 was as follows:

Tabular Discount Included in Schedule P - Part 1

<u>Company</u>	<u>Workers' Compensation</u>		<u>Other Liability</u>		<u>Other Liability-Structured Payments</u>
	<u>Case</u>	<u>IBNR</u>	<u>Case</u>	<u>IBNR</u>	<u>IBNR</u>
St. Paul Fire and Marine Insurance Company	\$ 98,667,178	\$ 115,108,333	\$ 4,606,481	\$ 3,464,151	\$ 19,576,619
The Travelers Indemnity Company	92,696,995	108,143,327	4,327,748	3,254,545	18,392,069
Travelers Casualty and Surety Company	81,035,243	94,538,349	3,783,295	2,845,106	16,078,254
The Phoenix Insurance Company	19,900,600	23,216,687	929,100	698,700	3,948,491
The Standard Fire Insurance Company	19,263,781	22,473,753	899,369	676,342	3,822,139
United States Fidelity and Guaranty Company	17,552,329	20,477,118	819,466	616,253	3,482,569
Travelers Casualty Insurance Company of America	10,865,728	12,676,311	507,289	381,490	2,155,876
Farmington Casualty Company	5,890,578	6,872,139	275,014	206,815	1,168,753
The Automobile Insurance Company of Hartford, CT	5,452,764	6,361,372	254,573	191,444	1,081,886
The Travelers Indemnity Company of Connecticut	5,452,764	6,361,372	254,573	191,444	1,081,886
The Charter Oak Fire Insurance Company	5,054,752	5,897,038	235,991	177,470	1,002,917
Northland Insurance Company	4,855,746	5,664,872	226,700	170,483	963,432
St. Paul Surplus Lines Insurance Company	3,502,506	4,086,137	163,522	122,971	694,934
The Travelers Indemnity Company of America	3,064,692	3,575,370	143,081	107,600	608,068
St. Paul Protective Insurance Company	2,308,470	2,693,136	107,776	81,049	458,025
Northfield Insurance Company	2,069,662	2,414,535	96,626	72,665	410,643
Travelers Casualty Company of Connecticut	1,870,656	2,182,369	87,335	65,678	371,158
Travelers Commercial Casualty Company	1,870,656	2,182,369	87,335	65,678	371,158
Travelers Commercial Insurance Company	1,870,656	2,182,369	87,335	65,678	371,158
St. Paul Mercury Insurance Company	1,592,048	1,857,335	74,328	55,896	315,879
Travelers Property Casualty Company of America	1,432,843	1,671,601	66,895	50,306	284,291
Travelers Property Casualty Insurance Company	1,194,036	1,393,001	55,746	41,922	236,909
St. Paul Medical Liability Insurance Company	1,154,235	1,346,568	53,888	40,525	229,012
Athena Assurance Company	1,154,235	1,346,568	53,888	40,525	229,012
TravCo Insurance Company	1,074,632	1,253,701	50,171	37,730	213,218
Travelers Excess and Surplus Lines Company	1,074,632	1,253,701	50,171	37,730	213,218
The Travelers Home and Marine Insurance Company	1,074,632	1,253,701	50,171	37,730	213,218
Travelers Personal Insurance Company	1,074,632	1,253,701	50,171	37,730	213,218
Travelers Personal Security Insurance Company	1,074,632	1,253,701	50,171	37,730	213,218
Discover Property & Casualty Insurance Company	557,217	650,067	26,015	19,564	110,558
Discover Specialty Insurance Company	557,217	650,067	26,015	19,564	110,558
Northland Casualty Company	557,217	650,067	26,015	19,564	110,558
American Equity Specialty Insurance Company	398,012	464,334	18,582	13,974	78,970
St. Paul Guardian Insurance Company	398,012	464,334	18,582	13,974	78,970
Fidelity and Guaranty Insurance Underwriters, Inc.	398,012	464,334	18,582	13,974	78,970
Total	<u>\$398,012,000</u>	<u>\$464,333,737</u>	<u>\$18,582,000</u>	<u>\$13,974,000</u>	<u>\$ 78,969,812</u>

B. Non-tabular reserves have not been discounted.

C. No changes in the rates or other key assumptions used to discount prior accident year reserves have been made.

NOTES TO FINANCIAL STATEMENTS**33. ABESTOS/ENVIRONMENTAL RESERVES**

The following represents the Company's allocable share of the pooled property-casualty business of the TRV Pool, based on its pro rata participation percentage of 4.41%.

- A. Does the Company have on the books or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes (X) No ()

Exposure for asbestos losses arises from liability coverage written many years ago. The exposures include bodily injury and property damage losses.

Because each policyholder presents different liability and coverage issues, the Company generally reviews the exposure presented by each policyholder at least annually. Among the factors which the Company may consider in the course of this review are: available insurance coverage, including the role of any umbrella or excess insurance the Company has issued to the policyholder; limits and deductibles; an analysis of the policyholder's potential liability; the jurisdictions involved; past and anticipated future claim activity and loss development on pending claims; past settlement values of similar claims; allocated claim adjustment expense; potential role of other insurance; the role, if any, of non-asbestos claims or potential non-asbestos claims in any resolution process; and applicable coverage defenses or determinations, if any, including the determination as to whether or not an asbestos claim is a products/completed operation claim subject to an aggregate limit and the available coverage, if any, for that claim.

The Company's quarterly asbestos reserve review includes an analysis of exposure and claim payment patterns, as well as recent settlements, policyholder bankruptcies, judicial rulings and legislative actions. The Company also analyzes developing payment patterns among various policyholders as well as projected reinsurance billings and recoveries. In addition, the Company reviews its historical gross and net loss and expense paid experience, year-by-year, to assess any emerging trends, fluctuations, or characteristics suggested by the aggregate paid activity. Conventional actuarial methods are not utilized to establish asbestos reserves nor have the Company's evaluations resulted in any way of determining a meaningful average asbestos defense or indemnity payment.

In December 2008, the Company's affiliate, Fire and Marine sold Unionamerica. In conjunction with the sale Fire and Marine commuted its assumed intercompany reinsurance agreements with Unionamerica subsidiaries. As a result of these commutations and their impact on the TRV Pool, the Company's 2008 asbestos assumed calendar year paid losses increased by \$8,731,800 and the Company's 2008 asbestos assumed incurred losses decreased by \$1,499,400.

<u>1. Direct Basis - Asbestos:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
a. Beginning reserves:	\$ 195,154,000	\$ 182,984,000	\$ 166,251,000	\$ 136,830,000	\$ 128,408,000
b. Incurred losses and LAE:	8,596,000	(737,000)	2,766,000	7,056,000	9,128,000
c. Calendar year payments for losses and LAE:	<u>20,766,000</u>	<u>15,996,000</u>	<u>32,187,000</u>	<u>15,478,000</u>	<u>16,819,000</u>
d. Ending reserves:	<u>\$ 182,984,000</u>	<u>\$ 166,251,000</u>	<u>\$ 136,830,000</u>	<u>\$ 128,408,000</u>	<u>\$ 120,717,000</u>
<u>2. Assumed Reinsurance Basis - Asbestos:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
a. Beginning reserves:	\$ 23,696,000	\$ 22,339,000	\$ 21,027,000	\$ 8,568,000	\$ 8,046,000
b. Incurred losses and LAE:	463,000	739,000	(1,156,000)	1,102,000	2,426,000
c. Calendar year payments for losses and LAE:	<u>1,820,000</u>	<u>2,051,000</u>	<u>11,303,000</u>	<u>1,624,000</u>	<u>1,576,000</u>
d. Ending reserves:	<u>\$ 22,339,000</u>	<u>\$ 21,027,000</u>	<u>\$ 8,568,000</u>	<u>\$ 8,046,000</u>	<u>\$ 8,896,000</u>
<u>3. Net of Ceded Reinsurance Basis - Asbestos:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
a. Beginning reserves:	\$ 191,984,000	\$ 178,543,000	\$ 164,554,000	\$ 128,406,000	\$ 121,516,000
b. Incurred losses and LAE:	7,226,000	1,000	1,609,000	8,159,000	6,173,000
c. Calendar year payments for losses and LAE:	<u>20,667,000</u>	<u>13,990,000</u>	<u>37,757,000</u>	<u>15,049,000</u>	<u>15,421,000</u>
d. Ending reserves:	<u>\$ 178,543,000</u>	<u>\$ 164,554,000</u>	<u>\$ 128,406,000</u>	<u>\$ 121,516,000</u>	<u>\$ 112,268,000</u>

- B. Ending loss and LAE reserves for unreported claims included in Part A above:

1. Direct Basis:	\$ 103,850,000
2. Assumed Reinsurance Basis:	\$ 3,564,000
3. Net of Ceded Reinsurance Basis:	\$ 94,539,000

- C. Ending LAE reserves for reported and unreported claims included in Part A above:

1. Direct Basis:	\$ 34,435,000
2. Assumed Reinsurance Basis:	\$ 47,000
3. Net of Ceded Reinsurance Basis:	\$ 32,384,000

- D. Does the Company have on the books or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (X) No ()

Exposure for environmental losses arises from liability coverage written many years ago. The exposures include bodily injury and property damage losses.

The resolution of environmental exposures by the Company generally occurs by settlement on a policyholder-by-policyholder basis as opposed to a claim-by-claim basis. Generally, the Company strives to extinguish any obligations it may have under any policy issued to the policyholder for past, present and future environmental liabilities and extinguish any pending coverage litigation dispute with the policyholder. This form of settlement is commonly referred to as a "buy-back" of policies for future environmental liability. In addition, many of the agreements have also extinguished any insurance obligation which the Company may have for other claims, including but not limited to asbestos and other cumulative injury claims. The Company and its policyholders may also agree to settlements which extinguish any liability arising from known specified sites or claims. These agreements also include appropriate indemnities and hold harmless provisions to protect the Company. The Company's general purpose in executing these agreements is to reduce the Company's potential environmental exposure and eliminate the risks presented by coverage litigation with the policyholder and related costs.

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of this analysis, the Company generally considers the probable liability, available coverage, relevant judicial interpretations and historical value of similar exposures. In addition, the Company considers the many variables presented, such as the nature of the alleged activities of the policyholder at each site; the allegations of environmental harm at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of environmental harm and the corresponding remedy at each site; the nature of government enforcement activities at each site; the ownership and general use of each site; the overall nature of the insurance relationship between the Company and the policyholder, including the role of any umbrella or excess insurance the Company has issued to the policyholder; the involvement of other insurers; the potential for other

NOTES TO FINANCIAL STATEMENTS

available coverage, including the number of years of coverage; the role, if any, of non-environmental claims or potential non-environmental claims in any resolution process; and the applicable law in each jurisdiction. Conventional actuarial techniques are not used to estimate these reserves.

In its review of environmental reserves, the Company considers: past settlement payments; changing judicial and legislative trends; its reserves for the costs of litigating environmental coverage matters; the potential for policyholders with smaller exposures to be named in new clean-up actions for both on- and off-site waste disposal activities; the potential for adverse development; the potential for additional new claims beyond previous expectations; and the potential higher costs for new settlements.

The majority of the net environmental reserve is carried in a bulk reserve which includes unresolved environmental claims, incurred but not reported environmental claims and the anticipated cost of coverage litigation disputes relating to these claims. The bulk reserve the Company carries is established and adjusted based upon the aggregate volume of in-process environmental claims and the Company's experience in resolving those claims. The balance of the net environmental reserve consists of case reserves.

As a result of the commutations described above and their impact on the TRV Pool, the Company's 2008 environmental assumed calendar year paid losses increased by \$1,234,800 and the Company's 2008 environmental assumed incurred losses decreased by \$220,500.

1. <u>Direct Basis - Environmental:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
a. Beginning reserves:	\$ 14,916,000	\$ 11,851,000	\$ 15,886,000	\$ 14,805,000	\$ 14,676,000
b. Incurred losses and LAE:	4,815,000	8,145,000	3,740,000	3,705,000	1,755,000
c. Calendar year payments for losses and LAE:	<u>7,880,000</u>	<u>4,110,000</u>	<u>4,821,000</u>	<u>3,834,000</u>	<u>3,141,000</u>
d. Ending reserves:	<u>\$ 11,851,000</u>	<u>\$ 15,886,000</u>	<u>\$ 14,805,000</u>	<u>\$ 14,676,000</u>	<u>\$ 13,290,000</u>
2. <u>Assumed Reinsurance Basis- Environmental:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
a. Beginning reserves:	\$ 6,168,000	\$ 5,817,000	\$ 4,826,000	\$ 2,815,000	\$ 2,485,000
b. Incurred losses and LAE:	68,000	11,000	(199,000)	44,000	229,000
c. Calendar year payments for losses and LAE:	<u>419,000</u>	<u>1,002,000</u>	<u>1,812,000</u>	<u>374,000</u>	<u>392,000</u>
d. Ending reserves:	<u>\$ 5,817,000</u>	<u>\$ 4,826,000</u>	<u>\$ 2,815,000</u>	<u>\$ 2,485,000</u>	<u>\$ 2,322,000</u>
3. <u>Net of Ceded Reinsurance Basis- Environmental:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
a. Beginning reserves:	\$ 18,718,000	\$ 18,452,000	\$ 21,605,000	\$ 18,246,000	\$ 17,337,000
b. Incurred losses and LAE:	5,334,000	8,155,000	3,542,000	3,088,000	1,543,000
c. Calendar year payments for losses and LAE:	<u>5,600,000</u>	<u>5,002,000</u>	<u>6,901,000</u>	<u>3,997,000</u>	<u>3,422,000</u>
d. Ending reserves:	<u>\$ 18,452,000</u>	<u>\$ 21,605,000</u>	<u>\$ 18,246,000</u>	<u>\$ 17,337,000</u>	<u>\$ 15,458,000</u>

E. Ending loss and LAE reserves for unreported claims included in Part D above:

1. Direct Basis:	\$ 13,063,000
2. Assumed Reinsurance Basis:	\$ 1,358,000
3. Net of Ceded Reinsurance Basis	\$ 14,385,000

F. Ending LAE reserves for reported and unreported claims included in Part D above:

1. Direct Basis:	\$ 3,248,000
2. Assumed Reinsurance Basis:	\$ 27,000
3. Net of Ceded Reinsurance Basis	\$ 3,173,000

As a result of the processes and procedures described above, management believes that the reserves carried for asbestos and environmental claims at December 31, 2010 are appropriately established based upon known facts, current law and management's judgment. However, the uncertainties surrounding the final resolution of these claims continue, and it is difficult to determine the ultimate exposure for asbestos and environmental claims and related litigation. As a result, these reserves are subject to revision as new information becomes available and as claims develop. The continuing uncertainties include, without limitation, the risks and lack of predictability inherent in complex litigation, any impact from the bankruptcy protection sought by various asbestos producers and other asbestos defendants, a further increase in the cost to resolve and/or the number of asbestos and environmental claims beyond that which is anticipated, the role of any umbrella or excess policies the Company has issued, the resolution or adjudication of disputes pertaining to the amount of available coverage for asbestos and environmental claims in a manner inconsistent with the Company's previous assessment of these claims, the number and outcome of direct actions against the Company, future developments pertaining to the Company's ability to recover reinsurance for asbestos and environmental claims and the unavailability of other insurance sources potentially available to policyholders, whether through exhaustion of policy limits or through the insolvency of other participating insurers. In addition, uncertainties arise from the insolvency or bankruptcy of policyholders and other defendants. It is also not possible to predict changes in the legal, regulatory and legislative environment and their impact on the future development of asbestos and environmental claims. This development will be affected by future court and regulatory decisions and interpretations, including the outcome of legal challenges to legislative and/or judicial reforms establishing medical criteria for the pursuit of asbestos claims, as well as changes in applicable legislation. It is also difficult to predict the ultimate outcome of complex coverage disputes until settlement negotiations near completion and significant legal questions are resolved or, failing settlement, until the dispute is adjudicated. This is particularly the case with policyholders in bankruptcy where negotiations often involve a large number of claimants and other parties and require court approval to be effective. As part of its continuing analysis of asbestos and environmental reserves, the Company continues to study the implications of these and other developments.

Because of the uncertainties set forth above, additional liabilities may arise for amounts in excess of the current related reserves. In addition, the Company's estimate of claims and claim adjustment expenses may change. These additional liabilities or increases in estimates, or a range of either, cannot now be reasonably estimated and could result in income statement charges that could be material to the Company's operating results in future periods.

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTY INSURANCE

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Attachment to the 2010 Annual Statement – Notes to Financial Statements, Note 9 – Part F:
Names of the companies included with TRV in the December 31, 2010, consolidated Federal income tax return filing

The Travelers Companies, Inc. (TRV) & Subsidiaries

<u>Company Name</u>	<u>FEIN</u>	<u>Company Name</u>	<u>FEIN</u>
350 MARKET STREET	41-1618103	ST. PAUL SURPLUS LINES INSURANCE COMPANY	41-1230819
AE DEVELOPMENT GROUP, INC.	06-0952727	TCI GLOBAL SERVICES, INC.	52-1965525
AE PROPERTIES, INC.	95-2798160	THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CT	06-0848755
AMERICAN EQUITY INSURANCE COMPANY	86-0703220	THE CHARTER OAK FIRE INSURANCE COMPANY	06-0291290
AMERICAN EQUITY SPECIALTY INSURANCE COMPANY	86-0868106	THE PHOENIX INSURANCE COMPANY	06-0303275
ATHENA ASSURANCE COMPANY	41-1435765	THE PREMIER INSURANCE COMPANY OF MASSACHUSETTS	04-3175569
BMR SPORTS PROPERTIES, INC.	52-1852190	THE STANDARD FIRE INSURANCE COMPANY	06-6033509
CAMPERDOWN CORPORATION	41-1762781	THE TRAVELERS HOME AND MARINE INSURANCE COMPANY	35-1838079
CASTLE PINES FIDELITY REALTY, INC.	52-1735211	THE TRAVELERS INDEMNITY COMPANY	06-0566050
COMMERCIAL GUARANTY INSURANCE COMPANY	75-1679830	THE TRAVELERS INDEMNITY COMPANY OF AMERICA	58-6020487
CONSTITUTION PLAZA INC	06-0566030	THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	06-0336212
COUNTERSIGNATURE AGENCY, INC.	06-1345091	THE TRAVELERS LLOYDS INSURANCE COMPANY	76-0002592
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY	36-2999370	THE TRAVELERS MARINE CORPORATION	94-0338230
DISCOVER SPECIALTY INSURANCE COMPANY	52-1925131	TINDY FOREIGN, INC.	20-4403403
ENGLISH TURN FIDELITY REALTY, INC.	52-1466734	TPC INVESTMENTS, INC.	06-1534005
ENGLISH TURN REALTY MANAGEMENT, INC.	52-1715225	TRAVCO INSURANCE COMPANY	35-1838077
FARMINGTON CASUALTY COMPANY	06-1067463	TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY	75-1732040
FIDELITY AND GUARANTY INSURANCE COMPANY	42-1091525	TRAVELERS (BERMUDA) LTD.	98-0190863
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	52-0616768	TRAVELERS ALPHA HOLDINGS, INC.	06-1531058
FIRST FLORIDIAN AUTO AND HOME INSURANCE COMPANY	59-3372141	TRAVELERS AUTO INSURANCE CO. OF NEW JERSEY	22-3499393
FIRST TRENTON INDEMNITY COMPANY	22-3129711	TRAVELERS CASUALTY AND SURETY COMPANY	06-6033504
GULF UNDERWRITERS INSURANCE COMPANY	56-1371361	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	06-0907370
JUPITER HOLDINGS, INC.	41-1769846	TRAVELERS CASUALTY COMPANY OF CONNECTICUT	06-1286266
LAUREL VILLAGE FIDELITY REALTY, INC.	52-1551225	TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA	06-0876835
MOUNTAIN RIDGE INSURANCE COMPANY	52-1957776	TRAVELERS COMMERCIAL CASUALTY COMPANY	95-3634110
NORTHBROOK HOLDINGS, INC.	51-0375653	TRAVELERS COMMERCIAL INSURANCE COMPANY	06-1286268
NORTHFIELD INSURANCE COMPANY	41-0983992	TRAVELERS DISTRIBUTION ALLIANCE, INC.	62-1657094
NORTHLAND CASUALTY COMPANY	94-6051964	TRAVELERS EXCESS AND SURPLUS LINES COMPANY	06-1203698
NORTHLAND INSURANCE COMPANY	41-6009967	TRAVELERS INSURANCE GROUP HOLDINGS INC.	06-1445591
NORTHLAND RISK MANAGEMENT SERVICES, INC.	41-1720288	TRAVELERS LLOYDS MANAGEMENT COMPANY	20-4312440
SELECT INSURANCE COMPANY	75-6013697	TRAVELERS MGA, INC.	75-2676034
SPC INSURANCE AGENCY, INC.	41-1888760	TRAVELERS PERSONAL INSURANCE COMPANY	36-3703200
ST. PAUL (BERMUDA) LTD.	98-0162036	TRAVELERS PERSONAL SECURITY INSURANCE COMPANY	06-1286264
ST. PAUL BERMUDA HOLDINGS, INC.	41-1835264	TRAVELERS PROPERTY CASUALTY INSURANCE COMPANY	06-1286274
ST. PAUL FIRE & CASUALTY INSURANCE COMPANY	41-1419276	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	36-2719165
ST. PAUL FIRE & MARINE INSURANCE COMPANY	41-0406690	TRAVELERS PROPERTY CASUALTY CORP.	06-1008174
ST. PAUL GUARDIAN INSURANCE COMPANY	41-0963301	TRAVELERS TEXAS MGA, INC.	27-4469564
ST. PAUL LONDON PROPERTIES, INC.	41-1880024	UNITED STATES FIDELITY & GUARANTY COMPANY	52-0515280
ST. PAUL MEDICAL LIABILITY INSURANCE COMPANY	41-1435766	USF&G FINANCIAL SERVICES CORPORATION	52-1386957
ST. PAUL MERCURY INSURANCE COMPANY	41-0881659	USF&G RETAIL ASSOCIATES GP, INC.	52-1704255
ST. PAUL PROTECTIVE INSURANCE COMPANY	36-2542404	YONKERS FINANCING CORPORATION	20-3033027
ST. PAUL RE (BERMUDA) LTD.	98-0114704		

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Connecticut

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____

- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 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. 12/31/2007
- 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). 06/26/2009

- 3.4 By what department or departments? Maryland
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No

- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

- 7.2 If yes,
- 7.21 State the percentage of foreign control0.000 %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (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
- 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

- 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?
KPMG LLP, One Financial Plaza, 755 Main St., Hartford, CT 06103

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 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 the 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 the response to 10.3 is yes, provide information related to this exemption:

- 10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.6 If the 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 domiciliary state insurance laws? Yes [X] No []
- 10.8 If the answer 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?
Smitesh Davé, F.C.A.S. & M.A.A.A. (Vice President and Chief Corporate Actuary), The Travelers Companies, Inc., One Tower Square, Hartford, CT 06183
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []
- 12.11 Name of real estate holding company
Laurel Village Fidelity Realty, Inc.
- 12.12 Number of parcels involved8
- 12.13 Total book/adjusted carrying value \$.....0
- 12.2 If yes, provide explanation.
Holds 727 apartment units in downtown Minneapolis, MN
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- 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.
- 14.11 If the response to 14.1 is no, please explain:

- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).

- 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 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

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).
This company is a party to a security lending agreement. See Note 17.

- 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. \$.....15,258,000
- 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 (MSLA) 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 \$.....178,494,204
- 24.29 Other \$.....136,619,165

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 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

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
JPMorgan Chase	270 Park Avenue, New York, NY 10017-2070
The Bank of New York Mellon	One Wall Street, New York, NY 10286

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)
N/A		

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

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A		

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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.....	4,048,419,098	4,188,343,730	139,924,632
29.2 Preferred stocks.....	0	0	0
29.3 Totals.....	4,048,419,098	4,188,343,730	139,924,632

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

Fair values of bonds and preferred stocks are based on prices published in the NAIC Valuations of Securities. If this unit price is not available, the fair value is based upon quoted market prices or dealer quotes, or if prices are unavailable, based on valuation determined, in good faith, by The Travelers Companies, Inc.

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 []

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.

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? \$.....2,018,001

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
INSURANCE SERVICES OFFICE, INC	844,262

33.1 Amount of payments for legal expenses, if any? \$.....4,403,086

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

34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....141,561

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
US CHAMBER OF COMMERCE - INSTITUTE FOR LEGAL REFORM	37,485

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND 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
- 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
- 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
- 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

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....802,531,825	\$.....800,575,899
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....1,994,395,627	\$.....1,961,964,275
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No []
- 3.2 If yes, state the amount of calendar year premiums written on:
- 3.21 Participating policies \$.....10,492,444
- 3.22 Non-participating policies \$.....805,009,568

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

- 4.1 Does the reporting entity issue assessable policies? Yes [] No []
- 4.2 Does the reporting entity issue non-assessable policies? Yes [] No []
- 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?0.0 %
- 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 []
- 5.2 If yes, is the commission paid:
- 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A []
- 5.22 As a direct expense of the exchange Yes [] No [] N/A []
- 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 []
- 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 of loss?

In order to manage its risk, the Company monitors the concentration of insured employees on a location basis. Although the Company currently has no significant workers' compensation treaty reinsurance, the Company reviews available treaty reinsurance coverages periodically and makes purchase decisions as it deems appropriate. Facultative reinsurance purchases are also made as deemed appropriate.

- 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 uses RiskLink, a product developed by Risk Management Solutions, Inc., to estimate its Probable Maximum Loss (PML). Property exposures are modeled using RiskLink to determine locations of concentration including California, Florida, New Madrid, the Northeast, the Gulf States, and the Mid-Atlantic States. For terrorism risk, the Company uses RMS-PTM, a product developed by Risk Management Solutions, Inc. The Company also develops conventional attack PML's for combined property and workers' compensation exposures for comparison with aggregate corporate guidelines. Buildings with large exposures have a site engineering analysis performed.

- 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?
- The Company purchases both excess of loss and proportional reinsurance to protect itself from an excessive catastrophe loss.

- 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 uninsured catastrophic loss:
-

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 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.14
- 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 [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [X] No []
- 8.2 If yes, give full information:
Please see footnote 22E for a list of commutations.
-
- 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 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 affiliate 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
- (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
- (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 []
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance 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 this reporting entity guaranteed policies issued by any other reporting 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 assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$.....7,135,191
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....1,783,798
- 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: \$.....7,844,024
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] 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 From0.0 %
- 12.42 To0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No []
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit \$.....2,808,724,871
- 12.62 Collateral and other funds \$.....497,741,956

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....1,532,475
- 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.3

- 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:
Per the Company's Reinsurance Allocation Agreement and 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 financial 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.....					
16.12 Products.....					
16.13 Automobile.....					
16.14 Other*.....					

* Disclose type of coverage:

- 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]
- Included 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 account? Yes [] No [X]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....0
- 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....0

FIVE-YEAR HISTORICAL DATA

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

	1 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).....	532,015,636	534,491,140	544,496,643	616,792,585	573,942,630
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	148,501,759	149,289,695	154,896,785	169,763,746	160,162,017
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	287,234,765	273,734,820	267,837,384	268,468,076	308,869,282
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	6,139,779	6,603,698	6,775,495	6,848,556	13,452,558
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	821,162	987,327	(2,779,527)	2,696,801	3,110,090
6. Total (Line 35).....	974,713,102	965,106,679	971,226,781	1,064,569,764	1,059,536,577
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).....	374,668,205	371,253,418	377,260,908	369,789,497	341,662,946
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	148,412,645	149,217,868	153,988,623	156,084,757	144,454,925
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	287,228,711	273,719,799	267,808,084	263,839,055	272,408,826
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	4,333,390	4,148,681	3,753,107	2,097,536	4,739,573
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	859,061	1,079,143	(2,856,215)	2,628,846	1,519,991
12. Total (Line 35).....	815,502,013	799,418,910	799,954,508	794,439,691	764,786,261
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	46,699,754	77,188,657	58,130,245	84,684,476	95,545,155
14. Net investment gain (loss) (Line 11).....	304,187,133	184,790,193	152,255,956	118,051,250	130,877,311
15. Total other income (Line 15).....	1,435,895	899,541	5,059,587	4,206,853	473,176
16. Dividends to policyholders (Line 17).....	1,057,578	770,908	967,971	1,026,031	696,347
17. Federal and foreign income taxes incurred (Line 19).....	37,932,043	49,850,203	40,942,657	60,485,087	39,162,930
18. Net income (Line 20).....	313,333,161	212,257,280	173,535,160	145,431,461	187,036,365
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	4,599,086,294	4,627,074,603	4,192,651,577	4,079,567,049	4,390,091,740
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	41,258,299	40,501,265	38,286,677	45,296,020	44,873,994
20.2 Deferred and not yet due (Line 15.2).....	161,453,580	157,683,082	171,310,088	174,520,338	173,503,675
20.3 Accrued retrospective premiums (Line 15.3).....	8,618,785	21,321,491	14,191,608	10,016,456	5,812,172
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	2,141,137,360	2,161,318,953	2,126,759,112	2,151,063,995	2,158,185,287
22. Losses (Page 3, Line 1).....	1,277,299,854	1,302,562,430	1,332,835,185	1,370,940,237	1,356,886,906
23. Loss adjustment expenses (Page 3, Line 3).....	296,097,833	305,832,375	305,237,005	299,080,674	301,758,820
24. Unearned premiums (Page 3, Line 9).....	364,591,325	353,277,656	357,532,748	355,008,826	348,657,336
25. Capital paid up (Page 3, Lines 30 & 31).....	35,214,075	35,214,075	35,214,075	35,214,075	35,214,075
26. Surplus as regards policyholders (Page 3, Line 37).....	2,457,948,934	2,465,755,650	2,065,892,465	1,928,503,054	2,231,906,453
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	105,602,067	165,044,893	198,778,560	252,050,627	257,966,257
Risk-Based Capital Analysis					
28. Total adjusted capital.....	2,457,948,934	2,465,755,650	2,065,892,465	1,928,503,054	2,231,906,453
29. Authorized control level risk-based capital.....	135,896,625	147,546,024	141,660,953	148,384,027	277,047,980
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).....	95.6	87.8	92.5	91.5	74.5
31. Stocks (Lines 2.1 & 2.2).....	2.9	7.7	4.5	4.2	17.2
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	1.0	4.4	2.8	3.8	7.6
35. Contract loans (Line 6).....	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7).....	0.0	XXX	XXX	XXX	XXX
37. Other invested assets (Line 8).....	0.1	0.1	0.2	0.5	0.7
38. Receivable for securities (Line 9).....	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.4	XXX	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....	0.0	0.0	0.0	0.0	0.0
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).....	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	120,273,535	74,462,726	71,211,947	54,339,610	640,663,244
45. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10).....	0	0	0	0	0
46. Affiliated mortgage loans on real estate.....	0	0	0	0	0
47. All other affiliated.....	0	0	0	10,000,000	20,000,000
48. Total of above lines 42 to 47.....	120,273,535	74,462,726	71,211,947	64,339,610	660,663,244
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).....	4.9	3.0	3.4	3.3	29.6

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2010	2009	2008	2007	2006
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24).....	(150,938,656)	110,842,752	(6,012,780)	102,672,060	55,861,736
51. Dividends to stockholders (Line 35).....	(171,000,000)	0	0	0	0
52. Change in surplus as regards policyholders for the year (Line 38).....	(7,806,716)	399,863,185	137,389,411	(303,403,399)	221,306,534
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).....	378,621,527	387,000,115	461,514,900	446,106,112	473,696,656
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	77,140,315	76,735,401	81,102,193	85,848,609	127,990,969
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	155,958,225	154,241,095	168,911,706	181,150,895	366,196,536
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	11,262,236	(10,434,582)	12,959,534	76,269,718	109,728,020
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	13,201,140	12,768,699	25,531,322	62,152,376	41,864,186
58. Total (Line 35).....	636,183,442	620,310,727	750,019,655	851,527,709	1,119,476,368
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).....	203,306,163	186,743,110	196,880,701	161,283,855	189,398,328
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	77,637,891	77,429,632	76,009,032	66,750,794	66,572,367
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	141,077,177	127,701,425	125,578,340	101,353,534	116,277,681
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,771,953	3,326,087	2,881,536	8,124,148	8,287,100
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	4,944,455	4,145,249	20,821,279	18,022,755	13,276,923
64. Total (Line 35).....	429,737,638	399,345,503	422,170,888	355,535,087	393,812,399
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).....	50.4	46.1	48.3	46.9	46.1
67. Loss expenses incurred (Line 3).....	11.6	12.2	13.2	12.1	12.2
68. Other underwriting expenses incurred (Line 4).....	32.1	32.0	31.2	30.3	28.9
69. Net underwriting gain (loss) (Line 8).....	5.8	9.6	7.3	10.7	12.7
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).....	31.5	32.0	30.4	29.5	28.4
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	62.0	58.3	61.5	59.0	58.4
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).....	33.2	32.4	38.7	41.2	34.3
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).....	(41,178)	(47,343)	(60,994)	(25,862)	(17,659)
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).....	(1.7)	(2.3)	(3.2)	(1.2)	(0.9)
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).....	(85,584)	(111,937)	(75,779)	(31,248)	49,234
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).....	(4.1)	(5.8)	(3.4)	(1.6)	2.8

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....36,173	.....14,734	.....17,967	.....2,940	.....4,662	.....89	.....980	.....41,040	.....XXX.....
2. 2001.....	.....764,958	.....138,824	.....626,134	.....622,539	.....189,082	.....61,057	.....12,551	.....32,662	.....3,447	.....15,913	.....511,178	.....XXX.....
3. 2002.....	.....837,337	.....162,310	.....675,026	.....427,613	.....90,389	.....52,397	.....7,505	.....26,737	.....2,643	.....15,780	.....406,210	.....XXX.....
4. 2003.....	.....908,286	.....177,342	.....730,945	.....405,903	.....64,839	.....44,595	.....5,815	.....26,974	.....2,572	.....16,422	.....404,247	.....XXX.....
5. 2004.....	.....913,881	.....155,282	.....758,599	.....375,757	.....64,524	.....37,071	.....4,863	.....29,679	.....2,737	.....16,677	.....370,384	.....XXX.....
6. 2005.....	.....880,738	.....130,323	.....750,415	.....427,371	.....114,879	.....33,155	.....4,906	.....30,518	.....1,976	.....14,702	.....369,282	.....XXX.....
7. 2006.....	.....866,773	.....108,477	.....758,296	.....310,208	.....37,621	.....27,176	.....2,687	.....33,906	.....1,042	.....14,752	.....329,940	.....XXX.....
8. 2007.....	.....953,663	.....165,969	.....787,693	.....310,813	.....29,138	.....25,473	.....2,015	.....36,533	.....812	.....17,105	.....340,855	.....XXX.....
9. 2008.....	.....884,203	.....89,073	.....795,130	.....362,459	.....36,492	.....21,478	.....1,709	.....42,109	.....619	.....16,364	.....387,225	.....XXX.....
10. 2009.....	.....871,965	.....71,389	.....800,576	.....278,604	.....14,776	.....13,901	.....782	.....39,919	.....432	.....13,749	.....316,434	.....XXX.....
11. 2010.....	.....866,909	.....64,377	.....802,532	.....204,385	.....9,264	.....6,722	.....378	.....35,556	.....255	.....9,389	.....236,766	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....3,761,826	.....665,740	.....340,993	.....46,150	.....339,255	.....16,624	.....151,832	.....3,713,560	.....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	.....263,856	.....76,017	.....261,075	.....49,287	.....29,329	.....5,482	.....48,911	.....4,079	.....26,223	.....111	.....386	.....494,417	.....XXX.....
2. 2001.....	.....31,300	.....8,242	.....25,291	.....6,947	.....2,528	.....514	.....4,241	.....1,030	.....4,846	.....46	.....856	.....51,427	.....XXX.....
3. 2002.....	.....22,982	.....7,401	.....24,777	.....8,021	.....2,079	.....272	.....5,290	.....1,055	.....1,704	.....29	.....207	.....40,056	.....XXX.....
4. 2003.....	.....23,848	.....4,524	.....27,566	.....8,537	.....2,174	.....181	.....7,083	.....2,022	.....5,784	.....65	.....1,121	.....51,126	.....XXX.....
5. 2004.....	.....22,789	.....5,996	.....27,893	.....7,531	.....2,488	.....238	.....5,543	.....1,194	.....1,913	.....29	.....941	.....45,637	.....XXX.....
6. 2005.....	.....22,837	.....6,439	.....37,441	.....10,950	.....2,695	.....373	.....5,913	.....1,120	.....2,138	.....32	.....1,398	.....52,111	.....XXX.....
7. 2006.....	.....29,891	.....6,903	.....46,720	.....8,840	.....3,622	.....315	.....7,040	.....1,432	.....3,552	.....7	.....2,029	.....73,328	.....XXX.....
8. 2007.....	.....41,105	.....6,235	.....62,732	.....11,736	.....5,296	.....367	.....11,578	.....769	.....3,438	.....(7)	.....3,468	.....105,048	.....XXX.....
9. 2008.....	.....64,265	.....6,983	.....80,119	.....11,382	.....7,801	.....492	.....19,361	.....1,424	.....6,024	.....(12)	.....6,591	.....157,300	.....XXX.....
10. 2009.....	.....79,988	.....11,805	.....99,551	.....12,142	.....7,953	.....473	.....21,851	.....1,528	.....7,170	.....(9)	.....8,050	.....190,572	.....XXX.....
11. 2010.....	.....112,742	.....8,629	.....167,671	.....14,589	.....8,349	.....439	.....30,005	.....1,475	.....18,732	.....(9)	.....15,028	.....312,376	.....XXX.....
12. Totals.....	.....715,603	.....149,175	.....860,835	.....149,964	.....74,315	.....9,147	.....166,815	.....17,128	.....81,524	.....280	.....40,077	.....1,573,398	.....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....399,627	.....94,790
2. 2001.	.....784,463	.....221,858	.....562,605	.....102.5	.....159.8	.....89.9	.....0	.....0	.....4.41	.....41,402	.....10,025
3. 2002.	.....563,580	.....117,315	.....446,265	.....67.3	.....72.3	.....66.1	.....0	.....0	.....4.41	.....32,338	.....7,718
4. 2003.	.....543,928	.....88,555	.....455,373	.....59.9	.....49.9	.....62.3	.....0	.....0	.....4.41	.....38,353	.....12,772
5. 2004.	.....503,133	.....87,112	.....416,021	.....55.1	.....56.1	.....54.8	.....0	.....0	.....4.41	.....37,154	.....8,482
6. 2005.	.....562,068	.....140,675	.....421,393	.....63.8	.....107.9	.....56.2	.....0	.....0	.....4.41	.....42,889	.....9,222
7. 2006.	.....462,114	.....58,846	.....403,268	.....53.3	.....54.2	.....53.2	.....0	.....0	.....4.41	.....60,868	.....12,461
8. 2007.	.....496,968	.....51,066	.....445,903	.....52.1	.....30.8	.....56.6	.....0	.....0	.....4.41	.....85,866	.....19,183
9. 2008.	.....603,615	.....59,090	.....544,525	.....68.3	.....66.3	.....68.5	.....0	.....0	.....4.41	.....126,018	.....31,282
10. 2009.	.....548,936	.....41,931	.....507,006	.....63.0	.....58.7	.....63.3	.....0	.....0	.....4.41	.....155,591	.....34,981
11. 2010.	.....584,161	.....35,020	.....549,141	.....67.4	.....54.4	.....68.4	.....0	.....0	.....4.41	.....257,195	.....55,181
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....1,277,300	.....296,098

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.....	1,037,332	1,176,865	1,235,245	1,336,899	1,402,506	1,433,935	1,451,945	1,467,225	1,466,890	1,470,478	3,588	3,253
2. 2001.....	501,705	504,872	526,284	536,157	530,031	536,724	533,251	536,391	534,188	529,913	(4,275)	(6,478)
3. 2002.....	XXX	450,291	412,646	426,659	432,914	435,838	433,168	432,281	430,183	422,309	(7,874)	(9,972)
4. 2003.....	XXX	XXX	451,193	427,918	437,906	436,422	438,932	440,014	431,595	427,283	(4,312)	(12,730)
5. 2004.....	XXX	XXX	XXX	493,973	448,252	429,002	417,437	402,854	396,376	389,151	(7,224)	(13,703)
6. 2005.....	XXX	XXX	XXX	XXX	501,873	460,689	445,087	414,642	402,410	392,725	(9,685)	(21,917)
7. 2006.....	XXX	XXX	XXX	XXX	XXX	419,691	405,921	383,609	375,355	369,268	(6,087)	(14,341)
8. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	432,286	420,786	409,094	408,969	(125)	(11,818)
9. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	496,960	501,327	499,082	(2,245)	2,122
10. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	465,314	462,375	(2,939)	XXX
11. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	497,155	XXX	XXX
12. Totals.....											(41,178)	(85,584)

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	269,871	484,914	585,779	686,014	766,136	830,007	904,366	942,678	979,144	XXX	XXX
2. 2001.....	148,975	267,451	342,317	393,614	429,117	448,534	460,933	469,774	475,375	481,963	XXX	XXX
3. 2002.....	XXX	127,142	213,785	266,513	308,604	339,304	358,410	370,837	377,697	382,115	XXX	XXX
4. 2003.....	XXX	XXX	130,993	224,825	285,505	321,354	348,989	364,483	373,534	379,845	XXX	XXX
5. 2004.....	XXX	XXX	XXX	130,830	223,213	268,139	301,814	321,633	334,862	343,441	XXX	XXX
6. 2005.....	XXX	XXX	XXX	XXX	139,888	242,546	282,456	310,423	328,329	340,741	XXX	XXX
7. 2006.....	XXX	XXX	XXX	XXX	XXX	134,031	207,644	247,024	275,498	297,076	XXX	XXX
8. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	145,845	227,675	273,128	305,133	XXX	XXX
9. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	191,064	291,513	345,736	XXX	XXX
10. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	178,971	276,947	XXX	XXX
11. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	201,465	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior.....	465,655	426,325	376,072	388,004	377,715	360,543	343,447	308,061	286,775	266,240
2. 2001.....	227,553	120,997	85,251	54,715	36,793	37,487	31,191	31,864	28,470	22,419
3. 2002.....	XXX	221,886	102,766	73,085	54,613	44,387	38,226	35,089	31,461	22,324
4. 2003.....	XXX	XXX	225,067	111,813	76,351	53,589	44,585	42,238	31,680	25,185
5. 2004.....	XXX	XXX	XXX	264,758	143,810	93,786	66,232	46,658	35,140	25,936
6. 2005.....	XXX	XXX	XXX	XXX	230,987	143,604	108,952	65,711	47,491	32,880
7. 2006.....	XXX	XXX	XXX	XXX	XXX	197,029	130,525	85,049	61,073	45,364
8. 2007.....	XXX	XXX	XXX	XXX	XXX	XXX	190,340	119,607	82,065	63,597
9. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	199,805	123,303	88,194
10. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	188,725	109,486
11. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	183,507

UNITED STATES FIDELITY AND GUARANTY COMPANY 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		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 Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL.....L.....	AL	262,225	610,132	0	1,617,874	3,154,496	40,702,975	257	0
2. Alaska.....AK.....L.....	AK	179,281	1,466,449	0	886,166	1,424,241	4,343,204	33	0
3. Arizona.....AZ.....L.....	AZ	7,644,054	7,671,450	0	2,784,081	7,279,464	13,862,279	7,740	0
4. Arkansas.....AR.....L.....	AR	191,339	230,662	0	129,540	(3,425,318)	8,998,585	207	0
5. California.....CA.....L.....	CA	36,595,211	37,948,798	0	35,955,763	18,551,126	294,700,921	55,222	0
6. Colorado.....CO.....L.....	CO	429,987	521,669	0	2,257,527	(955,011)	9,257,621	683	0
7. Connecticut.....CT.....L.....	CT	819,674	899,442	0	(107,957)	(586,701)	9,787,890	2,100	0
8. Delaware.....DE.....L.....	DE	353,461	366,031	0	296,159	(1,064,861)	1,784,760	352	0
9. District of Columbia.....DC.....L.....	DC	76,035	98,348	0	1,096,121	(145,946)	1,156,952	40	0
10. Florida.....FL.....L.....	FL	1,111,801	1,985,476	0	3,649,608	(4,391,993)	97,747,293	302	0
11. Georgia.....GA.....L.....	GA	2,077,485	2,328,354	0	1,993,929	1,582,136	17,168,052	3,369	0
12. Hawaii.....HI.....L.....	HI	300,596	574,556	0	179,382	(523,796)	2,274,662	23	0
13. Idaho.....ID.....L.....	ID	310,927	329,704	0	165,510	(68,978)	1,710,605	629	0
14. Illinois.....IL.....L.....	IL	333,668	1,299,710	0	4,290,340	3,416,365	31,519,123	332	0
15. Indiana.....IN.....L.....	IN	482,929	505,964	0	(1,210,099)	(3,104,109)	15,111,059	238	0
16. Iowa.....IA.....L.....	IA	989,950	966,036	0	1,437,040	785,507	9,935,829	725	0
17. Kansas.....KS.....L.....	KS	150,542	260,692	0	339,310	559,043	7,184,147	129	0
18. Kentucky.....KY.....L.....	KY	428,951	330,679	0	371,225	1,663,540	20,337,473	362	0
19. Louisiana.....LA.....L.....	LA	1,068,481	2,349,677	0	5,236,106	5,988,859	88,661,085	849	0
20. Maine.....ME.....L.....	ME	239,677	393,482	0	181,380	(573,862)	5,731,422	351	0
21. Maryland.....MD.....L.....	MD	1,328,516	1,737,289	0	895,875	(480,149)	12,583,559	1,401	0
22. Massachusetts.....MA.....L.....	MA	870,714	871,338	0	1,715,051	2,686,121	34,095,866	2,028	0
23. Michigan.....MI.....L.....	MI	1,512,188	1,634,960	0	5,860,717	4,590,583	60,124,352	1,802	0
24. Minnesota.....MN.....L.....	MN	3,023,187	3,203,752	0	1,836,382	1,813,823	10,825,584	2,364	0
25. Mississippi.....MS.....L.....	MS	351,434	461,213	0	1,728,506	(1,369,071)	56,029,494	259	0
26. Missouri.....MO.....L.....	MO	1,356,650	1,429,302	0	2,879,743	3,889,996	19,602,926	1,608	0
27. Montana.....MT.....L.....	MT	259,827	314,549	0	(57,808)	(208,469)	6,966,821	550	0
28. Nebraska.....NE.....L.....	NE	454,482	271,216	0	601,801	643,301	5,295,251	402	0
29. Nevada.....NV.....L.....	NV	543,346	682,207	0	406,663	(216,024)	3,633,625	669	0
30. New Hampshire.....NH.....L.....	NH	27,877	(21,557)	0	318,200	(391,097)	2,277,439	52	0
31. New Jersey.....NJ.....L.....	NJ	1,101,313	1,221,820	0	(2,836,220)	(11,571,386)	32,307,570	1,961	0
32. New Mexico.....NM.....L.....	NM	126,660	176,932	0	918,761	(508,026)	13,942,519	128	0
33. New York.....NY.....L.....	NY	3,583,825	3,788,014	0	17,683,091	15,606,802	38,198,575	6,035	0
34. North Carolina.....NC.....L.....	NC	1,205,512	1,353,663	0	1,309,652	(2,484,478)	15,810,830	1,657	0
35. North Dakota.....ND.....L.....	ND	15,385	21,573	0	18,614	(104,864)	291,278	3	0
36. Ohio.....OH.....L.....	OH	3,117,390	3,114,912	0	426,649	2,721,775	17,226,795	2,483	0
37. Oklahoma.....OK.....L.....	OK	502,452	447,028	0	923,473	522,973	17,692,444	38	0
38. Oregon.....OR.....L.....	OR	5,826,465	6,726,145	0	17,654	1,228,922	11,461,643	9,000	0
39. Pennsylvania.....PA.....L.....	PA	6,131,751	844,282	0	5,710,008	(4,005,483)	110,561,700	6,927	0
40. Rhode Island.....RI.....L.....	RI	73,234	105,395	0	109,325	551,514	2,298,107	160	0
41. South Carolina.....SC.....L.....	SC	1,041,004	861,128	0	2,841,258	1,631,644	15,325,910	1,554	0
42. South Dakota.....SD.....L.....	SD	159,760	163,262	0	288,655	(1,069,919)	1,491,823	128	0
43. Tennessee.....TN.....L.....	TN	781,194	1,425,262	0	2,916,018	2,619,291	23,100,134	808	0
44. Texas.....TX.....L.....	TX	1,927,586	1,851,496	0	3,649,013	3,886,973	55,852,364	2,513	0
45. Utah.....UT.....L.....	UT	151,027	138,282	0	89,581	(549,236)	3,753,555	300	0
46. Vermont.....VT.....L.....	VT	1,916,733	1,827,844	0	10,121,448	10,064,212	6,397,850	3,659	0
47. Virginia.....VA.....L.....	VA	734,164	1,455,941	0	3,727,708	4,883,818	35,506,626	1,087	0
48. Washington.....WA.....L.....	WA	150,352	239,626	0	765,561	926,268	3,131,633	358	0
49. West Virginia.....WV.....L.....	WV	154,490	104,316	0	229,847	(644,584)	2,763,581	59	0
50. Wisconsin.....WI.....L.....	WI	23,608,977	22,927,729	0	7,526,646	19,583,916	43,185,191	10,218	0
51. Wyoming.....WY.....L.....	WY	30,677	42,990	0	(125)	(201,023)	493,456	3	0
52. American Samoa.....AS.....N.....	AS	0	0	0	0	0	0	0	0
53. Guam.....GU.....N.....	GU	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR.....L.....	PR	1,958	3,624	0	93,528	(4,326,498)	14,145,949	0	0
55. US Virgin Islands.....VI.....L.....	VI	400	400	0	0	(4,934)	15,053	0	0
56. Northern Mariana Islands.....MP.....N.....	MP	0	0	0	0	0	0	0	0
57. Canada.....CN.....N.....	CN	0	0	0	0	(1,608)	1,973	0	0
58. Aggregate Other Alien.....OT.....XXX.....	OT	(2,436,214)	(223,112)	0	7,818,138	141,531,170	0	0	0
59. Totals.....(a).....53.....	(a)	113,680,590	120,340,129	0	134,264,279	87,097,426	1,499,898,582	134,163	0

DETAILS OF WRITE-INS

5801. Other Alien Combined.....XXX.....	XXX	(2,436,214)	(223,112)	0	0	7,818,138	141,531,170	0	0
5802.....XXX.....	XXX	0	0	0	0	0	0	0	0
5803.....XXX.....	XXX	0	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page.....XXX.....	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above).....XXX.....	XXX	(2,436,214)	(223,112)	0	0	7,818,138	141,531,170	0	0

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

(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.

1. FIRE; 2. ALLIED LINES; 3. FARMOWNERS MULTIPLE PERIL; 4. HOMEOWNERS MULTIPLE PERIL; 5. COMMERCIAL MULTIPLE PERIL; 12. EARTHQUAKE; 26. BURGLARY AND THEFT; 27. BOILER AND MACHINERY-LOCATION OF PROPERTY INSURED; 8. OCEAN MARINE-LOCATION WHERE CONTRACT OF INSURANCE IS NEGOTIATED, EXCEPT BUILDERS RISKS WHICH ARE ALLOCATED ON LOCATIONS OF RISK; 9. INLAND MARINE-ADDRESS OF INSURED OR STATE OF PRINCIPAL EXPOSURE, BRIDGES AND TUNNELS-LOCATION OF PROPERTY; 10. FINANCIAL GUARANTY; 13. GROUP ACCIDENT AND HEALTH; 15. OTHER ACCIDENT AND HEALTH; 28. CREDIT-LOCATION OF INSURED; 11. MEDICAL MALPRACTICE; 16. WORKERS COMPENSATION; 17. OTHER LIABILITY; 18 PRODUCTS LIABILITY-LOCATION OF RISK; 19. AUTO LIABILITY; 21. AUTO PHYSICAL DAMAGE-LOCATION OF PRINCIPAL GARAGE OF INSURED; 22. AIRCRAFT (ALL PERILS)-LOCATION OF AIRPORT FROM WHICH INSURED AIRCRAFT PRINCIPALLY OPERATE; 23. FIDELITY-FORGERY-LOCATION OF INSURED, PUBLIC AND FEDERAL OFFICIAL-LOCATION OF OFFICIAL, ALL OTHER FIDELITY-LOCATION OF EMPLOYER; 24. SURETY-CONSTRUCTION CONTRACT-LOCATION OF WORK, SUPPLY CONTRACTS-LOCATION OF CONTRACTOR, JUDICIAL-LOCATION OF COURT, LICENSE-LOCATION OF OBLIGEE; ALL OTHER-LOCATION OF PRINCIPAL.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**

The Travelers Companies, Inc.	Minnesota	41-0518860	... .. Travelers Casualty and Surety Company of America (31194) *	Connecticut	06-0907370
... St. Paul Fire and Marine Insurance Company (24767) *	Connecticut	41-0406690	... .. Travelers Brazil Holding, LLC	Delaware	
... St. Paul Mercury Insurance Company (24791) *	Connecticut	41-0881659	... .. Travelers Casualty Insurance Company of America (19046) *	Connecticut	06-0876835
... St. Paul Guardian Insurance Company (24775) *	Connecticut	41-0963301	... .. Travelers Casualty Company of Connecticut (36170) *	Connecticut	06-1286266
... St. Paul Fire and Casualty Insurance Company (40967) *	Wisconsin	41-1419276	... .. Travelers Casualty UK Investments, LLC	Delaware	
... St. Paul Surplus Lines Insurance Company (30481) *	Delaware	41-1230819	... .. Travelers Commercial Insurance Company (36137) *	Connecticut	06-1286268
... Athena Assurance Company (41769) *	Connecticut	41-1435765	... .. Travelers Excess and Surplus Lines Company (29696) *	Connecticut	06-1203698
... St. Paul Medical Liability Insurance Company (41750) *	Connecticut	41-1435766	... .. Travelers Lloyds of Texas Insurance Company (41564) *	Texas	75-1732040
... Northbrook Holdings, Inc.	Delaware	51-0375653	... .. The Travelers Indemnity Company (25658) *	Connecticut	06-0566050
... Discover Property & Casualty Insurance Company (36463) *	Illinois	36-2999370	... .. The Charter Oak Fire Insurance Company (25615) *	Connecticut	06-0291290
... St. Paul Protective Insurance Company (19224) *	Illinois	36-2542404	... .. First Floridian Auto and Home Insurance Company (10647) *	Florida	59-3372141
... Discover Specialty Insurance Company (10213) *	Illinois	52-1925132	... .. First Trenton Indemnity Company (29930) *	Connecticut	22-3129711
... United States Fidelity and Guaranty Company (25887) *	Connecticut	52-0515280	... .. Gulf Underwriters Insurance Company (42811) *	Connecticut	56-1371361
... Fidelity and Guaranty Insurance Underwriters, Inc. (25879) *	Wisconsin	52-0616768	... .. Select Insurance Company (22233) *	Texas	75-6013697
... Fidelity and Guaranty Insurance Company (35386) *	Iowa	42-1091525	... .. Gulf Underwriting Limited *	United Kingdom	
... MMI Capital Trust I	Delaware	52-2073764	... .. Travelers Casualty and Surety Company of Europe, Limited *	United Kingdom	
... USF&G Capital I	Delaware	52-1953822	... .. Commercial Guaranty Insurance Company (38385) *	Delaware	75-1679830
... USF&G Capital III	Delaware	52-2044075	... .. Jupiter Holdings, Inc.	Minnesota	41-1769846
... 350 Market Street, LLC	Delaware	41-0406690	... .. American Equity Insurance Company (43117) *	Arizona	86-0703220
... UA Combined Investment Company, Ltd	United Kingdom		... .. American Equity Specialty Insurance Company (10819) *	Connecticut	86-0868106
... Travelers Insurance Company Limited *	United Kingdom	AA-1121375	... .. Northland Insurance Company (24015) *	Connecticut	41-6009967
... Travelers Property Casualty Corp.	Connecticut	06-1008174	... .. Northfield Insurance Company (27987) *	Iowa	41-0983992
... Travelers Insurance Group Holdings Inc.	Delaware	06-1445591	... .. Northland Casualty Company (24031) *	Connecticut	94-6051964
... The Standard Fire Insurance Company (19070) *	Connecticut	06-6033509	... .. Travelers Indemnity UK Investments, LLC	Connecticut	
... Standard Fire Properties, LLC	Delaware	06-6033509	... .. The Phoenix Insurance Company (25623) *	Connecticut	06-0303275
... Standard Fire UK Investments, LLC	Delaware		... .. The Travelers Indemnity Company of America (25666) *	Connecticut	58-6020487
... The Automobile Insurance Company of Hartford, Connecticut (19062) *	Connecticut	06-0848755	... .. The Travelers Indemnity Company of Connecticut (25682) *	Connecticut	06-0336212
... Auto Hartford Investments, LLC	Delaware	06-0848755	... .. Travelers Property Casualty Company of America (25674) *	Connecticut	36-2719165
... Travelers Personal Security Insurance Company (36145) *	Connecticut	06-1286264	... .. Constitution State Services, LLC	Delaware	06-1501229
... Travelers Property Casualty Insurance Company (36161) *	Connecticut	06-1286274	... .. The Premier Insurance Company of Massachusetts (12850) *	Massachusetts	04-3175569
... Travelers Personal Insurance Company (38130) *	Connecticut	36-3703200	... .. TravCo Insurance Company (28188) *	Connecticut	35-1838077
... Travelers (Bermuda) Limited *	Bermuda	98-0190863	... .. TINDY Foreign, Inc	Delaware	20-4403403
... Travelers Casualty and Surety Company (19038) *	Connecticut	06-6033504	... .. Travelers Commercial Casualty Company (40282) *	Connecticut	95-3634110
... Farmington Casualty Company (41483) *	Connecticut	06-1067463	... .. The Travelers Home and Marine Insurance Company (27998) *	Connecticut	35-1838079
... Travelers Guarantee Company of Canada*	Canada		... .. The Travelers Lloyds Insurance Company (41262) *	Texas	76-0002592
... Coronation Insurance Company, Ltd. *	Canada		... .. The Travelers Marine Corporation	California	94-0338230

Notes:

* Denotes affiliated insurer

Unless otherwise stated, subsidiaries listed above are 100% owned by respective parent

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